

Synthomer plc
Results for the year ended 31 December 2024
Robust progress driven by self-help, with momentum building

Year ended 31 December	2024	2023	Change	Constant currency ¹
	£m	£m	%	%
Continuing operations²				
Revenue	1,986.8	1,940.6	+2.4%	+5.1%
Coatings & Construction Solutions (CCS)	85.9	100.1	(14.2)%	(12.2)%
Adhesive Solutions (AS)	47.9	31.2	+53.5%	+57.1%
Health & Protection and Performance Materials (HPPM)	36.5	26.3	+38.8%	+40.3%
Corporate	(23.7)	(20.2)		
EBITDA ³	146.6	137.4	+6.7%	+9.2%
EBITDA margin (%)	7.4%	7.1%		
Underlying ⁴ operating profit (EBIT)	50.4	33.4	+50.9%	+54.5%
Statutory operating loss (EBIT)	(24.1)	(39.5)		
Results from continuing and discontinued operations²				
Underlying ⁴ loss before tax	(7.2)	(31.1)		
Statutory loss before tax	(87.3)	(53.7)		
Underlying ⁴ EPS ⁵ (p)	(2.5)	(35.1)		
Basic EPS ⁵ (p)	(44.4)	(78.5)		
Free Cash Flow ⁶	(54.7)	85.7		
Net debt ⁷	597.0	499.7		

- **FY 2024 trading in line with expectations, with robust revenue, EBITDA and underlying EPS improvement**
- **Overall volumes +8.4%, despite mixed end-market demand trends**
 - Activity levels and capacity utilisation improving, but still significantly below pre-pandemic levels
 - Revenue +5.1% in constant currency after pass-through of lower raw material prices vs 2023
- **+9.2% constant currency EBITDA growth and margin progress, driven by self-help actions and strategic delivery**
 - Gross profit margin improved by 150bps, reflecting speciality strategy benefits and higher capacity utilisation
 - Self-help benefits of c.£26m, partially offset by previously disclosed wage inflation and bonus normalisation
 - +54.5% underlying EBIT in constant currency, with lower depreciation reflecting site footprint reductions
 - Adhesive Solutions regained share in flat markets via reliability and performance improvement programme
 - Health & Protection and Performance Materials progress led by improving demand for nitrile latex for gloves
 - Mixed performance in Coatings & Construction Solutions, with coatings share gains and stable consumer offset by poor construction activity, delayed energy orders and a significant share of higher operating costs
- **Stable financial position to support delivery of strategy and earnings recovery**
 - Net debt increased as expected, reflecting non-recurring EC fine settlement and deferred pension contributions, and reduction in use of committed receivables financing facility at year end
 - Free Cash Flow⁵ broadly neutral excluding receivables financing movement and pension contributions
 - 4.6x covenant net debt: EBITDA well within requirements; more than £470m of undrawn committed liquidity
 - €350m bond refinancing completed in 2024, next major debt maturity in 2027
- **Strategic momentum building; continuing to reallocate capital, people and time towards areas of greatest returns**
 - Compounds divestment completed in April; other non-core divestment projects progressing
 - Manufacturing sites reduced to 31 (from 43 at start of new strategy)
 - Zero-capital US partnership for nitrile latex signed
 - China innovation centre opened, ISCC+ site certification supports customers' growing sustainability agendas
- **Current trading and outlook – further financial progress from self-help and strategic delivery expected in 2025**
 - Current trading in line with our expectations, which assumed a muted start to the year compared with 2024
 - £25-30m in self-help and strategy benefits expected in 2025, with less offsetting cost headwinds than 2024, give confidence of further earnings progress, positive Free Cash Flow⁶ and deleveraging in 2025
 - Remain ambitious to more than double Synthomer's recent earnings levels in medium term, through ongoing self-help actions, end-market volume recovery and strategic delivery

Commenting, Synthomer CEO Michael Willome said:

