

Syensqo full-year 2023 results

MILESTONE YEAR SUCCESSFULLY COMPLETED; EBITDA IN-LINE WITH OUTLOOK AND ACCELERATION OF INVESTMENTS TO EXTEND LEADERSHIP POSITION & SUPPORT FUTURE VALUE CREATION

Underlying (in € million)	Fourth quarter 2023				Full year 2023			
	2023	2022	% YoY	% organic	2023	2022	% YoY	% organic
Net sales	1,577	1,930	-18.3%	-14.2%	6,834	7,890	-13.4%	-10.2%
EBITDA	294	397	-25.9%	-20.6%	1,618	1,863	-13.1%	-10.0%
EBITDA margin	18.7%	20.6%	-190 bps	-	23.7%	23.6%	+10 bps	-
Operating cash flow	-	-	-	-	1,275	1,336	-4.6%	-
Free cash flow¹	-	-	-	-	448	577	-22.4%	-
ROCE (LTM)²	-	-	-	-	10.6%	13.7%	-310 bps	-

FY 2023 Highlights

- Successfully completed separation from Solvay to create a new independently listed **specialty chemical leader** focused on innovation and growth
- **Net sales** of €6.8 billion decreased by 10% organically versus a record full year 2022, driven by 11% lower volumes and 1% increase in prices. Volumes were impacted by the more challenging macroeconomic environment and customer destocking, partially offset by strong growth in Composite Materials
- **Underlying EBITDA** of €1.6 billion in-line with full year 2023 outlook; **EBITDA margin** of 23.7% increased by 10 basis points year-on-year, supported by **strong net pricing**
- **Underlying net profit** of €752 million
- **Strong operating cash flow** of €1.3 billion allowing for an **acceleration in growth investments** to extend leadership position and drive long term profitable growth. **Free cash flow** to shareholders of €448 million
- **Strengthened balance sheet** with year end **net debt** of €1.6 billion and **leverage ratio** of 1.0x
- **Return on Capital Employed (ROCE)** of 10.6%
- Proposed **dividend** of €1.62 per share (payout ratio of 23%), as announced in November 2023, subject to shareholders' approval during the Annual General Meeting scheduled for May 23, 2024
- Launched new and more ambitious sustainability goals, targeting **carbon neutrality by 2040**
- **50%** of 2030 Scope 1, 2 and 3³ greenhouse gas emissions (GHG) reduction targets **already achieved**

Ilham Kadri, CEO

"2023 was a historic year for Syensqo and I am proud of our achievements. We successfully completed our separation, listed on Euronext Brussels and Paris in December, while meeting our full year EBITDA target, and further strengthening our balance sheet. This was all achieved in the context of a volatile macroeconomic and business environment. We also used our strong cash generation to accelerate the pace of our capital investments in key strategic technologies and platforms, aligned with our mid-term targets.

"Over the last two years, we have significantly outperformed our markets and peer group. While we currently expect a muted recovery in demand in many of our markets during 2024, I have never been more confident in the long-term drivers of our business and our teams' ability to innovate and win new customers to unlock shareholder value."

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

¹ Free cash flow after payment of net interests, coupons of perpetual hybrid bonds and dividends to non-controlling interests. This represents the cash flow available to Syensqo shareholders, to pay its dividend and/or to reduce the net financial debt.

² Return on Capital Employed (LTM = last twelve months)

³ Focus 5 categories covering at least 70% of the full scope, eligible for SBTi

2024 Outlook

For 2024, we expect the overall demand dynamics across our major end markets to reflect the trends we saw towards the end of 2023, with flattish overall volumes. In addition, the end of customer destocking in a number of our end markets has started to prompt a more stable demand outlook since the start of the year. More specifically, and based on our year-to-date performance, we expect our Q1 2024 underlying EBITDA to increase by approximately 20% versus the level achieved in Q4 2023.

Full-year underlying EBITDA is currently estimated to be in the range of €1.4 billion and €1.55 billion. The lower end of range is aligned with current market dynamics and the annualised EBITDA performance we expect to achieve in Q1 2024. The higher end of the range assumes a modest year-on-year volume recovery, predominantly in the second half of the year, subject to the overall macroeconomic and demand environments.

Capital expenditures are expected to be in the range of €600-€650 million as we prioritise our investments based on the outlook for 2024 and take into account the acceleration of overall spend in 2023. Free Cash Flow is estimated to be in the range of €400 million and €500 million, excluding the previously announced c.\$180million PFAS payment to the New Jersey Department of Environmental Protection, which is expected to be made during Q2 2024.

Aligned with the mid-term financial targets provided at our recent Capital Markets Day, the Syensqo team is focused on accelerating value creation by delivering superior revenue growth, margin expansion and increasing returns.

Mid-term Financial Targets

Syensqo's mid-term financial targets, as set at our Capital Markets Day, are as follows:

- Net sales growth: **5% to 7%** (2024-2028)
- Underlying EBITDA Margin (in %): **to mid-20s** by 2028
- Return on Capital Employed: **to mid-teens** by 2028

ONE Planet progress

In November 2023, we released our new, more ambitious sustainability targets, structured around three pillars: climate, growth, and better life. Through our sustainability ambitions, we aim to drive more environmentally friendly solutions to our customers and make our own operations more sustainable. We also aim to design solutions for a better and more equitable life, for employees and across the value chain.

