



# Full Year 2023 Results

March 12, 2024



Dr. ILHAM KADRI  
Chief Executive Officer

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CHRISTOPHER DAVIS  
Chief Financial Officer

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# Disclaimer

This presentation may contain forward-looking information. Forward-looking statements describe expectations, plans, strategies, goals, future events or intentions. The achievement of forward-looking statements contained in this presentation is subject to risks and uncertainties relating to a number of factors, including general economic factors, interest rate and foreign currency exchange rate fluctuations, changing market conditions, product competition, the nature of product development, impact of acquisitions and divestitures, restructurings, products withdrawals, regulatory approval processes, all-in scenario of R&D projects and other unusual items. Consequently, actual results or future events may differ materially from those expressed or implied by such forward-looking statements.

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# Agenda

1

2023  
Review

2

2023  
Financial  
Review

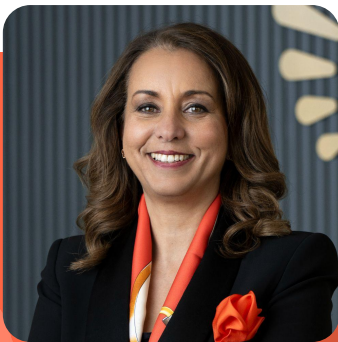
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Looking  
Ahead

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2024  
Outlook





# 2023 REVIEW

Dr. ILHAM KADRI  
Chief Executive Officer

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# FY 2023 HIGHLIGHTS

- **Successfully completed separation**; launched new brand, vision and growth strategy
- **Top quartile performance** over the last 2 years
- Further **net pricing** benefits with >€850m generated over last three years
- Vitality index of **20.7%**
- Finalized **\$178mn grant** from DoE for greenfield expansion in US, JV agreement with Orbia
- NJDEP settlement reached for PFAS
- **Strong cash flow** supported **accelerated investments** to drive long-term market share growth
- **Strong balance sheet** with leverage ratio of 1.0x
- New sustainability goals; **carbon neutrality by 2040**

## NET SALES

€6.8bn

-11% volumes  
+1% pricing

## EBITDA

€1.6bn

23.7% margin  
+10 bps YoY

## FREE CASH FLOW

€448mn

28% conversion

## ROCE

10.6%

+240 bps vs 2021



Successfully  
completed  
our separation  
in December  
2023

Dec. 11th 2023



“ Long  
Live  
the  
Future!

Discours pour le 25ème anniversaire



#### JUNE 2023

Targeted capital structure  
announcement

Registration document filed

#### JULY-OCTOBER 2023

Debt management process

Tax rulings received

New headquarters opened

#### NOVEMBER 2023

New leadership team & Board  
of Directors (60% women)

Capital Markets Day and  
roadshows

#### DECEMBER 2023

Extraordinary General  
Meeting with 99.53% approval

Listing of SYENS on Euronext  
Brussels/Paris

Bringing home the  
**CUSTOMER  
WINS**



**NORTHROP  
GRUMMAN**

**SCHIEBEL**

**Panasonic**



**ZOTEFOAMS**



**xiaomi**



**SYENSQO**

# Leadership positions in diversified growth markets



**TOP 3**  
Market position<sup>[1]</sup>

		% of 2023 net sales	2023 vs 2022 net sales growth	Comments
<div>Materials</div> <div>Consumers &amp; Resources</div>	Automotive	16%		Destocking from battery customers, Battery PVDF revenues of €0.2bn in 2023
	Aerospace	15%		Strong demand & pricing; ongoing recovery in civil aerospace & defence Broader supply chain challenges remain across the industry
	Electronics	10%		Strong outperformance vs overall market, driven by H1 growth in semiconductors. Robust demand in smart devices
	Building & others	5%		Global decline in new construction, impacted by high interest rates and destocking. Demand stabilisation towards the end of the year
	Industrial Applications <sup>[2]</sup>	14%		Lower demand & destocking throughout the year, with some stabilisation in Q4
	Resources & Environment	17%		Mining: impacted by customer disruptions & destocking; YoY growth in Q4 Oil & Gas: lower drilling activity in the US, higher competitive pressure
	Consumer Goods <sup>[3]</sup>	13%		Lower demand in consumer markets & competitive pressures; resilience in healthcare & life solutions
	Agro, Feed & Food	10%		Lower demand & destocking in agro; competition in synthetic Vanillin

[1] In ~90% of today's portfolio based on net sales  
 [2] Includes: Chemical Industry  
 [3] Includes: Home, Personal & Health Care



# FY 2023 SEGMENT HIGHLIGHTS

## MATERIALS

- Positive net pricing
- EBITDA margin expansion to 32.8%
- Strong YoY growth in Composite Materials; Aero and defence up double digits
- Modest YoY decline in Specialty Polymers following record 2022
- Investments to expand PVDF capacity in EU & US

## CONSUMER & RESOURCES

- Focus on quality of market share
- Lower volumes, esp. in Novecare & Aroma
- Customer destocking in Agro, Building, Food
- Sequential stability in Q4'23 with improving outlook

# One Planet roadmap

## 50% of carbon reduction targets already achieved



### CLIMATE

#### Carbon Neutrality by 2040

**40% reduction**  
Scope 1 & 2  
by 2030<sup>[1]</sup>

**20%**

structural reduction  
versus 2021 baseline

**23% reduction**  
Scope 3 Focus 5<sup>[1,2]</sup> emissions  
by 2030

**11%**

structural reduction  
versus 2021 baseline



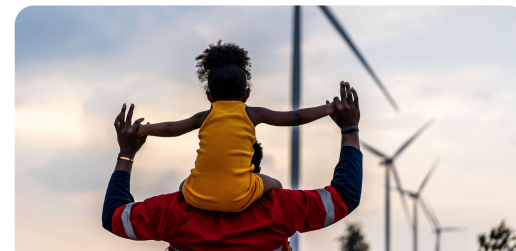
### GROWTH

#### 18% of Circular sales

by 2030<sup>[3]</sup>

**13%**

+1% point  
versus 2021



### BETTER LIFE

#### Safety

Aim for  
zero RIIR<sup>[4]</sup>



**38%**

reduction  
versus 2021

#### Gender parity

by 2033<sup>[5]</sup>

**28%**

+4% points  
versus 2021

PROGRESS IN 2023

[1] Reference year is 2021

[2] Focus 5 categories of Scope 3 emissions: (a) purchased goods and services (b) fuel-and energy-related activities (c) processing of sold products (d) use of sold products and (e) end-of-life treatment of sold products

