



Progress beyond

# Consumer

## Investor Webinar

June 15, 2022





With  
you today



→ Dr. Ilham Kadri

CEO and President of the Executive  
Leadership Team of Solvay



→ Mike Radossich

President of Novicare business



→ An Nuyttens

President of Aroma Performance and Silica businesses



→ Jean-Pierre Marchand

Vice President of Technology, Novicare

# Solvay webinar events to continue



ESG / Carbon  
Neutrality Plan  
December 1

Soda Ash  
performance  
update  
February 23

Aero & Defense  
2H 2022

Capital  
Markets Day  
H1

2021

2022

2023

Auto /  
EV Batteries  
February 2

Consumer  
market  
June 15

Soda Ash &  
Peroxides  
2H 2022

# Optimized businesses move to SpecialtyCo



# Consumer market key takeaways



Sustainability  
driving  
premiumization  
and growth in our  
key markets

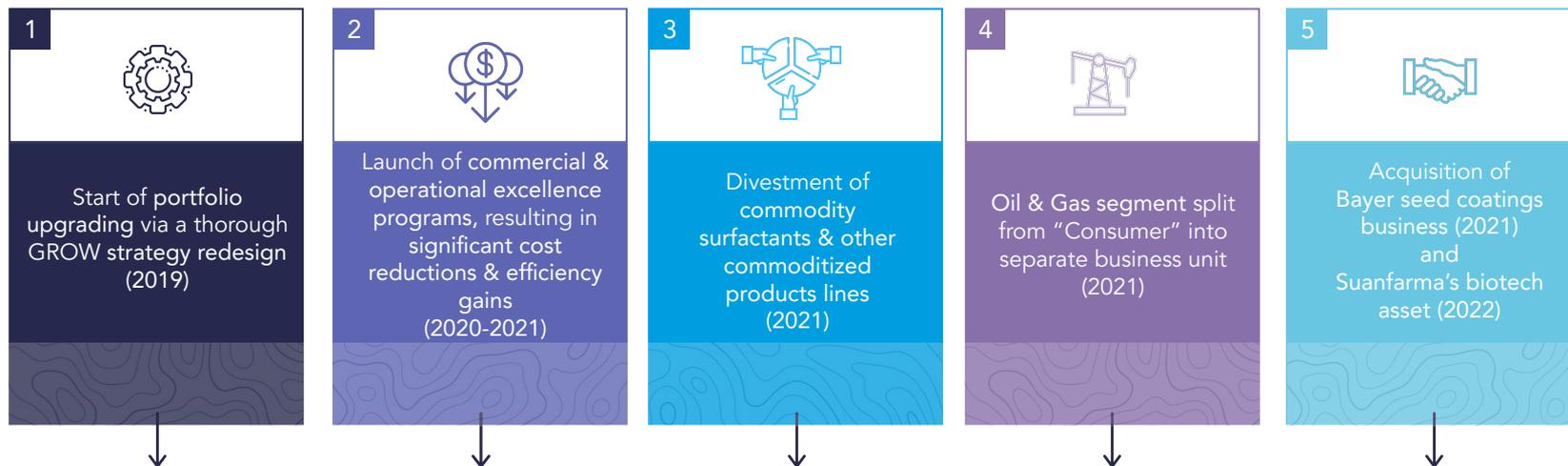


Track record of  
outgrowing in our key  
segments on the back  
of leadership positions



