



SOLVAY

asking more from chemistry®

Value Growth

June 2018



SAFE HARBOR

This presentation 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 presentation 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&D projects and other unusual items.

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FORENOTE

Following the announcements in December 2016 of the divestment of the Acetow and Vinythai businesses and in September 2017 of plans to divest the Polyamide business, these have been reclassified as discontinued operations and as assets held for sale. For comparative purposes, the fourth quarter and the full year 2016 income statement have been restated. The Vinythai transaction was completed end of February 2017 and the Acetow transaction end of May 2017. For comparative purposes, the first quarter of the 2017 income statement has been restated.

Besides IFRS accounts, Solvay also presents underlying Income Statement performance indicators to provide a more consistent and comparable indication of the Group's financial performance. The underlying performance indicators 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 that would distort the analysis of the Group's underlying performance.

SOLVAY

A sustainable investment

Providing mission critical solutions in fast-growth end-markets

→ Supporting blue chip manufacturers & brands globally

Technology focused in Advanced Materials & Advanced Formulations

→ Powered by innovation & market leadership positions

Highest EBITDA margin within diversified chemical companies

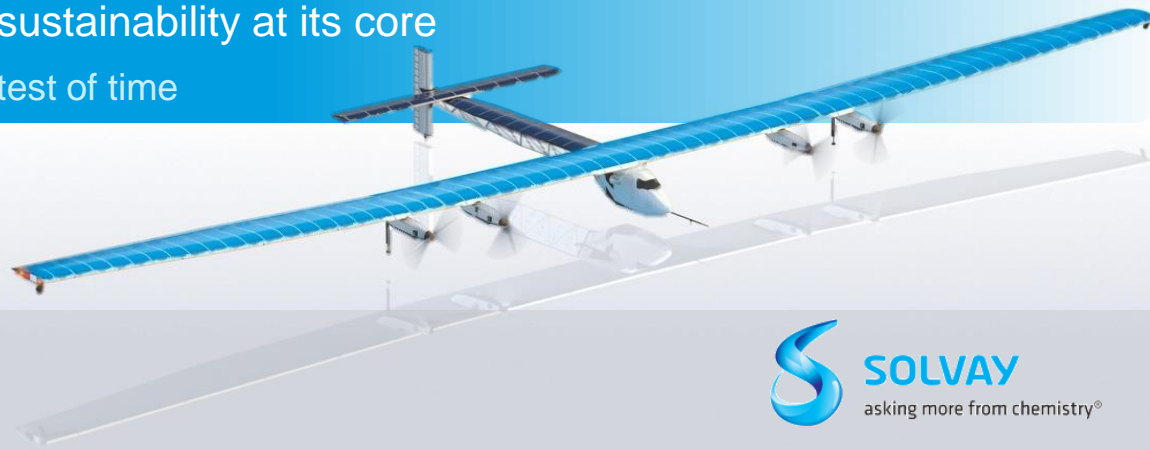
→ Propelled by volumes, underpinned by efficiency

Dividend growth over 30 years and strong cash generation

→ Driven by focus on cash returns

Futureproofing the business with sustainability at its core

→ Deliver more value that stands the test of time



We are a world leader

In the chemical industry



~24,500
Employees^[1]



61
Countries



124
Industrial sites



21
Major R&I sites



SOLVAY

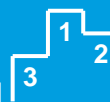
asking more from chemistry®



2017

Top 3

Market position ^[2]



