ARKEMA INNOVATIVE MATERIALS FOR A SUSTAINABLE WORLD

Second-quarter 2022 results and outlook

Excellent financial results
&
raised guidance for 2022

Strong Q2'22 results in an atypical global environment

Sales
€3,184m
+23.2% *vs* Q2'21
At constant scope and currency

EBITDA
€705m
+47.5% *vs* Q2'21
Record level

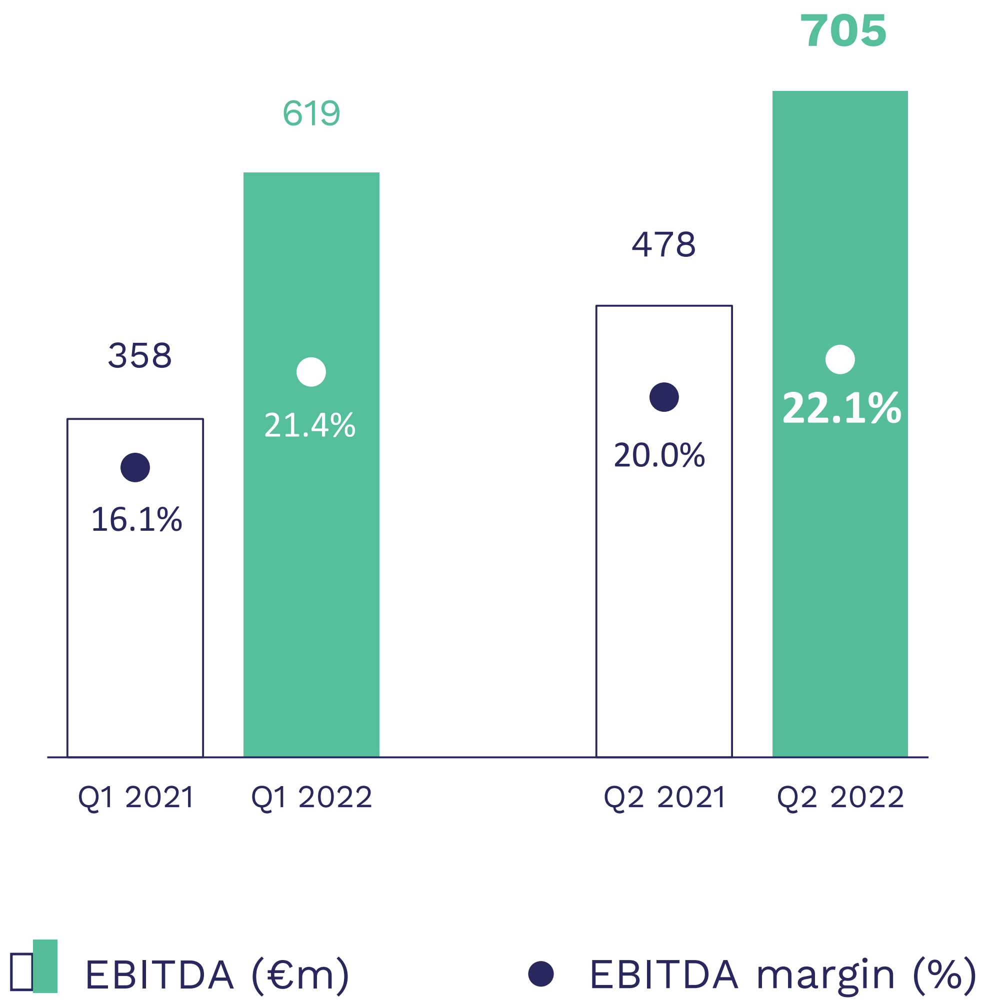
EBITDA margin
22.1%
+210 bps *vs* Q2'21

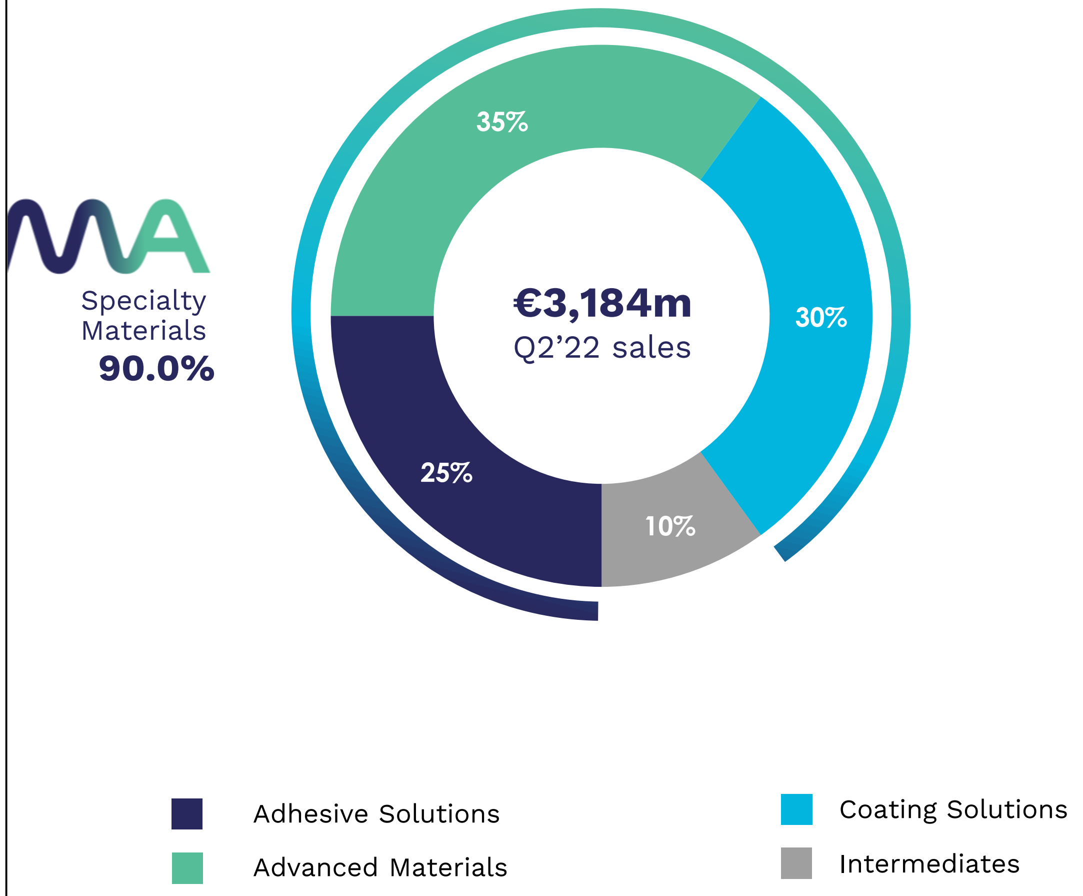
Recurring cash flow
€235 m
Net debt at 1,3x LTM EBITDA

Q2'22 financial highlights

€3,184m sales	→ Up **23.2%** *vs* **Q2'21** at constant scope and currency • Benefits of new business developments in high value-added sustainable solutions • Selling price adjustments in the face of very significant raw materials, energy and transportation cost inflation • Slight decline in volumes relative to last year's high comparison base • Contrasting regional dynamics, robust in North America, down in Europe, and slightly positive in Asia despite China lockdowns
€705m EBITDA **22.1%** EBITDA margin	→ EBITDA up by a strong **47.5%** *vs* **Q2'21** and record EBITDA margin at **22.1%** → Specialty Materials EBITDA up a very significant 41.8% YoY, at €600m, supported by each of the 3 segments Adhesive Solutions, Advanced Materials and Coating Solutions → Intermediates EBITDA at €129m, benefiting notably from more favorable market conditions overall and from initiatives taken by the Group
