

SOLVAY

Roadshow presentation

post Q2 2024 earnings



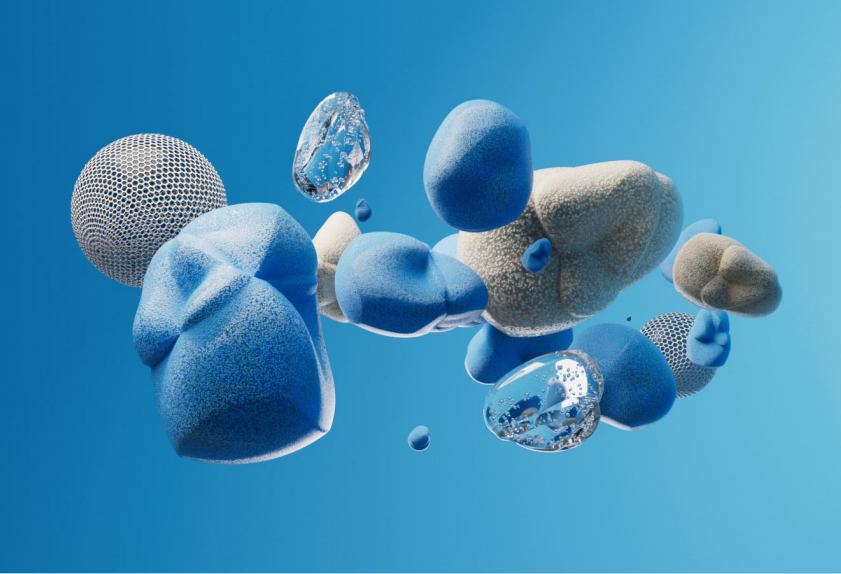
Philippe Kehren

CEO



Alexandre Blum

CFO



Profile & Strategy

A New Chapter

We are mastering
the elements essential
to our world

SOLVAY
MASTERING THE ESSENTIAL

Our Ambition

Consolidate **#1 market position**

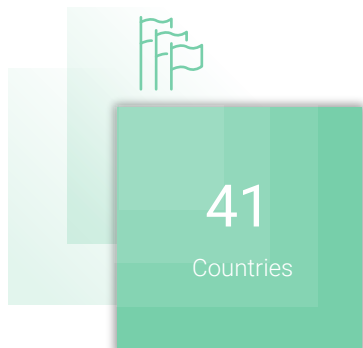
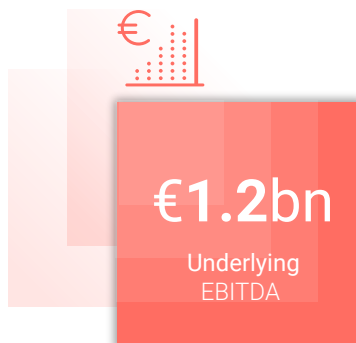
Be **THE** benchmark on cost

Sustain **top quartile** profitability and returns

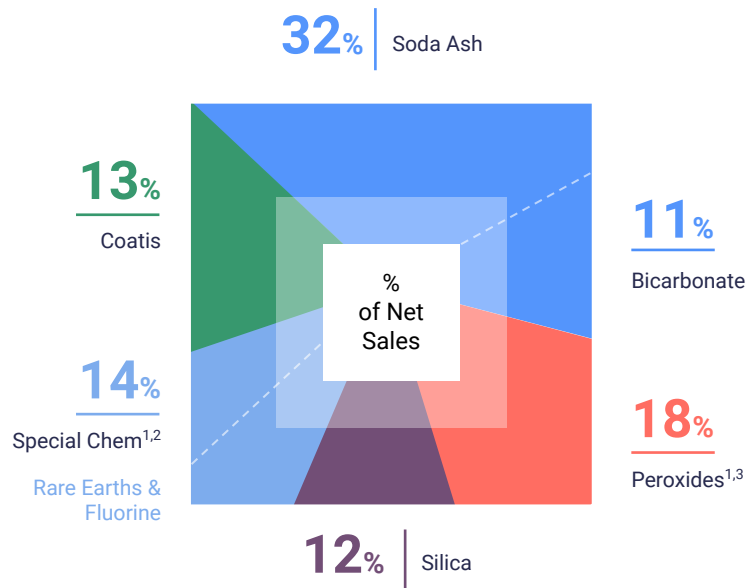
Deliver **carbon neutrality** through process innovation

SOLVAY

At a glance



Leadership across businesses

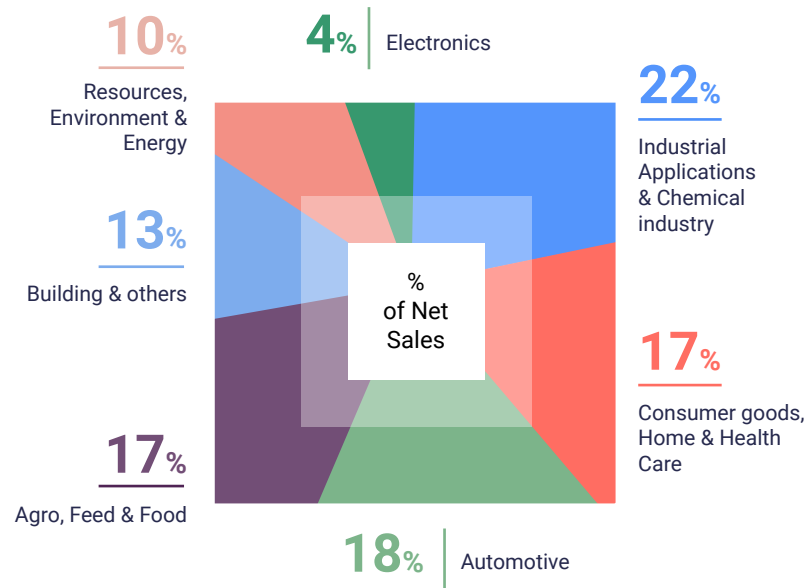


1 Special Chem and Peroxides net sales take into account the transfer of eH2O2 business from Special Chem to Peroxides (effective in 2024)

