

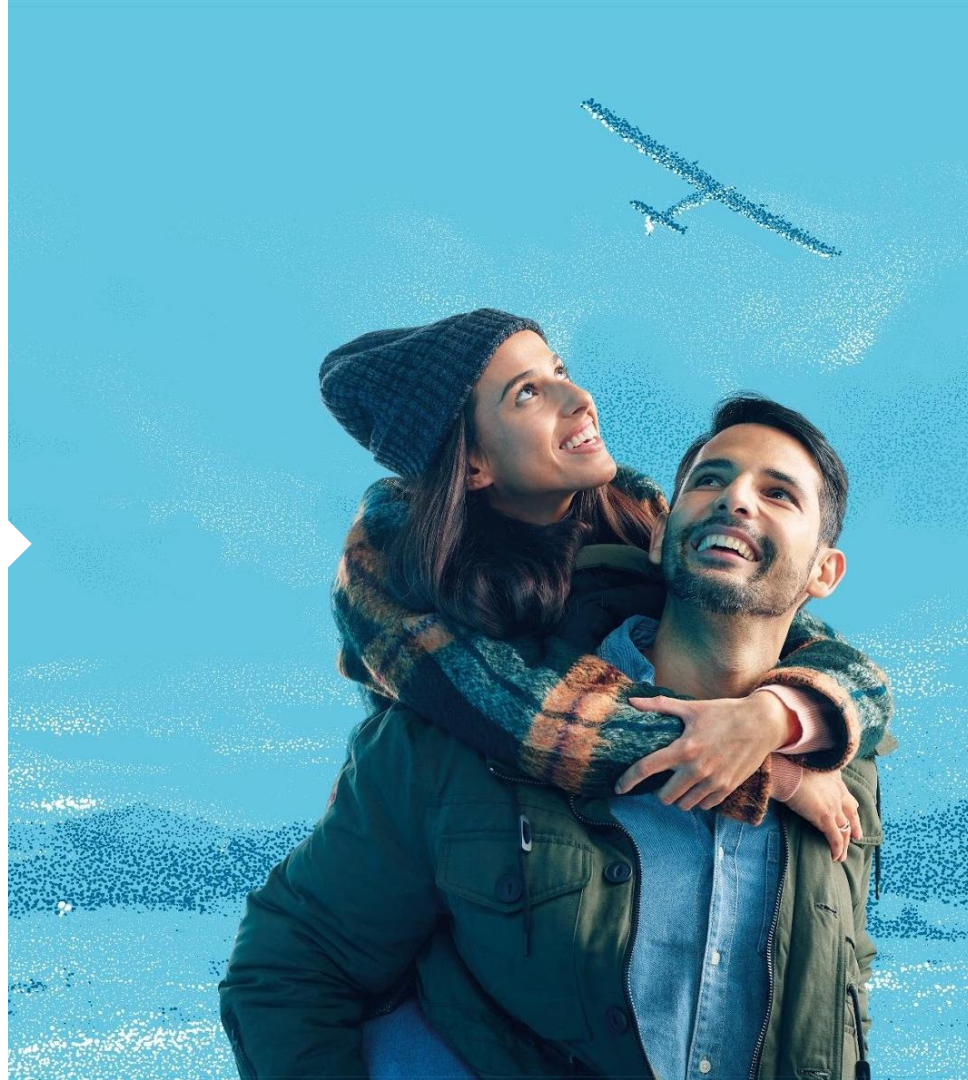


Progress beyond

Solvay's 2020 Full Year Results

Media presentation

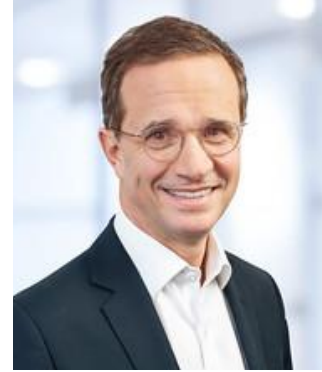
February 24, 2021



With you today



Ilham Kadri
CEO



Karim Hajjar
CFO

SAFETY



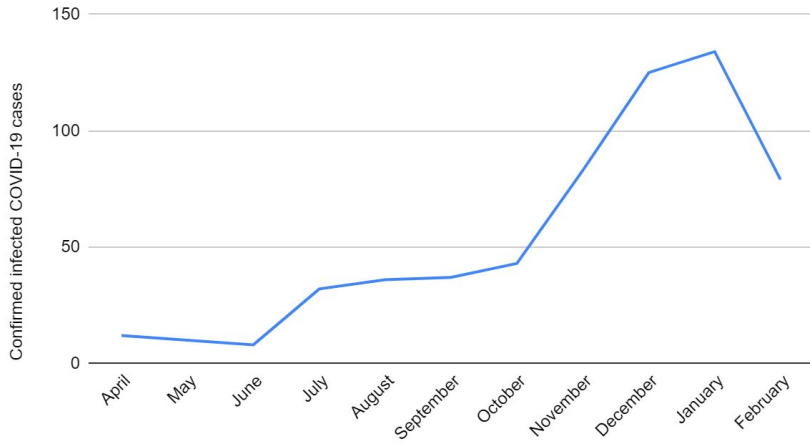