€443m adj. net income	→ Representing €5.99 per share
€2,789m net debt (incl. hybrid bonds)	→ 1.3x LTM EBITDA → €235m recurring cash flow, reflecting the quality of the financial performance and including an increase in working capital from higher prices and traditional seasonality

Excellent results reflecting strength of the 3 Specialty Materials segments





Outlook

- Second half marked by a context of risks of lockdowns in China, geopolitical tensions linked to the war in Ukraine, concerns regarding the availability and price of natural gas and electricity in Europe, as well as the significant increase in the level of inflation, which are all factors that could weigh on demand going forward.

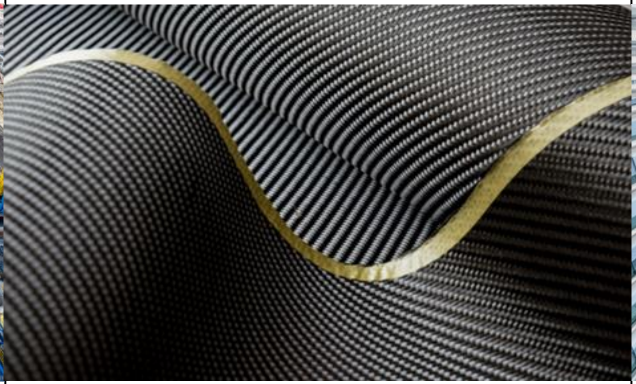
- The Group will benefit from its balanced geographic presence and will remain attentive to the evolution of market conditions. Moreover, it will ensure to take inflation into account in its selling prices, strictly manage its fixed costs and inventories, and pursue its innovation in high performance materials.

