



SOLVAY

asking more from chemistry®

VALUE GROWTH

September 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.

Consequently, actual results or future events may differ materially from those expressed or implied by such forward-looking statements. Should known or unknown risks or uncertainties materialize, or should our assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly update or revise any forward-looking statements

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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.

SOLVAY

A sustainable investment

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

Highest EBITDA margin within diversified chemical companies

→ Propelled by volumes, underpinned by efficiency

Dividend growth over 30 years and strong cash generation

→ Driven by focus on cash returns

Futureproofing the business with sustainability at its core

→ Deliver more value that stands the test of time



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®



2017

Top 3

Market position ^[1]



€10.1 billion
net sales



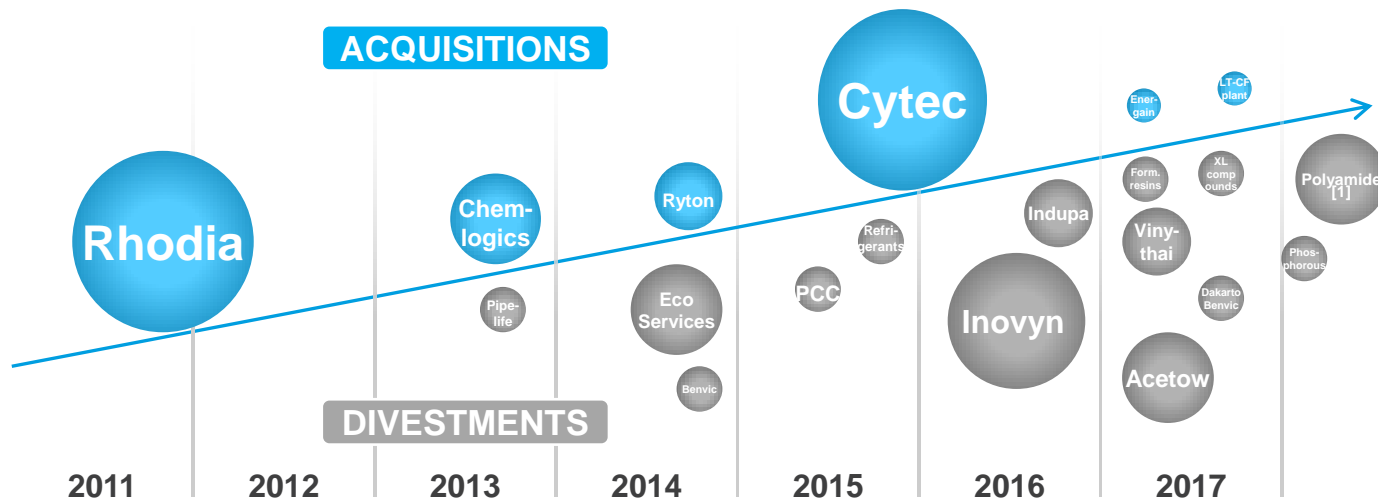
€2.2 billion
underlying EBITDA



22%
EBITDA margin



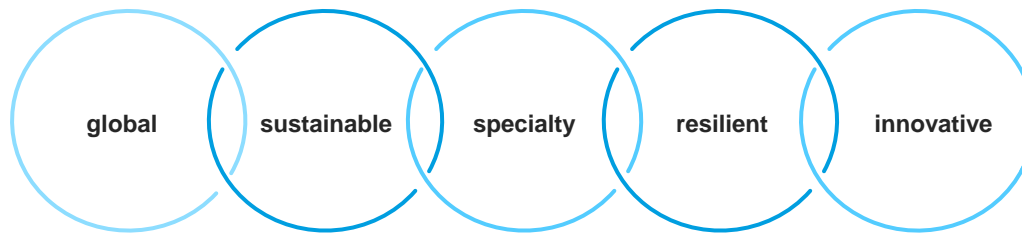
Upgraded portfolio



Enhancing customized solution offerings

Reducing cyclical & low-growth businesses exposure

MORE →



[1] Divestment in progress, expected to be finalized by the end of 2018

Significantly enhanced portfolio

More specialty and more resilient

NET
SALES

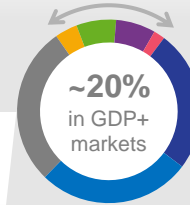
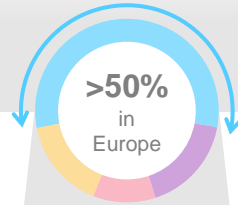
MORE
SPECIALTY

