SOLVAY

First half 2024 results
Financial report

Regulated information published on July 31, 2024, at 7:00 a.m.

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Forenote

In addition to IFRS accounts, Solvay also presents alternative performance indicators ("underlying") to provide a more consistent and comparable indication of the Group's underlying financial performance and financial position, as well as cash flows. These indicators provide a balanced view of the Group's operations, and are considered useful to investors, analysts and credit rating agencies as these measures provide relevant information on the Group's past or future performance, financial position, or cash flows. Generally, these indicators are used in the sector it operates in and therefore serve as a useful aid for investors to compare the Group's performance with its peers. The underlying performance indicators adjust IFRS figures for the non-cash Purchase Price Allocation (PPA) accounting impacts related to acquisitions, for the coupons of perpetual hybrid bonds, classified as equity under IFRS but treated as debt in the underlying statements, for impairments and for other elements that would distort the analysis of the Group's underlying performance. The comments on the results made on pages 3 to 8 are on an underlying basis, unless otherwise stated.

Underlying business review

Highlights

- **Net sales** in Q2 2024 stabilized sequentially reaching €1,194 million.
  Net Sales were down -6.7% organically versus Q2 2023, with a positive impact from volumes for the second consecutive quarter, while prices were down year over year.
- **Underlying EBITDA** in Q2 2024 increased sequentially by 2.6% reaching €272 million while the EBITDA margin improved sequentially for the second quarter in a row reaching 22.8%.
  Underlying EBITDA in Q2 was -17.2% lower organically compared to a record Q2 2023, with negative Net pricing partially offset by positive volume impact and further fixed costs improvements.
- **Structural cost savings** initiatives delivered solid results, with €46 million in H1 2024, and are expected to reach €80 million for the full year.
- **Underlying net profit** from continuing operations was €116 million in Q2 2024 vs. €211 million in Q2 2023.
- **Free Cash Flow**[1] was strong at €120 million in Q2 2024, from solid EBITDA performance combined with continued prudence on Capex and discipline on working capital.
- **ROCE** was 17.6% in Q2 2024.
- **Underlying Net Debt** at €1.6 billion, implying a leverage ratio of 1.5x.
- **2024 Outlook**: Solvay tightens its guidance of organic growth of the underlying EBITDA to "-10% to -15%". The guidance for Free Cash Flow[1] is upgraded to "higher than €300 million", including Capex between €300 million and €350 million in 2024.

	Second quarter				First quarter		First half			
Underlying (in € million)	2024	2023	% yoy	% organic	2024	2023	2024	2023	% yoy	% organic
Net sales	1,194	1,274	-6.3%	*-6.7%*	1,201	1,355	2,396	2,629	-8.9%	*-9.4%*
EBITDA	272	357	-23.7%	*-17.2%*	265	365	538	722	-25.5%	*-15.5%*
EBITDA margin	*22.8%*	*28.0%*	-5.2pp	-	*22.1%*	*26.9%*	*22.5%*	*27.4%*	-5.0pp	-
FCF [1]	120	516	-76.7%	-	[2] 123	-130	246	386	-36.2%	-
ROCE							17.6%	N/A	n.m	-

Note: 2023 figures were restated to reflect the changes mentioned in the introduction to *Financial performance*

Philippe Kehren, Solvay CEO

"We continued to deliver a solid performance in the second quarter, in what continues to be a challenging environment. Our focus on deploying our cost-saving initiatives was key, and the €46 million of structural cost savings achieved so far are is a testimony of the hard work of our teams. The new operating model is becoming a reality and will make our organization more agile and efficient. I am also particularly happy to see our employees embracing the change and playing an active role in our transformation.

Thanks to our proactivity and prudence in the first six months, we are now in a position to tighten our guidance and accelerate our investments in digitalization and in our future growth."

[1] Free Cash Flow (FCF) here is the free cash to Solvay shareholders from continuing operations.

[2] Solvay is applying the change in all its APMs since Q2 2024. The change in APM for Q1 has been applied to H1 numbers, and represents €2 million of FCF. FCF in Q1 2024, with the change in APM, would have been €126 million instead of €123 million.

Financial performance

The 2023 IFRS and underlying figures, presented below, were restated to present the effect of the partial Demerger of the Specialty Businesses and to reflect the transfer of eH2O2 activities from Special Chem to Peroxides on January 1, 2024.

The impact of the scope change of Alternative Performance Metric (APM) applied from January 1, 2024 to the material equity accounted investment in Peroxidos do Brasil, is explained in the Restatements paragraph of the financial report. The Q2 and H1 2023 figures have not been restated and are reflected as scope change.

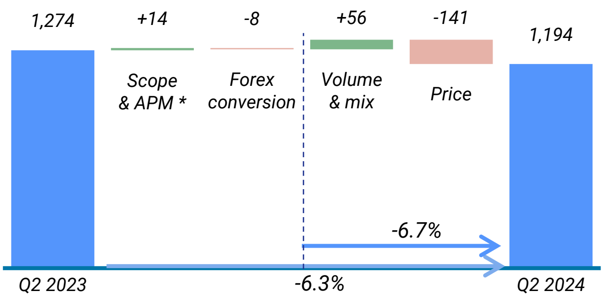
Key figures

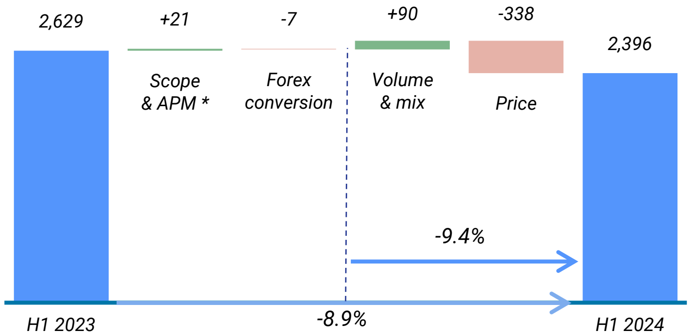
Underlying key figures *(in € million)*	Q2 2024	Q2 2023	% yoy	H1 2024	H1 2023	% yoy
Net sales	1,194	1,274	-6.3%	2,396	2,629	-8.9%
EBITDA	272	357	-23.7%	538	722	-25.5%
EBITDA margin	*22.8%*	*28.0%*	-5.2pp	*22.5%*	*27.4%*	-5.0pp
EBIT	197	278	-29.2%	381	563	-32.4%
Net financial charges	-40	-27	-47.0%	-71	-63	-13.0%
Income tax expenses	-41	-40	-0.7%	-74	-103	+28.1%
Tax rate				*24.2%*	*21.3%*	+2.8pp
Profit from continuing operations	116	211	-44.8%	236	397	-40.6%
Profit from discontinued operations	-	219	n.m.	1	494	n.m.
(Profit) / loss attributable to non-controlling interests	-6	-3	n.m.	-9	-6	+52.3%
Profit / (loss) attributable to Solvay shareholders	111	426	-74.0%	228	886	-74.3%
Basic earnings per share (in €)	1.05	4.10	-74.4%	2.17	8.53	-74.6%
of which from continuing operations	1.05	2.00	-47.7%	2.16	3.79	-43.0%
Capex in continuing operations	48	79	-39.2%	108	147	-26.2%
FCF to Solvay shareholders from continuing operations	120	516	-76.7%	246	386	-36.2%
Net financial debt				1,568	N/A	n.m.
Underlying leverage ratio				1.5	N/A	n.m.
ROCE (continuing operations)				17.6%	N/A	n.m.

Note: 2023 figures were restated to reflect the changes mentioned in the introduction above

Group performance

Net sales



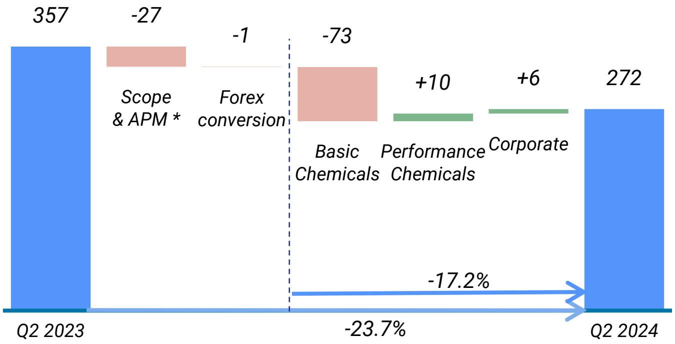


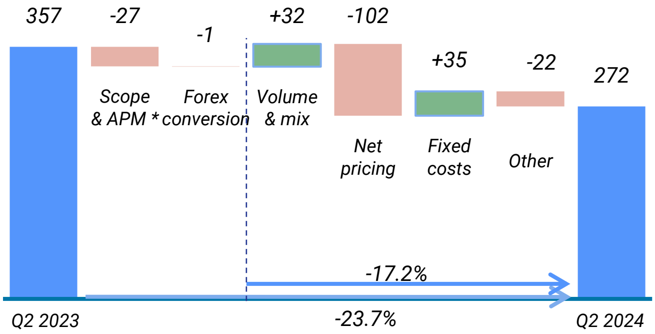
(*) Q2 2024 includes €41 million of APM change. Q2 2023 sales restated with the new APM definition would amount to €1,315 million. H1 2024 includes €82 million of APM change. H1 2023 sales restated with the new APM definition would amount to €2,710 million.

Underlying net sales of €1,194 million for the second quarter of 2024 were -6.3% lower versus the Q2 2023 (-6.7% organically, with a limited scope, APM and conversion impact of +0.5%), mainly due to lower prices (-11.1%). Volumes were up (+4.4%), reflecting positive dynamics in some of our end-markets.