Proven, repeatable  
growth model with  
continuous portfolio  
upgrading

# Portfolio enhancements significantly improved profitability



Sales grew



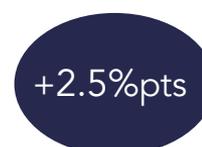
2018-2021

EBITDA margin expanded



2018-2021

CFROI improved

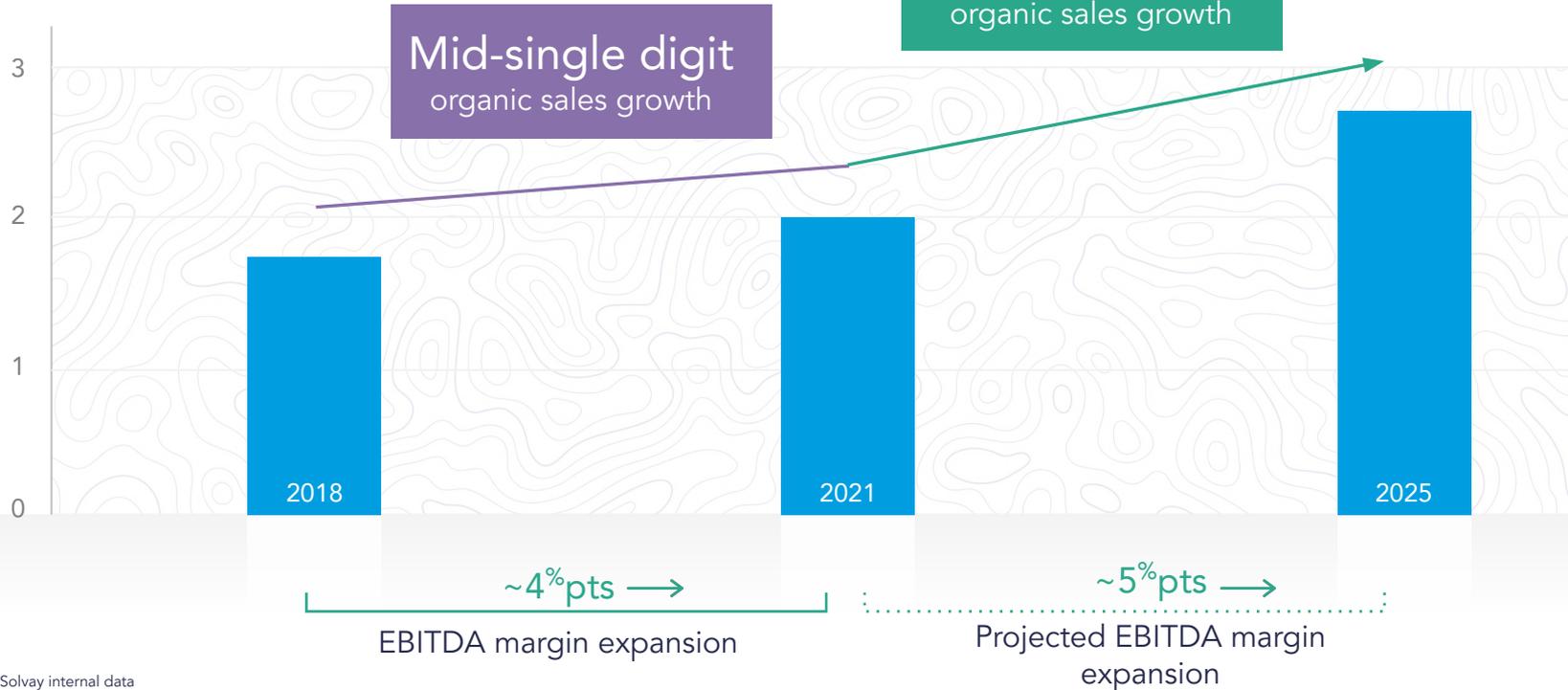


as a result of our  
GROW strategy

# Accelerating to high-single digit growth and further expanding margins



Consumer sales (€ bn)





# Presenters



**Mike Radossich**

President of Novecare business



**An Nuyttens**

President of Aroma Performance and Silica businesses

# Focus on key consumer market segments



Consumer  
FY 2021

Sales  
€ 2.0 bn

EBITDA margin  
~19%

Circular sales<sup>1</sup>  
~22%

Organic sales growth  
(mid-term CAGR)  
High single-digit

1. Based on Ellen MacArthur Foundations' Circulytics tool, defined as sales of products that are based on renewable or recycled raw materials, renewable energy and/or contribute to product durability  
Source: Solvay internal data

