



**SOLVAY**

asking more from chemistry®

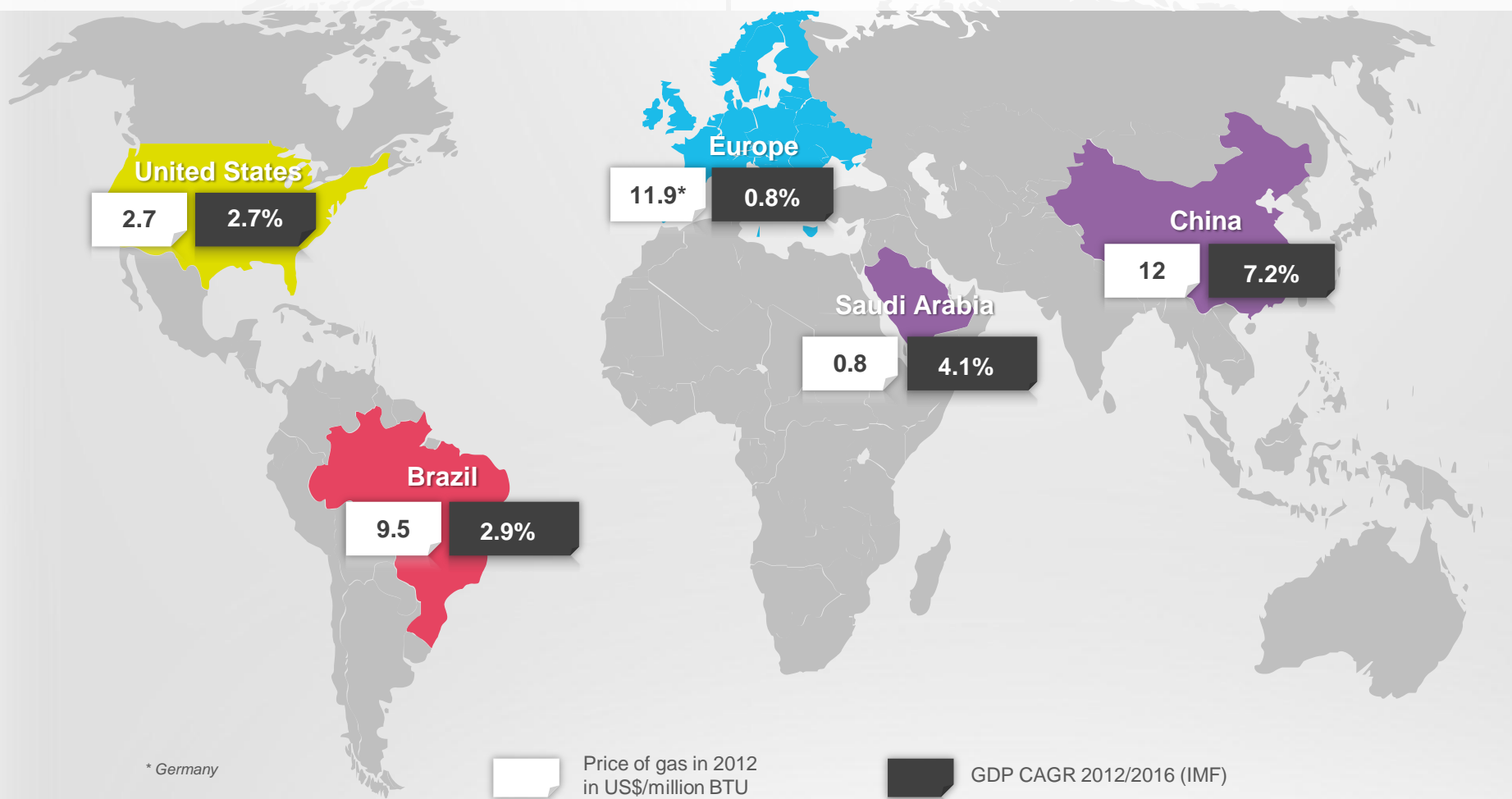
# Delivering on our strategy

Jean-Pierre Clamadieu

# Strong divergence amongst regional economic scenarios

## Shift in geo-advantages

## Multi-speed global economy



## ... Leading to unprecedented shift in industrial competitiveness and capital investments reallocation

### UPTAKE IN INVESTMENTS

- **+40%** expected in chemical industry output over 2012-2020

- Chemicals investments CAGR +4%/y over 2002-2009 to +11 % CAGR over 2010-2016

### INDUSTRIAL RATIONALIZATION

- **+2%** expected in chemical industry output over 2012-2020

- ~20,000 FTEs layoffs announced in chemical industry since 2012

### CONTINUED INVESTMENTS

- **+48%** expected in chemical industry output over 2012-2020

- Attracted ~66% of ww chemical investments (incl. pharma) over 2008-2012

Intense investments in Asia and in North America to the detriment of Europe

# Global chemical demand growth driven by megatrends and Asia

## Market drivers

Climate Change



Resource scarcity

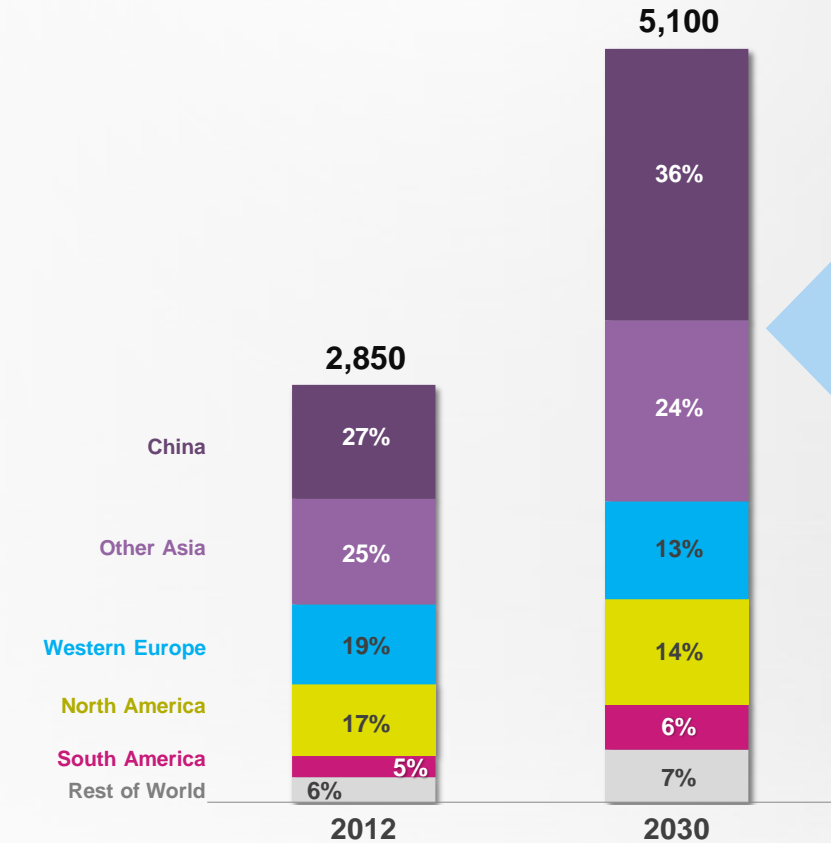


Health and well being



“ Next billion consumers ”

## Global chemical demand (B€)



\* worldwide

## Our strategic vision

**Build** a strong **leader** participating  
in the reshaping of the **global chemical industry**

Be a model of **sustainable** chemistry,  
attracting and growing the people  
who will imagine, engineer and make the **solutions**  
that meet the global challenges society faces,  
**creating value** for all our stakeholders

