



SOLVAY

asking more from chemistry®

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CAF event
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Following the announcement 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 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.

2018 FULL YEAR PERFORMANCE

+ 5.3%

organic growth

EBITDA

€ 2.2 bn

- 3% higher volumes across segments
- Net pricing maintained despite higher raw materials and energy prices
- Higher fixed costs reflect investments to support growth

22%

EBITDA margin

Q4

+ 3.6 %

organic growth

- Volume growth slowing down on softening in some markets
- Higher prices not fully offsetting increase in variable costs

+ 6%

continuing operations

Free Cash Flow

€ 830 m

- Lower financing payments on continued deleveraging
- Capex discipline maintained
- Working capital phasing

€ 725 m

Free Cash Flow
to Solvay shareholders^[1]

€ 353 m

Operational
deleveraging

ORGANIC EBITDA GROWTH DRIVEN BY HIGHER VOLUMES

Advanced Materials

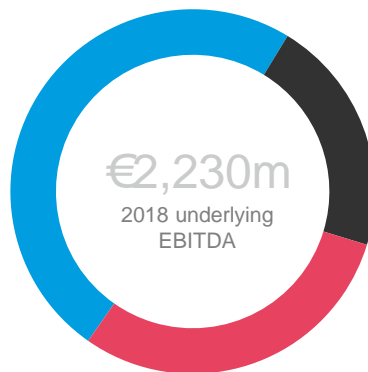
Organic growth: **+3.1%**

- Volume growth across main end-markets: automotive, aerospace, healthcare
- Impact from anticipated volume decrease in smart devices, automotive diesel catalysts and insulation

Q4

- Growth in aerospace market pursued, but slowing down in automotive
- Overcoming headwinds in smart devices, electronics for semiconductors, and Special Chem

49%



21%

Advanced Formulations

Organic growth: **+8.1%**

- Strong volume growth in oil & gas in first half followed by significant decline in fourth quarter
- Pricing power and increased volumes supported full-year growth

Q4

- Oil & gas market downturn compensated by growth in other markets
- Pricing power momentum coming to a halt

30%

Performance Chemicals

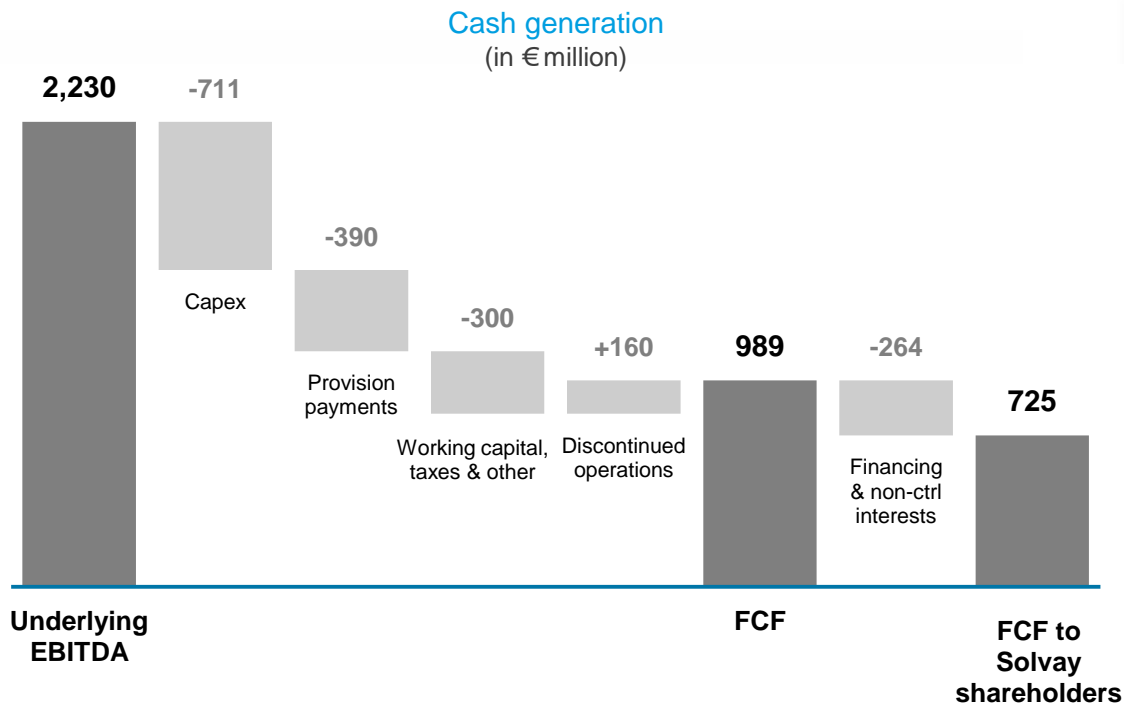
Organic growth: **+1.6%**

- Solid demand for soda ash and strong performance in Peroxides
- Favorable market conditions supported volumes and pricing at Coatis in Brazil