# Key sustainability megatrends are driving each market



## MEGATRENDS



Naturalness



Sustainability



Carbon neutrality



Sustainable sourcing

## MARKET TRENDS



Agro



Home &  
Personal Care



Coatings



Food, Flavors  
& Fragrances



Precision farming  
Yield improvement  
Pesticide reduction



Sustainable sourcing  
Natural ingredients  
Biodegradable &  
Safer End Products



Efficiency improvement  
Durability improvement  
Sustainable coatings



Sustainable sourcing  
Natural ingredients

# Customers embrace and accelerate these megatrends



## MEGATRENDS



Naturalness



Sustainability



Carbon neutrality



Sustainable sourcing

## AMBITIONS OF TARGET CUSTOMERS

**Agro**

**HPC**

**Coatings**

**Food, flavors, fragrances**



"...our aim is to reduce the environmental impact by 30 percent by 2030..."



"We have the ambition to achieve 50% absolute reduction in scope 1 & 2 GHG emissions by 2030 (vs. 2010)."



"Reduce waste disposal intensity by 25% and scope 1 & scope 2 HGH emissions by 230% by 2030."



"We aim for 100% of key raw material volumes to be produced sustainably by 2030."



"...25% reduction in volatile compound emissions to air by 2025..."



"...50% of net revenue from more sustainable products by 2030."



"...>50% of revenue from sustainable solutions by 2030."



"100% of priority ingredients and materials to be responsibly and sustainably sourced (...) by 2025"



"Our goal by 2025 is to ensure every new product meets our sustainability criteria."



"Eliminate fossil fuels from cleaning products."



"By 2030, 80% of new technology and innovation developments will have a sustainability benefit."



"...deliver 100% of our products with a measurable improved social and environmental impact (...) by 2030."



"Our target is to invest \$2bn in sustainable agriculture breakthroughs by 2025..."



"By 2030, 95% of our ingredients in formula will be bio-based, derived from abundant material or from circular processes."



"...40% of sales from sustainably advantaged products by 2025."

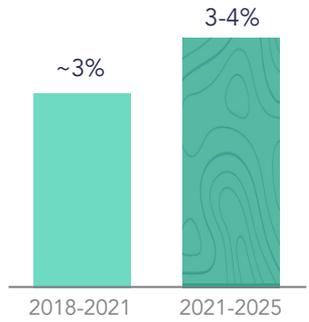


"... committed to having 100% sustainable ingredients in all of our products by 2025."

# Markets are accelerating thanks to sustainable megatrends

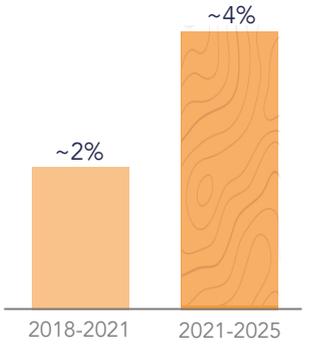


## Agro



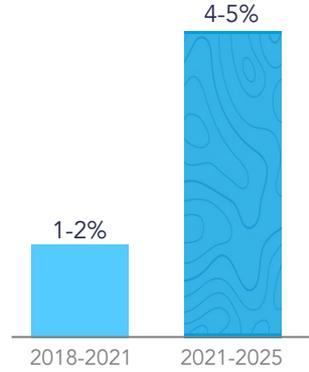
Agrochemicals market (CAGR, in value)

## Home & Personal Care



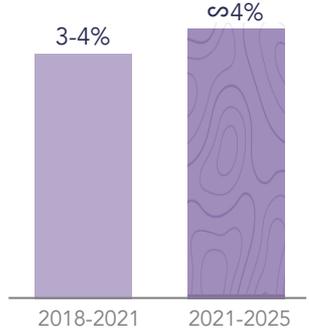
Home & personal care market (CAGR, in value)

## Coatings



Paints & varnishes market (CAGR, in value)

## Food, Flavors & Fragrances



FFF end markets<sup>1</sup> (CAGR, in value)

