



# Third Quarter 2024 Results

November 5, 2024



Dr. ILHAM KADRI  
Chief Executive Officer

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CHRISTOPHER DAVIS  
Chief Financial Officer

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# Agenda

1

Third Quarter  
2024 Review

2

Third Quarter 2024  
Financial Review

3

2024  
Outlook





# THIRD QUARTER 2024 REVIEW

Dr. ILHAM KADRI  
Chief Executive Officer



# Third Quarter 2024 Group Highlights

- Return to **volume and net sales growth**, led by Composite Materials and Novecare
- **Robust gross margin** performance, including -€12 million of net pricing
- **EBITDA margin increased** by 80 bps QoQ, led by Specialty Polymers, Technology Solutions and Novecare
- **81%** cash conversion<sup>[1]</sup>
- Announced **€300 million share buyback program**

## NET SALES

€1.63<sub>bn</sub>

+5% volumes  
-4% pricing

## GROSS PROFIT

€572<sub>mn</sub>

35.0% margin  
+90bps QoQ

## EBITDA

€374<sub>mn</sub>

22.9% margin  
+80bps QoQ

## FREE CASH FLOW

€27<sub>mn</sub>

[1] Cash conversion = (underlying EBITDA +/- Changes in Working Capital - Sustenance Capital Expenditure) / (underlying EBITDA) on a last twelve months basis, excluding the €167 million payment to NJDEP

# Executing our growth strategy

Syensqo introduces more sustainable polymers on the new **Trek Madone road bike**



Syensqo and General Motors' Innovative Battery Module Wins **2024 Altair Enlighten Award**



Syensqo introduces **Riza**, a new range of natural flavors and antioxidants for food preservation



Syensqo unveils ambitious **water stewardship targets**



Syensqo and ZF win prestigious **SPE Automotive Award 2024**



Syensqo debuts at **Semicon Taiwan 2024**



Syensqo unveils innovative material solutions at **Fakuma 2024**



**Ajedium™ PEEK film technology** named 2025 **Automotive News PACE Pilot Awards** finalist



## FINANCIAL MILESTONES & INVESTMENTS

North American **strategic pension risk management** initiative



Euronext **Paris Delisting** completed



**€75 million LTIP share purchase** program completed



New **€300 million share buyback** program



# Third Quarter 2024

## Segment Highlights

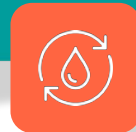


### MATERIALS

- Strong YoY growth in Composite Materials; Defense & Civil Aviation up double digits
- Improving momentum in Specialty Polymers with flat YoY volumes; growth in Electronics
- Positive net pricing in both Composite Materials and Specialty Polymers
- 200 bps of QoQ underlying EBITDA margin expansion to 32.7%, led by Specialty Polymers

### CONSUMER & RESOURCES

- Improved volume momentum with 12% YoY growth, led by Novecare & Technology Solutions
- Higher YoY and QoQ gross margin in Technology Solutions
- Sales recovery in Agro
- 70 bps of QoQ underlying EBITDA margin expansion to 18.1%







# THIRD QUARTER 2024 FINANCIAL REVIEW

CHRISTOPHER DAVIS  
Chief Financial Officer



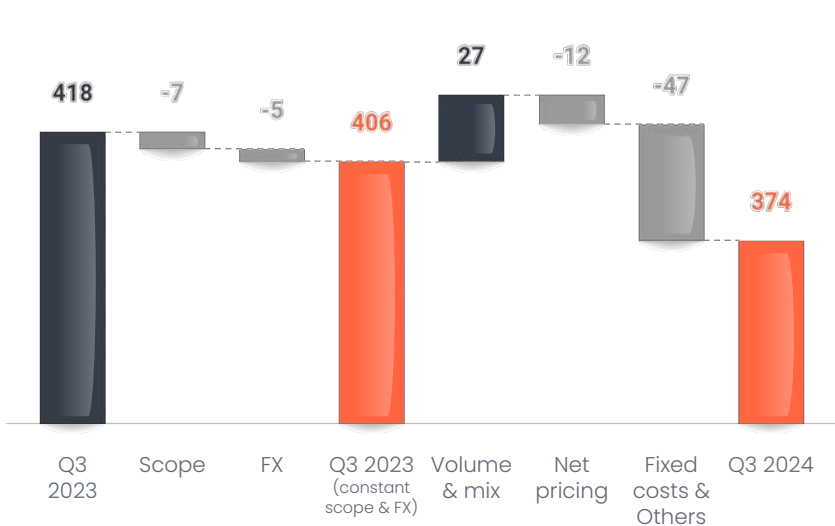
# Summary of 3<sup>rd</sup> quarter & 9 month 2024 Financial Results

