

SOLVAY



Philippe Kehren

CEO



Alexandre Blum

CFO

Full-year 2023 results

Earnings call

March 13, 2024

SOLVAY

Forenote

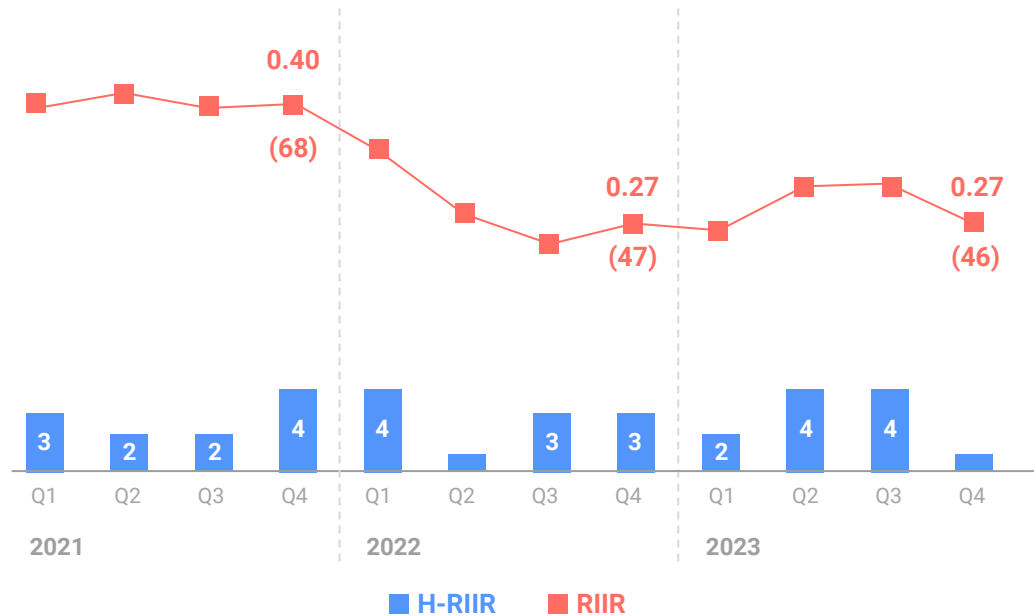
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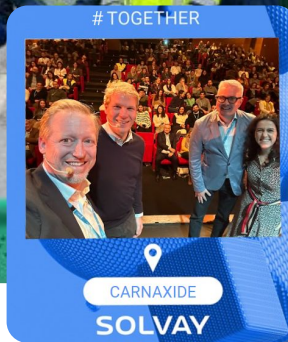
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Safety at the heart of our operations

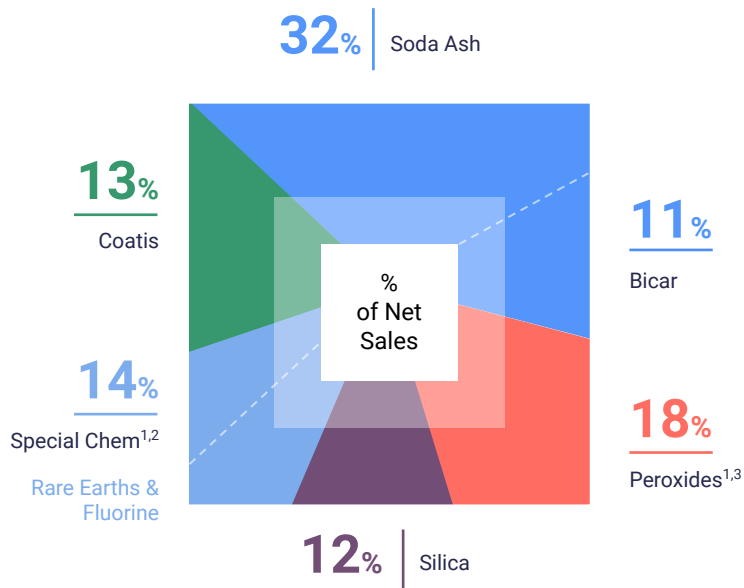
RIIR (Reportable Injuries and Illness per 200,000 work hours)



