

February 23, 2023 at 7 a.m. CET

Solvay fourth quarter and full-year 2022 results

Record 2022 Sales, EBITDA, Cash and ROCE driven by higher prices and sustained demand

Highlights

- **Net sales** for the full year 2022 were up +25.6% organically to €13.4 billion versus 2021, with 24.4% driven by pricing and 1.2% driven by volume growth, particularly in Materials. In the fourth quarter, net sales increased +15.2% organically versus Q4 2021 with pricing up +21.1% and volumes down -5.9%, as sustained volume growth in Materials was more than offset by softer market demand in Solutions and Chemicals.
- **Pricing** measures of €2.6 billion more than offset the €1.6 billion impact from variable cost inflation resulting in a net pricing benefit of €1.0 billion for the year, with €268 million of net price benefit in Q4.
- **Structural cost savings** for the full year 2022 amounted to €79 million, bringing total structural savings since 2019 to €467 million, or 93% of the 2024 target of €500 million.
- **Underlying EBITDA increased** +28.7% organically versus full year 2021, setting a new record at €3,229 million. EBITDA in the fourth quarter grew +18.7% organically driven mainly by pricing, volumes and mix.
- **Underlying net profit** amounted to €1,743 million, up 67.6% compared to 2021.
- Record annual **free cash flow** generation of €1,094 million reflecting higher profits, margin expansion and working capital discipline, and this is despite a +39% increase in capital investments to €1,022 million for the year.
- Continued strengthening of the **balance sheet** with reduced net debt (€358 million) and provisions (€503 million) brought the leverage ratio to an historic low of 1.1x.
- **ROCE** for 2022 reached a record level at 16.0% versus 11.4% in 2021, 6.9% in 2020, and 8.1% in 2019.
- Total **proposed dividend** increase of €0.20 to €4.05 per share, reflective of the record performance, subject to Shareholders' approval during the next Annual General Meeting scheduled for May 9, 2023.

Underlying (in € million)	Fourth quarter				Full year			
	2022	2021	% yoy	% organic	2022	2021	% yoy	% organic
Net sales	3,286	2,703	+21.6%	+15.2%	13,426	10,105	+32.9%	+25.6%
EBITDA	736	572	+28.6%	+18.7%	3,229	2,356	+37.0%	+28.7%
EBITDA margin	22.4%	21.2%	+1.2pp	-	24.0%	23.3%	+0.7pp	-
FCF¹	170	150	+13.3%	-	1,094	843	+29.8%	-
FCF conversion ratio (LTM)	34.4%	37.6%	-3.2pp	-	34.4%	37.6%	-3.2pp	-
ROCE (LTM)	16.0%	11.4%	+4.7pp	-	16.0%	11.4%	+4.7pp	-

Ilham Kadri, CEO

"I am particularly proud of the significant progress we are making in ESG and the new financial records we have set. I applaud Solvay teams for their drive, dedication, and high level of engagement – and we will be rewarding our people and our shareholders in line with these achievements. This performance has further strengthened our balance sheet, enabling us to navigate current headwinds. We have established a strong foundation and look forward to the next step in our journey as we plan to separate into two strong companies in December of this year."

2023 Outlook

In the context of the current macro environment, we expect volumes to be softer in certain key markets. As a result full-year underlying EBITDA is currently estimated between -3% and -9% versus 2022². Free Cash Flow is estimated at around €750 million reflecting the current cycle of growth investments that is underway.

[Register to the webcast scheduled at 14:00 CET here](#) - [Link to financial report](#) - [Link to financial calendar](#)

¹ Free cash flow is free cash flow to Solvay shareholders from continuing operations
² on an organic basis, meaning at constant forex and scope

Solvay ONE Planet Progress Update

Since 2019, Solvay has embarked on a sustainability journey that is captured in the Solvay One Planet roadmap, which is an integral element of its G.R.O.W. strategy and company Purpose. Structured around the three major categories of climate, resources and better life, Solvay One Planet is a roadmap towards a sustainable future that provides shared value for all. Solvay made significant progress on this journey in 2022, accelerating efforts to meet stakeholders' growing expectations. The table below provides an update on Solvay's progress.

Climate	2022	2021	Progress vs 2018	Comment	2030 target
Align greenhouse gas emissions (scope 1&2) with Paris Agreement (Mt)	10.3 -6.4% (-4% structural)	11.0	-19% (-15% structural)	Progress at 2x Paris Agreement	Reduce by 30%
Phase out coal solid fuels ^(a) (Petajoules)	28	27	-15%	4 plants exiting coal	Exit 5 plants
Biodiversity (year on year)	-5%	-13%	-28%	Global Biodiversity score improved	Reduce negative pressure by 30%
Resources	2022	2021	Progress vs 2018	Comment	2030 target
Sustainable solutions % of Group sales	55%	50% ^(b)	+5%	Acceleration driven by growth in Materials and Solutions	Achieve 65%
Circular economy % of Group sales	9%	8% ^(c)	n.a	Progress rapidly approaching 2030 target	More than double (10%)
Non-recoverable industrial waste (Kt)	56	58	-36%	Exceeded 2030 target	Reduce by 30%
Freshwater Intake (Mm³)	330	315 ^(d)	-	change in methodology	Reduce by 25%
Better life	2022	2021	Progress vs 2018	Comment	2030 target
Safety (Reportable Injury and Illness rate - RIIR) ^(e)	0.34	0.43	-	Reinforcing safety measures at all sites	Aim for zero
Diversity (% of women in middle/senior management) ^(f)	26.5%	25.0%	2.8pp	Increasing trend toward parity goals	Achieve 50%
Equity	Publication of gender pay gap in April 2022 and corrective measures in place for 951 people				
Inclusion	High participation in the inaugural Global Employee Share Program				

(a) Solid fuels: coal and petcoke used in energy production. Coke and anthracite used in the soda ash production process are not included.