Climate	2023 vs 2021	2023	2021	2030 target
Scope 1 & Scope 2 GHG emissions (Mt)	20% Structural reduction ^(a)	1.6 Mt	2.1 Mt ^(b)	Reduce by 40%
"Focus 5 categories" Scope 3 ⁴ GHG emissions (Mt) ^(c,d)	11% Structural reduction ^(a)	6.1 Mt ^(c)	7.1 Mt ^(b,c)	Reduce by 23% ^(e)
Growth	2023 vs 2021	2023	2021	2030 target
Circular sales ^(f)	+1pp	13%	12%	18%
Better life	2023 vs 2021	2023	2021	TargetD
Safety Reportable Injury and Illness rate - RIIR ^(g)	38% Reduction	0.28	0.45	Aim for zero
% of women in middle & senior management ^(h)	+4pp	28%	24% ⁽ⁱ⁾	Aim for gender parity by 2033

[See footnotes at the end of this press release](#)

Climate

In November 2023, we unveiled our plans to achieve carbon neutrality for scope 1 and 2 emissions before 2040 across all businesses. In addition, we announced a target to reduce our greenhouse gas emissions by 40% by 2030, compared to 2021 levels. By the end of 2023, we had already achieved a 20% structural reduction in scope 1 and 2 emissions, or half of our 2030 target.

Since 2018, Syensqo has launched 47 projects globally to drive our transition to green energy, accelerate electrification and improve processes, all focused on reducing Scope 1 and 2 emissions. By the end of 2023, 73% of our sites were procuring 100% renewable electricity.

In 2023, we also established another new and ambitious goal, targeting a 23% reduction of our Scope 3 greenhouse gas emissions from the "focus five"^(c) categories by 2030, versus 2021. This target covers more than 73% of Syensqo's total Scope 3 emissions. By the end 2023, we achieved a 11% structural reduction of "focus 5 categories" Scope 3 GHG emissions.

Growth

Committed to the transition to a circular economy, Syensqo aims to increase the share of sales enabling circularity for our customers, targeting 18% of total net sales in 2030 (versus 12% of sales in 2021). In 2023, 13% of Syensqo's sales were generated by products that enable circularity, based on renewable raw materials and energy. Syensqo and the Ellen MacArthur Foundation have signed a Strategic Partner agreement for three years, focusing on advancing the circularity and sustainability agenda within the chemical sector. The partnership underscores Syensqo's commitment to actively contribute to the transformation of value chains to circular business models. This partnership will enable the Foundation network to continue relying on Syensqo's input and expertise, while also supporting its efforts to find new solutions to eliminate waste, make products and materials circular, and regenerate nature.

Better Life

The safety and wellbeing of our people is a key priority for Syensqo. In 2023, our reportable injury and illness rate (RIIR) decreased to 0.28 (versus 0.42 in 2022), an improvement of 38%.

During 2023, we also accelerated our progress towards gender parity. The share of women in middle and senior management reached 28%, an improvement of 400 basis points, compared to 2021. Syensqo has committed to reaching 100% employees earning living wage, according to the UN Global Compact definition, by 2026. Our living wage initiative complements "Syensqo Cares" program, which provides all our employees with social benefits, such as disability leave, healthcare and life insurance as well as 16 weeks of parental or adoption leave for both parents, regardless of sexual orientation.

⁴ Focus 5 categories covering at least 70% of the full scope, eligible for SBTi

Key figures⁵

Underlying (in € million)	H2 2023	H2 2022	% YoY	FY 2023	FY 2022	% YoY
Net sales	3,206	4,042	-20.7%	6,834	7,890	-13.4%
EBITDA	712	937	-24.0%	1,618	1,863	-13.1%
<i>EBITDA margin</i>	22.2%	23.2%	-100 bps	23.7%	23.6%	+10 bps
EBIT	457	675	-32.2%	1,134	1,381	-17.9%
Net financial charges	-92	-76	-20.8%	-159	-133	-20.1%
Income tax expenses	-81	-112	+28.1%	-218	-260	+15.9%
<i>Tax rate</i>				23.0%	21.1%	+190 bps
Profit / (loss) attributable to Syensqo shareholders	283	481	-41.2%	752	974	-22.8%
Basic EPS	2.67	4.54	-41.2%	7.10	9.20	-22.8%
Capex (total)	544	423	+28.6%	848	642	+32.2%
FCF to Syensqo shareholders (total)	181	467	-61.3%	448	577	-22.3%
Net financial debt				1,584	3,814	-58.5%
Underlying leverage ratio				1.0x	2.0x	n.m.
ROCE				10.6%	13.7%	-310 bps

Group performance

Net sales of €6,834 million in 2023 declined by 13% on a reported basis, or 10% organically, versus a record 2022 performance, as higher overall pricing, particularly in the Materials segment, was offset by lower volumes, particularly in the Consumer and Resources segment.

In the fourth quarter of 2023, net sales of €1,577 million declined by 18% on a reported basis, or 14% organically, versus the fourth quarter of 2022, driven by lower volumes, particularly in the Consumer and Resources segment, and to a lesser degree, by lower pricing. On both a full year and fourth quarter basis, lower volumes were a result of softer year-on-year demand across most end markets, with the exception of Aerospace. On a geographic basis, full year and fourth quarter net sales declined in all regions, due to lower volumes given the more challenging overall macroeconomic environment.

Underlying EBITDA of €1,618 million in 2023 declined by 13% on a reported basis, or 10% organically, versus a record 2022 performance, driven by lower volumes described above. This was partially offset by positive net pricing, particularly in the Materials segment and, to a lesser extent, in the Consumer and Resources segment. On a full year basis, fixed costs remained broadly stable versus 2022, as cost saving initiatives largely offset inflationary pressures and an increase in operating expenses to support future growth. Underlying EBITDA margin of 23.7% in 2023 increased by 10 basis points versus 2022 as higher Materials EBITDA margin was offset by lower Consumer and Resources EBITDA margin.

In the fourth quarter of 2023, Underlying EBITDA of €294 million declined by 26% on a reported basis, or 21% organically, versus the fourth quarter of 2022, driven by lower volumes as described above. This was partially offset by positive net pricing in the Materials segment as well as lower overall fixed costs. Underlying EBITDA margin of 18.7% in the fourth quarter of 2023 declined by 190 basis points versus the fourth quarter of 2022, driven by lower Consumer and Resources EBITDA margin and, to a lesser extent, lower Materials EBITDA margin.

