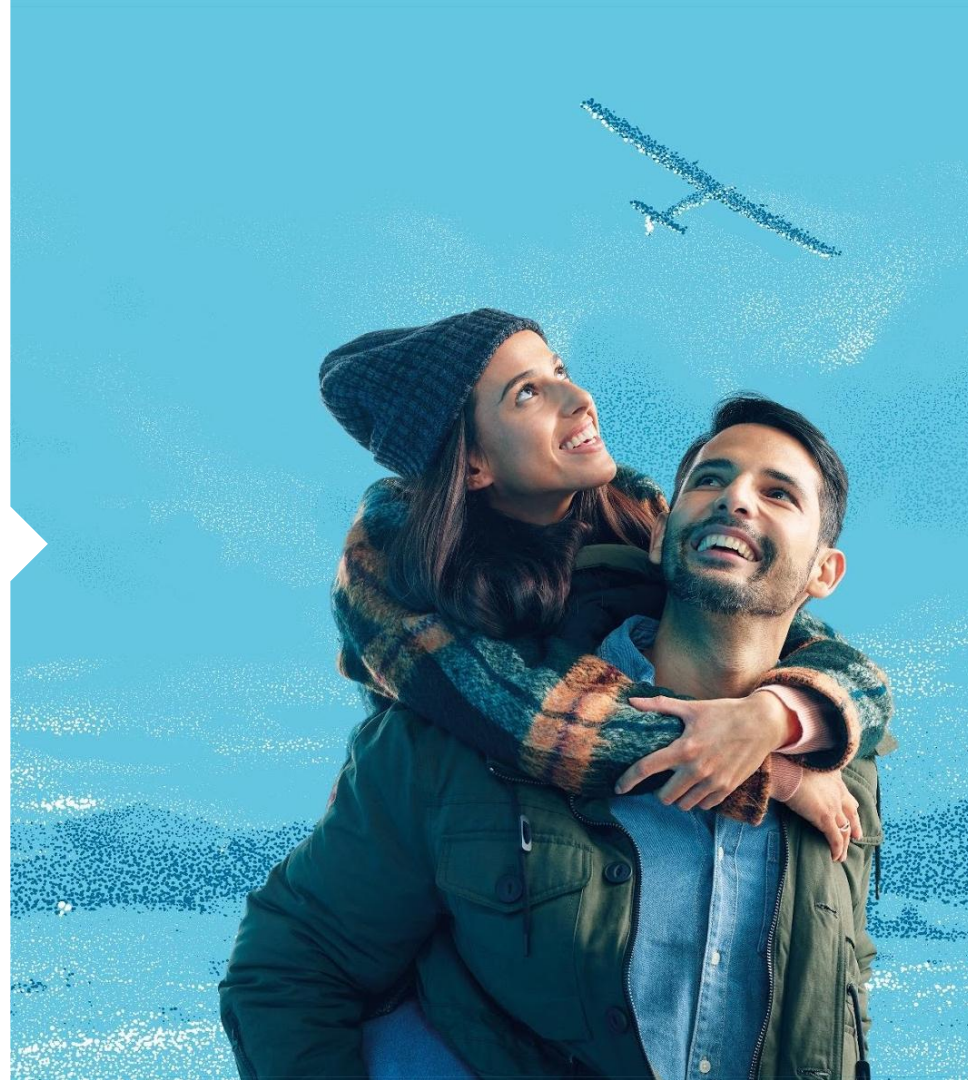




Progress beyond

# Nine Months 2020 Results

November 5, 2020





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. Consequently, actual results or future events may differ materially from those expressed or implied by such forward-looking statements.

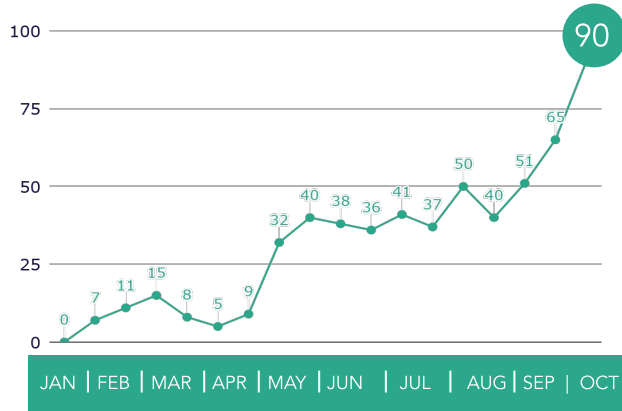
Should known or unknown risks or uncertainties materialize, or should our assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, any securities.

