

SOLVAY

Performance Chemicals

Webinar

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Introduction

Philippe Kehren

Value creation drivers common across Solvay Group

SOLVAY

Soda Ash

Peroxides

Silica

Coatis

Special Chem

COMMERCIAL

- Pricing Discipline
- Contracting Management
- One Service Model

INNOVATION

- Process Innovation
- Drive Down Cost Curve
- Sustainability

ASSETS

- Operational Excellence
- High Asset Utilisation

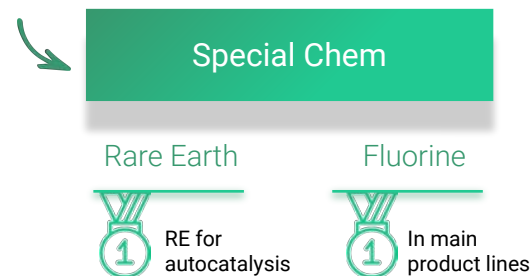
SUPPLY CHAIN

- Lean & Resilient
- Optimised...Large Volumes
- Optimised...Low Cost

Solvay Performance Chemicals

Additives & Ingredients essential to performance in our daily lives

3 Global Business Units



4 Business lines with key leadership positions (% of Solvay net sales)

12%

13%

7%

7%

All figures restated at 2024 perimeter



KEY
FIGURES

5

40%
of Solvay net sales
(1.9 bn€ in 2023)

EBITDA CAGR
(2018-2023)
>4%

Cash conversion*
(avg 2018-2023)
~70%
*Cash conversion =
(EBITDA-CAPEX)/EBITDA

SOLVAY

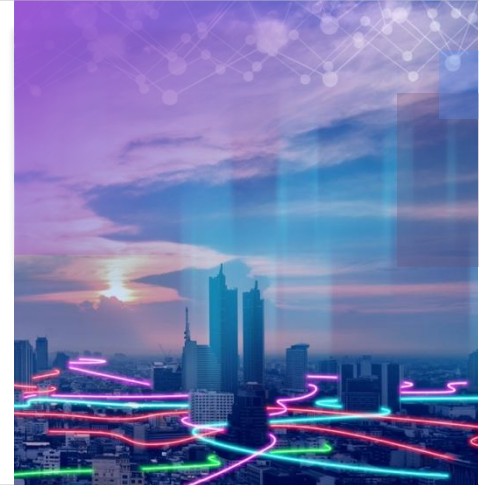
Strong megatrends driving our end-markets



Climate change and
resource scarcity



AI & Digitalization



Regionalization

Performance Chemicals Key Takeaways



Track record of
EBITDA growth and
resilient cash
generation and
conversion
through-the-cycle



A high quality and
resilient product
portfolio with
**leading market
positions** serving
multiple industries



**Process and
technology
leadership** driving
best in class
industrial
performance

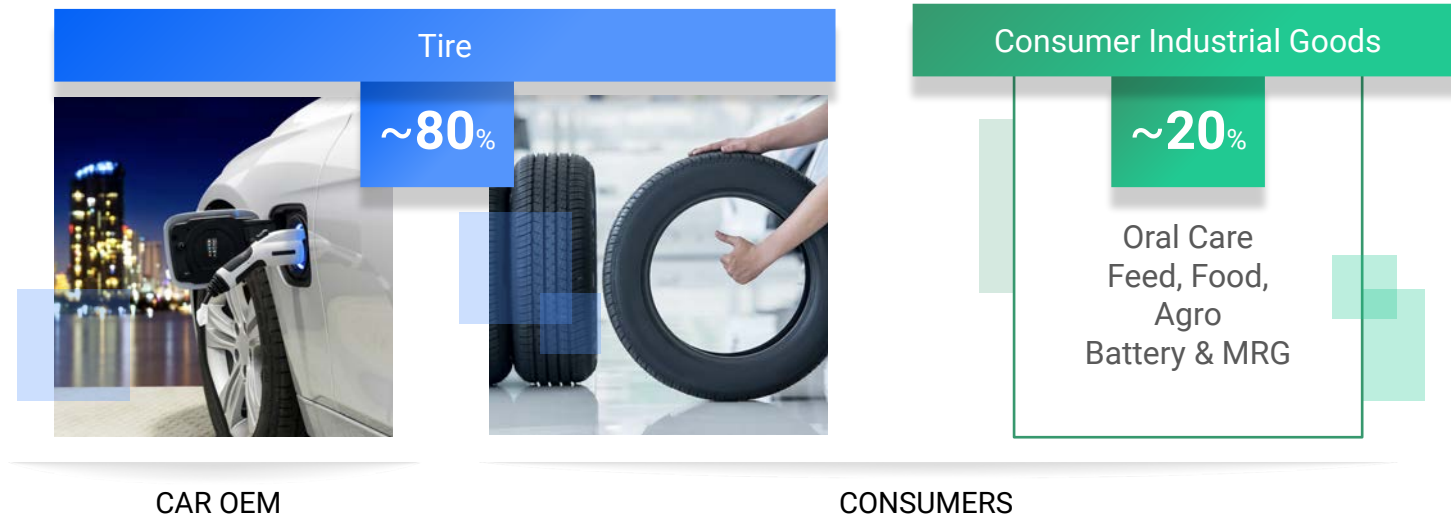


Attractive
**growth
opportunities**
thanks to
innovation and
strong
megatrends



Silica
An Nuyttens

~€0.5bn Silica business with strong financial performance



KEY FIGURES

Net sales
2023

~€ 0.5bn

FTEs

~550

Production
sites

7

EBITDA CAGR
(last 5 years)