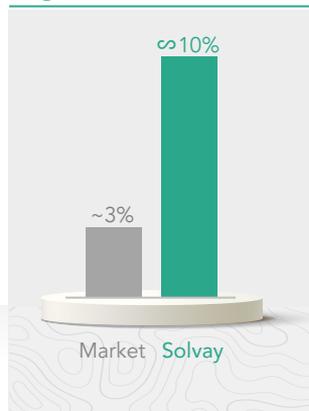
Note: (1) Weighted average of key markets served by Food, Flavour & Fragrances, with Food consisting of Bakery, Dairy and Chocolate Confectionary markets  
 Source: Solvay internal data; External market reports; IHS  
 page 12

# Proven track record of outgrowing each market

## Historical Solvay performance vs. market

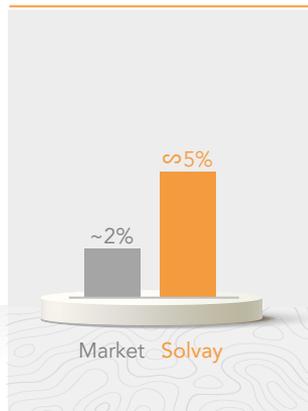


### Agro



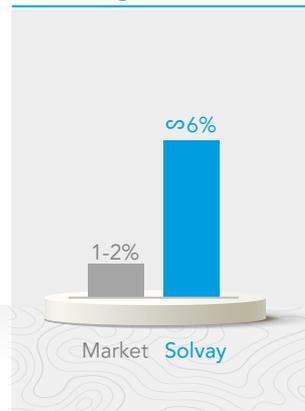
Agrochemicals market  
(2018-2021 CAGR, in value)

### HPC



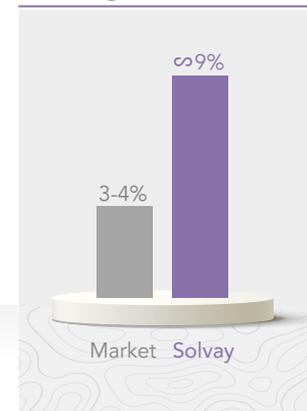
Home & personal care market  
(2018-2021 CAGR, in value)

### Coatings



Paints & varnishes market  
(2018-2021 CAGR, in value)

### Food, Flavor & Fragrances



FFF end markets<sup>1</sup>  
(2018-2021 CAGR, in value)

Leadership Position

- ★ Crop protection
- ☆ Tank mix
- ☆ Enhanced efficiency fertilizer
- ★ Green solvents
- ☆ Seed coatings

- ★ Natural hair care conditioning polymers
- ☆ Mild cleansing solutions
- ☆ Biodegradable fabric care polymers

- ★ Binders
- ☆ Performance additives

- ★ Natural vanillin<sup>2</sup>
  - ★ Synthetic vanillin ↓
- On top, we are the only player with global footprint and upstream integration

Note: (1) Weighted average of key markets served by Food, Flavor & Fragrances, with Food consisting of Bakery, Dairy and Chocolate Confectionery markets  
(2) Natural vanillin obtained by a biotechnological process from a source other than vanilla, European Flavour Regulation EC n°1334/2008  
Source: Solvay internal data; External market reports; IHS;

# Proven growth model drives outperformance



Co-develop tailored solutions through sustainable chemistry & application know-how