[3] Methodology aligned with the Ellen MacArthur Foundation Circulytics team

[4] Reportable Injuries and Illnesses per 200,000 work hours

[5] % of women in mid and senior management





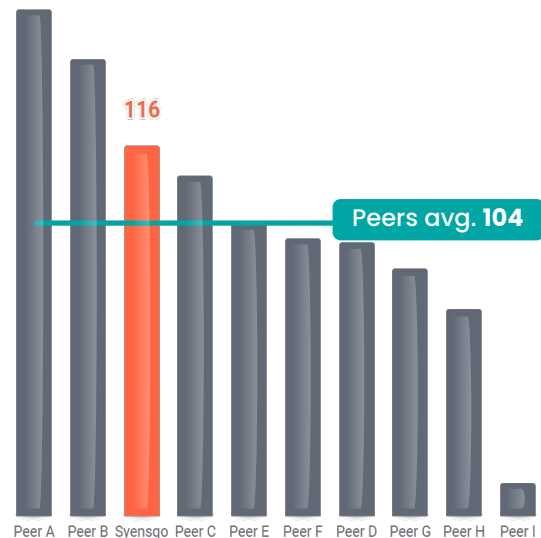
# 2023 FINANCIAL REVIEW

CHRISTOPHER DAVIS  
Chief Financial Officer

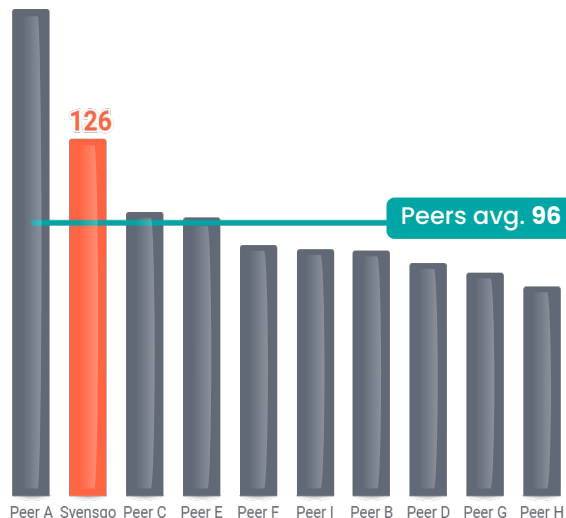


# Top quartile performance over the last two years

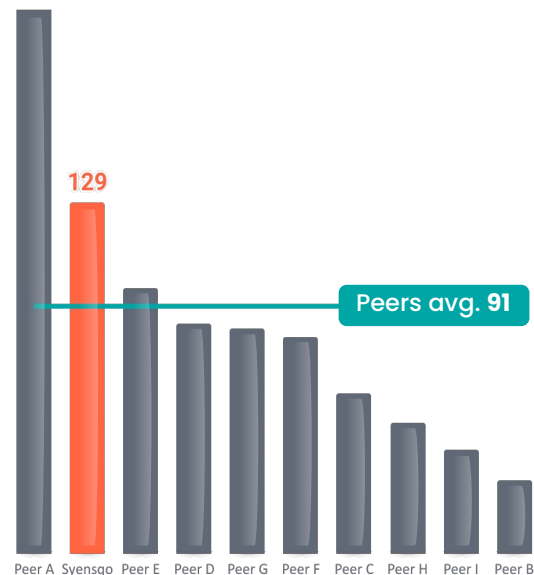
**Sales growth**  
(rebased to 100 in 2021)



