

SYENSQO THIRD QUARTER 2024 RESULTS

RETURN TO VOLUME GROWTH WITH 5% YEAR-ON-YEAR INCREASE AND ROBUST MARGINS IN A CHALLENGING MARKET ENVIRONMENT

Underlying (€ million)	Q3 2024	Q3 2023	Q2 2024	YoY change	YoY organic	QoQ change	9M 2024	9M 2023	YoY change	YoY organic
Net sales	1,633	1,629	1,708	0.2%	1.6%	-4.4%	4,965	5,257	-5.6%	-4.1%
Gross profit	572	592	582	-3.4%	-	-1.7%	1,737	1,890	-8.1%	-
Gross profit margin	35.0%	36.4%	34.1%	-130 bps	-	100 bps	35.0%	35.9%	-100 bps	-
EBITDA	374	418	378	-10.5%	-7.9%	-0.9%	1,114	1,324	-15.8%	-13.3%
EBITDA margin	22.9%	25.7%	22.1%	-280 bps	-	80 bps	22.4%	25.2%	-270 bps	-
Operating cash flow	210	423	43	-50.4%	-	388%	497	1,080	-54.0%	-
Op. cash flow excl. €167mn payment to NJDEP	n.a.	423	210	n.a.	-	n.a.	664	1,080	-38.6%	-
Free cash flow	27	216	-120	-87.5%	-	-123%	65	483	-86.5%	-
FCF excl. €167mn payment to NJDEP	n.a.	216	47	n.a.	-	n.a.	232	483	-52.0%	-
Cash conversion (LTM)	69%	n.a.	77%	n.a.	-	-800 bps	n.a.	n.a.	n.a.	-
Cash conv. (LTM) excl. €167mn payment to NJDEP	81%	n.a.	88%	n.a.	-	-700 bps	n.a.	n.a.	n.a.	-
ROCE (LTM)	8.1%	n.a.	8.8%	n.a.	-	-70 bps	n.a.	n.a.	n.a.	-

Highlights

- **Net sales** of €1.6 billion increased by 2% year-on-year organically, driven by higher volumes in both the Materials and Consumer & Resources segments. Strong performance in Composite Materials and Novincare with 14% and 10% year-on-year net sales growth respectively;
- **Underlying EBITDA** of €374 million, approximately flat sequentially, included net pricing impact of €-12 million;
- **EBITDA margin** of 22.9% increased by approximately 80 basis points sequentially with improvements in both the Materials and Consumer & Resources segments;
- **Underlying net profit** of €162 million;
- **Operating cash flow** of €210 million; **Free cash flow** of €27 million, with **cash conversion** of 81%¹;
- **Balance sheet: net debt** of €1.9 billion, approximately flat sequentially; **leverage ratio** of 1.3x;
- Completed €75 million **Long Term Incentive Plan share repurchase** at average price of €75.64;
- New €300 million **share buyback program** announced at the end of Q3;
- **Full year outlook** ranges updated, including the impact of strike at Boeing.

Dr. Ilham Kadri, CEO

"In the context of ongoing macroeconomic and demand uncertainty, I am pleased that we returned to year-on-year volume and top line growth in Q3, led by double digit increases in Composite Materials and Novincare. We also delivered another quarter of robust margin performance across most of our business units as well as sequential improvements in both segments, led by Specialty Polymers, Technology Solutions and Novincare.

"The sharper focus we have gained since the separation has allowed us to accelerate our strategy to create value for shareholders. This has included more optionality around how we allocate capital, prioritizing our investments towards the most attractive growth opportunities and continually reviewing our costs. Now that we see more clearly our needs and how we can better serve our customers, we plan to take actions to become even more efficient to further improve our operating leverage and support the delivery of our mid-term plan."

"Aided by our strong financial position, our Board of Directors also approved a new EUR 300 million share buyback program at the end of the quarter, which we expect to commence immediately."

[Register to the webcast scheduled at 14:00 CEST](#) - [Financial report](#) - [Financial calendar](#)

¹ Excluding the €167 million payment to the New Jersey Department of Environmental Protection made in Q2 2024

2024 Outlook

While we expect year-on-year volume growth to continue in the fourth quarter of 2024, a number of our end markets continue to be impacted by ongoing macroeconomic and industry uncertainties, most notably Automotive and Aerospace.

In addition, our outlook reflects fourth quarter seasonality as well as the expected EBITDA and cash flow impacts from the strike at Boeing and its related supply chain disruption.

