Our energy
Your success

ILHAM KADRI
CHAIRWOMAN
OF THE EXECUTIVE
COMMITTEE & CEO
THE PEOPLE OF SOLVAY

24,500 people
125 industrial sites
61 countries
100 nationalities

76% Employee engagement index
83% Employees feel proud to work at Solvay

2018 SOLVAY PEOPLE SURVEY

Solvay Cares
Circular economy
OUR HERITAGE
2018 OVERVIEW

€10.3 bn net sales
50% sustainable solutions

€2.2 bn underlying EBITDA
Margin 22%

We are an advanced materials and specialty chemicals company, committed to address key societal challenges.

Advanced Materials 43%
Advanced Formulations 30%
Diversified Portfolio

Performance Chemicals 27%

Electrical & Electronics 5%

>50% in GDP+ markets

Resources & Environment 14%

Industrial applications 20%

Agro, Feed & Food 11%

Building & Construction 8%

Consumer goods & Healthcare 17%

Automotive & Aerospace 24%

North America 31%

1/3 in each region

Europe 28%

Asia & RoW 30%

Latin America 11%
MARKETS WE SERVE

OUR CORE TECHNOLOGIES

NEXT GENERATION MOBILITY
- Aerospace
- Automotive

RESOURCES EFFICIENCY
- Mining
- Oil & Gas
- Agro

APPROX 50% OF GROUP SALES

Process leaders in Soda Ash & Peroxyde Chemicals

Polymer & Composite Technologies
Surface & Liquid Chemistry

WE SERVE
Industrial
Healthcare
Electronics

Resources Efficiency
Consumer goods
Food
Construction

Markets
- Aerospace
- Automotive
- Industrial
- Healthcare
- Electronics

Solvay Shareholders’ meeting 2019
14 May 2019
HOW WE WIN
INNOVATION AND COLLABORATION

21 R&I centers
€ 352 m Investments
2,200 R&I employees

18% New sales ratio
> 75% R&I pipeline in “Sustainable Solutions”
264 Patent applications

1,500 Intellectual Property agreements
€ 80 m Venture investments
15 Digital Industrial Plants

R&I ecosystem
Dynamic innovation portfolio management
Open innovation
LISTENING TO CUSTOMERS AND INNOVATING

Less fuel
More efficiency

SolvaLite™
40% lighter than metal
Faster cure
Composites

More planes
Stringent regulations on CO₂

FUSEPLY™
improved build rates and lightweighting
Composites

Replacing toxic product

Jaguar® C162
Less irritant
Better resource efficiency
Polymers

Looking for miniaturization
Higher performance

Kalix® bio-based
40% of petrol consumption reduced
Polyamide

Growing population
Demand for greater agricultural yields

AgRHO®
• more nutritional value and less waste
• for yields of over 20-30%
Surfactants

Substitution to synthetic vanillin

Rhovanil® Natural CW
• Sustainable sourcing and process
• New purification process to vanillin (99.5%)
Aroma and fragrance
2018 RESULTS

EXTRA-FINANCIAL & FINANCIAL PERFORMANCE
PROGRESS ON 2025 SUSTAINABILITY OBJECTIVES

People engagement
76%
vs 77% in 2016

Employees involved in local societal actions
33%
vs 23% in 2016

Sustainable solutions in Group sales
50%
vs 43% in 2016

Occupational accidents
-30%
since 2016

Greenhouse gas intensity
-24%
since 2016
PROGRESS ON 2025 SUSTAINABILITY OBJECTIVES

- People engagement: 80% (2025 objective)
- Employees involved in local societal actions: 50% (2025 objective)
- Sustainable solutions in Group sales: 40% (2025 objective)
- Occupational accidents: -50% (2025 objective)
- Greenhouse gas intensity: -1 mt (2025 objective, in absolute terms, at constant scope)
STRONG EBITDA GROWTH AND SUSTAINED MARGINS IN 2018

- Organic growth:
  - Underlying EBITDA: +5% vs 2017
  - €2.2 bn

- Underlying earnings per share:
  - +12% vs 2017
  - €8.48

- Free cash flow to Solvay shareholders:
  - +50% vs 2017
  - €566 m

- EBITDA margin:
  - 22%

- Total underlying EPS:
  - +16%

- Operational deleveraging:
  - €353 m
ORGANIC EBITDA GROWTH DRIVEN BY HIGHER VOLUMES

Corporate & Business Services included in EBITDA and excluded from the pie chart as the contribution is negative

8.3% organic growth on average over the 3 last years
At 2018 scope

€2.2 bn 2018 underlying EBITDA

49% ADVANCED MATERIALS
Organic growth: +3.1%

21% ADVANCED FORMULATIONS
Organic growth: +8.1%

30% PERFORMANCE CHEMICALS
Organic growth: +1.6%

8.3% organic growth on average over the 3 last years
At 2018 scope

Solvay Shareholders’ meeting 2019
May 14, 2019
REWARDING SHAREHOLDERS WITH GROWING RETURNS

Underlying EPS
From continuing operations
(in €/share)

Free cash flow
To Solvay shareholders from continuing operations
(in € million)

Net financial debt underlying
(in € billion)

Leverage ratio

Provisions
(in € billion)

At 2018 scope

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May 14, 2019
2019

UNLEASHING AND ACCELERATING VALUE CREATION
Q1 2019 RESULTS
IN LINE WITH EXPECTATIONS

- 0.6% vs Q1 2018
organic growth
Underlying EBITDA

49% ADVANCED MATERIALS
Organic growth: -5.7%

21% ADVANCED FORMULATIONS
Organic growth: -1.7%

30% PERFORMANCE CHEMICALS
Organic growth: +9.9%

EBITDA margin 22%
sustained

+ 1.0% vs Q1 2018
continuing operations
Underlying EARNINGS PER SHARE

FREE CASH FLOW TO SOLVAY SHAREHOLDERS
continuing operations

€ 571 m
€ 2.01
€ (91) m

Organic growth:

+9.9%

TOTAL UNDERLYING EPS

+ 18%

+30%

PERFORMANCE CHEMICALS

May 14, 2019
2019 OUTLOOK

EBITDA growth

Underlying excluding scope and forex conversion

- Organic growth \(^1\) flat to modest decline

Free Cash Flow

to Solvay shareholders from continuing operations

- \(~€490\) million \(^2\) exceeding dividend pay-out
- Allowing for debt deleveraging of \(~€100\) million

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\(^1\) Organic growth, excluding scope & forex conversion effects and IFRS 16 effect, compared to 2018 pro forma of €2,330 million

\(^2\) vs 2018 pro forma of €566 million, already including IFRS 16 effect

2019 PRIORITIES

Managing our costs

Managing our inventory levels

Customers FIRST

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May 14, 2019
A NEW EXECUTIVE COMMITTEE

Ilham Kadri, CEO

Karim Hajjar, CFO

Vincent De Cuyper

Augusto Di Donfrancesco

Hua Du
THERMOPLASTICS COMPOSITES PLATFORM

Value Proposition
- Enables higher build rates and manufacturing cost reduction
- Enables Total Cost of Ownership reduction and improved performance

End-Use
- Primary structure
- Flexible Risers

Addressable Market
- € 0.7Bn
- € 0.5 Bn

Well positioned to become Market Maker
MOVING FORWARD

Strategy review

Culture & purpose

Customers focus
WHY SOLVAY?
Thank you for your attention