2 Special Chem net sales exclude thermal insulation business (phased out in 2023)

3 Peroxides : including changes related to Peroxidos do Brazil and Zhenjiang

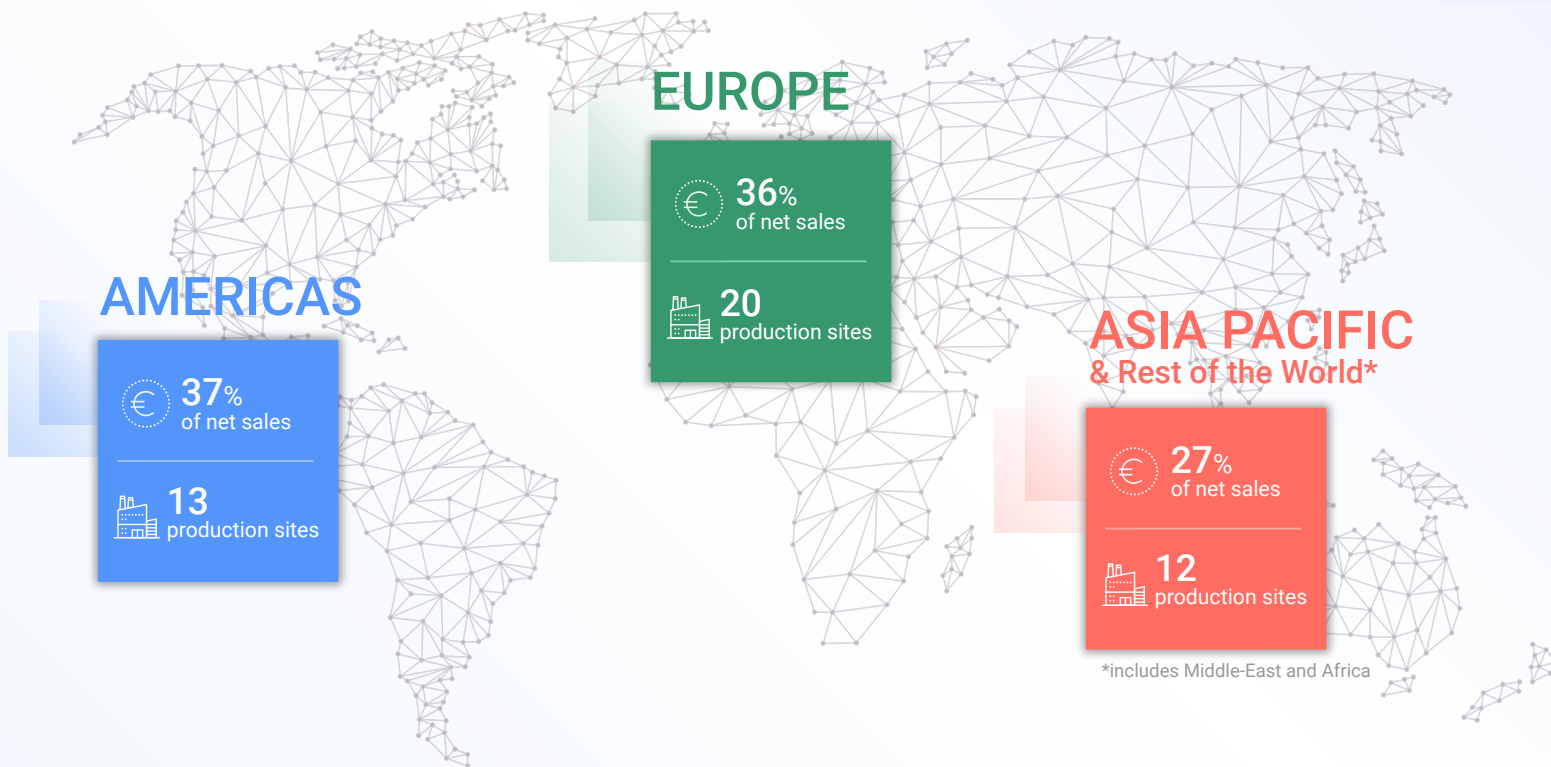
Essential to multiple end-markets



Based on 2023 net sales

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Balanced global geographical exposure



Strategy founded on 4 strategic priorities

Market
Leadership

Leverage

#1 position
in every
market

Cost & Process
Leadership

Drive

Excellence &
competitiveness

Energy
Transition

Deliver

Carbon
neutrality

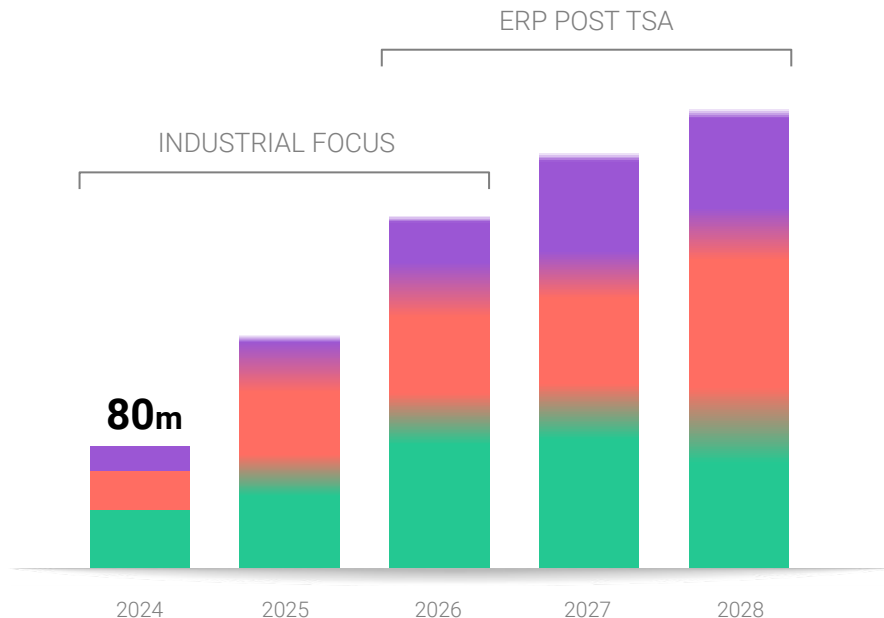
Capital
Discipline

Prioritize

Cash
generation
& dividends

Structural cost savings

Rapid ramp up in first years



€300m 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

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2023 ESG performance demonstrates strong progress on climate and better life

Drastically reducing our CO₂ emissions with 27 major energy transition projects

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

Clear prioritization of Cash usage

~€4bn

Levered pre-CAPEX cash flow
Indicative over 2024-28

Priority 1
Essential CAPEX

- One Planet
- Sustenance

~1/3

Priority 2
Dividends

‘Stable to increasing’ policy

~1/3

Priority 3
More value creation

- Selective investment projects
- Deleveraging
- Further shareholder return

~1/3

Value unlocked by the separation



Simplification

- Standardization
- End-to-End optimization



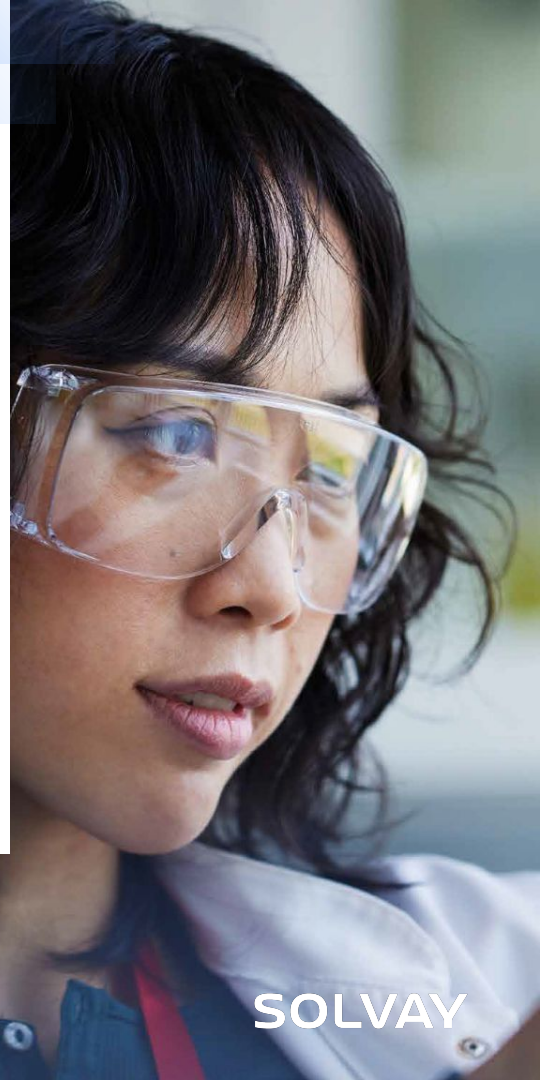
Industry
Leadership

- Lowest cost operations
- Process innovation for sustainable operations

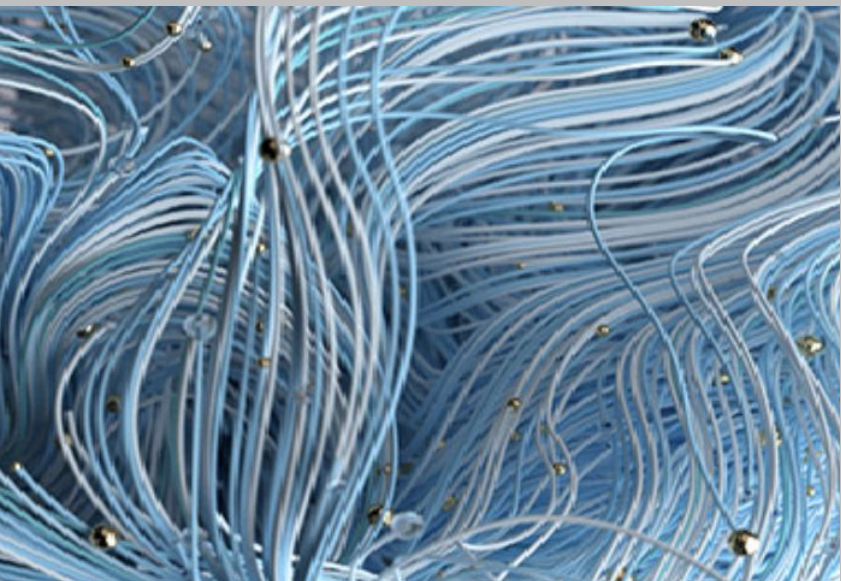


Focused
Investments

- Attractive shareholder returns
- Investments for efficiency and decarbonization
- Maintain IG rating



