

February 23, 2022 at 7 a.m.

Solvay full year 2021 results

2021 Sales and EBITDA up double-digits boosted by strong volumes and pricing actions, sustaining our margins while overcoming inflationary costs

Highlights

- **Net sales** for the full year 2021 were up +17% organically to €10.1 billion versus 2020, with 12% of the growth driven by volumes and 5% driven by pricing. More than half of the full year impact from price initiatives were realized in Q4. Full year net sales were up +4.4% organically compared to 2019, reflecting continued momentum in key markets including auto and electronics. In the fourth quarter, net sales increased +22.4% versus 2020 and +17.1% versus 2019.
- The acceleration of **price increases** largely offset a €465 million impact from variable cost inflation.
- **Structural cost savings** for the full year 2021 amounted to €213 million, bringing total structural savings since 2019 to €390 million, or 80% of its targeted €500 million (annual run-rate) by the end of 2024.
- **Underlying EBITDA increased** +27% versus full year 2020, setting a new record at €2,356 million. EBITDA was up +8% versus 2019, despite the slower recovery in the civil aero market, demonstrating good operating leverage. Underlying EBITDA margin rose to 23.3%, 160 basis points higher than 2020 despite the high inflationary environment. EBITDA in the fourth quarter grew +24% organically, or +19% excluding net €27 million of one-time gains.
- **Underlying net profit** amounted to €1.0 billion, up 68.3% compared to 2020.
- Strong **free cash flow** generation of €843 million reflecting higher profits and further working capital improvements which also enabled the funding of an increase in capital investments to €736 million for the year.
- Continued strengthening of the **balance sheet** with reduced net debt (€249 million) and provisions (€487 million). This brings the leverage ratio to 1.7x, the lowest since 2015.
- **ROCE** for 2021 reached a record level at 11.4% versus 6.9% in 2020 and 8.1% in 2019.
- Total **proposed dividend** of €3.85 per share, reflects a €0.10 per share increase, subject to Shareholders' approval.

Underlying (in € million)	Fourth quarter					Full year				
	2021	2020	2019	% org 21/20	% org 21/19	2021	2020	2019	% org 21/20	% org 21/19
Net sales	2,703	2,214	2,440	+22.4%	+17.1%	10,105	8,965	10,244	+17.0%	+4.4%
EBITDA	572	464	525	+24.0%	+16.0%	2,356	1,945	2,322	+27.0%	+8.0%
EBITDA margin	21.2%	21.0%	21.5%	-	-	23.3%	21.7%	22.7%	-	-
FCF¹	150	161	261	-	-	843	963	606	-	-
FCF conversion ratio (LTM)	37.6%	51.1%	27.8%	-	-	37.6%	51.1%	27.8%	-	-

Ilham Kadri, CEO

"2021 marks another great year of progress in our transformation journey. We emerged stronger on all fronts, from pricing power to profitability, from cash generation to returns. This year we faced new challenges and we overcame rising raw material and energy costs and supply chain disruptions. We continue to build on our strong foundations and I am confident in our ability to deliver. The dedication of our people, the progress we are making in serving our customers, and the new investments we're making position us for superior growth in the years ahead."

[Register to the webcast scheduled at 14:00 CET here](#) - [Link to financial report](#) - [Link to financial calendar](#)


¹ Free cash flow is free cash flow to Solvay shareholders from continuing operations

2022 Outlook

Against an unprecedented inflationary cost environment, pricing actions in 2022 are expected to accelerate, and full year EBITDA is estimated to grow organically by mid-single digits. With the current cycle of growth investments underway, Free Cash Flow is estimated to exceed €650 million.

Solvay ONE Planet Progress Update

Since 2019, Solvay has embarked on a sustainability journey that is captured in the Solvay One Planet roadmap, which is an integral element of its G.R.O.W. strategy and company Purpose. Structured around the three major categories of climate, resources and better life, Solvay One Planet is a roadmap towards a sustainable future that provides shared value for all. Solvay made further advances on this journey in 2021, accelerating efforts to meet stakeholders' growing expectations, including protecting the most vulnerable during the pandemic; setting more ambitious environmental targets and building partnerships to enable the circular economy. The table below provides an update on Solvay's progress.

	2018	2019	2020	2021	Comments	Progress vs 2018
Climate						
Align greenhouse gas emissions with Paris Agreement and SBTi (Mt)	12.7	12.1	10.2	11.0	Higher production levels in 2021 vs 2020 Achieved 11% in aggregate versus 6.6% Paris Agreement	-14% (-11% structural)
Phase out coal wherever renewable alternatives exist (PJ)	33	32	27 (1 plant exiting coal)	27 (1 plant exiting coal)	Volume growth and exceptional energy market conditions in 2021; Exit announced at Rheinberg in 2020 and at Dombasle in 2021	-18%
Reduce negative pressure on Biodiversity (yoy)	-	-5%	-7%	-13%	Volume growth more than offset by improved eco-profile accuracy	-24%
Resources						
Increase sustainable solutions % of Group sales	50%	53%	52%	53% (a)	Improved eco-profile and increased number of sustainable solutions	+3pp
Increase circular economy % of Group sales	-	4%	5%	5%	Long term projects with expected results as from 2023.	+1pp
Reduce non-recoverable industrial waste (Kt)	89	76	64	58	Projects initiated in 2020 starting to deliver	-34%
Reduce intake of freshwater (Mm ³)	330	330	314	315	Volume growth compensated by greater efficiency	-5%
Better life						
Safety with a zero accident policy (RIIR)	0.51	0.40	0.38	0.43	Reversal consistent with industry trends, action plan on globalizing near misses	-16%
Accelerate inclusion & diversity parity in mid & senior management	23.7%	24.3%	24.6%	25.0%	Launched Solvay One Dignity 9 goals	+1.3pp
Gender equality extend maternity leave					16 weeks policy open to all co-parents since January 2021	

Note: When necessary, historical numbers have been restated to be comparable with 2021 (scope and methodology).

