ARKEMA INNOVATIVE MATERIALS FOR A SUSTAINABLE WORLD

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Chairman and CEO

BNP PARIBAS EXANE
25TH EUROPEAN CEO CONFERENCE

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Arkema in a snapshot

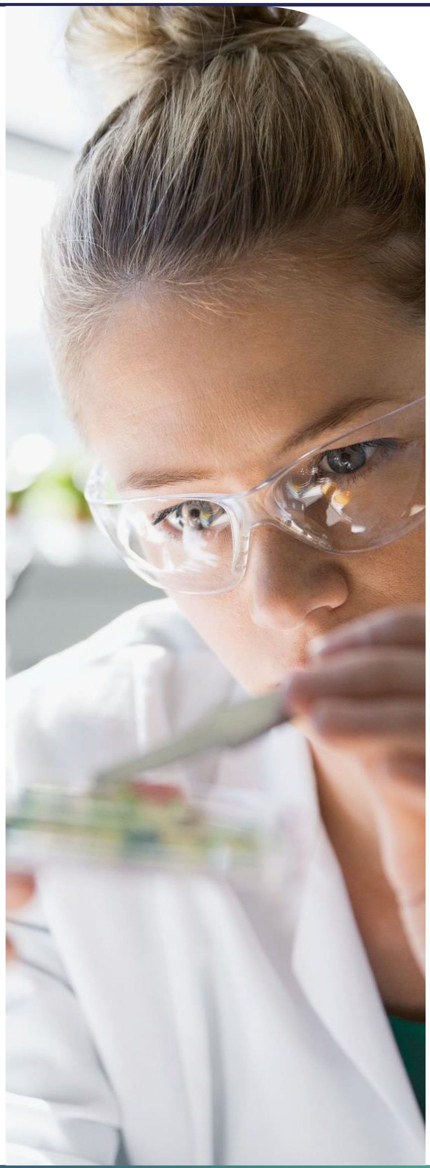
Arkema at a glance (2022)

€11.5bn
sales

18.3%
EBITDA margin

€707m
capital expenditure

€270m
R&D expenditure



21,100
employees

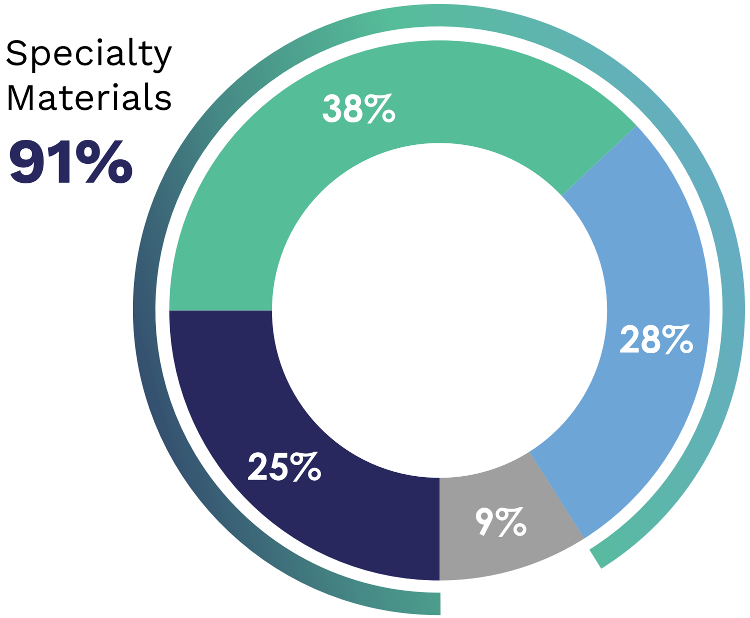
55
countries

148
production facilities

3
regional R&D hubs

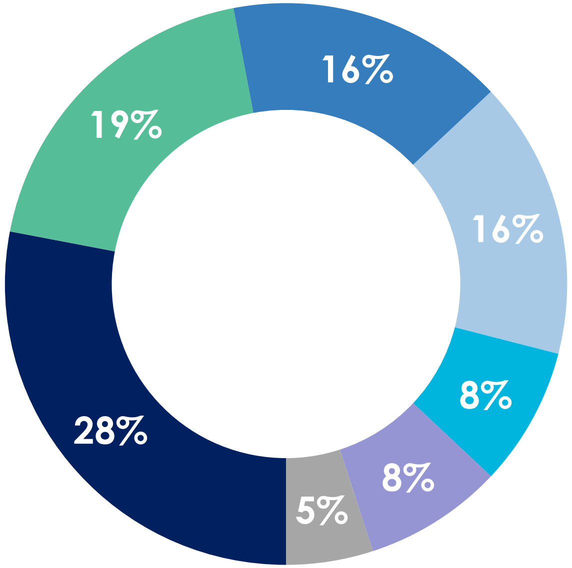
Diversified end-markets and balanced geographic footprint

