



**SOLVAY**

asking more from chemistry®

# Full Year 2018 results HIGHLIGHTS

Organic growth excludes scope and forex conversion effects



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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.

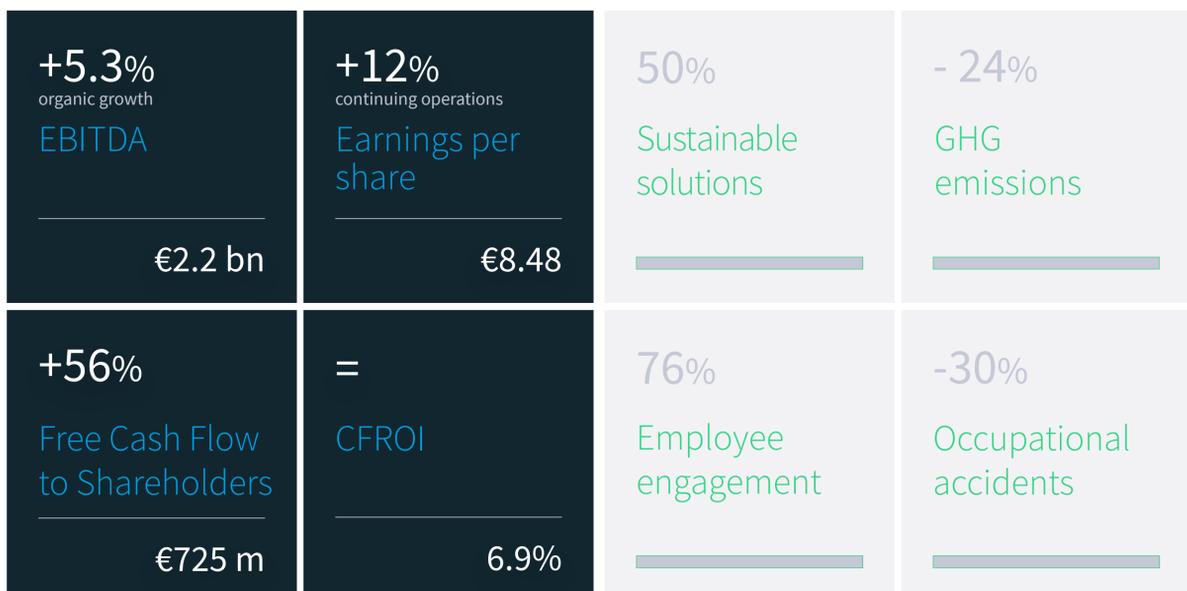
My mandate as CEO of Solvay will end on March 1 and I am pleased to pass on the baton to Dr. Ilham Kadri, who will begin a new chapter in this company's extraordinary history, building on the great potential of its teams and portfolio, and taking Solvay to the next level.

Jean-Pierre Clamadieu, CEO

vs 2017

UNDERLYING FIGURES

vs 2015



**+4.2%**

Gross per share

**€3.75**

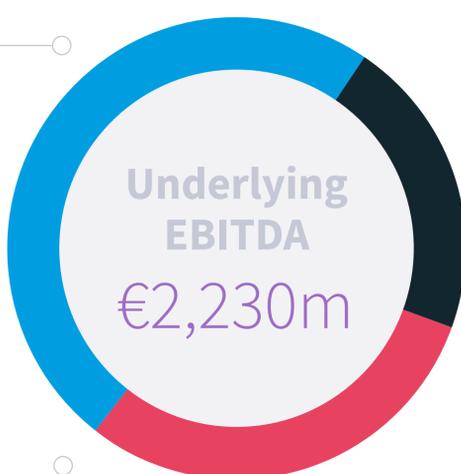
**33%**

**Societal actions**

**49%**

## Advanced materials

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.



**21%**

## Advanced Formulations

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.

**30%**

## Performance Chemicals

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.



## 2019 OUTLOOK

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.

\* 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.

## NEWS



The divestment of Solvay's polyamide business to BASF is moving forward, as BASF has offered remedies involving part of the assets originally included in the scope of the acquisition, to address the competition concerns the European Commission has raised.



Solvay has won the Michelin Supplier Award 2018 for supplier excellence in quality, innovation and corporate social responsibility, underlining the strong partnership between Michelin and Solvay. Solvay manufactures and supplies highly dispersible silica for energy saving tires.



Solvay has agreed new terms in an existing €2 billion revolving credit facility, linking the cost of credit to a reduction in greenhouse gases. The Group also recently announced an investment in a new biomass boiler at its plant in Rheinberg, Germany, a decision that will cut the site's CO<sub>2</sub> emissions by more than 30% while at the same time improving its competitiveness.