ARKEMA INNOVATIVE MATERIALS FOR A SUSTAINABLE WORLD

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Chairman and CEO

EXANE BNP PARIBAS

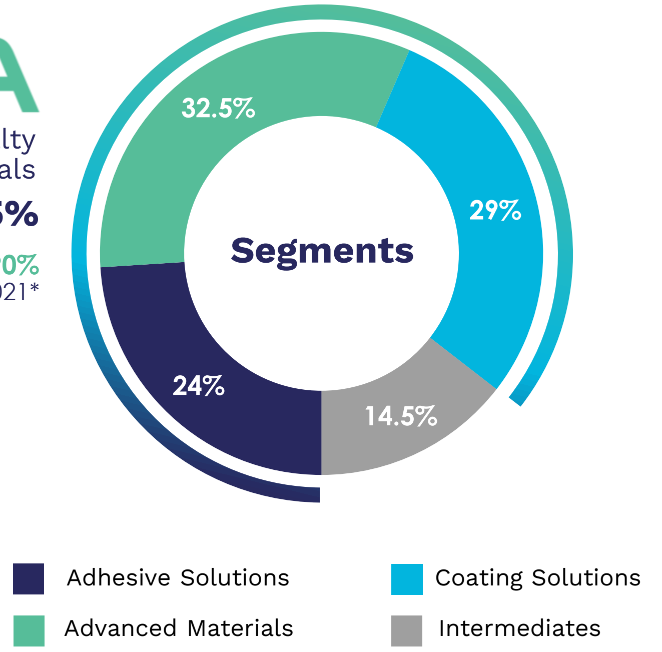
24th EUROPEAN CEO CONFERENCE

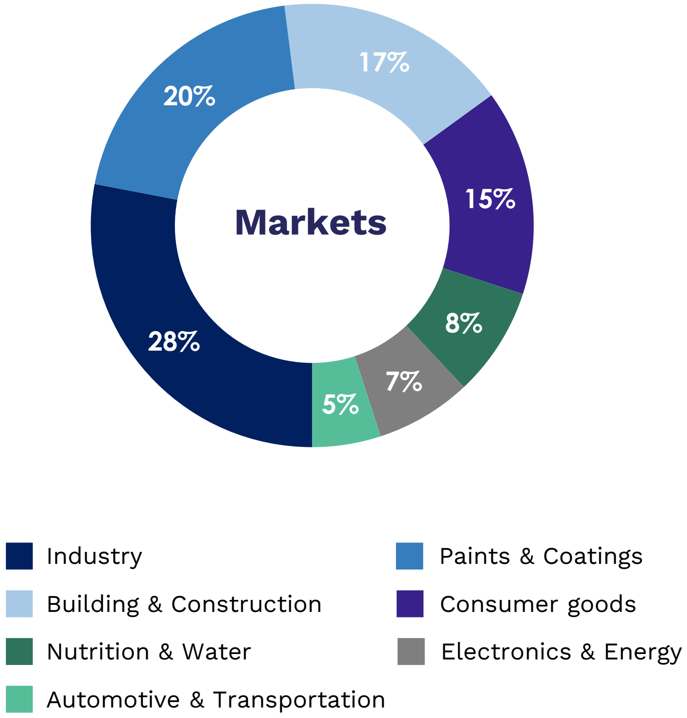
15 June 2022 - Paris, FRANCE

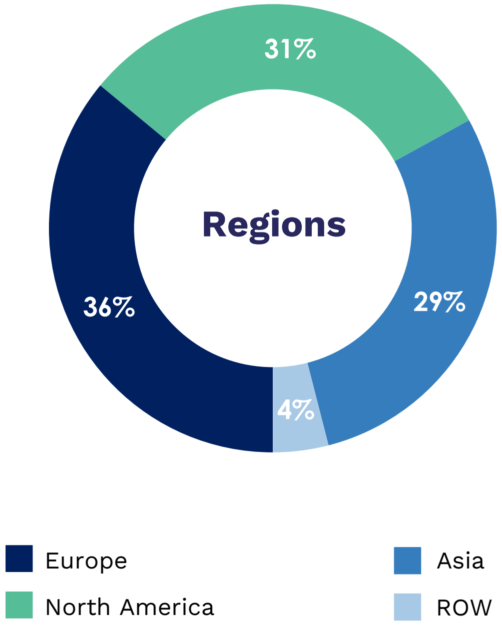
Arkema in a snapshot

Arkema at a glance (2021)