Segments



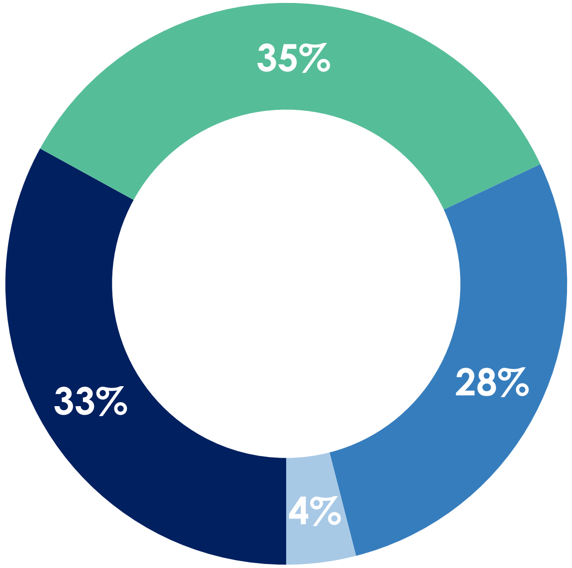
- Adhesive Solutions
- Advanced Materials
- Coating Solutions
- Intermediates

Markets



- Industry
- Paints and coatings
- Building and construction
- Consumer goods
- Nutrition and water
- Electronics and energy
- Auto. and transportation

