



**SOLVAY**

asking more from chemistry®

Why invest in Solvay?

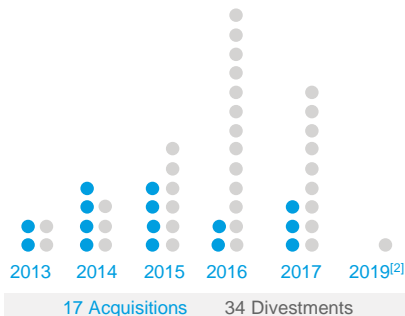


Following the announcement in September 2017 of plans to divest the Polyamide business, these have been reclassified as discontinued operations and as assets held for sale. For comparative purposes, the first quarter of the 2017 income statement has been restated. Besides IFRS accounts, Solvay also presents 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.

# SOLVAY ID



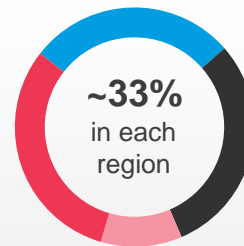
Created by Ernest Solvay in 1863, Solvay is today all about advanced materials and specialty chemicals



Advanced Materials  
Advanced Formulations  
Performance Chemicals



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



Europe  
North America  
Latin America  
Asia & RoW

€10.3 bn  
net sales  
50% sustainable solutions

€2.2 bn  
underlying EBITDA  
Margin 22%

Top 3  
market position<sup>1</sup>

27,000 people  
125 ind. sites  
21 R&I sites  
62 countries

Including discontinued operations

[1] Applicable to ~90% of portfolio  
[2] Planned divestment of Polyamides  
Headcounts and number of sites include Polyamide business, accounted for in discontinued operations



# WE COMMIT TO ANSWERING MEGA TRENDS



## Evolving demography and consumer behavior

- New materials for smart cities
- Ever more connected people
- Innovations to drive next generation mobility



## Resource constraints & demand for sustainability

- Global warming and climate disruption
- Green house gas emissions, especially CO<sub>2</sub>
- Resource scarcity (food, energy, water)
- Pollution and biodiversity loss



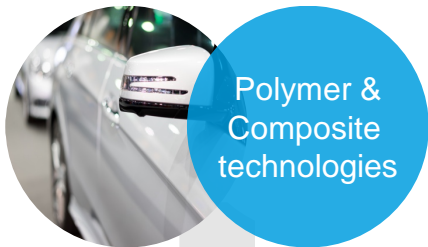
## Innovation acceleration

- Information age & big data
- Acceleration of cycles product lifetime and innovation cycles
- Increased connectivity and mobility

