

Solvay announces its G.R.O.W. strategy to drive growth, cash and returns

- Businesses realigned around distinct mandates
- New operating model – Solvay ONE – to leverage operational efficiency within the Group
- Provides new mid-term financial targets through 2024

Brussels, November 7, 2019 --- Solvay announces its G.R.O.W. strategy to drive growth, cash and returns.

“Our G.R.O.W. strategy is the result of a comprehensive strategic review of our entire portfolio,” said Ilham Kadri, CEO of Solvay. *“We will unleash Solvay’s full potential through a disciplined and differentiated allocation of resources across the Group, based on distinct business mandates and enabled by our new operating model, Solvay ONE. We will focus on growth, cash and returns, and will prioritize investment in the highest return opportunities. We will also create a more effective way to serve and innovate with our customers, as we increasingly deliver sustainable solutions that meet the needs of a more ESG-focused world. Therefore, we are well positioned to drive superior value creation for shareholders, customers and all other stakeholders.”*

G.R.O.W.

Solvay has realigned its businesses into three segments, *MATERIALS*, *CHEMICALS* and *SOLUTIONS*, each with a distinct mandate. The restated figures for the segments are available on Solvay’s website ([HTTPS://WWW.SOLVAY.COM/EN/INVESTORS/FINANCIAL-REPORTING/SOLVAY-EARNINGS](https://www.solvay.com/en/investors/financial-reporting/solvay-earnings)).

- **MATERIALS to accelerate Growth:** Materials comprises Specialty Polymers and Composite Materials, which are high-margin businesses with leading market positions that are addressing the sustainability needs of the future. Solvay will prioritize investment and innovation in this segment. We will extend our leadership position as the #1 pure play advanced materials business, leveraging synergy between Specialty Polymers and Composite Materials to create a leading thermoplastics platform.
- **CHEMICALS to deliver Resilient cash:** Solvay is a global leader in Soda Ash, Peroxides and Silica, and its Coatis and Rusvinyl businesses are regional leaders. Solvay will continue to focus on delivering resilient cash flows and selectively invest in these businesses to become the #1 cash conversion chemical player.
- **SOLUTIONS to Optimize returns:** The Solutions segment includes Novecare, Technology Solutions, Aroma and Special Chem, which operate in diverse, niche markets. Solvay will optimize these businesses, leverage its leadership positions, drive better returns and unlock value.
- **Solvay ONE to Win:** The new operating model will unleash the full potential of the Group through resource prioritization, tailored approach to customers, and a repeatable cost and cash playbook.

Ce communiqué de presse est également disponible en français. - Dit persbericht is ook in het Nederlands beschikbaar.

Solvay will deliver €300 million to €350 million of cost savings on a run rate basis by 2024. Effective management of pension liabilities, debt and working capital will generate approximately €500 million in additional cash flow cumulatively over the period.

Reflecting its new strategy, Solvay has set mid-term targets for the Group:

- Underlying EBITDA to grow organically mid-single digit on average from 2020-2024
- Free cash flow conversion to exceed 30 percent by 2024, compared to approximately 22 percent in 2019
- ROCE to exceed 11 percent by 2024, compared to approximately 8 percent in 2019, equivalent to €300 million more annual pre-tax profits

Third Quarter Earnings Release and Webcast

Separately today, Solvay released its results for the first nine months and third quarter of 2019. The company's earnings release and infographic can be found on the company's website at [HTTPS://WWW.SOLVAY.COM/EN/INVESTORS/FINANCIAL-REPORTING/SOLVAY-EARNINGS](https://www.solvay.com/en/investors/financial-reporting/solvay-earnings). An analyst call will be held at 14:00 to discuss the third quarter 2019 results as well as the new strategic framework announced this morning. Please see: [HTTPS://WWW.SOLVAY.COM/EN/INVESTORS/FINANCIAL-CALENDAR-EVENTS-PRESENTATIONS/INVESTOR-DAYS/2019-STRATEGY-REVIEW](https://www.solvay.com/en/investors/financial-calendar-events-presentations/investor-days/2019-strategy-review). A slide presentation will be included with the audio portion of the webcast and will be posted online 30 minutes before the call starts.



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Solvay is an advanced materials and specialty chemicals company, committed to developing chemistry that addresses key societal challenges. Solvay innovates and partners with customers worldwide in many diverse end-markets. Its products are used in planes, cars, batteries, smart and medical devices, as well as in mineral and oil and gas extraction, enhancing efficiency and sustainability. Its lightweighting materials promote cleaner mobility, its formulations optimize the use of resources, and its performance chemicals improve air and water quality. Solvay is headquartered in Brussels with around 24,500 employees in 61 countries. Net sales were €10.3 billion in 2018, with 90% from activities where Solvay ranks among the world's top 3 leaders, resulting in an EBITDA margin of 22%. Solvay SA (**SOLB.BE**) is listed on Euronext Brussels and Paris Bloomberg: **SOLB.BB** - Reuters: **SOLB.BR**, and in the United States its shares (**SOLVY**) are traded through a level-1 ADR program. *(Figures take into account the planned divestment of Polyamides).*

Media Relations

Nathalie Van Ypersele

+32 478 201 062

Brian Carroll

+32 2 264 1530

Amandine Grison

+33 1 40 75 81 49

Investor Relations

Geoffroy Raskin

+32 2 264 1540

Jodi Allen

+1 6098604608

Bisser Alexandrov

+32 2 264 3687

Geoffroy d'Oultremont

+32 2 264 2997