First nine months 2023
Financial report

Progress beyond

SOLVAY

Regulated information
Published on November 3, 2023, at 7:00 a.m.

Contents

Forenote

In addition to IFRS accounts, Solvay also presents alternative performance indicators ("underlying") to provide a more consistent and comparable indication of the Group's underlying financial performance and financial position, as well as cash flows. These indicators provide a balanced view of the Group's operations and are considered useful to investors, analysts and credit rating agencies as these measures provide relevant information on the Group's past or future performance, financial position or cash flows. These indicators are generally used in the sector it operates in and therefore serve as a useful aid for investors to compare the Group's performance with its peers. 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, for impairments and for other elements that would distort the analysis of the Group's underlying performance. The comments on the results made on pages 3 to 8 are on an underlying basis, unless otherwise stated.

Underlying business review

Highlights

- **Net sales** in the third quarter of 2023 were down by -20.3% organically versus a record Q3 2022 as expected due to -15% lower volumes (€-512 million) in a weaker macro environment and -5% lower prices (€-188 million) in a context of lower raw material costs and energy prices. On a sequential basis, net sales were down 11% versus Q2. The volume reduction was broad based across regions and businesses.
- **Structural cost savings** for the first nine months of 2023 amounted to €63 million, bringing the total savings since 2019 to €530 million.
- **Underlying EBITDA** of €702 million in Q3 2023 was down by -18.5% organically compared to a record Q3 2022 driven by lower volumes, partly offset by €36 million in positive net pricing and €41 million in lower fixed costs. Nine months EBITDA at €2,331 million is only down 1% organically versus 2022, a clear indication that strong historic pricing and cost discipline momentum is being maintained.
- The underlying **EBITDA margin** of 25.6% in Q3 2023 was sustained relative to Q3 2022 despite lower volumes, while nine months EBITDA margin of 25.9% is +1.3pp higher, mainly as a result of positive net pricing and cost discipline.
- **Underlying Net Profit** was €340 million in Q3 2023 compared to €509 million in Q3 2022.
- **Free Cash Flow** of €346 million in Q3 2023 resulted in a nine-month 2023 total of €1,027 million and a FCF conversion ratio of 39.4%.
- **ROCE** was 15.2%, broadly in line with Q3 2022.
- Continued strengthening of the **balance sheet** with underlying net debt at €2.8 billion, which translated to a historic low leverage of 0.9x.
- As explained on page 2, an **interim dividend** of €1.62 gross per share has been validated by the Board of Directors, in line with historical interim dividend policy to be paid by Solvay SA on January 17, 2024.

	Third quarter				First nine months			
Underlying (in € million)	**2023**	**2022**	***% yoy***	***% organic***	**2023**	**2022**	***% yoy***	***% organic***
Net sales	2,747	3,609	-23.9%	-20.3%	9,001	10,141	-11.2%	-9.6%
EBITDA	702	917	-23.5%	-18.5%	2,331	2,493	-6.5%	-1.2%
EBITDA margin	25.6%	25.4%	*+0.1pp*	-	25.9%	24.6%	*+1.3pp*	-
FCF	346	452	-23.4%	-	1,027	924	+11.1%	-
FCF conversion ratio (LTM)	39.4%	36.8%	*+2.6pp*	-	39.4%	36.8%	*+2.6pp*	-
ROCE	15.2%	15.4%	*-0.2pp*	-	15.2%	15.4%	*-0.2pp*	-

Ilham Kadri, CEO

"This quarter marks the last reporting period for 160 year-old Solvay as it exists today, as we prepare to separate into two respected industry leaders. I'm so proud of what our teams have accomplished again this quarter, with positive net pricing and additional cost savings leading to higher EBITDA margins and cash generation in the context of a weak demand environment. It's clear that we are truly a stronger company today on all fronts. With our new leadership and board teams now in place and the highest level of people engagement in the past 5 years at 76%, we are well equipped to embark on a new journey filled with untapped opportunities, enhanced focus, and an exciting future for all."

2023 Outlook

Given the current volume momentum, we reconfirm our full year guidance, at the lower end of the prior EBITDA guidance range.

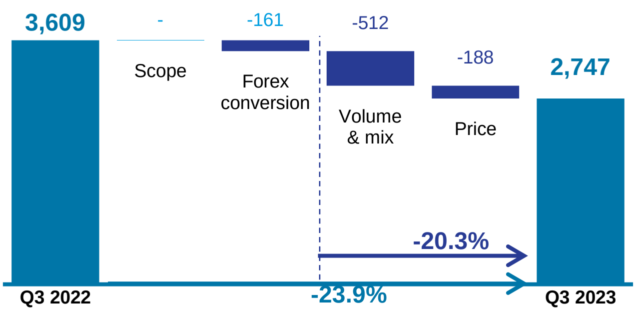
Key figures

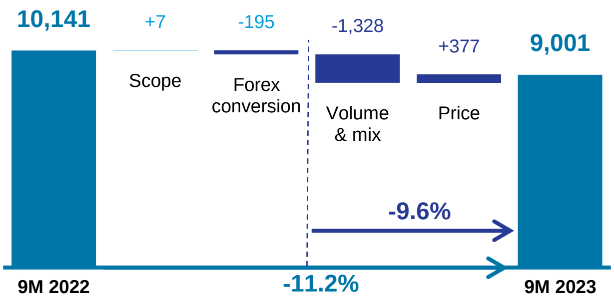
Underlying key figures

(in € million)	Q3 2023	Q3 2022	% yoy	9M 2023	9M 2022	% yoy
Net sales	**2,747**	**3,609**	***-23.9%***	**9,001**	**10,141**	***-11.2%***
EBITDA	**702**	**917**	***-23.5%***	**2,331**	**2,493**	***-6.5%***
EBITDA margin	*25.6%*	*25.4%*	*+0.1pp*	*25.9%*	*24.6%*	*+1.3pp*
EBIT	**508**	**709**	***-28.3%***	**1,749**	**1,909**	***-8.4%***
Net financial charges	-67	-57	*-17.3%*	-165	-163	*-1.0%*
Income tax expenses	-97	-140	*+30.7%*	-348	-378	*+7.9%*
Tax rate				*22.6%*	*23.2%*	*-0.6pp*
Profit (loss) from discontinued operations	1	2	*-68.1%*	-	5	*n.m.*
(Profit) / loss attributable to non-controlling interests	-5	-6	*-18.0%*	-10	-25	*-59.5%*
Profit / (loss) attributable to Solvay shareholders	**340**	**509**	***-33.1%***	**1,226**	**1,347**	***-9.0%***
Basic earnings per share (in €)	**3.27**	**4.90**	***-33.3%***	**11.79**	**12.99**	***-9.2%***
of which from continuing operations	3.27	4.88	*-33.0%*	11.79	12.94	*-8.9%*
Capex	313	233	*+34.3%*	765	564	*+35.5%*
FCF to Solvay shareholders from continuing operations	**346**	**452**	***-23.4%***	**1,027**	**924**	***+11.1%***
FCF to Solvay shareholders	346	452	*-23.4%*	1,027	924	*+11.1%*
FCF conversion ratio (LTM)				39.4%	36.8%	*+2.6pp*
Net financial debt				**2,789**	**3,809**	***-26.8%***
Underlying leverage ratio				*0.9*	*1.2*	*-26.8%*

Group performance

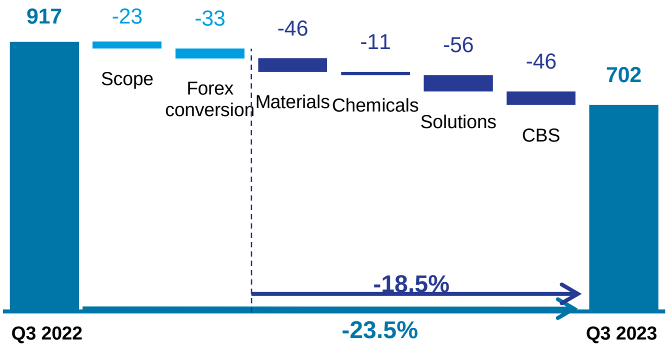
Net sales

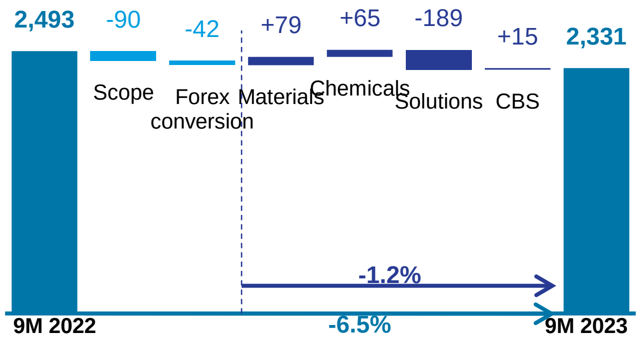


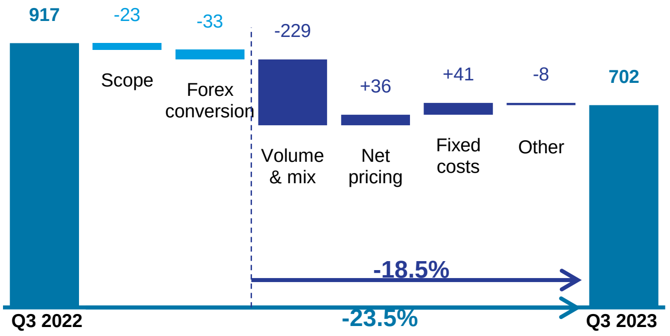


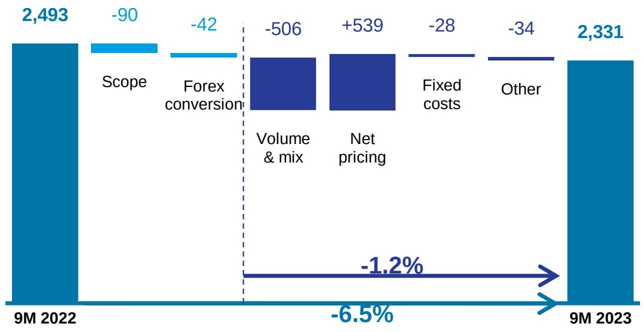
Net sales of €2,747 million in Q3 2023 were lower by -23.9% versus Q3 2022 (-20.3% organically) primarily due to lower volumes and prices as well as negative currency effects. Lower volumes were the result of softer demand across all end markets, except for aerospace. As expected, prices were lower in line with lower raw material and energy costs, most notably in the Chemicals and Solutions segments, and essentially flat in Materials. Net sales for the first nine months of 2023 were down -9.6% organically, mostly due to lower volumes, partially offset by higher pricing versus the first nine months of 2022.

