

Solvay third quarter 2024 results

*Sound financial performance with acceleration of costs savings
Confirmation of the full year 2024 EBITDA and FCF guidance*

Highlights

- **Net sales** in Q3 2024 amounted to €1,156 million, up +3.9% organically versus Q3 2023, with a positive impact from volumes for the third consecutive quarter, while prices were down year on year.
- **Underlying EBITDA** in Q3 2024 was stable at €259 million (-0.3% year on year organically), with a moderate negative Net pricing being offset by positive volume impact. EBITDA margin reached 22.4%.
- **Structural cost savings** initiatives delivered €77 million in the first nine months of 2024.
- **Underlying net profit** from continuing operations was €108 million in Q3 2024 vs. €157 million in Q3 2023.
- **Free Cash Flow¹** amounted to €74 million in Q3 2024 (€320 million in 9M), from the solid EBITDA performance, while **Capex** ramped up to €84 million in Q3 2024 (€192 million in 9M).
- **ROCE** was 17.3% in Q3 2024.
- **Underlying Net Debt** stood at €1.5 billion, implying a leverage ratio of 1.5x.
- The Board of Directors validated an **interim dividend** of €0.97 gross per share, payable on Jan. 22, 2025.
- **2024 Outlook:** Solvay confirms its EBITDA and Free Cash Flow¹ guidance for 2024, and expects the underlying EBITDA to be at the high end of the “-10% to -15%” organic growth range.

Underlying (in € million)	Third quarter				Nine Months			
	2024	2023	% yoy	% organic	2024	2023	% yoy	% organic
Net sales	1,156	1,120	+3.2%	+3.9%	3,552	3,749	-5.3%	-5.4%
EBITDA	259	286	-9.7%	-0.3%	796	1,008	-21.0%	-11.1%
<i>EBITDA margin</i>	22.4%	25.6%	-3.2pp	-	22.4%	26.9%	-4.5pp	-
FCF¹	74	167	-55.7%	-	320	553	-42.1%	-
ROCE					17.3%	N/A	n.m	-

Note: 2023 figures were restated to reflect the changes mentioned in the *Financial performance* introduction.

Philippe Kehren, Solvay CEO

“The evolution of our business in the third quarter was in line with our expectations. The first half of the year benefitted from opportunistic sales and restocking effects, while, as anticipated, we have not observed any improvement in the third quarter of 2024. Despite these market conditions, our financial performance demonstrates resilience and our ability to maintain solid profits. This has been achieved thanks to the acceleration of cost-saving initiatives and the unwavering commitment of our employees.

I am also very proud of our most recent energy transition project in Green River (US). Just a few months after exiting coal, this new step further strengthens Green River’s position as a U.S. benchmark for sustainable soda ash production and marks a key step in reducing our global carbon footprint.

Looking ahead to the fourth quarter, we expect the trends of the first nine months to continue, with some potential seasonal effects toward year-end.

As we prepare for 2025, we are ready to adapt to evolving market conditions while focusing on our transformation journey and operational efficiency.”

¹ Free Cash Flow (FCF) here is the free cash to Solvay shareholders from continuing operations.

Financial performance

The 2023 IFRS and underlying figures, presented below, were restated to present the effect of the partial Demerger of the Specialty Businesses and to reflect the transfer of eH2O2 activities from Special Chem to Peroxides on January 1, 2024.

The impact of the scope change of Alternative Performance Metric (APM) applied from January 1, 2024 to the material equity accounted investment in Peroxidos do Brasil, is explained in the Restatements paragraph of the financial report. The Q3 and 9M 2023 figures have not been restated and are reflected as scope change.

Key figures

<i>Underlying key figures (in € million)</i>	Q3 2024	Q3 2023	% yoy	9M 2024	9M 2023	% yoy
Net sales	1,156	1,120	3.2%	3,552	3,749	-5.3%
EBITDA	259	286	-9.7%	796	1,008	-21.0%
<i>EBITDA margin</i>	22.4%	25.6%	-3.2pp	22.4%	26.9%	-4.5pp
EBIT	179	211	-15.1%	560	774	-27.7%
Net financial charges	-34	-18	-87.6%	-106	-81	-29.8%
Income tax expenses	-37	-35	-4.4%	-111	-138	19.8%
<i>Tax rate</i>				24.6%	20.8%	+3.9pp
Profit from continuing operations	108	157	-31.5%	343	554	-38.1%
Profit / (loss) from discontinued operations	-1	188	n.m.	-	682	n.m.
(Profit) / loss attributable to non-controlling interests	-3	-5	-29.9%	-12	-10	15.9%
Profit / (loss) attributable to Solvay shareholders	103	340	-69.7%	331	1,226	-73.0%
Basic earnings per share (in €)	0.99	3.27	-69.7%	3.16	11.79	-73.2%
of which from continuing operations	1.00	1.47	-32.0%	3.16	5.26	-39.9%
Capex in continuing operations	84	121	-30.6%	192	268	-28.2%
FCF to Solvay shareholders from continuing operations	74	167	-55.7%	320	553	-42.1%
Net financial debt				1,546	N/A	n.m.
Underlying leverage ratio				1.5	N/A	n.m.
ROCE (continuing operations)				17.3%	N/A	n.m.