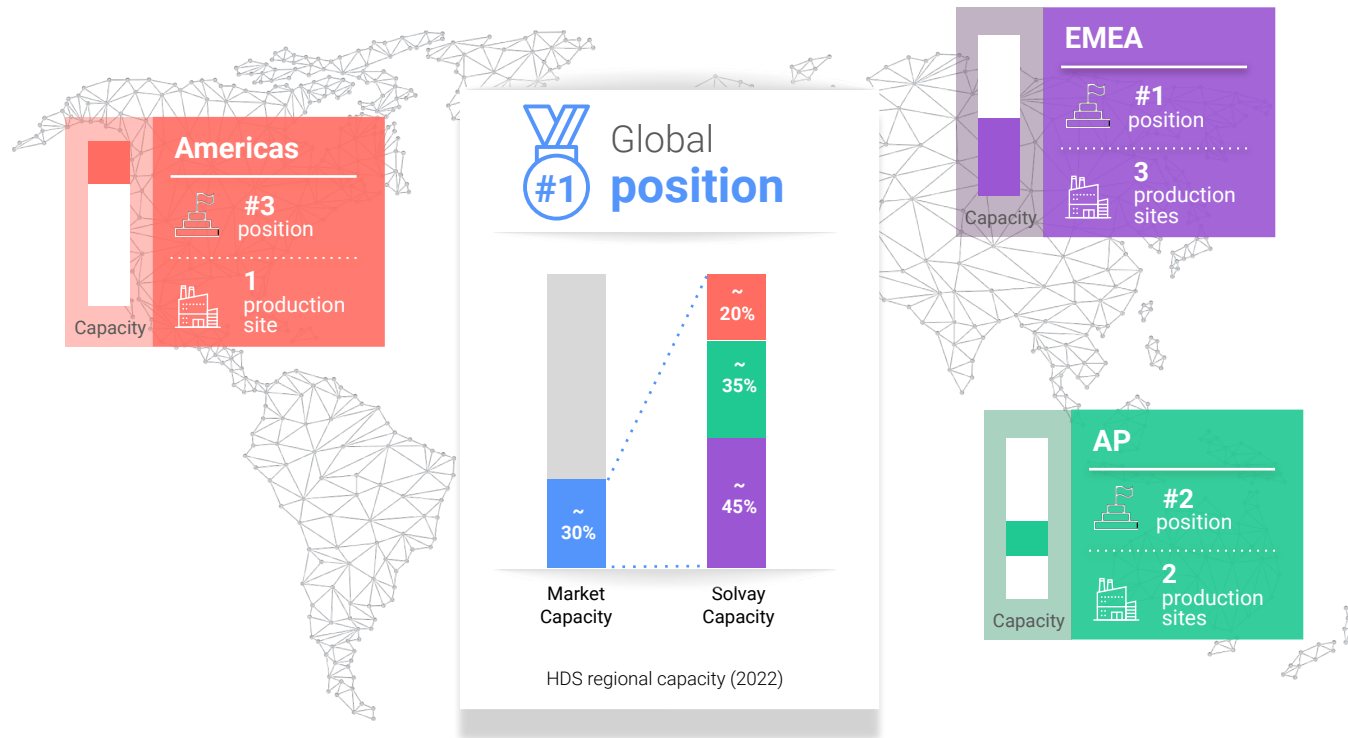
High single digit

Cash Conversion
(EBITDA - CAPEX) / EBITDA

~75%

SOLVAY

The global HDS market leader



Leader at
key tire brands

HDS global market size

~ €1.4bn

- Strong position at Tier 1 brands through global reach & security of supply
- Balanced presence in Original Equipment & Replacement Markets

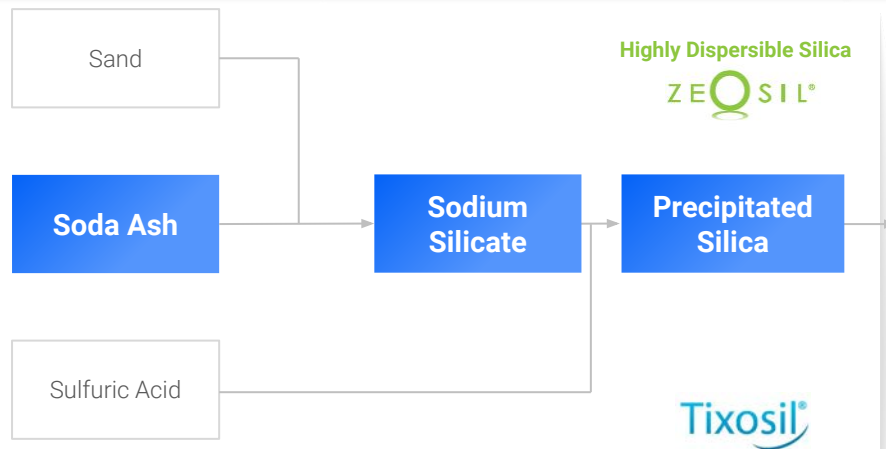
The inventor of Highly Dispersible Silica (HDS)

