



INEOS QUATTRO HOLDINGS LIMITED

July 22, 2024

Q2, 2024 Trading Statement

INEOS Quattro Holdings Limited ('INEOS Quattro' or the 'Group') announces its trading performance for the second quarter of 2024.

Based on unaudited management information, INEOS Quattro reports that EBITDA for the second quarter of 2024 was €244 million, compared to €212 million for Q2, 2023 and €260 million for Q1, 2024.

Market recovery continued during the second quarter of 2024. Improved demand in the US and European markets drove sales volumes up whilst margins remained subdued at a similar level to the prior quarter. In response to the challenging market conditions the Group has implemented a number of measures to conserve cash during this period, including policies to control all discretionary fixed costs across the businesses and a review of all capital projects to defer or reduce discretionary expenditure and scheduled turnarounds where it is safe to do so.

Styrolution reported EBITDA of €103 million compared to €32 million in Q2, 2023. Polymer market demand improved in the second quarter of 2024 in all regions and across most focus industries compared to 2023. Demand for durable polymer products was robust because of improved market conditions. Arbitrage from Asia into the Americas and EMEA was impacted by higher freight costs, leading to improved polymer margins in the Americas and EMEA. Market conditions in Asia remained at bottom of cycle. Strong margins in Styrene benefitted from various outages in the North American market.

INOVYN reported EBITDA of €100 million compared to €164 million in Q2, 2023. The decrease in EBITDA was mainly the result of general purpose and specialty PVC margin reductions and lower caustic soda pricing, partially offset by lower energy costs and higher overall sales volumes. Demand for general purpose PVC in Europe in 2024 improved compared to prior year levels but the market remains fundamentally weak. This, combined with higher producer operating rates, resulted in significant reductions in domestic spreads over ethylene compared to 2023. Margins achieved for general purpose PVC in export markets remained low and at similar levels to the prior year. Specialty PVC markets were also subdued with margins achieved lower than Q2, 2023, although they remained above general purpose PVC levels. The Q2, 2024 caustic soda European contract price settled at a similar level to the previous quarter but was 17% lower than Q2, 2023, due to weak demand and ample supply. European electricity and gas markets traded at lower levels than Q2, 2023, although prices were still high compared with 2021 and prior years.

Acetyls reported EBITDA of €35 million compared to €23 million in Q2, 2023. A stronger sales quarter in Q2, 2024 compared to Q2, 2023, with volume and margin improvement in Europe and the US, which underpinned the EBITDA uplift. Asian operating rates remained strong, but a well-supplied Chinese market weighed heavily on domestic margins which remained subdued.

Aromatics reported EBITDA of €6 million compared to €(7) million in Q2, 2023. Sales volumes in Q2, 2024 were equal to those of Q1, 2024 and reflected an increase of 21% compared to the same period last year with strong PTA volume growth in all regions. Increased cost competitiveness coupled with a gradual improvement in demand drove sales higher in the West. A strong local Asian market maintained high plant utilization rates across Zhuhai and Merak. Global margins remained under pressure with the commissioning of new capacity in Q2, 2024. Global revenues for the quarter were higher compared to same period last year driven by higher sales volumes. A decrease in raw material prices across the quarter resulted in non-cash inventory holding losses of €10 million, broadly in line with the same quarter last year.

Net debt was approximately €5,699 million as at June 30, 2024. Cash balances at the end of the quarter were €1,838 million. There was availability under undrawn securitization facilities of €631 million. Net debt leverage was approximately 7.0 times EBITDA at the end of June 2024. INEOS Quattro is continuing to evaluate different financing alternatives and monitor market conditions in accordance with our financial strategy, including with respect to potential refinancings or extensions of its upcoming debt maturities in the global leveraged loan and high yield bond markets.