SYENSQO
ADVANCING HUMANITY

PRESS RELEASE

Regulated information
May 15, 2025
7.00 a.m. CEST

SYENSQO FIRST QUARTER 2025 RESULTS

NET SALES OF €1.62 BILLION LED BY COMPOSITE MATERIALS, TECHNOLOGY SOLUTIONS & NOVECARE
RESILIENT UNDERLYING EBITDA OF €311 MILLION, UP 5% SEQUENTIALLY
FY 2025 OUTLOOK UNCHANGED

Underlying (€ million)	Q1 2025	Q1 2024	Q4 2024	YoY change	YoY organic	QoQ change
Net sales	**1,619**	1,624	1,598	-0.3%	-1.4%	1.3%
Gross profit	**514**	583	482	-11.9%	-	6.5%
Gross profit margin	31.7%	35.9%	30.2%	-420 bps	-	160 bps
Underlying EBITDA	**311**	363	298	-14.2%	-15.1%	4.5%
Underlying EBITDA margin	19.2%	22.3%	18.6%	-310 bps	-310 bps	60 bps
Operating cash flow	**176**	244	345	-27.9%	-	-49.1%
Free cash flow	**37**	157	159	n.m.	-	n.m.
Cash conversion (LTM)	68%	89%	71%	n.m.	-	n.m.
Cash conversion (LTM) excl. €167mn payment to NJDEP in Q2'24	80%	89%	82%	-850 bps	-	-190 bps
ROCE (LTM)	**7.1%**	9.6%	7.9%	-250 bps	-	-80 bps

Q1 2025 Highlights

- **Net sales** of €1.6 billion were approximately flat year-on-year, due to lower volumes (-1%) while pricing remained stable; Double digit year-on-year growth in Composite Materials & Technology Solutions; On a sequential basis, net sales increased by 1%, driven by higher pricing (1%) while volumes remained stable;
- **Gross profit** of €514 million decreased by 12% year-on-year, primarily driven by unfavorable mix and lower volumes, resulting in **gross margin** of 31.7%; On a sequential basis, gross profit increased by 7% and gross margin expanded by 160 basis points;
- **Underlying EBITDA** of €311 million decreased by 15% year-on-year organically, primarily due to lower EBITDA in Specialty Polymers, partially offset by higher EBITDA in Technology solutions. On a sequential basis, underlying EBITDA increased by 5%;
- **Underlying EBITDA margin** contracted by 310 basis points year-on-year, but increased by 60 basis points sequentially to 19.2%;
- **Underlying net profit** of €100 million;
- **Operating cash flow** of €176 million; **Free cash flow** of €37 million impacted by the phasing of capital expenditures;
- **Share buyback program**: repurchased c. 758,000 shares, or €56 million

Dr. Ilham Kadri, CEO

"The first quarter saw us deliver on our outlook, driven by double digit year-on-year revenue growth in Composite Materials and Technology Solutions as well as robust growth in Novecare. As expected, Specialty Polymers performance reflected the previously announced headwinds in Electronics; however, we continued to deliver resilient underlying margins supported by positive overall net pricing and disciplined cost control.

"The start of the year has also seen increased uncertainty from ongoing tariff and global trade tensions. While we believe that the combination of our balanced regional footprint and mitigation actions positions us to see a limited direct impact to our full year outlook, the broader consequences on end demand and the global economy remain unknown. As we navigate this evolving period of uncertainty, our focus remains on executing on initiatives that we can control, such as completing our separation, accelerating restructuring and cost savings, and continuing to make disciplined, high-return investments to outperform our markets over the longer-term."

Register to the webcast scheduled at 14:00 CEST - Financial report - Financial calendar

2025 Outlook

For 2025, we continue to expect macroeconomic and demand uncertainty to continue across most of our end markets, exacerbated by recent tariff announcements and global trade tensions. In addition, the evolving dynamics and potential consequences to the global economy has resulted in foreign exchange rate volatility and impacted visibility across the majority of our end markets.