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Financials

Full year 2023 results

Another year of leadership and resilience

€4.9_{bn}

NET SALES

-12.6% yoy

€1.2_{bn}

Underlying EBITDA

+0.2% organic
25.5% EBITDA margin

€0.6_{bn}

FCF¹

45% FCF conversion

€1.5_{bn}

Underlying Net Debt

1.2x leverage ²

20.4%

ROCE²

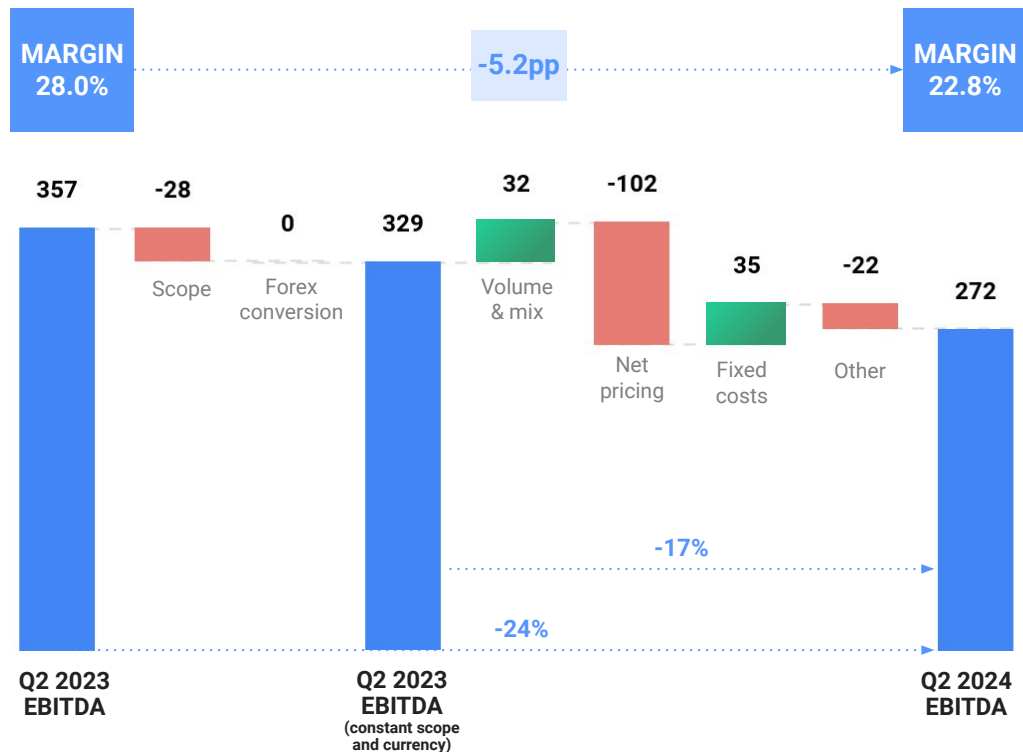
-2.5pp
last 12 months

Q2 2024 results

Continued sequential improvement of EBITDA and Margin driving solid FCF



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

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Structural cost savings in H1'24



TARGETS

€300m by 2028

€80m by 2024



€24_m



€12_m



€10_m



€46_m
DELIVERED

Operational
efficiency

Plant Fixed
Costs

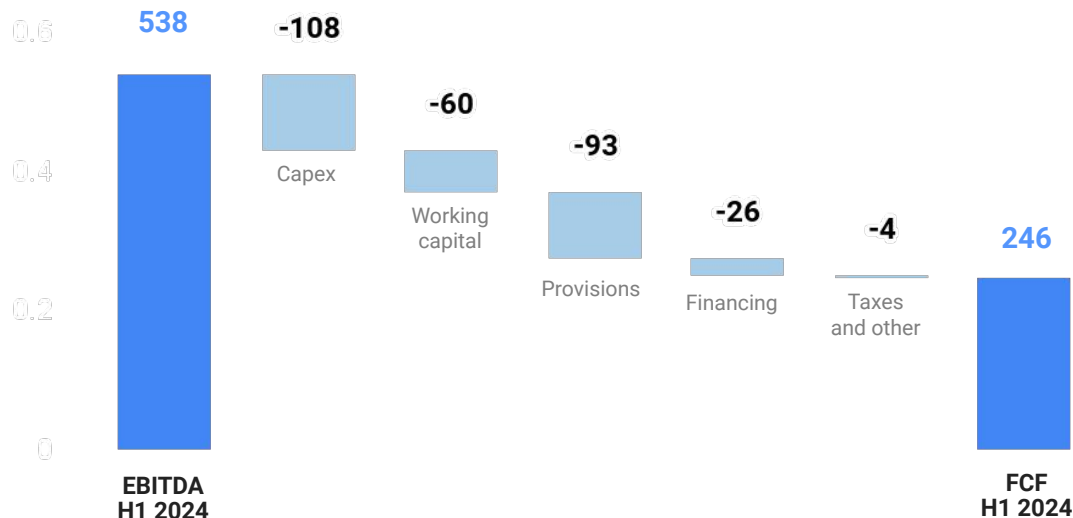
SG&A

H1'24

Gross savings (before inflation) measured as year on year EBITDA impact

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

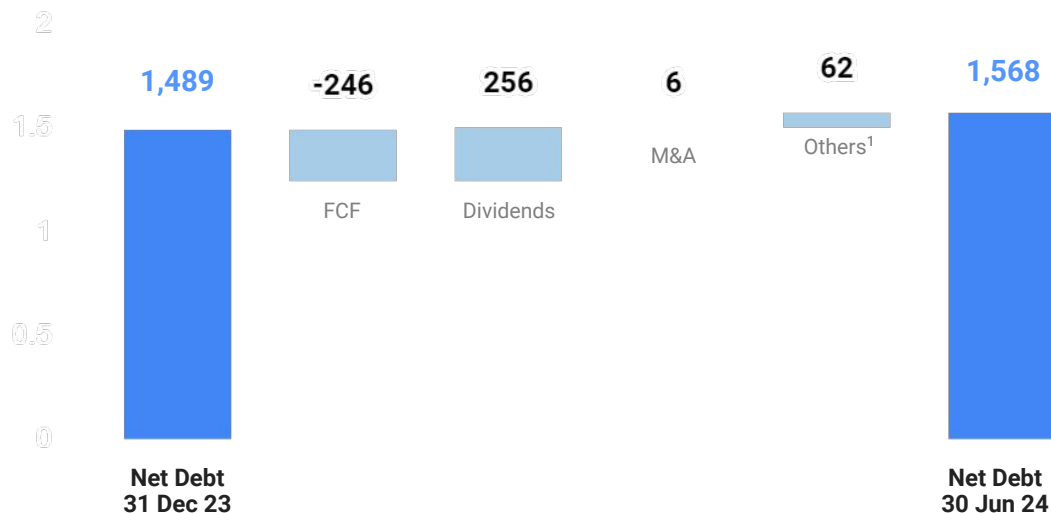
Prudent Capex

**Disciplined WC
management**

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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

