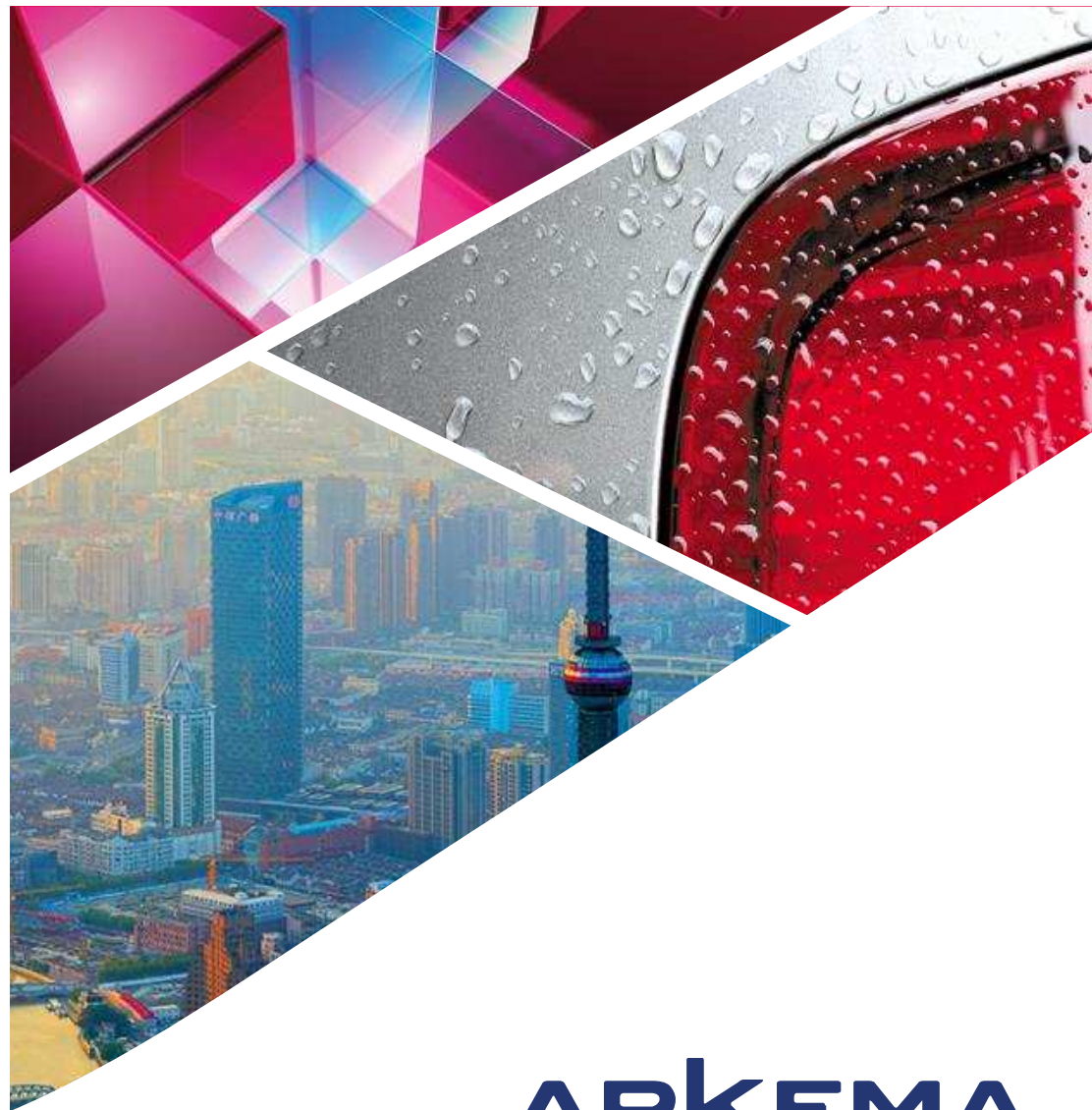


SECOND-QUARTER 2020 RESULTS

30 JULY 2020



ARKEMA
INNOVATIVE CHEMISTRY

OVERALL ROBUST Q2'20 PERFORMANCE IN THE EXCEPTIONAL COVID-19 CONTEXT

€1,902m sales

- ✦ Global economy strongly impacted by Covid-19 pandemic
- ✦ Down 15.6% YoY (-10.7% in H1 '20)
- ✦ Significant slowdown in the construction, transportation and industrial sectors
- ✦ Good demand in the nutrition, packaging and hygiene markets
- ✦ Sequential improvement in June, supported by the progress in the construction market