Specialty Materials
85.5%
Close to **90%** *pro forma* 2021*







* Including full year contribution of all M&A operations announced in 2021

€9.5bn sales
18.1% EBITDA margin

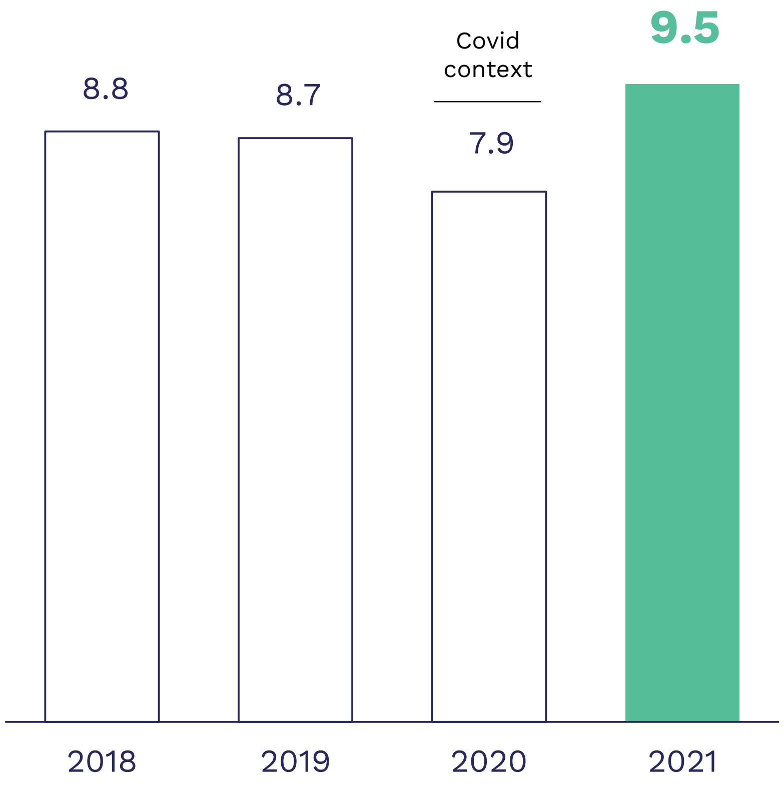
20,200 employees
55 countries

141 plants operated

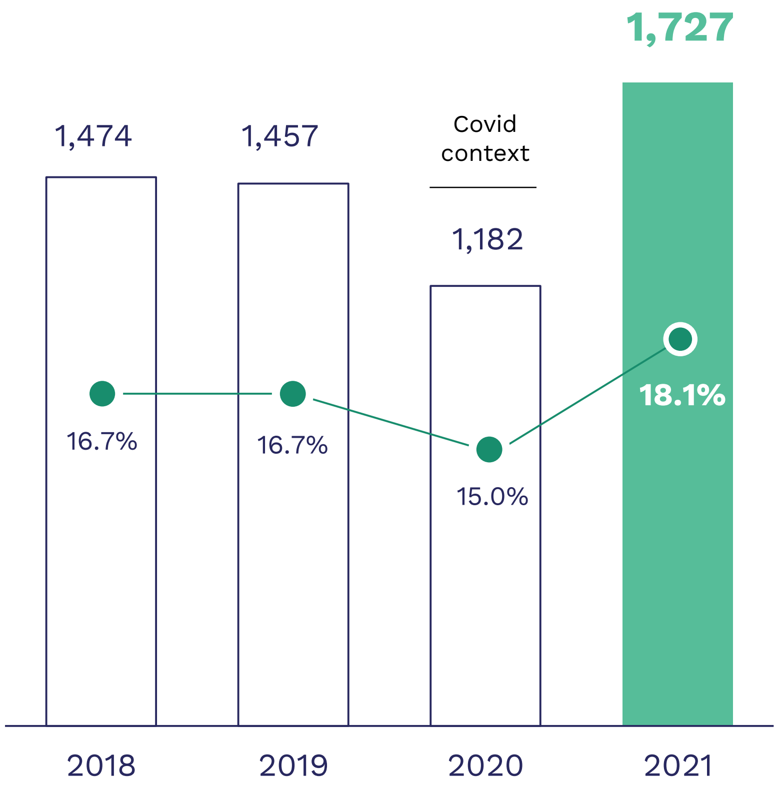
€758m
capital expenditure

2.6% of revenues
invested in R&D

Excellent 2021 financial performance in a demanding context



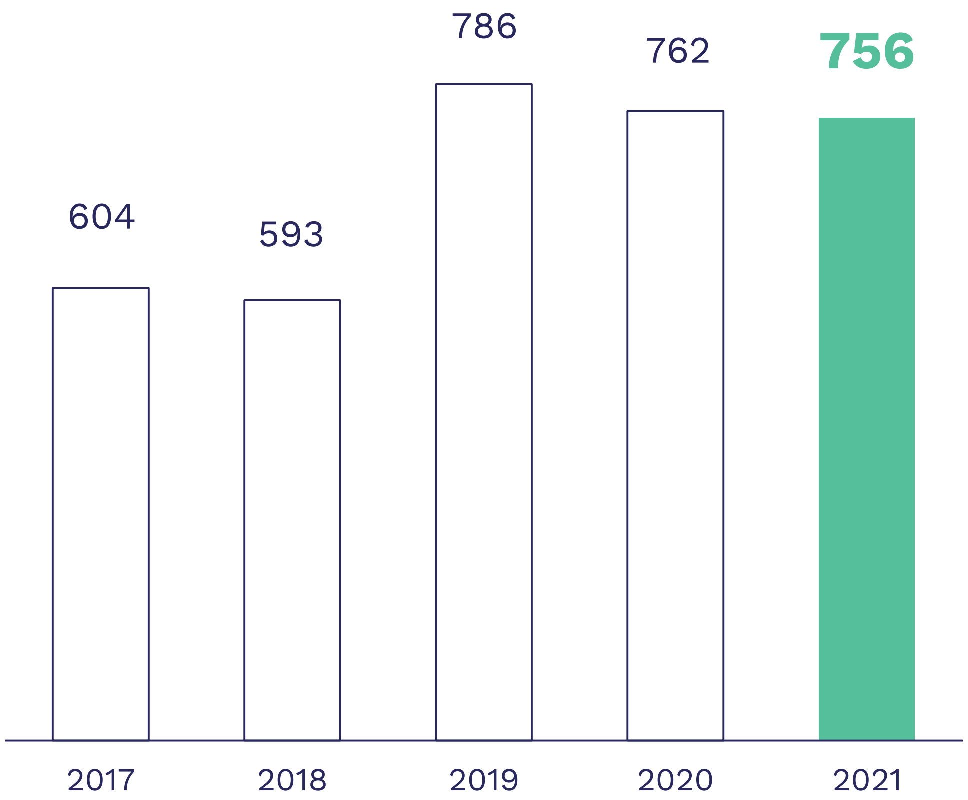
Sales (€bn)



EBITDA (€m)

EBITDA margin (%)

Strong cash generation



Recurring cash flow (€m)

