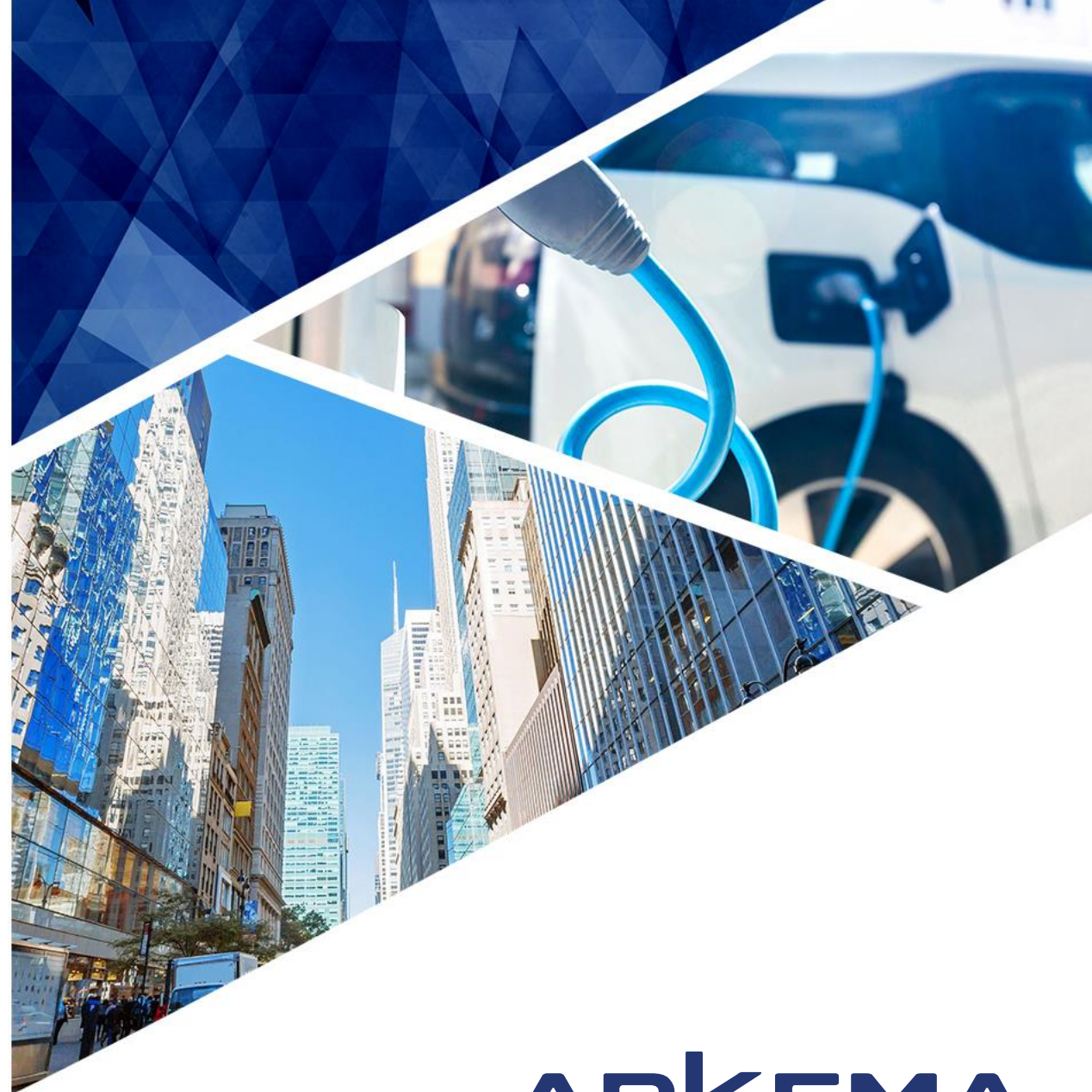


ARKEMA

THIERRY LE HÉNAFF, CHAIRMAN AND CEO

MORGAN STANLEY
CANNONBALL RUN VIRTUAL FIELD TRIP
28 JUNE 2021



ARKEMA
INNOVATIVE CHEMISTRY

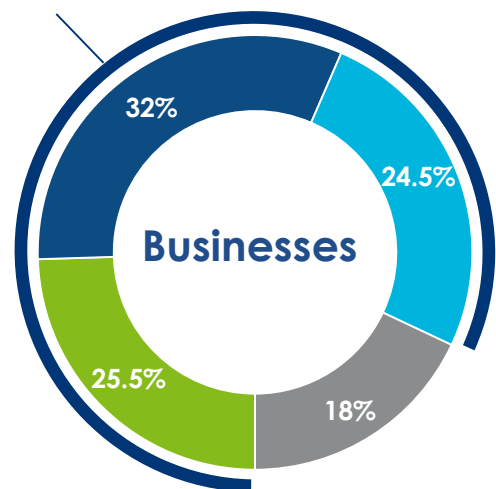
ARKEMA IN A SNAPSHOT

ARKEMA
INNOVATIVE CHEMISTRY

ARKEMA AT A GLANCE

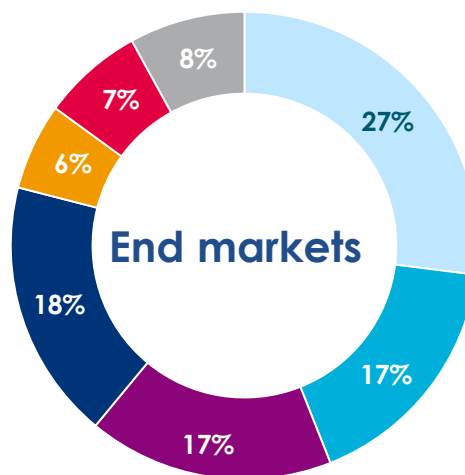
Specialty Materials

82% / 89% pro forma 2020*

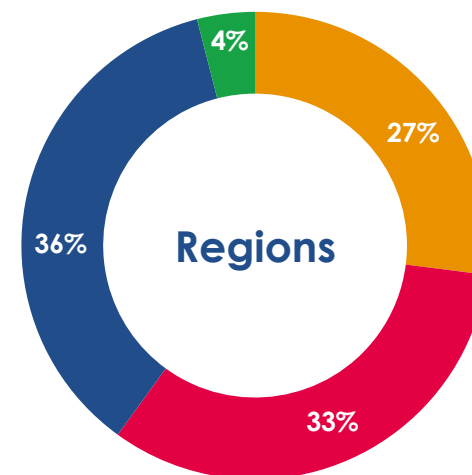


- Adhesive Solutions
- Advanced Materials
- Coating Solutions
- Intermediates

2020 SALES SPLIT



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



- Europe
- North-America
- Asia
- ROW

* On a pro forma basis, including full year contribution of all M&A operations announced in 2020