RAW MATERIALS

PRODUCTS

MAIN APPLICATIONS

END MARKETS



High performance tire additive

Carrier/Adsorbent/
Desiccant

Abrasive / rheology
modifier

Other applications



→ Automotive



→ Food



→ Feed



→ Oral Care

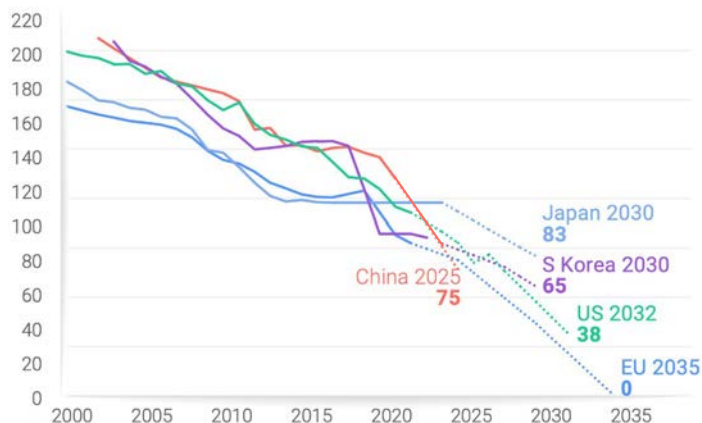


→ Lead acid Battery,
rubber goods

HDS is an essential contributor to CO₂ car emission reduction

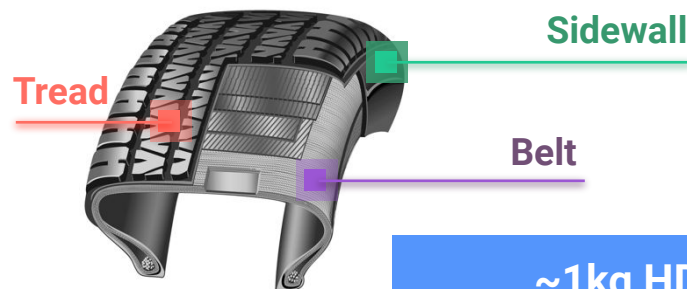
Tire are contributing for
~ **15%** of the car emissions

CO₂ emission targets for new passenger car



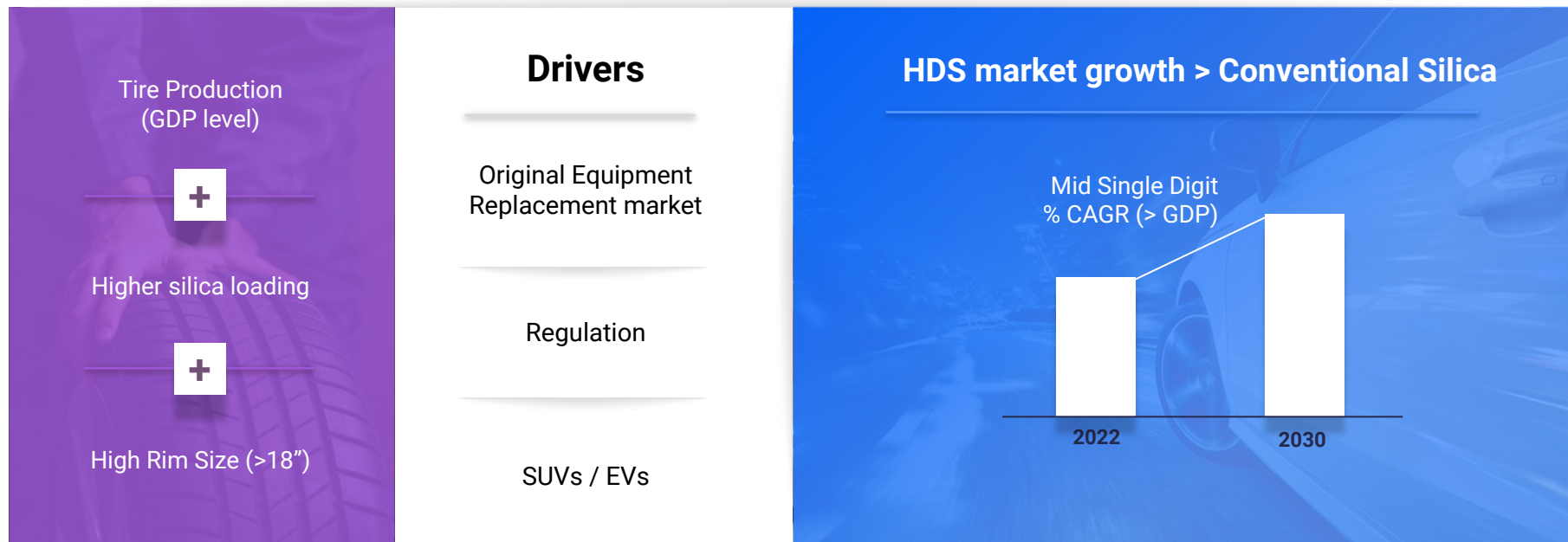
Sources : ICCT

HDS contributes for ~ **30%** of the high performance tire emission reductions



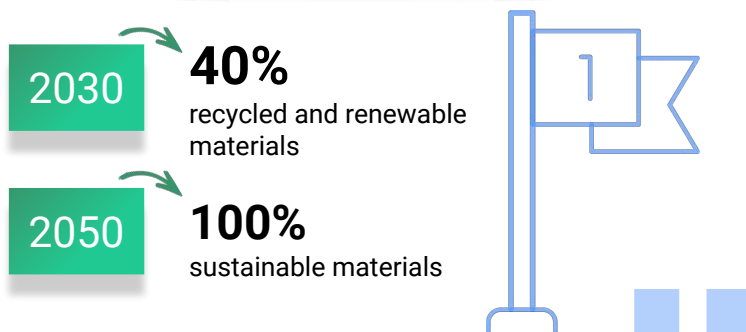
~**1kg HDS**
in average in high
performance tire

HDS growth expected above GDP due to continuous drive for emissions reduction and transition to EV



Our customers are driving the sustainable materials transition...we offer them solutions

Top tire Manufacturers circularity objectives



“Silica is essential for the high performance of our tires. And **with Solvay’s bio-circular silica**, our tires will at the same time become **MORE SUSTAINABLE**. It **REDUCES THE OVERALL CARBON FOOTPRINT** and increases the share of renewable materials in our tires.”