Free cash flow to shareholders reached €448 million in 2023 versus €577 million in 2022, primarily due to lower profitability and higher capital expenditures, partially offset by cash inflows from working capital movements.

Underlying net financial debt amounted to €1,584 million at the end of 2023, representing a leverage ratio of 1.0x.

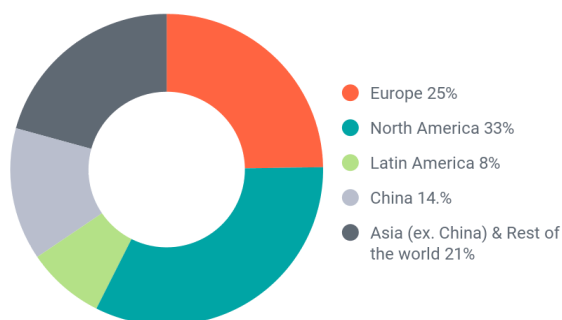
Provisions increased by €364 million in 2023 to €1,076 million, primarily driven by an additional €229 million related to PFAS settlement with the New Jersey Department of Environmental Protection (NJDEP). The Company expects to make a cash payment of approximately \$180 million related to the settlement during Q2 2024, with the balance paid over a 30 year period.

As a result of a review of the carrying value of the Aroma Performance cash generating unit, and in compliance with IAS 36 "impairment of assets", a non-cash impairment loss of €114 million was taken during the fourth quarter of 2023.

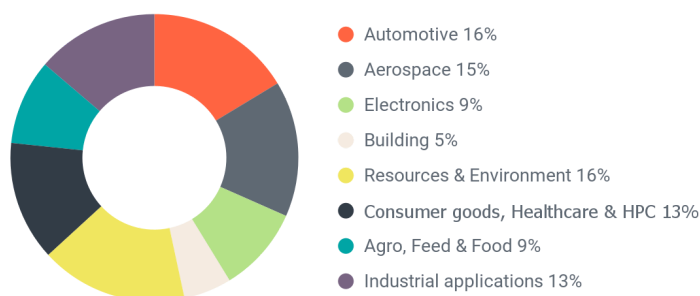
Total proposed dividend of €1.62 per share, as announced in November 2023, subject to Shareholders' approval during the Annual General Meeting scheduled for May 23, 2024, with payment thereafter.

⁵ Refer to the Glossary for definitions

FY 2023 Net Sales by Destination



FY 2023 Net Sales by End Market



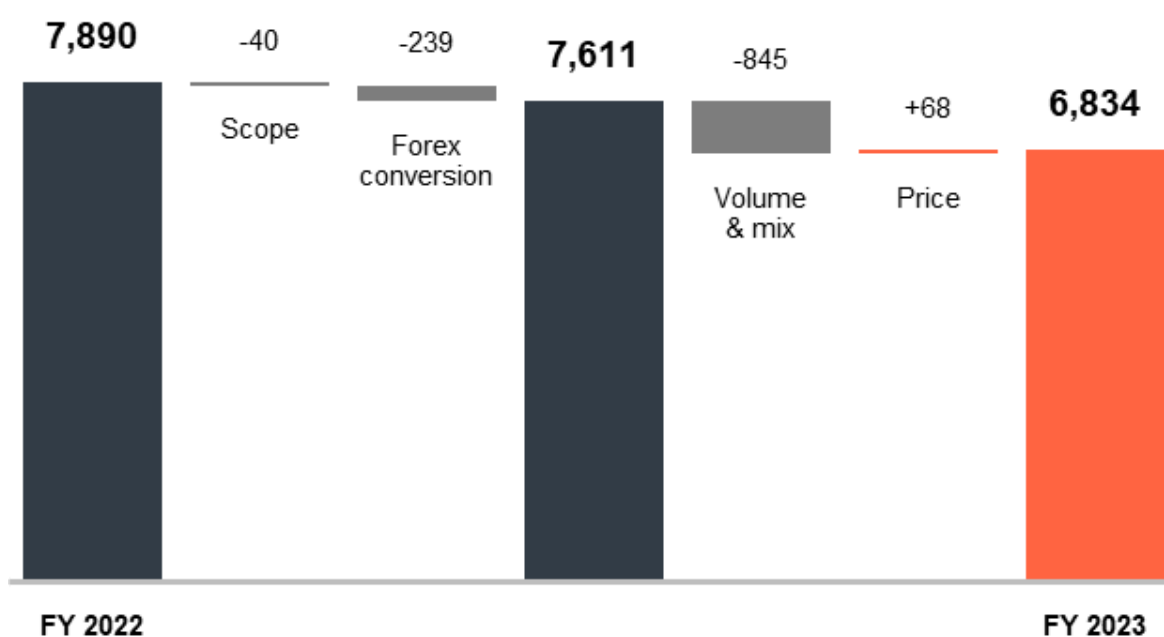
Performance by segment

Net sales bridges

(in € million)	Q4 2022	Scope	Forex	Volume & mix	Price	Q4 2023	% YoY	% Organic
Materials	1,038	-	-43	-45	-23	927	-10.6%	-6.8%
Consumer & Resources	890	-9	-38	-123	-70	650	-27.0%	-22.9%
Corporate	2	-	-	-2	-	-	n.m.	n.m.
Syensqo	1,930	-9	-81	-169	-92	1,577	-18.3%	-14.2%

(in € million)	FY 2022	Scope	Forex	Volume & mix	Price	FY 2023	% YoY	% Organic
Materials	4,078	-	-129	-152	+208	4,004	-1.8%	+1.4%
Consumer & Resources	3,805	-40	-110	-692	-138	2,826	-25.8%	-22.7%
Corporate	7	-	-	-2	-1	4	-29.8%	-27.3%
Syensqo	7,890	-40	-239	-845	+68	6,834	-13.4%	-10.2%

Net Sales - Full Year 2023 (in € million)



Materials

Net sales of €4,004 million in 2023 declined by 2% on a reported basis, but increased by 1% organically, versus 2022. On a reported basis, the 2% year-on-year decline was driven by the combination of lower volumes and unfavourable foreign exchange movements, partially offset by higher prices. The decline in volumes was a result of softer demand across most end markets, particularly in Automotive and Construction, partially offset by strong growth in Aerospace and Electronics. Automotive volumes were also impacted by customer destocking.

