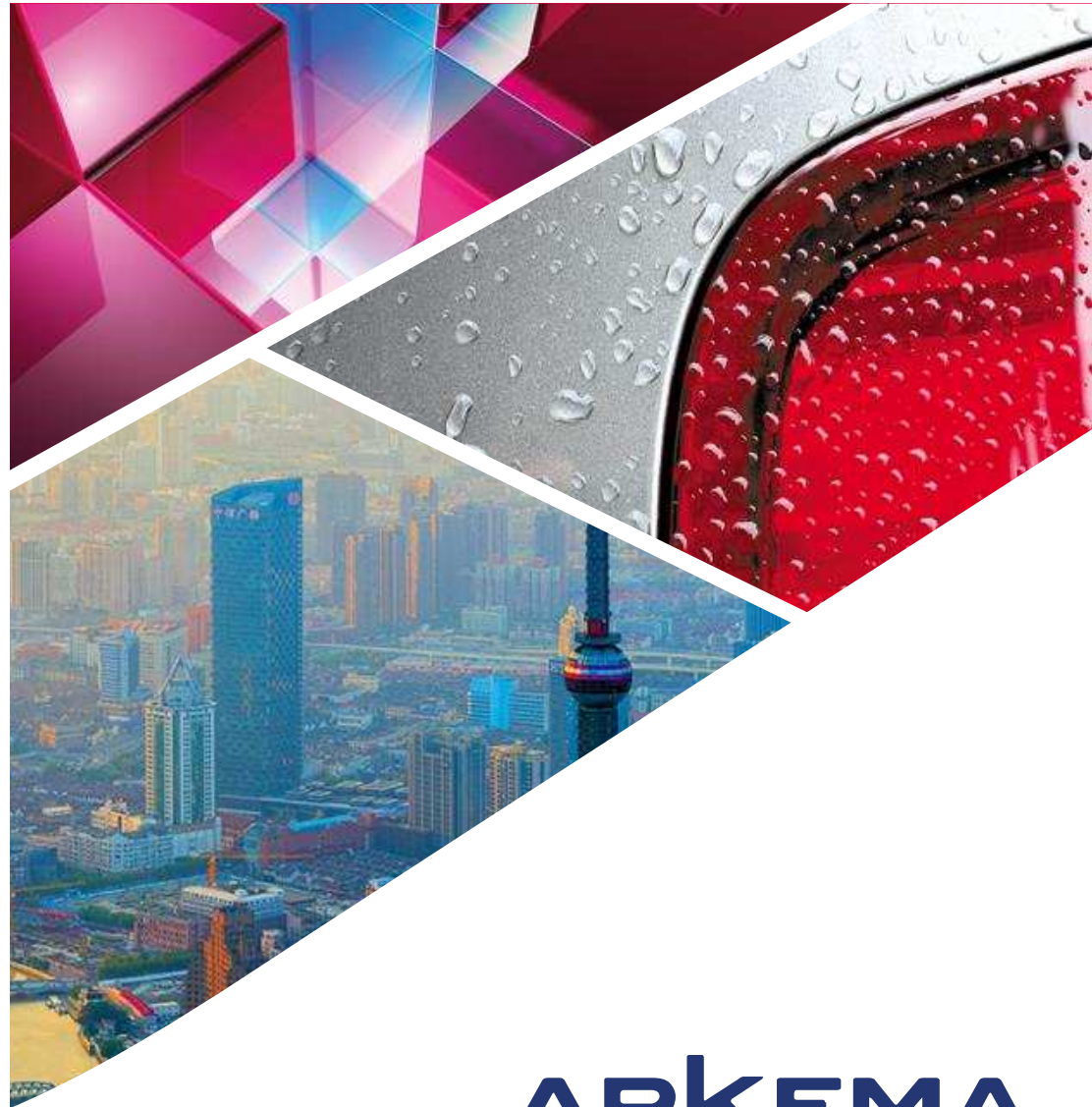


ARKEMA

**BANK OF AMERICA
MATERIALS & INFRASTRUCTURE
CONFERENCE 2020**

DECEMBER 2020



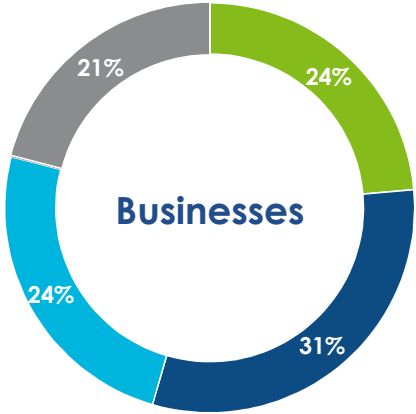
ARKEMA
INNOVATIVE CHEMISTRY



ARKEMA IN A SNAPSHOT

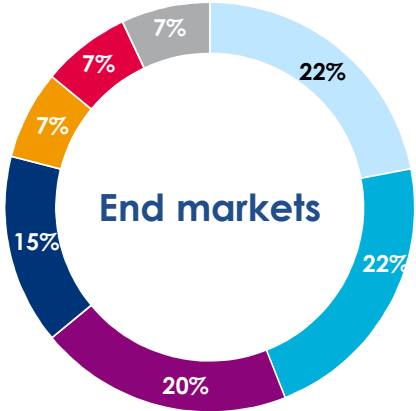
ARKEMA
INNOVATIVE CHEMISTRY

ARKEMA AT A GLANCE

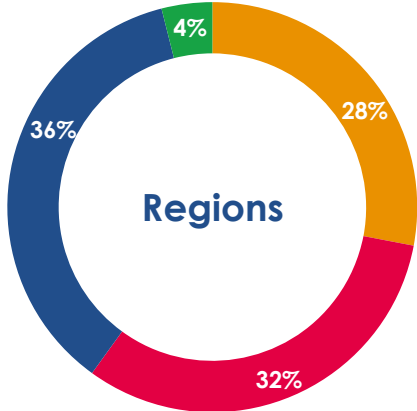


- Adhesive Solutions
- Advanced Materials
- Coating Solutions
- Intermediates

2019 SALES SPLIT



- General industry
- Building & Construction
- Consumer goods
- Automotive & Transportation
- Electrics, electronics & energy
- Nutrition & water
- Paints & Coatings



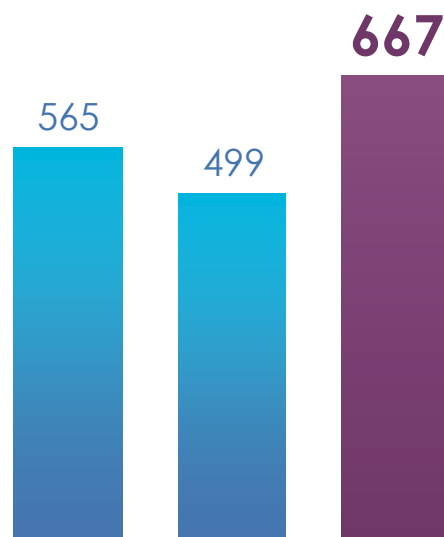
- Europe
- North-America
- Asia
- ROW

- €8.7b** sales
- 20,500** employees
- Present in **55** countries
- 144** plants operated
- 2.8%** of revenues invested in R&D

A HIGH-LEVEL FINANCIAL PERFORMANCE



EBITDA (€m)



Free cash flow (€m)

EBITDA margin

16.7%

since 2017

EBITDA to cash conversion rate

52% in 2019

above the target of >40% by 2024

Working capital (% of annual sales)