Claus Petschick, Head of Sustainability at Continental Tires



First Bio-Circular HDS unit in Europe



Solvay Proprietary process
For **bio-silicate production**

Local sourcing, production
& market

CO₂ footprint reduction by
to ~35% vs ex-sand silica*

Same performance than
ex-sand products

Sources : annual report
* scope 1,2,3

SOLVAY

Key Takeaways



Track record of delivering steady growth and cost discipline driving resilient cash generation



Leader in Highly Dispersible Silica (HDS) based on balanced global footprint and best in class plant performance



Industry innovation leader in HDS and preferred partner for top global tire manufacturers



Future GDP+ growth driven by emission regulation, EV transition, circular silica



Coatis
Daniela Manique

Strong cash conversion

~25%



Consumer Goods

~20%



Food Industry
(Packaging)

~15%



Automotive

~15%



Building

~25%



Others



KEY FIGURES

Net sales
2023

~€ 0.6bn

FTEs

~1,000

Production
sites

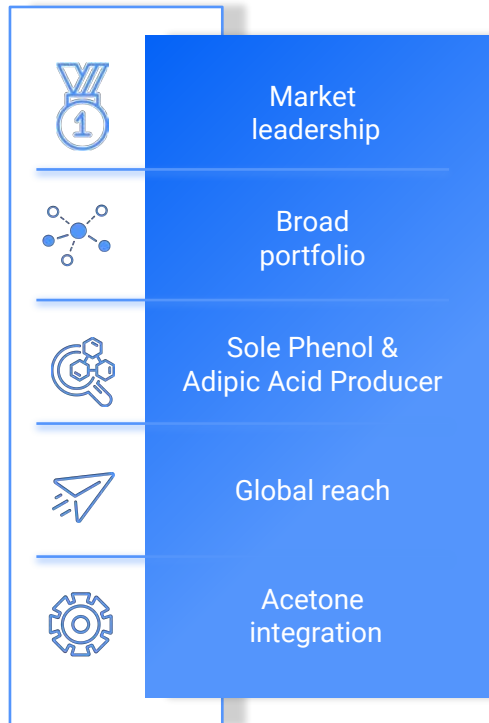
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Cash Conversion
(EBITDA - CAPEX) / EBITDA

~65%

SOLVAY

Major regional producer of essential chemicals in Latam with two integrated businesses



Regional leader in oxygenated solvents and polyamide chain

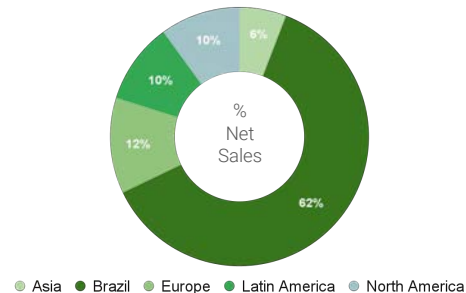
Solvents portfolio addressing a wide range of applications across resilient and growing end-markets

>50% Share in our markets

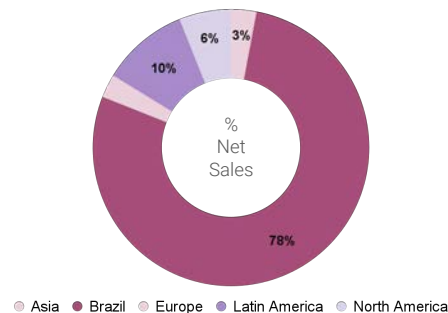
Exports to 53 countries worldwide, ensuring a balanced array of geographies