MORE
GLOBAL

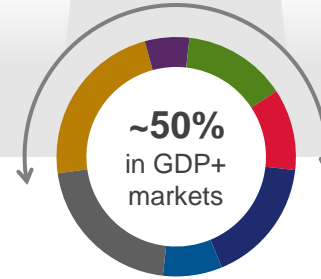
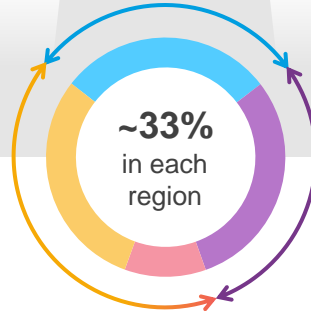
MORE
DIVERSIFIED

MORE
SUSTAINABLE

2010
€6.5 billion



2017
€10.1 billion



Advanced Materials
Advanced Formulations
Performance Chemicals

Europe
Asia & RoW
Latin America
North America

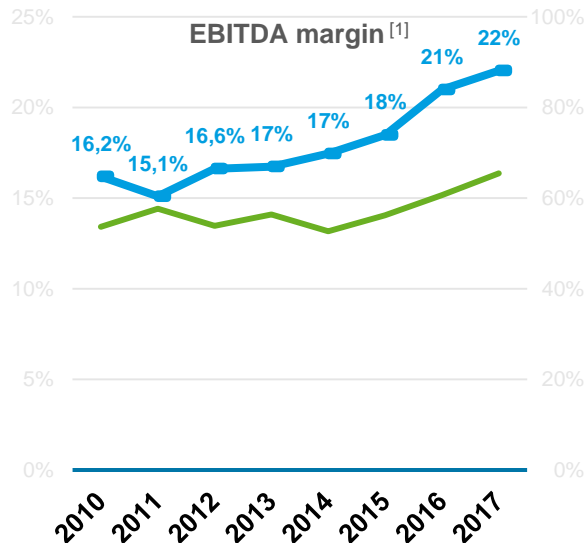
Automotive & aerospace
Resources & environment
Electrical & electronics
Agro, feed & food
Consumer goods & healthcare
Building & construction
Industrial applications

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

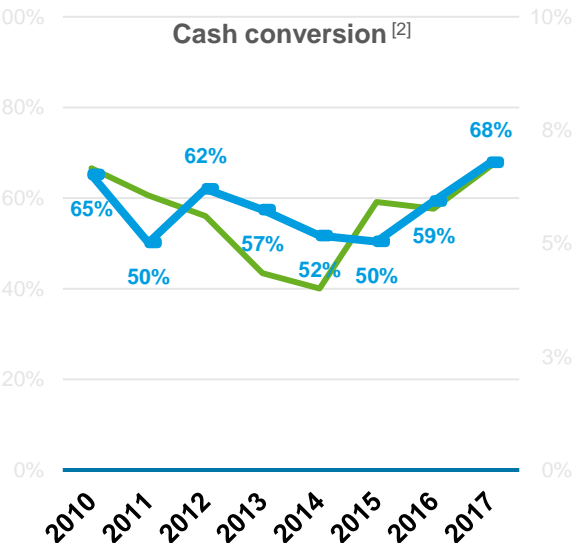
FINANCIAL DELIVERY

Mirrors specialty

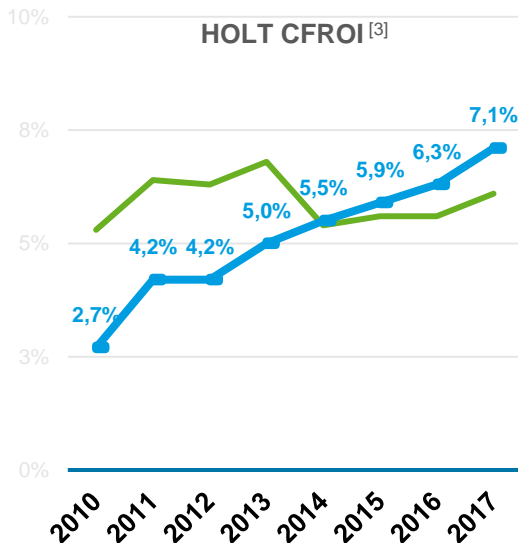
PROFIT



CASH



RETURNS



SOLVAY
DIVERSIFIED PEERS:
 Akzo Nobel,
 Arkema,
 BASF,
 Clariant,
 DSM,
 Evonik,
 Lanxess