# GIVING SHAPE TO A UNIQUE PORTFOLIO

## ADVANCED MATERIALS

43% of Group sales



## ADVANCED FORMULATIONS

30% of Group sales



## PERFORMANCE CHEMICALS

27% of Group sales



Electronics



Healthcare



Aerospace



Automotive

**Next gen mobility**



Oil & Gas



Mining



Agro

**Resource efficiency**



Food



Consumer goods



Industrial



Construction

~50% of Group sales



Customer intimacy & Market leadership



Innovation edge & Technology portfolio



Talents & Business culture



Sustainable chemistry & Solutions

# BECAUSE OUR PLANET REQUIRES MORE SUSTAINABLE MOBILITY



**AUTOMOTIVE**



**AEROSPACE**



**BATTERIES**

Doing more  
with less

↑ **MORE**

Cleaner and more  
energy-efficient  
**mobility**

Enhanced  
**lightweighting & fuel  
efficiency**

**Higher performance  
and energy storage**

↓ **LESS**

**Reduce impact  
to environment**

**Reduce CO<sub>2</sub>  
emissions**

**Reduce cost  
per kWh**

**~50% of Advanced Materials sales**

# WE ALSO MAKE PLANES LIGHTER & MORE EFFICIENT



AERO



**4.5%**

Annual growth  
in passenger traffic

**>8,000**

Record high  
order backlog

**50%**

Weight of composites  
on new aircrafts vs <15% on legacy

**2x**

Number of aircrafts expected  
to double in 20 years

SURFACE  
COATINGS

PRIMARY  
STRUCTURES

INTERIORS  
& GALLEYS

BONDING &  
MULTIFUNCTIONALITY

SECONDARY  
STRUCTURES

ENGINES



# WE MAKE CARS LIGHTER & MORE EFFICIENT



AUTO

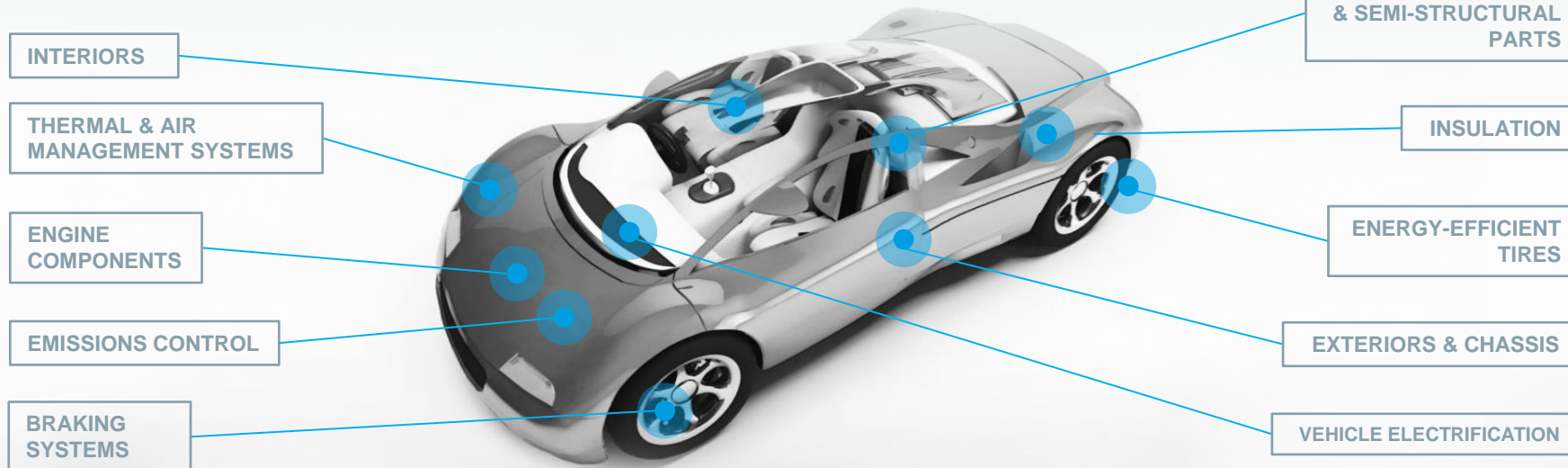


**2.4%**

CAGR light vehicles  
production in 5 years

**~30%**

CAGR hybrid & plug-in  
electric vehicles in ten years

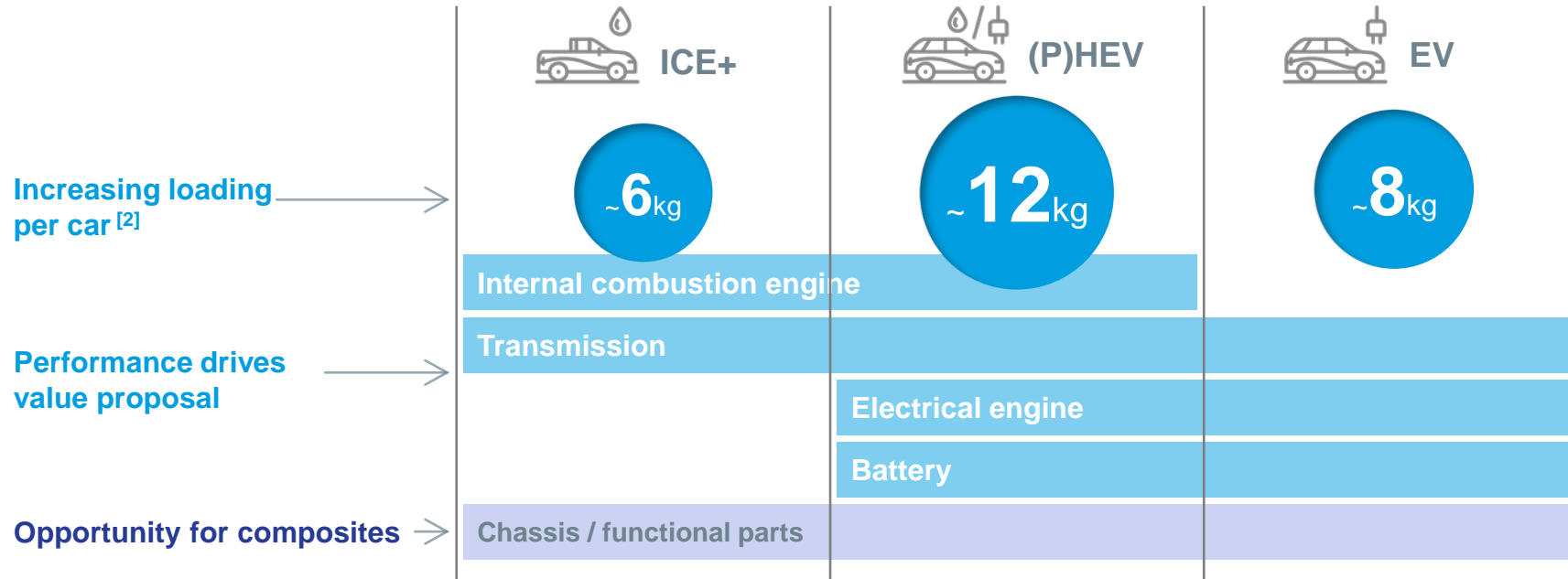




# WE ARE POSITIONED IN ALL AUTO PLATFORMS, OUTPACING THE INDUSTRY GROWTH BY 3X [1]



AUTO



Increasing loading per car [2]

Performance drives value proposal

Opportunity for composites

