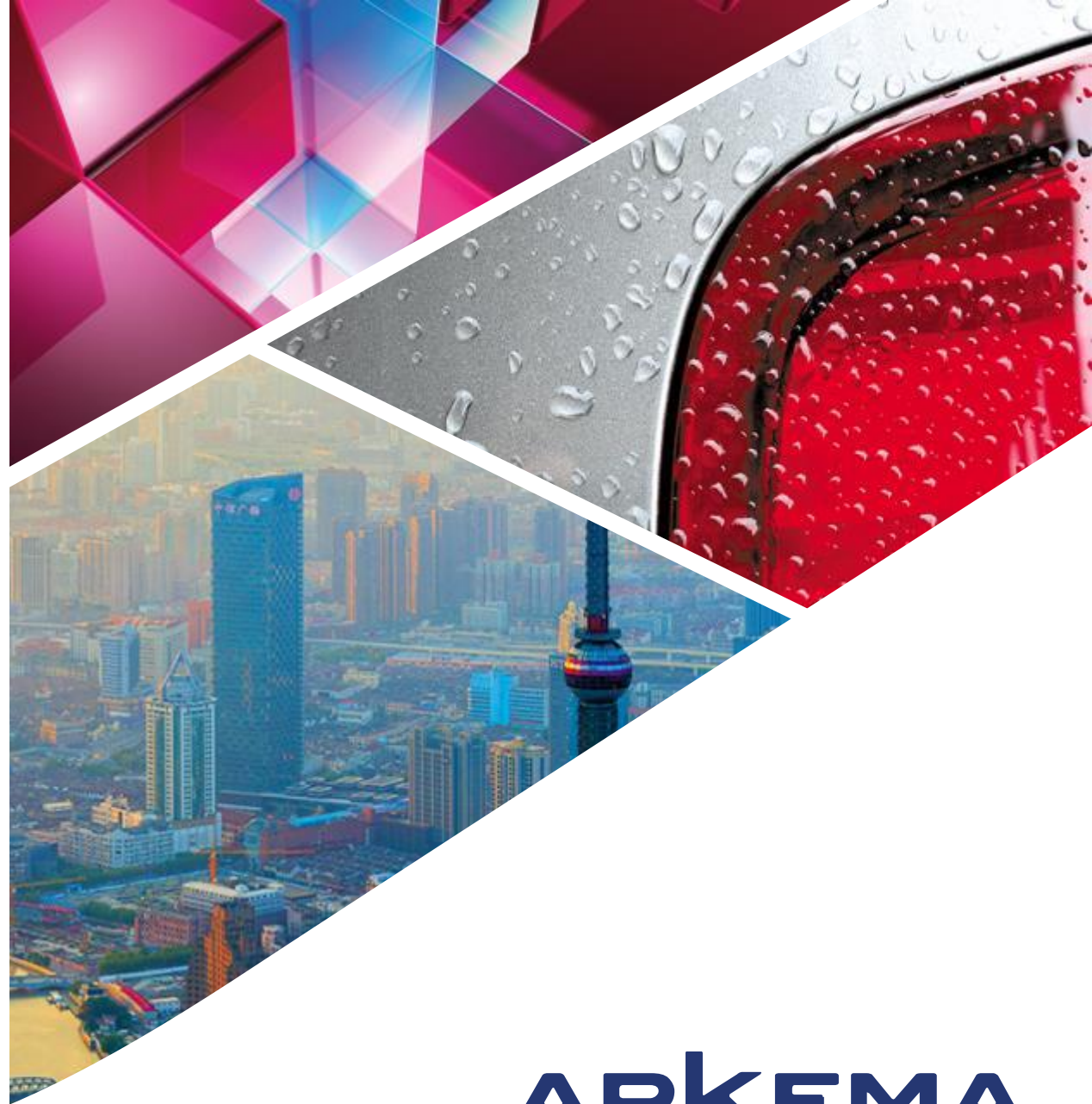


ARKEMA

THIERRY LE HÉNAFF, CHAIRMAN AND CEO
MARIE-JOSÉ DONSION, CFO

EXANE BNP PARIBAS
22ND EUROPEAN CEO CONFERENCE

10 JUNE 2020



ARKEMA
INNOVATIVE CHEMISTRY

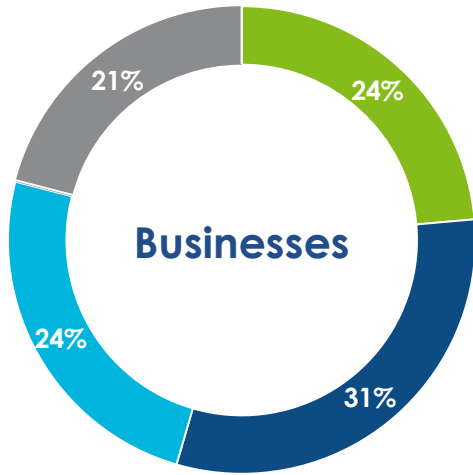


ARKEMA IN A SNAPSHOT

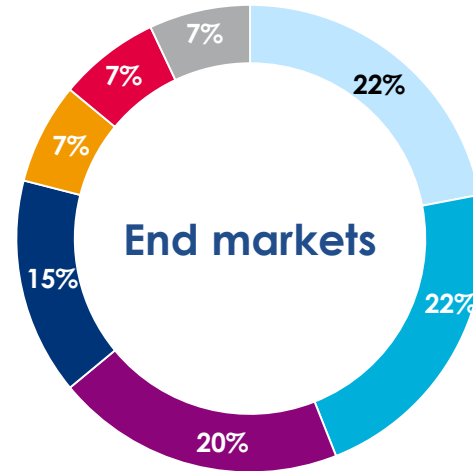
ARKEMA
INNOVATIVE CHEMISTRY

ARKEMA AT A GLANCE

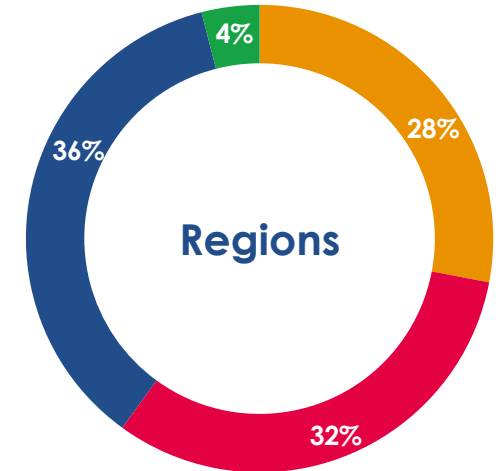
2019 SALES SPLIT



- Adhesive Solutions
- Advanced Materials
