

Peroxides Webinar

October 4, 2022



Progress beyond





With
you today



Ilham Kadri

CEO and President of the Executive Leadership
Team of Solvay



Peter Browning

President, Peroxides business

Solvay webinar events to continue



ESG / Carbon
Neutrality Plan
December 1

Soda Ash
performance
update
February 23

Peroxides
October 2022

Capital
Markets Day
H1

2021

2022

2023

Auto /
EV Batteries
February 2

Consumer
market
June 15

Aero & Defense
TBD

TBD
Q1 2023

Essential chemicals company with strong cost and cash leadership enabling further growth



EssentialCo

€4.1bn

2021 Net sales

→ Soda Ash & Derivatives

→ Peroxides

→ Silica

→ Coatis

→ Special Chem

Investments support the future company's growth and sustainability ambitions



Peroxides business key takeaways



Track record of strong, resilient cash generation & conversion

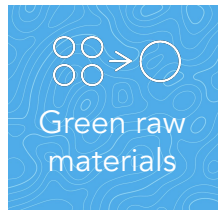


Indisputable leader in cost, scale & technology

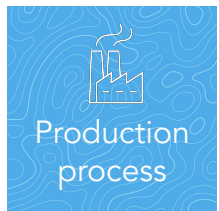
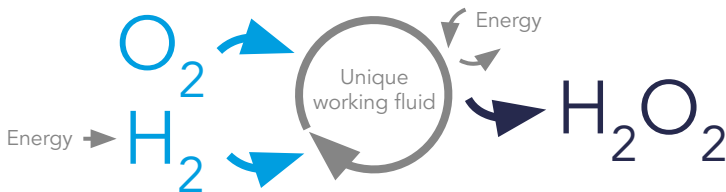


High exposure to most attractive market segments

H₂O₂ can be fully sustainable across its lifecycle and is extensively used in day-to-day life



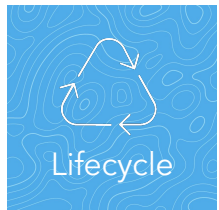
Green raw materials



Production process

Circular production process reuses working fluids and catalysts

Solvay's process has the potential to be fully carbon neutral by 2040



Lifecycle

Exists naturally in the environment

Breaks down rapidly into harmless substances, oxygen & water, when exposed to light



Powerful bleaching



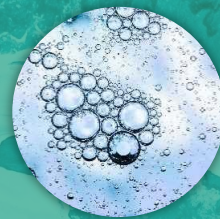
Aseptic packaging



High-purity cleaning for electronics



Harmless hygienic formulating



Environmentally friendly water treatment



Effective mineral recovery



Presenter



Peter Browning

President, Peroxides business

~€1bn H₂O₂ business with strong financial fundamentals



Solvay sales in 2022E



~40%

Chemical Industry

incl. Hydrogen Peroxide for Propylene Oxide (HPPO) and other chemicals



~20%

Pulp & Paper



~10%

Electronics



~30%

Others

incl. bleaching of Textile, disinfectants for Food, Water & Aquaculture and others

Peroxides
financials



Net Sales
2022E

~€1.0bn

EBITDA* CAGR
(2013-2022E)