€7.9bn sales



20,600 employees



Present in 55 countries

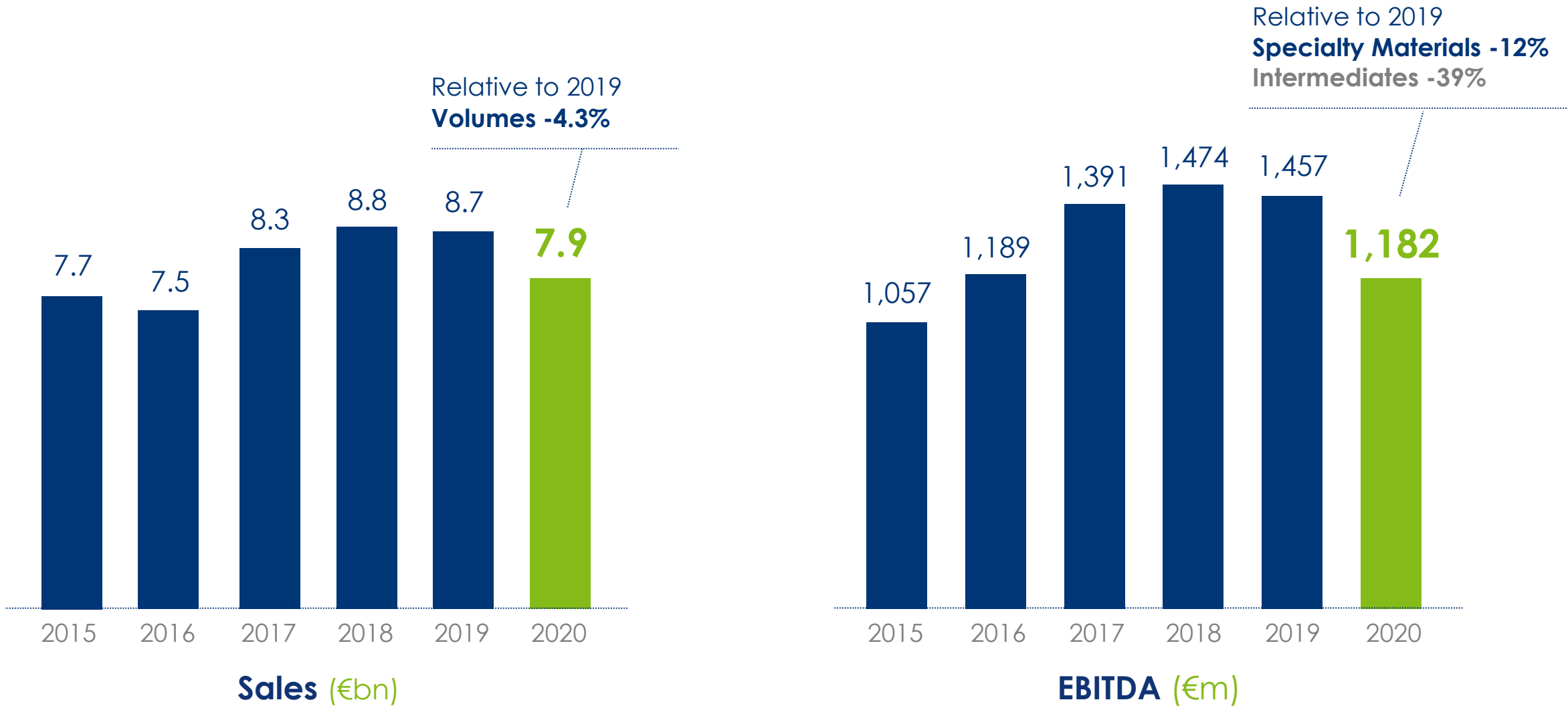


147 plants operated



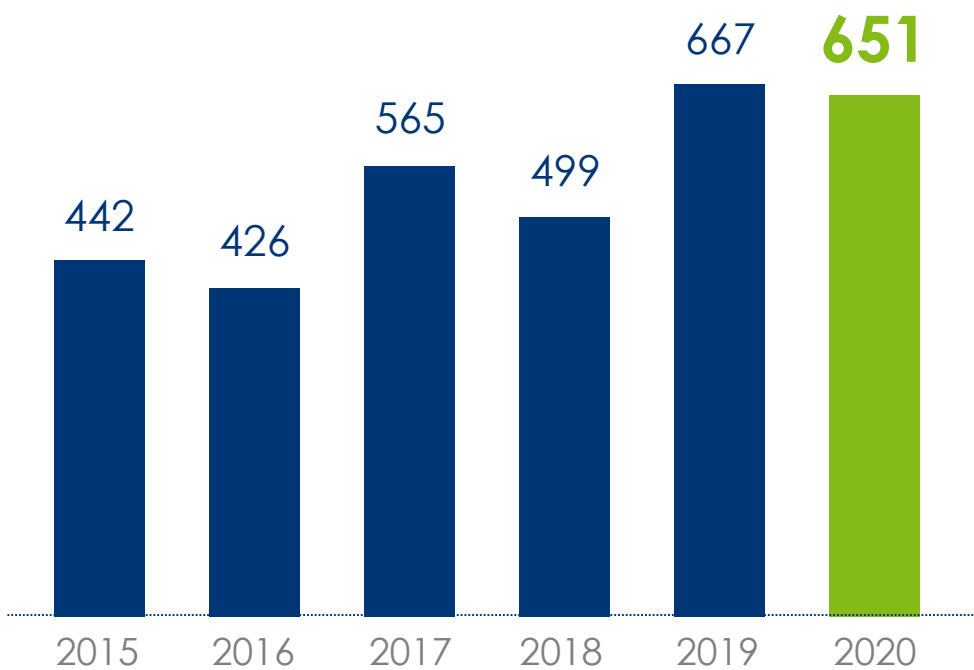
3.1% of revenues invested in R&D

ROBUST 2020 FINANCIAL PERFORMANCE IN THE COVID-19 CONTEXT



EXCELLENT CASH FLOW GENERATION

in €m

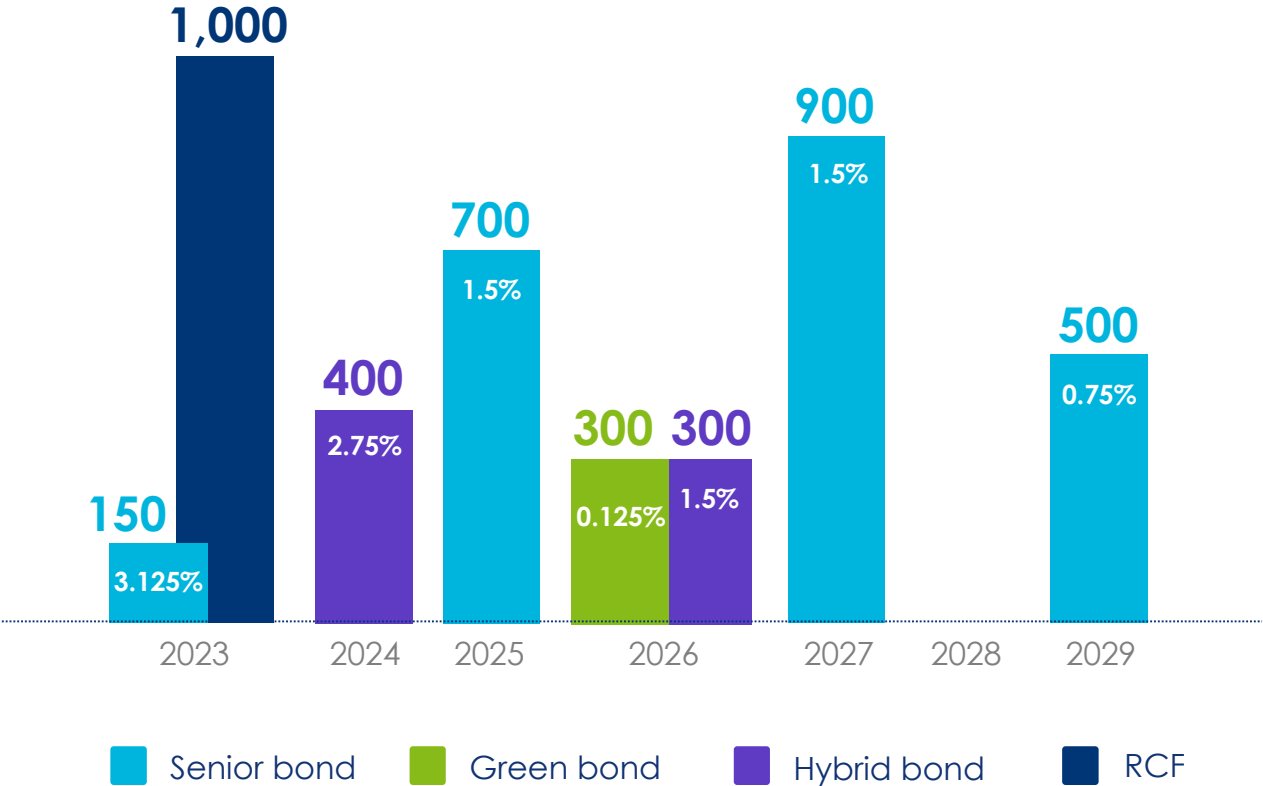


Free cash flow

- **EBITDA to cash conversion rate**
Record level of **67%** in 2020
- **Strict working capital management**
11.8% of sales at end-December 2020
- **Recurring and exceptional capital expenditure**
€600 m in 2020 (-€100 m vs initial budget)
- **Net debt well controlled**
€1.9 bn at end-December 2020 (incl. hybrid bonds), 1.6x LTM EBITDA






WELL ESTABLISHED FINANCIAL RESOURCES

in €m



- **Refinancing under favorable conditions**
average maturity of **5.6 years**
- **First-ever issuance of a green bond**
with a 6-year maturity for **€300 m**
(PA11 Singapore plant)
- **Solid financial rating maintained**
BBB+ stable outlook (S&P)
Baa1 stable outlook (Moody's)

STRONG IMPROVEMENT IN CSR RECOGNITION

	2015	2019	2020	
 Now a Part of S&P Global	42	65	79	The Sustainability Yearbook 2021 BRONZE AWARD
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA			Based on SAM	6 th in DJSI World First integration in 2020
	BB	A	A	
	C	B	A-	
			Top 1%	