My first 100 days

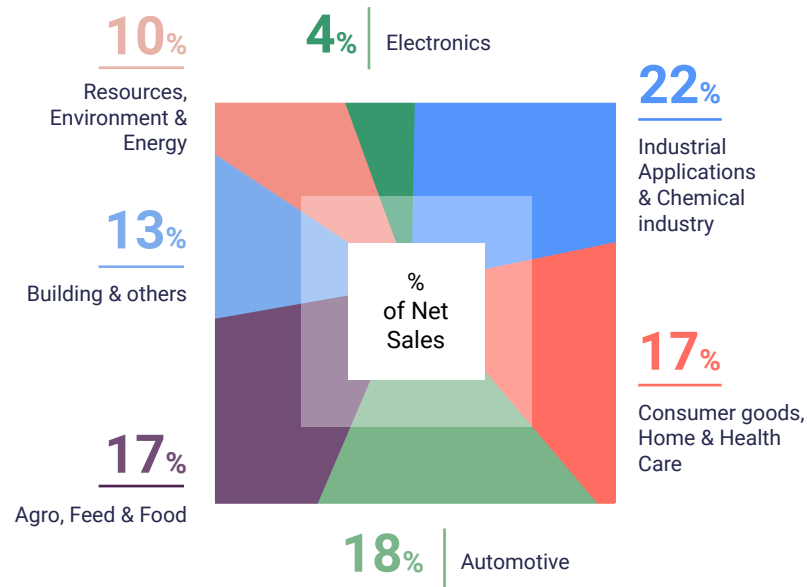


Leadership across businesses



1 Special Chem and Peroxides net sales take into account the transfer of eH2O2 business from Special Chem to Peroxides (effective in 2024)
 2 Special Chem net sales exclude thermal insulation business (phased out in 2023)
 3 Peroxides : including changes related to Peroxidos do Brazil and Zhenjiang

Essential to multiple end-markets



Based on 2023 net sales

4 strategic priorities

Market
Leadership

Leverage

#1 position
in every
market

Cost & Process
Leadership

Drive

Excellence &
competitiveness

Energy
Transition

Deliver

Carbon
neutrality

Capital
Discipline

Prioritize

Cash
generation
& dividends

Strategy in actions

Recent developments

Pursuing the development of a European rare earths hub for permanent magnets



Star-Factory: building the plants of the future



Coal phase-out in Green River



Planning to build the world first carbon-neutral soda ash plant by 2030



Cautious capital spending



2023 ESG performance demonstrates strong progress on climate and better life

-19%

Drastically reducing our CO₂ emissions with 40 energy transition projects

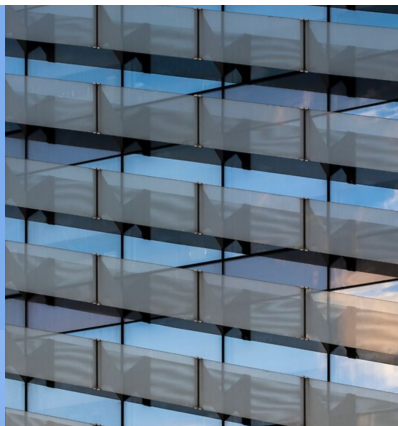
	2023	2021	Progress	Targets
Scope 1 & 2 GHG Emissions (Mt)	7.3	9.0	-19%	-30% by 2030
Scope 3 GHG Emissions (Mt)	12.4	14.7	-16%	-20% by 2030
Coal Phase out (Petajoules)	24.4	27.2	-10%	Coal phase out by 2030
Safety (RIIR)	0.27	0.34	-21%	Aim for zero
Diversity (% of women mid/sen. management)	26.3	28	-1.7pts	Gender parity by 2035
UN Living wage initiative	NEW		Pilot	Living wage for 100% of workforce by 2026

