Speech by Nicolas Boël  
Chairman of the Board of Directors  
Annual General Meeting on 14 May 2019

Ladies and Gentlemen,
Shareholders and friends,

It is my pleasure to welcome you to the 2019 Annual General Meeting. I extend a particularly warm welcome to Madame Solvay and our honorary presidents. The impressive attendance at this 2019 AGM is yet again evidence of your confidence and interest in the Group but is also doubtless in part due to the fact that this is the first time that Ilham Kadri is attending as CEO of Solvay. I shall return to this point later.

I am happy to be able to welcome you in this place you all know well. Since preliminary work has now started on the NOH site, it will be unable to host our meetings for some time. NOH will be home to the Group's renovated headquarters with a brand new centre for cutting-edge R&I into advanced materials and an incubator to maximise the impact of high-potential projects. The aim is to provide our clients with ever better solutions for their needs.

The new building will naturally meet the highest standards of sustainable development and will promote new ways of working together.

Let us now turn to the highlights of 2018.

2018 - a turning point for Solvay in more ways than one

We first come to the results for 2018. Solvay continued to grow despite an economic environment troubled by rising national protectionism world-wide and a complex geopolitical situation.

Posting over 5% organic growth, the Group's EBITDA was boosted by higher sales volumes in every sector: advanced materials, advanced formulations and performance chemicals. Growth was driven by the progress of applications in sustainable mobility and resource efficiency. Operating margin (the ratio of EBITDA to turnover) remained robust at 22%.

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In total, earnings per share from continuing operations rose 12% to €8.48. Free cash flow from continuing operations totalled €556 million, up 50% compared with 2017. Free cash flow more than covered financial charges and dividends distributed to shareholders. Finally, underlying debt fell around €200 million to €5.1 billion.

Non-financial performance also improved in 2018 and the safety, sustainable client solutions and staff commitment indicators showed progress. A number of strategic investments were also decided to allow us to continue cutting our greenhouse gas emissions. The Group took a major step towards reducing its CO2 emissions by pledging to cut them by one million metric tons, irrespective of how business grows, sending out a strong message: we are committed to future growth that does not damage the planet or future generations.

Furthermore, today half of our sales stem from products that meet sustainable development challenges. The Group is committed to growth based on the creation, development and supply of sustainable solutions, particularly in the areas of mobility and resource efficiency.

A major strategic milestone in the disposal of the polyamide business was reached when the European competition authorities gave the go-ahead for the proposed package of remedies. The project is expected to complete as soon as the remedies are implemented. In 2018 the Group also laid the foundations for the overhaul and simplification of its organisation and operating method, reaffirming its intention of developing a customer-centred culture and of making cooperation a key to our future success. Let us be quite clear however, despite our full commitment and even though much has already been accomplished, a lot remains to be done. While free cash flow, Ebitda and our margins have improved in recent years, our competitors have not been sitting on their hands and Solvay must now catch up with the leaders. We can’t just settle for our current results.

New CEO, new dynamic

And this is where I come to our new CEO. Last year I told you that the Board had begun seeking a successor to Jean-Pierre Clamadieu as Solvay’s CEO. The search for a new CEO is always a major event in the life of any company. It is not something that (happily) occurs very often and is a very tense and critical time, when the company is looking for that very rare beast - someone who shares its values and has the determination and energy needed to guide it towards new horizons. We named the search PROJECT CATALYSIS since catalysts accelerate chemical reactions and this seemed an apt description of the Group's desire to boost its dynamic.
While remaining true to its historic roots, the Solvay group has undergone deep transformation over the years and is in constant evolution. Under Aloïs Michielsen, Christian Jourquin and Jean-Pierre Clamadieu we have grown from being a traditional chemicals and pharmaceuticals manufacturer to become a leader in specialty chemicals and advanced materials. We have moved into new businesses with new clients, such as Boeing, Airbus, Intel and Apple. The Group's priority is now on realising the full potential of these businesses and growth through a new business culture.

It was on this basis that we began our search for a new CEO. 450 candidates were identified world-wide and at the end of a very difficult process we unanimously decided to appoint Ilham Kadri to lead Solvay. Ilham meets all four of our key criteria:

- firstly, she has a good understanding of our businesses and products: the industrial factor;
- secondly, she has an impressive track record and the ability to deliver ambitious results;
- but not at any price. The way in which targets are achieved and teams are motivated is of primary importance to Solvay's Board. We were looking for someone with leadership qualities who is also inclusive and able to generate staff commitment and to bring about a change in culture that is based on strong humanistic values;
- and finally, we were looking for someone who is committed, determined and inquisitive and who is open to the world and to new technologies

Since our new CEO took up her position a few months ago, we have already been able to witness her energy, her ability to understand the operating side of the business and to overhaul our organisation while focusing our talent on Group values. Operating excellence, focus on research and innovation and talent management have already shown themselves to be the mainsprings of growth for Ilham.

