



Solvay provides trading update and announces non-cash impairment

Brussels, June 24, 2020 – Solvay today provides a trading update for the second quarter, highlighting resilience amid the COVID-19 global pandemic.

As indicated in early May and following the strong performance in the first quarter, market headwinds increased sharply in the second quarter. Businesses related to oil and gas, automotive, and aerospace were the most significantly impacted, with revenues down about 40%, whereas businesses related to construction and mining were down about 20%. Other key markets such as healthcare, agro/food, home & personal care and electronics resisted well and helped to offset some of the challenged markets. Against that backdrop, Group sales were down 20% in aggregate across April and May versus 2019 levels, reflecting the resilience of Solvay's diversified portfolio. Similar demand trends are expected to continue during the month of June. Decisive actions on structural and temporary cost reduction programs and the focus on cash generation help to ease some of the effects and position the Group for strong growth when markets rebound.

Given the deterioration in short and mid term economic performance due to COVID-19, an impairment review is underway and likely to lead to a non-cash impairment estimated around €1.5bn*. Approximately 80% is associated with the goodwill resulting from the Cytec acquisition, and the balance is related to various tangible & intangible assets. The fundamental long-term attractiveness of the Composite Materials and Technology Solutions businesses remain unaffected, driven by demand for lightweighting, electrification, and resource efficiency. The conclusion of the impairment analysis and additional details will be provided with the publication of Solvay's first half results on 29 July 2020.

"We continue to act decisively to mitigate the effects of COVID-19 and we remain unrelenting in our focus on free cash flow generation, cost reduction, and serving our customers" said Ilham Kadri, Chief Executive Officer. "We are accelerating delivery of our G.R.O.W. strategic programs to deliver superior growth through our leadership positions and innovation."

* Final impairments will depend inter alia on exchange rates and discount rates prevailing at 30 June 2020



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Ce communiqué de presse est également disponible en français. – Dit persbericht is ook in het Nederlands beschikbaar.



About Solvay

Solvay is a science company whose technologies bring benefits to many aspects of daily life. With more than 24,100 employees in 64 countries, Solvay bonds people, ideas and elements to reinvent progress. The Group seeks to create sustainable shared value for all, notably through its Solvay One Planet plan crafted around three pillars: protecting the climate, preserving resources and fostering better life. The Group's innovative solutions contribute to safer, cleaner, and more sustainable products found in homes, food and consumer goods, planes, cars, batteries, smart devices, health care applications, water and air purification systems. Founded in 1863, Solvay today ranks among the world's top three companies for the vast majority of its activities and delivered net sales of €10.2 billion in 2019. Solvay is listed on Euronext Brussels (SOLB) and Paris and in the United States, where its shares (SOLVY) are traded through a Level I ADR program. Learn more at www.solvay.com.

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