

ARKEMA

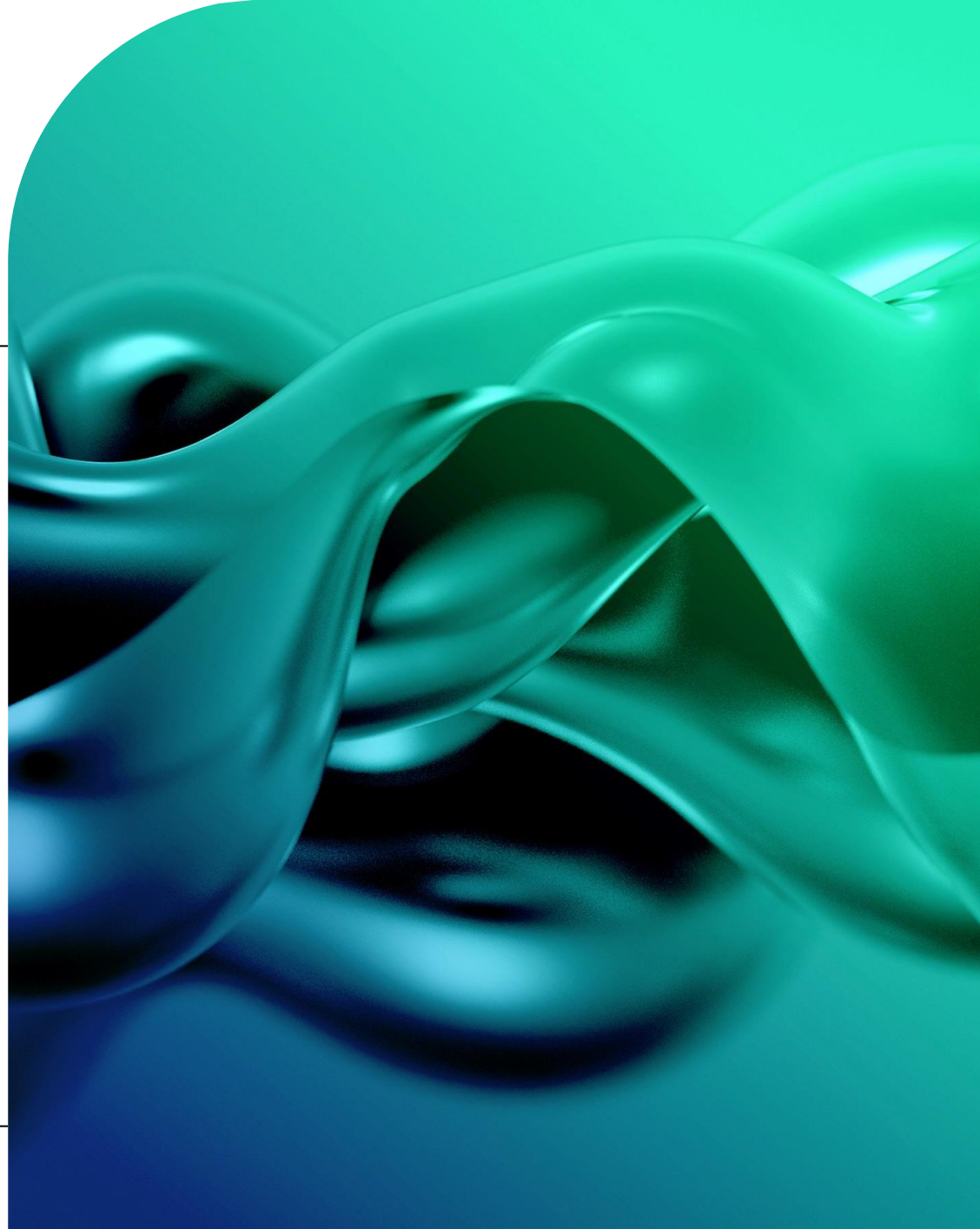
Segment presentations

27 September 2023

**CAPITAL
MARKETS
DAY 2023**

MA

Advanced Materials segment



Key data

€3.4bn

Sales
Average 2020-2023e

20%

EBITDA margin¹
Average 2020-2023e

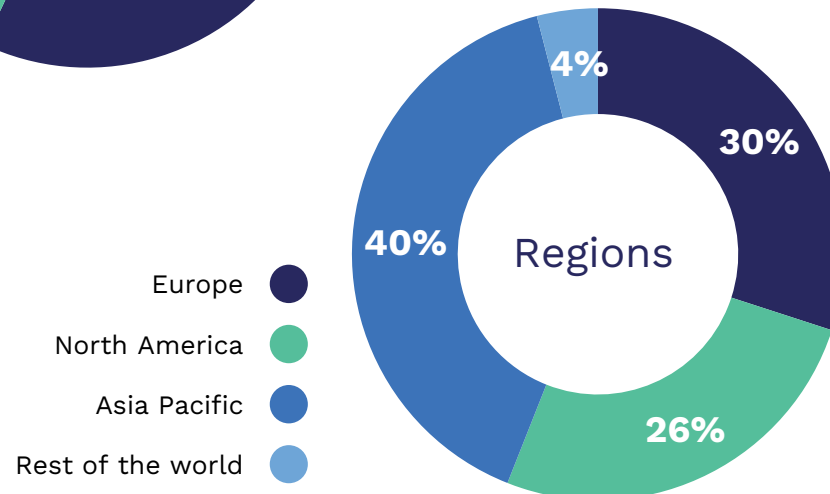
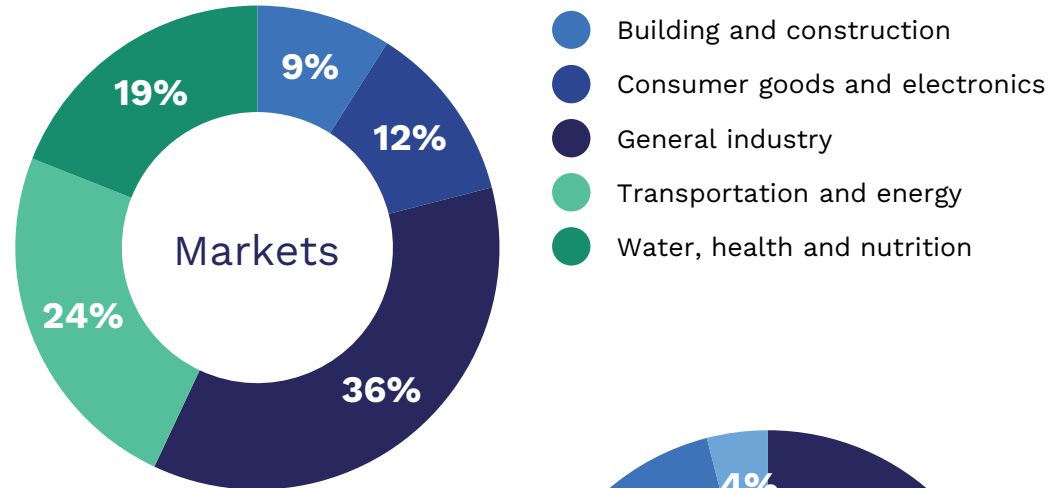
8-9%

Capex intensity¹

3-4%

R&D intensity¹

Sales split 2022



Building an advanced materials leader