Financials

A New Solvay

Partial Demerger

Specialty Businesses reported as discontinued operations



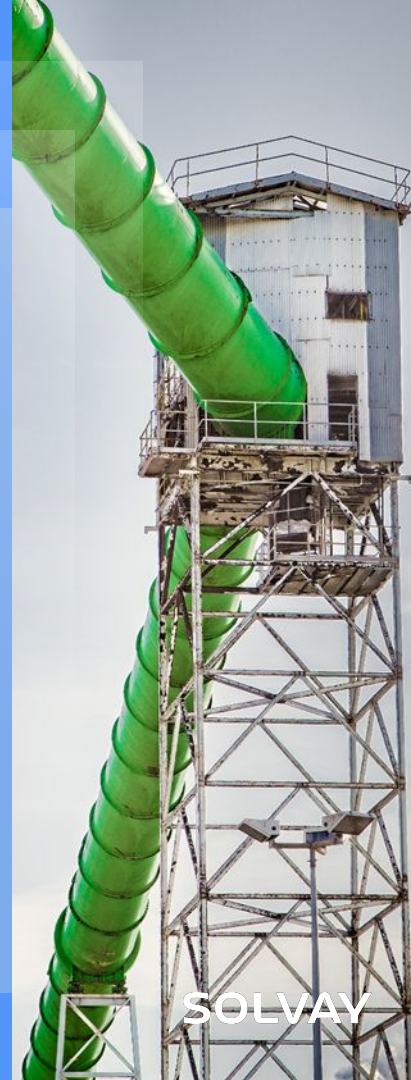
New segments

Basic Chemicals

- Soda Ash & Derivatives & Peroxides: Chemical intermediate businesses focused on mature and resilient markets
- Serve major markets such as building and construction, depollution, consumer goods and food

Performance Chemicals

- Wider range of products in 3 GBUs - Silica, Coatis, Special Chem
- Subject to customization based on unique formulation & application expertise



Full year 2023 results

Another year of leadership and resilience

€ **4.9** bn

NET SALES

-12.6% yoy

€ **1.2** bn

Underlying EBITDA

+0.2% organic
25.5% EBITDA margin

€ **0.6** bn

FCF¹

45% FCF conversion

€ **1.5** bn

Underlying Net Debt

1.2x leverage ²

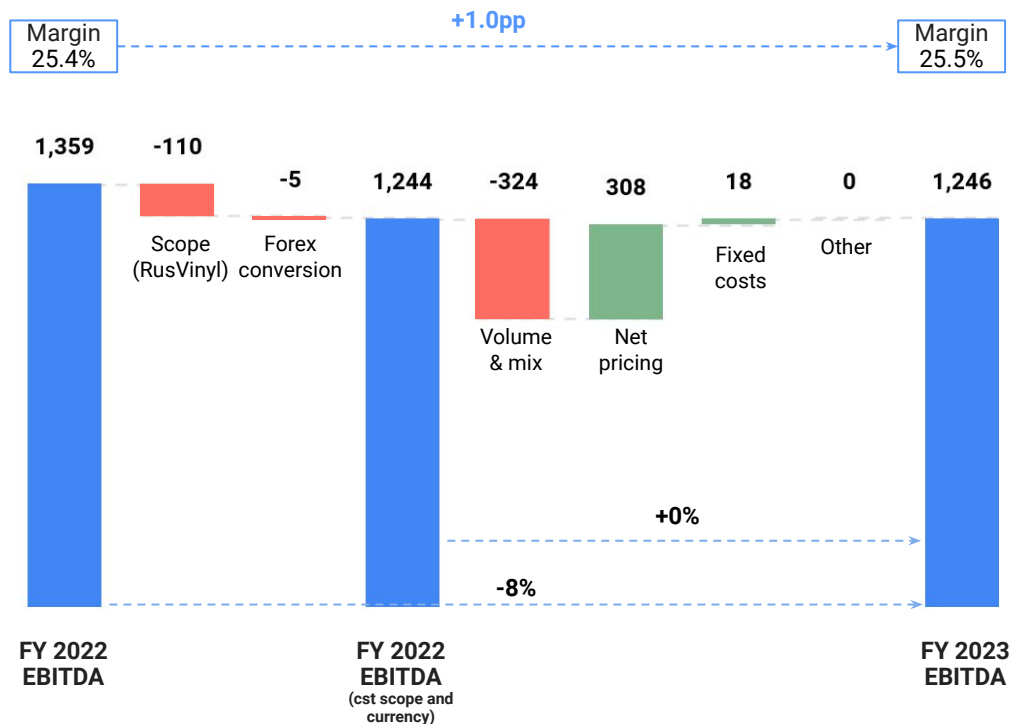
20.4%

ROCE²

-2.5pp
last 12 months

Full Year EBITDA bridge

Resilience vs 2022 with stable margins



€1,246m in 2023

vs €1,359m in 2022

Lower volumes

from softer demand
in all end markets

Positive net pricing

Lower fixed costs

in a high inflation environment,
reflecting strong cost discipline

Basic Chemicals results

	Q4 2023 (€m)	% YoY	% YoY organic
Soda Ash & Deriv.	499	-13%	-16%
Peroxides	152	-23%	-22%
Net Sales	651	-15%	-17%
EBITDA	194	-17%	-16%
EBITDA Margin	29.8%		