Metrics as could be deducted
 from reporting and external
 data sources

[1] EBITDA margin =

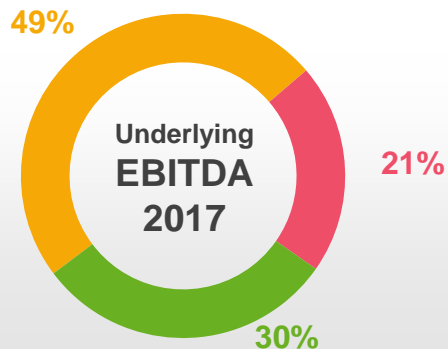
[2] Cash conversion =

$$\frac{\text{underlying EBITDA}}{\text{net sales}}$$

$$\frac{\text{underlying EBITDA} + \text{capex}}{\text{underlying EBITDA}}$$

[3] HOLT CFROI is a proprietary cash flow return on investment metric of Credit Suisse calculated as an IRR taking into account i) the cash flow generated by a company in the past and prospectively and ii) the amount and estimated lifespan of its operating assets. The metric does not include goodwill and is expressed in real terms (i.e. real returns and not nominal ones).

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

Underlying EBITDA €2,230m

EBITDA growth +7.5%

EBITDA margin 22%

CFROI 6.9%

€4,370m

€1,202m

+8.2%

27%

10.3%

€2,966m

€524m

+8.1%

18%

6.7%

€2,766m

€749m

+4.3%

27%

8.4%

Enabling tomorrow

Attractive growth markets



20% CAGR^[1]

(Hybrid) electric vehicles on the road by 2030

High-performance polymers

→ vehicle bodies

Silica technology

→ more durable tires

Various active materials

→ longer-life EV batteries



4.5% annual growth

in aircraft passengers to 2025

Lightweight composites

→ aircraft exteriors & interiors

Specialty polymers

→ aircraft exteriors & interiors, onboard electronics

Functional materials

→ engine and fuel systems



Resources scarcity

Chemical Solutions:

→ improve yield of mining and Oil & Gas exploration

Energy storage & photovoltaic panels

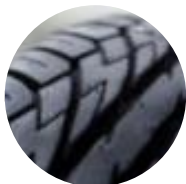


Strategic & Superior Growth Markets

Developing innovative solutions

To create value for our customers

SUSTAINABLE MOBILITY



Silica for
fuel efficient
performance tires
Premium SW



Thermoset prepreg
resin system for
automotive
applications
Solvalite™ 730



Batteries separator
Binder coating
Solef® PVDF
High voltage
Li-Ion batteries

QUALITY OF LIFE



Next generation
guar polymers
& derivatives
Hair Care platform



Innovative material to
replace metal in
removable partial
denture frames
Solvay
Dental 360™



Seed treatment
to secure crop
potential
GSB®
Seed boosting

RESOURCE EFFICIENCY



Lithium extraction

- process speed & efficiency
- extraction costs reduction



NaSH replacement technology

- better environmental profile for customers
- safety

Exceeding mid-term targets

Creating more value

2 years
2016 - 2017

Sustainable Solutions

Increase to 40% of net sales by 2018

49% ✓

GHG intensity

Reduce by -20% over 3 years

-24% ✓

Occupational Accidents

Reduce by -10% over 3 years

-16% ✓

2 years
2016 - 2017

PROFIT

EBITDA^[1] growth

Mid-to-high single-digit

+8.6% ✓
over 2 years

CASH

Free cash flow

Exceed €2.4 billion over 3 years

€1.75 bn ✓
over 2 years

RETURNS

CFROI

Increase by 0.5pp-1.0pp over 3 years

+0.8pp ✓

Our strategic commitment

Double revenue share from sustainable solutions^[1]