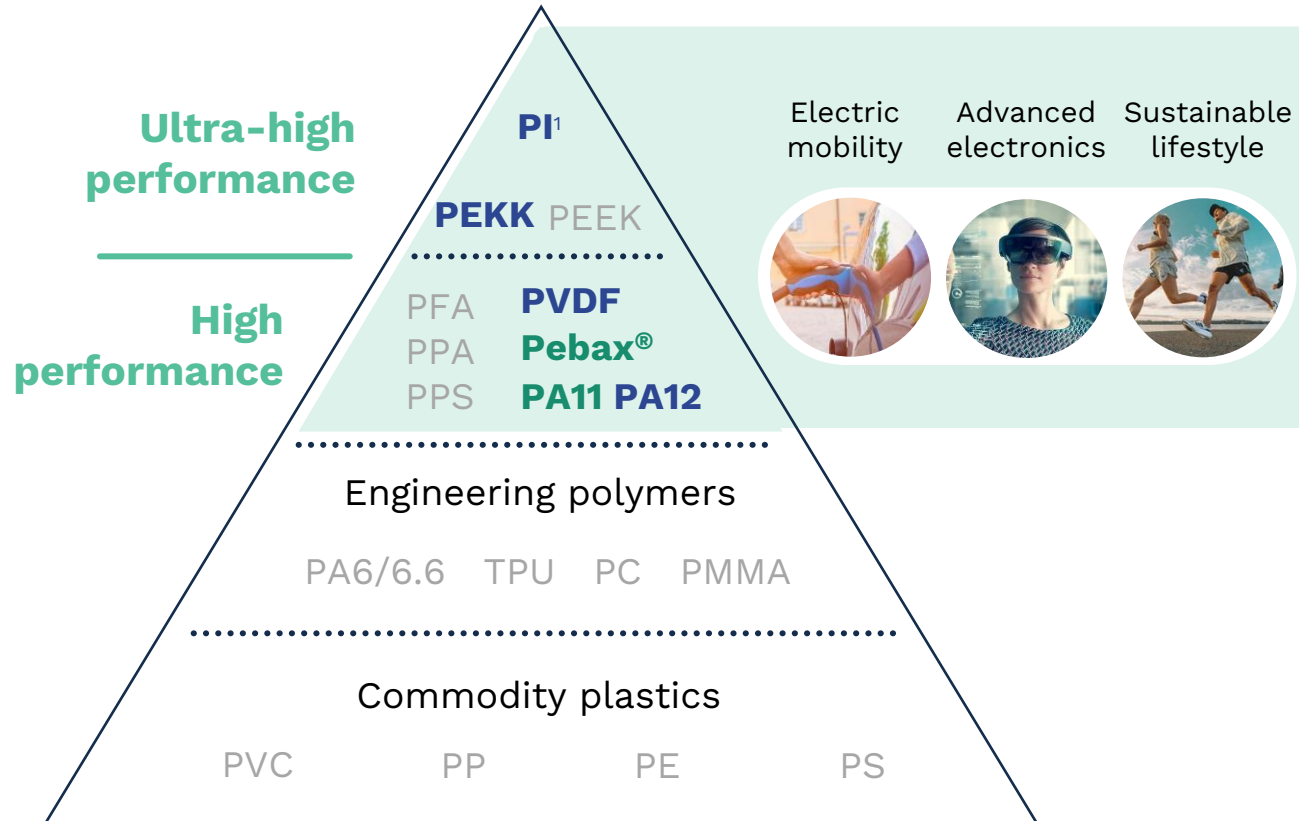
- **Innovation powerhouse** with a unique portfolio of specialty materials to address decarbonization and societal challenges
- **High level of investment and innovation** with major growth projects since last CMD
- **Competitive and global industrial footprint** to serve customers from their region
- Powerful **One Arkema** approach to deliver differentiated solutions in attractive end-markets

