2018 full year results

5.3% organic growth sustained strong margins

Press release
Inside/regulated information

February 27, 2019
at 7 a.m.

FY PROFIT

Underlying EBITDA
€2,230 million +0%
+5.3% organically [1]

- Full year sales and underlying EBITDA grew organically by +5.7% and +5.3% respectively, driven by higher volumes in each operating segment and sustained net pricing. Including adverse forex and scope effects, total underlying EBITDA was stable.
- EBITDA margin sustained at 22%.

Advanced Materials
€1,197 million -0.4%
+3.1% organically [1]

- Full year EBITDA grew +3.1% organically, driven by volume growth in automotive, aerospace, and healthcare markets.
- Growth was partially offset by anticipated volume decreases in smart devices, diesel automotive catalysts and insulation markets.

Advanced Formulations
€521 million -0.4%
+8.1% organically [1]

- Full year EBITDA grew +8.1% organically, led by strong volume growth in the shale oil & gas stimulation market through the first six months, followed by a significant decline in fourth quarter.
- Pricing power and increased volumes across markets supported growth in the year.

Performance Chemicals
€729 million -2.7%
+1.6% organically [1]

- Full year organic EBITDA grew +1.6% as a result of strong performance in peroxides and favorable market conditions in Brazil, supporting volumes and pricing.
- Solid demand and improving soda ash prices limited margin erosion.

Underlying EPS [2]
from continuing operations
€8.48 +12%

- The -17% reduction in net financial charges reflected deleveraging and continued optimization of Solvay's capital structure.
- Underlying tax rate was -1.4 percentage points lower at 26% for the year.
- Total underlying EPS [2] of €10.57 increased +16% versus 2017 primarily driven by the reduction in financial charges.

Q4 PROFIT

Underlying EBITDA
€506 million +2.5%
+3.6% organically [1]

- Fourth quarter sales grew organically by +4.3% driven mainly by pricing. Volume growth in aerospace composites as well as in peroxides was partly offset by the anticipated drop in smart devices as well as the significant decline in the shale oil and gas market. Automotive sales remained supportive but signs of weakening were observed toward the end of the year.
- Fourth quarter underlying EBITDA grew +3.6% organically, with higher prices not fully offsetting an increase in variable costs.

FY CASH

Free cash flow
from continuing operations
€830 million
vs €782 million in 2017

- Strong cash generation in the fourth quarter, leading to total year free cash flow from continued operations of €830 million, up +6.1% vs 2017.
- Free cash flow to Solvay shareholders of €725 million was +56% higher, supported both by the strong cash flow from discontinued operations and by the reduction in financial charges, leading to an operational deleveraging of €353 million of net debt, after dividend payments.

FY RETURN

CFROI 6.9% +0.0pp

- CFROI was stable at 6.9%, well in the value creation zone, above WACC of 6.5%.

Dividend recommended
€3.75 +4.2%

- Total dividend recommended of €3.75 gross per share. This leads to final gross dividend of €2.31 payable on May 23, 2019, following the payment of the interim gross dividend of €1.44 in January.

CEO Jean-Pierre Clamadieu: "In 2018 Solvay once again delivered organic EBITDA growth exceeding 5%, thanks to growth in applications for sustainable mobility and resource efficiency. This performance and the Group's transformation have led us to outperform on all of our financial and extra-financial mid-term targets set in 2016. Underlying EPS grew annually by +13% on average in the same period and free cash flow to shareholders rose from €148 to €725 million.

My mandate as CEO of Solvay will end on March 1 and I am pleased to pass on the baton to Dr. Ilham Kadri, who will begin a new chapter in this company's extraordinary history, building on the great potential of its teams and portfolio, and taking Solvay to the next level."

The full financial report is found on: https://www.solvay.com/en/investors/financial-reporting.
An analyst call will be held at 09:30, please see: https://www.solvay.com/en/event/solvay-full-year-2018-earnings.