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

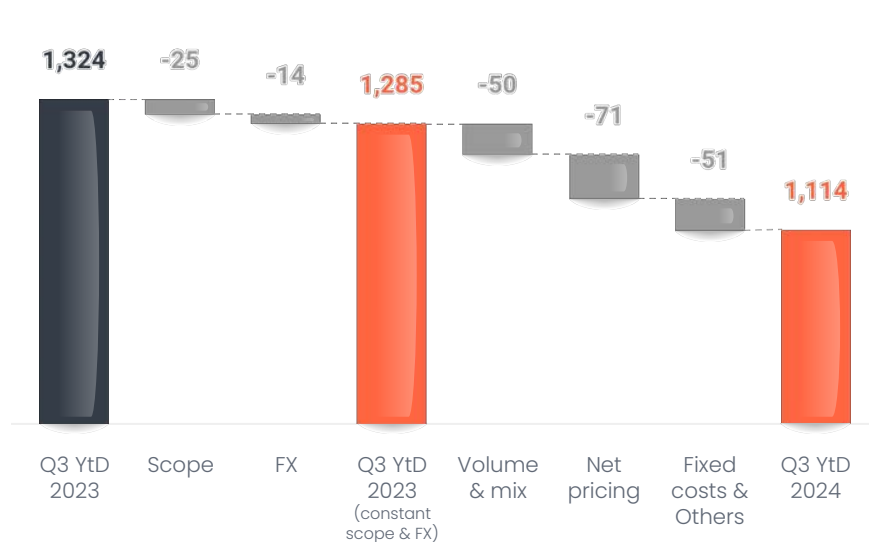
For LTM figures, see Glossary for definition,  
 [1] excludes the €167 million payment to NJDEP made in Q2 2024

# Third quarter & YTD underlying EBITDA 2024

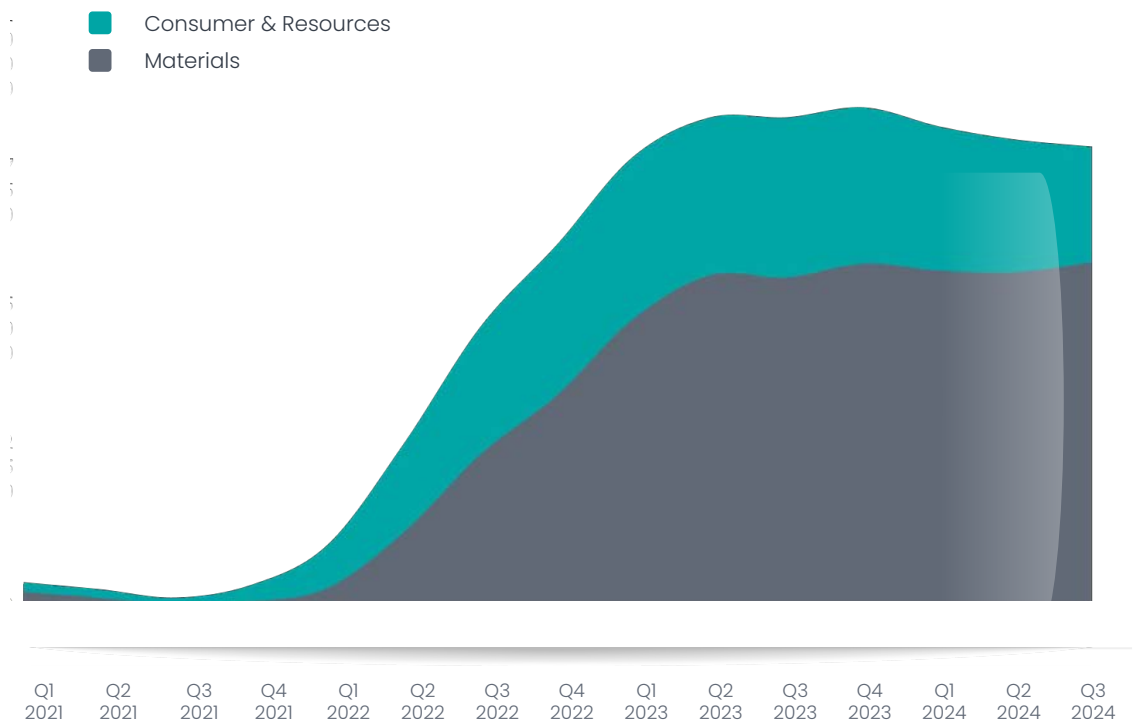
Q3 2024 (€ million)



