

Who we are and what we do

Chair's statement



“The current volatility in the chemicals industry only serves to reinforce the importance of our strategy. Future value creation will be unlocked by making our business less complex and pursuing commercial and operational excellence and clear-eyed capital allocation.”

Peter Hill, CBE
Chair

Recent years have been a difficult period for the chemicals sector, but despite this Synthomer has made real progress with self-help measures to reduce costs and de-risk its balance sheet – while retaining a clear focus on the opportunities it can realise through its strategic transformation into a speciality products business serving attractive end markets.

Staying focused on growth, while navigating challenges

Throughout my first year as Chair, it has been clear to me that everyone at Synthomer is resolutely focused on delivering its transformational strategy to become a speciality solutions platform serving customers in attractive growth markets, and on driving the Company's innovation and sustainability agendas. The Board and leadership team agree that the current volatility in the chemicals industry only serves to reinforce the importance of our strategy, and that future value creation will be unlocked by making our business less complex, harnessing our expertise, and pursuing commercial and operational excellence and clear-eyed capital allocation.

Synthomer continued to make real progress on this transformation in 2025. Innovation, manufacturing excellence and expert service have strengthened our relationships with our high-quality customers. Divestment and plant rationalisation have further simplified our structure. Disciplined capital allocation is seeing resources channeled judiciously to the parts of the business which have the most potential for growth. Our CEO, Michael Willome, describes this progress on pages 7 to 9.

Self-help measures to reduce costs and protect margins

While it is right to look forward at the opportunities ahead, we also need to focus on the business in the here and now. Synthomer, like our competitors, is navigating a prolonged downturn in demand in many markets. 2025 saw further volatility, as customers serving a range of end markets dealt with uncertainty over trade tariffs and geopolitics. While our global manufacturing footprint meant we felt relatively few direct effects of tariffs, their impact came through in customer caution. This compounded other demand and supply trends. Our volumes, and revenues, were down year-on-year.

In this challenging environment, the Board entirely supported the focus on 'controlling the controllables'. Synthomer expanded its range of self-help measures over the year, further tightening operational execution, enhancing procurement and driving cost savings. As part of this, the Board supported the difficult but necessary decision to reduce headcount by 250 roles. On top of the c.£30m in annual self-help and strategy benefits delivered in 2025, Synthomer has outlined a further £20-25m in cost reductions extending into 2026.

The market environment remains complex, but despite the lower revenue in 2025, the Group achieved a further improvement in gross and EBITDA margins, and delivered positive Free Cash Flow, which is testament to the focus and determination to deliver the strategy across the business. This consistency has also proven to be beneficial in responding to the changed operating environment in the sector since the beginning of the Iran conflict.

Remaining focused on our balance sheet

Reducing leverage towards our 1 to 2x medium-term net debt:EBITDA target range remains a priority for the business and the Board. Our plans envisage delivering this through a combination of ongoing efficiencies and strategic progress, the divestment programme and expected end-market volume growth. The steps taken in 2026 to refinance our bank debt described in the Financial review are intended to provide the appropriate near and medium-term liquidity and financial covenant headroom alongside a covenant package to deliver the Group's plans.

The Board is confident that Synthomer will emerge stronger from this period of exceptional turbulence. We have the strategy, expert teams and market positions to outperform, and I look forward to Synthomer creating significant value for shareholders and other stakeholders in the years ahead.

Engaging with our stakeholders

As a Board, we have continued to actively engage with our stakeholders, including customers, suppliers, employees and shareholders and other capital markets participants, whose support is so essential particularly in tough trading times. On a personal note, it has been a pleasure to meet Synthomer's expert and dedicated teams in my visits to sites in each of our core regions. On behalf of the Board I would like to thank all Synthomer's people for their hard work and commitment.

Welcoming progress on innovation and other ESG issues

The Board oversees strategy and delivery on environmental, social and governance (ESG) issues. Innovation and sustainability benefits in particular are important differentiators for our customers, so we see ESG performance as a potential competitive advantage, as well as a regulatory and governance issue. Several Board colleagues are closely involved in Synthomer's Innovation Taskforce, a collaboration with senior leaders and expert teams to help drive the pace of customer-centric innovation across the Group.

Over the year, the Board has been pleased to see a number of product developments and partnerships with customers that add value through innovation and sustainability benefits. The Adhesive Solutions division is delivering lower-carbon and circular economy adhesive products for customers, including through an exciting partnership with Henkel, described on page 32. Coatings & Construction Solutions (CCS) has launched several new products aimed at the construction sector, and Health & Protection and Performance Materials (HPPM) continues to leverage its technology and market-leading expertise to develop a bio-based nitrile latex offering for customers, amongst other commercial partnerships.

The Board treats ESG as a reserved matter, and health and safety is always the first item at every Board discussion. The Board also monitors progress on gender diversity, and I was pleased to see that women now represent more than a third of senior management, passing Synthomer's 2025 milestone target and up from 15% in 2020. Synthomer's performance in these areas is described in detail in our Vision 2030 progress on, pages 41 to 43.

The Board

Synthomer's Board has continued to evolve over the past year, with a clear focus from the Nomination Committee on ensuring that we have the skills and experience to support and challenge the leadership team and oversee the Group's transformation. We welcomed Jonathan Silver and Janet Ashdown to the Board as Independent Non-Executive Directors in July 2025, both of whom bring considerable expertise to Synthomer. On behalf of the whole business, I would like to thank the Hon. Alexander Catto, who stepped down from the Board at our Annual General Meeting in May 2025, and Ian Tyler and Roberto Gualdoni, who both stepped down in December 2025. Between them they have given Synthomer many years of dedicated support, for which the Group will always be grateful.

Peter Hill, CBE

Chair

30 April 2026