

Q2'23 AND H1'23 INVESTOR AND ANALYST FACTSHEET

KEY FINANCIAL DATA

<i>in millions of euros</i>	Q2'23	Q2'22	Change	H1'23	H1'22	Change
Sales	2,442	3,184	-23.3%	4,966	6,071	-18.2%
Prices	-6.6%			-2.2%		
Volumes	-15.2%			-16.7%		
Currency	-1.9%			-0.6%		
Scope	+0.4%			+1.3%		
EBITDA	417	705	-40.9%	784	1,324	-40.8%
Specialty Materials ⁽¹⁾	368	600	-38.7%	715	1,156	-38.1%
Intermediates	69	129	-46.5%	118	223	-47.1%
Corporate	-20	-24		-49	-55	
EBITDA margin	17.1%	22.1%		15.8%	21.8%	
Specialty Materials	16.6%	21.0%		15.8%	21.2%	
Intermediates	32.5%	40.1%		27.4%	37.6%	
Recurring depreciation and amortization	-132	-135		-265	-266	
Recurring EBIT	285	570	-50.0%	519	1,058	-50.9%
REBIT margin	11.7%	17.9%		10.5%	17.4%	
PPA depreciation and amortization	-32	-21		-63	-40	
Non-recurring items	-32	-35		-39	-70	
Equity in income of affiliates	-2	0		-5	-1	
Financial result	-16	-6		-35	-14	
Income taxes	-51	-106		-92	-201	
Net income - Group share	152	401	-62.1%	284	730	-61.1%
Adjusted net income	207	443	-53.3%	369	819	-54.9%
Adjusted EPS (€)	2.77	5.99	-53.8%	4.94	11.07	-55.4%
Recurring capital expenditure	-130	-99	+31.3%	-212	-171	+24.0%
Exceptional capital expenditure	-5	-26	-80.8%	-12	-66	-81.8%
Recurring cash flow ⁽²⁾	145	235	-38.3%	124	261	-52.5%
Free cash flow	115	211	-45.5%	69	188	-63.3%
Net debt incl hybrid bonds	2,645	2,789		2,645	2,789	

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

(2) Recurring cash flow corresponds to the free cash flow before exceptional items. It excludes non-recurring cash flows and exceptional capital expenditure

SIMPLIFIED CASH FLOW

<i>in millions of euros</i>	Q2'23	Q2'22	Change	H1'23	H1'22	Change
EBITDA	417	705	-40.9%	784	1,324	-40.8%
Current taxes	-57	-117	-51.3%	-112	-218	-48.6%
Cost of debt	-12	-13	-7.7%	-28	-26	+7.7%
Change in working capital and fixed asset payables *	-42	-217		-285	-628	
Recurring capital expenditure	-130	-99	+31.3%	-212	-171	+24.0%
Others	-31	-24		-23	-20	
Recurring cash flow	145	235	-38.3%	124	261	-52.5%
Exceptional capital expenditure	-5	-26	-80.8%	-12	-66	-81.8%
Non-recurring items	-25	2		-43	-7	
Free cash flow	115	211	-45.5%	69	188	-63.3%
Impact of portfolio management	-69	-11		-39	-1,507	
Net cash flow	46	200	-77.0%	30	-1,319	

(*) Excluding non-recurring items and impact of portfolio management

PERFORMANCE BY SEGMENT

<i>in millions of euros</i>		Q2'23	Q2'22	Change	H1'23	H1'22	Change
Sales		2,442	3,184	-23.3%	4,966	6,071	-18.2%
Specialty Materials		2,221	2,852	-22.1%	4,517	5,459	-17.3%
Adhesive Solutions		692	779	-11.2%	1,390	1,449	-4.1%
Advanced Materials		912	1,113	-18.1%	1,849	2,188	-15.5%
Coating Solutions		617	960	-35.7%	1,278	1,822	-29.9%
Intermediates		212	322	-34.2%	430	593	-27.5%
EBITDA		417	705	-40.9%	784	1,324	-40.8%
Specialty Materials		368	600	-38.7%	715	1,156	-38.1%
Adhesive Solutions		95	111	-14.4%	188	201	-6.5%
Advanced Materials		185	282	-34.4%	345	556	-37.9%
Coating Solutions		88	207	-57.5%	182	399	-54.4%
Intermediates		69	129	-46.5%	118	223	-47.1%
Corporate		-20	-24		-49	-55	
EBITDA margin		17.1%	22.1%		15.8%	21.8%	
Specialty Materials		16.6%	21.0%		15.8%	21.2%	
Adhesive Solutions		13.7%	14.2%		13.5%	13.9%	
Advanced Materials		20.3%	25.3%		18.7%	25.4%	
Coating Solutions		14.3%	21.6%		14.2%	21.9%	
Intermediates		32.5%	40.1%		27.4%	37.6%	
Recurring EBIT		285	570	-50.0%	519	1,058	-50.9%
Specialty Materials		250	482	-48.1%	478	923	-48.2%
Adhesive Solutions		75	92	-18.5%	147	165	-10.9%
Advanced Materials		117	215	-45.6%	210	422	-50.2%
Coating Solutions		58	175	-66.9%	121	336	-64.0%
Intermediates		57	114	-50.0%	93	193	-51.8%
Corporate		-22	-26		-52	-58	