(b) Effective 2022, the internal CO2 price was increased from €75 to €100 per metric ton CO2 eq. As a consequence, the level for 2021 has been restated to 50% (from 53%).

(c) 2021 figure has been restated including the new circularity KPI used in 2022. It comprises products either: based on recycled or renewable materials, produced with renewable energy, with increasing longevity in the use phase or enabling recycling at the end of life.

(d) The apparent increase of freshwater withdrawal in 2022 is mainly due to a stricter application of internal reporting rules for freshwater pumped by Solvay but sold to third parties. From the 330 million cubic meters for 2022, 30 (9%) is sold to third parties. The total freshwater withdrawal in 2022 is slightly lower than in 2021 (-1.7 million cubic meters or -0.5%) at constant scope and methodology.

(e) The definition of the indicator changed in 2020: RIIR replaced MTAR - RIIR: (Reportable Injury & Illness rate): number of reportable injury or illness per 200,000 work hours. Scope: Employees and contractors.

(f) Management categories are defined on the basis of the Hay Job Evaluation Methodology. Middle and senior management levels refer to the entire active internal workforce having Hay points above 530.

Climate

In October 2021, Solvay announced its plans to reach carbon neutrality on scope 1 and 2 emissions before 2040 for all businesses except Soda Ash & Derivatives and before 2050 for Soda Ash & Derivatives. Consequently, the 2030 target for greenhouse gas emissions was upgraded to reduce by -30%, as compared to the 2018 baseline. In 2022, Solvay delivered a -19% GHG emissions reduction in four years, of which -15% structural, meaning almost 2x the Paris Agreement.

As part of its transition to cleaner energy sources, Solvay has also identified 23 additional new emission reduction projects which brings the total number of approved projects worldwide to 59. It will represent -3.5 million tonnes of CO₂ annually (equivalent to taking 1.9 million cars off the road).

In response to the gas crisis, Solvay temporarily adjusted its energy sourcing strategy. This is reflected in the coal phase-out performance. The phase out of coal for energy production has been planned for three soda ash plants in Europe: Rheinberg, Germany; Dombasle, France and Devnya, Bulgaria. With the additional phase-out project in the Green River site, US, the Group will cut its global emissions by 9.5% by 2025.

Renewable electricity projects are also advancing. In the US, six businesses and 34 plants are fully supplied by green power, twice as many as in 2021. In China, 100% of operations are now supplied with renewable electricity. In Europe, progress continues with significant projects confirmed to switch plants in Voikka (Finland), Saint Fons and Tavaux (France) to green electricity.

Solvay has decreased its global pressure on biodiversity by -28% versus 2018. The overall trend is aligned with 2030 targets, with part of this progress related to refinements in the methodology and new local projects implemented. Strong efforts have been implemented to design biodiversity roadmaps in order to reduce damage on nature and start regenerating Biodiversity. A list of top 32 sensitive sites has been established, guidelines are being defined with the WildLife Habitat Council, and first roadmaps being created.

Resources

In 2022, the proportion of sales from sustainable solutions reached 55%, a 5% annual increase. It reflects the organic growth in the automotive and battery market with Specialty Polymers and Silica, in the agro market with Novocare, in air and water treatments with Peroxides and Soda Ash & Derivatives.

The group made significant progress in circularity with a 9.3% of its sales of circular products. This result is getting closer to the 2030 target, with part of this progress related to methodology improvement. Solvay is already a market leader in some bio-polymers like guar, bio-sourced solvents and natural vanillin. Solvay is also investing in a powerful Rare Earths hub in La Rochelle, France to play a proactive role in the recycling of magnets. The collaboration between the Materials business and the French startup Carbios on the enzymatic recycling of polymers is another example. Finally, the new Solvay growth platform on Renewable Materials and Biotechnology will facilitate the development of safer chemicals, foster more environmentally-friendly solutions and enhance circularity.

Innovation to develop more sustainable solutions is a continuous process for Solvay teams partnering with customers to develop tailor-made solutions. In 2022 Solvay opened a new Application development center in Alpharetta, Georgia, in the US. The Group is also investing in the upgrade of the 160 year-old soda ash manufacturing process to reduce the CO₂ emissions by 50%, while reducing resource consumption and eliminating limestone residues. A pilot is being implemented at the Dombasle, France site.

In 2022, the apparent increase of freshwater withdrawal in 2022 is mainly due to a stricter application of internal reporting rules for freshwater pumped by Solvay but sold to third parties. Solvay launched various water management initiatives to address water scarcity like the creation of a dashboard that monitors around 90% of the Group's daily freshwater intake. Solvay also conducted a review of water risks. Seven sites have designed roadmaps to improve their resilience, with the potential to achieve 30 million cubic meters in water intake reduction.