€286m EBITDA

15.0% EBITDA margin

- ✦ Resilient performance in view of the context
- ✦ Solid performance of Advanced Materials (20% EBITDA margin)
- ✦ Sharp rebound for Bostik in June
- ✦ Benefits of rapidly implemented interim fixed cost reduction initiatives

€90m adj. net income

- ✦ **€1.18** adjusted EPS

€288m free cash flow

- ✦ Excellent FCF for a second quarter (€90m in Q2'19)
- ✦ Strict management of working capital and capital expenditure

€2,134m net debt

(incl. €1bn hybrid bonds)

- ✦ Sharp decrease compared to 31 March 2020 (€2,481m)
- ✦ €168m dividend payment
- ✦ €246m net proceeds from Functional Polyolefins' divestment

HIGHLIGHTS IN Q2'20



FUNCTIONAL POLYOLEFINS

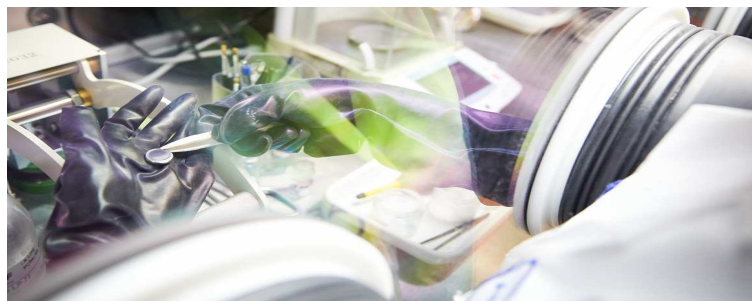
Divestment finalization

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

Revenue of ~€250m per year in food packaging, cable, electronics and coating markets

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

Finalized on **1 June 2020**



NUTRIEN

Innovative partnership for the supply of anhydrous hydrogen fluoride (AHF)

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**)