Specialty Polymers net sales of €2,936 million in 2023 declined by 6% on a reported basis, or 3% organically, versus a record 2022 as higher prices were offset by lower volumes. **Composite Materials** net sales of €1,069 million in 2023 increased by 12% on a reported basis, or 15% organically versus 2022, driven by a combination of higher prices and volume growth. The year-on-year increase in volumes was driven by sustained growth in both commercial aircraft as well as space and defence applications.

In the fourth quarter of 2023, segment net sales of €927 million declined by 11% on a reported basis, or 7% organically, versus the fourth quarter of 2022 driven by lower volumes and, to a lesser extent, lower prices. The decline in year-on-year volumes were a result of softer demand across most end markets, partially offset by strong growth in Aerospace.

Specialty Polymers net sales of €637 million in the fourth quarter of 2023 declined by 19% on a reported basis, or 16% organically, versus the fourth quarter of 2022 driven by lower volumes, particularly in Construction and Electronics, as well as lower prices. **Composite Materials** net sales of €290 million in the fourth quarter of 2023 increased by 18% on a reported basis, or 22% organically versus the fourth quarter of 2022 driven by a combination of higher prices and volume growth. The year-on-year increase in volumes was primarily driven by sustained growth in both commercial aircraft as well as space and defence applications.

Underlying segment EBITDA of €1,312 million in 2023 increased by 2% on a reported basis, or 3% organically, versus 2022 as positive net pricing in both Specialty Polymers and Composite Materials was partially offset by lower volumes in Specialty Polymers as well as higher operating expenses to support future growth. **Underlying EBITDA margin** of 32.8% in 2023 increased by 110 basis points versus 2022 driven by higher EBITDA margins in both Specialty Polymers and Composite Materials.

In the fourth quarter of 2023, underlying segment EBITDA of €261 million declined by 15% on a reported basis, or 13% organically, versus the fourth quarter of 2022 as positive net pricing in both Composite Materials and Specialty Polymers as well as higher volumes in Composite Materials were offset by lower volumes in Specialty Polymers. Underlying EBITDA margin of 28.1% declined by 140 basis points versus the fourth quarter of 2022 as lower EBITDA margin in Specialty Polymers was partially offset by higher EBITDA margin in Composite Materials.

Consumer & Resources

Net sales of €2,826 million in 2023 declined by 26% on a reported basis, or 23% organically versus 2022. On a reported basis, the 26% year-on-year decline was primarily driven by sharply lower volumes in the second half of the year. To a lesser extent, the decline in net sales was also due to lower pricing as well as scope changes and unfavourable foreign exchange movements. The decline in volumes was primarily a result of customer destocking and softer demand across most end markets, particularly in Agro, Feed & Food, Resources & Environment and Construction.

Novecare net sales of €1,367 million in 2023 declined by 28% on a reported basis, or 25% organically versus 2022. This was primarily driven by lower volumes across all major end markets as a result of softer demand as well as customer destocking, particularly Agro, Feed & Food, Construction and Industrial applications.

Technology Solutions net sales of €687 million in 2023 declined by 7% on a reported basis, or 5% organically, versus 2022 driven by lower demand in the second half of the year, as well as lower volumes from mining due to disruptions at certain mines. This was partially offset by higher year-on-year pricing.

Aroma Performance net sales of €347 million in 2023 declined by 40% on a reported basis, or 38% organically, versus 2022, driven by significantly lower demand in the second half of the year as well as strong competition in the food, flavour and fragrance markets.

Oil & Gas net sales of €424 million in 2023 declined by 28% on a reported basis, or 24% organically, versus 2022, driven by lower drilling activity in the United States, lower natural gas demand as well as higher competitive pressure.

In the fourth quarter of 2023, segment net sales of €650 million declined by 27% on a reported basis, or 23% organically, versus the fourth quarter of 2022. This was primarily due to lower volumes and, to a lesser extent, lower prices. The lower volumes were primarily a result of softer demand across most major end markets, particularly Agro, Feed & Food as well Resources & Environment. On a sequential basis, most end markets experienced relatively stable demand.

Novecare net sales of €318 million in the fourth quarter of 2023 declined by 27% on a reported basis, or 23% organically, versus the fourth quarter of 2022 primarily due to lower demand in the agro, consumer and construction markets.

Technology Solutions net sales of €171 million in the fourth quarter of 2023 declined by 9% on a reported basis, or 7% organically, versus the fourth quarter of 2022 primarily due to lower volumes in mining related to temporary disruptions at certain mines. On a sequential basis, net sales increased by 8% versus the third quarter of 2023.

Aroma Performance net sales of €78 million in the fourth quarter of 2023 declined by 35% on a reported basis, or 33% organically, versus the fourth quarter of 2022 primarily due to lower demand as well as strong competitive pressure. On a sequential basis, demand showed increasing signs of stabilisation and market share gains.

Oil & Gas net sales of €83 million in the fourth quarter of 2023 declined by 43% on a reported basis, or 38% organically, versus the fourth quarter of 2022 primarily due to lower demand in the United States.

Underlying segment EBITDA of €458 million in 2023 declined by 39% on a reported basis, or 36% organically, versus 2022. This was primarily due to lower volumes, partially offset by fixed cost reductions and positive net pricing.

Underlying EBITDA margin of 16.2% declined by 350 basis points versus 2022, primarily due to lower EBITDA margins in Aroma Performance and Oil & Gas.

