

# Financial statements

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*Controlling the controllables,  
while driving further specialisation.*

# Independent auditors' report

to the members of Synthomer plc

## Report on the audit of the financial statements

### Opinion

In our opinion:

- Synthomer plc's Group financial statements and Company financial statements (the financial statements) give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2025 and of the Group's loss and the Group's cash flows for the year then ended
- The Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006
- The Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework, and applicable law)
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report 2025 (the Annual Report), which comprise:

- The Consolidated balance sheet as at 31 December 2025
- The Company statement of financial position as at 31 December 2025
- The Consolidated income statement for the year then ended
- The Consolidated statement of comprehensive income for the year then ended
- The Consolidated statement of changes in equity for the year then ended
- The Company statement of changes in equity for the year then ended
- The Consolidated cash flow statement for the year then ended
- The Reconciliation of net cash flow from operating activities to movement in net debt for the year then ended
- The notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 7 to the consolidated financial statements, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

### Our audit approach

#### Overview

##### Audit scope

- As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements
- Audit scope covers procedures over 11 significant components due to risk or size, across six countries
- Audit procedures provide coverage of 73% of revenue for significant components due to risk or size

##### Key audit matters

- Impairment of goodwill assets (Group)
- Presentation of Special Items (Group)
- Recoverability of investments in subsidiaries (parent)

##### Materiality

- Overall Group materiality: £8,400,000 (2024: £9,900,000) based on 0.5% of revenue (2024: 0.5% of revenue).
- Overall company materiality: £7,560,000 (2024: £8,910,000) based on 1% of total assets capped at 90% of Group materiality (2024: 1% of total assets capped at 90% of Group materiality).
- Performance materiality: £6,300,000 (2024: £7,425,000) (Group) and £5,670,000 (2024: £6,682,000) (Company).

##### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

**Key audit matters**

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Valuation of defined benefit pension obligations (Group) and amounts owed by Group undertakings (parent), which were key audit matters last year, are no longer included because of the change of results from our assessment that the risk associated with the estimates and assumptions in pension valuations and amount owed by Group undertaking has decreased from the prior year. Our analysis indicates that these areas no longer present a risk of material misstatement, and the audit procedures involved have become more straightforward and routine. Therefore, these matters have been excluded from this year's key audit matters. Otherwise, the key audit matters below are consistent with last year.

**Key audit matter****How our audit addressed the key audit matter****Impairment of goodwill assets (Group)**

As set out in note 13, the Group had goodwill of £443.0m (2024: £455.1m) at 31 December 2025, after an impairment of £nil (2024: £nil). This is significant in the context of the consolidated balance sheet of the Group. We consider this to be a key audit matter because the estimates underlying the recoverability of goodwill are subject to high estimation uncertainty, particularly in a year where the Group's performance and market capitalisation has significantly deteriorated. Management's assessment of the 'value in use' of the Group's cash generating units (CGUs) involves judgements about the future results of the businesses, particularly assumptions around short-term growth rates, long-term growth rates and the weighted average cost of capital applied to future cash flow forecasts, where there is a higher degree of sensitivity.

Procedures performed included: Understanding and assessing the design and implementation of business processes and controls related to the assessment of the carrying value of goodwill for impairment. Assessing the reasonableness of the impairment model and understanding management's process and judgements utilised for developing estimates and assumptions. This included testing of the underlying "value-in-use" calculations. Agreeing the inputs in management's impairment model to board approved plans. Performing a retrospective review of the previous year estimates by comparing this to actual results in the current year. Comparing future cash flow performance to historical levels, as well as to industry forecasts as part of our assessment as to whether the planned performance was considered achievable. Engaging with management's expert to understand and assess the key assumptions and methodology used in the calculation of the weighted average cost of capital. Engaging our internal valuation specialists to assist in the assessment of the reasonableness of the weighted average cost of capital and long-term growth rate assumptions used by management. Assessing corroborating or contradictory evidence relating to significant assumptions in the cash flow projections. Performing sensitivity analyses based on reasonably possible outcomes. Checking the mathematical accuracy of the calculations. Assessing the effect of climate change included in management's cashflow forecast. Reviewing the disclosures in the financial statements in respect of the carrying value of goodwill. Based on the procedures performed, we concluded that no impairment was required.

**Presentation of Special Items (Group)**

The Group presents two measures of performance in the income statement: statutory and underlying, the latter after adjusting for certain items of income or expenses (Special Items), because management believes the additional underlying measure provides additional useful information on the underlying trends, performance and position of the Group. The determination of which items of income or expense are classified as Special Items is subject to judgement and therefore users of the financial statements could be misled if amounts are not classified appropriately. Descriptions of the amounts presented as Special Items are included in note 4 to the financial statements.

We considered the appropriateness of amounts classified as special items. To do this we considered: The Group's accounting policy on special items and pronouncements by the Financial Reporting Council on this matter. Assessing the income and expenses classified as special items against the Group's accounting policies. Challenging management on the appropriateness of the classification of such special items, being mindful that classification should be even-handed between gains and losses, the basis of the classification should be clearly disclosed and a clear reconciliation to statutory measures provided and applied consistently one year to the next. Challenging management on the quantum of the special items, and the estimates underpinning a number of these items. Having considered the nature and quantum of these items, overall we are satisfied that the presentation of special items in the financial statements for the year ended 31 December 2025 is materially appropriate and consistent with previous years.

**Key audit matter****Recoverability of investments in subsidiaries (parent)**

As disclosed in note 3 of the Company's financial statements, the Company held investments in subsidiaries of £985.1m (2024: £896.2m) at 31 December 2025. This is significant in the context of the overall statement of financial position of the Company. We consider this to be a key audit matter because the estimates underlying the recoverability of investments in subsidiaries are subject to high estimation uncertainty, particularly in a year where the overall Group's trading performance and market capitalisation has significantly deteriorated. Management's assessment of recoverability of the carrying value of these investments, involves judgements about the future results of the businesses, particularly assumptions around short-term growth rates, long-term growth rates and the weighted average cost of capital applied to future cash flow forecasts, where there is a higher degree of sensitivity.

**How we tailored the audit scope**

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

As set out in note 5 Segmental analysis, the Group reports its results as three segments: Coatings & Construction Solutions, Adhesive Solutions, and Health & Protection and Performance Materials. The Group's financial statements are a consolidation of reporting units, being holding companies, intermediate holding companies and operating companies, across more than 20 countries. Two countries, being the USA and the UK, account for a significant portion of the Group's results. We accordingly focused our work on five of the reporting units in these countries, which were subject to audits of their financial information. In addition, to increase our coverage of the Group's revenue we performed audit procedures on an additional six reporting units located in Germany, Malaysia, the Czech Republic and the Netherlands. All these components accounted for 73% of the Group's revenue.

Where work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group's financial statements as a whole. During the audit, senior members of the Group team held a number of meetings with all of the component teams and reviewed the work performed by these teams over those areas of higher audit risk.

At the Group level, we also carried out targeted analytical procedures on non-significant components not covered by the procedures described above. The Group engagement team also performed audit procedures over the consolidation process.

Synthomer plc (the Company) was in full scope and the audit procedures over the Company's transactions and balances were performed by the Group audit team. The Company's material financial statement line items which were in scope for the Group audit are other intangible assets, cash and cash equivalents, borrowings and other payables among others. The Company is also audited on a stand-alone basis, hence, testing has been performed on all material financial statement line items included in the Company standalone financial statements.

**How our audit addressed the key audit matter**

Our procedures included the following: Assessing the recoverable value with reference to the net assets of the underlying subsidiaries. Testing management's impairment assessment which is derived from the value in use model used to assess impairment for the Group's CGUs, adjusted to reflect the relevant cash flows. Therefore, where appropriate, we leveraged the audit procedures performed from our work over the impairment of goodwill assets, as set out above. Validating the required adjustments made in the model to support the investment value, including consideration of intercompany balances. Reviewing the disclosures in the financial statements in respect of the carrying value of investment in subsidiaries. Based on the procedures performed, we noted no material issues.

**The impact of climate risk on our audit**

As part of our audit, we made enquiries of management to understand the process management has adopted to assess the extent of the potential impact of climate risk on the Group's financial statements and to support the disclosures made within the Task Force on Climate-related Financial Disclosures (TCFD) report. In addition to enquiries with management, we also read the governance processes in place to assess climate risk. We challenged the completeness of management's climate risk assessment by reading the Group's website and communications for details of climate-related impacts. Management has made commitments to achieve net zero carbon emissions by 2050, and with Vision 2030 they are working on their pathway towards this. Management considers that the impact of climate risk does not give rise to a potential material financial statement impact. Using our knowledge of the business, we evaluated management's risk assessment and its estimates as set out in note 2 of the financial statements and resulting disclosures where significant. We considered impairment of non-current assets, especially impairment of goodwill and intangible assets, as the area to potentially be materially affected by climate risk, and consequently we focused our audit work in this area. To respond to the audit risks identified in this area, we tailored our audit approach to address these – in particular, we challenged management on how the impact of climate commitments made by the Group would affect the assumptions within the discounted cash flows prepared by management that are used in the Group's impairment analysis. We also considered the consistency of the disclosures in relation to climate change (including the disclosures in the TCFD section) within the Annual Report with the financial statements and our knowledge obtained from our audit. Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters for the year ended 31 December 2025.

**Materiality**

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£8,400,000 (2024: £9,900,000).	£7,560,000 (2024: £8,910,000).
How we determined it	0.5% of revenue (2024: 0.5% of revenue)	1% of total assets capped at 90% of Group materiality (2024: 1% of total assets capped at 90% of Group materiality)
Rationale for benchmark applied	In determining materiality, we considered both profit before tax and revenue as the acceptable benchmarks. We considered profit before tax to be an appropriate benchmark because it is one of the key metrics for investors and is used by the Board in measuring the Group's financial performance. We considered total revenue to be appropriate given the focus of investors on revenues and top line growth. This provided a wide range of acceptable materiality levels. In our judgement, the Group is currently experiencing volatile results but less volatile revenues and their operations remain largely consistent year on year. We therefore consider revenue to remain an appropriate benchmark to use. The materiality benchmark selected therefore is consistent at 0.5% of revenue based on which we determined a materiality of £8,400,000.	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the Company, and is a generally accepted benchmark. The value is capped for the purpose of the Group audit with reference to Group materiality.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £1,000,000 and £7,980,000. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £6,300,000 (2024: £7,425,000) for the Group financial statements and £5,670,000 (2024: £6,682,000) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £420,000 (Group audit) (2024: £495,000) and £378,000 (Company audit) (2024: £445,000), as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

## Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding and evaluating the design and implementation of relevant controls related to the Directors' assessment of going concern
- Obtaining the Directors' going concern assessment – including cash flow forecast, liquidity requirements and forecast covenant calculations for the going concern period – based on the executed refinancing agreements, and performing integrity checks including testing the mathematical accuracy, and reconciling them to Board-approved budgets and forecasts
- Evaluating the key assumptions management has applied in developing its base case. We challenged various aspects of management's base case including consideration of potential downside risks
- Recalculating both debt and liquidity covenants and assessing compliance over the forecast period, in management's base case and severe but plausible downside scenario, including assessment of management's sensitivities and mitigations
- Evaluating and challenging management's stress-test modelling to understand the impact on the Group and the Company's liquidity and covenant ratios
- Obtaining and understanding the terms of the key refinancing documents and the related process, including term sheet, long-form documents and all other related documents to evaluate whether the terms and conditions are appropriate
- Performing inquiries with key stakeholders, including the financial advisors and the Company's external legal counsel, to corroborate management's position and independently verify management's assessment around the refinancing
- Assessing the conditions precedent to ensure that these have been appropriately completed to the extent required, to evidence the successful execution of the refinancing, and that any remaining conditions are administrative in nature and fully under the control of management
- Using the work of experts, including business restructuring experts, to support us in understanding aspects of management's assessment and informing our challenges to management
- Assessing the appropriateness of the disclosures within the financial statements, as disclosed in note 2, relating to going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code (Code), we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

### Directors' remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

## Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Governance report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and the Company's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements
- The Directors' explanation as to their assessment of the Group's and the Company's prospects, the period this assessment covers and why the period is appropriate
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and the Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider that the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and the Company's position, performance, business model and strategy
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

## Responsibilities for the financial statements and the audit

### Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of environmental, health and safety and competition regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Listing Rules, UK tax legislation and equivalent local laws and legislations applicable to material component teams. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Discussions with management and internal audit as part of our fraud risk assessment, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud. This included review of Board minutes, internal audit reports and the report from the whistleblowing hotline
- Evaluation of management's controls designed to prevent and detect irregularities

- Challenging assumptions and judgements made by management in its significant accounting estimates, in particular in relation to impairment of goodwill and going concern
- Obtained a list of journals, confirmed its completeness, and used data auditing techniques to identify journals which we considered to be at a higher risk of fraud such as unusual account combinations like credits to revenue and debits to accounts other than debtors and intercompany, debits to non-current assets (except PPE) with credits to expenses and debits to Special Items where the credit is to expenses; we tested these journals back to supporting documentation
- Incorporated unpredictability into our audit procedures, which included performing a review of significant customers in the Group, a review of immaterial exceptional items to ensure appropriate classification, and a scan of additions of PPE to ensure appropriate capitalisation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at [frc.org.uk/auditorsresponsibilities](http://frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- We have not obtained all the information and explanations we require for our audit, or
- Adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us, or
- Certain disclosures of Directors' remuneration specified by law are not made, or
- The Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### Appointment

We were first appointed by the Company for the financial year ended 31 December 2012. Our uninterrupted engagement covers 14 financial years.

## Other matter

The Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R–4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

### Craig Skelton (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
30 April 2026

Group financial statements

# Consolidated income statement

for the year ended 31 December 2025

	Note	2025			2024		
		Underlying performance £m	Special Items £m	IFRS £m	Underlying performance £m	Special Items £m	IFRS £m
<b>Continuing operations</b>							
<b>Revenue</b>	5	<b>1,739.2</b>	<b>–</b>	<b>1,739.2</b>	1,933.1	<b>–</b>	1,933.1
Company and subsidiaries operating profit before Special Items		<b>36.2</b>	<b>–</b>	<b>36.2</b>	46.5	<b>–</b>	46.5
Amortisation of acquired intangibles	4	<b>–</b>	<b>(44.4)</b>	<b>(44.4)</b>	–	(45.1)	(45.1)
Restructuring and site closure costs	4	<b>–</b>	<b>(14.0)</b>	<b>(14.0)</b>	–	(15.1)	(15.1)
Acquisition costs and related gains	4	<b>–</b>	<b>0.1</b>	<b>0.1</b>	–	(0.6)	(0.6)
Sale of business	4	<b>–</b>	<b>(2.7)</b>	<b>(2.7)</b>	–	(3.1)	(3.1)
Software as a service implementation costs	4	<b>–</b>	<b>(1.1)</b>	<b>(1.1)</b>	–	–	–
Impairment charge	4	<b>–</b>	<b>(22.5)</b>	<b>(22.5)</b>	–	(5.7)	(5.7)
Pension past service cost	4	<b>–</b>	<b>(3.2)</b>	<b>(3.2)</b>	–	(4.4)	(4.4)
Company and subsidiaries operating profit/(loss)		<b>36.2</b>	<b>(87.8)</b>	<b>(51.6)</b>	46.5	(74.0)	(27.5)
Share of joint ventures	17	<b>1.4</b>	<b>–</b>	<b>1.4</b>	1.6	(0.3)	1.3
<b>Operating profit/(loss)</b>	6	<b>37.6</b>	<b>(87.8)</b>	<b>(50.2)</b>	48.1	(74.3)	(26.2)
Interest payable	9	<b>(63.8)</b>	<b>–</b>	<b>(63.8)</b>	(68.0)	–	(68.0)
Interest receivable	9	<b>4.7</b>	<b>–</b>	<b>4.7</b>	12.1	–	12.1
Loss on extinguishment of financing facilities	4	<b>–</b>	<b>–</b>	<b>–</b>	–	(1.4)	(1.4)
Net interest expense on defined benefit obligations	9	<b>(1.4)</b>	<b>–</b>	<b>(1.4)</b>	(1.7)	–	(1.7)
Interest element of lease payments	9	<b>(3.4)</b>	<b>–</b>	<b>(3.4)</b>	(2.4)	–	(2.4)
<b>Finance costs</b>		<b>(63.9)</b>	<b>–</b>	<b>(63.9)</b>	(60.0)	(1.4)	(61.4)
<b>Loss before taxation</b>		<b>(26.3)</b>	<b>(87.8)</b>	<b>(114.1)</b>	(11.9)	(75.7)	(87.6)
Taxation	10	<b>(37.7)</b>	<b>1.7</b>	<b>(36.0)</b>	4.0	14.6	18.6
<b>Loss for the year from continuing operations</b>		<b>(64.0)</b>	<b>(86.1)</b>	<b>(150.1)</b>	(7.9)	(61.1)	(69.0)
Profit/(loss) for the year from discontinuing operations attributable to equity holders of the parent	29	<b>3.1</b>	<b>(9.9)</b>	<b>(6.8)</b>	4.1	(4.4)	(0.3)
<b>Loss for the year</b>		<b>(60.9)</b>	<b>(96.0)</b>	<b>(156.9)</b>	(3.8)	(65.5)	(69.3)
(Loss)/profit attributable to non-controlling interests		<b>(0.1)</b>	<b>0.2</b>	<b>0.1</b>	0.3	3.0	3.3
Loss attributable to equity holders of the parent		<b>(60.8)</b>	<b>(96.2)</b>	<b>(157.0)</b>	(4.1)	(68.5)	(72.6)
		<b>(60.9)</b>	<b>(96.0)</b>	<b>(156.9)</b>	(3.8)	(65.5)	(69.3)
<b>Earnings per share</b>							
– Basic from continuing operations	12	<b>(39.1)p</b>	<b>(52.8)p</b>	<b>(91.9)p</b>	(5.1)p	(39.2)p	(44.3)p
– Diluted from continuing operations	12	<b>(39.1)p</b>	<b>(52.8)p</b>	<b>(91.9)p</b>	(5.1)p	(39.2)p	(44.3)p
– Basic	12	<b>(37.2)p</b>	<b>(58.8)p</b>	<b>(96.0)p</b>	(2.5)p	(41.9)p	(44.4)p
– Diluted	12	<b>(37.2)p</b>	<b>(58.8)p</b>	<b>(96.0)p</b>	(2.5)p	(41.9)p	(44.4)p

Group financial statements

## Consolidated statement of comprehensive income

for the year ended 31 December 2025

	Note	2025			2024		
		Equity holders of the parent £m	Non-controlling interests £m	Total £m	Equity holders of the parent £m	Non-controlling interests £m	Total £m
(Loss)/profit for the year		(157.0)	0.1	(156.9)	(72.6)	3.3	(69.3)
Actuarial gains/(losses)	25	13.6	–	13.6	(2.1)	–	(2.1)
Tax relating to components of other comprehensive income	10	(4.1)	–	(4.1)	0.1	–	0.1
<b>Total items that will not be reclassified to profit or loss</b>		<b>9.5</b>	<b>–</b>	<b>9.5</b>	<b>(2.0)</b>	<b>–</b>	<b>(2.0)</b>
Exchange differences on translation of foreign operations		(31.9)	0.3	(31.6)	3.8	(0.8)	3.0
Exchange differences recycled on sale of business		–	–	–	4.4	–	4.4
Fair value loss on hedged interest derivatives		(2.2)	–	(2.2)	(3.3)	–	(3.3)
(Losses)/gains on net investment hedges taken to equity		(12.5)	–	(12.5)	11.9	–	11.9
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>(46.6)</b>	<b>0.3</b>	<b>(46.3)</b>	<b>16.8</b>	<b>(0.8)</b>	<b>16.0</b>
<b>Other comprehensive (expense)/income for the year</b>		<b>(37.1)</b>	<b>0.3</b>	<b>(36.8)</b>	<b>14.8</b>	<b>(0.8)</b>	<b>14.0</b>
<b>Total comprehensive (expense)/income for the year</b>		<b>(194.1)</b>	<b>0.4</b>	<b>(193.7)</b>	<b>(57.8)</b>	<b>2.5</b>	<b>(55.3)</b>

Group financial statements

## Consolidated statement of changes in equity

for the year ended 31 December 2025

	Share capital £m	Share premium £m	Capital redemption reserve £m	Hedging and translation reserve £m	Retained earnings £m	Total equity holdings of the parent £m	Non-controlling interests £m	Total equity £m
At 1 January 2025	1.6	925.9	0.9	27.2	136.7	1,092.3	15.4	1,107.7
(Loss)/profit for the year	–	–	–	–	(157.0)	(157.0)	0.1	(156.9)
Other comprehensive (expense)/income for the year	–	–	–	(46.6)	9.5	(37.1)	0.3	(36.8)
<b>Total comprehensive (expense)/income for the year</b>	–	–	–	(46.6)	(147.5)	(194.1)	0.4	(193.7)
Dividends	–	–	–	–	–	–	(2.1)	(2.1)
Share-based payments	–	–	–	–	2.6	2.6	–	2.6
<b>At 31 December 2025</b>	<b>1.6</b>	<b>925.9</b>	<b>0.9</b>	<b>(19.4)</b>	<b>(8.2)</b>	<b>900.8</b>	<b>13.7</b>	<b>914.5</b>

	Share capital £m	Share premium £m	Capital redemption reserve £m	Hedging and translation reserve £m	Retained earnings £m	Total equity holdings of the parent £m	Non-controlling interests £m	Total equity £m
At 1 January 2024	1.6	925.9	0.9	10.4	209.8	1,148.6	13.4	1,162.0
(Loss)/profit for the year	–	–	–	–	(72.6)	(72.6)	3.3	(69.3)
Other comprehensive income/(expense) for the year	–	–	–	16.8	(2.0)	14.8	(0.8)	14.0
<b>Total comprehensive income/(expense) for the year</b>	–	–	–	16.8	(74.6)	(57.8)	2.5	(55.3)
Dividends	–	–	–	–	–	–	(0.5)	(0.5)
Share-based payments	–	–	–	–	1.5	1.5	–	1.5
At 31 December 2024	1.6	925.9	0.9	27.2	136.7	1,092.3	15.4	1,107.7