→ **EBITDA to cash conversion rate**

43.8% in 2021

In line with the long-term target of 40%

→ **Tightly controlled working capital**

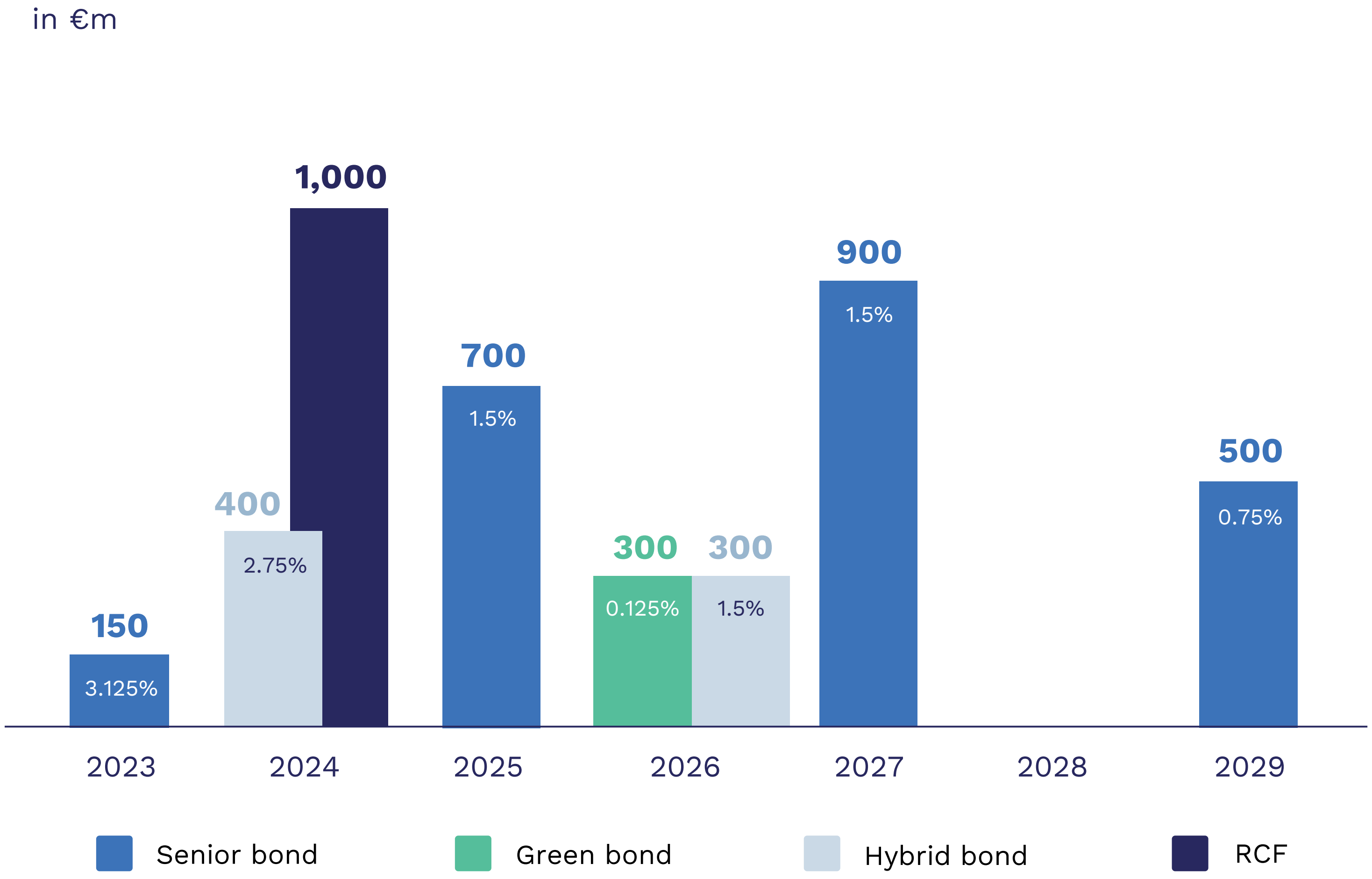
12.7% of sales at end-December 2021

→ **Recurring capital expenditure**

€506 m in 2021

Excluding the 2 major projects of PA11 in Singapore and hydrofluoric acid with Nutrien in the United States (€252 m)

Well-established financial resources



→ **Average maturity**

4.6 years

→ **RCF**

One year extension to July 2024

Integration of **3 CSR criteria**

→ **Solid credit rating maintained**

BBB+ stable outlook (S&P)

Baa1 stable outlook (Moody's)

Continued progress in CSR

→ **Best-in-class safety** level in the industry

1.0

accident per million hours worked (TRIR)

1.0 in 2020

→ **Reinforced actions** in **process safety**

3.1

process safety events per million hours worked (PSER)

4.0 en 2020

→ **Significant progress** in our **Climate plan**

-34%

greenhouse gas emissions *versus* 2015

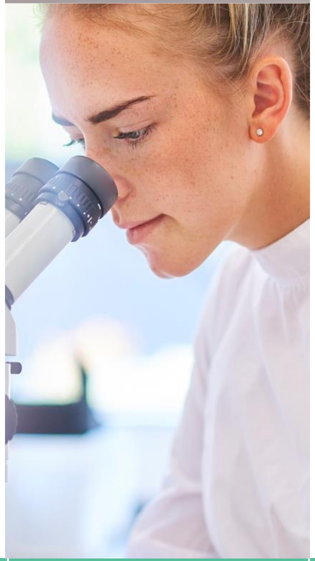
-23% in 2020

→ **Continued strengthening** of **diversity**

24%

of women in senior management and executive positions

23% in 2020



2021 data

Recognized non-financial performance

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

→ **3rd place in DJSI World 2021**
« *Chemicals* » category

CSA score by S&P Global : **82**

MSCI Rating : **A**

CDP
DISCLOSURE INSIGHT ACTION

B for climate change

ecovadis

Among the best performing **1%** in the sector

V.E

Superior percentile
across all sectors

Score : **67**

SUSTAINALYTICS
a Morningstar company
RATED

ISS ESG

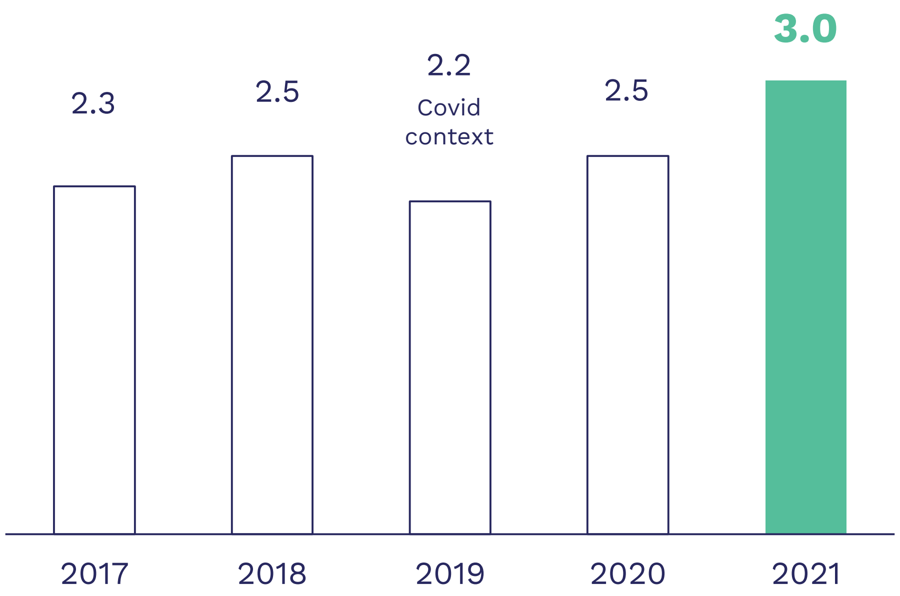
1st decile (global)
(Sept 2021)

CAC 40® ESG

Inclusion in the new Euronext index (2021)