13.8% at 30/12/2019

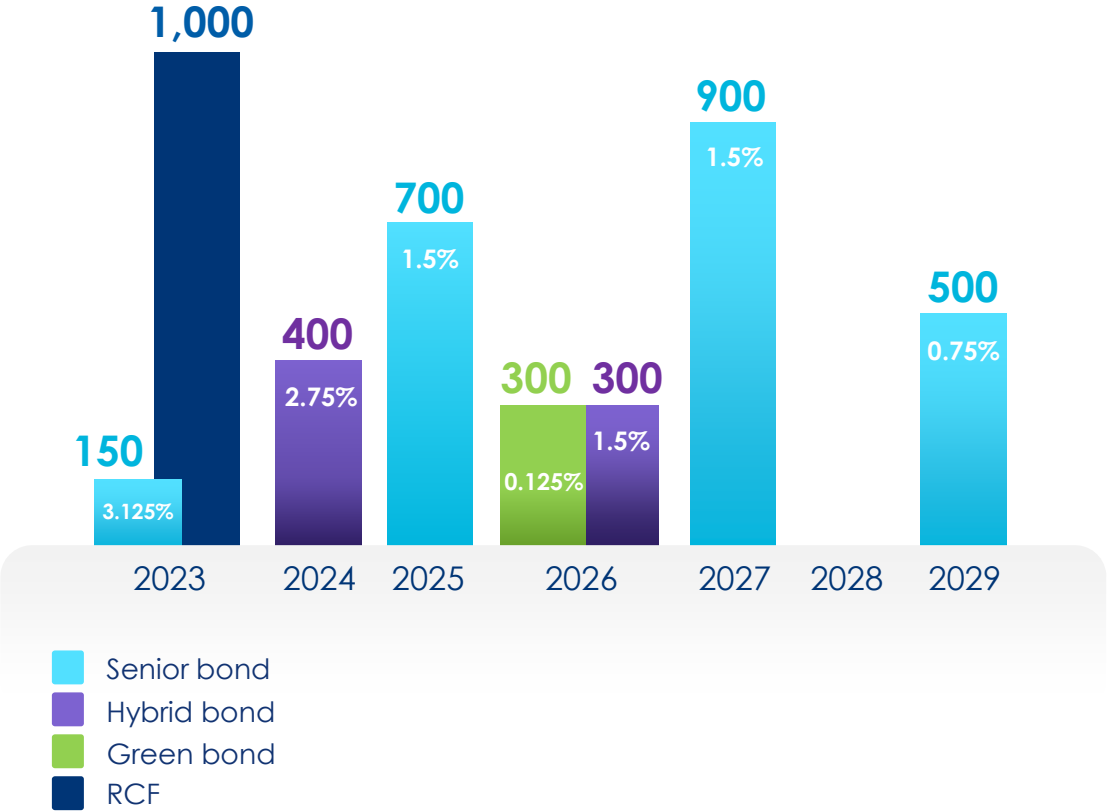
close to the very good level of 2018

Recurring and exceptional capex

€607m in 2019

acceleration of major organic growth projects

DIVERSIFIED FINANCING RESOURCES



Solid investment grade rating
BBB+ stable outlook (S&P)
Baa1 stable outlook (Moody's)

Net debt (excl. hybrids) / **EBITDA**
 (31/12/2019)
1.1x

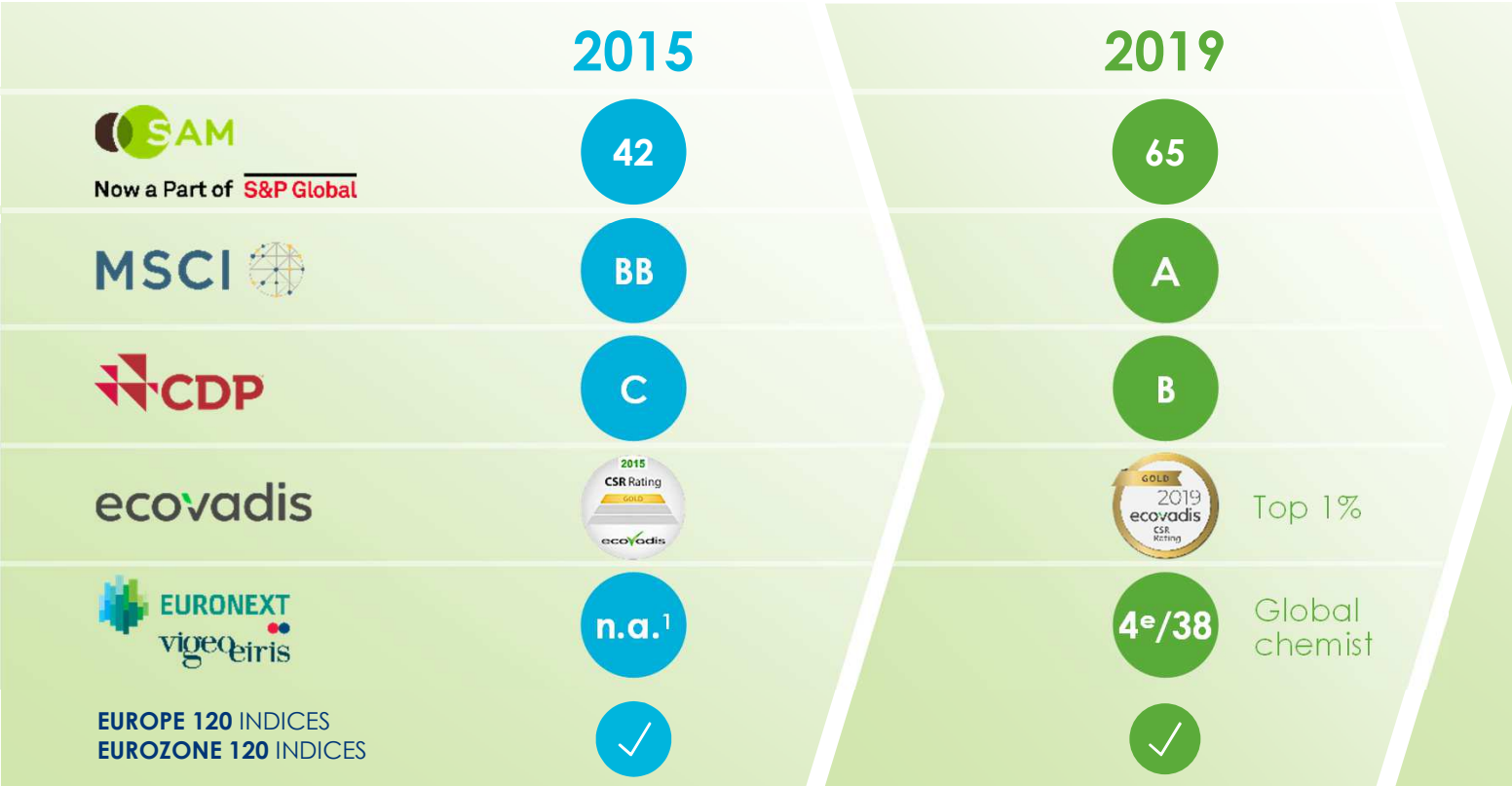
Hybrid bonds
 (booked as shareholders' equity)
€700 m