Q4

- Weaker performance in Coatis

FOCUS ON CASH MAINTAINED AMID HIGHER WORKING CAPITAL NEEDS










FCF from continuing operations at €830 m

- ↘ Working capital phasing
- ↘ Higher cash variable remuneration for strong 2017
- ↗ Capex discipline maintained

FCF to Solvay shareholders up 56% at €725 m

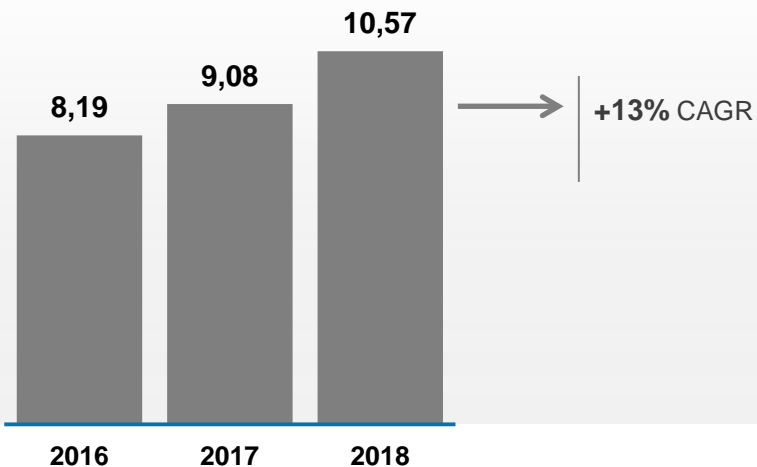
- ↗ Lower financing payments on continued deleveraging
- ↗ Strong contribution from discontinued operations at €160 m

HISTORIC DELIVERY IN LINE

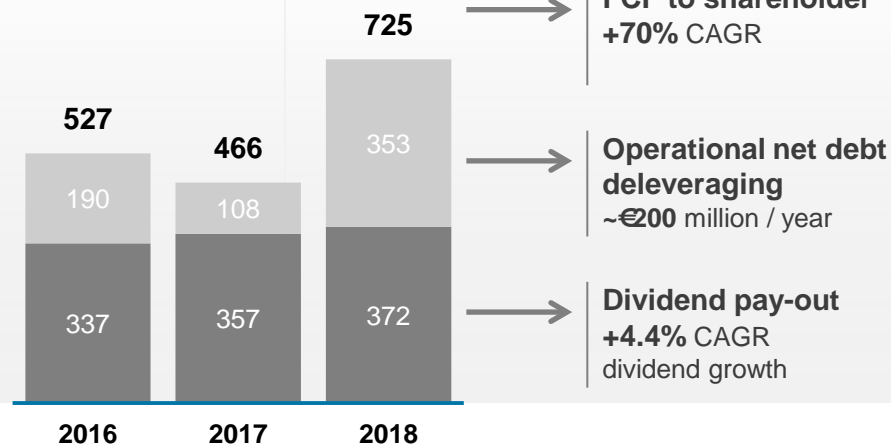
 2016 - 2018 ▾		Delivery		2016 - 2018 ▾	
	-20% GHG Intensity kg CO ₂ eq. Emissions / €EBITDA	-24%	+7.5%	Mid-to-high single digit EBITDA growth Underlying % yoy	
	40% Sustainable solutions % Group Sales	50%			
	-10 % Accident rate Acc. with medical treatment / m working hours	-30%	€2.7bn	>€2.4 bn Free Cash Flow cumulative	
	75% Employee engagement Index	76%			
	25% Societal actions % employees involved	33%	+0.8bp	+ 0.5 – +1.0 bp CFROI increase	

WHILST REWARDING SHAREHOLDERS WITH GROWING RETURNS

Underlying EPS
(in €/share)



Free cash flow to
Solvay shareholders
(in € million)



2019 OUTLOOK



EBITDA

Underlying at constant scope and forex

- Q1 broadly flat versus Q1 2018^[1]
- Modest EBITDA growth in FY 2019^[2]



Free Cash Flow

- Operational deleveraging

[1] Organic growth, excluding scope & forex conversion effects, vs 2018 pro forma EBITDA of €558m

[2] Organic growth, excluding scope & forex conversion effects, vs 2018 pro forma EBITDA of €2,330m