Strong value creation for shareholders

→ **Gradual increase in the dividend**

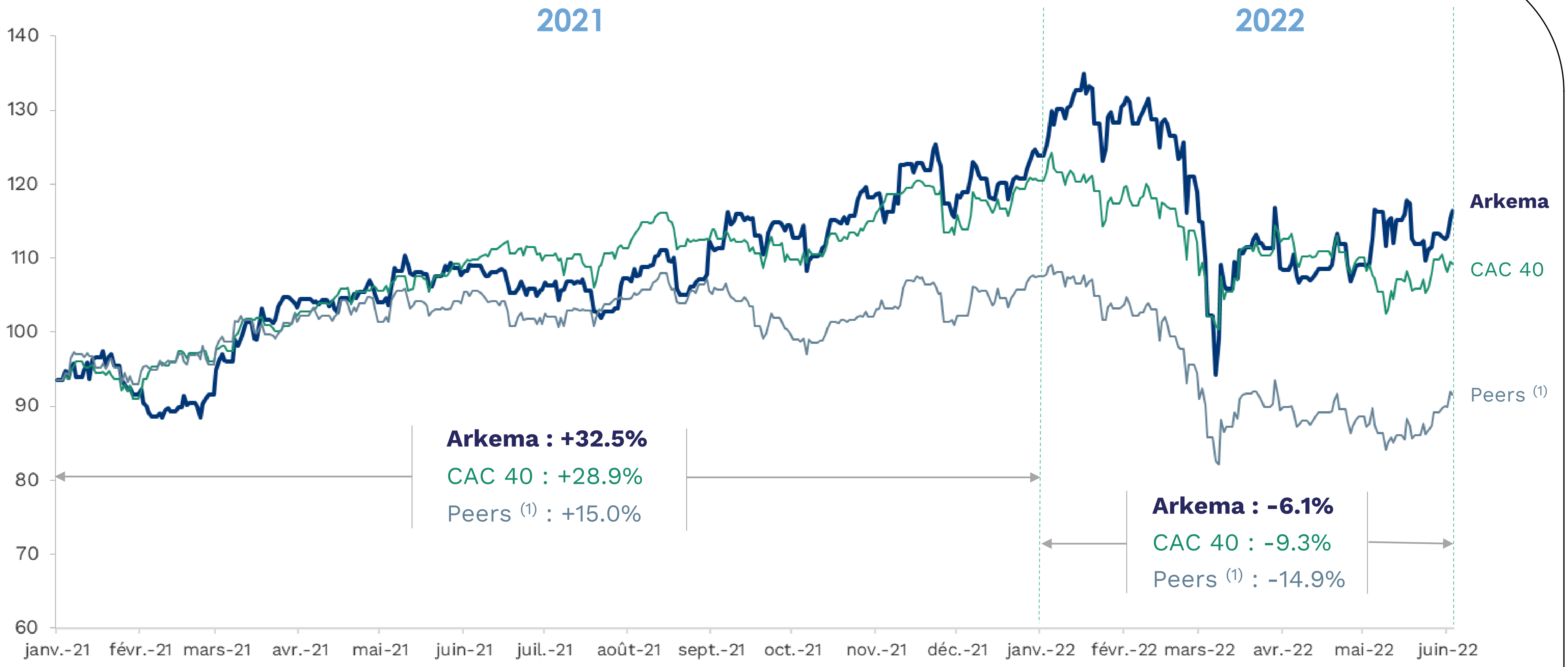


Dividend
(in €/share) per fiscal year

→ **€300m share buyback program** finalized in November 2021

→ **Share capital reduction** of 3.2% by cancelling shares in January 2022

Share price evolution since 1st January 2021



1. The peer group includes : Solvay, BASF, Lanxess, Clariant, Sika, Evonik, HB Fuller and the MSCI Europe index

Strategy and ambition

Our 2024 ambition

A Specialty Materials leader

Sales of
€10 to **11 bn**

EBITDA margin of
17%

Organic growth
3 to **3.5%** / year

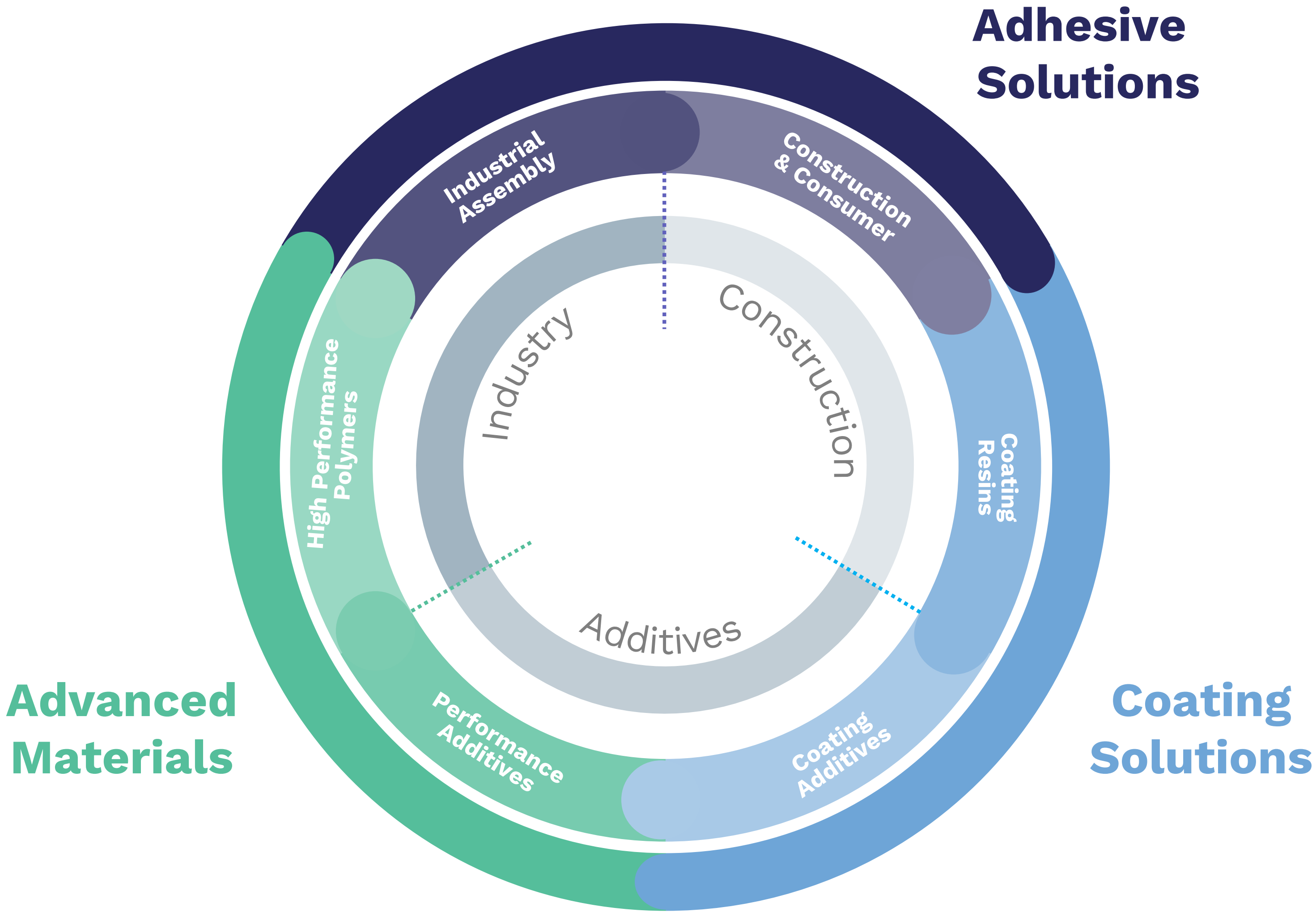
Cash generation **> 40%**

Strict financial discipline

- → Net debt (incl. hybrid bonds) on EBITDA ratio **<2x**
- → Solide investment grade rating

Deconsolidation of the Intermediates segment

Innovative materials for a sustainable world



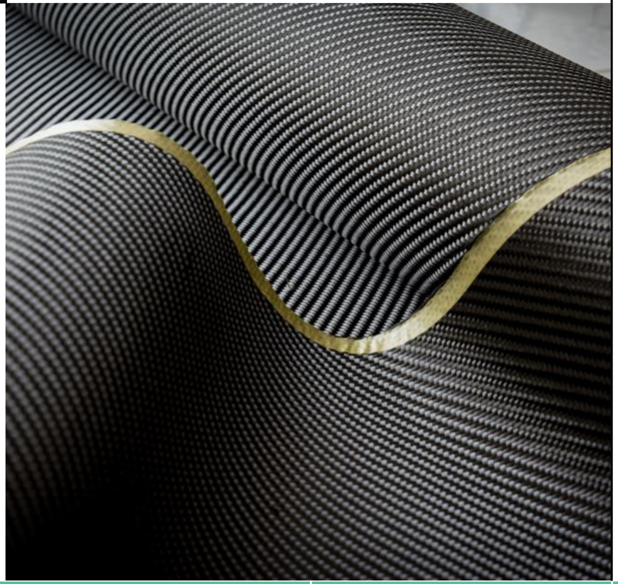
A strategy supported by 4 levers

Strengthen Specialty Materials with **bolt-on acquisitions**

Rank among the best-in-class chemicals companies in terms of **CSR**

Accelerate **organic growth** and **sustainable innovation**

Pursue **operational and commercial excellence** initiatives



Expanding opportunities from our sustainability-driven innovation

New energies and clean mobility	Lightweight materials and design	Living comfort and home efficiency	Natural resources and circular economy	Electronics solutions