Outperforming mid-term objectives

2016 - 2018 mid-term objectives

			Achieved	2018	2017	2016
Underlying EBITDA [3]	Grow mid-to-high single-digit average yoy	✓	+7.5%	+5.3%	+9.7%	+7.5%
Free cash flow (total) [4]	Exceed €2.4 billion cumulatively over 3 years	✓	2.7	1.0	0.9	0.9
CFROI	Increase by 0.5pp - 1.0pp over 3 years	✓	+0.8pp	-	+0.6pp	+0.3pp
Greenhouse gas intensity	Reduce by -20% over 3 years	✓	-24%	-0.2%	-5.8%	-19%
Sustainable solutions (SPM)	Increase to 40% of net sales by 2018	✓	50%	50%	49%	43%
Occupational accidents at Group sites [5]	Reduce by -10% over 3 years	✓	-30%	-17%	-16%	-
Employee engagement	Maintain at 75% by 2018	✓	76%	76%	75%	77%
Employees involved in societal actions	Increase to more than 25% by 2018	✓	33%	33%	33%	23%

Underlying EBITDA

Underlying EBITDA averaged +7.5% organic growth in the last three years, meeting our 2016 to 2018 mid-term targets. Adverse forex conversion effects of -2.0% and scope effects of -0.4% amounted to a reported underlying EBITDA growth of +5.0%. The earnings performance was mainly driven by volume growth across the three segments of the upgraded portfolio.

Free cash flow

Solvay exceeded the mid-term free cash flow objective achieving €2.7 billion cumulatively, despite significant divestments relative to the scope on which the target was based, which generated €0.9 billion of proceeds. Free cash flow to Solvay shareholders was €1.7 billion, more than covering the pay-out of dividends of €1.1 billion. The remainder allowed to further deleverage net debt by €0.6 billion operationally.

CFROI

CFROI improved from 6.1% to 6.9% across the three year period and now exceeds the cost of capital, which firmly positions the group in value-creation.

Sustainable solutions

Half of Solvay's portfolio is now solidly positioned as "Sustainable solutions", which combine the positive effects of their use in Solvay's end-markets with an improved manufacturing footprint. There is substantial evidence that over time, the "Sustainable solutions" part of the portfolio is growing faster than other parts, which translates to more value creation.

Greenhouse gas intensity

The -24% reduction in greenhouse gas intensity surpasses the initial objective, and Solvay remains vigilant and committed to improve over time with ambitious goals set for the future. Meanwhile Solvay has set out an ambitious goal to reduce absolute emissions by 1 million tons by 2025.

Occupational accidents

Solvay's goal and desire is for continued focus in this important area. While 30% progress in occupational safety exceeds objectives, we remain vigilant and will always aim higher.

Employee engagement

The 2018 survey confirms employee commitment to Solvay, with a stable engagement rate at 76%. The record participation level of 87% shows the relevance of this tool.

2019 outlook [6]

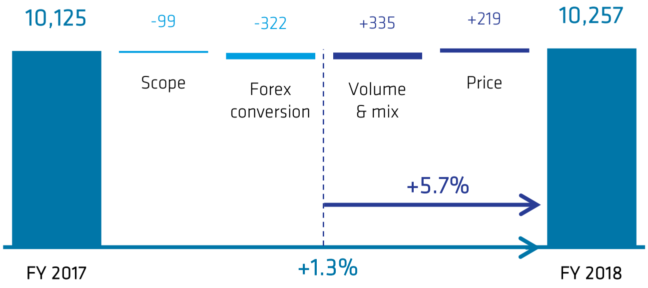
In line with fourth quarter trends, Solvay anticipates supportive market conditions to continue in most key markets, though growth is likely to be moderated by conditions in automotive, electronics and oil & gas. In this context we remain focused on further developing our growth platforms.

Solvay thereby currently expects 2019 EBITDA to grow modestly and to be back-ended, with organic growth in the first quarter broadly flat, relative to the strong 2018 performance. Meanwhile, we will continue to focus on cost discipline and on deleveraging the balance sheet with continued solid operational free cash flow delivery.

[1] Excluding forex conversion and scope effects.
[2] Earnings per share, basis calculation.
[3] Mid-term 2016-2018 objectives for underlying EBITDA growth were given at constant scope and forex. Based on that calculation, the 2016 growth was +9.9%. As the scope and forex were already largely known at the time the objectives were set in the third quarter of 2016, the reported growth of +7.5% is taken for the calculation.
[4] The total free cash flow objective was given at constant scope. Meanwhile the Acetow and Vinythai have been divested. Nevertheless the objective is exceeded.
[5] The business scope for occupational accidents includes all sites under Solvay's operational control for which the Group manages and monitors safety performance.
[6] A more detailed outlook can be found on page 12 of the financial report. The 2019 EBITDA growth compares to the pro forma 2018 EBITDA of €2,330 million for the full year and €558 million for the first quarter, following the implementation of IFRS16, and excludes forex conversion and scope effects. The full pro forma P&L and key figures can be found on page 34 of the financial report.