€10.1 billion

Net sales



€2.2 billion

Underlying EBITDA

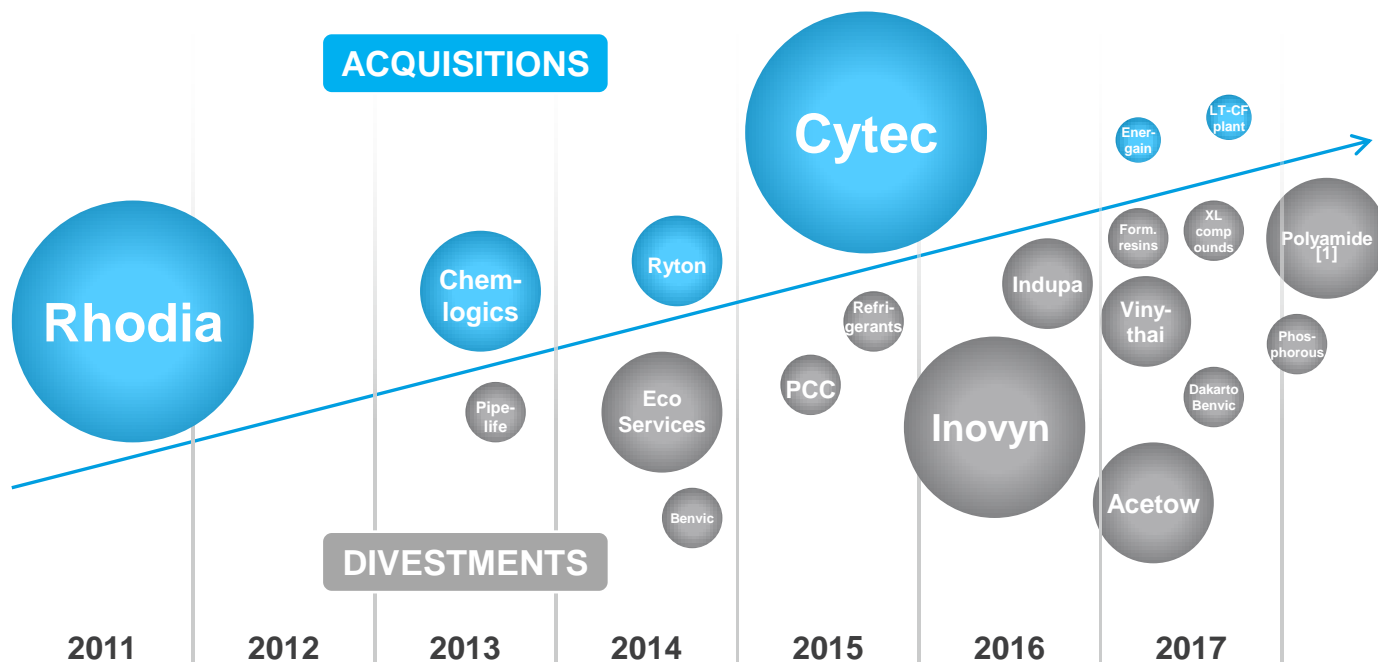


22%

EBITDA margin



Upgraded portfolio



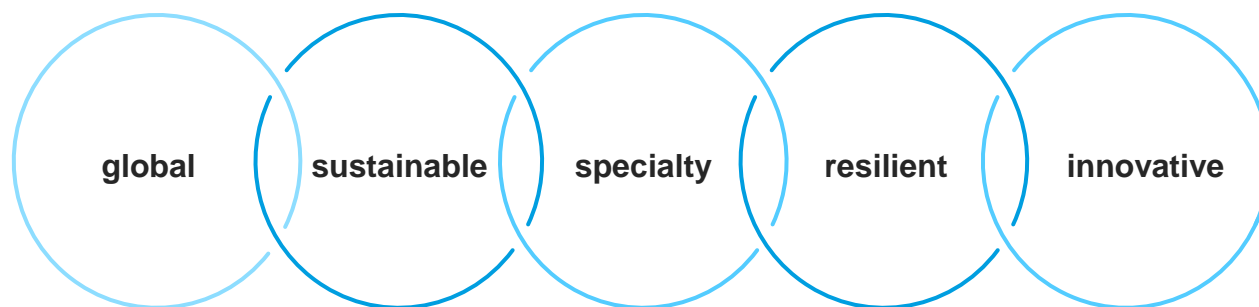
+

Enhancing customized solution offerings

✓

Reducing cyclical & low-growth businesses exposure

MORE →



Significantly enhanced portfolio

More global, more specialty

NET
SALES

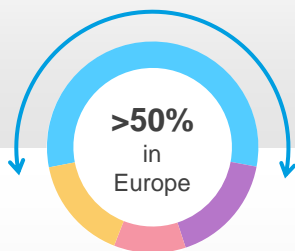
MORE
GLOBAL

MORE
DIVERSIFIED

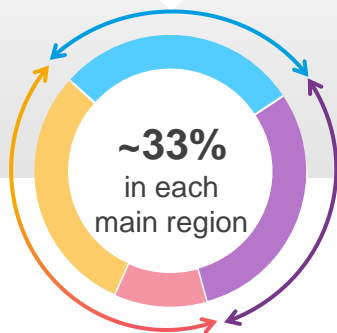
MORE
SPECIALTY

MORE
SUSTAINABLE

2010
€6.5 billion



2017
€10.1 billion



Europe
Asia & RoW
Latin America
North America

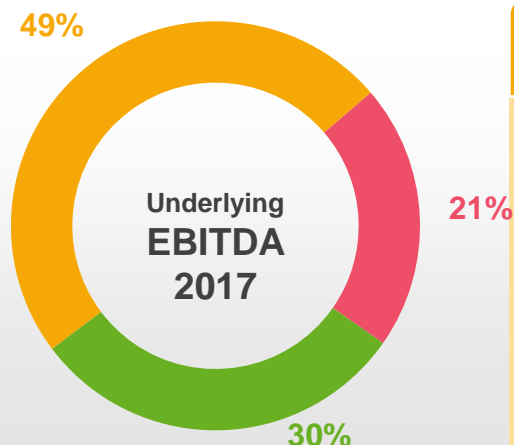
Automotive & aerospace
Resources & environment
Electrical & electronics
Agro, feed & food
Consumer goods & healthcare
Building & construction
Industrial applications