FIXATTI

Acquisition in Adhesive Solutions

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

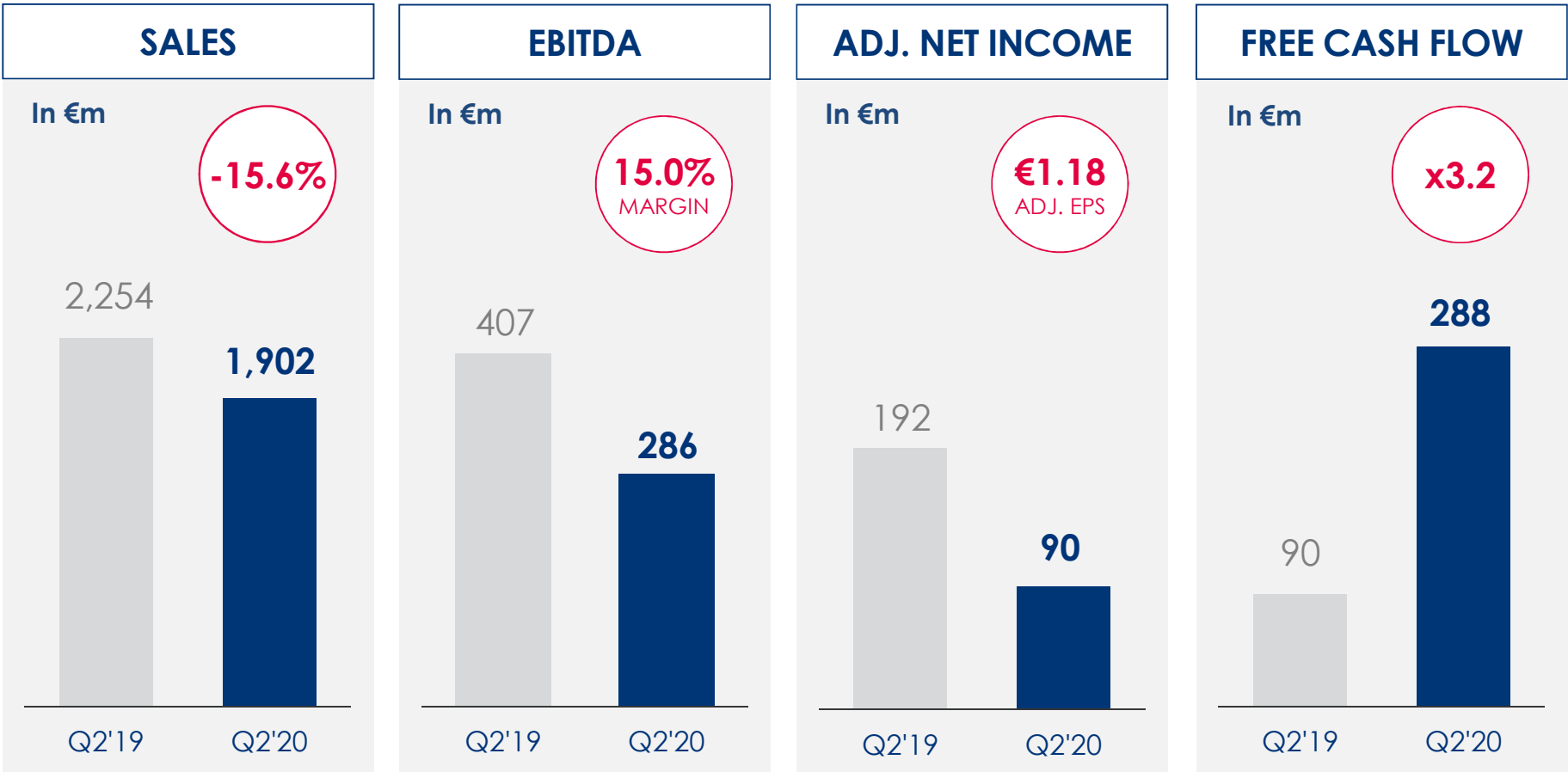
Excellent complementarity in terms of product offering and geographic exposure

Revenue of **~€55m per year**, with two production sites in Europe and one in China

Markets: construction, technical coatings, batteries, automotive, and textile printing