Group financial statements

# Consolidated balance sheet

as at 31 December 2025

	Note	2025 £m	2024 £m
<b>Non-current assets</b>			
Goodwill	13	443.0	455.1
Acquired intangible assets	14	347.2	407.1
Other intangible assets	15	69.6	70.6
Property, plant and equipment	16	656.5	688.5
Deferred tax assets	11	25.4	55.7
Defined benefit asset	25	40.3	26.0
Investment in joint ventures	17	8.7	8.1
<b>Total non-current assets</b>		<b>1,590.7</b>	<b>1,711.1</b>
<b>Current assets</b>			
Inventories	18	336.9	348.2
Trade and other receivables	19	153.8	227.2
Current tax assets	10	2.6	15.6
Cash and cash equivalents	20	189.9	225.8
Derivative financial instruments	21	1.2	2.8
Assets classified as held for sale	29	5.4	6.5
<b>Total current assets</b>		<b>689.8</b>	<b>826.1</b>
<b>Total assets</b>		<b>2,280.5</b>	<b>2,537.2</b>
<b>Current liabilities</b>			
Borrowings	20	–	(124.2)
Trade and other payables	23	(397.7)	(391.6)
Lease liabilities	22	(18.8)	(12.3)
Current tax liabilities	10	(15.3)	(17.6)
Provisions for other liabilities and charges	24	(3.3)	(7.8)
Derivative financial instruments	21	(3.0)	(1.6)
<b>Total current liabilities</b>		<b>(438.1)</b>	<b>(555.1)</b>

Group financial statements

**Consolidated balance sheet** continued

	Note	2025 £m	2024 £m
<b>Non-current liabilities</b>			
Borrowings	20	(764.9)	(698.6)
Trade and other payables	23	(0.2)	(0.1)
Lease liabilities	22	(34.8)	(43.6)
Deferred tax liabilities	11	(30.0)	(28.9)
Retirement benefit obligations	25	(79.9)	(75.7)
Provisions for other liabilities and charges	24	(18.1)	(27.5)
<b>Total non-current liabilities</b>		<b>(927.9)</b>	<b>(874.4)</b>
<b>Total liabilities</b>		<b>(1,366.0)</b>	<b>(1,429.5)</b>
<b>Net assets</b>		<b>914.5</b>	<b>1,107.7</b>
<b>Equity</b>			
Share capital	26	1.6	1.6
Share premium	26	925.9	925.9
Capital redemption reserve		0.9	0.9
Hedging and translation reserve	26	(19.4)	27.2
Retained (losses)/earnings	26	(8.2)	136.7
<b>Equity attributable to equity holders of the parent</b>		<b>900.8</b>	<b>1,092.3</b>
<b>Non-controlling interests</b>		<b>13.7</b>	<b>15.4</b>
<b>Total equity</b>		<b>914.5</b>	<b>1,107.7</b>

The financial statements on pages 138 to 189 were approved by the Board of Directors and authorised for issue on 30 April 2026.  
They are signed on its behalf by:

**M Willome**  
Director

**L Liu**  
Director

Group financial statements

# Consolidated cash flow statement

for the year ended 31 December 2025

	Note	2025		2024	
		£m	£m	£m	£m
<b>Operating</b>					
Cash generated from operations	27		<b>184.4</b>		39.2
– Interest received		<b>4.7</b>		12.1	
– Interest paid		<b>(62.3)</b>		(64.3)	
– Interest element of lease payments		<b>(3.0)</b>		(2.4)	
Net interest paid			<b>(60.6)</b>		(54.6)
– UK corporation tax received		<b>0.5</b>		0.7	
– Overseas corporate tax paid		<b>–</b>		(18.8)	
Total tax received/(paid)			<b>0.5</b>		(18.1)
<b>Net cash inflow/(outflow) from operating activities</b>			<b>124.3</b>		(33.5)
<b>Investing</b>					
Dividends received from joint ventures	17		<b>–</b>		1.0
Purchase of property, plant and equipment and intangible assets			<b>(87.7)</b>		(90.6)
Proceeds from sale of property, plant and equipment			<b>1.4</b>		7.4
Proceeds from sale of business	29		<b>21.3</b>		20.5
<b>Net cash outflow from investing activities</b>			<b>(65.0)</b>		(61.7)
<b>Financing</b>					
Dividends paid to non-controlling interests			<b>(2.1)</b>		(0.5)
Costs on issue of shares			<b>–</b>		(4.7)
Settlement of equity-settled share-based payments			<b>–</b>		(0.2)
Repayment of principal portion of lease liabilities			<b>(12.4)</b>		(12.1)
Repayment of borrowings			<b>(180.5)</b>		(327.9)
Proceeds of borrowings			<b>98.2</b>		299.5
<b>Net cash outflow from financing activities</b>			<b>(96.8)</b>		(45.9)
<b>Decrease in cash, cash equivalents and bank overdrafts during the period</b>			<b>(37.5)</b>		(141.1)
Cash and cash equivalents and bank overdrafts at 1 January	20		<b>225.5</b>		370.6
Foreign exchange	20		<b>1.9</b>		(4.0)
<b>Cash, cash equivalents and bank overdrafts at 31 December</b>	20		<b>189.9</b>		225.5

See note 29 for further details of cash flows from discontinued operations.

Group financial statements

## Reconciliation of net cash flow from operating activities to movement in net debt

for the year ended 31 December 2025

	Note	2025 £m	2024 £m
Net cash inflow/(outflow) from operating activities		<b>124.3</b>	(33.5)
Add: dividends received from joint ventures	17	–	1.0
Less: net capital expenditure		<b>(86.3)</b>	(83.2)
Add: proceeds from sale of business		<b>21.3</b>	20.5
		<b>59.3</b>	(95.2)
Issue of shares		–	(4.7)
Dividends paid to non-controlling interests		<b>(2.1)</b>	(0.5)
Settlement of equity-settled share based payments		–	(0.2)
Repayment for principal portion of lease liabilities		<b>(12.4)</b>	(12.1)
Foreign exchange and other movements	20	<b>(22.8)</b>	15.4
<b>Decrease/(increase) in net debt</b>		<b>22.0</b>	(97.3)

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## 1 General information

Synthomer plc (the 'Company') is a public limited company, limited by shares and incorporated and domiciled in the United Kingdom and registered in England under the Companies Act. The address of the registered office is given on page 213. The Company is listed on the London Stock Exchange.

The principal activities of the Company and its subsidiaries (the 'Group') and the nature of the Group's operations are set out in the Strategic report.

The consolidated financial statements are prepared in pounds sterling, the functional currency of the Company. Foreign operations are included in accordance with the policies set out in note 2.

## 2 Material accounting policies

### Basis of preparation

These consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards and the disclosure guidance and transparency rules sourcebook of the United Kingdom's Financial Conduct Authority.

The financial statements have been prepared on a going concern basis and under the historical cost basis, except for the revaluation of financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The principal accounting policies adopted and applied in the preparation of these financial statements consistently in all the years presented are set out below.

### Going concern

The Group meets its day-to-day working capital requirements through its bank facilities. Given the 2027 maturities of the UKEF and RCF facilities in place as at 31 December 2025, the Group has undertaken an exercise to refinance these facilities.

On 30 April 2026, subject to completion of a number of administrative conditions, the Group completed a full refinancing of the €300m multi-currency RCF facility and the €288m and \$230m UKEF term loans, as described in the financial review on p.14. The refinancing arrangement has introduced a new quarterly leverage covenant threshold requirement along with minimum liquidity requirements and has extended the maturity dates of the facilities out to 2029.

The current economic conditions continue to create uncertainty, particularly over the level of demand for the Group's products. The Group's forecasts and projections take account of reasonably possible changes in trading performance and a severe but plausible downside scenario has been prepared, linked to our principal risks.

The reasonably possible scenario does not threaten the Group's ability to operate within the level of its facilities under the agreed terms of the refinancing under the minimum 12 month going concern assessment period. Modelling has been updated to reflect the new covenant thresholds and liquidity requirements. No mitigating actions have been included for any of the scenarios and, should it need to, the Group could take action quickly to significantly reduce costs and cash outflows as demonstrated during the course of the COVID-19 pandemic in 2020. The severe but plausible downside scenario, offset by mitigation actions as required, does not threaten the Group's ability to operate within the level of its current facilities. Should it need to, the Group could take action quickly to significantly reduce costs and cash outflows as demonstrated during the course of the COVID-19 pandemic in 2020.

Having assessed the principal risks and the other matters discussed in connection with the Viability Statement (see page 64), the Directors considered it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

Further information on the Group's borrowings is given in note 20.

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- Has the power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee, and
- Has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins from the date the Company obtains control and ceases from the date the Company loses control. Where necessary on obtaining control, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the Group.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Subsequent to the date on which the Company obtains control, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

### Materiality

Various disclosures make reference to items considered material or immaterial to the financial statements. The Group considers information to be material if omitting it or misstating it could influence decisions that users make on the basis of the financial information provided. Materiality is considered from both a quantitative and qualitative factor perspective. In addition to subsequent specific references to materiality, and in compliance with IFRS, certain disclosures have not been provided where the information resulting from that disclosure is not material.

## 2 Material accounting policies continued

### Business combinations

Acquisitions of subsidiaries and businesses are accounted for in accordance with IFRS 3. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets acquired by the Group, liabilities incurred by the Group to former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities are recognised and measured in accordance with IAS 12 Income Taxes
- Liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 19 Employee Benefits, and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during a measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

A measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

If a business combination is achieved in stages, the Group's previously held interest in the acquired entity is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss.

### Goodwill

Goodwill is measured as the excess of the consideration transferred over the Group's interest in acquisition-date identifiable assets acquired less liabilities assumed.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. Cash generating units are defined as our reportable segments: Coatings & Construction Solutions, Adhesive Solutions and Health & Protection and Performance Materials.

Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or joint venture, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

Goodwill written off to reserves under UK GAAP prior to 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

### Joint ventures

Joint ventures are accounted for using the equity method of accounting. Under the equity method, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

### Revenue

#### General

Synthomer manufactures and sells mainly water-based polymers across a diverse range of end use applications. Our products are predominantly sold in liquid form, in bulk containers.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer when performance obligations are satisfied. Revenue is recognised at the point in time when control of the product is transferred from Synthomer to the customer.

The customer is deemed to obtain control of the resultant asset in line with the Incoterms under which it is sold. The significant majority of Synthomer's products are sold under Carriage Paid To (CPT) and Carriage and Insurance Paid (CIP) International Commercial Terms. Under these terms, control of the product is transferred when the goods reach their destination. At this point the risks of obsolescence and loss have been transferred and there is no unfulfilled obligation that could affect the customer's acceptance of the product. A receivable is recognised at this point in time as consideration is unconditional and only the passage of time is required before payment is due.

## 2 Material accounting policies continued

### Rebates

Synthomer may grant customers rebates if the goods purchased by the customer exceed a contractually defined threshold within the specified period. Rebates are usually deducted from the amounts payable by the customer. Depending on the terms of the underlying contract, Synthomer uses either the expected value or the most likely amount to estimate the variable consideration for expected future rebates. Historical, current and forecast information is considered when calculating rebates.

The majority of rebate programmes are aligned with the Group's financial year end, providing certainty around how much should be recognised in the financial statements.

### Other

The Group does not have any contracts where the period between the transfer of promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Group applies the practical expedient in IFRS 15 and does not adjust any of the transaction prices for the time value of money.

### Foreign currencies

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered into to hedge certain foreign currency risks (see below under Hedge accounting), and
- Exchange differences on monetary items receivable or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of the Group's non-sterling operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRS as sterling-denominated assets and liabilities.

### Operating profit and loss

Operating profit and loss represents profit and loss from continuing activities before financing costs and taxation.

### Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

## 2 Material accounting policies continued

### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### Global Minimum Top-up Tax

The Group has adopted International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effectively immediately, and require new disclosures about the Pillar Two exposure (see notes 10 and 11).

The mandatory exception applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred tax was recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements.

### Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The lease term is determined from the commencement date of the contract and covers the non-cancellable term. If considered reasonably certain, extension or termination options are included in the lease term.

At the commencement date, a lease liability is recognised, measured at the present value of the future lease payments and discounted using the Group's incremental borrowing rate. Subsequently, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

At the commencement date, a right-of-use asset is recognised, measured at an amount equal to the lease liability plus any lease payments made before the commencement date and any initial direct costs, less any lease incentive payments. An estimate of costs to be incurred in restoring an asset, in accordance with the terms of the lease, is also included in the right-of-use asset at initial recognition. Subsequently, right-of-use assets are measured in accordance with the accounting policy for property, plant and equipment and are depreciated over the shorter period of lease term and the useful life of the underlying asset. Any adjustments to the corresponding lease liability are reflected in the corresponding right-of-use asset.

Short-term leases and low value leases are not recognised as lease liabilities and right-of-use assets, but are recognised as an expense straight-line over the lease term.

### Property, plant and equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and any recognised impairment loss. Cost comprises original purchase price and the costs attributable to bringing the asset to its working condition for its intended use, including, where appropriate, capitalised finance costs.

Freehold land is not depreciated.

Depreciation is recognised so as to write-off the cost of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Freehold buildings	• 50 years
Leasehold land and buildings	• the lesser of 50 years and the period of the lease
Plant and equipment	• between 3 and 20 years

Assets in the course of construction are carried at cost, less any recognised impairment loss. Finance costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of those assets. Depreciation of these assets commences when the assets are ready for their intended use.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

## 2 Material accounting policies continued

### Acquired intangible assets

Intangible assets acquired in a business combination are initially recognised at their fair value at the acquisition date, which is regarded as their cost. Where necessary the fair value of assets at acquisition and their estimated useful lives are based on independent valuation reports.

Acquired intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over estimated useful lives, on the following bases:

Customer relationships	• between 5 and 20 years
Other intangibles	• up to 20 years

Assets with an indefinite life are not subject to amortisation.

Acquired intangible assets are derecognised upon reaching the end of their useful lives.

### Other intangible assets

Other intangible assets that are not acquired through a business combination are initially measured at cost and amortised on a straight-line basis over their estimated useful lives of up to ten years.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised only if all of the following conditions have been demonstrated:

- The technical feasibility of completing the asset
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the asset once development has been completed
- The probability that the asset created will generate future economic benefits
- The availability of adequate technical, financial and other resources to complete the development
- The asset created can be separately identified and the development cost can be measured reliably.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

### Impairment of property, plant and equipment and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine

the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the income statement.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow-moving or defective items where they exist.

### Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

The Group classifies its financial instruments in the following categories:

- Financial assets and liabilities at amortised cost (AC)
- Financial assets and liabilities at fair value through profit and loss (FVTPL)
- Financial assets and liabilities at fair value through other comprehensive income (FVTOCI).

Financial assets and liabilities are initially measured at fair value including, where permitted, any directly attributable transaction costs.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on their classification.

## 2 Material accounting policies continued

### Financial assets and liabilities measured at amortised cost

Financial assets measured at amortised cost include cash and cash equivalents and trade and other receivables. Cash and cash equivalents comprise cash held in bank accounts with no access restrictions, and bank term deposits repayable on demand or maturing within three months of inception.

At each reporting date the Group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. In establishing the appropriate amount of loss allowance to be recognised, the Group applies either the general approach or the simplified approach, depending on the nature of the underlying class of financial assets:

- Under the general approach, the Group recognises a loss allowance for a financial asset at an amount equal to the 12 month expected credit losses, unless the credit risk on the financial asset has increased significantly since initial recognition, in which case a loss allowance is recognised at an amount equal to the lifetime expected credit losses
- The simplified approach is applied to the impairment assessment of trade and other receivables. Under this approach, the Group recognises expected lifetime losses upon initial recognition.

Financial liabilities measured at amortised cost include trade and other payables, lease liabilities and borrowings. Borrowings are measured at amortised cost unless they form part of a fair value hedge relationship. The difference between the initial carrying amount of borrowings and the redemption value is recognised in the income statement over the contractual terms using the effective interest rate method.

### Financial assets and liabilities held at fair value

Financial assets and liabilities are measured at fair value through profit or loss when they do not meet the criteria to be measured at amortised cost or at fair value through other comprehensive income.

Financial assets and liabilities at FVTPL are measured at fair value at the end of each reporting period with fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see below).

### Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including interest rate swaps, foreign currency forward contracts and foreign currency options. Further details of derivative financial instruments are set out in note 21.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the income statement immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the income statement depends on the nature of the hedge relationship.

### Hedge accounting

To mitigate foreign currency and interest rate risk, the Group designates certain derivatives as hedging instruments in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

On adoption of IFRS 9, the Group elected to continue to apply the hedge accounting requirements of IAS 39 as permitted by the standard.

### Fair value hedges

The Group only applies fair value hedge accounting for foreign currency risk.

The fair value change on qualifying hedging instruments is recognised in the income statement and is recognised in the same line as the hedged item.

### Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge.

Gains or losses relating to an ineffective portion are recognised immediately in the income statement.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified in the income statement in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated at that time in equity is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss in equity is recognised immediately in profit or loss.

## 2 Material accounting policies continued

### Hedges of net investment in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

### Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit schemes are treated as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution scheme.

For defined benefit schemes, the cost of providing benefits is calculated using the projected unit credit method, with actuarial valuations carried out at the end of each reporting period.

Defined benefit costs are split into three categories, namely:

- Service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements
- Net interest expense, and
- Remeasurements.

The Group presents service costs within cost of sales and administrative expenses.

Past service cost is recognised when the plan amendment or curtailment occurs.

Net interest expense is recognised within finance costs and is calculated by applying a discount rate to the net defined benefit liability.

Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to the statement of other comprehensive income in the period in which they occur and are not subsequently reclassified to profit and loss.

### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured as the best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to affected parties.

### Share-based payments

The Group issues equity-settled share-based payments to certain employees. These are measured at the fair value of the equity instruments at grant date. The fair value excludes the effect of non-market-based vesting conditions. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves. The Group will on occasion, at its own discretion, settle these share-based payments in cash rather than equity.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

### Alternative performance measures

The Group has consistently used two significant Alternative Performance Measures (APMs) since its adoption of IFRS in 2005:

- Underlying performance, which excludes Special Items from IFRS profit measures
- EBITDA, which excludes Special Items, amortisation and depreciation from IFRS operating profit.

The Board's view is that Underlying performance provides additional clarity for the Group's investors and so it is the primary focus of the Group's narrative reporting. It is not intended to be a superior measure to IFRS, however, these measures are used internally to manage the business. Further information and the reconciliation to the IFRS measures are included in notes 4 and 5.

## 2 Material accounting policies continued

### Critical accounting judgements and estimates

In the application of the Group's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The assumptions for each estimate are set out in the relevant note referenced below.

- Defined benefit obligation (note 25): Calculation of the Group's defined benefit obligation includes a number of assumptions which impact the carrying value of the obligation.
- Valuation of goodwill, intangible assets and property plant and equipment on acquisition: In a business combination, intangible and tangible assets are identified and recognised at fair value. The assumptions involved in valuing these assets require the use of estimates that may differ from the actual outcome. These estimates cover future growth rates, expected inflation rates and the discount rate used. Changing the assumptions selected by management could significantly affect the allocation of the purchase price paid between goodwill and other acquired intangibles.
- Impairment of goodwill and intangible assets: as part of impairment testing, the Group is required to estimate the recoverable amount of cash generating units by estimating future cash flows. The assumptions involved in estimating the recoverable amount include future growth rates and the discount rates used. Changing the assumptions selected by management could significantly affect the amount of any impairment.
- Current tax liability and deferred tax (notes 10 and 11): The Group annually incurs significant amounts of income taxes payable to various jurisdictions around the world and it also recognises significant changes in deferred tax assets and deferred tax liabilities, all of which are based on management's interpretations of applicable laws, regulations and relevant court decisions.

### Critical judgements in applying the Group's accounting policies

During the year the Group maintained agreements under which amounts receivable from customers can be sold to a third-party on a non-recourse basis. These receivables are derecognised at the point of sale which is shortly after the initial recognition of the receivable balance. This derecognition generated a net cash inflow of £77.2m for the year ended 31 December 2025 (2024: £23.2m outflow) and a net reduction in receivables of £170.1m as at 31 December 2025 (2024: £87.3m).

In accordance with IFRS 9, the Group has determined that substantially all the risks and rewards of ownerships of these receivables have been transferred to the third parties under the facilities, resulting in derecognition of the customer receivables.

IFRS 7 provides further guidance on disclosure requirements where there is continued involvement in the derecognised financial assets. The Group has determined that an asset should be recognised in respect of deferred purchase price reserve, which represents a portion of the original receivable. This reserve is subsequently paid by the counterparties to the agreements, whether the customer pays the receivable in full or not. Further disclosures in relation to this receivable can be found in note 21.

There are no other critical judgements, apart from those involving estimations (which are discussed above), that the Directors have made in the process of applying the Group's accounting policies.

## 3 Adoption of new and revised standards

There were no new standards or amendments to existing standards that were effective in the year that have had a material impact on the Group. There are a number of amendments and clarifications to IFRS, effective in future years, which have not been early adopted by the Group. These standards, amendments or clarifications are not expected to significantly impact the Group's consolidated results or financial position in the current or future periods.

## 4 Special Items

### IFRS and Underlying performance

The IFRS profit measures show the performance of the Group as a whole and as such include all sources of income and expense, including both one-off items and those that do not relate to the Group's ongoing businesses. To provide additional clarity on the ongoing trading performance of the Group's businesses, management uses 'Underlying' performance as an Alternative Performance Measure to plan for, control and assess the performance of the segments. Underlying performance differs from the IFRS measures as it excludes Special Items.

### Special Items

Special Items are disclosed separately in order to provide a clearer indication of the Group's Underlying performance.

Special Items are either irregular, and therefore including them in the assessment of a segment's performance would lead to a distortion of trends, or are technical adjustments which ensure the Group's financial statements are in compliance with IFRS but do not reflect the operating performance of a segment in the year, or both. An example of the latter is the amortisation of acquired intangibles, which principally relates to acquired customer relationships. The Group incurs costs, which are recognised as an expense in the income statement, in maintaining these customer relationships. The Group considers that the exclusion of the amortisation charge on acquired intangibles from Underlying performance avoids the potential double counting of such costs and therefore excludes it as a Special Item from Underlying performance.

The following are consistently disclosed separately as Special Items in order to provide a clearer indication of the Group's Underlying performance:

- Restructuring and site closure costs
- Sale of business or significant asset
- Acquisition costs and related gains
- Amortisation of acquired intangible assets
- Impairment of non-current assets
- Fair value adjustments in respect of derivative financial instruments where hedge accounting is not applied
- Items of income and expense that are considered material, either by their size and/or nature
- Tax impact of above items;
- Settlement of prior period tax issues
- Customisation, configuration and set-up costs of significant Software as a Service ("SaaS") arrangements.

