



SOLVAY

asking more from chemistry®

VALUE GROWTH



November
December
2018

SAFE HARBOR

This presentation may contain forward-looking information. Forward-looking statements describe expectations, plans, strategies, goals, future events or intentions. The achievement of forward-looking statements contained in this presentation is subject to risks and uncertainties relating to a number of factors, including general economic factors, interest rate and foreign currency exchange rate fluctuations, changing market conditions, product competition, the nature of product development, impact of acquisitions and divestitures, restructurings, products withdrawals, regulatory approval processes, all-in scenario of R&D projects and other unusual items.

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FORENOTE

Following the announcement in September 2017 of plans to divest the Polyamide business, these have been reclassified as discontinued operations and as assets held for sale. For comparative purposes, the first quarter of the 2017 income statement has been restated.

Besides IFRS accounts, Solvay also presents underlying Income Statement performance indicators to provide a more consistent and comparable indication of the Group's financial performance. 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, and for other elements that would distort the analysis of the Group's underlying performance.

We are a world leader

In the chemical industry



~26,800
Employees^[2]



61
countries



135
Industrial sites



21
Major R&I sites



SOLVAY

asking more from chemistry®



Top 3

Market position ^[1]



€10.1 billion
net sales



€2.2 billion
underlying EBITDA



22%
EBITDA margin



SOLVAY

A more resilient, more streamlined & more profitable group

Providing mission critical solutions in fast-growth end-markets

→ Supporting blue chip manufacturers & brands globally

Technology focused in Advanced Materials & Advanced Formulations

→ Powered by innovation & market leadership positions

Outgrowing diversified peers^[1] and moving toward specialty^[2]

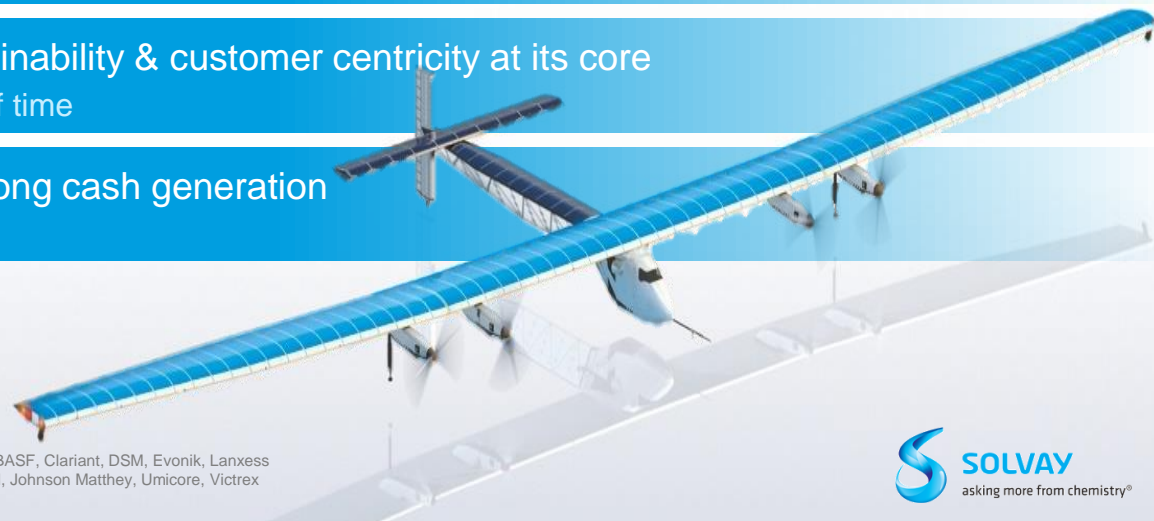
→ Propelled by volumes, underpinned by synergies and efficiency

Futureproofing the business with sustainability & customer centricity at its core