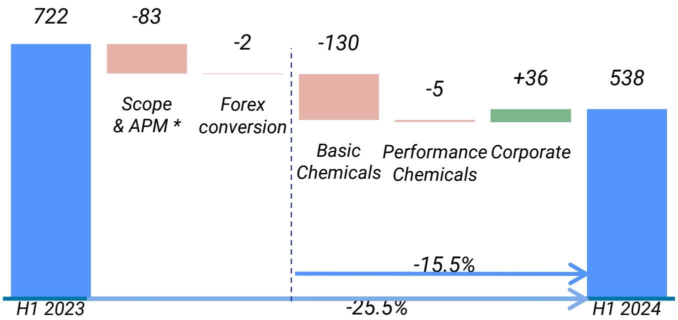
Underlying EBITDA

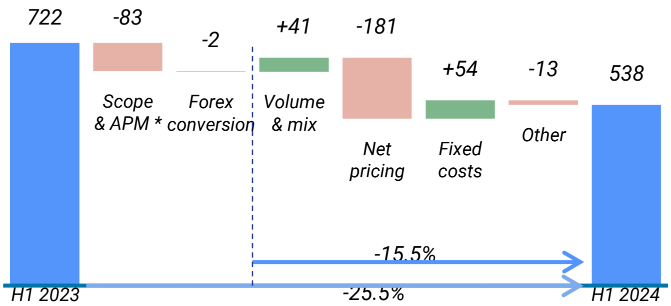
Underlying EBITDA of €272 million in Q2 2024 was down -23.7% (-17.2% organically), including a negative scope, APM and conversion impact (-7.8%) from the exit of the thermal insulation and energy third parties businesses, and the change in APM in relation with Peroxidos do Brasil. Volume impact was favorable (+9.0%), highlighting a slight recovery of demand in the majority of Solvay's end markets. Net pricing had a negative impact (-28.5%) due to the lower soda ash prices year on year, as expected, while it was very resilient for all other businesses. Cost savings initiatives continued to support both variable and fixed costs, with €27 million savings in Q2 2024. Fixed costs contributed positively to the EBITDA variation (+9.7%) thanks to these savings initiatives and from the overall good costs control, more than offsetting inflation. Overall, the EBITDA margin decreased by -5.2pp from a record Q2 2023 to +22.8%.





(*) includes €6 million of APM change. Q2 2023 EBITDA restated with the new APM definition would amount to €363 million.



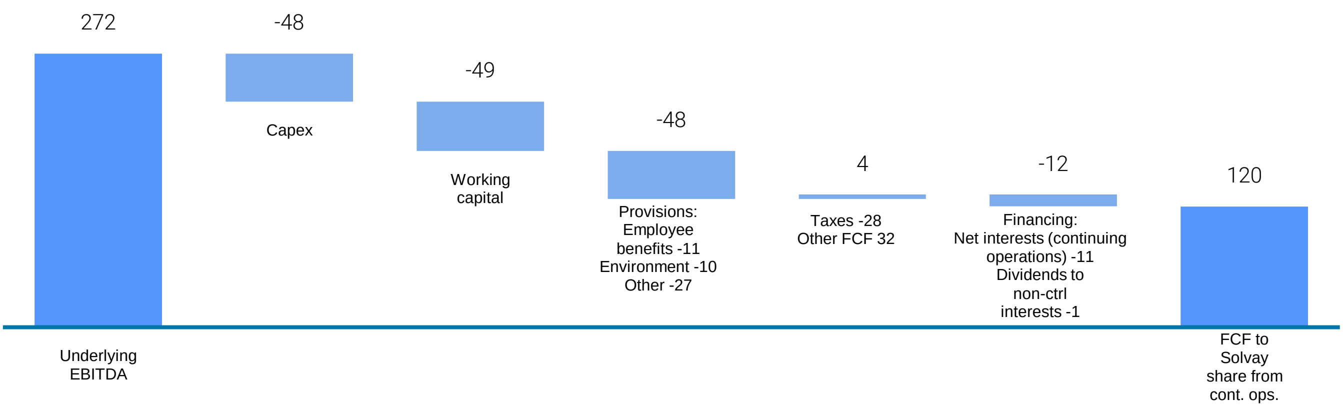


(*) includes €13 million of APM change. H1 2023 EBITDA restated with the new APM definition would amount to €735 million.

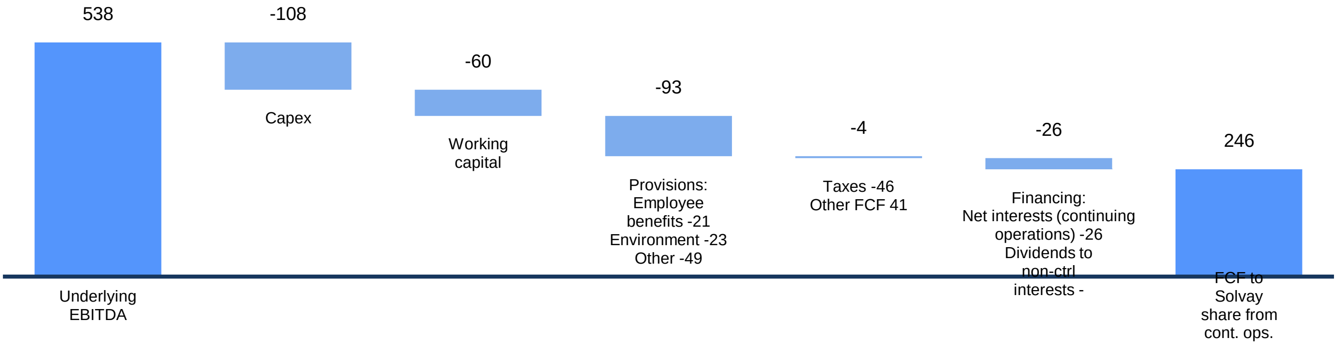
Free cash flow

Free Cash Flow to Solvay shareholders from continuing operations amounted to €120 million in Q2 2024 thanks to the resilient EBITDA performance combined with controlled cash outs on Capex and working capital variations. This compares to €516 million of FCF in Q2 2023 due to a strong decrease of working capital following Q1 2023 increase.

Q2 2024

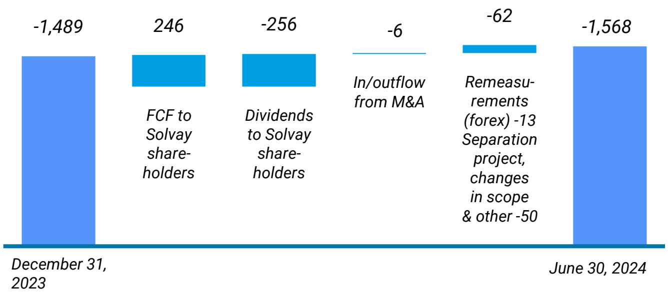


H1 2024



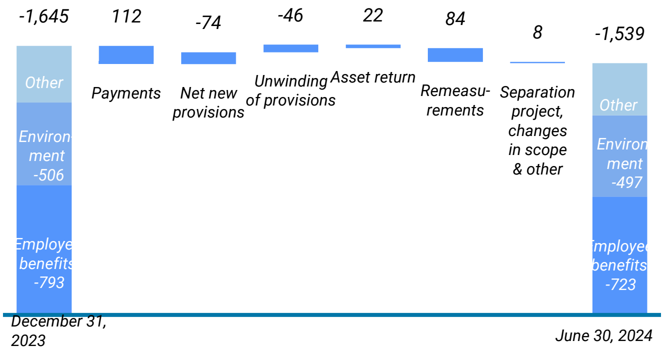
Underlying net debt

Underlying net financial debt was €1.6 billion at the end of Q2 2024, stable versus end of Q1 2024 and +€0.1 billion compared to the end of 2023. Dividend cash outs were offset by the strong free cash flow delivery, while some phased out separation costs were cashed out as expected for €72 million.



Provisions

Provisions amounted to €1.5 billion at the end of June 2024, representing a €0.1 billion decrease compared to €1.6 billion at the end of 2023.



2024 Outlook

Solvay expects demand to remain broadly flat in the second half. Following the good performance in the first half and the accelerated delivery of cost savings, Solvay tightens its guidance of underlying EBITDA to -10% to -15% organic growth (previously -10% to -20%), which means circa €975 million to €1,040 million, at a 1.10 EUR/USD exchange rate. This is supported by €80 million expected cost savings for the full year.

Solvay upgrades its guidance of Free Cash Flow, which is now expected to be higher than €300 million. That includes an acceleration of the Capex in the second half, which is expected to be between €300 million and €350 million in 2024.

Performance by segment

Note: 2023 figures were restated to reflect the changes mentioned in the introduction to *Financial Performance* chapter.

Net sales bridge Q2

(in € million)	Q2 2023	Scope & APM *	Forex conversion	Volume & mix	Price	Q2 2024
Solvay	1,274	14	-8	56	-141	1,194
Basic Chemicals	704	53	-1	61	-109	708
Performance Chemicals	565	-36	-6	-6	-33	483
Corporate	5	-4	-	1	-	2

(*) includes €41 million of APM change. Basic Chemicals Q2 2023 restated net sales would amount to €745 Million.

Net sales bridge H1

(in € million)	H1 2023	Scope & APM *	Forex conversion	Volume & mix	Price	H1 2024
Solvay	2,629	21	-7	90	-338	2,396
Basic Chemicals	1,499	98	-4	83	-252	1,423
Performance Chemicals	1,123	-73	-3	5	-85	967
Corporate	6	-4	-	3	-	5

(*) includes €82 million of APM change. Basic Chemicals H1 2023 restated net sales would amount to €1,581 Million.

Basic Chemicals

Basic Chemicals sales in Q2 2024 were slightly up +0.6% (-6.3% organically) compared to Q2 2023, with positive impacts from conversion, scope and change in APM (+7.4%) and higher volumes (+8.6%) being offset by the negative price impact (-15.4%).

Soda Ash & Derivatives sales were lower by -9.7% (-11.3% organically) for the quarter, from lower prices in soda ash, in line with expectations, while volumes were higher in both soda ash and bicarbonate. Soda ash demand continued to be strong in the seaborne market, though this was partly offset by the reduced demand from container glass in Europe, while bicarbonate demand was supported by the feed and flue gas treatment applications.

Peroxides sales increased by +29.2% year on year, including the consolidation of the Peroxidos do Brasil sales (+5.1% organically). Volumes were up year on year in all end markets, merchant, HPPO and electronics.

The segment EBITDA was down -25.6% (-27.4% organically) in Q2 2024 following lower Net pricing and despite the positive volume impact and lower fixed costs. The EBITDA margin reached 27.3%, decreasing by -9.6pp compared to a record level in Q2 2023.

Performance Chemicals

Performance Chemicals sales in Q2 2024 were down -14.4% (-7.5% organically) compared to Q2 2023, with negative scope and conversion impact (-7.5%), essentially flat volumes (-1.1%) and lower prices (-5.8%).

Silica sales for the quarter were lower by -8.2% (-8.4% organically) from lower prices due to formula indexations, while volumes were higher both in the tire and in the consumer and industrial goods markets.

Coatis sales were down by -8.0% (-5.2% organically) but with improved market conditions despite continued competition. Net pricing improved year on year and sequentially in a lower costs environment.

Special Chem sales were lower year on year by -23.6% from the exit of the thermal insulation activities, while organically, sales were down -8.8%. Overall product mix improved with volumes up in rare earth and fluorine automotive markets and in rare earth healthcare applications, while they were down in the other fluorine end markets. In electronics, volumes were down year on year but improving sequentially.