In 2022, Solvay exceeded its 2030 target with a -36% reduction of its non-recoverable industrial waste. Valorization, recycling and use in waste-to-energy programs are the key levers to reach the zero waste to landfill target. For example, the calcium fluoride (CaF₂)-rich sludge produced at the Panoli site (India) is now reused as an additive in a cement plant instead of going to landfill. Another example is in the Augusta US site, where the volume of the waste polymer stream has decreased by 76% compared to 2021. Finally, the Collonges site (France) is valorizing the discarded silica by providing to customers a new range of products for other uses.

Better Life

In 2022, the number of injuries has decreased to 0.34 (versus 0.43 in 2021), despite higher production levels. Despite all efforts, a dramatic accident occurred. The Group triggered a strong action plan to raise the bar to reach the zero accident target.

Regarding Diversity, Equity and Inclusion (DEI), major milestones have been achieved this year. The Group took concrete actions to improve pay equity, created the "homogeneity index", achieved parity at the senior management level (SLC) and included the DEI roadmap within the 15% One Planet part of the Short Term Incentive.

Solvay also has nine Employee Resource Groups (ERG), which are grassroots groups led and run by employees that encourage employees to recognize and celebrate diversity, which is a critical component to guide the DEI journey. The different ERGs have suggested a DEI pledge that has been signed by the entire Senior Leadership Team.

In 2022, more than 100 sites, reaching more than 40% of Solvay's global workforce, devoted time to improving their awareness of Diversity Equity and Inclusion (DEI) as part of Solvay's One Dignity initiative. Their participation was converted into a €50,000 donation, which will be spent with local charities promoting DEI in the 14 countries that had the most participation.

The Group provided support for its employees with €9.5 million to be distributed among the people most affected by inflation. Solvay launched its first employee share plan in 2022, achieving an impressive participation rate of 27.7%, which is ahead of the benchmark for similar initiatives. And finally, Solvay increased its Global Performance Sharing (GPS) Plan budget to €15 million, for the "non-executive" employees.

In 2022, the Group renewed its Solvay Global Forum and Global Framework agreements with IndustriAll Global Union, the global union for the chemicals industry.

More information in the extra-financial report.

Key figures

<i>Underlying, in € million</i>	Q4 2022	Q4 2021	% yoy	FY 2022	FY 2021	% yoy
Net sales	3,286	2,703	+21.6%	13,426	10,105	+32.9%
EBITDA	736	572	+28.6%	3,229	2,356	+37.0%
<i>EBITDA margin</i>	22.4%	21.2%	+1.2pp	24.0%	23.3%	+0.7pp
EBIT	517	374	+38.4%	2,426	1,600	+51.6%
Net financial charges	-39	-54	+27.3%	-202	-235	+13.7%
Income tax expenses	-76	-59	-27.9%	-453	-287	-57.9%
<i>Tax rate</i>				21.8%	23.5%	-1.7pp
Profit / (loss) attributable to Solvay shareholders	396	250	+58.2%	1,743	1,040	+67.6%
Basic EPS	3.81	2.41	+58.0%	16.80	10.05	+67.3%
Basic EPS from continuing operations (in €)	3.85	2.41	+59.7%	16.79	10.02	+67.5%
Capex in continuing operations	458	324	+41.4%	1,022	736	+38.8%
FCF to Solvay shareholders from continuing operations	170	150	+13.3%	1,094	843	+29.8%
FCF to Solvay shareholders (total)	170	149	+14.4%	1,094	830	+31.8%
FCF conversion ratio (LTM)				34.4%	37.6%	-3.2pp
Net financial debt				3,591	3,949	-9.1%
Underlying leverage ratio				1.1	1.7	-33.7%
CFROI				8.1%	6.9%	+1.2pp
ROCE				16.0%	11.4%	+4.7pp

Group performance

Net sales of €13,426 million in 2022 were up +32.9% (+25.6% organically) versus 2021 driven largely by positive pricing as well as volume growth in the Materials segment. In the fourth quarter, sales improved +21.6% (+15.2% organically) versus the fourth quarter 2021, thanks to price actions which were able to more than compensate for volume declines as demand softened in several markets including auto, construction, electronics, and consumer sectors. Geographically, full year and fourth quarter sales grew organically by double-digits in all regions.

Structural cost savings reached €79 million for the full year 2022, with €20 million realized in the fourth quarter. For the full year, approximately 60% are related to restructuring initiatives, 30% are from productivity and efficiency improvements and 10% of the savings are from indirect spending.

Underlying EBITDA of €3,229 million was up +37.0% (+28.7% organically) in 2022 versus 2021 driven by increased prices and also supported by modest volume increases. The EBITDA margin for full year 2022 was 24.0% driven primarily by increased pricing which more than offset cost inflation. Underlying EBITDA in the fourth quarter of €736 million increased +28.6% (+18.7% organically) versus the fourth quarter 2021 also due to price actions.

Free cash flow to shareholders from continuing operations reached €1,094 million in 2022. Results reflect higher volumes, margin expansion, and ongoing working capital discipline.

Underlying net financial debt decreased €358 million in 2022 to €3,591 million, driven by the free cash flow generation in 2022.

Provisions in 2022 decreased by €503 million to €2,097 million. Higher discount rates and an additional €155 million voluntary contribution to our pension assets in Germany were the main drivers of the decrease.

