



Second Quarter 2024 Results

August 1, 2024



Dr. ILHAM KADRI
Chief Executive Officer



CHRISTOPHER DAVIS
Chief Financial Officer



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.

Should known or unknown risks or uncertainties materialize, or should our assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, any securities.

Agenda

1

Second Quarter
2024 Review

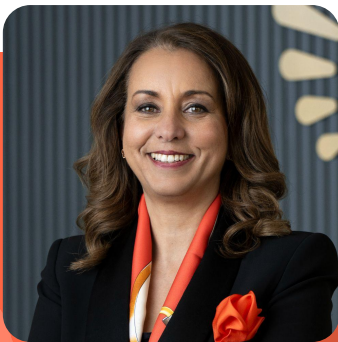
2

Second Quarter
2024 Financial
Review

3

2024
Outlook





SECOND QUARTER 2024 REVIEW

Dr. ILHAM KADRI
Chief Executive Officer



Second Quarter 2024 Highlights

- Continued improvement in **volume momentum**
- **Underlying EBITDA** in-line with expectations
- Strong discipline on pricing and costs
- **88%** cash conversion^[1]
- Successfully completed inaugural **\$1.2 billion debt raise**
- Decision to rephase North American battery materials investment by up to two years, aligned with industry demand

NET SALES

€1.71_{bn}

flat volumes
-5% pricing

GROSS PROFIT

€582_{mn}

34.1% margin

EBITDA

€378_{mn}

22.1% margin

FREE CASH FLOW^[2]

€47_{mn}

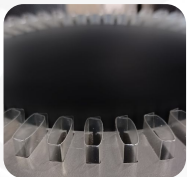
Excluding €167mn
Payment to NJDEP

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

[2] Including the €167 million payment to NJDEP, Free Cash Flow was €-120 million

Executing our growth strategy

Expansion of **Ajedium™** films range for enhanced electric motor efficiency



Appointment of new **Scientific Advisory Board**



Syensqo unveils **Cerafy™**, a range of biomimetic natural ceramides



Syensqo launches circular **Omnix® ECHO solutions** for household and food appliances



Introducing **innovative adhesive** increasing efficiency for **aerospace** manufacturers



Partnership with **AgTech Innovation** in Brazil



Syensqo launches Syensqo.ai and **SyGPT**, its internal ChatGPT



Collaboration agreement with **Orbex** to develop next-generation space launch systems



MAY



JUNE



JULY



MAY



JUNE



JULY



INVESTMENTS

Successful placement of inaugural **\$1.2 bn bond offering**



Syensqo and NIO new material innovation lab



Pioneering home & personal care biosolutions with **Allozymes**



Acquisition of controlling stake in **Azerys**, a natural rosemary extraction business



Second Quarter 2024

Segment Highlights

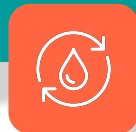


MATERIALS

- Strong YoY growth in Composite Materials; Aero and defense up double digits growth
- YoY decline in Specialty Polymers; strong QoQ growth in semiconductors
- Flat net pricing, driven by Composite Materials
- Decision to rephase North American battery materials investment by up to two years

CONSUMER & RESOURCES

- Improved volume momentum with 10% YoY growth
- Balancing price/volume to maximise value
- Slower recovery in Agro
- 250 bps of YoY underlying EBITDA margin expansion to 17.4%





