

2021 ANNUAL GENERAL MEETING

20 May 2021



ARKEMA
INNOVATIVE CHEMISTRY



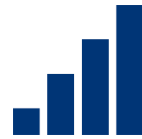
2020 PERFORMANCE





20,600
employees

55
countries



€7.9 bn
sales

15.0 %
EBITDA margin



147
industrial sites

€600 m
capital expenditure ⁽¹⁾



3
regional R&D hubs

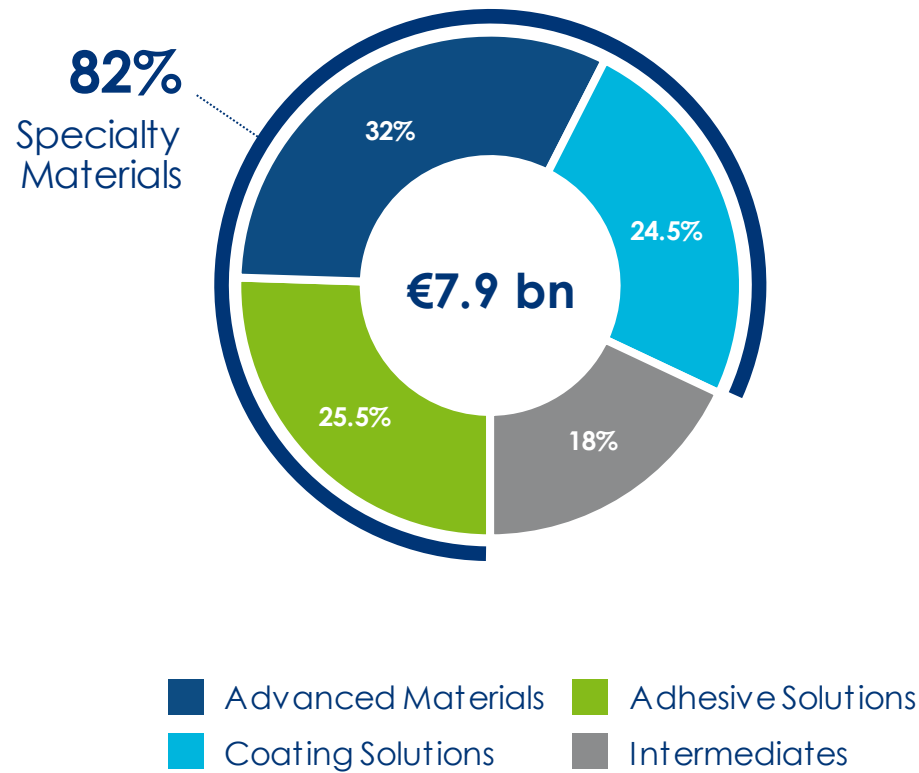
€241 m
R&D costs

(1) Recurring and exceptional

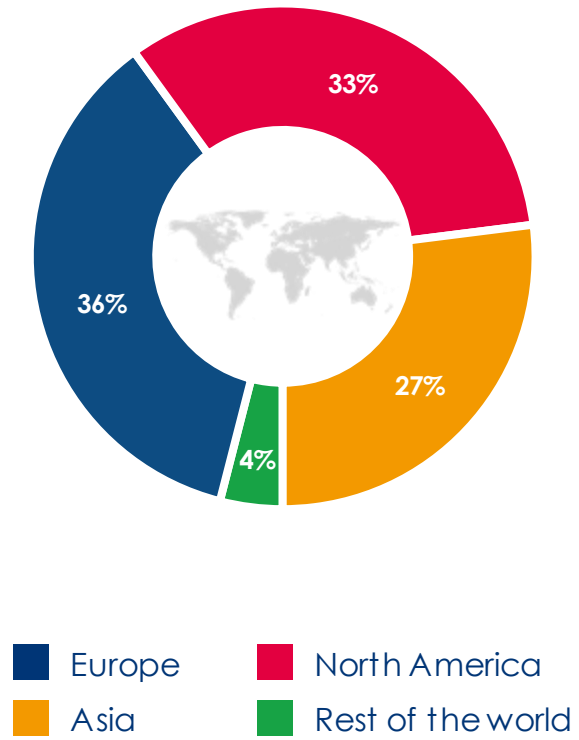
A BALANCED PORTFOLIO FOCUSED ON SPECIALTY MATERIALS

2020 PERFORMANCE

BY SEGMENT



BY REGION



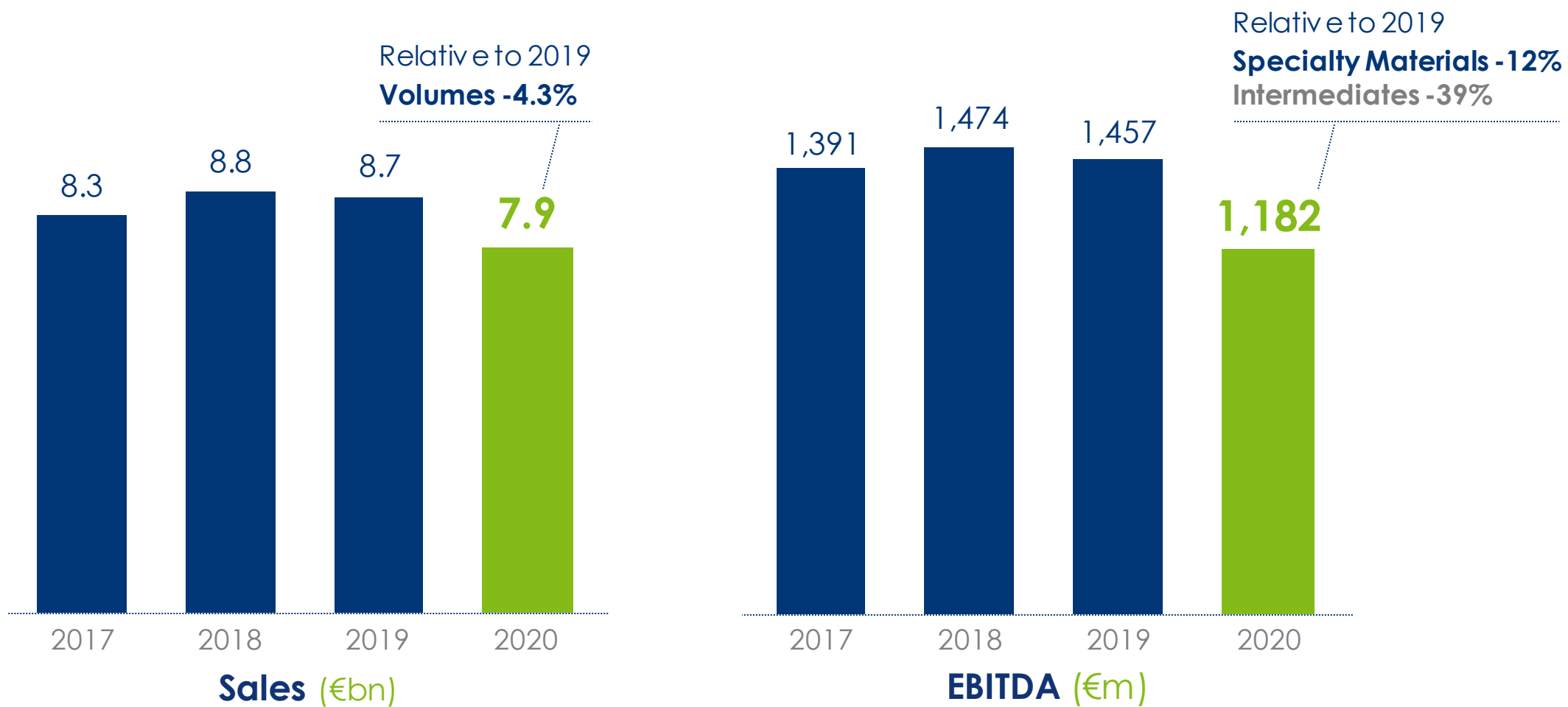
ATTRACTIVE AND DIVERSIFIED END-MARKETS

2020 PERFORMANCE



A ROBUST FINANCIAL PERFORMANCE GIVEN THE COVID-19 CONTEXT

2020 PERFORMANCE





FREE CASH FLOW

€651 m

67% EBITDA to cash
conversion rate



NET DEBT*

€1.9 bn

1.6x EBITDA

* Including hybrid bonds (€700m)

Rapid roll-out of preventive measures in the context of Covid-19

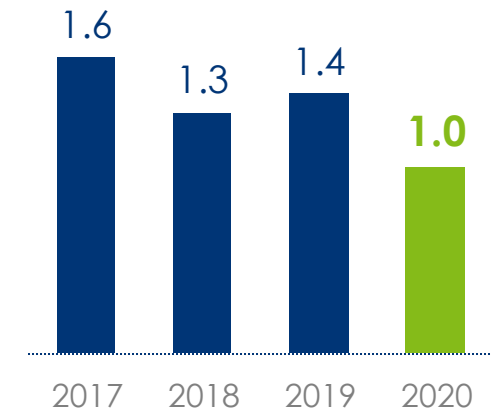
- employee safety
- continuity of our operations and supply to our customers
- >€100m reduction in operating expenses vs. initial budget

Responsible initiatives and commitments

- did not resort to French state aid and furlough schemes
- production and donation of disinfectant gel to hospitals
- gifts from the Executive committee and managers