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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)

2028 Targets

Underlying EBITDA Growth (in %)	Mid Single-Digit per year average
Underlying EBITDA Margin (in %)	Mid to High 20s
Total Gross Savings	€300 mn run-rate
Free cash flow Conversion (in %)	Exceed mid 30s
ROCE (in %)	Increasing to low 20s
Stable to increasing dividends	
Investment grade credit rating	

Baseline 2023, organic basis



investor.relations@solvay.com

Global Leadership Team



**Philippe
Kehren**
Chief Executive
Officer



Alexandre Blum
Chief Finance & Strategy
Officer



Lisa Brown
General Counsel &
Corporate Secretary



Lanny Duvall
Chief Operations Officer



Mark van Bijsterveld
Chief People Officer



**Jean Charles
Djelalian**
Chief Sustainability
Officer



Etienne Galan
President
GBU Soda Ash
& Derivatives



Daniela Manique
President
GBU Coatis



An Nuytens
President
GBU Silica &
Special Chem



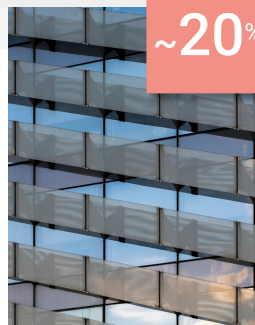
Brad Rector
Chief Information
Officer



Carlos Silveira
President
GBU Peroxides

Soda ash: market leadership with strong cash generation

SODA ASH



~20%

Flat glass
(construction, solar panels, automotive)



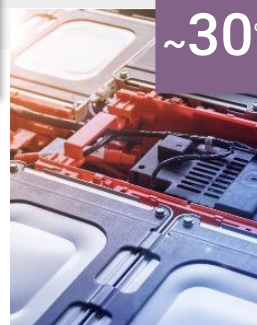
~15%

Container glass
(food & beverages)



~10%

Water softener for detergents



~30%

Other applications
incl. sodium silicates,
lithium carbonate

BICAR



~25%

Flue gas treatment, pharma, feed, food



Financials

Net Sales
2023
~€2.1bn

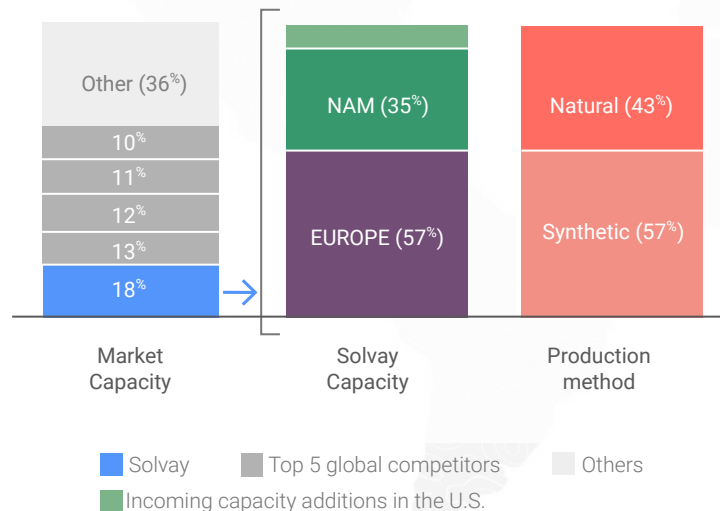
EBITDA Avg. Growth
2014-2023
~7%

Cash conversion
2014-2023
~70%

Soda ash: global market leader in both Soda Ash and Bicar

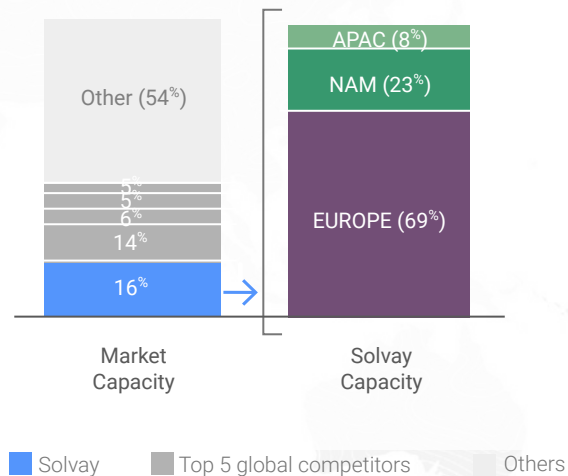
Global #1 position in **Soda Ash**

Soda Ash global capacity (excl. China) in kt (2022)



Global #1 position in **Bicar**

Bicar global capacity (incl. China) in kt (2023)