RCF refinanced and increased to
€1,000m on July 29th 2020
3+1+1 years

STRONG CSR REQUIREMENTS

NON-FINANCIAL RATINGS

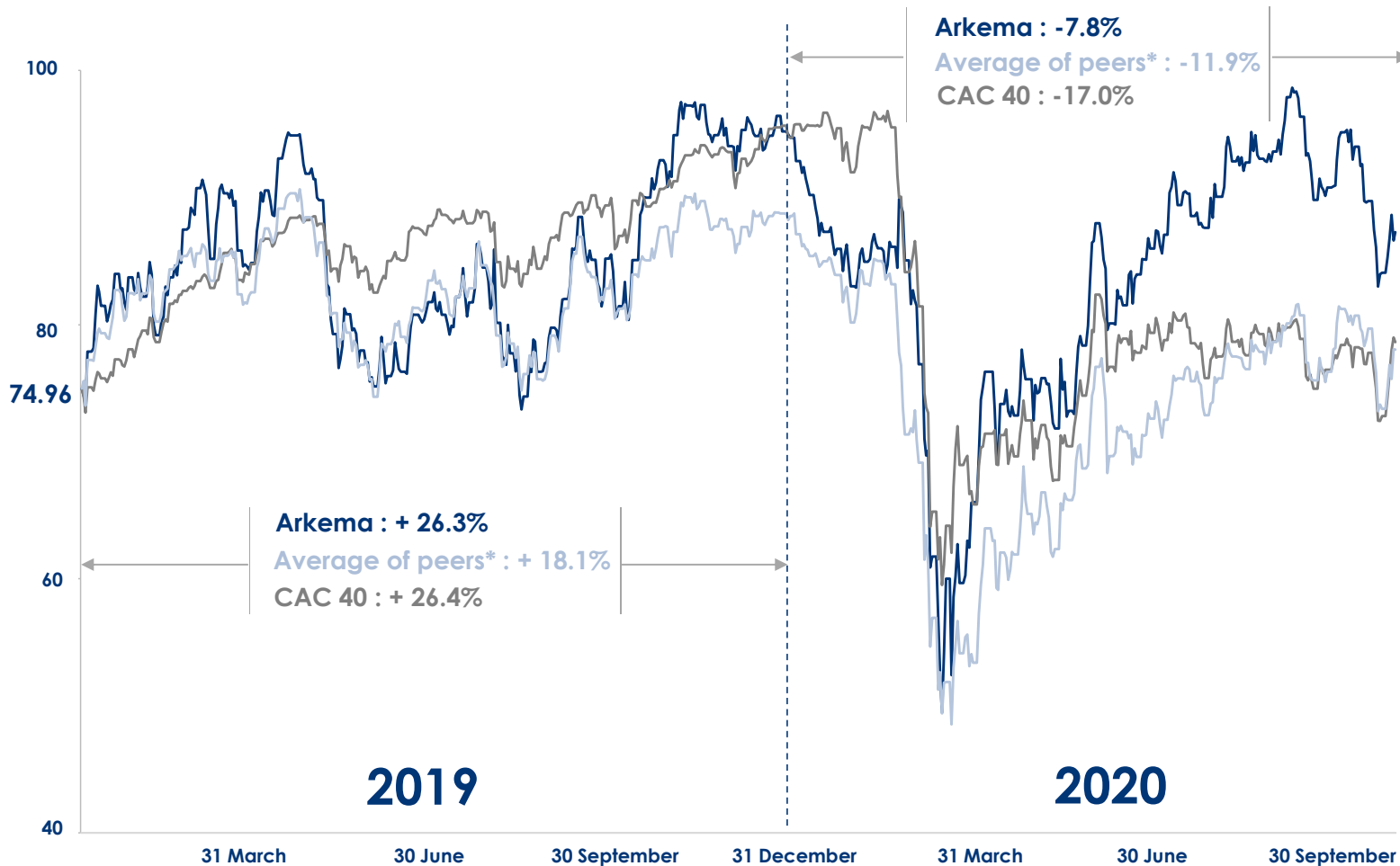
OUR AMBITION



- Rank among the best performing companies
- Inclusion in the **DJSI**

1. Not disclosed

EVOLUTION OF THE SHARE PRICE SINCE 1st JANUARY 2019



* The panel of chemicals peers includes Ashland, BASF, Celanese, Clariant, Dupont, Eastman, Evonik, HB Fuller, Lanxess, Solvay

TSR since May 2006
(with reintegrated dividends)

Arkema

around
x4

Average of peers*

around
x2.6

CAC 40

around
x1.7



OUR LONG TERM AMBITION

ARKEMA
INNOVATIVE CHEMISTRY

OUR VISION

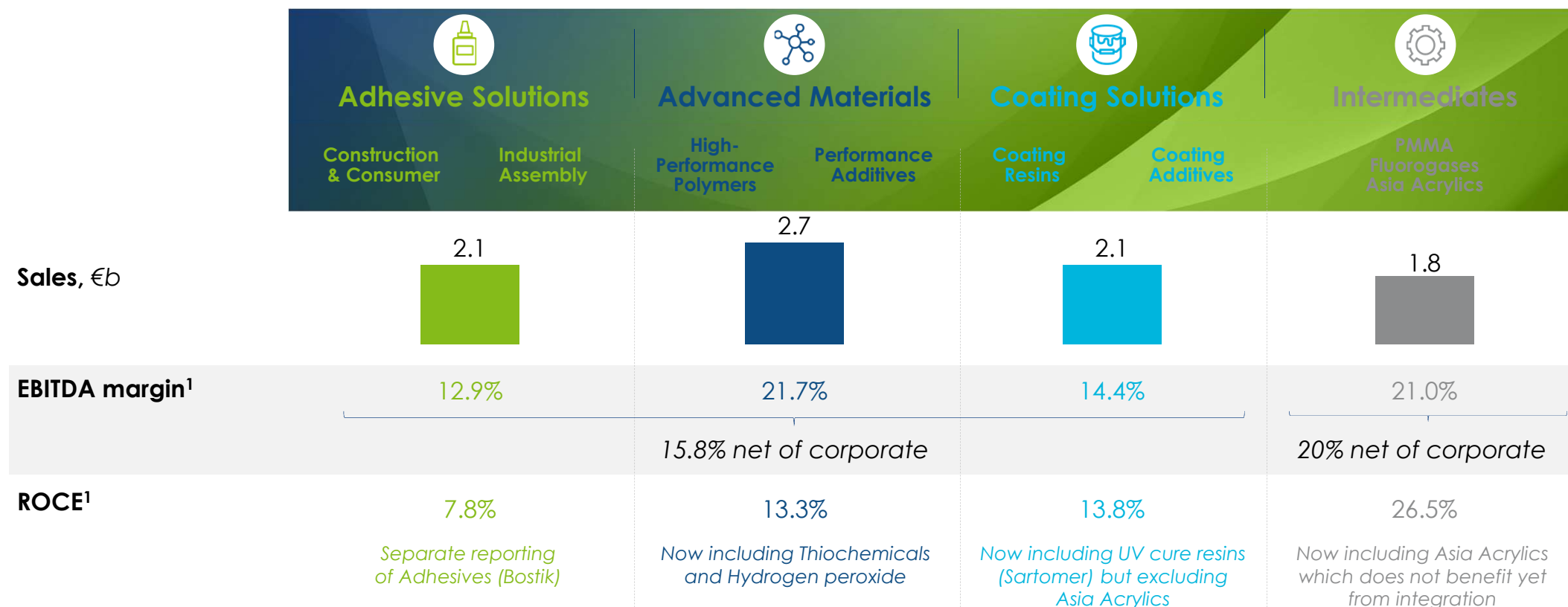


Be the **Specialty Materials leader** offering the most **innovative** and **sustainable solutions** to address our customers' current and future challenges

WE HAVE ALIGNED OUR BUSINESS STRUCTURE WITH OUR VISION

2019 FINANCIALS

Specialty Materials



1. Excluding corporate, corresponding to ~1% of sales

OUR VISION IS TO BECOME A PURE SPECIALTY MATERIALS PLAYER

OUR 2024 AMBITION

- **€10-11b** sales
- **GDP+** organic growth
- High group **profitability** of **~17% EBITDA margin**
- Strong **cashflow** generation
- Superior **resilience**