(a) Effective 2022, the CO2 price was increased from €75 to €100 per metric ton CO2 eq. As a consequence, the level for 2021 will be restated to 50%.

Climate

In October 2021, Solvay announced its plans to reach [carbon neutrality](#) on scope 1 and 2 emissions before 2040 for all businesses except soda ash and before 2050 in soda ash. Consequently, the 2030 target for greenhouse gas emissions was upgraded to reduce by -30% from -26%, as compared to the 2018 baseline. The scope 3 target shall at least meet the 2°C criteria of the Science Based Targets initiative. A strategic initiative was also launched in 2021 to spur transformative progress with its suppliers in 2021. The Group will continue its effort in that direction beyond 2030 within its neutrality vision.

Previously, GHG emissions had been reduced by -14% at constant scope between 2018 and 2021, of which -11% relates to structural improvements and -3% to lower levels of production. As part of its transition to cleaner energy sources, Solvay has 36 emission reduction projects identified, of which 21 are already underway. These represent 2.5 megatons of CO₂ annually, which is the equivalent of taking 1.4 million cars off the road.

The use of coal for energy production is already being phased out of two soda ash plants in Europe. In 2020, Rheinberg in Germany began switching from coal to biomass, reducing the Group's total emissions by -4% by 2025. More recently, the Dombasle site in France began exiting coal by transitioning to primarily refuse-derived fuel, cutting another -2% of the Group's total emissions by 2024. And now in 2022, Solvay takes the first step to reduce coal usage in its largest European soda ash operation in Devnya, Bulgaria by converting a boiler to biomass. All projects generate returns above 15% and further de-risk our operations.

Solvay has also decreased its pressure on biodiversity by -24% versus 2018 according to the ReCiPe methodology (reducing pressure on terrestrial acidification, climate, water eutrophication, marine ecotoxicity). The overall trend is fully aligned with 2030 targets, with part of this progress related to methodology improvements. In 2021, the Paulinia site in Brazil was awarded the Wildlife Habitat Council's (WHC) Gold Certificate and our efforts to restore the Cuchia Quarry in Spain also received recognition.

Solvay's climate progress was recently recognized by CDP (formerly the "Carbon Disclosure Project") who upgraded Solvay's rating from B to A-, which is in the leadership band, and higher than the chemical sector average of B.

Resources

In 2021, the proportion of sales from sustainable solutions improved by +1 percentage point, largely reflecting the reduction of environmental impact in production within Specialty Polymers and Peroxides, the acquisition of new agriculture activities, and the requalification of some solutions for coatings.

Regarding circularity, Solvay's tripartite partnership between Veolia and Renault to establish a sustainable supply source for strategic battery raw materials is on track. The hydrometallurgical process to extract and purify cobalt, lithium and nickel from Veolia's battery cells at end of life has proven successful. The project is now moving into an engineering phase for construction of a pilot plant.

Innovation to develop more sustainable solutions is a continuous process for Solvay teams collaborating with partners and customers to anticipate future needs and identify higher performance requirements for new technologies. As an example, solutions for the next generation of battery technologies are underway with a clear roadmap (Gen 3 and the solid state battery Gen 4). Solvay is the front-runner in Europe for this new technology, and we are investing in the most advanced pilot plant in Europe. Also in the automotive market, Solvay partnered with Bridgestone and Arlanxeo to launch TECHSYN, a new tire technology platform reducing overall fuel consumption and CO₂ emissions while enhancing tread mileage. In the consumer space, customers are recognizing Solvay for its Actizone™ innovation— a unique long-lasting antimicrobial disinfection technology— which is now commercialized.

In 2021, Solvay's freshwater withdrawal remained essentially constant compared to 2020 (+1 Mm³), despite an organic sales growth of 17.0%.

In 2021, Solvay also successfully reached its target to reduce non-recoverable industrial waste by -30%, well in advance of its 2030 timeline. Much of this was accomplished from waste valorization, which is the process of reusing, recycling, or composting waste and converting them to more useful products. Some examples include repurposing waste for cement, transforming wastewater sludges into bricks for construction, and better monitoring of the waste management data.

Better Life

Investing in human capital remains a high priority, as this underpins the foundation that propels Solvay forward.

Our safety results deteriorated in 2021 following the impact of the Covid-19 situation on behaviors and its impact on operations (volume growth, supply chain disruptions) created by the very strong recovery. The results in 2021 versus 2018 show good progress.

In 2021, we launched the Solvay One Dignity program with the objective to accelerate diversity, equity and inclusion within our organization.

On Diversity, Solvay is accelerating gender equity at all mid and senior levels by 2030. The first step was to update a DEI dashboard with associated metrics. In addition, a Gender Impact Assessment (GIA) is planned to identify where current policies may be negatively impacting the advancement of female employees within the organization.

Solvay is also encouraging employees to bring their “whole self” to work and is supporting that ambition by helping colleagues create employee resource groups (ERGs) worldwide. Two new ERGs were launched in 2021 for African American employees.