1. As % of sales

A differentiated portfolio of high performance polymers and specific niche additives

High Performance Polymers

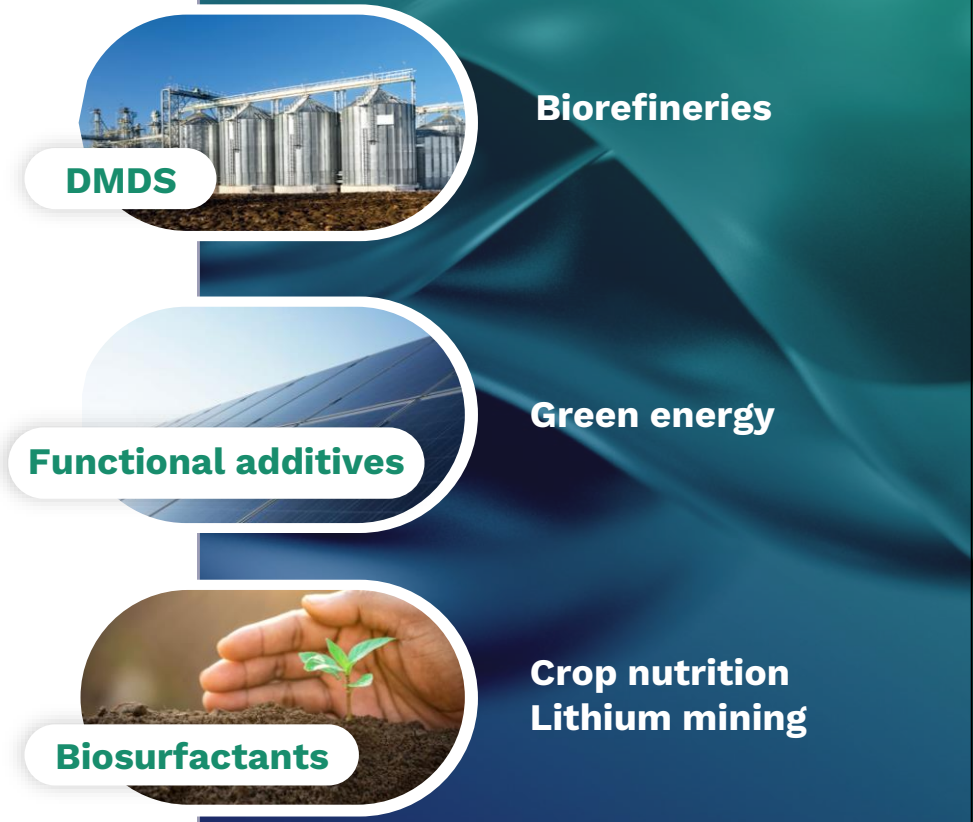
Driving decarbonization, durability, and circularity



Electric mobility Advanced electronics Sustainable lifestyle

Performance Additives

Generating a material impact on our customers' performance and enabling their sustainability roadmaps



1. Subject to the approval of PIAM acquisition by relevant legal authorities, closing expected end-23

2028 Ambition

EBITDA
margin

23%

+6%/y

Organic
sales CAGR
over 2024-28

Main strategic priorities

- Accelerate on **3 opportunities** driven by **global megatrends**: green energy & electric mobility, bio-based solutions, electronics
- Deliver the **PIAM¹** roadmap
- Ramp-up our recently finalized **major capex**
- Prepare the next **growth phase** with **new projects**, announced today or under review

1. Subject to the approval of relevant legal authorities, closing expected end-23

Key projects driving the growth in higher value-added solutions

Bio-based polyamides

Ramp up our recently started Asian capacities in highly differentiated **Advanced Bio-Circular** materials



PVDF and fluorospecialties

Expand our capacities with an acceleration on batteries in the US



- Near to completion investment of our HFO-1233zd unit notably for battery thermal management
- Extended capacity to support strong global growth of PVDF inside the cell (*under review*)
- Electrolyte salt unit in collaboration with Nippon Shokubai (*under review*)