Year to date 2024 (€ million)



# Structural net pricing gains, in line with expectations

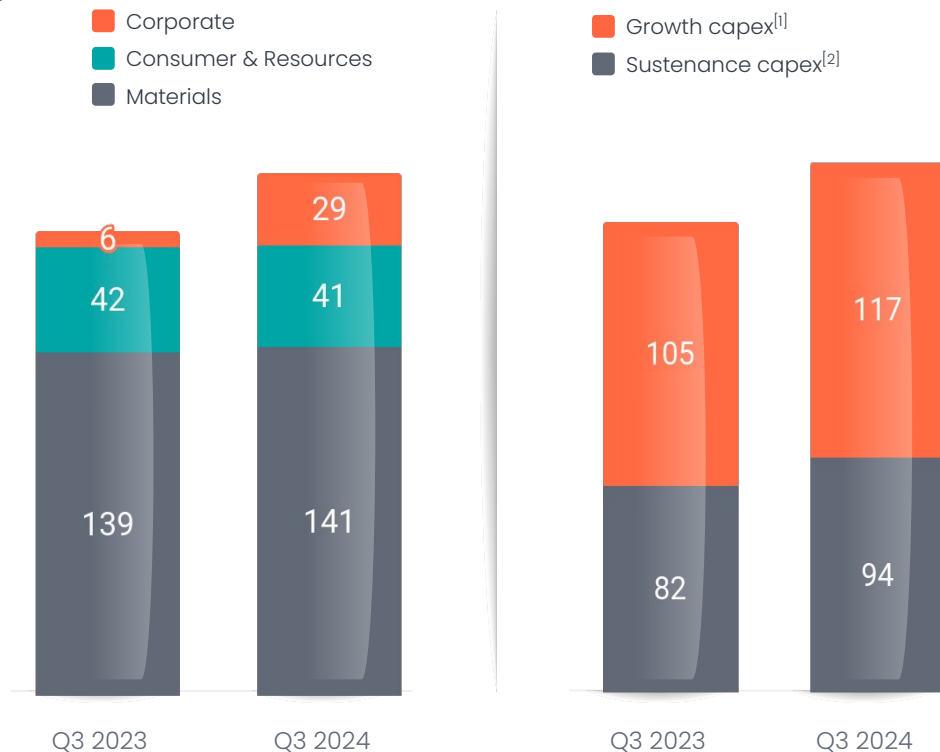


## Year-to-date net pricing impact of -€71 million

- Flat YTD net pricing in Materials
- Novecare net pricing impact offset by increased volumes to maximise value
- ~€20 million of the reduction from Aroma and Oil & Gas