Special Items comprise:

	Note	2025 £m	2024 £m
Amortisation of acquired intangibles	14	(44.4)	(45.1)
Restructuring and site closure costs (including share of JV)		(14.0)	(15.4)
Impairment charge		(22.5)	(5.7)
Acquisition costs and related gains		0.1	(0.6)
Sale of business		(2.7)	(3.1)
Software as a Service implementation costs		(1.1)	–
Pension past service cost		(3.2)	(4.4)
<b>Total impact on continuing operating profit</b>		<b>(87.8)</b>	<b>(74.3)</b>
<b>Finance costs</b>			
Loss on extinguishment of financing facilities	9	–	(1.4)
<b>Total impact on loss before taxation</b>		<b>(87.8)</b>	<b>(75.7)</b>
Taxation Special Items	10	–	7.5
Taxation on Special Items	10	1.7	7.1
<b>Total impact on loss for the year – continuing operations</b>		<b>(86.1)</b>	<b>(61.1)</b>
<b>Discontinued operations</b>			
Restructuring and site closure costs		(0.3)	(1.1)
Sale of business		(8.9)	(3.3)
Taxation on Special Items		(0.7)	–
<b>Total impact on profit for the year – discontinued operations</b>		<b>(9.9)</b>	<b>(4.4)</b>
<b>Total impact on loss for the year</b>		<b>(96.0)</b>	<b>(65.5)</b>

Amortisation of acquired intangibles is the amortisation on the customer lists, patents, trademarks and trade secrets arising on past acquisitions. The fair value of the intangible assets arising on past acquisitions are being amortised over periods of 8-20 years mainly dependent on the characteristics of the customer relationships.

#### 4 Special Items continued

Within continuing operations, Restructuring and site closure costs in 2025 principally comprised:

- A £1.2m charge in relation to the ongoing integration of the acquired Adhesive Resins business into the Adhesive Solutions division
- £0.8m of costs in relation to the closure of the Ningbo antioxidants plant;
- £6.7m of costs in relation to global rationalisation and restructuring activities
- £3.5m in relation to a procurement excellence transformation project; and
- £1.1m loss incurred in relation to an onerous contract following the earlier divestment of the European tyre cord business

Restructuring and site closure costs in 2024 included charges to integrate the Adhesive Resins business, site rationalisation costs in the USA, Malaysia and Europe, and costs in relation to operational site reviews to align with our strategic initiatives.

Impairment includes an impairment charge of £28.5m in relation to non-current assets in our Acrylate Monomers business, offset by an impairment reversal of £6.0m relating to the reversal of a previous impairment of fixed assets at our Kluang plant.

Acquisition costs and related gains are for the acquisition of Eastman's Adhesive Resins business and comprise items related to obligations to the US pension schemes. Acquisition costs in 2024 also related to the acquisition of Eastman's Adhesive Resins business.

Sale of business costs in discontinued operations relate to the loss on disposal of £8.9m realised with the sale of the William Blythe business to Hamsard 3806 Bidco Limited. Sale of business costs in continuing operations relates to costs incurred in relation to future divestments.

Sale of business costs in the prior year in discontinued operations related to the disposal proceeds net of costs incurred following the sale of the compounds business to Matco Latex Services BV.

Other costs include a £3.2m charge in relation to a one-off non-cash past service cost arising from a correction to the calculation of late retirement benefits in the US defined benefit pension scheme.

Software as a service implementation costs of £1.1m primarily represents the cost of setting up a new customer relationship management tool.

Taxation Special Items in 2024 related to the release of a Malaysian tax provision relating to uncertain tax treatments which was concluded in the year.

#### 5 Segmental analysis

The Group's Executive Committee, chaired by the Chief Executive Officer, examines the Group's performance.

The Group's Executive Committee is the chief operating decision maker and primarily uses a measure of earnings before interest, tax, depreciation and amortisation (EBITDA) to assess the performance of the operating segments. No information is provided to the Group's Executive Committee at the segment level concerning interest income, interest expense, income tax or other material non-cash items.

The Group's reportable segments are as follows:

##### Coatings & Construction Solutions

Our specialist polymers enhance the sustainable performance of a wide range of coatings and construction products. We work across architectural and masonry coatings, mortar modification, waterproofing and flooring, fibre bonding, and energy solutions.

##### Adhesive Solutions

Our adhesive solutions bond, modify and compatibilise surfaces and components for products including tapes and labels, packaging, hygiene, tyres and plastic modification, helping improve permeability, strength, elasticity, damping, dispersion and grip.

##### Health & Protection and Performance Materials

We help enhance protection and performance in a wide range of industries including medical glove manufacture, speciality paper, food packaging, carpet and artificial turf, gel foam elastomers, and vinyl-coated seating fabrics.

No single customer accounts for more than 10% of the Group's revenue.

Group financial statements / Notes to the consolidated financial statements continued

## 5 Segmental analysis continued

A segmental analysis of Underlying performance and Special Items is shown below.

	Continuing operations					Discontinued operations	
	Coatings & Construction Solutions £m	Adhesive Solutions £m	Health & Protection and Performance Materials £m	Corporate £m	Total £m	Health & Protection and Performance Materials £m	Total £m
<b>2025</b>							
<b>Revenue</b>							
Total revenue	699.2	570.8	472.7	–	1,742.7	28.9	1,771.6
Inter-segmental revenue	–	–	(3.5)	–	(3.5)	–	(3.5)
	699.2	570.8	469.2	–	1,739.2	28.9	1,768.1
<b>EBITDA</b>	64.3	66.0	24.2	(18.0)	136.5	3.6	140.1
Depreciation and amortisation	(25.9)	(34.8)	(26.3)	(11.9)	(98.9)	(0.5)	(99.4)
<b>Operating profit/(loss) before Special Items</b>	38.4	31.2	(2.1)	(29.9)	37.6	3.1	40.7
Special Items	(31.6)	(20.4)	(30.9)	(4.9)	(87.8)	(9.2)	(97.0)
<b>Operating profit/(loss)</b>	6.8	10.8	(33.0)	(34.8)	(50.2)	(6.1)	(56.3)
Finance costs							(63.9)
<b>Loss before taxation</b>							(120.2)

	Continuing operations					Discontinued operations	
	Coatings & Construction Solutions £m	Adhesive Solutions £m	Health & Protection and Performance Materials £m	Corporate £m	Total £m	Health & Protection and Performance Materials £m	Total £m
<b>2024</b>							
<b>Revenue</b>							
Total revenue	790.5	588.4	557.7	–	1,936.6	63.5	2,000.1
Inter-segmental revenue	–	–	(3.5)	–	(3.5)	–	(3.5)
	790.5	588.4	554.2	–	1,933.1	63.5	1,996.6
<b>EBITDA</b>	85.9	47.9	33.0	(23.7)	143.1	6.1	149.2
Depreciation and amortisation	(25.3)	(32.9)	(26.9)	(9.9)	(95.0)	(1.4)	(96.4)
<b>Operating profit/(loss) before Special Items</b>	60.6	15.0	6.1	(33.6)	48.1	4.7	52.8
Special Items	(28.1)	(24.5)	(17.7)	(4.0)	(74.3)	(4.4)	(78.7)
<b>Operating profit/(loss)</b>	32.5	(9.5)	(11.6)	(37.6)	(26.2)	0.3	(25.9)
Finance costs							(61.4)
<b>Loss before taxation</b>							(87.3)

## 5 Segmental analysis continued

### Geographical information

The Group's revenue from external customers and its non-current assets (excluding deferred tax and the defined benefit asset) by geographical location are detailed below:

	Revenue by destination		Non-current assets	
	2025 £m	2024 £m	2025 £m	2024 £m
UK	95.1	97.7	177.8	180.0
Germany	204.6	227.0	177.9	170.9
Italy	94.9	88.9	33.0	32.2
Netherlands	80.4	78.8	134.1	129.6
France	71.6	83.8	84.7	85.4
Belgium	42.8	46.1	47.6	51.9
Spain	75.1	76.9	6.3	5.9
Other Europe	242.8	258.1	46.0	69.0
Malaysia	109.1	177.6	137.9	143.5
China	99.2	116.2	21.2	25.7
Other Asia	147.9	152.9	3.9	4.1
USA	420.2	469.3	644.6	721.9
Rest of world	84.4	123.3	10.0	9.3
	<b>1,768.1</b>	<b>1,996.6</b>	<b>1,525.0</b>	<b>1,629.4</b>

## 6 Operating profit – continuing operations

	Note	2025 £m	2024 £m
<b>Revenue</b>		<b>1,739.2</b>	1,933.1
Cost of sales		<b>(1,428.5)</b>	(1,602.6)
<b>Gross profit</b>		<b>310.7</b>	330.5
Sales and marketing costs		<b>(78.8)</b>	(76.5)
Administrative expenses		<b>(96.8)</b>	(112.5)
Share of joint ventures	17	<b>1.4</b>	1.6
<b>EBITDA</b>		<b>136.5</b>	143.1
Depreciation and amortisation – Underlying performance		<b>(98.9)</b>	(95.0)
<b>Operating profit – Underlying performance</b>		<b>37.6</b>	48.1
Special Items	4	<b>(87.8)</b>	(74.3)
<b>Operating loss – IFRS</b>		<b>(50.2)</b>	(26.2)

	Note	2025 £m	2024 £m
Operating loss is stated after charging the following:			
Amortisation of acquired intangibles	4	<b>44.4</b>	45.1
Amortisation of other intangibles	15	<b>13.4</b>	12.1
Depreciation of property, plant and equipment		<b>74.1</b>	71.8
Depreciation of right-of-use assets		<b>11.4</b>	11.1
Research and development expenditure		<b>29.9</b>	31.7
Net loss on foreign exchange		<b>1.9</b>	0.4

Group financial statements / Notes to the consolidated financial statements continued

## 7 Auditors' remuneration

	2025 £'000	2024 £'000
Fees payable to the Company's auditor for:		
– Audit of the Company's annual financial statements and the consolidated annual financial statements	600.0	527.0
Fees payable to the Company's auditor and their associates for other services to the Group:		
– Audit of the Company's subsidiaries' annual financial statements	1,937.0	1,911.0
<b>Total audit fees</b>	<b>2,537.0</b>	<b>2,438.0</b>
Audit related assurance services	55.0	53.0
Other assurance services	–	196.0
<b>Total non-audit fees</b>	<b>55.0</b>	<b>249.0</b>

Details of the Company's policy on the use of auditor for non-audit services, the reasons why the auditor was used rather than another supplier and how the auditor's independence and objectivity was safeguarded are set out in the Audit Committee section of the Corporate Governance Report on page 94. No services were provided pursuant to contingent fee arrangements.

## 8 Staff costs

	2025 Number	2024 Number
<b>The average monthly number of employees during the year by segment was:</b>		
Coatings & Construction Solutions	2,068	2,117
Adhesive Solutions	693	718
Health & Protection and Performance Materials	1,051	1,243
Corporate	51	49
	<b>3,863</b>	<b>4,127</b>
	2025 £m	2024 £m
<b>The aggregate remuneration of all Group employees comprised:</b>		
Wages and salaries	232.3	251.5
Social security costs	37.0	34.7
Other pension costs	19.9	18.3
Share-based payments	2.6	1.6
	<b>291.8</b>	<b>306.1</b>

Directors' emoluments are disclosed in the Remuneration Report on pages 98 to 126.

## 9 Finance costs

	2025 £m	2024 £m
Interest payable on bank loans and overdrafts	63.8	68.0
Less: interest receivable	(4.7)	(12.1)
Net interest expense on defined benefit obligations	1.4	1.7
Interest element of lease payments	3.4	2.4
<b>Underlying finance costs</b>	<b>63.9</b>	<b>60.0</b>
Loss on extinguishment of financing facilities	–	1.4
<b>Total finance costs from continuing operations</b>	<b>63.9</b>	<b>61.4</b>
<b>Total finance costs</b>	<b>63.9</b>	<b>61.4</b>

## 10 Taxation

	2025 £m	2024 £m
<b>Current tax</b>		
UK corporation tax	–	(0.5)
Overseas taxation	14.1	15.1
	14.1	14.6
<b>Deferred tax</b>		
Origination and reversal of temporary differences	23.6	(18.0)
	37.7	(3.4)
<b>Special Items</b>		
<i>Current tax:</i>		
Historical issues	–	(7.5)
Sale of business	(0.2)	(0.1)
Restructuring and site closure costs	(2.5)	(1.5)
<i>Deferred tax:</i>		
Sale of business	0.6	(0.1)
Restructuring and site closure costs	4.9	(0.6)
Amortisation of acquired intangibles	(3.8)	(3.7)
Prior year adjustment	–	(1.1)
	(1.0)	(14.6)
<b>Total tax on loss before taxation</b>	<b>36.7</b>	<b>(18.0)</b>
<i>Income tax is attributable to:</i>		
<b>Total tax from continuing operations</b>	<b>36.0</b>	<b>(18.6)</b>
<b>Total tax from discontinuing operations</b>	<b>0.7</b>	<b>0.6</b>

UK corporation tax is calculated at 25% (2024: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

### Reconciliation of tax expense to loss before taxation

The differences between the total tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2025 £m	2024 £m
<b>Loss before taxation</b>	<b>(120.2)</b>	<b>(87.3)</b>
Tax on loss before taxation at standard UK corporation tax rate of 25% (2024: 25%)	<b>(30.1)</b>	(21.8)
Effects of:		
Expenses not deductible for tax purposes	10.4	10.6
Tax incentives and items not subject to tax	(5.2)	(2.3)
Higher tax rates on overseas earnings	(0.1)	(1.4)
Other deferred tax asset not recognised less amounts now recognised	61.4	2.0
Adjustments to tax charge in respect of prior periods	(0.6)	(4.6)
Effect of change of rate on deferred tax	0.9	0.3
Sale of business	–	(0.8)
<b>Tax charge/(credit) for year</b>	<b>36.7</b>	<b>(18.0)</b>

Other deferred tax assets not recognised includes the partial derecognition of the UK and US deferred tax assets and derecognition of German deferred tax on carried forward interest. These have been derecognised due to there being insufficient evidence that the assets will reverse in the short to medium term.

### Tax relating to components of other comprehensive income

	2025 £m	2024 £m
Current tax charge in respect of actuarial gains/(losses)	(0.5)	(0.2)
Deferred tax (charge)/credit in respect of actuarial gains/losses	(3.6)	0.3
<b>Total tax (charge)/credit in respect of actuarial gains/losses</b>	<b>(4.1)</b>	<b>0.1</b>

### Current tax

	2025 £m	2024 £m
Current tax receivable	2.6	15.6
Current tax liability	(15.3)	(17.6)

## 10 Taxation continued

The Group's effective tax rate is affected by the tax impact of Special Items. It is therefore helpful to consider the Underlying and Special Items affecting tax rates separately:

The effective tax rate on continuing underlying profit before tax for the year is -144.1% (2024: 30.4%) due to the geographical mix of profits and this year is largely driven by the partial derecognition of the UK, German and US deferred tax assets due to there being insufficient evidence that the assets will reverse in the short to medium term.

The effective tax rate for Special Items was 1.8% (2024: 19%), this mainly relates to deferred tax arising on the amortisation of acquired intangibles. In 2024 this was largely driven by the current tax credit in relation to the successful resolution of the litigation in Malaysia regarding the tax treatment on the sale of plantation land.

### Global Minimum Top-up Tax

The Group is subject to Global Minimum Top-up Tax under Pillar Two legislation. The Group has performed an assessment of the Group's potential exposure to Pillar Two top-up tax and based on such assessment performed, transitional safe harbour relief should apply to all the jurisdictions where the Group operates and therefore, the Group does not expect a potential exposure to the Pillar Two top-up tax. The management is not currently aware of any circumstances under which this might change.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax.

## 11 Deferred taxation

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets to the extent that it is probable that these assets will be recovered.

The movements in deferred tax assets and liabilities are shown below.

### Deferred tax liabilities

	Accelerated tax depreciation £m	Acquired intangibles £m	Other £m	Sub-total £m	Right of offset £m	Total £m
<b>2025</b>						
At 1 January	(39.0)	(28.1)	–	(67.1)	38.2	(28.9)
Sale of business	(1.4)	–	–	(1.4)		
(Charged)/credited to income statement	(4.3)	3.8	–	(0.5)		
Transfers	–	–	(3.8)	(3.8)		
Exchange adjustment	1.9	(0.8)	–	1.1		
<b>At 31 December</b>	<b>(42.8)</b>	<b>(25.1)</b>	<b>(3.8)</b>	<b>(71.7)</b>	<b>41.7</b>	<b>(30.0)</b>
<b>2024</b>	£m	£m	£m	£m	£m	£m
At 1 January	(40.9)	(32.8)	–	(73.7)	39.9	(33.8)
Credited to income statement	2.7	3.7	–	6.4		
Exchange adjustment	(0.8)	1.0	–	0.2		
<b>At 31 December</b>	<b>(39.0)</b>	<b>(28.1)</b>	<b>–</b>	<b>(67.1)</b>	<b>38.2</b>	<b>(28.9)</b>

### Deferred tax liabilities not recognised

No deferred tax liability has been recognised on temporary differences relating to unremitted earnings of overseas subsidiaries of £200.6 million (2024: £214.8m), as the Group is able to control the timing of the reversal of the temporary differences and it is not probable that the differences will reverse in the foreseeable future.

Group financial statements / Notes to the consolidated financial statements continued

## 11 Deferred taxation continued

### Deferred tax assets

	Losses £m	Retirement benefit obligations £m	Provisions & restructuring £m	Other £m	Sub-total £m	Right of offset £m	Total £m
<b>2025</b>							
At 1 January	40.0	2.4	27.4	24.1	93.9	(38.2)	55.7
Sale of business	–	–	(0.6)	–	(0.6)		
(Charged)/credited to income statement	(0.6)	2.5	(0.1)	(24.7)	(22.9)		
Charged to statement of other comprehensive income	–	(3.6)	–	–	(3.6)		
Transfers	–	–	–	3.8	3.8		
Exchange adjustment	0.2	0.3	(1.0)	(3.0)	(3.5)		
<b>At 31 December</b>	<b>39.6</b>	<b>1.6</b>	<b>25.7</b>	<b>0.2</b>	<b>67.1</b>	<b>(41.7)</b>	<b>25.4</b>
<b>2024</b>	£m	£m	£m	£m	£m	£m	£m
At 1 January	37.1	5.4	26.1	8.2	76.8	(39.9)	36.9
Credited/(charged) to income statement	3.1	(2.9)	1.3	15.6	17.1		
Credited to statement of other comprehensive income	–	0.3	–	–	0.3		
Transfers	–	–	–	–	–		
Exchange adjustment	(0.2)	(0.4)	–	0.3	(0.3)		
<b>At 31 December</b>	<b>40.0</b>	<b>2.4</b>	<b>27.4</b>	<b>24.1</b>	<b>93.9</b>	<b>(38.2)</b>	<b>55.7</b>

The Group has concluded that the deferred tax assets recognised on balance sheet will be fully recoverable against the unwind of taxable temporary differences and future taxable profits based on the long-term strategic plans of the Group. Where applicable the financial projections used in assessing future taxable income are consistent with those used elsewhere across the business, for example in the assessment of going concern.

### Deferred tax asset not recognised

The amounts of tax losses for which no deferred tax asset has been recognised at the balance sheet dates are as follows:

	2025 £m	2024 £m
Unused tax losses for which no deferred tax asset has been recognised	191.6	86.7
Carried forward interest for which no deferred tax asset has been recognised	121.2	15.7
Other items for which no deferred tax asset has been recognised	7.1	6.8
<b>Total</b>	<b>319.9</b>	<b>109.2</b>

All of the unrecognised tax losses set out above can be carried forward indefinitely.

Group financial statements / Notes to the consolidated financial statements continued

**12 Earnings per share**

		2025			2024		
		Underlying performance	Special Items	IFRS	Underlying performance	Special Items	IFRS
<b>Earnings</b>							
Loss attributable to equity holders of the parent – continuing operations	£m	(63.9)	(86.3)	(150.2)	(8.2)	(64.1)	(72.3)
Loss attributable to equity holders of the parent	£m	(60.8)	(96.2)	(157.0)	(4.1)	(68.5)	(72.6)
<b>Number of shares</b>							
Weighted average number of ordinary shares – basic	'000			163,500			163,473
Effect of dilutive potential ordinary shares	'000			5,266			1,078
Weighted average number of ordinary shares – diluted	'000			168,766			164,551
<b>Earnings per share for profit from continuing operations</b>							
Basic earnings per share	pence	(39.1)	(52.8)	(91.9)	(5.1)	(39.2)	(44.3)
Diluted earnings per share	pence	(39.1)	(52.8)	(91.9)	(5.1)	(39.2)	(44.3)
<b>Earnings per share for profit from discontinued operations</b>							
Basic earnings per share	pence	1.9	(6.0)	(4.1)	2.6	(2.7)	(0.1)
Diluted earnings per share	pence	1.9	(6.0)	(4.1)	2.6	(2.7)	(0.1)
<b>Earnings per share for profit attributable to equity holders of the parent</b>							
Basic earnings per share	pence	(37.2)	(58.8)	(96.0)	(2.5)	(41.9)	(44.4)
Diluted earnings per share	pence	(37.2)	(58.8)	(96.0)	(2.5)	(41.9)	(44.4)

### 13 Goodwill

	2025 £m	2024 £m
<b>Cost</b>		
At 1 January	598.8	608.4
Sale of business	(8.0)	(7.5)
Exchange adjustments	(11.1)	(2.1)
At 31 December	579.7	598.8
<b>Accumulated impairment losses</b>		
At 1 January	143.7	142.7
Exchange adjustments	(7.0)	1.0
At 31 December	136.7	143.7
<b>Net book value</b>		
At 31 December	443.0	455.1

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination.

The allocation of the carrying value of goodwill is represented below.

	Net book value at 1 January 2025 £m	Sale of business £m	Exchange adjustments £m	Net book value at 31 December 2025 £m
Coatings & Construction Solutions	354.5	–	(5.9)	348.6
Adhesive Solutions	24.7	–	(1.1)	23.6
Health & Protection and Performance Materials	75.9	(8.0)	2.9	70.8
<b>Total</b>	<b>455.1</b>	<b>(8.0)</b>	<b>(4.1)</b>	<b>443.0</b>

	Net book value at 1 January 2024 £m	Divisional Reorganisation £m	Sale of business £m	Exchange adjustments £m	Net book value at 31 December 2024 £m
Coatings & Construction Solutions	320.5	36.3	–	(2.3)	354.5
Adhesive Solutions	24.5	–	–	0.2	24.7
Health & Protection and Performance Materials	120.7	(36.3)	(7.5)	(1.0)	75.9
<b>Total</b>	<b>465.7</b>	<b>–</b>	<b>(7.5)</b>	<b>(3.1)</b>	<b>455.1</b>

### 13 Goodwill continued

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts for CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are the discount rate, profitability and growth rate. These assumptions have been updated in the year in light of the current economic environment.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the Group. The discount rate is based on the Group's weighted average cost of capital adjusted where appropriate for the risk premium attributable to a particular CGU's activities. A pre-tax discount rate of 11.8% has been used in the above calculations for each CGU (2024: 11.9%).