# Our strategic response: an in-depth transformation

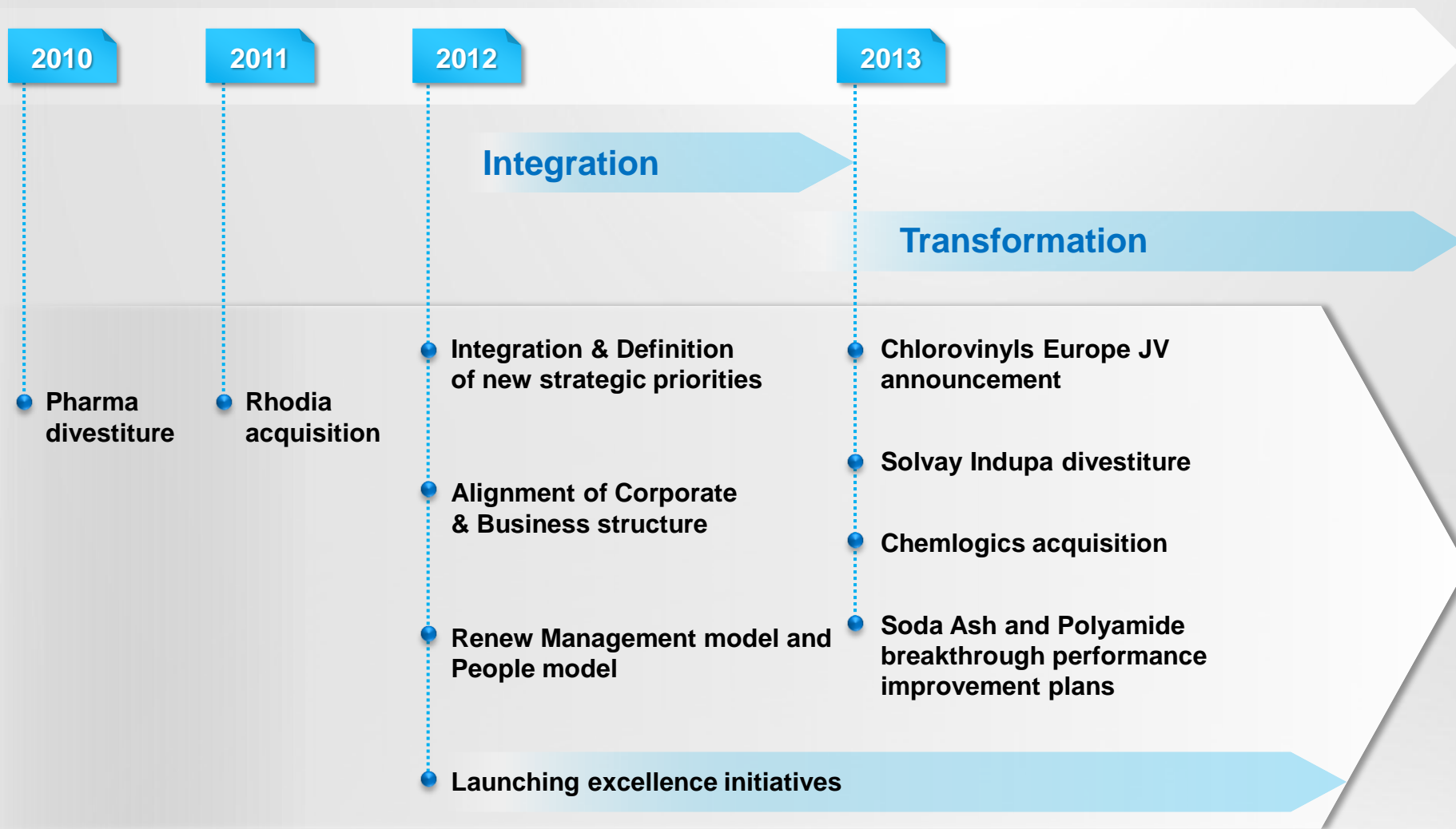
## EXECUTING A CLEAR STRATEGY BY CAPITALIZING ON SOLVAY'S STRENGTHS

- Reinforcing business profile through strategic portfolio changes
- Striving for excellence across businesses
- Innovating to create sustainable solutions
- Transforming company culture with a focus on performance