Underlying EBITDA







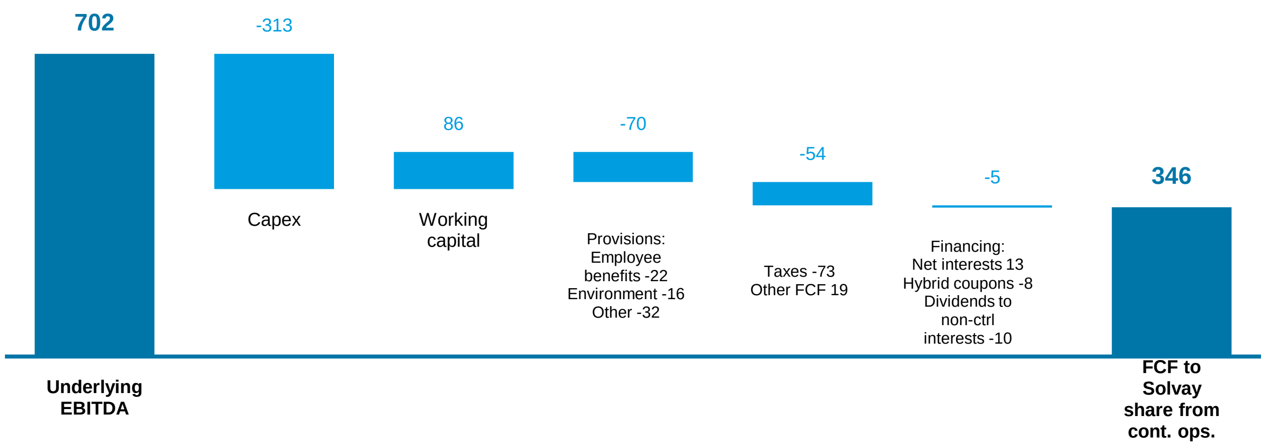


Underlying EBITDA of €702 million in Q3 2023 was lower by -23.5% mostly as a result of reduced volumes, in addition to negative scope effects related to the Rusvinyl disposal in Q1 2023 and from foreign exchange impacts. This was partially offset by slightly favorable net pricing. On an organic basis, excluding the impacts of scope and foreign exchange, Q3 underlying EBITDA was lower by -18.5%, while EBITDA margin was essentially flat at 25.6%. First nine months of 2023 EBITDA decreased slightly by -1.2% organically compared to the prior year period driven by sustained positive net pricing and fixed costs discipline, which offset lower volumes.

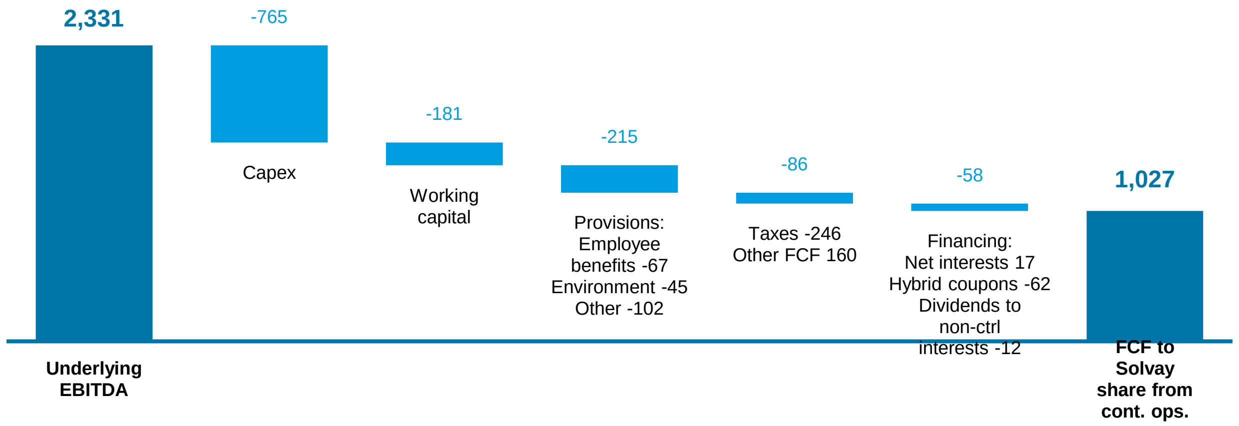
Free cash flow

Free cash flow to shareholders from continuing operations was €346 million in Q3 2023, mainly driven by disciplined working capital and phasing of capex. Free cash flow in the first nine months of 2023 was €1,027 million, +11% higher than the first nine months of 2022.

Q3 2023

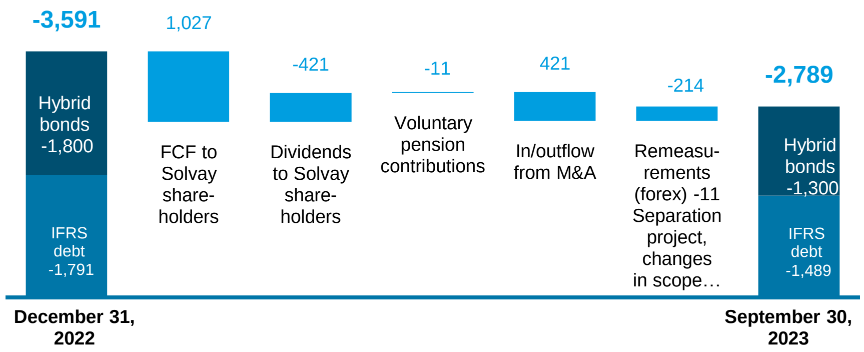


9M 2023



Underlying net debt

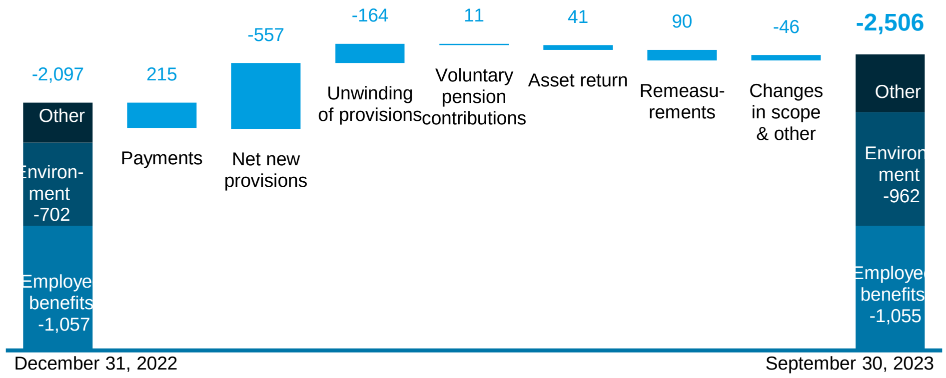
Underlying net financial debt decreased by €802 million compared to the end of 2022, mainly due to the strong operational free cash flow. Other significant items included €432 million of proceeds from the divestment of the Rusvinyl joint venture and the annual dividend payment of €421 million. The leverage ratio remained at a historical low of 0.9x at the end of Q3 2023.



	Beginning of the period	FCF to Solvay shareholders	Dividends to Solvay shareholders	Voluntary pension contributions	In/outflows from M&A	Remea-Surements	Separation project, changes in scope & other	End of the period
Q1 2023	-3,591	125	-160	-	424	21	-72	-3,252
Q2 2023	-3,252	556	-261	-11	-2	-6	-76	-3,052
Q3 2023	-3,052	346	-	-	-	-26	-55	-2,789
9M 2023	**-3,591**	**1,027**	**-421**	**-11**	**421**	**-11**	**-203**	**-2,789**

Provisions

Provisions increased by €409 million compared to the end of December 2022 to €2.5 billion, primarily reflecting an additional €229 million PFAS settlement provision as well as a €78 million restructuring provision in the context of the ongoing separation plan.



	Beginning of the period	Payments	Net new provisions	Unwinding of provisions	Additional pension contributions	Asset return	Remea-Surements	Changes in scope & other	End of the period
Q1 2023	-2,097	69	-134	-51	-	-5	-53	4	-2,267
Q2 2023	-2,267	76	-320	-51	11	9	86	-58	-2,515
Q3 2023	-2,515	70	-103	-62	-	37	57	8	-2,506
9M 2023	**-2,097**	**215**	**-557**	**-164**	**11**	**41**	**90**	**-46**	**-2,506**

Interim Dividend

The Board has decided that Solvay (EssentialCo) will pay an interim gross dividend of €1.62 per share on January 17, 2024, representing 40% of the total 2023 dividend. As previously announced, the total 2023 dividend is expected to be paid as a ratio of 60:40 by Solvay (EssentialCo) and Syensqo respectively, to be aligned with Solvay’s aggregate level at the outset. As the partial demerger is not yet completed, Syensqo will be able to declare a dividend when its full-year 2023 financial statements will be available. Solvay (EssentialCo) will pay exceptionally in full the interim dividend to compensate for Syensqo’s phasing of dividend payment in 2024 and its final dividend will take into account the higher interim dividend.

Performance by segments

Net sales bridge

Net sales Q3

(in € million)	Q3 2022	Scope	Forex conversion	Volume & mix	Price	Q3 2023
Solvay	**3,609**	**-**	**-161**	**-512**	**-188**	**2,747**
Materials	1,114	-	-66	-75	-14	959
Chemicals	1,236	9	-22	-217	-98	908
Solutions	1,257	-9	-72	-218	-76	882
CBS	2	-	-	-3	-	-1

Net sales 9M

(in € million)	9M 2022	Scope	Forex conversion	Volume & mix	Price	9M 2023
Solvay	**10,141**	**7**	**-195**	**-1,328**	**377**	**9,001**
Materials	3,041	-	-91	-108	231	3,073
Chemicals	3,393	38	-15	-530	139	3,025
Solutions	3,700	-31	-88	-693	7	2,895
CBS	7	-	-	3	-	9

Materials

Materials sales in Q3 2023 were lower by -13.9% (-8.5% organically) compared to Q3 2022 due to lower volumes (-7%), unfavorable currency effect (-6%) and slightly lower pricing.

Sales in Specialty Polymers decreased -17.8% (-12.5% organically) compared to Q3 2022. Volumes were down across most markets against a strong year-on-year comparison.

Sales in Composite Materials were lower by -1.2% but up +4.5% organically compared to Q3 2022, driven by sustained aerospace demand. Sales growth was impacted by supply chain issues which limited deliveries in the quarter.

Materials EBITDA decreased by -15.8% or -12.4% organically compared to Q3 2022. This was primarily driven by lower polymers volumes. Materials EBITDA margin remained strong at 33.8%, slightly lower year-on-year (-0.8 points).

Chemicals

Chemicals sales in Q3 2023 were lower by -26.6% (-25.8% organically) compared to Q3 2022, due mainly to lower volumes (-18%) and pricing (-8%) in a context of lower variable costs.

Soda Ash & Derivatives sales were lower by -23.9% (-22.9% organically) due to reduced demand across most markets including construction, flat glass, and flue gas treatment. Prices were also lower as a result of lower energy costs.

Peroxides sales decreased by -31.4% (-29.0% organically) compared to Q2 2022, driven by continued weak demand in some markets such as textiles, electronics and the pulp & paper market. Prices decreased following the normalization of energy prices compared to high levels last year.

Coatis sales were lower by -34.7% (-36.6% organically) compared to 2022, due mainly to weak demand in Brazil, Europe and the United States, as well as competitive price pressure.

Silica sales decreased -18.9% (-17.2% organically) mainly from lower volumes in the tire market while margins were sustained.

Chemicals EBITDA was down by -12.0% compared to Q3 2022, including the impact from the divestment of Rusvinyl in Q1 2023, and -3.8% organically, primarily from lower volumes. Lower variable and fixed costs more than offset the lower prices, resulting in an EBITDA margin of 30.2%, +5.0 points higher year-on-year.

Solutions

Sales in Solutions in Q3 2023 were down by -29.8% (-25.0% organically) compared to Q3 2022, driven by lower volumes (-17%) across most markets, scope and forex (-6%), and pricing (-6%).