(From 25% in 2014, baseline)



50%
**SUSTAINABLE
SOLUTIONS IN GROUP'S
SALES**



-40%
**OF
GREENHOUSE
GAS INTENSITY**




By 2025, €1 revenue out of €2
in sustainable solutions



-50%
NUMBER OF ACCIDENTS
Goal MTAR <0.50



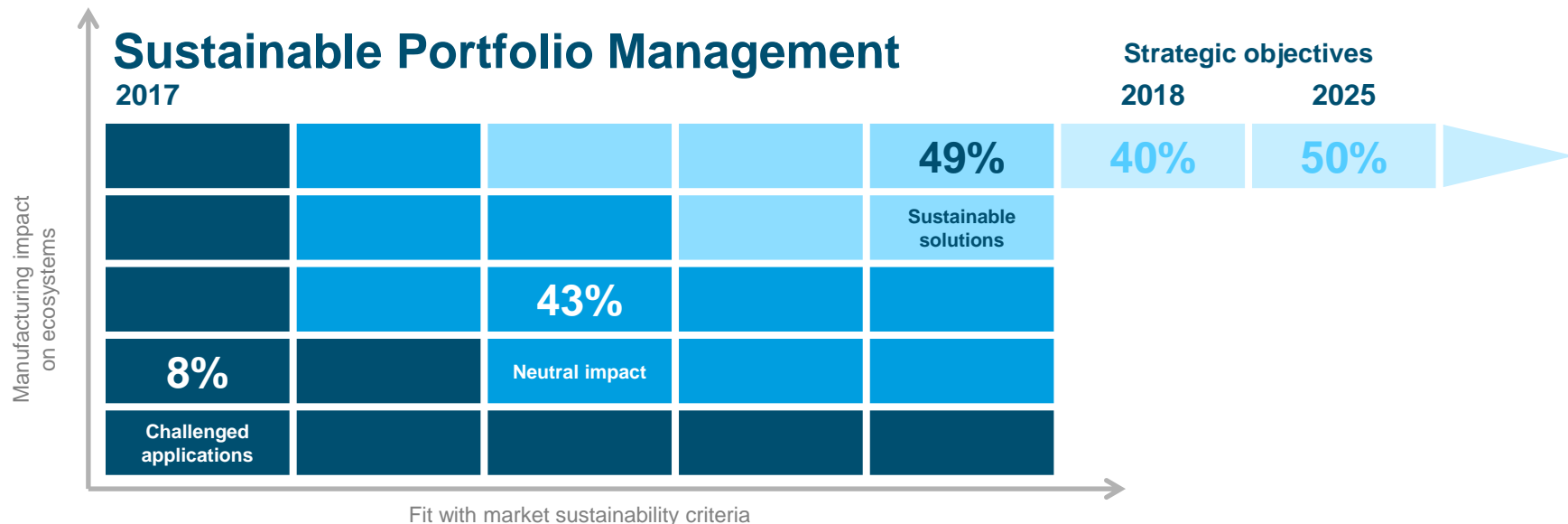
40%
**OF EMPLOYEES
INVOLVED IN SOCIETAL
ACTIONS**