Other ratings

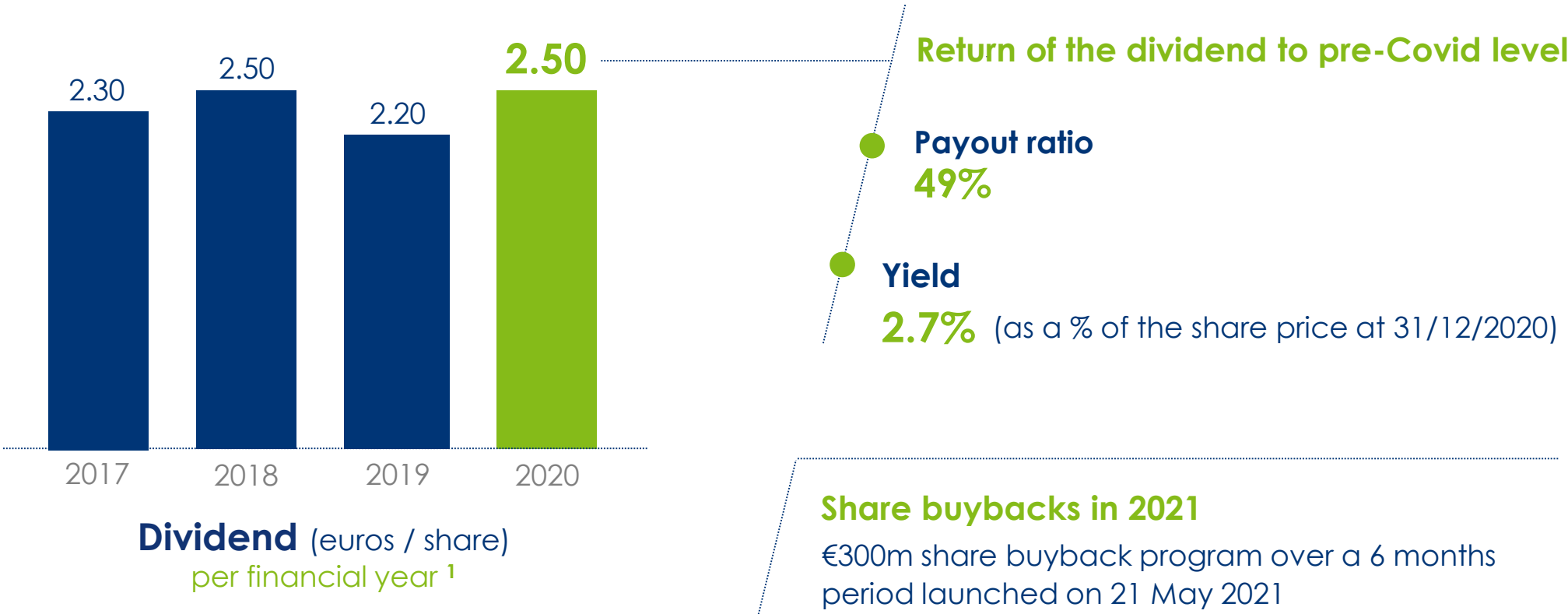


1st decile (global)
June 2020



Europe 120 &
Eurozone 120 indices

HIGH SHAREHOLDER RETURN



1. The dividend of each financial year is paid the following year

OUR LONG TERM AMBITION

ARKEMA
INNOVATIVE CHEMISTRY

A UNIQUE COMBINATION OF EXPERTISE IN SUSTAINABLE MATERIALS

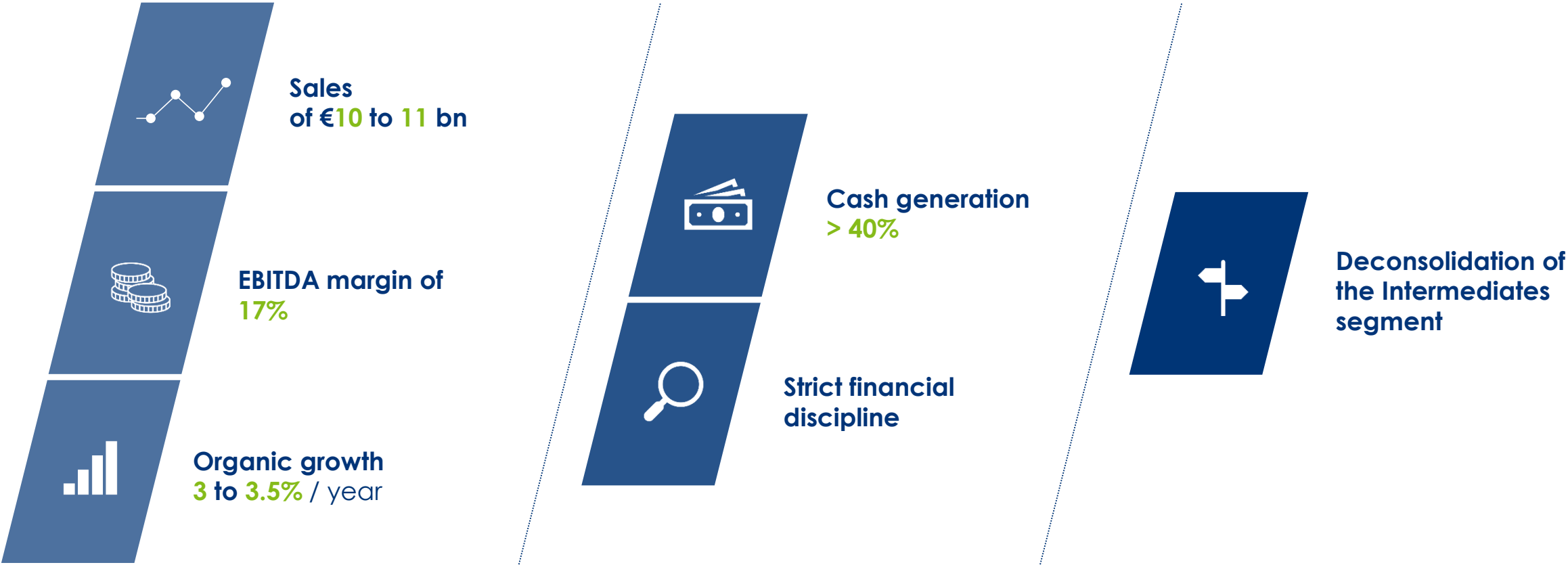
A SPECIALTY MATERIALS LEADER

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



OUR AMBITION BY 2024

BE A LEADER IN SUSTAINABLE AND HIGH-PERFORMANCE SPECIALTY MATERIALS



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



Sales split 2024 (incl. M&A)

30-35%



35-40%



25-30%



Average annual organic revenue growth

~3%

~4%

~3%



EBITDA margin¹ 2024

~16%

~22%

~16%

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

SUSTAINABLE INNOVATION DRIVING ORGANIC GROWTH



5 R&D PLATFORMS

NEW



Natural resources management

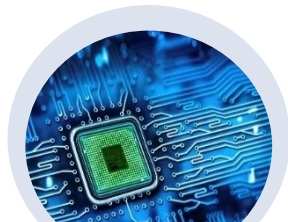
BIO-SOURCED OR RECYCLABLE SOLUTIONS
CIRCULAR ECONOMY
WATER MANAGEMENT



Lightweight materials



New energies



Electronic solutions



Home efficiency & insulation

SALES CONTRIBUTION

Thanks to our sustainable innovations, we expect to generate