SECOND QUARTER 2024 FINANCIAL REVIEW

CHRISTOPHER DAVIS
Chief Financial Officer



Summary of Q2 & H1 2024 Financial Results

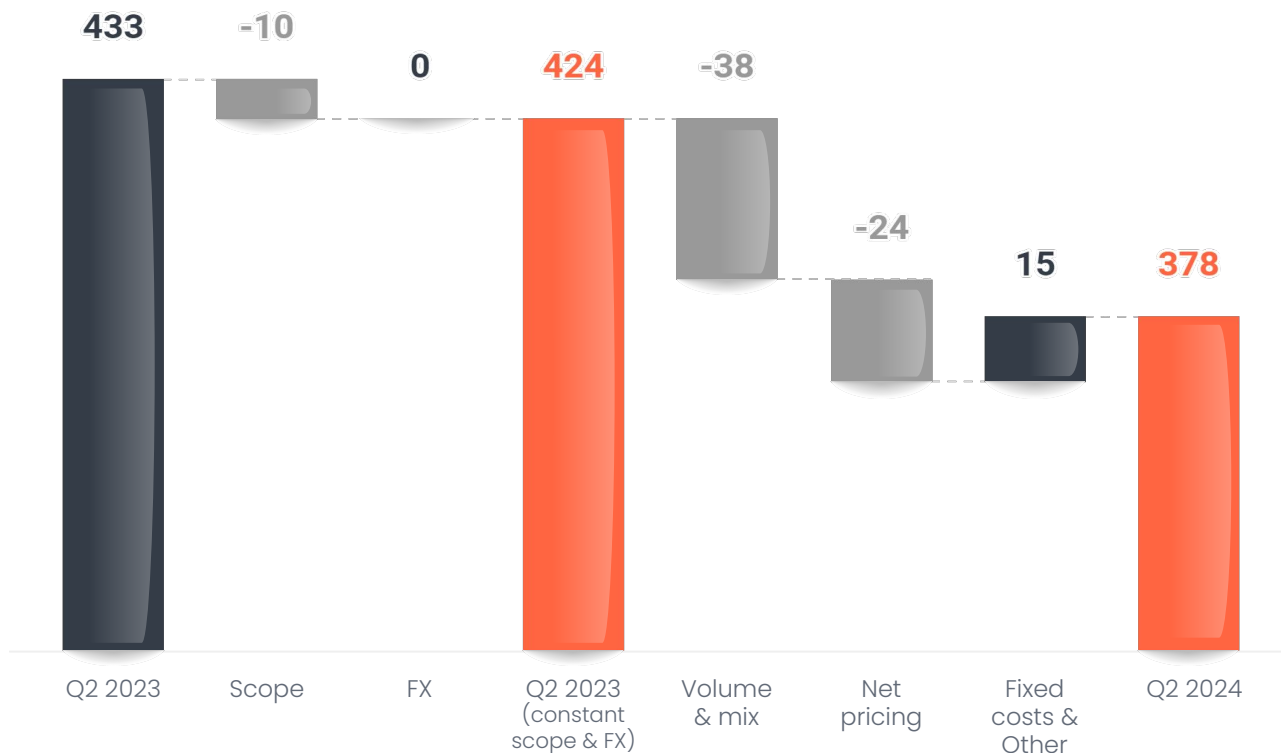
Underlying (€ million)	Q2 2024	Q2 2023	Q1 2024	YoY change	YoY organic	QoQ change
Net sales	1,708	1,815	1,624	-5.9%	-5.1%	5.2%
Gross profit	582	635	583	-8.3%	-	-0.2%
Gross profit margin	34.1%	35.0%	35.9%	-90 bps	-	-180 bps
EBITDA	378	433	363	-12.8%	-10.9%	4.1%
EBITDA margin	22.1%	23.8%	22.3%	-170 bps	-	-20 bps
Operating cash flow	43	245	244	-82.3%	-	n.m.
<i>Op. cash flow excl. €167mn payment to NJDEP</i>	210	245	244	-14.1%	-	n.m.
Free cash flow	-120	13	157	n.m.	-	n.m.
<i>FCF excl. €167mn payment to NJDEP</i>	47	13	157	n.m.	-	n.m.
Cash conversion (LTM)	77%	80%	89%	-310 bps	-	n.m.
<i>Cash conv. (LTM) excl. €167mn payment to NJDEP</i>	88%	80%	89%	800 bps	-	-70 bps
ROCE (LTM)	8.8%	13.1%	9.6%	-430 bps	-	-80 bps

H1 2024	H1 2023	YoY change	YoY organic
3,332	3,628	-8.1%	-6.7%
1,165	1,298	-10.2%	-
35.0%	35.8%	-80 bps	-
740	906	-18.3%	-15.8%
22.2%	25.0%	-280 bps	-
287	657	-56.3%	-
454	657	-30.9%	-
37	267	-86.2%	-
204	267	-23.7%	-
77%	80%	-310 bps	-
88%	80%	800 bps	-
8.8%	13.1%	-430 bps	-