Health and safety is our top priority



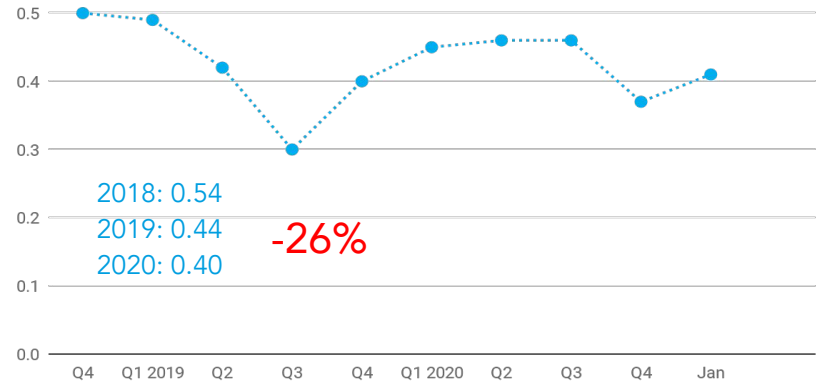
Confirmed COVID-19 cases



Confirmed infected COVID-19 cases



REPORTABLE INJURIES AND ILLNESSES RATE



RIIR (Reportable Injuries and Illnesses per 200,00 work hours)