- Coating Solutions
- Intermediates



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



- Europe
- North-America
- Asia
- ROW



€8.7b
sales



20,500
employees



Present
in **55** countries

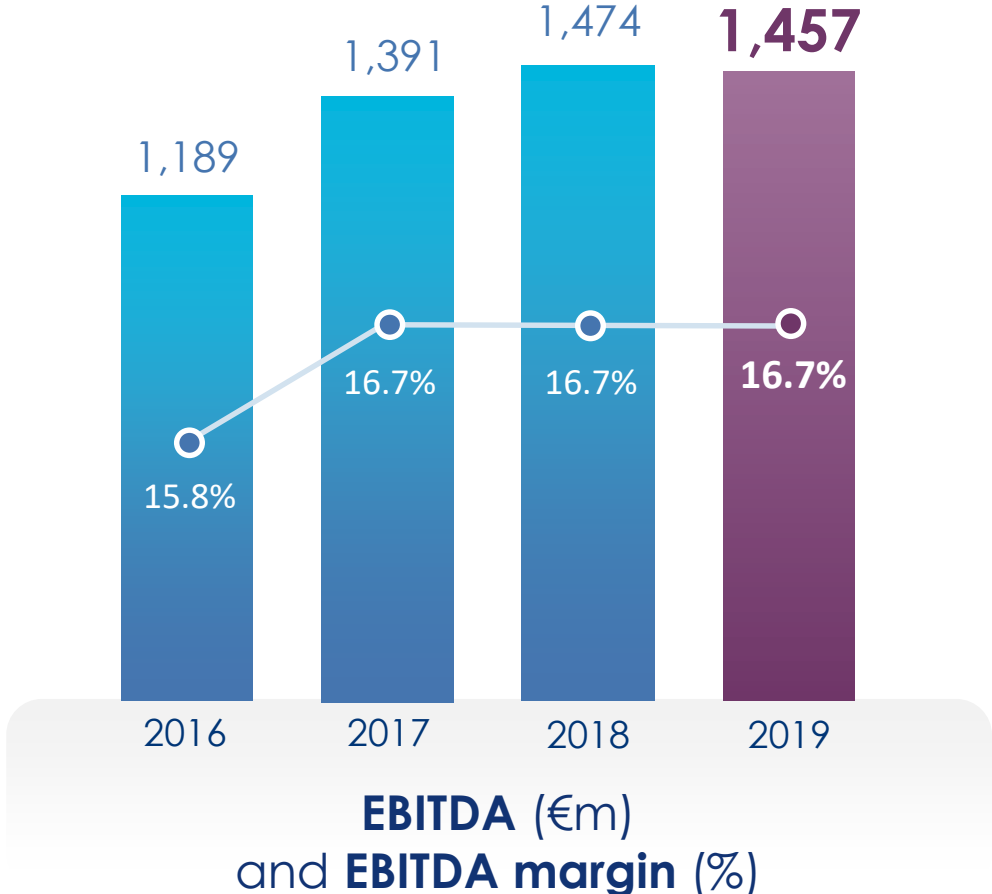
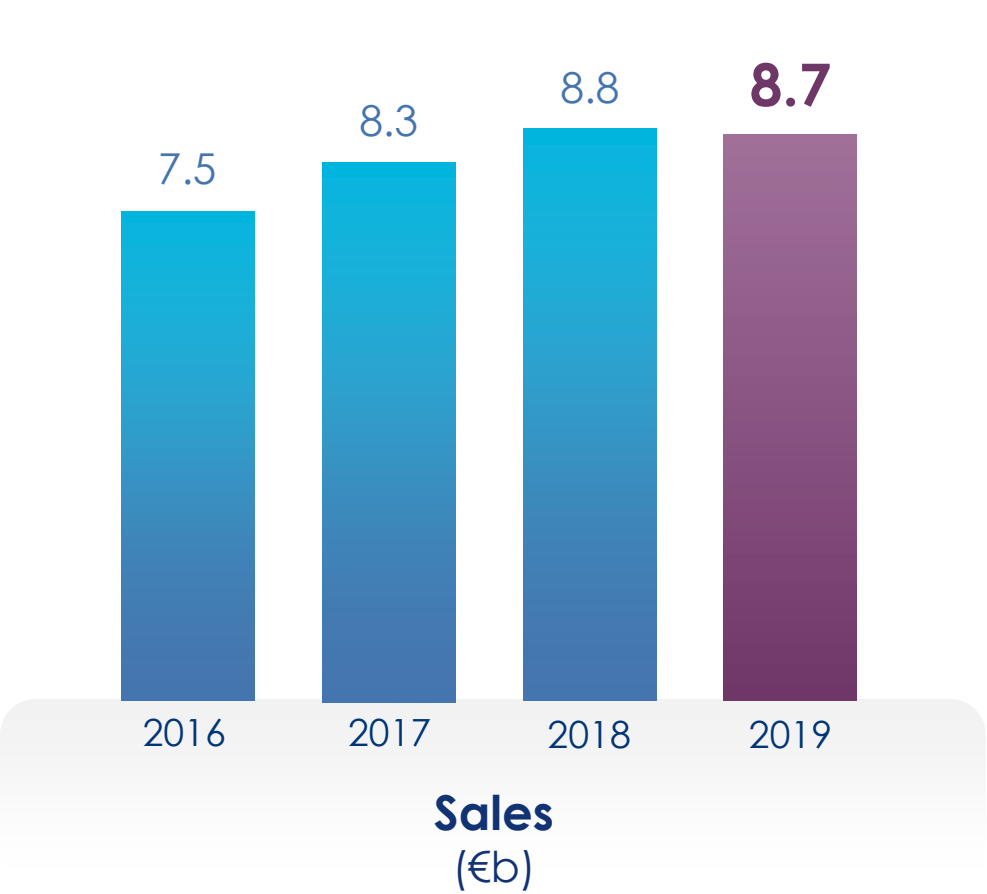


144 plants
operated

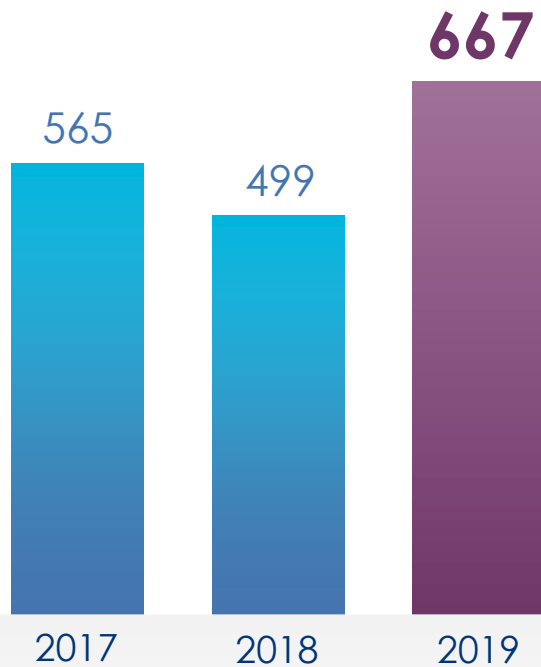


2.8% of revenues
invested in R&D

A HIGH-LEVEL FINANCIAL PERFORMANCE



RECORD CASH FLOW GENERATION IN 2019



Free cash flow (€m)