- Despite the uncertain macroeconomic environment and the decline in volumes observed in Europe, **Arkema is raising its annual targets** and now aims to achieve in 2022, excluding further significant disruptions of the global context, **annual EBITDA growth at constant scope of 17% to 22%** compared with 2021 (*vs.* “slight growth” previously), **representing an EBITDA of around €2,100m**.

- Reaffirmed confidence in the Group’s ability to achieve ambitious 2024 targets and continued implementation of the strategic roadmap for sustainable development, with its bolt-on acquisition policy, industrial capacity expansions, numerous initiatives in CSR and the strength of innovation which should enable the Company to generate €1.5 billion of new revenues from 2019 to 2030 around its five large R&D platforms.

Seamless execution of the strategy

Significant progress in our strategic roadmap

Sustainable innovation	Organic growth	Bolt-on acquisitions	CSR
			
New strategic partnership in EV batteries	Upcoming start-ups of our two major projects High return expansions to capture sustainable growth	Strengthening of CS downstream with Polimeros Especiales acquisition Integration of recent acquisitions in Adhesives	New, more ambitious climate plan

New strategic partnership in EV batteries

Ultrapure LiFSI electrolyte salts production with Nippon Shokubai

→ Key component of car battery cells

- Power, stability, cycle life and recyclability enhancement
- Next generation of batteries

→ Production plant in Pierre-Bénite

- European battery value chain development
- Cutting-edge patented technology
- Pilot production line since 2021
- Launch of feasibility studies for an industrial plant starting end-2025

Recent partnerships

VERKOR	Equity investment (production of high performance batteries)
MORROW	Development of solutions for high voltage batteries
CNRS and French universities	Development of new materials for future generations of batteries

High value-added acquisition reinforcing the downstream of CS segment

Polimeros Especiales SA (Mexico)

Leading player in solvent-free waterborne acrylic resins

Waterborne is one of Arkema's key-solvent free technologies together with powder resins, as well as UV/LED/EB and high-solid systems

- ~US$40m sales in 2021 and 230 employees
- Architectural & decorative paints, textiles, pressure sensitive adhesives
- In line with Arkema's strategy to expand its Coating Solutions segment in growing markets and low-VOC solutions
- Closing expected in Q3'22

Integration of recent acquisitions strengthening Adhesive Solutions

Ashland Performance Adhesives

- First-class leader in high performance adhesives in the United States
- ~US$360m sales in 2021
- Finalized on 28 February 2022

Permoseal (South Africa)

- Adhesive solutions for DIY, packaging and construction
- €43m sales in 2021
- Finalized on 1 July 2022

PMP (China)

- Hot-melt adhesives for the consumer electronics market
- Finalized on 1 April 2022

Upcoming start-ups of our two major projects

Rilsan® polyamide 11

+50% global capacity in Singapore

New PA11 powder resins capacity in Changshu, China (1Q'23)

€450 m Capex and **€100 m** EBITDA at maturity

Transportation, sports, consumer electronics, bio-textiles, 3D printing, consumer goods

Bio-based, renewable

Recyclable

Hydrofluoric acid

40 kT/year supply in partnership with Nutrien in Aurora, US

US$150 m investment

20-fold reduction of CO_2 emissions *vs* traditional processes

Batteries, electronics, water treatment

CO2

Less emissive

Ongoing high return expansions to capture sustainable growth

Kynar® PVDF

+50% capacity in Changshu, CN (end-2022)

+50% capacity in Pierre-Bénite, FR (Q1'23)

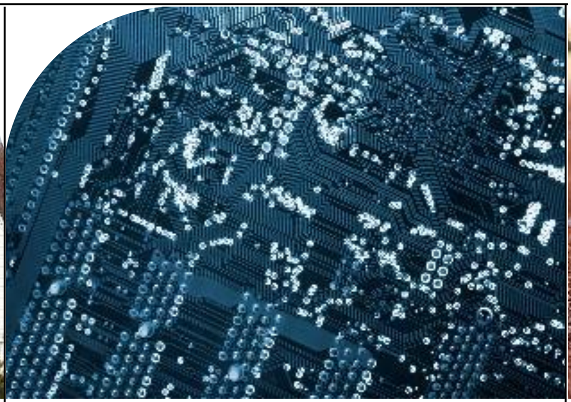
Kynar® CTO

Li-ion batteries, water filtration, specialty coatings, electronics

Forane®

15 kt/yr 1233zd capacity in Calvert City, US (end-2023)