## Targeting Value Growth

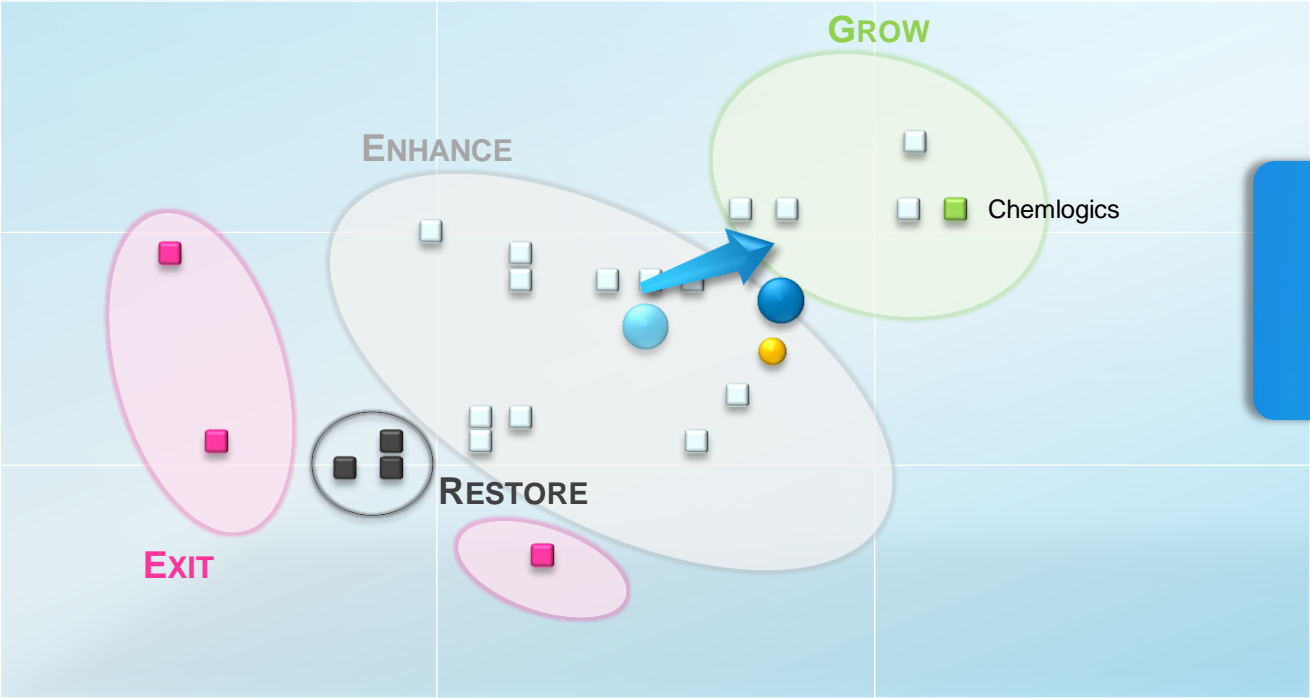


# Executing our strategic action plan



# Enhancing our business profile

B. Solvay's ability to Extract value



90% of sales  
in businesses  
ranking among  
top 3 global leaders

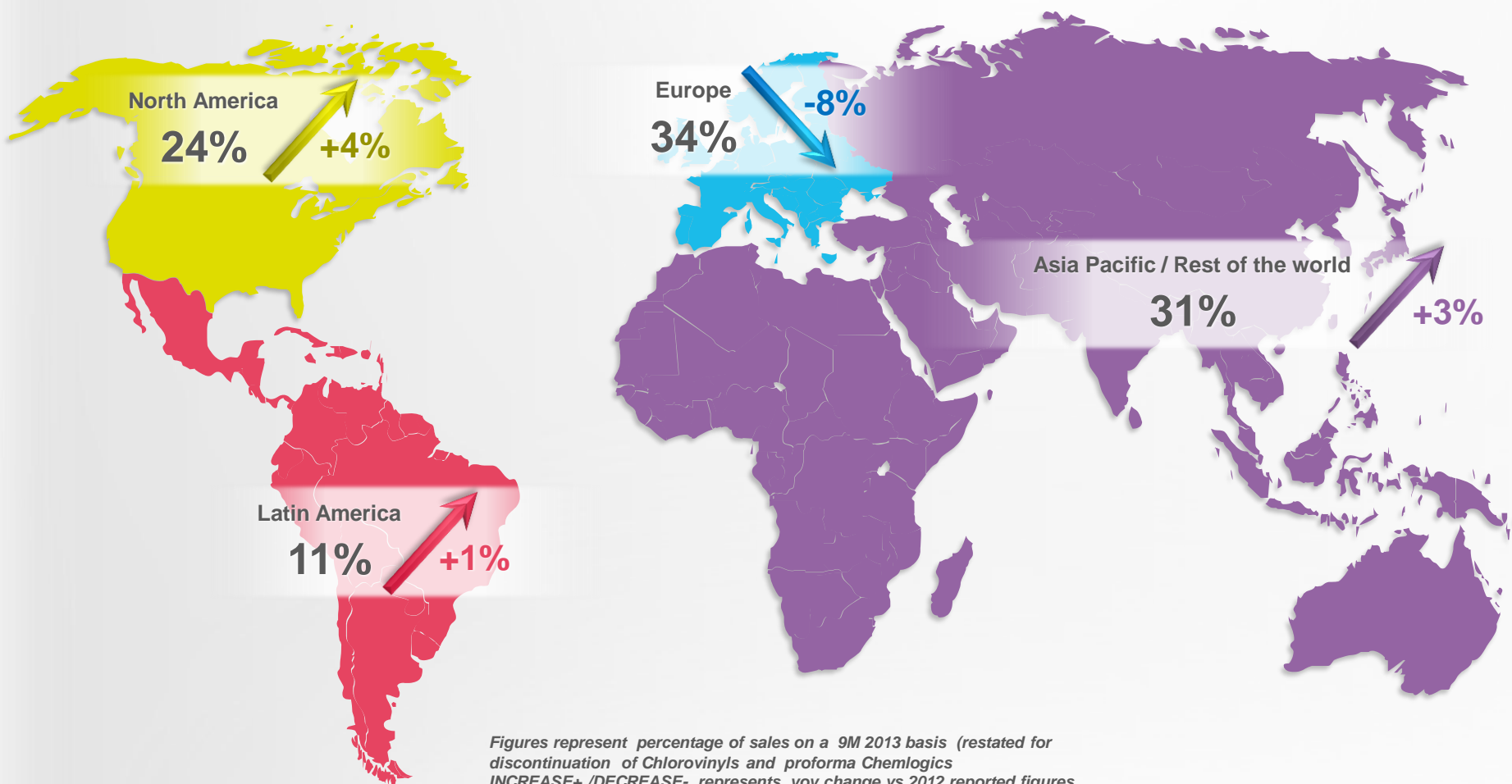
A. Value creation potential of industry segment

- ● 2011/2013 Solvay Group
- Chemical Industry
- Solvay businesses



# Rebalancing geographic markets exposure

Continuous focus on fast-growing regions