**Technology shift** → **Big opportunity for Solvay**

[1] For Solvay's polymer & composite technologies

[2] Accessible market for Solvay polymer and composite technologies (excluding chassis / functional parts)

# BECAUSE RESOURCE CONSTRAINTS REQUIRE MORE EFFICIENT SOLUTIONS



MINING



OIL & GAS



AGRO

Doing more  
with less

↑ MORE

Higher throughput  
and yield of metals  
& minerals

Maximize cost  
performance and  
fracturing efficiency

Targeted use  
of ingredients for  
seeds & crops

↓ LESS

Reduce impact  
to employees and  
environment

Less clean  
water usage

Reduce  
environmental  
impact

~50% of Advanced Formulations sales

# INNOVATION AT OUR CORE WITH STRONG CONNECTIONS TO ADVANCE SCIENCE



1911

Ernest Solvay established first prestigious meetings of top scientists\*

A worldwide network of researchers connected to academic partners

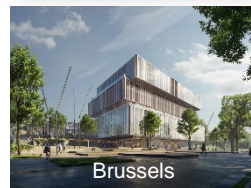


## Steering open innovation & collaboration

3.4% <b>R&amp;I intensity</b> +100bp vs 2012	�352 m effort 2,200 talents	264 patent applications 21 R&I sites
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Establishing **world class** R&I centers

Yearly investing  80 m in **funds and start ups**



# ...IN A SUSTAINABLE WAY



Among many initiatives, we worked with WBCSD to identify the **SDGs most impacted by our industry**



Contribute to society



Act responsibly

Innovate sustainable solutions

## 2018 highlights

**50%**  
**Sustainable Solutions**

- > Higher volume growth on average, higher social and environmental contribution to customer performance
- > Lower environmental impact in its production phase

**-1 Mt**  
**GHG emissions** absolute value

- > Raising our ambition in absolute value to foster climate-friendly growth
- > Proactive engagement with key customers
- > Forefront of the chemical industry