Performance by segment

Net sales bridges

(in € million)	FY 2021	Scope	Forex	Volume	Price	FY 2022	Yoy %	Organic %
Materials	2,903	-1	+171	+278	+724	4,075	+40.4%	+32.6%
Chemicals	3,357	-22	+220	-93	+1,035	4,496	+33.9%	+26.5%
Solutions	3,838	-47	+260	-51	+845	4,846	+26.3%	+19.6%
Corporate	7	-	-1	+3	-	9	+31.4%	+41.4%
Solvay	10,105	-70	+651	+137	+2,604	13,426	+32.9%	+25.6%

(in € million)	Q4 2021	Scope	Forex	Volume	Price	Q4 2022	Yoy %	Organic %
Materials	751	+3	+34	+25	+221	1,034	+37.7%	+31.2%
Chemicals	891	-4	+58	-66	+224	1,103	+23.8%	+16.7%
Solutions	1,058	-1	+60	-129	+158	1,146	+8.3%	+2.6%
Corporate	2	-	-	-	-	3	+9.3%	+6.2%
Solvay	2,703	-2	+153	-169	+602	3,286	+21.6%	+15.2%

Materials

Sales in the full year 2022 were up +40.4% (+32.6% organically) to €4,075 million driven by record sales levels in Specialty Polymers across all markets, further supported by the continuing recovery in commercial aerospace. Full year EBITDA was up +46.8% (+36.9% organically), thanks to the higher volumes and pricing which drove 140 basis points margin expansion to 31.7% for the year.

In the fourth quarter, segment sales improved +37.7% (+31.2% organically) driven mainly by strong demand across several sectors and by price increases in effect since the fourth quarter of 2021.

In Specialty Polymers, sales improved +41.7% (+36.8% organically) mainly due to price. Volumes also contributed positively in the quarter, although demand in the automotive market including electric vehicles slowed sequentially. Demand in all other markets including electronics, healthcare, and food packaging remained resilient.

Composite Materials sales were up +26.2% (+16.0% organically) in the fourth quarter versus Q4 2021 due to both volumes and pricing, demonstrating demand recovery in civil aerospace driven by single-aisle aircraft and business jets.

Fourth quarter EBITDA for the segment increased +48.1% (+36.1% organically) driven largely by price increases and resilient demand in Specialty Polymers as well as the continued recovery of commercial aerospace in Composite Materials. EBITDA margins improved 210 basis points to 29.6% in the fourth quarter thanks to higher pricing and volume growth.

Chemicals

Full year 2022 sales in the segment were up +33.9% (+26.5% organically) to €4,496 million due to pricing measures and sustained demand for Soda Ash & Derivatives, Peroxides and Silica that were able to more than compensate for softening demand in Coatis. EBITDA in 2022 was up +17.7% (+10.1% organically), thanks primarily to pricing. The drop in demand and pricing pressure in Coatis and Rusvinyl caused EBITDA margins to decrease 360 basis points to 26.4% for full-year 2022.

Fourth quarter net sales were up +23.8% (+16.7% organically) in the segment.

In Soda Ash & Derivatives, sales improved +48.8% (+42.0% organically) in Q4 versus Q4 2021 driven by pricing actions and higher demand for bicarbonate, while demand from the construction market softened.

Peroxides sales were up +13.0% (+7.8% organically) in Q4 mainly reflecting pricing actions and the start of licensing-contract business in the quarter for H₂O₂.

Silica sales increased +18.4% (+14.9% organically) in the quarter driven by pricing actions that were able to more than compensate for softer volume.

Coatis sales were down -10.3% (-19.4% organically) in comparison to a very strong Q4 2021. Sales volumes declined due to reduced demand, and imports to Brazil which put pressure on prices and market share.

Fourth quarter EBITDA in the segment fell -1.5% (-9.9% organically) versus the fourth quarter 2021 when it recorded a €55 million one-time gain related to the recovery of indirect sales duties in Brazil. Excluding this

benefit, fourth quarter EBITDA rose +9.3% organically, driven by pricing. Segment EBITDA margin in the fourth quarter was 25.5%, a decrease of 660 basis points.

Solutions

Full year 2022 sales were up +26.3% (+19.6% organically) to €4,846 million due mainly to pricing across business lines. Full year EBITDA was up +34.7% (+25.0% organically), leading to 19.5% EBITDA margin for the year, up 120 basis points from 2021.

Fourth quarter net sales in the segment were up +8.3% (+2.6% organically) driven by higher pricing.

Fourth quarter sales in Novecare increased +0.7% (-6.6% organically) year on year, as demand in construction and consumer end markets weakened, while the agro market was resilient, backed by higher prices.

Special Chem sales in Q4 increased +21.1% (+21.0% organically) thanks to higher prices, while demand softened in automotive and semiconductor markets.

Technology Solutions sales in Q4 increased +32.6% (+24.7% organically) driven by strong demand in mining – particularly in copper – and phosphorus derivatives affording growth in volume and pricing.

Aroma Performance sales decreased -10.4% (-14.3% organically) in Q4, as volumes declined due to lower demand for vanillin into flavors and fragrance markets.

Oil & Gas Solutions sales grew +5.7% (-1.1% organically) versus the previous year quarter mainly driven by price and resilient demand for oilfield chemicals in North America.

Fourth quarter EBITDA in the segment fell -3.1% (-11.2% organically) versus the fourth quarter 2021 as growth in mining, agro and oil & gas was offset by demand declines in other sectors. EBITDA margin for the segment in Q4 was 15.2%, a decrease of 180 basis points.

Corporate and business services

Corporate and Business services reported a loss of €-27 million to the Group EBITDA in Q4 2022. The €+74 million improvement year over year is mainly due to the continued benefits of stabilization of our energy business which recorded a €-34 million one-time loss recorded in Q4 2021 in relation to energy supply to third parties.