EBITDA to cash conversion rate

52%

above the target of 35%

Working capital (% of annual sales)

13.8%

close to the very good level of 2018

Recurring and exceptional capital expenditure

€607 m

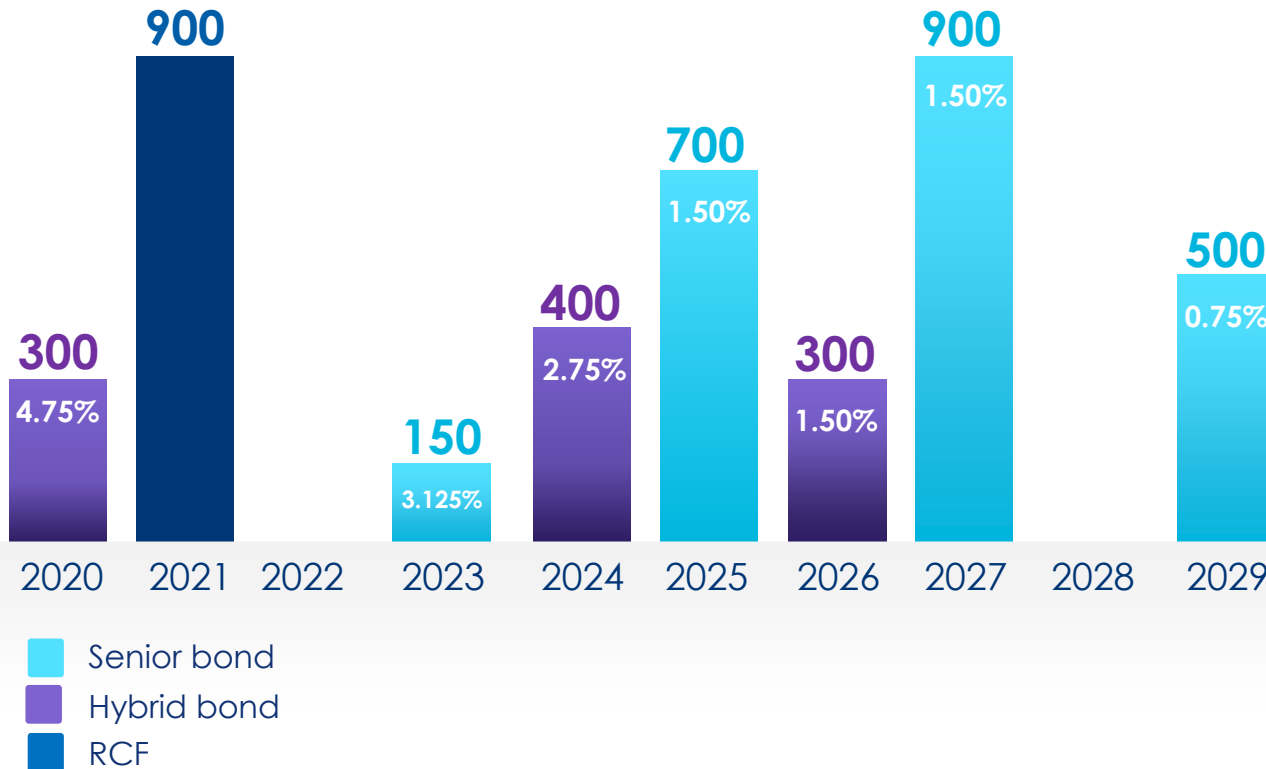
acceleration of major organic growth projects

Tax rate (as a % of REBIT)

19%

stable relative to 2018

A VERY SOLID BALANCE SHEET



Gearing

(net debt excluding hybrids divided by shareholders' equity)

31%

Net debt (excl. hybrids) / **EBITDA**

1.1x

Hybrid bonds

(booked as shareholders' equity)