SPECIALTY MATERIALS



3-3.5% p.a. average annual organic revenue growth



M&A to more than **double organic growth**



Increase EBITDA margin from **15.8% to ~17%**¹



>40% cash generation²

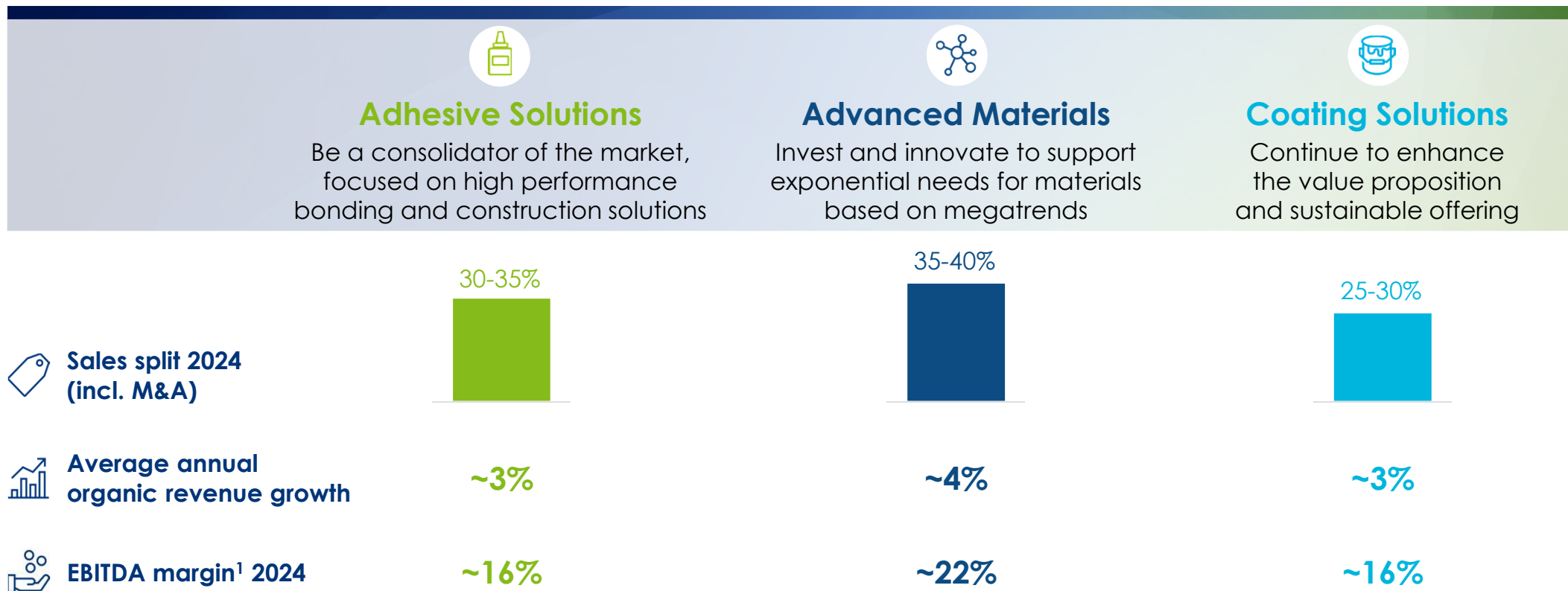
INTERMEDIATES



Develop differentiated strategies across businesses

1. Net of corporate costs, corresponding to ~1% of sales 2. Free cash flow excluding exceptional CAPEX divided by EBITDA

EACH PLATFORM HAS SET GROWTH AND PROFITABILITY AMBITIONS



While keeping strict financial discipline at group level: including a ROCE > 10% and normative CAPEX ~5.5% of sales

1. Excluding corporate, corresponding to ~1% of sales

ADHESIVE SOLUTIONS STRATEGY AT A GLANCE

2019 KEY FINANCIALS



€2.1b
sales



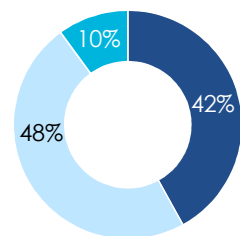
12.9%
EBITDA margin



3%
CAPEX intensity¹

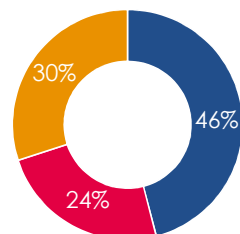


2.7%
R&D intensity¹



2019 REVENUE SPLIT

- Building & Construction
- Do-it-yourself³
- Industry³



- Europe
- North America
- Asia & Rest of the World

2024 AMBITION



High single-digit
Annual sales growth
incl. M&A²



+300 bps
EBITDA margin increase

Growth levers



Accelerate organic growth through **presence in Asia as well as key technologies** (high-performance adhesives for **industrial assembly** and **waterproofing & flooring** in construction)



Launch phase 2 of our **operational excellence** program

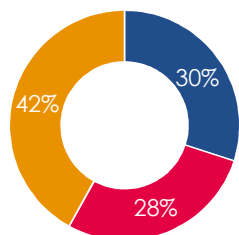
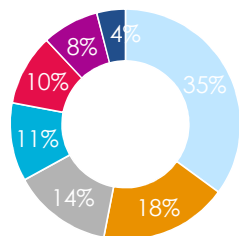
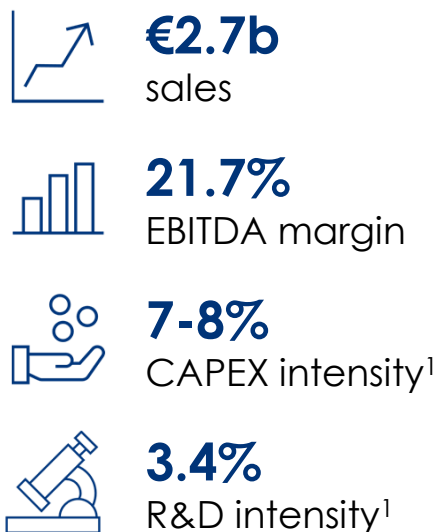


Grow through **bolt-on M&A** in a fragmented market

1. As % of sales 2. Organic growth of ~3% 3. Separate market definitions as used by Adhesive solutions

ADVANCED MATERIALS STRATEGY AT A GLANCE

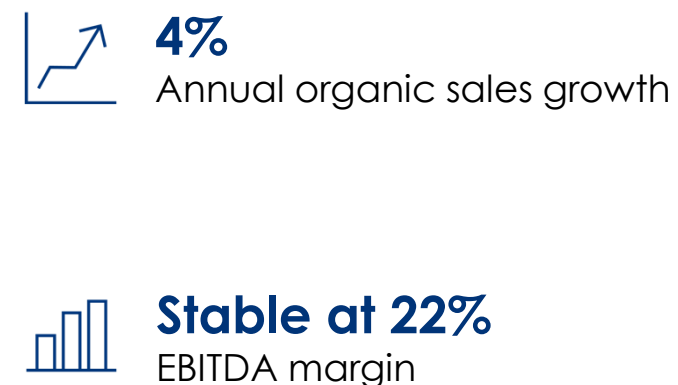
2019 KEY FINANCIALS



2019 REVENUE SPLIT



2024 AMBITION



Growth levers



Support growth with **high-return expansion projects** (polyamides in Asia, PVDF globally, PEKK in US,...)



Innovate with a focus on **sustainability** (bio-sourced materials, new energy, lightweight,...)

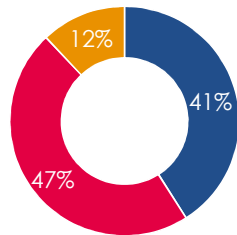
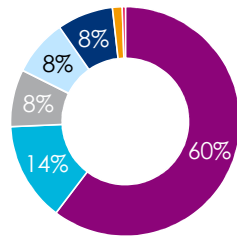
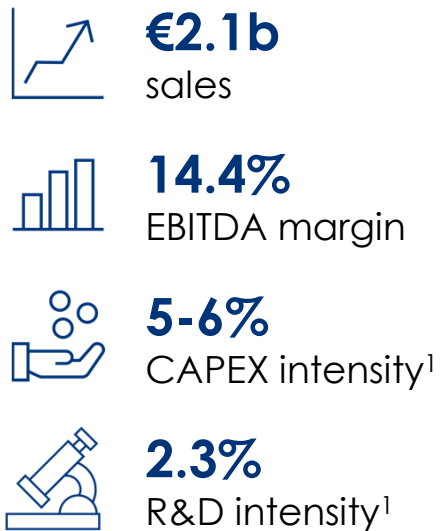


Be the **preferred partner** to solve our customers materials challenges

¹. As % of sales

COATING SOLUTIONS STRATEGY AT A GLANCE

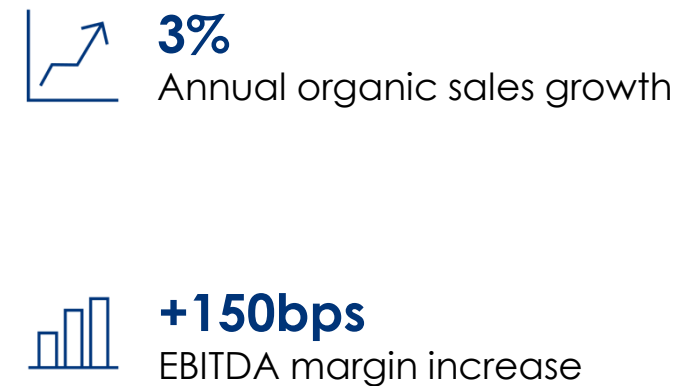
2019 KEY FINANCIALS



2019 REVENUE SPLIT



2024 AMBITION



Growth levers



Increase capacity in our existing platforms in **fast growing geographies** (e.g. photocurable resins in China, powder coatings India,...)