→ Deliver more value that stands the test of time

Dividend growth over 30 years and strong cash generation

→ Driven by focus on cash returns

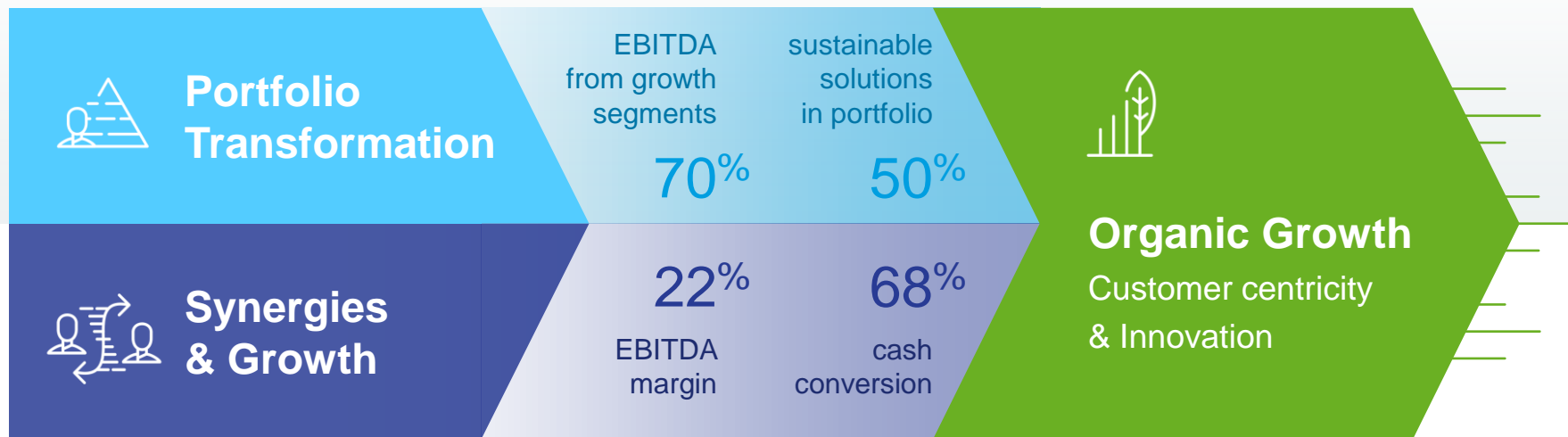


Our strategic journey

To a stronger Solvay

2012 – 2017

2018 – 2021+



Significantly enhanced portfolio

More specialty and more resilient

NET
SALES

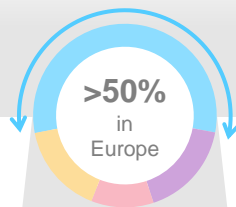
MORE
SPECIALTY

MORE
GLOBAL

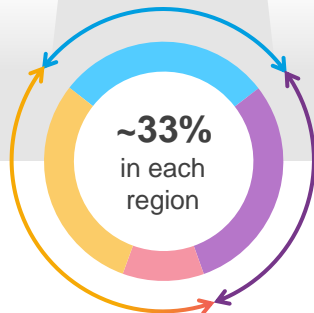
MORE
DIVERSIFIED

MORE
SUSTAINABLE

2010
€6.5 billion



2017
€10.1 billion



Advanced Materials
Advanced Formulations
Performance Chemicals

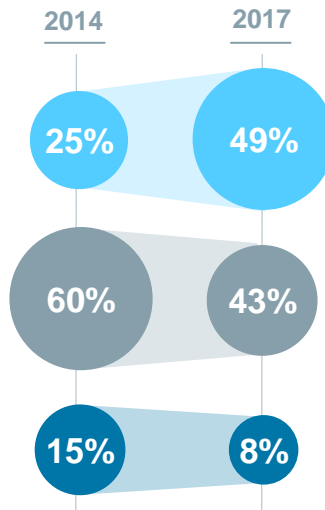
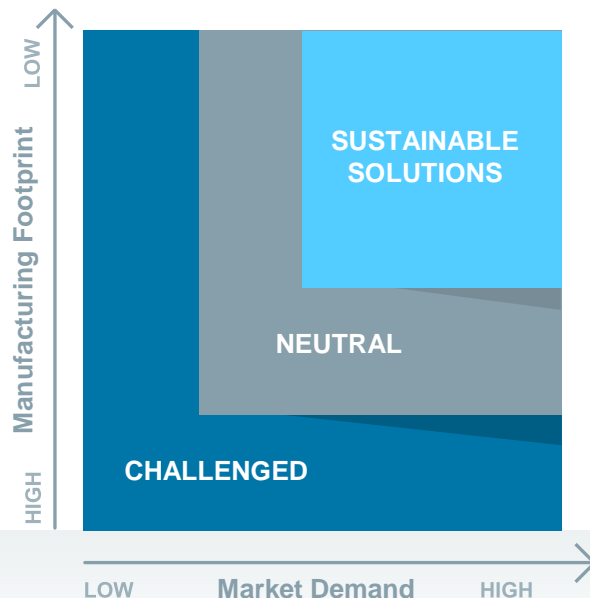
Europe
Asia & RoW
Latin America
North America

Automotive & aerospace
Resources & environment
Electrical & electronics
Agro, feed & food
Consumer goods & healthcare
Building & construction
Industrial applications

Sustainable solutions
Neutral impact
Challenged applications
(according to SPM methodology)

Integrating sustainability into decision-making

Drives superior financial value growth



Fully embedded into our decision-making processes



M&A



60% CAPEX



80% R&I

Higher volume growth
on average from
sustainable solutions



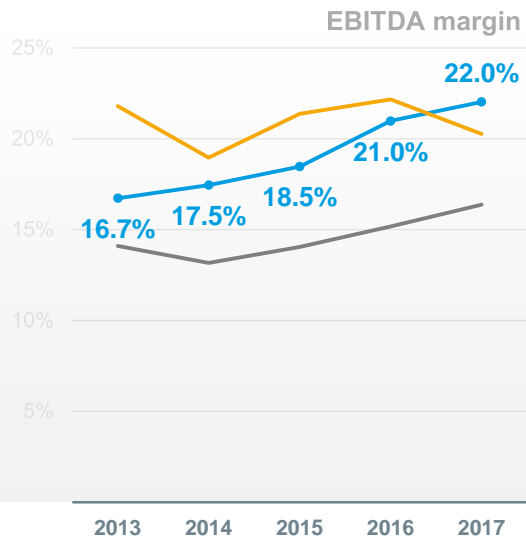
Good for our customers,
our planet and our bottom line

Financial value delivery

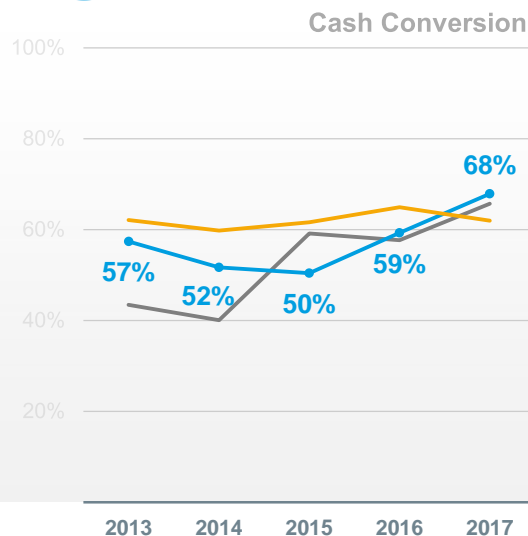
Evolving from diversified towards specialty