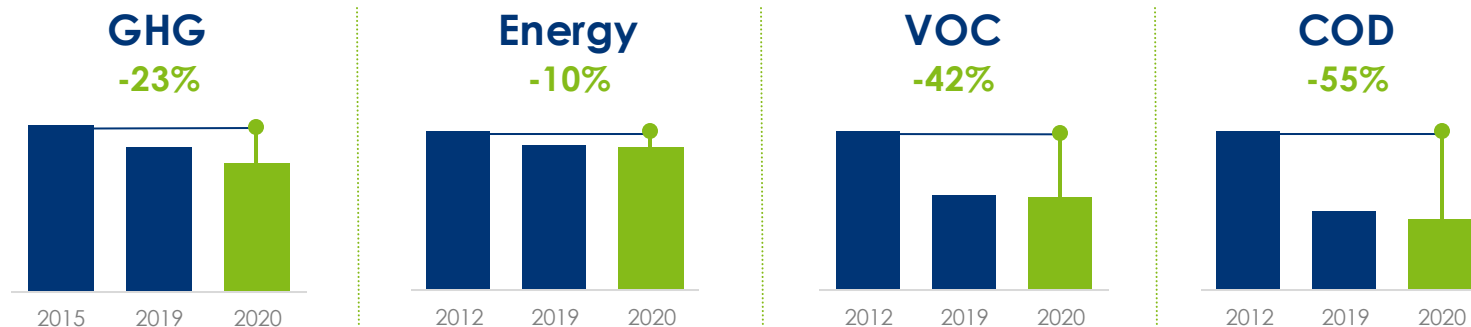
A TRIR among the best in the industry



TRIR

number of accidents per million hours worked

CLIMATE AND ENVIRONMENT ¹



Joined in 6th place
the **DJSI World** in 2020

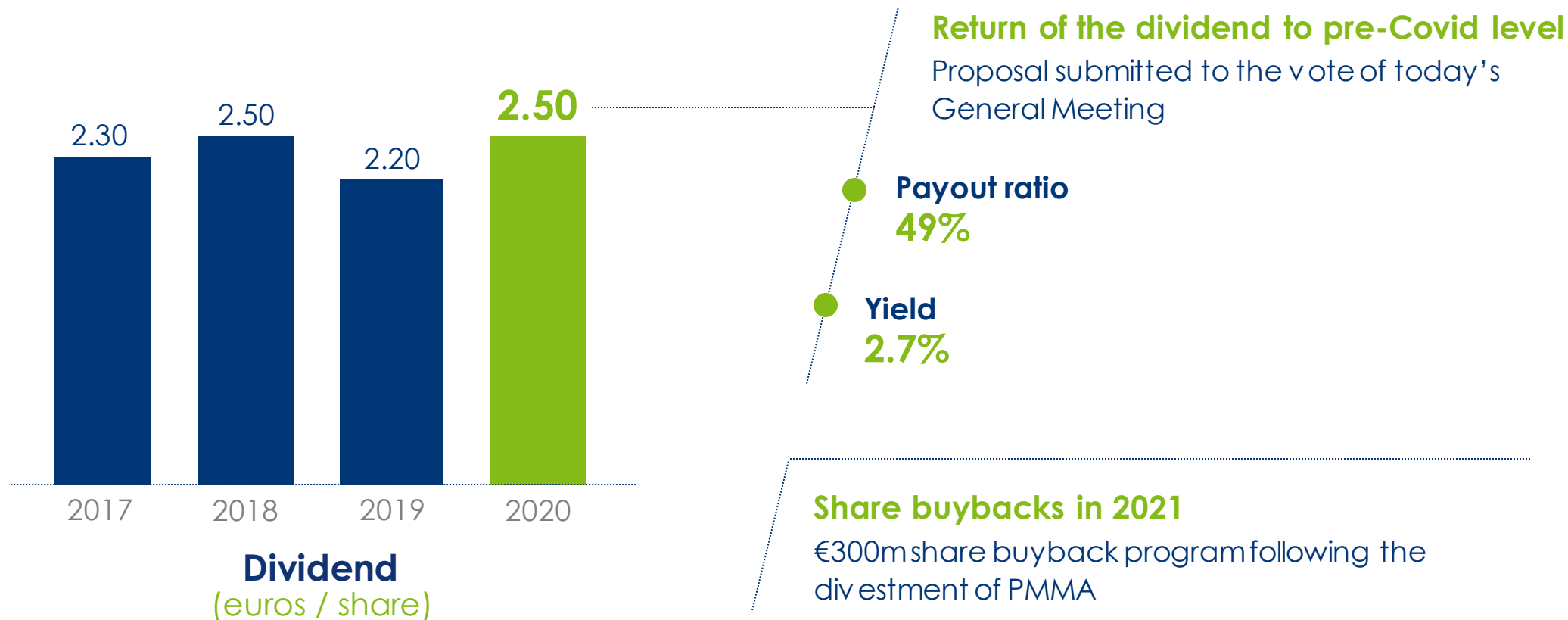


Member of the
CAC 40 ESG

DIVERSITY



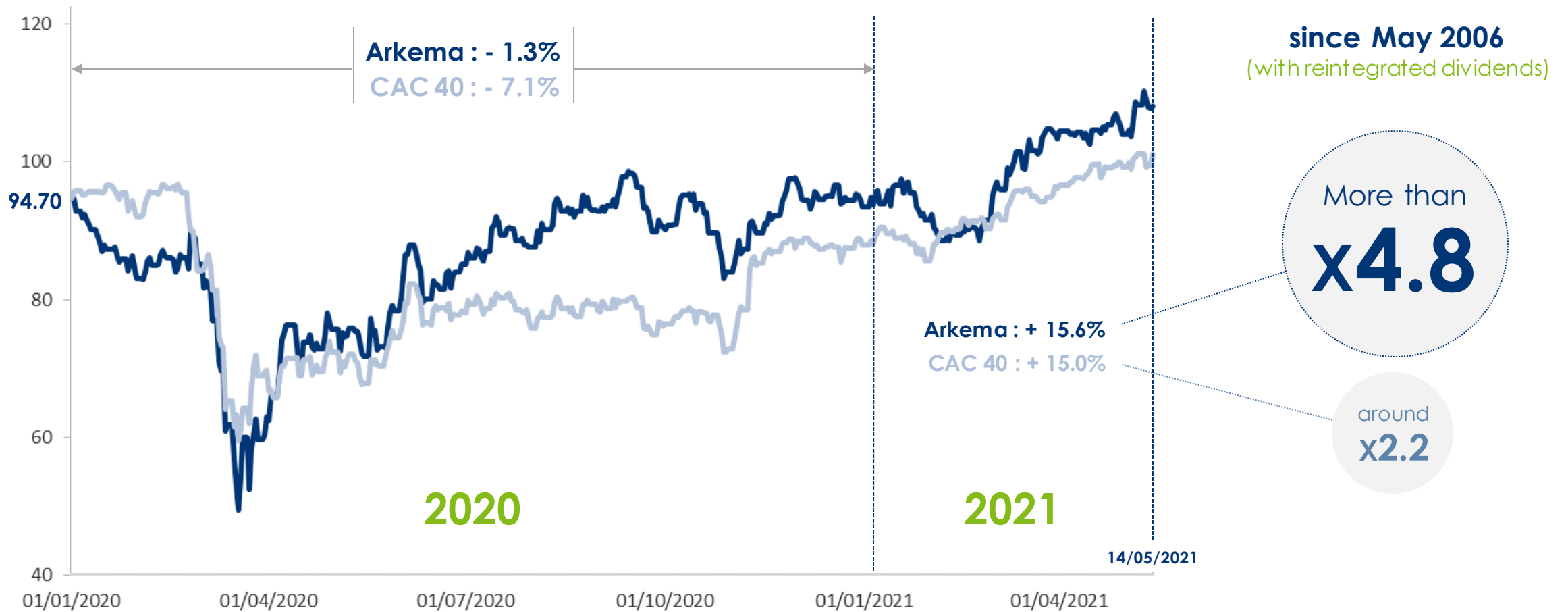
1. In absolute value vs 2015 for GHG (greenhouse gases), in EFPI terms vs 2012 for energy, VOC (volatile organic compounds) and COD (chemical oxygen demand)



These provisions include the restitution to shareholders of the €0.50 per share portion of the dividend which had been retained in 2020 in the context of the pandemic

EVOLUTION OF THE SHARE PRICE SINCE 1 JANUARY 2020

2020 PERFORMANCE





2020 HIGHLIGHTS



Construction



Danish leader in tile adhesives, waterproofing systems and floor preparation solutions



Italian company specialized in high-end decorative flooring technologies



Brazilian leader in hybrid-technology sealants and adhesives



Industrial Adhesives

fixatti
performance driven
polymers



Company specialized in thermobonding adhesive powders

**Crackless
Monomer
Company**



Development and production of very high-performance adhesives