[1] See Glossary for definition, excluding the €167 million payment to NJDEP

Second quarter 2024 underlying EBITDA in-line with outlook

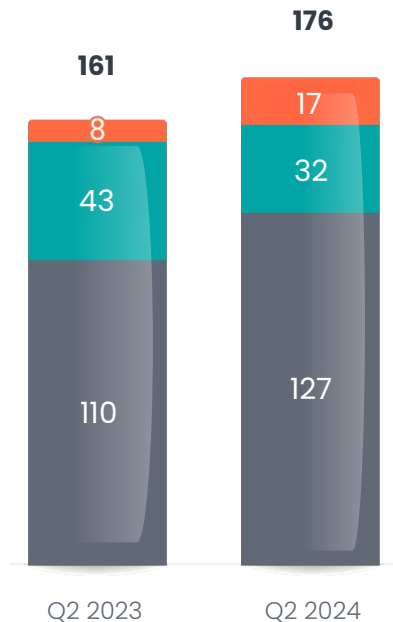
€ million



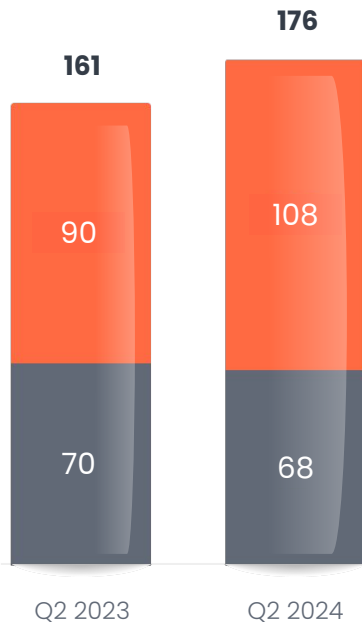
Capital expenditure focused on value creation

€ million

- Corporate
- Consumer & Resources
- Materials



- Growth capex^[1]
- Sustenance capex^[2]



Growth capital to support future value creation

- Battery materials:** PVDF expansion in Tavaux, France
- Growth Platforms:** primarily investments in 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

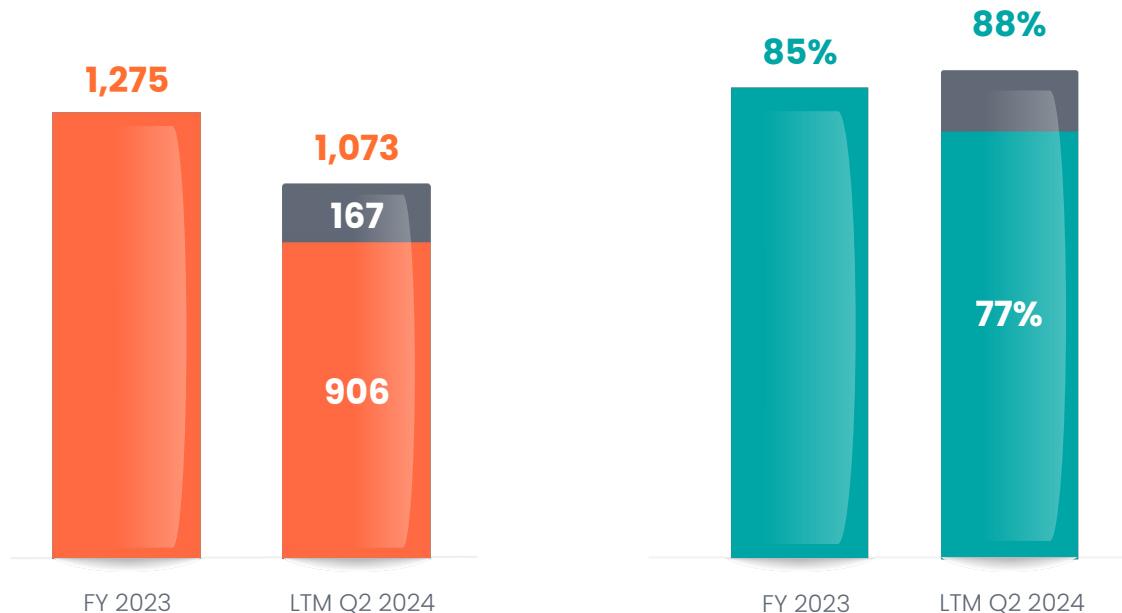
[2] Sustenance capex includes investments in maintenance, leasing, One Planet and digital transformation

Strong cash conversion

€ million

■ Cash flow from operating activities ^[1]

■ Cash conversion ^[1,2]



[1] Accounting for the impact of the €167 million payment to the NJDEP in April 2024