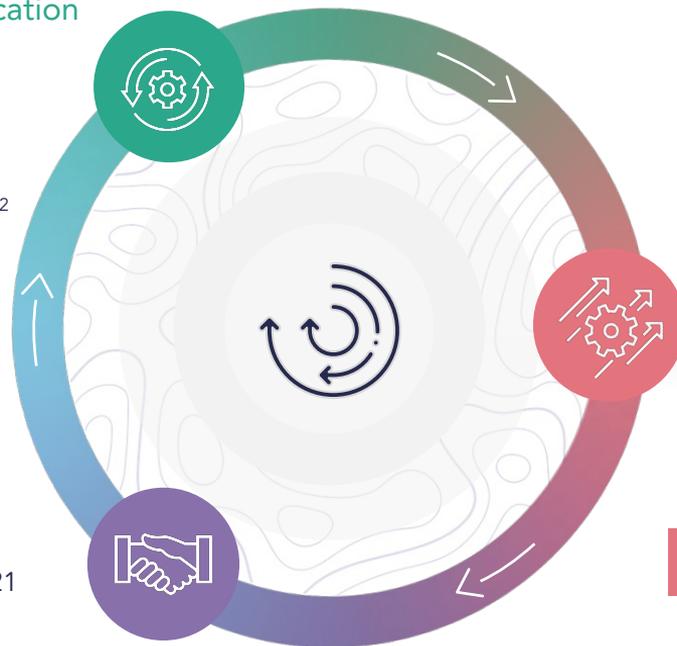
1

Full access to tier 1 customers  
~6%pts higher NPS<sup>1</sup> vs. peers  
13 R&I and application labs  
~17% of sales from new products<sup>2</sup>

Asset-light, flexible and multipurpose plants

3

~4% Capex / sales  
~6%pt ROCE improvement '18-'21  
~75% multi-purpose plants  
Global manufacturing footprint



Upgrade, differentiate and expand portfolio

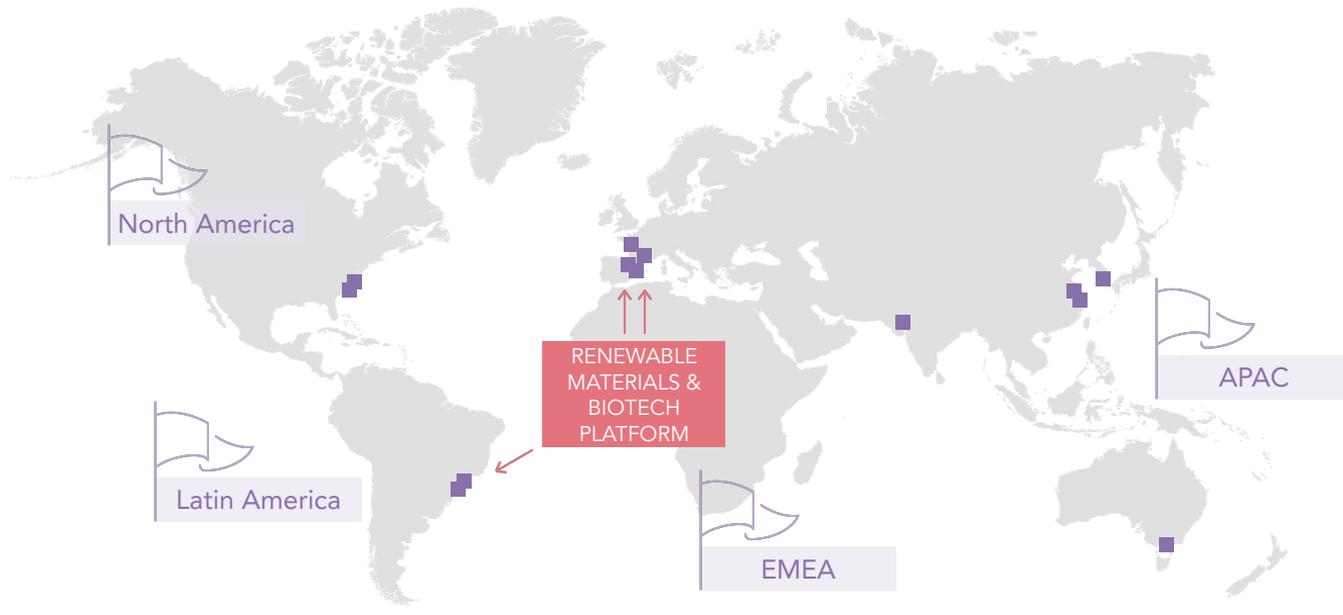
2

~4%pt EBITDA margin expansion '18-'21  
>50% of portfolio is protected  
~22% circular sales<sup>3</sup>  
~30% reduction<sup>4</sup> in CO<sub>2</sub> by 2030