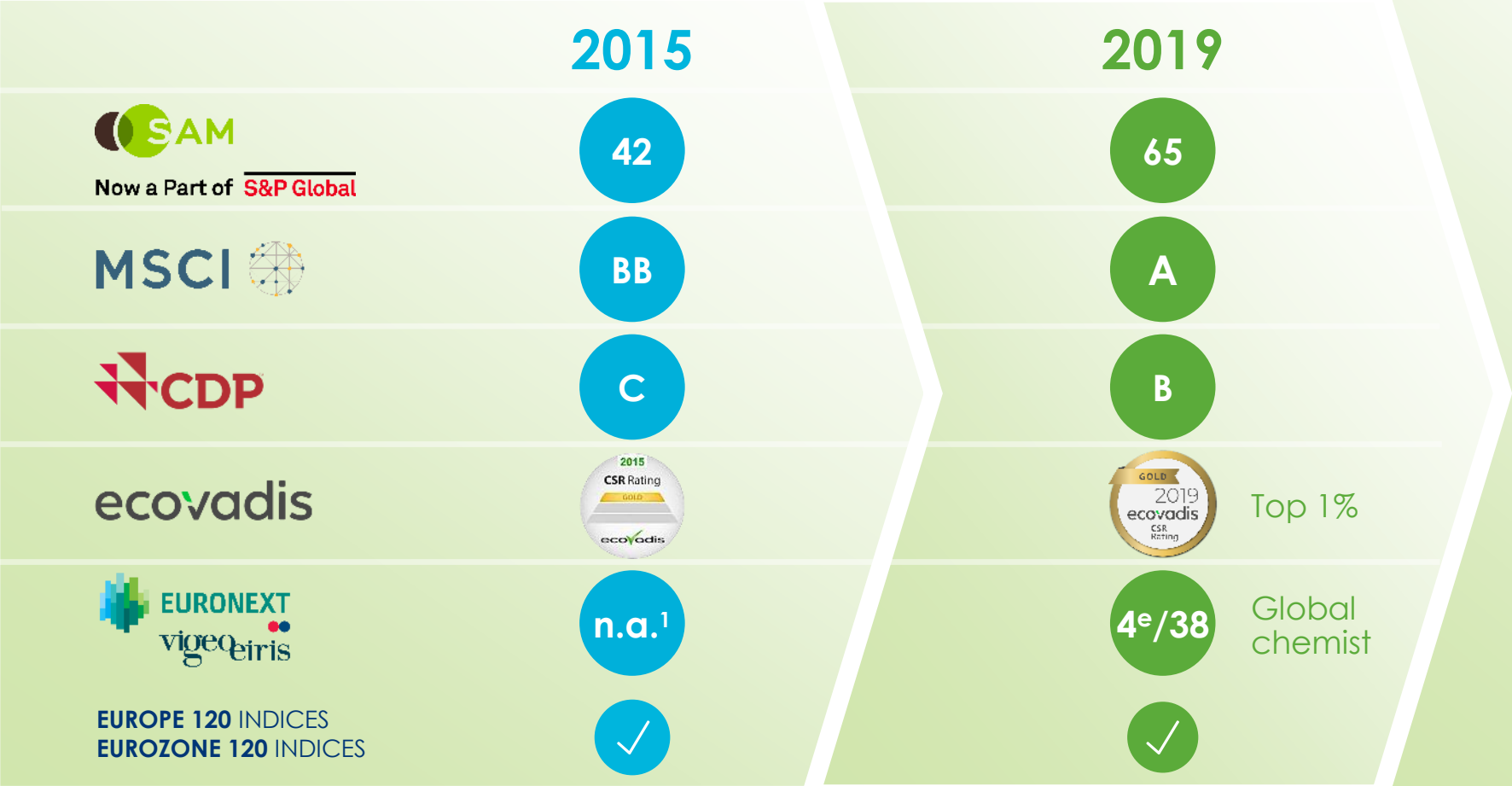
€1,000 m*

* €300m new hybrid bond in January 2020 with a first call option exercisable after 6 years giving Arkema the possibility to refinance the 2020 hybrid of €300m should the reimbursement option be exercised

STRONG CSR REQUIREMENTS

NON-FINANCIAL RATINGS

OUR AMBITION

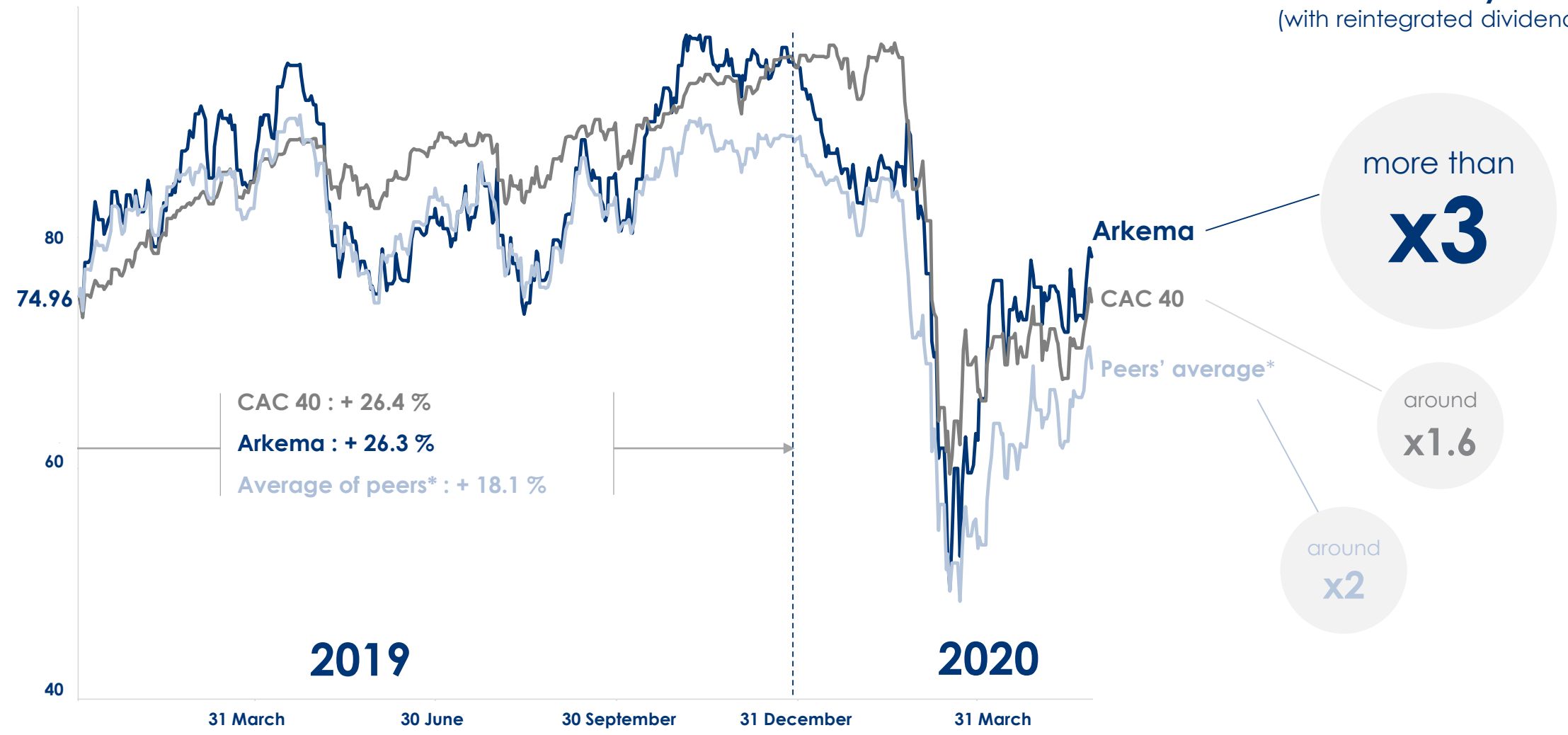


- Rank among the best performing companies
- Inclusion in the **DJSI**

1. Not disclosed

EVOLUTION OF THE SHARE SINCE 1ST JANUARY 2019

TSR since May 2006
(with reintegrated dividends)



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



OUR LONG TERM AMBITION

EXTRACT FROM STRATEGY UPDATE PRESENTATION (2 APRIL 2020)

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

ARKEMA HAS UNIQUE MATERIALS CAPABILITIES TO ADDRESS THESE CHALLENGES

Structuring
materials



Bonding
materials



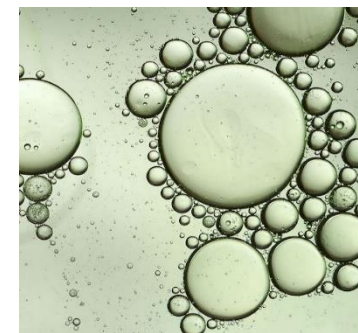
Protecting
surfaces



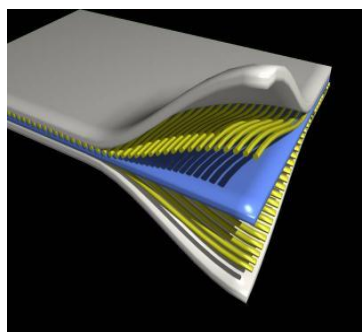
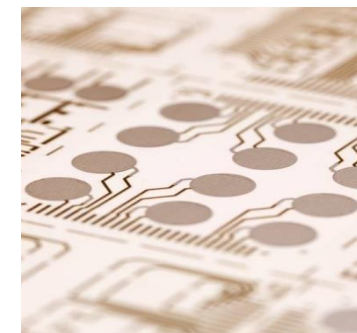
Additive
technology