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

Strong financial position



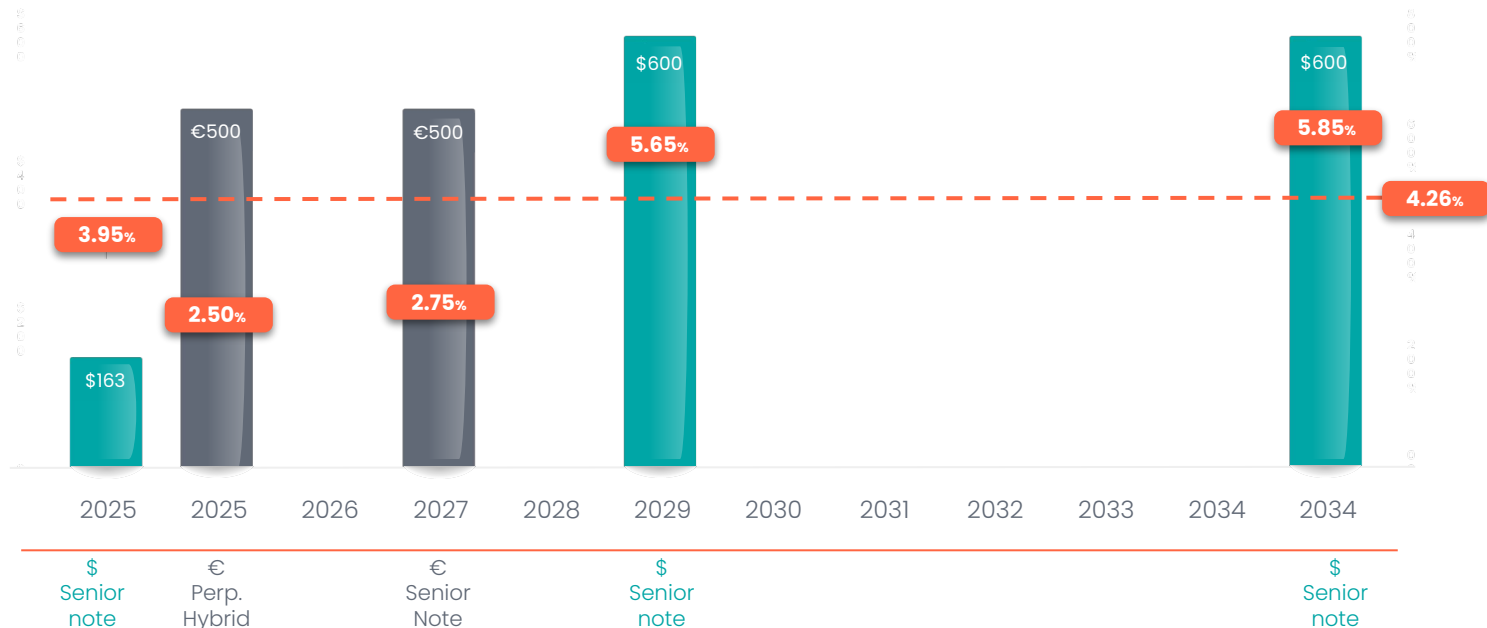
[1] Cash + other current financial instruments

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

[3] Net financial debt: Non-current financial debt + current financial debt – cash & cash equivalents – other financial instruments. Underlying net debt reclassified as debt 100% of the hybrid perpetual bonds, considered as equity under IFRS.

Balanced debt maturity profile

LHS: in € or \$ million
RHS: in %





2024 OUTLOOK

Dr. ILHAM KADRI
Chief Executive Officer



Updated FY 2024 Outlook

EBITDA^[3]

€1.4 – 1.475 bn

Comments

- Not expecting broader recovery in H2 demand to support high end of prior outlook range
- €50-100 million net pricing reduction
- Dissynergies (~€30 million) in 2024 related to separation
- R&I and IT investments, cost saving initiatives

For the second half of 2024, we expect to return to year-on-year volume growth, driven by higher volumes in all business units, particularly in Novecare

FREE CASH FLOW^[2]

€400–450 mn^[1]

Comments

- €205 million generated in H1 2024
- Capex of €600–650 million
- Cash flows from working capital: approximately flat