We believe our global manufacturing footprint and proximity to customers, coupled with the mitigation actions we are taking should serve us well as we adapt and manage our direct exposures to these headwinds. Mitigation measures already implemented include tariff surcharges, redirecting volumes to customers and regions unaffected by the higher tariffs, refining our supply chain exposures, and actions to further localize production.

In light of these external factors, we will accelerate our restructuring and cost savings initiatives, including a proposed reduction of approximately 200 positions. These actions are expected to both offset the inflationary impact on costs during the year, and deliver more than €200 million of run rate savings by the end of 2026.

As the estimated headwinds from the direct impact of tariffs and foreign exchange movements, are uncertain and subject to change, we have excluded their potential impacts from our full year 2025 outlook, which remains unchanged as follows[1]:

- **Underlying EBITDA** of at least €1.4 billion
- **Capital Expenditures** to be approximately €600 million
- **Free Cash Flow** of approximately €400 million

For the second quarter of 2025, near-term visibility remains challenging. Demand uncertainty is expected to continue across most of our end markets as customers adapt to the implementation of tariffs, most notably between the U.S. and China. On a quarterly basis, we continue to believe that the first quarter of 2025 will be the lowest EBITDA performance of the year, with a sequential improvement in the second quarter.

The second quarter is also expected to include a cash outflow of approximately €170 million related to the dividend payment on May 19, 2025.

Consistent with our previous outlook, we continue to expect higher underlying EBITDA in the second half of 2025, compared to the first half, supported by higher net sales in Electronics and Civil Aviation, as well as the phasing of cost saving actions, which are weighted towards the second half of 2025.

From a cashflow perspective, 2025 includes outflows related to the separation from Solvay and the final year of material investments related to the expansion of the Tavaux site in France, which are both expected to be significantly lower in 2026.

[1] Assumes no significant change in key macroeconomic variables, or disposals

Financial Review

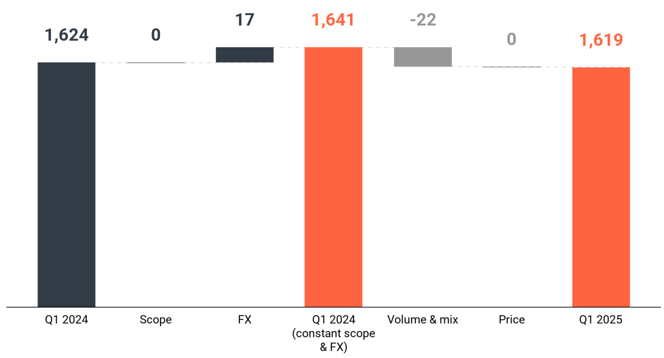
Summary Income Statement

Underlying (€ million)	Q1 2025	Q1 2024	Q4 2024	YoY change	QoQ change
Net sales	**1,619**	1,624	1,598	-0.3%	1.3%
Gross profit	**514**	583	482	-11.9%	6.5%
Gross profit margin	**31.7%**	35.9%	30.2%	-420 bps	160 bps
EBITDA	**311**	363	298	-14.2%	4.5%
EBITDA margin	**19.2%**	22.3%	18.6%	-310 bps	60 bps
EBIT	**183**	252	135	-27.3%	35.9%
Net financial charges	**-33**	-35	-37	-7.2%	-10.8%
Income tax expenses	**-44**	-60	-21	-26.7%	111.1%
Profit / (loss) attributable to Syensqo shareholders	**100**	156	76	-36.1%	30.8%
Basic earnings per share (in €)	**0.96**	1.48	0.73	-34.8%	31.8%