Divestment of the PMMA business to **Trinseo**
on 3 May 2021

The offer values the business at **€1,137m**,
i.e. **9.3x** estimated 2020 EBITDA



Divestment of Functional Polyolefins
to **SK Global Chemical** on 1 June 2020

Based on an enterprise value of **€335m**

Construction

DIY
Purefix



WALL AND FLOORING
« One floor »



SEALANTS
New PU range



Industrial Adhesives



ENGINEERING ADHESIVES
Born2Bond™



HYGIENE
Brilliance™



Clean mobility

Thermal management
and batteries in electric
and hybrid vehicles



Innovation In sports

Lightweight, high-
performance shoes
100% recyclable shoes



Greater demand for bio-based products

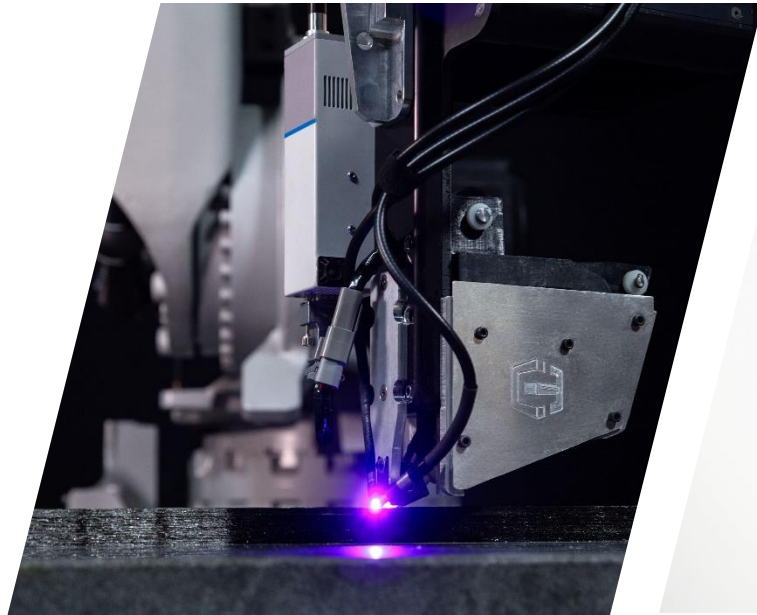
Glasses, toys
Bio-fuel
Bio-detergents



3D printing in healthcare

Orthotics, swabs,
orthopaedic insoles...

Partnerships



Continuous Composites

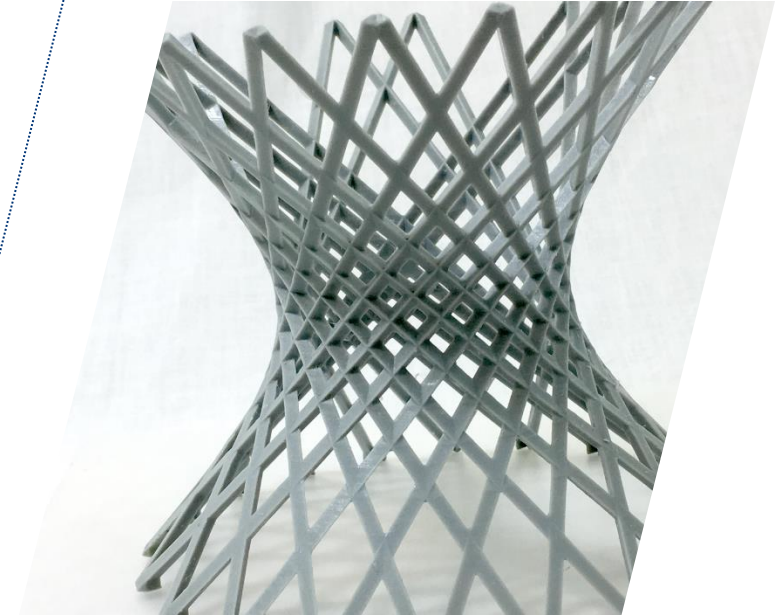
CF3D® innovative continuous fiber composite 3D printing technology



Adaptive3D

High-end photocure resins range for additive manufacturing

Acquisition



Colorado Photopolymer Solutions

Specialized in the formulation of photopolymers for 3D printing

Polyamide 12

Changshu, China

Materials lightweighting in automotive, sports, electronics...