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

Q&A



SUPPLEMENTARY INFORMATION



Q2 & H1 2024 Key figures

(€ million)	IFRS			Underlying			
	Q2 2024	Q2 2023	% YoY	Q2 2024	Q2 2023	% YoY	YoY organic
Net sales	1,708	1,815	-5.9%	1,708	1,815	-5.9%	-5.1%
EBITDA	336	155	116.8%	378	433	-12.8%	-10.9%
EBITDA margin	19.7%	8.5%	n.m.	22.1%	23.8%	-170 bps	-
EBIT	174	9	n.m.	250	320	-22.0%	-
Net financial charges	-43	-32	35.0%	-43	-33	33.2%	-
Income tax expenses	-104	38	n.m.	-49	-75	-34.8%	-
Profit / (loss) attributable to Syensqo shareholders	29	15	91.3%	159	212	-24.9%	-
Basic EPS (in €)	0.28	0.14	92.5%	1.51	2.00	-24.4%	-

(€ million)	IFRS			Underlying			
	H1 2024	H1 2023	% YoY	H1 2024	H1 2023	% YoY	YoY organic
Net sales	3,332	3,628	-8.1%	3,332	3,628	-8.1%	-6.7%
EBITDA	653	692	-5.7%	740	906	-18.3%	-15.8%
EBITDA margin	19.6%	19.1%	50 bps	22.2%	25.0%	-280 bps	-
EBIT	347	395	-12.3%	501	677	-25.9%	-
Net financial charges	-65	-66	-1.6%	-79	-67	17.0%	-
Income tax expenses	-154	-28	n.m.	-109	-138	-21.2%	-
Profit / (loss) attributable to Syensqo shareholders	129	300	-57.1%	315	470	-33.0%	-
Basic EPS (in €)	1.22	2.83	-56.8%	2.99	4.44	-32.6%	-

Segment performance: **Materials**

Strong YoY growth in Composite Materials, lower volumes and pricing in Specialty Polymers

	Q2 2024 (€m)	Q2 2023 (€m)	Q1 2024 (€m)	YoY change (%)	YoY change (org %)	QoQ change (%)
Net Sales	988	1,094	940	-10%	-9%	5%
Specialty Polymers	679	823	652	-18%	-16%	4%
Composite Materials	309	271	288	14%	13%	7%
EBITDA	303	365	311	-17%	-17%	-3%
EBITDA Margin	30.6%	33.3%	33.1%	-270 bps	-	-250 bps

	H1 2024 (€m)	H1 2023 (€m)	YoY change (%)	YoY change (org %)
Net Sales	1,928	2,117	-9%	-8%
Specialty Polymers	1,331	1,597	-17%	-15%
Composite Materials	597	520	15%	15%
EBITDA	614	727	-16%	-15%
EBITDA Margin	31.8%	34.3%	-250 bps	-

Q2 2024 HIGHLIGHTS

- **Specialty Polymers:** lower year-on-year volumes in Industrial, Distributor and Healthcare, partially offset by volume growth in EV batteries
- **Composite Materials:** strong year-on-year growth in driven by higher demand across civil aerospace and space & defense
- **EBITDA margin** of **30.6%**, decreased by approximately 270 basis points year-on-year, driven by:
 - lower Specialty Polymers EBITDA margin (lower volumes and net pricing), partially offset by
 - higher Composite EBITDA margin (higher volumes and positive net pricing)
- On a sequential basis, **EBITDA margin** decreased by approximately **250 basis points**

Segment performance: Consumer & Resources

Improved volume momentum with 10% YoY growth, strong YoY underlying EBITDA margin expansion

	Q2 2024 (€m)	Q2 2023 (€m)	Q1 2024 (€m)	YoY change (%)	YoY change (org %)	QoQ change (%)
Net Sales	720	720	684	0%	1%	5%
Novecare	350	338	348	3%	4%	1%
Tech Solutions	182	176	153	4%	5%	19%
Aroma Performance	83	89	82	-6%	-6%	2%
Oil & Gas	105	117	101	-11%	-9%	3%
EBITDA	125	107	106	17%	19%	18%
EBITDA Margin	17.4%	14.8%	15.5%	250 bps	-	190 bps