Peroxides: Market leadership and strong cash-generation



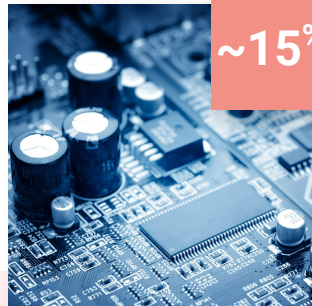
~35%

Chemical Industry



~20%

Pulp & Paper



~15%

Electronics



~30%

Other applications

incl. Textile bleaching, Food, Water & Aquaculture disinfectants and others



Financials

Net Sales
2023

~€0.9bn

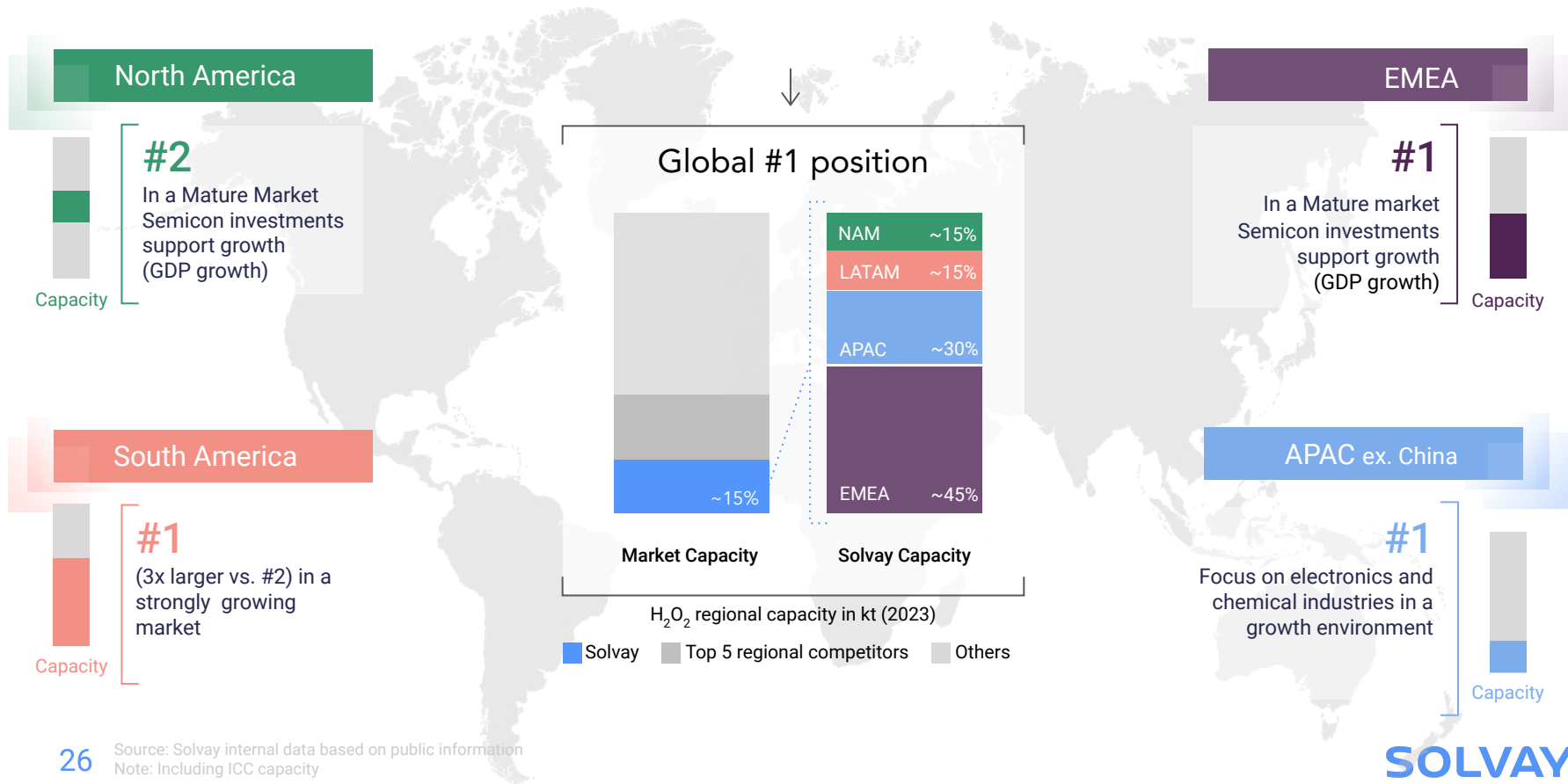
EBITDA Avg. Growth
2014-2023

~9%

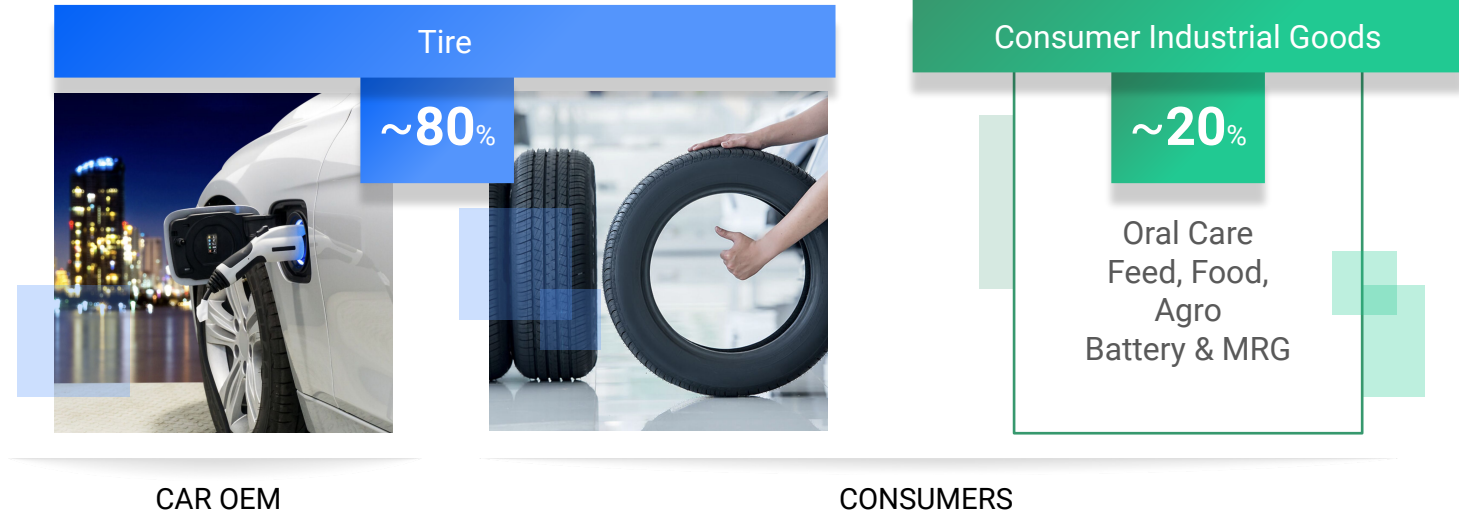
Cash conversion
2016-2023

>70%

Peroxides: undisputed market leader



Silica: Strong financial performance



KEY FIGURES

Net sales
2023

~€ 0.5bn

FTEs

~550

Production
sites

7

EBITDA CAGR
(last 5 years)

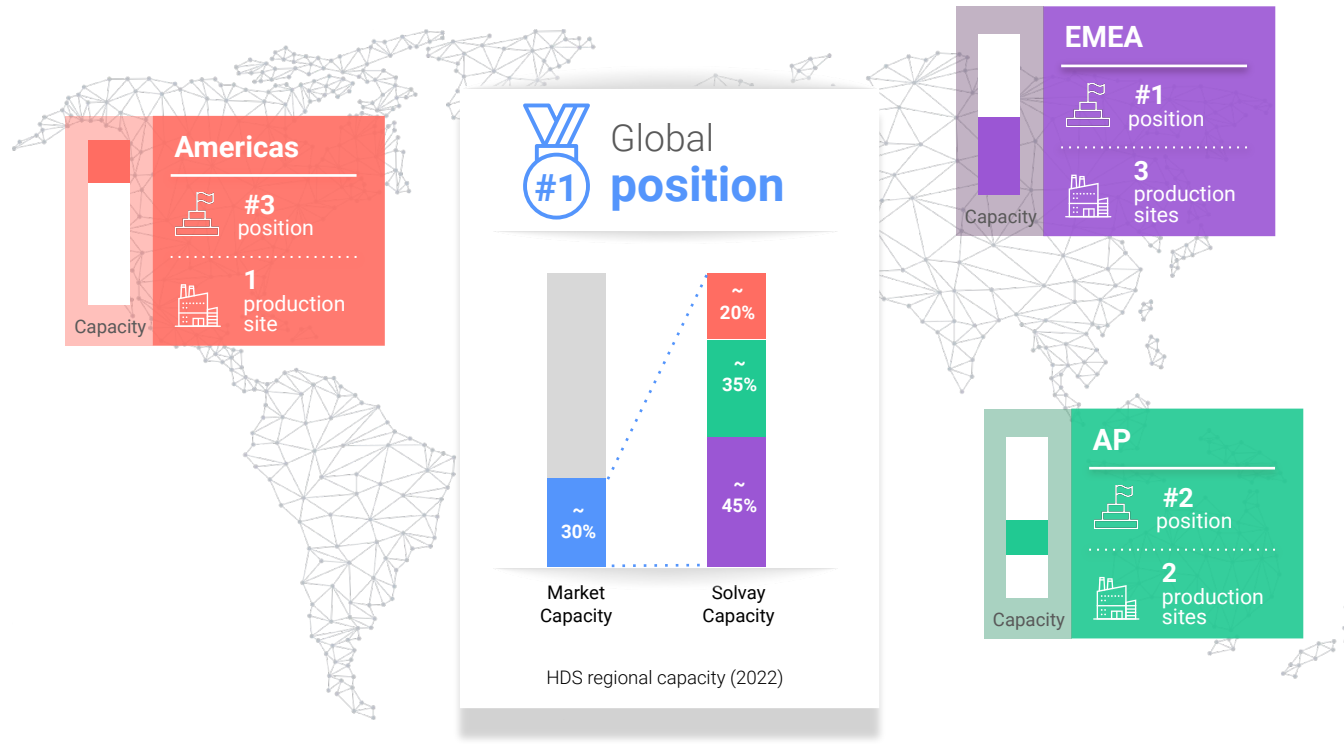
High single digit

Cash Conversion
(EBITDA - CAPEX) / EBITDA

~75%

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Silica: The global HDS market leader