Surface
science



Piezoelectric
materials



Composite
materials



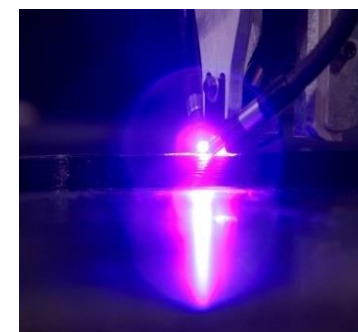
Recyclable
materials



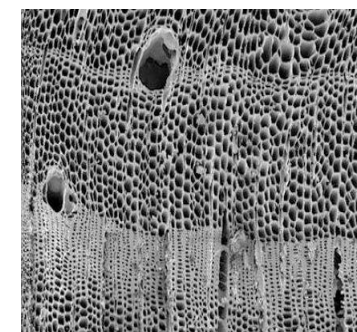
Bio-based
resources



Rheology
modifications



UV curing
technology



Nanoscience

THIS KNOW-HOW IS ORGANIZED INTO 3 SYNERGISTIC GROWTH PLATFORMS



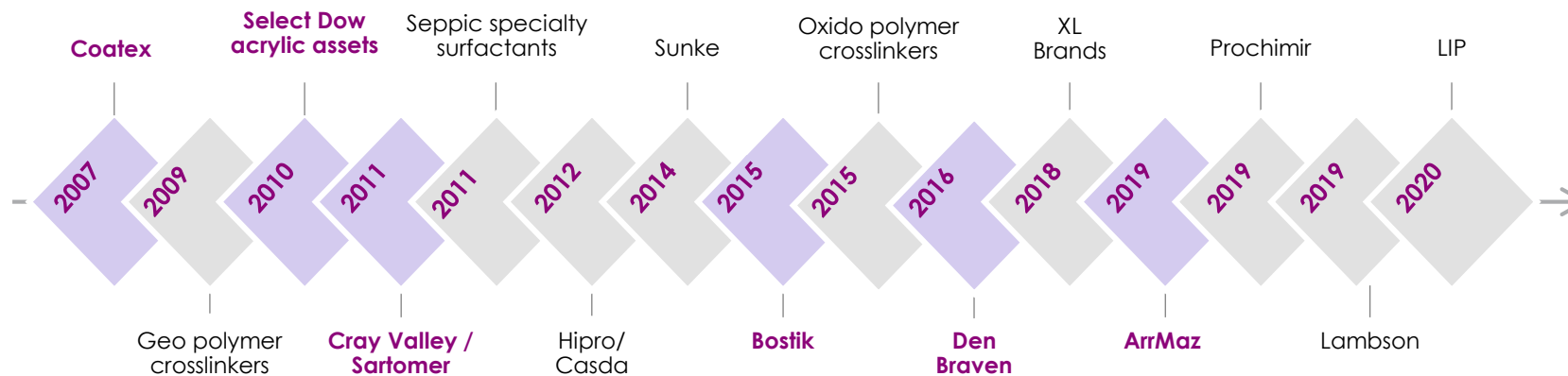
Key end markets



THESE 3 PLATFORMS WERE DEVELOPED SINCE 2005 THROUGH A PROFOUND PORTFOLIO SHIFT

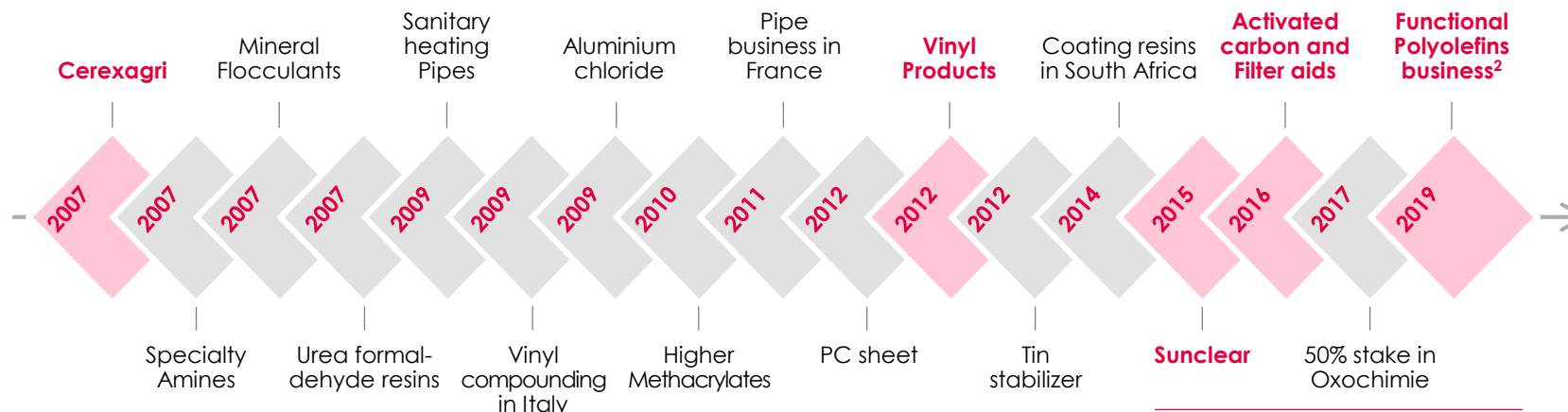
Colored boxes represent the largest acquisitions and divestments over the period

€4.4b
Acquisitions¹



7.6x
Average EV/EBITDA multiple after synergies and growth (vs. 9.3x at acquisition)

€2.2b
Divestments¹



8.6x
Average EV/EBITDA multiple of assets sold (excluding vinyls)