On gender equity, Solvay is also working to ensure fair recruitment and has set a target for 50% participation of under-represented groups, including women, in the shortlist of all mid and senior level jobs. On pay equity, we are collecting data to help us identify if there are unjustified pay inequities across Group profiles. While there is more progress to be made, the current ratio of basic salaries of women to men by management category is encouraging. Solvay intends to publish these results for the most significant countries in its 2021 annual report, in an effort to promote transparency.

Another highlight includes the launch of a new mentoring program: Almost 25% of our female junior managers responded to a call for volunteers to take part in “The A Effect Ambition Challenge”, an international program designed to help women boost their careers. In 2021, 150 women participated in the program and another 300 women are scheduled to participate in 2022.

In our effort to build a more inclusive workplace, Solvay launched a global survey to assess the inclusive culture. The results have been added to the DEI Dashboard and used as a baseline to track our progress. Eighty percent of employees feel they can be “themselves” at work. While this is a great insight, it also highlighted certain areas where Solvay needs to focus its efforts in 2022, such as the importance of speaking up when experiencing non inclusive behaviors.

In December 2021, Solvay launched a [Global Share Ownership Program](#), which is historic for the company and its employees — the first of its kind since the company went public in 1967. With this initiative, we seek to better align employees with the Group’s performance by offering them a 10% discount on Solvay shares. The aim is to promote an ownership mindset by broadening the employee perspective thereby promoting deeper engagement and participation in driving superior value.

Solvay Solidarity Fund raised €15 million in 2020 thanks to the support of shareholders, directors, CEO and Executive managers, and employees. Originally set up to help employees cope with hardship due to the Covid-19 pandemic, the fund this year also addresses other kinds of hardship such as the aftermath of the floods in Belgium, Germany and China. To date €2.4 million has been provided to individuals and €4 million to collective support: 30 projects in 13 countries.

Key figures

<i>Underlying, in € million</i>	Q4 2021	Q4 2020	% yoy	FY 2021	FY 2020	% yoy
Net sales	2,703	2,214	+22.1%	10,105	8,965	+12.7%
EBITDA	572	464	+23.4%	2,356	1,945	+21.1%
<i>EBITDA margin</i>	21.2%	21.0%	+0.2pp	23.3%	21.7%	+1.6pp
EBIT	374	260	+43.7%	1,600	1,110	+44.1%
Net financial charges	-54	-79	+32.3%	-235	-284	+17.4%
Income tax expenses	-59	-76	+22.2%	-287	-195	-47.3%
<i>Tax rate</i>				23.5%	25.6%	-2.1pp
Profit / (loss) attributable to Solvay shareholders	250	96	n.m.	1,040	618	+68.3%
Basic EPS	2.41	0.93	n.m.	10.05	5.99	+67.7%
Basic EPS from continuing operations (in €)	2.41	0.95	n.m.	10.02	5.81	+72.6%
Capex in continuing operations	324	200	+61.9%	736	611	+20.5%
FCF to Solvay shareholders from continuing operations	150	161	-6.7%	843	963	-12.5%
FCF to Solvay shareholders (total)	149	155	-4.2%	830	951	-12.7%
FCF conversion ratio (LTM)				37.6%	51.1%	-13.6pp
Net financial debt				3,949	4,198	-5.9%
Underlying leverage ratio				1.7	2.2	-22.3%
CFROI				6.9%	5.5%	+1.5pp
ROCE				11.4%	6.9%	+4.4pp

Group performance

Net sales of €10,105 million in 2021 were up +12.7% (+17.0% organically) versus 2020 driven largely by volumes, and further supported with positive pricing. Sales in 2021 were up +4% organically versus 2019. In the fourth quarter, sales improved +22.1% (+22.4% organically) versus the fourth quarter 2020, thanks to continued strong momentum in all our markets and due to significant price actions. Full year and fourth quarter sales grew organically by double-digits in all regions.

Structural cost savings reached €213 million for the full year 2021, with €40 million realized in the fourth quarter. Approximately 40% of the savings are from indirect spend, 35% are related to restructuring initiatives, and 25% are from productivity and efficiency improvements.

Underlying EBITDA of €2,356 million was up +21.1% (+27.0% organically) in 2021 versus 2020, and up +8% versus 2019 as a result of significantly higher sales volumes. The EBITDA margin for full year 2021 was 23.3% thanks to higher volumes, increased pricing and delivery of cost measures. Underlying EBITDA in the fourth quarter of €572 million increased +23.4% (24.0% organically) versus the fourth quarter 2020 and 16% organically versus 2019 due mainly to price actions implemented to offset inflationary cost increases. In the fourth quarter 2021, underlying EBITDA includes net €27 million of one-time gains consisting mainly of a gain of €61 million, mostly in the Chemical segment, resulting from a Supreme Court retroactive decision in Brazil conferring the right to recover indirect sales duties to a number of companies, including Solvay (for more information, see financial report). This gain was partially offset by a negative €34 million, half of which related to a bad debt in the energy business in the Corporate and Business Services segment.

Free cash flow to shareholders from continuing operations reached €843 million. Results reflect significant structural improvement in working capital management, and reduced pension and interest cash costs of €89 million.

Underlying net financial debt decreased €249 million in 2021 to €3.95 billion, driven by the higher free cash flow generation in 2021.

Provisions are down €487 million to €2.6 billion thanks primarily to remeasurements related to employee benefits and the voluntary pension contributions in Belgium and the UK totaling €236 million.