Since the beginning of the pandemic, six employees have sadly died from COVID

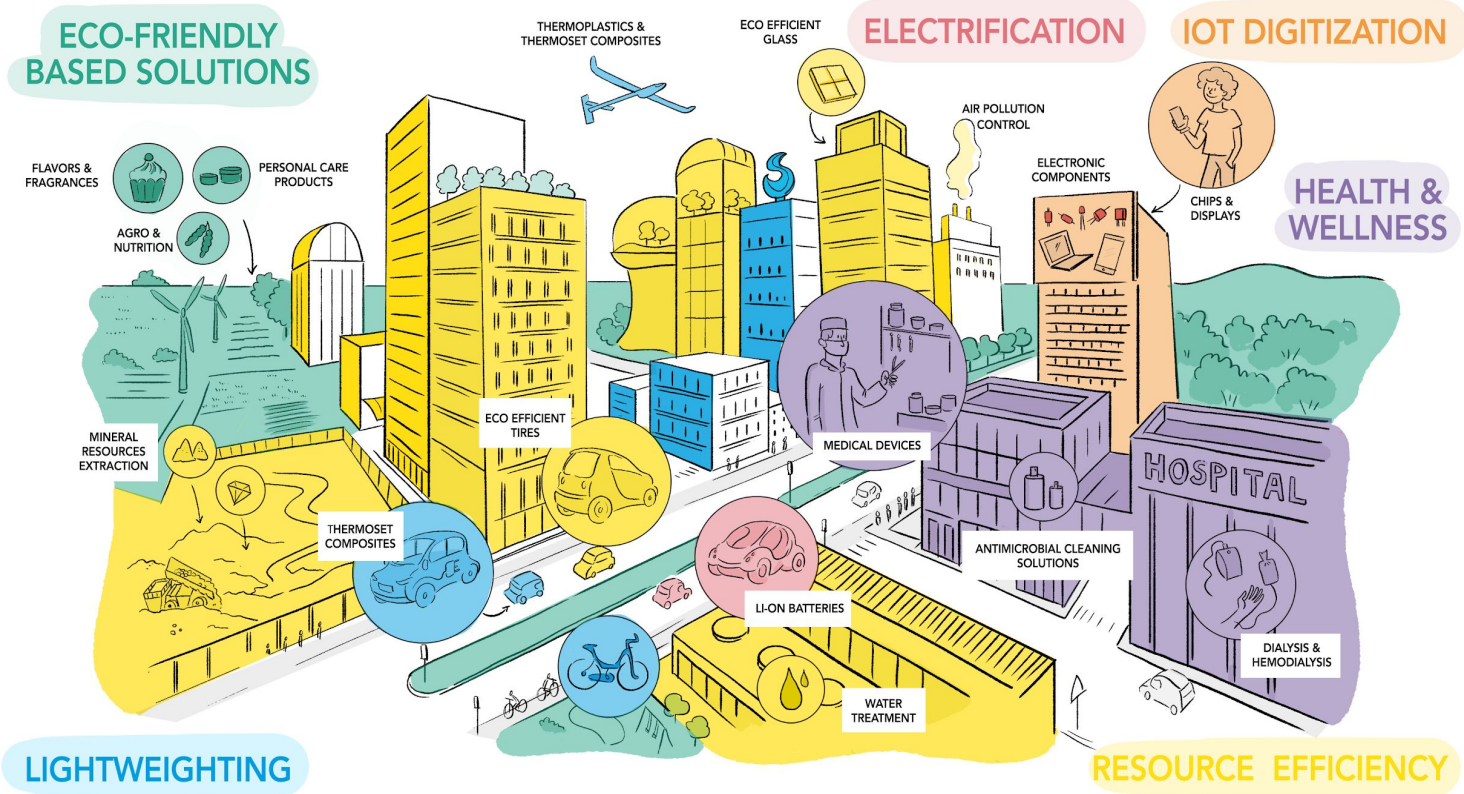


No accident-related fatalities or irreversible accidents in 2020 (3 consecutive years without an accidental fatality)

SOLVAY TODAY



Essential and emerging stronger



2020: Adapting fast to create value in line with our values



Our Purpose

We bond people, ideas and elements to reinvent progress

Our Vision

Sustainable shared value for all

Our Strategy

- G** Growth
- R** Resilience
- O** Optimization
- W** Win


**Solvay
One Planet**
Sustainability goals

Our Culture

Our new common operating model helps us work more efficiently and effectively together



Changing our behaviors to be more "customer-obsessed"

Our Solutions

We align our technologies to customer and societal needs on markets where we are uniquely positioned to make a difference and a profit at the same time

Lightweighting
Electrification
Health & Wellness
Resource Efficiency
IOT Digitization
Eco-Friendly Based Solutions

2020: building a sustainable future



People

- No accident-related fatalities or irreversible accidents
- 16 weeks leave worldwide for all co-parents
- COVID-19 bonus for non-executive employees and Senior Executives voluntary salary cut by 15%
- 30% of changes within the Top 100, empowering talent across the Group
- Solvay Solidarity Fund for COVID-19 relief, raised €15 million