Key segment figures

Segment review (in € million)	Underlying							
	Q4 2022	Q4 2021	% yoy	% organic	FY 2022	FY 2021	% yoy	% organic
Net sales	3,286	2,703	+21.6%	+15.2%	13,426	10,105	+32.9%	+25.6%
Materials	1,034	751	+37.7%	+31.2%	4,075	2,903	+40.4%	+32.6%
Specialty Polymers	787	555	+41.7%	-	3,121	2,173	+43.6%	-
Composite Materials	247	195	+26.2%	-	954	730	+30.7%	-
Chemicals	1,103	891	+23.8%	+16.7%	4,496	3,357	+33.9%	+26.5%
Soda Ash & Derivatives	572	385	+48.8%	-	2,221	1,509	+47.2%	-
Peroxides	198	175	+13.0%	-	773	636	+21.6%	-
Coatis	186	207	-10.3%	-	870	745	+16.8%	-
Silica	147	124	+18.4%	-	631	467	+35.4%	-
Solutions	1,146	1,058	+8.3%	+2.6%	4,846	3,838	+26.3%	+19.6%
Novelcare [1]	436	433	+0.7%	-	1,905	1,546	+23.2%	-
Special Chem	255	210	+21.1%	-	1,040	840	+23.8%	-
Technology Solutions [1]	190	143	+32.6%	-	740	560	+32.2%	-
Aroma Performance	121	135	-10.4%	-	575	473	+21.4%	-
Oil & Gas [1]	145	137	+5.7%	-	586	418	+40.3%	-
Corporate & Business Services	3	2	+9.3%	+6.2%	9	7	+31.4%	+41.4%
EBITDA	736	572	+28.6%	+18.7%	3,229	2,356	+37.0%	+28.7%
Materials	306	207	+48.1%	+36.1%	1,290	879	+46.8%	+36.9%
Chemicals	282	286	-1.5%	-9.9%	1,188	1,009	+17.7%	+10.1%
Solutions	174	180	-3.1%	-11.2%	944	701	+34.7%	+25.0%
Corporate & Business Services	-27	-101	+73.4%	-	-194	-232	+16.6%	-
EBITDA margin	22.4%	21.2%	+1.2pp	-	24.0%	23.3%	+0.7pp	-
Materials	29.6%	27.5%	+2.1pp	-	31.7%	30.3%	+1.4pp	-
Chemicals	25.5%	32.1%	-6.6pp	-	26.4%	30.1%	-3.6pp	-
Solutions	15.2%	17.0%	-1.8pp	-	19.5%	18.3%	+1.2pp	-
Capex in continuing operations	458	324	+41.3%	-	1,022	736	+38.8%	-
Materials					400	251	+59.4%	-
Chemicals					284	212	+34.0%	-
Solutions					242	172	+40.7%	-
Corporate & Business Services					96	101	-5.1%	-
Cash conversion	37.8%	43.4%	-5.6pp	-	68.3%	68.8%	-0.4pp	-
Materials					69.0%	71.4%	-2.4pp	-
Chemicals					76.1%	79.0%	-2.9pp	-
Solutions					74.4%	75.5%	-1.1pp	-
CFROI					8.1%	6.9%	+1.2pp	-
Materials					11.6%	9.0%	+2.6pp	-
Chemicals					9.4%	10.5%	-1.0pp	-
Solutions					8.7%	7.2%	+1.5pp	-
Research & innovation					349	298	+17.3%	-
Materials					186	138	+35.3%	-
Chemicals					29	28	+3.8%	-
Solutions					115	103	+12.3%	-
Corporate & Business Services					19	30	-36.0%	-
Research & innovation intensity					2.6%	2.9%	-0.3pp	-
Materials					4.6%	4.7%	-0.2pp	-
Chemicals					0.6%	0.8%	-0.2pp	-
Solutions					2.4%	2.7%	-0.3pp	-

(1) Sales of Novelcare and Technology Solutions in prior periods have been restated to reflect the creation of an Oil & Gas GBU as from July 1, 2021. More information can be found in the financial report.

Key IFRS figures

Q4 key figures
(in € million)

	IFRS			Underlying		
	Q4 2022	Q4 2021	% yoy	Q4 2022	Q4 2021	% yoy
Net sales	3,286	2,703	+21.6%	3,286	2,703	+21.6%
EBITDA	566	562	+0.8%	736	572	+28.6%
<i>EBITDA margin</i>				22.4%	21.2%	+1.2pp
EBIT	342	388	+11.9%	517	374	+38.4%
Net financial charges	-7	-10	+30.5%	-39	-54	+27.3%
Income tax expenses	81	-1	n.m.	-76	-59	-27.9%
Profit / (loss) attributable to Solvay shareholders	412	366	+12.7%	396	250	+58.2%
Basic EPS (in €)	3.97	3.53	+12.5%	3.81	2.41	+58.0%
of which from continuing operations	3.98	3.53	+12.6%	3.85	2.41	+59.7%