Advanced Materials
Advanced Formulations
Performance Chemicals

Sustainable solutions
Neutral impact
Challenged applications

(according to SPM methodology)

Growth engines deliver 70% of EBITDA



Market positions:



Global market position in main markets addressed



Regional market position in main markets addressed

Advanced Materials

Providing solutions for **sustainable mobility**, lightweighting, CO₂ and energy efficiency

Specialty Polymers (#1)

Composite Materials (#2)

Special Chem (#1)

Silica (#1)

Advanced Formulations

Customized specialty formulations for surface chemistry & liquid behavior, **maximizing yield & efficiency** & **minimizing eco-impact**

Novecare (#1)

Technology Solutions (#1)

Aroma Performance (#1)

Performance Chemicals

Leading positions in chemical intermediates through **scale & technology**, developing applications & industrial innovation for optimized costs

Soda Ash & Derivatives (#1)

Peroxides (#1)

Coatis (#1)

Functional Polymers (#1)

Net sales €10,125m

€4,370m

€2,966m

€2,766m

Underlying EBITDA €2,230m

€1,202m

€524m

€749m

EBITDA growth +7.5%

+8.2%

+8.1%

+4.3%

EBITDA margin 22%

27%

18%

27%

CFROI 6.9%

10.3%

6.7%

8.4%

Enabling tomorrow

Attractive growth markets



20% CAGR^[1]
Electric & Hybrid vehicles
on the road by 2030^[1]

High-performance polymers

→ vehicle bodies

Silica technology

→ more durable tires

Various active materials

→ longer-life EV batteries



4.5% annual growth
in aircraft passengers
to 2025

Lightweight composites

→ aircraft exteriors & interiors

Specialty polymers

→ aircraft exteriors & interiors,
onboard electronics

Functional materials

→ engine and fuel systems



Resources
scarcity

Chemical Solutions:

→ improve yield of mining and Oil
& Gas exploration

Energy storage & photovoltaic
panels

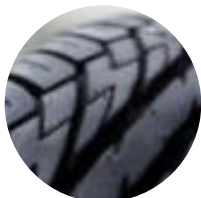


Strategic & Superior Growth Markets

Developing innovative solutions

To create value for our customers

SUSTAINABLE MOBILITY



Silica for
fuel efficient
performance tires
Premium SW



Thermoset prepreg
resin system for
automotive
applications
Solvalite™ 730



Batteries separator
Binder coating
Solef® PVDF
High voltage
Li-Ion batteries

QUALITY OF LIFE



Next generation
guar polymers
& derivatives
Hair Care platform



Innovative material to
replace metal in
removable partial
denture frames
Solvay
Dental 360™



Seed treatment
to secure crop
potential
GSB®
Seed boosting

RESOURCE EFFICIENCY



Lithium extraction

- process speed & efficiency
- extraction costs reduction



NaSH replacement technology

- better environmental profile for customers
- safety

Strong commitment & progress

In sustainability

-16%* (over 2 years)

**OCCUPATIONAL
ACCIDENT RATE**

To reach 50% by 2025 vs 2015



33%*

**OF EMPLOYEES INVOLVED
IN SOCIETAL ACTIONS**

To reach 40% by 2025

-24%* (over 2 years)