Closing expected in **Q4'20***

ROBUST Q2'20 PERFORMANCE IN THE CONTEXT OF LOCKDOWNS

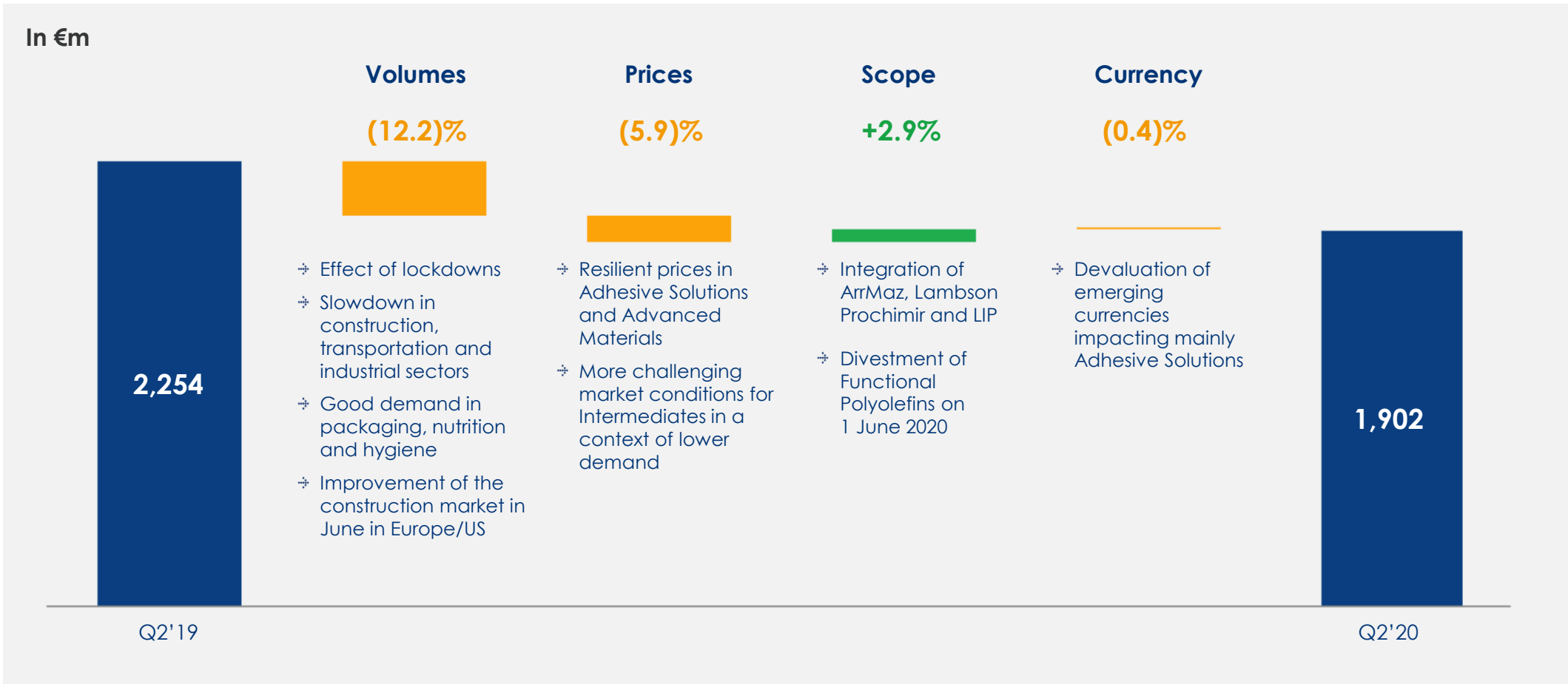


Q2'20 KEY FIGURES

In €m	Q2'19	Q2'20	Change
Sales	2,254	1,902	(15.6)%
EBITDA	407	286	(29.7)%
Specialty Materials ¹	304	233	(23.4)%
Intermediates	127	66	(48.0)%
Corporate	-24	-13	
EBITDA margin	18.1%	15.0%	
Recurring operating income (REBIT)	278	144	(48.2)%
REBIT margin	12.3%	7.6%	
Adjusted net income	192	90	(53.1)%
Net debt (incl hybrid bonds)	2,008	2,134	
€2,331m as of 31/12/2019			

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

Q2'20 SALES BRIDGE



ADHESIVE SOLUTIONS (24% OF GROUP SALES)



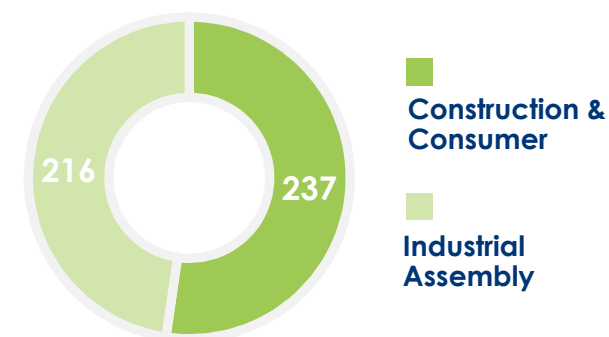
Q2'20 KEY FIGURES

In €m	Q2'19	Q2'20	Change
Sales	520	453	(12.9)%
EBITDA	71	50	(29.6)%
EBITDA margin	13.7%	11.0%	
Rec. operating income	55	35	(36.4)%