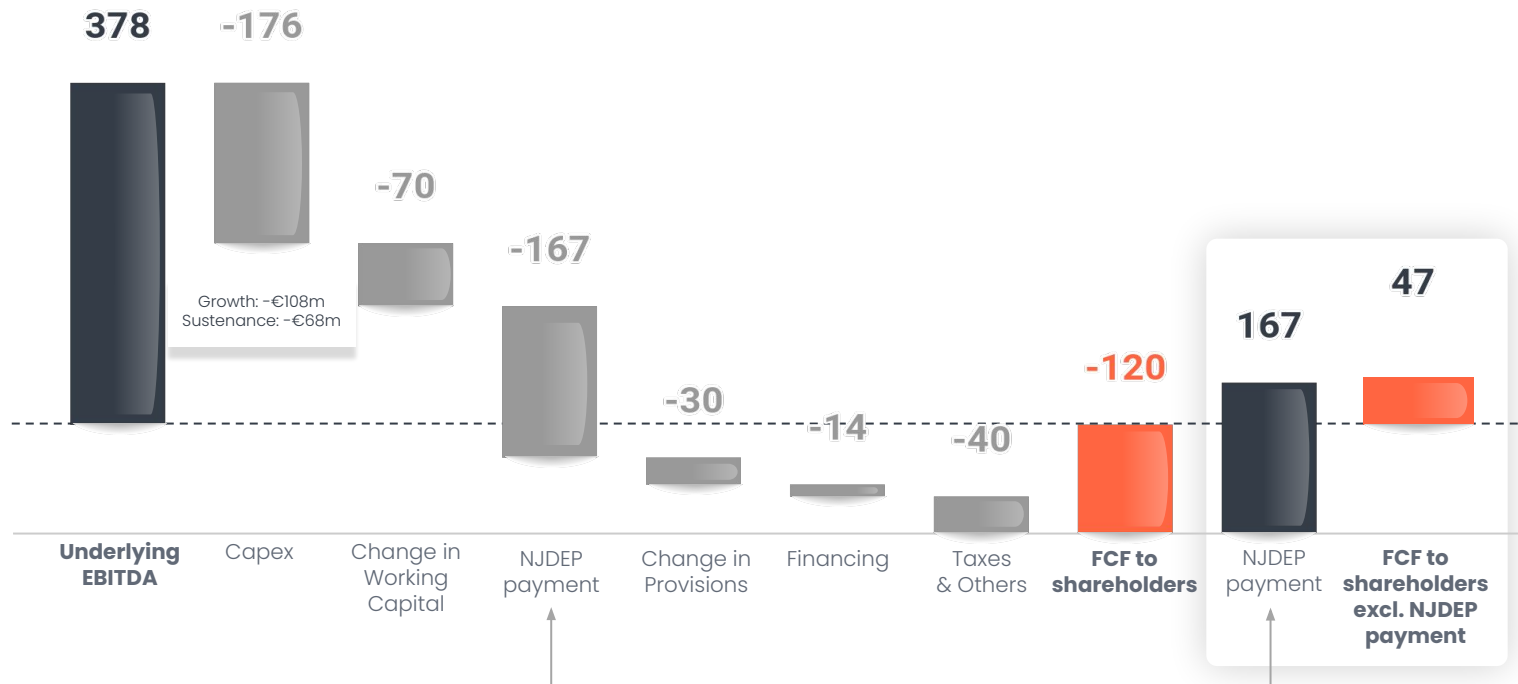
	H1 2024 (€m)	H1 2023 (€m)	YoY change (%)	YoY change (org %)
	1,404	1,508	-7%	-5%
	698	724	-4%	-3%
	336	357	-6%	-5%
	165	188	-12%	-11%
	206	238	-14%	-10%
	231	258	-10%	-8%
	16.5%	17.1%	-60 bps	-