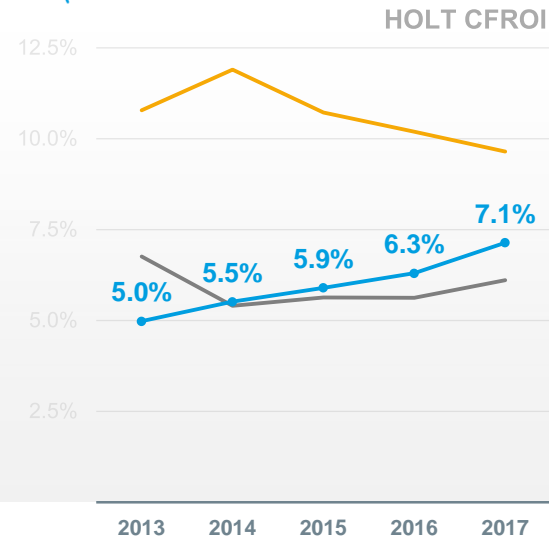
PROFIT



CASH



RETURNS



● Solvay

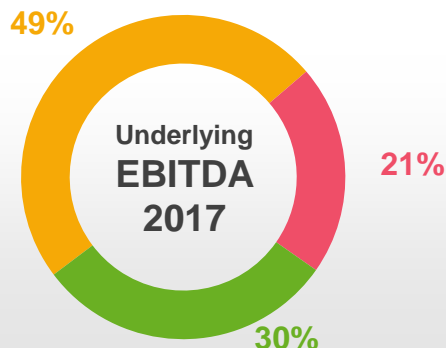
● Median diversified peers

● Median specialty peers

- Akzo Nobel
- Arkema
- BASF
- Clariant
- DSM
- Evonik
- Lanxess

- Ashland
- Croda
- Hexcel
- Johnson Matthey
- Victrex
- Umicore

Growth engines deliver 70% of EBITDA



Market positions:



Global market position in main markets addressed



Regional market position in main markets addressed

Advanced Materials

Providing solutions for **sustainable mobility**, lightweighting, CO₂ and energy efficiency

Specialty Polymers (#1)

Composite Materials (#2)

Special Chem (#1)

Silica (#1)

Advanced Formulations

Customized specialty formulations for surface chemistry & liquid behavior, **maximizing yield & efficiency** & **minimizing eco-impact**

Novecare (#1)

Technology Solutions (#1)

Aroma Performance (#1)

Performance Chemicals

Leading positions in chemical intermediates through **scale & technology**, developing applications & industrial innovation for optimized costs

Soda Ash & Derivatives (#1)

Peroxides (#1)

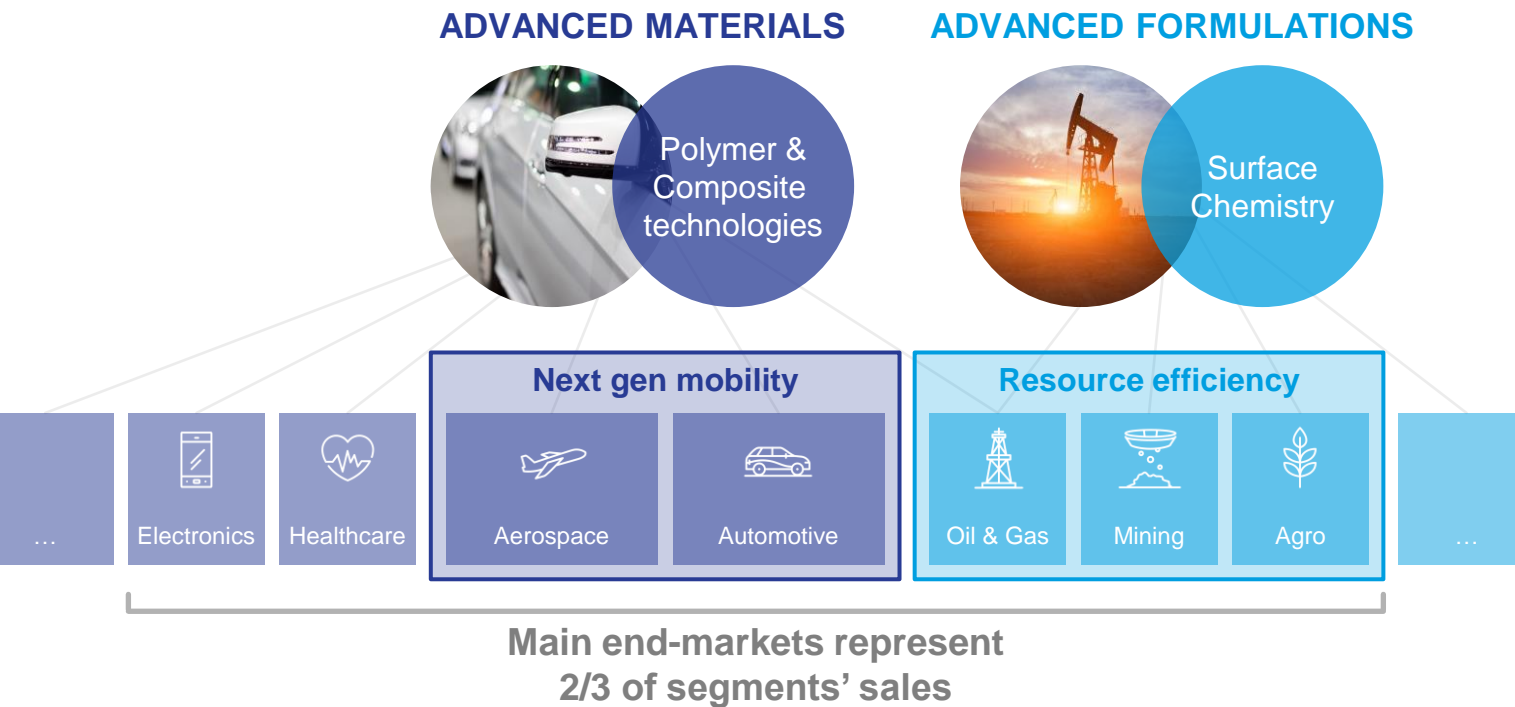
Coatis (#1)