~12%

Cash conversion
(EBITDA-CAPEX) / EBITDA

~80%

Sales* CAGR
2022-2026F

> 5%

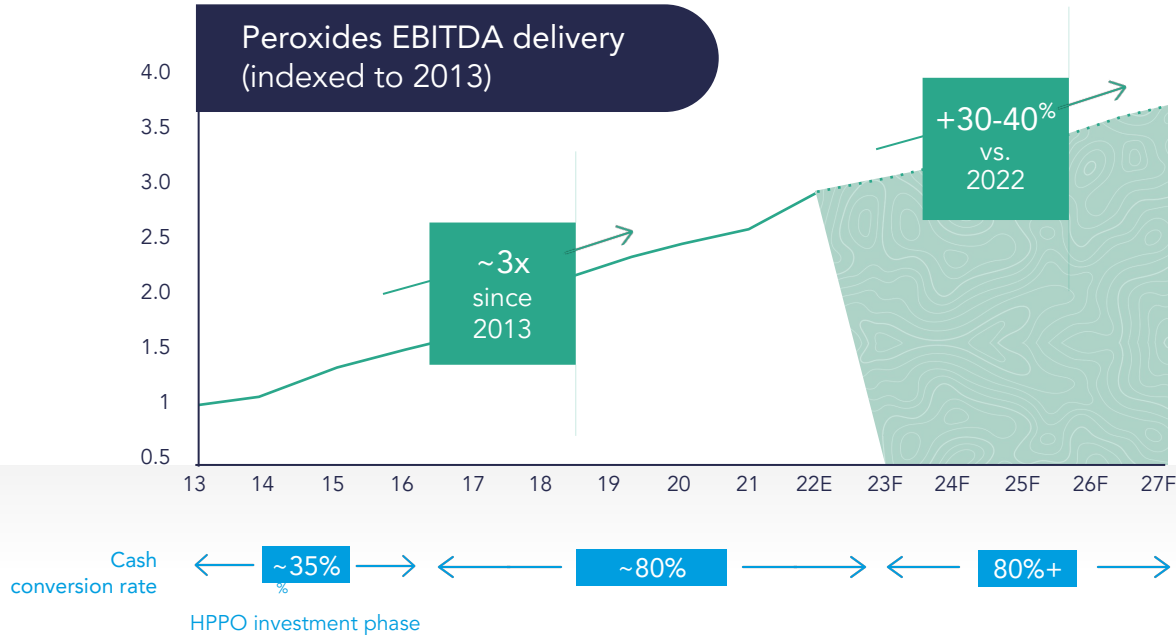
Source: Solvay internal data

Track record of strong & resilient cash generation



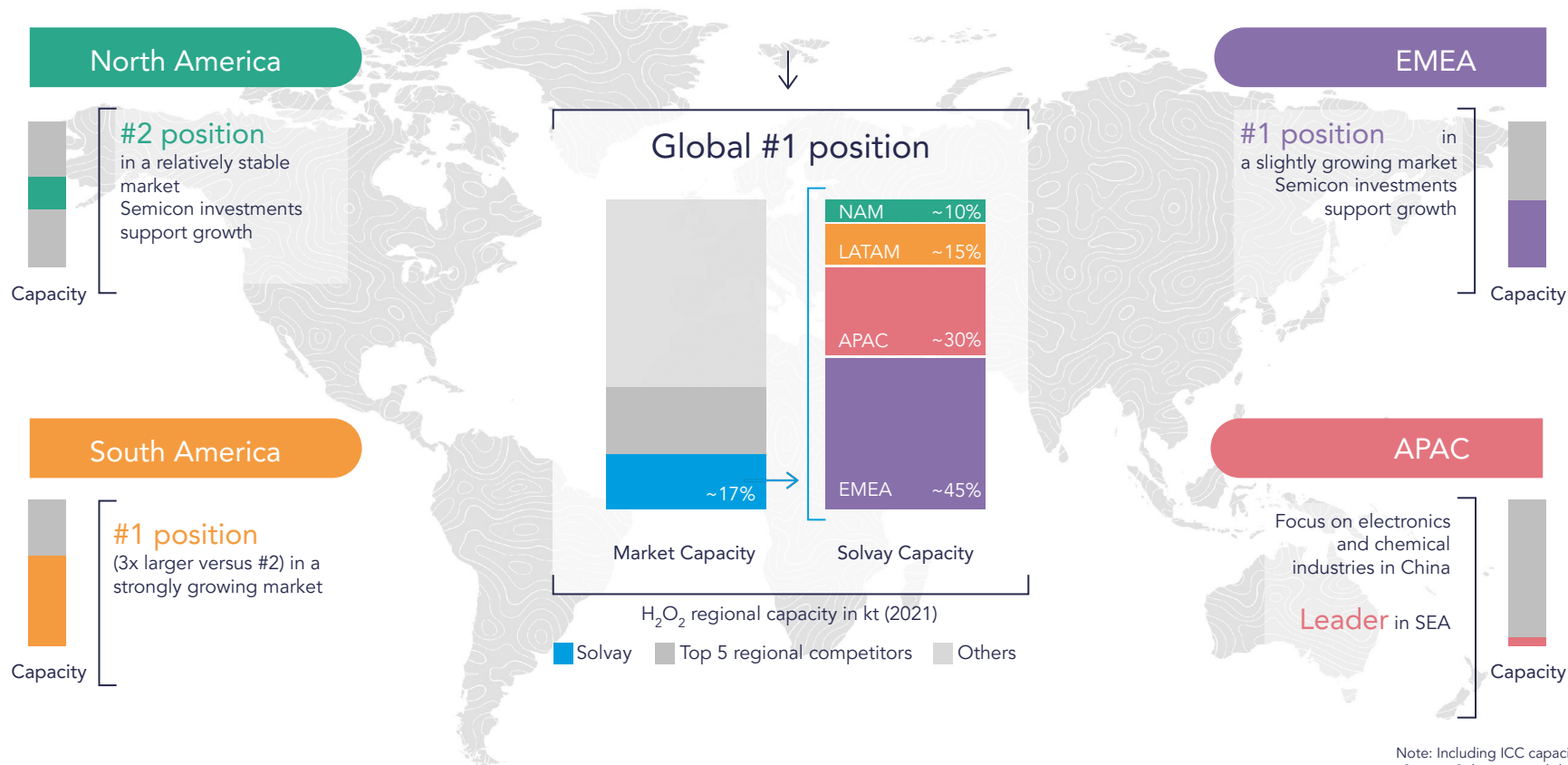
Ambition to grow our EBITDA by **30-40% over the next 5 years** while maintaining cash conversion of **80%+**

Key drivers of EBITDA growth



- ✓
Cost, scale and technology leadership
- ✓
Systematic investment in operational excellence and proprietary technology
- ✓
Focus on most attractive segments

Solvay is the H₂O₂ global market leader

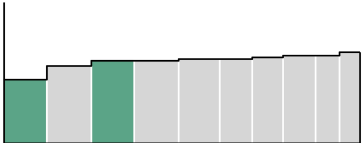


Note: Including ICC capacity
Source: Solvay internal data

Highly competitive assets

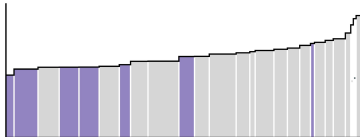


North America



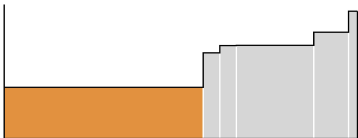
Continue to invest
to maintain leadership position

EMEA



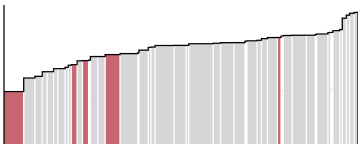
Further streamline business & continue to
invest to maintain leadership position

South America





Fortify cost leadership
on the back of our leadership position

APAC



Focus and selectively invest
to grow in high-margin segments

 Solvay
 Competitors

Highly cost competitive on
the back of proprietary
technology



Proprietary working fluid
produced in-house



More productive and sustainable
 H_2O_2 production process vs
industry standards



Modular design technology
allows for full range of plant
capacities

90%+ of Solvay peroxides capacity is highly cost competitive

Cost competitiveness through proprietary working fluid and continuous improvement



Proprietary
working
fluid



Solvay is world's largest producer of anthraquinone with best-in-class properties:

- Highest solubility
- Highest stability
- High hydrogenation rate

Outperforming other working fluids:

- ✓ Lower opex & capex
- ✓ Higher productivity
- ✓ More sustainable

Continued focus on cost improvements



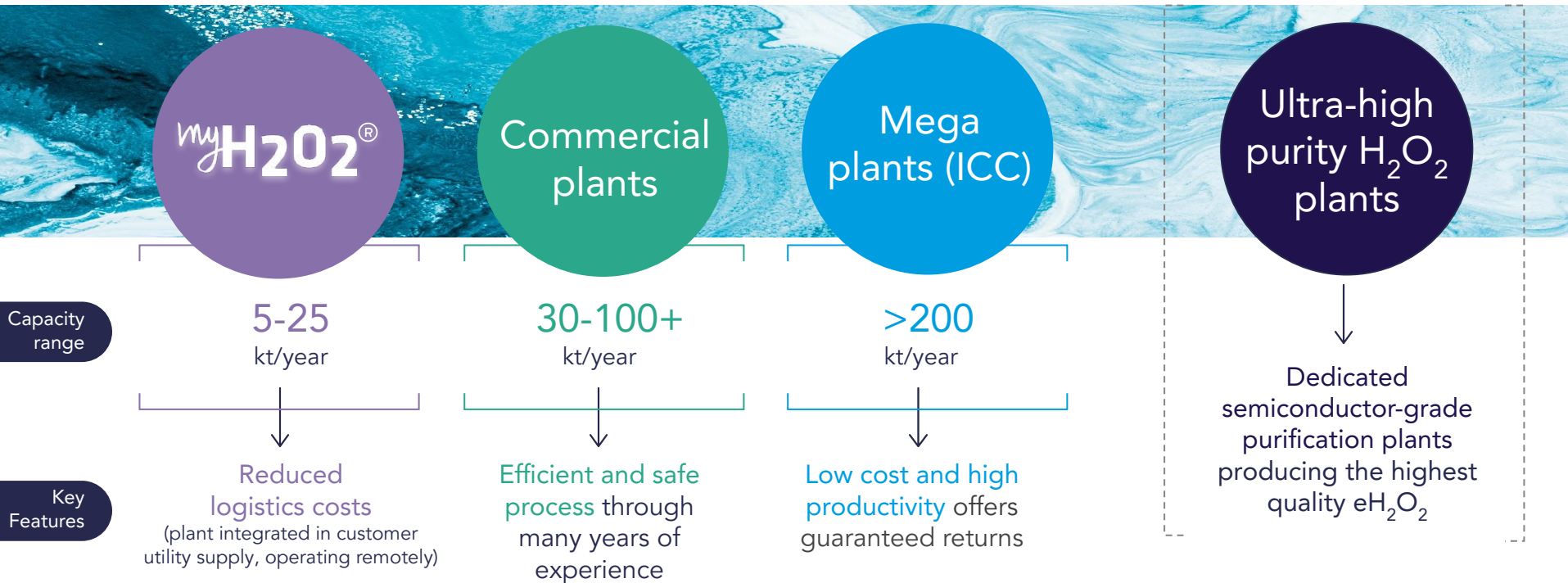
Targeted measures in manufacturing, supply chain, energy transition, and procurement are underway

Material impact on bottom line:

>€40m by 2026

World-class mega-plants and tailored assets to meet various industry and customer needs