**EBITDA growth**  
(rebased to 100 in 2021)



**ROCE improvement**  
(rebased to 100 in 2021)



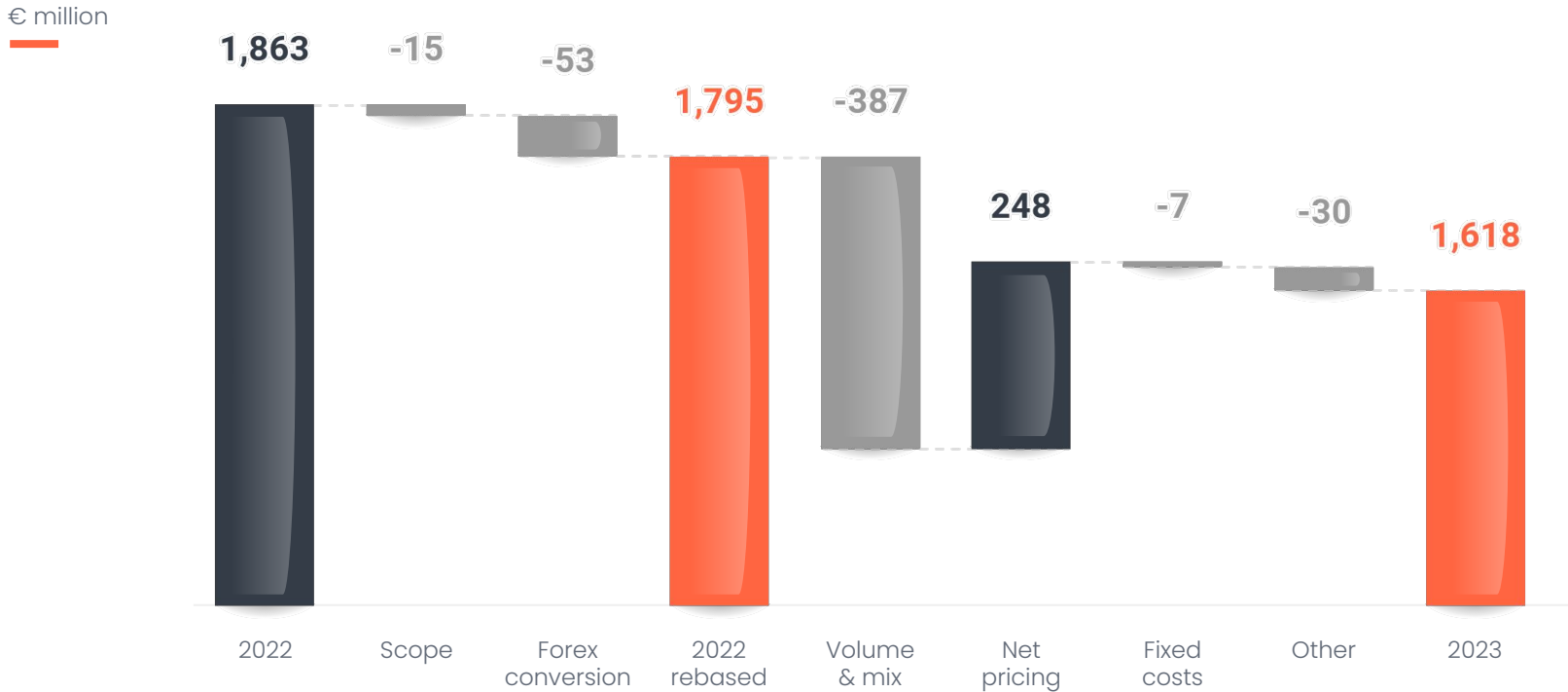
[1] Peers group comprises: Akzo Nobel, Ashland, Avient, Celanese, Clariant, Croda, EMS Chemie, Hexcel, Victrex  
[2] Data source: FactSet as of 6 March, 2024

# Summary of H2 and FY 2023 Financial Results

Underlying (€ million)	H2 2023	H2 2022	% YoY	% <i>organic</i>	FY 2023	FY 2022	% YoY	% <i>organic</i>
Net sales	<b>3,206</b>	4,042	-21%	-16%	<b>6,834</b>	7,890	-13%	-10%
EBITDA	<b>712</b>	937	-24%	-19%	<b>1,618</b>	1,863	-13%	-10%
EBITDA margin	<b>22.2%</b>	23.2%	-100 <i>bps</i>		<b>23.7%</b>	23.6%	+10 <i>bps</i>	
Profit / (loss) attributable to Syensqo shareholders	<b>283</b>	481	-41%		<b>752</b>	974	-23%	
Basic EPS (in € per share)					<b>7.10</b>	9.20	-23%	
Return on capital employed (ROCE)					<b>10.6%</b>	13.7%	-310 bps	
Dividend per share (in € per share) <sup>[1]</sup>					<b>1.62</b>	n.a.	n.a.	

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

EBITDA in-line with outlook; lower volumes partially offset by further improvement in net pricing

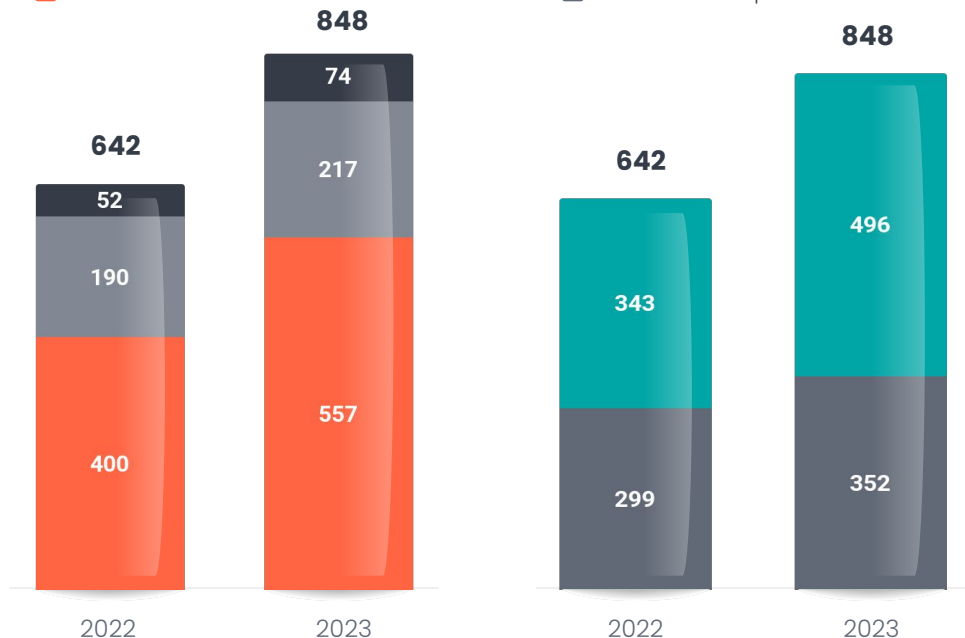


# Acceleration in investments to drive growth

€ million

- Corporate
- Consumer & Resources
- Materials

- Growth capex<sup>[1]</sup>
- Sustenance capex<sup>[2]</sup>



## Strong cash generation in 2023 allowed for acceleration in growth capital to support future value creation

- **Battery materials:** PVDF expansion in Tavaux, France (>€200 million) in 2022/23
- **Healthcare & water purification:** Sulfone polymers in India
- **Agro:** eco-friendly water soluble polar solvent effective to solubilize agrochemicals (Melle, France)
- **Growth Platforms:** investments in biotechnology, next generation additives and solvents for high-voltage batteries
- **Digital & Excellence** investments to increase productivity

