SYENSQO
ADVANCING HUMANITY

Financial Report
First Quarter 2025

Regulated information

Published on May 15, 2025 at 7:00 a.m. CEST

Content

Forenote

In addition to IFRS accounts, Syensqo also presents alternative performance indicators ("underlying") to provide a more consistent and comparable indication of the Group's underlying financial performance and financial position, as well as cash flows. These indicators provide a balanced view of the Group's operations and are considered useful to investors, analysts and credit rating agencies as these measures provide relevant information on the Group's past or future performance, financial position or cash flows. These indicators are generally used in the sector it operates in and therefore serve as a useful aid for investors to compare the Group's performance with its peers. The underlying performance indicators 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, for impairments and for other elements that would distort the analysis of the Group's underlying performance. The comments on the results made on pages 3 to 11 are on an underlying basis, unless otherwise stated.

UNDERLYING BUSINESS REVIEW

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

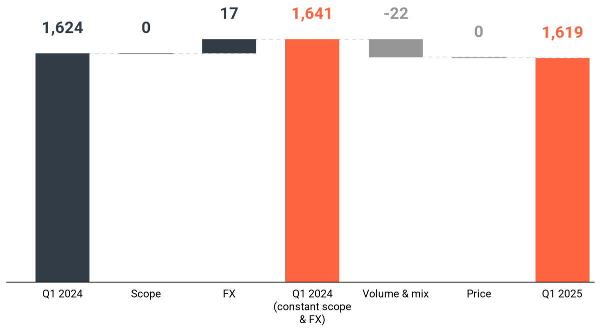
FINANCIAL REVIEW

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.

Net sales bridge (€ million)



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.

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

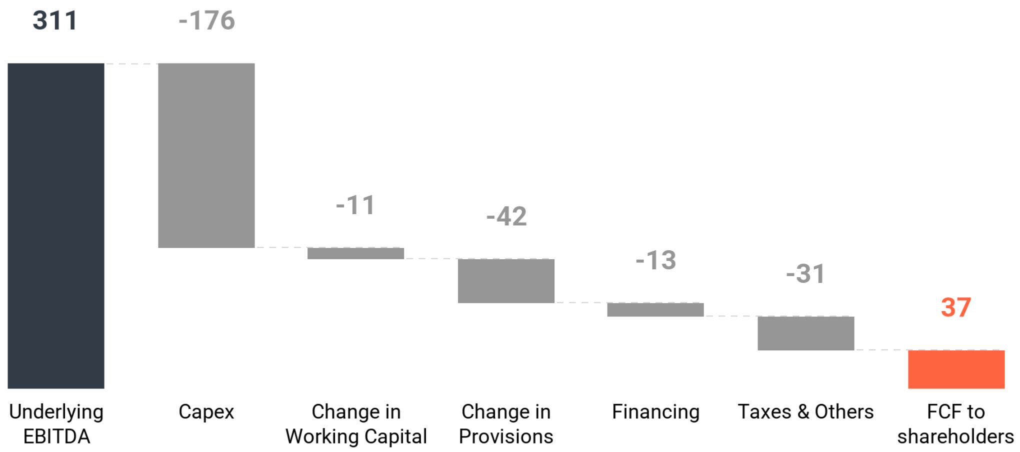
Cash flow from operating activities amounted to €176 million in the first quarter of 2025 versus €244 million in the first quarter of 2024. This was primarily due to lower year-on-year profitability, partially offset by higher cashflows related to working capital movements.

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

Provisions decreased by €47 million at the end of March 2024 to €881 million, primarily driven by the post employment benefits due to remeasurements via Other comprehensive income as discount rates increased in the UK and in the Euro zone.

(in € millions)	Dec 31, 2024	Payments	Net new provisions	Unwinding of provisions	Asset return	Remeasure ments	Changes in scope & other	March 31, 2025	Change
Employee benefits	**-395**	11	-7	-19	14	42	0	**-355**	**-10%**
Environment	**-292**	5	-1	-3	0	10	0	**-281**	**-4%**
Restructuring and other provisions	**-241**	26	-35	0	0	2	2	**-246**	**2%**
Total	**-928**	**42**	**-44**	**-23**	**14**	**54**	**2**	**-881**	**-5%**

PERFORMANCE BY SEGMENT

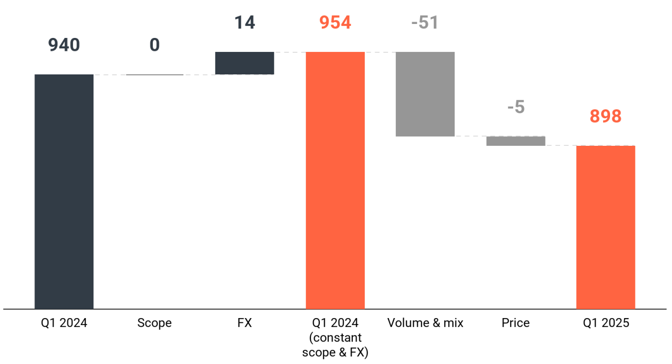
Materials (55% of Q1 2025 Group net sales, 69% of Group underlying EBITDA*)

* 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 and Pharma packaging.

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

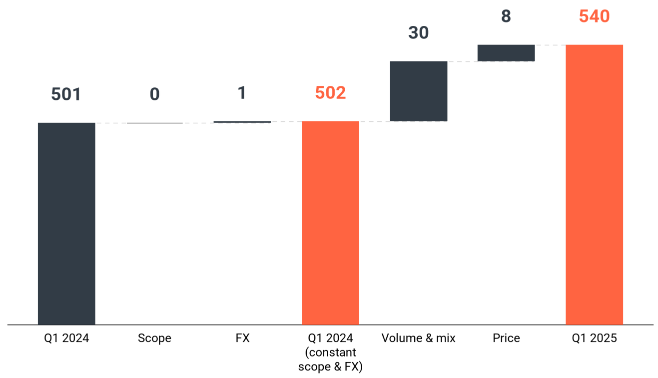
(33% of Q1 2025 Group net sales, 26% of Group underlying EBITDA*)