Sales in Novecare decreased by -36.3% (-31.4% organically) compared to Q3 2022 due to lower demand in agro, construction and consumer markets.

Special Chem sales decreased by -18.2% (-14.1% organically) compared to Q3 2022 due to lower volumes in electronics, partly offset by automotive, while prices were slightly positive year-on-year.

Technology Solutions sales decreased by -15.9% (-11.6% organically) compared to Q3 2022 due to lower volumes in mining from temporary disruptions at certain mines, and slightly offset by higher prices.

Aroma Performance sales were down by -43.9% (-40.5% organically) compared to Q3 2022 on continued lower demand and strong competition in the food, flavor & fragrance markets. Actions taken on fixed costs supported a sequential improvement in profitability.

Oil & Gas sales were lower by -32.0% (-24.5% organically) compared to Q3 2022, driven by lower drilling activity in the United States following the decline in natural gas prices and higher competitive pressure.

As a result of the lower volumes, Solutions EBITDA was down by -31.7% (-25.6% organically). EBITDA margin was 18.6% in Q3 2023, slightly down year-on-year, but improving approximately 1 percentage point sequentially.

Corporate and Business Services

Corporate and Business Services reported EBITDA of €-60 million in Q3 2023, €41 million lower (-€46 million organically) compared to Q3 2022, mostly from the positive third party energy supply in the prior year.

Key segment figures

Segment review				Underlying				
(in € million)	Q3 2023	Q3 2022	*% yoy*	*% organic*	9M 2023	9M 2022	*% yoy*	*% organic*
Net sales	**2,747**	**3,609**	***-23.9%***	***-20.3%***	**9,001**	**10,141**	***-11.2%***	***-9.6%***
Materials	959	1,114	*-13.9%*	*-8.5%*	3,073	3,041	*+1.1%*	*+4.2%*
Specialty Polymers	701	853	*-17.8%*	*-12.5%*	2,295	2,333	*-1.7%*	*+1.7%*
Composite Materials	258	262	*-1.2%*	*+4.5%*	778	707	*+10.0%*	*+12.3%*
Chemicals	908	1,236	*-26.6%*	*-25.8%*	3,025	3,393	*-10.9%*	*-11.4%*
Soda Ash & Derivatives	478	629	*-23.9%*	*-22.9%*	1,594	1,649	*-3.3%*	*-3.6%*
Peroxides	149	217	*-31.4%*	*-29.0%*	481	576	*-16.5%*	*-15.3%*
Coatis	147	225	*-34.7%*	*-36.6%*	500	685	*-26.9%*	*-30.0%*
Silica	133	164	*-18.9%*	*-17.2%*	449	485	*-7.3%*	*-6.2%*
Solutions	882	1,257	*-29.8%*	*-25.0%*	2,895	3,700	*-21.8%*	*-19.2%*
Novecare	325	511	*-36.3%*	*-31.4%*	1,049	1,469	*-28.6%*	*-25.3%*
Special Chem	213	261	*-18.2%*	*-14.1%*	719	785	*-8.5%*	*-6.4%*
Technology Solutions	159	189	*-15.9%*	*-11.6%*	516	550	*-6.2%*	*-5.0%*
Aroma Performance	82	146	*-43.9%*	*-40.5%*	269	454	*-40.6%*	*-39.4%*
Oil & Gas	103	151	*-32.0%*	*-24.5%*	341	441	*-22.7%*	*-18.9%*
Corporate & Business Services	-1	2	*n.m.*	*n.m.*	9	7	*+36.4%*	*+44.8%*
EBITDA	**702**	**917**	***-23.5%***	***-18.5%***	**2,331**	**2,493**	***-6.5%***	***-1.2%***
Materials	324	385	*-15.8%*	*-12.4%*	1,051	984	*+6.8%*	*+8.2%*
Chemicals	274	311	*-12.0%*	*-3.8%*	880	906	*-2.9%*	*+8.0%*
Solutions	164	240	*-31.7%*	*-25.6%*	552	769	*-28.3%*	*-25.5%*
Corporate & Business Services	-60	-19	*n.m.*	-	-151	-167	*+9.3%*	-
EBITDA margin	***25.6%***	***25.4%***	***+0.1pp***	**-**	***25.9%***	***24.6%***	***+1.3pp***	**-**
Materials	*33.8%*	*34.6%*	*-0.8pp*	-	*34.2%*	*32.4%*	*+1.8pp*	-
Chemicals	*30.2%*	*25.2%*	*+5.0pp*	-	*29.1%*	*26.7%*	*+2.4pp*	-
Solutions	*18.6%*	*19.1%*	*-0.5pp*	-	*19.1%*	*20.8%*	*-1.7pp*	-

Key IFRS figures

Q3 key figures	IFRS			Underlying		
(in € million)	Q3 2023	Q3 2022	% yoy	Q3 2023	Q3 2022	% yoy
Net sales	**2,747**	**3,609**	***-23.9%***	**2,747**	**3,609**	***-23.9%***
EBITDA	**599**	**775**	***-22.7%***	**702**	**917**	***-23.5%***
EBITDA margin				*25.6%*	*25.4%*	*+0.1pp*
EBIT	**365**	**527**	***-30.7%***	**508**	**709**	***-28.3%***
Net financial charges	-46	-1	*n.m.*	-67	-57	*-17.3%*
Income tax expenses	-95	-71	*-34.5%*	-97	-140	*+30.7%*
Profit (loss) from discontinued operations	-	-	*n.m.*	1	2	*-68.1%*
(Profit) / loss attributable to non-controlling interests	-5	-5	*-16.8%*	-5	-6	*-18.0%*
Profit / (loss) attributable to Solvay shareholders	**220**	**451**	***-51.1%***	**340**	**509**	***-33.1%***
Basic earnings per share (in €)	**2.12**	**4.34**	***-51.2%***	**3.27**	**4.90**	***-33.3%***
of which from continuing operations	2.12	4.34	*-51.2%*	3.27	4.88	*-33.0%*
Capex				313	233	*+34.3%*
FCF to Solvay shareholders from continuing operations				**346**	**452**	***-23.4%***
FCF to Solvay shareholders				346	452	*-23.4%*
Net financial debt				**2,789**	**3,809**	***-26.8%***
Underlying leverage ratio				*0.9*	*1.2*	*-26.8%*

9M key figures	IFRS			Underlying		
(in € million)	9M 2023	9M 2022	% yoy	9M 2023	9M 2022	% yoy
Net sales	**9,001**	**10,141**	***-11.2%***	**9,001**	**10,141**	***-11.2%***
EBITDA	**1,688**	**2,578**	***-34.5%***	**2,331**	**2,493**	***-6.5%***
EBITDA margin				*25.9%*	*24.6%*	*+1.3pp*
EBIT	**991**	**1,879**	***-47.3%***	**1,749**	**1,909**	***-8.4%***
Net financial charges	-105	-63	*-66.8%*	-165	-163	*-1.0%*
Income tax expenses	-212	-298	*+28.9%*	-348	-378	*+7.9%*
Tax rate				*22.6%*	*23.2%*	*-0.6pp*
Profit (loss) from discontinued operations	-	1	*n.m.*	-	5	*n.m.*
(Profit) / loss attributable to non-controlling interests	-10	-25	*-59.5%*	-10	-25	*-59.5%*
Profit / (loss) attributable to Solvay shareholders	**664**	**1,493**	***-55.6%***	**1,226**	**1,347**	***-9.0%***
Basic earnings per share (in €)	**6.38**	**14.39**	***-55.7%***	**11.79**	**12.99**	***-9.2%***
of which from continuing operations	6.38	14.39	*-55.6%*	11.79	12.94	*-8.9%*
Capex				765	564	*+35.6%*
FCF to Solvay shareholders from continuing operations				**1,027**	**924**	***+11.1%***
FCF to Solvay shareholders				1,027	924	*+11.1%*
FCF conversion ratio (LTM)				39.4%	36.8%	*+2.6pp*
Net financial debt				**2,789**	**3,809**	***-26.8%***
Underlying leverage ratio				*0.9*	*1.2*	*-26.8%*

Supplementary information

Reconciliation of alternative performance metrics

Solvay measures its financial performance using alternative performance metrics, which can be found below. Solvay believes that these measurements are useful for analyzing and explaining changes and trends in its historical results of operations, as they allow performance to be compared on a consistent basis. Definitions of the different metrics presented here are included in the glossary at the end of this financial report.

Underlying tax rate		Underlying	
(in € million)		9M 2023	9M 2022
Profit / (loss) for the period before taxes	a	1,584	1,746
Earnings from associates & joint ventures	b	43	132
Interests and realized foreign exchange gains (losses) on the RusVinyl joint venture	c	-	-14
Income taxes	d	-348	-378
Underlying tax rate	e = -d/(a-b-c)	**22.6%**	**23.2%**

Free cash flow (FCF)					
(in € million)		Q3 2023	Q3 2022	9M 2023	9M 2022
Cash flow from operating activities	a	625	505	1,728	1,362
of which voluntary pension contributions	b	-	-155	-11	-155
of which cash flow related to internal portfolio management and excluded from Free Cash Flow	c	-39	-19	-105	-35
Cash flow from investing activities	d	-289	-162	-289	-424
of which capital expenditures required for the partial demerger and excluded from Free Cash Flow	e	-1	-	-53	-
Acquisition (-) of subsidiaries	f	-	-	-1	-
Acquisition (-) of investments - Other	g	-2	-	-15	-6
Loans to associates and non-consolidated companies	h	-2	4	13	-5
Sale (+) of subsidiaries and investments	i	-	24	438	51
Payment of lease liabilities	j	-29	-30	-87	-82
FCF	k = a-b-c+d-e-f-g-h-i+j	**351**	**461**	**1,085**	**1,007**
Net interests paid	l	13	-2	17	-11
Coupons paid on perpetual hybrid bonds	m	-8	-	-62	-55
Dividends paid to non-controlling interests	n	-10	-7	-12	-17
FCF to Solvay shareholders	o = k+l+m+n	**346**	**452**	**1,027**	**924**
FCF to Solvay shareholders from continuing operations	p = o-o	**346**	**452**	**1,027**	**924**
FCF to Solvay shareholders from continuing operations (LTM)	q	**1,197**	**1,074**	**1,197**	**1,074**
Dividends paid to non-controlling interests from continuing operations (LTM)	r	-12	-54	-12	-54
Underlying EBITDA (LTM)	s	3,067	3,065	3,067	3,065
FCF conversion ratio (LTM)	t = (q-r)/s	39.4%	36.8%	39.4%	36.8%

Net working capital		2023	2022
(in € million)		September 30	December 31
Inventories	a	1,929	2,109
Trade receivables	b	1,848	2,026
Other current receivables	c	854	1,628
Trade payables	d	-1,644	-2,296
Other current liabilities	e	-979	-1,499
Net working capital	f = a+b+c+d+e	**2,008**	**1,969**
Quarterly total sales	g	3,033	3,907
Annualized quarterly total sales	h = 4*g	12,133	15,626
Net working capital / quarterly total sales	i = f / h	**16.6%**	**12.6%**
Year-to-date average	j = μ(Q1,Q2,Q3,Q4)	16.1%	12.5%

Capital expenditure (capex)