€400m new sales by 2024 and **€1bn by 2030**

PORTFOLIO SUSTAINABILITY ASSESSMENT

NEW Target

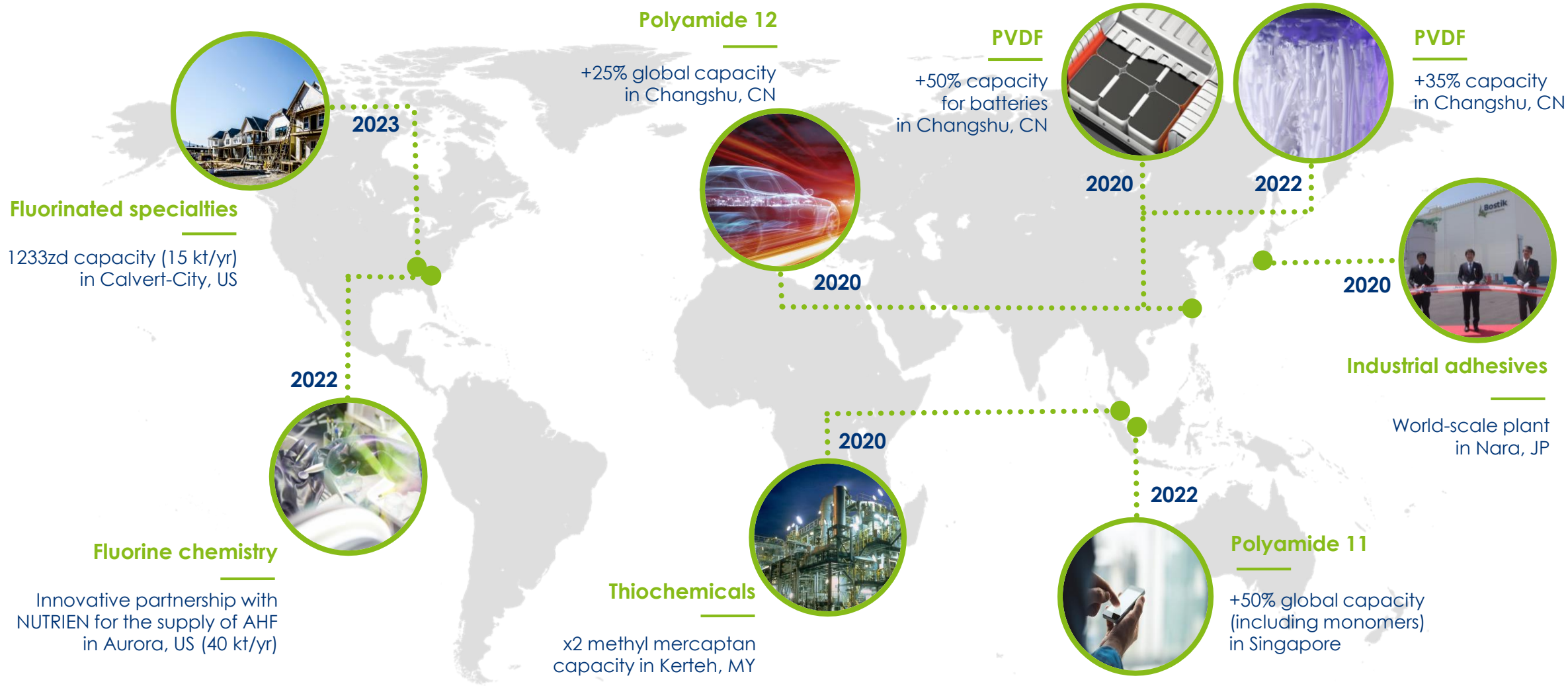
65% of our sales **contributing significantly** to the UN Sustainability Development Goals **by 2030**

Currently at 50% on 72% of sales assessed

NEW COMMITTEE AT BOARD LEVEL

Creation of a new **Innovation & Sustainable Growth committee**

INVESTMENTS TO CAPTURE SUSTAINABLE GROWTH



VERY SIGNIFICANT POTENTIAL IN BATTERIES

Lithium-ion batteries market



Electric vehicles
30+% CAGR
 2019-2024 ¹

Other applications



Consumer electronics



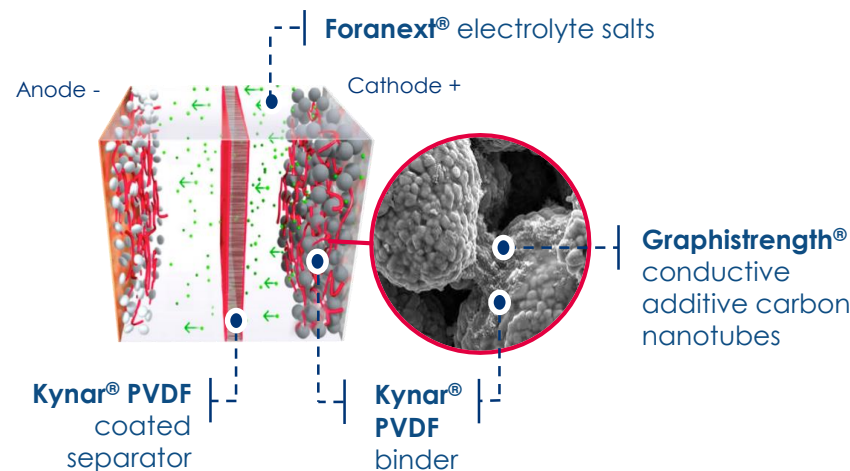
eBikes



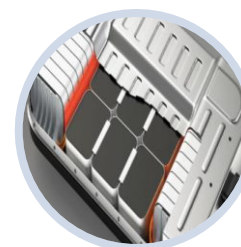
Energy Storage Systems

Innovative solutions to optimize performance of Li-ion batteries

▶ A leader in PVDF for Li-ion **battery cells**



▶ **Battery pack** weight reduction and heat transfer



- ✓ **Rilsan® PA11** for bus bar protection and cooling lines
- ✓ **Elium®** recyclable composite and **Rilsan® PA11** for casing
- ✓ **Bostik** thermal conductive adhesives

Well positioned to capture growth

▶ **New capacities** in China

▶ **Strong partnerships** with major players
 CATL, ATL, Saft...