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

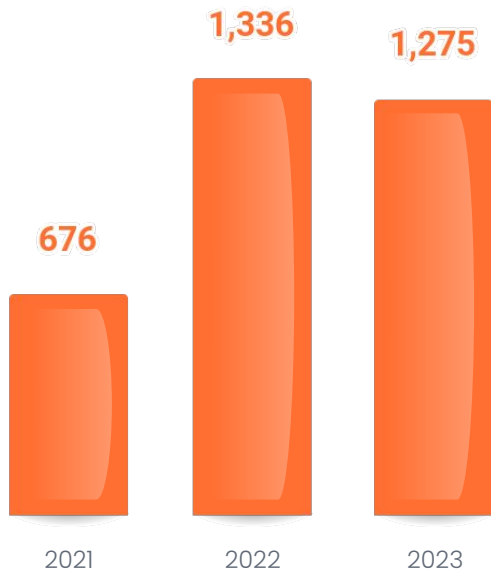
[2] Sustenance capex includes investments in maintenance, leasing, One Planet and digital transformation

# Strong operating cash flow enabled increased investment in growth capital

€ million



Cash flow from operating activities

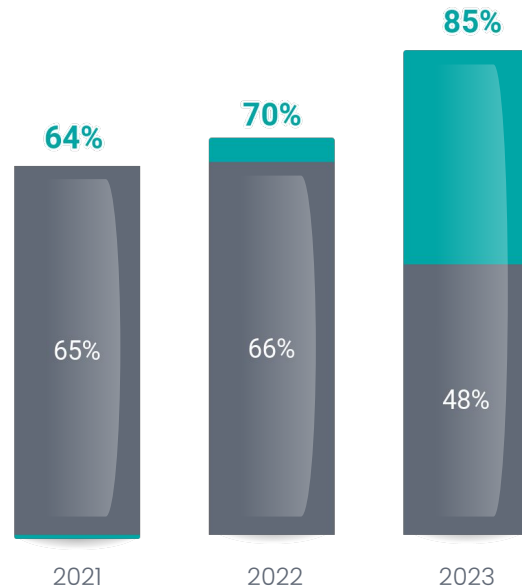


%



Cash conversion <sup>[1]</sup>

Cash generated (%) after expenditure on growth capital <sup>[2]</sup>



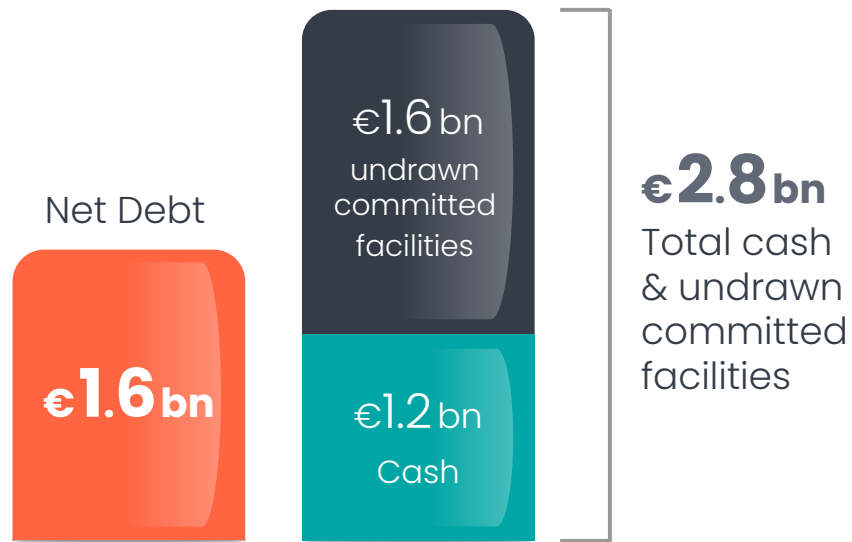
[1] Cash conversion =  $(\text{EBITDA} + / - \text{change in WC} - \text{Sustenance} - \text{Capex}) / \text{EBITDA}$

[2] Cash generated (%) after expenditure on growth capital =  $(\text{EBITDA} - \text{Capex}) / \text{EBITDA}$



# Strong Financial Position

End of 2023



GEARING<sup>[1]</sup>

**18%**

NET DEBT  
leverage ratio<sup>[2]</sup>

**1.0x**

**Strong investment  
grade rating**

S&P

Stable outlook

**BBB+**

MOODY'S

Stable outlook

**Baa1**

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

[2] 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.



# LOOKING AHEAD

DR. ILHAM KADRI  
Chief Executive Officer



# Fully focused on profitable growth & improving returns

LIBERATED  
TO FOCUS

- **Capital Allocation** prioritising innovation & growth investments
- **Accelerate** time-to-market, more customer obsessed
- Allows concentrated pursuit of new **€10bn market opportunity**

READY TO  
DELIVER

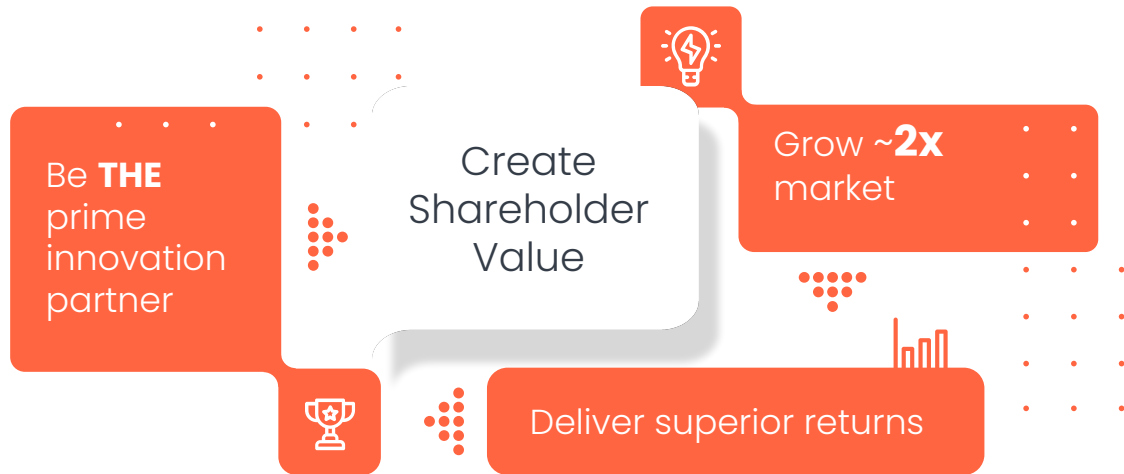
- **Innovation leader** with an unmatched portfolio, aligned with megatrends
- **Delivering more value** to our customers across the globe
- **Expert teams** with renewed purpose and energy

