

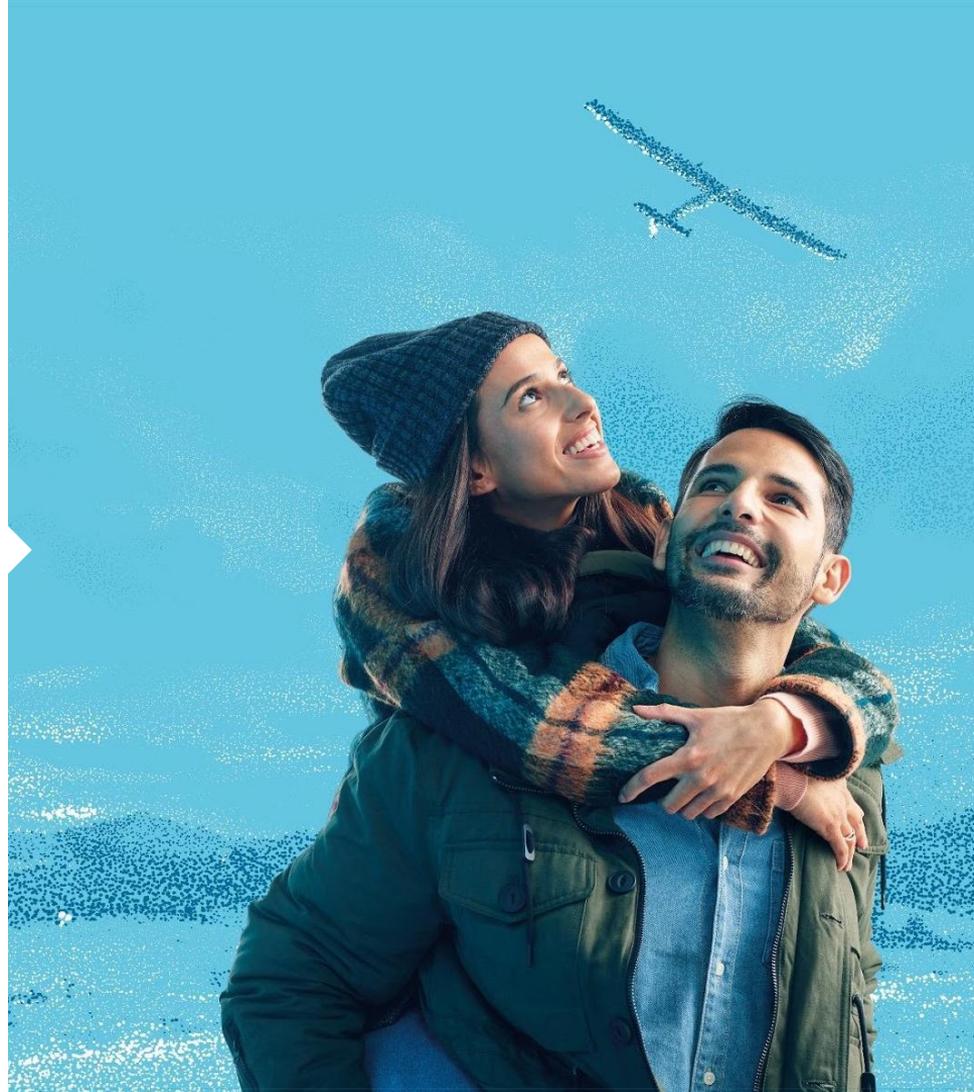


Progress beyond

# 2020 Q3 results

## Media presentation

November 5, 2020





# With you today



Ilham Kadri  
CEO



Karim Hajjar  
CFO

# Health and safety first



### Colleagues infected with COVID-19



### Colleagues in quarantine



Reflecting the emergence of a second wave in Europe and North-America

Strengthen protection measures on production sites which continue to operate throughout the crisis

Teleworking is mandatory when the employee can work effectively from home

# Q3 highlights on ESG and innovation



## Solvay raises the bar on ESG

- Stepping up on climate with suppliers and customers as part of the Science Based Targets Initiative
- Enhancing a circular future for hybrid and electric vehicle batteries
- Appointing Dr. Piot, the world-renowned Belgian microbiologist, as Honorary Chairman of Solvay Solidarity Fund



## Innovation

- Solvay offers two innovative products to counter COVID-19
- Solvay adopts new global "work from anywhere" policy

# Q3 results

Strong cost reduction and record free cash flow



## Free Cash Flow

- Sixth consecutive quarter of positive FCF
- Disciplined working capital management