▶ **Continued Innovation**

New Battery Lab in Pierre-Bénite, France for **next generations**

New electrolyte salts (EU Commission battery project)

¹. Market growth for battery electric vehicles - McKinsey center for Future of Mobility

HIGH RETURN PA11 PLANT IN SINGAPORE TO SUPPORT GROWTH FROM 2022

Polyamide 11, a unique material

- ▶ 100% bio-based, from castor oil
- ▶ High performance (mechanical and heat resistance)



LIGHTWEIGHT



RENEWABLE



RECYCLABLE



HIGHLY DURABLE

+50% capacity in Asia

- ▶ World scale PA11 plant in **Singapore** (including monomer) and downstream capacities in China
- ▶ Start-up expected in **2022**
- ▶ **€450m CAPEX** and **€100m EBITDA** at maturity
- ▶ Successful issuance of our first **green bond** for **€300m**

Diversified end-markets with high growth potential

Sports



3D Printing



Clean Mobility



Consumer Products



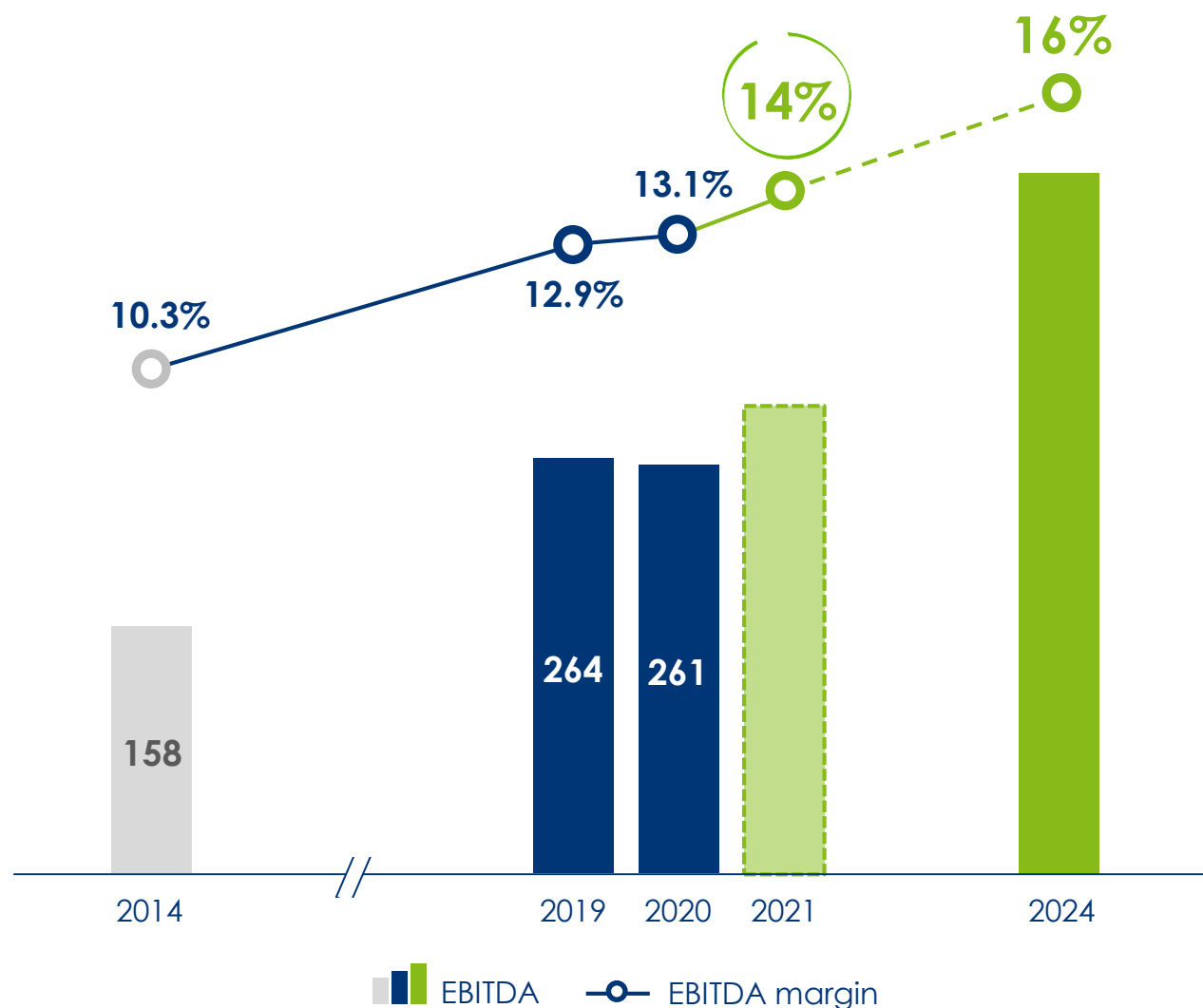
Consumer Electronics



Bio-based textile



BOSTIK ON TRACK TO DELIVER ITS MID-TERM TARGET



Reach **14%** EBITDA margin in 2021

Three balanced drivers

- Grow high margin solutions
- Strengthen operational excellence
- Roll out acquisition strategy and implement synergies

COATING SOLUTIONS SEGMENT WELL POSITIONED TO ACHIEVE ITS TARGETS

OUR STRENGTHS

- A **unique value proposition** with a resilient, integrated global supply chain as a solid foundation
- An **optimal positioning**:
 - On higher growth market segments (e.g. construction coating, functional coating)
 - On high-growth technologies (e.g. rheology additives)
- A **wide portfolio of sustainable technologies**
- **Deep understanding of customers' needs**

OUR GROWTH INITIATIVES



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)



+3% p.a.
Sales growth 2019-2024

+150 bps
EBITDA margin increases between 2019 and 2024

STRATEGIC REVIEW OF INTERMEDIATES UNDERWAY

Closing of PMMA disposal

Disposal of PMMA business to **Trinseo** for €1,137m



Closed at 3 May 2021

- ▶ Executed **in a timely manner**
Valuing the activity at **9.3x 2020e EBITDA**

Review in progress in Fluorogases

Focus on specialty businesses



- ▶ **High-value** intermediates for fluoropolymers
- ▶ **Fluorospecialties** for electronics, insulation, batteries..
- ▶ **Electrolyte salts** for batteries (as part of EU commission battery project)