Buildings' thermal isolation, battery thermal management



Sartomer®

+100% photocure resins capacity in Nansha, CN (H2'23)

Electronics, renewable energy

Pebax®

+25% global capacity in Serquigny, FR (mid-2023)

Pebax® Rnew®

Sports, consumer goods

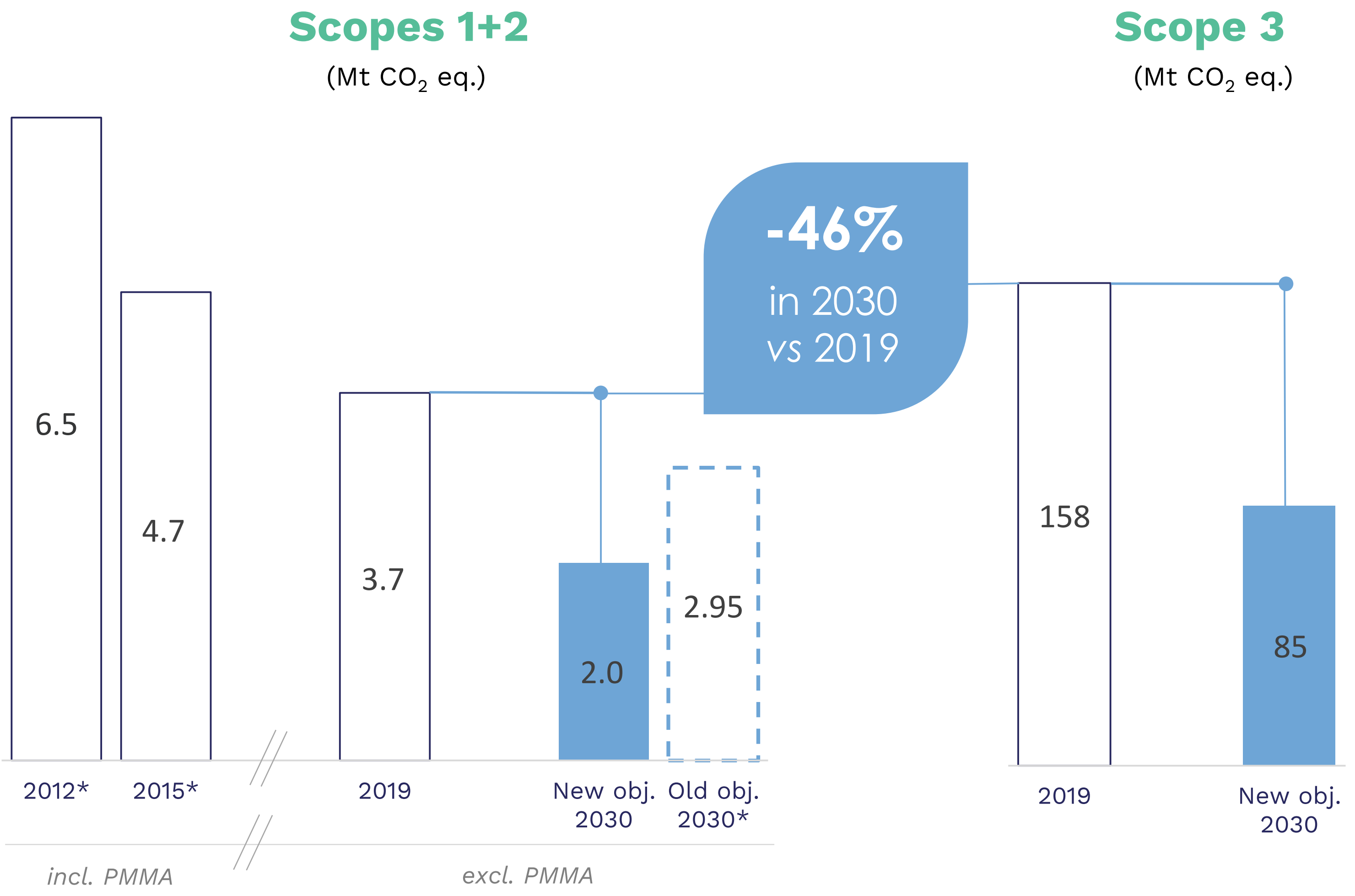
Bio-based, renewable

Recyclable

Solvent-free

Less emissive

A new, more ambitious climate plan



* Including Ozone Depleting Substances (~0,25 kT in 2015)