**GREENHOUSE
GAS INTENSITY**

To drop 40% by 2025 vs 2015



49%*

**OF SUSTAINABLE
SOLUTIONS IN GROUP SALES**

To reach 50% by 2025

75%*

**PEOPLE
ENGAGEMENT**

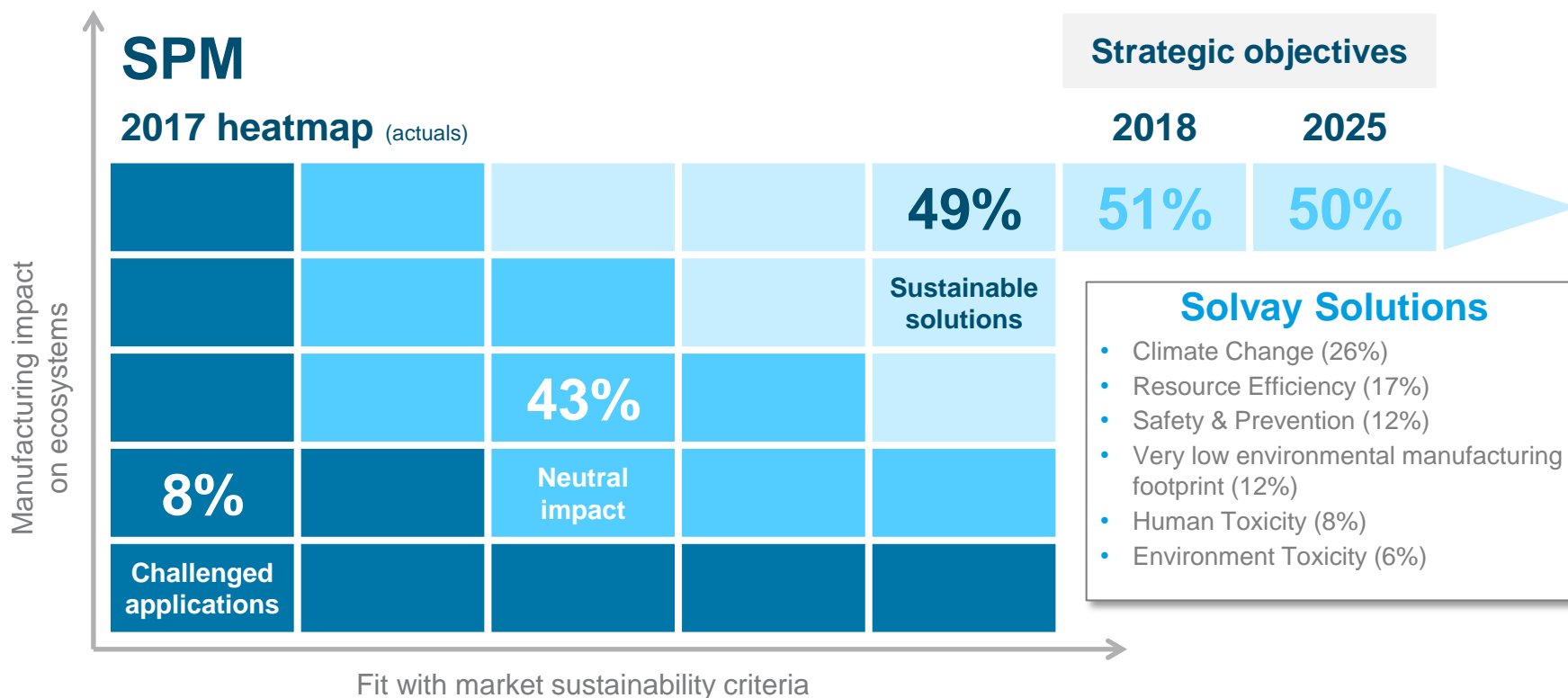
To reach 80% by 2025



* Actuals as of end of 2017

More sustainable solutions

To drive superior growth over time



KEY LEVERS

✓ Portfolio ✓ Capex ✓ R&I priorities

KEY IMPACTS

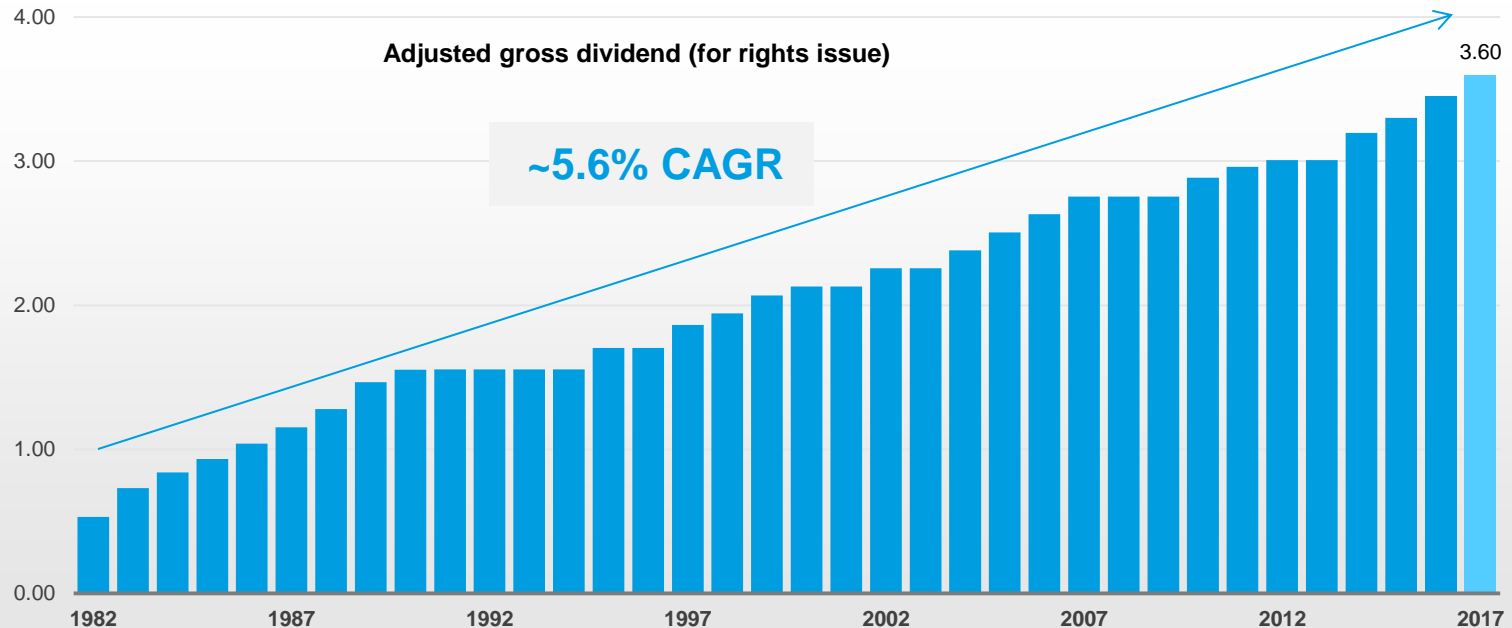
✓ Part of the solution ✓ Enhanced growth