Net sales

(in € million)



Net sales were up +1.3% for the full year. Organic sales growth of +5.7% was driven by both volumes and prices, which more than offset forex conversion and scope effects.

The reduction in **scope** [1] had a -1.0% effect and comprised the divestments of the polyolefin cross-linkable compounds in Advanced Materials and formulated resins businesses, as well as part of the phosphorous business in Advanced Formulations.

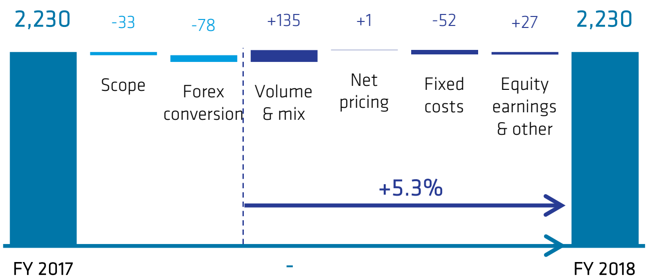
Forex conversion had an adverse effect of -3.2%, mainly related to the depreciation of the U.S. dollar in the first half of the year, as well as that of the Brazilian real.

Volumes were up +3.3% overall. In Advanced Materials strong growth for Solvay's polymers and composites technologies in aeronautics, automotive and healthcare, was tempered by lower demand in smart devices and fluorinated gases used in insulation. Volumes in Advanced Formulations were up across business units, although growth in the shale oil & gas stimulation market in North America declined significantly in the fourth quarter. In Performance Chemicals, higher demand for peroxides and recovery in Coatis' domestic Latin American market supported volume growth, more than compensating for slightly lower soda ash volumes at the start of the year.

Prices rose +2.2% overall, partially reflecting higher raw material costs. In Advanced Formulations, pricing strength was recovered in the first nine months but turned negative in the fourth quarter following the oil and gas decline. In Performance Chemicals increases in peroxides and the Coatis business, offset the anticipated decrease in soda ash.

Underlying EBITDA

(in € million)



Underlying EBITDA was flat year on year, but grew organically by +5.3% excluding forex conversion and scope effects. Volume and mix drove the strong volume growth for the year. Growth was stronger in the first half versus the second half due to the slowdown in certain markets, including electronics and oil and gas. The underlying EBITDA margin remained solid at 22%.

Volume growth had a +6.1% positive impact on EBITDA.

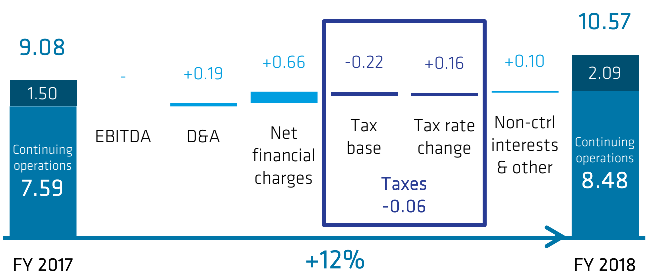
Net pricing was essentially flat, demonstrating Solvay's pricing capabilities amid higher raw materials and energy prices, and an adverse transactional forex effect.

Fixed cost increases had a -2.3% effect. These reflected investments to better support continued volume growth. Operational excellence and synergies partly offset inflation.

Other elements included a higher contribution from the PVC and peroxide joint ventures, amounting to half of the benefit, and a net positive effect of one-time events compared to 2017. .

Earnings per share

(in €)



Underlying earnings per share [2] grew +16% to €10.57, including a €2.09 contribution from discontinued operations. On a continuing basis, underlying earnings per share grew +12% to €8.48, thanks to lower financial charges and the lower tax rate.

Underlying EBIT was slightly up due to lower depreciation charges.

Underlying net financial charges [3] were 17% lower, reflecting the impacts of ongoing deleveraging and optimization of the debt structure.