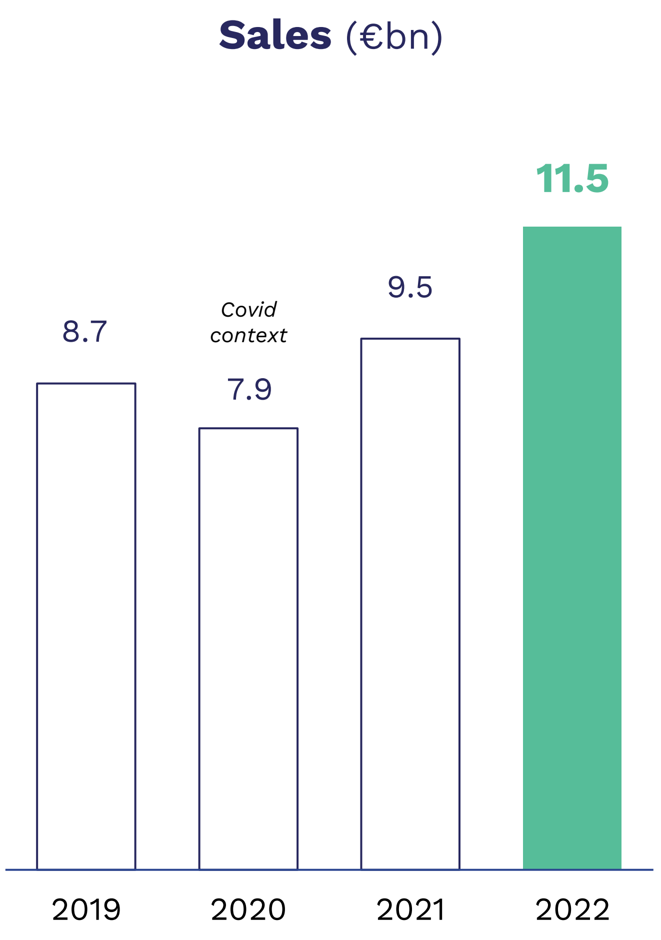
Regions

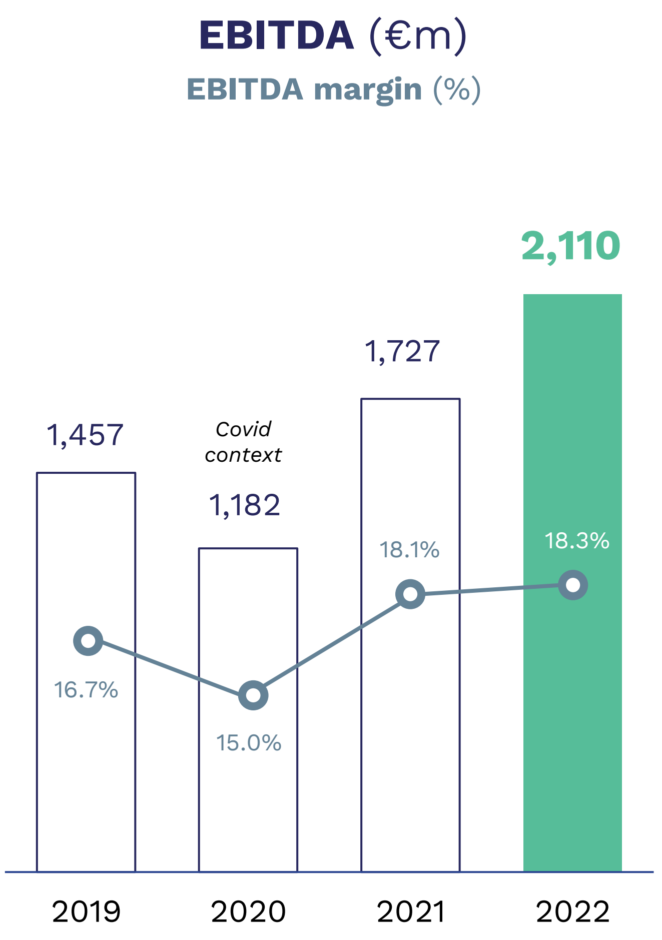


- Europe
- North America
- Asia
- Rest of the world

2022 sales

Excellent 2022 financial performance in a demanding context

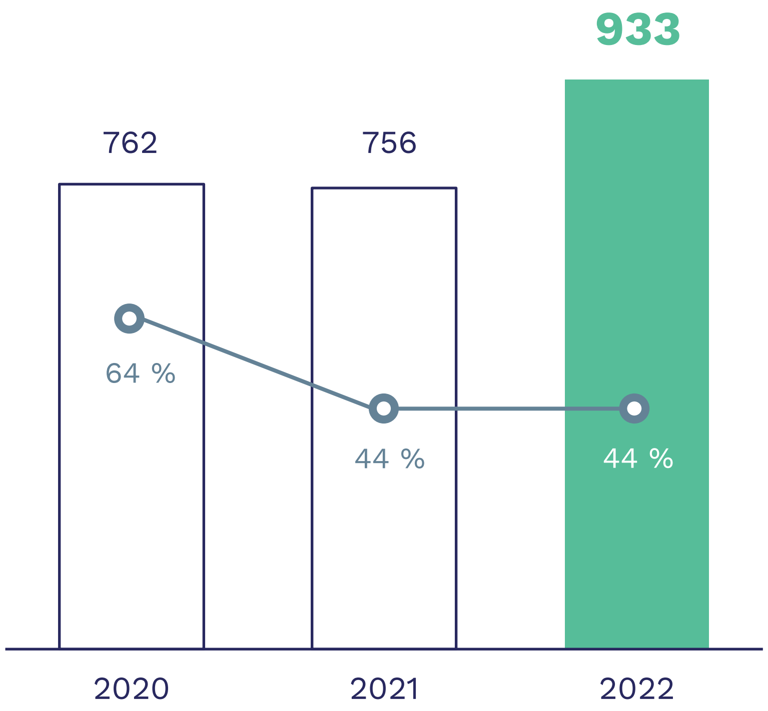




Excellent cash generation

Recurring cash flow * (€m)