Functional Polymers (#1)

Net sales	€10,125m	€4,370m	€2,966m	€2,766m
Underlying EBITDA	€2,230m	€1,202m	€524m	€749m
EBITDA growth	+7.5%	+8.2%	+8.1%	+4.3%
EBITDA margin	22%	27%	18%	27%
CFROI ^[1]	6.9%	10.3%	6.7%	8.4%

Organic growth

Driven by 2 growth segments



**Customer
intimacy
& market
leadership**



**Innovation
edge**



**Strong
technology
portfolio**

Potential for superior growth

2019-2021 potential for organic EBITDA growth^[1]

Driven by key market positions and innovation

Advanced Materials	+6-10%	<ul style="list-style-type: none">• Next gen batteries for Automotive• Thermoplastics for Aerospace• New applications in healthcare and electronics
Advanced Formulations	+6-10%	<ul style="list-style-type: none">• Technologies for improved metal selectivity• Next generation of Oil & Gas products to improve productivity• Innovations to penetrate new markets
Performance Chemicals	+2-6%	<ul style="list-style-type: none">• Maintaining world-class assets• Price increases• Focus on cash

SUPPORTED BY

Existing capacity and selective investments

Customer intimacy initiatives

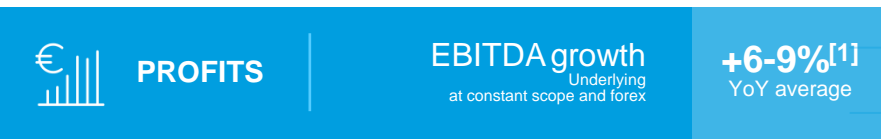
Simplification of organization

Operational excellence

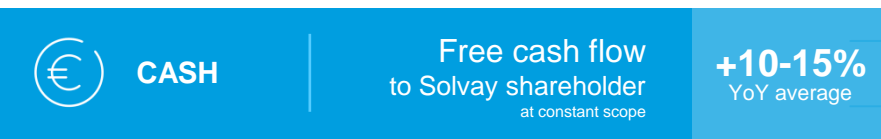
Investments in digital capabilities

Potential for future value creation

potential
2019-2021



Equivalent to 10-15% underlying EPS growth



Strong cash generation



*Continued progress
in the value creation zone.*



*Demanding ambition – lower emissions
despite growth! -1Mt CO2 eq. by 2025!*



9 MONTH 2018 RESULTS



Volume growth sustained



9M 2018

- Organic Sales & EBITDA growth of 6%
- Higher volumes and pricing
- EBITDA margin at 22%

2018 first nine months results

Volume growth sustained complemented by pricing power

EBITDA -1%
Organic growth +6%

- **Volume/Mix**
 - 4% higher volumes across segments
- **Pricing power**
 - Positive net pricing despite higher raw materials and energy prices
- **Fixed costs**
 - Higher costs reflect investments to support growth

EBITDA margin
at 22%

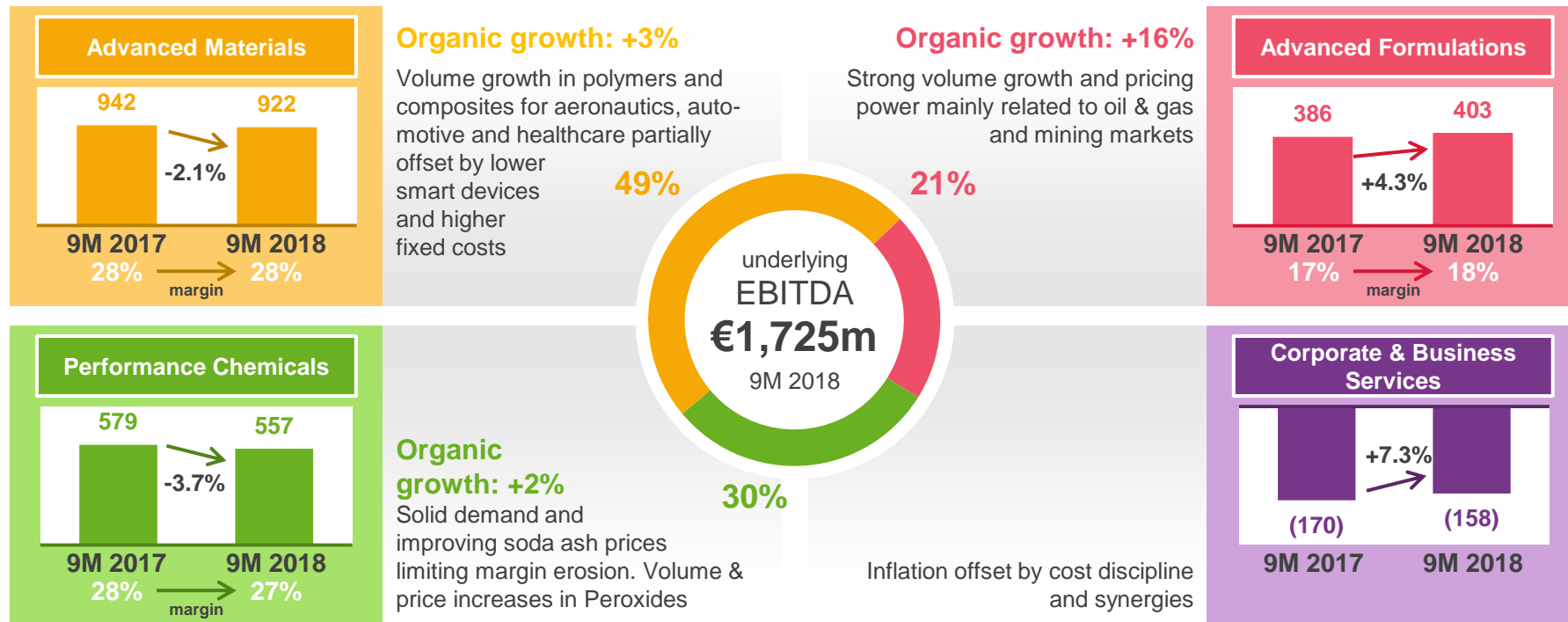
Free cash flow ^[1]
€275 million

- **Resulting from**
 - Phasing in working capital
 - Higher inventories and variable remuneration
 - Capex discipline maintained
- **Underlying net debt at €5.5 billion**
 - Seasonally up on dividend payments to shareholders, concentrated in H1