The Group prepares cash flow forecasts for each CGU, derived from the most recent five-year business plans approved by the Board. The final year cash flow is then assumed to apply into perpetuity with estimated annual growth rates of 1.91%, 1.99% and 2.41% for Coatings & Construction Solutions, Adhesive Solutions and Health & Protection and Performance Materials respectively (2024: 1.96%, 2.05% and 2.38% respectively). These rates do not exceed average long-term growth rates for relevant markets.

For each CGU, a sensitivity analysis has been undertaken on the impairment tests, with scenarios covering increased cost of capital, the impact of potential carbon taxes, reduced EBITDA margins and reduction in customer demand. For each CGU, the Directors believe that there is no reasonably possible change in the key assumptions on which the recoverable amount is based that would cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

For each CGU, the primary sensitivities considered were the discount rate, perpetuity growth rate and short term EBITDA growth rate. For Coatings & Construction Solutions, Adhesive Solutions and Health & Protection and Performance Materials, an increase of 0.5% in discount rate would yield a decrease in recoverable amount of £51m, £32m and £25m respectively (2024: £61m, £35m and £23m). A 0.25% decrease in perpetuity growth rate would yield a decrease in recoverable amount of £19m, £12m and £10m respectively (2024: £20m, £12m and £8m). Reducing EBITDA by 10% as a result of sensitising short term growth rates would yield decreases in recoverable amounts of £128m, £92m and £70m respectively.

### 14 Acquired intangible assets

	Customer relationships £m	Other acquired intangibles £m	Total £m
<b>Cost</b>			
At 1 January 2025	486.4	108.5	594.9
Exchange adjustments	(15.9)	(4.0)	(19.9)
<b>At 31 December 2025</b>	<b>470.5</b>	<b>104.5</b>	<b>575.0</b>
<b>Accumulated amortisation and impairment</b>			
At 1 January 2025	165.9	21.9	187.8
Amortisation charge for the year	37.0	7.4	44.4
Exchange adjustments	(3.4)	(1.0)	(4.4)
<b>At 31 December 2025</b>	<b>199.5</b>	<b>28.3</b>	<b>227.8</b>
<b>Net book value</b>			
<b>At 31 December 2025</b>	<b>271.0</b>	<b>76.2</b>	<b>347.2</b>

	Customer relationships £m	Other acquired intangibles £m	Total £m
<b>Cost</b>			
At 1 January 2024	488.0	108.6	596.6
Exchange adjustments	(1.6)	(0.1)	(1.7)
<b>At 31 December 2024</b>	<b>486.4</b>	<b>108.5</b>	<b>594.9</b>
<b>Accumulated amortisation and impairment</b>			
At 1 January 2024	129.6	14.5	144.1
Amortisation charge for the year	37.6	7.5	45.1
Exchange adjustments	(1.3)	(0.1)	(1.4)
<b>At 31 December 2024</b>	<b>165.9</b>	<b>21.9</b>	<b>187.8</b>
<b>Net book value</b>			
<b>At 31 December 2024</b>	<b>320.5</b>	<b>86.6</b>	<b>407.1</b>

Amortisation of acquired intangibles is included under Special Items.

## 15 Other intangible assets

	Other intangible assets £m	Assets under construction £m	Total £m
<b>Cost</b>			
At 1 January 2025	117.7	1.1	118.8
Additions	0.4	11.0	11.4
Disposals	(3.1)	(1.4)	(4.5)
Sale of business	(2.2)	–	(2.2)
Transfers from assets under construction	7.4	(7.4)	–
Other transfers	(0.2)	0.2	–
Exchange adjustments	4.1	0.1	4.2
<b>At 31 December 2025</b>	<b>124.1</b>	<b>3.6</b>	<b>127.7</b>
<b>Accumulated amortisation and impairment</b>			
At 1 January 2025	48.2	–	48.2
Amortisation charge for the year	13.4	–	13.4
Disposals	(2.7)	–	(2.7)
Sale of business	(2.0)	–	(2.0)
Impairment	0.9	–	0.9
Exchange adjustments	0.3	–	0.3
<b>At 31 December 2025</b>	<b>58.1</b>	<b>–</b>	<b>58.1</b>
<b>Net book value</b>			
<b>At 31 December 2025</b>	<b>66.0</b>	<b>3.6</b>	<b>69.6</b>

Other intangible assets mainly comprises the Pathway programme and other software.

	Other intangible assets £m	Assets under construction £m	Total £m
<b>Cost</b>			
At 1 January 2024	107.0	1.7	108.7
Additions	1.0	10.1	11.1
Disposals	(1.3)	–	(1.3)
Transfer from assets under construction	11.1	(11.1)	–
Exchange adjustments	(0.1)	0.4	0.3
<b>At 31 December 2024</b>	<b>117.7</b>	<b>1.1</b>	<b>118.8</b>
<b>Accumulated amortisation and impairment</b>			
At 1 January 2024	37.6	–	37.6
Amortisation charge for the year	12.1	–	12.1
Disposals	(1.3)	–	(1.3)
Exchange adjustments	(0.2)	–	(0.2)
<b>At 31 December 2024</b>	<b>48.2</b>	<b>–</b>	<b>48.2</b>
<b>Net book value</b>			
<b>At 31 December 2024</b>	<b>69.5</b>	<b>1.1</b>	<b>70.6</b>

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

As disclosed in note 2, there are various conditions required by IAS 38 for an internally generated intangible asset to be recognised.

During the year the Group invested a further £12.4m in its Pathway programme (2024: £11.6m). This programme is designed to deliver a unified operating model on a single set of integrated systems to improve the efficiency and effectiveness of the Group. The investment in this programme was shown as an asset under construction until the deployment phase began.

Group financial statements / Notes to the consolidated financial statements continued

**16 Property, plant and equipment**

	Owned assets				Right-of-use assets		Total £m
	Freehold land and buildings £m	Leasehold land and buildings £m	Plant and equipment £m	Assets under construction £m	Land and buildings £m	Plant and equipment £m	
<b>Cost</b>							
At 1 January 2025	194.7	8.8	959.4	75.4	46.6	32.9	1,317.8
Additions	1.3	–	17.7	61.2	3.6	7.4	91.2
Transfer to held for sale	–	–	–	–	(13.0)	–	(13.0)
Sale of business	(3.5)	–	(24.2)	–	–	–	(27.7)
Impairment	–	–	–	(1.7)	–	–	(1.7)
Disposals	(0.2)	–	(52.0)	(1.0)	(5.3)	(1.1)	(59.6)
Transfer from assets under construction	6.2	2.0	56.7	(64.9)	–	–	–
Other transfers	3.4	(0.1)	(4.7)	1.4	–	–	–
Lease adjustments	–	–	–	–	5.1	2.6	7.7
Exchange adjustments	3.6	0.1	9.1	1.4	0.7	0.8	15.7
<b>At 31 December 2025</b>	<b>205.5</b>	<b>10.8</b>	<b>962.0</b>	<b>71.8</b>	<b>37.7</b>	<b>42.6</b>	<b>1,330.4</b>
<b>Accumulated depreciation and impairment</b>							
At 1 January 2025	60.5	5.4	535.4	–	15.3	12.7	629.3
Depreciation charge for the year	6.2	0.3	68.1	–	3.4	8.0	86.0
Transfer to held for sale	–	–	–	–	(7.6)	–	(7.6)
Sale of business	(3.2)	–	(20.2)	–	–	–	(23.4)
Impairment	0.5	–	19.1	–	–	0.3	19.9
Disposals	(1.2)	–	(49.5)	–	(5.3)	(1.0)	(57.0)
Other transfers	5.3	–	(5.3)	–	–	–	–
Lease adjustments	–	–	–	–	7.1	2.5	9.6
Exchange adjustments	3.1	–	13.2	–	0.3	0.5	17.1
<b>At 31 December 2025</b>	<b>71.2</b>	<b>5.7</b>	<b>560.8</b>	<b>–</b>	<b>13.2</b>	<b>23.0</b>	<b>673.9</b>
<b>Net book value</b>							
<b>At 31 December 2025</b>	<b>134.3</b>	<b>5.1</b>	<b>401.2</b>	<b>71.8</b>	<b>24.5</b>	<b>19.6</b>	<b>656.5</b>

Group financial statements / Notes to the consolidated financial statements continued

**16 Property, plant and equipment** continued

	Owned assets				Right-of-use assets		Total £m
	Freehold land and buildings £m	Leasehold land and buildings £m	Plant and equipment £m	Assets under construction £m	Land and buildings £m	Plant and equipment £m	
<b>Cost</b>							
At 1 January 2024	203.2	8.0	970.5	36.7	43.4	29.5	1,291.3
Additions	3.6	–	25.1	54.5	5.2	7.7	96.1
Transfer to held for sale	(2.7)	–	(13.1)	–	–	–	(15.8)
Sale of business	(1.9)	–	(11.4)	(0.3)	–	–	(13.6)
Impairment	(1.1)	–	(1.2)	(3.7)	–	–	(6.0)
Disposals	(4.0)	–	(12.4)	(0.1)	(1.7)	(3.9)	(22.1)
Transfer from assets under construction	2.2	0.8	7.1	(10.1)	–	–	–
Other transfers	–	–	–	–	–	–	–
Exchange adjustments	(4.6)	–	(5.2)	(1.6)	(0.3)	(0.4)	(12.1)
At 31 December 2024	194.7	8.8	959.4	75.4	46.6	32.9	1,317.8
<b>Accumulated depreciation and impairment</b>							
At 1 January 2024	62.2	5.1	495.5	–	12.8	10.0	585.6
Depreciation charge for the year	7.5	0.2	65.5	–	4.2	6.9	84.3
Transfer to held for sale	(2.0)	–	(7.3)	–	–	–	(9.3)
Sale of business	–	–	(8.4)	–	–	–	(8.4)
Impairment	(0.1)	–	(0.2)	–	–	–	(0.3)
Disposals	–	–	(11.2)	–	(1.7)	(4.1)	(17.0)
Other transfers	(4.8)	0.2	4.6	–	–	–	–
Exchange adjustments	(2.3)	(0.1)	(3.1)	–	–	(0.1)	(5.6)
At 31 December 2024	60.5	5.4	535.4	–	15.3	12.7	629.3
<b>Net book value</b>							
At 31 December 2024	134.2	3.4	424.0	75.4	31.3	20.2	688.5

Freehold land is not depreciated and is held at historical cost. At 31 December 2025, the Group's freehold land was recognised at £35.4m (31 December 2024: £34.3m).

At 31 December 2025 the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £10.2m (2024: £5.0m).

## 17 Investment in joint ventures

Details of the Group's joint ventures are as follows:

Name of entity	Place of incorporation	Ownership	Principal activity	Segment
Synthomer Middle East Company Ltd	Saudi Arabia	49%	Manufacturer and sale of acrylic and vinyl resin emulsions	Coatings & Construction Solutions
Synthomer Functional Solutions FZCO	UAE	49%	Trading in adhesives and oilfield chemicals	Adhesive Solutions
Synthomer FZE Limited	UAE	49%	Sales and marketing support for Synthomer Group Companies	Coatings & Construction Solutions
Nanjing Yangzi Eastman Chemical Ltd	China	50%	Manufacturer of hydrogenated hydrocarbon resins	Adhesive Solutions
Super Sky Ltd	United Kingdom	50%	Non-trading	Corporate

Joint ventures are accounted for using the equity method in these financial statements. The ownership of entities has not changed since the prior year.

Summarised financial information in respect of the joint ventures is set out below. This information represents amounts in the joint ventures' financial statements adjusted for differences in accounting policies between the Group and the joint venture (and not the Group's share of those amounts).

### Summarised balance sheet (100%)

	2025 £m	2024 £m
Non-current assets	12.0	12.2
Cash and cash equivalents	4.6	3.7
Other current assets	23.8	28.0
Total current assets	28.4	31.7
Other current liabilities	(26.4)	(32.1)
Total current liabilities	(26.4)	(32.1)
Net assets	14.0	11.8

### Summarised statement of comprehensive income (100%)

	2025 £m	2024 £m
<b>Revenue</b>	<b>79.1</b>	90.3
Operating profit	2.9	2.7
Taxation	(0.1)	(0.1)
Profit for the year	2.8	2.6
Exchange differences on translation	–	–
Total comprehensive income	2.8	2.6
Dividends paid	–	(2.1)
Movement in retained earnings	2.8	0.5
Group share:		
Profit for the year	1.4	1.3
Dividends paid	–	(1.0)

The following table reconciles the summary information above to the carrying amount of the Group's interest in the joint ventures:

### Investment in joint venture

	2025 £m	2024 £m
At 1 January	8.1	7.5
Profit from continuing operations	1.4	1.3
Exchange differences on translation	(0.8)	0.3
Dividend paid	–	(1.0)
<b>At 31 December</b>	<b>8.7</b>	8.1

Group financial statements / Notes to the consolidated financial statements continued

## 18 Inventories

	2025 £m	2024 £m
Raw materials and consumables	159.6	167.5
Finished goods	177.3	180.7
	<b>336.9</b>	348.2
Stock written off during the year	3.0	6.0
Cost of inventory recognised as an expense and included in cost of sales	1,059.9	1,238.3

The nature of the chemical reaction necessary to produce finished goods from raw materials is such that 'work in progress' is not a material part of the Group's inventory at any given point of time.

## 19 Trade and other receivables

	2025 £m	2024 £m
Trade receivables	96.2	155.8
Other receivables	51.1	62.6
Prepayments	6.5	8.8
	<b>153.8</b>	227.2

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Before accepting a new customer, the Group uses appropriate procedures to assess the potential customer's credit quality in order to set a credit limit.

The Group applies a simplified approach to measure the loss allowance for trade receivables classified at amortised cost, using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and credit rating, adjusted as appropriate for current observable data. The Group has no significant concentration of credit risk, with exposure spread over a large number of customers. The following table details the risk profile of trade receivables based on the Group's provision matrix.

2025	Trade receivables – days past due				Total £m
	Not yet due £m	<60 £m	61-120 £m	>120 £m	
Gross carrying amount	87.7	3.6	0.1	5.8	97.2
Expected credit loss rate					0.02%
Lifetime expected credit loss					(1.0)
<b>Total</b>					<b>96.2</b>

2024	Trade receivables – days past due				Total £m
	Not yet due £m	<60 £m	61-120 £m	>120 £m	
Gross carrying amount	139.9	13.6	0.3	3.1	156.9
Expected credit loss rate					0.06%
Lifetime expected credit loss					(1.1)
<b>Total</b>					<b>155.8</b>

The following table shows the movement in the lifetime expected credit loss that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9:

	2025 £m	2024 £m
At 1 January	1.3	1.1
Exchange adjustments	0.2	(0.1)
Transfer from credit impaired	0.1	0.7
Uncollectable amounts written off / recovered	(0.6)	(0.4)
<b>At 31 December</b>	<b>1.0</b>	1.3

## 20 Cash and borrowings

	1 January 2025 £m	Cash flows £m	Exchange and other movements £m	31 December 2025 £m
Bank overdrafts	(0.3)	–	0.3	–
€520m 3.875% senior unsecured loan notes due 2025	(123.9)	128.8	(4.9)	–
Current bank borrowings	–	–	–	–
<b>Current liabilities</b>	<b>(124.2)</b>	<b>128.8</b>	<b>(4.6)</b>	<b>–</b>
Bank loans	(414.2)	(46.5)	(3.1)	(463.8)
€350m 7.375% senior unsecured loan notes due 2029	(284.4)	–	(16.7)	(301.1)
<b>Non-current liabilities</b>	<b>(698.6)</b>	<b>(46.5)</b>	<b>(19.8)</b>	<b>(764.9)</b>
<b>Total borrowings</b>	<b>(822.8)</b>	<b>82.3</b>	<b>(24.4)</b>	<b>(764.9)</b>
Cash and cash equivalents	225.8	(37.5)	1.6	189.9
<b>Net debt</b>	<b>(597.0)</b>	<b>44.8</b>	<b>(22.8)</b>	<b>(575.0)</b>

Capitalised debt costs, which have been recognised as a reduction in borrowings in the financial statements, amounted to £9.5m at 31 December 2025 (31 December 2024: £12.8m).

	1 January 2024 £m	Cash flows £m	Exchange and other movements £m	31 December 2024 £m
Bank overdrafts	(0.7)	0.4	–	(0.3)
€520m 3.875% senior unsecured loan notes due 2025	–	–	(123.9)	(123.9)
Current bank borrowings	–	–	–	–
Current liabilities	(0.7)	0.4	(123.9)	(124.2)
Bank loans	(421.9)	3.1	4.6	(414.2)
€520m 3.875% senior unsecured loan notes due 2025	(448.4)	318.8	129.6	–
€350m 7.375% senior unsecured loan notes due 2029	–	(293.5)	9.1	(284.4)
Non-current liabilities	(870.3)	28.4	143.3	(698.6)
Total borrowings	(871.0)	28.8	19.4	(822.8)
Cash and cash equivalents	371.3	(141.5)	(4.0)	225.8
Net debt	(499.7)	(112.7)	15.4	(597.0)

Analysis of net debt by currency:

	2025		2024	
	Cash and cash equivalents £m	Total borrowings £m	Cash and cash equivalents £m	Total borrowings £m
Sterling	24.6	48.0	21.4	–
Euro	50.9	555.7	92.1	651.8
US dollar	82.3	170.7	65.7	183.8
Malaysian ringgit	22.2	–	34.1	–
Other	9.9	–	12.5	–
<b>Total</b>	<b>189.9</b>	<b>774.4</b>	<b>225.8</b>	<b>835.6</b>

The principal features of the Group's borrowings are as follows:

The Group has unsecured borrowing facilities comprising: a €300m revolving credit facility ending July 2027, €350m 7.375% unsecured senior loan notes due in May 2029 and UK Export Finance facilities for €288m and \$230m due in October 2027. These are 80% guaranteed by UK Export Finance and are on terms that are similar to the Company's existing revolving credit facility.

### Changes in liabilities arising from financing activities

	1 January 2025 £m	Financing cash outflows £m	Non-cash changes	31 December 2025 £m
			Exchange and other movements £m	
Borrowings	(822.8)	82.3	(24.4)	(764.9)
Lease liabilities	(55.9)	12.4	(10.1)	(53.6)
<b>Total</b>	<b>(878.7)</b>	<b>94.7</b>	<b>(34.5)</b>	<b>(818.5)</b>

	1 January 2024 £m	Financing cash outflows £m	Exchange and other movements £m	31 December 2024 £m
Borrowings	(870.3)	28.4	19.1	(822.8)
Lease liabilities	(55.3)	12.1	(12.7)	(55.9)
Total	(925.6)	40.5	6.4	(878.7)

## 21 Financial instruments

The table below sets out the Group's accounting classification of each class of financial assets and liabilities:

	2025					2024		
	Valuation category in accordance with IFRS 9 <sup>1</sup>	Fair value hierarchy level	Carrying amount £m	Carrying amount within scope of IFRS 7 £m	Fair value £m	Carrying amount £m	Carrying amount within scope of IFRS 7 £m	Fair value £m
Trade receivables	AC	Level 2	96.2	96.2	96.2	155.8	155.8	155.8
Other receivables	AC	Level 2	51.1	29.2	29.2	62.6	42.3	42.3
Cash and cash equivalents	AC	Level 2	189.9	189.9	189.9	225.8	225.8	225.8
Derivative assets	FVTOCI	Level 2	1.2	1.2	1.2	2.8	2.8	2.8
<b>Total assets</b>			<b>338.4</b>	<b>316.5</b>	<b>316.5</b>	<b>447.0</b>	<b>426.7</b>	<b>426.7</b>
Borrowings	AC	Level 2	(764.9)	(764.9)	(774.4)	(822.8)	(822.8)	(835.6)
Trade and other payables	AC	Level 2	(397.9)	(378.8)	(378.8)	(391.7)	(379.0)	(379.0)
Derivative liabilities	FVTOCI	Level 2	(3.0)	(3.0)	(3.0)	(1.6)	(1.6)	(1.6)
<b>Total liabilities</b>			<b>(1,165.8)</b>	<b>(1,146.7)</b>	<b>(1,156.2)</b>	<b>(1,216.1)</b>	<b>(1,203.4)</b>	<b>(1,216.2)</b>

1. AC: amortised cost; FVTOCI: fair value through other comprehensive income; a more detailed description of the categories can be found in note 2.

The fair value of the Group's borrowings at 31 December 2025 was £774.4m (31 December 2024: £835.6m).

As at 31 December 2025 a £1.8m liability (2024: £1.0m asset) of the interest rate swap derivative was designated as being in a hedging relationship.

### Financial risk management

The Group's policies, approved by the Board, provide written principles on financial risk management and the use of financial derivatives.

These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group has a policy of hedging significant foreign exchange transactional exposure at operating company level. The Group regularly reviews its net assets and borrowing currency exposures, borrowing in overseas currencies in order to hedge the net assets held in those currencies as appropriate. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### Currency risk

The Group presents its consolidated financial statements in sterling and conducts business in many currencies. As a result, it is subject to foreign currency risk due to exchange rate movements, which will affect the Group's transactions and the translation of the results and underlying net assets of its operations.

To manage the currency risk the Group uses foreign currency borrowings, forward contracts and currency swaps to hedge overseas net assets, which are predominantly denominated in euros, US dollars and Malaysian ringgits. Profit translation exposures are not hedged.

The Group hedges currency transaction exposures at the point of confirmed order, using forward foreign exchange contracts. The Group's policy is, where practicable, to hedge all exposures on monetary assets and liabilities. Consequently, there are no material currency exposures to disclose (2024: none).

## 21 Financial instruments continued

### Interest rate risk

The Group has an exposure to interest rate risk, arising principally on changes in US dollar and euro interest rates. To manage interest rate risk, the Group manages its proportion of fixed to floating rate borrowings, and uses interest rate swaps. These practices aim to minimise the Group's net finance charges with acceptable year-on-year volatility.

At 31 December 2025, the Group had in place swap arrangements to fix interest rates on €45m and \$125m of borrowings.