In the fourth quarter of 2023, underlying segment EBITDA of €79 million declined by 39% on a reported basis, or 35% organically, versus the fourth quarter of 2022. This was primarily due to lower prices and volumes with stable net pricing. Underlying EBITDA margin of 12.3% declined by 240 basis points versus the fourth quarter of 2022, primarily due to lower EBITDA margin in Aroma Performance and Oil & Gas. Novecare EBITDA margin was approximately unchanged year-on-year.

Corporate and business services

Corporate and Business services reported a loss of €151 million to Syensqo's EBITDA in 2023, a year-on-year reduction of €26 million versus 2022, primarily driven by lower spend related to the separation project and structural cost savings initiatives, partially offset by higher spend on growth platforms.

Key segment figures

Underlying (in € million)	H2 2023	H2 2022	% YoY	% organic	FY 2023	FY 2022	% YoY	% organic
Net sales	3,206	4,042	-20.7%	-16.0%	6,834	7,890	-13.4%	-10.2%
Materials	1,886	2,152	-12.3%	-7.6%	4,004	4,078	-1.8%	+1.5%
Specialty Polymers	1,338	1,644	-18.6%	-14.1%	2,936	3,124	-6.0%	-2.6%
Composite Materials	549	508	+8.0%	+13.2%	1,069	954	+12.0%	+14.9%
Consumer & Resources	1,318	1,886	-30.1%	-25.5%	2,826	3,805	-25.7%	-22.7%
Novocare	643	946	-32.0%	-27.3%	1,367	1,905	-28.2%	-24.7%
Technology Solutions	330	378	-12.6%	-9.1%	687	739	-7.0%	-5.4%
Aroma Performance	159	266	-40.1%	-37.0%	347	575	-39.6%	-38.0%
Oil & Gas	186	296	-37.3%	-31.3%	424	586	-27.7%	-23.5%
Corporate & Business Services	-	-	n.m.	n.m.	4	7	-47.1%	-46.0%
EBITDA	712	937	-24.0%	-19.2%	1,618	1,863	-13.1%	-10.0%
Materials	585	692	-15.4%	-12.6%	1,312	1,290	+1.6%	+3.2%
Consumer & Resources	199	321	-37.9%	-32.7%	458	749	-38.9%	-36.2%
Corporate & Business Services	-72	-76	+4.8%		-151	-177	+14.3%	
EBITDA margin	22.2%	23.2%	-100 bps		23.7%	23.6%	+10 bps	
Materials	31.0%	32.1%	-110 bps		32.8%	31.6%	+110 bps	
Consumer & Resources	15.1%	17.0%	-190 bps		16.2%	19.7%	-350 bps	
Capex (total)	544	423	+28.6%		848	642	+32.2%	
Materials					557	400	+39.3%	
Consumer & Resources					217	190	+14.2%	
Corporate & Business Services					74	52	+43.4%	
Cash conversion					47.6%	65.5%	-18.0 pp	
Materials					57.5%	69.0%	-11.5 pp	
Consumer & Resources					52.6%	74.6%	-22.0 pp	
Research & innovation					340	302	+12.4%	
Materials					227	186	+21.6%	
Consumer & Resources					101	97	+4.0%	
Corporate & Business Services					12	19	-35.2%	
Research & innovation as % of sales					5.0%	3.8%	+110 bps	
Materials					5.7%	4.6%	+110 bps	
Consumer & Resources					3.6%	2.5%	+100 bps	

Key IFRS figures

H2 2023 key figures

(in € million)	IFRS			Underlying			
	H2 2023	H2 2022	% YoY	H2 2023	H2 2022	% YoY	% organic
Net sales	3,206	4,042	-20.7%	3,206	4,042	-20.7%	-16.0%
EBITDA	594	803	-26.0%	712	937	-24.0%	-19.2%
EBITDA margin				22.2%	23.2%	-100 bps	
EBIT	152	468	-67.6%	457	675	-32.2%	
Net financial charges	-92	-72	-27.9%	-92	-76	-20.8%	
Income tax expenses	-164	53	n.m.	-81	-112	+28.1%	
Profit / (loss) attributable to Syensqo shareholders	-106	444	n.m.	283	481	-41.2%	
Basic EPS (in €)	-1.01	4.19	n.m.	2.67	4.54	-41.2%	

Full-year 2023 key figures

(in € million)	IFRS			Underlying			
	FY 2023	FY 2022	% YoY	FY 2023	FY 2022	% YoY	% organic
Net sales	6,834	7,890	-13.4%	6,834	7,890	-13.4%	-10.2%
EBITDA	1,286	1,720	-25.3%	1,618	1,863	-13.1%	-10.0%
EBITDA margin				23.7%	23.6%	+10 bps	
EBIT	547	1,098	-50.2%	1,134	1,381	-17.9%	
Net financial charges	-158	-132	-19.6%	-159	-133	-20.1%	
Income tax expenses	-192	-2	n.m.	-218	-260	+15.9%	
Tax rate				23.0%	21.1%	+190 bps	
Profit / (loss) attributable to Syensqo shareholders	193	950	-79.6%	752	974	-22.8%	
Basic EPS (in €)	1.83	8.97	-79.6%	7.10	9.20	-22.8%	
Dividend ⁶	1.62	-	-	1.62	-	-	