Forward **integration into acetone derivatives** allows to maximize value chain

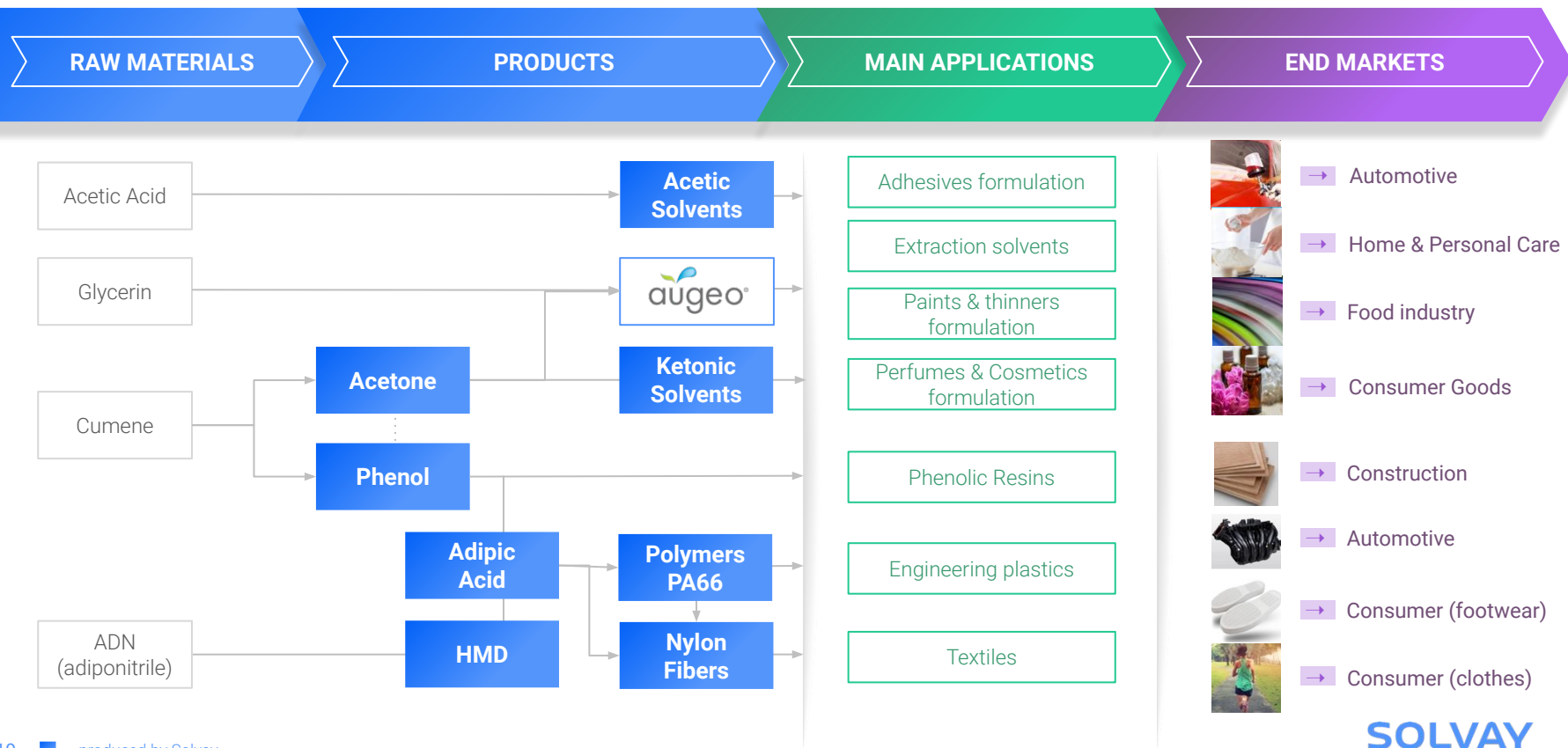
Solvents (~50%)



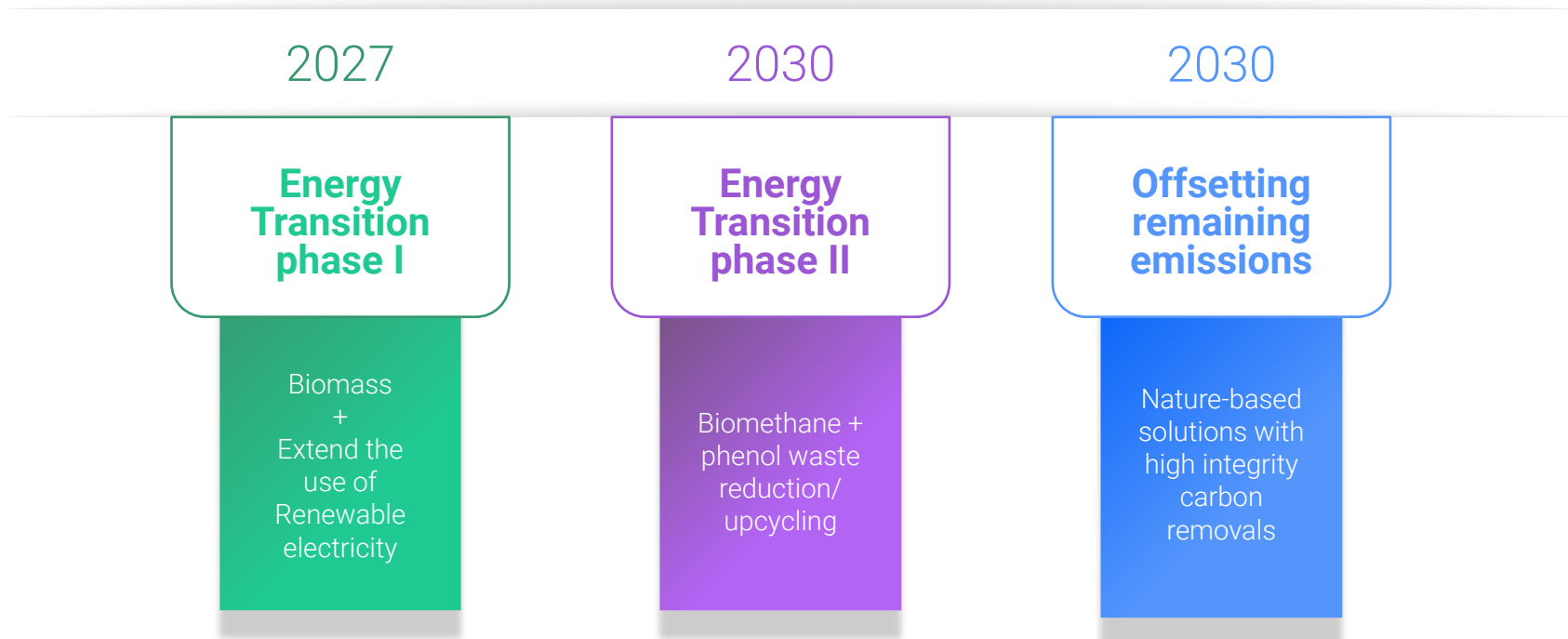
Polyamide Chain (~50%)