LINKING SOLVAY'S SUSTAINABILITY EFFORT TO COST OF CREDIT


WHAT

- Agreement of the new terms in existing **€2 billion revolving credit facility** linking the cost of credit to a reduction in greenhouse gases

WHY

- To **integrate sustainability** into all key aspects of our business
- To be in the front line of **future cost differentiation** based on financial and extra-financial scoring
- Initial step of **successful teaming up** with our banks

IMPACT

- 
- Discount/premium to reflect the breakthrough CO2 emission reduction objective
 - Recognition of the collective efforts towards more sustainability

ILHAM'S LISTENING & HANDOVER TOUR



Meeting our people

17 sites across continents

16 townhalls

Engaging with people:

Blogging on Solvay One & informal breakfast chats



Next step:
Meeting more customers and investors

Meeting our investor base

4 locations in main investor hubs

12 long-term focused investors

Listen to what they say about our performance

2 analyst meetings
Meeting the analyst base

DISCLAIMER



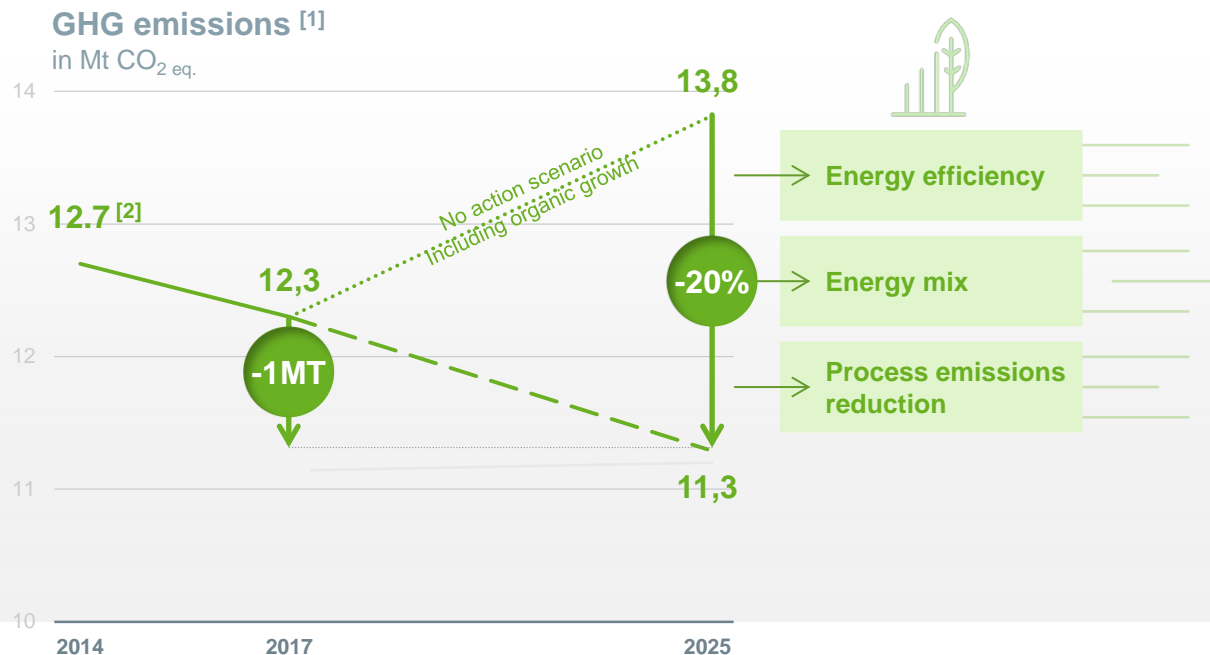
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CLIMATE STRATEGY

REDUCING OUR ABSOLUTE GHG EMISSIONS



Raising our ambition in absolute value

- -1MT by 2025
- -20% emissions reduction vs no action scenario

✓ Coherent and integrated into our operations

- Operational - CAPEX: CO₂ €25/t
- Strategic – SPM: CO₂ €75/t
- Governance – 20% long term incentives

✓ Proactive engagement with key customers

SODA ASH ENERGY TRANSITION EXAMPLES



Rheinberg, Germany

Efficiency programs to secure customer supplies

A new woodpower biomass boiler at Soda Ash plant

- Cutting the site's **CO2 emissions by 30%** or 190 kt/year
- Scheduled to be on stream in May, 2021

Other initiatives to curb the carbon footprint of soda ash production:

- New energy-efficient gas turbine in Rosignano, Italy
- Modernization of the gas cogeneration unit in Bernburg, Germany

At soda ash and bicarbonate plants

- Increase of the production capacity of soda ash by **500 kt** and sodium bicarbonate by **100kt** in the next two year
- Use of data analytics, digital projects and selective debottlenecking



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