Unique technology with a wide range of plant sizes



Strong environmental
achievements and
commitments

-11%
achieved*

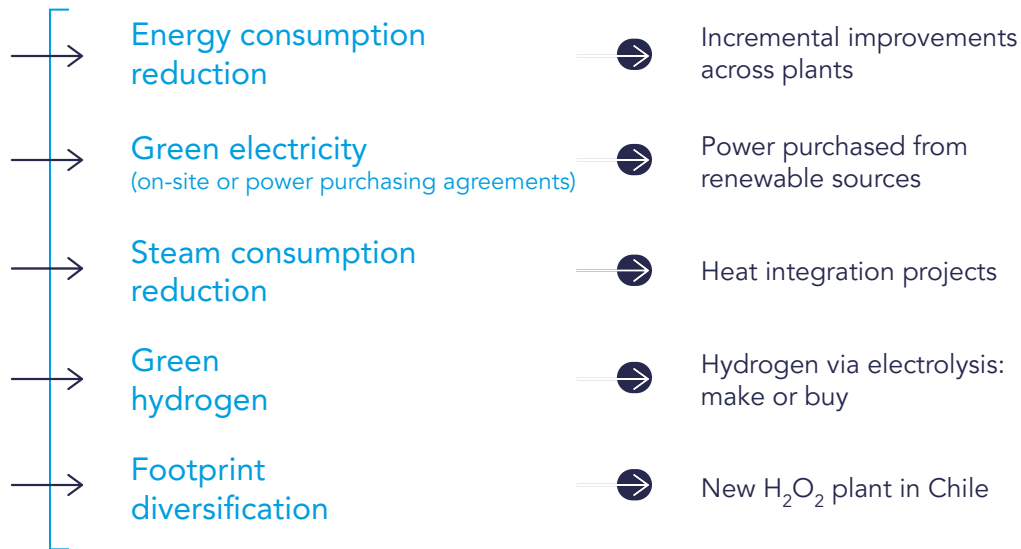
-35%
planned by 2026*

**Carbon
neutral**
by 2040 latest

Accelerating towards carbon neutrality



Clearly defined measures to cut emissions
by more than one third by 2026



* vs. 2018 scope 1 & 2 emissions base
Source: Solvay internal data

We have leadership positions in the two highest growth segments

Market acceleration driven by ICC and electronics

H₂O₂ market size by end-market (in €bn)

CAGR

'16 - '22

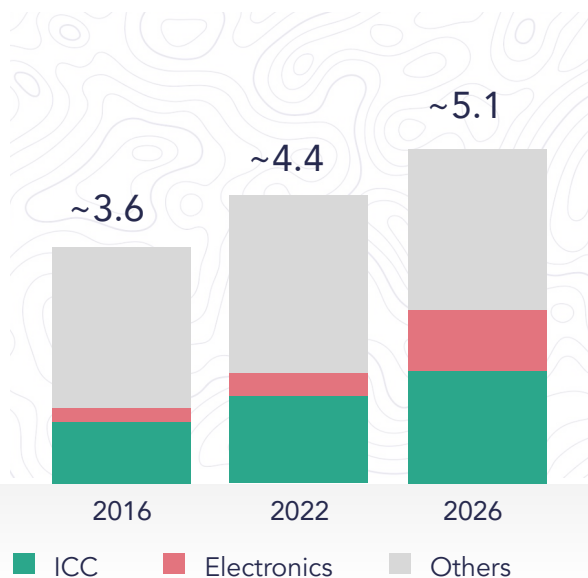
'22 - '26

~3.0% → ~3.5%

~2% → ~1%

~10% → ~20%

~5% → ~6%



Source: Solvay internal data

Solvay with leadership positions in both segments



Electronics | semicon, PV, display

- One of three global suppliers of electronic H₂O₂
- Only player vertically integrated in every region
- Continuously investing with key partners in Europe, North America and Asia