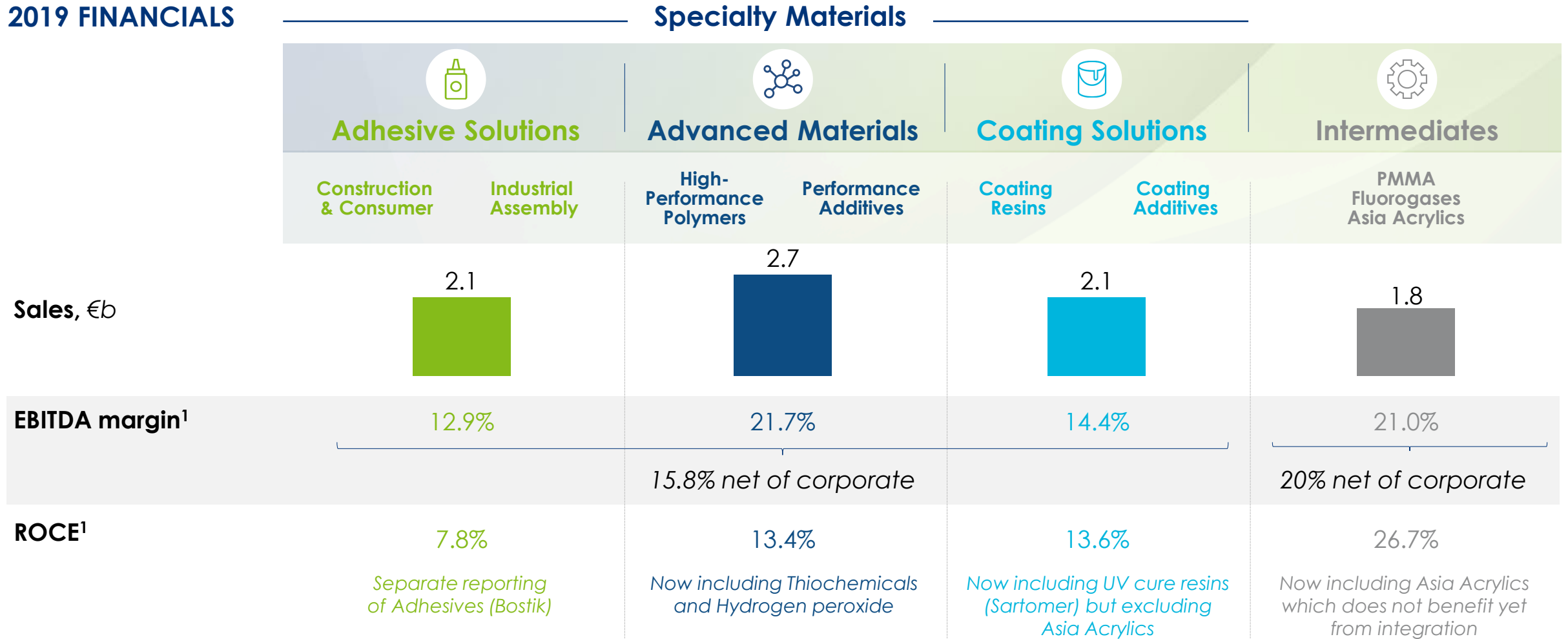
1. Sales acquired / divested over 2005-2019 (full year impact)

2. Closing expected during Q2 2020

3. Initial plan was ~€300m EV for €700m sales but achieved ~€650m EV for €550m sales

WE HAVE ALIGNED OUR BUSINESS STRUCTURE WITH OUR VISION

2019 FINANCIALS



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



Adhesive Solutions

Be a consolidator of the market, focused on high performance bonding and construction solutions



Advanced Materials

Invest and innovate to support exponential needs for materials based on megatrends



Coating Solutions

Continue to enhance the value proposition and sustainable offering



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



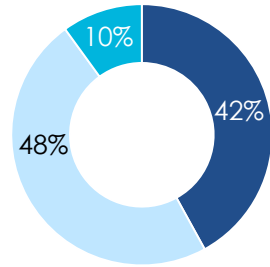
12.9%
EBITDA margin



3%
CAPEX intensity¹

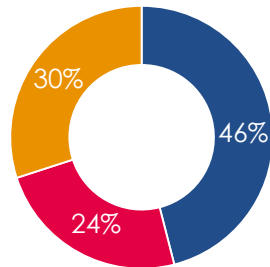


2.7%
R&D intensity¹



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



€2.7b
sales



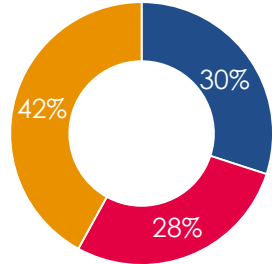
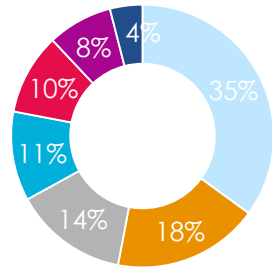
21.7%
EBITDA margin



7-8%
CAPEX intensity¹



3.4%
R&D intensity¹



2019 REVENUE SPLIT

- Building & Construction
- Consumer goods
- General industry
- Electrics, electronics & energy
- Automotive & Transportation
- Paint & coatings
- Nutrition & Water

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



2024 AMBITION



4%
Annual organic sales growth



Stable at 22%
EBITDA margin

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

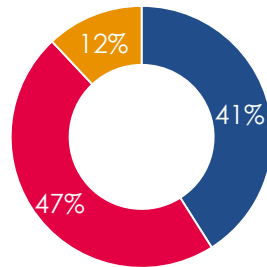
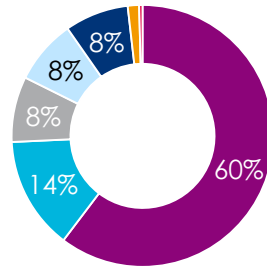
2019 KEY FINANCIALS

 **€2.1b**
sales

 **14.4%**
EBITDA margin

 **5-6%**
CAPEX intensity¹

 **2.3%**
R&D intensity¹



2019 REVENUE SPLIT

- Paint & coatings
- Consumer goods
- Nutrition & Water
- General industry
- Building & Construction
- Electrics, electronics & energy

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

2024 AMBITION

 **3%**
Annual organic sales growth

 **+150bps**
EBITDA margin increase

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 **strategic options** for 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