SALES BY BUSINESS LINE

<i>in millions of euros</i>		Q2'23	Q2'22	Change	H1'23	H1'22	Change
Sales Adhesive Solutions		692	779	-11.2%	1,390	1,449	-4.1%
Construction & Consumer		321	356	-9.8%	644	704	-8.5%
Industrial Assembly		371	423	-12.3%	746	745	+0.1%
Sales Advanced Materials		912	1,113	-18.1%	1,849	2,188	-15.5%
High Performance Polymers		375	506	-25.9%	757	1,015	-25.4%
Performance Additives		537	607	-11.5%	1,092	1,173	-6.9%
Sales Coating Solutions		617	960	-35.7%	1,278	1,822	-29.9%
Coating Resins		448	703	-36.3%	932	1,322	-29.5%
Coating Additives		169	257	-34.2%	346	500	-30.8%
Sales Intermediates		212	322	-34.2%	430	593	-27.5%

SALES DEVELOPMENT

	Q2'23				H1'23			
	Price	Volume	Fx	Scope	Price	Volume	Fx	Scope
Total Group	-6.6%	-15.2%	-1.9%	+0.4%	-2.2%	-16.7%	-0.6%	+1.3%
Specialty Materials	-6.4%	-14.3%	-1.8%	+0.4%	-1.8%	-16.4%	-0.5%	+1.4%
Adhesive Solutions	+2.3%	-12.7%	-2.7%	+1.9%	+4.3%	-12.7%	-1.4%	+5.7%
Advanced Materials	-7.1%	-8.1%	-1.8%	-1.1%	+0.3%	-14.2%	-0.5%	-1.1%
Coating Solutions	-12.7%	-22.9%	-1.0%	+0.9%	-9.2%	-21.8%	+0.2%	+0.9%
Intermediates	-8.4%	-23.3%	-2.5%	-	-5.7%	-20.6%	-1.2%	-

DISCLAIMER

Balance sheet, income statement and cash flow statement data, as well as information by segment included in this document are extracted from the condensed consolidated financial statements at 30 June 2023 as approved by Arkema's Board of Directors on 27 July 2023. Quarterly financial information is not audited.

Information by segment is presented in accordance with Arkema's internal reporting system used by management.

Details of the main alternative performance indicators used by the Group are provided in the tables appended to this press release. For the purpose of analyzing its results and defining its targets, the Group also 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.

For the purpose of tracking changes in its results, and particularly its sales figures, the Group analyzes the following effects (unaudited analyses):

- **scope effect:** the impact of changes in the Group's scope of consolidation, which arise from acquisitions and divestments of entire businesses or as a result of the first-time consolidation or deconsolidation of entities. Increases or reductions in capacity are not included in the scope effect;
- **currency effect:** the mechanical impact of consolidating accounts denominated in currencies other than the euro at different exchange rates from one period to another. The currency effect is calculated by applying the foreign exchange rates of the prior period to the figures for the period under review;
- **price effect:** the impact of changes in average selling prices is estimated by comparing the weighted average net unit selling price of a range of related products in the period under review with their weighted average net unit selling price in the prior period, multiplied, in both cases, by the volumes sold in the period under review;
- **volume effect:** the impact of changes in volumes is estimated by comparing the quantities delivered in the period under review with the quantities delivered in the prior period, multiplied, in both cases, by the weighted average net unit selling price in the prior period.

Building on its unique set of expertise in materials science, **Arkema** offers a portfolio of first-class technologies to address ever-growing demand for new and sustainable materials. With the ambition to become in 2024 a pure player in Specialty Materials, the Group is structured into 3 complementary, resilient and highly innovative segments dedicated to Specialty Materials -Adhesive solutions, Advanced Materials, and Coating Solutions- accounting for some 91 % of Group sales in 2022, and a well-positioned and competitive Intermediates segment. Arkema offers cutting-edge technological solutions to meet the challenges of, among other things, new energies, access to water, recycling, urbanization and mobility, and fosters a permanent dialogue with all its stakeholders. The Group reported sales of around €11.5 billion in 2022 and operates in some 55 countries with 21,100 employees worldwide.

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