

# Solvay (EssentialCo) unveils its new strategy and 2028 financial targets

## Highlights resilient cash generation and attractive returns

Brussels, November 13, 2023 - 7:00 CET

Today marks a new era for Solvay and its stakeholders as it looks to a future as a simpler, more focused company post the Syensqo spin-off (subject to the approval by Solvay's shareholders at the Extraordinary General Meeting on December 8, 2023). Solvay's incoming management team will share its strategy, mid-term financial targets and will confirm its sustainability commitments at Solvay's Capital Markets Day today.

The company is committed to delivering profitable growth, resilient cash generation and attractive returns that will fuel all relevant process innovation investment, as well as Solvay's endeavor to reach carbon neutrality by 2050.

Solvay's ambition is to become THE industry leader, in both scale and cost. It aims at maintaining a top-quartile position in profitability and returns. Additionally, it confirms its commitment to energy transition and reach carbon neutrality by 2050.

### Mid-term targets to 2028

Solvay targets further build on a proven track record of consistently delivering stable top-quartile industry margins, cash generation and returns.

Specifically, Solvay's 2028 targets are:

- Annual average organic underlying EBITDA growth of mid-single digit (in %)
- Underlying EBITDA margin expansion (in %) to mid-to-high 20s
- Total gross savings of €300 million annual run-rate
- Free cash flow conversion (in %) exceeding mid-30s
- ROCE (in %) increasing to low 20s

### Confirming One Planet climate commitments

Solvay confirms its climate commitments, driving towards Carbon Neutrality by 2050 through its investment in Energy Transition. Solvay's specific 2030 targets include:

- -30% scope 1 & 2 GHG emissions vs. 2021
- -20% scope 3 GHG emissions vs. 2021
- Coal Phase out where alternative energy sources exist

## **Prioritizing shareholder distributions while maintaining investment grade credit rating**

Solvay opens this new chapter with a strong financial position and an expected investment grade rating of BBB-. With its disciplined capital allocation approach, Solvay highlights its commitment to prioritize stable to increasing dividend for the use of its cash after essential investments.

The presentation prepared for the Capital Markets Day is available on Solvay's [website](#).

## **Financial advisors**

In relation to the separation, BNP PARIBAS and Morgan Stanley are acting as Financial Advisors and Lead ECM Advisors, Berenberg, Deutsche Bank AG and J.P. Morgan SE are acting as ECM Advisors, Bank Degroof Petercam SA/NV, BofA Securities Europe SA and Société Générale are acting as Co-Advisors. STJ Advisors is acting as Independent Equity Capital Markets Advisor to the Company.

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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 drink, 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. As a world-leading company with €5.6 billion in net sales in 2022 and listings on Euronext Brussels and Paris (SOLB), its unwavering commitment drives the transition to a carbon-neutral future by 2050, underscoring its dedication to sustainability and a fair and just transition. For more information about Solvay, please visit [solvay.com](https://solvay.com) or follow [Solvay](#) on LinkedIn.

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This press release is for informational purposes only and is not intended to, and does not, constitute an offer or invitation to sell or solicitation of an offer to subscribe for or buy, or an invitation to purchase or subscribe for, any securities of Solvay or Syensqo SA/NV ("Syensqo"), any part of the business or assets described herein, or any other interests or the solicitation of any vote or approval in any jurisdiction in prospectus with the transactions described herein or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. This press release should not be construed in any manner as a recommendation to any reader thereof.

This press release is not a prospectus or other offering document for the purposes of Regulation (EU) 2017/1129 of June 14, 2017 (as amended, the "Prospectus Regulation"), and the allocation of shares of Syensqo to Solvay's shareholders as part of the contemplated partial demerger of Solvay is expected to be carried out in circumstances that do not constitute "an offer of securities to the public" within the meaning of the Prospectus Regulation. Syensqo has prepared a registration document which will become a constituent part of Syensqo's prospectus for purposes of the admission to trading of Syensqo's shares on the regulated markets of Euronext in Brussels and Paris in connection with the partial demerger of Solvay. The registration document is, and the other constituent parts of the prospectus will be made, available to investors at no cost on the corporate websites of Syensqo ([www.syensqo.com/en/investors/spinoff](http://www.syensqo.com/en/investors/spinoff)) and Solvay ([www.solvay.com](http://www.solvay.com)), as well as at the registered office of Syensqo, at Rue de la Fusée 98, 1130 Brussels, Belgium. The approval of the registration document, or any other constituent parts of the prospectus, by the Belgian Financial Services and Markets Authority (the "FSMA") should not be understood as an endorsement of the shares of Syensqo to be admitted to trading on the aforementioned regulated markets.

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Certain statements contained herein may be forward-looking statements including, but not limited to, the statements about the Partial Demerger, as well as other statements that are predictions of or indicate plans, strategies, goals, future events or intentions. In particular, these statements relate to (and include data relating to) Solvay management's business strategies, capital expenditures and other investments, growth of existing operations and expansion plans, its financial situation and its cash flow, as well as forecasts, other future events, trends or objectives and expectations concerning, in particular, the markets in which it operates, its strategy, its growth and its results. These statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The statements in the presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions. The statements are not historical facts and should not be construed as a guarantee that the stated facts and/or data will occur. Although Solvay believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. As such, undue reliance should not be placed on such statements. Should one or more of these risks and uncertainties materialize, or should any underlying assumptions prove incorrect, or any other factor impact those statements, the Solvay Group's or Syensqo's actual results, plans, objectives and expectations, as well as the timing and consummation of the Partial Demerger and related transactions, may differ materially from those expressed or implied in the forward-looking statements. The inclusion of such statements should not be regarded as a representation that such results, plans, trends or objectives will be achieved. Important factors that could cause actual results, plans, trends and objectives to differ materially from those expressed in such statements include, among others, Solvay's and Syensqo's ability to satisfy the necessary conditions to consummate the Partial Demerger, or that the Partial Demerger will be completed, within the expected time frame, on the expected terms or at all; Solvay's ability to realize the anticipated benefits of the Partial Demerger, in full or at all; the expected tax treatment of the Partial Demerger; potential uncertainty during the pendency of the Partial Demerger that could affect Solvay's financial performance; the possibility of disruption, including changes to existing business relationships, disputes, litigation or unanticipated costs in connection with the Partial Demerger and related transactions; uncertainty of Solvay's or Syensqo's financial performance and ability to succeed as standalone publicly traded companies following completion of the Partial Demerger; negative effects of the announcement or pendency of the Partial Demerger and related transactions on the value and future market price of Solvay's or Syensqo's securities as standalone publicly traded companies and/or on their financial performance; general economic factors, such as interest rate, currency exchange rate fluctuations and changing market conditions; competition, including technological advances, new products and patents attained by competitors; challenges inherent in new product research and development; the impact of business combinations, divestitures and restructurings, including any reorganizations to be carried out in connection with the contemplated transaction; adverse litigation or government action, including related to product liability claims; changes to applicable laws and regulations, including tax laws and import/export and trade laws; the impact of products withdrawals; regulatory approval processes; the ability to implement its R&I projects and efforts; the ability to capture any opportunities and market share growth from its principal end-markets or the identified growth platforms, to the extent realized; the ability to identify and invest in value-creating projects and apply its value-based pricing model; the ability to deliver on its strategic initiatives; and the ability to improve efficiency in the use of its existing assets. Solvay undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise, except as required by applicable laws and regulations.