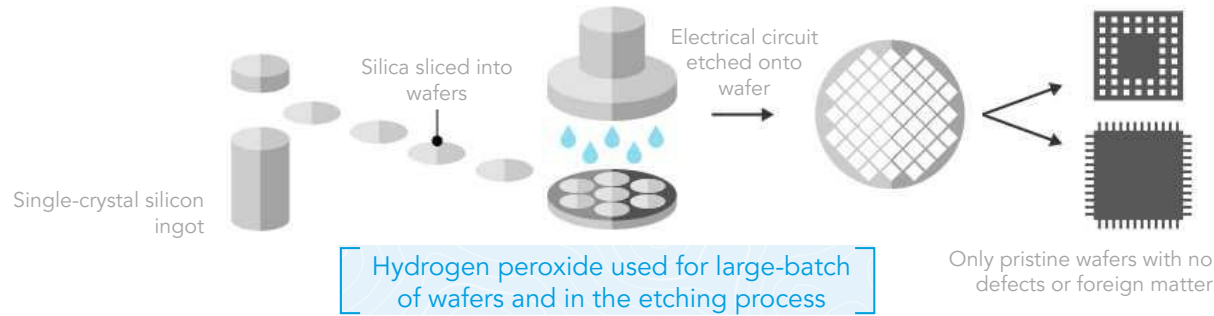
Integrated Chemical Complexes (ICC)

- Global leader with significant capacity share in HPPO
- Strong track record of building & running 3 HPPO mega plants
- Co-investing with customers and licensing out technology

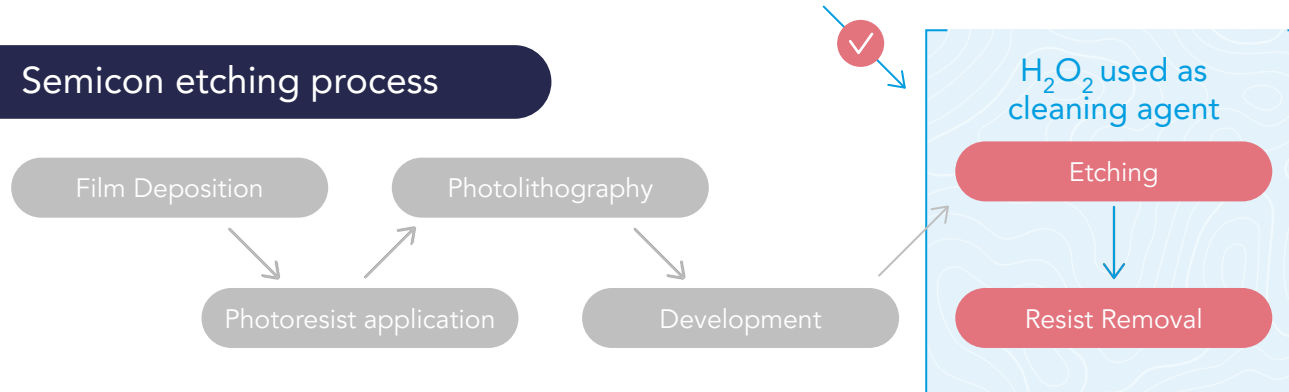


Electronics | Semicon miniaturization driving demand for high purity, electronic grade H_2O_2