1.5°C trajectory across the full value chain

- Replacing previous commitment of a well below 2°C trajectory on scopes 1+2
- Science Based Target approach
- Commitment across full value chain

Scopes 1+2

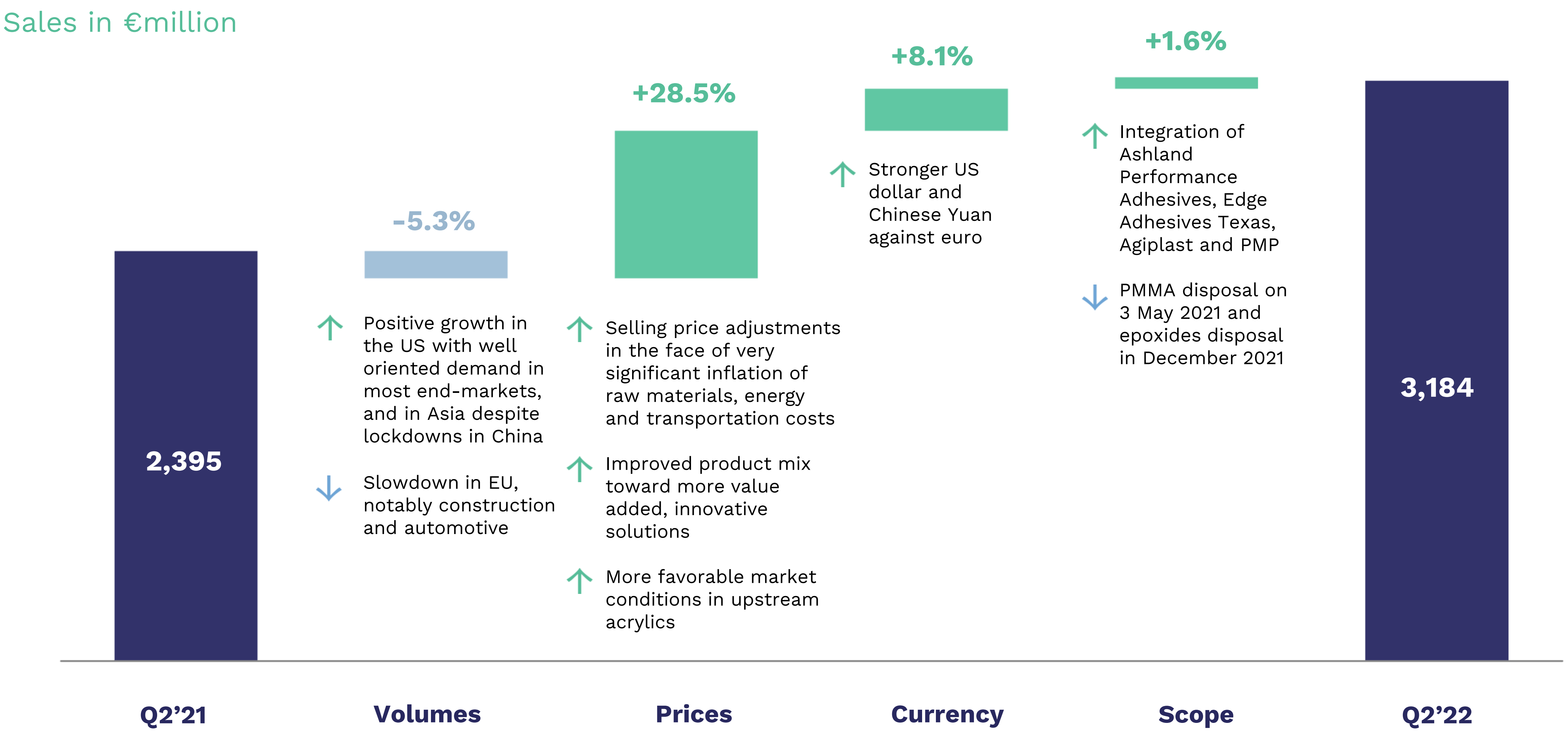
- Energy efficiency
- Evolution of energy mix

Scope 3

- Reduction of most emissive activities
- Innovation contributing to GHG reduction
- Commitments from suppliers on scopes 1+2

Detailed Q2 results

Ongoing price increases in a highly inflationary environment

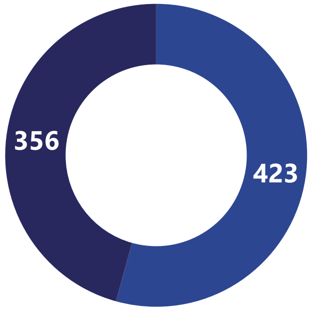


Adhesive Solutions (25% of Group sales in Q2’22)

