



SOLVAY

asking more from chemistry®

Solvay expands its specialty polymers offerings with **Ryton® PPS** acquisition

Sustained strategic portfolio realignment

With Ryton® PPS* acquisition, Solvay further
strengthens unmatched leadership in
Specialty Polymers' solutions

Additional step in Solvay's in-depth transformation
towards a higher growth,
less cyclical and greater returns Group

* PPS: PolyPhenylene Sulfide

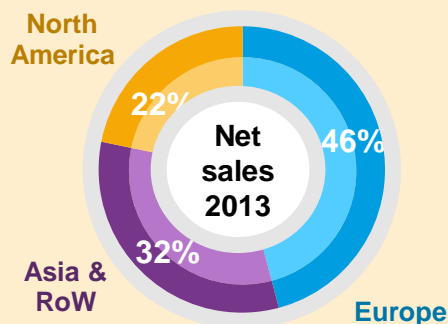
Compelling strategic rationale

- ❑ **Ryton® PPS***, a strong business fit
 - ❑ Further enhance Specialty Polymers' unmatched broad solutions portfolio
 - ❑ Attractive market with solid growth (CAGR 7%) driven by climate change, related regulations and population growth
- ❑ Significant synergies
 - ❑ Cross-selling (products and customers) opportunities
 - ❑ Cost synergies: joint R&D, manufacturing excellence, purchasing, marketing and sales, and logistics
 - ❑ Solvay crucial engineering and operational excellence know-how to ramp-up the new plant based on a highly innovative PPS technology

* PPS: PolyPhenylene Sulfide

Ryton® PPS in a nutshell

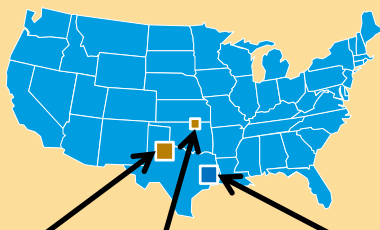
Key figures



- Net sales 2013
~ € 100 m
- Workforce
~ 200 employees

Industrial Footprint

United States



Borger
resin

Bartlesville
pilot plant

La Porte
(compounding)
*Not taken over, but
temporary
tolling agreement*

Belgium

Kallo-Beveren
compounding



Singapore

Singapore
application lab (assets)

Product



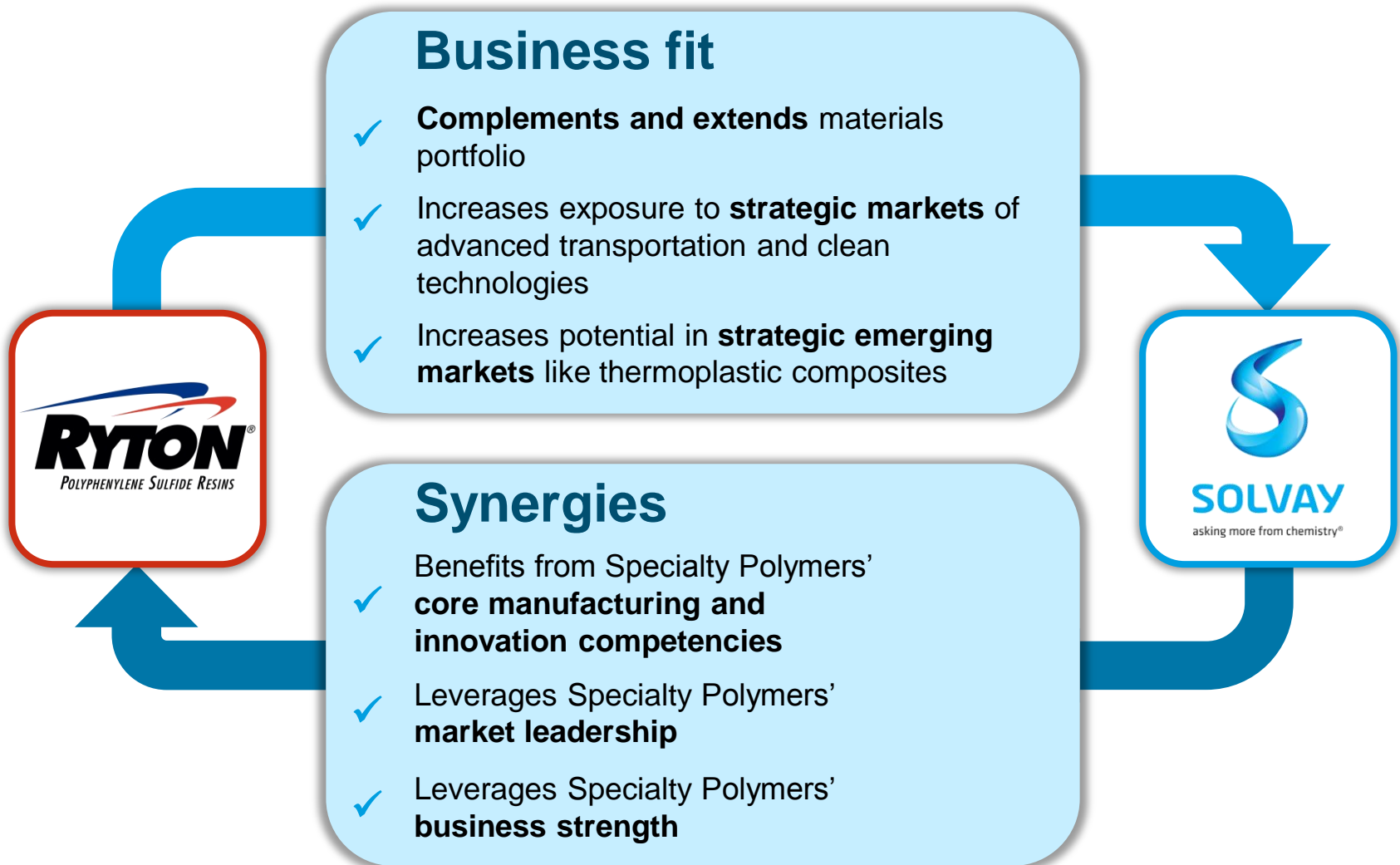
- 1st PPS brand created 40 years ago
- PPS meeting highest performance standards
- Strong brand recognition among Auto OEM/OES