* 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

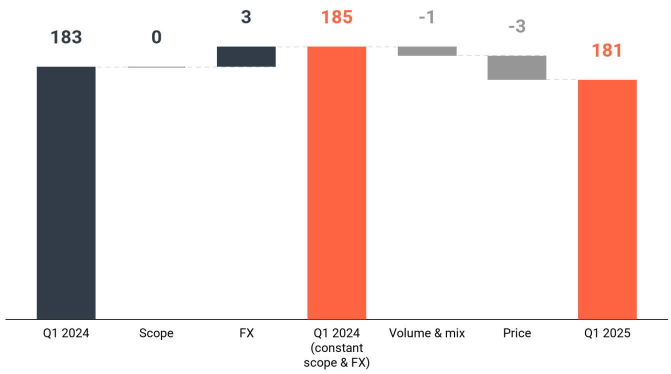
(11% of Q1 2025 Group net sales, 5% of Group underlying EBITDA)

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

	IFRS			Underlying			
(€ million)	Q1 2025	Q1 2024	% YoY	Q1 2025	Q1 2024	% YoY	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%	-

SUPPLEMENTARY INFORMATION

Reconciliation of alternative performance metrics

Syensqo measures its financial performance using alternative performance metrics, which can be found below. Syensqo believes that these measurements are useful for analyzing and explaining changes and trends in its historical results of operations, as they allow performance to be compared on a consistent basis. Definitions of the different metrics presented here are included in the glossary at the end of this financial report.

Underlying tax rate

(in € million)		Q1 2025	Q1 2024
Profit / (loss) for the period before taxes	a	150	216
Earnings from associates & joint ventures	b	4	4
Income taxes	c	-44	-60
Underlying tax rate	d = -c/(a-b)	**30.0%**	**28.2%**

Free cash flow (FCF)

(in € million)		Q1 2025	Q1 2024
Cash flow from operating activities	**a**	**176**	**244**
of which voluntary pension contributions	b	0	0
of which cash flow related to the Partial Demerger and portfolio management and excluded from Free Cash flow	c	-51	-46
Cash flow from investing activities	**d**	**-171**	**-99**
of which change in internal bank accounts with remaining Solvay Group	e	0	
of which capital expenditures required for the partial demerger and excluded from Free Cash Flow	f	-7	
Acquisition (-) of subsidiaries	g	0	-0
Acquisition (-) of investments - Other	h	-9	-1
Loans to associates and non-consolidated companies and related parties	i	-2	-0
Sale (+) of subsidiaries and investments	j	5	1
Payment of lease liabilities	l	-16	-12
Free cash flow (FCF)	m = a-b-c+d-e-f-g-h-i-j+k+l	**51**	**179**
Net interests received/(paid)	n	-1	-9
Coupons paid on perpetual hybrid bonds	o	-13	-12
Capital injections paid / received to / from non-controlling interests	p	0	0
Dividends paid to non-controlling interests	q	0	
FCF to Syensqo shareholders	r = m+n+o+p	**37**	**157**
FCF to Syensqo shareholders from continuing operations (LTM)	s	**103**	**351**
Dividends paid to non-controlling interests from continuing operations (LTM)	t	0	-8
Underlying EBITDA (LTM)	u	1,360	1,508
FCF conversion ratio (LTM)	v = (s-t)/u	7.6%	23.8%

Net working capital

(in € million)		March 31, 2025	Dec 31, 2024
Inventories	a	1,295	1,273
Trade receivables	b	1,002	948
Other current receivables	c	323	297
Trade payables	d	-1,026	-1,001
Other current liabilities	e	-437	-392
Net working capital	f = a+b+c+d+e	**1,157**	**1,124**
Quarterly total sales	g	1,678	1,662
Annualized quarterly total sales	h = 4*g	6,711	6,650
Net working capital / quarterly total sales	i = f / h	**17.2%**	**16.9%**

Capital expenditure (capex) and Cash conversion

(in € million)		Q1 2025	Q1 2024
Acquisition (-) of tangible assets	a	-143	-78
of which capital expenditures required for the partial demerger and excluded from Free Cash Flow	b	-7	
Acquisition (-) of intangible assets	c	-24	-28
Payment of lease liabilities	d	-16	-12
Capex	e = a-b+c+d	**-176**	**-118**
Capex (LTM)		-729	-822
of which sustenance capital expenditure (LTM)	f	-334	-338
of which growth capital expenditure (LTM)		-395	-484
Change in Working Capital (LTM)	g	-104	167
Underlying EBITDA (LTM)	h	**1,360**	**1,508**
Cash conversion (LTM)	i = (f+g+h)/h	**68%**	**89%**
Cash conversion (LTM) excl. €167mn payment to NJDEP	j = (f +g+h+167) / h	**80%**	**89%**

Net financial debt

(in € million)		March 31, 2025	Dec 31, 2024
Non-current financial debt	a	-1,770	-1,822
Current financial debt	b	-302	-293
IFRS gross debt	c = a+b	**-2,072**	**-2,115**
Underlying gross debt	d = c+h	**-2,572**	**-2,615**
Other financial instruments (current + non-current)	e	61	97
Cash & cash equivalents	f	579	659
Total cash and cash equivalents	g = e+f	640	755
IFRS net debt	i = c+g	**-1,432**	**-1,359**
Perpetual hybrid bonds	h	-500	-500
Underlying net debt	j = i+h	**-1,932**	**-1,859**
Underlying EBITDA (LTM)	k	1,360	1,412
Underlying leverage ratio	l = -j/k	**1.4**	**1.3**

ROCE		**Q1 2025**	**Q1 2024**
(in € million)		As calculated	As calculated
EBIT (LTM)	a	811	1,029
Accounting impact from Novation of energy hedges and amortization & depreciation of purchase price allocation (PPA) from acquisitions	b	-133	-133
Numerator	**c = a+b**	**677**	**895**
WC industrial	d	1,282	1,397
WC Other	e	-78	-205
Property, plant and equipment	f	3,655	3,338
Intangible assets	g	1,609	1,723
Right-of-use assets	h	192	194
Investments in associates & joint ventures	i	201	208
Other investments	j	13	10
Goodwill	k	2,604	2,618
Denominator	l = d+e+f+g+h+i+j+k	**9,478**	**9,283**
ROCE	m = c/l	**7.1%**	**9.6%**

Reconciliation of underlying income statement indicators

In addition to IFRS accounts, Syensqo also presents underlying Income Statement performance indicators to provide a more consistent and comparable indication of Syensqo's economic performance. These 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.