Key figures

in €m	**Q2’22**	Q2’21	Change	**H1’22**	H1’21	Change
Sales	**779**	575	+35.5%	**1,449**	1,130	+28.2%
EBITDA	**111**	82	+35.4%	**201**	168	+19,6%
EBITDA margin	**14.2%**	14.3%		**13.9%**	14.9%	
REBIT	**92**	65	+41.5%	**165**	136	+21.3%

Q2’22 Sales
by Business Line



Construction & Consumer
Industrial Assembly

Q2’22 sales
development

Volumes —— -6.2%
Prices —— +17.4%
Currency —— +6.6%
Scope —— +17.7%

Highlights Q2’22

→ Sharp **price effect at +17.4% YoY**, in response to very elevated inflation of raw materials, energy and logistics costs

→ **Volumes down 6.2% YoY**
- Up strongly in the US and Asia
- High base of comparison in Q2’21
- Slowdown in construction and DIY in Europe

→ **€111m EBITDA, up by a significant 35.4%**
- Price adjustment discipline
- Product mix evolution toward higher value-added solutions
- Very good performance of Ashland’s adhesives

→ **Stable EBITDA margin at 14.2%**
- Despite ~200 bps mechanical dilutive impact from price increases

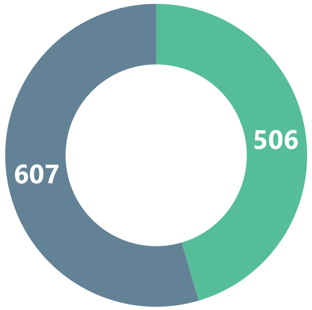
Advanced Materials (35% of Group sales in Q2’22)

Key figures

in €m	**Q2’22**	Q2’21 *	Change	**H1’22**	H1’21 *	Change
Sales	**1,113**	785	+41.8%	**2,188**	1,537	+42.4%
EBITDA	**282**	184	+53.3%	**556**	326	+70.6%
EBITDA margin	**25.3%**	23.4%		**25.4%**	21.2%	
REBIT	**215**	116	+85.3%	**422**	191	+120.9%

* Integrates the reclassification of the upstream of PVDF in the High Performance Polymers Business Line (from Intermediates segment).

Q2’22 Sales by Business Line



High Performance Polymers
Performance Additives

Q2’22 sales development

Volumes	-4.1%
Prices	+38.4%
Currency	+8.3%
Scope	-0.8%

Highlights Q2’22

→ **Prices up 38.4% YoY,** highly positive in both Business Lines
- Selling price increases in a highly inflationary context for raw materials and energy
- Product mix improvement toward innovative, high performance solutions in batteries, lightweighting, sports, bio-based materials, healthcare, electronics…

→ **Volumes moderately down 4.1% YoY**
- Demand well oriented in most of the segment’s key end markets but automotive still impacted by component shortages
- Slowdown in Europe, logistics disruptions, and lockdowns in China

→ **€282m EBITDA, up 53.3% YoY**
- Growth in demand for solutions coming from the Group’s innovation
- Strength of positions in the US and China, and tightness in the availability of certain product lines

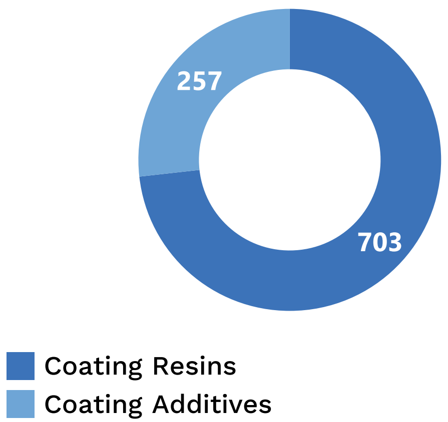
→ **EBITDA margin at a high level of 25.3%**

Coating Solutions (30% of Group sales in Q2'22)

Key figures

in €m	**Q2'22**	Q2'21	Change	**H1'22**	H1'21	Change
Sales	**960**	712	+34.8%	**1,822**	1,279	+42.5%
EBITDA	**207**	157	+31.8%	**399**	235	+69.8%
EBITDA margin	**21.6%**	22.1%		**21.9%**	18.4%	
REBIT	**175**	128	+36.7%	**336**	177	+89.8%