# Capital expenditure focused on value creation

€ million



## Sustenance capital driven by

- Planned maintenance in Q3
- Investments in new digital architecture

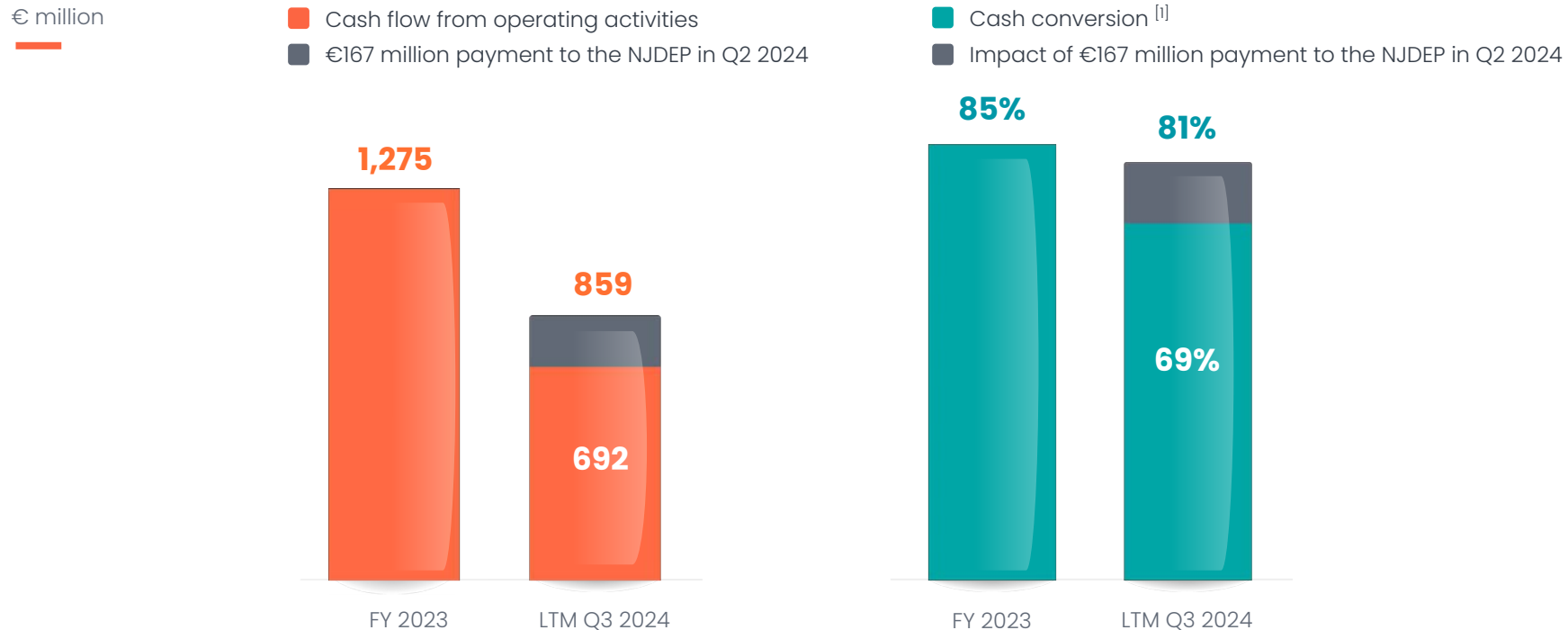
## Growth capital driven by

- Tavaux expansion: PVDF (auto, oil & gas, electronics), PVDC (food & pharma packaging)
- Sulfones (healthcare & water treatment)
- Green solvents (agro & metal coatings)

[1] Growth capex includes investments in growth platforms and new capacities

[2] Sustenance capex includes investments in maintenance, leasing, One Planet and digital transformation

# Strong cash conversion



[1] Cash conversion = (EBITDA +/- change in working capital - Sustainance Capex)/EBITDA

# Strong financial position



[1] Cash + other current financial instruments

[2] Gearing ratio: Underlying net debt / (underlying net debt + equity)

[3] 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.



# Share buyback program

Successful completion of share purchase program

- covers **current and future obligations** under Syenqo's current Long Term Incentive Plan for employees
- **983k shares** purchased at an average price of **€75.64** per share

## EUR 300 million share buyback program

aligned with commitment to **create shareholder value** & maintaining **strong investment grade** credit rating

designed to **enhance capital structure** through the right amount of **financial leverage**

to be executed in multiple tranches, starting on **November 5, 2024**



# 2024 OUTLOOK

Dr. ILHAM KADRI  
Chief Executive Officer



# Updated FY 2024 Outlook

EBITDA [3]

**€1.4 - 1.44 bn**

## Comments

- Year-on-year volume growth to continue in Q4
- Outlook reflects Q4 seasonality, the expected impact of the strike at Boeing and its related support chain disruption
- €50-100 million net pricing reduction remains unchanged
- Dissynergies (€30-40 million) in 2024 related to separation