# 2018 ACHIEVEMENTS



# WE DELIVERED SOLID ORGANIC GROWTH IN 2018



vs 2017



Underlying figures

+ 5.7%

Organic growth

Net Sales

+ 5.3%

Organic growth

EBITDA

+ 12%

Continuing operations

Earnings  
per share

+ 6%

Continuing operations

Free Cash  
Flow

+ 4.2%

Dividend



# CONSTANTLY FOCUSED TO RESPECT OUR COMMITMENTS



2016 - 2018



Delivery

2016 - 2018



**-20% GHG Intensity**  
kg CO<sub>2</sub> eq. Emissions / €EBITDA

**40% Sustainable solutions**  
% Group Sales

**-24%**

**50%**

**+7.5%**

**Mid-to-high single digit EBITDA growth**  
Underlying % yoy



**-10 % Accident rate**  
Acc. with medical treatment / m working hours

**75% Employee engagement**  
Index

**-30%**

**76%**

**€2.7bn**

**>€2.4 bn Free Cash Flow**  
cumulative



**25% Societal actions**  
% employees involved

**33%**

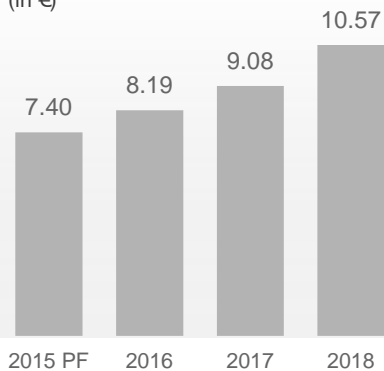
**+0.8pp**

**+ 0.5 – +1.0 pp CFROI**  
increase



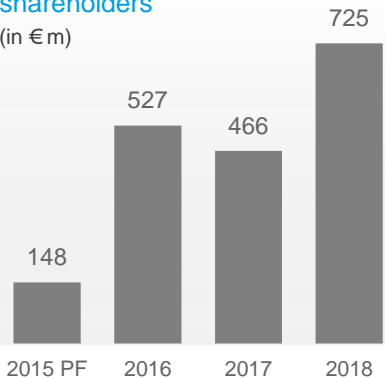
# WHILE CREATING VALUE FOR SOLVAY'S SHAREHOLDERS

Underlying EPS  
(in €)



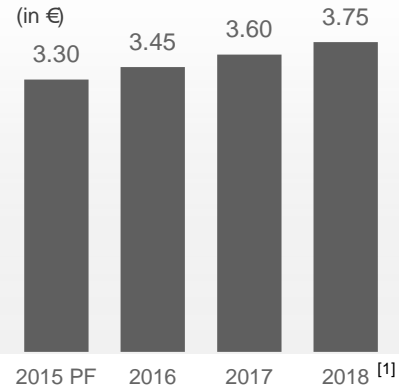
**+13% CAGR**

Free cash flow to Solvay  
shareholders  
(in € m)



**+70% CAGR**

Dividend  
(in €)



**+4.4% CAGR**



# 2019 OUTLOOK



## EBITDA growth

Underlying at constant scope and forex

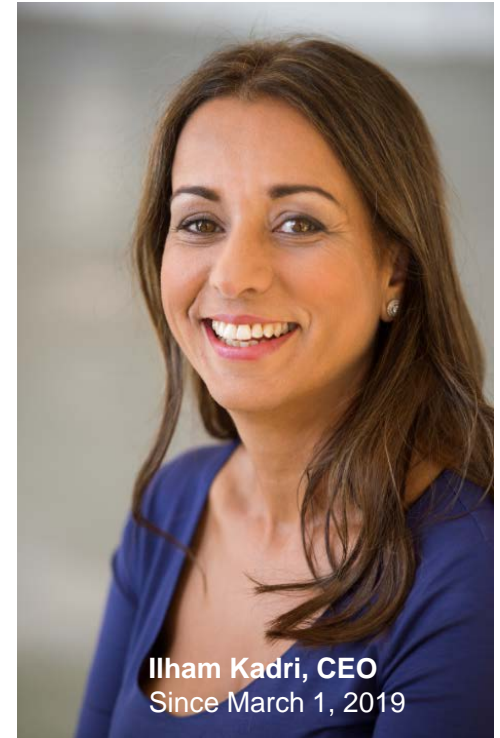
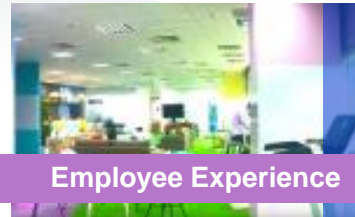
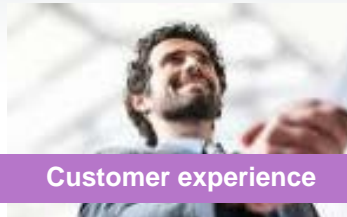
- Modest EBITDA growth in FY 2019 <sup>[1]</sup>
- Q1 broadly flat versus Q1 2018 <sup>[2]</sup>



