SOLVAY

Second quarter 2024 results

Earnings call July 31st, 2024



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Introduction Philippe Kehren



Safety at the heart of our operations

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



🗖 H-RIIR 🛛 📕 RIIR



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Q2 2024 results

Continued sequential improvement of EBITDA and Margin driving solid FCF







Transformation



Solvay Transformation - Simplification and digitalization

Deliver & Accelerate





GROUP ROADMAP

- → Culture
- → Strategy
- → Communication
- → Transformation Office

DATA, IT, and DT

- → Infrastructure
- → Applications
- → ERP
- → Data management

Structural cost savings

Rapid ramp up in first years



€**300**m by 2028 **50**% in first 2 years

25% SG&A

Fit for purpose organization New ERP

35% Plant Fixed Costs

Operational excellence Footprint optimization

40% Operational efficiency

Logistics & procurement Process innovation

Real life examples

🤝 Condition Based Monitoring



- Predictive Maintenance
- → 800 IoT in use across plants
- → 2,000 by the end of 2024 and >5,000 by end of 2026
- → Global Data Structure
- Machine Learning approach in 2025

Turbine Optimization



- Optimization of Energy Production
- Implemented Advanced Process
 Control
- Maximize Energy Production
 while managing constraints



- Legal entities simplification
- Facilities footprint
- Leaner and **more centralized functions** post spin off



Structural cost savings in H1'24







Financials Alexandre Blum





€**1,274**m in Q2 2023

€**56**m volumes up

reflecting a slight demand uptick for the 2nd quarter in a row

Lower pricing

mostly reflecting the lower energy and raw material costs

Q2 Sales bridge Positive volume for 2nd quarter in a row



VS

Q2 EBITDA bridge



€272m in Q2 2024 vs €357m in Q2 2023

Slight volume growth & positive product mix

Lower net pricing

from soda ash, as expected very resilient in other businesses

Lower fixed costs

structural savings initiatives and overall strong cost control

Basic Chemicals results

	Q2 2024 (€m)	% YoY	% YoY organic
Soda Ash & Deriv.	468	-10%	-11%
Peroxides	240	+29%	+5%
Net Sales	708	+1%	-6%
EBITDA	194	-26 %	-27 %
EBITDA Margin	27.3%		

Q2 Highlights

- → Soda Ash & Derivatives : Higher volumes on Soda Ash (seaborne offsetting lower demand in EU container glass) though prices down, as expected. Higher Bicarbonate from feed and flue gas treatments
- → Peroxides : Volumes are up in all markets, merchant, HPPO and electronics



Performance Chemicals results

	Q2 2024 (€m)	% YoY	% YoY organic
Silica	141	-8%	-8%
Coatis	167	-8%	-5%
Special Chem	175	-24%	-9%
Net Sales	483	-14%	-7%
EBITDA	101	-8 %	+11%
EBITDA Margin	21.0%		

Q2 Highlights

- → Silica : Higher volumes in tire and consumer & industrial goods markets. Lower prices with indexations
- → Coatis : Sequentially improved market conditions despite continued competition
- → Special Chem : Improved product mix with volumes up in rare earth and fluorine automotive markets and in rare earth healthcare while down in other fluorine applications



EBITDA recovering

€247 m in Q4 2023*
€265 m in Q1 2024
€272 m in Q2 2024

With volume stabilization and cost discipline

* new base as published in April 2024

Margin recovery

21% in Q4 2023 22% in Q1 2024 23% in Q2 2024

Reflecting discipline on costs despite pricing pressure

EBITDA up 10% since Q4'23 Ebitda Margin up by 2p.p. since Q4'23



Solid FCF generation : €246m YTD Supported by resilient EBITDA, prudent Capex and Working capital



vs €120m in Q2 2024 €126m in Q1 2024

> Resilient EBITDA Performance +3% sequentially

> > **Prudent Capex**

Disciplined WC management SOLVAY

Capital structure Adequate debt level



S&P RATING: BBB-Stable outlook

Net debt: €1.6 Bn

Net pension liabilities: €0.7 Bn Environmental liabilities: €0.5 Bn

Leverage ratio: 1.5x







Outlook Philippe Kehren



Outlook

Expectations for 2024

Underlying EBITDA organic growth ranging between **-10% to -15%** compared to 2023 restated (previously -10% to -20%)

Free Cash Flow¹ higher than €300 million

(previously higher than €260 million)





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