Rewarding shareholders

Delivery on commitments over 35 years

Gross dividend

in €/share



Committed to stable / growing dividend

2018 first quarter results

Strong volume growth counters adverse forex

EBITDA -3%
(+9% organically)

- **Volume/Mix**
 - Strong volumes across Advanced Materials and Advanced Formulations
- **Pricing power**
 - Net pricing stable in higher raw material and energy context
- **Fixed costs**
 - Operational excellence and synergies mostly offset inflation

EBITDA margin
sustained at 21%

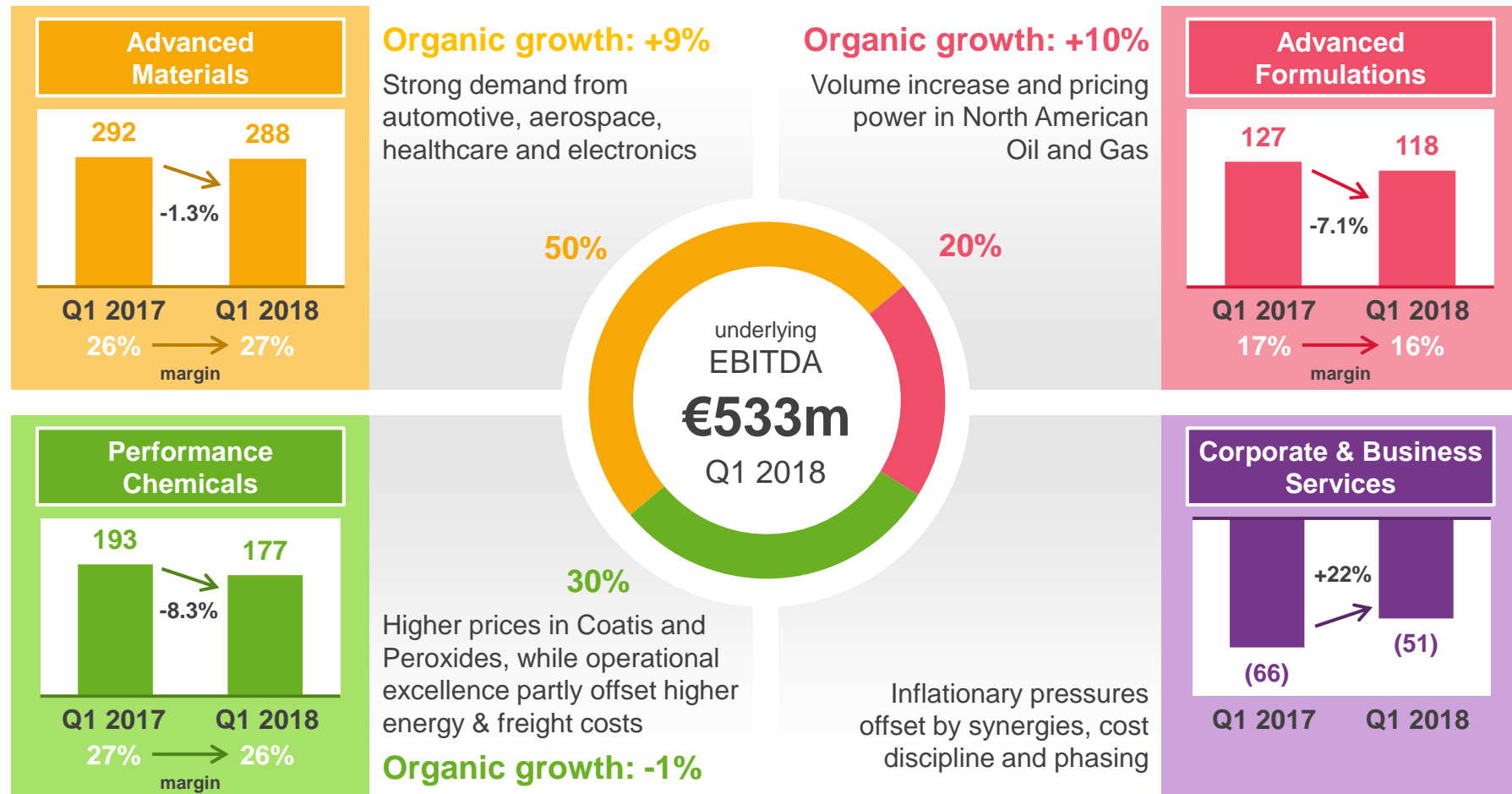
Free cash flow^[1]
€105 million

- **Resulting from**
 - Lower EBITDA
 - Phasing in working capital
 - Capex discipline maintained
- **Underlying net debt at €5.3 billion**
 - Leverage ratio stable at 2.2x