The Group's interest rate derivatives are designated as cash flow hedges with fair value movement on the hedged portion recognised in equity. Interest paid on these derivatives is recognised in the income statement, within Underlying interest costs. Fair value movement in the unhedged portion is also recognised in profit and loss, as a Special Item.

After taking account of interest rate swaps, the Group's currency and interest rate exposure as at 31 December 2025 was:

	2025			2024		
	Floating rate borrowings £m	Fixed rate borrowings £m	Total borrowings £m	Floating rate borrowings £m	Fixed rate borrowings £m	Total borrowings £m
Sterling	48.0	–	48.0	–	–	–
Euro	211.4	344.3	555.7	22.8	629.0	651.8
US dollar	77.9	92.8	170.7	83.9	99.9	183.8
<b>Total</b>	<b>337.3</b>	<b>437.1</b>	<b>774.4</b>	<b>106.7</b>	<b>728.9</b>	<b>835.6</b>

### Market risk sensitivity analysis

The Group's main exposure to market risk is in the form of interest rate risk and foreign currency risk. The Group uses a sensitivity analysis that estimates the impacts on the consolidated income statement and other comprehensive income of either an instantaneous increase or decrease of 1.0% in market interest rates or a 10% strengthening or weakening in sterling against all other currencies, from the rates applicable at 31 December 2025 and 31 December 2024 with all other variables remaining constant. The sensitivity analysis excludes the impact of market risks on the net post-employment benefit liabilities and assets, and corporate tax payable. This analysis is for illustrative purposes only, as interest and foreign exchange rates rarely change in isolation.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

	2025			2024		
	Income statement		Equity	Income statement		Equity
	Underlying -/+ £m	IFRS -/+ £m	IFRS -/+ £m	Underlying -/+ £m	IFRS -/+ £m	IFRS -/+ £m
<b>Interest rate sensitivity analysis</b>						
UK interest rate +/- 1.0%	(0.2)	(0.2)	–	0.2	0.2	–
Euro interest rate +/- 1.0%	(1.6)	(1.6)	0.4	0.7	0.7	2.2
US interest rate +/- 1.0%	–	–	0.9	(0.2)	(0.2)	1.0
<b>Foreign currency sensitivity analysis</b>						
Sterling -/+ 10%	0.3	0.3	–	0.3	0.3	–
Euro exchange rate -/+ 10%	0.4	0.4	(1.3)	(1.8)	(1.8)	(3.2)
US dollar exchange rate -/+ 10%	1.2	1.2	–	0.7	0.7	(2.4)
Malaysian ringgit exchange rate -/+ 10%	–	–	–	–	–	–

## 21 Financial instruments continued

### Market risk sensitivity analysis continued

The interest rate sensitivity analysis has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming that the amount of liability outstanding at the balance sheet date was outstanding for the whole year.

For interest rate derivatives the mark-to-market adjustment, and amount recognised in equity as part of a hedging arrangement, is estimated using the interest rate sensitivity against the nominal amount.

The foreign currency sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or borrower.

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises on cash balances, derivative financial instruments and credit exposures to customers.

The carrying amount of financial assets represents the Group's exposure to credit risk at the balance sheet date as disclosed at the start of this note. A financial asset is in default when the counterparty fails to pay its contractual obligations. Financial assets are written-off when there is no reasonable expectation of recovery. Credit risk is managed separately for financial and business-related credit exposures.

### Financial credit risk

Synthomer aims to minimise its financial credit risk through the application of risk management policies approved and monitored by the Board. Counterparties are predominantly limited to major banks and financial institutions with a credit rating of investment grade and the policy restricts the exposure to any one counterparty by setting credit limits. The Group's policy is designed to ensure that individual counterparty limits are adhered to and that there are no significant concentrations of credit risk. The Board also defines the types of financial instruments which may be transacted. Synthomer annually reviews the credit limits applied and regularly monitors the counterparties' credit quality, reflecting market credit conditions.

### Business-related credit risk

Trade and other receivables exposures are managed locally in the operating units where they arise and active risk management is applied, focusing on country risk, credit limits, ongoing credit evaluation and monitoring procedures. There is no significant concentration of credit risk with respect to receivables as the Group has a large number of customers which are internationally dispersed. See note 19 for information on credit risk with respect to trade and other receivables.

### Liquidity risk

Liquidity risk is the risk that Synthomer is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds at an acceptable price to fund actual or proposed commitments. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of assets and liabilities.

Group financial statements / Notes to the consolidated financial statements continued

## 21 Financial instruments continued

The following tables provide an analysis of the anticipated undiscounted contractual cash flows including interest payable for the Group's financial liabilities and derivative instruments. The liquidity analysis for lease liabilities is included in note 22. Where interest payments are calculated at a floating rate, rates of each cash flow until maturity of the instruments are calculated based on the forward yield curve prevailing at the respective year ends. Derivative contracts are presented on a net basis.

	2025			2024		
	Amount due			Amount due		
	Within one year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Within one year £m	Between 1 and 2 years £m	Between 2 and 5 years £m
Overdrafts	-	-	-	(0.3)	-	-
Financial liabilities in trade and other payables	(378.6)	-	(0.2)	(378.9)	-	(0.1)
Bank loans – principal	-	(421.3)	(48.0)	-	-	(421.7)
€520m 3.875% senior unsecured loan notes due 2025	-	-	-	(124.1)	-	-
€350m 7.375% senior unsecured loan notes due 2029	-	-	(305.1)	-	-	(289.6)
Interest payments on borrowings	(46.5)	(40.9)	(30.1)	(39.2)	(36.7)	(62.0)
<b>Total non-derivative financial liabilities</b>	<b>(425.1)</b>	<b>(462.2)</b>	<b>(383.4)</b>	<b>(542.5)</b>	<b>(36.7)</b>	<b>(773.4)</b>

	2025				2024			
	Amount due				Amount due			
	Within one year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Total £m	Within one year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Total £m
Interest rate swaps	-	-	-	-	2.2	0.2	0.4	2.8
Currency forwards	1.2	-	-	1.2	0.3	-	-	0.3
<b>Total derivative financial assets</b>	<b>1.2</b>	<b>-</b>	<b>-</b>	<b>1.2</b>	<b>2.5</b>	<b>0.2</b>	<b>0.4</b>	<b>3.1</b>
Interest rate swaps	0.9	0.8	-	1.7	0.4	0.4	0.9	1.7
Currency forwards	1.3	-	-	1.3	0.5	-	-	0.5
<b>Total derivative financial liabilities</b>	<b>2.2</b>	<b>0.8</b>	<b>-</b>	<b>3.0</b>	<b>0.9</b>	<b>0.4</b>	<b>0.9</b>	<b>2.2</b>

The financial covenant at 31 December 2025 for the RCF is that net debt must be less than 5.25 times EBITDA. At 31 December 2025 the actual covenant for the net debt was 4.7 times EBITDA.

## 21 Financial instruments continued

Any non-compliance with covenants underlying Synthomer's financing arrangements could, if not waived, constitute an event of default with respect to any such arrangements, and any non-compliance with covenants may, in particular circumstances, lead to an acceleration of maturity on certain borrowings and the inability to access committed facilities. Synthomer was in full compliance with its financial covenants in respect of its borrowings throughout each of the years presented.

At the year end, Synthomer had available undrawn committed bank facilities as follows:

	2025					2024				
	Expiring within one year £m	Expiring between 1 and 2 years £m	Expiring between 2 and 5 years £m	Expiring after 5 years £m	Total £m	Expiring within one year £m	Expiring between 1 and 2 years £m	Expiring between 2 and 5 years £m	Expiring after 5 years £m	Total £m
Unsecured €300m multicurrency RCF expiring 31 July 2027	-	213.5	-	-	213.5	-	-	228.6	-	228.6
	-	213.5	-	-	213.5	-	-	228.6	-	228.6

### Fair value measurement

Certain of the Group's financial instruments are held at fair value. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date.

As prescribed by IFRS 13 Fair Value Measurement, fair values are measured using a hierarchy where the inputs are as follows:

- Level 1 – quoted prices in active markets for identical assets or liabilities
- Level 2 – not Level 1 but are observable for that asset or liability either directly or indirectly
- Level 3 – not based on observable market data.

Interest rate swaps and foreign currency forwards and swaps are valued using discounted cash flow techniques. These techniques incorporate inputs such as foreign exchange rates and interest rates, which are used in a discounted cash flow calculation incorporating the instrument's term, notional amount and discount rate, and taking credit risk into account.

As significant inputs to the valuation are observable in active markets, all of the Group's financial instruments are classified as Level 2 financial instruments.

The fair value of forward foreign exchange contracts, interest rate swaps and currency swaps is estimated by discounting the future contractual cash flows using forward exchange rates, interest rates and prices at the balance sheet date.

There were no transfers of any financial instrument between the levels of the fair value hierarchy during the current or prior year.

## 21 Financial instruments continued

### Hedge relationships

The Group targets a one-to-one hedge ratio. Strengths of the economic relationship between the hedged item and the hedging instrument are analysed on an ongoing basis. Ineffectiveness can arise from subsequent change in the forecast transactions as a result of timing, cash flows or value except when the critical terms of the hedging instrument and hedged item are closely aligned. The change in the credit risk of the hedging instruments or the hedged items is not expected to be the primary factor in the economic relationship.

The notional amounts, contractual maturities and rates of the hedging instruments designated in hedging relationships as of 31 December 2025 by the main risk categories are as follows:

	Hedged risk	Notional amount	Maturity	Range of hedged rates
<b>2025</b>				
<b>Cash flow hedges</b>				
Interest rate swap	Interest rate	Up to €45m and \$125m	18/07/2023 – 10/10/2027	2.830% to 4.637% Fixed
<b>Net investment hedges</b>				
Net investment	Currency	Up to \$230m	01/04/2020 – present	1.25-1.37
Net investment	Currency	Up to €638m	01/04/2020 – present	1.15-1.21
<b>2024</b>				
<b>Cash flow hedges</b>				
Interest rate swap	Interest rate	Up to €260m and \$125m	28/08/2018 – 10/10/2027	0.517% to 4.637% Fixed
<b>Net investment hedges</b>				
Net investment	Currency	Up to \$230m	01/04/2020 – present	1.24-1.32
Net investment	Currency	Up to €560m	01/04/2020 – present	1.17-1.21

Where hedge accounting is applied, hedges are documented and tested for effectiveness on an ongoing basis.

The ratio for hedging instruments designated in both net investment and cash flow hedge relationships was 1:1. Ineffectiveness could occur on either hedging relationship due to significant changes in counterparty credit risk or a reduction in the notional amount of the hedged item during the designated hedging period.

### Cash flow hedges

The Group designated as a cash flow hedge the interest rate swaps used to manage interest rate risk on its Euro borrowings.

In 2025 a loss of £2.2m (2024: £3.3m) was recognised in the cash flow hedge reserve in respect of these derivatives. At 31 December 2025 the cash flow hedge reserve includes a cumulative loss of £13.5m (2024: £11.3 m), all of which relates to continuing cash flow hedges. The cash flows are expected to occur between 2026 and 2027.

In the current year, the Group's euro borrowings exceeded the total of the interest rate derivative contracts and as such there is no unhedged portion recognised as a finance cost within Special Items.

## 21 Financial instruments continued

### Receivables financing

During the year the Group continued to sell amounts receivable from customers to a third-party on a non-recourse basis. As a result, £155.6m of trade receivables were sold and derecognised as at 31 December 2025. An additional liability of £14.5m has been recognised, which represents the net of the value of invoices settled by the customer not yet repaid by the group to the factoring counterparty less deferred purchase price reserves, which represent a portion of the original receivables. This balance has been recorded within Other payables in note 23.

These reserves are subsequently paid by the counterparties to the agreements, whether the customer pays the receivable in full or not. The fair value of these assets is considered to be the same as the carrying value.

### Capital management

The Board is committed to enhancing shareholder value in the long term, both by investing in the business so as to deliver continued improvement in the return from those investments and by managing the capital structure.

Synthomer manages its capital structure to achieve capital efficiency and to provide flexibility to invest through the economic cycle and give efficient access to debt markets at attractive cost levels. This is achieved by targeting a net debt to EBITDA ratio between 1.0 and 2.0. In order to finance acquisitions, the Group may increase the ratio with a view to deleveraging within 12-24 months.

As at 31 December 2025 the net debt to EBITDA ratio was 4.7 times (2024: 4.6 times).

In 2022 the Board announced the suspension of dividends. The Board has confirmed that dividends will remain suspended until the Group's net debt is less than 2.5x its EBITDA.

## 22 Leases

The Group has a portfolio of leases mainly comprising land and buildings, chemical storage tanks and vehicles. Further details are given in note 2.

Information in respect of right-of-use assets, including the carrying amount, additions and depreciation, are set out in note 16 to these financial statements. Information in respect of the carrying value is set out below and information in respect of interest arising on lease liabilities is set out in note 9.

Synthomer also enters into short-term leases and low value leases which are not recognised as right-of-use assets and lease liabilities. The expense recognised in the year in relation to these leases is not material. Synthomer has no material exposure to variable lease payments, residual value guarantees, or committed leases not yet commenced.

The total cash outflow for leases in the year was as follows:

	2025 £m	2024 £m
Payments for the principal portion of lease liabilities	12.4	12.1
Payments for the interest portion of lease liabilities	3.0	2.4

Lease liabilities included in the balance sheet are as follows:

	2025 £m	2024 £m
Current	18.8	12.3
Non-current	34.8	43.6
	53.6	55.9

The following table details the maturity of contractual undiscounted cash flows for lease liabilities:

	2025 £m	2024 £m
Less than one year	22.9	12.0
Between one and two years	11.0	9.6
Between two and five years	16.9	15.9
More than five years	29.7	57.0

## 23 Trade and other payables

	2025 £m	2024 £m
<b>Amount due within one year</b>		
Trade payables	263.7	261.9
Other payables	40.7	26.6
Accruals	93.3	103.1
	<b>397.7</b>	391.6
<b>Amount due after one year</b>		
Accruals	0.2	0.1
	<b>0.2</b>	0.1

Average trade payable days in 2025 was 49 (2024: 48). This figure represents trade payable days for all trading operations within the Group, calculated as a weighted average based on cost of sales.

The Directors consider that the carrying amount of trade payables, other payables and accruals approximates to their fair value.

## 24 Provisions for other liabilities and charges

	Environmental £m	Restructuring and site closure £m	Total £m
<b>At 1 January 2025</b>	<b>9.1</b>	<b>26.2</b>	<b>35.3</b>
Credit to income statement during the period	(4.0)	(1.8)	(5.8)
Utilised during the year	(0.4)	(4.2)	(4.6)
Sale of business	–	(2.4)	(2.4)
Exchange adjustments	(0.3)	(0.8)	(1.1)
<b>31 December 2025</b>	<b>4.4</b>	<b>17.0</b>	<b>21.4</b>

### Analysis of provisions

	31 December 2025 £m	31 December 2024 £m
Non-current	18.1	27.5
Current	3.3	7.8
	<b>21.4</b>	35.3

### Analysis of (credit)/charge to the income statement

	2025 £m	2024 £m
Underlying performance	(4.0)	–
Special Items	(1.8)	0.9
	<b>(5.8)</b>	0.9

The closing balance includes £17.0m in relation to the rationalisation of sites around the Group, most notably £1.0m in Marl and £8.6m for decommissioning assets at a number of sites. £4.4m relates to environmental remediation work required at the Jefferson site, and a further £5.7m relates to the demolition and disposal of unused equipment and vacant tanks at the Jefferson and Longview sites in order to bring them into line with our ESG strategy.

We expect these costs to be incurred within the next five years.

## 25 Retirement benefit obligations

The Group operates a variety of retirement benefit arrangements, covering both defined contribution and defined benefit schemes.

### Defined contribution scheme

The Group operates a number of defined contribution schemes for its employees. Costs recognised in respect of defined contribution pension plans across the Group for the year ended 31 December 2025 were £13.9m (2024: £11.3m).

### Charge to income statement in respect of the Group's defined contribution scheme

	2025				
	UK £m	US £m	Germany £m	Other £m	Total £m
Defined contribution	4.5	3.8	0.2	5.4	13.9

  

	2024				
	UK £m	US £m	Germany £m	Other £m	Total £m
Defined contribution	3.5	2.6	0.1	5.1	11.3

The risk relating to benefits to be paid to the dependants of scheme members (widow and orphan benefits) is reinsured with an external insurance company.

### Multi-employer schemes

The Group participates in several tariffs of the Pensionskasse Degussa in Germany, which is a multi-employer pension scheme. Regular contributions are payable to the scheme by each participating employer for new benefits accruing. The assets of all participating employers are pooled, and contributions are calculated based on aggregated demographic experience. Therefore sufficient information is not available to identify the Group's share of the assets on a consistent and reliable basis and the Group accounts for the scheme on a defined contribution basis. The Group expects to make a regular contribution of £1.8m to the scheme in 2026.

To the extent that there is underfunding in the scheme, deficit contributions are payable based on an actuarial assessment of each participating employer's share of the future benefit accrual. At 31 December 2025 there is no indication of any commitment for additional deficit contributions in excess of regular contributions.

## Defined benefit schemes

### UK

The Group's UK defined benefit scheme is administered by a fund that is legally separate from the Group. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme. The trustees of the pension scheme are responsible for the investment policy with regard to the assets of the fund.

The scheme was closed to future accrual in 2009 and all retirement benefits since that time are provided by way of a defined contribution scheme. The assets of the scheme are held separately from those of the companies concerned. A triennial actuarial valuation of the scheme was undertaken in 2024 and was published in 2025.

### USA

The Group's US defined benefit scheme was acquired as part of the OMNOVA acquisition and is administered by a fund which is legally separate from OMNOVA Solutions Inc. The fiduciary committee is required by law to act in the interest of the fund and is responsible for the investment policy with regard to the assets of the fund.

The scheme was closed to future accrual in 2011 and all retirement benefits since that time are provided by way of a defined contribution scheme. The assets of the scheme are held separately from those of the companies concerned and a formal valuation is undertaken on an annual basis.

### Germany

The Group operates a number of defined benefit schemes in Germany. These schemes are closed to new members. In line with common practice, these schemes are unfunded and liabilities are settled on a cash basis as they fall due. At each balance sheet date, obligations are calculated by external actuaries.

### Other

The Group operates a number of smaller overseas pension and retirement benefit schemes. For the funded schemes, assets are held separately from those of the Group. The aggregated pension disclosures for the other defined benefit schemes have been compiled from a number of actuarial valuations at 31 December 2025.

**25 Retirement benefit obligations** continued**Retirement benefit obligations**

Defined benefit schemes expose the Group to a number of risks, the most significant of which are detailed below:

Asset return risk	The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will increase the deficit.
Interest rate risk	A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan assets in bond holdings.
Longevity risk	The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

Charges to the income statement in respect of the Group's defined benefit pension schemes are as follows:

	2025					2024				
	UK £m	US £m	Germany £m	Other £m	Total £m	UK £m	US £m	Germany £m	Other £m	Total £m
Service cost	1.2	4.1	0.2	0.5	6.0	6.1	0.6	0.2	0.1	7.0
Net interest (income)/expense	(1.4)	0.4	2.0	0.4	1.4	(1.1)	0.4	2.0	0.4	1.7
	(0.2)	4.5	2.2	0.9	7.4	5.0	1.0	2.2	0.5	8.7

Amounts recognised in the statement of comprehensive income are set out below:

	2025					2024				
	UK £m	US £m	Germany £m	Other £m	Total £m	UK £m	US £m	Germany £m	Other £m	Total £m
Return on plan assets excluding amounts included in interest expense	2.3	2.8	–	(0.1)	5.0	(22.0)	(5.7)	–	–	(27.7)
Remeasurement gains/(losses)	9.1	(3.6)	3.0	0.1	8.6	18.2	5.6	2.0	(0.2)	25.6
<b>Actuarial gains/(losses)</b>	<b>11.4</b>	<b>(0.8)</b>	<b>3.0</b>	<b>–</b>	<b>13.6</b>	<b>(3.8)</b>	<b>(0.1)</b>	<b>2.0</b>	<b>(0.2)</b>	<b>(2.1)</b>

Group financial statements / Notes to the consolidated financial statements continued

## 25 Retirement benefit obligations continued

Amounts included in the Group's consolidated balance sheet arising from the Group's defined benefit scheme obligations are:

	2025					2024				
	UK £m	US £m	Germany £m	Other £m	Total £m	UK £m	US £m	Germany £m	Other £m	Total £m
Present value of defined benefit obligation	(238.6)	(147.6)	(57.4)	(15.1)	(458.7)	(251.2)	(157.6)	(57.8)	(14.4)	(481.0)
Fair value of schemes' assets	278.9	134.1	2.6	3.5	419.1	277.2	148.5	2.5	3.1	431.3
<b>Net asset/(liability) arising from defined benefit obligation</b>	<b>40.3</b>	<b>(13.5)</b>	<b>(54.8)</b>	<b>(11.6)</b>	<b>(39.6)</b>	26.0	(9.1)	(55.3)	(11.3)	(49.7)

Fair value of the schemes' assets is set out below:

	2025					2024				
	UK £m	US £m	Germany £m	Other £m	Total £m	UK £m	US £m	Germany £m	Other £m	Total £m
<b>At 1 January</b>	<b>277.2</b>	<b>148.5</b>	<b>2.5</b>	<b>3.1</b>	<b>431.3</b>	286.1	158.3	2.6	2.9	449.9
Interest income	14.3	7.0	–	0.1	21.4	12.9	7.3	–	0.1	20.3
<b>Amounts recognised in income in respect of defined benefit schemes</b>	<b>14.3</b>	<b>7.0</b>	<b>–</b>	<b>0.1</b>	<b>21.4</b>	12.9	7.3	–	0.1	20.3
Remeasurement:										
– Return on plan assets excluding amounts included in interest income	2.3	2.8	–	(0.1)	5.0	(22.0)	(5.7)	–	–	(27.7)
<b>Amounts recognised in the statement of comprehensive income</b>	<b>2.3</b>	<b>2.8</b>	<b>–</b>	<b>(0.1)</b>	<b>5.0</b>	(22.0)	(5.7)	–	–	(27.7)
Contributions:										
– Employers	1.5	–	–	0.2	1.7	16.6	0.3	–	1.1	18.0
Payments from plans										
– Benefit payments	(16.4)	(13.6)	–	(0.1)	(30.1)	(16.4)	(14.2)	–	(0.9)	(31.5)
	(14.9)	(13.6)	–	0.1	(28.4)	0.2	(13.9)	–	0.2	(13.5)
Exchange adjustments	–	(10.6)	0.1	0.3	(10.2)	–	2.5	(0.1)	(0.1)	2.3
<b>At 31 December</b>	<b>278.9</b>	<b>134.1</b>	<b>2.6</b>	<b>3.5</b>	<b>419.1</b>	277.2	148.5	2.5	3.1	431.3

**25 Retirement benefit obligations** continued

Plan assets for the principal schemes comprised:

	2025			2024		
	UK £m	US £m	Germany £m	UK £m	US £m	Germany £m
Hedge funds	32.8	–	–	31.1	–	–
Equities	46.1	13.5	–	44.1	–	–
Debt Instruments	191.3	114.3	2.6	186.1	135.8	2.5
Property	1.2	0.6	–	4.4	7.5	–
Annuity assets	2.2	–	–	2.5	–	–
Cash and cash equivalents	5.3	5.7	–	9.0	5.2	–
<b>Fair value of schemes' assets</b>	<b>278.9</b>	<b>134.1</b>	<b>2.6</b>	<b>277.2</b>	<b>148.5</b>	<b>2.5</b>

All investments in equities, bonds and property are quoted.