Q2'20 SALES DEVELOPMENT

Volumes	(13.2)%
Prices	(0.9)%
Currency	(1.5)%
Scope	+2.7%

Q2'20 SALES BY BUSINESS LINE



Q2'20 HIGHLIGHTS

➤ €453m sales, down 12.9% YoY

- Despite packaging and hygiene markets holding firm, volumes down 13.2%, impacted by the sharp slowdown in the construction, transportation and industrial sectors
- Price -0.9% held up well, reflecting the optimization of the product mix in 2019
- +2.7% scope effect, on LIP and Prochimir integration

➤ €50m EBITDA

- EBITDA down 29.6% YoY on sharp volume contraction in construction in April and May, and weak demand in industrial assembly sector
- Performance picked up sharply in June thanks to the rebound seen in the construction and DIY markets, industrial markets remaining mixed
- Benefits from the operational excellence and fixed cost savings initiatives, as well as favorable impact of certain raw materials
- EBITDA margin at 11.0%, temporarily down versus last year

ADVANCED MATERIALS (33% OF GROUP SALES)



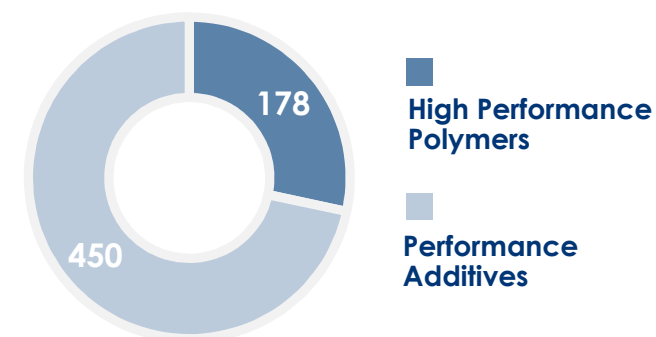
Q2'20 KEY FIGURES

In €m	Q2'19	Q2'20	Change
Sales	650	628	(3.4)%
EBITDA	142	124	(12.7)%
EBITDA margin	21.8%	19.7%	
Rec. operating income	87	61	(29.9)%

Q2'20 SALES DEVELOPMENT

Volumes	(11.5)%
Prices	(2.0)%
Currency	0.0%
Scope	+10.1%

Q2'20 SALES BY BUSINESS LINE



Q2'20 HIGHLIGHTS

✦ €628m sales, slightly down 3.4% YoY

- Volumes down 11.5%, with Covid-19 weighing strongly on demand for High Performance Polymers
 - significant decline in the transportation, consumer electronics, oil & gas and sports sectors
 - good performance of the nutrition market and certain niche applications used in the fight against the virus
- Limited price effect of -2.0%
- 10.1% positive scope effect relating to ArrMaz consolidation, driven by favorable end-markets such as crop nutrition

✦ Resilient performance with €124m EBITDA and 19.7% EBITDA margin

- EBITDA down 12.7% YoY, reflecting sharp drop in volumes, notably for High Performance Polymers, partly offset by the good resistance of Performance Additives
- EBITDA margin at a high level, benefitting from a good product mix, the favorable evolution of certain raw materials and fixed costs reduction

COATING SOLUTIONS (23% OF GROUP SALES)



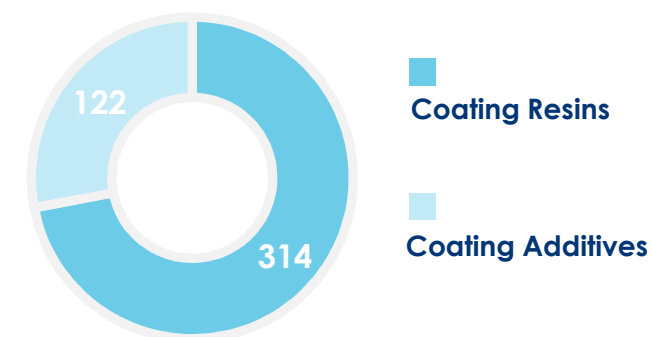
Q2'20 KEY FIGURES

In €m	Q2'19	Q2'20	Change
Sales	575	436	(24.2)%
EBITDA	91	59	(35.2)%
EBITDA margin	15.8%	13.5%	
Rec. operating income	62	28	(54.8)%