Consolidated income statement	Q1 2025			Q1 2024		
(in € million)	IFRS	Adjustments	Underlying	IFRS	Adjustments	Underlying
Sales	**1,678**	**-**	**1,678**	**1,721**	**-**	**1,721**
of which revenues from non-core activities	59	-	59	97	-	97
of which net sales	1,619	-	1,619	1,624	-	1,624
Cost of goods sold	-1,164	-	-1,164	-1,138	-	-1,138
Gross profit	**514**	**-**	**514**	**583**	**-**	**583**
Commercial costs	-79	-	-79	-74	-	-74
Administrative costs	-169	0	-169	-162	0	-162
Research & development costs	-78	-	-78	-79	-	-79
Other operating gains & losses	-41	33	-8	-69	49	-20
Earnings from associates & joint ventures	4	-	4	4	-	4
Result from portfolio management & major restructuring	-75	75	0	-14	14	0
Result from legacy remediation & major litigations	-13	13	0	-16	16	0
EBITDA	**223**	**88**	**311**	**317**	**46**	**363**
Depreciation, amortization & impairments	-161	33	-128	-145	33	-111
EBIT	**62**	**121**	**183**	**173**	**79**	**252**
Net cost of borrowings	-24	-3	-27	-20	-1	-21
Coupons on perpetual hybrid bonds	0	-3	-3	0	-3	-3
Cost of discounting provisions	-3	-	-3	0	-11	-11
Result from equity instruments measured at fair value	-6	6	0	-2	2	0
Profit / (loss) for the period before taxes	**29**	**122**	**150**	**151**	**66**	**216**
Income taxes	-27	-17	-44	-50	-10	-60
Profit / (loss) for the period	**2**	**105**	**106**	**100**	**56**	**156**
attributable to Syensqo share	-3	103	100	100	56	156
attributable to non-controlling interests	-5	-2	-7	1	0	1
Basic earnings per share (in €)	-0.03	1.00	0.96	0.95	0.53	1.48
Diluted earnings per share (in €)	-0.03	0.99	0.96	0.94	0.53	1.47

EBITDA on an IFRS basis totaled €223 million, versus €311 million on an underlying basis. The difference of €88 million is explained by the following adjustments to IFRS results, which are done to improve the comparability of underlying results:

- €75 million to adjust for the *"Result from portfolio management and major restructuring"* (excluding depreciation, amortization and impairment elements), mainly including costs incurred for the separation costs related to information technology, following the demerger from Solvay.
- €13 million to adjust for the *"Result from legacy remediation and major litigations"*, mainly due to adjustment for Legacy remediation and litigations related to legal expenses.

EBIT on an IFRS basis totaled €62 million, versus €183 million on an underlying basis. The difference of €121 million is explained by the above-mentioned €88 million adjustments at the EBITDA level and €33 million of *"Depreciation, amortization & impairments"*. The latter consist of the non-cash impact of amortization charges on intangible assets resulting from purchase price allocation (€33 million), which are adjusted in "*Other operating gains & losses*".

Net financial charges on an IFRS basis were €-33 million, equal to €-33 million on an underlying basis. The adjustments made to IFRS net financial charges mainly consists of:

- €-3 million for the reclassification of coupons on perpetual hybrid bonds, which are treated as dividends under IFRS, and as financial charges in underlying results,
- €-3 million related to the remeasurement of the Long term incentive plans for which the beneficiaries will receive Solvay shares
- €6 million related to the exclusion of the results from investment at fair value through P&L.

Income taxes on an IFRS basis were €-27 million, versus €-44 million on an underlying basis. The €17 million adjustment mainly relates to the tax effects of the adjustments of profit before taxes.

Profit / (loss) attributable to Syensqo shareholders was €-3 million on an IFRS basis and €100 million on an underlying basis. The delta of €103 million reflects the above-mentioned adjustments to EBIT, net financial charges and income taxes.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement (in € million)	IFRS Q1 2025	IFRS Q1 2024
Sales	**1,678**	**1,721**
of which revenues from non-core activities	59	97
of which net sales [1]	1,619	1,624
Cost of goods sold	-1,164	-1,138
Gross profit	**514**	**583**
Commercial costs	-79	-74
Administrative costs	-169	-162
Research & development costs	-78	-79
Other operating gains & losses [2]	-41	-69
Earnings from associates & joint ventures	4	4
Result from portfolio management & major restructuring [3]	-75	-14
Result from legacy remediation & major litigations	-13	-16
EBIT	**62**	**173**
Cost of borrowings	-25	-29
Interest on loans & short term deposits	5	7
Other gains & losses on net indebtedness	-3	2
Cost of discounting provisions	-3	0
Result from equity instruments measured at fair value	-6	-2
Profit / (loss) for the period before taxes	**29**	**151**
Income taxes	-27	-50
Profit / (loss) for the period	**2**	**100**
attributable to Syensqo share	-3	100
attributable to non-controlling interests	5	1
Weighted average of number of outstanding shares, basic	103,134,481	105,223,612
Weighted average of number of outstanding shares, diluted	103,613,775	105,753,978
Basic earnings per share (in €)	-0.03	0.95
Diluted earnings per share (in €)	-0.03	0.94

Consolidated statement of comprehensive income (in € million)	IFRS Q1 2025	IFRS Q1 2024
Profit / (loss) for the period	**2**	**100**
Gains and losses on hedging instruments in a cash flow hedge	4	7
Currency translation differences from subsidiaries & joint operations [4]	-177	80
Share of other comprehensive income of associates and joint ventures	-7	3
Recyclable components	**-180**	**90**
Gains and losses on equity instruments measured at fair value through other comprehensive income	-2	-1
Remeasurement of the net defined benefit liability [5]	35	-5
Non-recyclable components	**33**	**-6**
Income tax relating to recyclable and non-recyclable components	-2	-6
Other comprehensive income/(loss), net of related tax effects	-149	79
Total comprehensive income/(loss)	**-147**	**179**
attributable to Syensqo share	-150	178
attributable to non-controlling interests	3	1

[1] As more detailed in the Business Review, Net sales of €1,619 million in Q1 2025 declined versus Q1 2024 mainly due to lower volumes.
[2] Other operating gains and losses in Q1 2024 included €15 million net losses related to energy hedges, "excluded from Underlying EBITDA" to reflect the related economic hedge (after the gain from novation recorded in FY 2023 prior to the Partial Demerger).
[3] The increase in the Result from portfolio management & major restructurings is mainly due to the separation costs related to information technology, following the demerger from Solvay.
[4] During Q1 2025, the currency translation differences decreased as a result of the weakened position of the US dollar in relation to the EUR. In comparison, during Q1 2024, the relation was inverted.
[5] The increase in the remeasurement of the net defined benefit liability is to the increase in discount rates mainly in the UK and Eurozone.