Optimize operating model incl. closer integration with other platforms and downstream acrylics



Further strengthen our **Sustainable technology** offering (Low-VOC formulations, bio-sourced, energy efficient products)

¹. As % of sales

INVESTIGATING DIFFERENTIATED STRATEGY ACROSS INTERMEDIATES BUSINESSES

... Sales 2019, €b

MMA/ PMMA



0.6¹

Explore **potential disposal** of MMA/ PMMA

FLUOROGASES



0.7

Focus on **specialty segment** (~€0.2b) high-value intermediates for fluoropolymers, as well as fluoroderivatives for electronics & batteries

Investigate **strategic alternatives** for emissive applications (air conditioning and refrigeration), including partnerships (~€0.5b)

ASIA ACRYLICS



0.3

Balance acrylic monomer capacity in Asia through upstream partnerships and downstream growth (organic or bolt-on acquisitions)

Once these strategies are executed these segments will be integrated in Specialty Materials

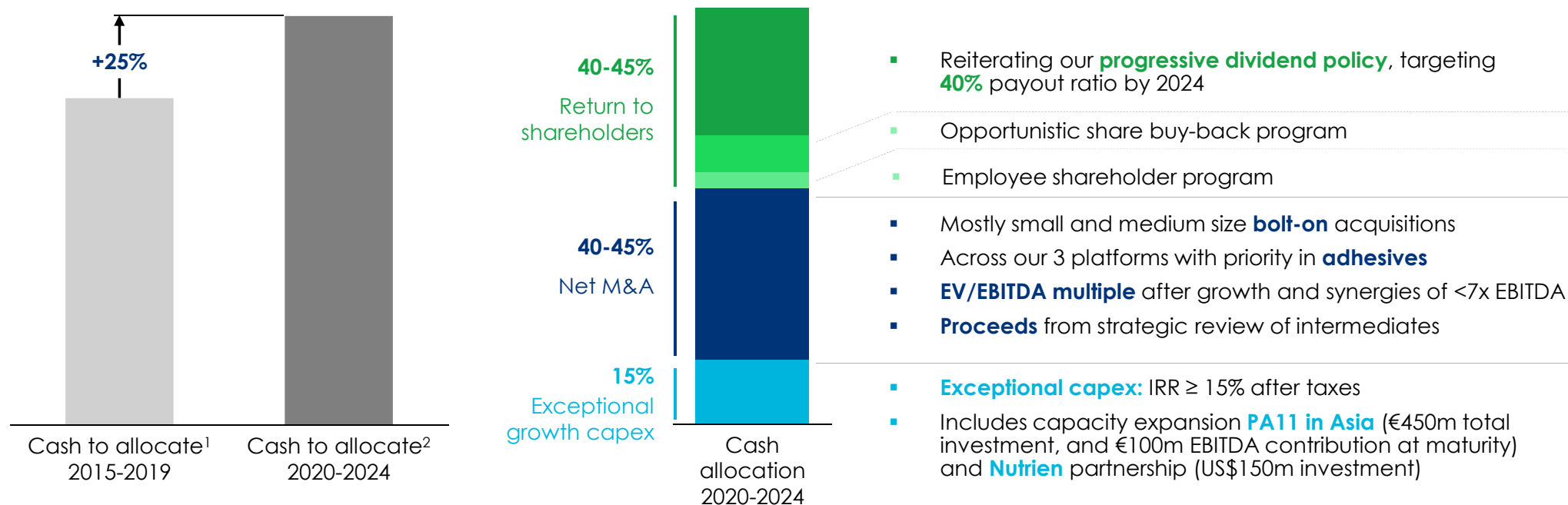
Strategic review in progress to assess the best path for each component – **pending appropriate market conditions**

1. Excludes €0.2b from Functional Polyolefins business – closing of disposal expected in Q2 2020

CASH ALLOCATION PRIORITIES

Estimated cash to allocate over the 5 year plan
~€3.5b at constant leverage ³ (~1.6x)

SUBJECT TO MARKET CONDITIONS



1. Cash from operations minus recurring CAPEX 2. Cash from operations minus recurring CAPEX plus additional net debt available at constant leverage 3. 1.6x net debt to EBITDA ratio incl. €700m hybrid bonds

MAINTAIN STRICT FINANCIAL DISCIPLINE



ROCE
>10%



Net debt to EBITDA ratio
<2x
Incl. hybrid bonds



Solid investment grade
rating



Recurring Capex
~5.5%
of sales



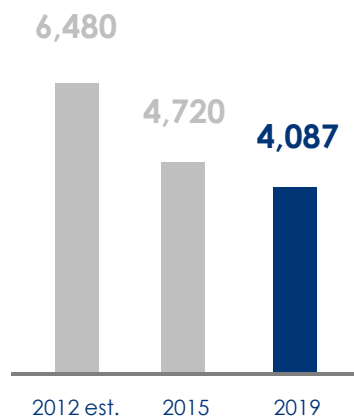
Controlled working capital
~14%
of sales

STRONG COMMITMENT ON CLIMATE AND ENVIRONMENT

CLIMATE



GHG EMISSIONS in kt eq. CO₂



CLIMATE PLAN

Commitment to Paris agreement and Science-Based Target trajectory **well below 2°C**



Greenhouse gas emissions (GHG) new target for 2030

≤ 2,950
kt eq. CO₂
(-38% vs 2015)

ENVIRONMENT

New targets for 2030

AIR



-65%
vs 2012

in volatile organic compounds (VOC) emissions intensity

WATER



-60%
vs 2012

in chemical oxygen demand (COD) intensity

ENERGY



-20%
vs 2012

in net energy purchases intensity

Performance 2019 (vs 2012)

-40%

-50%

-9%

INNOVATION TO SUPPORT SUSTAINABLE DEVELOPMENT



Industry leading range of **bio-based** specialty polyamides



Large range of **VOC-free** coating solutions



Lightweight composites to reduce GHG emissions



Circular economy initiatives (e.g. recyclable resins)



PORTFOLIO SUSTAINABILITY ASSESSMENT

44% of products portfolio assessed at end 2019, **46%** of which is significantly contributing to UN Sustainable Development Goals

Objective to achieve **100%** portfolio sustainability assessment

RESEARCH & INNOVATION

In 2019, **149** patent applications linked to sustainable development, representing **67%** of the total number of patent applications.