Performance by segment

Net sales bridges

(in € million)	FY 2020	Scope	Forex	Volume	Price	FY 2021	Yoy %	Organic %
Materials	2,695	-60	-33	+261	+39	2,903	+7.7%	+11.5%
Chemicals	2,948	-49	-59	+301	+216	3,357	+13.9%	+18.2%
Solutions	3,316	-93	-31	+459	+188	3,838	+15.8%	+20.3%
Corporate	6	-	-	+1	-	7	+15.8%	+25.2%
Solvay	8,965	-202	-124	+1,022	+443	10,105	+12.7%	+17.0%

(in € million)	Q4 2020	Scope	Forex	Volume	Price	Q4 2021	Yoy %	Organic %
Materials	620	-17	+22	+86	+40	751	+21.2%	+20.2%
Chemicals	764	-16	+8	+31	+103	891	+16.6%	+17.8%
Solutions	829	-30	+26	+107	+127	1,058	+27.7%	+28.3%
Corporate	2	-	-	+1	-	2	+56.8%	+75.9%
Solvay	2,214	-62	+56	+225	+270	2,703	+22.1%	+22.4%

Materials

Sales in the full year 2021 were up +7.7% (+11.5% organically) to €2,903 million as a result of record sales levels in Specialty Polymers driven primarily by automotive, EV battery and electronic markets. These gains were partially offset by scope and foreign exchange. Full year EBITDA was up +23.4% (+25.8% organically), thanks to the increased volumes and pricing which drove 390 basis point margin expansion to 30.3% for the year.

In the fourth quarter, segment sales improved +21.2% driven by strong demand across several sectors and by price increases mainly in effect since the fourth quarter. Sales to batteries for hybrid and electric vehicles were again up significantly. Other markets including healthcare, consumer goods, and electronics, continued their solid performance.

Composite Materials sales were up by +19.2% in the fourth quarter versus Q4 2020, demonstrating recovery in civil aerospace demand driven by single-aisle aircraft production rate increases. Sales to defense and space also grew in the fourth quarter.

Fourth quarter EBITDA for the segment increased 35.5% (+31.4% organically) driven largely by volume growth in Specialty Polymers and the continued recovery in Composites. EBITDA margins improved 290 basis points to 27.5% in the fourth quarter thanks to the higher volumes and price actions.

Chemicals

Full year 2021 sales in the segment were up +13.9% (+18.2% organically) to €3,357 million due to higher volumes and pricing. EBITDA in 2021 was up +23.7% (+28.6% organically), thanks primarily to exceptional performance in Coatis and Rusvinyl which helped boost segment EBITDA margin to 30.1%, up 240 basis points.

Fourth quarter net sales were up +16.6% in the segment. In Soda Ash, sales improved +7.1% in Q4 driven by pricing actions and higher demand for soda ash and bicarbonate.

Peroxides sales were up +6.9% in Q4 mainly reflecting price actions along with modest volume improvement in H2O2.

Silica sales increased +13% in the quarter driven by pricing actions.

Coatis repeated its exceptional sales performance, up +57.5% year on year due to strong volumes and pricing.

Fourth quarter EBITDA in the segment increased +36.5% (+36.9% organically) versus the fourth quarter 2020 as a result of the €55 million of the €61 million one-time gain related to the recovery of

indirect sales duties in Brazil which were recorded in the EBITDA of this segment. Excluding this one-time gain, fourth quarter EBITDA rose +10.5% driven primarily by pricing. EBITDA margin increased to 32.1% in the quarter.

Solutions

Full year 2021 sales were up +15.8% (+20.3% organically) to €3,838 million due mainly to volume recovery across businesses. Full year EBITDA was up +23.7% (+29.5% organically), leading to 18.3% EBITDA margin for the year, up 120 basis points from 2020.

Fourth quarter net sales in the segment were up +27.7% (+28.3% organically) driven by volume growth in the quarter. Fourth quarter sales in Novecare increased +32.8% year on year, driven by growth in agriculture and coatings markets.

Oil & Gas grew sequentially +27.4% versus the third quarter when we began reporting this market separately, and is up +88% vs Q4 2020, mainly driven by higher pricing in the phosphorus specialties product line.

Technology Solutions sales in Q4 increased +15.4% driven by mining and phosphorus derivatives.

Special Chem sales increased +1.6% with higher sales to electronics offset by lower sales to automotive related to the chip shortages.

Aroma Performance sales increased +36.7% in Q4, a new quarterly record, as a result of strong demand and the benefit from price actions.

Fourth quarter EBITDA in the segment increased +31.2% (+29.0% organically), reflecting the improvements across businesses, and most notably in Novecare and Aroma. EBITDA margin rose slightly to 17% in the segment.

Corporate and business services

In the fourth quarter of 2021, a loss of €34 million was recorded in relation to the energy supply business of Solvay to third parties. The loss was caused by an unprecedented rise in energy prices and increased market volatility in the European market. Half of the loss was related to a bad debt.