FCF to Solvay shareholders ^[2]
€271 million

Organic EBITDA growth

Driven by higher volumes in each segment



Corporate & Business Services included in €1,725 m EBITDA, but excluded from the pie chart as the contribution is negative

Outlook

Full year 2018



Underlying Organic EBITDA growth around 5% to 6%

Free cash flow^[2] to exceed 2017 level

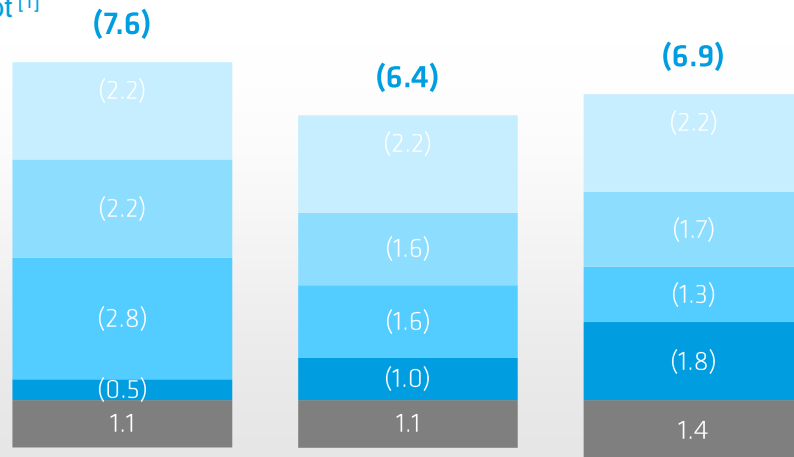
Efficient capital structure

Leading to reduced cost of debt

Underlying financial debt^[1]
evolution

in € billion

- EUR perpetual hybrid bonds
- USD bonds
- EU bonds & major debt
- Other debt
- Cash



Pro forma impact from announced Polyamide divestment

→ Underlying net debt €4.4 bn

→ Underlying leverage 2.0x

Underlying



Significant deleveraging by
divestments and operations

Seasonally up with
Dividend payments

INVESTMENT GRADE



Moody's

Baa2

Stable outlook



S&P

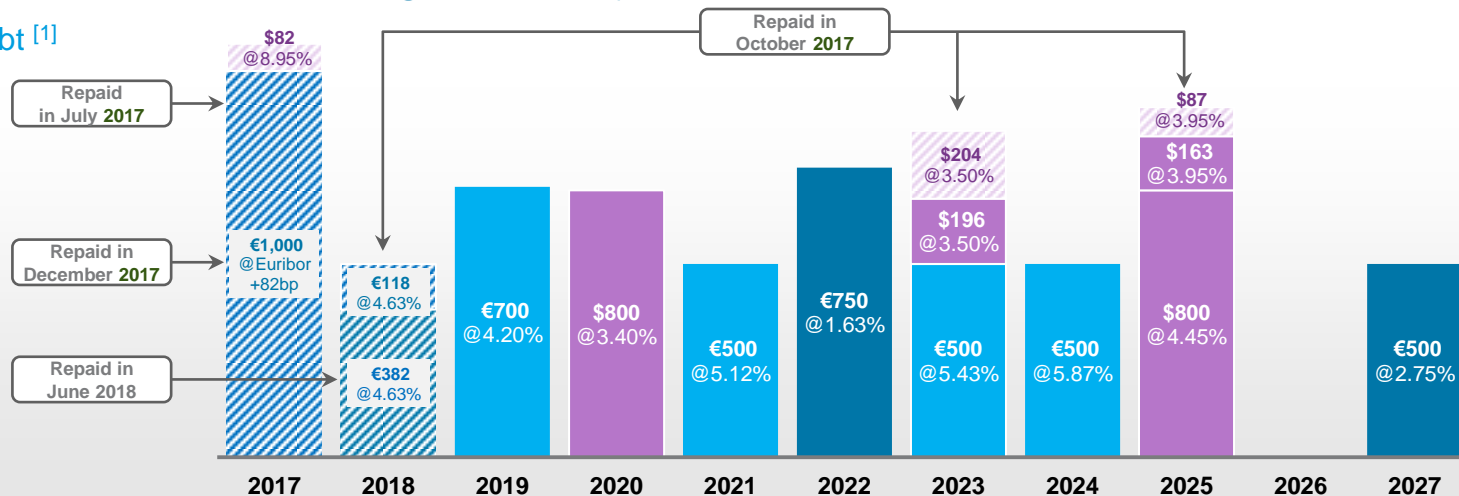
BBB

Stable outlook

Debt profile

Balanced maturities allowing flexibility

Major financial debt ^[1]
in million



Major financial debt ^[1]

	December 31, 2017			September 30, 2018		
	Face value	Average maturity	Average cost	Face value	Average maturity	Average cost
EUR bonds	1,632	5.5	2.67%	1,250	6.3	2.08%
EUR perpetual hybrid bonds ^[2]	2,200	4.1	5.07%	2,200	3.3	5.07%
USD bonds	1,634 ^[3]	5.7	3.88%	1,692 ^[3]	4.9	3.88%
Total major debt	5,465	5.0	4.00%	5,142	4.5	3.95%
	in € million	in years		in € million	in years	