# Enhancing exposure to higher growth end-markets

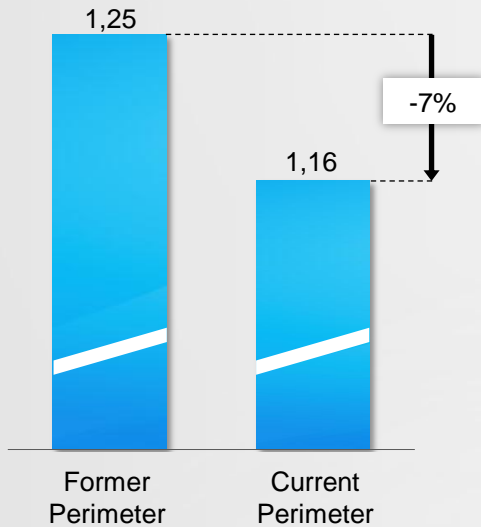
A well-balanced portfolio



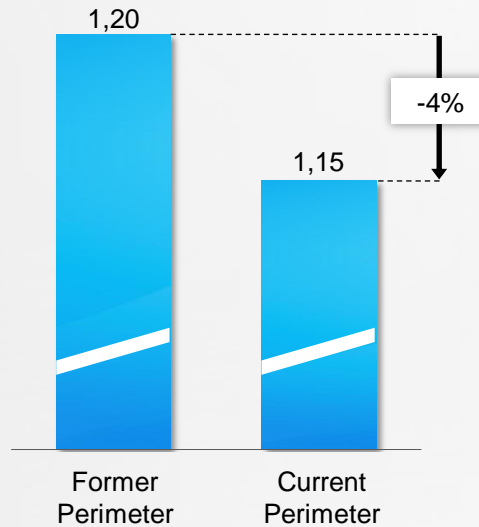
% of 2012 net sales restated for discontinuation of Chlorovinyls and proforma Chemlogics  
PP = Percentage of change compared to historical perimeter published in 2012

# Strategic repositioning toward a less asset intensive and a more sustainable model

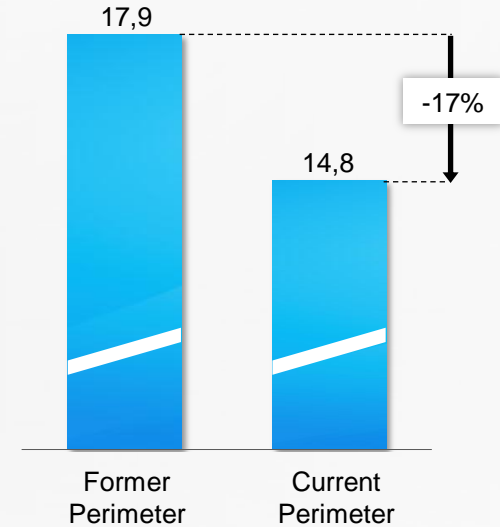
**Tangible Assets  
Replacement Value/Sales**