The segment EBITDA for the quarter was down -8.1% but up +11.3% organically, thanks to a favorable product mix and lower fixed costs, while Net pricing was essentially flat. The EBITDA margin increased +1.4pp to 21.0%.

Corporate

For Q2 2024, EBITDA was €-23 million, €-9 million lower compared to Q2 2023 due to the exit of the energy third party supply activities. Organically, EBITDA variation was positive €+6 million.

Corporate costs include a €18 million provision in Q2 2024 (in addition to €29 million in H1 2023, €19 million in H2 2023 and €11 million in Q1 2024), related to the energy transition project in Dombasle, France. In a context of record high inflation and supply disruption in the past two years, the project faced construction challenges leading to record these provisions relating to delay and overrun. After full reassessment, the project is expected to be completed in H2 2025, and the provisions reflect this revised timeline and project plan. Solvay remains focused on its energy transition with several projects, such as the ones in the US and in Germany, currently under completion on time and on budget.

Overall for Corporate EBITDA in Q2, this negative impact has been more than offset by both non-structural and structural savings that continue to be above expectations.

Key figures by segments

Segment review	Underlying							
(in € million)	Q2 2024	Q2 2023	% yoy	% organic	H1 2024	H1 2023	% yoy	% organic
Net sales	1,194	1,274	-6.3%	*-6.7%*	2,396	2,629	-8.9%	*-9.4%*
Basic Chemicals	708	704	+0.6%	*-6.3%*	1,423	1,499	-5.0%	*-10.6%*
Soda Ash & Derivatives	468	518	-9.7%	*-11.3%*	961	1,116	-13.9%	*-14.9%*
Peroxides	240	186	+29.2%	*+5.1%*	462	383	+20.7%	*-0.4%*
Performance Chemicals	483	565	-14.4%	*-7.5%*	967	1,123	-13.9%	*-7.7%*
Silica	141	153	-8.2%	*-8.4%*	286	316	-9.6%	*-10.0%*
Coatis	167	182	-8.0%	*-5.2%*	323	354	-8.7%	*-8.6%*
Special Chem	175	230	-23.6%	*-8.8%*	359	454	-21.0%	*-4.8%*
Corporate	2	5	-53.0%	*n.m.*	5	6	n.m.	*n.m.*
EBITDA	272	357	-23.7%	*-17.2%*	538	722	-25.5%	*-15.5%*
Basic Chemicals	194	260	-25.6%	*-27.4%*	395	509	-22.4%	*-24.7%*
Performance Chemicals	101	110	-8.1%	*+11.3%*	181	227	-20.1%	*-2.6%*
Corporate	-23	-14	-65.1%	*n.m*	-39	-15	n.m.	*n.m*
EBITDA margin	*22.8%*	*28.0%*	*-5.2pp*	-	*22.5%*	*27.4%*	*-5.0pp*	-
Basic Chemicals	*27.3%*	*36.9%*	*-9.6pp*	-	*27.8%*	*34.0%*	*-6.2pp*	-
Performance Chemicals	*21.0%*	*19.5%*	*+1.4pp*	-	*18.8%*	*20.2%*	*-1.5pp*	-

Note: 2023 figures were restated to reflect the changes mentioned in the introduction to *Financial Performance* chapter.

Key IFRS figures

Q2 key figures	IFRS			Underlying		
(in € million)	Q2 2024	Q2 2023	% yoy	Q2 2024	Q2 2023	% yoy
Net sales	1,158	1,274	-9.1%	1,194	1,274	-6.3%
EBITDA	249	305	-18.5%	272	357	-23.7%
EBITDA margin				*22.8%*	*28.0%*	-5.2pp
EBIT	153	222	-31.4%	197	278	-29.2%
Net financial charges	-38	-8	n.m.	-40	-27	-47.0%
Income tax expenses	-41	-36	-13.8%	-41	-40	-0.7%
Profit from continuing operations	73	178	-58.9%	116	211	-44.8%
Profit from discontinued operations	-	22	n.m.	-	219	n.m.
(Profit) / loss attributable to non-controlling interests	-6	-3	n.m.	-6	-3	n.m.
Profit / (loss) attributable to Solvay shareholders	67	197	-65.8%	111	426	-74.0%
Basic earnings per share (in €)	0.64	1.89	-66.2%	1.05	4.10	-74.4%
of which from continuing operations	0.64	1.69	-62.2%	1.05	2.00	-47.7%
Capex in continuing operations				48	79	-39.2%
FCF to Solvay shareholders from continuing operations				120	516	-76.7%
Net financial debt				1,568	N/A	n.m.
Underlying leverage ratio				*1.5*	*N/A*	n.m.

Note: 2023 figures were restated to reflect the changes mentioned in the introduction to *Financial Performance* chapter.

H1 key figures	IFRS			Underlying		
(in € million)	H1 2024	H1 2023	% yoy	H1 2024	H1 2023	% yoy
Net sales	2,324	2,629	-11.6%	2,396	2,629	-8.9%
EBITDA	495	395	+25.2%	538	722	-25.5%
EBITDA margin				*22.5%*	*27.4%*	*-5.0pp*
EBIT	312	229	+36.5%	381	563	-32.4%
Net financial charges	-62	-26	n.m.	-71	-63	-13.0%
Income tax expenses	-68	-78	+12.9%	-74	-103	+28.1%
Tax rate				*24.2%*	*21.3%*	*+2.8pp*
Profit from continuing operations	183	124	+46.7%	236	397	-40.6%
Profit from discontinued operations	-	324	n.m.	1	494	n.m.
(Profit) / loss attributable to non-controlling interests	-8	-6	+47.8%	-9	-6	+52.3%
Profit / (loss) attributable to Solvay shareholders	174	443	-60.7%	228	886	-74.3%
Basic earnings per share (in €)	1.65	4.27	-61.2%	2.17	8.53	-74.6%
of which from continuing operations	1.65	1.16	+42.4%	2.16	3.79	-43.0%
Capex in continuing operations				108	147	-26.5%
FCF to Solvay shareholders from continuing operations				246	386	-36.2%
Net financial debt				1,568	N/A	n.m.
Underlying leverage ratio				*1.5*	*N/A*	n.m.
ROCE (continuing operations)				*17.6%*	*N/A*	*n.m.*

Note: 2023 figures were restated to reflect the changes mentioned in the introduction to *Financial Performance* chapter.

Supplementary information

Restatements

In December 2023, the separation of Solvay SA/NV (EssentialCo) and Specialty Businesses was effected by means of a partial demerger. The Specialty Businesses, renamed to Syensqo SA/NV, became a public company, independent of Solvay. Consequently, in order to reflect the separation, Solvay's measures of performance were restated and the Specialty Businesses were classified as discontinued operations. In the tables below, the figures related to 2023 financial performance were restated to reflect the continuing business only.

Following the announced transfer of the eH2O2 activities from Special Chem to Peroxides on January 1, 2024, the sales of Special Chem and Peroxides and the EBITDA of Basic Chemicals and Performance Chemicals have been restated in prior periods.

On April 15, 2024, Solvay published quarterly information for 2023, taking into account some changes in scope, and the application in the Consolidated Income Statement of a change in APM for Peroxidos do Brasil, which is accounted for under the "equity method" in IFRS, and proportionally in the APM. The following table presents the details of these adjustments.

Segments - underlying		Q2 2023		
(in € million) - unaudited	Historical	APM change	Scope changes	New base
Net sales	1,274	41	-42	1,273
Basic Chemicals	704	41	-6	739
Soda Ash & Derivatives	518	-	-	518
Peroxides	186	41	-6	221
Performance Chemicals	565	-	-36	529
Silica	153	-	-	153
Coatis	182	-	-	182
Special Chem	230	-	-36	194
Corporate	5	-	-	5
EBITDA	357	6	-34	330
Basic Chemicals	260	6	-2	264
Performance Chemicals	110	-	-18	92
Corporate	-13	-	-13	-27
EBITDA margin	28.0%			25.9%
Basic Chemicals	37.0%			35.7%
Performance Chemicals	19.5%			17.4%

Segments - underlying		H1 2023		
(in € million) - unaudited	Historical	APM change	Scope changes	New base
Net sales	2,629	82	-84	2,626
Basic Chemicals	1,499	82	-11	1,569
Soda Ash & Derivatives	1,116	-	-	1,116
Peroxides	383	82	-11	453
Performance Chemicals	1,123	-	-73	1,050
Silica	316	-	-	316
Coatis	354	-	-	354
Special Chem	454	-	-73	381
Corporate	6	-	-	6
EBITDA	722	13	-95	640
Basic Chemicals	509	13	-3	519
Performance Chemicals	227	-	-39	188
Corporate	-15	-	-52	-67
EBITDA margin	27.4%			24.4%
Basic Chemicals	34.0%			33.1%
Performance Chemicals	20.2%			17.9%

Solvay is applying the change in all its APM since Q2 2024. The change in APM for Q1 has been applied to H1 numbers, and represents €2 million of FCF and €2 million of Capex.

Reconciliation of alternative performance metrics

Solvay measures its financial performance using alternative performance metrics, which are presented below. Solvay believes that these measurements are useful for analyzing and explaining changes and trends in its historical results of operations, as they allow performance to be comparable on a consistent basis. Definitions of the different metrics presented here are included in the glossary at the end of this financial report.

Underlying tax rate		Underlying	
(in € million)		H1 2024	H1 2023
Profit / (loss) for the period before taxes	a	310	500
Earnings from associates & joint ventures	b	4	18
Income taxes	c	-74	-103
Underlying tax rate	e = -c/(a-b)	**24.2%**	**21.3%**

Note: 2023 figures were restated to reflect the changes mentioned in the introduction to *Financial Performance* chapter.