Leader at
key tire brands

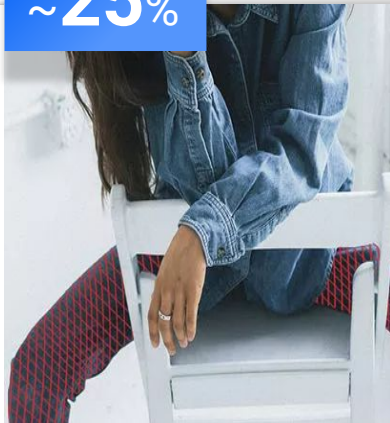
HDS global market size

~ €1.4bn

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

Coatis: 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

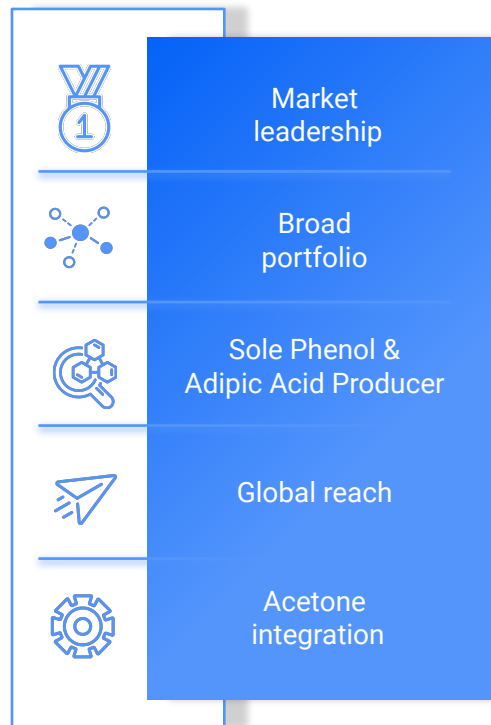
2

Cash Conversion
(EBITDA - CAPEX) / EBITDA

~65%

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



Regional leader in oxygenated solvents and polyamide chain

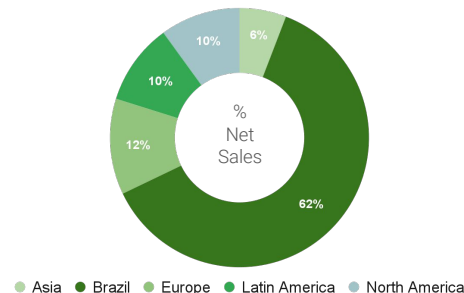
Solvents portfolio addressing a wide range of applications across resilient and growing end-markets

>50% Share in our markets

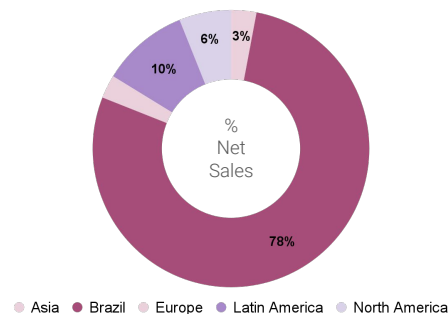
Exports to 53 countries worldwide, ensuring a balanced array of geographies

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

Solvents (~50%)



Polyamide Chain (~50%)



Special Chem: demonstrated EBITDA resilience and solid cash generation



KEY FIGURES

Net sales
2023

~€ 0.7bn

FTEs

1400

Production
sites

13

EBITDA CAGR
(last 5 years)

HDP

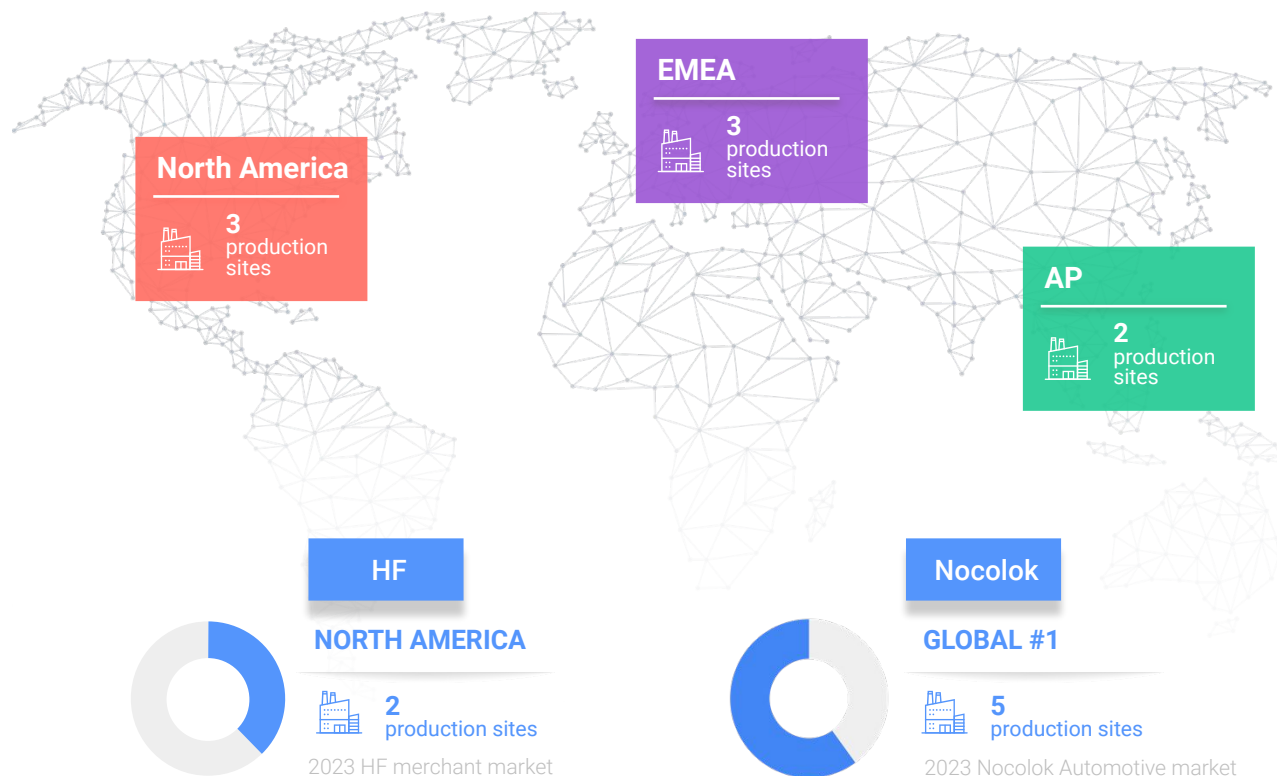
Cash Conversion
(EBITDA - CAPEX) / EBITDA

>60%

Adj. to current perimeter

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Fluorine: Strong regional presence enabling safe & high quality service to our customers



