



**SOLVAY**

asking more from chemistry®

# 1<sup>st</sup> Half 2019 Results HIGHLIGHTS

Organic growth excludes scope and forex conversion effects



Ilham Kadri, CEO



Solvay's results in the second quarter met our expectations.

Growth in aerospace, mining, agro and aroma performance was offset by the headwinds in automotive, electronics and oil & gas. Against this backdrop, we focused on actions within our control — cash, costs and pricing.

We are progressing on our comprehensive strategy review, with a clear objective of unleashing and accelerating value creation.

We look forward to sharing our strategy roadmap when we report our third quarter results in November.



Results met our expectations



Resilience thanks to diversified portfolio

vs H1 2018

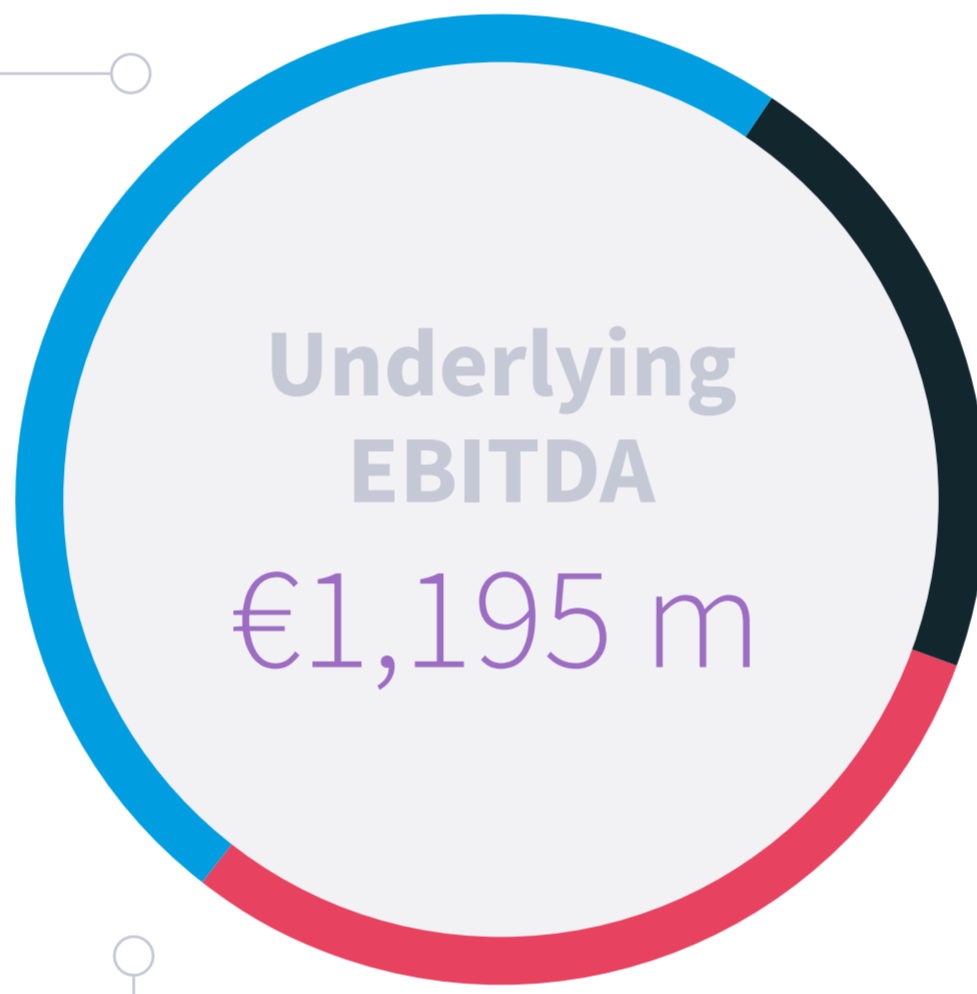
UNDERLYING FIGURES

<b>+2.6%</b> Net Sales €5,225 m	<b>-0.5%</b> organic growth <b>-3.1%</b> EBITDA €1,195 m	<b>-6.7%</b> Earnings per share continuing operations €4.30	<b>Free Cash Flow to Shareholders</b> continuing operations €33 m
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**46%**

### Advanced materials

Underlying EBITDA in Q2 decreased -17% organically, leading to an H1 performance of -12% organically. Double-digit volume growth in composites to aerospace partly offset declines in automotive and electronics markets.



**21%**

### Advanced Formulations

Underlying EBITDA in Q2 was down -9.2% organically, bringing H1 EBITDA to -5.8% organically. Lower volumes in oil & gas market, which remains challenged, while other markets, including mining, agro and aroma performance, were more supportive.

**33%**

### Performance Chemicals

Underlying EBITDA in Q2 grew +12% organically, contributing to H1 organic growth of +11%. Higher prices and operational excellence supported growth, while demand remained solid.

## 2019 OUTLOOK

Despite continuing headwinds in certain end-markets, Solvay confirms its full year outlook:

- Underlying EBITDA to be flat to modestly down organically<sup>[1]</sup>;
- Free cash flow to shareholders from continuing operations to be around €490 million<sup>[2]</sup>.

<sup>[1]</sup> Organic growth excludes forex conversion and scope effects, and compares to €2,330 pro forma in 2018, which already includes the €100 million IFRS 16 effect.

<sup>[2]</sup> Free cash flow to Solvay shareholders is free cash flow post financing payments and dividends to non-controlling interests, and compares to €566 million in 2018. Free cash flow from continuing operations (before financing) is expected at around €770 million in 2019, compared to €846 million pro forma in 2018.

## Latest news



Solvay has appointed Hervé Tiberghien as the Group's new Chief People Officer and as a member of the Executive Committee as of September 1. His track record in industrial operations and HR, his leadership and his expertise in developing human capital, will strengthen our capacity to identify, attract, foster and retain the best talents, and thereby enable us to unleash the Group's potential.



AgRHO S-Boost and SOLVAir were awarded the Solar Impulse Efficient Solution label. The World Alliance for Efficient Solutions, created by the Solar Impulse Foundation, identifies solutions that help to achieve the United Nations' Sustainable Development Goals, while being profitable business-wise. Solutions that meet the required criteria are labelled as Efficient Solutions and become part of the Alliance's portfolio. Additional Solvay products, such as the Solef® PVDF thermoplastic or Rhovanil® Natural, our bio-based natural vanillin are currently under review and might get the label soon.



Everyday, we strive to develop technologies that help our customers achieve great results. Recently, Airbus won a prestigious engineering award for a composite wing on the A220 aircraft, reducing the environmental footprint of commercial jets. The wing, first used in 2013, is made using a low energy and resource-light process called resin transfer infusion, invented by Solvay. The wing is 10% lighter than standard metal equivalents, which reduces fuel burn and CO<sub>2</sub> emissions. We are very proud this collaboration helped our customers achieve this award.