These first few months have also given the Board an opportunity to see Ilham's determination to contribute to our strategic rethink to unleash the potential of Solvay.

In a complex global economic context, we have been impressed by her ability to deliver operational responses in the very short term, while staying focused on her long-term goals. In short, her ability to use both the microscope and the telescope.

2019 - A rich and complex year

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As announced with the first quarter 2019 results, the start of 2019 obliges us to keep operations tight to cope with an economic environment in which demand is falling in certain sectors such as automotive, electronics and oil and gas, and where the outlook is uncertain. At the same time, the Group is enjoying growth and significant improvement in the performance of Composite Materials, Soda Ash and Peroxides. Solvay is a strong Group with strategic forces and the ability to maneuver with rigor in uncertain times. Ilham will comment on this in her own presentation.

2019 will be an extremely interesting year for Solvay, which is already seeing the blossoming of a new management style. The CEO relies on a team made up of the Executive Committee and the Leadership Team, which includes the GBU and Function managers, to activate every operating lever and skill. Each role is clearly defined to rebalance responsibility, focus on results and transversal programs to the benefit of our clients. The recent creation of the Thermoplastic Composites platform is an example of these transversal programs. Indeed, thermoplastic composites are one of the most important growth opportunities for Solvay. The platform will accelerate the launch of these innovative technologies.

At the same time, the Group's strategy is being fine-tuned on the markets where Solvay can make a difference through sustainable solutions which bring a unique solution to its clients. Solvay is also ready to take advantage of the opportunities which will certainly arise. In this way we shall generate growth and create long-term value for our stakeholders.

**Dividend**

The results for 2018 lead us to recommend increasing the dividend by €0.15 gross per share (an increase of 4.2% on 2017) to €3.75 gross per share. This is in line with our policy of constant dividend progress.

If you approve our proposal, and given the interim dividend of €1.44 gross per share already distributed in January, a balance of €2.31 gross per share will be distributable as of 23 May.

**Share price**

The Solvay share price lost 25% in 2018, due to a decline in the markets in the fourth quarter of 2018 impacted by a general economic slowdown. Note that Solvay fell more than the BEL 20 index over the year (-18%) but less than the average of its peers in the chemical industry which stands at -28%.

Financial markets do not yet reflect this potential in the share price. Since the beginning of 2019, the stock has recovered by 4.5%, including the impact of the adjustment of our 2019 growth outlook on the share price.

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As we have said, much has already been done to improve the Group's business portfolio and its operating performance. Our mission is now to put the Group on a sustainable growth trajectory and to have it recognized by the markets through its stock price.

Solvay governance
We shall now move on to a review of the main current features of Solvay's governance, starting with the composition of the Board of Directors.

- Composition of the Board of Directors
This year the AGM is asked to renew the directorships of Charles Casimir-Lambert and Marjan Oudeman for 4 years.
The shareholders should also confirm the directorship of Ilham Kadri, who will complete Jean-Pierre Clamadieu's mandate which explains the two-year duration.
Yves-Thibault de Silguy has reached the statutory age limit for a director and therefore does not seek re-appointment. A director since 2011, Chairman of the Nomination Committee and member of the Finance and Remuneration Committees, Yves-Thibault has given Solvay and its Board the benefit of his vast international experience and pragmatism. As Chairman of the Nomination Committee, his main aim was to ensure its work was thorough, independent and focused on introducing diversity. He also pushed forward our Board assessment practices and played a key role in the selection of our new CEO.
In the name of the Board I would like to thank Yves-Thibault for his remarkable contribution to the Board and its committees, and I invite you all to give him a warm applause.
The Board has unanimously decided to appoint Amparo Moraleda to chair the Nomination Committee. She is a non-executive director and member of the Nomination and Remuneration Committees. Amparo has been a driving force in the selection process of our new CEO. In her new position Amparo will ensure that the Board continues to apply thoroughness, progress and sensitivity to stakeholder requirements in the area of appointments. The Group will be able to rely on the experience she has gained chairing appointments committees for several major international groups.

Finally, we do not propose to replace de Yves-Thibault de Silguy. The number of directors will therefore fall from 16 to 15.

- New Belgian Companies and Governance Codes
On 1 May 2019 Belgium's new Companies Code and Governance Code came into force. It is still too early to give you a run-down of how these new laws might require us to amend our Articles of Association and/or our Governance Charter. We shall be examining the codes over the next few months and shall report to you on them by the 2020 AGM.

**Conclusion**

In the last few years we have taken a number of major steps towards a profound transformation of our Group. Solvay is now solid, well prepared and its teams are ready to continue its ambitious growth trajectory.

2019 starts out as a year of challenges. It will also certainly be a year of opportunities. The Group's leadership team, experienced, focused and rallied around our new CEO is ready to take them up and to grasp them. It can count on the unanimous support and the full confidence of the Board of Directors.

I would like to thank you all for your commitment, confidence and support.