Planet

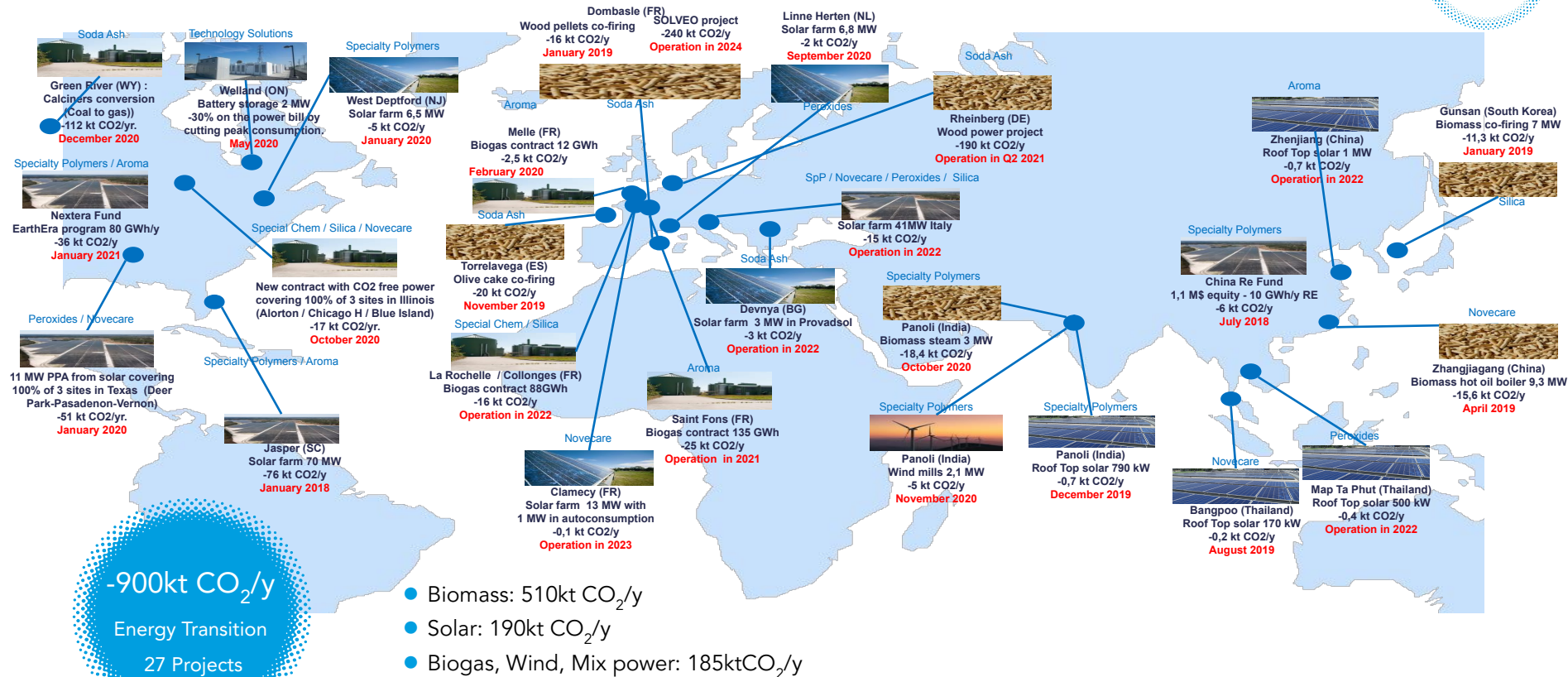
- Launch of Solvay One Planet and joined Paris Accords (Feb'20) and committed to SBTi (Oct'20)
- -20% CO₂ emissions in 2020 (40% structural / 60% due to low activity))
- Coal phase out with -18% already achieved in 2020
- 27 renewable energy transition projects and underway (-0.9Mt CO₂/y)
- -12% pressure on biodiversity in 2020



Financials

- 7 quarters of positive increasing Free Cash Flow (€963 million in 2020)
- €332 million cost savings with structural measures to simplify and streamline organization effectiveness
- 6 divestments underway
- Hydrogen, EV Batteries, Thermoplastic Composites multi-billion growth platforms launched
- Investment in PVDF for EV batteries increasing capacity by 50% globally