80%
OF PEOPLE ENGAGEMENT

More sustainable solutions

To drive superior returns over time



Key levers

✓ Portfolio ✓ Capex ✓ R&I priorities

Key impacts

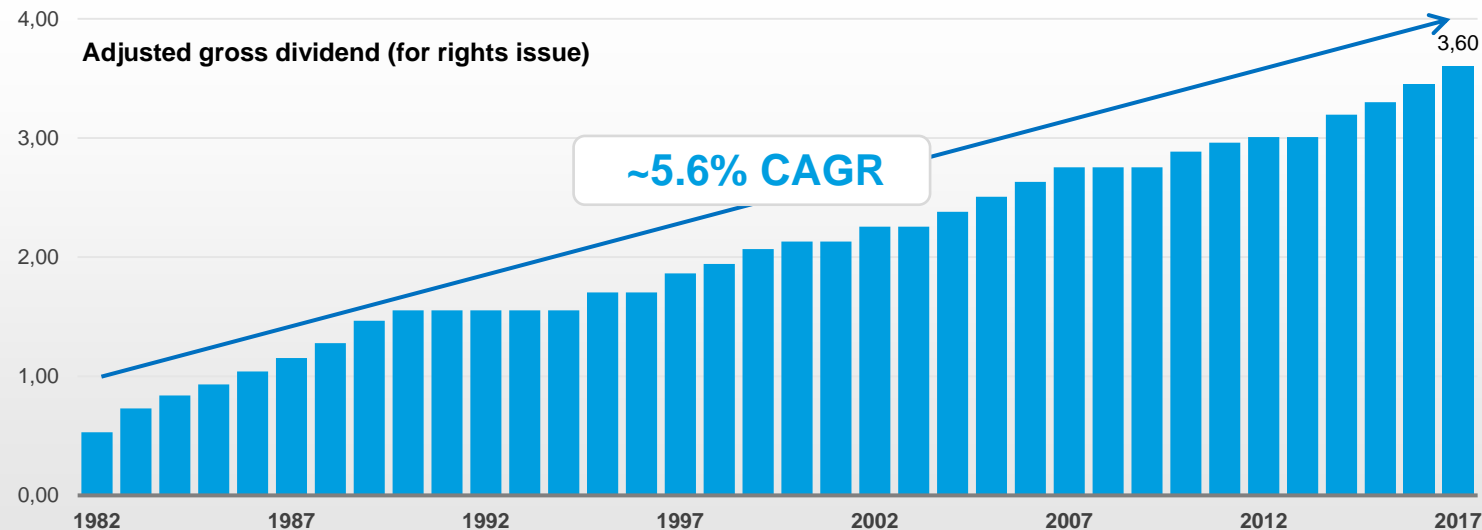
✓ Part of the solution ✓ Enhanced profitability

Rewarding shareholders

Delivery on commitments over 35 years

Gross dividend

in €/share



Committed to stable / growing dividend

Strong volume growth counters forex headwinds

Sustained EBITDA margin



H1 2018

- Organic EBITDA growth of 6%
- Foreign exchange headwinds
- EBITDA margin sustained at 23%

2018 first half results

Strong volume growth counters adverse forex

EBITDA -3%
Organic growth +6%

- **Volume/Mix**

- Strong volumes across Advanced Materials and Advanced Formulations

- **Pricing power**

- Net pricing stable amid higher raw materials and energy prices

- **Fixed costs**

- Operational excellence and synergies partly offset inflation

EBITDA margin
sustained at 23%

Free cash flow^[1]
€123 million

- **Resulting from**

- Lower EBITDA
- Phasing in working capital
- Capex discipline maintained

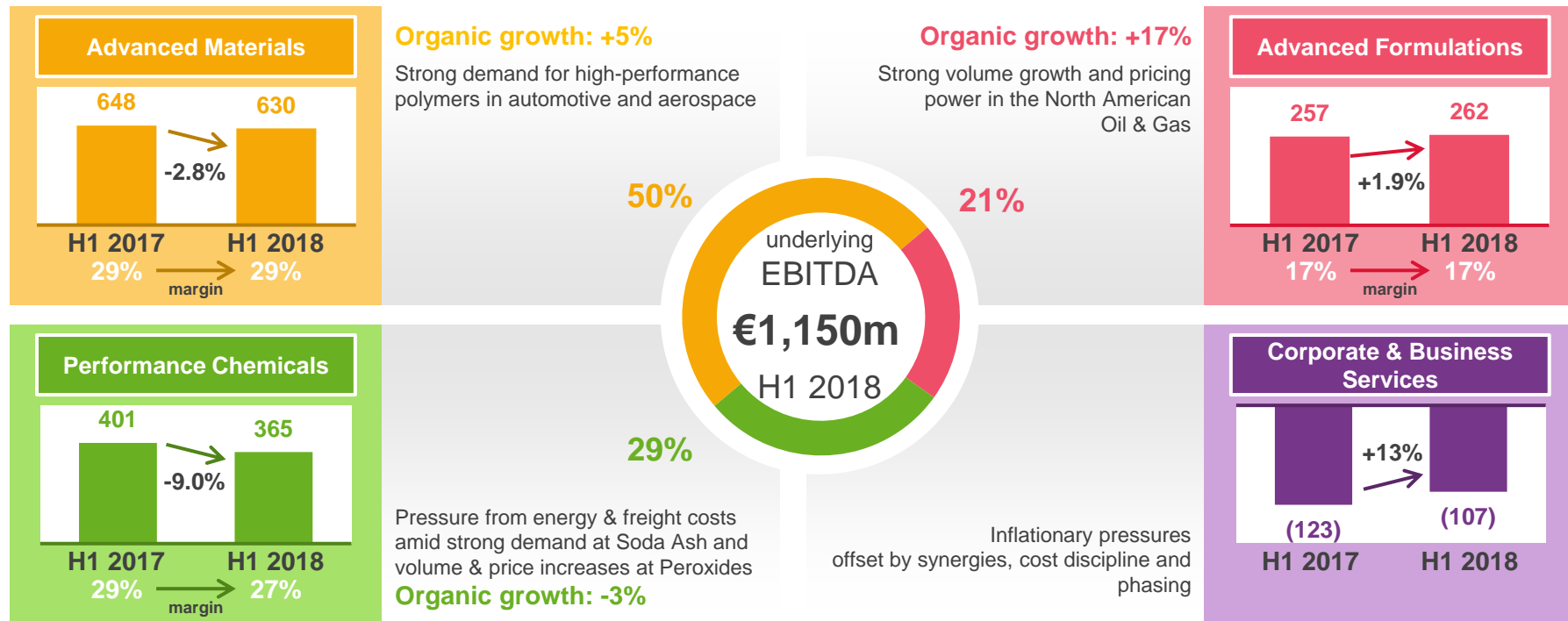
- **Underlying net debt at €5.7 billion**