Semicon fabrication process

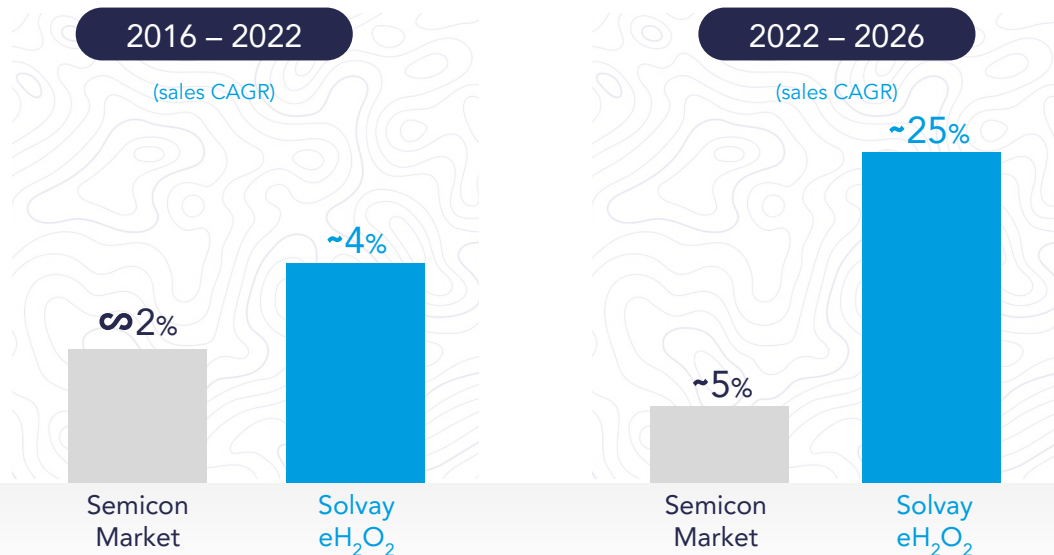


Semicon etching process



Electronics | Increasing usage drives higher growth

Increasing usage drives higher growth



[eH₂O₂ is the highest specialty grade of H₂O₂ obtained through purification of technical grade H₂O₂]



More H₂O₂ needed per chip

Chips become increasingly small driven by more sophisticated needs



Making a chip smaller requires more etching steps



H₂O₂ cleaning agent used in each etching step



More H₂O₂ needed per chip

Electronics | Leading position to be strengthened by further capex investments and continued business development



Solvay leadership position

- Only player vertically integrated in every region resulting in unparalleled reliability, quality & purity
- Best-in-class technology for most advanced nodes
- Tier-1 supplier to main semicon manufacturers
- Investing with key partners (e.g. Intel, Taiwan JV*) in additional capacity and application development



Supplier Achievement Award (2020)

Continued success story

- **Continued capex investments** to strengthen leadership position and capture growth
- **Continued business development** to increase number of applications using e-grade

eH₂O₂
plants

Deer Park, TX, USA
Zhenjiang, China
Quzhou, China
Map Ta Phut, Thailand
Bernburg, Germany
Rosignano, Italy

Greenfield
investments

Arizona, USA
Tainan, Taiwan



Only player vertically integrated in each region,
with global market share
of ~15%** in eH₂O₂ (2022)

ICC | Leader with three world-class HPPO megaplants



ICC Benefits

Lower capex

Lower opex

Lower CO₂ emissions

Solvay leadership position

Plants leverage proprietary Solvay H₂O₂ technology

~65% global capacity share in HPPO (2022)

Belgium

230kt*

2008

Thailand

330kt*

2010

Saudi Arabia

300kt*

2014

Continued success story

Long-term contract, steady and profitable business

Expanding capacity at all HPPO plants

Recent technology licensing agreement for 250kt H₂O₂ for Caprolactam plant in China

* HPPO Joint Venture capacities shown
Source: Solvay internal data

Solvay offering



H₂O₂ supply



Technical support including in-house laboratory testing & on-site support

New markets create growth opportunities

Battery recycling



Nickel



Manganese



Cobalt

Negotiating supply agreements with the **largest battery recycling players**

>€480m* market

Urban mining



Gold



Silver



Copper

Partnering with industry leaders to further drive urban mining

>€80m* market

Recycled materials (not exhaustive)

Initial Solvay successes

Potential by 2035

Peroxides business key takeaways



Track record of strong, resilient cash generation & conversion

- ~12% p.a. EBITDA growth since 2013
- Cash conversion of ~80%
- Sales & EBITDA growth in line with historical trajectory



Indisputable leader in cost, scale & technology

- 90%+ of Solvay H_2O_2 capacity fall within top-50% industry cost performance
- Proprietary working fluid target >€40m in cost reductions



High exposure to most attractive market segments

- Significant market share in HPPO; expanding into new markets and business models
- A leader in electronic grade H_2O_2 for semicon with new greenfield investments



Q&A session



Ilham Kadri

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Team of Solvay



Peter Browning

President, Peroxides business

Safe harbor



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