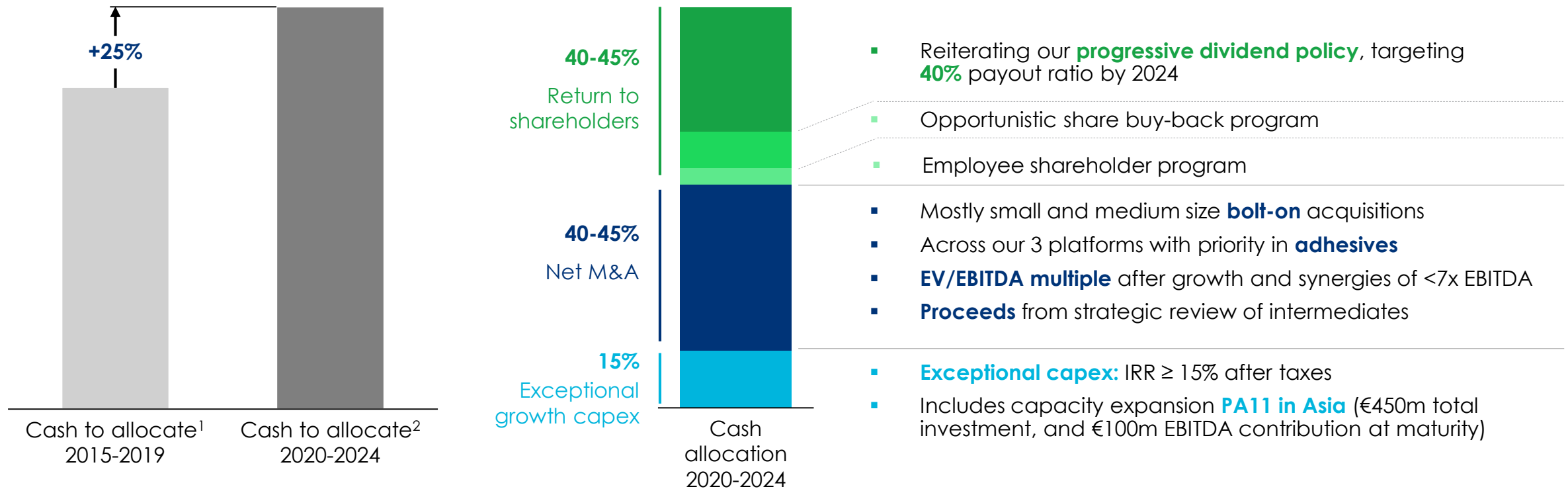
Strategic review in progress to assess the best path for each component – **pending appropriate market conditions**

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 leverage³ (~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



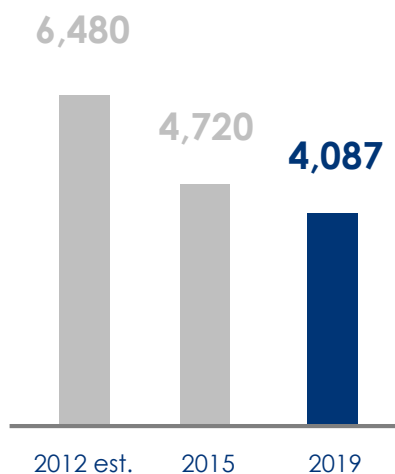
Controlled working capital
~14%
of sales

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%



FIRST QUARTER 2020 RESULTS

EXTRACT FROM FIRST QUARTER 2020 RESULTS PRESENTATION (6 MAY 2020)

ARKEMA
INNOVATIVE CHEMISTRY

1Q'20 FINANCIAL HIGHLIGHTS

€2,088m sales

- ✦ - **5.7%** YoY, marked by the impact of Covid-19
- ✦ **Specialty Materials**¹ accounting for **81%** of total Group sales (vs 79% in 1Q'19)

€300m EBITDA

- ✦ ~ **€45m** impact from the effects of Covid-19
- ✦ **EBITDA stable in Specialty Materials**¹, excluding the impact of Covid-19
- ✦ **Adhesive Solutions** EBITDA up **+11%** YoY
- ✦ Intermediates mainly impacted by Covid-19 and Fluorogases

14.4% EBITDA margin

- ✦ Down by around 2 percentage points in the context of emerging Covid-19 outbreak

€100m adj. net income

- ✦ **€1.31** adjusted EPS

€2,481m net debt
(incl. €1bn hybrid bonds)

- ✦ Up €150m vs December 2019, of which over 50% relating to the acquisition of LIP
- ✦ Close-to-balance free cash flow, reflecting working capital seasonal increase

€1.5bn liquidity

- ✦ Confirming the Group's financial solidity
- ✦ In 2020, reduction in capex by **€100m** vs initial plan and fixed costs by **€50m** vs 2019

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

ADHESIVE SOLUTIONS (25% OF GROUP SALES)



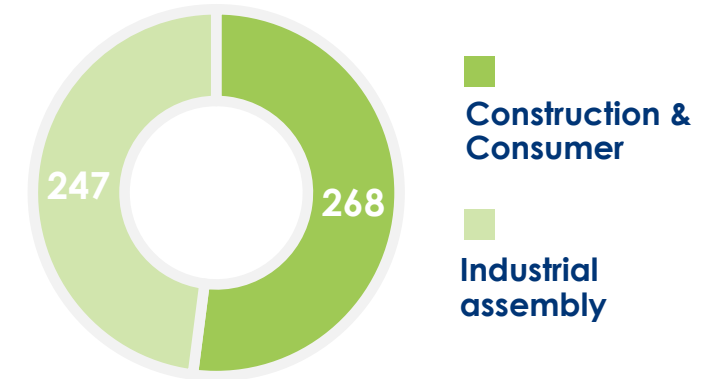
1Q'20 KEY FIGURES

In €m	1Q'19	1Q'20	Change
Sales	513	515	+0.4%
EBITDA	62	69	+11.3%
EBITDA margin	12.1%	13.4%	
Rec. operating income	48	54	+12.5%

1Q'20 SALES DEVELOPMENT

Volumes	(3.2)%
Prices	+0.4%
Currency	+0.2%
Scope	+3.0%

1Q'20 SALES BY BUSINESS LINE



1Q'20 HIGHLIGHTS

✦ €515m sales, up 0.4% YoY

- +3.0% scope effect, on consolidation of Prochimir and LIP
- 3.2% volumes drop
 - despite increased demand in packaging and strong performance in construction in the US and Southeast Asia
 - slowdown in transportation, in certain industrial segments and initial impacts of lockdowns on construction in Western Europe

✦ €69m EBITDA and 13.4% EBITDA margin

- EBITDA up 11.3% YoY, validating strategy of bolt-on acquisitions and product mix optimization towards higher value-added applications
- Estimated Covid-19 impact of approximately €5m

ADVANCED MATERIALS (31% OF GROUP SALES)



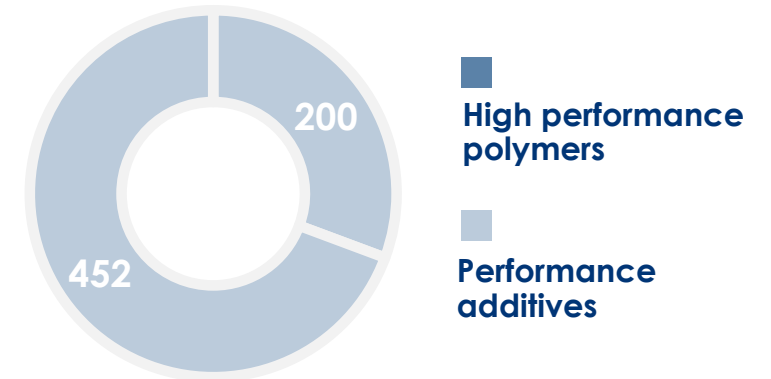
1Q'20 KEY FIGURES

In €m	1Q'19	1Q'20	Change
Sales	672	652	(3.0)%
EBITDA	151	122	(19.2)%
EBITDA margin	22.5%	18.7%	
Rec. operating income	97	61	(37.1)%

