



SOLVAY
PROGRESS BEYOND

Q1 2020 results

May 6, 2020

Q1 2020

webcast



Forenote

This presentation may contain forward-looking information. Forward-looking statements describe expectations, plans, strategies, goals, future events or intentions. The achievement of forward-looking statements contained in this presentation is subject to risks and uncertainties relating to a number of factors, including general economic factors, interest rate and foreign currency exchange rate fluctuations, changing market conditions, product competition, the nature of product development, impact of acquisitions and divestitures, restructurings, products withdrawals, regulatory approval processes, all-in scenario of R&D projects and other unusual items.

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CEO opening remarks

People

Business
Continuity

Operations

We apply strict safety measures



REMOTE WORKING

- ✓ Mandatory for all employees where possible.



RESTRICTED ACCESS

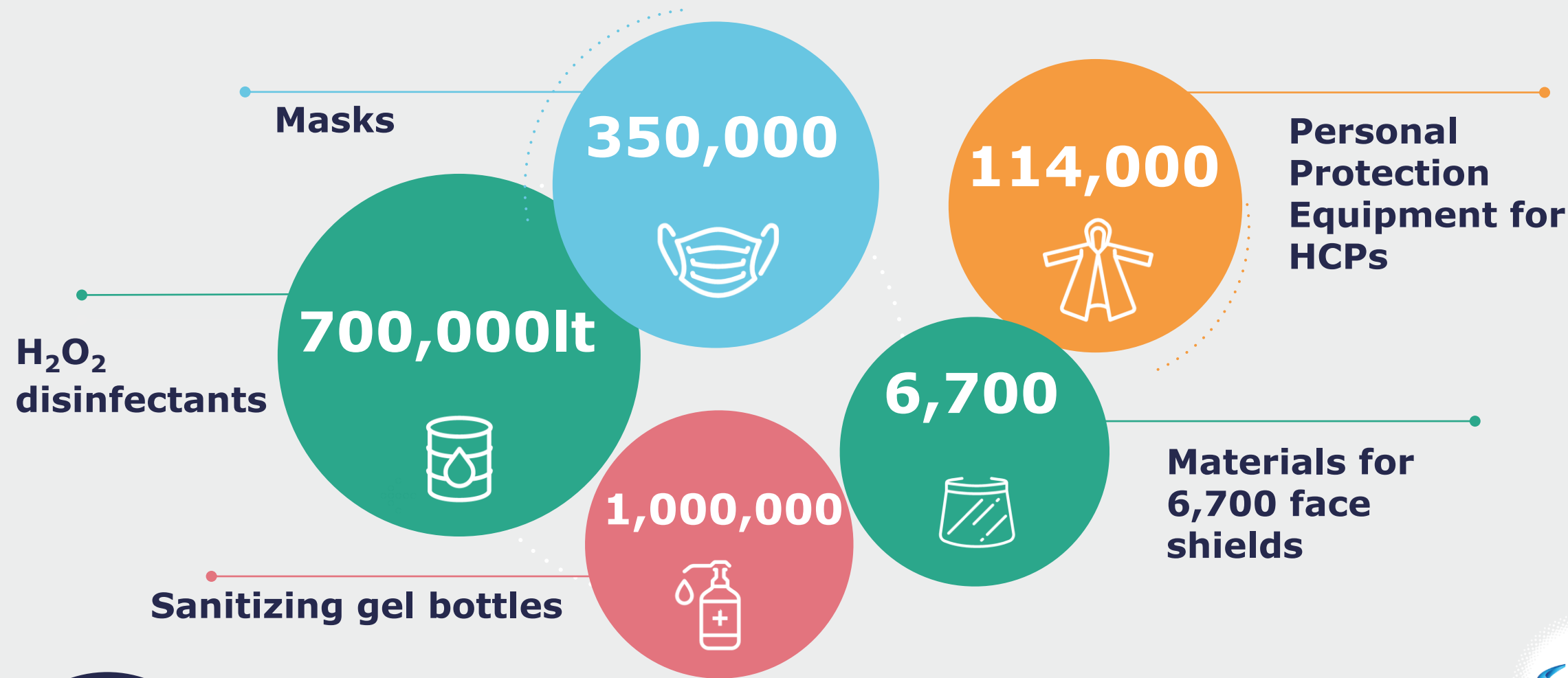
- ✓ To plants and sites limited to critical employees only.
- ✓ Regular health monitoring.