## Free Cash Flow

- Solid FCF, expected to continue to deleverage the balance sheet

# IN 2019, WE OPEN A NEW CHAPTER IN SOLVAY'S HISTORY LED BY A NEW CEO



# WHY INVEST IN SOLVAY?



## Leading Advanced Materials and Specialty Chemicals company

Top-notch chemistry that addresses sustainable mobility and improves resource efficiency, creating financial value & value for society at large.

1



## Innovative and sustainable solutions to the market of the future

Innovation towards impactful circular economy ; collaboration with game-changers to spark the impact of cleaner and sustainable solutions globally.

2



## Customer obsession

Answers to fast-pacing demand: rapid technological innovation, top-tier talent, personalized service and faster response times.

3



## Solid Financial Performance

One of the highest EBITDA margins within diversified chemical companies: propelled by volumes, underpinned by efficiency.

4



## Consistent Shareholders Reward

Dividend Increase for 35 years  
2018 dividend: €3.75  
~5.5% CAGR since 1982.

5

# BECOMING A SHAREHOLDER OF SOLVAY

## HOW TO HOLD SOLVAY ORDINARY SHARES

### Dematerialized shares

Your shares remain with your financial intermediary, who manages them

### Registered shares

Your shares are registered directly in Solvay Register, and managed by Solvay Registered Shares Management Service. This type of holding shares enables you to benefit from different advantages

Visit the Shareholders' Corner to find out more information on the shareholders' Frequently Asked Questions



### Benefits of opting for registered shares



- Free custody and administration fees
- Personalized notice of attendance to the Annual General Meeting automatically sent
- Dividend report sent with all the useful information to follow the payments
- Press releases of financial publications sent via email
- Registered shares are not subject to tax on securities accounts
- Personalized information in case of special operations, such as, for example, capital increases.



A dedicated team at your service



Solvay Registered Shares Management service

shareholders@solvay.com

+32 2 639 66 30

# SHAREHOLDERS PUBLICATIONS

Dedicated to offer relevant and timely information to our shareholders

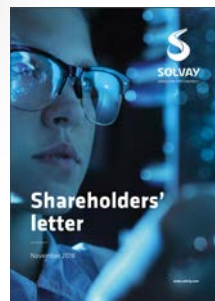


Integrated Annual Report

Shareholders' Guide

Shareholders' Letters

Quarterly newsletters



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Created in 2014, Solvay Investors' Club is dedicated to private investors who are particularly interested in the life of the Group and provides its members with a better understanding of Solvay, its businesses and its activities.

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Investors' Club**

# INVESTOR RELATIONS



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## Latest news



### Dividend



### Delivering the purity the electronics industry depends on

Mar 21, 2019



### New chemistry for the treatment of genetic diseases

Mar 13, 2019



May 7, 2019

Brussels Belgium

Solvay First Quarter 2019 Earnings



May 14, 2019

Brussels Belgium

Solvay 2019 Annual Shareholders' Meeting



July 31, 2019

Brussels Belgium

Solvay First Half Year 2019 Earnings



November 7, 2019

Brussels Belgium

Solvay First Nine Months 2019 Earnings