	FY 2023 (€m)	% YoY	% YoY organic
Soda Ash & Deriv.	2,093	-6%	-7%
Peroxides	633	-18%	-17%
Net Sales	2,726	-9%	-9%
EBITDA	916	+7%	+8%
EBITDA Margin	33.6%		

Q4 Highlights

- Soda Ash & Derivatives sales were lower due to continued low demand for soda ash in both flat glass and container glass applications, while bicarbonate volumes were also down, although showing sequential improvement compared to the previous quarter, especially in traditional end markets like feed.
- Peroxides sales decrease was driven by low demand in merchant markets, particularly in pulp and paper in North America. Prices decreased following the normalization of energy prices compared to high levels of last year.

Performance Chemicals results

	Q4 2023 (€m)	% YoY	% YoY organic
Silica	134	-9%	-9%
Coatis	146	-22%	-25%
Special Chem	201	-21%	-25%
Net Sales	480	-18%	-21%
EBITDA	74	-3%	-7%
EBITDA Margin	15.4%		

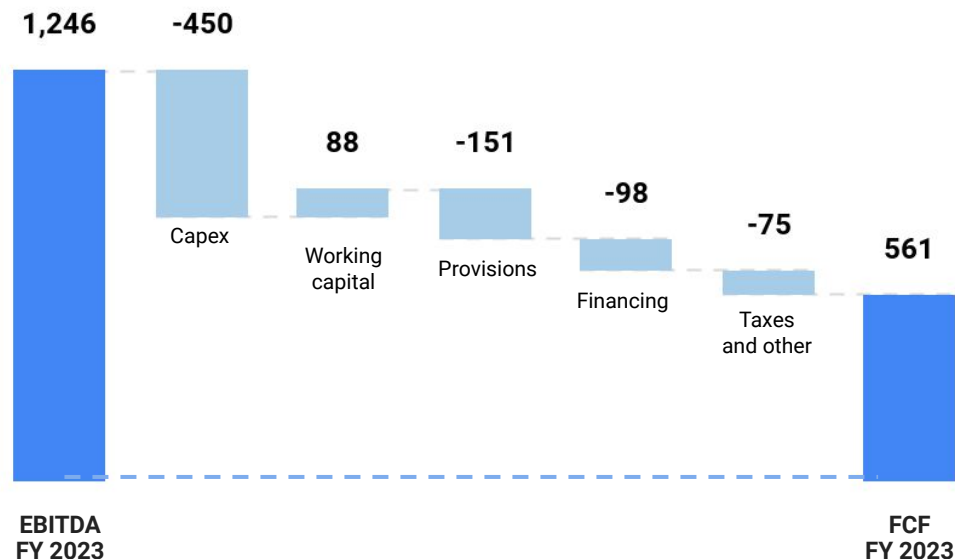
	FY 2023 (€m)	% YoY	% YoY organic
Silica	583	-8%	-7%
Coatis	646	-26%	-29%
Special Chem	919	-12%	-11%
Net Sales	2,148	-16%	-16%
EBITDA	405	-2%	-3%
EBITDA Margin	18.9%		

Q4 Highlights

- Silica saw slightly higher volumes in the tire market, while pricing was lower from raw material and energy indexations.
- Coatis sales were down from lower volumes and pricing in a continued competitive environment, especially in the phenol and derivatives market.
- Special Chem sales decreased from lower volumes due to the phase down of the thermal insulation activities, and from continued lower end demand in the electronics market, while the automotive end market applications demand remained more resilient.

Strong FCF generation

Supported by EBITDA and working capital



€561m in 2023
vs €479m in 2022

Solid EBITDA
Performance

Positive impact from
lower working capital

softer demand around year end
+ simplification of portfolio

1/

Investment grade confirmed

- ↳ Net debt: slightly lower from cash phasing (separation costs)
- ↳ Provisions (employee benefits and environment): Remeasurement impacts

2/

Stable to growing dividends

- ↳ Cash usage Priority along with essential capex
- ↳ 60% of pre-spin off Solvay dividend