Free cash flow (FCF)					
(in € million)		Q2 2024	Q2 2023	H1 2024	H1 2023
Cash flow from operating activities	a	153	782	294	1,103
of which voluntary pension contributions	b	-	-11	-	-11
of which cash flow related to internal portfolio management and excluded from Free Cash Flow	c	-15	-37	-70	-66
Cash flow from investing activities	d	-44	-226	-84	-
of which capital expenditures required for the Partial Demerger and excluded from Free Cash Flow	e	-	-51	-2	-51
Acquisition (-) of subsidiaries	f	-	-	-	-2
Acquisition (-) of investments - Other	g	-2	-6	-10	-13
Loans to associates and non-consolidated companies	h	-5	34	-4	15
Sale (+) of subsidiaries and investments	i	-7	5	4	438
Payment of lease liabilities	j	-14	-28	-30	-58
FCF	k = a-b-c+d-e-f-g-h-i+j	**123**	**595**	**262**	**735**
FCF from discontinued operations	l	-	72	-	329
FCF from Peroxidos do Brasil	m	8	N/A	10	N/A
Net interests received/(paid) from Peroxidos do Brasil	n	1	N/A	2	N/A
Net interests received/(paid) from continuing operations	o	-12	26	-27	38
Dividends paid to non-controlling interests (continuing operations)	p	-	-3	-	-3
Coupons paid on perpetual hybrid bonds	q	-	-29	-	-55
FCF to Solvay shareholders from continuing operations	r=k-l+m+n+o+p+q	**120**	**516**	**246**	**386**

Net working capital		2024	2023
(in € million)		June 30	December 31
Inventories	a	590	642
Trade receivables	b	790	840
Other current receivables	c	383	463
Trade payables	d	-754	-850
Other current liabilities	e	-469	-585
Net working capital (IFRS)	f = a+b+c+d+e	**540**	**510**
Net working capital (Peroxidos do Brasil)	g	22	N/A
Underlying net working capital	h=f+g	**562**	**510**
Quarterly total sales	i	1,369	1,341
Annualized quarterly total sales	j = 4*i	5,475	5,365
Net working capital (IFRS) / quarterly total sales	k = h / j	**9.9%**	**9.5%**

Note: 2023 figures were restated as mentioned in the introduction to *Financial Performance* chapter.

Capital expenditure (Capex)

(in € million)		Q2 2024	Q2 2023	H1 2024	H1 2023
Acquisition (-) of tangible assets	a	-28	-238	-71	-397
of which capital expenditures required for the Partial Demerger and excluded from Free Cash Flow		-	51	-	51
Acquisition (-) of intangible assets	b	-5	-25	-7	-47
of which capital expenditures required for the Partial Demerger and excluded from Free Cash Flow		-	-	2	-
Payment of lease liabilities	c	-14	-28	-30	-58
Capex	d=a+b+c	**-47**	**-239**	**-106**	**-451**
Capex in discontinued operations	e	-	-160	-	-304
Capex in continuing operations	f=d-e	**-47**	**-79**	**-106**	**-147**
Capex from Peroxidos do Brasil	g	1	N/A	3	N/A
Underlying Capex in continuing operations	h=f+g	**-48**	**-79**	**-108**	**-147**
Basic Chemicals		-29	-47	-70	-84
Performance Chemicals		-13	-24	-28	-43
Corporate		-6	-8	-11	-19
Underlying EBITDA	i	**272**	**357**	**538**	**722**
Underlying cash conversion (continuing operations)	j = (h+i)/i	**82.4%**	**77.9%**	**79.9%**	**79.7%**

Note: 2023 figures were restated as mentioned in the introduction to *Financial Performance* chapter.

Net financial debt

(in € million)		2024 June 30	2023 December 31
Non-current financial debt	a	-2,006	-1,981
Current financial debt	b	-160	-211
IFRS gross debt	c = a+b	-2,166	-2,192
Underlying gross debt	d = c+h	-2,133	-2,192
Other financial instruments (current + non-current)	e	85	118
Cash & cash equivalents	f	480	584
Total cash and cash equivalents	g = e+f	566	703
IFRS net debt	i = c+g	**-1,601**	**-1,489**
Net debt of Peroxidos do Brasil	h	33	N/A
Underlying net debt	j = i+h	**-1,568**	**-1,489**
Underlying EBITDA (LTM)	k	1,062	1,246
Underlying leverage ratio	l = -j/k	**1.5**	**1.2**

Note: 2023 figures were restated as mentioned in the introduction to *Financial Performance* chapter.

ROCE

(in € million)		H1 2024 As calculated
EBIT (LTM)	a	745
Accounting impact from EUAs and amortization & depreciation of purchase price allocation (PPA) from acquisitions	b	-5
Numerator	c = a+b	**741**
WC industrial	d	652
WC Other	e	-135
Property, plant and equipment	f	2,166
Intangible assets	g	212
Right-of-use assets	h	278
Investments in associates & joint ventures	i	226
Other investments	j	32
Goodwill	k	773
Denominator	l = d+e+f+g+h+i+j+k	**4,202**
ROCE	*m = c/l*	*17.6%*

Reconciliation of underlying income statement indicators

In addition to IFRS accounts, Solvay also presents underlying Income Statement performance indicators to provide a more consistent and comparable indication of Solvay's economic performance. These figures adjust IFRS figures for the non-cash Purchase Price Allocation (PPA) accounting impacts related to acquisitions, for the coupons of perpetual hybrid bonds classified as equity under IFRS but treated as debt in the underlying statements, and for other elements in order to generate a measure that avoids distortion and facilitates the appreciation of performance and comparability of results over time.

Consolidated income statement Q2		Q2 2024			Q2 2023	
(in € million)	IFRS	Adjust-ments	Under-lying	IFRS	Adjust-ments	Under-lying
Sales	1,333	36	1,369	1,565	-	1,565
of which revenues from non-core activities	175	-	175	291	-	291
of which net sales	1,158	36	1,194	1,274	-	1,274
Cost of goods sold	-1,024	-23	-1,047	-1,188	-	-1,188
Gross margin	309	13	322	377	-	377
Commercial costs	-23	-1	-24	-27	-	-27
Administrative costs	-78	-2	-81	-102	17	-85
Research & development costs	-8	-	-8	-10	1	-10
Other operating gains & losses	-22	8	-13	22	-9	14
Earnings from associates & joint ventures	10	-9	1	9	-	9
Result from portfolio management & major restructuring	-24	24	-	-26	26	-
Result from legacy remediation & major litigations	-11	11	-	-20	20	-
EBITDA	249	24	272	305	52	357
Depreciation, amortization & impairments	-96	21	-76	-83	4	-79
EBIT	153	44	197	222	56	278
Net cost of borrowings	-23	-5	-28	1	3	4
Coupons on perpetual hybrid bonds	-	-	-	-	-20	-20
Cost of discounting provisions	-11	-	-12	-10	-	-10
Result from equity instruments measured at fair value	-3	3	-	1	-1	-
Profit / (loss) for the period before taxes	115	42	157	215	36	251
Income taxes	-41	1	-41	-36	-4	-40
Profit / (loss) for the period from continuing operations	73	43	116	178	32	211
Profit / (loss) for the period from discontinued operations	-	-	-	22	197	219
Profit / (loss) for the period	73	43	117	200	230	430
attributable to Solvay share	67	43	111	197	230	426
attributable to non-controlling interests	6	-	6	3	-	3
Basic earnings per share (in €)	0.64	0.41	1.05	1.89	2.21	4.10
of which from continuing operations	0.64	0.41	1.05	1.69	0.31	2.00
Diluted earnings per share (in €)	0.63	0.41	1.04	1.87	2.18	4.06
of which from continuing operations	0.63	0.40	1.04	1.67	0.31	1.98

Note: 2023 figures were restated to reflect the changes mentioned in the introduction to *Financial Performance* chapter.

Sales and Cost of goods sold (gross margin) on an IFRS basis were €309 million, versus €322 million on an underlying basis to adjust for the change from equity accounting to proportional consolidation under the modified APM for Peroxidos do Brasil.

EBITDA on an IFRS basis totaled €249 million, versus €272 million on an underlying basis. The difference of €24 million is mainly explained by the following adjustments to IFRS results, which are done to improve the comparability of underlying results:

- €3 million to adjust for the "Result from portfolio management and major restructuring" (excluding depreciation, amortization and impairment elements), mainly including costs incurred for the project aimed at the separation of the Group into two independent, publicly listed companies and other restructuring initiatives.
- €11 million to adjust for the "Result from legacy remediation and major litigations", mainly due to legacy environmental provisions and legal fees for major litigations.
- €6 million to adjust for the change from equity accounting to proportional consolidation under the modified APM for Peroxidos do Brasil.

EBIT on an IFRS basis totaled €153 million, versus €197 million on an underlying basis. The difference of €44 million is explained by the above-mentioned €24 million adjustments at the EBITDA level and €21 million of "Depreciation, amortization & impairments". The latter consist of €22 million to adjust for the impact of impairment of other non-performing assets in "Results from portfolio management and major restructuring"

Net financial charges on an IFRS basis were €-38 million versus €-40 million on an underlying basis. The €-2 million adjustment made to IFRS net financial charges mainly consists of:

- €-4 million related to the reevaluation of Long-term incentive liabilities due to the inclusion of Syensqo shares.
- €+3 million related to the re-measurement of the Syensqo shares at fair value

Income taxes on an IFRS basis were €-41 million, versus €-41 million on an underlying basis.

Profit / (loss) attributable to Solvay shareholders was €67 million on an IFRS basis and €111 million on an underlying basis. The delta of €43 million reflects the above-mentioned adjustments to EBIT, net financial charges, and income taxes.

H1 consolidated income statement	H1 2024			H1 2023		
(in € million)	IFRS	Adjust-ments	Under-lying	IFRS	Adjust-ments	Under-lying
Sales	**2,630**	**72**	**2,702**	**3,318**	**-**	**3,318**
of which revenues from non-core activities	307	-	307	689	-	689
of which net sales	2,324	72	2,396	2,629	-	2,629
Cost of goods sold	-2,031	-50	-2,081	-2,510	-	-2,510
Gross margin	**599**	**22**	**621**	**807**	**-**	**807**
Commercial costs	-46	-1	-47	-52	-	-52
Administrative costs	-159	-2	-161	-221	35	-186
Research & development costs	-16	-	-16	-20	1	-18
Other operating gains & losses	-32	12	-20	-	-6	-6
Earnings from associates & joint ventures	23	-19	4	26	-7	18
Result from portfolio management & major restructuring	-39	39	-	-287	287	-
Result from legacy remediation & major litigations	-19	19	-	-25	25	-
EBITDA	**495**	**43**	**538**	**395**	**326**	**722**
Depreciation, amortization & impairments	-183	26	-157	-167	8	-158
EBIT	**312**	**69**	**381**	**229**	**335**	**563**
Net cost of borrowings	-37	-11	-48	-7	5	-1
Coupons on perpetual hybrid bonds	-	-	-	-	-41	-41
Cost of discounting provisions	-14	-9	-23	-21	-	-21
Result from equity instruments measured at fair value	-11	11	-	1	-1	-
Profit / (loss) for the period before taxes	**250**	**59**	**310**	**202**	**298**	**500**
Income taxes	-68	-6	-74	-78	-25	-103
Profit / (loss) for the period from continuing operations	**183**	**53**	**236**	**124**	**273**	**397**
Profit / (loss) for the period from discontinued operations	-	1	1	324	170	494
Profit / (loss) for the period	**183**	**54**	**237**	**449**	**443**	**892**
attributable to Solvay share	174	54	228	443	443	886
attributable to non-controlling interests	8	-	9	6	-	6
Basic earnings per share (in €)	1.65	0.51	2.17	4.27	4.26	8.53
of which from continuing operations	1.65	0.50	2.16	1.16	2.62	3.79
of which from discontinued operations	-	0.01	0.01	3.10	1.64	4.74
Diluted earnings per share (in €)	1.64	0.51	2.14	4.22	4.21	8.43
of which from continuing operations	1.64	0.50	2.13	1.15	2.59	3.74
of which from discontinued operations	-	0.01	0.01	3.07	1.62	4.69

Note: 2023 figures were restated to reflect the changes mentioned in the introduction to *Financial Performance* chapter.