(in € million)		Q3 2023	Q3 2022	9M 2023	9M 2022
Acquisition (-) of tangible assets	a	-262	-184	-659	-415
of which capital expenditures required for the partial demerger and excluded from Free Cash Flow	b	1	-	53	-
Acquisition (-) of intangible assets	c	-24	-19	-71	-67
Payment of lease liabilities	d	-29	-30	-87	-82
Capex	e = a+b+c+d	**-313**	**-233**	**-765**	**-564**
Underlying EBITDA	f	**702**	**917**	**2,331**	**2,493**
Cash conversion	g = (e+f)/f	**55.4%**	**74.5%**	**67.2%**	**77.4%**

Net financial debt

(in € million)		2023 September 30	2022 December 31
Non-current financial debt	a	-1,112	-2,450
Current financial debt	b	-2,188	-510
IFRS gross debt	c = a+b	-3,300	-2,959
Underlying gross debt	d = c+h	-4,600	-4,759
Other financial instruments (current + non-current)	e	174	236
Cash & cash equivalents	f	1,638	932
Total cash and cash equivalents	g = e+f	1,811	1,168
IFRS net debt	i = c+g	**-1,489**	**-1,791**
Perpetual hybrid bonds	h	-1,300	-1,800
Underlying net debt	j = i+h	**-2,789**	**-3,591**
Underlying EBITDA (LTM)	k	3,067	3,229
Underlying leverage ratio	l = -j/k	**0.9**	**1.1**

ROCE

(in € million)		9M 2023 As calcu-lated	9M 2022 As calcu-lated
EBIT (LTM)	a	2,267	2,283
Accounting impact from EUAs and amortization & depreciation of purchase price allocation (PPA) from acquisitions	b	-145	-148
Numerator	c = a+b	**2,121**	**2,134**
WC industrial	d	2,219	1,962
WC Other	e	-104	-106
Property, plant and equipment	f	5,383	5,069
Intangible assets	g	1,983	2,159
Right-of-use assets	h	486	481
Investments in associates & joint ventures	i	500	809
Other investments	j	38	44
Goodwill	k	3,464	3,483
Denominator	l = d+e+f+g+h+i+j+k	**13,969**	**13,900**
ROCE	***m = c/l***	***15.2%***	***15.4%***

Reconciliation of underlying income statement indicators

In addition to IFRS accounts, Solvay also presents underlying Income Statement performance indicators to provide a more consistent and comparable indication of Solvay's economic performance. These 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.

Consolidated income statement Q3	Q3 2023			Q3 2022		
(in € million)	IFRS	Adjust-ments	Under-lying	IFRS	Adjust-ments	Under-lying
Sales	**3,033**	**-**	**3,033**	**4,410**	**-**	**4,410**
of which revenues from non-core activities	286	-	286	801	-	801
of which net sales	2,747	-	2,747	3,609	-	3,609
Cost of goods sold	-2,132	-	-2,132	-3,295	-	-3,295
Gross margin	**901**	**-**	**901**	**1,115**	**-**	**1,115**
Commercial costs	-94	-	-94	-90	-	-90
Administrative costs	-216	-	-215	-258	-	-258
Research & development costs	-89	-	-89	-98	1	-98
Other operating gains & losses	-63	53	-10	-34	38	3
Earnings from associates & joint ventures	15	-	15	36	1	37
Result from portfolio management & major restructuring	-65	65	-	-6	6	-
Result from legacy remediation & major litigations	-25	25	-	-137	137	-
EBITDA	**599**	**103**	**702**	**775**	**142**	**917**
Depreciation, amortization & impairments	-234	40	-194	-248	40	-208
EBIT	**365**	**143**	**508**	**527**	**182**	**709**
Net cost of borrowings	-25	5	-20	-24	3	-22
Coupons on perpetual hybrid bonds	-	-19	-19	-	-21	-21
Interests and realized foreign exchange gains (losses) on the RusVinyl joint venture	-	-	-	-	-9	-9
Cost of discounting provisions	-19	-10	-29	25	-31	-6
Result from equity instruments measured at fair value	-2	2	-	-1	1	-
Profit / (loss) for the period before taxes	**320**	**121**	**441**	**526**	**125**	**652**
Income taxes	-95	-2	-97	-71	-69	-140
Profit / (loss) for the period from continuing operations	**225**	**119**	**344**	**456**	**56**	**512**
Profit / (loss) for the period from discontinued operations	-	1	1	-	2	2
Profit / (loss) for the period	**225**	**120**	**345**	**456**	**58**	**514**
attributable to Solvay share	220	120	340	451	58	509
attributable to non-controlling interests	5	-	5	5	-	6
Basic earnings per share (in €)	2.12	1.15	3.27	4.34	0.56	4.90
of which from continuing operations	2.12	1.15	3.27	4.34	0.54	4.88
Diluted earnings per share (in €)	2.09	1.14	3.23	4.34	0.56	4.90
of which from continuing operations	2.09	1.14	3.23	4.34	0.54	4.88

EBITDA on an IFRS basis totaled €599 million, versus €702 million on an underlying basis. The difference of €103 million is explained by the following adjustments to IFRS results, which are done to improve the comparability of underlying results:

- €60 million to adjust for the "*Result from portfolio management and major restructuring*" (excluding depreciation, amortization and impairment elements), mainly including costs incurred for the project aimed at the separation of the Group into two independent, publicly listed companies and other restructuring initiatives.
- €25 million to adjust for the "*Result from legacy remediation and major litigations*", mainly due to adjustment for Legacy remediation and litigations related to accruals to environmental provisions and legal fees for major litigations.
- €18 million to exclude net losses related to CO2 hedges not accounted for as Cash Flow Hedge, deferred in adjustments until the maturity of the economic hedge.

EBIT on an IFRS basis totaled €365 million, versus €508 million on an underlying basis. The difference of €143 million is explained by the above-mentioned €103 million adjustments at the EBITDA level and €40 million of "*Depreciation, amortization & impairments*". The latter consist of:

- €35 million to adjust for the non-cash impact of purchase price allocation (PPA), consisting of amortization charges on intangible assets, which are adjusted in "*Research & development costs*" for €1 million, and in "*Other operating gains & losses*" for €36 million.
- €5 million to adjust for the impact of impairment of other non-performing assets in "*Results from portfolio management and major restructuring*"

Net financial charges on an IFRS basis were €-46 million versus €-68 million on an underlying basis. The €-22 million adjustment made to IFRS net financial charges mainly consists of:

- €-19 million reclassification of coupons on perpetual hybrid bonds, which are treated as dividends under IFRS, and as financial charges in underlying results,
- €-10 million related to the impact of increasing discount rates on environmental provisions
- €5 million related to costs for the refinancing in the context of the partial demerger.

Income taxes on an IFRS basis were €-95 million, versus €-97 million on an underlying basis. The €-2 million adjustment mainly relates to the adjustments of the earnings before taxes described above and valuation allowances on deferred tax assets related to prior periods.

Profit / (loss) attributable to Solvay shareholders was €220 million on an IFRS basis and €340 million on an underlying basis. The delta of €120 million reflects the above-mentioned adjustments to EBIT, net financial charges and income taxes.

9M consolidated income statement

(in € million)	9M 2023 IFRS	9M 2023 Adjust-ments	9M 2023 Under-lying	9M 2022 IFRS	9M 2022 Adjust-ments	9M 2022 Under-lying
Sales	**10,093**	**-**	**10,093**	**12,164**	**-**	**12,164**
of which revenues from non-core activities	1,092	-	1,092	2,024	-	2,024
of which net sales	9,001	-	9,001	10,141	-	10,141
Cost of goods sold	-7,087	-	-7,087	-9,091	-	-9,091
Gross margin	**3,006**	**-**	**3,006**	**3,073**	**-**	**3,073**
Commercial costs	-288	-	-288	-250	-	-250
Administrative costs	-701	-	-701	-790	-	-790
Research & development costs	-279	1	-278	-263	2	-261
Other operating gains & losses	-146	114	-32	243	-238	5
Earnings from associates & joint ventures	50	-7	43	142	-10	132
Result from portfolio management & major restructuring	-407	407	-	-62	62	-
Result from legacy remediation & major litigations	-243	243	-	-214	214	-
EBITDA	**1,688**	**643**	**2,331**	**2,578**	**-85**	**2,493**
Depreciation, amortization & impairments	-698	115	-582	-699	115	-584
EBIT	**991**	**758**	**1,749**	**1,879**	**30**	**1,909**
Net cost of borrowings	-56	10	-46	-75	9	-66
Coupons on perpetual hybrid bonds	-	-59	-59	-	-61	-61
Interests and realized foreign exchange gains (losses) on the RusVinyl joint venture	-	-	-	-	-14	-14
Cost of discounting provisions	-50	-10	-60	21	-43	-22
Result from equity instruments measured at fair value	1	-1	-	-10	10	-
Profit / (loss) for the period before taxes	**886**	**699**	**1,584**	**1,816**	**-70**	**1,746**
Income taxes	-212	-136	-348	-298	-80	-378
Profit / (loss) for the period from continuing operations	**674**	**562**	**1,236**	**1,518**	**-150**	**1,368**
Profit / (loss) for the period from discontinued operations	-	-	-	1	4	5
Profit / (loss) for the period	**674**	**563**	**1,237**	**1,519**	**-146**	**1,373**
attributable to Solvay share	664	563	1,226	1,493	-146	1,347
attributable to non-controlling interests	10	-	10	25	-	25
Basic earnings per share (in €)	6.38	5.41	11.79	14.39	-1.41	12.99
of which from continuing operations	6.38	5.41	11.79	14.39	-1.45	12.94
Diluted earnings per share (in €)	6.31	5.35	11.66	14.37	-1.40	12.97
of which from continuing operations	6.31	5.35	11.66	14.37	-1.44	12.92

EBITDA on an IFRS basis totaled €1,688 million, versus €2,331 million on an underlying basis. The difference of €643 million is explained by the following adjustments to IFRS results, which are done to improve the comparability of underlying results:

- €400 million to adjust for the "*Result from portfolio management and major restructuring*" (excluding depreciation, amortization and impairment elements), including the loss on RusVinyl disposal and the restructuring and other costs incurred for the project aimed at the separation of the Group into two independent, publicly listed companies and other restructuring initiatives.
- €243 million to adjust for the "*Result from legacy remediation and major litigations*", mainly due to environmental provisions accrued for the settlement agreement with the New Jersey Department of Environmental Protection (see further in the notes).
- €8 million to exclude net losses related to the management of the CO2 hedges not accounted for as Cash Flow Hedge, deferred in adjustments until the maturity of the economic hedge
- €-7 million to exclude contribution to equity earnings of RusVinyl, disposed in Q1.

EBIT on an IFRS basis totaled €991 million, versus €1,749 million on an underlying basis. The difference of €758 million is explained by the above-mentioned €643 million adjustments at the EBITDA level and €115 million of "*Depreciation, amortization & impairments*". The latter consist of:

- €107 million to adjust for the non-cash impact of purchase price allocation (PPA), consisting of amortization charges on intangible assets, which are adjusted in "*Research & development costs*" for €1 million, and in "*Other operating gains & losses*" for €105 million.
- €7 million to adjust for the impact of impairment of other non-performing assets in "*Results from portfolio management and major restructuring*"

Net financial charges on an IFRS basis were €-105 million versus €-165 million on an underlying basis. The €-60 million adjustment made to IFRS net financial charges mainly consists of:

- €-59 million reclassification of coupons on perpetual hybrid bonds, which are treated as dividends under IFRS, and as financial charges in underlying results
- €-10 million related to the impact of increasing discount rates on environmental provisions
- €10 million related to costs for the refinancing in the context of the partial demerger.