Consolidated statement of cash flows	IFRS	
(in € million)	**Q1 2025**	**Q1 2024**
Profit / (loss) for the period	**2**	**100**
Adjustments to profit / (loss) for the period	266	253
Depreciation, amortization & impairments	161	145
Earnings from associates & joint ventures	-4	-4
Additions & reversals of provisions	44	50
Other non-operating and non-cash items	4	-9
Net financial charges	34	22
Income tax expenses	27	50
Changes in working capital	-21	-40
Uses of provisions	-44	-47
Dividends received from associates & joint ventures	0	0
Income taxes paid (excluding income taxes paid on sale of investments)	-26	-22
Cash flow from operating activities	**176**	**244**
of which cash flow related to the Partial Demerger and portfolio management and excluded from Free Cash flow[1]	-51	-46
Acquisition (-) of subsidiaries	0	0
Acquisition (-) of investments - Other	-9	-1
Loans to associates and non-consolidated companies and related parties	-2	0
Loans repayments from associates and non-consolidated companies and related parties	0	0
Sale (+) of subsidiaries and investments	5	1
Acquisition (-) of tangible and intangible assets	-167	-106
of which property, plant and equipment	-143	-78
of which capital expenditures required for the partial demerger and excluded from Free Cash Flow	-7	0
of which intangible assets	-24	-28
Dividends from equity instruments measured at fair value through other comprehensive income	0	0
Sale (+) of property, plant and equipment and intangible assets	0	7
Changes in non-current financial assets	0	0
Cash flow from investing activities	**-171**	**-99**
Acquisition (-) / sale (+) of treasury shares [2]	-56	-1
Increase in borrowings [3]	150	0
Repayment of borrowings [4]	-166	-18
Changes in other financial assets	37	6
Payment of lease liabilities	-16	-12
Net interests received/(paid)	-1	-9
Coupons paid on perpetual hybrid bonds	-13	-12
Dividends to Syensqo shareholders	0	0
Dividends to non-controlling interests	0	0
Capital injection / reimbursements from non-controlling interests	0	0
Other	-5	0
Cash flow from financing activities	**-70**	**-46**
Net change in cash and cash equivalents	**-66**	**98**
Currency translation differences	-14	-1
Opening cash balance	659	1,150
Closing cash balance	579	1,247

[1] The €-51 million cash flow in Q1 2025 is mainly due to the costs incurred to separate the Information Technology infrastructure from Solvay. The €-46 million cash flow in Q1 2024 was mainly due to the payments of consulting fees and taxes related to the demerger from Solvay.
[2] The acquisition of treasury shares is related to the completion of the second tranche and the initiation of the third tranche of the Share buyback program. See Note 1. General Information and significant events for more details.
[3] The increase in borrowings relates to the issuance of commercial paper in the amount of €150 million during Q1 2025. See Note 6. Net debt
[4] The repayment of borrowings relate to the reimbursement of the Cytec bonds on February 1, 2025. See Note 6. Net debt

Consolidated statement of financial position

(in € million)	March 31, 2025	Dec 31, 2024
Intangible assets	1,558	1,639
Goodwill [1]	2,595	2,659
Property, plant and equipment	3,664	3,729
Right-of-use assets	185	188
Equity instruments measured at fair value	72	86
Investments in associates & joint ventures	201	208
Other investments	13	13
Deferred tax assets	401	391
Loans & other assets	143	137
Other financial instruments	30	30
Non-current assets	**8,862**	**9,079**
Inventories	1,295	1,273
Trade receivables	1,002	948
Income tax receivables	46	51
Other financial instruments	31	67
Other receivables	323	297
Cash & cash equivalents	579	659
Current assets	**3,276**	**3,294**
Total assets	**12,138**	**12,373**
Share capital	1,352	1,352
Share premiums	1,022	1,022
Other reserves	4,841	5,059
Non-controlling interests	53	50
Total equity	**7,267**	**7,482**
Employee benefits	355	395
Other provisions	254	314
Deferred tax liabilities	372	381
Financial debt [2]	1,770	1,822
Other liabilities	47	50
Non-current liabilities	**2,797**	**2,961**
Other provisions	273	219
Financial debt [2]	302	293
Trade payables	1,026	1,001
Income tax payables	36	25
Other liabilities	437	392
Current liabilities	**2,074**	**1,929**
Total equity & liabilities	**12,138**	**12,373**

[1] The movement in goodwill is mainly due to foreign exchange fluctuations.
[2] The change in the Non-current financial debts is mainly due foreign exchange effects on the USD denominated senior bonds. The evolution of the current financial debt reflects the repayment of the Cytec bonds on February 1, 2025 and the issuance of commercial papers during Q1 2025.

Consolidated statement of changes in equity

(in € million)	Share capital	Share premiums	Treasury shares	Perpetual hybrid bonds	Retained earnings	Currency translation differences	Equity instruments measured at fair value	Cash flow hedges	Defined benefit pension plans	Total other reserves	Non-controlling interests	Total equity
	Equity attributable to equity holders of the parent						Revaluation reserve (fair value)					
Balance on December 31, 2023	**1,352**	**1,022**	**-59**	**494**	**5,079**	**-302**	**8**	**-39**	**12**	**5,193**	**42**	**7,608**
Profit / (loss) for the period	–	–	–	–	100	–	–	–	–	100	1	100
Items of other comprehensive income	–	–	–	–	–	83	-8	13	-9	78	0	79
Comprehensive income	**-**	**-**	**-**	**-**	**100**	**83**	**-8**	**13**	**-9**	**178**	**1**	**179**
Capital Injection from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–	–	–	–
Cost of share based payments	–	–	–	–	5	–	–	–	–	5	–	5
Coupons of perpetual hybrid bonds	–	–	–	–	-12	–	–	–	–	-12	–	-12
Sale (acquisition) of treasury shares	–	–	-1	–	–	–	–	–	–	-1	–	-1
Cancellation of treasury shares	–	–	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	3	–	–	–	–	3	–	3
Balance on March 31, 2024	**1,352**	**1,022**	**-60**	**494**	**5,174**	**-219**	**-1**	**-26**	**3**	**5,365**	**43**	**7,781**
Balance on December 31, 2024	**1,352**	**1,022**	**-129**	**494**	**4,848**	**-85**	**-2**	**-1**	**-67**	**5,059**	**50**	**7,482**
Profit / (loss) for the period	–	–	–	–	-3					-3	5	2
Items of other comprehensive income [1]	–	–	–	–	–	-185	-1	3	33	-150	-2	-151
Comprehensive income	**-**	**-**	**-**	**-**	**-3**	**-185**	**-1**	**3**	**33**	**-153**	**3**	**-150**
Capital Injection from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–	–	–	–
Cost of share based payments	–	–	–	–	3					3		3
Coupons of perpetual hybrid bonds	–	–	–	–	-13					-13		-13
Sale (acquisition) of treasury shares [2]	–	–	-56	–	–	–	–	–	–	-56	–	-56
Cancellation of treasury shares	–	–	50	–	-50	–	–	–	–	–	–	–
Other [3]	–	–	14	–	-14	–	–	–	–	–	–	–
Balance on March 31, 2025	**1,352**	**1,022**	**-121**	**494**	**4,772**	**-270**	**-3**	**2**	**-33**	**4,841**	**53**	**7,267**