PVDF

Changshu, China

Li-ion batteries

Thiochemicals

Kerteh, Malaysia

Animal nutrition, refining and petrochemicals in Asia



Adhesives

Nara, Japan

Hygiene, packaging, labeling, transportation, electronics



New ambitious CSR targets
across our whole value chain



Member of the WBCSD



2020 FORBES ranking
« best employers »



Pragati initiative



ZEBRA project
1st 100 % recyclable
wind turbine blade



Social actions
in the context of the pandemic



Customer Relationship Management collaborative tool



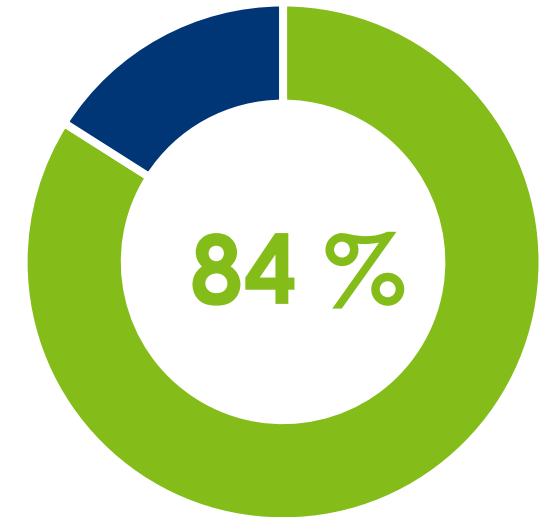
'Sales Academy'



Network of global key account managers



Targeted commercial actions in high-growth regions



Of customers **satisfied** or **extremely satisfied**

First global customer satisfaction survey carried out in February 2020

Redesign of Bostik's and Arkema's websites



'Bostik Academy' platform dedicated to construction professionals

Optimization of our customers' operations



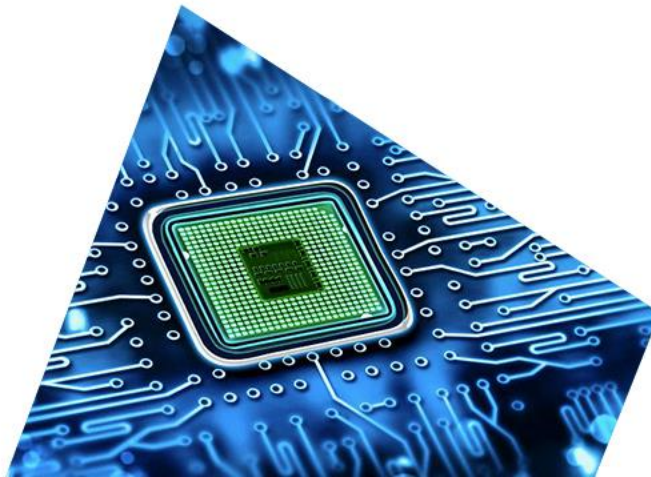
Training modules that use augmented reality



« **Travailler Ensemble, Travailler malin** »

Program which allows employees to work more easily in **collaborative mode**

FINANCIAL PERFORMANCE



Sales
€7,884 m
Volumes -4.3% vs. 2019

EBITDA
€1,182 m
15.0 % EBITDA margin

Adj. net income
€391 m
€5.11 per share

Net debt
€1,910 m
1.6x EBITDA

ADHESIVE SOLUTIONS SEGMENT

25.5% OF 2020 GROUP SALES

FINANCIAL PERFORMANCE

Key figures

in €m	2019	2020	YoY change
Sales	2,055	1,996	-2.9%
EBITDA	264	261	-1.1%
EBITDA margin	12.9%	13.1%	

- Very solid performance in the year with an EBITDA broadly stable relative to 2019
- EBITDA margin up 0.2 points in 2020 reflecting the Adhesive Solutions segment's strong resilience in the exceptional context of Covid-19



ADVANCED MATERIALS SEGMENT

32% OF 2020 GROUP SALES

FINANCIAL PERFORMANCE

Key figures

in €m	2019	2020	YoY change
Sales	2,693	2,527	-6.2%
EBITDA	584	496	-15.1%
EBITDA margin	21.7%	19.6%	

- Performance impacted mainly by lower volumes, with a clear improvement in the 4th quarter and strong growth in batteries
- EBITDA margin remained at a high level close to 20%, benefiting from the innovation dynamic, fixed cost savings and certain more favorable raw materials



COATING SOLUTIONS SEGMENT

24.5% OF 2020 GROUP SALES

FINANCIAL PERFORMANCE

Key figures

in €m	2019	2020	YoY change
Sales	2,148	1,911	-11.0%
EBITDA	310	261	-15.8%
EBITDA margin	14.4%	13.7%	

- Results impacted by acrylics activities that are not integrated downstream
- Solid performance of integrated activities, supported by the strong rebound of decorative paints in the 2nd half



INTERMEDIATES SEGMENT

18% OF 2020 GROUP SALES

FINANCIAL PERFORMANCE

Key figures

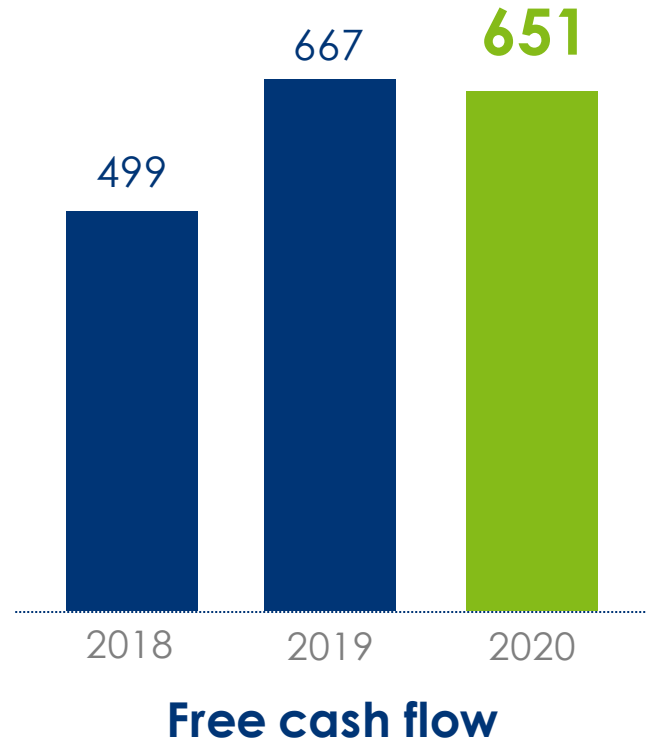
in €m	2019	2020	YoY change
Sales	1,816	1,425	-21.5%
EBITDA	381	231	-39.4%
EBITDA margin	21.0%	16.2%	