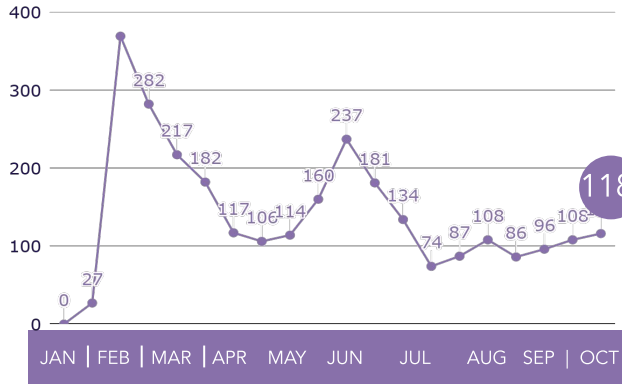
# Health and safety



Colleagues infected with COVID-19



Colleagues in quarantine



Measures in place



Safety measures for all our employees

10,000 employees working remotely

Millions of masks and hydroalcoholic gel secured for our people

Business travel banned, except for critical customer needs

# Nine months 2020 Performance

## Record free cash flow and cost delivery



€801<sub>m</sub>

€6.8<sub>bn</sub>

€1,481<sub>m</sub>

### FREE CASH FLOW<sup>1</sup>

- Disciplined working capital
- Structural improvements
- More than double prior year

### NET SALES

- Market trends similar to Q2
- Pricing Sustained

### Underlying EBITDA Margins 22%

- High quality earnings due to price & €260m cost reductions

<sup>1</sup>FCF to solvay shareholders, continuing operations

# Trends by end market



End Market	% Solvay annual sales 2019	Solvay Q3 2020 trends
Building & Construction/Industrial	16%	Demand improvement in flat glass for construction (Sept)
Automotive	14%	Growth in EV battery applications & silica for tires (Sept)
Food/Agro/Feed	12%	Growth in Agro; vanillin remains resilient
Home & Personal Care	8%	Resilient demand for bio-based products + innovation
Civil Aerospace	7%	Composite restructuring plans on track to mitigate civil decline
Electronics	5%	Growth driven by semiconductors
Healthcare	4%	Growth in various applications
Mining	4%	Short-term impact <sup>1</sup> in sector
Shale Oil & Gas	4%	Turnaround plan supports cost reductions

~75%

<sup>1</sup> impact from Covid-19 pandemic

# Materials

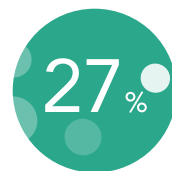
## Q3 2020 performance



**-23%** Net sales  
*y/y organic*



**-29%** EBITDA  
*y/y organic*



**27%** EBITDA  
margin

### Market Drivers

- Significant reduction in civil aircraft build rates while defense remains resilient
- Automotive demand improved in September in certain products but down yoy
- Growth in batteries for hybrid and electric vehicles, healthcare and electronics

### Performance Highlights

- Lower volumes mitigated partly by cost
- Significant fixed costs reduction supports margins

### % Net Sales by End-Market

	Materials*	Group
Automotive & Aerospace	55%	25%
Industrial Applications	11%	19%
Consumer goods, Healthcare	10%	17%
Electricals & Electronics	10%	5%
Resources & Environment	7%	14%
Building & Construction	3%	8%
Agro, Feed & Food	3%	12%

\*Specialty Polymers, Composite Materials

# Chemicals

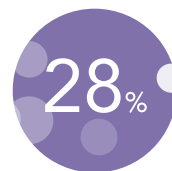
## Q3 2020 performance



**-9%** Net sales  
*y/y organic*



**-10%** EBITDA  
*y/y organic*



**28%** EBITDA  
margin

### Market Drivers

- Increased demand for flat glass used in construction offset by lower demand for container glass
- Growth in HPPO for industrial applications partly offset by lower pulp and paper volumes
- Significant sequential improvement in demand for tires and solvents

### Performance Highlights

- Volume declines, offset partly by price
- Cost mitigation measures supported sustained margins

### % Net Sales by End-Market

	Chemicals*	Group
Consumer good, Healthcare	26%	17%
Industrial Applications	21%	19%
Agro, Feed & Food	18%	12%
Automotive & Aerospace	15%	25%
Building & Construction	12%	8%
Resources & Environment	8%	14%
Electricals & Electronics	0%	5%