EPIDEMIC PREVENTION MEASURES

- ✓ Health education for employees.
- ✓ Facilitation of strict hygienic practices.

Our response to COVID-19



Decisive actions drive results

Costs

€50 million total savings

- Indirect spend ($\frac{2}{3}$)
- Labor ($\frac{1}{3}$)

Cash

€202 million FCF generation

- ~€300 million above Q1'19
- Working capital focus

Customers

New business

- Solvay proprietary technology used in COVID testing & vaccine (*healthcare*)
- Medical grade polymers supplied to **Boeing** for face shields (*healthcare*)
- Extended business relationship with **Murata** (*electronics*)
- Long term agreement with **Honda** aircraft (*aerospace*)



Strong Q1 performance

Supported by focus on cost, cash and customers



NET SALES

- Lower volumes (oil & gas / aero)
- Positive pricing



UNDERLYING EBITDA; Margins increase to 23%

- Resilient markets (healthcare, home and personal care, agro/food, auto, military)
- Challenges in oil and gas



FREE CASH FLOW to shareholders, continuing ops

- Disciplined working capital
- Tax benefit
- Lower capital expenditures

Materials

Q1 2020 Performance

-3%

NET SALES

y/y organic

-5%

EBITDA

y/y organic

29%

EBITDA

margin

SOLVAY, 2019 Net Sales by End-Market

| | |
|------------------------------|-----|
| Automotive & Aerospace | 25% |
| Industrial Applications | 19% |
| Consumers goods & Healthcare | 17% |
| Resources & Environment | 14% |
| Agro, Feed & Food | 12% |
| Building & Construction | 8% |
| Electricals & Electronics | 5% |

Market Drivers

- Solid demand in automotive, healthcare, consumer goods and military aircraft
- Lower demand in from anticipated production stoppage of the 737MAX program, while other commercial aircraft were stable

Performance Highlights

- Strict cost reduction measures offset a significant part of the volume decline
- Positive price
- EBITDA margin up sequentially

Chemicals

Q1 2020 Performance

-3%

NET SALES
y/y organic

+6%

EBITDA
y/y organic

30%

EBITDA
margin

SOLVAY, 2019 Net Sales by End-Market

| | |
|------------------------------|-----|
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Market Drivers

- Good demand in consumer goods, healthcare and food
- Lower demand in building & construction

Performance Highlights

- Lower volumes partly offset by higher prices
- Disciplined focus on cost and operational excellence
- Strong EBITDA supported by higher prices and cost reductions

Solutions

Q1 2020 Performance

-6%

NET SALES

y/y organic

-5%

EBITDA

y/y organic

17%

EBITDA

margin

SOLVAY, 2019 Net Sales by End-Market

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|------------------------------|-----|
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Market Drivers

- Lower demand in oil & gas
- Solid demand in home & personal care, agro/food, coatings, mining, and electronics offset some oil & gas