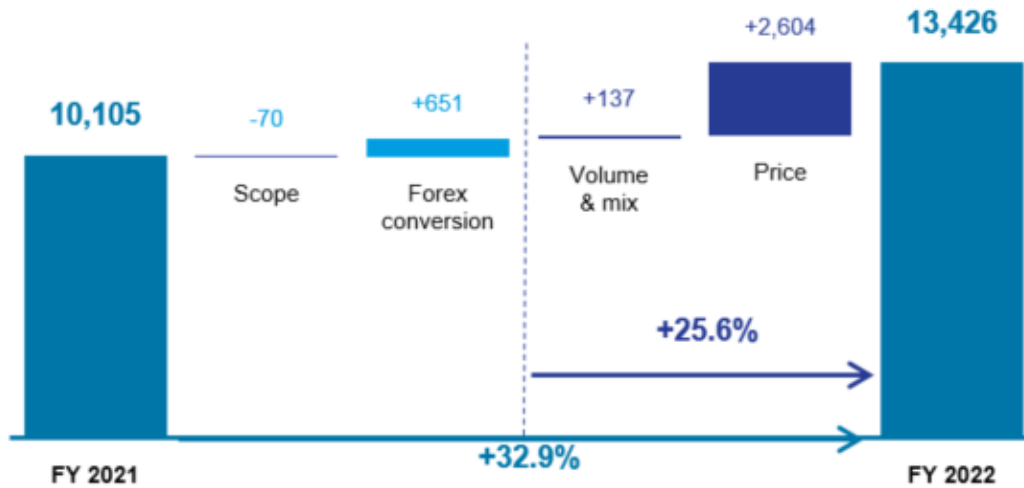
FY key figures
(in € million)

	IFRS			Underlying		
	FY 2022	FY 2021	% yoy	FY 2022	FY 2021	% yoy
Net sales	13,426	10,105	+32.9%	13,426	10,105	+32.9%
EBITDA	3,144	2,038	+54.2%	3,229	2,356	+37.0%
<i>EBITDA margin</i>				24.0%	23.3%	+0.7pp
EBIT	2,221	1,190	+86.6%	2,426	1,600	+51.6%
Net financial charges	-70	-96	+26.7%	-202	-235	+13.7%
Income tax expenses	-217	-110	n.m.	-453	-287	-57.9%
<i>Tax rate</i>				21.8%	23.5%	-1.7pp
Profit / (loss) attributable to Solvay shareholders	1,905	948	n.m.	1,743	1,040	+67.6%
Basic EPS (in €)	18.37	9.15	n.m.	16.80	10.05	+67.3%
of which from continuing operations	18.36	9.11	n.m.	16.79	10.02	+67.5%
Dividend (1)	4.05	3.85	+5.2%	4.05	3.85	+5.2%

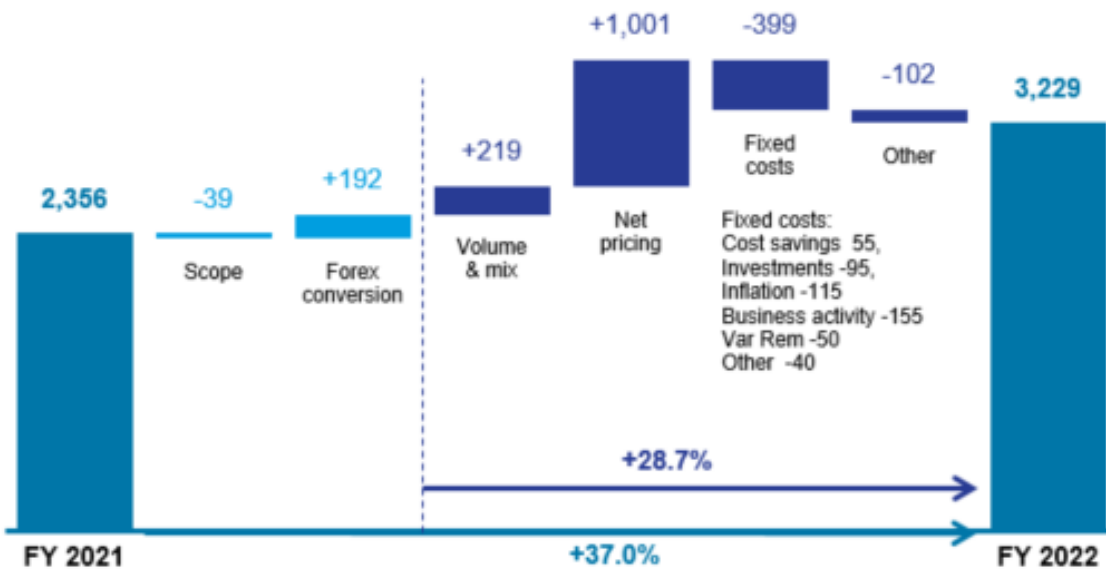
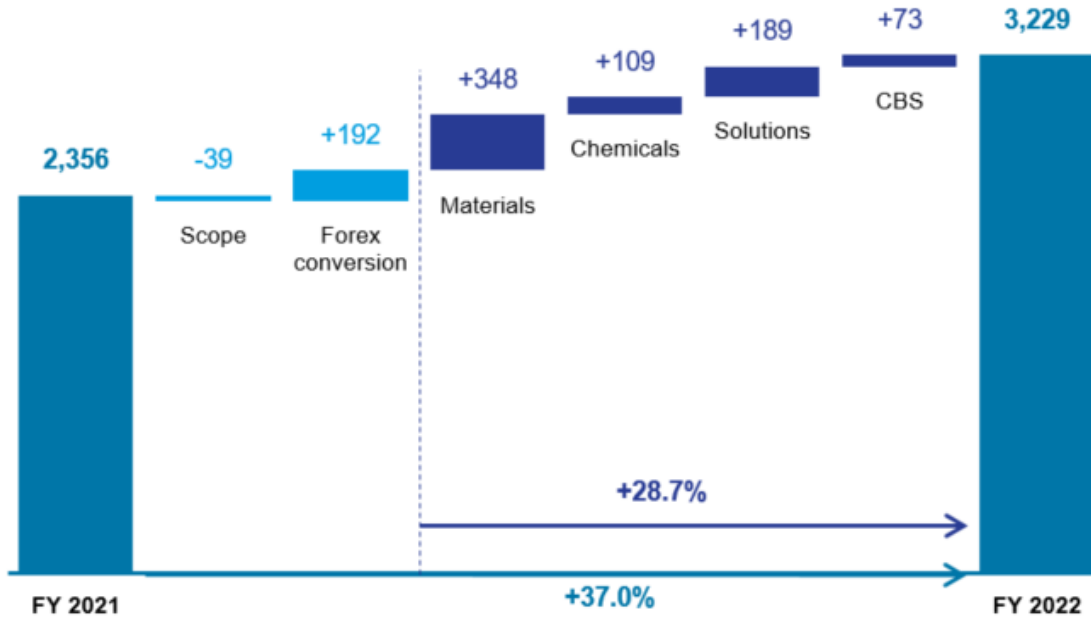
(1) Total gross dividend of € 4.05 subject to shareholders approval.