CULTIVATE AN OPEN DIALOGUE WITH OUR STAKEHOLDERS



EMPLOYEES

80%

are actively engaged



COMMON GROUND®

Nearly **1000** initiatives taken

**From 23% to 25%
in 2025**



women in senior management

DIVERSITY

Promotion of women and international talents in senior management



PHILANTHROPY

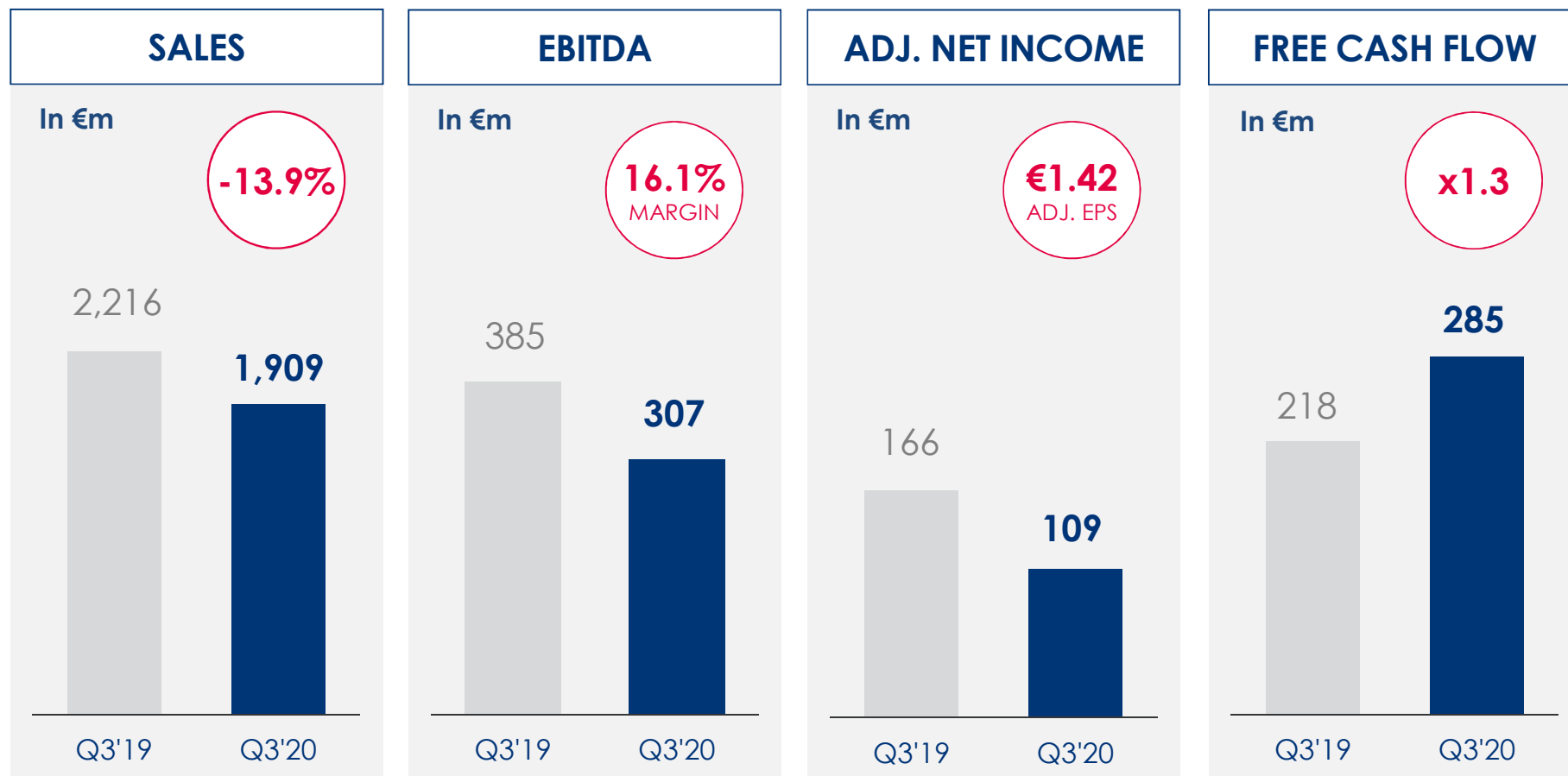
Funds for education, salary rounding, sponsoring



Q3 2020 RESULTS

ARKEMA
INNOVATIVE CHEMISTRY

SOLID Q3'20 PERFORMANCE IN THE CURRENT CONTEXT



STRONG SEQUENTIAL VOLUMES IMPROVEMENT AND EXCELLENT CASH GENERATION

€1,909m sales

- ✦ 9% decline at constant scope and currency (-18% in Q2'20), in line with the guidance of around -10% issued end July. Negative volume effect of 4.4%
- ✦ Rebound in the construction and decorative paints markets. Industrial markets remain well down overall despite growth in certain niches with a high technological content such as batteries

€307m EBITDA

16.1% EBITDA margin

- ✦ Moderate decline in Specialty Materials¹ EBITDA, supported by Bostik's growth and the resilience of Advanced Materials' and Coating Solutions' margins
- ✦ Marked decline in Intermediates, despite the sequential improvement in PMMA
- ✦ Continued fixed cost reduction initiatives

€109m adj. net income

- ✦ **€1.42** adjusted EPS

€285m free cash flow

- ✦ High level, reflecting the strict management of working capital and moderation of capital expenditure

€1,869m net debt
(incl. hybrid bonds)

- ✦ Down €265m compared with end of June 2020

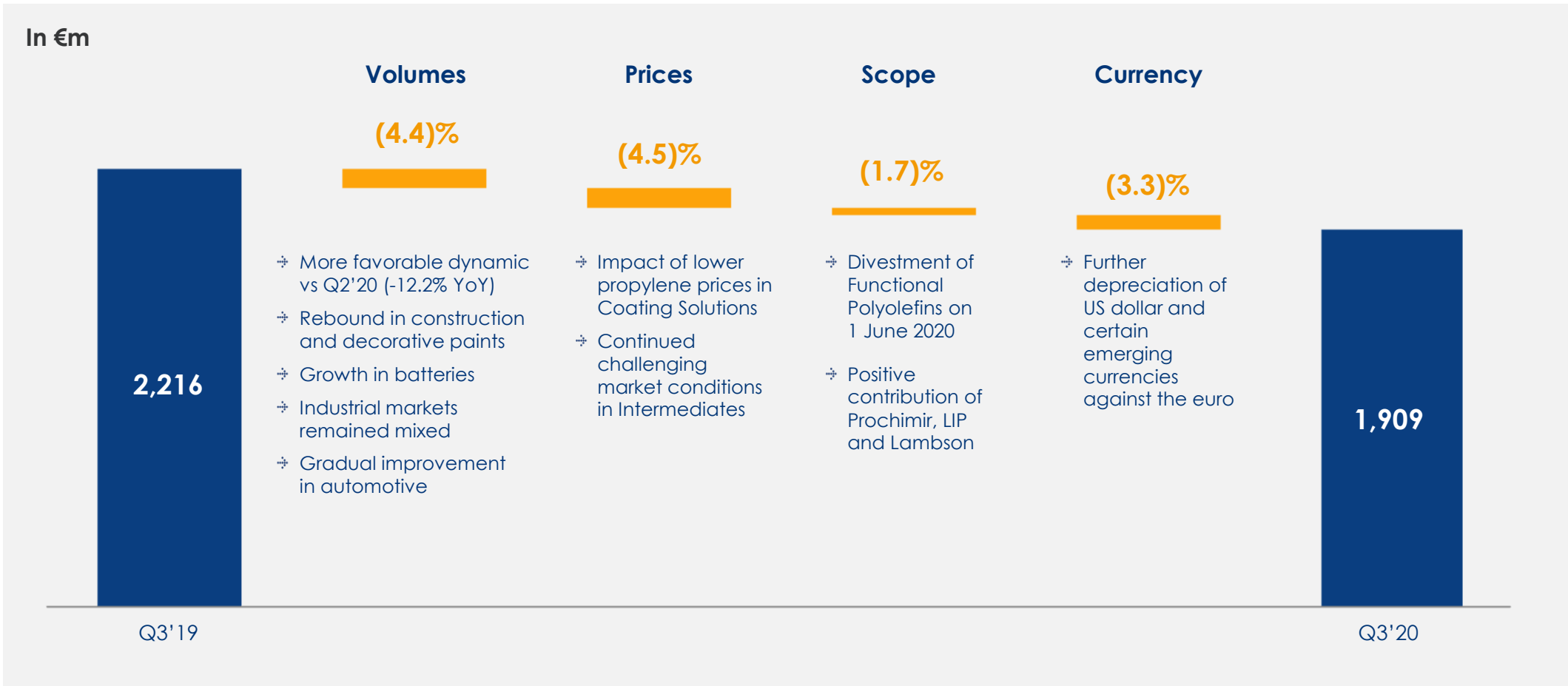
1. Specialty Materials include the three following segments: Adhesive Solutions, Advanced Materials and Coating Solutions

Q3'20 KEY FIGURES

In €m	Q3'19	Q3'20	Change
Sales	2,216	1,909	(13.9)%
EBITDA	385	307	(20.3)%
Specialty Materials	312	268	(14.1)%
Intermediates	92	55	(40.2)%
Corporate	-19	-16	
EBITDA margin	17.4%	16.1%	
Specialty Materials ¹	17.7%	16.9%	
Intermediates ¹	20.6%	17.5%	
Recurring operating income (REBIT)	250	171	(31.6)%
REBIT margin	11.3%	9.0%	
Adjusted net income	166	109	(34.3)%
Net debt (incl hybrid bonds)	2,470	1,869	
€2,331m as of 31/12/2019			

1. Excluding corporate costs allocation

Q3'20 SALES BRIDGE



ADHESIVE SOLUTIONS (27% OF GROUP SALES)