As a result, our full year 2024 outlook is now as follows:

- **Underlying EBITDA:** in the range of €1.4 billion - €1.44 billion;
- **Capital expenditures:** in the range of €600 - €650 million;
- **Free Cash Flow:** approximately €400 million, excluding the €167 million payment to the New Jersey Department of Environmental Protection, which was made in April 2024.

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Safe harbor

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About Syensqo

Syensqo is a science company developing groundbreaking solutions that enhance the way we live, work, travel and play. Inspired by the scientific councils which Ernest Solvay initiated in 1911, we bring great minds together to push the limits of science and innovation for the benefit of our customers, with a diverse, global team of more than 13,000 associates.

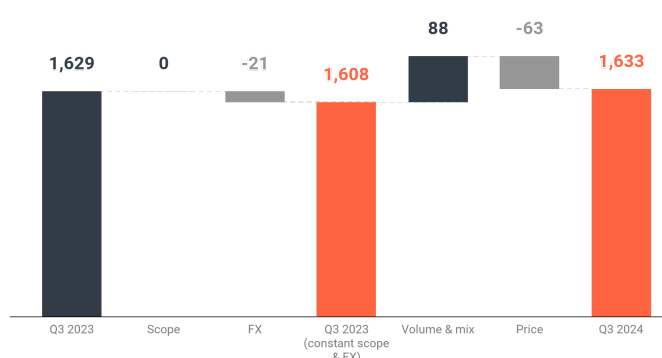
Our solutions contribute to safer, cleaner, and more sustainable products found in homes, food and consumer goods, planes, cars, batteries, smart devices and health care applications. Our innovation power enables us to deliver on the ambition of a circular economy and explore breakthrough technologies that advance humanity.

Financial Review

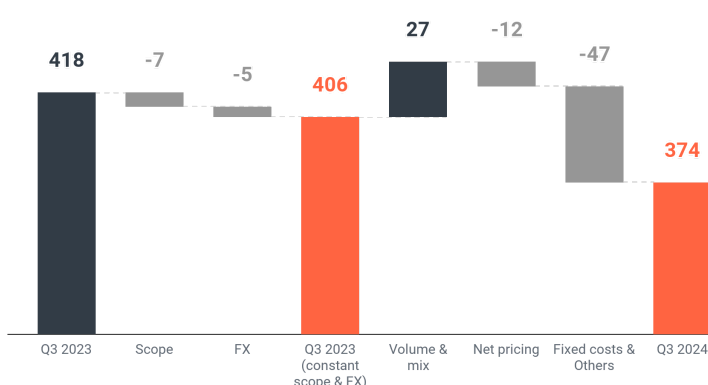
Summary Income Statement

Underlying (€ million)	Q3 2024	Q3 2023	Q2 2024	YoY change	QoQ change	9M 2024	9M 2023	YoY change
Net sales	1,633	1,629	1,708	0.2%	-4.4%	4,965	5,257	-5.6%
Gross profit	572	592	582	-3.4%	-1.7%	1,737	1,890	-8.1%
Gross profit margin	35.0%	36.4%	34.1%	-130 bps	100 bps	35.0%	35.9%	-100 bps
EBITDA	374	418	378	-10.5%	-0.9%	1,114	1,324	-15.8%
EBITDA margin	22.9%	25.7%	22.1%	-280 bps	80 bps	22.4%	25.2%	-270 bps
EBIT	243	302	250	-19.4%	-2.6%	745	978	-23.9%
Net financial charges	-32	-64	-43	-49.5%	-25.6%	-111	-131	-15.3%
Income tax expenses	-49	-59	-49	-17.7%	0.0%	-158	-197	-20.0%
Profit / (loss) attributable to Syensqo shareholders	162	177	159	-8.8%	1.6%	477	647	-26.3%
Basic EPS	1.55	1.68	1.48	-7.8%	4.4%	4.54	6.11	-25.8%

Net sales bridge (€ million)



Underlying EBITDA bridge (€ million)



Net sales of €1,633 million in the third quarter of 2024 were flat on a reported basis, but increased by 2% organically, versus the third quarter of 2023. The year-over-year increase was driven by higher volumes, particularly in Novecare and Composite Materials, partially offset by lower pricing, most notably in Specialty Polymers and Novecare.

On a sequential basis, reported net sales decreased by 4%, versus the second quarter of 2024, driven by lower volumes in most business units. Pricing was flat sequentially.

Gross profit of €572 million in the third quarter of 2024 decreased by 3% on a reported basis versus the third quarter of 2023, primarily driven by the Materials Segment.