Supplemental information: bridges

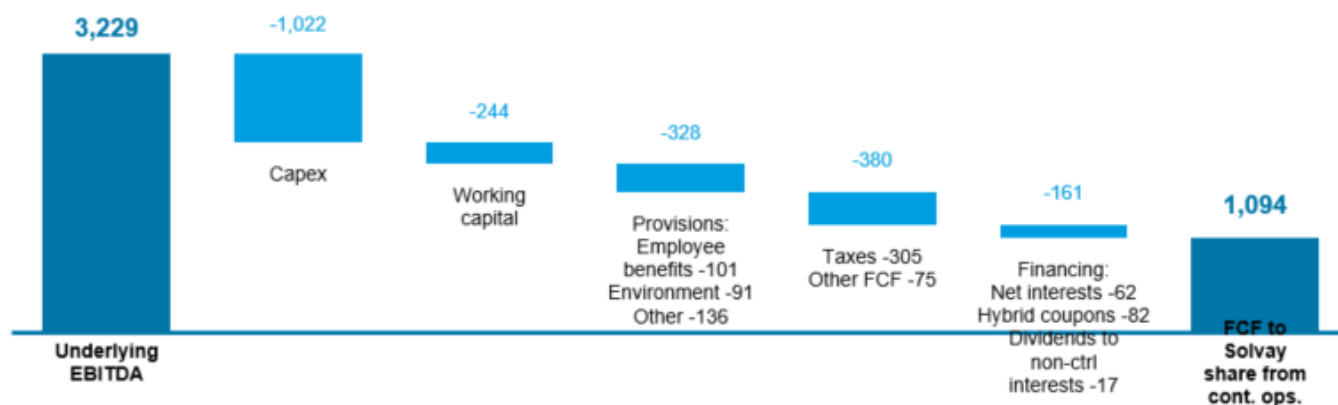
Net Sales (in € million)



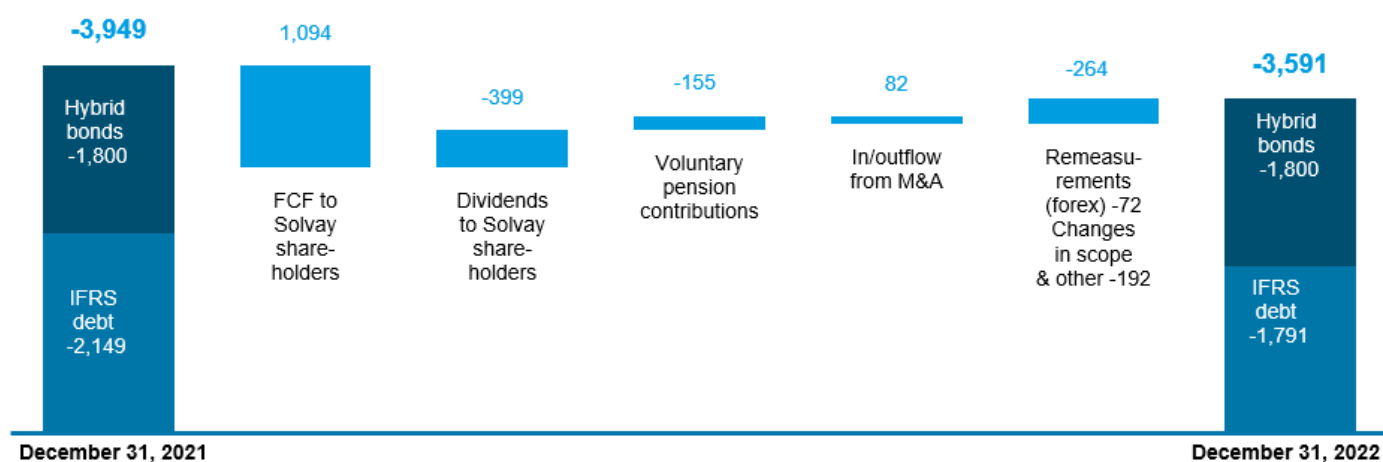
Underlying EBITDA (in € million)