Battery | Hydrogen | Lifestyle | Home | Electronics

We expect to generate

€1.5 bn

of additional sales by 2030*

vs €1.0 bn previously announced

* Compared with 2019

Strong growth potential in clean mobility

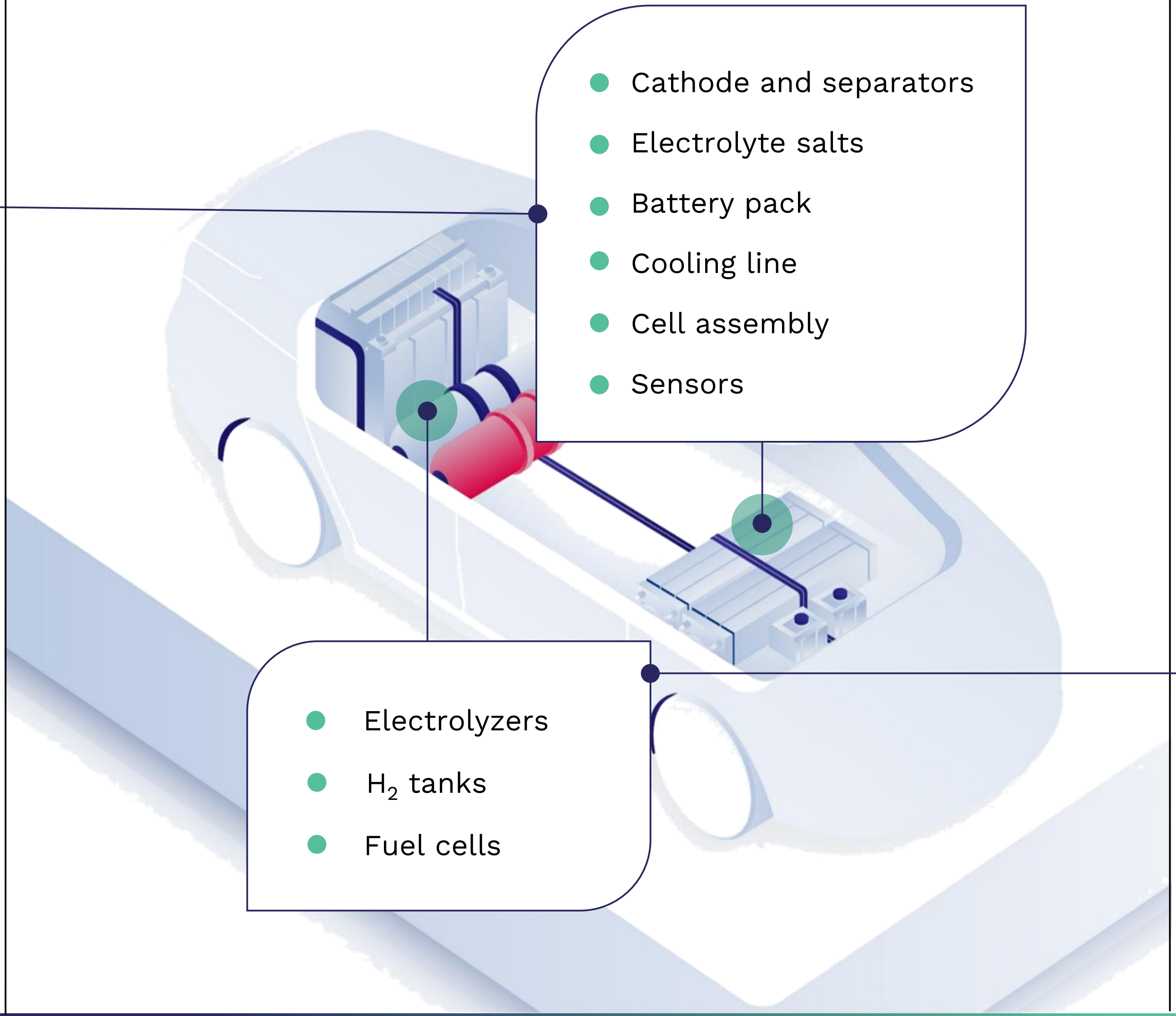
Batteries

€1 bn
sales in **batteries**
by 2030

New centre of excellence
in Pierre-Bénite, FR

Partnerships with new players
Verkor, Morrow

Dedicated **cooperation** with **CNRS** in France and with numerous **start-ups**



Hydrogen

A more recent roll-out with **significant growth potential**

Increased demand for sustainable lifestyle products

Consumer goods

Customizable & bio-based eyeglass frames

Bio-based, recyclable toys

Technical bio-based textile

High performance sports

100% recyclable running shoes

High energy return foam outsoles for sports shoes

Bio-based ski boots

Consumer electronics

Durable components for smartphones, tablets, TVs

Bio-based & recyclable wearable devices

>20%

CAGR 2020-2025 *

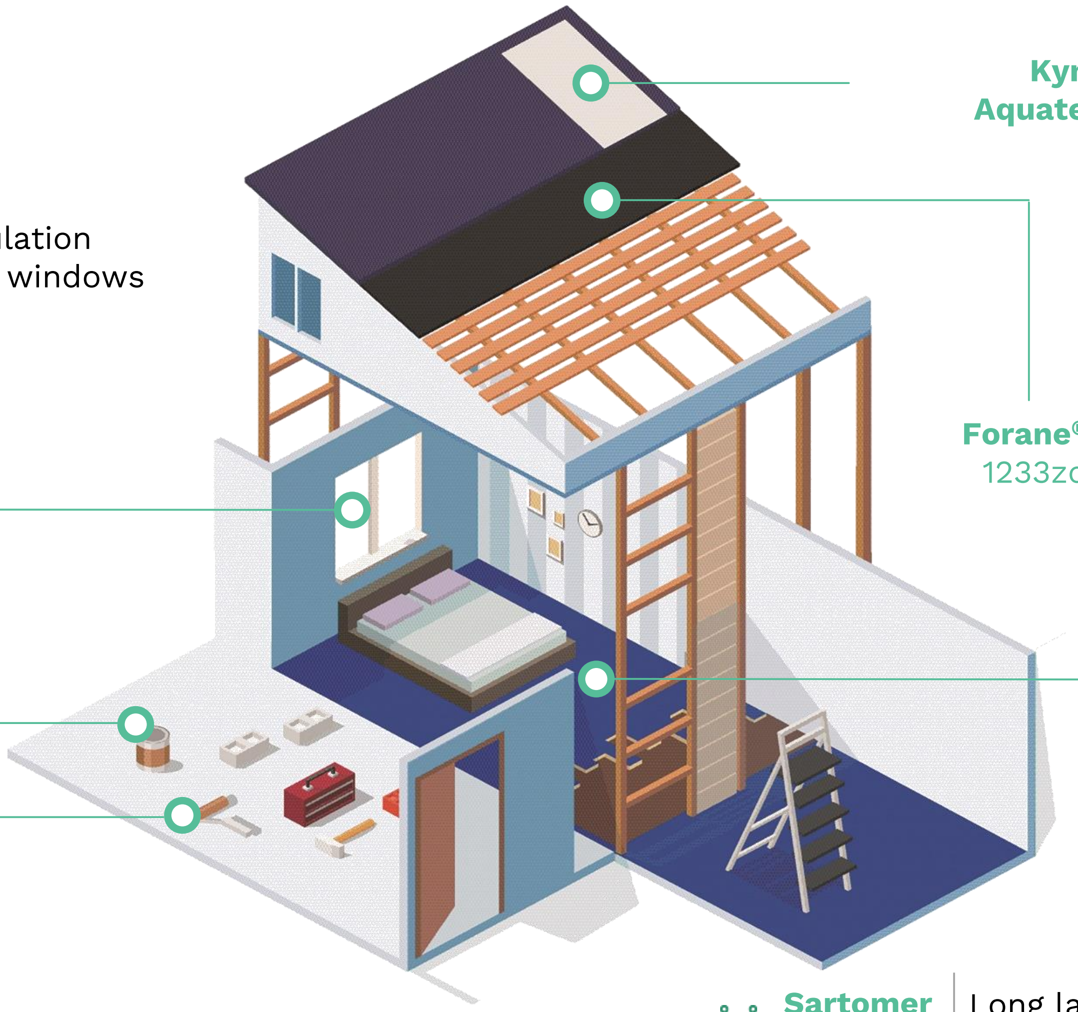
* Source: Arkema's demand growth estimation