Sales and Cost of goods sold (gross margin) on an IFRS basis were €599 million, versus €621 million on an underlying basis to adjust for the change from equity accounting to proportional consolidation under the modified APM for Peroxidos do Brasil.

EBITDA on an IFRS basis totaled €495 million, versus €538 million on an underlying basis. The difference of €43 million is mainly explained by the following adjustments to IFRS results, which are done to improve the comparability of underlying results:

- €12 million to adjust for the "Result from portfolio management and major restructuring" (excluding depreciation, amortization and impairment elements), mainly including costs incurred for the project aimed at the separation of the Group into two independent, publicly listed companies and other restructuring initiatives.
- €19 million to adjust for the "Result from legacy remediation and major litigations", mainly due to legacy environmental provisions and legal fees for major litigations.
- €12 million to adjust for the change from equity accounting to proportional consolidation under the modified APM for Peroxidos do Brasil.

EBIT on an IFRS basis totaled €312 million, versus €381 million on an underlying basis. The difference of €69 million is explained by the above-mentioned €43 million adjustments at the EBITDA level and €26 million of "Depreciation, amortization & impairments". The latter consist of €27 million to adjust for the impact of impairment of other non-performing assets in "Results from portfolio management and major restructuring"

Net financial charges on an IFRS basis were €-62 million versus €-71 million on an underlying basis. The €-10 million adjustment made to IFRS net financial charges mainly consists of:

- €-9 million related to the impact of an increase in discount rates on environmental provisions
- €-15 million related to the reevaluation of Long-term incentive liabilities due to the inclusion of Syensqo shares.
- €+11 million related to the re-measurement of the Syensqo shares at fair value.

Income taxes on an IFRS basis were €-68 million, versus €-74 million on an underlying basis. The €-6 million adjustment mainly relates to the adjustments of the earnings before taxes described above and valuation allowances on deferred tax assets related to prior periods.

Profit / (loss) attributable to Solvay shareholders was €174 million on an IFRS basis and €228 million on an underlying basis. The delta of €54 million reflects the above-mentioned adjustments to EBIT, net financial charges, and income taxes.

Condensed consolidated interim financial statements [1]

Consolidated income statement	IFRS			
(in € million)	Q2 2024	Q2 2023	H1 2024	H1 2023
Sales	**1,333**	**1,565**	**2,630**	**3,318**
of which revenues from non-core activities [2]	175	291	307	689
of which net sales	1,158	1,274	2,324	2,629
Cost of goods sold	-1,024	-1,188	-2,031	-2,510
Gross margin	**309**	**377**	**599**	**807**
Commercial costs	-23	-27	-46	-52
Administrative costs [3]	-78	-102	-159	-221
Research & development costs	-8	-10	-16	-20
Other operating gains & losses [4]	-22	22	-32	-
Earnings from associates & joint ventures	10	9	23	26
Result from portfolio management & major restructuring [5]	-24	-26	-39	-287
Result from legacy remediation & major litigations	-11	-20	-19	-25
EBIT	**153**	**222**	**312**	**229**
Cost of borrowings [6]	-29	-11	-56	-24
Interest on loans & short term deposits	5	12	8	21
Other gains & losses on net indebtedness	1	-1	10	-4
Cost of discounting provisions	-11	-10	-14	-21
Result from equity instruments measured at fair value	-3	1	-11	1
Profit / (loss) for the period before taxes	**115**	**215**	**250**	**202**
Income taxes	-41	-36	-68	-78
Profit / (loss) for the period from continuing operations	**73**	**178**	**183**	**124**
attributable to Solvay share	67	176	174	121
attributable to non-controlling interests	6	2	8	4
Profit / (loss) for the period from discontinued operations [7]	-	22	-	324
Profit / (loss) for the period	**73**	**200**	**183**	**449**
attributable to Solvay share	67	197	174	443
attributable to non-controlling interests	6	3	8	6
Weighted average of number of outstanding shares, basic	105,459,426	103,995,563	105,285,560	103,928,682
Weighted average of number of outstanding shares, diluted	106,612,667	105,175,841	106,448,122	105,129,219
Basic earnings per share (in €)	0.64	1.89	1.65	4.27
of which from continuing operations	0.64	1.69	1.65	1.16
of which from discontinued operations	-	0.20	-	3.10
Diluted earnings per share (in €)	0.63	1.87	1.64	4.22
of which from continuing operations	0.63	1.67	1.64	1.15
of which from discontinued operations	-	0.20	-	3.07

[1] Comparative figures relating to the income statement have been restated in accordance with IFRS 5, to reflect the Partial Demerger. Subject to a limited review by the auditors for H1 2024 and H1 2023 only.

[2] This revenue primarily comprises commodity and utility third party transactions, non-core licensing transactions, and other revenue, considered not to correspond to Solvay's core business (mainly in France and Italy). The decrease compared to 2023 is mainly related to phasing out the Energy business (€315 million) and the rest from the decrease of utilities price.

[3] The decrease in the administrative costs in H1 2024 compared to H1 2023, is mainly due to a reduction in corporate costs (€27 million) and applied costs saving, and lower variable remuneration provision based on relative performance (€12 million).

[4] The decrease in the other operating gains & losses is mainly related to the overruns cost of the contract with Dombasle Energie(See note 1). In H1 2023, the overruns cost of the contract with Dombasle Energie was offset by the gains related to the management of CO2 hedges, not accounted for as Cash Flow Hedge, deferred until maturity of the economic hedge.

[5] The H1 2024 Result from portfolio management & major restructuring mainly includes restructuring costs related to €12 million within the Basic Chemicals segment and €5 million in the context of the Group's separation plan (see the restructuring provision section of note 1) and €27 million of impairment of other non-performing assets. The prior year includes a capital loss of €174 million mainly related to the recycling of historical currency translation balances on the sale of the Group's 50% stake in the RusVinyl joint venture. The H1 2023 amount also includes a €74 million restructuring provision and external and internal costs incurred that were recognized in the context of the Group's separation plan.

[6] The cost of borrowing in H1 2023 resulted mainly from the interest on two senior bonds of €600 million and €500 million (€17 million interest accrued). In 2023, the Group also financed itself through hybrid bonds, which were recognized in the Group equity. The higher cost of borrowing in H1 2024 resulted from €1.5 billion bridge loan facility (€18 million interest), which was replaced by 4- and 7.5-year senior bonds in Q2 2024 (€15 milion).

[7] Relates to the Specialty Business being treated as a discontinued operation as a result of the Partial Demerger.

Consolidated statement of comprehensive income	IFRS			
(in € million)	Q2 2024	Q2 2023	H1 2024	H1 2023
Profit / (loss) for the period	73	200	183	449
Gains and losses on hedging instruments in a cash flow hedge [8]	*41*	*-43*	*-27*	*-62*
Currency translation differences from subsidiaries & joint operations [9]	*-19*	*-22*	*-6*	*-104*
Share of other comprehensive income of associates and joint ventures [10]	*-11*	*5*	*-12*	*170*
Recyclable components	11	-60	-45	4
Remeasurement of the net defined benefit liability [11]	*-57*	*1*	*51*	*-9*
Non-recyclable components	-57	1	51	-9
Income tax relating to recyclable and non-recyclable components	1	-3	-5	9
Other comprehensive income/(loss), net of related tax effects	-45	-61	2	4
Total comprehensive income/(loss)	28	138	184	453
attributable to Solvay share	22	138	175	449
attributable to non-controlling interests	6	1	9	4

[8] In H1 2024, the gains and losses on hedging instruments mainly resulted from the decrease in the energy price (€-41 million), and the fair value change of flexiswaps (€+21 million).

[9] In H1 2024, the currency translation differences are mainly due to the USD revaluation against EUR offset by the BRL devaluation against EUR. The Currency translation differences from subsidiaries and joint operation in H1 2023 are mainly due to the USD devaluation against EUR (including the impact of the Syensqo entity)

[10] The share of other comprehensive income of associates and joint ventures in H1 2023 mainly results from the recycling of the accumulated currency translation adjustments related to the sale of the RusVinyl Equity investment.

[11] The remeasurement of the net defined benefit liability in H1 2024 is mainly due to the increase of discount rate applicable to post-employment provisions in the Euro-zone, UK and US for €61 million offset by the return on plan assets €-14 million. The remeasurement of the net defined benefit liability in Q2 and H1 2023 was mainly due to the increase of discount rates in 2023 applicable to post-employment provisions in the UK and US, offset by the return on plan assets.

The consolidated interim statement of cash flows includes cash flows from both continuing and discontinued operations for the periods Q2 2023 and H1 2023. A summary of cash flows that relate to discontinued operations is disclosed below this statement.