Large portfolio with an integrated value chain



Carbon Neutrality by 2030 will deliver cost savings and extend further competitive advantage



Broadly sustainable and carbon-neutral portfolio



Carbon-neutral products

- 95% of emissions already abated
- First carbon-neutral products launched in 2023



Sustainable raw materials

- Sourcing from sustainable, local bio-ethanol for raw materials and energy
- 25% water usage reduction by 2030



Bio-based products

- 100% bio-based ethyl acetate and acetic acid
- Augeo green solvent produced from bio-based glycerin
- First partially bio-based polyamide 5.6



Recycling

- 100% of post-industrial scrap already recycled
- Zero hazardous waste sent to landfills
- Fully-recycled, pre-consumption polymer



Zero-waste life cycle

- World's first polyamide 6.6 yarn with accelerated decomposition in landfills



A bio-based solvent that provide efficient cleaning and active solvency power for **homecare** and **industrial products**.

BENEFITS :

- ✓ Low odor
- ✓ LVP-VOC
- ✓ 50% renewable carbon
- ✓ High Performance of Solubilization



Carbon Neutral
grade



Safe for humans
and the
environment
(Complies with EU
Ecolabel)



Readily
biodegradable



Key Takeaways



Diversified market exposure in Latam, minimizing operational risk and driving strong cash generation



Clear regional leadership driving competitive cost advantage
Global leader in oxygenated solvents



Industry leading ESG performance with low carbon footprint.
Leader in renewable raw materials and energy usage in Brazil



Future growth opportunities driven by global megatrends driving growth in our core Latam end market



Special Chem
An Nuyttens

~ €0.7bn business with demonstrated EBITDA resilience and solid cash generation

SPECIAL CHEM

Fluorine

Pharma, Nuclear, Refinery,...

~45%

Automotive

~30%

Industrial Applications

~25%

Rare Earths

Automotive Emission Control

~55%

Electronics

~25%

High-end Applications

~20%



Net sales
2023

~€ 0.7bn

FTEs

1400

Production
sites

13

EBITDA CAGR
(last 5 years)

HDP

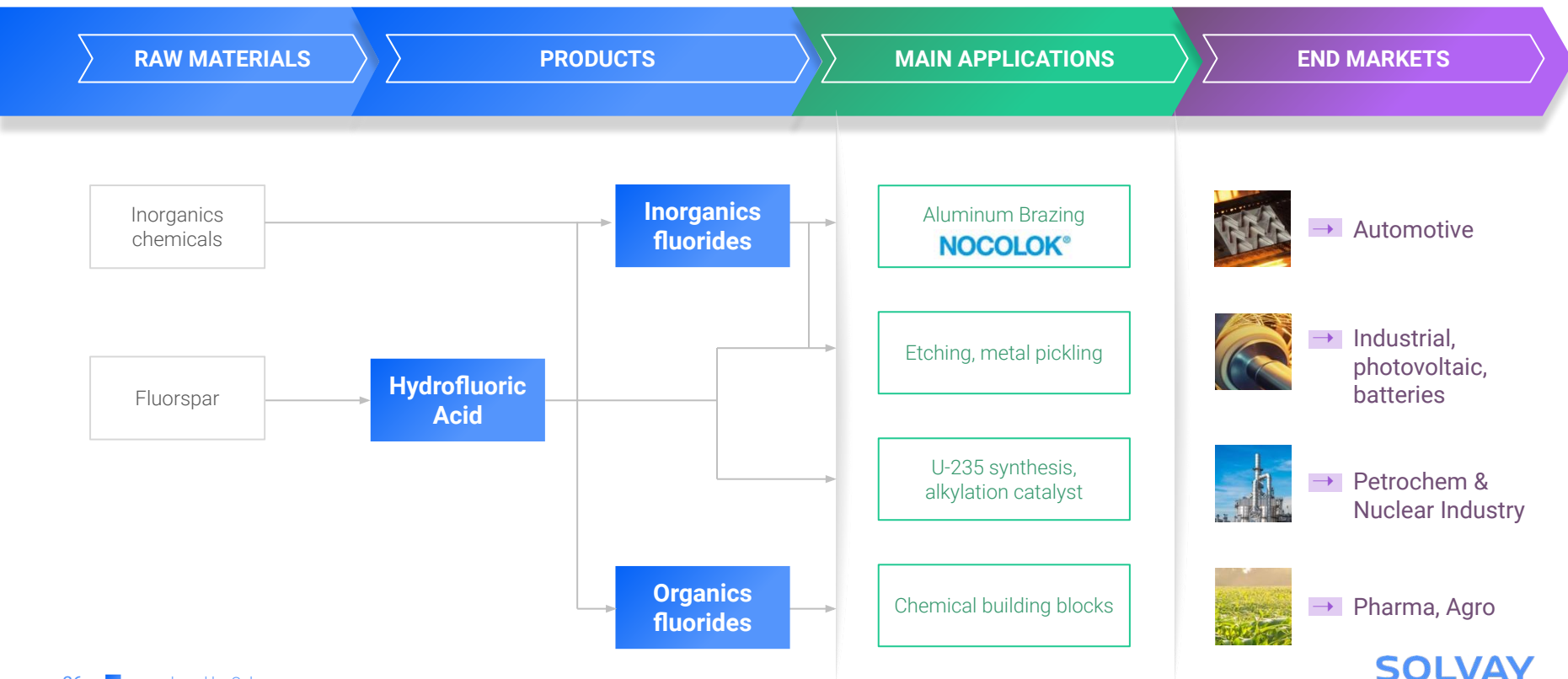
Cash Conversion
(EBITDA - CAPEX) / EBITDA