Note: (1) Net Promoter Score (NPS) is a customer loyalty and satisfaction measurement, indicating how likely our customers are to recommend Solvay to others (2) Products less than 5 years old (3) Based on Ellen MacArthur Foundations' Circulytics tool, defined as sales of products that are based on renewable or recycled raw materials, renewable energy and/or contribute to product durability (4) Versus 2018 baseline  
Source: Solvay internal data



# Global coverage with multipurpose production plants and R&I labs serving all consumer segments



## Global coverage for each consumer segment

7 R&I centers  
6 Expertise Centers

24 Production Sites

## Asset light and multipurpose plants

75% of plants are  
multipurpose

Low incremental  
CAPEX for expansions



>€5bn  
Addressable  
market

# Innovation Case Studies



# Market leader in green solvents

Increased demand  
for more sustainable solvents

## Context

Regulations and customer preferences are shifting towards higher sustainable solutions

## Portfolio update

We developed  
the green solvent  
Rhodiasolv® IRIS

Portfolio upgrade offers key benefits to our customers



- ✓ Better performance vs. conventional petrochemical solvents
- ✓ Improved secondary characteristics
- ✓ Our products are specified in our customers' formulations, showing long-term commitment to greener technology
- ✓ Our continuous efforts are well recognized





# Leader in biodegradable guar



## Sustainably sourced, biodegradable polymer portfolio expansion

### Context

We have a **strong portfolio in biodegradable** polymers that we **continuously expand** with innovative polymers



### Portfolio updates

Recently added **2 new biodegradable guar-based** solutions to our portfolio:

Jaguar® Excel

Jaguar® NAT SGI



has joined our **Sustainable Guar Initiative** in April 2022

*Portfolio upgrade enabled our customers to...*



Address **consumer** expectations for more sustainable and biodegradable beauty ingredients



Meet **evolving regulatory** demands while providing **excellent performance** in hair conditioning



Use **sustainably-sourced** guar from our **SGI program**



# Developing solutions for a cleaner, safer future

Innovative, patented technology delivering long-lasting surface disinfection

## Context

Consumers want confidence knowing they are **protected from microbes and viruses for a full 24 hours**, especially in light of COVID-19

## Portfolio update

Introduction of **Actizone™**, which cleans surfaces while providing 24-hour protection by continuously **eliminating 99.9% of germs**



*New product range gaining traction*



Sales to major consumer brands in disinfection are growing



Gaining **momentum in institutional market** with our drop-in solutions



Finalizing **EPA registrations** in the United States



# Leader in binders for waterborne coatings

Development of new coating monomers with increased durability and sustainability

## Customer access

Collaboration projects with the top 2 coating manufacturers in North America

## Customer needs

Improved durability & sustainability of waterborne architectural coatings

↓ ↓

Co-creation of *Sipomer® PAM 600* monomer & specialty emulsifier



- ✓ Utilized by the leading tier-1 coatings players
- ✓ Growing at double digits
- ✓ Increased durability of coatings and sustainability



# Global leader in natural vanillin

## Upgrade of our natural vanillin capacity

### Context

We are the market leader in vanillin for FFF, and are developing natural solutions

### Portfolio update

In May 2022, we invested in Suanfarma's fermentation plant to further expand our natural vanillin capabilities