[1] During Q1 2025, the currency translation differences mainly derived from the weakened US dollar against the EUR.
[2] Refer to Share buyback Program in Significant Events for further details
[3] Other reflects the distribution of the Syensqo shares to the beneficiaries of the 2022 PSU / RSU plans.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information and significant events

Syensqo is a public limited liability company governed by Belgian law and listed on Euronext Brussels. These condensed consolidated financial statements were authorized for issue by the Board of Directors on May 14, 2025.

Share buyback program

On September 30, 2024, the Group announced that the Board approved a plan to commence a new share buyback program for a value of up to €300 million. The purpose of the program is to further enhance Syensqo's capital structure and efficiency, canceling all shares repurchased as part of the program.

The program will be carried out under the terms and conditions approved by the Extraordinary General Shareholders' meeting held on December 8, 2023. It will be conducted in accordance with applicable regulations, and executed by an independent intermediary. The program will be executed in numerous independent tranches.

On November 5, 2024, the Group launched the first tranche of the €300 million buyback program. The Group completed this first tranche on November 27, 2024 and acquired 658,488 Syensqo shares for a total price of €50 million. All these acquired shares were cancelled in December 2024. On December 4, 2024, the Group launched the second tranche of the €300 million buyback program and acquired 185,000 shares for a price of €14 million.

During Q1 2025 the Group ran the completion of the second tranche and initiated the third tranche of the buyback program. As part of the second tranche, that ran until February 26, 2025, Syensqo purchased 470,783 Syensqo shares in the quarter, for a total of €36 million, and as part of the third tranche that will run up till June 25, 2025, the Group purchased 272,872 Syensqo shares for a total of €20 million.

The contractual mandate with the independent financial intermediary for the third tranche may be canceled at any time, therefore, in accordance with IFRS 9 Financial Instruments, no financial liability is recognized at March 31, 2025 for the €50 million mandate. The Group progressively cancels all shares acquired through the share buyback program and 666,655 shares were cancelled during Q1 2025.

Dual listing in the US

On February 27, 2025, Syensqo approved the exploration of a potential dual listing of its shares in the United States of America, in addition to its existing Euronext Brussels listing. During this exploratory phase, the Board of Directors will assess the feasibility and potential benefits of an additional listing, including the ability to increase Syensqo's visibility and expand its accessibility to North American investors.

Market cap vs Equity IFRS

On March 31, 2025, the market capitalization of the group (€6.5 billion) was lower than its total equity (€7.3 billion). Management did not perform any additional impairment testing at the reporting date as all the relevant criteria included in IAS 36 Impairment of Assets, paragraph 99 were met and accordingly it was concluded that no impairment should be recognized.

Cytec 2025 bonds

On February 1, 2025, the Group redeemed the 3.95% Senior Notes due 2025 issued by Cytec Industries Inc. (CUSIP: 232820 AK6) (the "Cytec 2025 Bonds"). The redemption was implemented in accordance with the terms and conditions of the bonds. The bonds were redeemed at a price of 100% of the principal amount (US$ 163 million), plus accrued and unpaid interest thereon to, but not including, the redemption date (being US$ 2 million).

Edison

The International Court of Arbitration of the International Chamber of Commerce (ICC), Geneva, Switzerland ordered in January 2025, that Edison S.p.A. has to pay approximately € 90 million for losses, damages and costs incurred by Solvay Specialty Polymers Italy S.p.A. (SSPI). The outcome follows many years of arbitration proceedings in relation to claims of breaches of representations and warranties by Edison when it sold the Italian company Ausimont to Solvay in 2002.

This decision comes after SSPI received a favorable decision on the merits in 2023 and award of compensation (€ 92 million) from Edison related to costs, losses and damages suffered up to the end of 2016. The 2025 award, based on the same merits, relates to additional costs, losses and damages suffered from January 2017 onwards. Pending the endorsement of the Arbitration award by an Italian Court no asset has been recognized for the Edison award as of March 31, 2025.

U.S. Tax Matters Agreement

In connection with the Partial Demerger, Syensqo and Solvay entered into a U.S. Tax Matters Agreement (the "U.S. TMA") intended to (among other things) preserve the tax-free treatment of the Partial Demerger and of the separation of the U.S. Specialty Businesses and the U.S. Essential Businesses (the "U.S. Spin-Off") for U.S. federal income tax purposes.

Under the U.S. TMA, Syensqo and Solvay are prohibited from taking actions that are reasonably expected to cause the Partial Demerger or U.S. Spin-Off (or certain associated transactions) to fail to qualify for their intended U.S. tax treatment, or that could jeopardize the conclusions of, or that are inconsistent with, the IRS ruling or the tax opinion discussed above.

Additionally, the parties are generally prohibited (subject to certain exceptions in the U.S. TMA), for the two-year period following completion of the Partial Demerger, from engaging in certain acquisitions, mergers, liquidations, sales, and redemption transactions with respect to their respective stock and assets that could jeopardize the tax-free status of the Partial Demerger or the U.S. Spin-Off for U.S. federal income tax purposes.

Neither Solvay's nor Syensqo's obligations under the U.S. TMA are limited in amount or subject to any cap.

As of March 31, 2025, Syensqo was not aware of any breach or alleged breach by it of its obligations under the U.S. TMA, and had not received any notice from Solvay relating to a breach or alleged breach thereof.