"In Auto, Ryton® is like Kleenex®
for tissues"

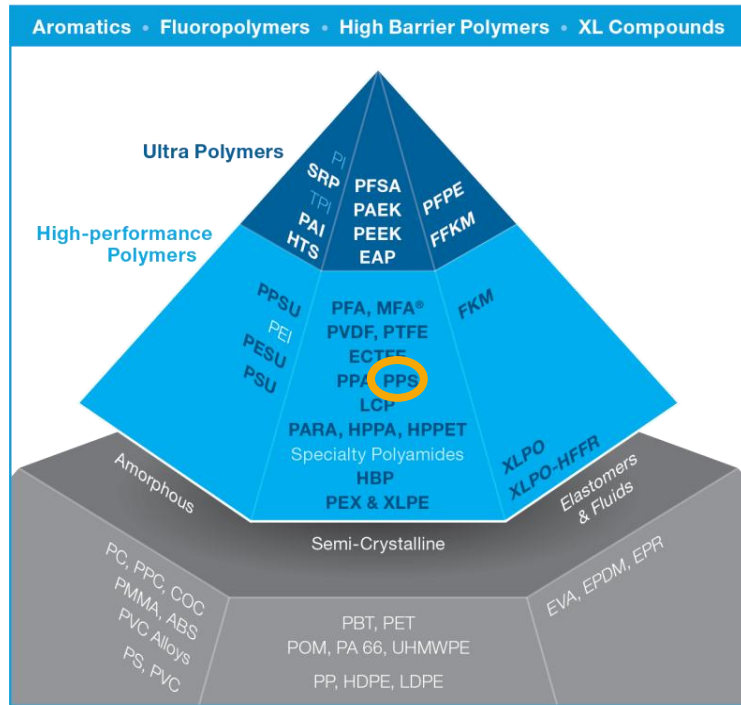
"Automotive tends to speak Ryton®"