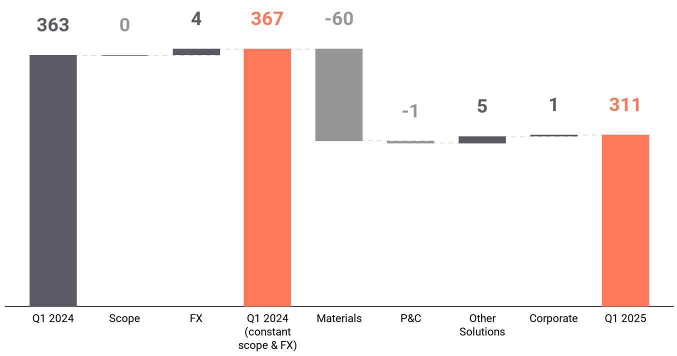
Net sales of €1.6 billion in the first quarter of 2025 was approximately flat on a reported basis, but declined by 1% organically, versus the first quarter of 2024 as higher volumes, particularly in Novecare, Technology Solutions and Composite Materials were offset by lower volumes in Specialty Polymers and Aroma Performance. On a year-on-year basis, pricing remained stable.

Underlying EBITDA of €311 million in the first quarter of 2025 declined by 14% on a reported basis, or 15% organically versus the first quarter of 2024. The decrease was driven by lower year-on-year gross profit as described above, partially offset by lower year-on-year operating expenses.

Net sales bridge (€ million)



Underlying EBITDA bridge (€ million)



Gross profit of €514 million in the first quarter of 2025 decreased by 12% on a reported basis versus the first quarter of 2024, primarily driven by lower year-on-year gross profit in Specialty Polymers, partially offset by higher year-on-year gross profit in Technology Solutions.

On a year-on-year basis, gross margin of 32% in the first quarter of 2025 decreased by approximately 420 basis points. This was primarily driven by unfavourable product mix and lower gross margin in the Materials segment.

On a sequential basis, underlying EBITDA in the first quarter of 2025 increased by 5%, primarily driven by higher underlying EBITDA in Composite Materials and Novecare, partially offset by lower underlying EBITDA in Specialty Polymers.

Underlying EBITDA margin of 19.2% in the first quarter of 2025 decreased by approximately 310 basis points versus the first quarter of 2024, primarily due to lower volumes in Specialty Polymers and unfavourable product mix, partially offset by higher underlying EBITDA margin in Technology Solutions.

On a sequential basis, underlying EBITDA margin increased by approximately 60 basis points as higher underlying EBITDA margin in Composite Materials, Technology Solutions and Novecare was partially offset by lower underlying EBITDA margin in Specialty Polymers.

Summary of Cash Flow and Net Debt

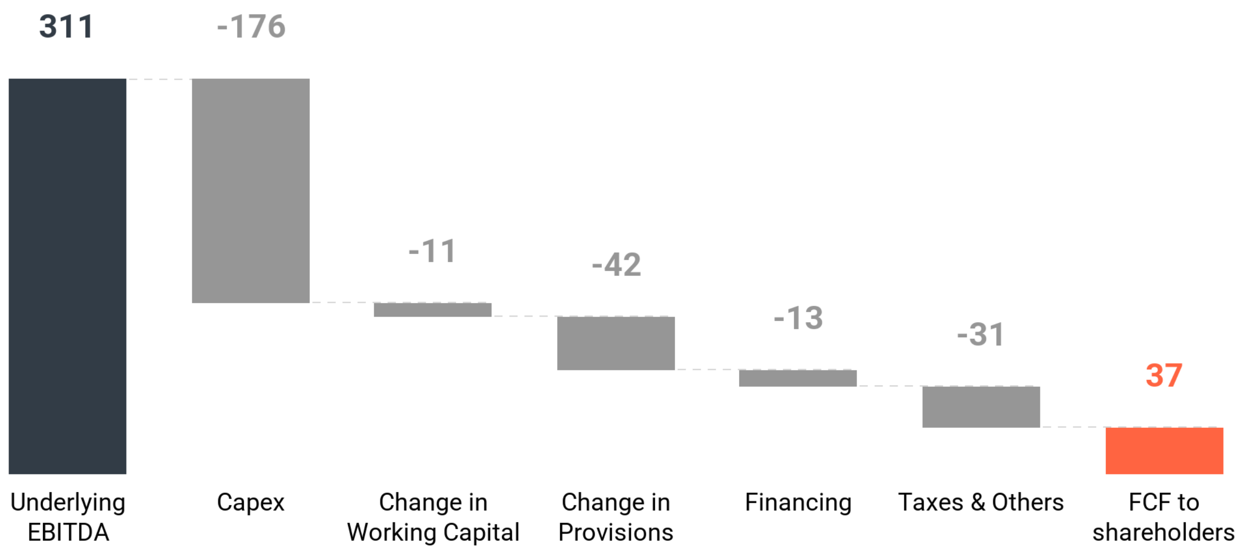
Cash flow from operating activities amounted to €176 million in the first quarter of 2025 versus €244 million in the first quarter of 2024. This was primarily due to lower year-on-year profitability, partially offset by higher cashflows related to working capital movements.