Performance additives

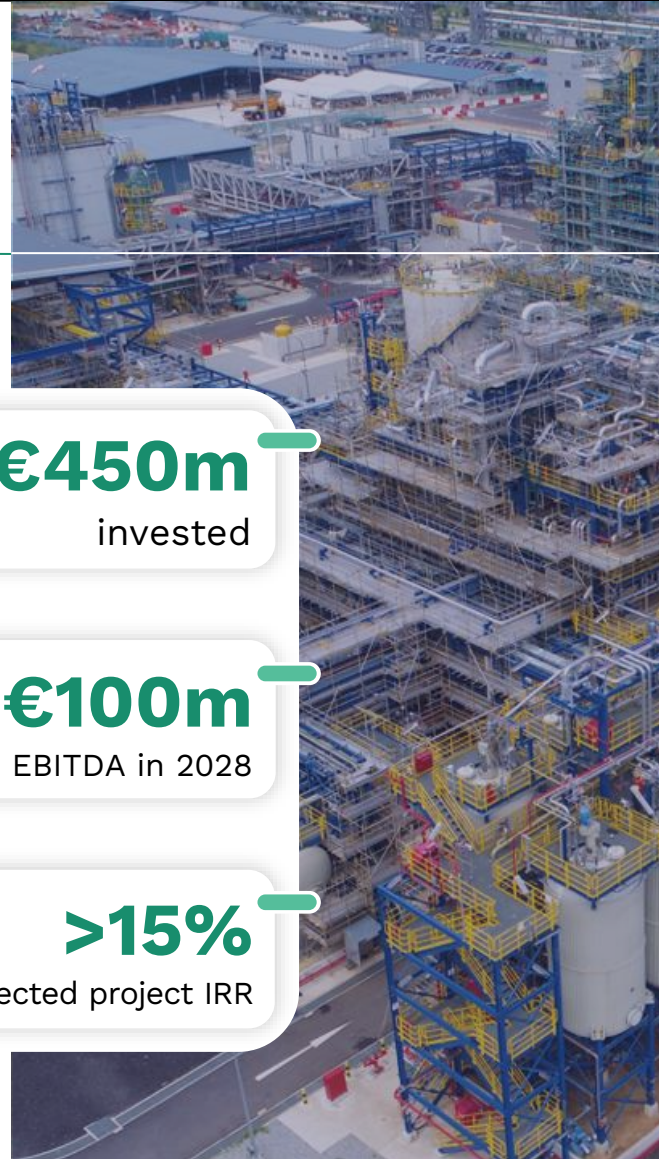
Focus on fast growing and differentiated niche applications in renewable energy



- DMDS capacity in the US for biofuels
- Capacity expansion of initiators in China

Our new state-of-the-art bio-based PA11 plant in Singapore will be a significant milestone

The largest investment in Arkema's history



€450m
invested

€100m
EBITDA in 2028

>15%
expected project IRR

Integrated bio-based factory in Singapore
Amino 11 and Polyamide 11

+50% global Polyamide 11 capacity

First Amino 11 plant in Asia
enhancing product availability and reactivity to customers

Enabling high value **downstream** through vertical integration

PA11 offers a unique combination of high performance and low carbon footprint

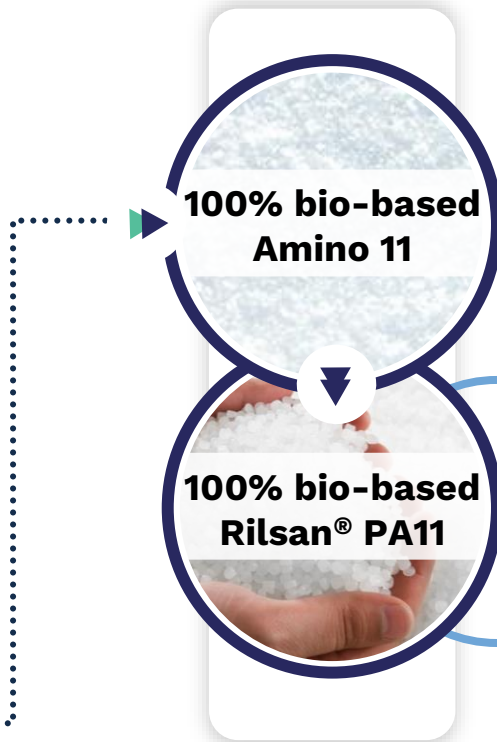
- **High performance polymer**
with exceptional mechanical and chemical resistance properties
- **Key for the Scope 3 of our customers**
 - 100% bio-based
 - fully recyclable
- **Very demanding applications**
in mobility, sports, consumer electronics, 3D printing, technical textiles, medical
- **Superior growth potential** of **7-8%/y**