On a year-on-year basis, gross margin of 35.0% decreased by 130 basis points. This was primarily driven by lower gross margin in the Consumer & Resources segment.

Underlying EBITDA of €374 million in the third quarter of 2024 decreased by 11% on a reported basis, or 8% organically, compared to the third quarter of 2023. The decrease was driven by higher fixed costs and

lower net pricing, partially offset by higher volumes. On a reported basis, the year-on-year underlying EBITDA performance was negatively impacted by approximately €10 million of dissynergies related to the partial demerger from Solvay.

On a sequential basis, underlying EBITDA decreased by 1% on a reported basis versus the second quarter of 2024. The slight decrease was primarily driven by higher Corporate & Business Services expenses, almost entirely offset by higher underlying EBITDA in the Materials Segment.

Underlying EBITDA margin of 22.9% in the third quarter of 2024 decreased by approximately 280 basis points versus the third quarter of 2023, driven by higher Corporate & Business Services expenses and, to a lesser degree, lower Materials underlying EBITDA margin.

On a sequential basis, underlying EBITDA margin increased by approximately 80 basis points, primarily driven by higher margin and improved mix in both the Materials segment and Consumer & Resources segment.

Summary of Cash Flow and Net Debt

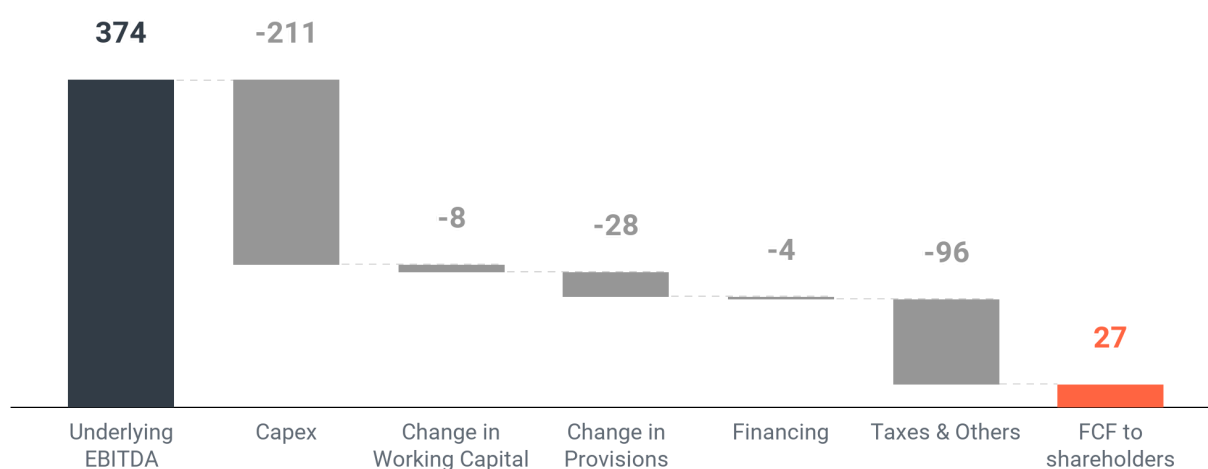
Cash flow from operating activities amounted to €210 million in the third quarter of 2024, including €8 million cash outflow from movements in working capital and €61 million of income tax payments.

Cash conversion defined as (underlying EBITDA +/- changes in working capital - Sustenance Capital Expenditure) / (underlying EBITDA) totaled 69% on a rolling 12-month basis, or 81%, excluding the payment to the NJDEP incurred in the second quarter of 2024.

Free cash flow to shareholders was an inflow of €27 million in the third quarter of 2024. This included €211 million of capital expenditures, comprising €94 million of sustenance capital expenditure and €117 million of growth capital expenditure.

Cash and cash equivalents totaled €647 million at the end of the third quarter of 2024.

Free cash flow bridge (€ million)



Underlying net financial debt amounted to €1,895 million at the end of the third quarter of 2024, versus €1,584 million at the end of 2023, and approximately flat versus the end of the second quarter of 2024, resulting in a leverage ratio of 1.3x and a gearing ratio of 22%. The increase in underlying net financial debt versus the end of 2023 was primarily driven by the €167 million payment to the New Jersey Department of Environmental Protection and the dividend payment of €154 million, partially offset by positive free cash flow.