ALIGNED  
MID-TERM  
TARGETS

- Organic Sales Growth: **5 to 7%** (2024-2028)
- Underlying EBITDA Margin (%): to **Mid-20s** by 2028
- ROCE (%): to **Mid-teens** by 2028

**Opportunity  
accelerated  
& execution  
intensified  
by separation**

# We create breakthroughs that advance humanity



"Our innovative solutions enhance the way we live, work, travel and play, contributing to a safer, cleaner and more sustainable world"



# Starting the execution of our strategy

## Growth Engine

- Established growth committees targeting repeatable growth models
- Develop comprehensive Asia strategy
- Creation of Syensqo.ai proprietary Gen AI incubator
- Accelerate “growth” culture

## Innovation Leadership

- Review and prioritize research & innovation investments
- Leverage our new application development labs
- Strengthen collaborations with innovative partners

## Sustainable Solutions

- Pursue our carbon neutrality ambition in scope 1, 2 and 3
- Innovate away from fluorosurfactants
- Increase our share of circular sales (e.g. green solvents, natural ingredients)

## Capital Discipline

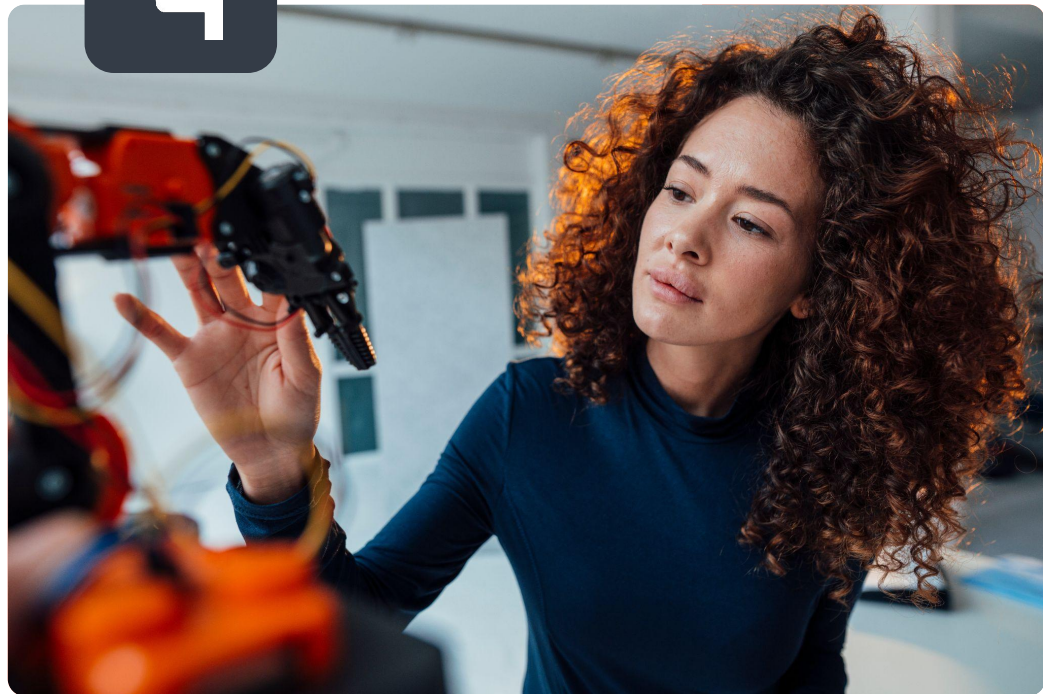
- Rephasing capex to adapt to current and future demand
- Footprint adaptation to market demand
- Driving fixed costs discipline
- Execute on an independent best-in class infrastructure design



# 2024 OUTLOOK

Dr. ILHAM KADRI  
Chief Executive Officer

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# FY 2024 outlook: high level drivers



## END MARKET OUTLOOK

- Strong growth in Aerospace & Defense
- Auto: ~flat overall volumes with growth in xEVs
- Customer destocking completed (Agro in H1 2024)
- Modest recovery in Healthcare, HPC, Food
- Lower demand in Construction
- Increased customer focus on sustainable solutions

Flattish year-on-year volumes with easing comparables in H2

## SYENSQO OUTLOOK

### MATERIALS

Strong growth in Composite Materials

Stable volumes in Specialty Polymers

Selective net pricing reduction

### CONSUMER & RESOURCES

Volume recovery following major destocking in 2023

Net pricing reduction to maximize profits

Higher share of circular sales

## SYENSQO COST DRIVERS

- Dissynergies related to separation
- Focused investments in R&I to support future growth
- Digital transformation projects
- Footprint enhancements
- Ongoing cost discipline

Quarterly EBITDA performance expected to improve from Q4 2023 levels with improved YoY growth in H2 2024

# FY 2024 EBITDA and Free Cash Flow outlook

EBITDA<sup>[3]</sup>

**€ 1.4 – 1.55  
billion**

## YoY EBITDA DRIVERS

- Similar demand dynamics to Q4 2023, with flattish overall volumes
- €50-100 million net pricing reduction
- Dissynergies (~€30 million) in 2024 related to separation
- R&I and IT investments, cost saving initiatives