Agiplast acquisition in 2021
to develop high performance polymers **recycling**

Extended range of products for living comfort and home efficiency

Bio-based

Low VOC



Kynar Aquatec® | Cool roofs, eco-friendly alternative to air-conditioning

Siliporite® | High thermal insulation double gazing for windows

Forane® 1233zd | Highly insulated foam panels

Bostik solutions | “Free from toxic” adhesives & sealants

Synaqua® | Bio-based, low VOC decorative paints

Sartomer solutions | Long lasting protection for wooden floors & surfaces

Major 100% bio-based polyamide project in Singapore

Rilsan® polyamide 11

+50% global capacity in Singapore

Start-up mid-2022

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

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

Bio-based, renewable

Recyclable

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

A more sustainable fluorinated upstream in the United States

Hydrofluoric acid

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

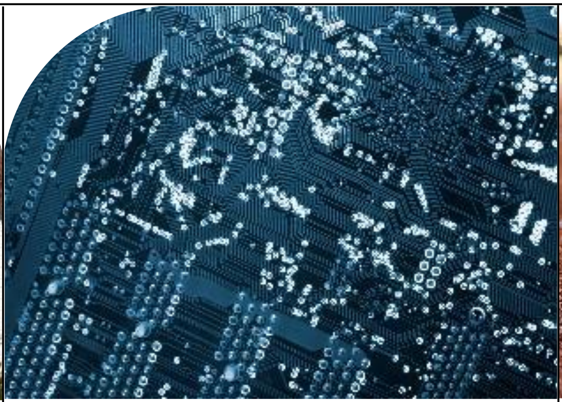
Start-up mid-2022

US$150 m investment

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

Batteries, electronics, water treatment

High return expansions to capture sustainable growth

			
Kynar® PVDF	**Forane®**	**Sartomer®**	**Pebax®**
+50% capacity in Changshu, CN (end-2022) **+50%** capacity in Pierre-Bénite, FR (Q1'23)	**15 kt/yr** 1233zd capacity in Calvert City, US (end-2023)	**+100%** photocure resins capaci<ty in Nansha, CN (H2'23)	**+25%** global capacity in Serquigny, FR (mid-2023)
Kynar® CTO			Pebax® Rnew®
Li-ion battery, water filtration, specialty coatings, electronics	Buildings' thermal isolation, battery thermal management	Electronics, renewable energy	Sports, consumer goods

Bio-based, renewable

Recyclable

Solvent-free

Less emissive

Key steps achieved in portfolio transformation in 2021

Two major steps to refocus our portfolio towards Specialty Materials

ASHLAND PERFORMANCE ADHESIVES



Acquisition, expected to close in Q1'22
EV: US$1,650m
8.7x EBITDA after pre-tax synergies

PMMA

Divestment to Trinseo, closing 3 May 2021
EV: €1,137m
> 9x EBITDA

Bolt-on M&A operations

POLIPLÁS selantes e fixadores
EDGE ADHESIVES
AGIPLAST COMPOUNDING FOR TOMORROW
permoseal

ACQUISITIONS

EPOXIDES BUSINESS

DIVESTMENT

Ongoing development of our 3 CSR structuring programs

Archimedes program

Moving toward higher positive impact

ImpACT+ target

65% of our sales significantly contributing to UN SDGs **by 2030**

51% in 2021 [1] *(50% in 2020)*

Circular Economy

A sustainable resource management

Life Cycle Analysis target

50% of our sales covered by a Life Cycle Analysis **by 2024**

27% in 2021 *(22% in 2020)*

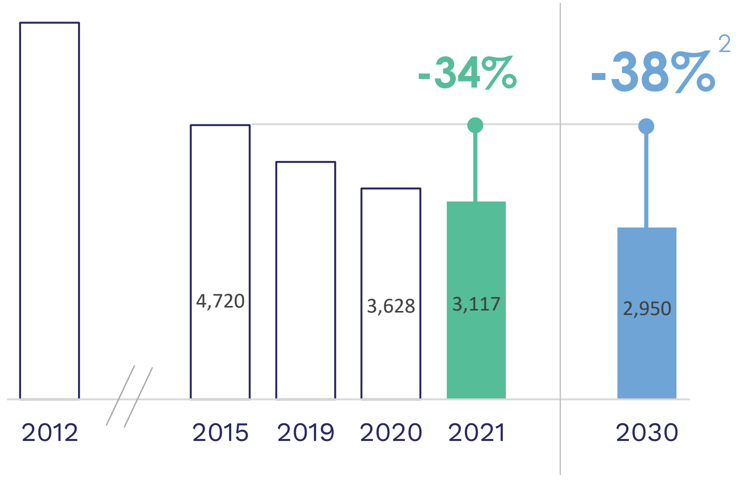
Climate Plan

Contain global warming

Commitment to Paris Agreement

Science Based Target wb 2°C

In kt CO_2 eq.



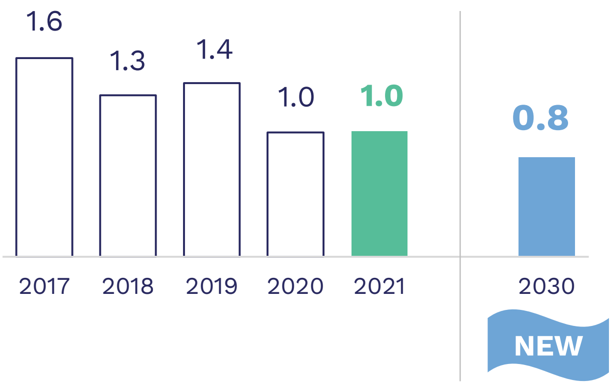
(1) Portfolio Sustainability Assessment on 85% of sales assessed in 2021 and 72% in 2020

(2) GHG emissions (scopes 1 & 2 + ODS) absolute target *vs* 2015

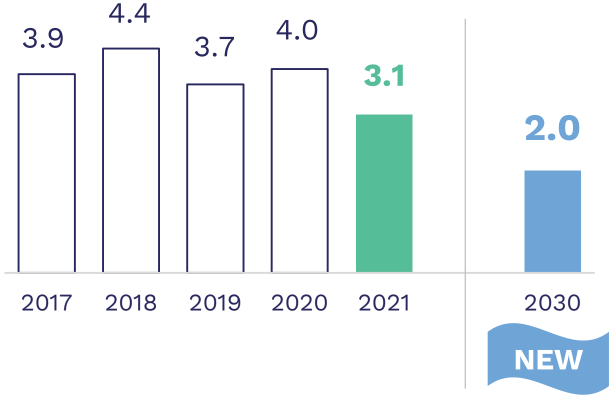
Strengthening safety and promoting diversity