2. Accounting policies

Syensqo has prepared its condensed consolidated financial statements on a quarterly basis, in accordance with IAS 34 Interim Financial Reporting using the same accounting policies as those adopted for the preparation of the consolidated financial statements for the year ended December 31, 2024. They do not include all the information required for the preparation of the annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2024. The consolidated financial statements for 2024 were published in March 2025.

Below are the standards, interpretations and amendments that became effective as of January 1, 2025 and which are relevant to the Group. An assessment was made and these amendments had no material impact on the Group's condensed consolidated financial statements.

Lack of exchangeability - Amendment to IAS 21

Lack of Exchangeability amends IAS 21 The Effects of Changes in Foreign Exchange Rates to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

3. Segment information

In the 2024 Earnings Report, the Group announced its intent to sell the Oil & Gas and Aroma Performance GBUs. These units were previously reported under the Consumer and Resources Operating Segment. Starting from Q1 2025, the Group has decided to reclassify these units into a separate segment named "Other Solutions". The Chief Operating Decision Maker (CODM) will no longer assess the performance of these business units under the Consumer and Resources segment. Instead, they will be monitored as part of the "Other Solutions" segment. This shift aligns with the Group's strategic decision to focus on cash generation for these units.

This reorganization led to a restatement of prior period segment information to ensure comparability. The restated segment disclosures align with the requirements of IFRS 8.

The criteria under IFRS 5 to classify the assets as held for sale have been assessed; however, the requirements were not met for both the Oil & Gas and Aroma GBUs.

Syensqo is organized into four Reportable Segments:

- **Materials**, consisting of the GBUs Composite Materials and Specialty Polymers. The Materials segment offers a unique portfolio of high-performance polymers and composite technologies used primarily in sustainable mobility applications. Its solutions enable weight reduction and enhance performance while improving CO2 and energy efficiency. Major markets served include next-generation mobility in automotive and aerospace, healthcare and electronics.

- **Performance & Care**, comprising the Novecare and Technology Solutions GBUs. Novecare's portfolio of surface chemistry solutions and deep formulation expertises, focuses on innovations for natural and sustainable solutions for the home and personal care, coatings and agricultural end markets. Technology Solution is a global leader in specialty mining reagents and technical services to maximise performance in metal extraction and mineral processing.

- **Other Solutions** combining the specialty formulations of the Aroma Performance and Oil & Gas GBUs. Aroma Performance is the world's largest integrated producer of synthetic and natural vanillin and a global leader in the Hydroquinone market. Oil & Gas delivers a comprehensive range of products and solutions tailored for the upstream oilfield sector, focusing on enhancing operational efficiency and performance.

- **Corporate & Business Services** includes corporate and other business services, such as research & innovation, cogeneration units dedicated to the Syensqo activities and new business development (NBD) and the Peroxides activities in the Zhenjiang entity.

Reconciliation of segment, underlying and IFRS data

(in € million)	Q1 2025	Q1 2024
Net sales	**1,619**	**1,624**
Materials	898	940
Performance & Care	540	501
Other Solutions	181	183
Corporate & Business Services	0	0
Underlying EBITDA	**311**	**363**
Materials	254	311
Performance & Care	96	95
Other Solutions	17	11
Corporate & Business Services	-56	-55
Underlying depreciation, amortization & impairments	-128	-111
Underlying EBIT	**183**	**252**
Accounting impact from Novation of energy hedges and amortization & depreciation of purchase price allocation (PPA) from acquisitions	33	49
Result from portfolio management & major restructuring	-75	-14
Result from legacy remediation & major litigations	-13	-16
EBIT	**62**	**173**
Net financial charges	-34	-22
Profit / (loss) for the period before taxes	**29**	**151**
Income taxes	-27	-50
Profit / (loss) for the period from continuing operations	**2**	**100**
Profit / (loss) for the period	**2**	**100**
attributable to Syensqo share	-3	100
attributable to non-controlling interest	5	1
Capex	**-176**	**-118**
Materials	-118	-78
Performance & Care	-29	-19
Other Solutions	-7	-6
Corporate & Business Services	-22	-16

Working Capital by Segment	**Inventory**		**Trade Receivables**		**Trade Payables**	
(in € million)	March 31, 2025	Dec 31, 2024	March 31, 2025	Dec 31, 2024	March 31, 2025	Dec 31, 2024
Materials	810	815	547	534	-415	-422
Performance & Care	360	333	312	302	-324	-303
Other Solutions	121	119	116	102	-91	-90
Corporate and Business Services	5	6	28	9	-196	-187
Total Syensqo	**1,295**	**1,273**	**1,002**	**948**	**-1,026**	**-1,001**

The Group has no material seasonal impacts on its condensed consolidated financial statements. The Group recognized €1 million of intersegment sales in Q1 2025.

For details on the Underlying to IFRS reconciliations, please refer to the Business Review section. For further details on the performance by segment, please refer to Note 3 of the Business Review section.

4. Financial Instruments

Valuation techniques

Compared to December 31, 2024, there are no changes in valuation techniques.

Fair value of financial instruments measured at amortized cost

For all financial instruments not measured at fair value in Syensqo's consolidated statement of financial position, the fair value of those financial instruments as of December 31, 2024, is not significantly different from their carrying amounts as of March 31, 2025 and is not significantly different from the ones published in Note F32 of the consolidated financial statements for the year ended December 31, 2024.

Financial instruments measured at fair value

	March 31, 2025				Dec 31, 2024				Variation
(in € million)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Held for trading	**0**	**5**	**0**	**5**	**0**	**6**	**0**	**6**	**-1**
Foreign currency risk	0	0	0	0	0	1	0	1	-1
Syensqo share price	0	3	0	3	0	3	0	3	0
Index	0	2	0	2	0	1	0	1	1
Equity instruments measured at fair value through profit or loss	**3**	**0**	**35**	**38**	**12**	**0**	**43**	**55**	**-17**
Solvay Group Share	3	0	0	3	12	0	0	12	-9
New Business Development	0	0	35	35	0	0	43	43	-8
Cash flow hedges	**0**	**14**	**0**	**14**	**0**	**10**	**0**	**10**	**4**
Foreign currency risk	0	10	0	10	0	3	0	3	7
Utility risk	0	4	0	4	0	7	0	7	-3
CO2 risk	0	0	0	0	0	0	0	0	0
Equity instruments measured at fair value through other comprehensive income	**0**	**0**	**29**	**29**	**0**	**0**	**31**	**31**	**-2**
New Business Development	**0**	**0**	**29**	**29**	**0**	**0**	**31**	**31**	**-2**
Total (assets)	**3**	**19**	**64**	**86**	**12**	**16**	**74**	**101**	**-15**
Held for trading	**0**	**-3**	**0**	**-3**	**0**	**-4**	**0**	**-4**	**1**
Foreign currency risk	0	-2	0	-2	0	-3	0	-3	1
Index	0	-2	0	-2	0	-1	0	-1	-1
Cash flow hedges	**0**	**-16**	**0**	**-16**	**0**	**-16**	**0**	**-16**	**0**
Foreign currency risk	0	-4	0	-4	0	-13	0	-13	9
Interest rate risk	0	-7	0	-7	0	0	0	0	-7
Utility risk	0	-1	0	-1	0	0	0	0	-1
CO2 risk	0	-6	0	-6	0	-3	0	-3	-3
Total (liabilities)	**0**	**-20**	**0**	**-20**	**0**	**-20**	**0**	**-20**	**0**