Cash conversion was 68% on a rolling 12-month basis, or 80%, excluding the payment to the New Jersey Department of Environmental Protection (NJDEP) made in the second quarter of 2024.

Free cash flow to shareholders was an inflow of €37 million in the first quarter of 2025. This included €176 million of capital expenditures, comprising €90 million of growth capital expenditure and €86 million of sustenance capital expenditure.

Cash and cash equivalents totaled €579 million at the end of the first quarter of 2025.

Free cash flow bridge (€ million)



Underlying net financial debt amounted to €1,932 million at the end of March of 2025, versus €1,859 million at the end of 2024, resulting in a leverage ratio of 1.4x and a gearing ratio of 22%. The increase in underlying net financial debt versus the end of 2024 was primarily driven by separation costs and share repurchases, partially offset by positive free cash flow.

Underlying (€ million)	March 31, 2025	Dec 31, 2024	Change
Underlying gross debt	**-2,572**	-2,615	-1.6%
Cash & cash equivalents	**579**	659	-12.1%
Other financial instruments (current + non-current)	**61**	97	-36.9%
Underlying net debt	**-1,932**	-1,859	3.9%
Underlying leverage ratio	**1.4x**	1.3x	0.1x
Gearing ratio	**22.2%**	21.0%	120 bps

Segment Review

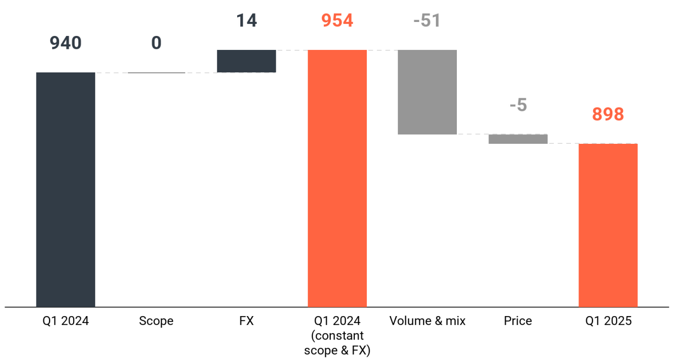
Materials (55% of Q1 2025 Group net sales, 69% of Group underlying EBITDA*)

* Excluding the contribution of Corporate & Business Services

Underlying (€ million)	Q1 2025	Q1 2024	Q4 2024	YoY change	YoY organic	QoQ change
Net sales	**898**	940	903	-4.5%	-5.9%	-0.6%
Specialty Polymers	**580**	652	610	-11.0%	-11.8%	-4.9%
Composite Materials	**317**	288	292	10.2%	7.3%	8.5%
EBITDA	**254**	311	264	-18.5%	-19.1%	-3.8%
EBITDA margin	**28.3%**	33.1%	29.2%	-480 bps	-460 bps	-90 bps

Net sales of €898 million in the first quarter of 2025 decreased by 5% on a reported basis, or 6% organically, versus the first quarter of 2024. The year-on-year decrease was primarily due to lower volumes in Specialty Polymers. This was partially offset by net sales growth in Composite Materials, driven by higher pricing and volumes.