- Seasonally up on dividend payments to shareholders

FCF to Solvay shareholders^{[1][2]}
€77 million

Organic EBITDA growth

Driven by volumes in Advanced businesses



Corporate & Business Services included in €1,150 m EBITDA, but excluded from the pie chart as the contribution is negative

Our priorities

Deliver and prepare the future



Organic volume growth

Earnings and cash flow growth

Optimize organization

Sustainable value

Outlook

Full year 2018



Underlying Organic EBITDA growth 5% to 7%

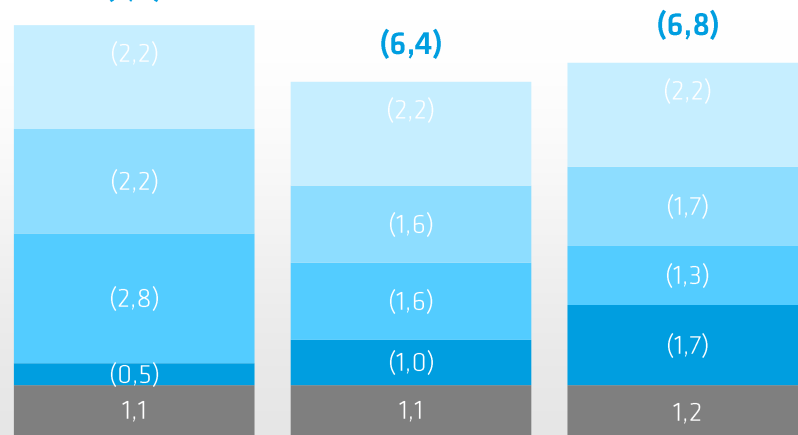
**Free cash flow^[2] to exceed 2017 level of
€782 million**

Efficient capital structure

Leading to reduced cost of debt

Underlying financial debt ^[1] (7,6)
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 €4.6 bn
- Underlying leverage 1.9x

Underlying

	31/12/2016	31/12/2017	30/06/2018
Net debt ^[1]	€6.6 bn	€5.3 bn	€5.7 bn
Leverage ^[2]	2.6x	2.2x	2.3x