Q2'20 SALES DEVELOPMENT

Volumes	(15.8)%
Prices	(9.5)%
Currency	(0.1)%
Scope	+1.2%

Q2'20 SALES BY BUSINESS LINE



Q2'20 HIGHLIGHTS

⇨ €436m sales, down 24.2% YoY

- Volumes down 15.8%, due to weak demand in construction, paints and in some industrial markets
- -9.5% price effect, stemming mainly from lower propylene prices
- Scope effect +1.2% reflecting the integration of Lambson

⇨ €59m EBITDA and 13.5% EBITDA margin

- EBITDA down 35.2% YoY compared to Q2'19 excellent performance (€91m)
- Benefit from the improvement of the decorative paints market in June
- EBITDA margin held up well, thanks in particular to the benefits of the integration between upstream and downstream activities

INTERMEDIATES (20% OF GROUP SALES)



Q2'20 KEY FIGURES

In €m	Q2'19	Q2'20	Change
Sales	502	379	(24.5)%
EBITDA	127	66	(48.0)%
EBITDA margin	25.3%	17.4%	
Rec. operating income	99	35	(64.6)%

Q2'20 SALES DEVELOPMENT

Volumes	(8.1)%
Prices	(12.3)%
Currency	+0.1%
Scope	(4.2)%

Q2'20 HIGHLIGHTS

✦ €379m sales, down 24.5% YoY

- -12.3% price effect mainly reflecting challenging market conditions in Fluorogases and lower propylene prices
- Volumes down 8.1%
 - slowdown in the construction and automotive sectors
 - strong demand in the niche market for PMMA protective sheets, as in the first quarter
- Scope effect -4.2% corresponding to the Functional Polyolefins divestment finalized on 1 June 2020

✦ €66m EBITDA and 17.4% EBITDA margin

- EBITDA down -48.0% YoY in a context of strong declines in volumes and prices
- Performance of Fluorogases impacted by illegal HFC imports into Europe, easing towards the end of the period

Q2'20 CASH FLOW

RECONCILIATION OF EBITDA TO NET CASH FLOW

In €m	Q2'19	Q2'20
EBITDA	407	286
Current taxes	(48) ¹	(29)
Cost of debt	(25)	(17)
Change in working capital and fixed assets payables ²	(103)	103
Recurring capital expenditure	(101)	(78)
Exceptional capital expenditure	(20)	(44)
Non-recurring items and others	(20) ¹	67
FREE CASH FLOW	90	288
Impact of portfolio management	(24)	242
NET CASH FLOW	66	530