FREE CASH FLOW [2]

**Approximately  
€400 mn [1]**

## Comments

- €232 million generated in 9M 2024 [1]
- Q4 impact from the Boeing strike and related supply chain disruptions
- Capex of €600-650 million

[1] Excludes the payment to the NJDEP, separation costs  
[2] Free cash flow to shareholders  
[3] Underlying EBITDA

# Q&A





SUPPLEMENTARY  
INFORMATION



# Q3 & 9M 2024 Key figures

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

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



# Segment performance: **Materials**

Strong YoY growth in Composite Materials with flat volumes Specialty Polymers; 200 basis points of QoQ EBITDA margin expansion

Underlying (€ million)	Q3 2024 (€m)	Q3 2023 (€m)	Q2 2024 (€m)	YoY change (%)	YoY change (org %)	QoQ change (%)	9M 2024 (€m)	9M 2023 (€m)	YoY change (%)	YoY change (org %)
<b>Net Sales</b>	<b>941</b>	<b>960</b>	<b>988</b>	<b>-2%</b>	<b>-1%</b>	<b>-5%</b>	<b>2,869</b>	<b>3,077</b>	<b>-7%</b>	<b>-6%</b>
Specialty Polymers	649	702	679	-8%	-7%	-4%	1,979	2,299	-14%	-12%
Composite Materials	292	258	309	13%	14%	-6%	889	778	14%	14%
<b>EBITDA</b>	<b>307</b>	<b>325</b>	<b>303</b>	<b>-5%</b>	<b>-5%</b>	<b>2%</b>	<b>921</b>	<b>1,051</b>	<b>-12%</b>	<b>-12%</b>
EBITDA Margin	32.7%	33.8%	30.6%	-110 bps	-	200 bps	32.1%	34.2%	-210 bps	-

## Q3 2024 HIGHLIGHTS

- **Specialty Polymers:** YoY volumes remained flat Lower net sales 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:** YoY 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
- **EBITDA margin** of **32.7%**, decreased by approximately 110 basis points year-on-year, primarily driven by:
  - unfavourable sales mix, partially offset by
  - higher Composite Materials EBITDA margin
- Sequentially, **EBITDA margin** decreased by approximately **200 basis points**, driven by Specialty Polymers

# Segment performance: **Consumer & Resources**

12% YoY volume growth & 6% YoY net sales growth, led by Novecare; 70 basis points of QoQ EBITDA margin expansion

Underlying (€ million)	Q3 2024 (€m)	Q3 2023 (€m)	Q2 2024 (€m)	YoY change (%)	YoY change (org %)	QoQ change (%)	9M 2024 (€m)	9M 2023 (€m)	YoY change (%)	YoY change (org %)
<b>Net Sales</b>	<b>692</b>	<b>669</b>	<b>720</b>	<b>3%</b>	<b>6%</b>	<b>-4%</b>	<b>2,096</b>	<b>2,176</b>	<b>-4%</b>	<b>-2%</b>
Novecare	353	325	350	8%	10%	1%	1,051	1,049	0%	1%
Tech Solutions	162	159	182	2%	6%	-11%	498	516	-4%	-2%
Aroma Performance	75	82	83	-8%	-7%	-9%	240	269	-11%	-10%
Oil & Gas	102	103	105	-1%	2%	-3%	308	341	-10%	-7%
<b>EBITDA</b>	<b>125</b>	<b>120</b>	<b>125</b>	<b>5%</b>	<b>10%</b>	<b>0%</b>	<b>357</b>	<b>378</b>	<b>-6%</b>	<b>-2%</b>
<b>EBITDA Margin</b>	<b>18.1%</b>	<b>17.9%</b>	<b>17.4%</b>	<b>20 bps</b>	<b>-</b>	<b>70 bps</b>	<b>17.0%</b>	<b>17.4%</b>	<b>-40 bps</b>	<b>-</b>