Q2 2024 HIGHLIGHTS

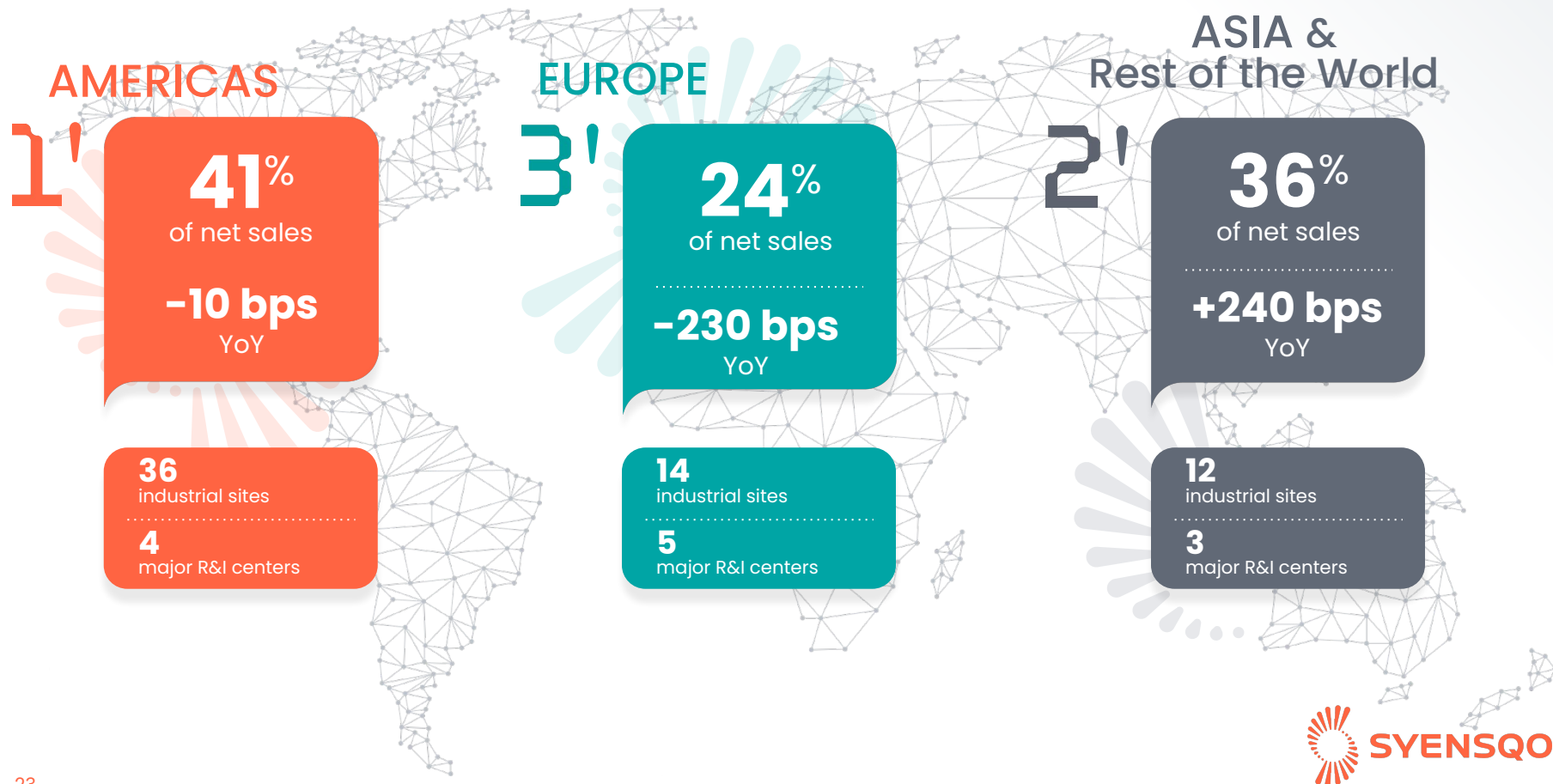
- **Novecare:** higher YoY volumes all markets, offset by lower pricing (Agro)
- **Technology Solutions:** higher YoY volumes from polymer additives and mining solutions, strong sequential growth
- **Aroma Performance:** higher YoY volumes the food, flavor and fragrance markets, offset by lower pricing; net sales increased by 2% QoQ
- **Oil & Gas:** lower drilling activity in US & lower natural gas demand; net sales increased by 3% QoQ
- **EBITDA margin of 17.4%,** increased by 250 basis points year-on-year, driven by:
 - higher margin in Technology Solutions and Aroma Performance
- On a sequential basis, **EBITDA margin** increased by approximately **190 basis points** driven by higher margins in most business units, most notably in Technology Solutions and Aroma Performance

Second quarter 2024 underlying EBITDA to Free Cash Flow bridge

€ million



Second quarter 2024 regional mix & performance



THANK YOU

INVESTOR RELATIONS

Sherief Bakr

sherief.bakr@syensqo.com
+44 7920 575 989

Bisser Alexandrov

bisser.alexandrov@syensqo.com
+33 607 635 280

investor.relations@syensqo.com

IMPORTANT DATES

- Nov 5, 2024: Q3/9M 2024 results
- Feb 25, 2025: FY 2024 results
- May 6, 2025: Annual General Meeting
- May 15, 2025: Q1 2025 results

INVESTOR CONFERENCES

- Sep 4, 2024: UBS Global Materials Conference, NYC (US)
- Sep 5, 2025: Jefferies Industrials Conference, NYC (US)
- Sep 30, JP Morgan CEO Series Call (virtual)



SYENSQO
ADVANCING HUMANITY