\*Soda Ash & Derivatives, Peroxides, Coatis, Silica and Rusvinyl

# Solutions

## Q3 2020 performance



-11%

Net sales  
*y/y organic*

-10%

EBITDA  
*y/y organic*

18%

EBITDA  
margin

### Market Drivers

- Growth in home & personal care, agro, coatings and electronics
- Auto demand improved in Sept but down yoy
- Oil and gas remains under pressure but has stabilized

### Performance Highlights

- Sequential improvement in Q3 despite lower volumes
- Cost control actions and pricing initiatives drove higher margin

### % Net Sales by End-Market

	Solutions*	Group
Resources & Environment	24%	14%
Industrial Applications	23%	19%
Consumer goods, Healthcare	16%	17%
Agro, Feed & Food	14%	12%
Automotive & Aerospace	9%	25%
Building & Construction	8%	8%
Electricals & Electronics	6%	5%

\*Novelcare, Special Chem, Technology Solutions and Aroma Performance

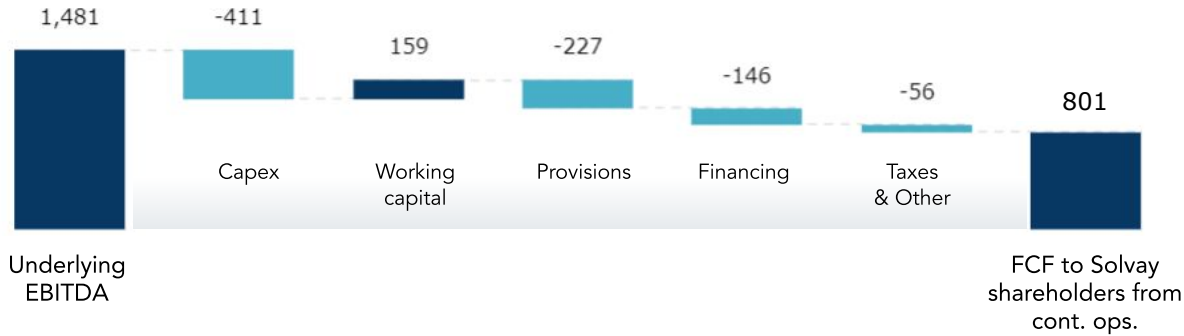


# Strong free cash flow generation

Driven by disciplined working capital management & cost saving programs



## First Nine Months 2020

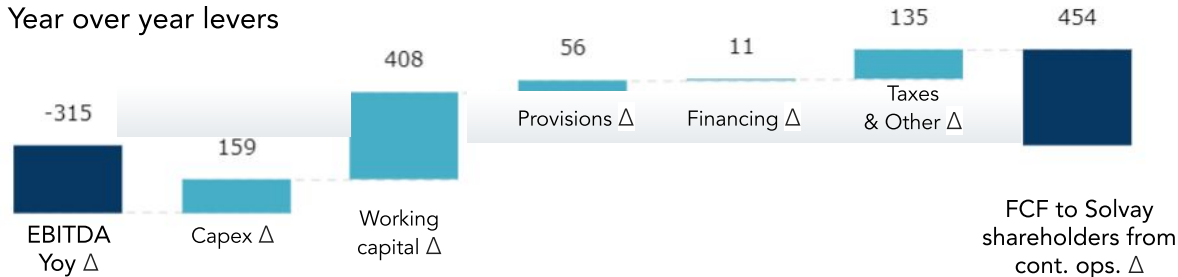


9m 2020 FCF  
€801m vs. €345m in 9M 2019

### Main drivers

- Working capital discipline
- Cost reductions
- Adapting investments
- Lower pension cash costs & taxes

## Year over year levers



Key enabler to  
delever net debt by  
€1.1bn in the first 9m

# Cost savings status update 2020



Nine months 2020

€260m

## Permanent structural levers (€130m)

- Restructuring €62m
- Indirect Spend €51m
- Productivity Efficiencies €17m

## Temporary levers (€130m)

- Furloughs
- Salary freeze & reductions
- Discretionary costs

FY 2020 estimate

€150m

Structural measures 2020

€150m

Temporary measures 2020

€300m

# 2030 Solvay One Planet goals

10 ambitious objectives to reduce our global impact



## CLIMATE

Fight against climate crisis



Align GHG with Paris Agreement & commit to SBTi



Reduce by 30% (-2%/y)

Phase out coal



Achieve 100%

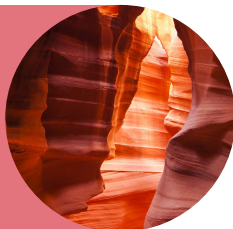
Reduce negative pressure on biodiversity