The energy transition at Solvay 2019-2020



Full Year 2020 Earnings

Partnering with our customers to address today's challenges



New sustainable tire platform

Partnership with
Bridgestone



Innovations Actizone™ & Rhodasurf®

Henkel values Solvay
innovations



Composite structures for zero-emission air taxis

Partnership with
Vertical Aerospace



77%

of expected R&I revenue
from sustainable solutions



€291M

R&I effort



135

Patent applications

2020 PERFORMANCE



Full Year 2020 Performance

Record free cash flow and cost delivery



FREE CASH FLOW

continuing operations

€963_m

- Disciplined working capital
- Structural improvements
- ~60% higher than 2019

NET SALES

€8,965_m

- Resilient portfolio
- Down 10% organic basis
- Down 5% excl civil aero, oil & gas

UNDERLYING EBITDA

€1,945_m

- 21.7% EBITDA margin
- High quality earnings due to record cost reductions of €332m and successful pricing actions

Resilient portfolio and cost reductions deliver strong results



Materials

-18.7%
organic

- Civil aircraft build rates impact volumes, while defense remains resilient
- Decisive cost reduction actions to adapt to challenges in aerospace
- Automotive demand showed improvement in September
- Growth in batteries for electric vehicles
- Healthcare and electronics remain resilient

Underlying
EBITDA

€1,945m

-14% organic

Chemicals

-9%
organic

- Increased demand for flat glass offset by container glass
- Outperformed in an improving market for tires.
- Volume decline partly offset by price and cost mitigation supported sustained margins

Solutions

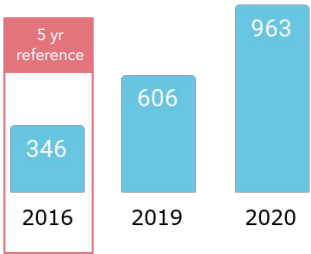
-11.8%
organic

- Growth in home & personal care, agro, coatings and electronics
- Oil & gas remains under pressure but has stabilized
- Cost control and pricing drove higher margin

High focus and delivery on FCF and deleveraging

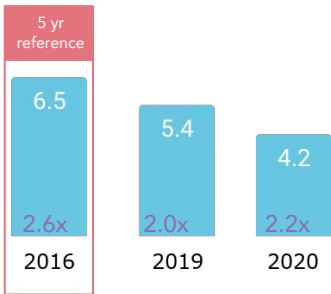


Free cash flow
to Solvay shareholders
continuing operations
in € million

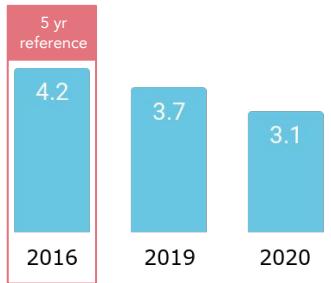


Underlying net
financial debt
in € billion

Leverage in time



Provisions
in € billion



TRANSFORMATION



Strategic announcements



PORTFOLIO

- Divestments underway for **six business lines**, expected to close in first half of 2021.
- Solvay's Soda Ash business unity to become a **separate and fully controlled legal structure** to optimize cash flow, returns, accountability and **increase strategic portfolio flexibility**
- Continue exploring **strategic options for oil and gas** business line
- Bolt-on acquisition of **seed coatings business**, strengthening Solvay's bio-based sustainable solutions for agriculture

OUTLOOK



Outlook: Poised for the rebound



FY COSTS

Cost savings of
~€150m gross

Q1 EBITDA

In a range between
€520 and €550m

FY FREE CASH FLOW

In a range between
€600m and €650m



Financial assumptions full-year 2021

- EBITDA ⇒ Scope and Forex effect of €-120 million
- Free Cash Flow ⇒ Capex is estimated up to €750 million, higher restructuring costs (€60 million) and lower pensions and interests charges (€90 million)

Investing in sustainable growth platforms



Thermoplastic Composites

Combining our expertise in polymers and composites



EV Batteries

Materials for binders, electrolytes, and separators



Hydrogen & Clean Energy

Membranes & electrodes of PEM electrolyzers & fuel cells

2020 New
PLATFORM

Q&A