PA11 is one of the most virtuous high-performance polymers

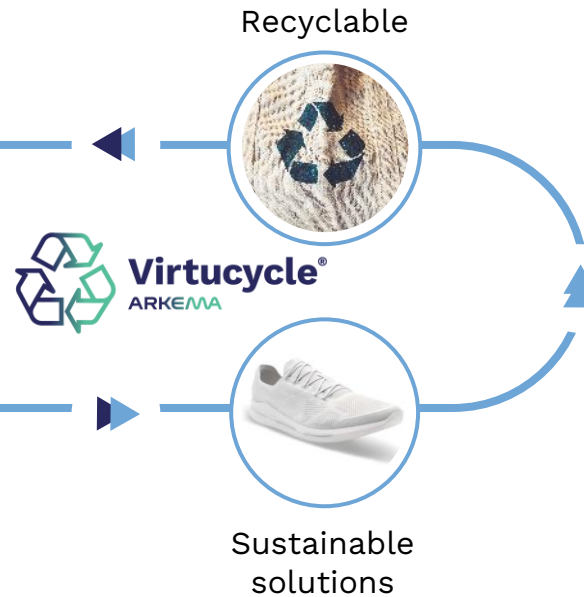
100% bio-based raw material



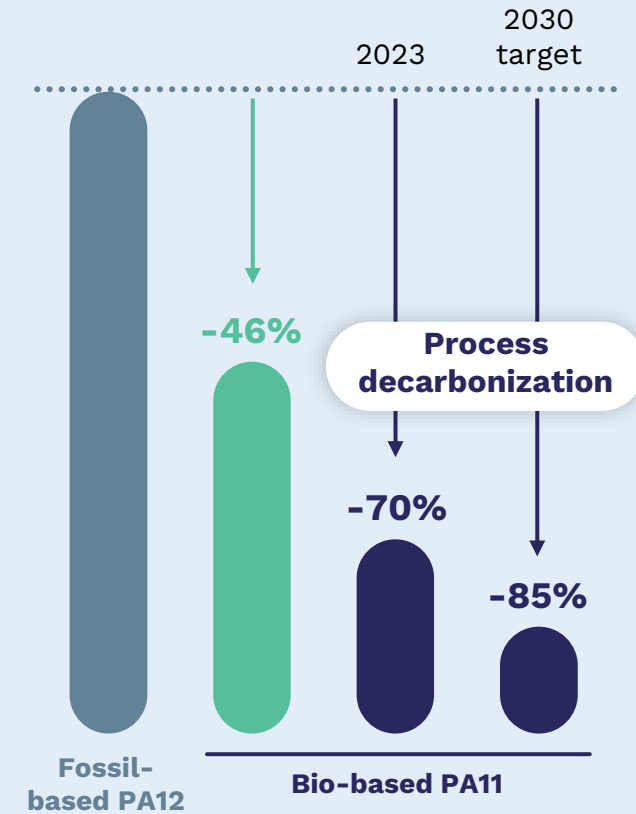
Process decarbonization



Circular design



Carbon footprint (kg CO₂e/kg)



● Scope 3 upstream ● Scopes 1 + 2 ● Scope 3 downstream

We will leverage high growth potential from PIAM acquisition¹

The global #1
in polyimide (PI) films



>€200m
sales in 2022

c. 30%
EBITDA margin

2 best-in-class
production sites
in South Korea



Ultra high-performance
and **cutting-edge**
polyimide technology

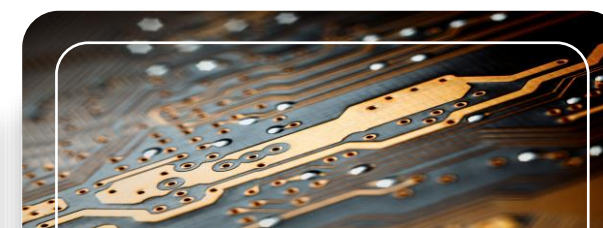
Outstanding **thermal
resistance, mechanical** and
electrical insulation properties



+13%/y expected
sales growth

In very attractive
high growth markets

Advanced electronics
EV batteries



Exciting opportunities
in increasingly demanding
applications

5G antennas
Foldable screens
High-resolution OLED displays
Semiconductor manufacturing

Highly complementary with Arkema product portfolio and geographical footprint
€30m synergies in EBITDA by 2028

1. Subject to the approval of relevant legal authorities, closing expected end-23

Two major projects will drive the growth of our niche additives for the energy transition

DMDS, a critical additive enabling biofuel development

- A strategic **investment in Beaumont** (Texas, US) consolidating our global leadership position and complementary to our European and Asian manufacturing platforms
- A specialty additive derived from sulfur chemistry facing **strong** and **accelerating demand** (sustainable aviation fuel, renewable diesel...)

+35%
global capacity

€175m
combined capex

Luperox®, a high-end process initiator for renewable energy

- A major **investment in Changshu** (China) to support the continued growth of our customers in Asia
- A “mission critical” niche additive **optimizing our customers’ processes** in multiple applications including solar panels

x2.5
capacity in China

Coating Solutions Segment



Coating Solutions at a glance

Key data

€2.6bn

Sales
Average 2020-2023e

16%

EBITDA margin¹
Average 2020-2023e

5-6%

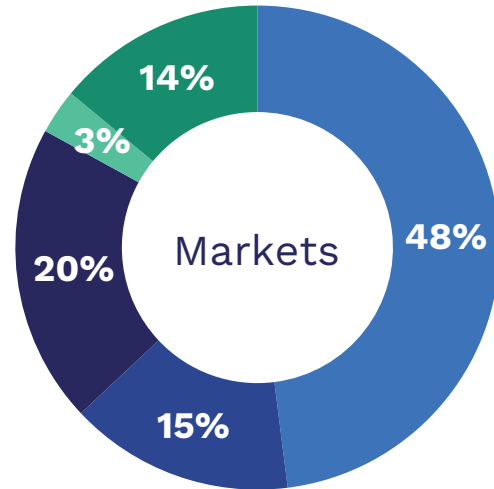
Capex intensity¹

1.5-2.5%

R&D intensity¹

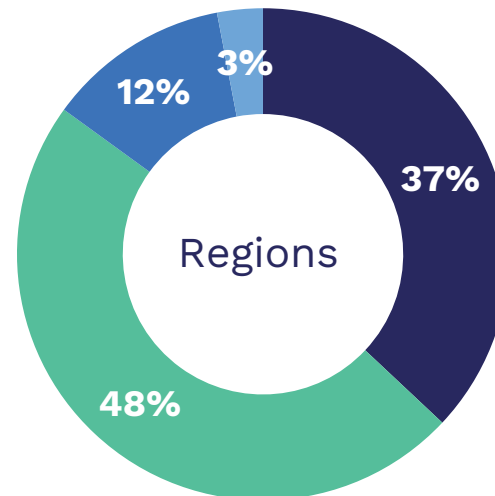
1. As % of sales

Sales split 2022



- Building and construction
- Consumer goods and electronics
- General industry
- Transportation and energy
- Water, health and nutrition