>60%

Adj. to current perimeter

SOLVAY

Leveraging our back integration in hydrofluoric acid



Strong regional presence enabling safe and high quality service to our customers

 Leader in selected applications

HF



- Metal Treatment
- Refinery
- Quartz (Electronics)

Nocolok



- Automotive
- HVAC

EMEA



3
production sites

North America



3
production sites

AP



2
production sites

HF

NORTH AMERICA



2
production sites

2023 HF merchant market

Nocolok

GLOBAL #1



5
production sites

2023 Nocolok Automotive market

Nocolok[®] is the automotive industry staple for Aluminum surface treatment with global demand expected > GDP

NOCOLOK[®] brazing flux for surface treatment of aluminum **IS ESSENTIAL** for production of **aluminium heat exchangers**

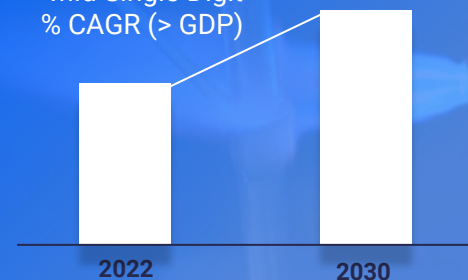
Solvay offers **NOCOLOK[®]** as **POWDER & PASTE** and **PAINT formulations** highly tailored to customers needs



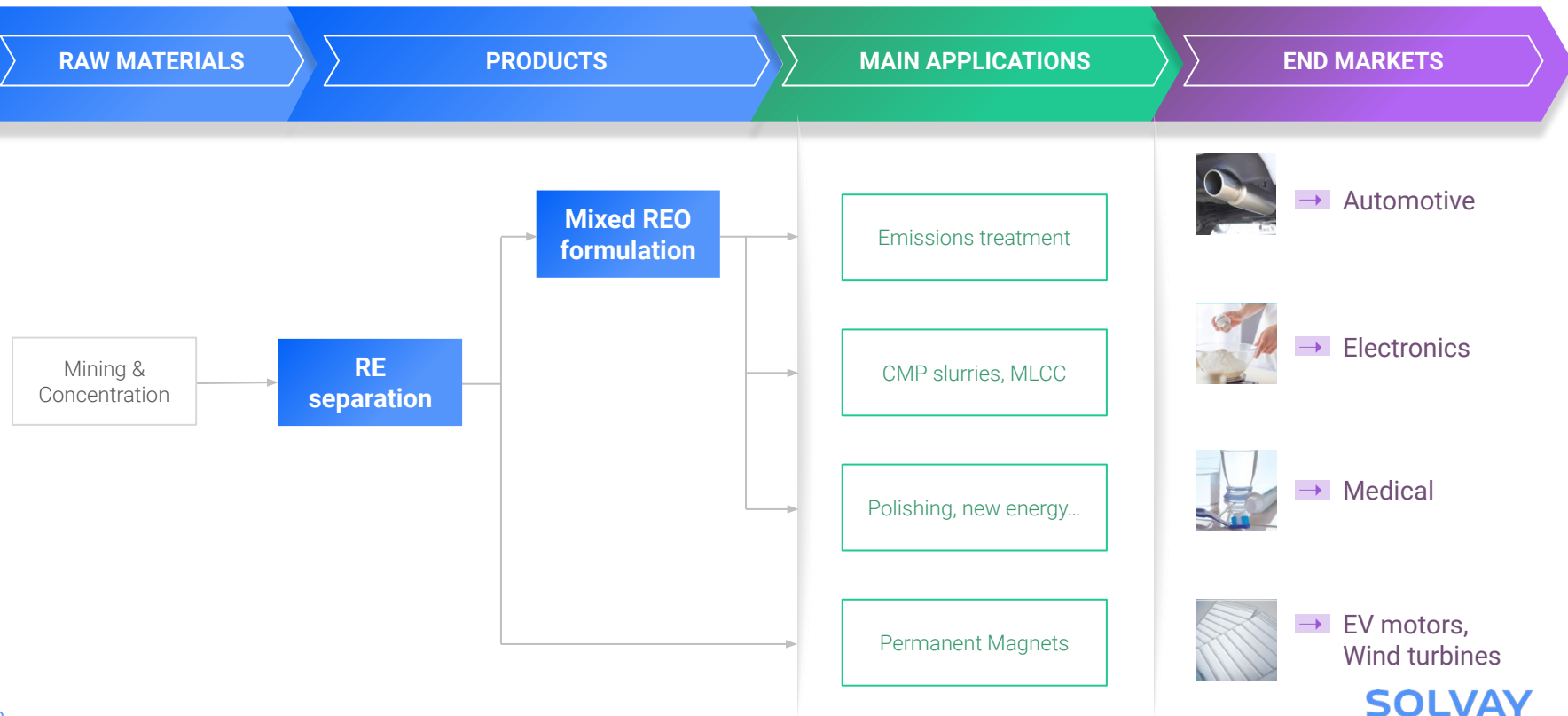
Electrification trend is positive for brazing flux

- ✓ Increased number of cooling loops
- ✓ More heat exchangers per loop
- ✓ New operating conditions (Pressure, T°,...) requesting more customization