⁶ Total gross dividend subject to shareholders approval

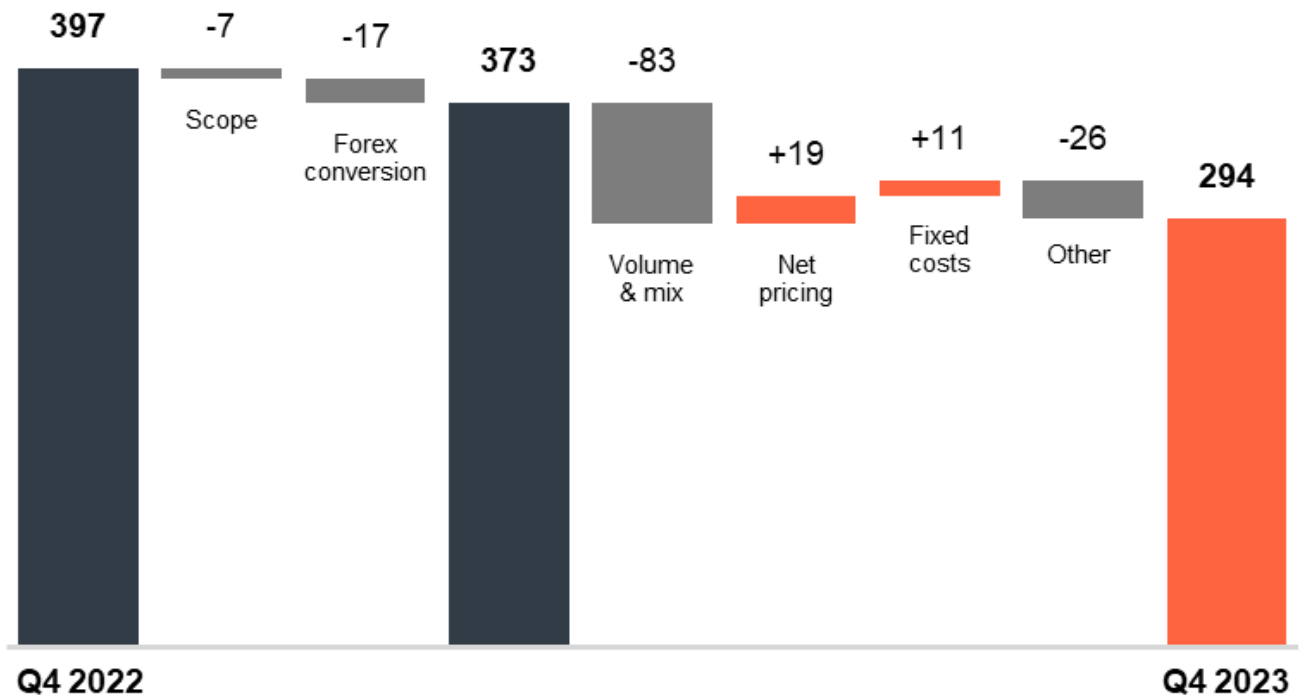
Supplemental information

Historical figures (unaudited)

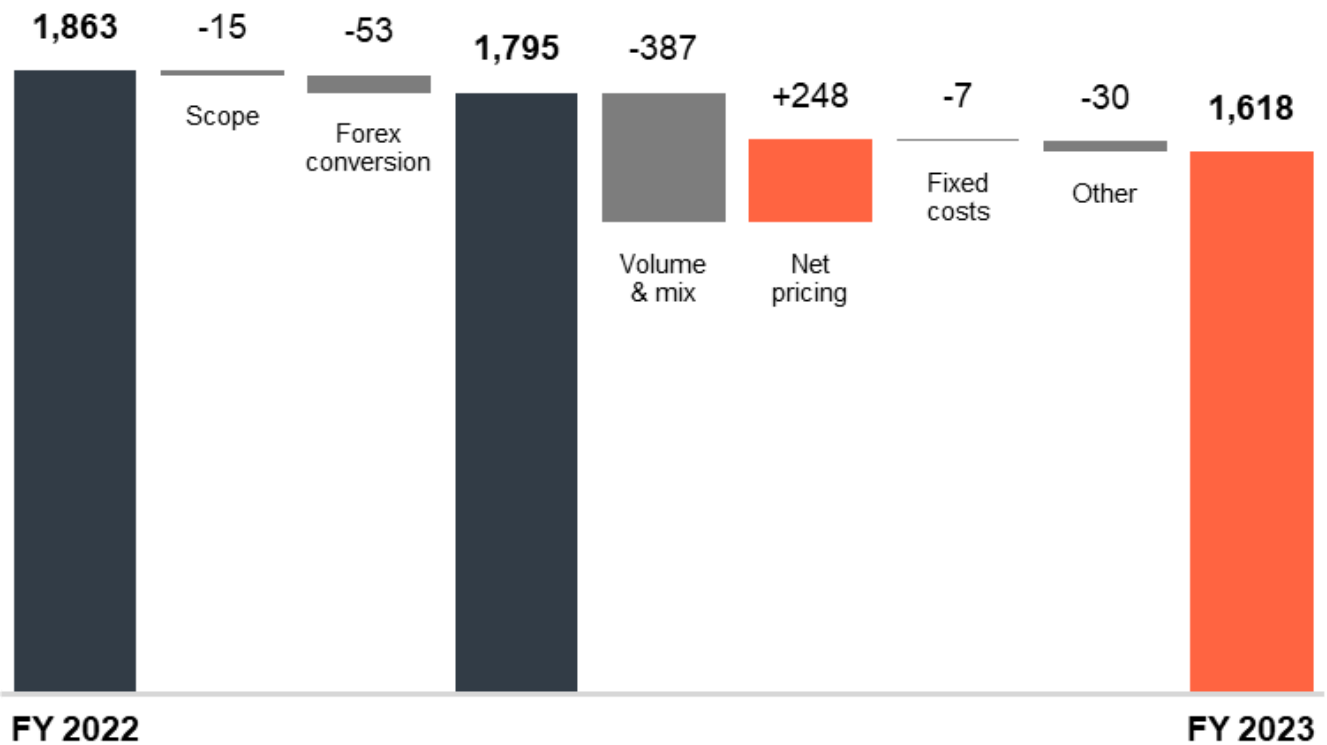
Historical figures (in € million)	2023							2022						
	Q1	Q2	Q3	Q4	H1	H2	2023	Q1	Q2	Q3	Q4	H1	H2	2022
Net sales	1,813	1,815	1,629	1,577	3,628	3,206	6,834	1,772	2,076	2,113	1,930	3,848	4,043	7,890
Materials	1,023	1,094	960	927	2,117	1,888	4,004	875	1,051	1,114	1,038	1,926	2,152	4,078
Specialty Polymers	773	823	702	637	1,597	1,339	2,936	668	813	853	791	1,481	1,644	3,124
Composite Materials	249	271	258	290	520	549	1,069	207	238	262	247	446	509	954
Consumer & Resources	788	720	669	650	1,508	1,318	2,826	895	1,024	998	890	1,919	1,888	3,807
Novelcare	386	338	325	318	724	643	1,367	452	506	510	436	959	946	1,905
Technology Solutions	182	176	159	171	357	330	687	154	207	190	189	362	379	741
Aroma Performance	99	89	82	78	188	159	347	142	167	146	121	308	267	575
Oil & Gas	121	117	103	83	238	186	424	147	143	151	145	290	296	586
Corp. & Business Services	2	2	0	0	4	0	4	2	1	1	2	3	3	6
EBITDA	473	433	418	294	906	713	1,618	401	526	540	397	927	937	1,863
Materials	362	365	324	261	727	585	1,312	259	340	385	307	599	692	1,291
Consumer & Resources	151	107	120	79	258	199	457	191	236	191	130	427	321	749
Corp. & Business Services	-40	-39	-26	-46	-79	-72	-151	-49	-51	-36	-40	-99	-77	-176
EBITDA margin	26.1%	23.8%	25.7%	18.7%	25.0%	22.2%	23.7%	22.6%	25.3%	25.6%	20.6%	24.1%	23.2%	23.6%
Materials	35.4%	33.3%	33.8%	28.1%	34.3%	31.0%	32.8%	29.6%	32.4%	34.6%	29.5%	31.1%	32.2%	31.7%
Consumer & Resources	19.2%	14.8%	17.9%	12.2%	17.1%	15.1%	16.2%	21.3%	23.1%	19.2%	14.6%	22.3%	17.0%	19.7%
Capex (total)	144	161	187	356	304	543	848	104	114	147	277	218	424	642
Materials	96	110	139	213	205	352	557	61	74	90	175	135	265	400
Consumer & Resources	37	43	42	95	80	137	217	32	32	42	84	64	126	190
Corp. & Business Services	11	8	6	48	19	54	73	11	8	15	18	19	33	52