Consolidated statement of cash flows	IFRS			
(in € million)	Q2 2024	Q2 2023	H1 2024	H1 2023
Profit / (loss) for the period	73	200	183	449
Adjustments to profit / (loss) for the period	204	573	351	1,243
Depreciation, amortization & impairments	96	229	183	464
Earnings from associates & joint ventures	-10	-14	-23	-35
Additions and reversal of employee benefits and other provisions [1]	41	320	74	454
Other non-operating and non-cash items [2]	-1	6	-9	183
Net financial charges	38	30	61	61
Income tax expenses	40	3	67	117
Changes in working capital	-40	190	-88	-272
Payments related to employee benefits and use of provisions	-53	-76	-112	-145
Use of provisions for additional voluntary contributions (pension plans)	-	-11	-	-11
Dividends received from associates & joint ventures	5	8	10	12
Income taxes paid (excluding income taxes paid on sale of investments)	-35	-102	-49	-173
Cash flow from operating activities	**153**	**782**	**294**	**1,103**
of which cash flow related to internal portfolio management and excluded from Free Cash Flow [3]	-15	-37	-70	-66
Acquisition (-) of subsidiaries	-	-	-	-2
Acquisition (-) of investments - Other	-2	-6	-10	-13
Loans to associates and non-consolidated companies	-5	34	-4	15
Sale (+) of subsidiaries and investments [4]	-7	5	4	438
Acquisition (-) of tangible and intangible assets (Capex)	-33	-263	-77	-445
of which property, plant and equipment	-28	-238	-71	-397
of which capital expenditures required for the Partial Demerger and excluded from Free Cash Flow	-	-51	-	-51
of which intangible assets	-5	-25	-7	-47
of which capital expenditures required for the Partial Demerger and excluded from Free Cash Flow	-	-	-2	-
Dividends from equity instruments measured at fair value through other comprehensive income	1	1	1	1
Changes in non-current financial assets	-	-	1	-
Cash flow from investing activities	**-44**	**-226**	**-84**	**-**
Acquisition (-) / sale (+) of treasury shares [5]	14	11	17	22
Increase in borrowings [6]	1,502	5	1,669	64
Repayment of borrowings [7]	-1,656	-39	-1,702	-87
Changes in other financial assets	7	13	17	22
Payment of lease liabilities	-14	-28	-30	-58
Net interests received/(paid)	-12	-6	-27	4
Coupons paid on perpetual hybrid bonds	-	-29	-	-55
Dividends paid	-86	-263	-256	-423
of which to Solvay shareholders	-86	-261	-256	-421
of which to non-controlling interests	-	-2	-	-3
Other [8]	81	-147	9	-190
Cash flow from financing activities	**-163**	**-485**	**-304**	**-702**
Net change in cash and cash equivalents	-55	71	-94	401
Currency translation differences	-8	-4	-10	-5
Opening cash balance	543	1,261	584	932
Closing cash balance	**480**	**1,328**	**480**	**1,328**

[1] Additions & reversals of provisions for H1 2024 mainly include €12 million related to the Peroxides restructuring provision, €29 million related to the contract with Dombasle Energie (See the Note 1), €17 million related to environmental provision.
[2] Other non-operating and non-cash items in H1 2024 mainly relates to the €10 million gain on the Shandong Huatai Interox Chemical Company (Shandong) shares (50%) re-measured at fair value due to the step acquisition (see Portfolio Management section of Note 1). Other non-operating and non-cash items in H1 2023 mainly relates to the €174 million capital loss on the sale of the Group's 50% stake in the RusVinyl joint venture.
[3] The amount in H1 2024 comprises mainly of external costs (€-36 million), restructuring (€-19 million) and tax payments (€-16 million) recognized in the context of the Group's separation plan.
[4] Sale of subsidiaries and investments in H1 2023 mainly related to the cash proceeds received of €432 million on the sale of the Group's 50% stake in the RusVinyl JV.
[5] Acquisition/sale of treasury shares in H1 2024 includes the cash proceeds received from sale of Syensqo shares related to the settlement of long-term incentive plans.
[6] The increase in borrowings for H1 2024 is mainly related to the Senior Bond Issuance for €1.5 billion.
[7] The repayment of borrowings for H1 2024 is mainly related to the repayment of the Bridge to bond for €1.5 billion.
[8] In H1 2024, Other cash flow from financing activities mainly related to excess margin calls ("out of the money" instruments) of €12 million. (H1 2023: €185 million, "in the money" instruments).

Statement of cash flow from discontinued operations	IFRS	IFRS	IFRS	IFRS
(in € million)	Q2 2024	Q2 2023	H1 2024	H1 2023
Cash flow from operating activities	-	271	-	657
Cash flow from investing activities	-	-192	-	-331
Cash flow from financing activities	-	-29	-	-68
Net change in cash and cash equivalents	**-**	**50**	**-**	**258**

Consolidated statement of financial position	2024	2023
(in € million)	June 30	December 31
Intangible assets [1]	222	201
Goodwill [2]	782	764
Property, plant and equipment	2,079	2,144
Right-of-use assets	274	267
Equity instruments measured at fair value	75	88
Investments in associates & joint ventures	219	230
Other investments	30	33
Deferred tax assets	296	317
Loans & other assets	259	266
Non-current assets	4,236	4,309
Inventories	590	642
Trade receivables	790	840
Income tax receivables	50	66
Dividends receivables	-	-
Other financial instruments [3]	85	118
Other receivables [4]	383	463
Cash & cash equivalents	480	584
Current assets	2,378	2,714
Total assets	6,614	7,022
Share capital	237	237
Share premiums	174	174
Other reserves	946	853
Non-controlling interests	64	42
Total equity	1,421	1,305
Provisions for employee benefits	723	793
Other provisions	536	550
Deferred tax liabilities	133	131
Financial debt	2,006	1,981
Other liabilities	60	70
Non-current liabilities	3,459	3,525
Other provisions	279	302
Financial debt [5]	160	211
Trade payables	754	850
Income tax payables	65	68
Dividends payables [6]	6	175
Other liabilities [7]	469	585
Current liabilities	1,733	2,192
Total equity & liabilities	6,614	7,022

[1] The increase in intangible assets over the prior year largely relates to the purchase of reference quotas (€15 million) from Syensqo as a part of the Group's separation.
[2] The increase in goodwill is mainly due to a business combination with Shandong, which occurred in stages (step acquisition). See the portfolio management section of Note 1.
[3] The decrease in other financial instruments is mainly due to the decrease of the Energy Margin call of €12 million.
[4] The decrease in other receivables is mainly due to the insurance reimbursements collected related to Syensqo (€-32 million) and a reduction of the €-15 million prepayment of reference quotas as the transaction settled in H1 2024.
[5] The decrease in current financial debt is mainly due to the unwinding of the flexi-swap (which had a marked-to-market value of €60 million on December 31, 2023) at the time of the bonds' placement at a carrying value of €37 million. The flexi-swap instruments were compensated with an equivalent amount received from the bank classified as financial debt (€33 million in non-current and €4 million in current) payable in instalments that match bonds' coupon payment dates. See the bonds issuances section of Note 1. Moreover, interest of €15 million has been accrued which has a compensating effect.
[6] The decrease in dividends payables is due to the payment of the interim dividends in January 2024 for €170 million.
[7] The decrease in other liabilities is mainly due to the repayment to Syensqo of insurance reimbursements (€32 million).

Consolidated statement of changes in equity	Attributable to the equity holders of the parent											
(in € million)	Share capital	Share premiums	Treasury shares	Perpetual hybrid bonds	Retained earnings	Currency translation differences	Equity instruments measured at fair value	Cash flow hedges	Defined benefit pension plans	Total other reserves	Non-controlling interests	Total equity
Balance on December 31, 2022	1,588	1,170	-225	1,786	6,854	-318	4	76	-332	7,846	61	10,664
Profit / (loss) for the period	-				443					443	6	449
Items of other comprehensive income	-	-	-	-	-	69	-	-55	-8	6	-2	4
Comprehensive income	-				443	69	-	-55	-8	449	4	453
Cost of share-based payment plans	-				7					7		7
Dividends	-				-261					-261	-5	-266
Coupons of perpetual hybrid bonds	-				-55					-55		-55
Sale (acquisition) of treasury shares	-		22							22		22
Balance on June 30, 2023	1,588	1,170	-203	1,786	6,989	-249	4	21	-340	8,008	59	10,825
Balance on December 31, 2023	237	174	-15	-	1,683	-253	-	-103	-459	853	42	1,305
Profit / (loss) for the period	-				174					174	8	183
Items of other comprehensive income	-	-	-	-	-	-18	-	-20	39	1	-	2
Comprehensive income	-				174	-18	-	-20	39	176	9	184
Cost of share-based payment plans	-				3					3		3
Dividends	-				-86					-86	-2	-88
Other [1]	-	-	-	-	1	-	-	-	-	1	16	17
Balance on June 30, 2024	237	174	-15	-	1,776	-272	-	-123	-420	946	64	1,421

[1] The increase in "Other' is mainly related to the Shandong Huatai Interox Chemical Company (Shandong) NCI shares (40%) re-measured at fair value due to the step acquisition (see Portfolio Management section of Note 1).

Notes to the condensed consolidated interim financial statements

1. General information and significant events

Solvay SA/NV is a public limited liability company governed by Belgian law and listed on Euronext Brussels and Euronext Paris. These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on July 30, 2024.

Partial Demerger in December 2023

On December 8, 2023 at the extraordinary general meeting, Solvay SA/NV's shareholders approved the partial demerger of the specialty businesses, which effected the separation of the Group into two public groups. Consequently, the Q2 2023 and H1 2023 consolidated income statement figures have been restated in accordance with IFRS 5, and reflect the Specialty Businesses as discontinued operations. In the consolidated statement of cash flows, the cash flows were not restated and present both continuing and discontinued operations in the primary statement. For 2023 financial year, the cash flows from discontinued operations are included for the period until June 30, 2023. However, below the primary cash flow statement, consolidated cash flows from discontinued operations are disclosed.

Bonds issuance

On March 26, 2024, Solvay completed the placement of a 4-year €750 million bond maturing on April 3, 2028, and a 7.5-year €750 million bond maturing on October 3, 2031, with the coupons of 3.875% and 4.250% respectively – what represented an important milestone after the partial demerger of its Specialty Businesses in December 2023. The bonds were settled on April 3, 2024, with the trading on the Euro MTF market of the Luxembourg Stock Exchange, which began on the same day. The proceeds from the bonds' issue, apart from the general corporate purposes, were used for the refinancing of the €1.5 billion bridge facility set up at the end of 2023 in relation to the partial demerger.

The interest rate of the issued bonds had been hedged in 2023 with two flexi-swap instruments. At the time of the bonds' placement, these instruments were unwound and replaced by two new instruments classified as financial debt (€ 33 million in non-current and € 4 million in current), payable in instalments that match bonds' coupon payment dates. The conversion had no cash-flow effect as the unwinding of the flexi-swap (€ -37 million) was compensated with an equivalent amount received from the bank related to the two new instruments.

The cash flow hedge reserve accumulated in OCI related to the unwound flexi-swap has been frozen and is recycled to profit or loss over the duration of the two bonds (€ 1.5 million recognized in borrowing costs in H1 2024).

Restructuring provision

In the first semester of 2024, Solvay recorded €17 million restructuring charges mainly related to €12 million charge within the Basic Chemicals segment in order to reduce and optimize its industrial footprint at few sites within the European region.

Portfolio management

In March 2024, the Group increased its ownership in its Shandong equity accounted investment by 10% (from 50% to 60%) for €4 million, which resulted in Solvay obtaining control over the legal entity. The acquisition was accounted for as a business combination achieved in stages and resulted in a €10 million gain on the deconsolidation of the equity investment and €18 million in goodwill and €3 million in intangible assets based on the fair value of the entity upon consolidation. The Group will finalize the purchase price allocation in the coming months.