Investigate strategic alternatives for emissive applications

- ▶ Next step of our strategic review in Intermediates after PMMA disposal
- ▶ Regulatory landscape recently clarified in the US on HFCs
- ▶ In 2021, define scope, business plan, carve-out and exploration of deconsolidation options

3 STRUCTURING PROGRAMS SUPPORTING SUSTAINABLE GROWTH

1

ARCHIMEDES

Moving towards higher positive impact of the portfolio

2

CIRCULAR ECONOMY

A sustainable resource management

3

CLIMATE PLAN

Contain global warming

A SOLID FOUNDATION



Responsible sourcing



Safety



Environment

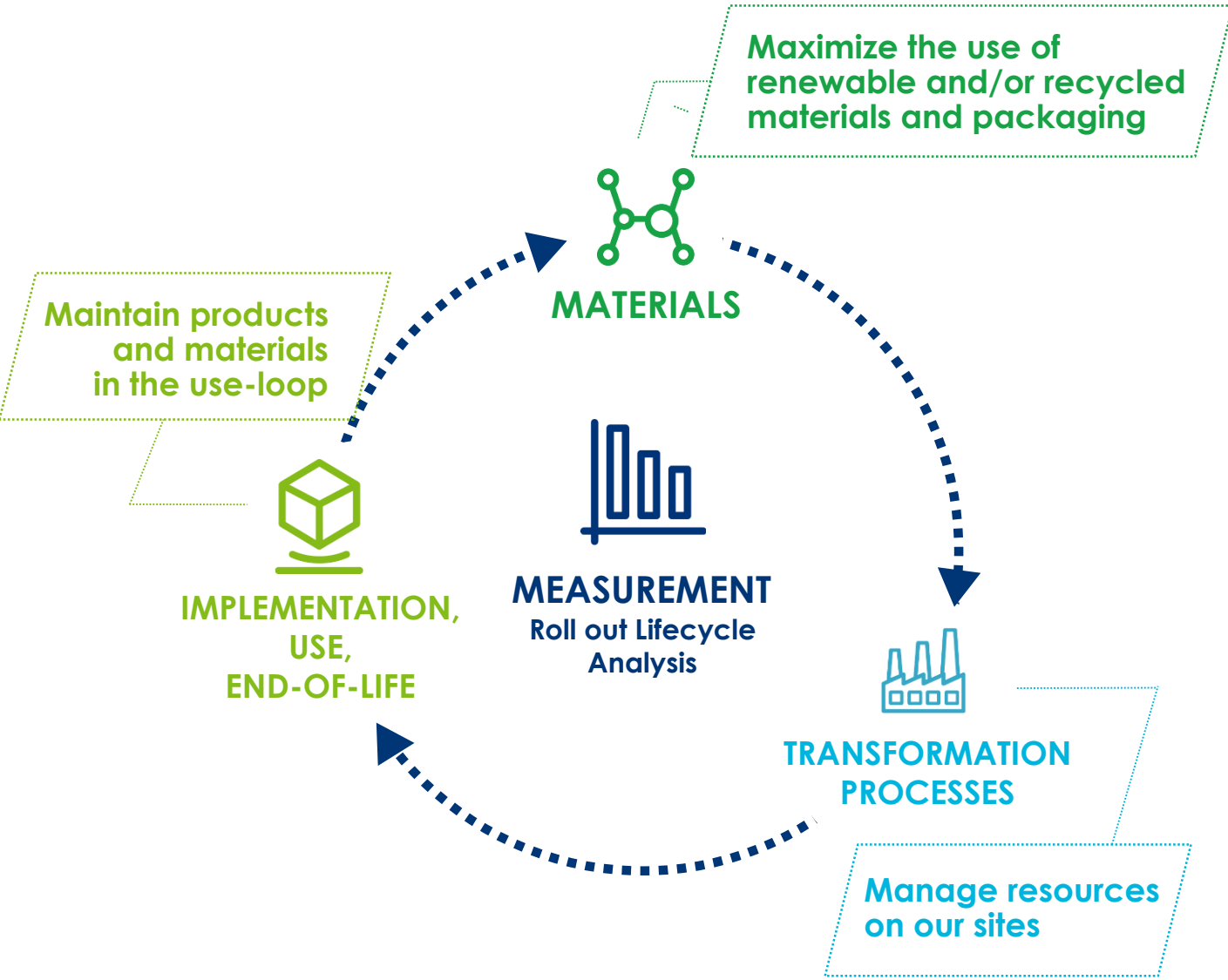


Diversity




Community

TRANSITION TO CIRCULAR ECONOMY IS A TOP PRIORITY



RECENT HIGHLIGHTS

- 

AGIPLAST
Acquisition of a leader in high performance polymers regeneration
- 

1ST EVER GREEN BOND
€300m dedicated to new plant in Singapore for 100% bio-based PA 11
- 

ZEBRA PROJECT
First 100% recyclable wind turbine blades

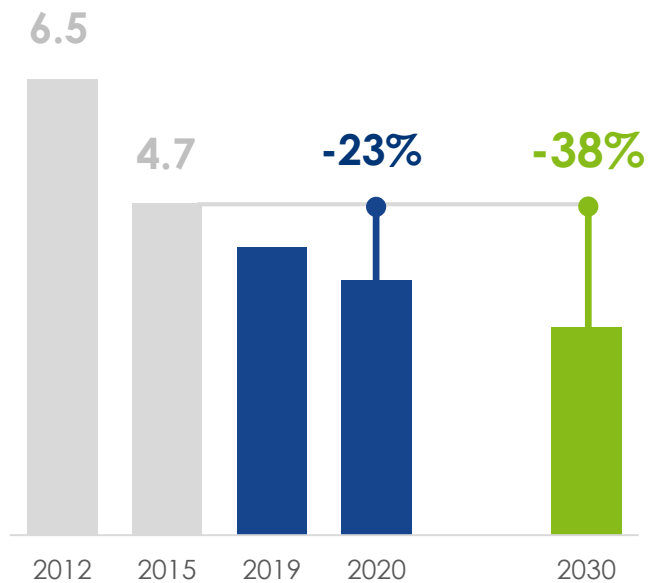
AN AMBITIOUS CLIMATE PLAN




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



Greenhouse gas emissions (GHG) target for 2030



GHG EMISSIONS in Mt eq. CO₂

CLIMATE  **≤ 2.95**
Mt eq. CO₂
(-38% vs 2015)