Provisions

Gradual operational deleveraging

Movements
in provisions
in € million

(4,269)

+408

Payments

-216

Net new
provisions

-100

Discounting
costs

Operational deleverage +92

+232

Remeasu-
rements
[1]

+55

Changes
in scope
& other

(3,890)

[1] Impact of index, mortality, forex & discount rate changes

	December 31, 2016	Payments	Net new provisions	Discounting costs	Remeasu- rements [1]	Changes in scope & other	December 31, 2017
Employee benefits	(3,118)	217	(51)	(64)	174	26	(2,816)
Environment	(737)	81	(54)	(33)	36	5	(702)
Other	(414)	110	(111)	(3)	22	24	(372)
Total	(4,269)	408	(216)	(100)	232	55	(3,890)

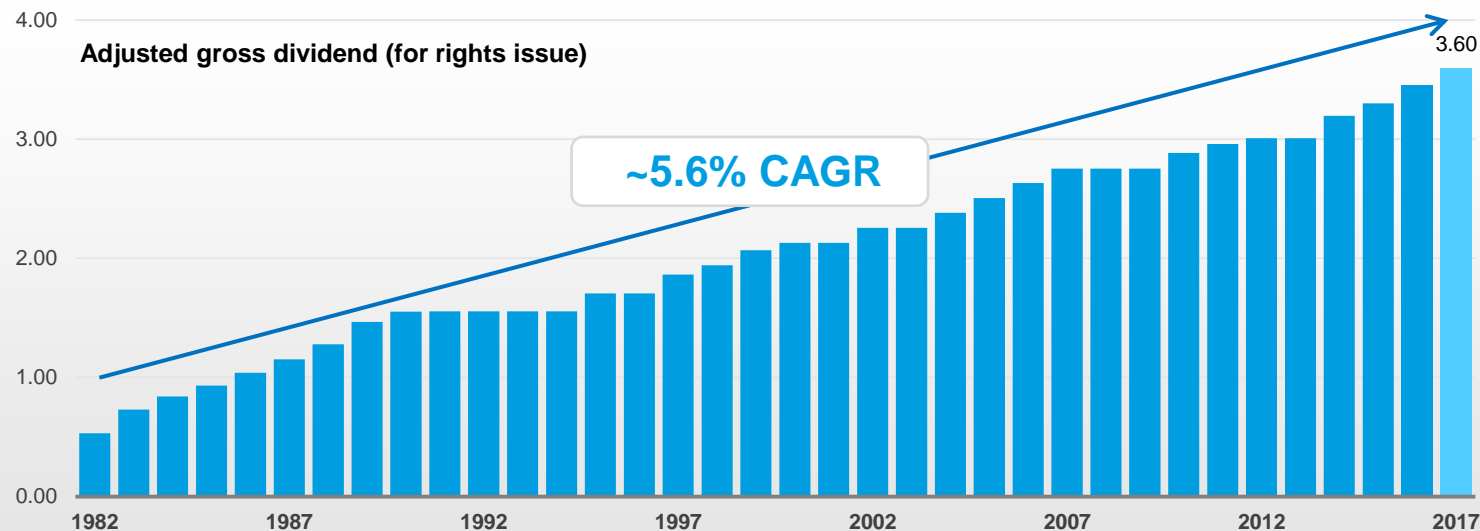
Complemented by positive impact of discount rate changes

Rewarding shareholders

Strong track record of continued shareholders' distribution

Gross dividend

in €/share



Committed to stable / growing dividend







ANNEXES

BUSINESS INFO



Broadest portfolio of advanced materials

Differentiating Solvay from competition

	Aromatics				Fluoropolymers					High Perf Composites					
	HPPA	PPS	PAEK	PSU	PTFE	PVDF	PFA	FKM	PFPE	Carbon Fiber	Thermoset Prepreg	Resin Infusion	Adhesives & Surfacing films	Thermo-plastic prepreg	Out-of-Autoclave prepreg
 SOLVAY asking more from chemistry®	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
 ARKEMA	✓		(✓)			✓									
 BASF We create chemistry	✓			✓											
 Celanese		✓												✓	
 DAIKIN					✓	✓	✓	✓							
 DSM SMALLER. BETTER. FASTER. SUSTAINABLE.	✓														
 dyneon					✓	✓	✓	✓	✓						
 DOW DUPONT	✓				✓		✓	✓	✓						
 EMS	✓														
 EVONIK INDUSTRIES	✓		✓												
 HEXCEL										✓	✓				✓
 KUREHA		✓				✓									
 TORAY Innovation by Chemistry		✓								✓	✓			✓	✓
 victrex			✓												