Income taxes on an IFRS basis were €-212 million, versus €-348 million on an underlying basis. The €-136 million adjustment mainly relates to the adjustments of the earnings before taxes described above.

Profit / (loss) attributable to Solvay shareholders was €664 million on an IFRS basis and €1,226 million on an underlying basis. The delta of €563 million reflects the above-mentioned adjustments to EBIT, net financial charges and income taxes.

Condensed interim consolidated financial statements[1]

Consolidated income statement *(in € million)*	IFRS Q3 2023	Q3 2022	9M 2023	9M 2022
Sales	**3,033**	**4,410**	**10,093**	**12,164**
of which revenues from non-core activities [2]	286	801	1,092	2,024
of which net sales	2,747	3,609	9,001	10,141
Cost of goods sold	-2,132	-3,295	-7,087	-9,091
Gross margin	**901**	**1,115**	**3,006**	**3,073**
Commercial costs	-94	-90	-288	-250
Administrative costs	-216	-258	-701	-790
Research & development costs	-89	-98	-279	-263
Other operating gains & losses [3]	-63	-34	-146	243
Earnings from associates & joint ventures	15	36	50	142
Result from portfolio management & major restructuring [4]	-65	-6	-407	-62
Result from legacy remediation & major litigations [5]	-25	-137	-243	-214
EBIT	**365**	**527**	**991**	**1,879**
Cost of borrowings	-28	-30	-78	-88
Interest on loans & short term deposits	14	5	39	10
Other gains & losses on net indebtedness	-11	1	-16	3
Cost of discounting provisions	-19	25	-50	21
Result from equity instruments measured at fair value	-2	-1	1	-10
Profit / (loss) for the period before taxes	**320**	**526**	**886**	**1,816**
Income taxes	-95	-71	-212	-298
Profit / (loss) for the period from continuing operations	**225**	**456**	**674**	**1,518**
attributable to Solvay share	220	450	664	1,493
attributable to non-controlling interests	5	5	10	25
Profit / (loss) for the period from discontinued operations	-	-	-	1
Profit / (loss) for the period	**225**	**456**	**674**	**1,519**
attributable to Solvay share	220	451	664	1,493
attributable to non-controlling interests	5	5	10	25
Weighted average of number of outstanding shares, basic	104,085,494	103,752,919	103,980,953	103,739,852
Weighted average of number of outstanding shares, diluted	105,256,557	103,874,625	105,167,373	103,879,921
Basic earnings per share (in €)	2.12	4.34	6.38	14.39
of which from continuing operations	2.12	4.34	6.38	14.39
Diluted earnings per share (in €)	2.09	4.34	6.31	14.37
of which from continuing operations	2.09	4.34	6.31	14.37

Consolidated statement of comprehensive income *(in € million)*	IFRS Q3 2023	Q3 2022	9M 2023	9M 2022
Profit / (loss) for the period	**225**	**456**	**674**	**1,519**
Gains and losses on hedging instruments in a cash flow hedge [6]	*-42*	*-23*	*-105*	*147*
Currency translation differences from subsidiaries & joint operations [7]	*124*	*343*	*20*	*859*
Share of other comprehensive income of associates and joint ventures [8]	*3*	*-12*	*173*	*199*
Recyclable components	84	308	88	1,205
Gains and losses on equity instruments measured at fair value through other comprehensive income	*-*	*-18*	*-*	*-26*
Remeasurement of the net defined benefit liability [9]	*-17*	*54*	*-26*	*297*
Non-recyclable components	-17	37	-25	271
Income tax relating to recyclable and non-recyclable components	7	-4	16	-122
Other comprehensive income/(loss), net of related tax effects	**75**	**341**	**78**	**1,354**
Total comprehensive income/(loss)	**300**	**797**	**752**	**2,872**
attributable to Solvay share	294	790	743	2,843
attributable to non-controlling interests	6	7	9	29

[1] Subject to a limited review by the auditors for 9M 2023 and 2022 only.
[2] The decrease in revenues from non-core activities is mainly related to lower gas and electricity prices in 2023 compared to 2022.
[3] Included in Other operating gains and losses in 9M 2022 is €346 million of gains related to the management of CO2 hedges, not accounted for as Cash Flow Hedge, deferred until maturity of the economic hedge.
[4] The 9M 2023 Result from portfolio management & major restructuring includes a capital loss of €174 million mainly related to the recycling of historical currency translation balances on the sale of the Group's 50% stake in the RusVinyl joint venture. The 9M 2023 amount also includes €171 million restructuring, external and internal costs incurred that were recognized in the context of the Group's separation plan.
[5] In Q2 2023, the Group increased its environmental provisions by €229 million (refer to Environmental Liabilities on page 20). The 9M 2023 amount is partly offset by the €92 million final settlement of litigation in relation to Solvay's claims of environmental breaches by Edison. The remaining amount for Q3 and 9M 2023 mainly relates to the periodic updates of the Group's environmental liabilities.
[6] The gains and losses on hedging instruments in a cash flow hedge were mainly resulting from the increase in the gas price in 9M 2022.
[7] The Q3 2023 currency translation differences are mainly due to the USD and CNY fluctuations against the EUR. The 9M 2023 currency translation differences are mainly due to the BRL, CNY and USD fluctuations against the EUR. In Q3 and 9M 2022, the gains from currency translation differences are mainly related to the revaluation of the USD and the RUB against the EUR in the period.
[8] The Share of other comprehensive income of associates and joint ventures in 9M 2023 mainly results from the recycling of the accumulated currency translation adjustments related to the sale of the RusVinyl Equity investment. The Share of other comprehensive income of associates and joint ventures in Q3 and 9M 2022 mainly results from currency translation adjustments related to the RusVinyl Equity investment, following the strengthening of the RUB against the EUR.
[9] The remeasurement of the net defined benefit liability in Q3 and 9M 2023 was mainly due to the increase of discount rates in 2023 applicable to post-employment provisions in the UK, US, Eurozone, offset by the return on plan assets. The variation in discount rates in Q3 and 9M 2022 was much higher in comparison therefore resulting in significantly higher remeasurements in the comparative periods.

Consolidated statement of cash flows	IFRS			
(in € million)	Q3 2023	Q3 2022	9M 2023	9M 2022
Profit / (loss) for the period	225	456	674	1,519
Adjustments to profit / (loss) for the period	456	418	1,700	1,180
Depreciation, amortization & impairments	234	248	698	699
Earnings from associates & joint ventures	-15	-36	-50	-142
Additions & reversals of provisions [1]	102	149	557	242
Other non-operating and non-cash items [2]	-4	-13	179	25
Net financial charges	45	-1	106	58
Income tax expenses	95	71	212	298
Changes in working capital	89	-100	-183	-787
Uses of provisions	-77	-66	-222	-229
Use of provisions for additional voluntary contributions (pension plans)	-	-155	-11	-155
Dividends received from associates & joint ventures	5	3	17	14
Income taxes paid (excluding income taxes paid on sale of investments)	-73	-50	-246	-179
Cash flow from operating activities	**625**	**505**	**1,728**	**1,362**
of which cash flow related to internal portfolio management and excluded from Free Cash Flow	-39	-19	-105	-35
Acquisition (-) of subsidiaries	-	-	-1	-
Acquisition (-) of investments - Other	-2	-	-15	-6
Loans to associates and non-consolidated companies	-2	4	13	-5
Sale (+) of subsidiaries and investments [3]	-	24	438	51
Acquisition (-) of tangible and intangible assets (capex)	-286	-203	-730	-482
of which property, plant and equipment [4]	-262	-184	-659	-415
of which capital expenditures required for the partial demerger and excluded from Free Cash Flow	-1	-	-53	-
of which intangible assets	-24	-19	-71	-67
Sale (+) of property, plant and equipment & intangible assets	1	15	6	17
Dividends from equity instruments measured at fair value through other comprehensive income	-	-	1	2
Changes in non-current financial assets	-1	-	-1	-1
Cash flow from investing activities	**-289**	**-162**	**-289**	**-424**
Repayment of perpetual hybrid bond [5]	-508	-	-508	-
Acquisition (-) / sale (+) of treasury shares	6	-5	28	6
Increase in borrowings [6]	517	9	581	160
Repayment of borrowings	-4	-431	-92	-490
Changes in other financial assets [7]	38	-66	60	-172
Payment of lease liabilities	-29	-30	-87	-82
Net interests received/(paid)	13	-2	17	-11
Coupons paid on perpetual hybrid bonds	-8	-	-62	-55
Dividends paid	-10	-7	-433	-417
of which to Solvay shareholders	-	-	-421	-399
of which to non-controlling interests	-10	-7	-12	-17
Acquisitions of non-controlling interests [8]	-	-	-	-109
Other [9]	-46	4	-236	206
Cash flow from financing activities	**-31**	**-529**	**-732**	**-963**
Net change in cash and cash equivalents	305	-185	707	-25
Currency translation differences	4	6	-1	29
Opening cash balance	1,328	1,124	932	941
Closing cash balance	**1,638**	**944**	**1,638**	**944**

[1] Additions & reversals of provisions for 9M 2023 includes €78 million related to the restructuring provision in the context of the separation plan as well as €229 million related to the settlement reached with NJDEP resolving certain PFAS related claims in New Jersey.
[2] Other non-operating and non-cash items in 9M 2023 mainly relates to the €174 million capital loss on the sale of the Group's 50% stake in the RusVinyl JV.
[3] Sale of subsidiaries and investments in 9M 2023 mainly relates to the cash proceeds received of €432 million on the sale of the Group's 50% stake in the RusVinyl JV.
[4] The increase in acquisition of property, plant and equipment in 2023 is mainly related to the new corporate headquarters in Belgium and capex in relation to the expansion of production capacity for PVDF at the Group's Tavaux site.
[5] Refer to the Liability Management section on page 22.
[6] Increase in borrowings in Q3 and 9M 2023 mainly relates to the drawdown of credit facilities (€520 million) to finance the settlement of the NC2024 €500m hybrid bond.
[7] Changes in other financial assets in 9M 2022 mainly relates to initial deposit margin calls.
[8] The €109 million in 9M 2022 relates to the acquisition of the 20% minority stake of AGC in the Soda Ash JV operated in Green River, WY, USA.
[9] In 9M 2023, the Other cash flow from financing activities mainly relate to excess margin calls ("in the money" instruments) of €214 million (H1 2022: €219 million, "out of the money" instruments).