FCF to Solvay shareholders^{[1][2]}
€99 million

2018 first quarter results

Volumes drive organic EBITDA growth in Advanced businesses



OUR PRIORITIES

DELIVER MID-TERM OBJECTIVES & PREPARE THE FUTURE



Organic volume growth

Earnings and cashflow growth

Optimize our organization

Sustainable value

Outlook

Full Year 2018



**Underlying EBITDA to grow
5% to 7% organically ^[1]**

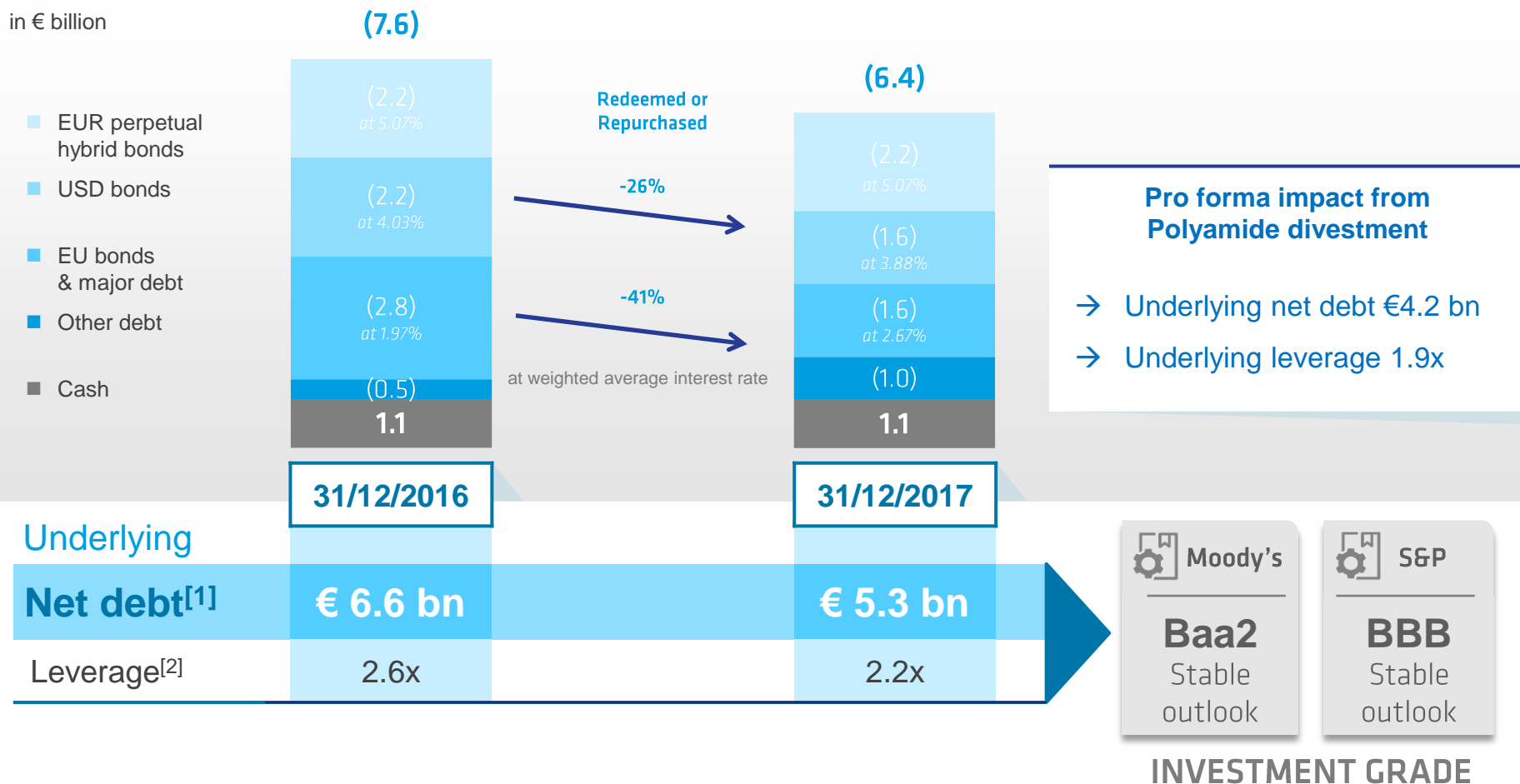
**Free cash flow^[2] to exceed 2017
level of €782 million**