- Europe
- North America
- Asia Pacific
- Rest of the world



Leveraging strong capabilities to develop a leading industry position

Leading partner to the coating industry with differentiating support to customers

Solid integration of acrylics value chain (specialty resins, rheology additives and UV curing resins), also strengthening Adhesive Solutions

Extensive downstream portfolio of low carbon and VOC technologies

Benefit from One Arkema complementarities with growing contribution to megatrends

2028 Ambition

EBITDA
margin

17%

+3%/y

Organic
sales CAGR
over 2024-28

Main strategic priorities

- Optimize the **operational integration** model further
- Accelerate on more **sustainable** and **lower carbon footprint** solutions
- Drive growth with differentiated **One Arkema** sustainability value proposition

Key projects at the heart of the ambition



Ramp-up of **UV curing resins expansion** in China to accelerate on high-value markets



Further integration within **One Arkema offer** to support growth in electronics, batteries, efficient buildings and homes, 3D printing and more




Decarbonization and **improved competitiveness** with new solvent free patented purification technology in Carling



Extension of leading sustainable offer with bio-based, biomass balance and new circular coating materials

Setting the foundation for a sustainable future, with our patented solvent free purification technology

~ -20% of CO₂ site
emissions reduction



Major project
contributing to our
2030 decarbonization
targets

Carling
One of the **major acrylic
monomer plants**
in Europe

**Innovative technology
combined with incremental
capacity and competitiveness**

**Best-in-class
environmental footprint**

Optimized resources management,
waste, and significantly reduced
solvent use

Key project to **differentiate**

Arkema and a strong commitment
to customers by reducing their
Scope 3 and support them in their
sustainable roadmap

Patented project

with breakthrough purification
process, supporting the acrylic
value chain across multiple
attractive end-markets

€130m investment

partly funded by the French State
and the European Union¹

1. As part of France 2030, operated by ADEME, and NextGenerationEU

A leading sustainable offer to support decarbonization and circularity

Decarbonizing the built environment

UV/EB solutions as a game changer for coil coating

Improving process efficiency during coil coating in building applications

60%

energy savings

vs conventional systems, ECCA

2x surface

coverage/kg paint

vs conventional systems

Bio-based & biomass balance resins and additives for paints

Preserving natural resources and lowering carbon footprint of interior and exterior paints

Resins with up to
97%
bio-based content
(USDA certified)



Additives with up to
-120%
carbon footprint
via mass balance
(ISCC+ certified)



Improving packaging circularity

Recycled PET based materials for coatings

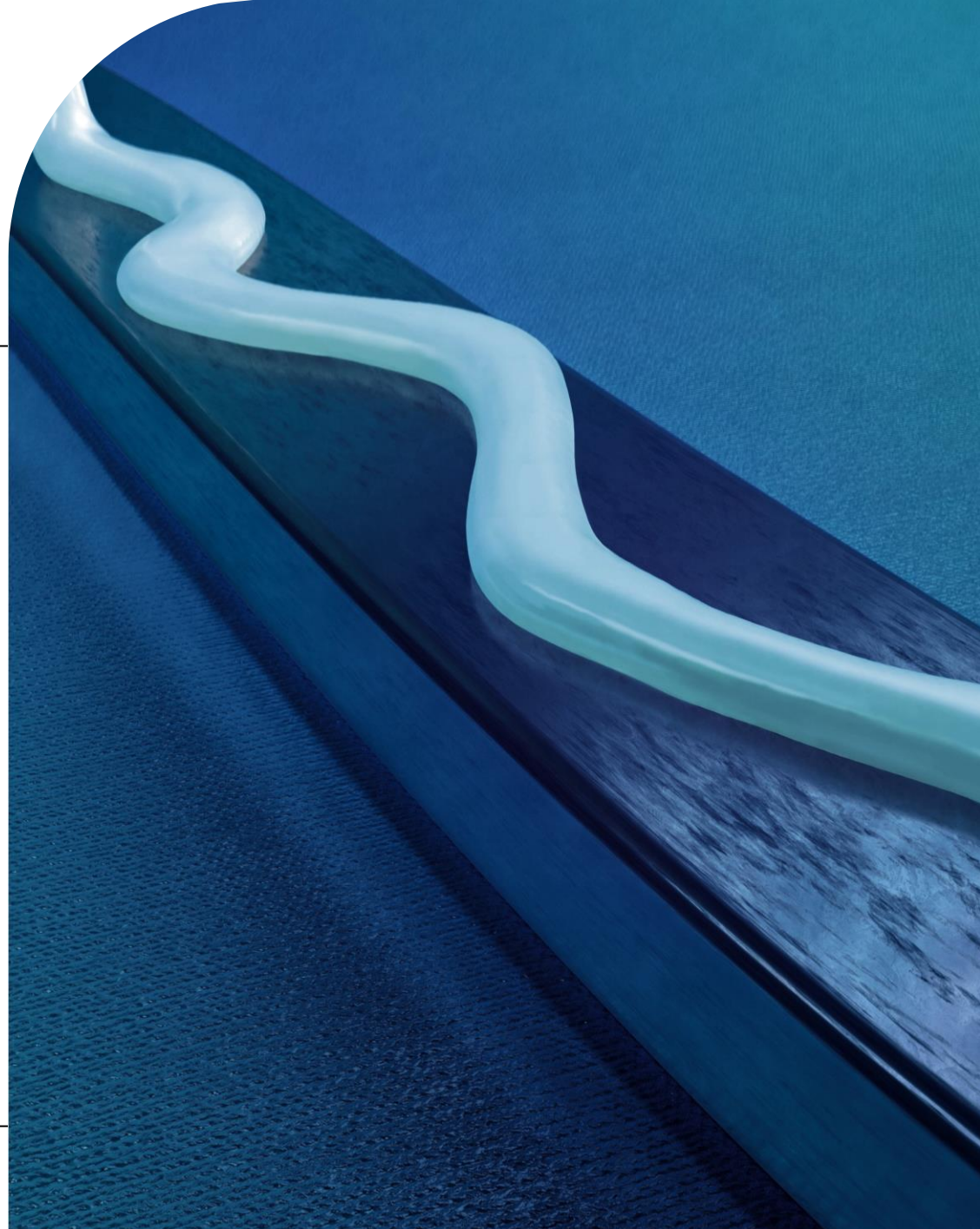
Partnering in a Spanish consortium to develop **reuse of post-consumer PET** as raw material in powder coating resins