Key segment figures

Segment review (in € million)	Underlying							
	Q4 2021	Q4 2020	% yoy	% organic	FY 2021	FY 2020	% yoy	% organic
Net sales	2,703	2,214	+22.1%	+22.4%	10,105	8,965	+12.7%	+17.0%
Materials	751	620	+21.2%	+20.2%	2,903	2,695	+7.7%	+11.5%
Specialty Polymers	555	456	+21.9%	-	2,173	1,820	+19.4%	+20.4%
Composite Materials	195	164	+19.2%	-	730	875	-16.6%	-8.6%
Chemicals	891	764	+16.6%	+17.8%	3,357	2,948	+13.9%	+18.2%
Soda Ash & Derivatives	385	359	+7.1%	-	1,509	1,450	+4.1%	+5.1%
Peroxides	175	164	+6.9%	-	636	642	-0.9%	+9.5%
Coatis	207	132	+57.5%	-	745	470	+58.6%	+68.7%
Silica	124	110	+13.0%	-	467	386	+20.7%	+22.2%
Solutions	1,058	829	+27.7%	+28.3%	3,838	3,316	+15.8%	+20.3%
Novacare [1]	433	326	+32.8%	-	1,546	1,330	+16.2%	+22.6%
Special Chem	210	207	+1.6%	-	840	761	+10.4%	+17.5%
Technology Solutions [1]	143	124	+15.4%	-	560	490	+14.3%	+16.6%
Aroma Performance	135	99	+36.7%	-	473	435	+8.9%	+9.4%
Oil & Gas [1]	137	73	+88.0%	-	418	299	+39.8%	+45.0%
Corporate & Business Services	2	2	+56.8%	+75.9%	7	6	+15.8%	+25.2%
EBITDA	572	464	+23.4%	+24.0%	2,356	1,945	+21.1%	+27.0%
Materials	207	153	+35.5%	+31.4%	879	712	+23.4%	+25.8%
Chemicals	286	209	+36.5%	+36.9%	1,009	816	+23.7%	+28.6%
Solutions	180	137	+31.2%	+29.0%	701	566	+23.7%	+29.5%
Corporate & Business Services	-101	-36	<i>n.m.</i>	-	-232	-149	-55.5%	-
EBITDA margin	21.2%	21.0%	+0.2pp	-	23.3%	21.7%	+1.6pp	-
Materials	27.5%	24.6%	+2.9pp	-	30.3%	26.4%	+3.9pp	-
Chemicals	32.1%	27.4%	+4.7pp	-	30.1%	27.7%	+2.4pp	-
Solutions	17.0%	16.6%	+0.4pp	-	18.3%	17.1%	+1.2pp	-
EBIT	374	260	+43.7%	-	1,600	1,110	+44.1%	-
Materials	143	92	+55.4%	-	637	460	+38.6%	-
Chemicals	225	149	+50.6%	-	782	552	+41.6%	-
Solutions	136	82	+65.1%	-	511	350	+46.3%	-
Corporate & Business Services	-130	-63	<i>n.m.</i>	-	-331	-252	-31.6%	-
Capex in continuing operations	324	200	+61.9%	-	736	611	+20.5%	-
Materials					251	193	+30.1%	-
Chemicals					212	184	+15.1%	-
Solutions					172	144	+19.6%	-
Corporate & Business Services					101	90	+12.4%	-
Cash conversion	43.4%	56.9%	-13.5pp	-	68.8%	68.6%	+0.2pp	-
Materials					71.4%	72.9%	-1.5pp	-
Chemicals					79.0%	77.4%	+1.6pp	-
Solutions					75.5%	74.6%	+0.8pp	-
CFROI					6.9%	5.5%	+1.5pp	-
Materials					9.0%	7.3%	+1.7pp	-
Chemicals					10.5%	7.7%	+2.8pp	-
Solutions					7.2%	5.5%	+1.7pp	-
Research & innovation					298	291	+2.3%	-
Materials					138	126	+9.0%	-
Chemicals					28	32	-13.0%	-
Solutions					103	103	-0.7%	-
Corporate & Business Services					30	30	+0.8%	-
Research & innovation intensity					2.9%	3.2%	-0.3pp	-
Materials					4.7%	4.7%	+0.1pp	-
Chemicals					0.8%	1.1%	-0.3pp	-
Solutions					2.7%	3.1%	-0.4pp	-

(1) Sales of Novacare and Technology Solutions in prior periods have been restated to reflect the creation of an Oil & Gas GBU as from July 1, 2021.

Key IFRS figures

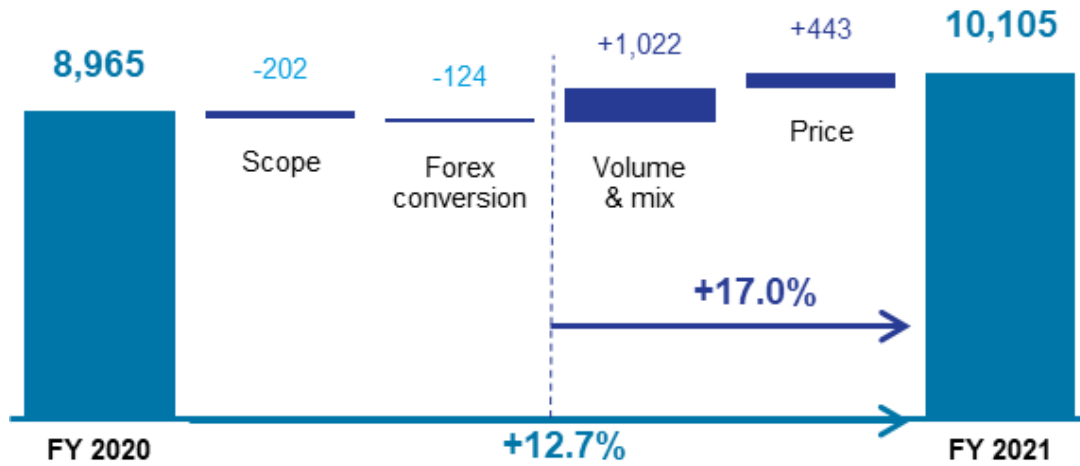
As announced on June 24, 2020, a non-cash impairment charge of €1.46 billion was recorded in Q2 2020. As a result, the underlying profit/(loss) attributable to Solvay shareholders for FY 2020 was €618 million, whereas it totaled €-962 million on an IFRS basis. Further details are available in the financial report.