Materials net sales bridge (€ million)



On a sequential basis, Materials net sales were approximately unchanged versus the fourth quarter of 2024 as higher net sales in Composite Materials were offset by lower net sales in Specialty Polymers.

Specialty Polymers net sales of €580 million in the first quarter of 2025 decreased by 11% on a reported basis, or 12% organically, driven by lower volumes and, to a lesser extent, lower pricing. As expected, lower year-on-year volumes were primarily driven by the Electronics end market, partially offset by higher volumes in the Food & Pharma packaging end market. Excluding the Electronics and Automotive end markets, volumes were flat year-on-year.

Composite Materials net sales of €317 million in the first quarter of 2025 increased by 10% on a reported basis, or 7% organically, versus the first quarter of 2024. Growth was driven by higher pricing and volumes, with both civil aerospace and space and defense applications, which more than offset the expected impact of strike action at a major customer.

Underlying segment EBITDA of €254 million in the first quarter of 2025 declined by 18% on a reported basis, or 19% organically versus the first quarter of 2024, primarily due to lower underlying EBITDA in Specialty Polymers, driven by lower year-on-year volumes as described above.

On a sequential basis, underlying segment EBITDA in the first quarter of 2025 decreased by 4% as higher underlying EBITDA in Composite materials was offset by lower underlying EBITDA in Specialty Polymers.

Underlying EBITDA margin of 28.3% in the first quarter of 2025 decreased by approximately 480 basis points versus the first quarter of 2024. The decrease was primarily driven by lower year-on-year underlying EBITDA margin in Specialty Polymers as well as unfavourable net sales mix, as Composite Materials delivered stronger year-over-year growth compared to Specialty Polymers.

On a sequential basis, underlying EBITDA margin decreased by approximately 90 basis points, as lower underlying EBITDA margin in Specialty Polymers was partially offset by an increase in underlying EBITDA margin in Composite Materials.

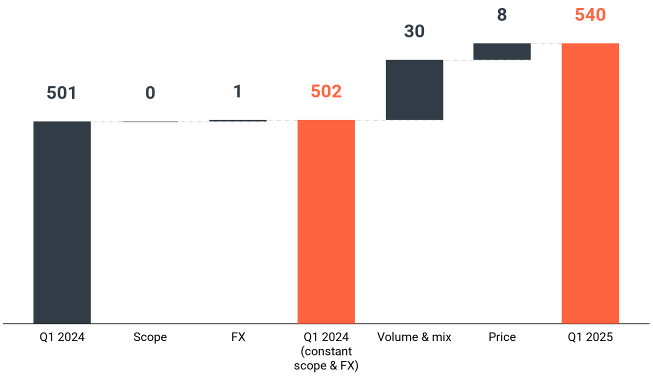
Performance & Care
(33% of Q1 2025 Group net sales, 26% of Group underlying EBITDA*)

* Excluding the contribution of Corporate & Business Services

Underlying (€ million)	Q1 2025	Q1 2024	Q4 2024	YoY change	YoY organic	QoQ change
Net sales	**540**	501	522	7.8%	7.6%	3.5%
Novecare	**371**	348	339	6.6%	6.0%	9.3%
Technology Solutions	**169**	153	183	10.5%	11.5%	-7.2%
EBITDA	**96**	95	85	1.3%	-1.5%	12.4%
EBITDA margin	**17.7%**	18.9%	16.3%	-110 bps	-160 bps	140 bps

Net sales of €540 million in the first quarter of 2025 increased by 8% on both a reported and organic basis compared to the first quarter of 2024, driven by higher volumes and, to a lesser extent, higher pricing in both Novecare and Technology Solutions.