**Group CO<sub>2</sub> intensity  
(ton CO<sub>2</sub> eq/EUR Sales)**



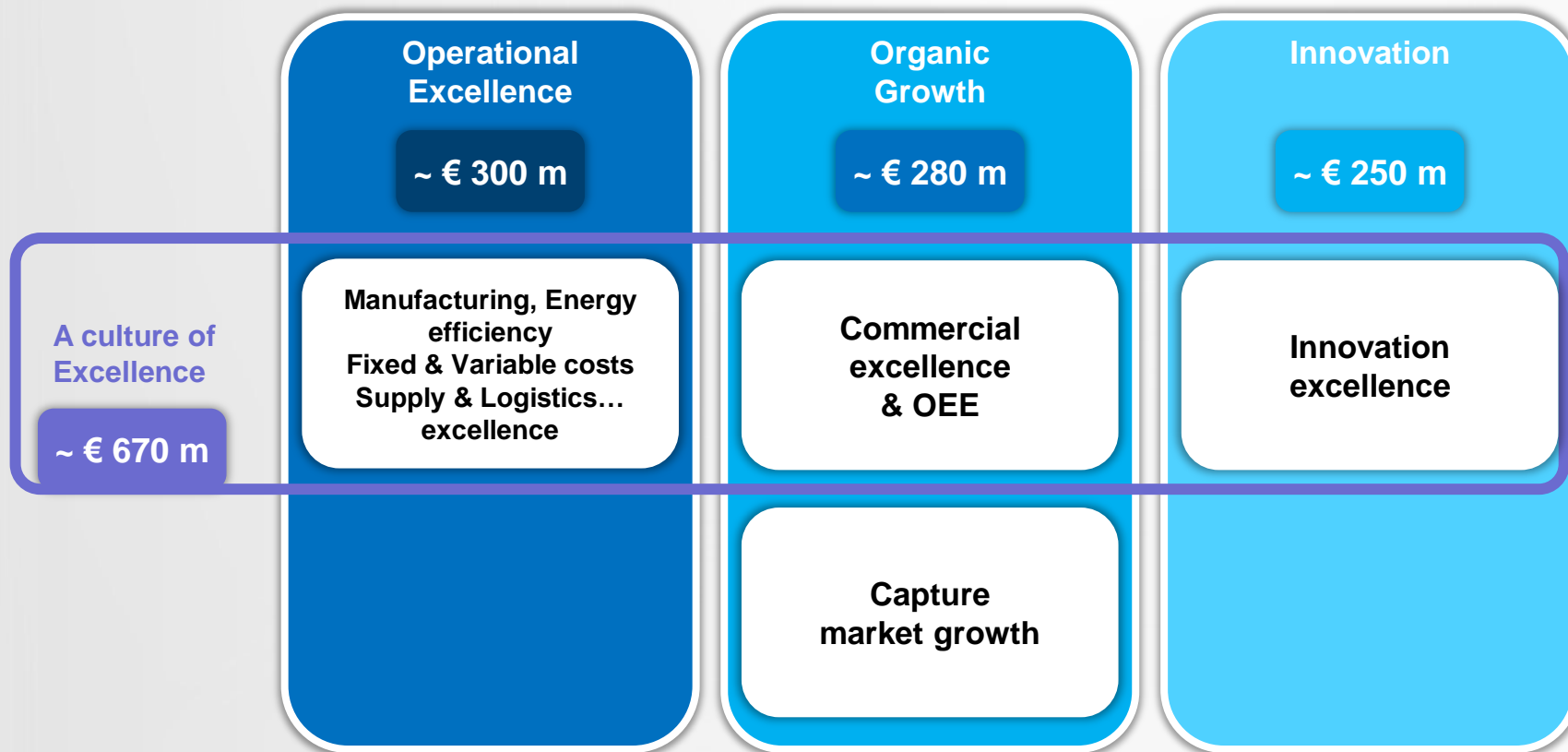
**Group Energy intensity  
(10<sup>15</sup>J/EUR Sales)**



2012 base

# Unlocking value through Excellence breakthrough initiatives

Relentlessly challenging everything we do...



... asking more from chemistry !