Variation (in %)	Year-on-Year growth							Year-on-Year organic growth						
	Q1	Q2	Q3	Q4	H1	H2	2023	Q1	Q2	Q3	Q4	H1	H2	2023
Net sales	2%	-13%	-23%	-18%	-6%	-21%	-13%	2%	-10%	-18%	-14%	-4%	-16%	-10%
Materials	17%	4%	-14%	-11%	10%	-12%	-2%	16%	7%	-8%	-7%	11%	-8%	1%
Specialty Polymers	16%	1%	-18%	-19%	8%	-19%	-6%	15%	5%	-12%	-16%	10%	-14%	-3%
Composite Materials	20%	14%	-1%	17%	17%	8%	12%	17%	16%	4%	22%	17%	13%	15%
Consumer & Resources	-12%	-30%	-33%	-27%	-21%	-30%	-26%	-12%	-27%	-28%	-23%	-20%	-26%	-23%
Novelcare	-15%	-33%	-36%	-27%	-24%	-32%	-28%	-14%	-30%	-31%	-23%	-22%	-27%	-25%
Technology Solutions	18%	-15%	-16%	-9%	-1%	-13%	-7%	15%	-14%	-12%	-7%	-2%	-9%	-5%
Aroma Performance	-30%	-47%	-44%	-36%	-39%	-40%	-40%	-31%	-46%	-41%	-33%	-39%	-37%	-38%
Oil & Gas	-17%	-18%	-32%	-43%	-18%	-37%	-28%	-18%	-14%	-25%	-38%	-16%	-31%	-24%
Corp. & Business Services	4%	79%	-138%	-81%	29%	-105%	-33%	4%	79%	-138%	-81%	30%	-106%	-27%
EBITDA	18%	-18%	-23%	-26%	-2%	-24%	-13%	16%	-15%	-18%	-21%	-1%	-19%	-10%
Materials	40%	7%	-16%	-15%	21%	-15%	2%	35%	9%	-12%	-13%	21%	-13%	3%
Consumer & Resources	-21%	-55%	-37%	-39%	-40%	-38%	-39%	-22%	-53%	-31%	-35%	-39%	-33%	-36%
Corp. & Business Services	-18%	-23%	-28%	14%	-20%	-6%	-14%	-24%	-27%	-26%	-5%	-26%	-14%	-20%
EBITDA margin (in bps)	348	-151	12	-188	88	-94	6	-	-	-	-	-	-	-
Materials	584	96	-80	-141	324	-115	111	-	-	-	-	-	-	-
Consumer & Resources	-215	-824	-122	-239	-516	-189	-348	-	-	-	-	-	-	-