Significant deleveraging by divestments and operations

Seasonally up with Dividend payments

INVESTMENT GRADE



Moody's

Baa2

Stable outlook



S&P

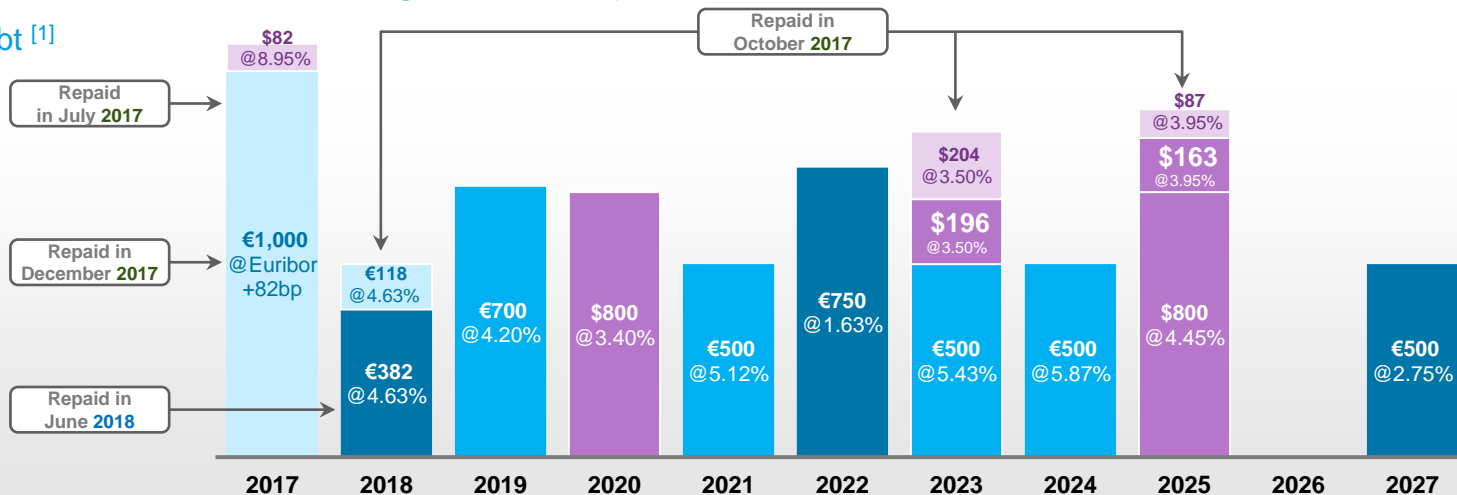
BBB

Stable outlook

Debt profile

Balanced maturities allowing flexibility

Major financial debt ^[1]
in million



Major financial debt ^[1]

	December 31, 2017			June 30, 2018		
	Face value	Average maturity	Average cost	Face value	Average maturity	Average cost
EUR bonds	1,632	5.5	2.67%	1,250	6.5	2.08%
EUR perpetual hybrid bonds ^[2]	2,200	4.1	5.07%	2,200	3.6	5.07%
USD bonds	1,634 ^[3]	5.7	3.88%	1,682 ^[3]	5.1	3.88%
Total major debt	5,465	5.0	4.00%	5,132	4.8	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

2018 P&L Considerations

Underlying EBITDA

EBITDA to grow 5% to 7% organically, excluding forex conversion and scope effects

- Forex conversion impact estimated at €(125) million based on rates prevailing in H1 2018 (and US\$/€ 1.25)
- Scope impact expected of €(30) million

Scope effects

Discontinued operations consist of Polyamide

- planned to be sold to BASF
- expected to be completed in H2 2018

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
Q2 2018	4,29	8	130	1 287	74	38	1,19
Q2 2017	3,54	8	122	1 245	63	38	1,10
(d)evaluation FC in %	-18%	-1%	-6%	-3%	-15%	-0,7%	-8%

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 €(5.3)bn at year start to €(4.1)bn at year end

- Including expected net proceeds from Polyamide divestment of ~€1.1bn
- Leading to expected leverage ratio of 1.9x (from 2.2x at year start)

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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An expanded executive committee More diverse & customer-centric



**Jean-Pierre
Clamadieu**
CEO



**Vincent
De Cuyper**
COMEX



**Augusto
Di Donfrancesco**
COMEX



**Karim
Hajjar**
CFO



**Pascal
Juéry**
COMEX



**Hua
Du**
COMEX



**Cécile Tandeau
de Marsac**
COMEX



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NEXT EVENTS

September 24, 2018

**Investor
Update**

November 8, 2018

**9M 2018
results**

February 27, 2019

**Full-year 2018
results**

May 7, 2019

**Q1 2019
results**