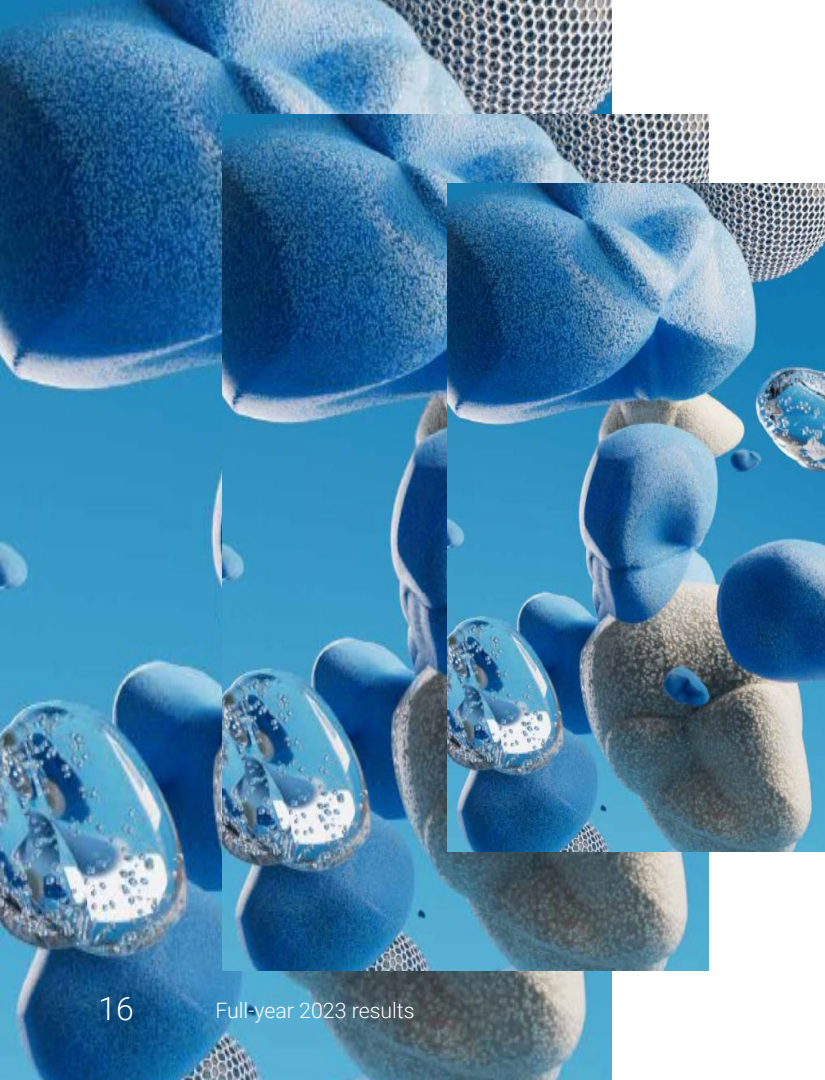
Two pillars of our financial policy

Target capital structure delivered

€ billion	CMD view	Actual 31/12/2023
Rating	expected to be BBB-	confirmed BBB-
Gross Debt	2.2	2.2
Net Debt	1.7	1.5
Provisions for employee benefits (mainly pensions)	0.7	0.8
Provisions for environmental liabilities	0.4	0.5

2023 dividend in line with previous announcements

Total dividend	€2.43
Interim dividend (January 2024)	€1.62
Final dividend (June 2024)	€0.81



Outlook

Our expectations for 2024

01

Underlying EBITDA organic growth ranging between **-10% to -20%** compared to 2023 restated¹

02

Free cash flow² of at least **€260 million**

¹ Details on 2023 restated presented in Appendix

² Free cash flow to Solvay shareholders from continuing operations

A large, stylized graphic of the letters 'Q&A' in a light blue color, serving as a background for the white text 'Q&A'.

Q&A



Appendix

2023 Restated Underlying EBITDA and Net Sales

in € million	impact	Underlying EBITDA	Underlying Net Sales
2023 as published		1,246	4,880
phase-out thermal insulation	scope	-54	-107
phase-out third party energy supply	scope	-41	N/A
Dis-synergies	scope	-12	N/A
Zhenjiang	scope	-8	-25
Peroxidos do Brasil	APM	+23	+163
2023 Restated		1,154	4,911

In addition, on January 1st 2024, as communicated in Solvay's Capital Market Day presentation on November 13th 2023, the "eH2O2" (electronic-grade hydrogen peroxide) business has been transferred from GBU Special Chem part of Performance Chemicals to GBU Peroxides part of Basic Chemicals.

The 2023 quarterly underlying sales and EBITDA restated figures will be published in April, ahead of the Q1 2024 publication.

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