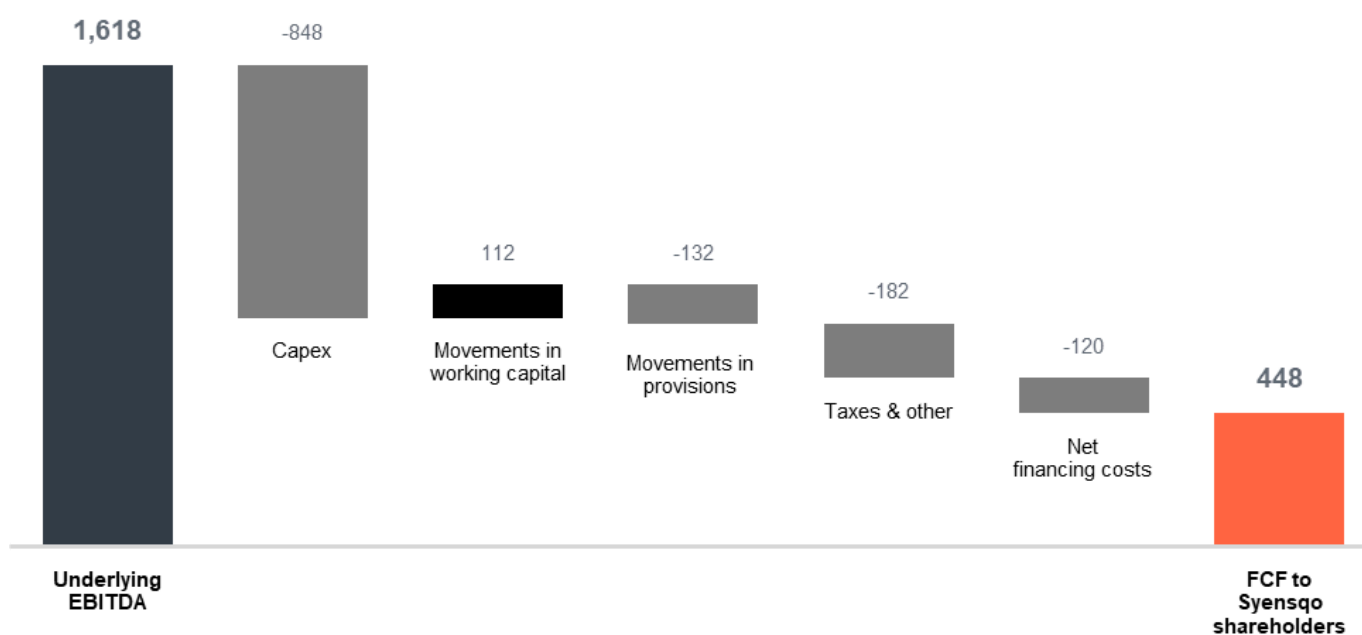
Underlying EBITDA – Q4 2023 (in € million)



Underlying EBITDA – Full Year 2023 (in € million)



Free cash flow – Full Year 2023 (in € million)



Provisions – Full Year 2023 (in € million)

(in € million)	FY 2022	Payments	Net new provisions	Unwinding of provisions	Voluntary pension contributions	Asset return	Remeasurements	Changes in scope & other	FY 2023	YoY change
Employee benefits	-338	39	-33	-102	86	56	-56	-26	-373	-35
Environment	-270	32	-267	-10	-	-	11	2	-500	-230
Restructuring and other provisions	-104	61	-170	-	-	-	2	10	-202	-98
Total	-712	132	-470	-112	86	56	-42	-14	-1,076	-364

One Planet Footnotes

- (a) Structural reductions are linked to specific projects and recurring impacts. It excludes lower activity levels.
- (b) In 2021, scope 1 & 2 of GHG emissions are at 2.1 Mt at constant scope with +0.1Mt led by change in the reporting scope. In 2021, scope 3 of GHG emissions for “focus five” categories are at 7.1Mt at constant scope +0.4Mt led by change in the reporting scope. Total scope 3 GHG emissions at 8.4Mt in 2023 and at 8.5Mt in 2021 at constant scope.
- (c) Syensqo’s “focus five” categories of Scope 3 GHG emissions are: (1) purchased goods and services (Category 1), which includes impacts of upstream transportation and distribution (Category 4) and waste generated in operations (Category 5); (2) fuel-and energy-related activities (Category 3); (3) processing of sold products (Category 10); (4) use of sold products (Category 11); and (5) end-of-life treatment of sold products (Category 12).
- (d) Total scope 3 greenhouse gas emissions indicator is in the scope of the reasonable assurance report from our Independent auditor while Scope 3 “focus five” categories greenhouse gas emissions indicator is not in the scope of our Independent auditor. A revision of the methodology for categories 3.1 (purchased goods and services), categories 3.4 (upstream transportation and distribution) and 3.5 (waste generated in operations) by the end of 2024 will address a limitation in accuracy identified in the existing methodology.
- (e) Reduce by 23% Scope 3 greenhouse gas emissions, as compared to 2021, from its “focus five” categories(c)
- (f) The Syensqo KPI is “share Sales of product contributing Circular economy”. This approach has been reviewed by Ellen MacArthur Foundation’s Circulytics organisation. We identified limits in accuracy to this approach as the cumulated mass of all reactants might be higher than the final mass of products for some products (due to evaporation processes, waste and by-product generation). Therefore, for year 2024, we will incrementally adopt the Renewable Carbon Index calculation approach, that will allow us to measure the molar content of renewable carbon from reactants included in the final product over the molar content of total carbon from the final product. This will help us bring the accuracy of renewable content measurement to the highest standard.
- (g) RIIIR: (Reportable Injury & Illness rate): number of reportable injury or illness per 200,000 work hours. Scope: Employees and contractors.
- (h) % of women in middle/senior management - Management categories are defined on the basis of the Hay Job Evaluation Methodology. Middle and senior management levels refer to the entire active internal workforce having Hay points above 530.
- (i) [Figure published in the supplement to the register document dated June 29, 2023](#)

Glossary

- **Cash conversion** is a ratio used to measure the conversion of EBITDA into cash. It is defined as $(\text{Underlying EBITDA} + \text{Capex}) / \text{Underlying EBITDA}$
- **EPS** is earnings per share
- **Free cash flow to Syensqo shareholders:** Free cash flow after payment of net interests, coupons of perpetual hybrid bonds and dividends to non-controlling interests. This represents the cash flow available to Syensqo shareholders, to pay its dividend and/or to reduce the net financial debt
- **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 of Net sales or underlying EBITDA 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
- **ROCE:** Return on Capital Employed, calculated as the ratio between underlying EBIT (before adjustment for the amortisation 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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Safe harbour

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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.

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