Aircraft fundamentals

Support higher growth in composites



AERO



4.5%

Annual growth
in passenger traffic

>8,000

Record high
order backlog

50%

Weight of composites
on new aircrafts vs <15% on legacy

2X

Number of aircrafts expected
to double in 20 years

SURFACE
COATINGS

PRIMARY
STRUCTURES

INTERIORS
& GALLEYS

BONDING &
MULTIFUNCTIONALITY

SECONDARY
STRUCTURES

ENGINES

We make cars lighter & more efficient

Increased materials usage drives growth



AUTO

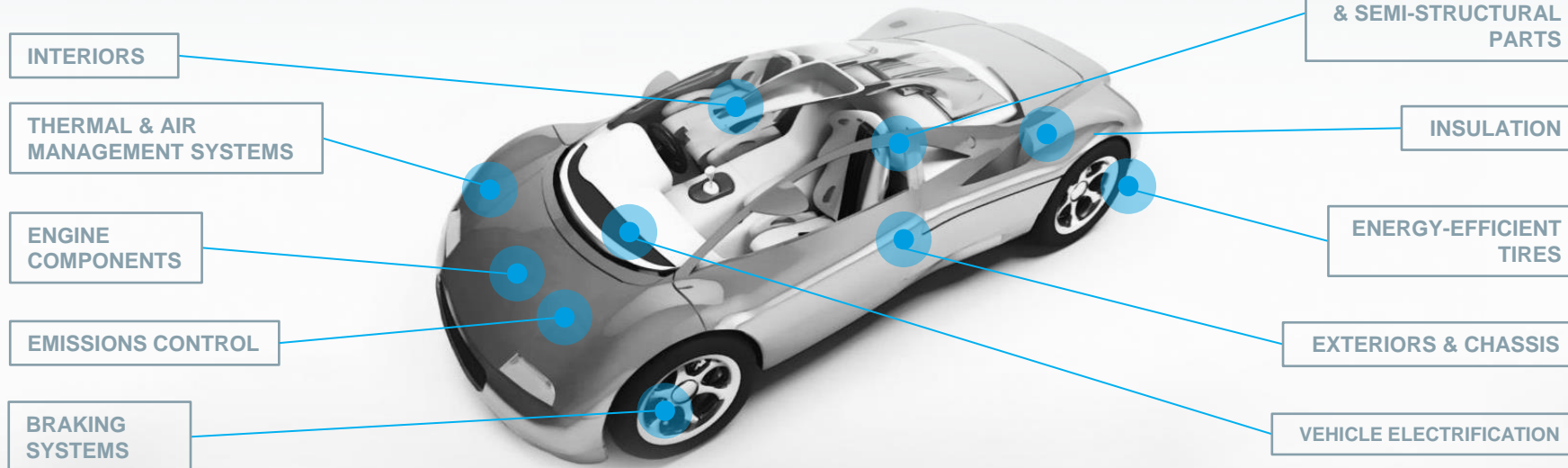


2.4%

CAGR light vehicles
production in 5 years

~30%

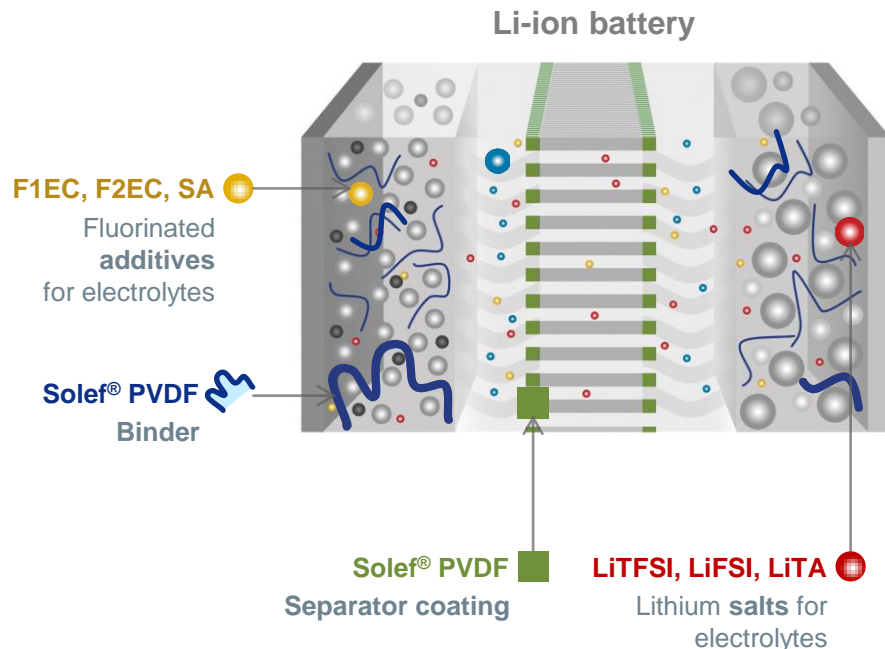
CAGR hybrid & plug-in
electric vehicles in ten years



We are a Technology Leader for mission critical Battery materials



AUTO



Solvay technologies enable key functionalities of the Li-ion battery

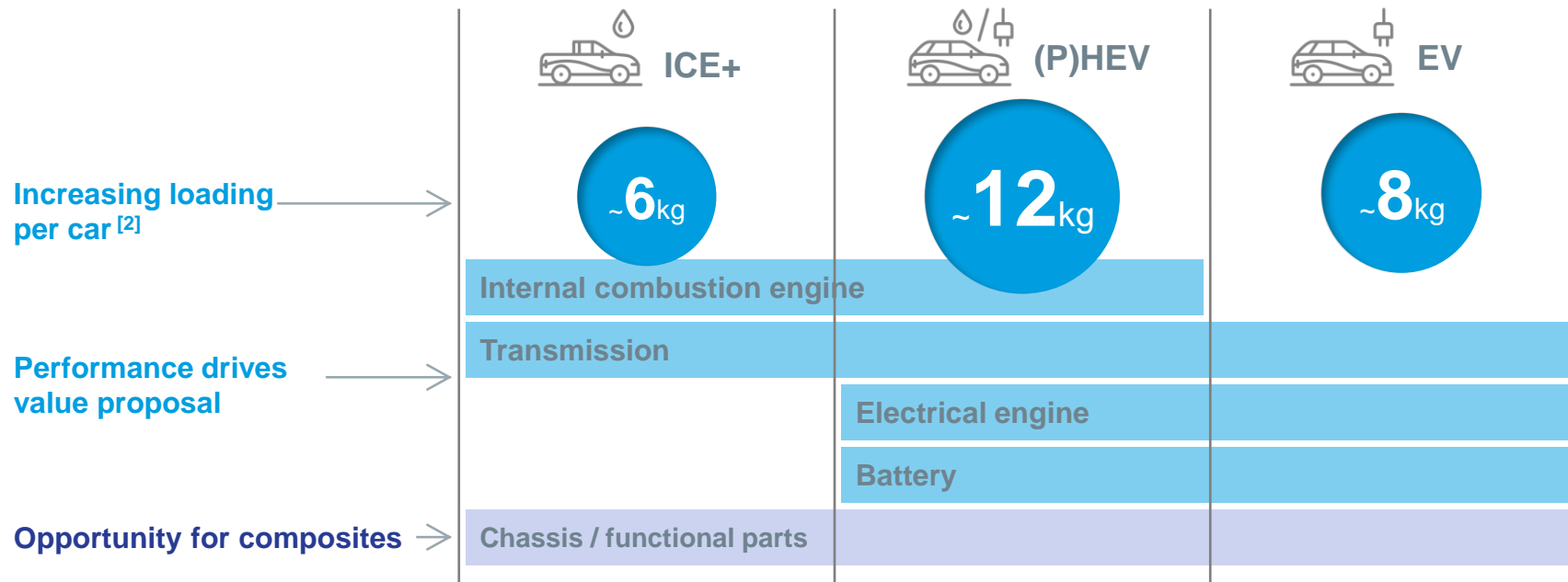
- Safer
- Better energy density
- Better power
- Lower cost