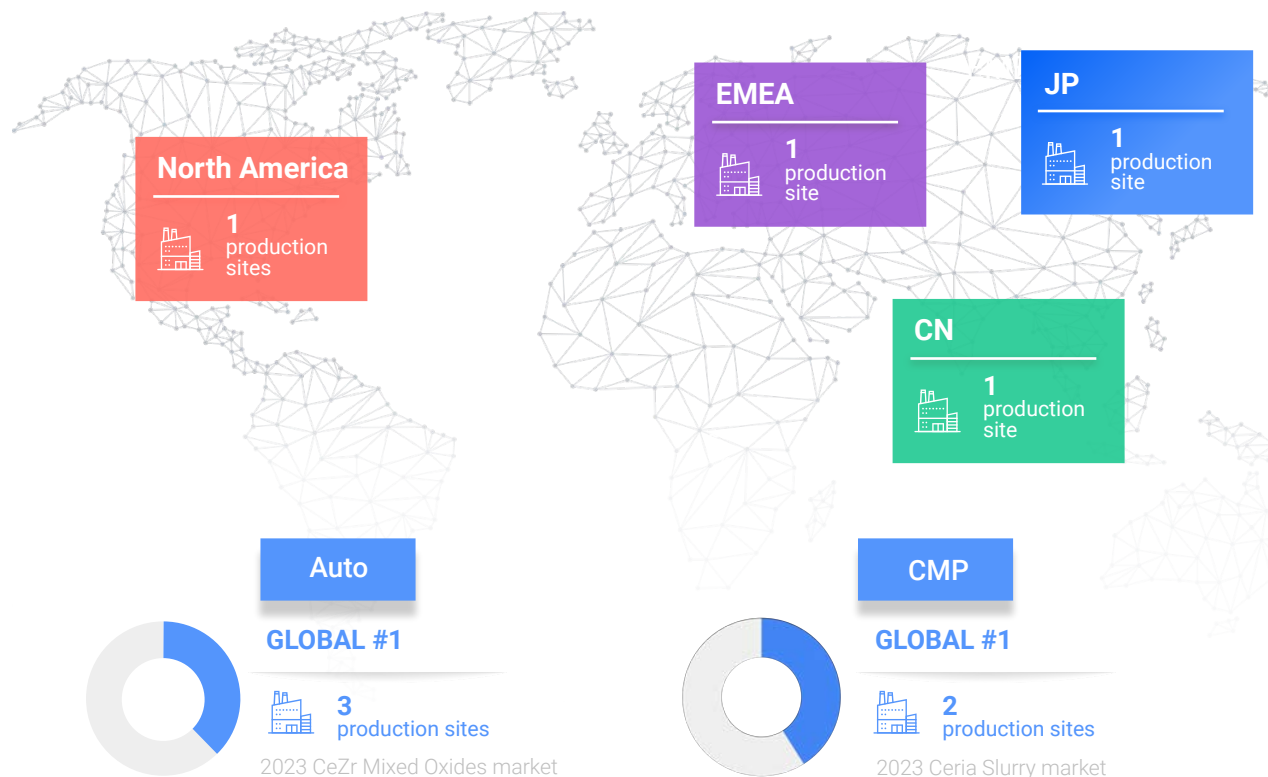
Mid Single Digit
% CAGR (> GDP)



Recognized rare earth formulation expertise combined with unique industrial know-how in rare earth separation



Strong positions in Rare Earth enabled by global industrial footprint and tailored products



Leader in
Key Markets

Automotive Catalysis



- The go-to partner of Tier 1 automotive washcoat players
- Very strong presence at China players
- Deep IP portfolio

CMP

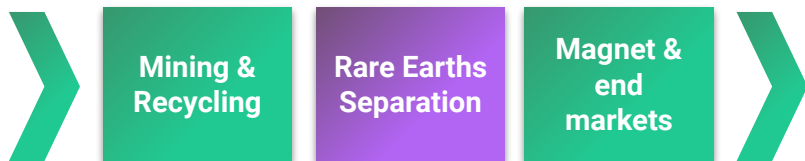


- Advanced cerium based high performance materials
- Leading solution for the latest generations of semiconductors

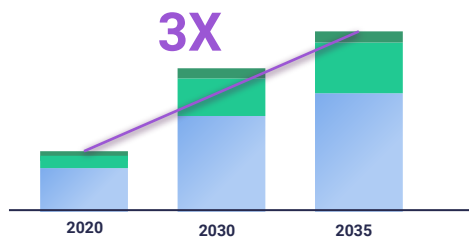
SOLVAY

Solvay at the heart of the permanent magnet value chain

With 75 years of experience, Solvay holds unique industrial know-how and asset for **rare earths separation, purification and formulation in Europe**



Permanent Magnet - Rare Earth Oxides demand



RARE EARTH

Solvay la Rochelle PLANT



Liquid / Liquid Separations



Oxides finishing

SOLVAY

Key Takeaways



Track record of delivering resilient EBITDA and solid cash generation



The industry expert in **Fluor** and **Rare Earths** chemistries fueled by **broad product portfolio** and large application coverage



Strong customer positions in Automotive and Electronics



Global industrial footprint

with distinctive capabilities:

- HF back integration
- Rare Earth separation asset and know how



Future GDP+ growth opportunities in Permanent Magnet, Energy, Semicon and photovoltaics application markets



Conclusion

Philippe Kehren

Performance Chemicals Key Takeaways



Track record of
EBITDA growth and
resilient cash
generation and
conversion
through-the-cycle



A high quality and
resilient product
portfolio with
**leading market
positions** serving
multiple industries



**Process and
technology
leadership** driving
best in class
industrial
performance



Attractive
**growth
opportunities**
thanks to
innovation and
strong
megatrends

Q & A

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