Efficient Capital structure

Deleveraging continues

Underlying financial debt^[1] evolution

in € billion

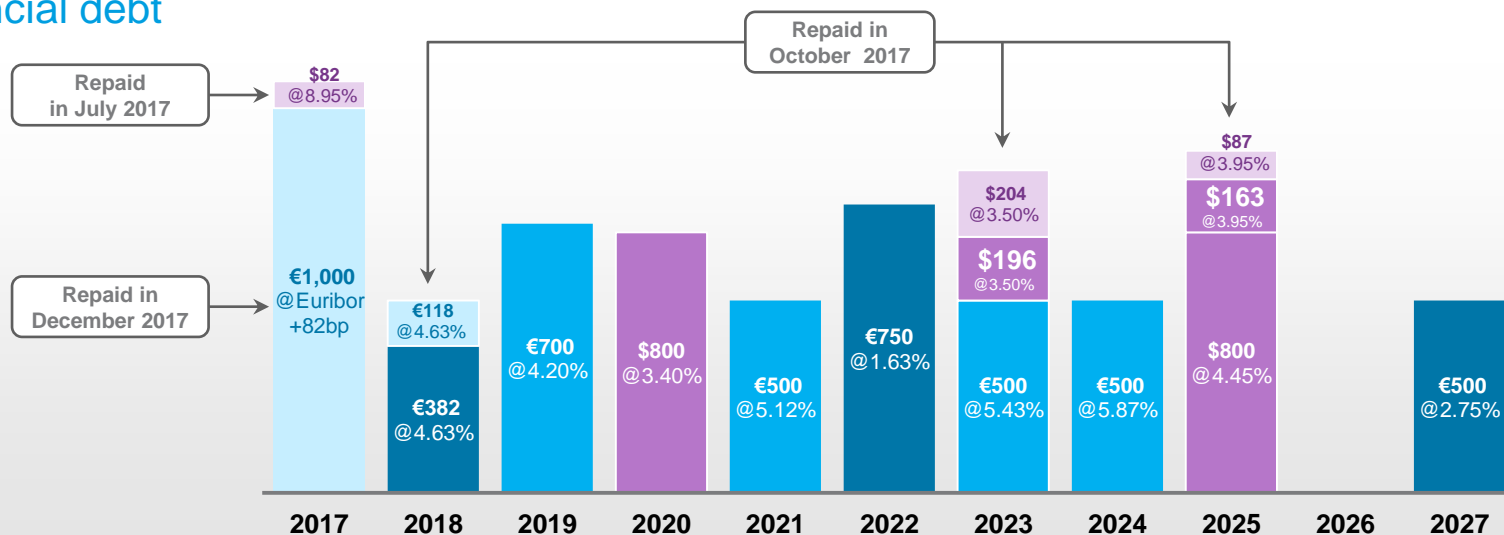


Debt profile

Balanced maturities allowing flexibility

Major financial debt

in million



Major financial debt ^[1]

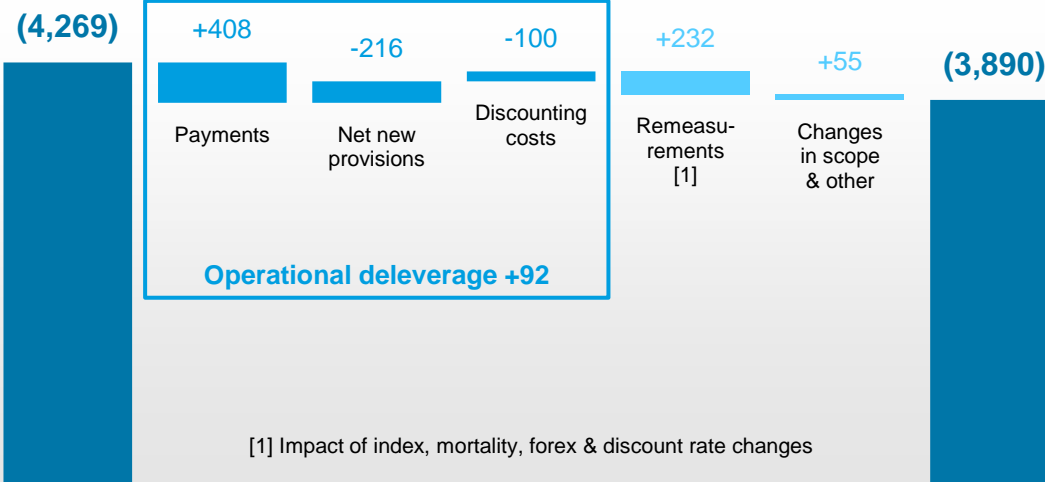
	December 31, 2017			March 31, 2018		
	Face value	Average maturity	Average cost	Face value	Average maturity	Average cost
EUR bonds	1,632	5.5	2.67%	1,632	5.2	2.67%
EUR perpetual hybrid bonds ^[2]	2,200	4.1	5.07%	2,200	3.8	5.07%
USD bonds	1,634 ^[3]	5.7	3.88%	1,591 ^[3]	5.4	3.88%
Total major debt	5,465	5.0	4.00%	5,423	4.7	4.00%
	in € million	in years		in € million	in years	