FY key figures (in € million)	IFRS			Underlying		
	FY 2021	FY 2020	% yoy	FY 2021	FY 2020	% yoy
Net sales	10,105	8,965	+12.7%	10,105	8,965	+12.7%
EBITDA	2,038	1,751	+16.4%	2,356	1,945	+21.1%
<i>EBITDA margin</i>				23.3%	21.7%	+1.6pp
EBIT	1,190	-665	n.m.	1,600	1,110	+44.1%
Net financial charges	-96	-179	+46.3%	-235	-284	+17.4%
Income tax expenses	-110	-248	+55.8%	-287	-195	-47.3%
<i>Tax rate</i>				23.5%	25.6%	-2.1pp
Profit / (loss) attributable to Solvay shareholders	948	-962	n.m.	1,040	618	+68.3%
Basic EPS (in €)	9.15	-9.32	n.m.	10,05	5.99	+67.7%
Basic EPS, from continuing operations (in €)	9.11	-10.90	n.m.	10,02	5.81	+72.6%
Gross dividend (in €)	3.85	3.75	+2.7%	3.85	3.75	+2.7%
Capex in continuing operations				736	611	+20.5%
FCF to Solvay shareholders, continuing operations				843	963	-12.5%
FCF to Solvay shareholders				830	951	-12.7%
FCF conversion ratio (LTM)				37.6%	51.1%	-13.6pp
Net financial debt				3,949	4,198	-5.9%
Underlying leverage ratio				1.7	2.2	-22.3%
CFROI				6.9%	5.5%	+1.5pp
ROCE				11.4%	6.9%	+4.4pp

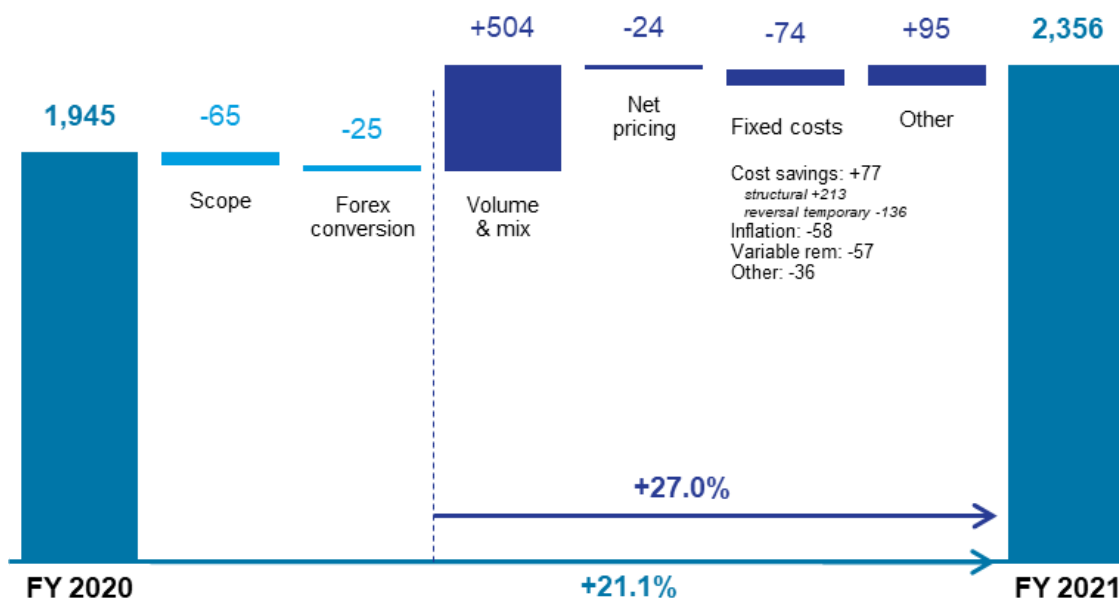
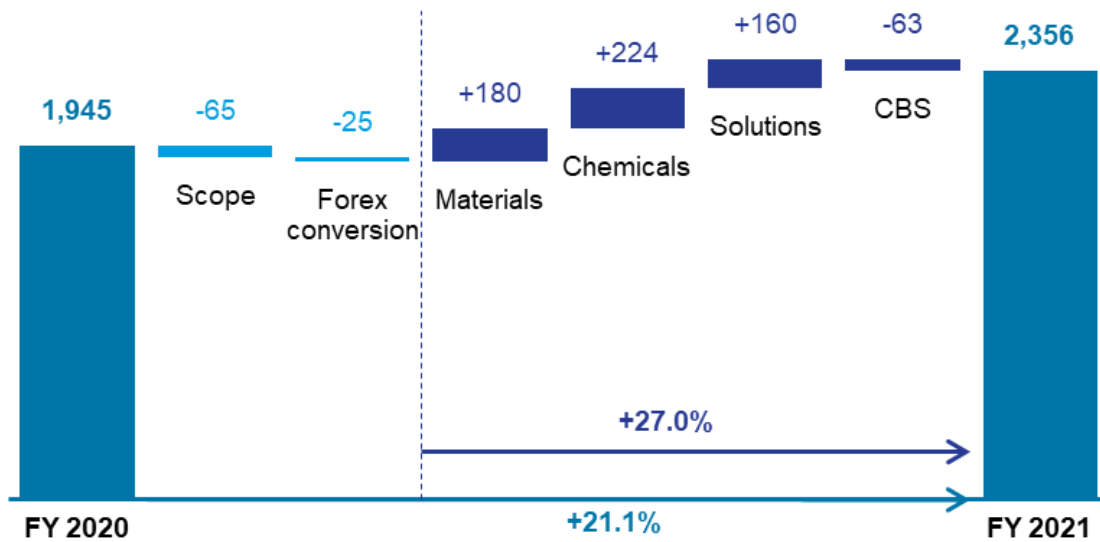
Q4 key figures (in € million)	IFRS			Underlying		
	Q4 2021	Q4 2020	% yoy	Q4 2021	Q4 2020	% yoy
Net sales	2,703	2,214	+22.1%	2,703	2,214	+22.1%
EBITDA	562	416	+35.0%	572	464	+23.4%
<i>EBITDA margin</i>				21.2%	21.0%	+0.2pp
EBIT	388	187	n.m.	374	260	+43.7%
Net financial charges	-10	-67	+84.4%	-54	-79	+32.3%
Income tax expenses	-11	-41	n.m.	-59	-76	+22.2%
Profit / (loss) attributable to Solvay shareholders	366	77	n.m.	250	96	n.m.
Basic EPS(in €)	3.53	0.75	n.m.	2.41	0.93	n.m.
Basic EPS, from continuing operations (in €)	3.53	0.70	n.m.	2.41	0.95	n.m.
Capex in continuing operations				324	200	+61.9%
FCF to Solvay shareholders, continuing operations				150	161	-6.7%
FCF to Solvay shareholders				149	155	-4.2%

