

Synthomer Refinancing

A fast-paced refinancing involving the first drop-down transaction by a UK listed company

Transaction overview

- In April 2026, Synthomer plc refinanced its €300 million multicurrency revolving credit facility maturing July 2027 (the “**RCF**”) and €287.5 million and US\$230 million multicurrency term loan facilities maturing in October 2027 (the “**UKEF Facility**”).
- The refinancing was implemented through a wholly owned subsidiary of Synthomer, through which new RCF and UKEF facilities of equivalent size to the existing facilities were made available.
- The refinanced debt matures in February 2029 and contains revised leverage and minimum liquidity covenants with sufficient headroom in all scenarios modelled by management over the term of the new agreements.
- We worked as part of an integrated team with Anant Prakash (General Counsel & Company Secretary), Rory Cameron-Mowat, Simon Lalande and Kiyen Djalai of Rothschild & Co, and Jennifer Engelhardt and Shawn Anderson of Latham & Watkins LLP.

The refinancing provides Synthomer with a stable financial position to support delivery of its strategy including divestments and earnings recovery.

Key deal features

Drop-down transaction

- Synthomer’s €350 million, New York law governed senior unsecured notes (the “**Notes**”) remain in place following the refinancing, and the terms of the Notes indenture and maturity of the Notes were not amended.
- In connection with the refinancing, certain of Synthomer’s subsidiaries (which hold the group’s operations in the United States) were designated “unrestricted subsidiaries” under the Notes indenture and, to the extent applicable, were released as Notes guarantors. These subsidiaries granted guarantees and security in support of the refinancing.

Fees partially paid in shares

- It was agreed that lenders under the new UKEF facility should have the right, subject to certain conditions, to elect to receive certain fees payable in connection with the refinancing in the form of ordinary shares in the capital of Synthomer (rather than in cash) at a price per share equal to 37.5 pence per share, allowing such lenders to benefit from the rebound in the Synthomer share price following the refinancing.

Tight timeline driven by accounts deadline

- Having previously delayed publication of its FY25 accounts, Synthomer needed to publish its accounts by 30 April 2026 or risk suspension of its shares in accordance with the UK Listing Rules and Disclosure Guidance and Transparency Rules in addition to adverse market reaction.
- The refinancing was therefore implemented on a highly accelerated timeframe, alongside parallel workstreams to navigate the contingency of the group being unable to refinance the RCF and UKEF Facility ahead of this deadline.

Role played by UK Export Finance

- The UKEF Facility was partially guaranteed by UK Export Finance, who could thereby exercise certain contractual controls over voting rights under the facility. The government was therefore another key stakeholder with whom Synthomer constructively engaged alongside the lenders themselves to enact the refinancing.

Deal team



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