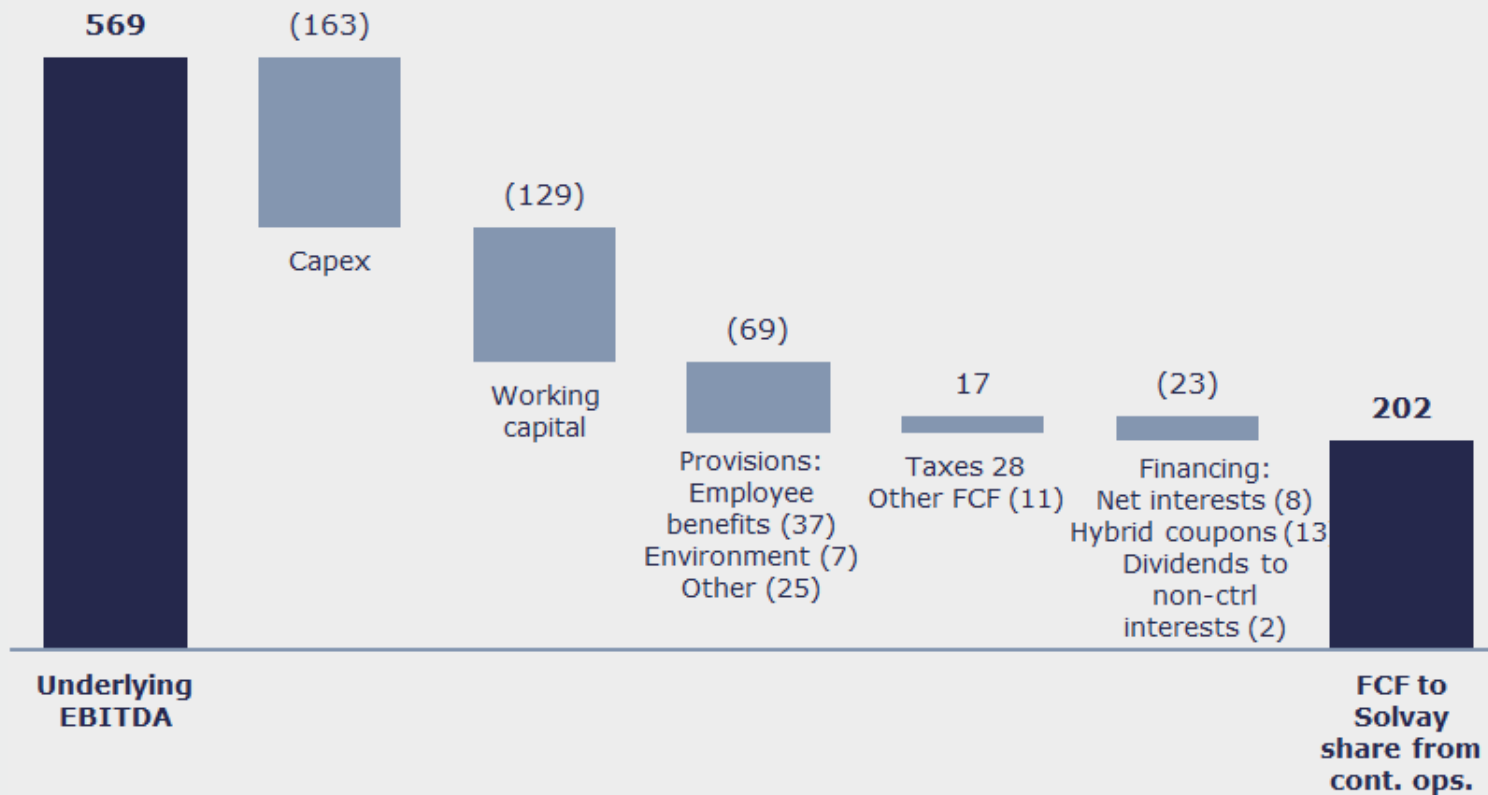
Performance Highlights

- Lower volumes mainly from oil & gas
- Margin increase to 17.4% thanks to cost control measures

Strong free cash flow generation

Record Q1 2020 performance

(in € million)



Q1 2020 FCF to Solvay shareholders at €202 million

- Strict working capital management
- Polyamide divestment proceeds use results in one-off tax gain
- Planned capex reduction plan

Financial robustness

Strong cash flow generation, balance sheet, and liquidity

Liquidity

- €4 billion (credit+cash)
- No covenants

Debt

- Next maturity in June 2021 of €500m hybrid
- Low refinancing risk

Deleveraging

- €460 million pension contribution
- Lowers annual cash out by €60 million

Confirmed dividend recommendation

Exceptional times, exceptional measures

Plans in place to address reduced activity levels

Align production rates to lower demand

- Maintain higher utilization rates
- Reduce unit cost of production

Reduce staff on temporary basis

- >15% of workforce furloughed effective May 4
- Includes industrial and admin positions

Strict Capex management

- Reduce full year by €250 million

Q2 results expected to be substantially lower despite mitigation actions

Solvay Solidarity Fund

Responsible Capitalism in Action

Charitable foundation established

Alleviate COVID-19 hardship

Contribution pledges to date

Personal gestures by directors/leaders/employees

Dividends

- Reference shareholder, SOLVAC: €10m up to €24m
- c. 200 private shareholders: €2m
- Many more shareholders yet to decide



Q&A





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