Safety

TRIR (Number of accidents per million hours worked)



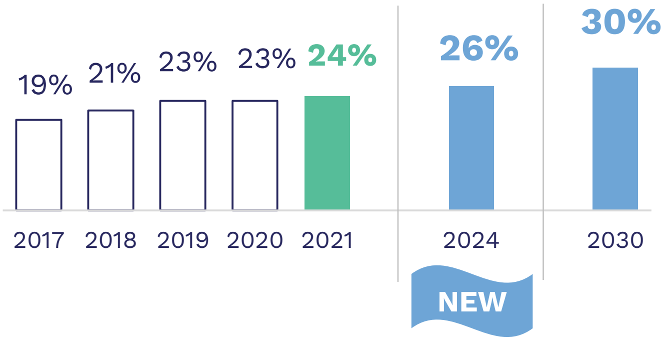
PSER (Process safety events rate per million hours worked)



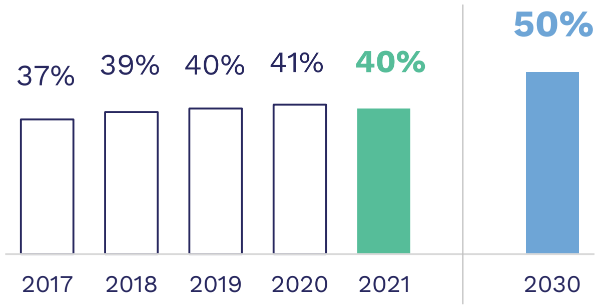
Diversity

in senior management and executive positions

Women



Non-French



ARKEMA CARES 2021
global engagement survey

82% of employees stating their full engagement

TOP EMPLOYER 2022
in 4 countries

First-quarter 2022 results

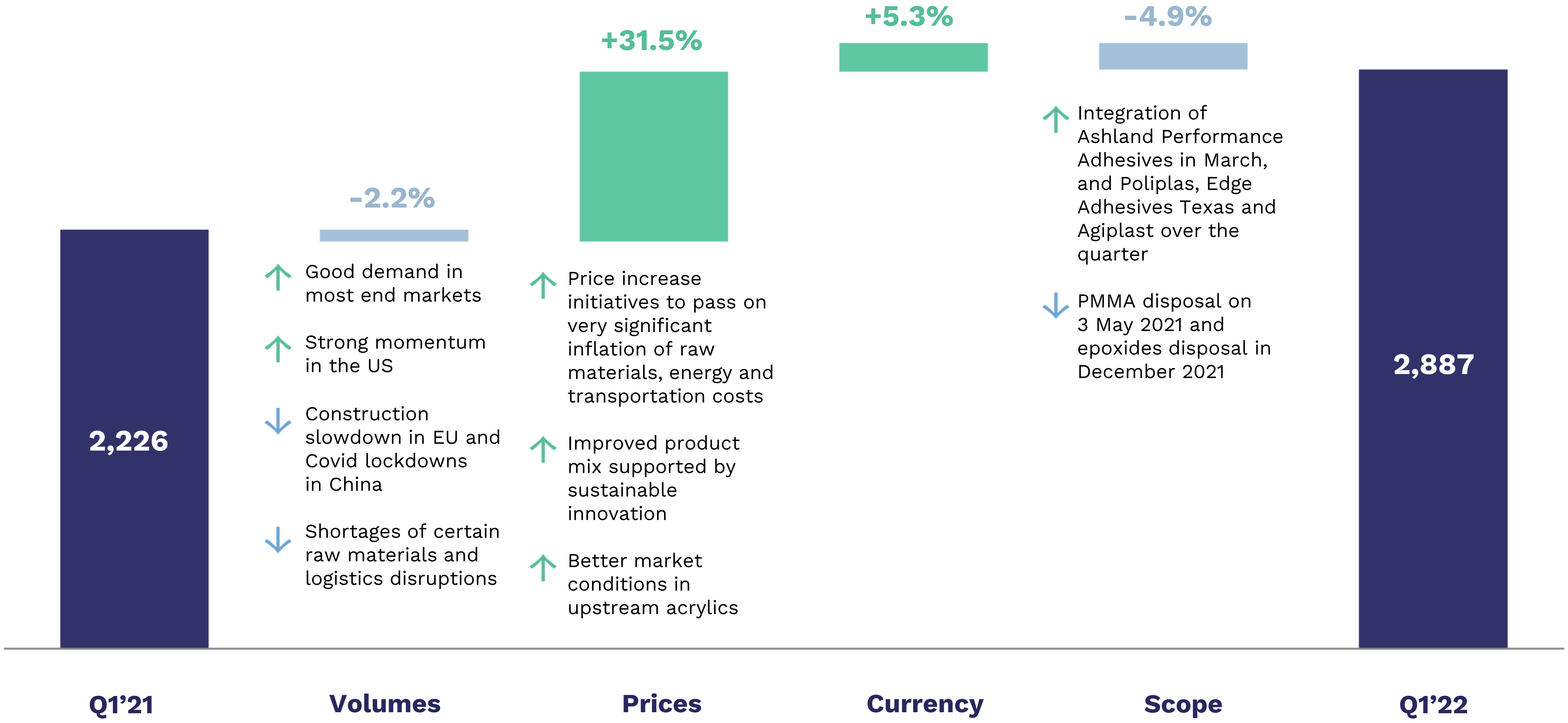
Extract from “First-quarter 2022 results and outlook” presentation (5 May 2022)

Q1'22 financial highlights

€2,887m	sales	→ Up by **30%** *vs* **Q1'21** at constant scope and currency • Volumes slightly down compared to last year's high level, mainly impacted by logistics disruptions and raw materials shortages • Improved product mix reflecting accelerating demand for high performance solutions • Adjustment to selling prices offsetting very significant inflation of raw materials, energy and transportation costs • Specialty Materials representing 90% of Group sales (82% in Q1'21)
€619m **21.4%**	EBITDA EBITDA margin	→ EBITDA up by **72.9%** *vs* **Q1'21** and strong EBITDA margin at **21.4%** → Specialty Materials EBITDA up by 82% YoY, at €556m • Solid volumes • Selling price increases in a highly inflationary context • Development of high value-added applications linked to sustainable megatrends → Intermediates' EBITDA up 25% despite PMMA disposal, supported by the improvement of Fluorogases and better conditions in upstream acrylics in Asia
€376m	adj. net income	→ Representing €4.96 per share
€2,703m	net debt (incl. hybrid bonds)	→ 1.4x LTM EBITDA → €26m recurring cash flow, including the seasonal increase in working capital and higher selling and raw materials prices

Ongoing pricing initiatives in a highly inflationary environment

Sales in €million

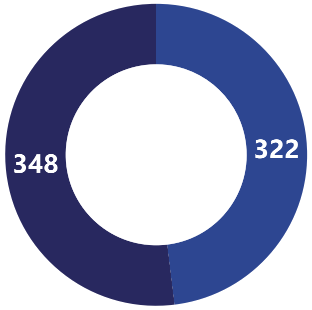


Adhesive Solutions (23% of Group sales)