 Leader in selected applications

HF



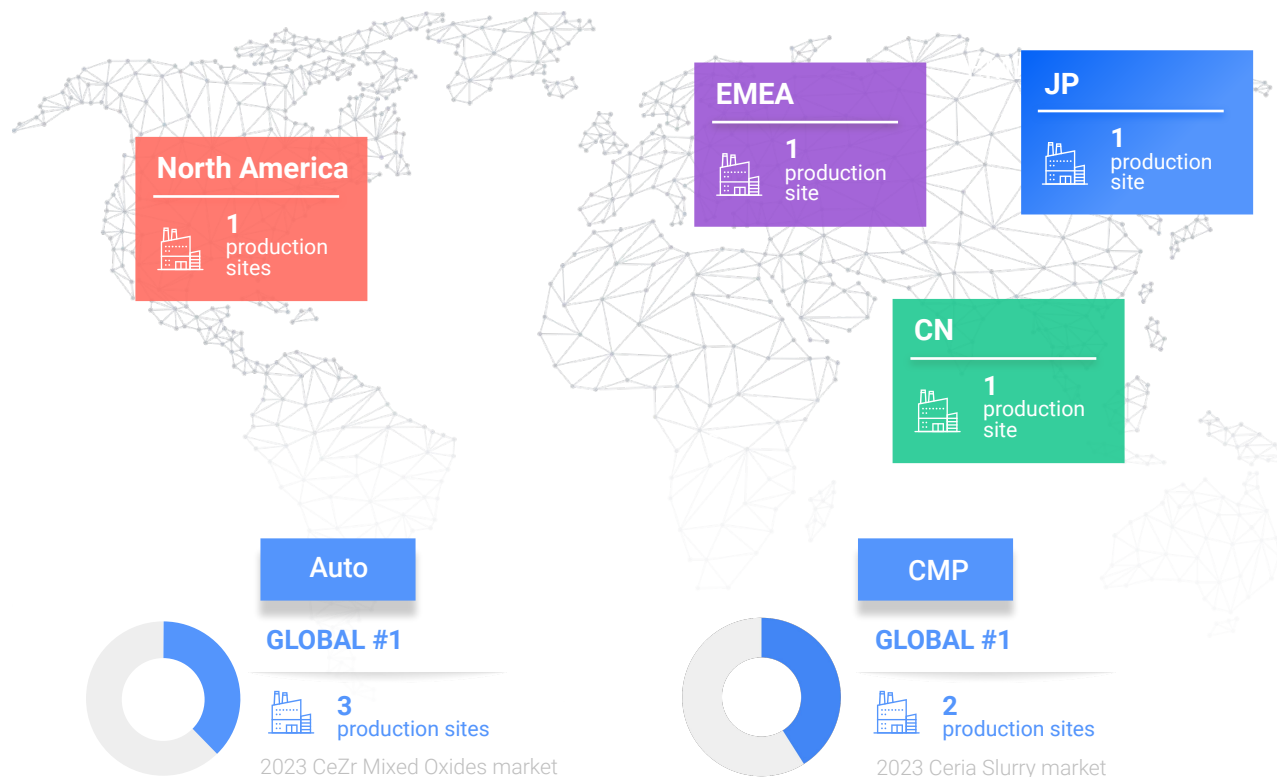
- Metal Treatment
- Refinery
- Quartz (Electronics)

Nocolok



- Automotive
- HVAC

Rare Earth: strong positions 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

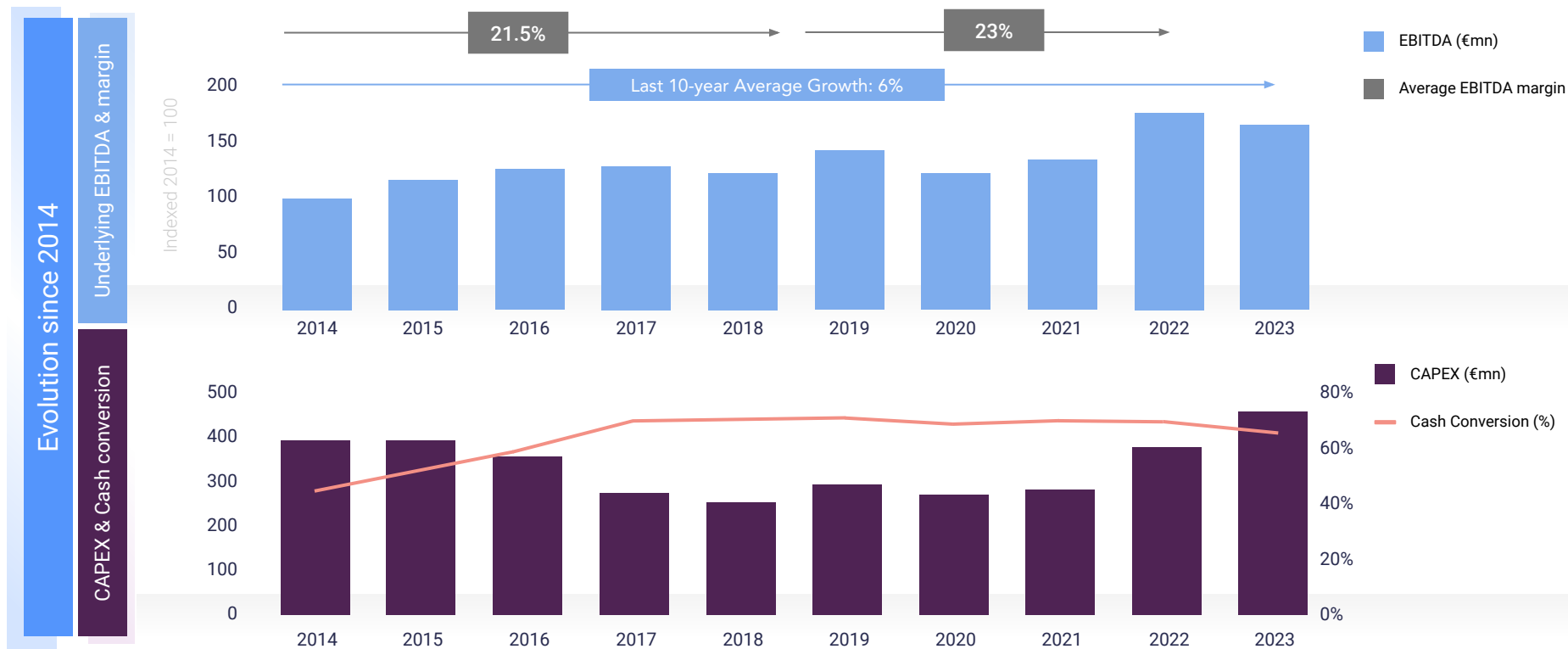
CMP



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

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A long track record of resilient growth, margin expansion and cash generation



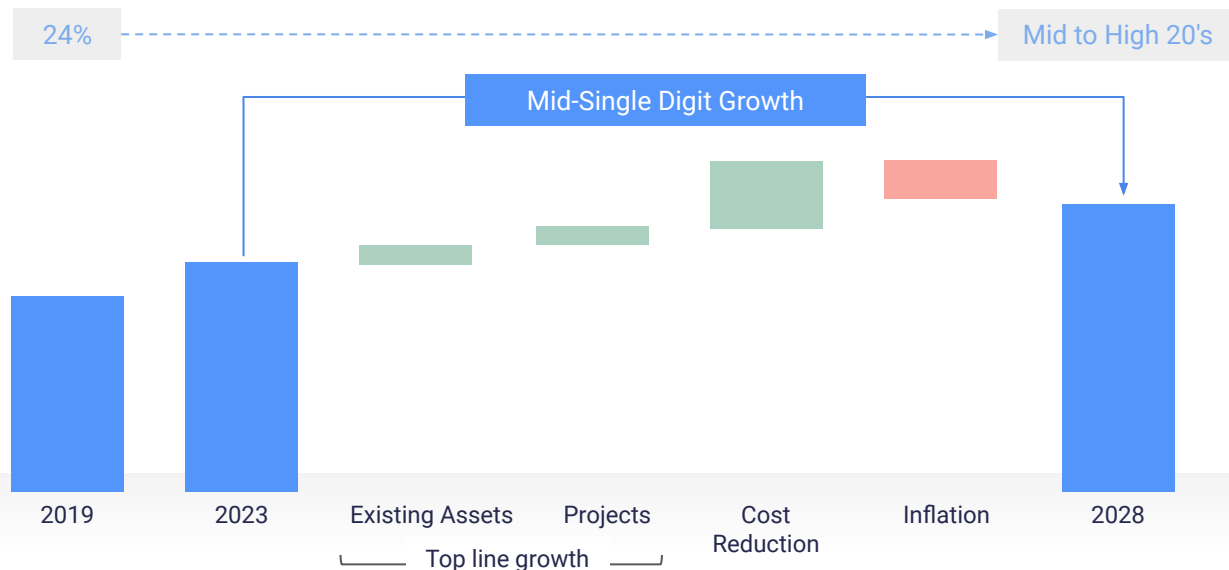
Profitable growth drivers



Underlying EBITDA (€mn) and Margin (%)

x EBITDA margin (%)