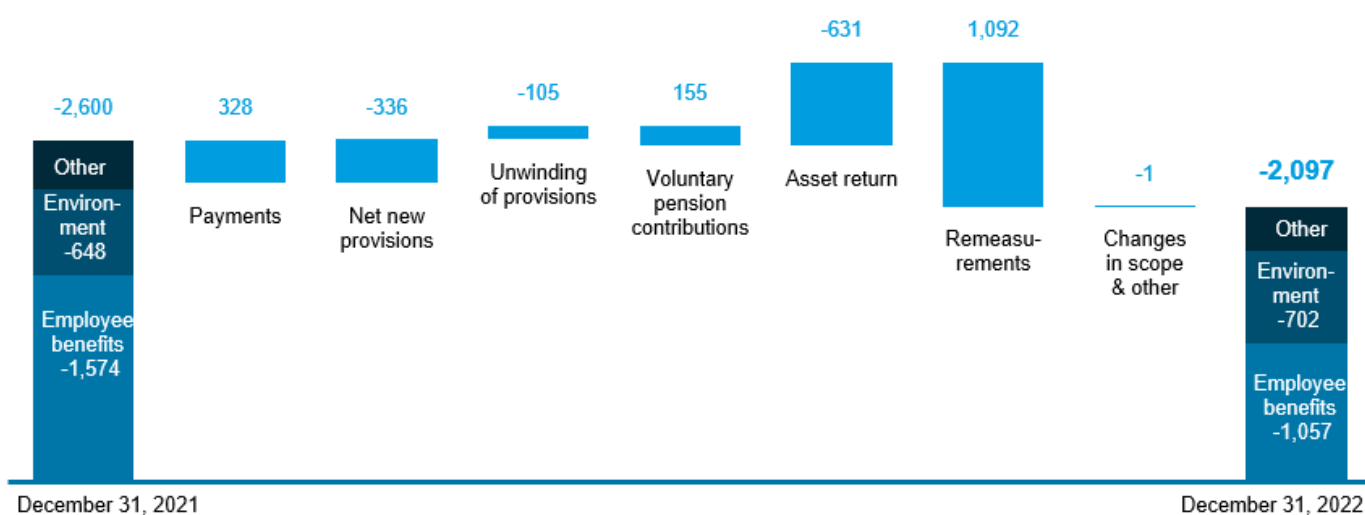
Free cash flow Full Year 2022 (in € million)



Underlying net debt (in € million)



Provisions (in € million)



	FY 2021	Payments	Net new liabilities	Unwinding of provisions	Additional pension contributions	Asset return	Remeasurements	Changes in scope & other	FY 2022
Employee benefits	-1574	101	-63	-88	155	-631	1,051	8	-1,057
Environment	-648	90	-177	-17	-	-	46	-3	-702
Restructuring and other provisions	-378	137	-96	-1	-	-	-5	-4	-339
Total	-2,600	328	-336	-105	155	-631	1,092	1	-2,097

Glossary

EPS is earnings per share.

Extra-financial indicators: Indicators used to measure the sustainability performance of the company in complement to financial indicators. Solvay has selected 10 indicators that are included in the ONE Planet initiative. For more information, we refer to the last available annual report available on www.solvay.com.

- **Eco profile:** Environmental footprint of a product, from the extraction of raw materials to the exit gate of Solvay factory. Science based quantitative assessment with 21 impact indicators.
- **SBTi** - Science-based target initiative.
- **Reportable Injuries and Illnesses Rate (RIIR):** Number of work-related injuries and illnesses (employees and contractors) resulting from an accident with severity above first aid, according to US OSHA 29 CFR 1904, per 200,000 work hours.
- A **sustainable solution** is defined by Solvay's Sustainable Portfolio Management tool as a product in a given application that makes a greater social and environmental contribution to the customer's performance and, at the same time, demonstrates a lower environmental impact in its production phase.

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 ratio is 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 the underlying EBITDA of the last rolling 12 months.

Last twelve months (LTM) refers to the timeframe of the immediately preceding 12 months.

Organic growth: growth of Net sales or underlying EBITDA excluding scope changes 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.

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 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 to generate a measure that avoids distortion and facilitates the appreciation of performance and comparability of results over time.

Underlying net financial charges include the coupons on perpetual hybrid bonds (accounted as dividends under IFRS, and thereby excluded from the income statement), as well as the financial charges and realized foreign exchange losses from the RusVinyl joint venture (part of earnings from associates under IFRS, and thereby included in the IFRS EBITDA).

Underlying net financial debt includes the perpetual hybrid bonds, accounted for as equity under IFRS.

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This press release 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 press release 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&I 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.

About Solvay

Solvay is a science company whose technologies bring benefits to many aspects of daily life. With more than 22,000 employees in 63 countries, Solvay bonds people, ideas and elements to reinvent progress. The Group seeks to create sustainable shared value for all, notably through its Solvay One Planet roadmap crafted around three pillars: protecting the climate, preserving resources and fostering a better life. The Group's innovative solutions contribute to safer, cleaner, and more sustainable products found in homes, food and consumer goods, planes, cars, batteries, smart devices, health care applications, water and air purification systems. Founded in 1863, Solvay today ranks among the world's top three companies for the vast majority of its activities and delivered net sales of €13.4 billion in 2022. Solvay is listed on Euronext Brussels and Paris (SOLB). Learn more at www.solvay.com.

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