Underlying (€ million)	Q3 2024	End of 2023	Change
Gross debt	2,633	2,813	-6.4%
Cash and cash equivalents.	738	1,229	-40.0%
Net debt	1,895	1,584	19.6%
Leverage ratio	1.3x	1.0x	0.3x
Gearing ratio	21.5%	18.2%	330 bps

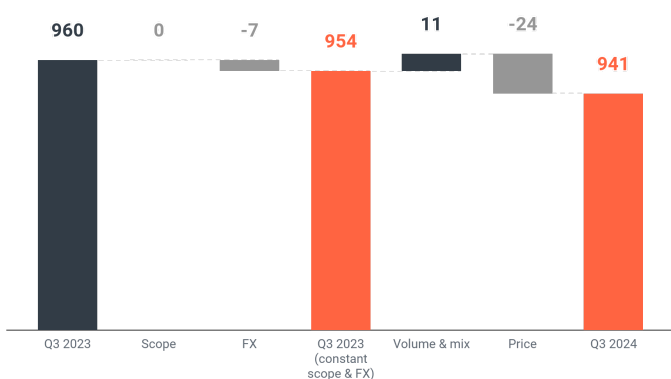
Segment Review

Materials (58% of Group net sales, 71% of Group underlying EBITDA*)

* Excluding the contribution of Corporate & Business Services

Underlying (€ million)	Q3 2024	Q3 2023	Q2 2024	YoY change	YoY organic	QoQ change	9M 2024	9M 2023	YoY change	YoY organic
Net sales	941	960	988	-2.1%	-1.4%	-4.8%	2,869	3,077	-6.8%	-5.6%
Specialty Polymers	649	702	679	-7.6%	-6.9%	-4.4%	1,979	2,299	-13.9%	-12.5%
Composite Materials	292	258	309	13.0%	13.5%	-5.6%	889	778	14.3%	14.3%
EBITDA	307	325	303	-5.4%	-4.9%	1.5%	921	1,051	-12.4%	-12.1%
EBITDA margin	32.7%	33.8%	30.6%	-110 bps	-	200 bps	32.1%	34.2%	-210 bps	-

Materials net sales bridge (€ million)



Net sales of €941 million in the third quarter of 2024 decreased by 2% on a reported basis, or 1% organically, versus the third quarter of 2023. The year-on-year decrease was primarily due to lower pricing in Specialty Polymers. This was partially offset by strong net sales growth in Composite Materials, driven by higher pricing and volumes.

On a sequential basis, net sales in the Materials segment fell by 5% compared to the second quarter of 2024, with declines in both Specialty Polymers and, to a lesser extent, in Composite Materials.

Specialty Polymers net sales of €649 million in the third quarter of 2024 decreased by approximately 8% on a reported basis, or 7% organically, compared to the third quarter of 2023. The decrease was driven by lower pricing, with volumes approximately flat year-on-year. Lower year-on-year net sales was primarily driven by the automotive and healthcare end markets as well as the phase-out of certain fluorosurfactant products, partially offset by growth in the Construction and Electronics end markets.

Composite Materials net sales of €292 million in the third quarter of 2024 increased by 13% on a reported basis, or approximately 14% organically, versus the third quarter of 2023. Growth was driven by higher pricing and volumes, with both civil aerospace and space and defense applications contributing to the strong year-on-year performance.

Underlying segment EBITDA of €307 million in the third quarter of 2024 declined by 5% on both a reported and organic basis compared to the third quarter of 2023, primarily due to lower underlying EBITDA in Specialty Polymers, driven by higher year-on-year fixed costs and, to a lesser degree, lower volumes. This decline was partially offset by higher underlying EBITDA in Composite Materials, supported by positive net pricing and increased volumes.

At the Materials segment level, overall net pricing increased year-on-year, with positive net pricing in both Composite Materials and Specialty Polymers.

Sequentially, underlying segment EBITDA increased by 2% on a reported basis compared to the second quarter of 2024, due to higher underlying EBITDA in Specialty Polymers, partially offset by lower underlying EBITDA in Composite Materials.

Underlying EBITDA margin of 32.7% in the third quarter of 2024 decreased by approximately 110 basis points versus the third quarter of 2023. The decrease was primarily driven by unfavorable sales mix, as Composite Materials delivered stronger year-over-year growth than Specialty Polymers. This was partially offset by a margin improvement in Composite Materials.