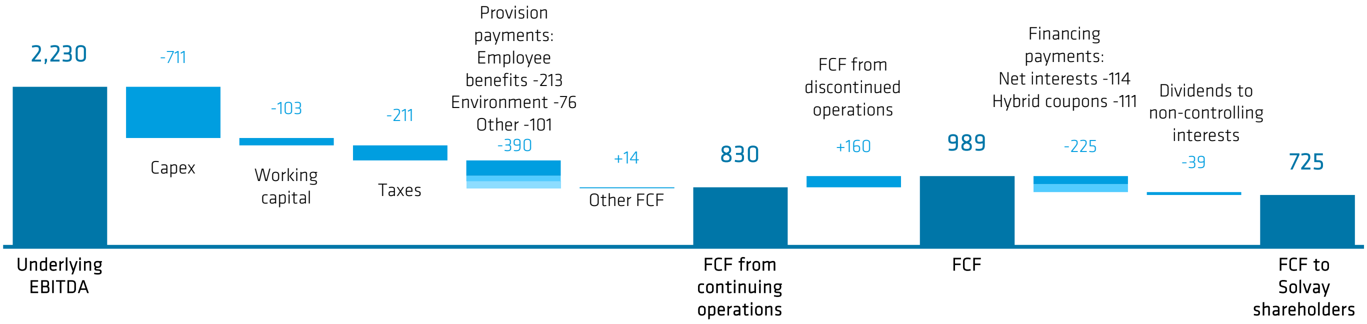
The 1.4 percentage point reduction of the **underlying tax rate** limited tax impact of the higher tax base.

The underlying contribution from **discontinued operations** was €216 million, up 36% thanks to the strong performance of the polyamide activities that are planned to be sold. This more than compensated for the absence of contributions from Acetow, which was sold at the end of May 2017.

[1] Scope effects include acquisitions and divestments of smaller businesses not leading to the restatement of previous periods.
[2] Earnings per share, basis calculation.
[3] Underlying net financial charges include the coupons on perpetual hybrid bonds (accounted as dividends under IFRS, and thereby excluded from the P&L), as well as the financial charges and realized foreign exchange losses from the RusVinyl joint venture (part of earnings from associates under IFRS, and thereby included in the IFRS EBITDA).

Free cash flow (FCF)

(in € million)

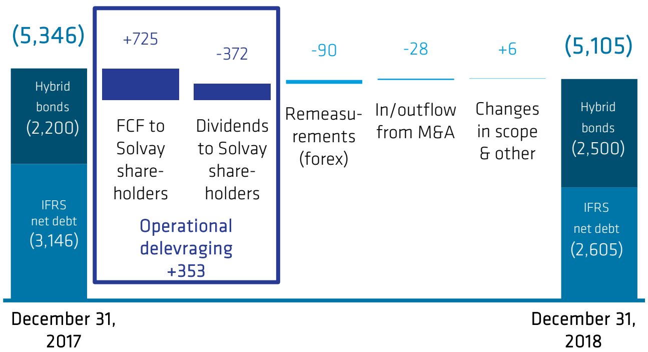


Free cash flow from continuing operations reached €830 million versus €782 million in 2017. The increase is largely attributable to working capital phasing, with working capital needs €58 million lower than in 2017. Net working capital over sales rose slightly to 13.7% versus 13.0% at the end of 2017. Total free cash flow was €989 million and included a strong contribution from discontinued operations.

Free cash flow to Solvay shareholders was €725 million, of which €566 million from continuing operations. The increase of +56% follows lower financing payments as a result of continued deleveraging.

Net financial debt

(in € million)

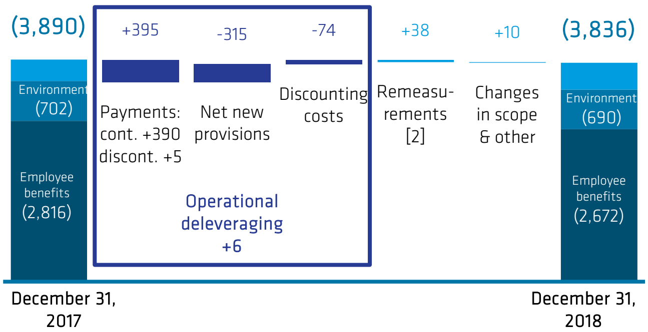


Underlying net financial debt [1] reduced to €(5.1) billion, from €(5.3) billion at the start of the year, thanks to the strong operational deleveraging, bringing the underlying leverage ratio down from 2.2x to 2.0x. The dividend payments to Solvay shareholders of €(372) million were more than covered by free cash flow delivery. Remeasurements were €(90) million, attributable to the appreciation of the U.S. dollar by 4.7% over the year affecting the conversion of U.S. dollar-denominated debt. M&A activities had a net €(28) million impact.

Underlying gross financial debt was €(6.3) billion, including €(2.5) billion perpetual hybrid bonds. In June 2018 Solvay repaid €382 million on a euro-denominated bond that came to maturity. In November 2018 Solvay successfully placed a perpetual hybrid bond for €(300) million, to be used for general corporate purposes, including the possibility to refinance the existing €(700) million hybrid bond with a first call date in May 2019.

