

## Segment information according to the new segmentation

This document (published on November 21, 2019), is an update of the document published on November 7, 2019, with some changes in the capex numbers.

This presentation reflects the changes in the segmentation following the strategy review announced on November 7, 2019. It will be applicable as from 2020 onward.

The segments are:

- The **Materials** segment includes Specialty Polymers and Composite Materials;
- The **Chemicals** segment includes Soda Ash & Derivatives, Peroxides, Silica and Coatis;
- The **Solutions** segment includes Novicare, Aroma Performance, Special Chem and Technology Solutions.

The strategy review and this new segmentation also triggered the reallocation of some corporate costs to the businesses in the different segments, affecting the corporate costs line in 2019, which has been restated accordingly.

<b>Segment review restatement</b>	<b>Underlying</b>						<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>
	<b>FY 2015 PF restated</b>	<b>FY 2016 restated</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2018 PF</b>				
<i>(in € million)</i>									
<b>Net sales</b>	<b>10,074</b>	<b>9,569</b>	<b>10,125</b>	<b>10,257</b>	<b>10,257</b>	<b>2,571</b>	<b>2,654</b>	<b>2,578</b>	
Materials	3,069	2,996	3,063	3,091	3,091	801	833	818	
Specialty Polymers	1,901	1,922	2,025	2,009	2,009	480	509	489	
Composite Materials	1,169	1,073	1,038	1,082	1,082	321	324	329	
Chemicals	3,196	3,036	3,208	3,250	3,250	831	836	845	
Soda Ash & Derivatives	1,554	1,561	1,629	1,562	1,562	408	419	423	
Peroxides	558	542	600	654	654	172	171	172	
Silica	521	455	443	442	442	113	113	115	
Coatis	522	455	536	591	591	138	133	136	
Solutions	3,797	3,530	3,830	3,908	3,908	938	984	912	
Novicare	1,895	1,663	1,937	2,000	2,000	478	476	436	
Aroma Performance	360	350	366	414	414	106	104	109	
Special Chem	912	862	865	852	852	210	232	209	
Technology Solutions	631	656	662	643	643	144	172	159	
Corporate & Business Services	11	7	23	7	7	2	1	2	
<b>EBITDA</b>	<b>1,938</b>	<b>2,075</b>	<b>2,230</b>	<b>2,230</b>	<b>2,330</b>	<b>571</b>	<b>624</b>	<b>601</b>	
<i>Organic growth</i>			<i>+9.7%</i>	<i>+5.3%</i>					
Materials	808	840	929	962	978	236	235	233	
<i>Organic growth</i>			<i>+14%</i>	<i>+7.3%</i>					
Chemicals	731	819	842	811	846	226	245	241	
<i>Organic growth</i>			<i>+2.9%</i>	<i>+0.5%</i>					
Solutions	674	654	703	675	695	161	184	168	
<i>Organic growth</i>			<i>+10%</i>	<i>+2.6%</i>					
Corporate & Business Services	(275)	(237)	(244)	(218)	(189)	(52)	(40)	(40)	
<b>EBITDA margin</b>	<b>19.2%</b>	<b>21.7%</b>	<b>22.0%</b>	<b>21.7%</b>	<b>22.7%</b>	<b>22.2%</b>	<b>23.5%</b>	<b>23.3%</b>	
Materials	26.3%	28.0%	30.3%	31.1%	31.7%	29.5%	28.2%	28.5%	
Chemicals	22.9%	27.0%	26.2%	24.9%	26.0%	27.3%	29.3%	28.5%	
Solutions	17.8%	18.5%	18.3%	17.3%	17.8%	17.2%	18.7%	18.4%	
<b>Capex in continuing operations</b>	<b>(996)</b>	<b>(839)</b>	<b>(716)</b>	<b>(711)</b>	<b>(794)</b>	<b>(179)</b>	<b>(177)</b>	<b>(215)</b>	
Materials	(306)	(301)	(274)	(274)	(288)				
Chemicals	(303)	(271)	(191)	(185)	(213)				
Solutions	(282)	(189)	(183)	(194)	(211)				
Corporate & Business Services	(104)	(79)	(68)	(58)	(82)				
<b>Cash conversion</b>	<b>48.6%</b>	<b>59.6%</b>	<b>67.9%</b>	<b>68.1%</b>	<b>65.9%</b>	<b>68.7%</b>	<b>71.6%</b>	<b>64.3%</b>	
Materials	62.1%	64.2%	70.5%	71.5%	70.6%				
Chemicals	58.5%	66.9%	77.3%	77.2%	74.8%				
Solutions	58.2%	71.1%	74.0%	71.3%	69.7%				
<b>CFROI</b>		<b>6.3%</b>	<b>6.9%</b>	<b>6.9%</b>	<b>6.8%</b>	-	-	-	
Materials		9.7%	10.9%	10.9%	10.8%				
Chemicals		8.1%	8.3%	8.1%	7.9%				
Solutions		6.6%	7.2%	7.0%	7.0%				
<b>ROCE</b>		<b>6.8%</b>	<b>7.9%</b>	<b>8.5%</b>	<b>8.3%</b>				
<b>FCF to Solvay Shareholders from continuing operations</b>	<b>(1)</b>	<b>346</b>	<b>378</b>	<b>566</b>	<b>566</b>				
<b>FCF conversion ratio</b>	<b>2.0%</b>	<b>18.8%</b>	<b>18.7%</b>	<b>27.1%</b>	<b>26.0%</b>				

[1] ROCE, FCF and segment figures are unaudited, except for 2019

[2] In 2015 (€41m) and in 2016 (€22m), some residual activities of Functional Polymers have to be added to make the total of the Chemicals segment.

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**Free cash flow conversion:** Calculated as the ratio between the free cash flow to Solvay shareholders (before netting of dividends paid to non-controlling interest) and underlying EBITDA.

**ROCE:** Return on Capital employed, calculated as the ratio between underlying EBIT (before adjustment for the amortization of PPA) and capital employed. Capital employed consists of net working capital, tangible and intangible assets, goodwill, rights-of-use assets, investments in associates & joint ventures and other investments, and is taken as the average of the situation at the start and the end of the period.

**Solvay** is an advanced materials and specialty chemicals company, committed to developing chemistry that addresses key societal challenges. Solvay innovates and partners with customers worldwide in many diverse end-markets. Its products are used in planes, cars, batteries, smart and medical devices, as well as in mineral and oil and gas extraction, enhancing efficiency and sustainability. Its lightweighting materials promote cleaner mobility, its formulations optimize the use of resources, and its performance chemicals improve air and water quality. Solvay is headquartered in Brussels with around 24,500 employees in 61 countries. Net sales were €10.3 billion in 2018, with 90% from activities where Solvay ranks among the world's top 3 leaders, resulting in an EBITDA margin of 22%. Solvay SA (**SOLB.BE**) is listed on Euronext Brussels and Paris Bloomberg: **SOLB.BB** - Reuters: **SOLB.BR**, and in the United States its shares (**SOLVY**) are traded through a level-1 ADR program. *(Figures take into account the planned divestment of Polyamides).*

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