Consolidated statement of financial position

(in € million)	2023 September 30	2022 December 31
Intangible assets	1,952	2,048
Goodwill	3,488	3,472
Property, plant and equipment	5,558	5,311
Right-of-use assets	490	474
Equity instruments measured at fair value	77	71
Investments in associates & joint ventures [1]	410	809
Other investments	42	37
Deferred tax assets	1,005	932
Loans & other assets [2]	282	466
Other financial instruments	30	30
Non-current assets	**13,335**	**13,651**
Inventories	1,929	2,109
Trade receivables	1,848	2,026
Income tax receivables	174	108
Other financial instruments	144	206
Other receivables [2]	854	1,628
Cash & cash equivalents	1,638	932
Current assets	**6,586**	**7,010**
Total assets	**19,921**	**20,661**
Share capital	1,588	1,588
Share premiums	1,170	1,170
Other reserves	7,809	7,846
Non-controlling interests	58	61
Total equity	**10,625**	**10,664**
Provisions for employee benefits	1,055	1,057
Other provisions [3]	867	743
Deferred tax liabilities	507	558
Financial debt [4]	1,112	2,450
Other liabilities [2]	114	303
Non-current liabilities	**3,656**	**5,111**
Other provisions [3]	584	297
Financial debt [4]	2,188	510
Trade payables	1,644	2,296
Income tax payables	241	119
Dividends payables	5	165
Other liabilities [2]	979	1,499
Current liabilities	**5,641**	**4,885**
Total equity & liabilities	**19,921**	**20,661**

[1] The decrease in Investments in associates & joint ventures is driven by the sale of the Group's 50% equity stake in the RusVinyl joint venture (€428 million).
[2] The overall decrease is largely driven by the fair value adjustments of energy-related financial assets and liabilities due to price decreases in gas and electricity in 2023. As the fair value adjustments are on sale and purchase contracts of energy, they impact both assets and liabilities.
[3] The increase in Other provisions is mainly related to the recognition of a €78 million restructuring provision in the context of the Group's separation plan, as well as €229 million related to the settlement reached with NJDEP resolving certain PFAS related claims in New Jersey.
[4] In Q3 2023, the €600m 2029 senior bond (carrying amount: €597 million) and the US$800m 2025 senior bond (carrying amount: €753 million) were reclassified from non-current Financial debt to current Financial debt following the announcement to redeem these bonds. The remaining movement relates to margin call payments (-€221 million) and the drawdown of credit facilities (€520 million) to finance the settlement of the NC2024 €500m hybrid bond.

Consolidated statement of changes in equity

							Revaluation reserve (fair value)					
(in € million)	Share capital	Share premiums	Treasury shares	Perpetual hybrid bonds	Retained earnings	Currency translation differences	Equity instruments measured at fair value	Cash flow hedges	Defined benefit pension plans	Total other reserves	Non-controlling interests	Total equity
Balance on December 31, 2021	**1,588**	**1,170**	**-232**	**1,786**	**5,467**	**-645**	**23**	**3**	**-421**	**5,982**	**112**	**8,851**
Profit / (loss) for the period	-	-	-	-	1,493	-	-	-	-	1,493	25	1,519
Items of other comprehensive income	-	-	-	-	-	1,055	-20	104	211	1,350	4	1,354
Comprehensive income	**-**	**-**	**-**	**-**	**1,493**	**1,055**	**-20**	**104**	**211**	**2,843**	**29**	**2,872**
Cost of share-based payment plans	-	-	-	-	9	-	-	-	-	9	-	9
Dividends	-	-	-	-	-244	-	-	-	-	-244	-18	-262
Coupons of perpetual hybrid bonds	-	-	-	-	-55	-	-	-	-	-55	-	-55
Sale (acquisition) of treasury shares	-	-	11	-	-	-	-	-	-	6	-	6
Other	-	-	-5	-	-61	25	-	-	1	-34	-51	-85
Balance on September 30, 2022	**1,588**	**1,170**	**-226**	**1,786**	**6,610**	**434**	**3**	**107**	**-209**	**8,507**	**72**	**11,336**
Balance on December 31, 2022	**1,588**	**1,170**	**-225**	**1,786**	**6,854**	**-318**	**4**	**76**	**-332**	**7,846**	**61**	**10,664**
Profit / (loss) for the period	-	-	-	-	664	-	-	-	-	664	10	674
Items of other comprehensive income	-	-	-	-	-	194	-	-81	-34	79	-1	78
Comprehensive income	**-**	**-**	**-**	**-**	**664**	**194**	**-**	**-81**	**-34**	**743**	**9**	**752**
Perpetual hybrid bond repayment [1]	-			-497	-11					-508		-508
Cost of share-based payment plans	-	-	-	-	15	-	-	-	-	15	-	15
Dividends	-	-	-	-	-261	-	-	-	-	-261	-12	-273
Coupons of perpetual hybrid bonds	-	-	-	-	-62	-	-	-	-	-62	-	-62
Sale (acquisition) of treasury shares	-	-	33	-	4	-	-	-	-	37	-	37
Balance on September 30, 2023	**1,588**	**1,170**	**-191**	**1,289**	**7,202**	**-124**	**4**	**-5**	**-366**	**7,809**	**58**	**10,625**

[1] Refer to the Liability Management section on page 22.

Notes to the condensed interim consolidated financial statements

1. General information and significant events

Solvay is a public limited liability company governed by Belgian law and listed on Euronext Brussels and Euronext Paris. These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 2, 2023.

Edison

In February 2023, Solvay received compensation of €91.6 million after decisions by the International Chamber of Commerce's arbitration tribunal, the Swiss Supreme Court, and the Milan Court of Appeal, all of which ruled in favor of Solvay. The outcome follows more than 10 years of legal proceedings in relation to Solvay's claims of environmental breaches by Edison, a subsidiary of EDF, in the context of Solvay's acquisition of the Italian company Ausimont in 2002.

The compensation relates to costs, losses and damages suffered by Solvay up to the end of 2016. Additional arbitration procedures are currently ongoing regarding costs, losses and damages suffered by Solvay from January 2017 onwards. Solvay is confident in the merits of its claim for additional significant compensation for damage in this second phase and expects proceedings to conclude in 2024.

RusVinyl

On March 24, 2023, the Group announced the completion of the sale of its 50% stake in RusVinyl, an independent joint venture in Russia, to its joint venture partner, Sibur. At the time of closing, the Group received €432 million in cash proceeds in Belgium, which has been reported as cash flow from investing activities in Q1 2023. A capital loss of €174 million has been recognized in Q1 2023, mainly reflecting recycling of the historical currency translation balances to the consolidated income statement.

Environmental liabilities

On June 28, 2023, Solvay Specialty Polymers USA, LLC, a subsidiary of Solvay SA, and the New Jersey Department of Environmental Protection (NJDEP) announced an agreement resolving certain PFAS related claims in New Jersey.

Under the terms of the agreement, Solvay will pay US$75 million to NJDEP for Natural Resource Damages (NRDs) and US$100 million to fund NJDEP PFAS remediation projects in areas of New Jersey near Solvay's West Deptford site. The settlement includes commitments for Solvay to complete remediation activities that Solvay began in 2013, including testing water and soil near the West Deptford site. Solvay has agreed to establish a remedial funding source in the amount of US$214 million to fund those activities. The agreement, structured as a Judicial Consent Order, will be presented to the US Court for review and approval later this year, following a public comment period. This agreement is not an admission of liability.

As a result of this settlement, Solvay has increased its current provision by around US$250 million (€229 million) at the end of Q2 2023, with US$175 million cash out by 2024 and the balance over a 30-year period. There were no further changes in Q3 2023.

The environmental provision recorded is based on the net present value of the cash flow forecast needed, for current and future years, to settle the remediation obligations. This provision represents the estimated cash out and does not reflect expected recoveries from third-party contributors nor does it reflect potential insurance proceeds, the combination of which could significantly reduce the resultant costs.

This liability was recorded in "Other non-current provisions" in the Consolidated Statement of Financial Position and the associated impact in the Consolidated Income Statement was recorded in "Results from legacy remediation and major litigations" together with all the other remediation impacts that relate to legacy activities. Legacy remediation costs are considered Adjustments to our IFRS results.

Separation plan

On March 15, 2022, the Group announced its plans to separate into two independent publicly traded companies:

- EssentialCo (Solvay) would comprise leading mono-technology businesses including Soda Ash, Peroxides, Silica and Coatis, which are reported as the Company's Chemicals segment, as well as the Special Chem business. These businesses generated approximately €6 billion in net sales in 2022.
- SpecialtyCo would comprise, under Specialty Holdco Belgium SRL, the Company's currently reported Materials segment, including its high-growth, high-margin Specialty Polymers, its high-performance Composites business, as well as the majority of its Solutions segment, including Novecare, Technology Solutions, Aroma Performance, and Oil & Gas. These businesses combined generated approximately €8 billion in net sales in 2022.

The transaction is subject to general market conditions and customary closing conditions, including final approval by Solvay's Board of Directors (refer to Events after the reporting period), and shareholder approval at an extraordinary general meeting, and is expected to be completed in December 2023. The Board of Directors of Solvac, Solvay's long-standing reference shareholder, has confirmed its support of Solvay's transaction.

Under the separation plan, the shares of Syensqo SA/NV are expected to be admitted to trading on Euronext Brussels and Euronext Paris upon completion of the transaction, while Solvay's shareholders would retain their current shares of Solvay SA, which will continue to be listed on Euronext Brussels and Euronext Paris.

On June 16, 2023, Solvay announced the target capital structures of EssentialCo and SpecialtyCo, developed based on their respective growth trajectories, investment objectives and dividend policies. On the same date, S&P Global Ratings Europe Limited and Moody's Deutschland GmbH assigned a preliminary rating to SpecialtyCo consistent with a strong investment grade (respectively, BBB+ and Baa1) and announced the expected investment grade rating of Solvay (EssentialCo) upon completion of the partial demerger (respectively, BBB- and Baa3). On June 30, 2023, Solvay published an information document for EssentialCo and a registration document for SpecialtyCo, which provide additional information, including historical financial information, on each company. For additional information on EssentialCo and SpecialtyCo, please refer to the page of Solvay's website dedicated to the separation project (www.solvay.com/en/investors/creating-two-strong-industry-leaders).

In September 2023, the Group has received rulings from tax authorities in Belgium and the United States confirming that, subject to certain conditions, the transaction will qualify for favorable tax treatment for Solvay and its Belgian and U.S. shareholders. The rulings will be described in the prospectus that will be published in -November by Syensqo SA ("Syensqo") in connection with the future trading of its shares on the regulated markets of Euronext Brussels and Euronext Paris.

While the Group is actively taking steps to prepare for the partial demerger and anticipates that the transaction will be completed in December 2023, the Group considers the specialty businesses do not meet the criteria under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* (IFRS 5) to be classified as discontinued operations at September 30, 2023. This judgment is taken on the basis that the abovementioned approvals have not yet been obtained. These approvals are expected to be received by December 2023. Management will further assess the IFRS 5 criteria at each reporting period.

Liability Management

In Q3 2023, Solvay undertook various liability management exercises in respect of certain of its outstanding debt securities. The purpose of the liability management exercises was to repurchase or redeem certain debt securities, and to transfer liability for the remaining relevant debt securities or related guarantees to the Syensqo group upon the contemplated partial demerger of Solvay (the "Partial Demerger") becoming effective. The liability management exercises were also intended to amend certain contractual provisions in certain of the debt securities to facilitate the implementation of the Partial Demerger.