Provisions

Gradual operational deleveraging

Movements in provisions

in € million



	December 31, 2016	Payments	Net new provisions	Discounting costs	Remeasurements [1]	Changes in scope & other	December 31, 2017
Employee benefits	(3,118)	217	(51)	(64)	174	26	(2,816)
Environment	(737)	81	(54)	(33)	36	5	(702)
Other	(414)	110	(111)	(3)	22	24	(372)
Total	(4,269)	408	(216)	(100)	232	55	(3,890)

Complemented by positive impact of discount rate changes

P&L considerations for 2018

Underlying EBITDA

EBITDA to grow 5% to 7% organically, excluding forex conversion and scope effects

- Forex conversion impact estimated at €(125) million based on rates prevailing in Q1 2018 (and US\$/€ 1.25)
- Scope impact expected of €(30) million

Scope effects

Discontinued operations consist of Polyamide

- planned to be sold to BASF
- expected to be completed in H2 2018

Scope effects include acquisitions and divestments of smaller businesses not leading to the restatement of previous periods, mainly:

- Polyolefin cross-linkable compounds in June 2017
- Formulated resins businesses in June 2017
- Phosphorous business in February 2018.

Depreciation/Amortization

Underlying D&A expected at ~€(700)m, in line with 2017

- Excludes ~€(240)m PPA amortization
- PPA impacts related to Rhodia, Cytec and other smaller acquisitions (e.g. Chemlogics, Ryton)

Underlying net financial charges

Underlying net financial charges expected at ~€(350)m, excluding forex impact

- Underlying net cost of borrowings at ~€(150)m
- Coupons from perpetual hybrid bonds of €(111)m
 - considered as dividends under IFRS
 - €(84)m in Q2 and €(27)m in Q4
- Non-cash recurring discounting costs at ~€(80)m

Tax rate

Underlying tax rate expected at ~26% versus 27.5% in 2017

Forex sensitivities in 2018

EBITDA sensitivity

Forex sensitivity on conversion and transaction

- Immediate impact on conversion exposure
- Deferred transactional impact due to hedging (~6-12 month rolling basis)

Mainly linked to USD Sensitivity in 2018:

- ~€120m underlying EBITDA per (0.10) \$/€
- ~2/3 conversion & ~1/3% transactional

Other forex exposures

- CNY, BRL, JPY, RUB, KRW, THB

Financials sensitivity

Net debt sensitivity of ~€140m per US\$/€ 0.10 change

Net financial charges sensitivity of ~€5m per US\$/€ 0.10 change

/€	BRL	CNY	JPY	KRW	RUB	THB	USD
Q1 2018	3.99	8	133	1,318	70	39	1.23
Q1 2017	3.35	7	121	1,227	63	37	1.06
(d)evaluation FC in %	-16%	-6%	-9%	-7%	-11%	-3.6%	-13%

Cash considerations for 2018

Free cash flow

Free cash flow from continuing operations expected to exceed 2017 level of €782m, including:

- Capital expenditure from continuing operations at ~€(700)m
- Total net cash-out for provisions at ~€(390)m, including mainly:
 - Higher pensions and related payments of ~€(235)m
 - Environmental provision payments of ~ €(80)m
 - Restructuring payments of ~ €(80)m

Cash financing payments

Net cash financing payments at ~€(250)m
Reduction by more than €100m

Net financial debt

Net financial debt to reduce from €(5.3)bn at year start to €(4.1)bn at year end

- Including expected net proceeds from Polyamide divestment of ~€1.1bn
- Leading to expected leverage ratio of 1.9x (from 2.2x at year start)

SOLVAY'S ADR PROGRAM

CONVENIENCE OF INVESTING IN AMERICAN DEPOSITARY RECEIPTS (ADRS) THROUGH A SPONSORED LEVEL 1 PROGRAM

ADRs Details

ADR Symbol	SOLVY
Platform	OTC
CUSIP	834437303
DR ISIN	US834437305
Underlying ISIN	BE0003470755
SEDOL	BD87R68
Depository bank	Citi
ADR ratio	1 ORD : 10 ADR

Benefits of ADRs

- Clear and settle according to US standards
- Convenience of stock quotes and dividend payments in US dollars
- Purchase in the same way as other US stocks via a US broker
- Cost effective means of building an international portfolio

For questions about creating Solvay ADRs, please contact Citi

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An expanded executive committee

More diverse & customer-centric



**Jean-Pierre
Clamadieu**
CEO



**Vincent
De Cuyper**
COMEX



**Augusto
Di Donfrancesco**
COMEX



**Karim
Hajjar**
CFO



**Pascal
Juéry**
COMEX



**Hua
Du**
COMEX



**Cécile Tandeau
de Marsac**
COMEX



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NEXT EVENTS

**May 23,
2018**

Final dividend
payment

**July 31,
2018**

Q2 & H1 2018
results

**November 8,
2018**

Q3 & 9M 2018
results