MAIN LEVERS

Energy efficiency & green energy

Process optimization & innovation

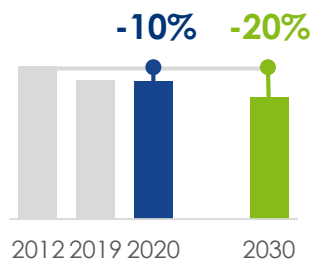
Suppliers commitment

SOLID FOUNDATION WITH A REINFORCED COMMITMENT TO SUSTAINABILITY

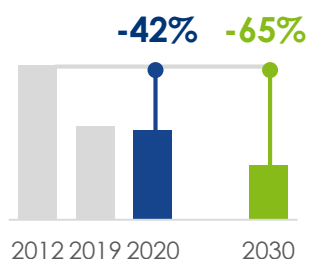


ENVIRONMENT ¹

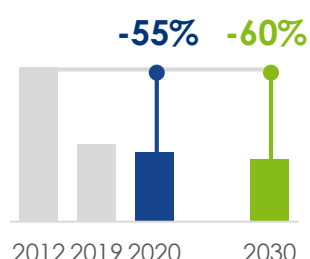
Energy



VOC



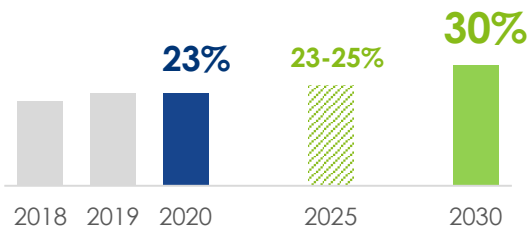
COD



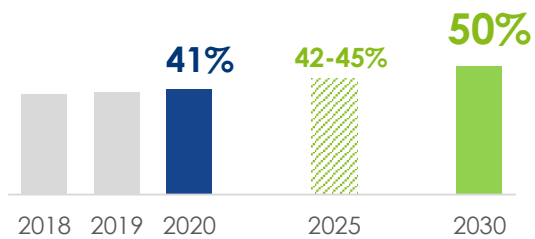
DIVERSITY

Women

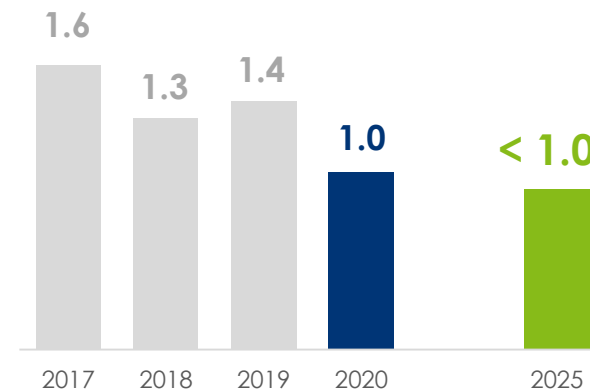
in senior management and executive positions



Non-French



SAFETY



TRIR (Number of accidents per million hours worked)



RESPONSIBLE SOURCING

80% of our purchases from relevant suppliers in **2025**
(Together for Sustainability assessed)

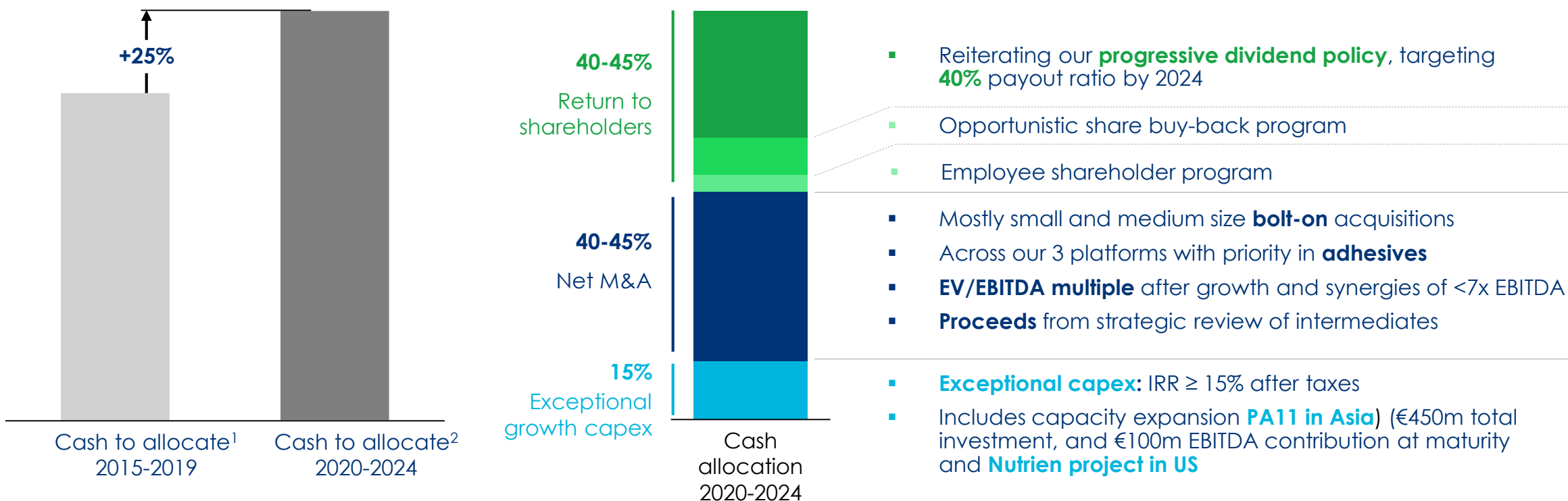
68% in 2020

1. EFPI vs 2012 for Energy, VOC (volatile organic compounds) and COD (chemical oxygen demand)

CASH ALLOCATION PRIORITIES

Estimated cash to allocate over the 5 year plan
 ~€3.5bn 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

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

FIRST QUARTER 2021 RESULTS

EXTRACT FROM FIRST QUARTER 2021 RESULTS PRESENTATION (6 MAY 2021)

ARKEMA
INNOVATIVE CHEMISTRY

Q1'21 FINANCIAL HIGHLIGHTS

€2,226m sales

- up 12.7% compared to Q1'20, at constant scope and currency
 - significant increase in volumes (+7.7%), in the continuity of the rebound already observed in Q4'20 (+5.2%)
 - strong momentum in most of the Group's end markets, and contribution of new developments driven by sustainable innovation

€358m EBITDA

16.1% EBITDA margin

- up sharply by almost 20% (€300m in Q1'20) and EBITDA margin of 16.1%
 - Specialty Materials' ¹ EBITDA of €306m, up 19.5%, supported by strong increases in the three segments Adhesive Solutions, Advanced Materials and Coating Solutions
 - Intermediates' EBITDA of €75m, up 10.3% (up 18.5% at constant scope)

€159m adj. net income

- up 59%, representing €2.08 per share

€(16)m free cash flow

- seasonal increase in working capital in a context of rising volumes and raw materials inflation

€2,002m net debt
(incl. hybrid bonds)

- well controlled (€1,910m at 31 December 2020)
- 1.6x LTM EBITDA

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

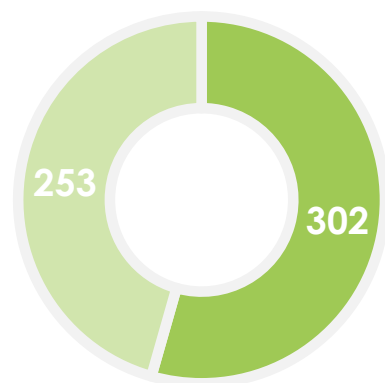
ADHESIVE SOLUTIONS (25% OF GROUP SALES)



Q1'21 KEY FIGURES

In €m	Q1'20	Q1'21	Change
Sales	515	555	+7.8%
EBITDA	69	86	+24.6%
EBITDA margin	13.4%	15.5%	
REBIT	54	71	+31.5%