On September 4 and 5, 2023, Solvay announced the results of liability management transactions relating to certain senior and hybrid bonds denominated in euros. The transactions included:

- a request for consent of bondholders to the substitution, effective upon completion of the Partial Demerger, of Syensqo SA/NV for Solvay as issuer of (i) the €500,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.5 Bonds with first call date on December 2, 2025 (ISIN: BE6324000858) (the "2025 Hybrid Bonds"), and (ii) the €500,000,000 2.750% Fixed Rate Bonds due December 2, 2027 (ISIN: BE6282460615) (the "2027 Bonds").
- a tender offer relating to the €500,000,000 Undated Deeply Subordinated Fixed to Reset Rate Bonds with first optional redemption date of June 3, 2024 (ISIN: XS1323897725) (the "2024 Hybrid Bonds") issued by Solvay Finance S.A. and irrevocably guaranteed on a subordinated basis by Solvay (the "Tender Offer").

The 2025 Hybrid Bonds, the 2027 Bonds and the 2024 Hybrid Bonds

At the meeting in respect of the 2025 Hybrid Bonds, the necessary quorum was achieved, the relevant extraordinary resolution was passed and the relevant condition was satisfied. As a result, Syensqo SA/NV will be substituted for Solvay as issuer of the 2025 Hybrid Bonds, effective upon the completion of the Partial Demerger, and subject to the satisfaction or waiver of certain conditions set out in the consent solicitation notice.

At the meeting of the holders of the 2027 Bonds, the necessary quorum was achieved, the relevant extraordinary resolution was passed and the relevant condition was satisfied. As a result, Syensqo SA/NV will be substituted for Solvay as issuer of the 2027 Bonds, effective upon the completion of the Partial Demerger, and subject to the satisfaction or waiver of certain conditions set out in the consent solicitation notice.

On September 8, 2023, Solvay Finance S.A. accepted all validly tendered 2024 Hybrid Bonds pursuant to the Tender Offer for purchase in cash in an aggregate principal amount of €452,613,000 (representing approximately 90.52% in aggregate nominal amount of the outstanding 2024 Hybrid Bonds). Because it has purchased more than 90% of the initial aggregate principal amount of the 2024 Hybrid Bonds, Solvay Finance S.A. has the option, pursuant to the terms and conditions of the 2024 Hybrid Bonds, at any time, to redeem all of the remaining outstanding 2024 Hybrid Bonds that were not validly tendered for purchase pursuant to the Tender Offer at their principal amount together with any accrued and unpaid interest (including any deferred interest) up to the redemption date. Solvay Finance S.A. exercised this clean up call option on September 6, 2023, and redeemed the relevant 2024 Hybrid Bonds on September 13, 2023 in cash in an aggregate principal amount of €47,387,000.

The settlement of the 2024 Hybrid Bonds was financed via a drawdown of credit facilities (€520 million).

The 2029 Bonds

Solvay has exercised its issuer make-whole call under the terms and conditions of the €600,000,000 0.500% Fixed Rate Bonds due September 6, 2029 (ISIN: BE6315847804) (the "2029 Bonds"). The redemption of the 2029 Bonds will be funded with a new bank facility. The additional funding cost for the anticipated long-term refinancing of the 2029 Bonds is estimated at approximately EUR 20 million per year (after tax). The redemption notice was delivered on September 7, 2023, announcing the redemption date of October 9, 2023, in accordance with the terms and conditions of the 2029 Bonds. The outstanding amount of the 2029 Bonds (€597 million) was reclassified to Current Liabilities in Q3 2023.

USD 2025 Bonds to be redeemed

Solvay SA announced on September 27, 2023, that it intends to exercise its issuer make-whole call option under the terms of the indenture governing the 4.450% Senior Notes due 2025 issued by Solvay Finance (America), LLC for an amount outstanding of USD$ 800,000,000 and guaranteed by Solvay (CUSIP: 834423 AB1 / U8344P AB5) (the "USD 2025 Bonds"). The redemption of the USD 2025 Bonds offers the most value-creating outcome for holders of those Bonds and will be funded with bank facilities. The additional funding cost for the anticipated long-term refinancing of the USD 2025 Bonds is estimated at approximately €10 million per year (after tax) over the next two years, under current market conditions.

The 3.95% Senior Notes due 2025 issued by Cytec Industries Inc. (CUSIP: 232820 AK6) (the "Cytec 2025 Bonds") will remain outstanding for an amount of USD 163,495,000, as currently. Solvay will remain the guarantor of the Cytec 2025 Bonds and, effective upon completion of the Partial Demerger, Syensqo SA/NV, formerly known as Specialty HoldCo Belgium, will provide a counter-guarantee to Solvay for any payments to be made under the Cytec 2025 Bonds. The outstanding amount of USD 2025 Bonds (€753 million) was reclassified to Current Liabilities in Q3 2023.

Liability management update

The internal investigation regarding the trade between third parties on the 2029 bonds that had been mentioned in the press release of September 4, 2023 has been closed. This investigation revealed that the trade is an isolated incident. In light of the conclusions of the investigation, Solvay is confident that it took the appropriate decisions upon and after becoming aware of the trade. The investigation has not identified any legal violations that might be attributed to Solvay.

Restructuring provision

In the context of the Group's plan to separate into two independent publicly traded companies, new restructuring initiatives were launched in 2023. These initiatives will lead to the net suppression of approximately 224 roles by the end of 2023. As a consequence, a restructuring provision of €78 million was recognized for the 9M 2023 period.

Post-retirement benefits

A voluntary contribution of €11 million was made in the UK in May 2023.

2. Accounting policies

Solvay prepares its condensed consolidated interim financial statements on a quarterly basis, in accordance with IAS 34 *Interim Financial Reporting* using the same accounting policies as those adopted for the preparation of the consolidated financial statements for the year ended December 31, 2022. They do not include all the information required for the preparation of the annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2022. The consolidated financial statements for 2022 were published in early April 2023.

The critical accounting judgments and key sources of estimation uncertainty included in the 2022 annual report remain applicable. Relevant updates on specific topics are included in these notes and should be read together with the 2022 annual report.

There are three amendments that became effective as of January 1, 2023, which applies to the Group. An assessment was made and these amendments had no impact on the Group's condensed interim consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
The amendments to IAS 12 *Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
The amendments provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgments about accounting policy disclosures. The Group is currently assessing the impact the amendments and will implement these for the year end report.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 (not yet endorsed by the EU)
On May 23, 2023, the IASB issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 (the Amendments) to clarify the application of IAS 12 Income Taxes to income taxes arising from tax law enacted or substantively enacted to implement the Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) Pillar Two model rules (Pillar Two income taxes).

The Amendments introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim periods ending on or before December 31, 2023.

The Group confirms that it intends to apply the mandatory temporary exception to the accounting for deferred taxes. Management is currently assessing the accounting implications and the jurisdictions that could give rise to additional taxation as a result of the implementation of the Pillar Two Model Rules in national laws, which is not expected to be material for the Group.

There are other IFRS amendments applicable for the first time in 2023, but they do not have a material impact on or are not relevant for, the condensed interim consolidated financial statements of the Group and therefore have not been disclosed.

3. Segment information

Solvay is organized in the following operating segments:
Materials offer a unique portfolio of high-performance polymers and composite technologies used primarily in sustainable mobility applications. Its solutions enable weight reduction and enhance performance while improving CO_2 and energy efficiency. Major markets served include next-generation mobility in automotive and aerospace, healthcare and electronics.
Chemicals host chemical intermediate businesses focused on mature and resilient markets. Solvay is a world leader in soda ash and peroxides and major markets served include building and construction, consumer goods and food. Its Silica and Coatis businesses are also high quality assets with strong positions in their markets.
Solutions offer a unique formulation & application expertise through customized specialty formulations for surface chemistry & liquid behavior, maximizing yield and efficiency of the processes they are used in while minimizing the eco-impact. Novecare, Technology Solutions, Aroma, Special Chem and Oil & Gas focus on specific areas such as resources (improving the extraction yield of metals, minerals and oil), industrial applications (such as coatings) or consumer goods and healthcare (including vanillin and guar for home and personal care).
Corporate & Business Services includes corporate and other business services, such as Group research & innovation or energy services, whose mission is to optimize energy consumption and reduce CO_2 emissions.

Reconciliation of segment, underlying and IFRS data

(in € million)	Q3 2023	Q3 2022	9M 2023	9M 2022
Net sales	**2,747**	**3,609**	**9,001**	**10,141**
Materials	959	1,114	3,073	3,041
Chemicals	908	1,236	3,025	3,393
Solutions	882	1,257	2,895	3,700
Corporate & Business Services	-1	2	9	7
Underlying EBITDA	**702**	**917**	**2,331**	**2,493**
Materials	324	385	1,051	984
Chemicals	274	311	880	906
Solutions	164	240	552	769
Corporate & Business Services	-60	-19	-151	-167
Underlying depreciation, amortization & impairments	-194	-208	-582	-584
Underlying EBIT	**508**	**709**	**1,749**	**1,909**
Accounting impact from EUAs and amortization & depreciation of purchase price allocation (PPA) from acquisitions	-53	-38	-115	236
Net financial charges of the RusVinyl joint venture	-	-1	7	10
Result from portfolio management & major restructuring	-65	-6	-407	-62
Result from legacy remediation & major litigations	-25	-137	-243	-214
EBIT	**365**	**527**	**991**	**1,879**
Net financial charges	-46	-1	-105	-63
Profit / (loss) for the period before taxes	**320**	**526**	**886**	**1,816**
Income taxes	-95	-71	-212	-298
Profit / (loss) for the period from continuing operations	**225**	**456**	**674**	**1,518**
Profit / (loss) for the period from discontinued operations	-	-	-	1
Profit / (loss) for the period	**225**	**456**	**674**	**1,519**
attributable to non-controlling interests	5	5	10	25
attributable to Solvay share	**220**	**451**	**664**	**1,493**

The non-cash PPA impacts can be found in the reconciliation table on page 13.

4. Financial Instruments

Valuation techniques

Compared to December 31, 2022, there are no changes in valuation techniques.

Fair value of financial instruments measured at amortized cost

For all financial instruments not measured at fair value in Solvay's consolidated statement of financial position, the fair value of those financial instruments as of September 30, 2023, is not significantly different from the ones published in Note F32 of the consolidated financial statements for the year ended December 31, 2022.

Financial instruments measured at fair value

For financial instruments measured at fair value in Solvay's consolidated statement of financial position, the fair value of those instruments as of September 30, 2023, decreased Other receivables by €800 million and Other liabilities by €560 million when compared to December 31, 2022. The main driver of the decreases is the fluctuation in electricity and gas prices during the period.

5. Events after the reporting period

Liability management

Solvay SA announced on October 5, 2023, that its subsidiary Solvay Finance SA will redeem its €500 million Undated Deeply Subordinated Fixed to Reset Rate Perp-NC10 Bonds irrevocably guaranteed on a subordinated basis by Solvay SA (ISIN: XS0992293901) on the first call date (being November 12, 2023). This perpetual deeply subordinated bond, bearing an annual interest rate of 5.425%, is currently treated as equity under IFRS rules. As November 12, 2023, falls on a non-business day, repayment shall, in accordance with the terms and conditions, occur on November 13, 2023. The redemption amount shall equal the principal amount (€500 million) plus interest accrued and unpaid up to, but excluding, the redemption date (€27 million).

Solvay SA announced on October 20, 2023, that it will redeem its €300 million Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.25 Bonds (ISIN: BE6309987400) on December 4, 2023, as per its issuer general call option. This perpetual deeply subordinated bond, bearing an annual interest rate of 4.25%, is treated as equity under IFRS rules. The redemption amount shall equal the principal amount (€300 million) plus interest accrued and unpaid up to, but excluding, the redemption date (€9.7 million).