- Significant EBITDA decline impacted by more challenging market conditions, in particular in Fluorogases
- Effect of the divestment during the course of the year of the Functional Polyolefins business



EXCELLENT CASH FLOW GENERATION

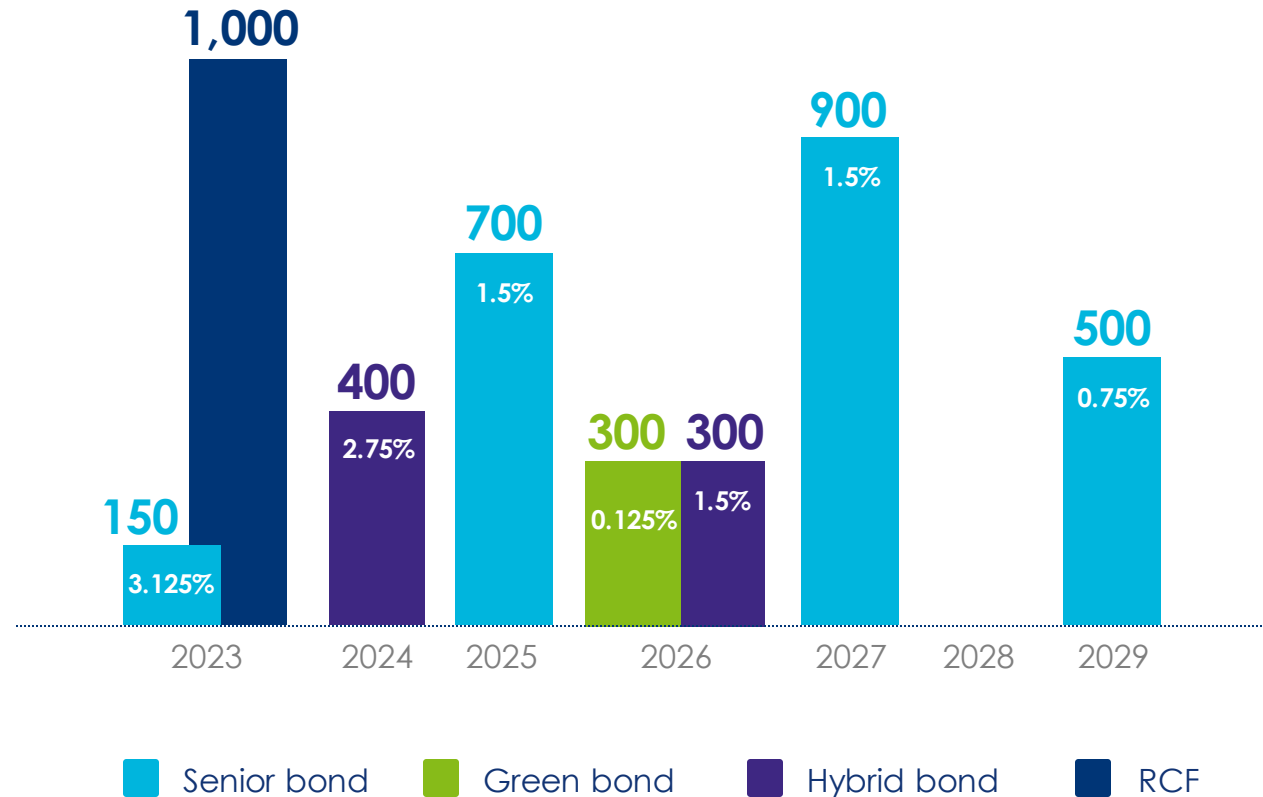
in €m



- **EBITDA to cash conversion rate**
Record level of **67%**
- **Strict working capital management**
11.8% of sales at end-December
- **Recurring and exceptional capital expenditure**
€600 m (-€100 m vs initial budget)

WELL ESTABLISHED FINANCIAL RESOURCES

in €m



- **Refinancing under favorable conditions**
average maturity of **5.6 years**
- **First-ever issuance of a green bond**
with a 6-year maturity for **€300 m**
(Singapore factory)
- **Solid financial rating maintained**
BBB+ stable outlook (S&P)
Baa1 stable outlook (Moody's)

STRONG GROWTH IN FIRST-QUARTER 2021

FINANCIAL PERFORMANCE

Sales

€2,226 m

+12.7% in organic terms vs. 1Q'20

EBITDA

€358 m

16.1% EBITDA margin

Adj. net income

€159 m

€2.08 per share

Net debt

€2,002 m

1.6x EBITDA

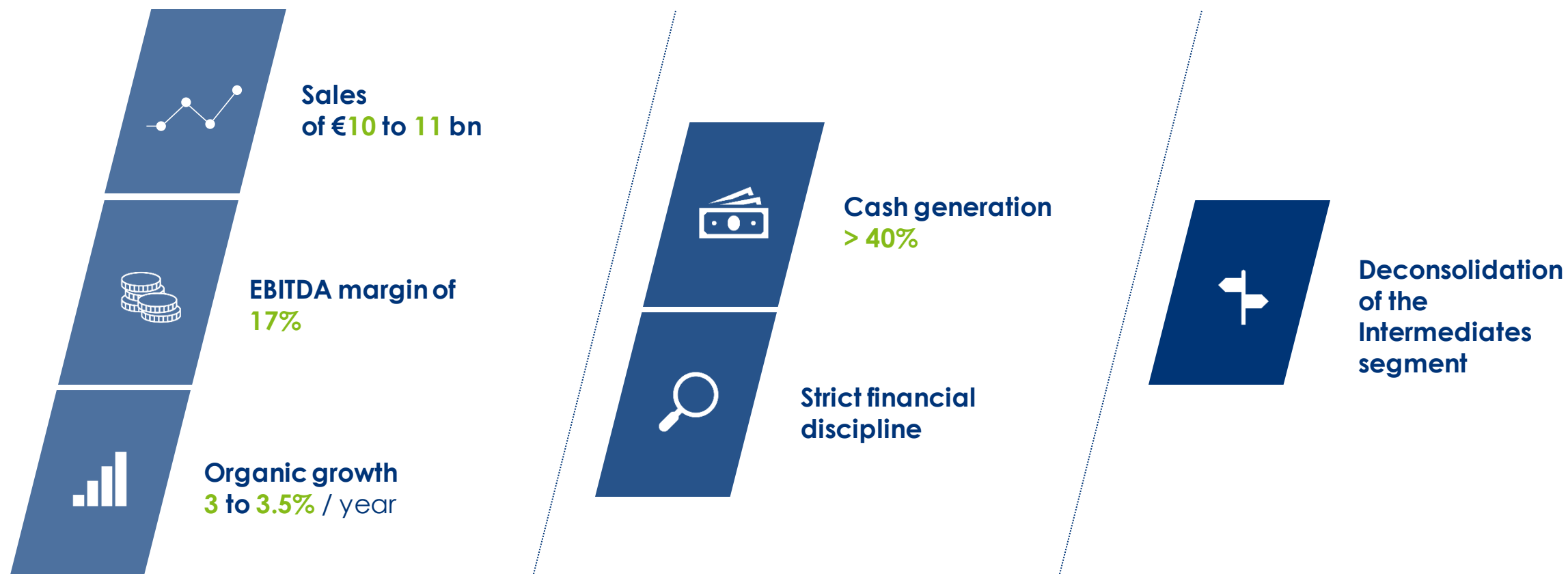
- **Approval of the parent company and consolidated financial statements for 2020**
 - 1st and 2nd resolutions
- **Renewal of the share buyback authorization : 2021 program**
 - 12th resolution (Duration : **18 months**)
 - Ceiling: **10%** of the Company's share capital for a maximum price set at **€135** per share
- **Authorization to reduce the Company's share capital by canceling shares**
 - 13th resolution (Duration : **24 months**)
 - Ceiling: **10%** of the Company's share capital