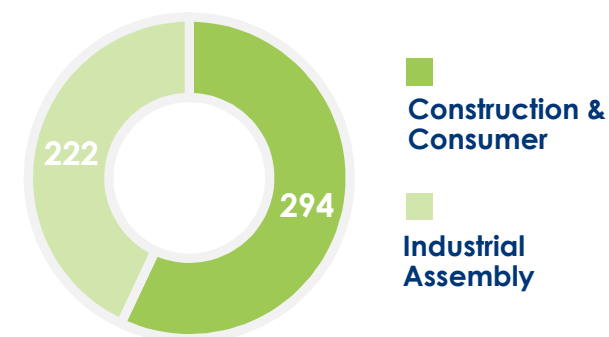
Q3'20 KEY FIGURES

In €m	Q3'19	Q3'20	Change
Sales	522	516	(1.1)%
EBITDA	71	73	+2.8%
EBITDA margin	13.6%	14.1%	
Rec. operating income	57	57	-

Q3'20 SALES DEVELOPMENT

Volumes	(0.3)%
Prices	+0.4%
Currency	(3.7)%
Scope	+2.5%

Q3'20 SALES BY BUSINESS LINE



Q3'20 HIGHLIGHTS

✦ €516m sales, down 1.1% YoY

- Sales back to prior year level at constant scope and currency, after the temporary drop in Q2'20
- Volumes down 0.3% confirming strong recovery of construction, while industrial sectors remained challenging, and packaging and hygiene normalized
- Scope effect of +2.5% corresponding to LIP and Prochimir integration

✦ €73m EBITDA and 14.1% EBITDA margin

- EBITDA up ~3% YoY reflecting LIP and Prochimir contribution, very good performance in construction and DIY markets, and fixed costs control
- EBITDA margin +50 bps YoY, confirming Adhesive Solutions' resilience in a challenging macro-economic environment and operational progress

ADVANCED MATERIALS (31.5% OF GROUP SALES)



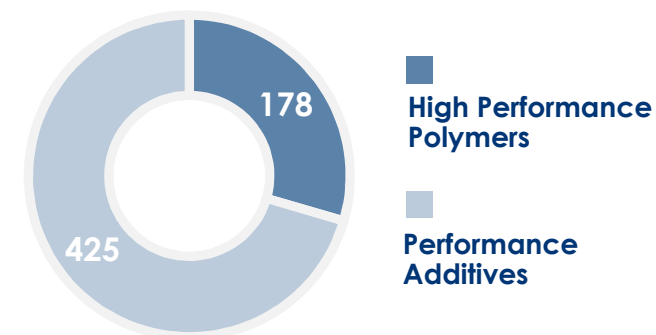
Q3'20 KEY FIGURES

In €m	Q3'19	Q3'20	Change
Sales	708	603	(14.8)%
EBITDA	159	127	(20.1)%
EBITDA margin	22.5%	21.1%	
Rec. operating income	100	66	(34.0)%

Q3'20 SALES DEVELOPMENT

Volumes	(12.6)%
Prices	+0.8%
Currency	(3.0)%
Scope	-

Q3'20 SALES BY BUSINESS LINE



Q3'20 HIGHLIGHTS

➤ €603m sales, down 14.8% YoY

- Decline in volumes (-12.6%) linked to the Covid-19 crisis
 - In High Performance Polymers, strong growth in batteries overshadowed by sharp decline in industrial sectors, consumer goods and oil & gas
 - Performance Additives volumes down in oil & gas, partly offset by robust performance of certain markets like crop nutrition or medical applications
- Price effect of +0.8% mainly reflecting favorable product mix

➤ €127m EBITDA and 21.1% EBITDA margin

- EBITDA down 20% YoY, primarily reflecting the drop in volumes, notably for High Performance Polymers, and negative FX, partly offset by lower fixed costs
- EBITDA margin remained at a high level

COATING SOLUTIONS (24.5% OF GROUP SALES)



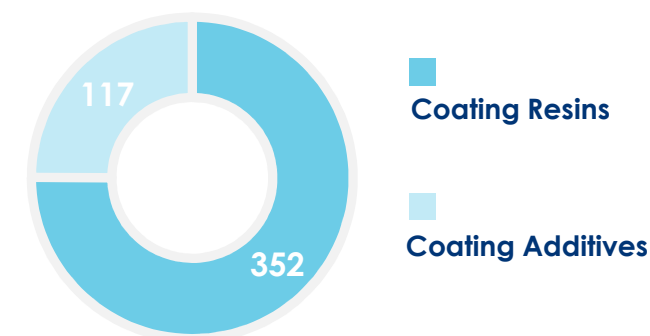
Q3'20 KEY FIGURES

In €m	Q3'19	Q3'20	Change
Sales	532	469	(11.8)%
EBITDA	82	68	(17.1)%
EBITDA margin	15.4%	14.5%	
Rec. operating income	53	39	(26.4)%

Q3'20 SALES DEVELOPMENT

Volumes	+2.1%
Prices	(11.3)%
Currency	(3.4)%
Scope	+0.8%

Q3'20 SALES BY BUSINESS LINE



Q3'20 HIGHLIGHTS

⇨ €469m sales, down 11.8% YoY

- Price effect of -11.3% primarily linked to lower propylene prices
- Volumes up 2.1% driven by decorative paints, while demand in other markets remained broadly lower versus last year

⇨ €68m EBITDA and 14.5% EBITDA margin

- EBITDA down 17.1% YoY
 - Decline concentrated in acrylic activities not integrated downstream, amid challenging market conditions since the pandemic started
 - Performance of the other activities on a par with last year's level, supported by good volumes in decorative paints
- EBITDA margin holding up well, benefitting notably from cost reduction initiatives and synergies between product lines within the segment

INTERMEDIATES (17% OF GROUP SALES)



Q3'20 KEY FIGURES

In €m	Q3'19	Q3'20	Change
Sales	447	315	(29.5)%
EBITDA	92	55	(40.2)%
EBITDA margin	20.6%	17.5%	
Rec. operating income	61	27	(55.7)%

Q3'20 SALES DEVELOPMENT

Volumes	(3.8)%
Prices	(10.5)%
Currency	(3.0)%
Scope	(12.2)%

Q3'20 HIGHLIGHTS

✦ €315m sales, down 29.5% YoY

- -12.2% scope effect corresponding to the divestment of the Functional Polyolefins business, finalized on 1 June 2020
- Price effect of -10.5% reflecting unfavorable market conditions in Fluorogases in EU and Asia, and in acrylics in China
- Modest volumes decline of 3.8%
 - Strong slowdown in Fluorogases
 - Higher demand in PMMA, driven notably by the gradual improvement in automotive and sustained momentum in the niche market for protective barriers

✦ €55m EBITDA and 17.5% EBITDA margin

- Considerably lower than Q3'19 in the unfavorable context linked to the pandemic
- Sequential improvement in PMMA