Separation plan

Solvay SA announced on October 18, 2023, that the Board of Directors unanimously support the separation plan and decided that the extraordinary shareholders' meeting to vote on the proposal to separate Solvay into two independent listed companies will take place on December 8, 2023. This represents a key step in the project to create two industry leaders: Syensqo, a leader in specialty chemicals focused on above-market growth, innovation and sustainability, and Solvay, a leader in essential chemicals focused on cash generation, operational excellence and sustainability.

The formal partial demerger proposal adopted by the Board was filed on October 24, 2023 with the clerk's office of the Brussels Enterprise Court, and will be published on Solvay's website. The convening notice for the extraordinary shareholders' meeting will be published early November 2023, in accordance with applicable laws.

6. Declaration by responsible persons

Ilham Kadri, Chief Executive Officer, and Karim Hajjar, Chief Financial Officer, of the Solvay Group, declare that to the best of their knowledge:

- The condensed consolidated financial information, prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union, reflects a faithful image of the assets and liabilities, financial situation and results of the Solvay Group;
- The management report contains a faithful presentation of significant events occurring during the first nine months of 2023, and their impact on the condensed consolidated financial information;
- The main risks and uncertainties are in accordance with the assessment disclosed in the Risk Management section of the Solvay 2022 Annual Integrated Report, taking into account the current economic and financial environment.

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Statutory auditor's report to the board of directors of Solvay SA/NV on the review of the condensed consolidated interim financial information as of 30 September 2023 and for the 9-month period then ended

Introduction

We have reviewed the accompanying consolidated statement of financial position of Solvay SA/NV as of 30 September 2023, the consolidated income statement, the consolidated statements of comprehensive income, of changes in equity and of cash flows for the 9-month period then ended, and notes ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as of 30 September 2023 and for the 9-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Diegem, 2 November 2023

EY Bedrijfsrevisoren BV / EY Réviseurs d'Entreprises SRL
Statutory auditor
represented by

Marie Kaisin*
Partner
*Acting on behalf of a BV/SRL

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Glossary

Adjustments: Each of these adjustments made to the IFRS results is considered to be significant in nature and/or value. Excluding these items from the profit metrics provides readers with relevant additional information on the Group's underlying performance over time because it is consistent with how the business' performance is reported to the Board of Directors and the Executive Committee. These adjustments consist of:

- Results from portfolio management and major restructurings,
- Results from legacy remediation and major litigations,
- Amortization of intangible assets resulting from Purchase Price Allocation (PPA) and inventory step-up in gross margin,
- Net financial results related to changes in discount rates, coupons of hybrid bonds deducted from equity under IFRS and debt management impacts (mainly including gains/(losses)) related to the early repayment of debt,
- Adjustments of equity earnings for impairment gains or losses, unrealized foreign exchange gains or losses on debt and contribution to IFRS equity earnings of equity investments disposed of in the period,
- Results from equity instruments measured at fair value,
- Gains and losses, related to the management of the CO_2 hedges not accounted for as Cash Flow Hedge, deferred in adjustments until the maturity of the economic hedge
- Tax effects related to the items listed above and tax expense or income of prior years

All adjustments listed above apply to both continuing and discontinuing operations, and include the impacts on non-controlling interests

Basic earnings per share: Net income (Solvay's share) divided by the weighted average number of shares, after deducting own shares purchased to cover stock option programs.

Capital expenditure (capex): Cash paid for the acquisition of tangible and intangible assets presented in cash flows from investing activities, and cash paid on the lease liabilities (excluding interests paid), presented in cash flows from financing activities, excluding acquisition of assets associated with the partial demerger project. This indicator is used to manage capital employed in the Group.

Cash conversion: Is a ratio used to measure the conversion of EBITDA into cash. It is defined as (Underlying EBITDA + Capex from continuing operations) / Underlying EBITDA.

CFROI: Cash Flow Return on Investment measures the cash returns of Solvay's business activities. Movements in CFROI levels are relevant indicators for showing whether economic value is being added, though it is accepted that this measure cannot be benchmarked or compared with industry peers. The definition uses a reasonable estimate (management estimate) of the replacement cost of assets and avoids accounting distortions, e.g. for impairments. It is calculated as the ratio between recurring cash flow and invested capital, where:

- Recurring cash flow = Underlying EBITDA + (Dividends from associates and joint ventures – Underlying Earnings from associates and joint ventures) + Recurring capex + Recurring income taxes;
- Invested capital = Replacement value of goodwill & fixed assets + Net working capital + Carrying amount of associates and joint ventures;
- Recurring capex is normalized at 2.3% of the Replacement value of fixed assets net of Goodwill;
- Recurring income taxes are normalized at 28% of (Underlying EBIT – Underlying Earnings from associates and joint ventures).

CGU: Cash-generating unit

CTA: Currency Translation Adjustment

Diluted earnings per share: Net income (Solvay's share) divided by the weighted average number of shares adjusted for the effects of dilution.

Discontinued operations: Component of the Group which the Group has disposed of or which is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

EBIT: Earnings before interest and taxes. Performance indicator that is a measure of the Group's operating profitability irrespective of the funding's structure.

EBITDA: Earnings before interest and taxes, depreciation and amortization. The Group has included EBITDA as an alternative performance indicator because management believes that the measure provides useful information to assess the Group's operating profitability as well as the Group's ability to generate operating cash flows.

Extra-financial indicators: Indicators used that 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

Free cash flow: Cash flows from operating activities (excluding cash flows linked to acquisitions or disposals of subsidiaries, cash outflows of Voluntary Pension Contributions, as they are deleveraging in nature as a reimbursement of debt and cash flows related to internal management of portfolio such as one-off external costs of internal carve-out and related taxes…), cash flows from investing activities (excluding cash flows from or related to acquisitions and disposals of subsidiaries and cash flows associated with the partial demerger project), and other investments, and excluding loans to associates and non-consolidated investments, and recognition of factored receivables), payment of lease liabilities, and increase/decrease of borrowings related to environmental remediation. Prior to the adoption of IFRS 16, operating lease payments were included within free cash flow. Following the application of IFRS 16, because leases are generally considered to be operating in nature, free cash flow incorporates the payment of the lease liability (excluding the interest expense). Excluding this item in the free cash flow would result in a significant improvement of free cash flow compared to prior periods, whereas the operations themselves have not been affected by the implementation of IFRS 16. It is a measure of cash generation, working capital efficiency and capital discipline of the Group.

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: 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 underlying EBITDA of the last rolling 12 months.

GBU: Global business unit.

HPPO: Hydrogen peroxide propylene oxide, new technology to produce propylene oxide using hydrogen peroxide.

IFRS: International Financial Reporting Standards.

LTM: Last twelve months

Leverage ratio: Net debt / underlying EBITDA of last 12 months. Underlying leverage ratio = underlying net debt / underlying EBITDA of last 12 months.

Mandatory contributions to employee benefits plans: For funded plans, contributions to plan assets corresponding to amounts required to be paid during the respective period, in accordance with agreements with trustees or regulation, as well as, for unfunded plans, benefits paid to beneficiaries.

Net cost of borrowings: cost of borrowings netted with interest on loans and short-term deposits, as well as other gains (losses) on net indebtedness.

Net financial debt: Non-current financial debt + current financial debt – cash & cash equivalents – other financial instruments (current and non-current). Underlying net debt reclassifies as debt 100% of the hybrid perpetual bonds, considered as equity under IFRS. It is a key measure of the strength of the Group's financial position and is widely used by credit rating agencies.

Net financial charges: Net cost of borrowings, and costs of discounting provisions (namely, related to post-employment benefits and Health Safety and Environmental liabilities).

Net pricing: The difference between the change in sales prices versus the change in variable costs.

Net sales: Sales of goods and value added services corresponding to Solvay's know-how and core business. Net sales exclude Revenue from non-core activities.

Net working capital: Includes inventories, trade receivables and other current receivables, netted with trade payables and other current liabilities.

OCI: Other Comprehensive Income.

Operational deleveraging: Reduction of liabilities (net debt or provisions) through operational performance only, i.e. excluding impacts from acquisitions and divestitures, as well as remeasurement impacts (changes of foreign exchange, inflation, mortality and discount rates).

Organic growth: Growth of Net sales or underlying EBITDA excluding scope changes (related to small M&A not leading to restatements) 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.

PA: Polyamide, polymer type.

pp: Unit of percentage points, used to express the evolution of ratios.

PPA: Purchase Price Allocation (PPA) accounting impacts related to acquisitions, primarily for Rhodia and Cytec.

Pricing power: The ability to create positive net pricing.

PSU: Performance Share Unit.

PVC: Polyvinyl chloride, polymer type.

Research & innovation: Research & development costs recognized in the income statement and as capital expenditure before deduction of related subsidies, royalties and depreciation and amortization expense. It measures the total cash effort in research & innovation, regardless of whether the costs were expensed or capitalized.

Research & innovation intensity: Ratio of Research & innovation / net sales

Result from legacy remediation and major litigations: It includes:

- The remediation costs not generated by on-going production facilities (shut-down of sites, discontinued productions, previous years' pollution), and
- The impact of significant litigations

Results from portfolio management and major restructuring: It includes:

- Gains and losses on the sale of subsidiaries, joint operations, joint ventures, and associates that do not qualify as discontinued operations;
- Acquisition costs of new businesses;
- One-off operating costs related to internal management of portfolio (carve-out of major lines of businesses);
- Gains and losses on the sale of real estate not directly linked to an operating activity;
- Restructuring charges driven by portfolio management and by major reorganization of business activities, including impairment losses resulting from the shutdown of an activity or a plant;
- Impairment losses resulting from testing of Cash Generating Units (CGUs);

It excludes non-cash accounting impact from amortization and depreciation resulting from the purchase price allocation (PPA) from acquisitions.

Revenue from non-core activities: Revenues primarily comprising commodity and utility trading transactions and other revenue, considered to not correspond to Solvay's know-how and core business.

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.

SBTi: Science-based target initiative

SOP: Stock Option Plan.

SPM: The Sustainable Portfolio Management tool is integrated into the Solvay Way framework (linked to five practices). It serves as a strategic tool for developing information on our portfolio and analyzing the impacts of sustainability megatrends on our businesses.

Underlying: Underlying results are deemed to provide a more comparable indication of Solvay's fundamental performance over the reference periods. They are defined as the IFRS figures adjusted for the "Adjustments" as defined above. They provide readers with additional information on the Group's underlying performance over time as well as the financial position and they are consistent with how the business' performance and financial position are reported to the Board of Directors and the Executive Committee.

Underlying Tax rate: Income taxes / (Result before taxes – Earnings from associates & joint ventures) – all determined on an Underlying basis. The adjustment of the denominator regarding associates and joint ventures is made as these contributions are already net of income taxes. This provides an indication of the tax rate across the Group.

Voluntary pension contributions: Contributions to plan assets in excess of Mandatory Contributions to employee benefits plans. These payments are discretionary and are driven by the objective of value creation. These voluntary contributions are excluded from free cash flow as they are deleveraging in nature as a reimbursement of debt.

WACC: Weighted Average Cost of Capital

yoy: Year on year comparison.

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About Solvay
Solvay is a science company whose technologies bring benefits to many aspects of daily life. With more than 22,000 employees in 61 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 plan crafted around three pillars: protecting the climate, preserving resources and fostering 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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