Packaging recycling via de-inking

Developing breakthrough **UV/LED de-inking solutions** to ease recyclability of plastic packaging



Adhesive Solutions segment



Key data

€2.5bn

Sales

Average 2020-2023e

13%

EBITDA margin¹

Average 2020-2023e

2.5-3.0%

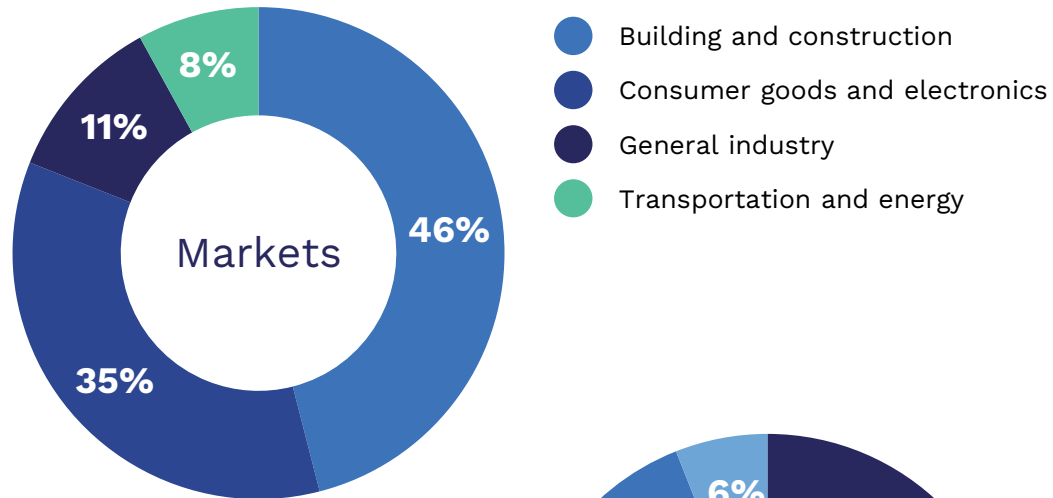
Capex intensity¹

2.0-2.5%

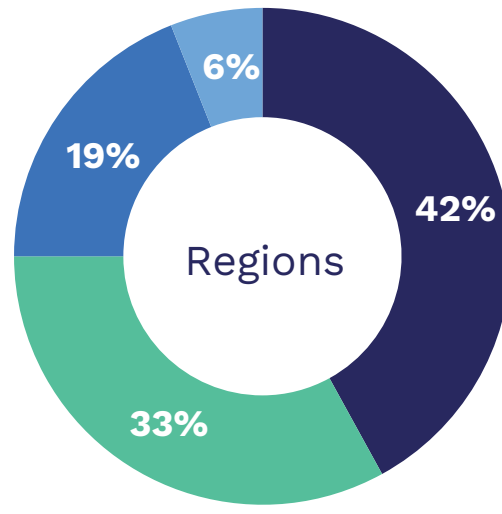
R&D intensity¹

1. As % of sales

Sales split 2022



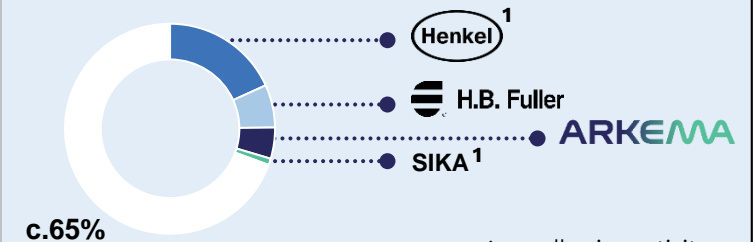
- Building and construction
- Consumer goods and electronics
- General industry
- Transportation and energy