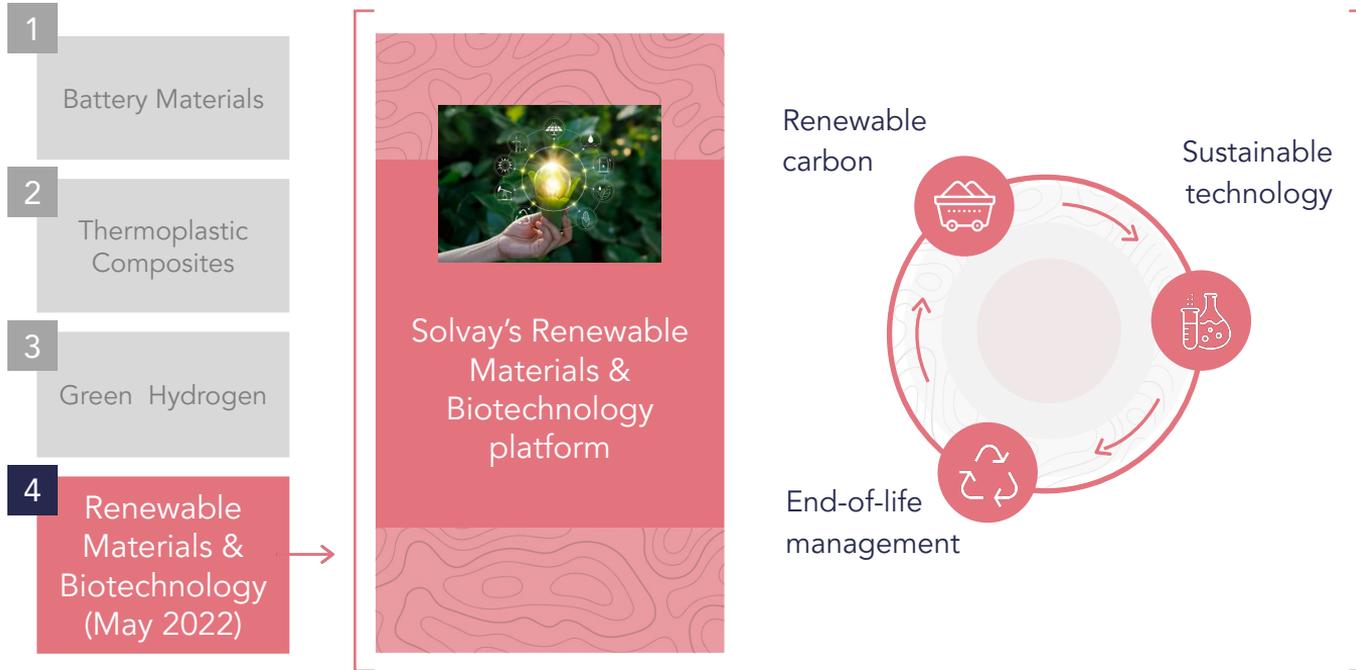
Portfolio upgrade sets us up to better serve customers



- ✓ Expansion allows to meet strong customer demand in natural vanillin (>30% p.a. growth for Solvay)
- ✓ Customers can source regulation-compliant<sup>1</sup> natural vanillin from Europe
- ✓ Internal biotech capabilities support the expansion of our natural ingredients portfolio

Note: (1) Natural vanillin European Flavour Regulation EC n°1334/2008  
Source: Solvay internal data

# The Renewable Materials and Biotechnology platform embeds circularity in business



Potential  
to contribute  
**€0.5bn**  
in revenues  
by 2030

# Conclusion

# Further innovations across the Consumer portfolio



## MEGATRENDS



Naturalness



Sustainability



Carbon neutrality



Sustainable sourcing

## SOLVAY INNOVATIONS



Agro



Home &  
Personal Care



Coatings



Food, Flavors  
& Fragrances



Green solvents  
development

*Drift reduction innovation*

*Tank mix for drones  
development*



Sulfate-free & biodegradable  
foam wash development

Biodegradable guar solutions  
development

Biosourced functional  
ingredients



Waterborne performance  
solutions

Biorenewable surfactants and  
monomers



Natural vanillin production  
capacity expansion

Renewable Materials and Biotechnology platform

# Consumer - Key takeaways



Our key markets are accelerating, as the sustainability trend drives premiumization

Mid single-digit sales CAGR (2018-2021);  
High single-digit sales CAGR (mid-term)



Track record of outgrowing in our key segments on the back of leadership positions

Solvay has outgrown the market  
~2x in our key segments



We upgraded our portfolio through innovation and M&A, and have a proven model for growth

Improved +4%pts EBITDA margin and +2.5%pts Returns;  
+5%pts margin by 2025



Progress beyond

# Q&A