2024 AMBITION



BECOME A SUSTAINABLE AND HIGH-PERFORMANCE SPECIALTY MATERIALS LEADER





Climate

- **38%** Absolute¹ greenhouse gas emissions vs 2015



BY **2030**

Continuous improvement
and innovation in
manufacturing processes

Policy to **optimize
energy efficiency** and purchase
energy from **low-carbon sources**

Commitment from our suppliers
with regards to the reduction
of their emissions



Environment ²

- **20%**

Net energy
purchases

- **65%**

VOC emissions

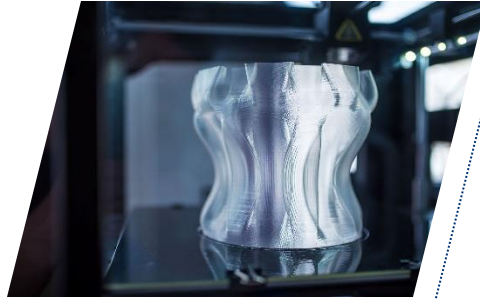
- **60%**

COD

BY **2030**

1. Absolute emissions = direct emissions linked to production + indirect emissions linked to energy purchases

2. In intensive terms relative to 2012



Sustainable offering

65% of sales that significantly contribute to Sustainable Development Goals



BY **2030**

Systematic assessment of our solutions in light of sustainability

5 innovation R&D platforms that meet social challenges

Transition towards a circular economy



Responsible manufacturer

TRIR < **1.0**

PSER < **3.0**

BY **2025**



Open dialogue with our stakeholders

Sustainable procurement ¹

80% of purchasing spend from relevant suppliers

BY **2025**

Diversity ² **30%** of women
50% of non-French employees

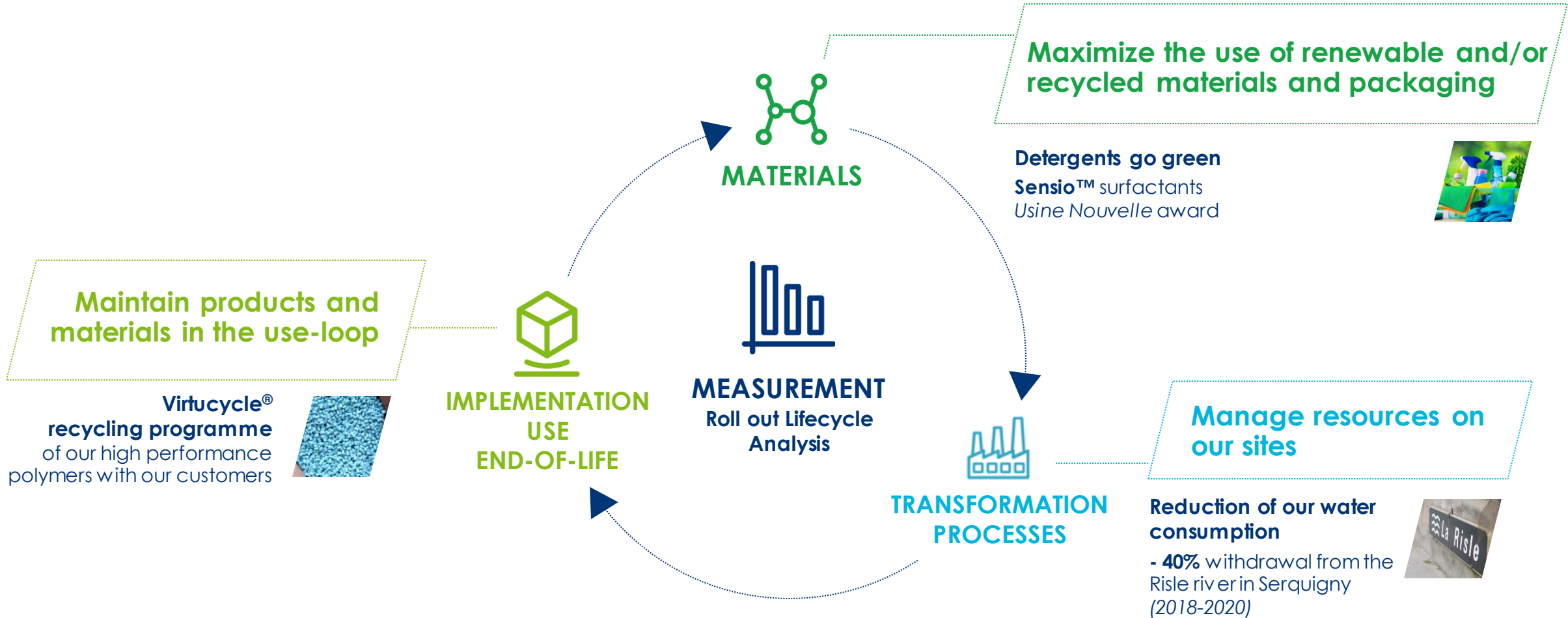
BY **2030**

1. Covered by a Together for Sustainability assessment

2. In senior management positions

THE CIRCULAR ECONOMY AS A PRIORITY AREA

2024 AMBITION



→ 5 R&D PLATFORMS FOCUSED ON MEGATRENDS

NEW

Lightweight materials and design New energies

SUSTAINABLE
DEVELOPMENT
GOALS



Natural resources management

BIO-BASED OR RECYCLABLE SOLUTIONS
CIRCULAR ECONOMY
WATER MANAGEMENT

Electronics solutions

Home efficiency and insulation

OUR SUSTAINABLE INNOVATION DYNAMIC SHOULD ENABLE US TO GENERATE

€400 m OF ADDITIONAL SALES IN **2024**

AND UP TO **€1 bn** IN **2030**

CONTINUED GROWTH IN ADHESIVES THROUGH INNOVATION AND ACQUISITIONS

2024 AMBITION

3 MAJOR ACQUISITIONS



→ Since buying Bostik, 10 acquisitions carried out totaling sales of **€570 m**

● High single-digit average annual growth in 2020-2024

→ 1/3 organic

→ 2/3 acquisitions

● 2 priorities for acquisitions

→ Construction & waterproofing

→ Engineering adhesives

The lithium-ion batteries market



Electric vehicles

30+% / year in 2019-2024¹

Other applications



Electronics

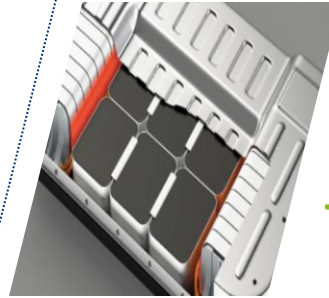


Electric bicycles



Stationary

Our innovative solutions



- Major player in PVDF for **cathode** and **separator**
- Polyamides and composites to optimize the weight and heat of the **battery pack**

→ Continuous innovation

New Batteries Lab in Pierre-Bénite for new generations
New electrolyte salts (European Commission project)

Very well positioned to grow

→ **New capacities** in China

→ **Strategic partnerships** with major players
CATL, ATL, Saft...