Dombasle Energie

Other operating gains and losses in the consolidated income statement, include a €29 million provision in H1 2024 (coming on top of €29 million in H1 2023 and €19 million in H2 2023) related to an onerous contract for an energy transition project in Dombasle, France. This provision (€78 million in total as of June 30, 2024) reflects the best estimate of the expenditure required to settle the present obligation at the end of June 2024, which relate to delays and overruns (mostly attributed to external factors, including record high inflation and supply disruptions). This situation is unique in the different energy transition projects already completed or in progress within the Group, and has to do with the particular contractual engagement of this project. The project is expected to be completed in H2 2025.

2. Accounting Policies

Solvay prepares its condensed consolidated interim financial statements on a quarterly basis, in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Board of Directors considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgment that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and they should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2023, which were authorized for issuance by the Board of Directors on March 12, 2024.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended

December 31, 2023, except for the adoption of new standards effective as of January 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The following IFRS Accounting Standards, IFRIC Interpretations, and amendments became effective on January 1, 2024, and are relevant to the Group.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments have no material impact on the Group's condensed consolidated interim financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

These amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The clarification confirmed our classification of the bridge facility as long term at March 31, 2024.

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any condensed consolidated interim financial statements.
These amendments are not yet endorsed for use in the European Union and, consequently, had no impact on the Group's condensed consolidated interim financial statements.

3. Discontinued Operations

The profit from discontinued operations included in the consolidated income statement for Q2 2023 and H1 2023 is analyzed as follows:

(in € million)	Q2 2023	H1 2023
Sales	**1,886**	**3,742**
of which revenue from non-core activities	73	117
of which net sales	1,813	3,625
Cost of goods sold	-1,251	-2,444
Gross margin	**635**	**1,298**
Commercial costs	-79	-142
Administrative costs	-134	-265
Research and development costs	-84	-171
Other operating gains and (losses)	-38	-83
Earnings from associates and joint ventures	5	9
Results from portfolio management and major restructuring	-27	-56
Results from legacy remediation and major litigations	-268	-194
EBIT	**9**	**397**
Cost of borrowings	-15	-27
Interest on loans and short term deposits	2	4
Other gains and (losses) on net indebtedness	-4	-2
Cost of discounting provisions	-5	-10
Result from equity instruments measured at fair value	1	2
Profit/(loss) for the year before taxes	**-12**	**364**
Income taxes	34	-39
Profit for the year from discontinued operations	**22**	**325**
Gain on Partial Demerger according to IFRIC17	0	0
Profit for the year from discontinued operations	**22**	**325**

4. Segment information

General

In 2024, the Group's is internally organized in the following reportable segments:

- *Basic Chemicals* host chemical intermediate businesses focused on mature and resilient markets. Solvay is a world leader in soda ash, bicarbonate, and peroxides. These global businesses share similar economic characteristics and serve major markets that include building and construction, consumer goods, and food.
- *Performance Chemicals* host a wider range of products (in our Silica, Coatis and Special Chem businesses) that are subject to customization based on unique formulations and application expertise. These businesses share similar economic characteristics and are high-quality assets with strong positions in their markets.
- *Corporate* comprises corporate and other business services, such as its Global Business services, as well as Procurement and Energy expertise.

The financial performance of the Group's reportable segments has no material seasonal effects.

Solvay organizes its structure and groups the businesses around their similarities in financial performance (systematically reviewed by the Chief Operational Decision Maker), products and production processes.

The financial information related to 2023 was restated in order to reflect the change in segment composition, and the effect of Partial Demerger. Moreover, the restatement includes the "eH2O2" (electronic-grade hydrogen peroxide) business that was transferred from GBU Special Chem to GBU Peroxides on January 1, 2024.

Reconciliation of segment, underlying and IFRS data

Reconciliation of segment, underlying and IFRS data

(in € million)	Q2 2024	Q2 2023	H1 2024	H1 2023
Sales	1,369	1,565	2,702	3,318
of which revenues from non-core activities	175	291	307	689
Basic Chemicals	149	167	261	323
Performance Chemicals	19	9	27	17
Corporate	7	115	19	348
of which Underlying net sales	1,194	1,274	2,396	2,629
Basic Chemicals	708	704	1,423	1,499
Performance Chemicals	483	565	967	1,123
Corporate	2	5	5	6
Underlying EBITDA	272	357	538	722
Basic Chemicals	194	260	395	509
Performance Chemicals	101	110	181	227
Corporate	-23	-14	-39	-15
Underlying depreciation, amortization & impairments	-76	-79	-157	-158
Underlying EBIT	197	278	381	563
Accounting impact from EUAs and amortization & depreciation of purchase price allocation (PPA) from acquisitions	-18	-9	-30	-30
Earnings from associates & joint ventures	9	-	19	7
Result from portfolio management & major restructuring	-24	-26	-39	-287
Result from legacy remediation & major litigations	-11	-20	-19	-25
EBIT	153	222	312	229
Net financial charges	-38	-8	-62	-26
Profit / (loss) for the period before taxes	115	215	250	202
Income taxes	-41	-36	-68	-78
Profit / (loss) for the period from continuing operations	73	178	183	124
Profit / (loss) for the period from discontinued operations	-	22	-	324
Profit / (loss) for the period	73	200	183	449
attributable to non-controlling interests	6	3	8	6
attributable to Solvay share	67	197	174	443

Note: 2023 figures are restated for IFRS 5 Discontinued Operations.

The intersegment revenues of the segments and Investments per segments are immaterial and therefore not disclosed in this table.

The revenue per each cluster of segments is separately disclosed in the table *Segments - underlying* on page 8.

The Capex amounts (capital expenditures) per segment from continuing operations are disclosed in the table on page 12.

Please also refer to the table Reconciliation of underlying income statement indicators on page 13.

5. Financial Instruments

Valuation techniques

For instruments quoted in an active market, the fair value corresponds to a market price (level 1). For instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3). However, in limited circumstances, cost of equity instruments may be an appropriate estimate of their fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Fair value of financial instruments measured at cost (excluding IFRS 16 liabilities)

Except for the bonds settled on April 4, 2024, for all financial instruments not measured at fair value in Solvay's consolidated statement of financial position, their fair values as of June 30, 2024, are not significantly different from the ones published in Note F32 of the consolidated financial statements for the year ended December 31, 2023.

(in € million)	June 30, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets - Financial instruments	138	138	136	136
Loans and other non-current assets (except pension fund surpluses and long-term inventory balance)	138	138	136	136
Non-current liabilities - Financial instruments	-1,798	-1,808	-1,774	-1,774
Bonds	-1,491	-1,501	0	0
Other non-current debts	-261	-261	-1,735	-1,735
Other liabilities	-46	-46	-39	-39

Financial instruments measured at fair value

The table below provides an analysis of financial instruments that, subsequent to their initial recognition, are measured at fair value, grouped into Level 1 to Level 3 based on the degree to which the fair value is observable. Financial instruments, classified as held for trading and as hedging instruments in cash flow hedges are mainly grouped into Levels 1 and 2. They are fair valued based on forward pricing and swap models using present value calculations. The models incorporate various inputs including foreign exchange spot and interest rates of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. The equity instruments measured at fair value through OCI and through profit and loss are presented within Level 1 and 3. The fair value of the instruments presented under Level 3 is measured based on the guidelines recommended by The International Private Equity and Venture Capital Valuation (IPEV).
In accordance with the Group internal rules, the responsibility for measuring the fair value level resides with (a) the Treasury department for the non-utility derivative financial instruments, and the non-derivative financial liabilities, (b) the Sustainable Development and Energy department for the utility derivative financial instruments and (c) the Finance department for non-derivative financial assets.

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the year, no such transfers have occurred.

	June 30, 2024				December 31, 2023			
In € million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Held for trading	1	14		15		17		18
Foreign currency risk		1		1		3		3
Utility risk		3		3		4		5
CO2 risk		9		9				
Shares	1	0		1		8		8
Index						2		2
Equity instruments measured at fair value through profit or loss	68			68	87			87
Shares	68			68	87			87
Cash flow hedges		34		34	0	50		50
Foreign currency risk		0		0		2		2
Interest rate risk		0		0		0		0
Utility risk		30		30		47		48
CO2 risk		3		3	0			0
Shares								
Equity instruments measured at fair value through other comprehensive income			7	7			1	1
New Business Development			7	7			1	1
Total assets	69	47	7	123	87	67	1	156
Held for trading		-36		-36		-37		-37
Foreign currency risk		-3		-3		-1		-1
Interest rate risk								
Utility risk		-3		-3		-8		-8
CO2 risk		-29		-29		-26		-26
Shares								
Index		1		1		-2		-2
Cash flow hedges		-104		-104		-165		-165
Foreign currency risk		-7		-7		-1		-1
Interest rate risk		-4		-4		-61		-61
Utility risk		-27		-27		-59		-59
CO_2 risk		-67		-67		-44		-44
Shares								
Total liabilities		-141		-141		-202		-202

Working capital programs

In Q2 2024, the Group utilized several working capital programs, which consisted of the extension of trade payables' terms or through the factoring of trade or VAT receivables. In H1 2024, the working capital programs impacted the Group's cash flows by approximately €41 million.

6. Impact of the International Tax Reform – Pillar 2

Pillar 2 legislation has been enacted or substantively enacted in many jurisdictions in which the Group operates, notably in Belgium where the ultimate parent entity is located. The legislation is effective for the Group's financial year beginning January 1, 2024. Solvay SA is closely monitoring the laws, which the various jurisdictions are adopting following the Organization for Economic Co-operation and Development ('OECD') and EU-initiatives regarding the Pillar 2 Global Minimum Tax of 15%, and the potential impact thereof.

Solvay has performed the H1 2024 Transitional CbCR Safe Harbor (TCSH) calculations based on June 30, 2024 figures and the Pillar 2 entity classification, under the reasonable assumption that we will benefit from the CbCR qualification ('Qualified CbCR') for eligibility under the Pillar 2 Safe Harbor. Solvay assessed that it cannot apply the safe harbor approach for two jurisdictions (Bulgaria and Thailand). Based on this assessment a current income tax provision of €2.9 million was recorded for the period ended June 30, 2024.

7. Events after the reporting period

Litigation settlement
In July 2024, Solvay reached a settlement agreement in one of its pending litigations. An amount of €7.5 million is expected to be received by the Group in Q3 2024.

Restructuring
In late July 2024, the Group announced a restructuring program within its Fluorine business (Performance Chemicals segment) in Europe. The plan is currently estimated to cost less than €10 million and will optimize the Group's operations to increase competitiveness.