## Underlying profit

- Up from €109m in Q2



## Underlying EBITDA

Margin 22.5%

- Reduction in volumes
- Up sequentially by 7.7% vs Q2 thanks to disciplined cost actions

# 9 months performance

Strong free cash flow despite demand headwinds



## Free Cash Flow

to shareholders, continuing ops

- More than double the prior year period
- Disciplined working capital



## Net Sales

- Lower volumes in aero, auto, oil & gas and construction markets
- Some demand improvement in September



## Underlying EBITDA

Margin 21.9%

- Reduction in volumes
- Cost containment and positive pricing

# Performance and indicators by end market

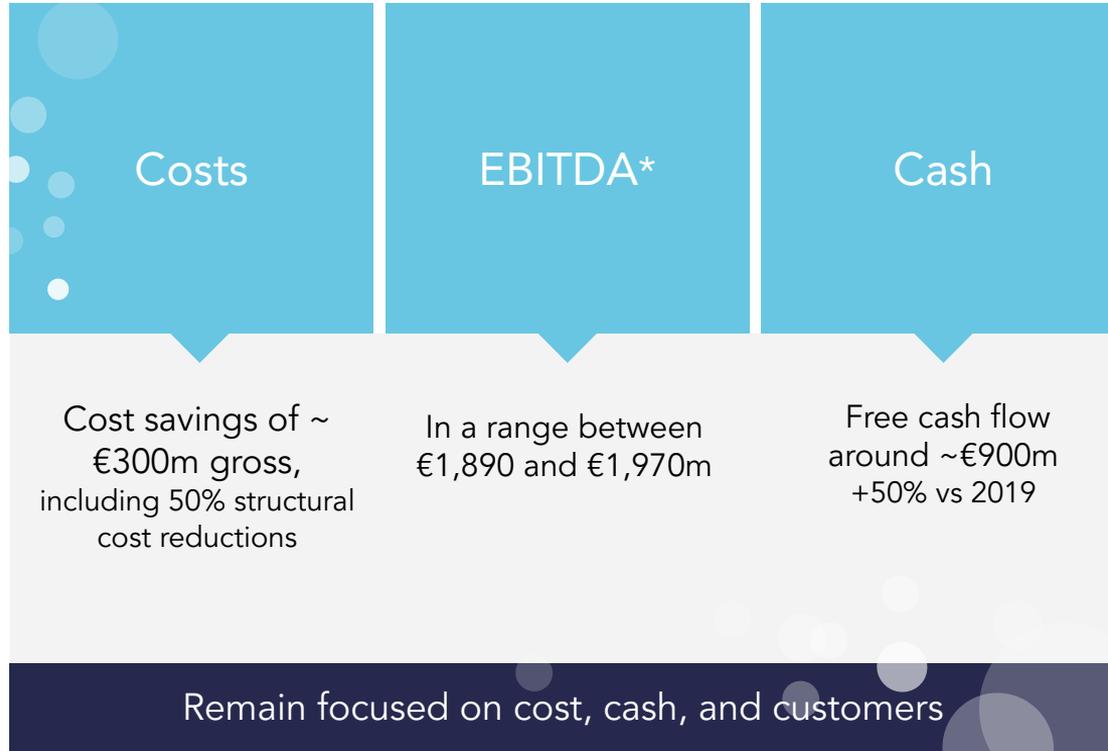


End Market	% Solvay annual sales 2019	Solvay Q3 2020 trends
Building & Construction/Industrial	16%	Demand improvement in flat glass for construction (Sept)
Automotive	14%	Growth in EV battery applications & silica for tires (Sept)
Food/Agro/Feed	12%	Growth in Agro; vanillin remains resilient
Home & Personal Care	8%	Resilient demand for bio-based products + innovation
Civil Aerospace	7%	Composite restructuring plans on track to mitigate civil decline
Electronics	5%	Growth driven by semiconductors
Healthcare	4%	Growth in various applications
Mining	4%	Short-term impact <sup>1</sup> in sector
Shale Oil & Gas	4%	Turnaround plan supports cost reductions

~75%

<sup>1</sup> impact from Covid-19 pandemic

# Outlook for full year 2020



\*Barring further deterioration related to Covid-19; excluding scope and foreign exchange

# Investing for the future



## People & Planet

- Science Based Targets Initiative
- Circular economy
- New global “work from anywhere” policy
- Appointment of Dr. Piot at the Solvay Solidarity Fund

## Portfolio

- New Hydrogen growth platform
- Simplification journey

## PROFIT

Our talent, bolder ESG objectives and a simplified portfolio will deliver profit at the service of customers, shareholders and society.

# Thank you.



Progress beyond



[solvay.com](https://www.solvay.com)