Performance & Care net sales bridge (€ million)



On a sequential basis, Performance & Care net sales increased by 4% as higher net sales in Novecare were partially offset by lower net sales in Technology Solutions.

Novecare net sales of €371 million in the first quarter of 2025 increased by 7% on a reported basis and 6% organically compared to the first quarter of 2024. The year-on-year growth was primarily driven by higher volumes, most notably in the Agro and Consumer end markets, partially offset by lower year-on-year sales in the Building end market.

Technology Solutions net sales of €169 million in the first quarter of 2025 increased by 10% on a reported basis and 12% organically, compared to the first quarter of 2024, driven by higher volumes across all business lines, most notably in mining solutions and, to a lesser extent, higher pricing.

Underlying segment EBITDA of €96 million in the first quarter of 2025 increased by 1% on a reported and organic basis, versus the first quarter of 2024, as higher underlying EBITDA in Technology Solutions was offset by lower underlying EBITDA in Novecare, driven by higher year-on-year variable costs and fixed cost inflation in Novecare.

On a sequential basis, underlying segment EBITDA in the first quarter of 2025 increased by 12% driven by higher underlying EBITDA in Novecare. Underlying EBITDA in Technology Solutions was approximately unchanged compared to the fourth quarter of 2024.

Underlying EBITDA margin of 17.7% in the first quarter of 2025 decreased by approximately 110 basis points on a reported basis and approximately 160 basis points organically versus the first quarter of 2024, as higher underlying EBITDA margin in Technology Solutions was offset by lower underlying EBITDA margin in Novecare.

On a sequential basis, underlying EBITDA margin increased by 140 basis points driven by higher underlying EBITDA margin in Novecare, partially offset by unfavourable product mix.

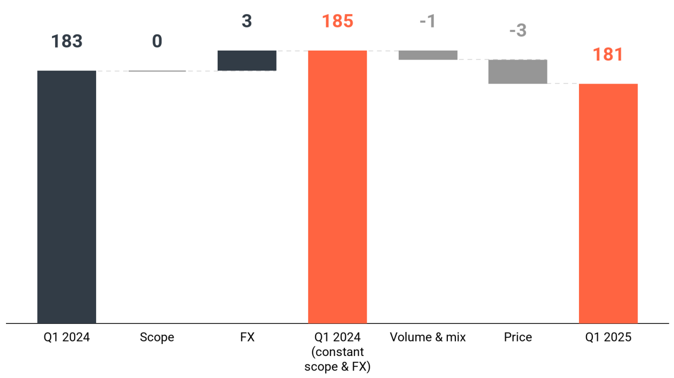
Other Solutions
(11% of FY 2024 Group net sales, 5% of Group underlying EBITDA*)

* Excluding the contribution of Corporate & Business Services

Underlying (€ million)	Q1 2025	Q1 2024	Q4 2024	YoY change	YoY organic	QoQ change
Net sales	**181**	183	174	-1.0%	-2.3%	4.1%
Aroma Performance	**74**	82	81	-9.6%	-10.8%	-8.7%
Oil & Gas	**107**	101	93	6.0%	4.5%	15.1%
EBITDA	**17**	11	8	52.0%	38.3%	126.9%
EBITDA margin	**9.6%**	6.3%	4.4%	340 bps	280 bps	520 bps

Net sales of €181 million in the first quarter of 2025 declined by 1% on a reported basis, and 2% organically versus the first quarter of 2024 as higher volumes in Oil & Gas was offset by lower volume and pricing in Aroma Performance.

Other Solutions net sales bridge (€ million)



On a sequential basis, net sales increased by 4% , as higher net sales in Oil & Gas were partially offset by lower net sales in Aroma Performance.

Aroma Performance net sales of €74 million in the first quarter of 2025 decreased by 10% on a reported basis, or 11% organically, compared to the first quarter of 2024 driven by lower volumes and, to a lesser extent, lower pricing.