Supplemental information: bridges

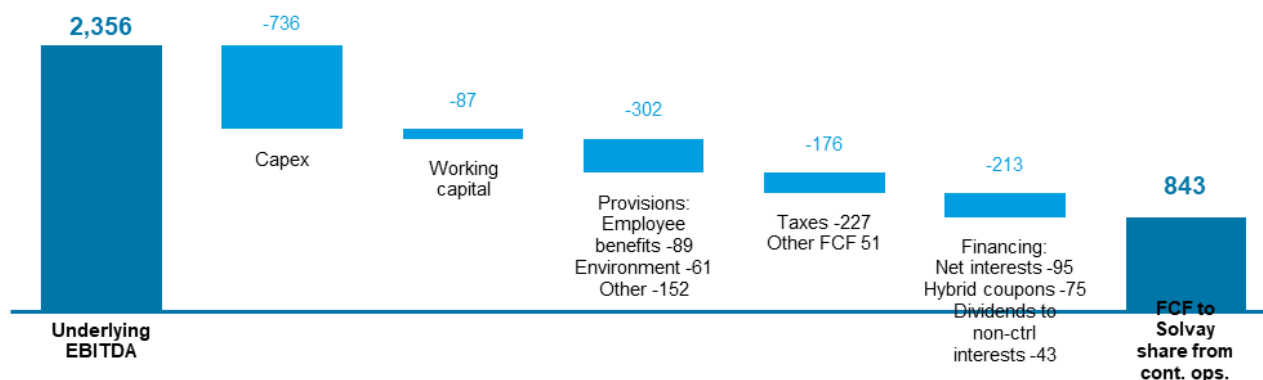
Net Sales



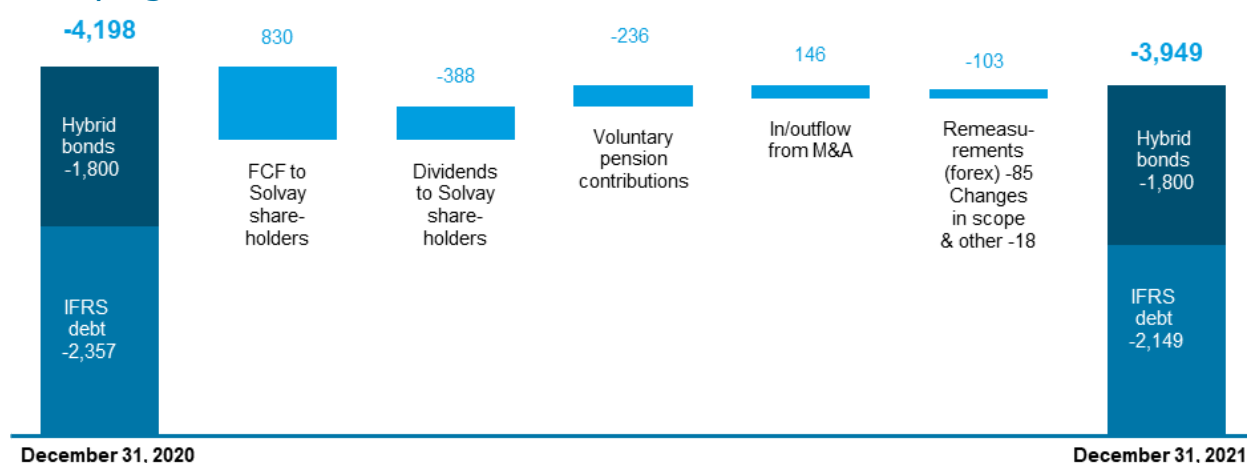
Underlying EBITDA



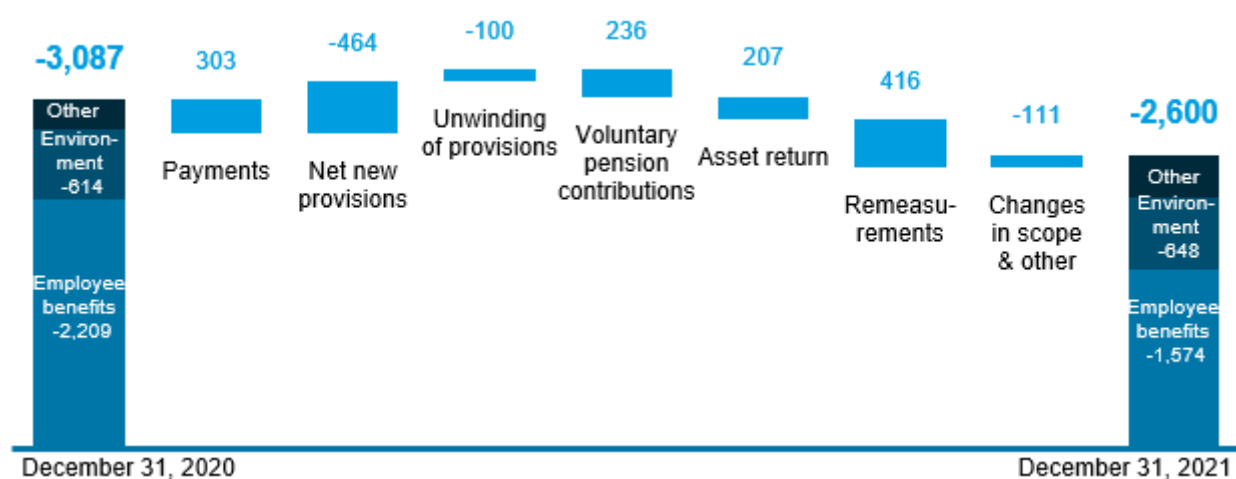
Free cash flow



Underlying net debt



Provisions



	FY 2020	Payments	Net new liabilities	Unwinding of provisions	Additional pension contributions	Asset return	Remeasurements	Changes in scope & other	FY 2021
Employee benefits	-2,209	89	-46	-66	236	207	387	-174	-1,574
Environment	-614	61	-90	-34	-	-	32	-2	-648
Restructuring and other provisions	-264	153	-327	-1	-	-	-3	64	-378
Total	-3,087	303	-464	-100	236	207	416	-111	-2,600

Glossary

EPS is earnings per share.

Extra-financial indicators: Indicators used to measure the sustainability performance of the company in complement to financial indicators. Solvay has selected 10 indicators that are included in the ONE Planet initiative. For more information, we refer to the last available annual report available on www.solvay.com.

- **eco profile:** Environmental footprint of a product, from the extraction of raw materials to the exit gate of Solvay factory. Science based quantitative assessment with 21 impact indicators. .
- **SBTi** - Science-based target initiative

Free cash flow to Solvay shareholders (FCF) is the free cash flow after payment of net interests, coupons of perpetual hybrid bonds and dividends to non-controlling interests. This represents the cash flow available to Solvay shareholders, to pay their dividend and/or to reduce the net financial debt.

Free cash flow conversion ratio is calculated as the ratio between the free cash flow to Solvay shareholders of the last rolling 12 months (before netting of dividends paid to non-controlling interest) and the underlying EBITDA of the last rolling 12 months.

Organic growth is the growth of net sales or underlying EBITDA excluding scope changes (related to small M&A not leading to restatements) and forex conversion effects. The calculation is made by rebasing the prior period at the business scope and forex conversion rate of the current period..