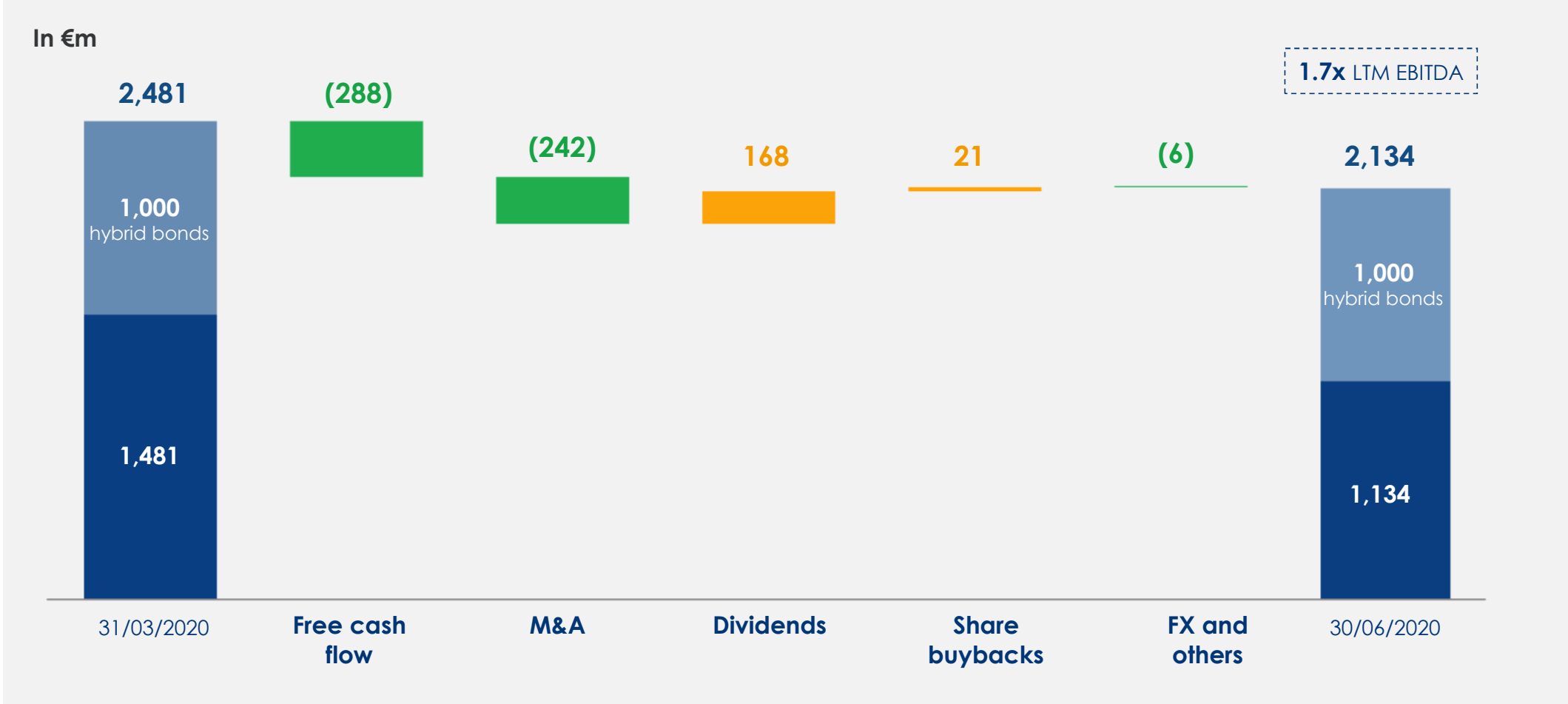
1. Restated for tax impact on non recurring items