HIGH FREE CASH FLOW IN Q3'20

RECONCILIATION OF EBITDA TO NET CASH FLOW

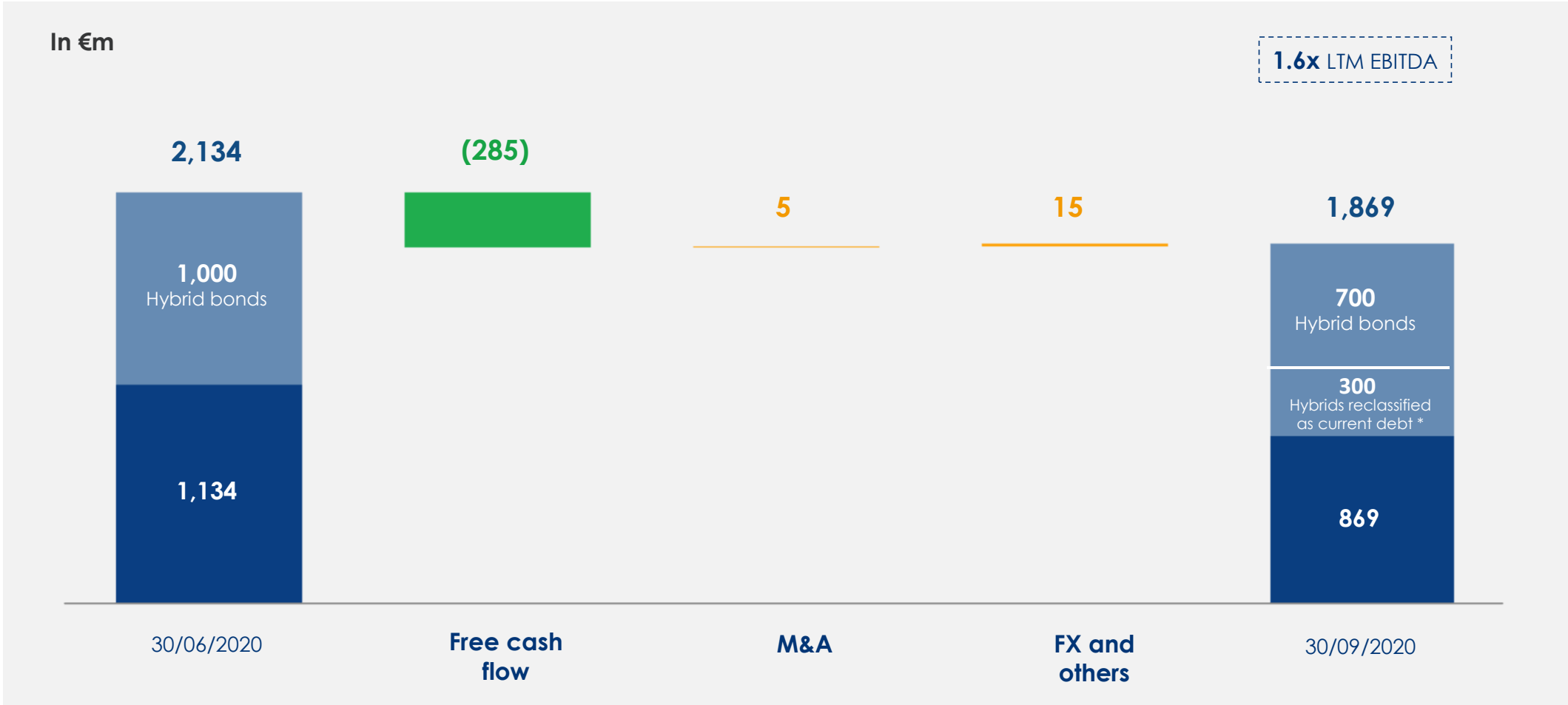
In €m	Q3'19	Q3'20
EBITDA	385	307
Current taxes	(48)	(31)
Cost of debt	(24)	(19)
Change in working capital and fixed assets payables ¹	59	160
Recurring capital expenditure	(118)	(105)
Exceptional capital expenditure	(30)	(33)
Non-recurring items and others	(6)	6
FREE CASH FLOW	218	285
Impact of portfolio management	(594)	(5)
NET CASH FLOW	(376)	280

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

Q3'20 HIGHLIGHTS

- ❖ **Tax rate Q3'20: ~22% of REBIT** (excl. exceptional items)
- ❖ **Strict working capital management**
 - 13.9% working capital on annualized quarterly sales (16.4% at 30 September 2019)
- ❖ **Lower capital expenditure vs Q3'19**
 - The Group **confirms ~€600m of recurring and exceptional capex for 2020**
- ❖ **Impact of portfolio management in Q3'19 (€594m) mainly corresponding to ArrMaz acquisition**

Q3'20 NET DEBT BRIDGE (INCLUDING HYBRID BONDS)



1.6x LTM EBITDA

* Refunded in October 2020

PORTFOLIO MANAGEMENT HIGHLIGHTS SINCE 1 JANUARY 2020



Bolt-on acquisitions in Adhesive Solutions

Divestment

LIP

FIXATTI

IDEAL WORK

FUNCTIONAL POLYOLEFINS

Danish leader in tile adhesives, water proofing systems and floor preparation solutions

Revenue of **~€30m per year**

Markets: construction

In line with Bostik's **geographical expansion** strategy

Finalized on **3 January 2020**

Leading global manufacturer of **high-performance thermobonding adhesive powders**

Revenue of **~€55m per year**

Markets: construction, technical coatings, batteries and automotive

In line with Bostik's **growth** strategy in **high performance adhesives for Industrial Assembly**

Closing 1 October 2020

Specialized in **high-end decorative flooring technologies**, especially micro-cement

Revenue of **~€10m per year**

Markets: flooring renovation and decoration

In line with Bostik's **growth** strategy in the **construction market**

Closing 1 October 2020

Sale of Arkema's **Functional Polyolefins business**, part of PMMA activity, to SK Global Chemical

Revenue of **~€250m per year**

Markets: food packaging, cable, electronics and coating markets

Enterprise value of **€335 million** net proceeds of **€246 million**)

Finalized on **1 June 2020**

MAIN ORGANIC GROWTH PROJECTS SINCE 1 JANUARY 2020



Attractive growth capex in Advanced Materials

KERTEH 2

Doubling of the methyl mercaptan production capacity at Kerteh site in Malaysia

Supporting the strong growth of the animal feed, petrochemical and refining markets in Asia

Strengthening the Group's world leading position in **high value added sulfur derivative**

Start-up in **Q1 2020**



New plant in industrial adhesives

JAPAN

New **world-scale industrial adhesives plant** in Nara

Markets: diapers, hygiene, packaging, labelling, transportation and electronics

In line with Bostik's **geographical expansion** strategy

Start-up in September 2020



Innovative partnership for the supply of (AHF)

NUTRIEN

Long term stable and competitive AHF supply for Calvert City site (US)

~50% for high added value fluoropolymers and fluoro-derivatives, ~50% for low-GWP fluorogases

Greater environmental protection than more traditional production processes

US\$150 million investment in a 40 kt/year AHF production plant at Nutrien's site in North Carolina (start-up expected **first half 2022**)

CSR HIGHLIGHTS

PORTFOLIO SUSTAINABILITY ASSESSMENT



65% of Group sales assessed at end Sept. 2020
(44% at end 2019)

Around **46%** of assessed sales significantly contribute to UN SDGs



ELIUM®

- ✦ **ZEBRA** project for the **first 100% recyclable** wind turbine blade
- ✦ **2020 Pierre Potier Prize: Elium®** thermoplastic resin for wind turbines

CLIMATE & ENVIRONMENT (9M'20 vs end 2019)

CLIMATE



Around
-10%

AIR



More than
-10%

WATER



More than
-5%

ENERGY



Broadly stable

Driven by proactive actions of the Group

while lower volumes had a slight favorable impact on climate and a negative impact on energy

Indicators in absolute value for GHG (climate) and in intensity for VOC (air), COD (water) and energy.

FIRST EVER GREEN BOND

- ✦ **€300m, 6 years** maturity, coupon **0.125%**, dedicated to **new world-scale plant** in Singapore for **100% bio-based Rilsan® PA 11**



RANKING #11

- ✦ **#11** in the Wall Street Journal's ranking of the **100 "Most Sustainably Managed Companies in the World"**, and **#1** in the chemical sector

OUTLOOK

- ❖ The fourth quarter is marked by a **second wave of Covid-19** in many countries, especially in Europe, which could weigh on global demand.
- ❖ In this uncertain environment, Arkema estimates at this stage that **activity levels** should nevertheless be **in the continuity of those of the third quarter**, excluding a significant impact on the global economy linked to the new sanitary restrictions.
- ❖ **Fourth-quarter sales could therefore decline by around 7% year on year at constant scope and currency**, reflecting a solid performance of the construction market for Bostik and Coating Solutions, a sequential improvement for High Performance Polymers, but a continued marked decline in Intermediates.
- ❖ Arkema will continue to focus its efforts on the elements that are within its control, notably cost reduction initiatives and the strict management of working capital and capital expenditure.
- ❖ The Group will continue to implement its long-term strategy, in line with its ambition to become a pure player in Specialty Materials by 2024.

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 continues to rapidly spread 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. These risk factors are further developed in the 2019 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 2019 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 free cash flow excluding exceptional capital expenditure divided by EBITDA