8. Declaration by responsible persons

Philippe Kehren, Chief Executive Officer, and Alexandre Blum, Chief Financial Officer, of the Solvay Group, declare that to the best of their knowledge:

- The condensed consolidated interim financial information, prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union, reflects a faithful image of the assets and liabilities, financial situation and results of the Solvay Group;
- The management report contains a faithful presentation of significant events occurring during 2024, and their impact on the condensed consolidated interim financial information;
- The main risks and uncertainties are in accordance with the assessment disclosed in the Risk Management section of the Solvay 2023 Annual Integrated Report, taking into account the current economic and financial environment.

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Statutory auditor's report to the board of directors of Solvay SA/NV on the review of the condensed consolidated interim financial information as at 30 June 2024 and for the 6-month period then ended

Introduction

We have reviewed the accompanying consolidated statement of financial position of Solvay SA/NV as at 30 June 2024, the consolidated income statement, the consolidated statements of comprehensive income, of changes in equity and of cash flows for the 6-month period then ended, and notes ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2024 and for the 6-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Diegem, 30 July 2024

EY Réviseurs d'Entreprises SRL/EY Bedrijfsrevisoren BV
Statutory auditor
represented by

Eric Van Hoof*
Partner
*Acting on behalf of a BV

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Glossary

Adjustments: Each of these adjustments made to the IFRS results is considered significant in nature and/or value. Excluding these items from the profit metrics provides readers with relevant additional information on the Group's underlying performance over time because it is consistent with how the business' performance is reported to the Board of Directors and the Executive Committee. These adjustments consist of:

- Results from portfolio management and major restructurings,
- Results from legacy remediation and major litigations,
- Amortization of intangible assets resulting from Purchase Price Allocation (PPA) and inventory step-up in gross margin,
- Net financial results related to changes in discount rates, coupons of hybrid bonds deducted from equity under IFRS and debt management impacts (mainly including gains/(losses)) related to the early repayment of debt,
- Adjustments of equity earnings for impairment gains or losses, unrealized foreign exchange gains or losses on debt and contribution to IFRS equity earnings of equity investments disposed of in the period,
- Results from equity instruments measured at fair value, and re-measurement of the long-term incentive plans related to Syensqo Group shares and the related hedging instruments.
- Gains and losses, related to the management of the CO2 hedges not accounted for as Cash Flow Hedge, deferred in adjustments until the maturity of the economic hedge
- Tax effects related to the items listed above and tax expense or income of prior years
- The impact of the Group's share of significant equity investments in the consolidated financial statements beginning in Q1 2024.

All adjustments listed above apply to both continuing and discontinuing operations, and include the impacts on non-controlling interests

Basic earnings per share: Net income (Solvay's share) divided by the weighted average number of shares, after deducting own shares purchased to cover Long Term Incentive programs.

Capital expenditure (Capex): Cash paid for the acquisition of tangible and intangible assets presented in cash flows from investing activities, and cash paid on the lease liabilities (excluding interests paid), presented in cash flows from financing activities, excluding acquisition of assets associated with the Partial Demerger project. This indicator is used to manage capital employed in the Group.

Cash conversion: Is a ratio used to measure the conversion of EBITDA into cash. It is defined as (Underlying EBITDA + Capex from continuing operations) / Underlying EBITDA.

CGU: Cash-generating unit

CTA: Currency Translation Adjustment

Diluted earnings per share: Net income (Solvay's share) divided by the weighted average number of shares adjusted for the effects of dilution.

Discontinued operations: Component of the Group which the Group has disposed of or which is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

EBIT: Earnings before interest and taxes. Performance indicator that is a measure of the Group's operating profitability irrespective of the funding's structure.

EBITDA: Earnings before interest and taxes, depreciation and amortization. The Group has included EBITDA as an alternative performance indicator because management believes that the measure provides useful information to assess the Group's operating profitability as well as the Group's ability to generate operating cash flows.

Extra-financial indicators: Indicators used that measure the sustainability performance of the company in complement to financial indicators. For more information, we refer to the last available annual report available on www.solvay.com

Free cash flow: Cash flows from operating activities (excluding cash flows linked to acquisitions or disposals of subsidiaries, cash outflows of Voluntary Pension Contributions, as they are deleveraging in nature as a reimbursement of debt and cash flows related to internal management of portfolio such as one-off external costs of internal carve-out and related taxes…), cash flows from investing activities (excluding cash flows from or related to acquisitions, and disposals of subsidiaries, and cash flows associated with the Partial Demerger project), and other investments, and excluding loans to associates and non-consolidated investments, and recognition of factored receivables), payment of lease liabilities, and increase/decrease of borrowings related to environmental remediation. Prior to the adoption of IFRS 16, operating lease payments were included within free cash flow. Following the application of IFRS 16, because leases are generally considered to be operating in nature, free cash flow incorporates the payment of the lease liability (excluding the interest expense). Excluding this item in the free cash flow would result in a significant improvement of free cash flow compared to prior periods, whereas the operations themselves have not been affected by the implementation of IFRS 16. It is a measure of cash generation, working capital efficiency and capital discipline of the Group.

Free cash flow to Solvay shareholders: Free cash flow after payment of net interests, coupons of perpetual hybrid bonds and dividends to non-controlling interests. This represents the cash flow available to Solvay shareholders, to pay their dividend and/or to reduce the net financial debt.

Free cash flow conversion: Calculated as the ratio between the free cash flow to Solvay shareholders of the last rolling 12 months (before netting of dividends paid to non-controlling interest) and underlying EBITDA of the last rolling 12 months.
GBU: Global business unit.
HPPO: Hydrogen peroxide propylene oxide, technology to produce propylene oxide using hydrogen peroxide
IFRS: International Financial Reporting Standards.
LTM: Last twelve months
Leverage ratio: Net debt / underlying EBITDA of last 12 months. Underlying leverage ratio = underlying net debt / underlying EBITDA of last 12 months.
Mandatory contributions to employee benefits plans: For funded plans, contributions to plan assets corresponding to amounts required to be paid during the respective period, in accordance with agreements with trustees or regulation, as well as, for unfunded plans, benefits paid to beneficiaries.
Net cost of borrowings: cost of borrowings netted with interest on loans and short-term deposits, as well as other gains (losses) on net indebtedness.
Net financial debt: Non-current financial debt + current financial debt – cash & cash equivalents – other financial instruments (current and non-current). Underlying net debt reclassifies as debt 100% of the hybrid perpetual bonds, considered as equity under IFRS. It is a key measure of the strength of the Group's financial position and is widely used by credit rating agencies.
Net financial charges: Net cost of borrowings and costs of discounting provisions (namely, related to post-employment benefits and Health Safety and Environmental liabilities).
Net pricing: The difference between the change in sales prices versus the change in variable costs.
Net sales: Sales of goods and value added services corresponding to Solvay's know-how and core business. Net sales exclude Revenue from non-core activities.
Net working capital: Includes inventories, trade receivables and other current receivables, netted with trade payables and other current liabilities.
OCI: Other Comprehensive Income.
Organic growth: Growth of Net sales or underlying EBITDA excluding scope changes (related to small M&A not leading to restatements) and forex conversion effects. The calculation is made by rebasing the prior period at the business scope and forex conversion rate of the current period.
pp: Unit of percentage points, used to express the evolution of ratios.
PPA: Purchase Price Allocation (PPA) accounting impacts related to acquisitions.
Research & innovation: Research & development costs recognized in the income statement and as capital expenditure before deduction of related subsidies, royalties and depreciation and amortization expense. It measures the total cash effort in research & innovation, regardless of whether the costs were expensed or capitalized.
Result from legacy remediation and major litigations: It includes:

- The remediation costs not generated by on-going production facilities (shut-down of sites, discontinued productions, previous years' pollution), and
- The impact of significant litigations

Results from portfolio management and major restructuring: It includes:

- Gains and losses on the sale of subsidiaries, joint operations, joint ventures, and associates that do not qualify as discontinued operation²s;
- Acquisition costs of new businesses;
- One-off operating costs related to internal management of portfolio (carve-out of major lines of businesses);
- Gains and losses on the sale of real estate not directly linked to an operating activity;
- Restructuring charges driven by portfolio management and by major reorganization of business activities, including impairment losses resulting from the shutdown of an activity or a plant;
- Impairment losses resulting from testing of Cash Generating Units (CGUs);

It excludes non-cash accounting impact from amortization and depreciation resulting from the purchase price allocation (PPA) from acquisitions.
Revenue from non-core activities: Revenues primarily comprising commodity and utility trading transactions, non-core licensing transaction, and other revenue considered not to correspond to Solvay's core business.
ROCE: Return on Capital Employed, calculated as the ratio between underlying EBIT (before adjustment for the amortization of PPA) and capital employed. Capital employed consists of net working capital, tangible and intangible assets, goodwill, rights-of-use assets, investments in associates & joint ventures and other investments, and is taken as the average of the situation at the end of the last 4 quarters.
Underlying: Underlying results are deemed to provide a more comparable indication of Solvay's fundamental performance over the reference periods. They are defined as the IFRS figures adjusted for the "Adjustments" as defined above. They provide readers with additional information on the Group's underlying performance over time as well as the financial position and they are consistent with how the business' performance and financial position are reported to the Board of Directors and the Executive Committee.
Underlying Tax rate: Income taxes / (Result before taxes – Earnings from associates & joint ventures) – all determined on an Underlying basis. The adjustment of the denominator regarding associates and joint ventures is made as these contributions are already net of income taxes. This provides an indication of the tax rate across the Group.

Voluntary pension contributions: Contributions to plan assets in excess of Mandatory Contributions to employee benefits plans. These payments are discretionary and are driven by the objective of value creation. These voluntary contributions are excluded from free cash flow as they are deleveraging in nature as a reimbursement of debt.
WACC: Weighted Average Cost of Capital
yoy: Year on year comparison.

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About Solvay

Solvay, a pioneering chemical company with a legacy rooted in founder Ernest Solvay's pivotal innovations in the soda ash process, is dedicated to delivering essential solutions globally through its workforce of over 9,000 employees. Since 1863, Solvay harnesses the power of chemistry to create innovative, sustainable solutions that answer the world's most essential needs such as purifying the air we breathe and the water we drink, preserving our food supplies, protecting our health and well-being, creating eco-friendly clothing, making the tires of our cars more sustainable and cleaning and protecting our homes. As a world-leading company with €4.9 billion in net sales in 2023 and listings on Euronext Brussels and Paris (SOLB), its unwavering commitment drives the transition to a carbon-neutral future by 2050, underscoring its dedication to sustainability and a fair and just transition. For more information about Solvay, please visit solvay.com or follow Solvay on LinkedIn.

Useful links

- Financial calendar
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