EBITDA to cash conversion rate



* Free cash flow before exceptional items

EBITDA to cash conversion rate

44.2% in 2022

In line with the long-term target of 40%

Strict working capital management

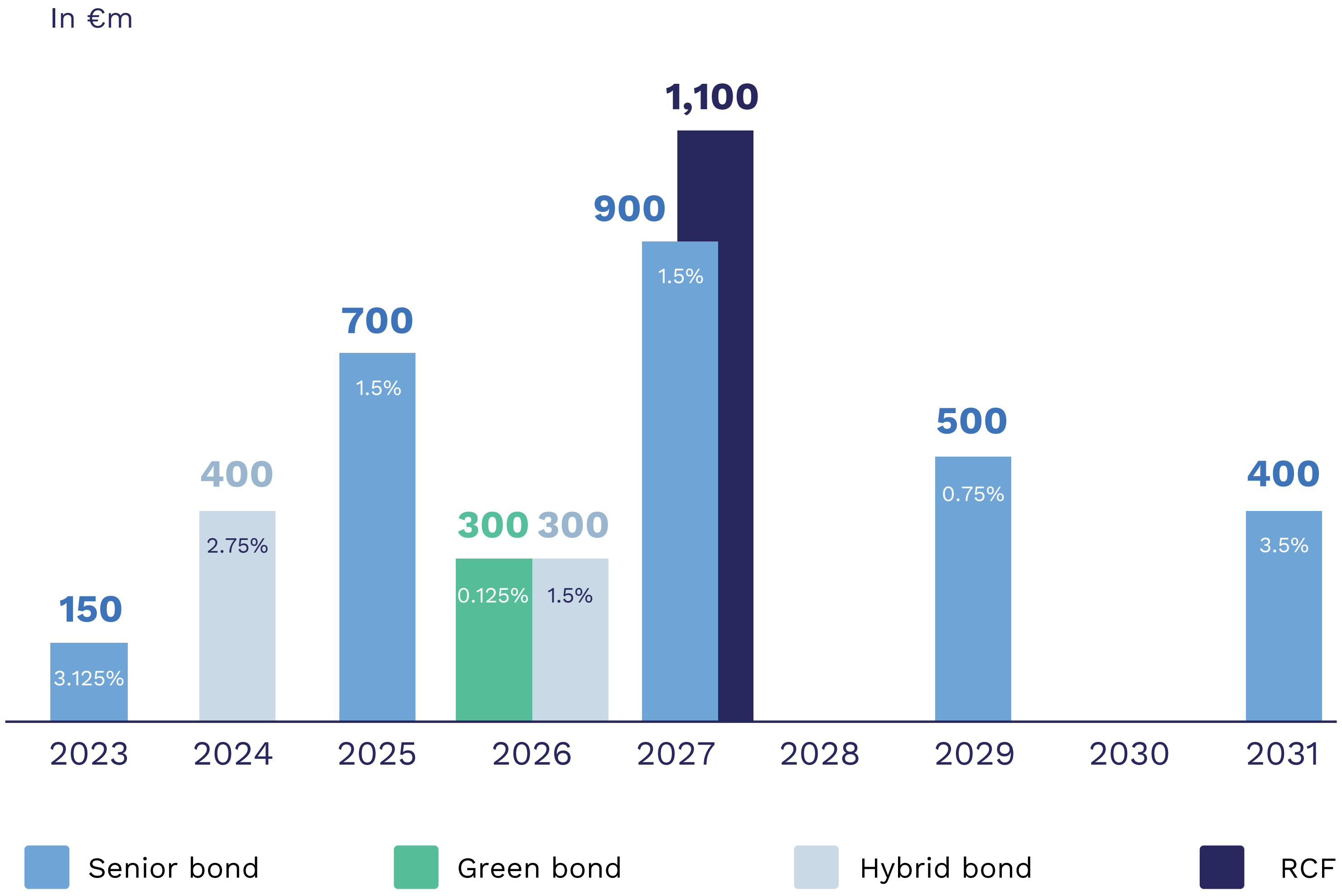
12.6% of sales at end-December 2022

Capital expenditure

€707m in 2022

Including €123m for 2 exceptional projects (Singapore, Nutrien)

Well-established financial resources



Average maturity

4.3 years (excluding hybrids)

RCF

One-year extension (July 2024)

Linked to **CSR criteria**

Solid financial rating

BBB+ stable outlook (S&P)