Oil & Gas net sales of €107 million in the first quarter of 2025 increased by 6% on a reported basis, or 5% organically, versus the first quarter of 2024 primarily due to higher NaHypo volumes to the Industrial end markets.

Underlying segment EBITDA of €17 million in the first quarter of 2025 increased by 52% on a reported basis, or 38% organically, versus the first quarter of 2024, driven by higher underlying EBITDA in both Aroma Performance, driven by previously announced restructuring measures and cost actions, and Oil & Gas, driven by higher year-on-year volumes.

On a sequential basis, underlying segment EBITDA in the first quarter of 2025 increased significantly, driven by higher underlying EBITDA in both businesses.

Underlying EBITDA margin of 9.6% in the first quarter of 2025 improved by approximately 340 basis points on a reported basis and approximately 280 basis points organically versus the first quarter of 2024, driven by higher underlying EBITDA margin in Aroma Performance, and, to a lesser extent, in Oil & Gas.

On a sequential basis, underlying EBITDA margin increased by 520 basis points, driven by higher underlying EBITDA margin in both Aroma Performance and Oil & Gas.

Corporate & Business Services

Underlying (€ million)	Q1 2025	Q1 2024	Q4 2024	YoY change	YoY organic	QoQ change
Net sales	**0**	0	0	n.m.	n.m.	n.m.
EBITDA	**-56**	-54	-59	2.6%	-1.7%	-5.1%

Corporate and Business services reported a cost of €56 million to Syensqo's EBITDA in the first quarter of 2025, approximately flat versus the first quarter of 2024.

Key IFRS figures

(€ million)	IFRS Q1 2025	IFRS Q1 2024	IFRS % YoY	Underlying Q1 2025	Underlying Q1 2024	Underlying % YoY	Underlying YoY organic
Net sales	1,619	1,624	-0.3%	1,619	1,624	-0.3%	-1.4%
EBITDA	223	317	-29.6%	311	363	-14.2%	-15.1%
EBITDA margin	13.8%	19.5%	-570 bps	19.2%	22.3%	-310 bps	-310 bps
EBIT	62	173	-64.1%	183	252	-27.3%	-
Net financial charges	-34	-22	52.1%	-33	-35	-7.2%	-
Income tax expenses	-27	-50	-46.7%	-44	-60	-26.7%	-
Profit / (loss) attributable to Syensqo shareholders	**-3**	100	n.m.	**100**	156	-36.1%	-
Basic earnings per share (in €)	**-0.03**	0.95	n.m.	**0.96**	1.48	-34.8%	-

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 ((Underlying EBITDA +/- Changes in working capital - Sustenance Capex) / (Underlying EBITDA). Sustenance capital expenditure includes capital expenditures for maintenance, for the implementation of the One Planet strategy and for Digital Transformation initiatives (excluding the ERP Rebuild Capex) as well as payment of lease liabilities

- **EPS** is earnings per share

- **ERP Rebuild Project Costs**: This significant multi-year project aims at the harmonization of the ERPs used by the Syensqo Group and at implementing new technologies that will position the Group for sustained growth and efficiency. It will generate costs and capital expenditures over the next 4-5 years

- **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**: Underlying net debt / (underlying net debt + Equity - 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 Purchase Price Allocation - 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)

Contacts

Investors & Analysts

investor.relations@syensqo.com

Sherief Bakr	+44 7920 575 989
Bisser Alexandrov	+33 607 635 280
Loïc Flament	+32 478 69 74 20
Robbin Moore-Randolph	+1 470 493 2433

Media

media.relations@syensqo.com

Perrine Marchal	+32 478 32 62 72
Laetitia Schreiber	+32 487 74 38 07

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.

2025 Calendar

- May 19, 2025: Dividend payment date
- July 31, 2025: Q2 2025 results
- Nov 6, 2025: Q3 2025 results

Useful links

- Earnings materials
- Strategy
- Share information
- Credit information
- Separation documents
- Webcasts, presentations and podcasts
- 2024 Annual Integrated Report
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