Figures indicate expected REBITDA growth from YE 2013 to YE 2016 on specific levers

# Targets capture portfolio management and macroeconomic challenges

BY 2016

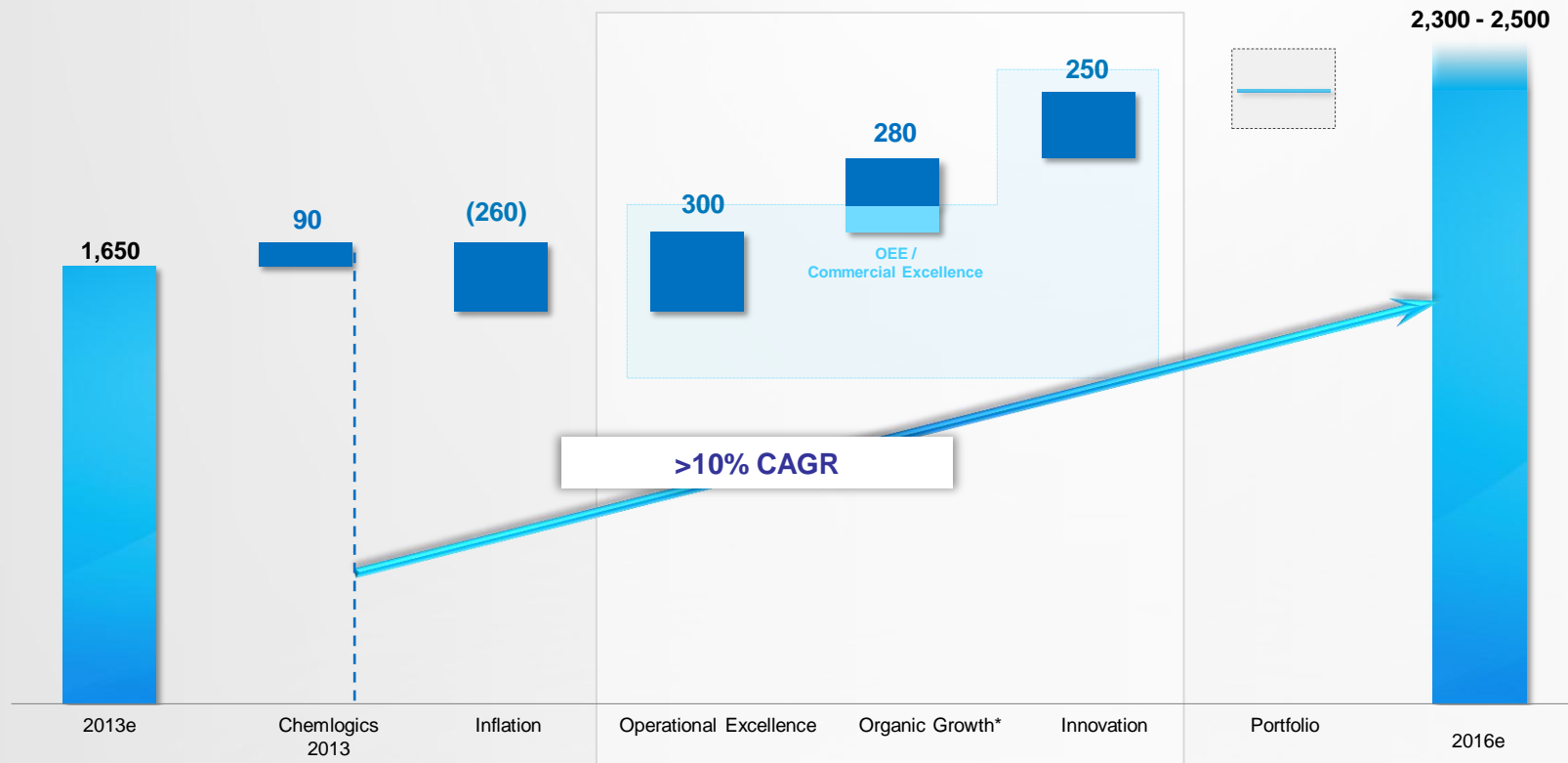
REBITDA to reach **€ 2.3bn to € 2.5bn**

CFROI to increase by **over 100 bp** vs 2013

From 1/3<sup>rd</sup> (2012) to **2/3<sup>rd</sup>** (2016) of business assets in **value creation** zone