FREE CASH FLOW<sup>[2]</sup>

**€ 400–500  
million<sup>[1]</sup>**

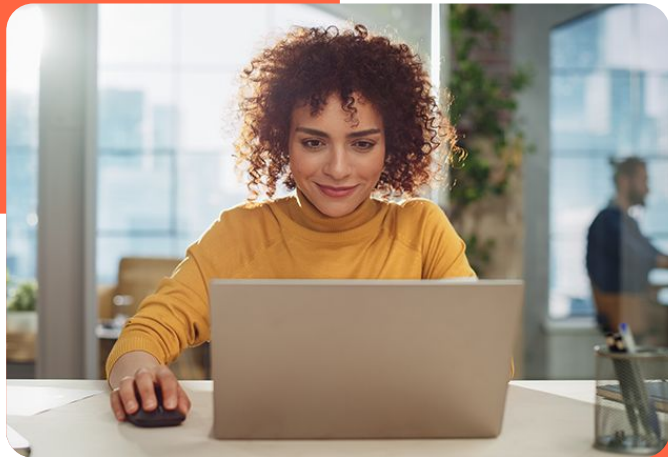
## YoY FREE CASH FLOW DRIVERS

- Capex of €600–650 million
- Cash flows from working capital: approximately flat

[1] Excludes NJDEP settlement for PFAS, separation costs

[2] Free cash flow to shareholders

[3] Underlying EBITDA



Q&A





# SUPPLEMENTARY INFORMATION



# Segment performance: **Materials**

Pricing offset volume declines; Strong growth in Aero & Defence

	FY 2023 (€m)	FY 2022 (€m)	YoY change (%)	YoY change (org %)
<b>Materials Net Sales</b>	<b>4,004</b>	<b>4,078</b>	<b>-2%</b>	<b>+1%</b>
Specialty Polymers	2,936	3,124	-6%	-3%
Composite Materials	1,069	954	+12%	+15%
<b>Materials EBITDA</b>	<b>1,312</b>	<b>1,290</b>	<b>+2%</b>	<b>+3%</b>
<b>EBITDA Margin</b>	<b>32.8%</b>	<b>31.6%</b>	<b>+110 bps</b>	

	Q4 2023 (€m)	Q4 2022 (€m)	YoY change (%)	YoY change (org %)
<b>Materials Net Sales</b>	<b>927</b>	<b>1,038</b>	<b>-11%</b>	<b>-7%</b>
Specialty Polymers	637	791	-19%	-16%
Composite Materials	290	247	+18%	+22%
<b>Materials EBITDA</b>	<b>261</b>	<b>307</b>	<b>-15%</b>	<b>-13%</b>
<b>EBITDA Margin</b>	<b>28.1%</b>	<b>29.5%</b>	<b>-140 bps</b>	

## FY 2023 HIGHLIGHTS

- **Specialty Polymers:** lower sales in automotive and construction, partially offset by higher sales in electronics
- Strong year-on-year growth in **Composite Materials** driven by higher demand across civil aerospace and space & defence, as well as higher pricing
- **EBITDA margin of 32.8%**, increased by 110 basis points year-on-year, driven by:
  - higher Composite Materials margin (higher volumes and pricing), as well as
  - higher Specialty Polymer margin (positive net pricing partially offset by lower volumes)

## Q4 2023 HIGHLIGHTS

- **Specialty Polymers:** lower sales in construction, electronics, and automotive
- Strong year-on-year growth in **Composite Materials** driven by higher demand across civil aerospace and space & defence, as well as higher pricing
- **EBITDA margin of 28.1%**, declined by 140 basis points year-on-year, driven by:
  - lower Specialty Polymer margin (lower volumes & unfavourable mix), partially offset by
  - higher Composite Material margin (higher volumes & pricing)

## Segment performance: **Consumer & Resources**

Sharply lower YoY volumes in 2023; demand stabilisation in Q4

	FY 2023 (€m)	FY 2022 (€m)	YoY change (%)	YoY change (org %)
<b>Net Sales</b>	<b>2,826</b>	<b>3,806</b>	<b>-26%</b>	<b>-23%</b>
Novecare	1,367	1,905	-28%	-25%
Tech Solutions	687	739	-7%	-5%
Aroma Performance	347	575	-40%	-38%
Oil & Gas	424	586	-28%	-24%
<b>EBITDA</b>	<b>458</b>	<b>749</b>	<b>-39%</b>	<b>-36%</b>
<b>EBITDA Margin</b>	<b>16.2%</b>	<b>19.7%</b>	<b>-350bps</b>	

	Q4 2023 (€m)	Q4 2022 (€m)	YoY change (%)	YoY change (org %)
<b>Net Sales</b>	<b>650</b>	<b>890</b>	<b>-27%</b>	<b>-23%</b>
Novecare	318	436	-27%	-23%
Tech Solutions	171	189	-9%	-7%
Aroma Performance	78	121	-35%	-33%
Oil & Gas	83	145	-43%	-38%
<b>EBITDA</b>	<b>79</b>	<b>130</b>	<b>-39%</b>	<b>-34%</b>
<b>EBITDA Margin</b>	<b>12.2%</b>	<b>14.6%</b>	<b>-240bps</b>	

## FY 2023 HIGHLIGHTS

- **Novecare:** lower volumes and customer destocking, esp. In Agro
- **Technology Solutions:** lower H2 demand & disruptions in mining production
- **Aroma:** significantly lower volumes in H2, driven by soft demand & strong competitive pressure
- **Oil & Gas:** lower drilling activity in US & lower natural gas demand
- **EBITDA margin of 16.2%**, declined by 350 basis points year-on-year, driven by:
  - Lower margins in Aroma, Oil & Gas

## Q4 2023 HIGHLIGHTS

- **Novecare:** lower volumes in agro, consumer & construction
- **Technology Solutions** lower volumes in mining; sales up 8% vs Q3 2023
- **Aroma:** lower volumes & strong competitive pressure; signs of demand stabilisation & market share gains
- **Oil & Gas:** lower demand in US
- **EBITDA margin of 12.2%**, declined by 240 basis points year-on-year, driven by:
  - Lower margins in Aroma, Oil & Gas
  - Novecare margin approximately flat YoY