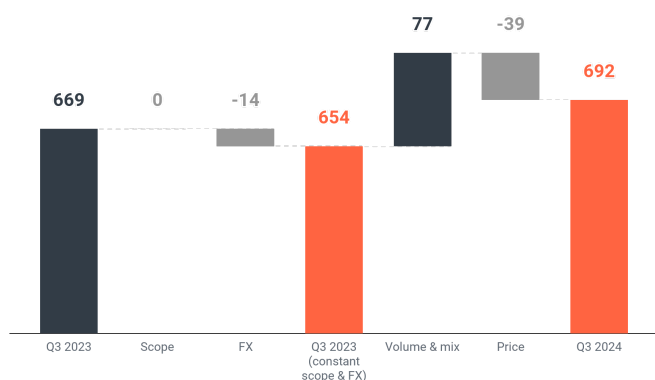
Sequentially, underlying EBITDA margin increased by approximately 200 basis points compared to the second quarter of 2024, driven by higher underlying EBITDA margin in Specialty Polymers.

Consumer & Resources (42% of Group net sales, 29% of Group underlying EBITDA*)

* Excluding the contribution of Corporate & Business Services

Underlying (€ million)	Q3 2024	Q3 2023	Q2 2024	YoY change	YoY organic	QoQ change	9M 2024	9M 2023	YoY change	YoY organic
Net sales	692	669	720	3.5%	5.8%	-3.9%	2,096	2,176	-3.7%	-1.9%
Novecare	353	325	350	8.4%	10.4%	0.8%	1,051	1,049	0.1%	1.4%
Technology Solutions	162	159	182	1.8%	5.6%	-11.2%	498	516	-3.7%	-1.6%
Aroma Performance	75	82	83	-7.6%	-7.3%	-9.5%	240	269	-10.8%	-9.6%
Oil & Gas	102	103	105	-0.8%	1.9%	-2.6%	308	341	-9.8%	-6.7%
EBITDA	125	120	125	4.5%	9.8%	0.2%	357	378	-5.7%	-2.1%
EBITDA margin	18.1%	17.9%	17.4%	20 bps	-	70 bps	17.0%	17.4%	-40 bps	-

Consumer & Resources net sales bridge (€ million)



Net sales of €692 million in the third quarter of 2024 increased by 4% on a reported basis and 6% organically compared to the third quarter of 2023, driven by higher volumes across all business units, particularly in Novecare. This was partially offset by lower pricing, most notably in Novecare and Aroma.

On a sequential basis, Consumer & Resources net sales decreased by 4% versus the second quarter of 2024, primarily due to lower net sales in Technology Solutions and Aroma.

Novecare net sales of €353 million in the third quarter of 2024 increased by 8% on a reported basis and 10% organically compared to the third quarter of 2023. This year-over-year growth was driven by broad-based volume increases, particularly in the Agro, Consumer, Industrial and Chemical Applications, and Construction end markets. This was partially offset by lower pricing, most notably in the Agro and Consumer end markets

Technology Solutions net sales of €162 million in the third quarter of 2024 increased by 2% on a reported basis, or 6% organically, versus the third quarter of 2023, driven by higher volumes in both mining solutions and polymer additives.

Aroma Performance net sales of €75 million in the third quarter of 2024 decreased by 8% on a reported basis, or 7% organically, compared to the third quarter of 2023. This was driven by lower pricing.

Oil & Gas net sales of €102 million in the third quarter of 2024 were approximately flat on a reported basis, but increased by 2% organically compared to the third quarter of 2023. This was driven by higher volumes, partially offset by modestly lower pricing.

Underlying segment EBITDA of €125 million in the third quarter of 2024 increased by 4% on a reported basis, or 10% organically, compared to the third quarter of 2023, primarily driven by higher underlying EBITDA in Technology Solutions.

Sequentially, underlying segment EBITDA remained unchanged versus the second quarter of 2024. Increases in underlying EBITDA from Technology Solutions, particularly in mining solutions, as well as in Novecare were offset by declines in Aroma and, to a lesser extent, in Oil & Gas.

Underlying EBITDA margin of 18.1% increased slightly versus the third quarter of 2023, as favorable sales mix as well as higher underlying EBITDA margin in Technology Solutions offset lower underlying EBITDA margin in Aroma, and Oil & Gas.

Sequentially, underlying EBITDA margin increased by approximately 70 basis points, driven by margin improvements in Technology Solutions and, to a lesser extent, in Novecare.