Underlying figures adjust IFRS figures for the non-cash Purchase Price Allocation (PPA) accounting impacts related to acquisitions, for the coupons of perpetual hybrid bonds classified as equity under IFRS but treated as debt in the underlying statements, and for other elements to generate a measure that avoids distortion and facilitates the appreciation of performance and comparability of results over time.

Underlying leverage ratio: underlying net debt / underlying EBITDA of the last 12 months.

Underlying net financial charges include the coupons on perpetual hybrid bonds (accounted as dividends under IFRS, and thereby excluded from the income statement), as well as the financial charges and realized foreign exchange losses from the RusVinyl joint venture (part of earnings from associates under IFRS, and thereby included in the IFRS EBITDA).

Underlying net financial debt includes the perpetual hybrid bonds, accounted for as equity under IFRS.

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Safe harbor

This press release 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 press release 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&I projects and other unusual items. Consequently, actual results or future events may differ materially from those expressed or implied by such forward-looking statements. Should known or unknown risks or uncertainties materialize, or should our assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

About Solvay

Solvay is a science company whose technologies bring benefits to many aspects of daily life. With more than 21,000 employees in 64 countries, Solvay bonds people, ideas and elements to reinvent progress. The Group seeks to create sustainable shared value for all, notably through its Solvay One Planet plan crafted around three pillars: protecting the climate, preserving resources and fostering better life. The Group's innovative solutions contribute to safer, cleaner, and more sustainable products found in homes, food and consumer goods, planes, cars, batteries, smart devices, health care applications, water and air purification systems. Founded in 1863, Solvay today ranks among the world's top three companies for the vast majority of its activities and delivered net sales of €10.1 billion in 2021. Solvay is listed on Euronext Brussels (SOLB) and Paris. Learn more at www.solvay.com.

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