Key figures

in €m	**Q1'22**	Q1'21	Change
Sales	**670**	555	+20.7%
EBITDA	**90**	86	+4.7%
EBITDA margin	**13.4%**	15.5%	
REBIT	**73**	71	+2.8%

Sales by Business Line



Construction & Consumer
Industrial Assembly

Sales development

Volumes — -4.5%

Prices — +15.8%

Currency — +3.1%

Scope — +6.3%

Highlights

→ **+15.8% price effect**, reflecting priority given to the pass-through of significant inflation of raw materials, energy and transportation

→ **Volumes down 4.5% YoY**
- High base of comparison in Q1'21
- Well-oriented volumes in the US
- Shortages of certain raw materials; situation gradually improving

→ **€90m EBITDA, up 4.7% YoY**
- Solid results in a highly inflationary environment
- Improved product mix through high value-added applications
- Integration of Ashland's performance adhesives in March
- EBITDA margin at 13.4%, reflecting the mechanical dilutive effect of price increases

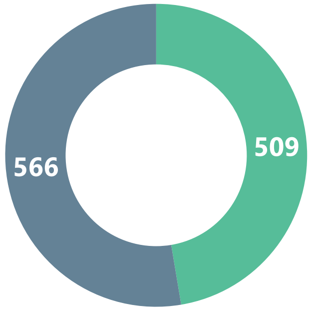
Advanced Materials (37% of Group sales)

Key figures

in €m	**Q1'22**	Q1'21 *	Change
Sales	**1,075**	752	+43.0%
EBITDA	**274**	142	+93.0%
EBITDA margin	**25.5%**	18.9%	
REBIT	**207**	75	+176.0%

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

Sales by Business Line



High Performance Polymers
Performance Additives

Sales development

Volumes	-2.0%
Prices	+39.4%
Currency	+6.1%
Scope	-0.5%

Highlights

→ **Prices up 39.4% YoY,** strongly positive in both Business Lines
- Price increase initiatives in a still marked inflationary context
- Product mix improvement and sustained momentum in batteries, lightweighting, sports, bio-based materials and electronics

→ **Volumes down 2.0% YoY**
- Favorable demand environment in most industrial markets but automotive remaining down
- Logistics disruptions, particularly maritime freight

→ **€274m EBITDA, up 93.0% YoY,** reflecting the positioning on higher value-added solutions

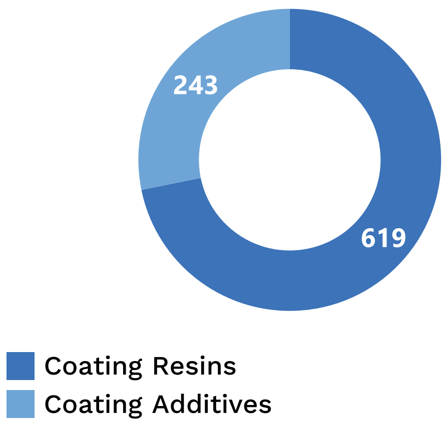
→ **EBITDA margin at a very high level of 25.5%** (18.9% in Q1'21)

Coating Solutions (30% of Group sales)

Key figures

in €m	Q1'22	Q1'21	Change
Sales	**862**	567	+52.0%
EBITDA	**192**	78	+146.2%
EBITDA margin	**22.3%**	13.8%	
REBIT	**161**	49	+228.6%

Sales by Business Line



Sales development

Volumes	+4.2%
Prices	+41.8%
Currency	+6.0%
Scope	-

Highlights

→ **+41.8% price effect**, sustained in all the segment's activities

- Price increase initiatives to offset high inflation of raw materials, energy and transportation costs
- More favorable conditions in upstream acrylics
- Product mix improvement towards higher value added solutions for living comfort and home efficiency, new energies, as well as electronics and 3D printing

→ **Volumes up 4.2% YoY**

- Demand remaining well oriented
- Favorable comparison base due to the slowdown linked to Uri storm in the US in Q1'21
- Impacted by logistics constraints

→ **€192m EBITDA** (€78m in Q1'21) and **EBITDA margin of 22.3%** (13.8% in Q1'21)

- Strong progression in upstream acrylics and in downstream activities
- Improved product mix
- Impact of Uri storm in Q1'21

Intermediates (10% of Group sales)

Key figures

in €m	**Q1'22**	Q1'21 *	Change
Sales	**271**	346	-21.7%
EBITDA	**94**	75	+25.3%
EBITDA margin	**34.7%**	21.7%	
REBIT	**79**	53	+49.1%

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

Sales development

Volumes	-10.4%
Prices	+23.1%
Currency	+5.8%
Scope	-40.2%

Highlights

→ **Scope effect of -40.2%** related to PMMA divestment

→ **Prices up 23.1% YoY**
- Favorable market conditions in acrylics in Asia
- Fluorogases positive dynamic in the US

→ **Volumes down 10.4% YoY**
- Acrylics impacted by strict lockdown measures in China at the end of the quarter
- Effect of fluorogas quotas in the US

→ **€94m EBITDA**, up 25.3% YoY, despite a negative €30m scope effect

→ **EBITDA margin at 34.7%**
- Fluorogases margin recovery compared to the low level of previous years
- Better conditions in upstream acrylics in Asia

Q1'22 Cash flow

in €million

Reconciliation of EBITDA to net cash flow

	Q1'22	Q1'21
EBITDA	**619**	358
Current taxes	-101	-49
Cost of debt	-13	-13
Change in working capital and fixed assets payables [1]	-411	-187
Recurring capital expenditure	-72	-72
Others	4	16
Recurring cash flow	**26**	53
Exceptional capital expenditure	-40	-53
Non-recurring items	-9	-16
Free cash flow	**-23**	-16
Impact of portfolio management	-1,496	-16
Net cash flow	**-1,519**	-32

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

→ **Q1'22 tax rate**
21% of REBIT (excl. exceptional items)

→ **Working capital**
- Seasonal volume increase
- Higher selling prices and raw materials
- 14.0% of annualized sales at end-March 2022

→ **Impact of portfolio management**
Payment of Ashland's performance adhesives acquisition finalized on 28 February 2022

Outlook

- Market conditions remain positively oriented at the start of the second quarter, with disparities between regions and end markets and an increased lack of visibility. The health situation in China, the war in Ukraine, high inflation and logistics disruptions could weigh on global demand going forward.

- In this demanding context, the Group will endeavor to manage supply chains and continue to dynamically adjust selling prices. Arkema will also pursue its cutting-edge innovation to develop its Specialty Materials in partnership with customers.

- While being attentive to the evolution of the macroeconomic environment, the Group aims to achieve a strong increase in EBITDA in Q2'22 *vs* last year, driven in particular by the high organic growth of Advanced Materials and Coating Solutions. The Adhesive Solutions segment, still impacted by certain shortages of raw materials, will benefit from the integration of Ashland's adhesives business.

- Arkema now aims to achieve in 2022, at constant scope, an EBITDA for its Specialty Materials and for the Group slightly above the record level of 2021.

- Finally, the Group will continue to implement its strategy in line with its ambition to become a pure Specialty Materials player in 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 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