¹. Market growth for battery electric vehicles - McKinsey center for Future of Mobility



**H₂
PRODUCTION**

ELECTROLYSERS

Membranes



FUELLING STATION

Composite Tapes
for tanks (delivery and storage)

MOBILITY



CARS AND TRUCKS

Composites and liners for tanks
(types IV and V)

Coating and membrane for
fuel cells



100% recyclable

Cyclon shoes from On Running
Manufactured entirely from recyclable polyamide 11



Optimal protection and bio-based

Picture Organic Clothing waterproof and breathable jacket
Apparel membrane made from bio-based Pebax® Rnew® material



Among the world's lightest and fastest

Puma Ultra SL 21 football boots
Soles made from bio-based Pebax® Rnew® material



Exceptional energy return

Ping golf club
Putter insert made from Pebax® material

IN SINGAPORE, THE BIGGEST ADVANCED MATERIALS BIO-FACTORY IN THE WORLD

2024 AMBITION

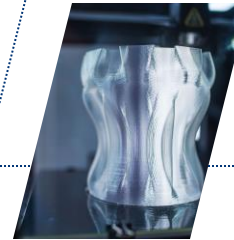
Jurong Island site in Singapore



Start-up expected in **1st half 2022**

€300 m green bond
to finance the project

Innovative high performance solutions in attractive and growing markets



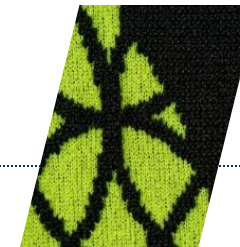
3D printing



Sports



Clean mobility



Bio-based textile



Consumer goods



Consumer electronics

INNOVATIVE PARTNERSHIP TO SUPPLY HYDROFLUORIC ACID IN THE UNITED STATES

2024 AMBITION

- New production process, **much more environmentally friendly** than the traditional process
- **Secure and competitive access** to hydrofluoric acid in the United States
- 50% dedicated to polymers and fluorospecialties and 50% dedicated to fluorogases with low GWP
- Start-up expected **mid-2022**



Batteries



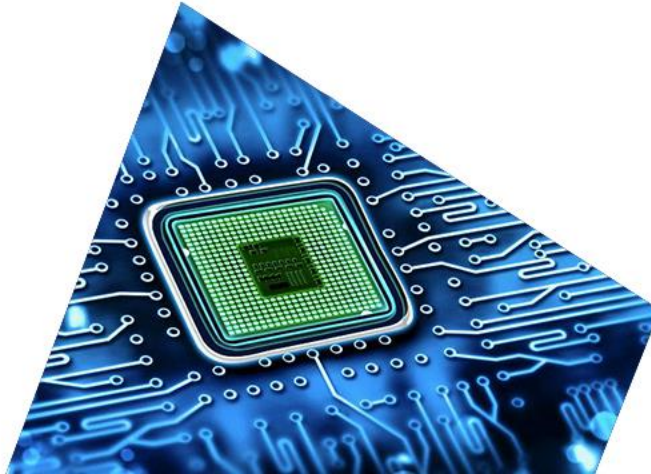
Water treatment



Electronics



GOVERNANCE



BOARD OF DIRECTORS

12 meetings
1 annual workshop dedicated to strategy
95% attendance rate despite the Covid-19 context

SENIOR INDEPENDENT DIRECTOR SINCE 2016

- Attends governance roadshows
- Leads the executive session
- Regular contact with directors and in particular with the Chairman of the NCCC

SPECIALIZED COMMITTEES

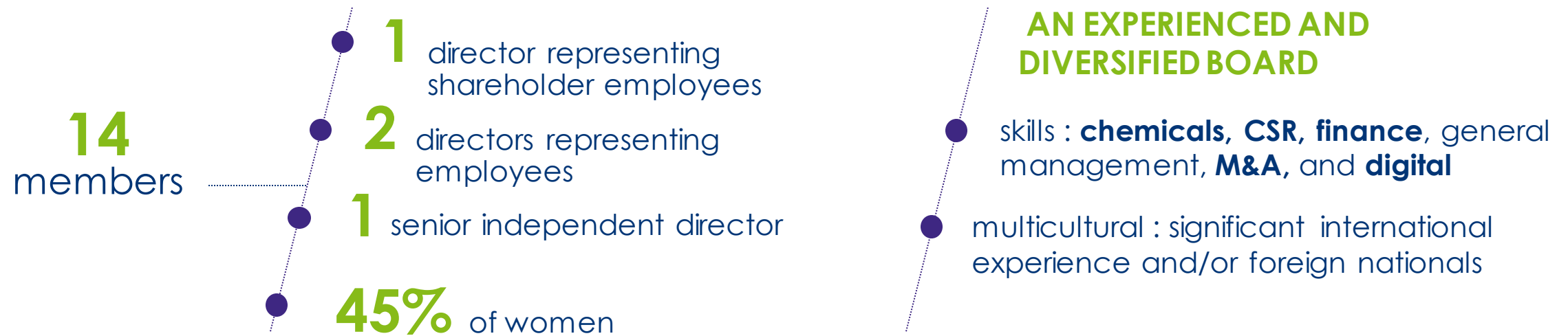
AUDIT AND ACCOUNTS COMMITTEE

6 meetings
100% attendance rate

NOMINATING, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

4 meetings
100% attendance rate

- Monitoring the management and consequences of the health crisis linked to Covid-19
- Arkema's ambition to become a global Specialty Materials leader and determining the 2024 strategy and targets
- M&A transactions including the signing of the divestment of PMMA linked to the announced new strategy
- Progress report on major industrial projects : bio-based polyamide factory in Singapore and hydrofluoric acid factory in the United States in partnership with Nutrien
- Issuance of a « green » bond dedicated to the financing of the Singapore plant
- Reviewing non-financial achievements and the CSR roadmap. Setting of new ambitious targets in that area



An independent and selective nominating process :

- Candidate selection by the Nominating, Compensation, and Corporate Governance Committee with the support of a recruitment consultant
- Validation of candidates proposed by the Board of Directors
- Election of directors by the annual general meeting

EVOLUTION OF THE BOARD OF DIRECTORS : APPOINTMENTS PROPOSED TO THE ANNUAL GENERAL MEETING

Thierry PILENKO

Management consultant and director of international companies in the energy sector



- Broad experience as Chairman and Chief Executive Officer of listed companies in a very international environment
- Knowledge of technologies, new materials and talent management
- American resident

Ilse HENNE

Chief Transformation Officer and member of the Executive committee of Thyssenkrupp's Material Services segment



- International experience in the area of commerce and storage
- Deep knowledge of Arkema's markets, and of technological and environmental transitions
- Belgian nationality and German resident



BPIFRANCE INVESTISSEMENT

Represented by **Sébastien MOYNOT**

- Representative of the Lac1 fund which holds 7% of the share capital
- Deep knowledge of Arkema's markets, and of technological and environmental transitions
- Member of Bpifrance Investissement Large Cap's management committee
- Director of companies in various industrial sectors and in the area of renewable energies