# Balanced levers to achieve outperformance

REBITDA in mEUR

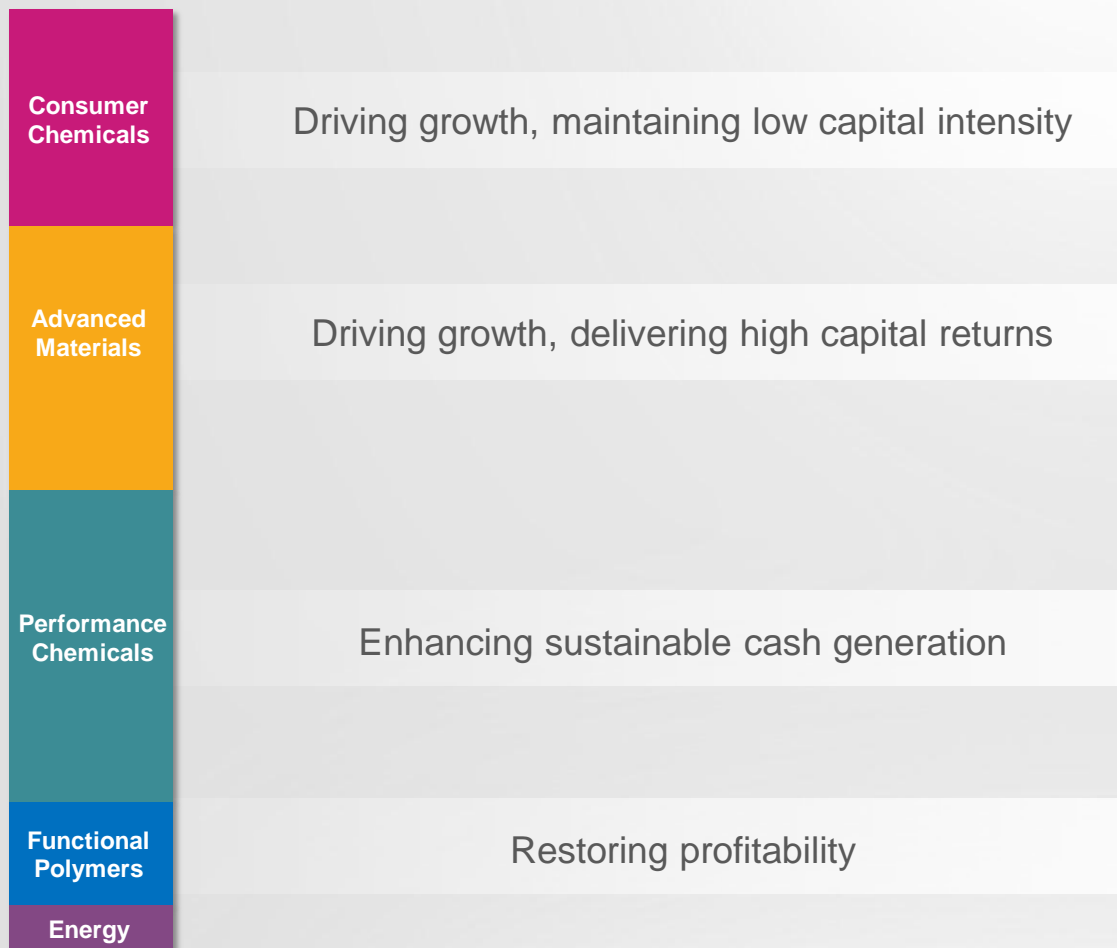


**versus prior ambition:**

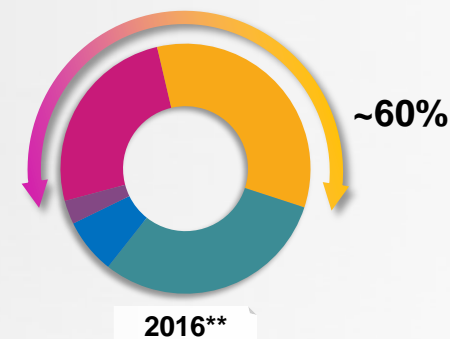
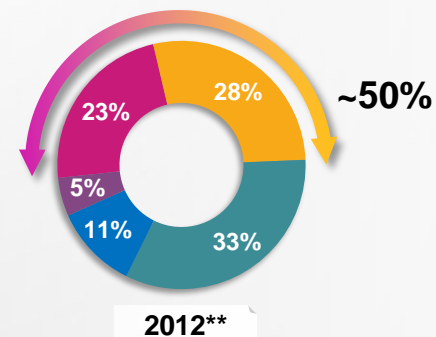
- Portfolio: € (200) m
- Business reassessment: € (150) m
- Forex: € (50) m
- Deferred growth: € (100) –(300) m



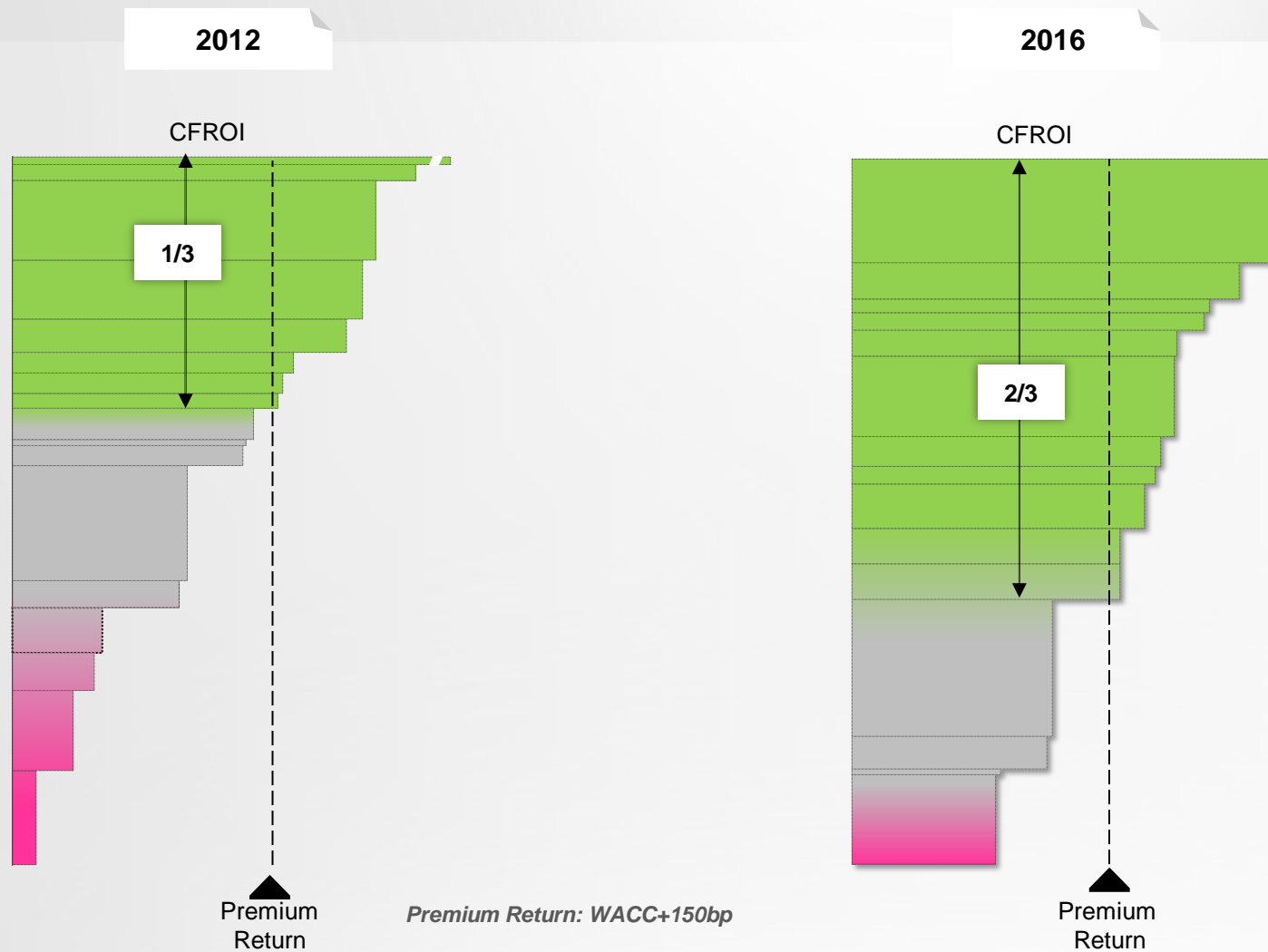
# Differentiated strategic priorities through our businesses