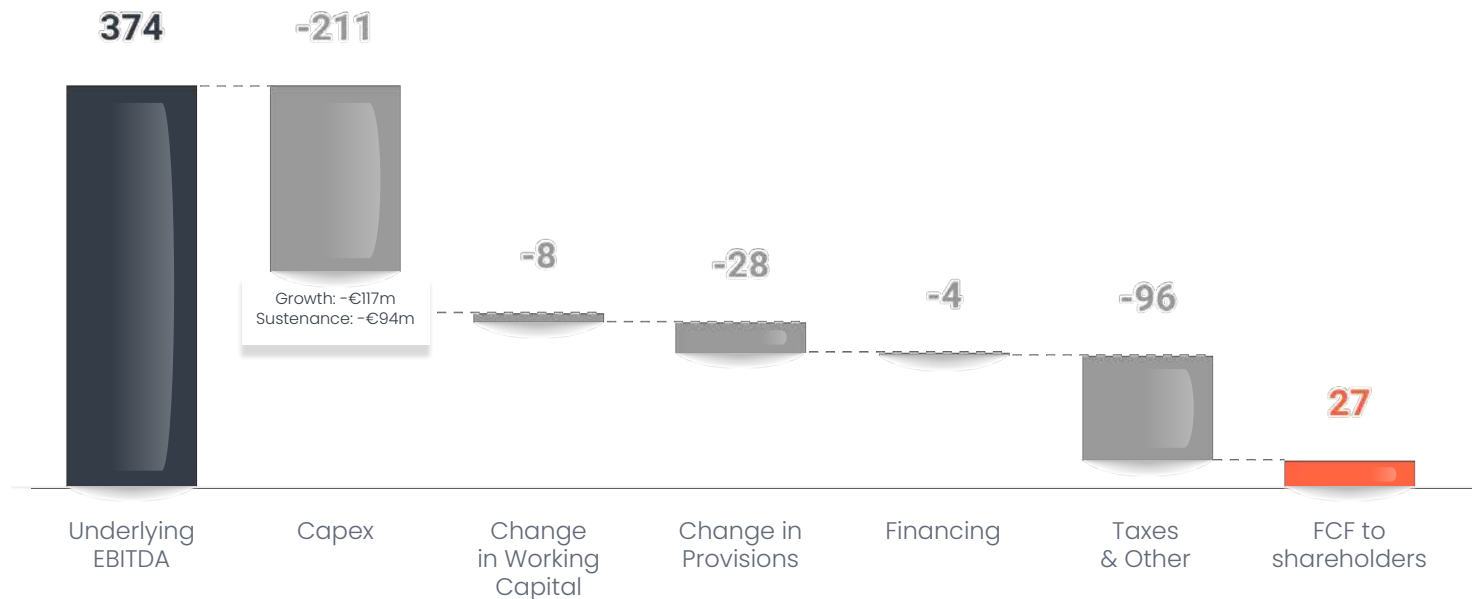
## Q3 2024 HIGHLIGHTS

- **Novecare:** YoY broad-based volume increases, particularly in the Agro, Consumer, Chemicals, and Construction end market. This was partially offset by lower pricing, most notably in the Agro and Consumer end markets
- **Technology Solutions:** YoY higher volumes in both mining solutions and polymer additives
- **Aroma Performance:** YoY higher volumes the food, flavor and fragrance markets, offset by lower pricing
- **Oil & Gas:** YoY higher volumes, partially offset by modestly lower pricing.
- **EBITDA margin of 18.1%**, increased approximately 20 basis points year-on-year, driven by:
  - Favorable sales mix
  - higher margin in Technology Solutions, partially offset by lower underlying EBITDA margin in Aroma and Oil & Gas
- Sequentially, **EBITDA margin** increased by approximately **70 basis points** driven by higher margin improvements in Technology Solutions and, to a lesser extent, Novecare.