- Europe
- North America
- Asia Pacific
- Rest of the world

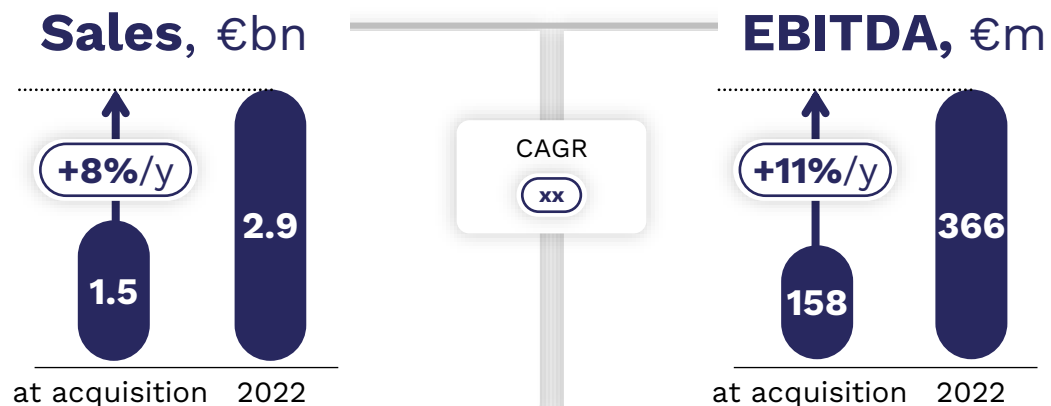
An attractive €55bn adhesives and sealants market

- Expected to **grow at 3.5%/y**
- Driven by customers' needs for increased performance and productivity, lightweighting, recycling and miniaturization
- Highly specialized solutions** for demanding applications
- Market fragmentation offers many **consolidation opportunities**



1. adhesive activity

Bostik significantly expanded since acquisition



Solid foundations to reinforce profitability

- **2 major acquisitions** (Den Braven, Ashland Performance Adhesives) and **13 bolt-ons**
- **EBITDA x2.3** since acquisition, with margin temporarily diluted by raw materials cost inflation in 2021-22 (2.5 pts impact)
- Benefit from **One Arkema** with centralized support functions and shared technical and commercial development
- A strong focus on **operational excellence** with further significant improvement potential

- An 80-year-old, highly recognized **Bostik® brand**
- World-class and large **portfolio of adhesive technologies** strengthened by the acquisition dynamic
- **Global footprint** with presence in 43 countries and 70 production facilities
- **Combination** of application and formulation know-how, **uniquely strengthened** by Arkema's expertise in material science

2028 Ambition

EBITDA
margin

17%

+3.5%/y

Organic
sales CAGR
over 2024-28

Objective to double
this growth through
bolt-on acquisitions

Main strategic priorities

- Accelerate in **high-performance bonding for sustainable solutions** in industry, construction and DIY markets
- Sustain strong focus on **operational excellence**
- Pursue **bolt-on acquisitions** to benefit from the consolidation of the global adhesive market

Accelerate on key sustainable technologies



Pressure sensitive adhesives

Specialty tapes for mobility and building & construction, durable labels, graphic and specialty films

#1

worldwide



Specialty hot melts

(web, powder, film, ...)

Automotive, sports & apparel, electronics

#1

worldwide



High-performance sealants

Transportation (auto, trucks & buses, rail) and construction

#1

in Europe



Engineering and thermal adhesives

Consumer goods, electronics and batteries

Recent
move

~€1bn sales in 2028 (+40% vs 2023)

Internal estimation

Ashland adhesives ramp-up is a significant growth driver

2022

Sales ~€400m
EBITDA margin ~23%

Graphic films

Paint protection films
& vehicle graphics



+6.0% CAGR

Customization,
life cycle extension

Durable labels

Consumer electronics,
appliances



+4.0% CAGR

Digitalization

Specialty tapes

Building & construction



+5.5% CAGR

Energy efficient buildings,
increased modularization

Structural adhesives

Composite bonding



+8% CAGR

Lightweighting, repairability,
batteries for EV

Attractive
fast growing
markets

Strong platform for synergies

- **US\$18m** cost synergies already achieved
- **US\$27m EBITDA** from sales synergies by 2027
- Benefit of **acrylic value chain** and only player with full PSA range offering
- Significant potential for **expansion in Asia**

Confirmed mid-term targets

EV/EBITDA < 9x
in 2026
after synergies

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 world economy and the consequences of the Russian offensive in Ukraine on geopolitical equilibriums remain 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, development of the Russian offensive against Ukraine, and changes in general economic and business conditions. These risk factors are further developed in the 2022 Universal Registration Document.

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 2022 Universal Registration Document and other documents filed with the French *Autorité des marchés financiers*.

Financial information since 2006 is extracted from the consolidated financial statements of Arkema. The business segment information is presented in accordance with Arkema's internal reporting system used by the management.

Besides its IFRS accounts, Arkema also uses alternative performance indicators to provide a more consistent and comparable analysis of the Group's financial performance. Such indicators are defined in the 2022 Universal Registration Document. In this presentation, the Group uses in particular the following indicators:

EBITDA margin: corresponds to EBITDA as a percentage of sales, EBITDA equaling recurring operating income (REBIT) plus recurring depreciation and amortization of tangible and intangible assets

CAGR over 24-28: corresponds to the compound annual growth rate over the 5-year period 2024-28

This document contains forward looking information, which describe expectations, strategies, future events or intentions. Forecasts and financial objectives are defined in normalized macroeconomic and market conditions, among other EUR/USD exchange rate of 1.1, GDP of 3% and oil price at US\$80/bbl. The achievement of these forecasts and financial objectives is therefore subject to uncertainties regarding these economic factors, as well as regarding changing market conditions, competitive landscape, regulatory evolutions, and other unplanned events. As a consequence, results may differ from those expressed or implied in this document.