# Quarterly summary of selected key figures

Underlying (€ million)	Q1 2023	Q1 2022	% YoY	Q2 2023	Q2 2022	% YoY
Net sales	<b>1,813</b>	1,772	+2%	<b>1,815</b>	2,076	-13%
EBITDA	<b>473</b>	401	+18%	<b>433</b>	526	-18%
EBITDA margin	<b>26.1%</b>	22.6%	+350 bps	<b>23.8%</b>	25.3%	-150 bps
Capex (Total)	<b>144</b>	104	+38%	<b>161</b>	114	+41%

Underlying, in € million	Q3 2023	Q3 2022	% YoY	Q4 2023	Q4 2022	% YoY
Net sales	<b>1,629</b>	2,113	-23%	<b>1,577</b>	1,930	-18%
EBITDA	<b>418</b>	540	-23%	<b>294</b>	397	-26%
EBITDA margin	<b>25.7%</b>	25.6%	+10 bps	<b>18.7%</b>	20.6%	-190 bps
Capex (Total)	<b>187</b>	147	+27%	<b>356</b>	277	+29%

# Full-year 2023 key figures

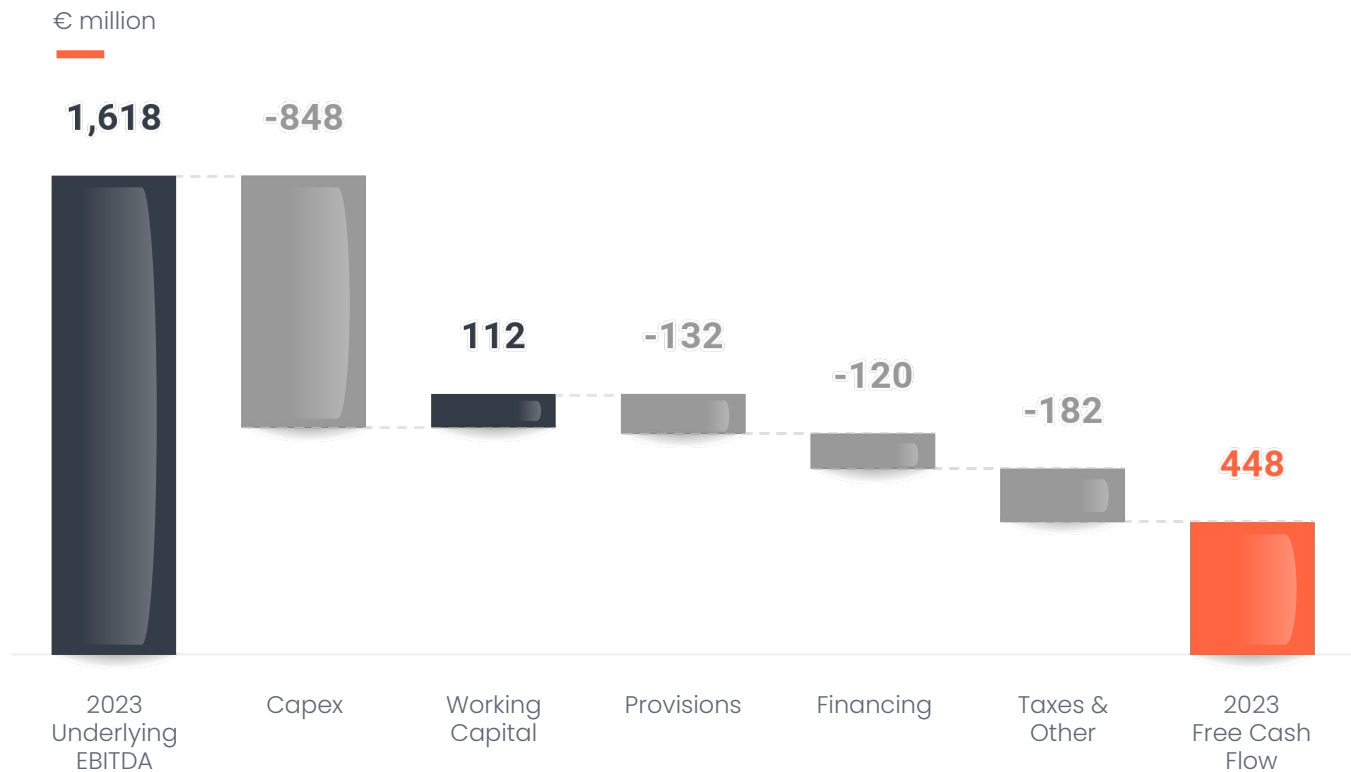
## Full-year 2023 key figures

(in € million)

	IFRS			Underlying		
	FY 2023	FY 2022	% yoy	FY 2023	FY 2022	% yoy
Net sales	<b>6,834</b>	7,890	-13.4%	<b>6,834</b>	7,890	-13.4%
EBITDA	<b>1,286</b>	1,720	-25.3%	<b>1,618</b>	1,863	-13.1%
EBITDA margin				<b>23.7%</b>	23.6%	+10 bps
EBIT	<b>547</b>	1,098	-50.2%	<b>1,134</b>	1,381	-17.9%
Net financial charges	<b>-158</b>	-132	-19.6%	<b>-159</b>	-133	-20.1%
Income tax expenses	<b>-192</b>	-2	<i>n.m.</i>	<b>-218</b>	-260	15.9%
Tax rate				<b>23.0%</b>	21.1%	+190 bps
Profit / (loss) attributable to Syensqo shareholders	<b>193</b>	950	-79.6%	<b>752</b>	974	-22.8%
Basic EPS (in €)	<b>1.83</b>	8.97	-79.6%	<b>7.10</b>	9.2	-22.8%
Dividend (1)	<b>1.62</b>	-	-	<b>1.62</b>	-	-