Provisions

(in € million)



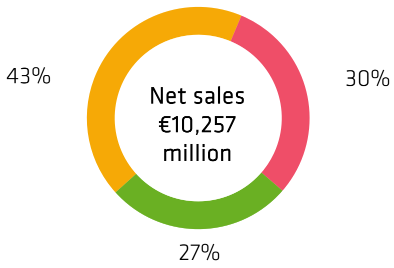
Provisions came down from €(3.9) billion to €(3.8) billion.

The **operational deleveraging** was €6 million. The net impact on employee benefits, mostly pensions was €113 million, thereby reducing pension liabilities by 5%. Provisions for environmental liabilities were also reduced. Other provisions were up, mainly due to the provision of €(177) million for the announced simplification plan.

Discounting costs were down from last year both for employee benefits and environmental related provisions. Net remeasurements mainly resulted from changes in demographic assumptions.

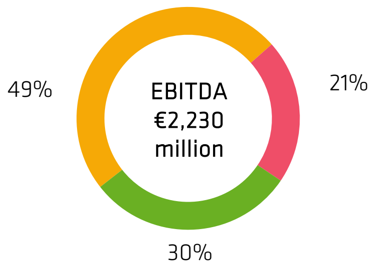
[1] Underlying net financial debt includes the perpetual hybrid bonds, accounted for as equity under IFRS.
[2] Impact of inflation, mortality, forex & discount rate changes

Segment review of the year 2018



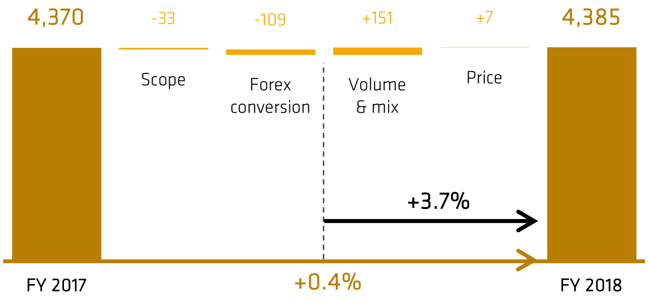
Advanced Materials
Advanced Formulations
Performance Chemicals

Corporate & Business Services
net sales was not material,
and EBITDA is negative, thus is not depicted.



Advanced Materials

Net sales *(in € million)*



(in € million)	FY 2018	FY 2017	% yoy
Net sales	4,385	4,370	*+0.4%*
EBITDA	1,197	1,202	*-0.4%*
EBITDA margin	*27.3%*	*27.5%*	*-0.2pp*

ⓘ Advanced Materials is a leader in markets with high barriers to entry and strong returns on investment. It offers high-performance materials for multiple applications, primarily in the automotive, aerospace, electronics, and health markets. In particular, it provides sustainable mobility solutions, reducing weight and CO_2 emissions and improving energy efficiency.

Net sales were up +0.4% for the year due to higher volumes and mix. Organically sales rose +3.7%, excluding forex conversion and scope, driven by growth in Composite Materials, Specialty Polymers and Silica.

Specialty Polymers delivered solid volume growth in the first half of the year. Demand from healthcare and from the automotive market, where Solvay sales significantly outpaced global car production growth, was solid throughout the year but signs of weakening were observed at the end of the year. The trend toward fuel-efficiency and electrification supported superior growth across all vehicle platforms. Second half sales were flat, however, as the anticipated lower demand for smart devices offset growth in other end-markets.

Composite Materials volumes grew at a high single-digit rate throughout the full year period. Demand for new single-aisle aircrafts utilizing the LEAP engine technology, as well as for the 787 program, drove growth in commercial aircrafts. In military, the ramp-up of the F-35 Joint Strike Fighter was also a significant contributor of the volume growth.

Volumes were essentially flat in Special Chem, as robust demand from electronics was offset by the tougher than foreseen phase-out of fluorinated insulation blowing agents. In addition, the shift from diesel to gasoline in automotive catalysts continued to pressure the business.

Silica sales into the fuel-efficient tire market grew in the year and prices were supportive, compensating for higher energy costs.

Underlying EBITDA was down -0.4%, but up +3.1% organically, excluding scope effects and forex conversion. Volume growth and higher prices compensated for the transactional forex effects and the increase in raw materials costs, mainly due to the surge of fluorspar prices in Special Chem. Fixed costs rose in Composite Materials reflecting a ramp up in manufacturing to support continued volume growth. The underlying EBITDA margin remained strong for the year at 27%.