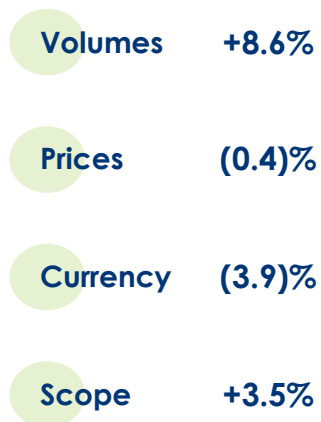
Q1'21 SALES BY BUSINESS LINE



Construction & Consumer

Industrial Assembly

Q1'21 SALES DEVELOPMENT



HIGHLIGHTS

- €555m sales, up 7.8% YoY**, driven by a +8.6% volume increase
 - strong momentum in construction and DIY, notably in Europe and Asia in continuity of H2'20
 - recovery of industrial markets in high-performance adhesives
 - more subdued growth in packaging and hygiene (high prior-year comparison base)
- €86m EBITDA, up sharply 24.6% YoY**, reflecting momentum in volumes, operational excellence, repositioning and integration of acquisitions
- 15.5% EBITDA margin** (up 210 bps YoY), highest ever EBITDA margin level in a quarter

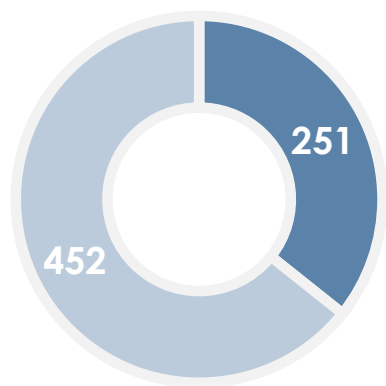


ADVANCED MATERIALS (31.5% OF GROUP SALES)

Q1'21 KEY FIGURES

In €m	Q1'20	Q1'21	Change
Sales	652	703	+7.8%
EBITDA	122	142	+16.4%
EBITDA margin	18.7%	20.2%	
REBIT	61	81	+32.8%

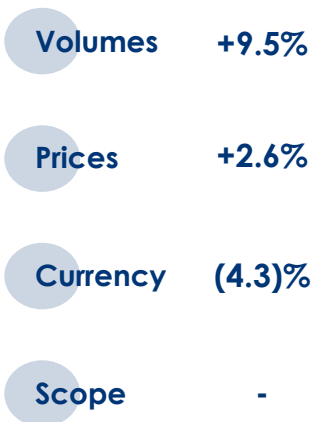
Q1'21 SALES BY BUSINESS LINE



■ High Performance Polymers

■ Performance Additives

Q1'21 SALES DEVELOPMENT



HIGHLIGHTS

- **Volumes up 9.5%**
 - strong growth in High Performance Polymers
 - benefits of innovation and new developments in batteries, automotive, sports equipment and water filtration
 - rebound in most industrial sectors amplified by some customer restocking
- **Price effect up 2.6%**, reflecting price increase initiatives in a context of raw materials inflation
- **€142m EBITDA, up 16,4% YoY, and high EBITDA margin at 20.2%**, in a context of increasing demand for sustainable, high-performance materials

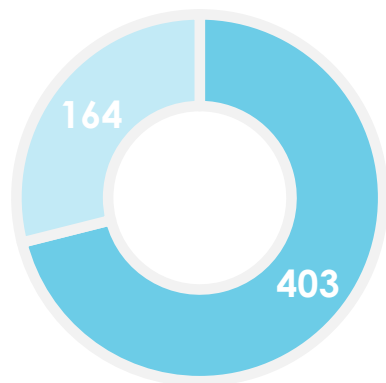


COATING SOLUTIONS (25.5% OF GROUP SALES)

Q1'21 KEY FIGURES

In €m	Q1'20	Q1'21	Change
Sales	517	567	+9.7%
EBITDA	65	78	+20.0%
EBITDA margin	12.6%	13.8%	
REBIT	36	49	+36.1%

Q1'21 SALES BY BUSINESS LINE



■ Coating Resins

■ Coating Additives

Q1'21 SALES DEVELOPMENT

Volumes +5.8%

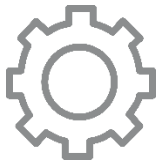
Prices +9.1%

Currency (5.2)%

Scope -

HIGHLIGHTS

- **+9.1% price effect**, offsetting higher propylene prices
- **Volumes up 5.8%**
 - strong dynamic in decorative paints, 3D printing, industrial coatings, graphic arts and electronics
 - product availability temporarily affected by winter storm Uri in the United States
- **EBITDA up sharply by 20%** and **13.8% EBITDA margin** supported by good volumes, pricing initiatives and benefit from the acrylic chain integration



INTERMEDIATES (18% OF GROUP SALES)

HIGHLIGHTS

Q1'21 KEY FIGURES

In €m	Q1'20	Q1'21	Change
Sales	397	395	(0.5)%
EBITDA	68	75	+10.3%
EBITDA margin	17.1%	19.0%	
REBIT	35	47	+34.3%

Q1'21 SALES DEVELOPMENT

Volumes	+6.3%
Prices	+10.8%
Currency	(4.0)%
Scope	(13.6)%

- **High organic growth at 17.1%**, with **+10.8% price effect** and **volumes effect of 6.3%**
 - more favorable market conditions in acrylics in Asia,
 - still challenging conditions in Europe and in Asia in Fluorogases
 - more limited growth in PMMA given the high prior-year comparison base in the context of the pandemic
- **-13.6% scope effect** related to Functional Polyolefins divestment at 1 June 2020
- **€75m EBITDA, up 10.3% YoY**, and +18.5% at constant scope
- **EBITDA margin at 19.0%**

Q1'21 CASH FLOW

RECONCILIATION OF EBITDA TO NET CASH FLOW

In €m	Q1'20	Q1'21
EBITDA	300	358
Current taxes	(26)	(49)
Cost of debt	(25)	(13)
Change in working capital and fixed assets payables ¹	(181)	(187)
Recurring capital expenditure	(79)	(72)
Exceptional capital expenditure	(13)	(53)
Others (including non-recurring items)	(14)	-
FREE CASH FLOW	(38)	(16)
Impact of portfolio management	(95)	(16)
NET CASH FLOW	(133)	(32)

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

Tax rate

~ **22%** of REBIT (excl. exceptional items)

Working capital

12.7% of annualized sales at end-March 2021, remaining at a very good level

Exceptional capex

Ramp-up in the construction of the bio-based PA11 plant in Singapore and of the hydrofluoric acid unit in the US

OUTLOOK

- ▶ The positive market dynamics observed in the first quarter is continuing, supported by strong demand in the construction and DIY markets, and several industrial markets that are important for the Group
- ▶ Thanks to its innovation for sustainable development and recent industrial capacity expansions, while being attentive to the market environment, which remains volatile, Arkema considers it is very well positioned to benefit from the strongly rising demand for high-performance materials
- ▶ In this environment of robust demand, raw materials inflation should accelerate in the second quarter. The Group will continue its initiatives to increase prices to offset this impact
- ▶ In this context, and also in light of its first-quarter financial performance, the Group has raised significantly the Specialty Materials' guidance for 2021. Excluding a systemic resumption of the health crisis,
 - ▶ **Specialty Materials'** EBITDA is now expected to **grow by around 20% in 2021** compared to 2020 at constant scope and currency ¹
 - ▶ **Bostik**, in line with its 2024 trajectory, confirms its EBITDA margin **target of 14%** in the year, and **Intermediates'** EBITDA should **at least reach last year's level** at constant scope ² and currency ¹

1. With the assumption of a €/€ exchange rate of 1.2 for 2021, the impact on 2020 EBITDA is estimated at a negative €30m for Specialty Materials and a negative €10m for Intermediates

2. The combined EBITDA contribution of Functional Polyolefins, divested on 1 June 2020, and of PMMA, divested on 3 May 2021, was close to €135m in 2020 and €45m in 2021 (January – April, PMMA only)

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 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 2020 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 2020 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