The table "Financial instruments measured at fair value" provides an analysis of financial instruments that, subsequent to their initial recognition, are measured at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. Financial instruments classified as held for trading and as hedging instruments in cash flow hedges are mainly grouped into Levels 1 and 2. They are fair valued based on forward pricing and swap models using present value calculations. The models incorporate various inputs including foreign exchange spot and interest rates of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. The equity instruments measured at fair value through OCI and through profit and loss are presented within Level 1 and 3. The fair value of the instruments presented under Level 3 is measured based on the guidelines recommended by The International Private Equity and Venture Capital Valuation (IPEV).

In accordance with the Group internal rules, the responsibility for measuring the fair value level resides with (a) the Treasury department for the non-utility derivative financial instruments, and the non-derivative financial liabilities, (b) the Sustainable Development and Energy department for the utility derivative financial instruments and (c) the Finance department for non-derivative financial assets.

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the quarter, no such transfers have occurred.

For financial instruments measured at fair value in Syensqo's consolidated statement of financial position, the fair value of the instruments as at March 31, 2025, changed compared to December 31, 2024, mainly in relation to the Equity Instruments measured at fair value through profit and loss, which reduced after the distribution of the Solvay shares to the beneficiaries of the PSU/RSU 2022 plans, that took place during Q1 2025.

5. Net debt

(in € million)	March 31, 2025	Dec 31, 2024
USD 1.2bn bonds issued in 2024	1,104	1,149
EUR 500m 2027 bonds	499	498
Cytec bonds	0	157
Commercial paper	200	50
Lease debt	225	230
Other financial debt	45	30
Total current and non-current financial debt (a)	**2,072**	**2,115**
Cash and cash equivalents (b)	-579	-659
Other financial instruments (c)	-61	-97
Total Net Debt (a+b+c)	**1,432**	**1,359**

Financial debt at the end of March 2025 includes €1,104 million related to the senior bond issued in June 2024 for a nominal amount of US$1.2 billion.

On February 1, 2025, the Group redeemed the 3.95% Senior Notes due 2025 issued by Cytec Industries Inc. (CUSIP: 232820 AK6) (the "Cytec 2025 Bonds"). The redemption was implemented in accordance with the terms and conditions of the bonds. The bonds were redeemed at a price of 100% of the principal amount (US$ 163 million), plus accrued and unpaid interest thereon to, but not including, the redemption date (being US$ 2 million).

Commercial paper for €150 million was issued during Q1 2025.

6. Events after the reporting period

Share buyback program

In accordance with Article 8:4 of the Royal Decree of 29 April 2019 executing the Belgian Code of Companies and Associations, Syensqo discloses on its website, information related to the execution of its share buyback program, announced on December 4, 2024.

Acceleration of efficiency measures

In the context of the recent tariff announcements and global trade tensions, Syensqo accelerates its plans to adapt the organization to focus on projects that will accelerate growth. As a result, additional consultation processes were opened on May 12, 2025, including a proposed reduction of approximately 200 positions. The related restructuring costs are estimated at €30 million.

7. Declaration by responsible persons

Ilham Kadri, Chief Executive Officer, and Christopher Davis, Chief Financial Officer, of the Syensqo Group, declare that to the best of their knowledge:

- The condensed consolidated financial information, prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union, reflects a faithful image of the assets and liabilities, financial situation and results of the Syensqo Group;
- The management report contains a faithful presentation of significant events occurring during Q1 2025, and their impact on the condensed consolidated financial information;
- The main risks and uncertainties are in accordance with the assessment disclosed in the Risk Management section of the Syensqo 2024 Annual Integrated Report, taking into account the current economic and financial environment.

GLOSSARY

Adjustments: Each of these adjustments made to the IFRS results is considered to be significant in nature and/or value. Excluding these items from the profit metrics provides readers with relevant additional information on the Group's underlying performance over time because it is consistent with how the business' performance is reported to the Board of Directors and the Executive Committee. These adjustments consist of:

- Results from portfolio management and major restructurings,
- Results from legacy remediation and major litigations,
- Amortization of intangible assets resulting from Purchase Price Allocation (PPA) and inventory step-up in gross margin,
- Net financial results related to changes in discount rates, coupons of hybrid bonds deducted from equity under IFRS and debt management impacts (mainly including gains/(losses)) related to the early repayment of debt,
- Adjustments of equity earnings for impairment gains or losses, unrealized foreign exchange gains or losses on debt and contribution to IFRS equity earnings of equity investments disposed of in the period,
- Results from equity instruments measured at fair value,
- Gains and losses, related to the management of the CO_2 hedges not accounted for as Cash Flow Hedge, deferred in adjustments until the maturity of the economic hedge;
- Remeasurement of the long term incentive plans related to Solvay Group shares and of the related hedging instruments;
- Tax effects related to the items listed above and tax expense or income of prior years;
- Costs related to the ERP Rebuild project. 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.

All adjustments listed above apply to both continuing and discontinuing operations, and include the impacts on non-controlling interests

Basic earnings per share: Net income (Syensqo's share) divided by the weighted average number of shares, after deducting own shares purchased to cover stock option programs.

Bps: Unit of basis percentage points, used to express the evolution of ratios.

Capital expenditure (capex): Cash paid for the acquisition of tangible and intangible assets presented in cash flows from investing activities, and cash paid on the lease liabilities (excluding interests paid), presented in cash flows from financing activities, excluding acquisition of assets associated with the partial demerger project. This indicator is used to manage capital employed in the Group.