Q2'22 Sales
by Business Line



Q2'22 sales
development

Volumes	-0.4%
Prices	+26.7%
Currency	+8.5%
Scope	-

Highlights Q2'22

→ **+26.7% price effect** in a still highly inflationary environment
- Price increases for downstream products
- More favorable conditions in upstream acrylics

→ **Volumes slightly down 0.4% YoY**
- Significant increase in the US
- Slowdown in Europe and lockdowns in China

→ **€207m EBITDA, sharply up 31.8%**
- Product mix improvement toward higher value added and eco-friendly solutions, such as photocure resins in new energies, electronics, and 3D printing, as well as powder and rheology additives

→ **Excellent EBITDA margin at 21.6%**

Intermediates (10% of Group sales in Q2'22)

Key figures

in €m	**Q2'22**	Q2'21 *	Change	**H1'22**	H1'21 *	Change
Sales	**322**	315	+2.2%	**593**	661	-10.3%
EBITDA	**129**	81	+59.3%	**223**	156	+42.9%
EBITDA margin	**40.1%**	25.7%		**37.6%**	23.6%	
REBIT	**114**	64	+78.1%	**193**	117	+65.0%

* Integrates the reclassification of the upstream of PVDF in the Advanced Materials segment (from Intermediates segment).

Q2'22 Sales development

Volumes	-18.1%
Prices	+29.2%
Currency	+9.5%
Scope	-18.4%

Highlights Q2'22

→ **Scope effect of -18.4%** related to residual impact of PMMA divestment in May 2021

→ **Prices up 29.2% YoY**
- Good momentum in refrigerant gases, particularly in the US
- More favorable market conditions in acrylics in Asia

→ **Volumes down 18.1% YoY**
- Mechanical effect of fluorogas quotas in the US
- Acrylics impacted by lockdown measures in China, particularly at the beginning of the quarter

→ **€129m EBITDA, significantly up 59.3% YoY**

→ **EBITDA margin at 40.1%** (25.7% in Q2'21)
- Much-improved refrigerant gases performance compared to a low comparison base last year
- Tightness in upstream acrylics in Asia

Key figures

in €million

	Q2'22	Q2'21 *	Change	H1'22	H1'21 *	Change
Sales	**3,184**	2,395	+32.9%	**6,071**	4,621	+31.4%
EBITDA	**705**	478	+47.5%	**1,324**	836	+58.4%
Specialty Materials	**600**	423	+41.8%	**1,156**	729	+58.6%
Intermediates	**129**	81	+59.3%	**223**	156	+42.9%
Corporate	**-24**	-26		**-55**	-49	
EBITDA margin	**22.1%**	20.0%		**21.8%**	18.1%	
Specialty Materials	**21.0%**	20.4%		**21.2%**	18.5%	
Intermediates	**40.1%**	25.7%		**37.6%**	23.6%	
Recurring operating income (REBIT)	**570**	345	+65.2%	**1,058**	568	+86.3%
REBIT margin	**17.9%**	14.4%		**17.4%**	12.3%	
Adjusted net income	**443**	267	+65.9%	**819**	426	+92.3%
Net debt (incl. hybrid bonds)	**2,789**	1,281		**2,789**	1,281	

* Integrates reclassification of the upstream of PVDF in the Advanced Materials segment (ex Intermediates segment).

Cash flow

in €million

Reconciliation of EBITDA to net cash flow

	Q2'22	Q2'21	**H1'22**	H1'21
EBITDA	**705**	478	**1,324**	836
Current taxes	-117	-68	-218	-117
Cost of debt	-13	-14	-26	-27
Change in working capital and fixed assets payables (1)	-217	-53	-628	-240
Recurring capital expenditure	-99	-93	-171	-165
Others	-24	-5	-20	11
Recurring cash flow	**235**	245	**261**	298
Exceptional capital expenditure	-26	-64	-66	-117
Non-recurring items	2	132	-7	116
Free cash flow	**211**	313	**188**	297
Impact of portfolio management	-11	912	-1,507	896
Net cash flow	**200**	1,225	**-1,319**	1,193

