



First Half Year 2020 results Highlights

Organic growth excludes scope and forex conversion effects

I am very proud of how Solvay employees are weathering the storm by staying safe and managing what is within our control exceptionally well. Our steadfast focus on customers, cost and cash resulted in strong delivery of €170 million in cost reduction and record free cash flow generation of €435 million in the first half of 2020. Our leadership positions in major markets and the breadth of our technologies and innovation enabled us to capture new business while protecting margins. We will continue to adapt to the challenges in the months ahead as we resume selective investments for the return to growth in 2021.



Ilham Kadri, CEO

VS H1 2019

EBITDA & EPS are on underlying basis.

Net Sales
€4.6bn
-11%

EBITDA
€1bn
-16% organic growth

EPS
Earnings per share
from continuing operations
€3.14
-27%

FCF to
Solvay Shareholders
from continuing operations
€435m
€33m in H119

Underlying
EBITDA
€1,008m

37% Materials

Solid demand in healthcare and electronics could only partly offset the drop in aerospace (reduced commercial aircraft production rates, while sales to defense aircraft were resilient), auto (even if Solvay overperformed the broader market thanks to greater penetration of its technologies) and construction. By rapidly adapting production, sustaining prices and accelerating restructuring plans, the segment delivered savings ahead of prior schedule and limited the impact of lower volume on profitability.

26% Solutions

Good demand in home & personal care, agro & food and resilience in coatings partially offset lower volumes in oil & gas, mining, automotive and electronics. Cost control actions combined with pricing initiatives helped sustain margins.

37% Chemicals

Lower volumes across all businesses - in construction, glass container, and auto markets - were slightly offset by higher prices. Cost mitigation measures and price actions supported much of the volume shortfall and helped preserve margins.

2020 OUTLOOK

In the context of continued macro uncertainty and limited visibility, Solvay expects market dynamics to remain challenging in Q3 before improving in Q4. Against that backdrop, the focus on cost will continue with an expectation of delivering around €300 million of savings in full year 2020 and free cash flow generation similar to 2019.

NEWS



The Solvay Solidarity Fund, administered by the King Baudouin Foundation, has reached the next significant milestone in its creation with the appointment of a formal management committee. The Fund will be managed on a daily basis by a dedicated team with equal representation from the King Baudouin Foundation, Director Dominique Allard; from Solvay, CEO Ilham Kadri; and an independent member, Christian Jourquin, who will also serve as Committee Chair.



Solvay announced its participation in Apple's Supplier Clean Energy Program, a core component to Apple's commitment to reach carbon neutrality for its entire supply chain and products by 2030. Apple's 71 suppliers, including Solvay, have all committed globally to producing Apple products with 100 percent clean energy as part of this effort. Solvay's involvement dates back to October 2015 and already implemented a variety of renewable energy solutions in order to provide Apple with materials made with 100% green power, and with sufficient flexibility to be able to adapt to future demand.



Solvay and Leonardo signed a five year material supply agreement for programs across its Aerostructures, Aircraft, Helicopters and Electronics divisions. Solvay will provide a broad range of market leading and innovative materials including thermoset composites, thermoplastic composites and adhesives. In addition to material supply, Solvay will partner with Leonardo in multiple R&D initiatives targeting the development of new materials and process technologies.