1Q'20 SALES DEVELOPMENT

Volumes	(9.9)%
Prices	(1.7)%
Currency	+0.9%
Scope	+7.7%

1Q'20 SALES BY BUSINESS LINE



1Q'20 HIGHLIGHTS

✦ €652m sales, slightly down 3.0% YoY

- 7.7% positive scope effect relating to ArrMaz consolidation
- Volumes down 9.9% on
 - challenging macro-economic environment in a few end markets, strikes in France in January and Covid-19 health crisis
 - decline in transport, electronics and oil & gas markets, overshadowing relative strength of nutrition, new developments in sports and innovation

✦ €122m EBITDA and 18.7% EBITDA margin

- EBITDA down YoY, essentially due to Covid-19 (~€15m) and strikes (~€10m) impacts
- EBITDA margin at solid level

COATING SOLUTIONS (25% OF GROUP SALES)



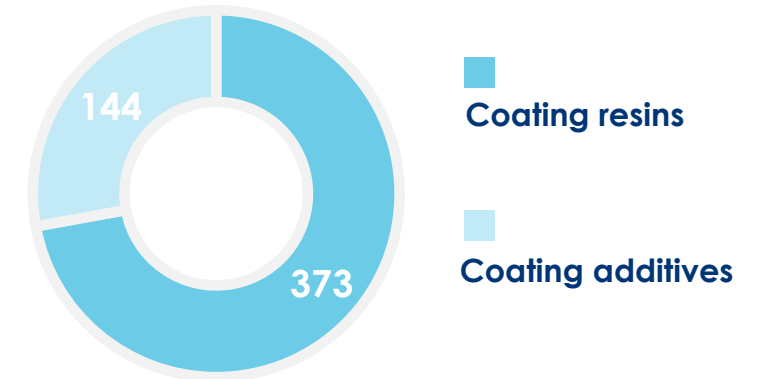
1Q'20 KEY FIGURES

In €m	1Q'19	1Q'20	Change
Sales	564	517	(8.3)%
EBITDA	79	65	(17.7)%
EBITDA margin	14.0%	12.6%	
Rec. operating income	54	36	(33.3)%

1Q'20 SALES DEVELOPMENT

Volumes	(2.7)%
Prices	(8.3)%
Currency	+1.1%
Scope	+1.6%

1Q'20 SALES BY BUSINESS LINE



1Q'20 HIGHLIGHTS

✦ €517m sales, down 8.3% YoY

- -8.3% price effect, primarily due to lower propylene prices
- Volumes down 2.7%, representing a resilient performance, thanks to
 - ramp-up of the Clear Lake reactor in the United States
 - good performance of decorative paints, hygiene and water treatment markets

✦ €65m EBITDA and 12.6% EBITDA margin

- EBITDA down 17.7% compared to the very high level in 1Q'19
- Covid-19 impact of around €10m, and more marginal impact from French strikes

INTERMEDIATES (19% OF GROUP SALES)



1Q'20 KEY FIGURES			
In €m	1Q'19	1Q'20	Change
Sales	459	397	(13.5)%
EBITDA	103	68	(34.0)%
EBITDA margin	22.4%	17.1%	
Rec. operating income	75	35	(53.3)%

1Q'20 SALES DEVELOPMENT	
Volumes	(2.2)%
Prices	(12.1)%
Currency	+0.8%
Scope	-

1Q'20 HIGHLIGHTS

✦ €397m sales, down 13.5% YoY

- -12.1% price effect, on challenging market conditions in Fluorogases and lower propylene prices
- Volumes slightly down 2.2%, mainly reflecting impact of Covid-19 and decline of the automotive market

✦ €68m EBITDA and 17.1% EBITDA margin

- Much lower Fluorogases earnings on illegal HFC gas imports into Europe
- Estimated Covid-19 impact, especially on acrylics in China, at around €10m
- Moderate impact from normalization of market conditions in MMA/PMMA

1Q'20 CASH FLOW

RECONCILIATION OF EBITDA TO NET CASH FLOW

In €m	1Q'19	1Q'20
EBITDA	370	300
Current taxes	(47)	(26)
Cost of debt	(24)	(25)
Change in working capital and fixed assets payables ¹	(126)	(181)
Recurring capital expenditure	(86)	(79)
Exceptional capital expenditure	(18)	(13)
Others (including non-recurring items)	4	(14)
FREE CASH FLOW	73	(38)
Impact of portfolio management	(1)	(95)
NET CASH FLOW	72	(133)

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

1Q'20 HIGHLIGHTS

- ✦ **Tax rate: 21% of REBIT** (excl. exceptional items)
 - 2020e tax rate: ~21% of REBIT
- ✦ **Working capital seasonal increase**
 - 16.5% working capital on annualized sales (15.1% end of March 2019)
- ✦ Portfolio management mainly linked to **LIP acquisition**

2020 OUTLOOK

- ❖ **Global demand** expected to **slow significantly in the second quarter** of the year due to the lockdown measures enforced across the different regions of the world. Construction in Europe and US is a market that will be more affected in the second quarter.
- ❖ The Group anticipates a **gradual improvement in global demand from mid-year onwards** but at this stage, the way the pandemic will evolve is still **too uncertain to make sufficiently reliable estimates as to the impact of the crisis on Arkema's full-year 2020 results**.
- ❖ While remaining attentive as to how the situation develops, the Group will draw on its strengths to best manage the current situation and mitigate the impacts of the crisis. In particular, Arkema intends to **reduce its capital expenditure by €100 million in 2020**, compared to the level originally planned, and to **reduce its fixed costs by €50 million compared to 2019**. It should also benefit from the diversity of its end markets, as well as its balanced geographical footprint.
- ❖ Thanks to those initiatives, the positioning of its product lines, its moderate indebtedness and strong liquidity level, Arkema confirms its confidence in its ability to deal with this unprecedented crisis and to be well positioned when the recovery materializes.
- ❖ Finally, the Group will continue to work on its ambition presented during the 2 April 2020 Strategy Update to **become a pure Specialty Materials player by 2024**.

HIGHLIGHTS SINCE 1Q'20 PUBLICATION



ANNUAL GENERAL MEETING 2020

All the resolutions approved

Held behind closed doors, without the physical presence of shareholders, due to the Covid-19 epidemic

Distribution of dividend for the fiscal year 2019 of 2.20 €/share, paid end of May 2020

Renewal of Thierry Le Hénaff, Chairman and Chief Executive Officer, for a term of four years

FUNCTIONAL POLYOLEFINS BUSINESS

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

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 first half 2022)

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

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.