Corporate & Business Services

Underlying (€ million)	Q3 2024	Q3 2023	Q2 2024	YoY change	YoY organic	QoQ change	9M 2024	9M 2023	YoY change	YoY organic
Net sales	0	0	0	n.m.	n.m.	n.m.	0	3	n.m.	n.m.
EBITDA	-59	-27	-50	120.8%	86.8%	16.8%	-163	-105	54.8%	29.2%

Corporate and Business services reported a cost of €59 million to Syensqo's EBITDA in the third quarter of 2024, a year-on-year increase of €32 million versus the third quarter of 2023, primarily driven by planned dissynergies related to the partial demerger from Solvay, higher corporate costs, as well as higher spend on growth platforms.

Key IFRS figures

(€ million)	IFRS			Underlying			
	Q3 2024	Q3 2023	% YoY	Q3 2024	Q3 2023	% YoY	YoY organic
Net sales	1,633	1,629	0.2%	1,633	1,629	0.2%	1.6%
EBITDA	352	414	-15.0%	374	418	-10.5%	-7.9%
EBITDA margin	21.6%	25.4%	-390 bps	22.9%	25.7%	-280 bps	-
EBIT	188	263	-28.3%	243	302	-19.4%	-
Net financial charges	-35	-60	-41.5%	-32	-64	-49.5%	-
Income tax expenses	-153	-99	54.2%	-49	-59	-17.7%	-
Profit / (loss) attributable to Syensqo shareholders	-1	102	n.m.	162	177	-8.8%	-
Basic EPS (in €)	0.00	0.97	n.m.	1.55	1.68	-7.8%	-

(€ million)	IFRS			Underlying			
	9M 2024	9M 2023	% YoY	9M 2024	9M 2023	% YoY	YoY organic
Net sales	4,965	5,257	-5.6%	4,965	5,257	-5.6%	-4.1%
EBITDA	1,005	1,106	-9.1%	1,114	1,324	-15.8%	-13.3%
EBITDA margin	20.2%	21.0%	-80 bps	22.4%	25.2%	-270 bps	-
EBIT	535	658	-18.7%	745	978	-23.9%	-
Net financial charges	-100	-126	-20.7%	-111	-131	-15.3%	-
Income tax expenses	-308	-128	141.3%	-158	-197	-20.0%	-
Profit / (loss) attributable to Syensqo shareholders	128	402	-68.1%	477	647	-26.3%	-
Basic EPS (in €)	1.22	3.80	-67.8%	4.54	6.11	-25.8%	-

Glossary

- **Cash flow from operating activities, or Operating cash flow** are those generated from/(used by) the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
- **Cash conversion** Is a ratio used to measure the conversion of EBITDA into cash according to the formula $((\text{Underlying EBITDA} \pm \text{Changes in working capital} - \text{Sustenance Capex}) / (\text{Underlying EBITDA}))$. Sustenance capital expenditure includes capital expenditures for maintenance, for the implementation of the One Planet strategy and for Digital Transformation initiatives, as well as payment of lease liabilities
- **EPS** is earnings per share
- **Free cash flow to Syensqo shareholders:** Free cash flow after payment of net interests, coupons of perpetual hybrid bonds, dividends to non-controlling interests and capital injections and capital reimbursements from/to non-controlling interests. This represents the cash flow available to Syensqo shareholders, to pay their dividend and/or to reduce the net financial debt.
- **Gearing ratio:** $\text{Underlying net debt} / (\text{underlying net debt} + \text{Equity} - \text{Hybrid bonds in equity})$
- **Net financial debt:** Non-current financial debt + current financial debt – cash & cash equivalents – other financial instruments. **Underlying net debt** reclassified as debt 100% of the hybrid perpetual bonds, considered as equity under IFRS. It is a key measure of the strength of the Group's financial position and is widely used by credit rating agencies
- **Organic growth:** growth excluding scope changes and forex conversion effects. The calculation is made by rebasing the prior period at the business scope and forex conversion rate of the current period
- **Return on Capital Employed (ROCE):** the ratio between underlying EBIT (before adjustment for the amortization of PPA) and capital employed. Capital employed consists of net working capital, tangible and intangible assets, goodwill, rights-of-use assets, investments in associates & joint ventures and other investments
- **Underlying figures:** adjust IFRS figures for the non-cash Purchase Price Allocation (PPA) accounting impacts related to acquisitions, for the coupons of perpetual hybrid bonds classified as equity under IFRS but treated as debt in the underlying statements, and for other elements to generate a measure that avoids distortion and facilitates the appreciation of performance and comparability of results over time
- **Underlying net financial charges:** include the coupons on perpetual hybrid bonds (accounted as dividends under IFRS, and thereby excluded from the income statement)

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