Competitor/ Distributor

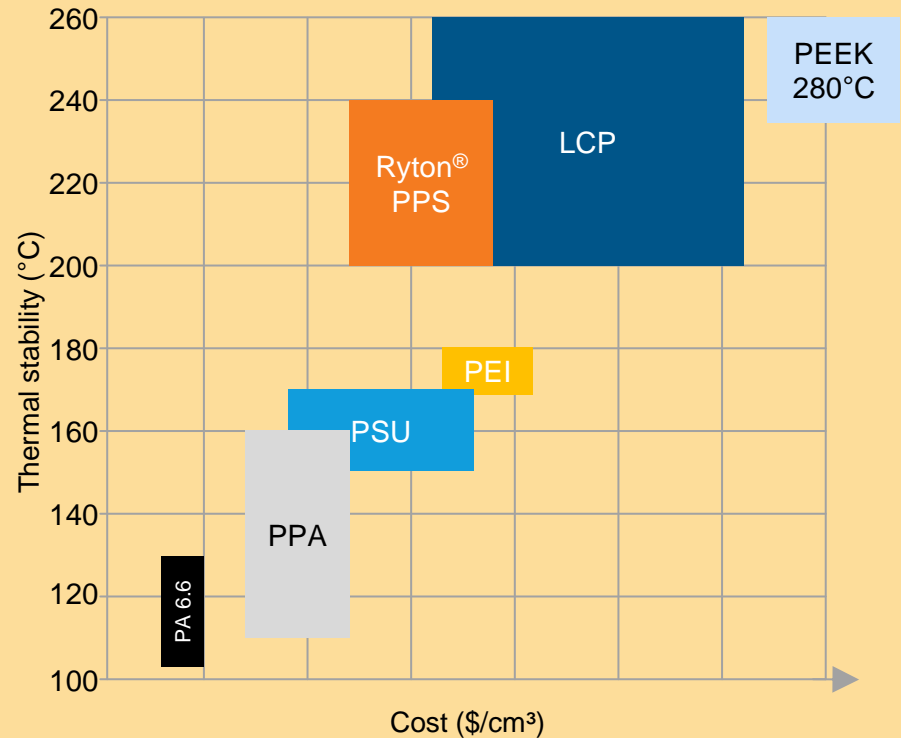
Ryton® PPS offers strong business fit & synergies



Ryton® PPS extends product portfolio functionalities to Solvay's customers



PPS is the optimal material for specific market segments that Specialty Polymers wants to penetrate

















PPS provides a unique combination of price, mechanical strength, chemical resistance and thermal stability that complements our existing polymers portfolio

Solvay's unique solution offering to its customers further strengthened by Ryton® PPS

	Aromatics						Fluoropolymers					High-barrier polymers	X-linkable compounds
	LCP	HPPA	PPS	PEEK	PAI	PSU	PTFE	PVDF	PFA	FKM	PFPE	PVDC	XLCP
Automotive		<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>		<div></div>
Advanced Transportation	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>		<div></div>		<div></div>
Oil & Gas		<div></div>	<div></div>	<div></div>	<div></div>			<div></div>	<div></div>	<div></div>	<div></div>		<div></div>
Renewable Energy				<div></div>		<div></div>		<div></div>		<div></div>	<div></div>		<div></div>
Healthcare		<div></div>		<div></div>		<div></div>	<div></div>					<div></div>	
Smart Devices	<div></div>	<div></div>		<div></div>		<div></div>		<div></div>		<div></div>	<div></div>		
Water						<div></div>		<div></div>					
Other markets	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>

Solvay's unique solution offering to its customers further differentiates it from its competitors

	Aromatics						Fluoropolymers					High-barrier polymers	X-linkable compounds
	LCP	HPPA	PPS	PEEK	PAI	PSU	PTFE	PVDF	PFA	FKM	PFPE	PVDC	XLCP
 SOLVAY asking more from chemistry®	●	●	● ↑ Ryton®	●	●	●	●	●	●	●	●	●	●
													
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Ryton® PPS enhances Solvay's growth potential