1. Excluding non-recurring items and impact of portfolio management

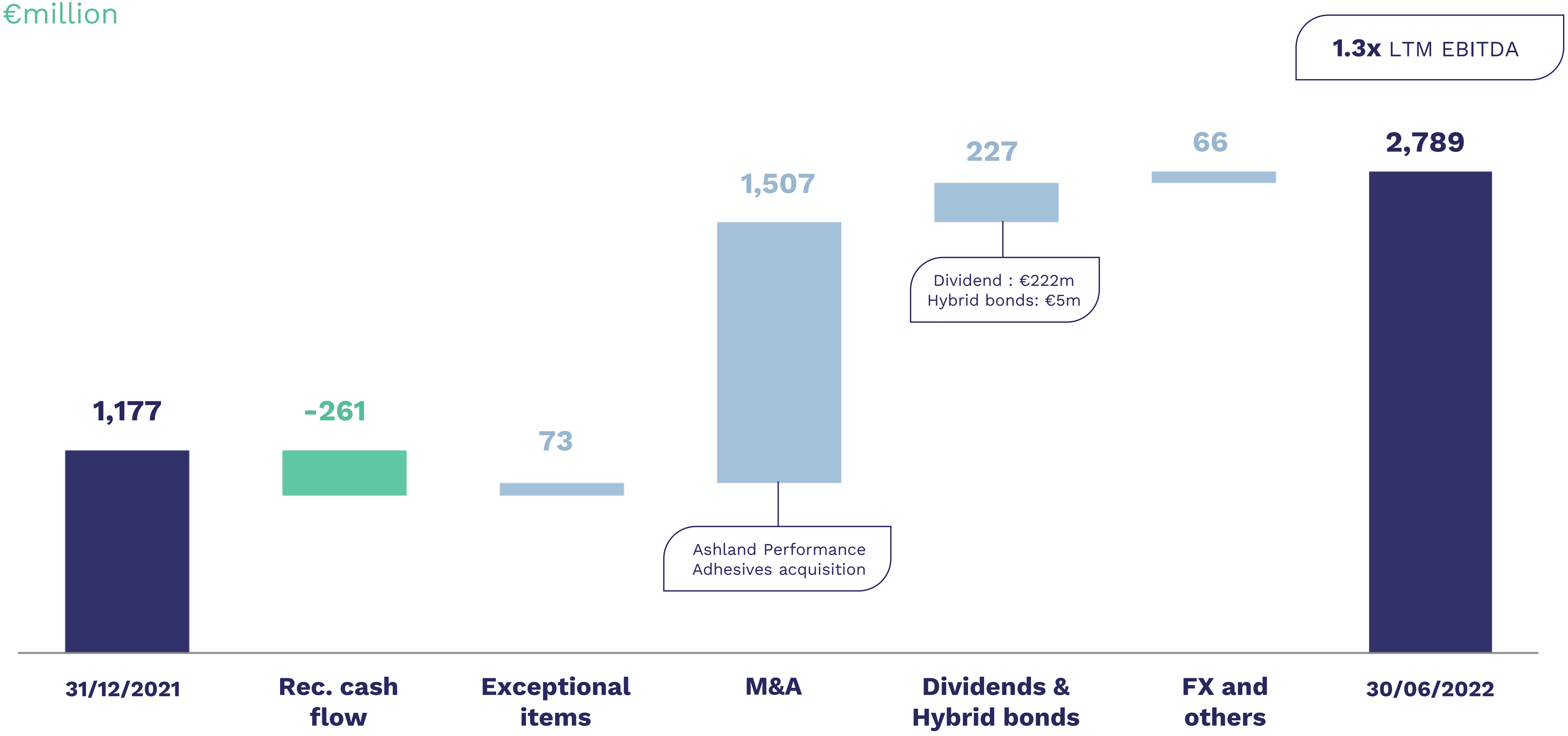
→ **Q2'22 tax rate**
21% of REBIT (excl. exceptional items)

→ **Working capital**
- Seasonal volume increase
- Higher selling prices and raw materials
- **14.9%** of annualized sales at end-June 2022

→ **Impact of portfolio management**
- Payment of Ashland's performance adhesives acquisition finalized on 28 February 2022
- Proceeds from PMMA disposal in 2021

Net debt evolution (including hybrid bonds)

in €million



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 where the consequences of the Russian offensive in Ukraine and the economic sanctions against Russia on geopolitical equilibriums and the world economy 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, developments in the Covid-19 situation, and changes in general economic and business conditions. These risk factors are further developed in the 2021 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 documents filed with the French *Autorité des marchés financiers*.

Financial information since 2005 is extracted from the consolidated financial statements of Arkema. Quarterly financial information is not audited.

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

The main performance indicators used by the Group are defined in the 2021 Universal Registration Document. As part of the analysis of its results or to define its objectives, 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

REBIT margin: corresponds to the recurring operating income (REBIT) as a percentage of sales

Free cash flow: corresponds to cash flow from operations and investments excluding the impact of portfolio management

EBITDA to cash conversion rate: corresponds to the recurring cash flow divided by EBITDA