“We are pleased to report robust financial and strategic progress in 2024, with growth in profitability driven by our self-help cost and reliability programmes and our strategic repositioning continuing to build momentum. Although overall demand in our end markets is recovering only slowly at this stage and the global economy faces a high degree of macroeconomic and political uncertainty, our strategic transformation continues to enhance our ability to convert increasing volumes into substantially greater profitability and returns. In the meantime, we have a stable balance sheet and expect deleveraging from further self-help in the current year. Our direction remains clear: further specialisation is at the heart of our strategy, because speciality products with differentiated benefits for end-users will be the greatest drivers of improved returns for our business in the medium to long term.”

The Company will host a meeting for analysts and investors at 9:00am GMT today at the Royal Society of Chemistry, Burlington House, Piccadilly, London W1J 0BA. The meeting will also be webcast via our website at www.synthomer.com or on https://brrmedia.news/SYNT_FY_2024. This will also be available for playback after the event.

Further information:

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Notes

1. Constant currency revenue and profit measures retranslate current year results using the prior year's average exchange rates.
2. Laminates, Films and Coated Fabrics, North America Paper and Carpet and the Compounds business, which combined contributed revenue of £9.8m and EBITDA of £2.6m in 2024 (2023: £80.6m and £1.7m respectively), are classed as discontinued operations throughout this announcement.
3. Operating profit before depreciation, amortisation and Special Items.
4. Underlying performance excludes Special Items unless otherwise stated.
5. 2024 EPS based on weighted average number of consolidated shares in issue during the year of 163.5m (2023: 85.4m, reflecting the rights issue and share consolidation undertaken in October 2023).
6. Free Cash Flow is defined as the movement in net debt before financing activities, foreign exchange and the cash impact of Special Items, asset disposals and business combinations.
7. Cash and cash equivalents together with short and long-term borrowings.

Legal Entity Identifier (LEI): 213800EHT3T11KPQQJ56. Classification as per DTR 6 Annex 1R: 1.2.

Synthomer plc is a leading supplier of high-performance, highly specialised polymers and ingredients that play vital roles in key sectors such as coatings, construction, adhesives, and health and protection – growing markets for customers who serve billions of end users worldwide. Headquartered in London, UK and listed there since 1971, we employ c.4,000 employees across our five innovation centres of excellence and 31 manufacturing sites across Europe, North America, Middle East and Asia. With more than 6,000 blue-chip customers and £2.0bn in continuing revenue in 2024, our business is built around three divisions, serving customers in attractive end markets where demand is driven by global megatrends including urbanisation, demographic change, climate change and sustainability, and shifting economic power.

In Coatings & Construction Solutions, our specialist polymers enhance the sustainability and performance of a wide range of coatings and construction products. We serve customers in applications including architectural and masonry coatings, mortar modification, waterproofing and flooring, fibre bonding, and energy solutions. In Adhesive Solutions our products help our customers bond, modify and compatibilise surfaces and components for applications including tapes and labels, packaging, hygiene, tyres and plastic modification, improving permeability, strength, elasticity, damping, dispersion and grip. In Health & Protection and Performance Materials we are a world-leading supplier of water-based polymers for medical gloves, and a major European manufacturer of high-performance binders, foams and other products serving customers in a range of end markets.

Our purpose is creating innovative and sustainable solutions for the benefit of customers and society. Around 20% of our sales volumes are from new and patent protected products. At our innovation centres of excellence in the UK, China, Germany, Malaysia and Ohio, USA we collaborate closely with our customers to develop new products and enhance existing ones tailored to their needs, with an increasing range of sustainability benefits. Our 2030 decarbonisation targets have been approved by the Science Based Targets initiative as being in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement, and since 2021 we have held the London Stock Exchange Green Economy Mark, which recognises green technology businesses making a significant contribution to a more sustainable, low-carbon economy. Find us at www.synthomer.com or search for Synthomer on LinkedIn.