Solvay Specialty Polymers

Net Sales
2013

€ 1.3 bn

Advanced transportation

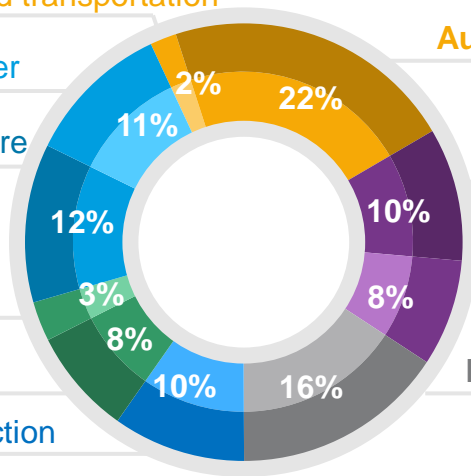
Consumer

Healthcare

Water

Energy

Construction



Automotive

E&E

Smart
devices

Industrial

Other

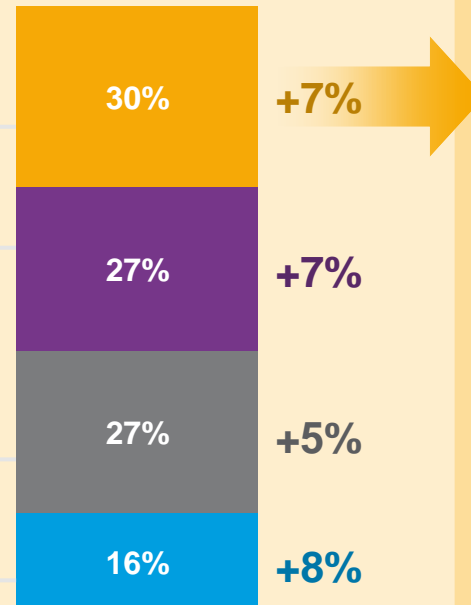
Global PPS applications

Market size
(in volume)

64 kt

CAGRe
2013-2020

+7%



Strong growth in Automotive

0,5 kg
/vehicle

2.5 kg
/vehicle

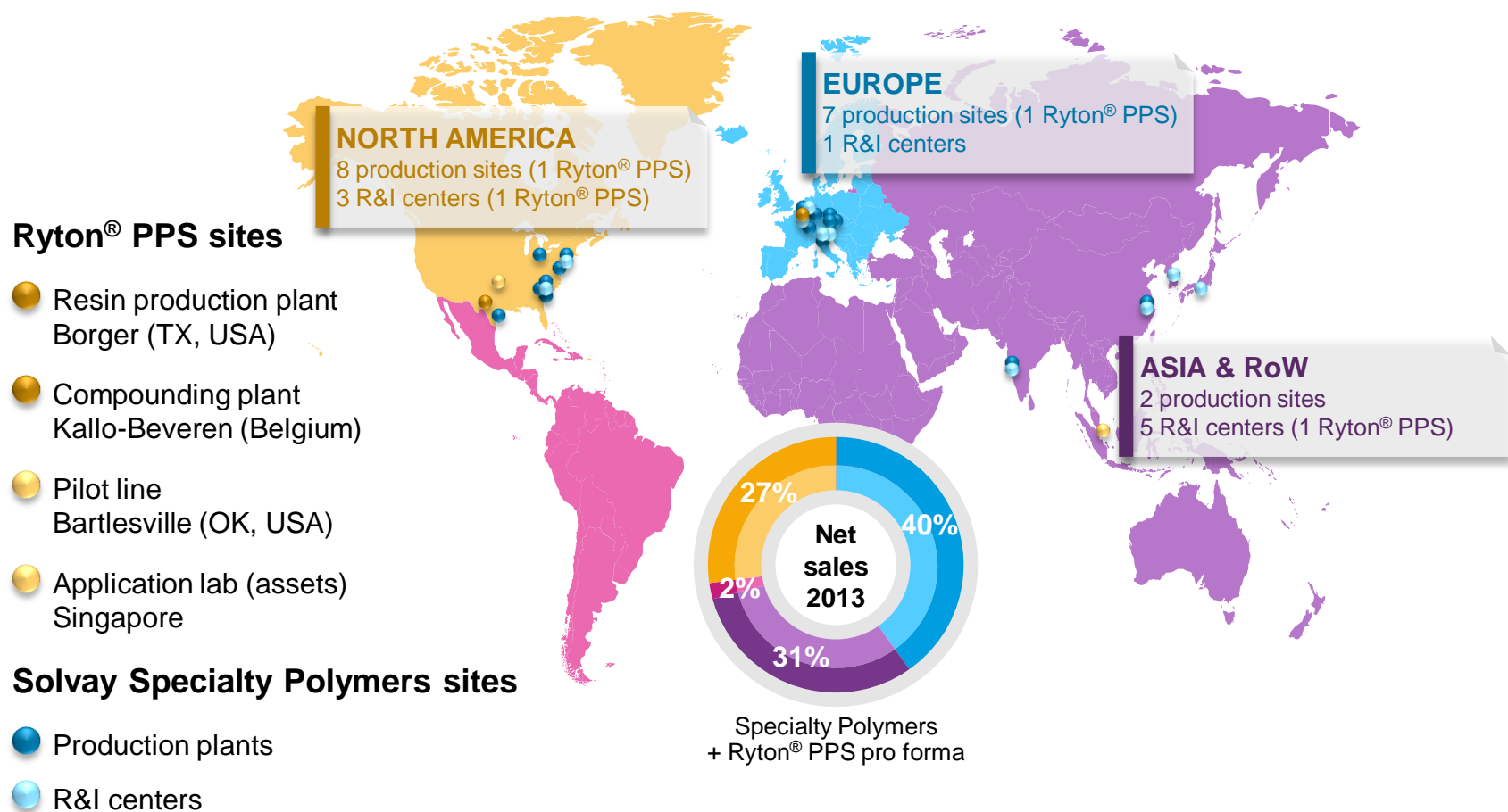
Motor
insulators

ECU /
Control unit

IPM /
Power module


New PPS applications in Automotive are emerging from Hybrid and Electric Vehicles