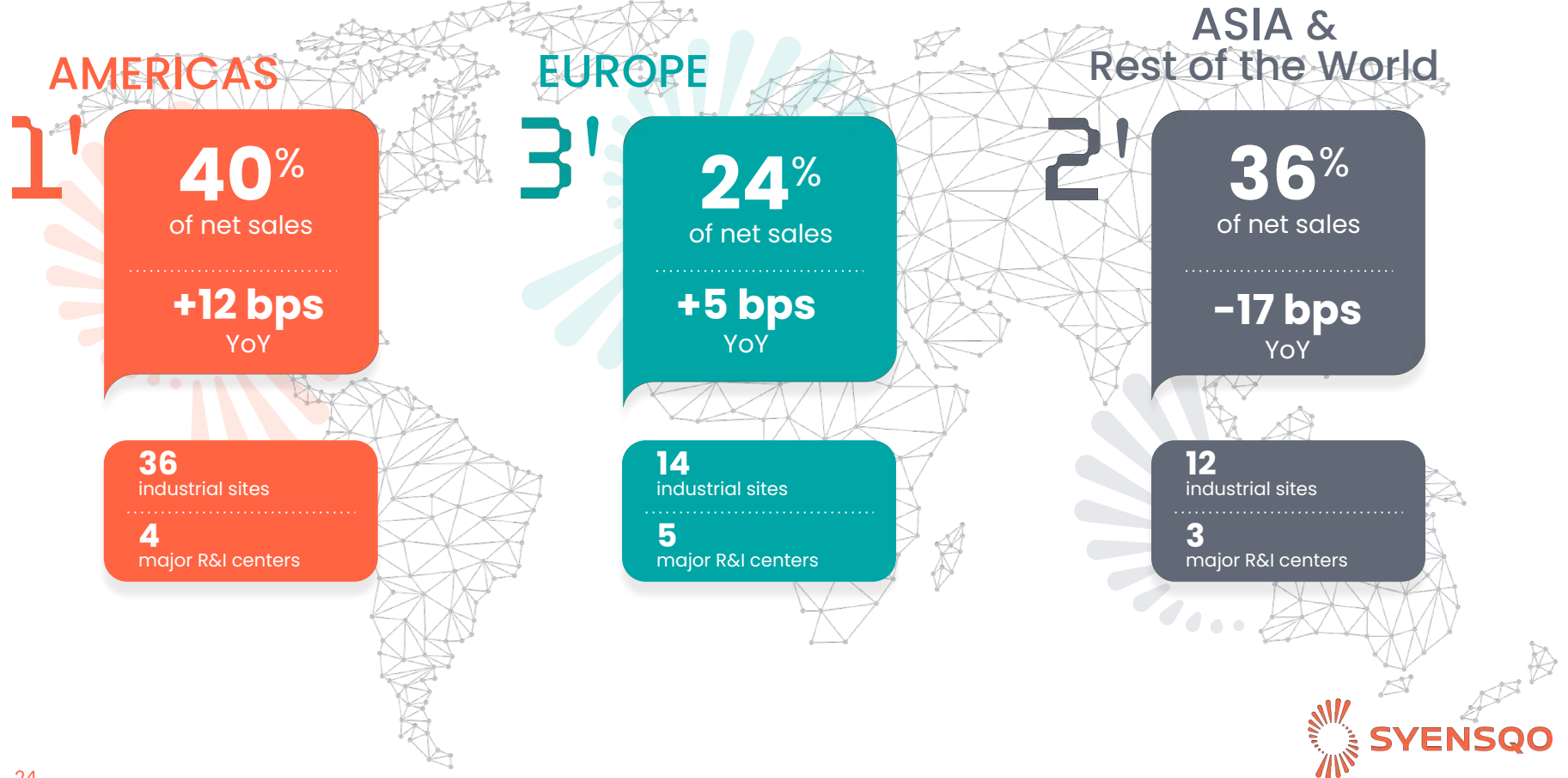


# Third quarter 2024 underlying EBITDA to Free Cash Flow bridge

€ million



# Third quarter 2024 regional sales mix



# THANK YOU

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## IMPORTANT DATES

- Feb 27, 2025: FY 2024 results
- May 6, 2025: Annual General Meeting
- May 15, 2025: Q1 2025 results
- July 31, 2025: Q2 2025 results
- Nov 6, 2025: Q3 2025 results

## INVESTOR CONFERENCES

- Nov 14, 2024: KBCS' Global Leaders Paris Conference (Paris)
- Nov 20, 2024: Van Lanschot Kempen London Conference (London)
- Dec 2, 2024: Berenberg European Conference 2024 (London)
- Dec 3, 2024: BOFA European Materials Conference 2024 (London)
- Jan 9-10, 2025: ODDO BHF Forum (Lyon)



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ADVANCING HUMANITY