Note: 2023 figures were restated to reflect the changes mentioned here above.

Group performance

Underlying net sales of €1,156 million for the third quarter of 2024 were +3.2% higher versus Q3 2023 (+3.9% organically, with a limited scope, APM and conversion impact of -0.7%). As expected, prices continued to have a negative impact (-4.3%) following the lower prices in soda ash in 2024 versus 2023. Volumes were up (+8.2%), benefitting from a more favorable comparable basis in Q3 last year.

Underlying EBITDA of €259 million in Q3 2024 was down -9.7% but stable organically (-0.3%), including a negative scope, APM and conversion impact (-9.5%) from the exit of the thermal insulation and energy third parties businesses, and the change in APM in relation with Peroxidos do Brasil. Volume impact was favorable (+5.6%), highlighting a moderate increase of year on year demand in the majority of Solvay's end markets. Net pricing had a negative impact (-6.8%), mainly as a result of the lower prices in soda ash. Cost savings initiatives continued to support the EBITDA, with €31 million savings in Q3 2024. Fixed costs had a slight negative impact in the third quarter (-2.8%), with fixed costs savings offsetting inflation, and higher variable remuneration accruals year on year. Overall, the EBITDA margin decreased to 22.4%, -3.2pp year on year, but was stable compared to the first half of 2024.

Free Cash Flow to Solvay shareholders from continuing operations amounted to €74 million in Q3 2024, supported by the EBITDA performance, and despite the strong acceleration of investments compared to the second quarter. Working capital variations continued to be under control in this quarter.

Underlying net financial debt was €1.5 billion at the end of Q3 2024, stable versus end of Q2 2024 and compared to the end of 2023.

The **interim dividend** of €0.97 gross per share represents 40% of the 2023 total dividend (€2.43 per share) and is aligned with Solvay's policy and historic practices.

2024 outlook

Solvay expects the trends of the first nine months to continue into the last quarter of 2024, with some potential seasonality effects around year-end.

In that context, Solvay confirms its full year underlying EBITDA guidance of “-10% to -15%” organic growth (or €975 million to €1,040 million, at a 1.10 EUR/USD exchange rate), and expects to be at the high-end of the range. This is supported by the resilience of its businesses and the cost savings that will exceed the target of €80 million for the full year, as the company has been able to accelerate initiatives that were expected to start in 2025.

Solvay keeps its guidance of Free Cash Flow² for 2024 at above €300 million, as Capex in the last quarter should further accelerate and reach €300 million to €350 million in 2024.

Performance by segment

Basic Chemicals

Basic Chemicals sales in Q3 2024 were up +7.8% (+1.2% organically) compared to Q3 2023, with positive impacts from conversion, scope and change in APM (+6.5%) and higher volumes (+8.6%) partially offset by the negative price impact (-7.3%).

Soda Ash & Derivatives sales were slightly lower by -1.6% (-2.1% organically) for the quarter, from lower prices in soda ash, almost offset by higher volumes in both soda ash and bicarbonate. In line with previous quarters, soda ash demand continued to be strong in the seaborne market, though this was partly offset by the reduced demand from container glass in Europe, while bicarbonate demand was supported by the feed and flue gas treatment end markets.

Peroxides sales increased by +33.3% year on year, including the consolidation of the Peroxidos do Brasil sales (+8.7% organically). Volumes were up year on year in merchant markets, especially in pulp, mining and chemical applications, and also grew in HPPO and in electronics, especially in Asia.

The segment EBITDA was down -23.4% (-22.4% organically) compared to Q3 2023 which had been positively impacted by a licensing revenue from GBU Peroxides, recorded as revenues from non-core activities. Besides this element, year on year volume impact was favorable, but it was offset by negative Net pricing from soda ash and slightly higher fixed costs. The EBITDA margin reached 25.7%, decreasing by -10.5pp compared to Q3 2023.