Ryton® PPS easily integrated in Solvay Specialty Polymers' regional set-up



Transaction terms & financial considerations

Cash transaction

- US\$ 220 M (~ € 170 m)
- Taken over from 

Important synergies, compelling returns

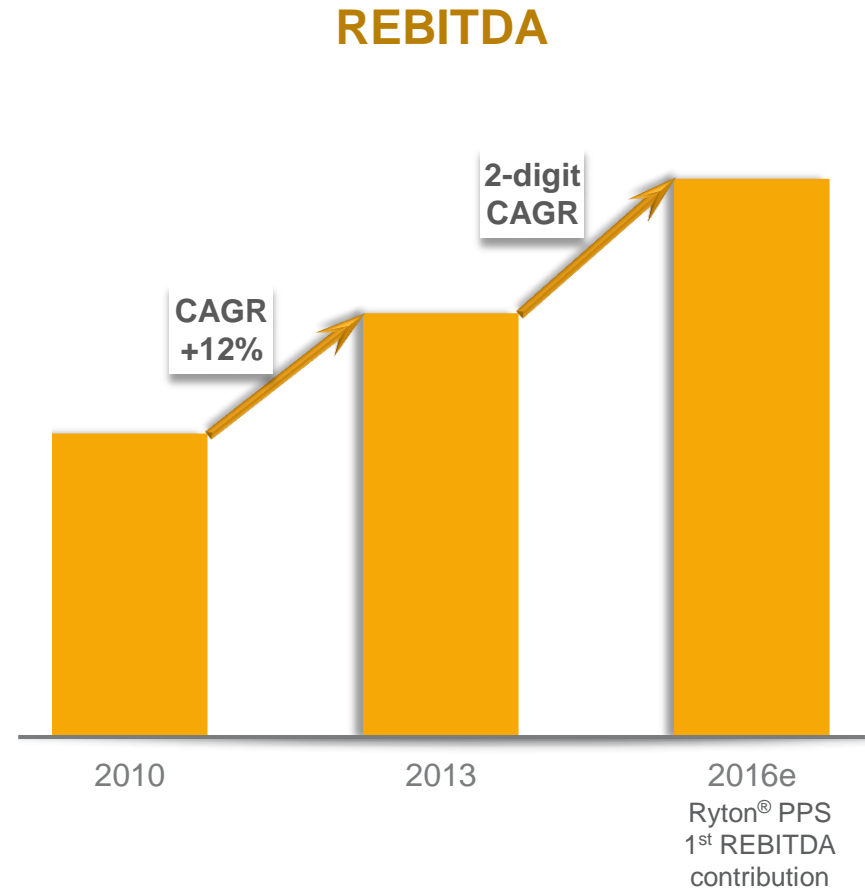
- Solvay will invest and use its engineering and operational excellence know-how to ramp-up the highly innovative new PPS plant
- 2016, start of meaningful REBITDA contribution after transition integration year
- CFROI > WACC as from 2018

Closing expected by YE 2014

- Transaction subject to customary closing conditions, including anti-trust clearance in US

Ryton® PPS acquisition, further underpinning Specialty Polymers' key contribution to Solvay's growth ambition

- **Market leader**, serving best solutions to customers
- Ryton® PPS further enhancing broadest solution offering and expanding addressable market
- Supplying highly dynamic **growth markets** driven by ever increasing demand for **sustainable solutions**
- Delivering value through **innovation**, **market growth** and **operational excellence**



Take-aways

Ryton[®] PPS acquisition further improves Solvay's business profile

- Further strengthening Specialty Polymers' growth engine leading position
- Strong growth prospects
- Significant synergies
- CFROI > WACC as from 2018

Pursuing Solvay's transformation

Forthcoming 2014 key events

13 November 2014
Q3 results publication



www.solvay.com



SOLVAY

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