Corporate & Business Services

(in € million)	FY 2018	FY 2017	% yoy
Net sales	7	23	*-69%*
EBITDA	(218)	(244)	*+11%*

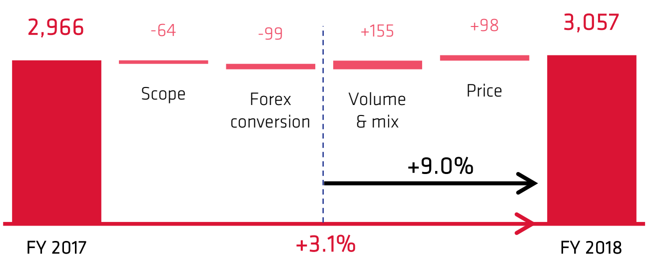
ⓘ Corporate & Business Services includes corporate and other business services, such as Group research & innovation or energy services, whose mission is to optimize energy consumption and reduce CO_2 emissions.

Underlying EBITDA costs at €(218) million were lower than in 2017. Productivity programs and low insurance claims covered by the insurance captive of the company, helped to lower fixed costs, which more than offset inflation. The contribution from Energy Services was overall flat versus the prior year.

Segment review of the year 2018

Advanced Formulations

Net sales *(in € million)*



(in € million)	FY 2018	FY 2017	% yoy
Net sales	3,057	2,966	*+3.1%*
EBITDA	521	524	*-0.4%*
EBITDA margin	*17.1%*	*17.7%*	*-0.6pp*

Advanced Formulations serves the resources and environment, agro and food, and consumer goods markets. It offers customized specialty formulations that influence surface chemistry and alter liquid behavior to optimize efficiency and yield, while minimizing environmental impact.

Net sales were up +3.1% year on year driven by strong volumes and increased prices. Sales grew organically by +9.0% in 2018, excluding the impact from forex conversion and scope reduction.

In **Novecare,** both volumes and prices grew across multiple end-markets. The strong growth of oil and gas in the first half year of the year reduced significantly in the fourth quarter as activity levels in the shale oil & gas stimulation market in North America declined rapidly, weighing on both volumes and margins. Other end-markets including coatings, agro, and home & personal care, showed robust growth throughout the year.

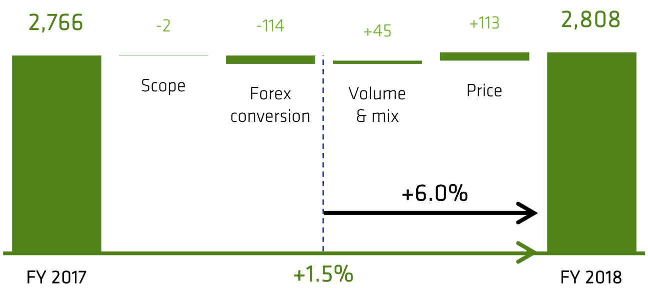
Technology Solutions delivered solid volume growth in the year, with new mine wins and strong demand in phosphorus specialties and polymer additives driving volume growth.

In **Aroma Performance**, volumes and prices were up significantly throughout the period, both in polymerization inhibitors and in vanillin ingredients, which benefited from the launch of new natural vanillin products.

Underlying EBITDA declined by -0.4%, but grew +8.1% organically, excluding scope effects and forex conversion, as a result of the volume and price increases across businesses. These increases more than compensated for higher raw material costs and slightly higher fixed costs. As a reminder, 2017 benefited from a one-time €17 million indemnity received for the loss of some assets in China. As a result, the underlying EBITDA margin was slightly reduced by -0.6 percentage point to 17% for the year.

Performance Chemicals

Net sales *(in € million)*



(in € million)	FY 2018	FY 2017	% yoy
Net sales	2,808	2,766	*+1.5%*
EBITDA	729	749	*-2.7%*
EBITDA margin	*26.0%*	*27.1%*	*-1.1pp*

Performance Chemicals operates in mature and resilient markets and has leading positions in chemical intermediates. Success is based on economies of scale and state-of-the-art production technology. It mainly serves the consumer goods and food markets.

Net sales in the segment were +1.5% higher driven by price and volume increases, which more than offset forex conversion. Organically sales grew by +6.0% in the year, with the second half stronger than the first half.

Demand remained solid in **Soda Ash & Derivatives** throughout the year. Soda ash volumes ended slightly down, mainly due to logistic issues at the start of the year. Average soda ash prices were slightly lower year on year as expected, but improved in the second half. Bicarbonate volumes grew, mainly for flue gas treatment in the U.S.