30% reduction

## RESOURCES

Embed circular business



Increase Sustainable Solutions revenues



Achieve 65% vs 50%

Increase circularity



Achieve 15% vs 7%

Reduce non-recoverable industrial waste



30% reduction

Reduce intake of freshwater



30% reduction

## BETTER LIFE

Improve quality of life



Safety is a priority



Aim for zero accident

Accelerate Inclusion & Diversity



Parity in 2035 vs 24% mid & senior management

Extend maternity leave time and open it to co-parents



16 weeks regardless of the gender in 2021

# Innovations aligned with sustainable growth



**Actizone™**  
Disinfection That Lasts

Home  
& Personal Care

Unique and proprietary  
technology for Long Lasting  
Disinfecting Surface Cleaners



**Solvay Inside®**

Sustainable  
Polymers

Fluorosurfactant free  
polymers for industrial  
applications



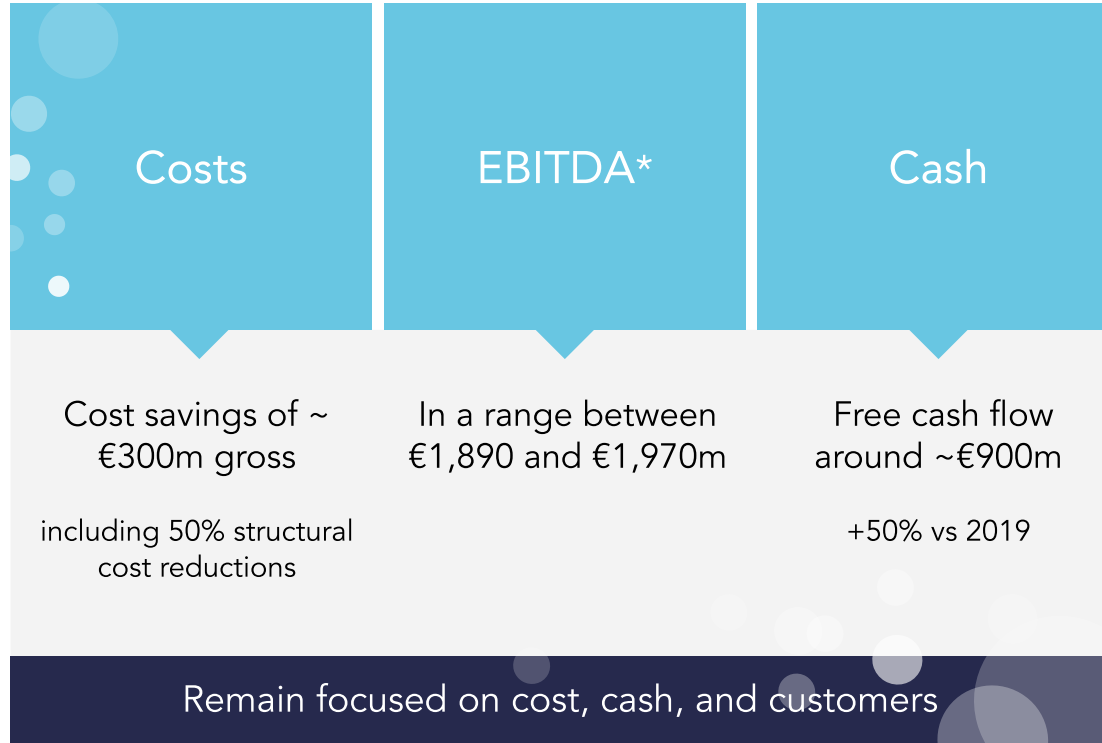
New  
PLATFORM

**Solvay Inside®**

Hydrogen & Clean  
Energy solution

Membranes & electrodes  
of PEM electrolyzers & fuel cells

# Outlook for full year 2020



\*Barring further deterioration related to a second wave of Covid-19; excluding scope and foreign exchange



## Delivering on what we can control ...

- Consistent strong Free Cash Flow generation
- Accelerated delivery of cost measures
- Deleveraging pensions and debt
- Simplifying the portfolio

... positions us  
to emerge stronger

# Q&A



Progress beyond

# Thank you.



Progress beyond

## Investor Relations

[investor.relations@solvay.com](mailto:investor.relations@solvay.com)

Rue de Ransbeek, 310

1120 Brussels, Belgium

## Shareholders services

[shareholders@solvay.com](mailto:shareholders@solvay.com)

Rue des Champs Elysées, 43

1050 Brussels, Belgium



[solvay.com](https://www.solvay.com)