Solvay positioned in all auto platforms

Outpacing the industry growth by 3X ^[1]



AUTO



Technology shift → Big opportunity for Solvay

Resource constraints require more efficient solutions



MINING



OIL & GAS



AGRO

Doing more
with **less**

↑ **MORE**

Higher throughput
and yield of metals
& minerals

**Maximize cost
performance** and
fracturing efficiency

Targeted use
of ingredients for
seeds & crops

↓ **LESS**

Reduce impact
to employees and
environment

**Less clean
water** usage

**Reduce
environmental
impact**

42% of Advanced Formulations sales

ANNEXES

ADDITIONAL INFO



2018 P&L Considerations

Underlying EBITDA

EBITDA to grow 5% to 6% organically, excluding forex conversion and scope effects

- Forex conversion impact in first nine months of €(82) million
Forex sensitivity provided in next slide
- Scope impact expected of ~€(30) million

Scope effects

Discontinued operations consist of Polyamide

- Planned to be sold to BASF
- Divestment in progress. European Commission clearance is now expected early in 2019.

Scope effects include acquisitions and divestments of smaller businesses not leading to the restatement of previous periods, mainly:

- Polyolefin cross-linkable compounds in June 2017
- Formulated resins businesses in June 2017
- Phosphorous business in February 2018.

Depreciation/Amortization

Underlying D&A expected at ~€(700)m, in line with 2017

- Excludes ~€(240)m PPA amortization
- PPA impacts related to Rhodia, Cytec and other smaller acquisitions (e.g. Chemlogics, Ryton)

Underlying net financial charges

Underlying net financial charges expected at ~€(350)m, excluding forex impact

- Underlying net cost of borrowings at ~€(150)m
- Coupons from perpetual hybrid bonds of €(111)m
 - considered as dividends under IFRS
 - €(84)m in H1 and €(27)m in Q4
- Non-cash recurring discounting costs at ~€(80)m

Tax rate

Underlying tax rate expected at ~26% versus 27.5% in 2017

2018 Sensitivities

EBITDA sensitivity

Forex sensitivity on conversion and transaction:

- Immediate impact on conversion exposure
- Deferred transactional impact due to hedging (~6-12 month rolling basis)

Mainly linked to USD Sensitivity in 2018:

- ~€120m underlying EBITDA per (0.10) \$/€
- ~2/3 conversion & ~1/3% transactional

Other forex exposures: CNY, BRL, JPY, RUB, KRW, THB

Financials sensitivity

Net debt sensitivity

- ~€140m per US\$/€ 0.10 change

Net financial charges sensitivity

- ~€5m per US\$/€ 0.10 change

/€	BRL	CNY	JPY	KRW	RUB	THB	USD
9M 2018	4.30	8	131	1,303	73	38	1.19
9M 2017	3.54	8	125	1,268	65	38	1.11
(d)evaluation FC in %	-18%	-3%	-5%	-3%	-11%	-0.7%	-7%

2018 Cash Considerations

Free cash flow

Free cash flow from continuing operations expected to exceed 2017 level of €782m, including:

- Capital expenditure from continuing operations at ~€(700)m
- Total net cash-out for provisions at ~€(390)m, including mainly:
 - Higher pensions and related payments of ~€(235)m
 - Environmental provision payments of ~ €(80)m
 - Restructuring payments of ~ €(80)m

Cash financing payments

Net cash financing payments at ~€(250)m
Reduction by more than €100m

Net financial debt

Net financial debt to reduce from €(5.5)bn to ~€(4.4)bn following completion of Polyamide divestment

- Including expected net proceeds from Polyamide divestment of ~€1.1bn
- Leading to expected leverage ratio of 2.0x (from 2.2x)

Solvay's ADR program

ADRs Details

ADR Symbol	SOLVY
Platform	OTC
CUSIP	834437303
DR ISIN	US834437305
Underlying ISIN	BE0003470755
SEDOL	BD87R68
Depository bank	Citi
ADR ratio	1 ORD : 10 ADR

Benefits of ADRs

- Clear and settle according to US standards
- Convenience of stock quotes and dividend payments in US dollars
- Purchase in the same way as other US stocks via a US broker
- Cost effective means of building an international portfolio

For questions about creating Solvay ADRs, please contact Citi

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NEXT EVENTS

**January 17
2018**

**Interim dividend
payment**

**February 27
2019**

**Full-year 2018
results**

**May 7
2019**

**Q1 2019
results**

**May 14
2019**

**Annual General
Meeting**

**July 31
2019**

**H1 2019
results**

**November 7
2019**

**9M 2019
results**