Peroxides delivered strong volume growth globally, complemented by higher prices in Asia. The contribution from the HPPO plants supported the growth.

Record results for the **Coatis** business, with double-digit sales growth driven by higher volumes and prices. Both domestic demand in Latin America and exports improved, benefiting from Brazilian real depreciation.

Functional Polymers volumes were stable overall.

Underlying EBITDA dropped -2.7% due to forex conversion. Organically it rose +1.6% thanks to volume growth in Peroxides and Coatis and a higher contribution of the PVC joint venture in Russia and the peroxide joint venture in Latin America. Net pricing was stable, as the anticipated margin squeeze in soda ash was offset by the pricing power in Peroxides and Coatis. Overall, the performance of the segment was better than anticipated, resulting in overall EBITDA margin narrowing -1.1 percentage point to 26% for the year.

Financial review of the year 2018

FY key figures	IFRS			Underlying		
(in € million)	FY 2018	FY 2017	*% yoy*	FY 2018	FY 2017	*% yoy*
Net sales	10,257	10,125	*+1.3%*	10,257	10,125	*+1.3%*
EBITDA	1,930	2,029	*-4.9%*	2,230	2,230	-
EBITDA margin				*21.7%*	*22.0%*	*-0.3pp*
EBIT	986	976	*+1.1%*	1,546	1,527	*+1.3%*
Net financial charges	(194)	(298)	*+35%*	(326)	(394)	*+17%*
Income tax expenses	(95)	197	*n.m.*	(305)	(299)	*-2.0%*
Tax rate				*26.1%*	*27.5%*	*-1.4pp*
Profit from discontinued operations	201	241	*-17%*	216	159	*+36%*
(Profit) loss attributable to non-controlling interests	(39)	(56)	*-29%*	(40)	(54)	*-26%*
Profit attributable to Solvay shareholders	858	1,061	*-19%*	1,092	939	*+16%*
Basic earnings per share (in €)	8.31	10.27	*-19%*	10.57	9.08	*+16%*
of which from continuing operations	6.37	7.97	*-20%*	8.48	7.59	*+12%*
Dividend [1]	3.75	3.60	*+4.2%*	3.75	3.60	*+4.2%*
Capex				(833)	(822)	*-1.4%*
of which from continuing operations				(711)	(716)	*+0.8%*
Free cash flow				989	871	*+14%*
of which from continuing operations				830	782	*+6.1%*
Free cash flow to Solvay shareholders				725	466	*+56%*
of which from continuing operations				566	377	*+50%*
Net financial debt [2]	(2,605)	(3,146)	*+17%*	(5,105)	(5,346)	*+4.5%*
CFROI				*6.9%*	*6.9%*	-
Research & innovation				(352)	(325)	*-8.3%*
Research & innovation intensity				*3.4%*	*3.2%*	*+0.2pp*

IFRS results

IFRS profit attributable to Solvay share was €858 million, €(234) million lower than the underlying profit. The adjustments to IFRS results were made primarily for the following elements:

- €(184) million restructuring costs, mostly for the simplification plan announced in the first half of the year;
- €(23) million of impairments;
- €(86) million for legacy remediation and major litigations;
- €(237) million of amortization charges on intangible assets linked to the impact of purchase price allocation;
- €112 million coupons of hybrid bonds, which are treated as dividends under IFRS;
- €210 million of income tax, of which half relate to tax impacts of the above adjustments and half to recognition of deferred tax assets.

[1] Recommended dividend for 2018
[2] Underlying net financial debt includes the perpetual hybrid bonds, accounted for as equity under IFRS.

Financial review of the fourth quarter of 2018

Q4 key figures

(in € million)	IFRS Q4 2018	IFRS Q4 2017	IFRS % yoy	Underlying Q4 2018	Underlying Q4 2017	Underlying % yoy
Net sales	2,574	2,480	*+3.8%*	2,574	2,480	*+3.8%*
EBITDA	461	457	*+0.8%*	506	494	*+2.5%*
EBITDA margin				*19.6%*	*19.9%*	*-0.3pp*
EBIT	234	204	*+15%*	322	307	*+5.1%*
Net financial charges	(57)	(86)	*+34%*	(78)	(90)	*+13%*
Income tax expenses	37	206	*-82%*	(73)	(60)	*-22%*
Profit from discontinued operations	43	(39)	*n.m.*	47	2	*n.m.*
(Profit) loss attributable to non-controlling interests	(9)	(16)	*-42%*	(10)	(14)	*-33%*
Profit attributable to Solvay shareholders	247	269	*-7.9%*	209	145	*+44%*
Basic earnings per share (in €)	2.40	2.60	*-7.7%*	2.02	1.40	*+45%*
of which from continuing operations	1.98	2.98	*-33%*	1.57	1.38	*+13%*
Capex				(275)	(287)	*+4.3%*
of which from continuing operations				(222)	(243)	*+8.4%*
Free cash flow				571	388	*+47%*
of which from continuing operations				555	336	*+65%*
Free cash flow to Solvay shareholders				454	215	*n.m.*
of which from continuing operations				438	163	*n.m.*
Net financial debt [1]	(2,605)			(5,105)		