[1] Total gross dividend subject to shareholders approval

# Free Cash Flow bridge



# Provisions evolution

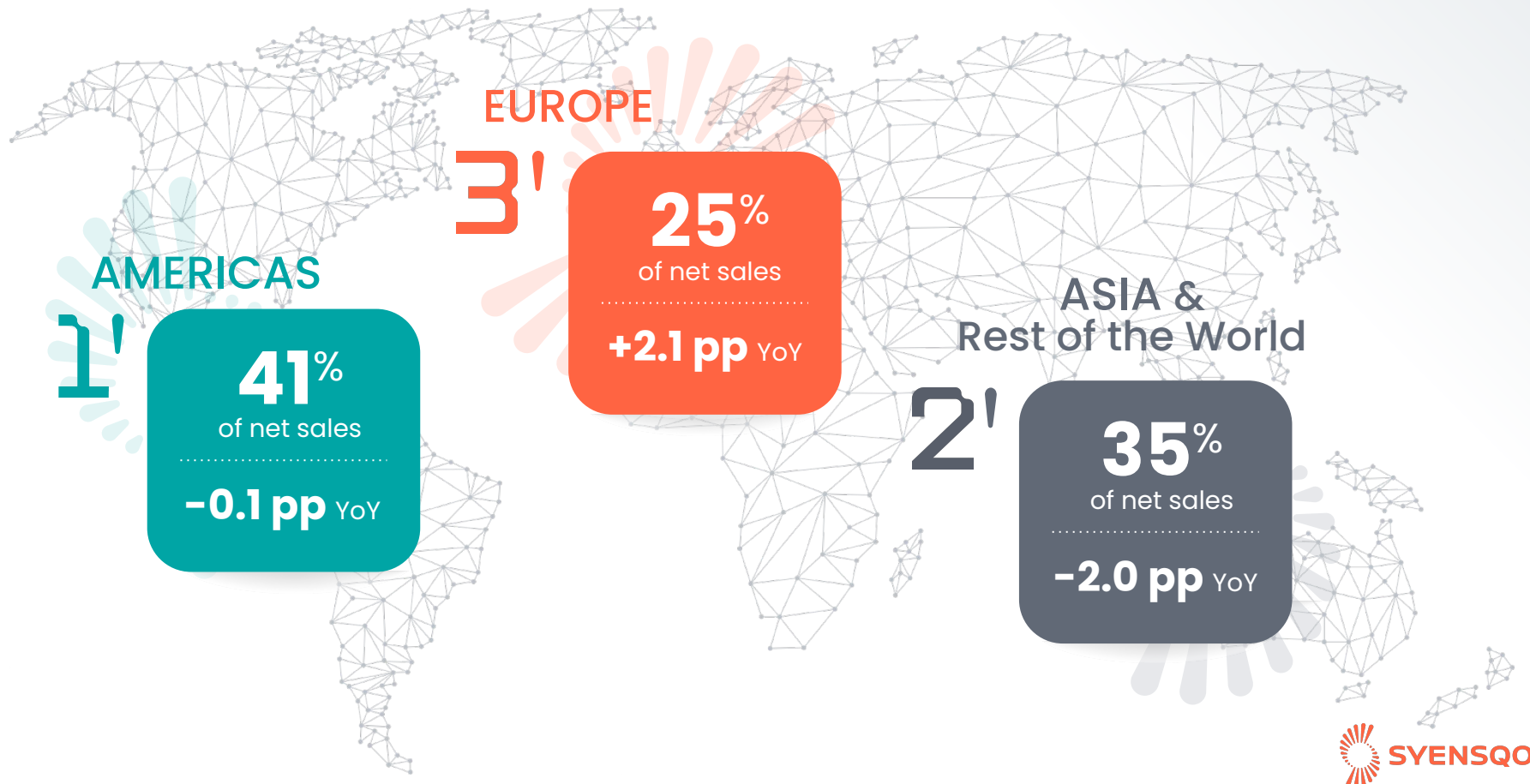
€ million	FY 2022	Payments	Net new provisions	Unwinding of provisions	Voluntary pension contributions	Asset return	Remeasurements	Changes in scope & other	FY 2023	YoY change
Employee benefits	<b>-338</b>	39	-33	-102	86	56	-56	-26	<b>-373</b>	-35
Environment	<b>-270</b>	32	-267	-10	-	-	11	2	<b>-500</b>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

# Major financial debt

€ billion	Syensqo Targeted capital structure End of June 2023		Syensqo End of Dec. 2023
EUR Senior Notes	1.1	Liabilities management	0.5
€500m Dec 27 2.75%	0.5	Consent on Sept 5, 2023 (transfer from Solvay SA to Syensqo at Partial Demerger date)	0.5
€600m Sep 29 0.50%	0.6	Make whole notice sent on September 8, 2023 with redemption on Oct 9, 2023	0.0
USD Senior Notes	0.9	Liabilities management	0.2
\$163m May 25 3.95%	0.2	No change (already with Syensqo) – Specialty HoldCo Belgium to provide a counter-guarantee to Solvay for any payments to be made under the Cytac 2025 Bonds	0.2
\$800m Dec 25 4.45%	0.7	Senior Solvay Finance America – make whole notice sent on October 5, 2023 with redemption on November 15, 2023	0.0
Hybrid bonds	0.5	Liabilities management	0.5
€500m Perp NC Dec 25 2.5%	0.5	Consent on Sept 5, 2023 (transfer from Solvay SA to Syensqo at Partial Demerger date)	0.5
New long term debt >>>			1.3
<b>Major financial debt</b>	<b>2.5</b>		<b>2.5</b>

The three hybrid bonds of the former Solvay outstanding as of June 2023 (€1.3 bn) were repaid by Solvay SA prior to the Partial Demerger of Dec 9, 2023

## 2023 regional performance





# THANK YOU

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