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.

Cash flow from operating activities are those generated from/(used by) the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.

CGU: Cash-Generating Unit

CTA: Currency Translation Adjustment

Diluted earnings per share: Net income (Syensqo's share) divided by the weighted average number of shares adjusted for the effects of dilution.

Discontinued operations: Component of the Group which the Group has disposed of or which is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

EBIT: Earnings before interest and taxes. Performance indicator that is a measure of the Group's operating profitability irrespective of the funding's structure.

EBITDA: Earnings before interest and taxes, depreciation and amortization. The Group has included EBITDA as an alternative performance indicator because management believes that the measure provides useful information to assess the Group's operating profitability as well as the Group's ability to generate operating cash flows.

Extra-financial indicators: Indicators used to measure the sustainability performance of the company in complement to financial indicators. Syensqo has selected 5 indicators that are included in the ONE Planet initiative.

Free cash flow: Cash flows from operating activities (excluding cash flows linked to acquisitions or disposals of subsidiaries, cash outflows of Voluntary Pension Contributions, as they are deleveraging in nature as a reimbursement of debt, cash flows related to the ERP Rebuild projects costs and cash flows related to internal management of portfolio such as one-off external costs of internal carve-out and related taxes…), cash flows from investing activities (excluding cash flows from or related to acquisitions and disposals of subsidiaries and cash flows associated with the partial demerger project and cash flows for the ERP Rebuild capital expenditures), and other investments, and excluding loans to associates and non-consolidated investments, and recognition of factored receivables), payment of lease liabilities, and increase/decrease of borrowings related to environmental remediation. Prior to the adoption of IFRS 16, operating lease payments were included within free cash flow. Following the application of IFRS 16, because leases are generally considered to be operating in nature, free cash flow incorporates the payment of the lease liability (excluding the interest expense). Excluding this item in the free cash flow would result in a significant improvement of free cash flow compared to prior periods, whereas the operations themselves have not been affected by the implementation of IFRS 16. It is a measure of cash generation, working capital efficiency and capital discipline of the Group.

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.

Free cash flow conversion: Calculated as the ratio between the free cash flow to Syensqo shareholders of the last rolling 12 months (before netting of dividends paid to non-controlling interest) and underlying EBITDA of the last rolling 12 months.

Gearing ratio is a measure of capital structure and is defined as Underlying net debt / (underlying net debt + Equity - Hybrid bonds in equity)

GBU: Global business unit

IFRS: International Financial Reporting Standards

LTM: Last twelve months

Leverage ratio: Net debt / underlying EBITDA of last 12 months. Underlying leverage ratio = underlying net debt / underlying EBITDA of last 12 months.

Mandatory contributions to employee benefits plans: For funded plans, contributions to plan assets corresponding to amounts required to be paid during the respective period, in accordance with agreements with trustees or regulation, as well as, for unfunded plans, benefits paid to beneficiaries.

Net cost of borrowings: cost of borrowings netted with interest on loans and short-term deposits, as well as other gains (losses) on net indebtedness.

Net financial debt: Non-current financial debt + current financial debt – cash & cash equivalents – other financial instruments (current and noncurrent). 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.

Net financial charges: Net cost of borrowings, and costs of discounting provisions (namely, related to post-employment benefits and Health Safety and Environmental liabilities).

Net pricing: The difference between the change in sales prices versus the change in variable costs.

Net sales: Sales of goods and value added services corresponding to Syensqo's know-how and core business. Net sales exclude Revenue from non-core activities.

Net working capital: Includes inventories, trade receivables and other current receivables, netted with trade payables and other current liabilities.

OCI: Other Comprehensive Income.

Operational deleveraging: Reduction of liabilities (net debt or provisions) through operational performance only, i.e. excluding impacts from acquisitions and divestitures, as well as remeasurement impacts (changes of foreign exchange, inflation, mortality and discount rates).

Organic growth: Growth of Net sales or underlying EBITDA excluding scope changes (related to small M&A not leading to restatements) 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.

pp: Unit of percentage points, used to express the evolution of ratios.

PPA: Purchase Price Allocation (PPA) accounting impacts related to acquisitions, primarily for Rhodia and Cytec.

Pricing power: The ability to create positive net pricing.

Research & innovation: Research & development costs recognized in the income statement and as capital expenditure before deduction of related subsidies, royalties and depreciation and amortization expense. It measures the total cash effort in research & innovation, regardless of whether the costs were expensed or capitalized.

Research & innovation intensity: Ratio of Research & innovation / net sales

Result from legacy remediation and major litigations: It includes:

- The remediation costs not generated by on-going production facilities (shut-down of sites, discontinued productions, previous years' pollution), and
- The impact of significant litigations

Results from portfolio management and major restructuring: It includes:

- Gains and losses on the sale of subsidiaries, joint operations, joint ventures, and associates that do not qualify as discontinued operations;
- Acquisition costs of new businesses;
- One-off operating costs related to internal management of portfolio (carve-out of major lines of businesses);
- Costs and revenues, gains and losses related to the Partial Demerger project;
- Gains and losses on the sale of real estate not directly linked to an operating activity;
- Restructuring charges driven by portfolio management and by major reorganization of business activities, including impairment losses resulting from the shutdown of an activity or a plant;
- Impairment losses resulting from testing of Cash Generating Units (CGUs);

It excludes non-cash accounting impact from amortization and depreciation resulting from the purchase price allocation (PPA) from acquisitions.

Revenue from non-core activities: Revenues primarily comprising commodity and utility trading transactions and other revenue, considered to not correspond to Syensqo's know-how and core business.

ROCE: Return on Capital Employed, calculated as 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, and is taken as the average of the situation at the end of the last 4 semesters.

SOP: Stock Option Plan.

Underlying: Underlying results are deemed to provide a more comparable indication of Syensqo's fundamental performance over the reference periods. They are defined as the IFRS figures adjusted for the "Adjustments" as defined above. They provide readers with additional information on the Group's underlying performance over time as well as the financial position and they are consistent with how the business' performance and financial position are reported to the Board of Directors and the Executive Committee.

Underlying Tax rate: Income taxes / (Result before taxes – Earnings from associates & joint ventures) – all determined on an Underlying basis. The adjustment of the denominator regarding associates and joint ventures is made as these contributions are already net of income taxes. This provides an indication of the tax rate across the Group.

YoY: Year on year comparison.

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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.

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
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