Net sales

Net sales were up +3.8% for the fourth quarter, including -0.7% scope reduction and +0.2% forex conversion effect following the strengthening of the U.S. dollar, partly offset by the Brazilian real depreciation.

Organic sales grew by +4.3%, driven mostly by pricing. The +0.9% volume growth was led by composite sales into aerospace, and further supported by high-performance polymers sales growth in auto, batteries, and healthcare markets, as well as growth in peroxides. The increase was partly offset by the anticipated decline in smart devices as well as the significant drop-off in oil and gas markets.

Underlying EBITDA

Underlying EBITDA was up +2.5% in the fourth quarter, including +0.8% forex conversion effect and a -1.9% scope reduction. The latter is mostly linked to an adjustment on service costs for the discontinued polyamide activities. Organic growth was +3.6% with volume and mix contributing +3.4%. Net pricing declined, as the price increases could not compensate for higher variable costs.

The underlying **EBITDA margin** for the quarter was stable at 20%.

Segment review

(in € million)	Underlying Q4 2018	Q4 2017	% yoy	FY 2018	FY 2017	% yoy
Net sales	2,574	2,480	*+3.8%*	10,257	10,125	*+1.3%*
Advanced Materials	1,093	1,047	*+4.4%*	4,385	4,370	*+0.4%*
Advanced Formulations	764	747	*+2.2%*	3,057	2,966	*+3.1%*
Performance Chemicals	716	679	*+5.5%*	2,808	2,766	*+1.5%*
Corporate & Business Services	1	7	*-83%*	7	23	*-69%*
EBITDA	506	494	*+2.5%*	2,230	2,230	-
Advanced Materials	275	260	*+5.9%*	1,197	1,202	*-0.4%*
Advanced Formulations	119	138	*-14%*	521	524	*-0.4%*
Performance Chemicals	172	170	*+0.9%*	729	749	*-2.7%*
Corporate & Business Services	(60)	(74)	*+19%*	(218)	(244)	*+11%*
EBIT	322	307	*+5.1%*	1,546	1,527	*+1.3%*
Advanced Materials	191	182	*+5.2%*	895	896	*-0.1%*
Advanced Formulations	82	94	*-13%*	381	374	*+2.1%*
Performance Chemicals	126	123	*+2.4%*	552	566	*-2.4%*
Corporate & Business Services	(77)	(92)	*+16%*	(282)	(308)	*+8.5%*

[1] Underlying net financial debt includes the perpetual hybrid bonds, accounted for as equity under IFRS.

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UPCOMING EVENTS

- May 7, 2019 — First quarter 2019 results
- May 14, 2019 — Annual general meeting
- May 21, 2019 — Final dividend ex-coupon date
- May 22, 2019 — Final dividend record date
- May 23, 2019 — Final dividend payment date
- July 31, 2019 — First half 2019 results
- November 7, 2019 — Nine months 2019 results
- February 26, 2020 — Full year 2019 results

USEFUL LINKS

- Press release
- News corner
- Investors corner
- **Earnings toolkit:** financial report, presentation, excel tables, financial & extra-financial glossary
- Analysts & Investors conference call (9:30am CET)
- 2018 Annual results video, Jean-Pierre Clamadieu (CEO)
- Annual integrated report

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Solvay is headquartered in Brussels with around 27,000 employees in 62 countries. Net sales were €10.3 billion in 2018, with 90% from activities where Solvay ranks among the world's top 3 leaders, resulting in an EBITDA margin of 22%. Solvay SA (SOLB.BE) is listed on Euronext Brussels and Paris Bloomberg: SOLB.BB - Reuters: SOLB.BR), and in the United States its shares (SOLVY) are traded through a level-1 ADR program. *(Financial figures take into account the planned divestment of Polyamides.)*

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