Performance Chemicals

Performance Chemicals sales in Q3 2024 were down -3.9% (+8.6% organically) compared to Q3 2023, with negative scope and conversion impact (-11.5%), higher volumes (+7.6%) and stable prices (+0.0%).

Silica sales for the quarter were lower by -5.0% (-3.5% organically) from lower prices due to formula indexations, while volumes were slightly higher year on year but lower sequentially on the tire market.

Coatis sales were up +11.7% (+29.1% organically) with improved volumes and pricing in both solvents and polyamide chain product lines.

Special Chem sales were lower year on year by -15.6% from the exit of the thermal insulation activities, while organically, sales were up +2.0%. In the rare earth business line volumes were lower in autocatalysis but higher in electronics while in the fluorine business line volumes increased. Sequentially versus Q2 the product mix was less favorable overall.

² Free Cash Flow (FCF) here is the free cash to Solvay shareholders from continuing operations.

The segment EBITDA for the quarter was down -2.5% but up +26.1% organically, thanks to higher volumes year on year in most product lines, although lower sequentially on the automotive applications. The EBITDA margin increased year on year to 17.6% by +0.3pp.

Corporate

For Q3 2024, the Corporate segment EBITDA was €-2 million, €+30 million versus Q3 2023 (which included €-10 million of provision relating to the energy transition project in the plant of Dombasle, France). In Q3 2024, the negative impact of inflation was largely offset by the structural savings from a leaner organization combined with contained spend on discretionary expenses, some positive seasonal effects, and the positive impacts from the Transition Service Agreement with Syensqo.

Key segment figures

Segment review (in € million)	Underlying							
	Q3 2024	Q3 2023	% yoy	% organic	9M 2024	9M 2023	% yoy	% organic
Net sales	1,156	1,120	3.2%	3.9%	3,552	3,749	-5.3%	-5.4%
Basic Chemicals	706	655	7.8%	1.2%	2,129	2,154	-1.1%	-7.0%
Soda Ash & Derivatives	471	478	-1.6%	-2.1%	1,432	1,594	-10.2%	-11.1%
Peroxides	235	176	33.3%	8.7%	698	559	24.7%	2.5%
Performance Chemicals	448	466	-3.9%	8.6%	1,415	1,589	-11.0%	-3.1%
Silica	127	133	-5.0%	-3.5%	412	449	-8.2%	-8.1%
Coatis	164	147	11.7%	29.1%	487	500	-2.7%	1.3%
Special Chem	157	186	-15.6%	2.0%	515	640	-19.4%	-2.8%
Corporate	3	-1	n.m.	n.m.	8	6	n.m.	n.m.
EBITDA	259	286	-9.7%	-0.3%	796	1,008	-21.0%	-11.1%
Basic Chemicals	181	237	-23.4%	-22.4%	577	746	-22.7%	-24.0%
Performance Chemicals	79	81	-2.5%	26.1%	260	308	-15.5%	4.6%
Corporate	-2	-31	n.m.	n.m.	-40	-46	n.m.	n.m.
EBITDA margin	22.4%	25.6%	-3.2pp	-	22.4%	26.9%	-4.5pp	-
Basic Chemicals	25.7%	36.2%	-10.5pp	-	27.1%	34.6%	-7.6pp	-
Performance Chemicals	17.6%	17.3%	+0.3pp	-	18.4%	19.4%	-1.0pp	-

Note: 2023 figures were restated to reflect the changes mentioned in the *Financial performance* introduction

More information, including the condensed consolidated interim financial statements, notes, reconciliation of the APM and definitions, can be found in the [financial report](#), which is available on Solvay's website.

Financial calendar

- [Link to Solvay's financial calendar](#)

Details of analysts and investors conference call

- Time: November 6, 2024 - 2pm CET
- Registration: register to the webcast [here](#).

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About Solvay

Solvay, a pioneering chemical company with a legacy rooted in founder Ernest Solvay's pivotal innovations in the soda ash process, is dedicated to delivering essential solutions globally through its workforce of over 9,000 employees. Since 1863, Solvay harnesses the power of chemistry to create innovative, sustainable solutions that answer the world's most essential needs such as purifying the air we breathe and the water we use, preserving our food supplies, protecting our health and well-being, creating eco-friendly clothing, making the tires of our cars more sustainable and cleaning and protecting our homes. Solvay's unwavering commitment drives the transition to a carbon-neutral future by 2050, underscoring its dedication to sustainability and a fair and just transition. As a world-leading company with €4.9 billion in net sales in 2023, Solvay is listed on Euronext Brussels and Paris (SOLB). For more information about Solvay, please visit [solvay.com](https://www.solvay.com) or follow [Solvay](#) on LinkedIn.

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