**25 Retirement benefit obligations** continued

Present value of defined benefit obligations comprised:

	2025					2024				
	UK £m	US £m	Germany £m	Other £m	Total £m	UK £m	US £m	Germany £m	Other £m	Total £m
<b>At 1 January</b>	<b>(251.2)</b>	<b>(157.6)</b>	<b>(57.8)</b>	<b>(14.4)</b>	<b>(481.0)</b>	(269.6)	(166.5)	(63.0)	(15.5)	(514.6)
Current service cost	(1.2)	(0.9)	(0.2)	(0.5)	(2.8)	(1.7)	(0.6)	(0.2)	(0.1)	(2.6)
Past service cost	–	(3.2)	–	–	(3.2)	(4.4)	–	–	–	(4.4)
Interest expense	(12.9)	(7.4)	(2.0)	(0.5)	(22.8)	(11.8)	(7.7)	(2.0)	(0.5)	(22.0)
<b>Amounts recognised in income in respect of defined benefit schemes</b>	<b>(14.1)</b>	<b>(11.5)</b>	<b>(2.2)</b>	<b>(1.0)</b>	<b>(28.8)</b>	(17.9)	(8.3)	(2.2)	(0.6)	(29.0)
Remeasurement gains/(losses) from:										
– Changes in financial assumptions	3.9	(3.1)	4.9	0.5	6.2	20.0	7.3	1.5	(0.1)	28.7
– Changes in demographic assumptions	(1.5)	–	–	(0.1)	(1.6)	(1.7)	0.1	–	(0.1)	(1.7)
– Experience adjustments	6.7	(0.5)	(1.9)	(0.3)	4.0	(0.1)	(1.8)	0.5	–	(1.4)
<b>Amounts recognised in the statement of comprehensive income</b>	<b>9.1</b>	<b>(3.6)</b>	<b>3.0</b>	<b>0.1</b>	<b>8.6</b>	18.2	5.6	2.0	(0.2)	25.6
Contributions:										
– Employers	1.2	0.3	2.6	0.9	5.0	1.7	–	2.6	0.2	4.5
Payments from plans										
– Benefit payments	16.4	13.6	–	0.1	30.1	16.4	14.2	–	0.9	31.5
	17.6	13.9	2.6	1.0	35.1	18.1	14.2	2.6	1.1	36.0
Exchange adjustments	–	11.2	(3.0)	(0.8)	7.4	–	(2.6)	2.8	0.8	1.0
<b>At 31 December</b>	<b>(238.6)</b>	<b>(147.6)</b>	<b>(57.4)</b>	<b>(15.1)</b>	<b>(458.7)</b>	(251.2)	(157.6)	(57.8)	(14.4)	(481.0)

The Group remains committed to funding the UK and US defined benefit schemes.

The Company remains committed to paying contributions into the UK scheme for the foreseeable future.

The defined benefit obligation of the US scheme increased to £13.5m at 31 December 2025, mainly due to a one-off adjustment on the calculation of late retirement benefits. The Group is expecting to contribute £1.7m in 2026.

The Group's other defined benefit schemes are largely unfunded, with minimal plan assets. Liabilities from these schemes are settled on a cash basis as they fall due.

## 25 Retirement benefit obligations continued

### Actuarial assumptions

The major assumptions used for the purposes of the actuarial valuations were as follows:

	2025				2024			
	UK	US	Germany	Other	UK	US	Germany	Other
Rate of increase in pensions in payment	2.70%	0.00%	1.00%	2.10-3.00%	3.00%	0.00%	1.00%	2.10-9.00%
Rate of increase in pensions in deferment	2.45%	0.00%	2.50%	3.00-3.50%	2.75%	0.00%	2.50%	3.50%
Discount rate	5.35%	5.23%	4.20%	3.30-9.25%	5.30%	5.50%	3.50%	2.70-10.50%
Inflation assumption	2.80%	0.00%	2.25%	2.00%	3.20%	0.00%	2.25%	2.00-2.20%

Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics. Mortality assumptions are based on country-specific mortality tables and, where appropriate, include an allowance for future improvements in life expectancy. In addition, where credible data exists, actual plan experience is taken into account. The Group's most substantial pension liabilities are in the UK, the US and Germany where, using the mortality tables adopted, the expected lifetime of average members currently at age 65 and average members at age 65 in 20 years' time is as follows:

	2025						2024					
	Retiring today			Retiring in 20 years			Retiring today			Retiring in 20 years		
	UK	US	Germany	UK	US	Germany	UK	US	Germany	UK	US	Germany
Males	86.3	86.7	86.0	87.1	87.6	88.7	86.0	86.6	85.9	86.9	87.6	88.6
Females	88.5	87.7	89.4	89.4	88.8	91.6	88.5	87.6	89.3	89.3	88.7	91.5

The weighted average duration of the benefit obligation at the end of the reporting period is 10.0 years for the UK scheme (2024: 10.0 years), 8.2 years for the US scheme (2024: 6.5 years) and 12.3 years for the German schemes (2024: 13.3 years).

### Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, assuming that all other assumptions are held constant:

	Increase in scheme liabilities		
	UK £m	US £m	Germany £m
Discount rate (decrease of 1%)	27.0	12.1	7.1
Future mortality rate (one year increase in expectancy)	11.0	4.4	2.1

The above sensitivities are based on a change of assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may have some correlation. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

## 26 Share capital and reserves

### Share capital

	2025 Number	2024 Number	2025 £m	2024 £m
<b>Ordinary shares</b>				
Ordinary Shares of 1p in issue at 1 January	163,567,621	163,567,621	1.6	1.6
Ordinary Shares of 1p in issue at 31 December	163,567,621	163,567,621	1.6	1.6

Ordinary shares carry no right to fixed income.

### Share premium

	2025 £m	2024 £m
Balance at 1 January	925.9	925.9
<b>Balance at 31 December</b>	<b>925.9</b>	925.9

The share premium account represents the difference between the issue price and the nominal value of shares issued.

### Retained earnings

	2025 £m	2024 £m
Balance at 1 January	136.7	209.8
Dividends paid	–	–
Net losses for the year	(157.0)	(72.6)
Actuarial gains/(losses) recognised in other comprehensive income	13.6	(2.1)
Tax arising from other comprehensive income	(4.1)	0.1
Credit to equity for equity-settled share-based payments	2.6	1.5
<b>Balance at 31 December</b>	<b>(8.2)</b>	136.7

## 26 Share capital and reserves continued

### Hedging and translation reserve

	Cash flow hedging reserve £m	Translation reserve £m	Total £m
<b>Balance at 1 January 2025</b>	<b>(11.3)</b>	<b>38.5</b>	<b>27.2</b>
Exchange differences on translation of foreign operations	–	(31.9)	(31.9)
Losses on net investment hedges taken to equity	–	(12.5)	(12.5)
Loss recognised on cash flow hedges:			
– Interest rate swaps	(2.2)	–	(2.2)
Reclassification to profit or loss:			
– Exchange differences recycled on sale of business	–	–	–
<b>Balance at 31 December 2025</b>	<b>(13.5)</b>	<b>(5.9)</b>	<b>(19.4)</b>
	Cash flow hedging reserve £m	Translation reserve £m	Total £m
Balance at 1 January 2024	(8.0)	18.4	10.4
Exchange differences on translation of foreign operations	–	3.8	3.8
Gains on net investment hedges taken to equity	–	11.9	11.9
Loss recognised on cash flow hedges:			
– Interest rate swaps	(3.3)	–	(3.3)
Reclassification to profit or loss:			
– Exchange differences recycled on sale of business	–	4.4	4.4
Balance at 31 December 2024	(11.3)	38.5	27.2

### Cash flow hedging reserve

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction has an impact on the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

### Translation reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations, which relate to subsidiaries only, from their functional currency into the parent's functional currency, being sterling, are recognised directly in the translation reserve. Gains and losses on hedging instruments that are designated as hedges of net investments in foreign operations are included in the translation reserve.

## 27 Reconciliation of operating loss to cash generated from operations

Continuing and discontinued operations:

	2025 £m	2024 £m
<b>Operating loss</b>	<b>(56.3)</b>	(25.9)
Less: share of profits of joint ventures	(1.4)	(1.6)
	<b>(57.7)</b>	(27.5)
Adjustments for:		
– Depreciation of property, plant and equipment	<b>74.6</b>	73.2
– Depreciation of right-of-use assets	<b>11.4</b>	11.1
– Amortisation of other intangibles	<b>13.4</b>	12.1
– Share-based payments	<b>2.6</b>	1.6
– Gain on sale of underlying assets	<b>(1.9)</b>	(4.3)
– Release of provision	<b>(3.9)</b>	–
– Special Items	<b>97.0</b>	78.7
Cash impact of settlement of interest rate derivative contracts	<b>0.6</b>	–
Cash impact of restructuring and site closure costs	<b>(17.7)</b>	(20.2)
Cash impact of SaaS implementation	<b>(1.1)</b>	–
Cash impact of acquisition costs and related gains	<b>(0.4)</b>	(1.7)
Pension funding in excess of service cost	<b>(5.3)</b>	(19.8)
Movement in working capital	<b>72.8</b>	(24.9)
Payment of EC fine settlement amount	–	(39.1)
<b>Cash generated from operations</b>	<b>184.4</b>	39.2
<b>Reconciliation of movement in working capital</b>		
Increase in inventories	<b>(3.9)</b>	(15.5)
Decrease/(increase) in trade and other receivables	<b>74.0</b>	(23.4)
Decrease in trade and other payables	<b>2.7</b>	14.0
<b>Movement in working capital</b>	<b>72.8</b>	(24.9)

## 28 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not included in this note.

Transactions between the Company and its subsidiaries are disclosed in the Company's financial statements where appropriate.

On 18 December 2025 the Group entered into a trade receivables purchasing arrangement with Rainbow State Limited, a subsidiary of its largest shareholder Kuala Lumpur Kepong Berhad Group (KLK). The Group put this temporary arrangement in place with the support of KLK to provide additional short-term financial flexibility and ensure a prudent level of banking covenant headroom at year end.

Under the arrangement, KLK purchased £50m of Group trade receivables due on or before 28 February 2026, which were not eligible for inclusion in the Group's existing committed non-recourse receivables financing facility. The purchasing arrangement terms were on an arm's-length basis and are consistent with terms available from third-party market participants for an arrangement of this nature. By virtue of KLK and its connected parties' c.27% shareholding in Synthomer, KLK is considered a related party of the Group under the UK Listing Rules.

The UK defined benefit scheme is a related party, see note 25.

	2025 £m	2024 £m
<b>Key management compensation</b>		
Short-term employee benefits	5.5	7.5
Pension costs	0.2	0.2
Share-based payments	1.6	1.6
	<b>7.3</b>	<b>9.3</b>

Key management personnel comprise the Board of Directors and the Executive Committee.

Group financial statements / Notes to the consolidated financial statements continued

## 29 Discontinued operations

On 30 May 2025, the Group sold William Blythe Limited to Hamsard 3806 Bidco Limited for net cash proceeds of £24.2m.

All discontinued operations form part of the Health & Protection and Performance Materials division.

Financial information in respect of the discontinued operations is set out below:

### Financial performance and cash flow information

	2025					2024				
	William Blythe £m	Compounds £m	Laminates Films and Coated Fabrics £m	NA Paper and Carpet £m	Total £m	William Blythe £m	Compounds £m	Laminates Films and Coated Fabrics £m	NA Paper and Carpet £m	Total £m
Revenue	28.9	–	–	–	28.9	53.7	9.8	–	–	63.5
Expenses	(25.3)	–	–	–	(25.3)	(50.2)	(7.2)	–	–	(57.4)
<b>EBITDA</b>	<b>3.6</b>	–	–	–	<b>3.6</b>	3.5	2.6	–	–	6.1
Depreciation and amortisation – Underlying performance	(0.5)	–	–	–	(0.5)	(1.2)	(0.2)	–	–	(1.4)
<b>Operating profit – Underlying performance</b>	<b>3.1</b>	–	–	–	<b>3.1</b>	2.3	2.4	–	–	4.7
Special Items	(8.9)	–	–	(0.3)	(9.2)	(0.2)	(3.3)	0.2	(1.1)	(4.4)
<b>Operating (loss)/profit - IFRS</b>	<b>(5.8)</b>	–	–	<b>(0.3)</b>	<b>(6.1)</b>	2.1	(0.9)	0.2	(1.1)	0.3
Finance costs	–	–	–	–	–	–	–	–	–	–
<b>(Loss)/profit before taxation</b>	<b>(5.8)</b>	–	–	<b>(0.3)</b>	<b>(6.1)</b>	2.1	(0.9)	0.2	(1.1)	0.3
Taxation	(0.7)	–	–	–	(0.7)	0.2	(0.8)	–	–	(0.6)
<b>(Loss)/profit for the year</b>	<b>(6.5)</b>	–	–	<b>(0.3)</b>	<b>(6.8)</b>	2.3	(1.7)	0.2	(1.1)	(0.3)
<b>Cash flows from discontinued operations</b>										
Net cash (outflow)/inflow from operating activities	0.8	–	–	(0.3)	0.5	0.7	(3.6)	–	(1.1)	(4.0)
Net cash (outflow)/inflow from investing activities	24.2	(0.1)	–	–	24.1	(0.7)	17.5	(0.1)	–	16.7

The prior-year figures of the consolidated income statement have been restated in accordance with IFRS 5 to report the discontinued operations separately from continuing operations.

## 29 Discontinued operations continued

### Assets and liabilities classified as held for sale

At 31 December 2025, the assets held for sale related to the Beachwood site. At 31 December 2024, the Fitchburg site was classified as held for sale as well as Pelican reactors and strippers and these assets are detailed below:

	Note	2025 £m	2024 £m
<b>Non-current assets</b>			
Property, plant and equipment	16	5.4	6.5
<b>Total non-current assets</b>		5.4	6.5
<b>Current assets</b>			
<b>Total current assets</b>		–	–
<b>Total assets</b>		5.4	6.5
<b>Current liabilities</b>			
<b>Total current liabilities</b>		–	–
<b>Non-current liabilities</b>			
<b>Total non-current liabilities</b>		–	–
<b>Total liabilities</b>		–	–
Net assets held for sale		5.4	6.5

## 30 Contingent assets, contingent liabilities and guarantees

Guarantees and contingent liabilities of the Group amount to £nil (2024: £nil).

The Company and its subsidiaries have, in the normal course of business, entered into guarantees and counter-indemnities in respect of performance bonds, relating to the Group's own contracts.

## 31 Share-based payments

### Executive share option schemes

The Group's share option scheme is described in the Directors' Remuneration Report on pages 113 to 126.

In addition to the two executive directors, it is available to other senior management. Movement in the options held under the scheme are defined as follows:

	Options 2025 number	Weighted av. exercise price (£) 2025	Options 2024 number	Weighted av. exercise price (£) 2024
Outstanding at 1 January	2,562,745	–	845,401	–
Granted during the year	8,452,732	–	1,911,425	–
Exercised during the year	(54,497)	–	(10,062)	–
Lapsed during the year	(355,585)	–	(184,019)	–
Outstanding at 31 December	10,605,395	–	2,562,745	–
<b>Exercisable at 31 December</b>	<b>37,724</b>		10,278	

The outstanding share options were all issued under the Performance Share Plan. As at 31 December 2025 the following options were outstanding:

Executive share options	Number
Exercisable between 2025-2032	37,724
Exercisable between 2026-2033	547,854
Exercisable between 2027-2034	1,802,983
Exercisable between 2028-2035	8,216,834
	10,605,395

The total exercise price for all the above grants is £nil.

### 31 Share-based payments continued

For options outstanding as at 31 December 2025, the exercise price was £nil and the weighted average remaining contractual life was 5.72 years (2024: 5.62 years).

The weighted average share price at the date of exercise was £1.13 (2024: £2.49).

The weighted average fair value of the options at the measurement date granted during the year was £1.02 (2024: £1.88). The valuation was based on the following inputs and assumptions, using a Monte Carlo simulation model:

	2025	2024
Weighted average share price (£)	1.12	1.88
Option price (£)	–	–
Value of optionality	nil	nil
Vesting assumption	59%	41%

- Equity value – Based on the Company's equity value inclusive of preference shares.
- Expected term – Vesting date of March 2028 has been assumed.
- Volatility – 67.23%. The historical volatility of Synthomer and each peer company is equal to the historical volatility of each entity with a look-back period equal to the 2.78-year simulation term using daily stock price data.
- Risk-free rate – 4.07% based on the most recently published yield on zero-coupon UK government bonds from the Bank of England as of the valuation date for a period equal to the 2.78-year simulation term.

The vesting assumption is the estimate at the measurement date of the percentage of the options that will ultimately vest and is based on market conditions and management's assessment of the likelihood of achievement of the performance criteria.

The charge in the year in relation to the equity settled scheme was £2.6m (2024: £1.5m). The Group also operates a cash-settled share-based payment scheme for which there was a credit in the year of £0.4m (2024: charge of £0.5m) and for which there was a liability at the year end of £0.2m (2024: £0.7m).

#### The Synthomer Employee Benefit Trust

The Company established a trust, the Yule Catto Employee Benefit Trust, on 17 July 1996, to distribute shares to employees enabling the obligations under the Yule Catto Longer-Term Performance Share Plan and the Yule Catto Longer-Term Deferred Bonus Plan to be met.

The Trust is managed by the JC Employer Solutions Limited, an independent company located in Jersey.

At 31 December 2025, the Trust held 53,944 (2024: 96,516) ordinary shares in the Company with a market value of £34k (2024: £155k).

The dividends on these shares have been waived. All of the shares are under option. Costs are amortised over the life of the plans.

### 32 Share price information

The middle market value of the listed ordinary shares at 31 December 2025 was 63.3 pence (31 December 2024: 161.0 pence). During the year, the market price ranged between 161.0 pence and 46.1 pence. The latest ordinary share price is available on the Group's [website](#).

### 33 Post balance sheet events

On 30 April 2026, Synthomer refinanced its existing RCF and UKEF facilities (the 'Refinancing'), being implemented through a wholly owned subsidiary of Synthomer plc, through which a new €300m RCF and new UKEF debt facilities of €288m and \$230m (the same size as the Group's previous facilities) have been made available. The refinanced debt matures in February 2029.

The new RCF and new UKEF facilities include a net debt:EBITDA leverage ratio covenant which will be tested against covenant levels on a quarterly basis from 30 September 2026 and a minimum liquidity covenant which will be tested on a monthly basis. The net debt:EBITDA ratios required under the covenant for year end 2026, 2027 and 2028 have been set at not more than 6.25x, 5.25x, and 4.25x respectively, with intra-year levels aligned to the Group's expected cash flow profile. The Refinancing is also supported by a comprehensive security and guarantee package provided by certain members of the Group.

### 34 Audit exemptions

The following subsidiaries have taken advantage of the exemptions from an audit for the year ended 31 December 2025 available under s479A and s480 of the Companies Act 2006 as the Company has given a statutory guarantee of all of the outstanding liabilities of these subsidiaries as at 31 December 2025.

Company	Registration
Dimex Limited	01763129
Ecatto Limited	00978441
Harlow Chemical Company Limited	00778831
Polymerlatex Limited	03439041
Revertex Limited	00873653
Super Sky Limited	02021871
Synthomer Adhesive Technologies Limited	13827669
Synthomer Overseas Limited	06349474
Temple Fields 514 Limited	04541637
Temple Fields 515 Limited	00692510
Temple Fields 522 Limited	05516912
Temple Fields 523 Limited	05516913
Temple Fields 530 Limited	00831113

Company financial statements

## Company statement of financial position

as at 31 December 2025

	Note	2025 £m	2024 £m
<b>Non-current assets</b>			
Property, plant and equipment	4	8.1	7.0
Other intangible assets	5	59.1	59.9
Investments in subsidiaries and joint ventures	3	985.4	896.5
Other debtors: amounts falling due after more than one year	6	1,549.5	1,567.2
Defined benefit assets	8	4.0	–
Deferred tax assets		0.2	2.9
<b>Total non-current assets</b>		<b>2,606.3</b>	<b>2,533.5</b>
<b>Current assets</b>			
Other debtors: amounts falling due within one year	6	303.8	693.4
Cash and cash equivalents	11	113.1	129.0
Derivative financial instruments	11	0.8	6.3
<b>Total current assets</b>		<b>417.7</b>	<b>828.7</b>
<b>Current liabilities</b>			
Borrowings	10	–	(123.9)
Other payables	7	(557.9)	(853.5)
Derivative financial instruments	11	(4.1)	(1.6)
Lease liabilities		(0.4)	(0.2)
<b>Total current liabilities</b>		<b>(562.4)</b>	<b>(979.2)</b>
<b>Net current liabilities</b>		<b>(144.7)</b>	<b>(150.5)</b>
<b>Total assets less current liabilities</b>		<b>2,461.6</b>	<b>2,383.0</b>

Company financial statements

**Company statement of financial position** continued

	Note	2025 £m	2024 £m
<b>Non-current liabilities</b>			
Borrowings	10	(764.9)	(698.6)
Lease liabilities		(4.9)	(4.9)
<b>Total non-current liabilities</b>		<b>(769.8)</b>	(703.5)
<b>Net assets</b>		<b>1,691.8</b>	1,679.5
<b>Equity</b>			
Share capital	12	1.6	1.6
Share premium		925.9	925.9
Revaluation reserve		0.8	0.8
Capital redemption reserve		0.9	0.9
Retained earnings		762.6	750.3
<b>Shareholders' funds – all equity</b>		<b>1,691.8</b>	1,679.5
<b>Total equity</b>		<b>1,691.8</b>	1,679.5

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented for Synthomer plc. As disclosed in note 2, the Company's profit for the year was £11.4m (2024: £30.2m).