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

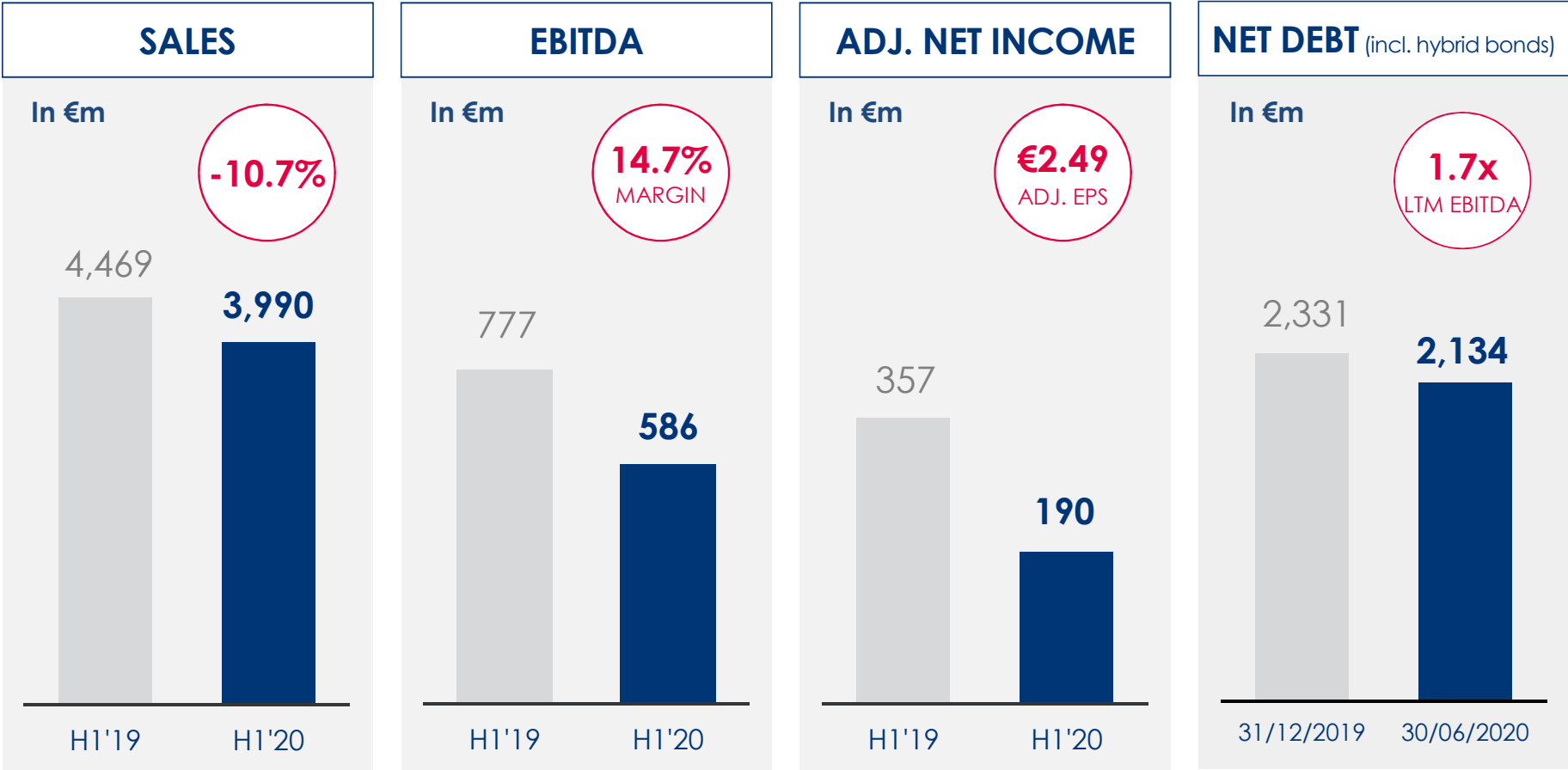
Q2'20 HIGHLIGHTS

- ❖ **Tax rate H1'20: ~22% of REBIT** (excl. exceptional items)
- ❖ **Strict working capital management**
 - 16.5% working capital on annualized sales (16.0% end of June 2019)
- ❖ Non-recurring items include tax savings linked to the use of tax losses for an amount of €55m in Q2'20
- ❖ Portfolio management mainly corresponding to Functional Polyolefins divestment

Q2'20 NET DEBT BRIDGE (INCLUDING HYBRID BONDS)



H1'20 PERFORMANCE



H1'20 KEY FIGURES

In €m	H1'19	H1'20	Change
Sales	4,469	3,990	(10.7)%
EBITDA	777	586	(24.6)%
Specialty Materials ¹	596	489	(18.0)%
Intermediates	230	134	(41.7)%
Corporate	-49	-37	
EBITDA margin	17.4%	14.7%	
Recurring operating income (REBIT)	525	304	(42.1)%
REBIT margin	11.7%	7.6%	
Adjusted net income	357	190	(46.8)%

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

2020 OUTLOOK

- ❖ Based on the progressive lifting of lockdown measures in some important countries for the Group, Arkema expects that **demand will continue to improve gradually in the second part of the year**, while remaining below last year's level
- ❖ The **pace and strength of this improvement** are still uncertain, dependent on the evolution of the pandemic, and **will vary between end-markets and geographies**
- ❖ Arkema estimates at this stage that **sales in the third quarter will decline by around 10% year-on-year** at constant scope and currency, representing a clear improvement compared to the decline of around 20% recorded in the second quarter
- ❖ The Group confirms it is on track to **reduce in 2020 its fixed costs by €50 million** compared to 2019 and to **reduce capital expenditure by €100 million** compared to the level originally planned
- ❖ Arkema will continue its acquisition strategy, the roll-out of its major organic growth projects, as well as its strategic review for Intermediates, in line with its ambition to become **a pure Specialty Materials player 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 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

Return on average capital employed (ROACE): corresponds to the REBIT divided by the average of capital employed at the end of years Y and Y-1.