REBITDA breakdown\*



## From 1/3rd to 2/3rd of business assets in value creation zone



# Focused on being a model of sustainable chemistry

from **KVATIOS** **SOLVAY**



Planet



Customers



Investors



Suppliers



Communities



Employees

## Taking Commitments

- Reach excellence in safety & health
- Deploy unmatched sustainable portfolio management
- Reduce our impact on environment

-10%

Energy consumption  
Greenhouse gas emissions  
Groundwater consumption  
Air emission\*

Water emissions\*\*

-20%

100%

Sustainable water management\*\*\*

- Manage risk
- Develop rich & balanced social dialogue



Dow Jones  
Sustainability Indexes  
Member 2012/13



## Providing sustainable solutions



# A strong team with a proven track record

## Executive Committee as of Jan 1st, 2014



Jean-Pierre  
Clamadieu

**CEO**



Karim  
Hajjar

**CFO**



Vincent  
De Cuyper



Pascal Juery



Roger Kearns



Jacques  
van Rijckevorsel

### Consumer Chemicals



E. Butstraen  
Novecare



V. Kamel  
Coatis



D. Rage  
Aroma Performance

### Advanced Materials



A. Di Donfrancesco  
Specialty Polymers



T. Benner  
Silica



H. Du  
Rare Earth Systems



B. Wilkes  
Special Chemicals

### Performance Chemicals



C. Clemente  
Soda Ash



G. Crauser  
Peroxides



O. Ferrary  
Acetow



J. Harton  
Eco Services



B. Van der Wielen  
Emerging Biochemicals

### Functional Polymers



M. Laudénbach  
Polyamide &  
Intermediates



F. Hincker  
Engineering Plastics



F. Ferraroli  
Fibras

### Solvay Energy Services



P. Rosier  
Solvay  
Energy Services

# Management incentives aligned to value creation

## Executive Committee & General Managers

- New compensation policy as from 2013, harmonized across the Group
- Reinforced link between variable compensation and business performance
- Short term incentive plan
  - Linked to Group performance (REBITDA & FCF) and to sustainable development achievements
- Long Term incentive plan
  - Linked to stock-price and long term (3-year) Group performance targets (REBITDA & CFROI)

## Executing a clear value creation strategy

Towards a high growth,  
less capital intensive & high return Chemical Group

**Targeting Sustainable Value Growth**





**SOLVAY**

asking more from chemistry®

**Annex**

# Our ambitious: Sustainable Development policy

## Five priority objectives

**SOLVAY** *Way*

- 1** To achieve excellence in safety, health and occupational hygiene for everyone on our sites
- 2** To realize an increasing share of our sales in markets or with a portfolio of activities meeting the requirements of sustainable development
- 3** To continuously improve the performance of our technologies, processes and products so as to avoid injuries and limit their environmental impact throughout the lifecycle of our products
- 4** To reduce greenhouse-gas emissions, energy and water consumption, and negative impacts on soil, water and air quality, as well as the use of resources
- 5** To develop a rich and balanced social dialogue

# Our commitments

- 1

Safety & health of our employees

In 2020

Less than one occupational accident with medical treatment\* per million working hours
- 2

Our business portfolio

In 2020

20% of Net Sales  
100% of innovation projects

} aligned to sustainable development requirements
- 3

Our industrial sites

In 2020

100% of our sites with a risk analysis updated in the last 5 years
- 4

Impact of our activities on the environment

2020 vs. 2012

-10% of energy consumption

-10% of greenhouse gas emissions

-10% of groundwater consumption

-25% of air emissions of substances with an acidification potential

-10% of air emissions of substances with a photochemical ozone creation potential

-20% of water emissions of substances with an eutrophication potential

100% of our sites under water stress with a sustainable water management
- 5

Our social responsibility

In 2020

100% of our employees trained to SOLVAY way

New global agreement on responsibility

Training of at least 1 week per year and for all our employees