The notes on pages 193 to 201 are an integral part of these financial statements. The financial statements of Synthomer plc (registered number 98381) on pages 190 to 201 were approved by the Board of Directors and authorised for issue on 30 April 2026.

They are signed on its behalf by:

**M Willome** Director

**L Liu** Director

Company financial statements

## Company statement of changes in equity

as at 31 December 2025

	Share capital £m	Share premium £m	Revaluation reserve £m	Capital redemption reserve £m	Retained earnings £m	Total £m
Balance as at 1 January 2025	1.6	925.9	0.8	0.9	750.3	1,679.5
Profit for the year	–	–	–	–	11.4	11.4
Other comprehensive income for the year	–	–	–	–	0.4	0.4
<b>Total comprehensive income for the year</b>	–	–	–	–	11.8	11.8
Share-based payments	–	–	–	–	2.6	2.6
Fair value loss on hedged interest rate derivatives	–	–	–	–	(2.1)	(2.1)
As at 31 December 2025	1.6	925.9	0.8	0.9	762.6	1,691.8
At 1 January 2024	1.6	925.9	0.8	0.9	721.9	1,651.1
Profit for the year	–	–	–	–	30.2	30.2
Total comprehensive income for the year	–	–	–	–	30.2	30.2
Share-based payments	–	–	–	–	1.5	1.5
Fair value loss on hedged interest rate derivatives	–	–	–	–	(3.3)	(3.3)
As at 31 December 2024	1.6	925.9	0.8	0.9	750.3	1,679.5

# Notes to the financial statements – Synthomer plc

for the year ended 31 December 2025

## 1 Material accounting policies

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the FRC.

Accordingly, these financial statements were prepared in accordance with FRS 101 Reduced Disclosure Framework.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of a cash flow statement, standards not yet effective and certain related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on a going concern basis and under the historical cost basis except for the remeasurement of certain financial instruments that are measured at fair values at the end of each reporting period.

Various disclosures make reference to items considered material or immaterial to the financial statements. The Company considers information to be material if omitting it or misstating it could influence decisions that users make on the basis of the financial information provided. Materiality is considered from both a quantitative and qualitative factor perspective. In addition to subsequent specific references to materiality, and in compliance with FRS 101, certain disclosures have not been provided where the information resulting from that disclosure is not material.

The basis of accounting and the principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements except as noted below.

The Company was in a net current liabilities position as at 31 December 2025, this position is due to the amounts owed to Group undertakings. The Directors have received confirmation from Synthomer Trading Limited and Synthomer UK Limited, to whom £135.6m and £79.8m respectively was owed at the balance sheet date, that they will not call for repayment of these amounts for at least 12 months from the date of the approval of these financial statements.

Investments in subsidiaries and joint ventures are stated at cost less, where appropriate, provisions for impairment. The carrying amounts of the Company's investments are reviewed at each reporting date to determine whether there is an indication of impairment. If such an indication exists, then the asset's recoverable amount is estimated. Losses are recognised in the income statement and reflected in an allowance against the carrying value. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income statement.

Intercompany balances are shown gross unless a right of set-off exists. Balances are valued at fair value at inception and are repayable on demand. All intercompany loans are repayable on demand and the Company has the ability to refinance any of its subsidiaries using equity allowing the subsidiary to repay any receivables owed to Synthomer plc.

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

There are no significant accounting judgements and estimates applied in preparing the Company's account except for the impairment testing of amounts owed by subsidiary undertakings. When measuring the potential impairment of receivables from subsidiaries, forward-looking information based on assumptions for the future movement of different economic drivers are considered.

## 2 Profit attributable to equity shareholders

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented for Synthomer plc.

The Company reported a profit of £11.4m for the year ended 31 December 2025 (2024: profit of £30.2m). Auditor remuneration for audit and other services is disclosed in note 7 to the consolidated financial statements. The Company had no employees during the current or prior year.

## 3 Investments in subsidiaries and joint ventures

	2025			2024		
	Subsidiaries £m	Joint ventures £m	Total £m	Subsidiaries £m	Joint ventures £m	Total £m
<b>Cost</b>						
At 1 January	896.2	0.5	896.7	737.2	0.5	737.7
Additions	88.9	–	88.9	161.0	–	161.0
Impairment	–	–	–	(2.0)	–	(2.0)
<b>At 31 December</b>	<b>985.1</b>	<b>0.5</b>	<b>985.6</b>	896.2	0.5	896.7
<b>Provisions</b>						
At 1 January and 31 December	–	(0.2)	(0.2)	–	(0.2)	(0.2)
<b>Net book value</b>						
<b>At 31 December</b>	<b>985.1</b>	<b>0.3</b>	<b>985.4</b>	896.2	0.3	896.5

Details of the Group's subsidiaries and joint ventures are included in note 13 on pages 199 to 201.

Company financial statements / Notes to the Company financial statements continued

## 4 Property, plant and equipment

### Land and buildings

	2025				2024			
	Right-of-use buildings £m	Freehold land and buildings £m	Plant and equipment £m	Total £m	Right-of-use buildings £m	Freehold land and buildings £m	Plant and equipment £m	Total £m
<b>Cost</b>								
At 1 January	8.8	2.7	0.1	11.6	4.1	3.0	0.1	7.2
Additions	0.1	–	2.3	2.4	5.2	–	–	5.2
Disposals	(4.1)	–	(0.1)	(4.2)	(0.5)	(0.3)	–	(0.8)
<b>At 31 December</b>	<b>4.8</b>	<b>2.7</b>	<b>2.3</b>	<b>9.8</b>	<b>8.8</b>	<b>2.7</b>	<b>0.1</b>	<b>11.6</b>
<b>Accumulated depreciation</b>								
At 1 January	3.5	1.0	0.1	4.6	3.1	1.0	0.1	4.2
Charge for the year	1.0	–	0.2	1.2	0.8	–	–	0.8
Disposals	(4.0)	–	(0.1)	(4.1)	(0.4)	–	–	(0.4)
<b>At 31 December</b>	<b>0.5</b>	<b>1.0</b>	<b>0.2</b>	<b>1.7</b>	<b>3.5</b>	<b>1.0</b>	<b>0.1</b>	<b>4.6</b>
<b>Net book value</b>								
<b>At 31 December</b>	<b>4.3</b>	<b>1.7</b>	<b>2.1</b>	<b>8.1</b>	<b>5.3</b>	<b>1.7</b>	<b>–</b>	<b>7.0</b>

Freehold land amounting to £1.5m (2024: £1.5m) has not been depreciated.

## 5 Other intangible assets

	2025 £m	2024 £m
<b>Cost</b>		
At 1 January	82.7	74.1
Additions	0.7	0.9
Transfers from Group undertakings	9.1	7.7
<b>At 31 December</b>	<b>92.5</b>	82.7
<b>Accumulated depreciation</b>		
At 1 January	22.8	13.7
Charge for the year	10.6	9.1
<b>At 31 December</b>	<b>33.4</b>	22.8
<b>Net book value</b>		
<b>At 31 December</b>	<b>59.1</b>	59.9

## 6 Debtors

	2025 £m	2024 £m
Amounts owed by Group undertakings: amounts falling due within one year	301.2	689.0
Amounts owed by Group undertakings: amounts falling due after more than one year	1,549.5	1,567.2
Other debtors	0.8	1.2
Prepayments and accrued income	1.8	3.2
	<b>1,853.3</b>	2,260.6

Amounts owed by Group undertakings are unsecured and valued at fair value at inception. Interest is charged at arm's length and receivable per the agreement in place. Of the Company's amounts owed by Group undertakings, £162.4m is impaired (2024: £162.4m). Future expected credit losses on amounts receivable from subsidiaries are immaterial.

## 7 Other payables

	2025 £m	2024 £m
<b>Amount due within one year</b>		
Amounts owed to Group undertakings	534.3	829.6
Other creditors	10.1	6.9
Accruals and deferred income	13.5	17.0
	<b>557.9</b>	853.5

Amounts owed to Group undertakings are unsecured and valued at fair value at inception and are repayable on demand. Interest is charged at arm's length and payable per the agreement in place.

## 8 Defined benefit asset

During the year, a share of the Group's pension obligation was novated to the Company following the divestment of one of its subsidiaries where it was previously accounted for, William Blythe.

### Defined benefit schemes

The Group's UK defined benefit scheme is administered by a fund that is legally separate from the Company/Group. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme. The trustees of the pension scheme are responsible for the investment policy with regard to the assets of the fund.

The scheme was closed to future accrual in 2009 and all retirement benefits since that time are provided by way of a defined contribution scheme. The assets of the scheme are held separately from those of the Company concerned. A triennial actuarial valuation of the scheme at the Group level was undertaken in 2024 and was published in 2025.

### Retirement benefit obligations

Defined benefit schemes expose the company to a number of risks, the most significant of which are detailed below:

Asset return risk	The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will increase the deficit.
Interest rate risk	A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan assets in bond holdings.
Longevity risk	The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

**8 Defined benefit asset continued**

Charges to the income statement in respect of the Company's defined benefit pension scheme are as follows:

	2025 £m	2024 £m
Service cost	0.1	–
Net interest income	(0.1)	–

Amounts recognised in the statement of comprehensive income are set out below:

	2025 £m	2024 £m
Return on plan assets excluding amounts included in interest expense	0.2	–
Remeasurement gains	0.9	–
Share of RPI/CPI and gender equalisation adjustment	(0.4)	–
<b>Actuarial gains</b>	<b>0.7</b>	–

Amounts included in the balance sheet arising from the Company's defined benefit scheme obligations are:

	2025 £m	2024 £m
Present value of defined benefit obligation	(23.9)	–
Fair value of schemes' assets	27.9	–
<b>Net asset arising from defined benefit obligation</b>	<b>4.0</b>	–

Fair value of the Company's share of the scheme's assets are set out below:

	2025 £m	2024 £m
<b>At 1 January</b>	–	–
Transfer from William Blythe	27.7	–
Interest income	1.4	–
<b>Amounts recognised in income in respect of defined benefit schemes</b>	<b>1.4</b>	–
Remeasurement:		
– Return on plan assets excluding amounts included in interest income	0.2	–
<b>Amounts recognised in the statement of comprehensive income</b>	<b>0.2</b>	–
Contributions:		
– Employers	0.2	–
Payments from plans		
– Benefit payments	(1.6)	–
	(1.4)	–
<b>At 31 December</b>	<b>27.9</b>	–

The company's share of the plan assets comprised:

	2025 £m	2024 £m
Hedge funds	3.3	–
Equities	4.6	–
Debt Instruments	19.2	–
Property	0.1	–
Annuity assets	0.2	–
Cash and cash equivalents	0.5	–
<b>Fair value of schemes' assets</b>	<b>27.9</b>	–

All investments in equities, bonds and property are quoted.

## 8 Defined benefit asset continued

Present value of defined benefit obligations comprised:

	2025 UK £m	2024 UK £m
<b>At 1 January</b>	–	–
Transfer from William Blythe	(25.1)	–
Current service cost	(0.1)	–
Past service cost	–	–
Interest expense	(1.3)	–
<b>Amounts recognised in income in respect of defined benefit schemes</b>	<b>(1.4)</b>	–
Remeasurement gains/(losses) from:		
– changes in financial assumptions	0.4	–
– changes in demographic assumptions	(0.2)	–
– experience adjustments	0.7	–
<b>Amounts recognised in the statement of comprehensive income</b>	<b>0.9</b>	–
Contributions:		
– Employers	0.1	–
Payments from plans		
– Benefit payments	1.6	–
	1.7	–
<b>At 31 December</b>	<b>(23.9)</b>	–

The Company remains committed to paying contributions into the UK scheme for the foreseeable future.

### Actuarial assumptions

The major assumptions used for the purposes of the actuarial valuations were as follows:

	2025 %	2024 % £m
Rate of increase in pensions in payment	2.70%	n/a
Rate of increase in pensions in deferment	2.45%	n/a
Discount rate	5.35%	n/a
Inflation assumption	2.80%	n/a

Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics. Mortality assumptions are based on UK mortality tables and, where appropriate, include an allowance for future improvements in life expectancy. In addition, where credible data exists, actual plan experience is taken into account. For the UK's, the expected lifetime of average members currently at age 65 and average members at age 65 in 20 years' time is as follows:

	2025		2024	
	Retiring Today	Retiring in 20 years	Retiring Today	Retiring in 20 years
Males	86.3	87.1	n/a	n/a
Females	88.5	89.4	n/a	n/a

The weighted average duration of the benefit obligation at the end of the reporting period is 10.0 years (2024: not applicable).

### Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, assuming that all other assumptions are held constant:

	Increase in scheme liabilities £m
Discount rate (decrease of 1%)	2.7
Future mortality rate (one year increase in expectancy)	1.1

The above sensitivities are based on a change of assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may have some correlation. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

## 9 Guarantees and other financial commitments

The Company has given guarantees amounting to £nil (2024: £nil) in respect of bank and other facilities of subsidiaries and joint ventures.

Company financial statements / Notes to the Company financial statements continued

## 10 Borrowings

	2025 £m	2024 £m
<b>Current borrowings</b>		
<b>Bank loans</b>		
€520m 3.875% senior unsecured loan notes due 2025	–	123.9
Current borrowings	–	–
	–	123.9
<b>Non-current borrowings</b>		
<b>Bank loans</b>		
Bank loans	463.8	414.2
€350m 3.875% senior unsecured loan notes due 2029	301.1	284.4
	764.9	698.6

Details of borrowings are provided in note 20 to the consolidated financial statements.

## 11 Financial instruments

The fair value of financial instruments has been disclosed in the Company's statement of financial position as:

	Valuation category in accordance with IFRS 9 <sup>1</sup>	Fair value hierarchy level	2025			2024		
			Carrying amount £m	Carrying amount within scope of IFRS 7 £m	Fair value £m	Carrying amount £m	Carrying amount within scope of IFRS 7 £m	Fair value £m
Other receivables	AC	Level 2	1,853.3	1,851.5	1,851.5	2,260.6	2,257.4	2,257.4
Cash and cash equivalents	AC	Level 2	113.1	113.1	113.1	129.0	129.0	129.0
Derivatives	FVTOCI	Level 2	0.8	0.8	0.8	6.3	6.3	6.3
<b>Total assets</b>			<b>1,967.2</b>	<b>1,965.4</b>	<b>1,965.4</b>	<b>2,395.9</b>	<b>2,392.7</b>	<b>2,392.7</b>
Borrowings	AC	Level 2	(764.9)	(764.9)	(774.4)	(822.5)	(822.5)	(835.3)
Trade and other payables	AC	Level 2	(557.9)	(557.8)	(557.8)	(853.5)	(853.4)	(853.4)
Derivatives	FVTOCI	Level 2	(4.1)	(4.1)	(4.1)	(1.6)	(1.6)	(1.6)
<b>Total liabilities</b>			<b>(1,326.9)</b>	<b>(1,326.8)</b>	<b>(1,336.3)</b>	<b>(1,677.6)</b>	<b>(1,677.5)</b>	<b>(1,690.3)</b>

1 AC: amortised cost; FVTOCI: fair value through other comprehensive income.

A fuller description of financial instruments is included in note 21 of the consolidated financial statements on page 170.

## 12 Share capital

Details of the Company's share capital are shown in note 26 of the consolidated financial statements on page 184.

Company financial statements / Notes to the Company financial statements continued

**13 Subsidiaries and joint ventures**

Country of incorporation and registered address	Principal activity	Ownership %
<b>United Kingdom</b>		
<b>Central Road, Harlow, Essex, CM20 2BH</b>		
Dimex Limited	Holding Company	100
Ecatto Limited	Holding Company	100 <sup>3</sup>
Harlow Chemical Company Limited	Holding Company	100 <sup>2</sup>
PolymerLatex Limited	Non-Trading	100
Revertex Limited	Dormant	100 <sup>3</sup>
Super Sky Limited	Holding Company	50 <sup>1,3</sup>
Synthomer Adhesive Technology Limited	Non-Trading	100
Synthomer (UK) Limited	Trading	100
Synthomer Holdings Limited	Holding Company	100 <sup>3</sup>
Synthomer Overseas Limited	Holding Company	100 <sup>3</sup>
Temple Fields 514 Limited	Holding Company	100 <sup>3</sup>
Temple Fields 515 Limited	Non-Trading	100
Temple Fields 522 Limited	Holding Company	100 <sup>3</sup>
Temple Fields 523 Limited	Non-Trading	100 <sup>3</sup>
Temple Fields 530 Limited	Non-Trading	100
Synthomer Trading Limited	Trading	100
<b>44 Esplanade, St Helier, Jersey, JE4 9WG</b>		
Synthomer Jersey Limited	Non-Trading	100 <sup>3</sup>
<b>Austria</b>		
<b>Industriepark, Pischelsdorf, 3435</b>		
Synthomer Austria GmbH	Trading	100
<b>Belgium</b>		
<b>Durmakker 33, 8768A, 9940, Evergem</b>		
Synthomer Specialty Additives NV	Non-Trading	100

Country of incorporation and registered address	Principal activity	Ownership %
<b>China</b>		
<b>Building 53-55, 1000 Zhangheng Road, Zhangjiang Hi-Tech Park, Pudong, Shanghai, 201203</b>		
Shanghai Synthomer Chemicals Co Ltd	Trading	100
<b>210 Zhou Gong Road, Shanghai Chemical Industry Park, Shanghai 201507</b>		
Synthomer Fine Chemicals (Shanghai) Co Ltd	Trading	100
<b>308 Jiangbin Road, Xiaogang United Development Zone, Ningbo Economic &amp; Technical Development Zone, Ningbo, 315803</b>		
Synthomer Fine Chemicals (Ningbo) Co Ltd	Trading	100
<b>55 Xi Li Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, 200131</b>		
Eliokem Trading (Shanghai) Co Ltd	Trading	100
<b>No1 Yanhe Road, Nanjing Chemical park, Nanjing</b>		
Nanjing Yangzi Eastman Chemical Ltd	Trading	50 <sup>1</sup>
<b>Czech Republic</b>		
<b>Tovární 2093, Sokolov, 356 01</b>		
Synthomer AS	Trading	100
<b>Karla Engliš 3208/5, Prague, 150 00</b>		
Synthomer Czech s.r.o	Holding	100
<b>France</b>		
<b>5162 Route de Noroit, Sandouville, 76340</b>		
Synthomer Holdings France SAS	Holding Company	100
Synthomer International SAS	Holding Company	100
<b>Zone Industrielle Portuaire du Havre, 7015 X Sandouville, Le Harve, 76080</b>		
Synthomer Speciality Chemicals SAS	Trading	100
<b>704 Rue Pierre et Marie Curie, Ribécourt-Dreslincourt, 60170</b>		
Synthomer France SAS	Trading	100

**Notes**

- 1 Joint ventures.
- 2 Harlow Chemical Company Limited is incorporated in the UK but is resident in the Netherlands.
- 3 Shares directly held by Synthomer plc.

Company financial statements / Notes to the Company financial statements continued

**13 Subsidiaries and joint ventures** continued

Country of incorporation and registered address	Principal activity	Ownership %
<b>Germany</b>		
<b>Werrastrasse 10, Marl, 45768</b>		
Synthomer Deutschland GmbH	Trading	100
Temple Fields GmbH	Non-Trading	100
Yule Catto Holdings GmbH	Holding Company	100
<b>India</b>		
<b>1001, Meadows, Sahar Plaza, Andheri-Kurla Road, Andheri East, Mumbai 400059</b>		
Synthomer India Trading LLP	Non-Trading	100
<b>Italy</b>		
<b>Via delle Industrie 9, Filago, BG, 24040</b>		
Synthomer S.r.l.	Trading	100
<b>Via Morozzo 27, Sant'Albano Stura, CN, 12040</b>		
Synthomer Specialty Resins S.r.l.	Trading	100
<b>Malaysia</b>		
<b>Unit 16-2, Wisma Uoa Damansara II, 6 Changkat Semantan, Damansara Heights, Kuala Lumpur, 50490</b>		
Kind Action (M) Sdn Bhd	Trading	70
PolymerLatex Sdn Bhd	Trading	100
Quality Polymer Sdn Bhd	Non-Trading	70
Revertex (Malaysia) Sdn Bhd	Trading	70
Synthomer Sdn Bhd	Trading	100
Terra Simfoni Sdn Bhd	Holding Company	100
<b>Mauritius</b>		
<b>c/o Citco (Mauritius) Limited, Tower A, 1 Exchange Square, Wall Street, Ebene</b>		
Synthomer Asia Pacific Corp	Holding Company	100
<b>Standard Chartered Tower, 19 Cybercity, Ebene</b>		
Synthomer China Holdings Limited	Holding Company	100

Country of incorporation and registered address	Principal activity	Ownership %
<b>Mexico</b>		
<b>Bldv. Paseo General Lazaro Cardenas No. 844 Col. La Magdalena, Uruapan, Michoacan, Mexico C.P. 60080</b>		
Synthomer Mexico, S.A. de C.V.	Trading	100
<b>Netherlands</b>		
<b>Herculesweg 35, 4338 PL Middelburg</b>		
Yule Catto Nederland BV	Holding Company	100
Synthomer Middelburg B.V.	Trading	100
<b>Portugal</b>		
<b>Rua Francisco Lyon de Castro, 28, 2725-397 Mem Martins</b>		
Synthomer (Portugal) SA	Trading	100
Lyon28 – Imobiliario SA	Property Letting	100
<b>Saudi Arabia</b>		
<b>27 Street, 2nd Industrial City, Dammam, 31472</b>		
Synthomer Middle East Company Ltd	Trading	49 <sup>1</sup>
<b>Spain</b>		
<b>Camino de Sangroniz 8, Sondika, 48150</b>		
Synthomer Asua SL	Trading	100
<b>Rambla de Catalunya 53, Barcelona, 08007</b>		
Yule Catto Spain SL	Non-Trading	100
<b>Sweden</b>		
<b>Tostarpsvagen 11, Kavlinge, 244 32</b>		
Synthomer Speciality Additives AB	Trading	100
<b>UAE</b>		
<b>Building 2101, Office S10122A2, Jebel Ali Free Zone, Dubai</b>		
Synthomer Functional Solutions FZCO	Trading	49 <sup>1</sup>
<b>East Wing 2, Office 201, Po Box 54645, Dubai Airport Free Zone, Dubai</b>		
Synthomer FZCO	Trading	49 <sup>1</sup>