■ Underlying EBITDA (€mn)



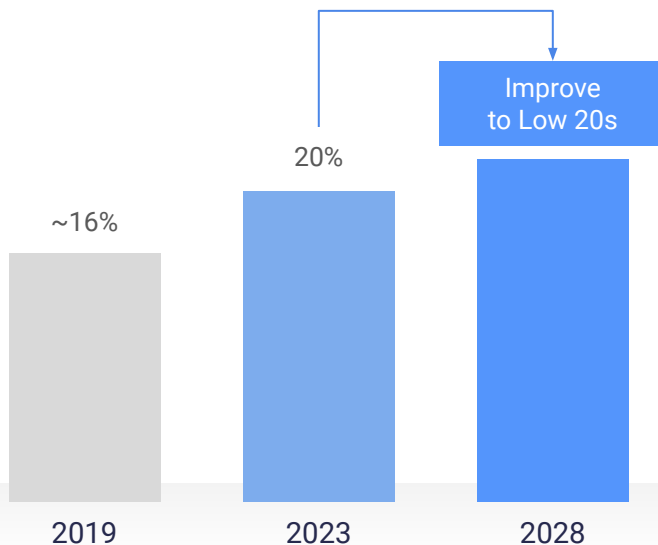
GDP Growth
in key market segments with
pockets **going beyond**

Cost Savings
from G&A and Operational
Excellence

Best-in-class ROCE to improve further



Return on Capital Employed (%)



Top Line Growth

Cost Reduction

Value Creation
investments

Asset Efficiency Gains

2023 Restated Underlying EBITDA and Net Sales

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

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

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

Glossary

- ✓ **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:** (Underlying EBITDA - Capex from continuing operations) / Underlying EBITDA.
- ✓ **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 carveout 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 (before netting of dividends paid to noncontrolling interest) and underlying EBITDA.
- ✓ **Levered pre-CAPEX cash flow:** Free cash flow to Solvay shareholders before Capital expenditure (capex).
- ✓ **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 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.
- ✓ **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. Scope impact includes the phasing out of Solvay's thermal insulation activities which were previously part of Special Chem as well as the phasing out of Solvay's third party energy supply activities that were previously included in Corporate Costs. Organic growth is the net of dissynergies related to PO2.
- ✓ **RIIR:** Reportable Injury & Illness rate. number of reportable injury or illness per 200,000 work hours.
- ✓ **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 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.

CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements contained herein may be forward-looking statements including, but not limited to, the statements about the Partial Demerger, as well as other statements that are predictions of or indicate plans, strategies, goals, future events or intentions. In particular, these statements relate to (and include data relating to) Solvay management's business strategies, capital expenditures and other investments, growth of existing operations and expansion plans, its financial situation and its cash flow, as well as forecasts, other future events, trends or objectives and expectations concerning, in particular, the markets in which it operates, its strategy, its growth and its results. These statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The statements in the presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions. The statements are not historical facts and should not be construed as a guarantee that the stated facts and/or data will occur. Although Solvay believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. As such, undue reliance should not be placed on such statements. Should one or more of these risks and uncertainties materialize, or should any underlying assumptions prove incorrect, or any other factor impact those statements, the Solvay Group's or Syensqo's actual results, plans, objectives and expectations, as well as the timing and consummation of the Partial Demerger and related transactions, may differ materially from those expressed or implied in the forward-looking statements. The inclusion of such statements should not be regarded as a representation that such results, plans, trends or objectives will be achieved. Important factors that could cause actual results, plans, trends and objectives to differ materially from those expressed in such statements include, among others, Solvay's and Syensqo's ability to satisfy the necessary conditions to consummate the Partial Demerger, or that the Partial Demerger will be completed, within the expected time frame, on the expected terms or at all; Solvay's ability to realize the anticipated benefits of the Partial Demerger, in full or at all; the expected tax treatment of the Partial Demerger; potential uncertainty during the pendency of the Partial Demerger that could affect Solvay's financial performance; the possibility of disruption, including changes to existing business relationships, disputes, litigation or unanticipated costs in connection with the Partial Demerger and related transactions; uncertainty of Solvay's or Syensqo's financial performance and ability to succeed as standalone publicly traded companies following completion of the Partial Demerger; negative effects of the announcement or pendency of the Partial Demerger and related transactions on the value and future market price of Solvay's or Syensqo's securities as standalone publicly traded companies and/or on their financial performance; general economic factors, such as interest rate, currency exchange rate fluctuations and changing market conditions; competition, including technological advances, new products and patents attained by competitors; challenges inherent in new product research and development; the impact of business combinations, divestitures and restructurings, including any reorganizations to be carried out in connection with the contemplated transaction; adverse litigation or government action, including related to product liability claims; changes to applicable laws and regulations, including tax laws and import/export and trade laws; the impact of products withdrawals; regulatory approval processes; the ability to implement its R&I projects and efforts; the ability to capture any opportunities and market share growth from its principal end-markets or the identified growth platforms, to the extent realized; the ability to identify and invest in value-creating projects and apply its value-based pricing model; the ability to deliver on its strategic initiatives; and the ability to improve efficiency in the use of its existing assets. Solvay undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise, except as required by applicable laws and regulations.

FINANCIAL INFORMATION INCLUDED IN THIS PRESENTATION

This presentation contains certain financial information relating to Solvay before completion of the Partial Demerger, as well as separate indicative financial information with respect to Solvay in its expected configuration immediately following the completion of the Partial Demerger (also known as "EssentialCo"), though Solvay's name will not change. The financial information relating to Solvay has been derived from Solvay's audited consolidated financial statements for the periods indicated or from other published financial or management data. The indicative financial information for EssentialCo for the years 2020, 2021 and 2022 and for the six-month period ended June 30, 2023 has been derived from the unaudited pro forma combined financial statements of EssentialCo. The unaudited pro forma combined financial statements of EssentialCo and information derived therefrom in this document is qualified by the detailed information contained therein, including in the notes thereto. The unaudited pro forma combined financial statements of EssentialCo for the years 2020, 2021 and 2022 are included in the Information Document published by Solvay on June 30, 2023 and the unaudited pro forma combined financial statements of EssentialCo for the six-month period ended June 30, 2023 are available on Solvay's website (www.solvay.com). Information derived from such pro forma combined financial statements in this presentation is qualified by the detailed information contained therein, including in the notes thereto.

Certain financial information for periods prior to 2020 relating to the business units of Solvay that will form part of EssentialCo is presented herein for purposes of illustrating indicative trends. However, the financial information for those business units was prepared on a basis that is different from the basis of preparation of the unaudited pro forma combined financial statements of EssentialCo. Accordingly, the trend information presented herein may be different from the trends that would be shown had EssentialCo prepared pro forma combined financial statements for such periods. Investors should not place undue reliance on such trend information.

In addition, this presentation refers to certain non-GAAP financial measures, or alternative performance measures, used by Solvay in analyzing its operating trends, financial performance and financial position and providing investors with additional information considered useful and relevant regarding its results. These non-GAAP financial measures are not recognized measures under IFRS or any other generally accepted accounting standards, and they generally have no standardized meaning and therefore may not be comparable to similarly labelled measures used by other companies. As a result, none of these non-GAAP financial measures should be considered in isolation from, or as a substitute for, Solvay's audited financial statements and related notes prepared in accordance with IFRS. For a definition of each non-GAAP financial measure included in this presentation and a reconciliation from such non-GAAP financial measure to the relevant line item, subtotal or total in EssentialCo's financial statements, please refer to Section 7.3, "Alternative Performance Measures" of the information Document.

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