EVOLUTION OF COMMITTEES AND THEIR COMPOSITION AS FROM THE ANNUAL GENERAL MEETING

INNOVATION AND SUSTAINABLE GROWTH COMMITTEE

New committee responsible for assessing the contribution of innovation and Arkema's strategy to environmental challenges and sustainable growth

- **Victoire de Margerie** – Chairman
- Other members : **Ian Hudson, Isabelle Boccon-Gibod, Bpifrance Investissement and Jean-Marc Bertrand**

Contribution with the other two committees to the comprehensive review of all the Group's ESG and non-financial issues :

Audit and accounts committee

compliance, non-financial risks and statement of non-financial performance

Nominating, compensation and corporate governance committee

governance, diversity, talent management

Innovation and sustainable growth committee

Sustainable innovation, non-renewable resources management, greenhouse gas emissions, circular economy and climate

AUDIT AND ACCOUNTS COMMITTEE

- Marie-Ange Debon – Chairman
- Other members : Ian Hudson, Isabelle Boccon-Gibod, and **Ilse Henne**

NOMINATING, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

- **Thierry Pilenko** – Chairman
- Other members : **Hélène Moreau-Leroy**, senior independent director, Alexandre de Juniac and **Nathalie Muracciole**, director representing employees, for issues related to compensation

THE BOARD OF DIRECTORS AT THE CLOSE OF THE ANNUAL GENERAL MEETING

BOARD OF DIRECTORS



14
directors



3
directors of foreign
nationality

1
director residing in
the United States



45%
women



73%
independent



1
senior independent
director

A governance 100% compliant with the AFEP-MEDEF code

AUDIT AND ACCOUNTS COMMITTEE

4 MEMBERS

Independent chairman

75%
Independence rate

NOMINATING, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

4 MEMBERS

*Independent chairman
Senior independent director or
Direct or representing employees*

100%
Independence rate

INNOVATION AND SUSTAINABLE GROWTH COMMITTEE

5 MEMBERS

Independent chairman

100%
Independence rate

DIRECTORS' COMPENSATION POLICY FOR 2021 AND COMPENSATION PAID IN 2020

- **Maintaining the distribution modalities approved by the General Meeting in 2020 for 4 years (8th resolution)**

	Board of Directors	Committees		Senior independent director
		Member	Chairmanship	
Fixed portion	€25,000 no change			€10,000
Variable portion linked to physical presence (per meeting)	€3,500	€2,500	€5,000	
Variable portion in the event of a shorter telephone meeting (per meeting)	€1,750	€1,250	€2,500	

- **Total amount : €800,000** per year
- **In the context of Covid-19** : start of these new distribution modalities delayed until 1st January 2021
- **Amount of attendance fees paid in 2020 : €606,500** (10th resolution)

COMPENSATION POLICY FOR THE CHAIRMAN AND CEO (9TH RESOLUTION)

- Compensation policy very largely approved by the General Meeting of 19 May 2020 for 4 years

Fixed compensation	Variable compensation	Performance shares	Other components
<p>Set in 2020 (for 4 years)</p> <p>€1,000 k</p> <p>↑</p>	<p>target 120% maximum 180% of fixed</p> <p>3 quantitative criteria : EBITDA, cash flow generation and contribution of new developments and one qualitative criterion linked to the Group's priority areas</p> <p>equal-weighted (target 30% and maximum 45% of fixed each) ↑</p>	<p>30,000 shares (120% in case of outperformance)</p> <p>Definitive acquisition entirely subject to 5 performance criteria including 1 multi-indicator non-financial criterion</p> <p>Vesting period of 3 years (+ holding period of 2 years)</p>	<p>Pension benefits 20% of fixed + variable</p> <p>Severance payment* 2 years (fixed + variable) maximum subject to performance criteria over 3 years</p> <p>Non-compete clause* 1 year (fixed + variable)</p> <p><i>*The cumulative payment of these 2 engagements shall be capped at 2 years (fixed + variable)</i></p> <p>Benefits in kind</p>

effective date postponed to
1st January 2021 in the context of Covid-19

- Discretionary powers clause for the Board of Directors in the event of exceptional circumstances beyond Arkema's control

ELEMENTS OF THE CHAIRMAN AND CEO'S COMPENSATION FOR 2020 SUBJECT TO APPROVAL (11TH RESOLUTION)

	AMOUNT	DESCRIPTION
Fixed compensation	€900,000	<ul style="list-style-type: none"> Decision of the Board of Directors upon proposal by Thierry Le Hénaff to postpone the effective date of the new amount of €1,000 K approved by the General Meeting of 19 May 2020, to 1st January 2021
Variable compensation	€992,456	<ul style="list-style-type: none"> Decision of the Board of Directors, upon proposal by Thierry Le Hénaff, to postpone the effective date of the new range of variable compensation : in 2020, it could reach the maximum of 150% of fixed compensation Robust Group financial performance given the exceptional context linked to the Covid-19 health crisis and favorable positioning for 2021 <ul style="list-style-type: none"> 3 quantitative criteria : EBITDA, recurring cash flow and new developments qualitative criteria : implementation of the Group's strategy and key priorities + elements of operational management (including the CSR policy) <p>Total variable compensation represents 110.2% of fixed compensation, i.e. compensation 13.2% lower relative to 2019 and 26.5% lower relative to 2018</p>
Performance shares	<p>30,000* shares €1,577,400**</p> <p>* 36,000 in case of out performance ** IFRS value at the date of the award</p>	<ul style="list-style-type: none"> 5 performance criteria : each accounting for 20% of the final award <ul style="list-style-type: none"> EBITDA margin for the Specialty Materials platform EBITDA to cash conversion rate Comparative Total Shareholder Return Return on capital employed for the Specialty Materials platform CSR : TRIR, climate (GHG and water consumption) and share of women in senior management
Other elements	€408,600 €24,477	<ul style="list-style-type: none"> Pension benefits Company car and company officer unemployment insurance

DISCLAIMER

The information disclosed in this document may contain forward-looking statements with respect to the financial condition, results of operations, business and strategy of Arkema.

In the current context, where the Covid-19 epidemic persists across the world, and the evolution of the situation as well as the magnitude of its impacts on the global economy are highly uncertain, the retained assumptions and forward looking statements could ultimately prove inaccurate.

Such statements are based on management's current views and assumptions that could ultimately prove inaccurate and are subject to material risk factors such as among others, changes in raw material prices, currency fluctuations, implementation pace of cost-reduction projects, developments in the Covid-19 situation, and changes in general economic and business conditions. Arkema does not assume any liability to update such forward-looking statements whether as a result of any new information or any unexpected event or otherwise. Further information on factors which could affect Arkema's financial results is provided in the documents filed with the French *Autorité des marchés financiers*.

The business segment information is presented in accordance with Arkema's internal reporting system used by the management.

For the purpose of analyzing its results and defining its targets, the Group notably uses EBITDA margin, which corresponds to EBITDA expressed as a percentage of sales, EBITDA equaling recurring operating income (REBIT) plus recurring depreciation and amortization of tangible and intangible assets, as well as REBIT margin, which corresponds to recurring operating income (REBIT) expressed as a percentage of sales.