**13 Subsidiaries and joint ventures** continued

Country of incorporation and registered address	Principal activity	Ownership %
<b>USA</b>		
<b>1201 Peachtree Street NE, Atlanta, GA, 30361</b>		
Synthomer LLC	Trading	100
Yule Catto Inc	Holding Company	100
<b>251 Little Fall Drive, Wilmington, DE, 19808</b>		
Synthomer USA LLC	Non-Trading	100
Synthomer Adhesive Technologies LLC	Trading	100
Synthomer Jefferson Hills LLC	Trading	100
<b>25435 Harvard Road, Beachwood, Ohio 44122-6201</b>		
Synthomer Inc	Trading	100
Synthomer NBR Solutions LLC	Non-Trading	100
<b>Vietnam</b>		
<b>8, 6th Street, Song Than Industrial Park, Di An</b>		
Synthomer Vietnam Co Ltd	Trading	60

**Notes**

- 1 Joint ventures.
- 2 Harlow Chemical Company Limited is incorporated in the UK but is resident in the Netherlands.
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# Other information

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*We always have time to work safely.*

## Environmental performance summary

	2025 <sup>a</sup>	2024 <sup>a</sup>	2023 <sup>a</sup>	Baseline year 2019 <sup>a</sup>	Variance 2025 vs 2024	Variance 2025 vs 2019
<b>Energy Consumption – GJ</b>						
<b>Absolute energy consumption<sup>1</sup></b>						
Group	5,441,520	5,638,400	5,613,693	6,631,149	-3.5%	-17.9%
UK only	240,808	285,722	282,461	329,741	-15.7%	-27.0%
<b>Group energy consumption by source</b>						
Natural gas	3,292,737	3,302,812	3,245,451	3,255,603	-0.3%	1.1%
Light and heavy oils and GLP	260,182	297,710	277,833	291,090	-12.6%	-10.6%
Steam and hot water (metered)	644,377	726,932	835,579	999,288	-11.4%	-35.5%
Electricity (metered)	1,244,224	1,310,947	1,254,830	1,482,452	-5.1%	-16.1%
Coal	0	0	0	602,716	n/a	-100%
<b>Specific energy consumption (GJ/tonne production)</b>						
Group	4.20	4.12	4.24	3.54	1.9%	18.6%
UK only	3.61	3.85	4.64	4.22	-6.2%	-14.5%
<b>Group refrigerant releases – HCFC and others – kg</b>						
Absolute	156	1,682	3,097	2,036	-90.7%	-92.3%
Specific (kg/tonne production)	0.0001	0.0012	0.0023	0.0011	-91.7%	-90.9%
<b>Renewable energy consumption - GJ</b>						
Total energy from renewable sources	446,636	1,006,682	951,422	153,487	-55.6%	191.0%
Total share of energy from renewables %	8	18	17	2	-55.6%	300.0%
Total share of electricity from renewable sources %	38	80	80	11	-53.1%	240.9%
<b>Share of energy from renewable sources by region – %</b>						
Americas	9	19	19	n/a	-51.6%	n/a
Asia	3	33	51	n/a	-90.6%	n/a
EMEA	9	15	11	4	-43.3%	112.5%
<b>Greenhouse gas (GHG) emissions – tonnes CO<sub>2</sub>e<sup>2,3,4,5</sup></b>						
<b>Absolute Scope 1 GHG emissions</b>						
Group	232,663	236,773	228,131	300,708	-1.7%	-22.6%
UK only	8,647	8,153	7,882	9,849	6.1%	-12.2%
<b>Absolute Scope 2 GHG emissions – market-based</b>						
Group	142,294	63,826	95,287	250,853	122.9%	-43.3%
UK only	9,753	7,911	6,443	5,308	23.3%	83.7%

## Environmental performance summary continued

	2025 <sup>a</sup>	2024 <sup>a</sup>	2023 <sup>a</sup>	Baseline year 2019 <sup>a</sup>	Variance 2025 vs 2024	Variance 2025 vs 2019
<b>Absolute Scope 2 GHG emissions – location-based</b>						
Group	<b>158,883</b>	174,044	205,830	255,154	-8.7%	-37.7%
UK only	<b>9,162</b>	9,078	8,447	8,359	0.9%	9.6%
<b>Absolute Scope 1 and 2 GHG emissions – market-based</b>						
Group	<b>374,957</b>	300,599	323,418	551,561	24.7%	-32.0%
UK only	<b>18,400</b>	16,063	14,325	15,202	14.5%	21.0%
<b>Specific Scope 1 and 2 GHG emissions</b>						
Group (tonnes CO <sub>2</sub> e/tonne production)	<b>0.289</b>	0.219	0.244	0.294	32.0%	-1.7%
UK only (tonnes CO <sub>2</sub> e/tonne production)	<b>0.276</b>	0.245	0.245	0.202	12.7%	36.6%
<b>Absolute Group Scope 1 and 2 GHG emissions by source</b> (tonnes CO <sub>2</sub> e)						
From energy <sup>3</sup>	<b>326,282</b>	250,103	277,829	496,870	30.5%	-34.3%
From process emissions	<b>48,454</b>	48,053	41,454	47,164	0.8%	2.7%
From refrigerant releases	<b>221</b>	2,443	4,135	7,527	-91.0%	-97.1%
<b>Absolute Scope 3 GHG emissions</b> (tonnes CO <sub>2</sub> e) <sup>2</sup>						
Group	<b>2,859,777</b>	2,629,696	2,568,929	3,204,702	8.7%	-10.8%
<b>Specific Scope 3 GHG emissions</b>						
Group (tonnes CO <sub>2</sub> e/tonne production)	<b>2.21</b>	1.94	1.83	1.41	13.9%	56.7%
<b>Other emissions to air</b>						
<b>Other emissions to air – absolute</b> (tonnes)						
Sulphur dioxide (SO <sub>2</sub> )	<b>18.41</b>	23.42	14.36	126.28	-21.4%	-85.4%
Nitrous oxides (NO <sub>x</sub> ) <sup>6</sup>	<b>207.23</b>	192.18	159.29	198.57	7.8%	4.4%
Particulate matter (PM)	<b>47.67</b>	47.66	35.50	n/a	0.0%	n/a
Volatile organic compounds (VOCs)	<b>466.85</b>	475.56	299.67	231.34	-1.8%	101.8%
<b>Other emissions to air – specific</b> (kg/tonne production)						
Sulphur dioxide (SO <sub>2</sub> )	<b>0.01</b>	0.02	0.01	0.07	-17.6%	-80.0%
Nitrous oxides (NO <sub>x</sub> ) <sup>6</sup>	<b>0.16</b>	0.14	0.12	0.11	12.7%	44.1%
Particulate matter (PM)	<b>0.04</b>	0.04	0.02	n/a	5.7%	
Volatile organic compounds (VOCs)	<b>0.36</b>	0.35	0.21	0.13	3.7%	183.5%
<b>Group water usage – m<sup>3</sup><sup>7</sup></b>						
<b>Total water withdrawal</b>	<b>6,913,192</b>	6,967,462	6,916,320	7,142,707	-0.8%	-3.2%
<b>Specific water withdrawal</b> (m <sup>3</sup> /tonne production)	<b>5.33</b>	5.09	5.22	3.93	4.8%	35.6%

## Environmental performance summary continued

	2025 <sup>a</sup>	2024 <sup>a</sup>	2023 <sup>a</sup>	Baseline year 2019 <sup>a</sup>	Variance 2025 vs 2024	Variance 2025 vs 2019
<b>Total water withdrawal by source</b>						
Public potable supply	1,954,232	2,122,536	1,974,999	1,755,650	-7.9%	11.3%
Raw water from river	2,260,055	2,658,406	2,661,642	2,810,402	-15.0%	-19.6%
Raw water from borehole	822,231	771,770	782,757	1,192,088	6.5%	-31.0%
Raw water from canal	57,614	41,232	38,932	65,012	39.7%	-11.4%
Raw water from other	1,819,060	1,373,518	1,457,990	1,319,556	32.4%	37.9%
<b>Total water consumption<sup>7</sup></b>	<b>2,069,064</b>	<b>1,822,946</b>	<b>1,945,467</b>	n/a	13.5%	n/a
<b>Specific water consumption (m<sup>3</sup>/tonne production)</b>	<b>1.6</b>	<b>1.33</b>	<b>1.44</b>	n/a	20.3%	n/a
<b>Group waste management – tonnes</b>						
<b>Group waste (total)<sup>8</sup></b>						
Absolute	79,470	61,919	60,356	66,558	28.3%	19.4%
Specific (kg/tonne production)	61.29	45.20	45.58	35.5	35.6%	72.6%
<b>Group waste (landfill)</b>						
Absolute	12,720	12,739	11,980	18,891	-0.1%	-32.7%
Specific (kg/tonne production)	9.81	9.30	9.05	10.08	5.5%	-2.7%
<b>Group waste (hazardous)</b>						
Absolute	29,071	28,721	27,070	35,036	1.2%	-17.0%
Specific (kg/tonne production)	22.42	20.97	20.44	18.69	6.9%	20.0%
<b>Group waste (non-hazardous)</b>						
Absolute	50,399	33,198	33,286	31,522	51.8%	59.9%
Specific (kg/tonne production)	38.87	24.24	25.14	16.81	60.4%	131.2%
<b>Hazardous waste by source</b>						
Recycled – energy recovery	11,297	7,030	8,608	9,034	60.7%	25.0%
Recycled – separated – reprocessed <sup>8</sup>	5,117	9,546	7,221	7,195	-46.4%	-28.9%
Incinerated – no energy recovery	4,156	3,675	4,124	6,508	13.1%	-36.1%
Disposed by landfill	2,022	1,730	1,350	1,200	16.9%	68.5%
Other	6,478	6,740	5,767	11,100	-3.9%	-41.6%
<b>Non-hazardous waste by source</b>						
Recycled – energy recovery	2,646	3,246	3,200	8,219	-18.5%	-67.8%
Recycled – separated – reprocessed	35,195	17,676	17,255	2,729	99.1%	1189.7%
Incinerated – no energy recovery	97	90	76	1022	7.8%	-90.5%
Disposed by landfill	10,697	11,010	10,630	17,692	-2.8%	-39.5%
Other – municipal	1,763	1,177	2,126	1,860	49.8%	-5.2%

## Environmental performance summary continued

	2025 <sup>a</sup>	2024 <sup>a</sup>	2023 <sup>a</sup>	Baseline year 2019 <sup>a</sup>	Variance 2025 vs 2024	Variance 2025 vs 2019
<b>Sites that are zero production waste to landfill</b>						
Number	6.0	6.0	10	n/a	0.0%	n/a
Proportion of Group revenue	17.8	17.0	27.7	n/a	4.7%	
Proportion of Group production volume	22.9	22.5	30.7	n/a	1.8%	n/a
<b>Production sales volume</b>						
Group	1,296,626	1,353,915	1,398,480	1,968,264	-4.2%	-34.1%
UK only	66,728	74,214	60,901	78,196	-10.1%	-14.7%
<b>Additional TCFD Metrics<sup>9</sup></b>						
<b>Financial intensity (tonnes CO<sub>2</sub>e/£m)</b>						
Scope 1 and 2 GHG emissions (revenue)	216	151	167	390	43.0%	-44.6%
Scope 1 and 2 GHG emissions (EBITDA)	2,746	2,045	2,314	3,197	34.3%	-14.1%
Scope 3 GHG emissions (revenue)	1,465	1,169	1,300	2,051	25.3%	-28.6%
Scope 3 GHG emissions (EBITDA)	18,660	15,794	18,036	16,821	18.1%	10.9%
Scope 1, 2 and 3 GHG emissions (revenue)	1,681	1,320	1,467	2,441	27.3%	-31.1%
Scope 1, 2 and 3 GHG emissions (EBITDA)	21,406	17,839	20,350	20,017	20.0%	6.9%
<b>Sites with an ETS or equivalent – %</b>						
Proportion of Group Scope 1 GHG emissions	58.0	63.0	57.7	60.7	-7.9%	-4.4%
Proportion of Group production volume	11.0	15.0	13.6	n/a	-26.7%	n/a
Proportion of Group revenue	13.0	16.0	19.2	n/a	-18.8%	n/a
Capex for sustainability projects (%)	10.0	9.0	n/a	n/a	-100.0%	n/a
<b>Sites in extremely high-risk location for water stress<sup>10</sup></b>						
Number	3.0	3.0	3.0	n/a	0.0%	n/a
Proportion of Group water use	11.7	11.8	10.9	n/a	-0.8%	n/a
Proportion of Group revenue	13.5	12.5	12.4	n/a	8.0%	n/a

Environmental performance metrics and KPI data covers all manufacturing operations and major office/technical centres under Synthomer operational control for the calendar years stated. Data in these tables excludes all non-trading and office/sales-related subsidiaries and joint ventures. Scope 1, 2 and 3 GHG results have third-party assurance.

GHG emission calculations follow GHG protocol rules for Scopes 1, 2 and 3, with Scope 1 and 2 reporting reflecting operational control boundaries. Details on Scope 1, 2 and 3 calculations can be found in Synthomer's Climate action insights paper.

<sup>a</sup> Data here refers to Group composition as of end 2025. 2019-2025 GHG data has been recalculated to reflect all acquisitions and divestments.

1 Data relates to site usage of all fuels, excluding transport of goods to and from site and the movement of these vehicles on site. Internal transport on site is included.

2 Details on Scope 1, 2 and 3 calculations can be found in Synthomer's Climate action insights paper.

3 CO<sub>2</sub> equivalent emissions include contributions from CH<sub>4</sub> and N<sub>2</sub>O associated with combustion.

4 The total Scope 1 and 2 GHG figure is the total of the CO<sub>2</sub> equivalent emissions associated with energy, refrigerant release and relevant process emission contributions.

5 Our Stallingborough site in the UK is supplied with most of its electricity from an adjacent municipal waste incinerator. In 2025 this is classed as non-renewable and the emissions from this electricity were 0.576kg CO<sub>2</sub>e per kWh, based on our determination of the factors used for the Climate Change Agreement submission.

6 NO<sub>x</sub> emissions are predominantly those from combustion processes. The CO<sub>2</sub> equivalent Global Warming Potential contribution from these releases is already included in the CO<sub>2</sub> from the energy figure above.

7 Since adopting a more accurate and holistic water mass balance approach in 2022, we are not reporting water consumption for earlier years.

8 The increase in total waste is due to a change in how we report the bromide effluent waste stream at our Harlow sites and construction waste from demolition at our Marl site. For further information on the changes to the total waste figures and the updated reporting and calculation methodologies see the Sustainability Insights: Waste.

9 TCFD metrics are calculated using GHG data stated in this table and revenue figures stated in the Annual Report 2025.

10 Priority sites for water stress have been identified by combining local risk factors using WRI Aqueduct tool and relative water demand.

## Global Reporting Initiative (GRI) content index

### Statement of use

Synthomer plc has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards. This table references the GRI Universal Standards 2021 and identifies where Synthomer addresses each disclosure topic – the 2025 Annual Report, the separate 2025 ESG Data Pack, and our [website](#).

### GRI Standards used

GRI Universal Standards 2021 (GRI 1: Foundation 2021, GRI 2: General Disclosures 2021, GRI 3: Material Topics 2021) and material GRI Topic Standards.

GRI standard	Disclosure	Location
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	1-4, 145, 154-156, back cover
	2-2 Entities included in the organisation's sustainability reporting	206
	2-3 Reporting period, frequency and contact point	26, 207
	2-4 Restatements of information	206
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<b>GRI standard</b>	<b>Disclosure</b>	<b>Location</b>
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<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Synthomer ESG Data Pack
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<b>GRI 409: Forced or Compulsory Labour 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Synthomer Modern Slavery Act statement
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability Insights
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## Glossary of terms

<b>AC</b>	amortised cost	<b>GDP</b>	Gross Domestic Product
<b>AGM</b>	Annual General Meeting	<b>GHG</b>	greenhouse gas
<b>AM</b>	acrylate monomers	<b>GJ</b>	gigajoule
<b>APMs</b>	Alternative Performance Measures	<b>GM</b>	gross margin
<b>APO</b>	amorphous polyolefins	<b>H&amp;P</b>	Health & Protection business unit
<b>AS</b>	Adhesive Solutions division	<b>HPPM</b>	Health & Protection and Performance Materials division
<b>CCS</b>	Coatings & Construction Solutions division	<b>IFRS</b>	International Financial Reporting Standards
<b>CDP</b>	formerly the Carbon Disclosure Project	<b>ISA</b>	International Standards of Auditing
<b>CGU</b>	cash generating unit	<b>ISCC PLUS</b>	International Sustainability & Carbon Certification PLUS
<b>CH<sub>4</sub></b>	methane	<b>KPIs</b>	key performance indicators
<b>CO<sub>2</sub></b>	carbon dioxide	<b>ktes</b>	kilotonne or 1,000 tonnes (metric)
<b>Code</b>	UK Corporate Governance Code	<b>M&amp;A</b>	mergers and acquisitions
<b>CO<sub>2</sub>e</b>	carbon dioxide equivalent	<b>MYR</b>	Malaysian ringgits
<b>constant currency</b>	Reflects current year results for existing business translated at the prior year's average exchange rates, and includes the impact of acquisitions	<b>N<sub>2</sub>O</b>	nitrous oxide
<b>CSRD</b>	Corporate Sustainability Reporting Directive	<b>NBR</b>	nitrile butadiene latex
<b>DE&amp;I</b>	diversity, equity and inclusion	<b>net debt</b>	cash and cash equivalents together with short- and long-term borrowings
<b>DMA</b>	double materiality assessment	<b>n/m</b>	not meaningful
<b>EBITDA</b>	EBITDA is calculated as operating profit before depreciation, amortisation and Special Items	<b>NO<sub>x</sub></b>	nitrogen oxides
<b>EMEA</b>	Europe, Middle East, Africa and Americas	<b>NPP</b>	new and protected products
<b>EPS</b>	earnings per share	<b>NPV</b>	New Product Vitality
<b>ERC</b>	Executive Risk Committee	<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>ESG</b>	environmental, social and governance	<b>operating profit</b>	operating profit represents profit from continuing activities before finance costs and taxation (sometimes also known as EBIT or earnings before interest and tax)
<b>FRC</b>	Financial Reporting Council	<b>Operating Cash Flow</b>	Operating Cash Flow is defined as Total Group EBITDA plus/minus net working capital movement less capital expenditure
<b>Free Cash Flow</b>	The movement in net debt before financing activities, foreign exchange and the cash impact of Special Items, asset disposals and business combinations	<b>OSHA</b>	Occupational Safety and Health Administration
<b>FRS</b>	Financial Reporting Standard	<b>PPE</b>	property, plant and equipment
<b>FVTOCI</b>	fair value through other comprehensive income	<b>PSER</b>	process safety event rate
<b>FVTPL</b>	fair value through profit or loss	<b>PSP</b>	Performance Share Plan

## Glossary of terms continued

<b>R&amp;D</b>	research and development
<b>RCF</b>	revolving credit facility
<b>RCR</b>	recordable injury case rate
<b>ROIC</b>	Return on Invested Capital, calculated as underlying operating profit after tax divided by average invested capital at start and end of year (comprising equity, net debt, post-retirement benefit obligations and lease liabilities)
<b>SBR</b>	styrene-butadiene rubber
<b>SHE</b>	safety, health and environment
<b>SHEMS</b>	Safety, Health and Environment Management System
<b>SVP</b>	Speciality Vinyl Polymers business
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>TSR</b>	total shareholder return
<b>UKEF</b>	United Kingdom Export Finance
<b>Underlying performance</b>	Underlying performance represents the statutory performance of the Group under IFRS, excluding Special Items
<b>VOCs</b>	volatile organic compounds

Glossary of terms continued

## Historical financial summary

		2025 £m	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Revenue		<b>1,768.1</b>	1,996.6	2,021.2	2,585.1	2,329.5	1,644.2
<b>Underlying performance</b>	(a)						
EBITDA	(b)	<b>140.1</b>	149.2	139.1	265.1	522.2	259.4
Operating profit	(c)	<b>40.7</b>	52.8	33.8	171.2	450.9	189.6
Finance costs		<b>(63.9)</b>	(60.0)	(64.9)	(46.2)	(30.8)	(29.6)
Profit before taxation		<b>(23.2)</b>	(7.2)	(31.1)	125.0	420.1	160.0
Basic earnings per share	(f)	<b>(37.2)p</b>	(2.5)p	(35.1)p	152.0p	554.0p	212.9p
Dividends per share	(f)	-	-	-	-	221.0p	85.4p
Dividend cover		-	-	-	-	2.5	2.5
<b>IFRS</b>							
Operating profit	(c)	<b>(56.3)</b>	(25.9)	17.7	(26.5)	308.5	58.4
Finance costs		<b>(63.9)</b>	(61.4)	(71.4)	(21.1)	(24.6)	(38.1)
Profit before taxation		<b>(120.2)</b>	(87.3)	(53.7)	(47.6)	283.9	20.3
Basic earnings per share	(f)	<b>(96.0)p</b>	(44.4)p	(78.5)p	(51.2)p	355.8p	5.2p
Dividends per share	(f)	-	-	-	-	221.0p	85.4p
Dividend cover		-	-	-	-	1.6	0.1
Net debt	(d)	<b>(575.0)</b>	(597.0)	(499.7)	(1,024.9)	(114.2)	(462.2)
Capital expenditure	(e)	<b>87.7</b>	90.6	84.0	90.8	82.2	53.8

(a) Total of continuing and discontinued operations for the Group.

(b) As defined in the accounting policies at note 2 and reconciled in note 5.

(c) As defined in note 2 to the financial statements on page 147.

(d) As reconciled in note 20.

(e) As disclosed on the consolidated cash flow statement.

(f) Dividends and earnings per share figures for 2022 and prior have been adjusted for the 20 to 1 share consolidation and rights issue adjustment factor of 2.715.

## Advisers

### Registered office

Synthomer plc  
Temple Fields  
Harlow  
Essex  
CM20 2BH  
Registered number 98381

### Company Secretary

Anant Prakash

### Joint stockbrokers

JP Morgan Cazenove and Peel Hunt

### Registrars

Computershare Investor Services plc  
Lochside House  
7 Lochside Avenue  
Edinburgh Park  
Edinburgh  
EH12 9DJ

### Independent auditors

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors London



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**Synthomer plc**

10 Greycoat Place  
London  
SW1P 1SB  
United Kingdom  
[www.synthomer.com](http://www.synthomer.com)