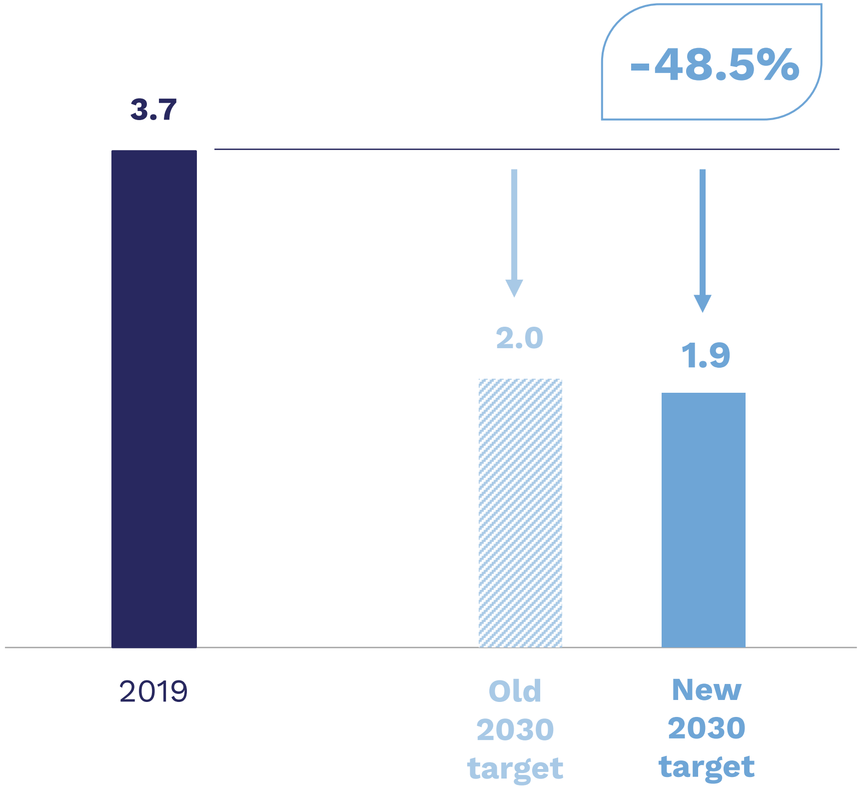
Baa1 stable outlook (Moody's)

Well-controlled net debt

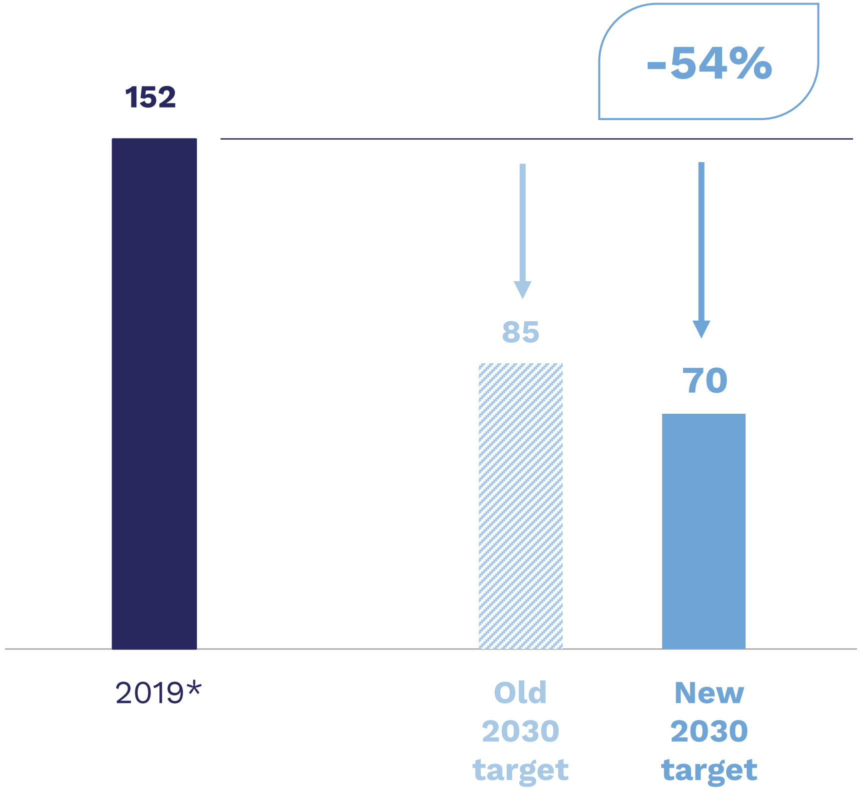
€2.4 bn end-2022

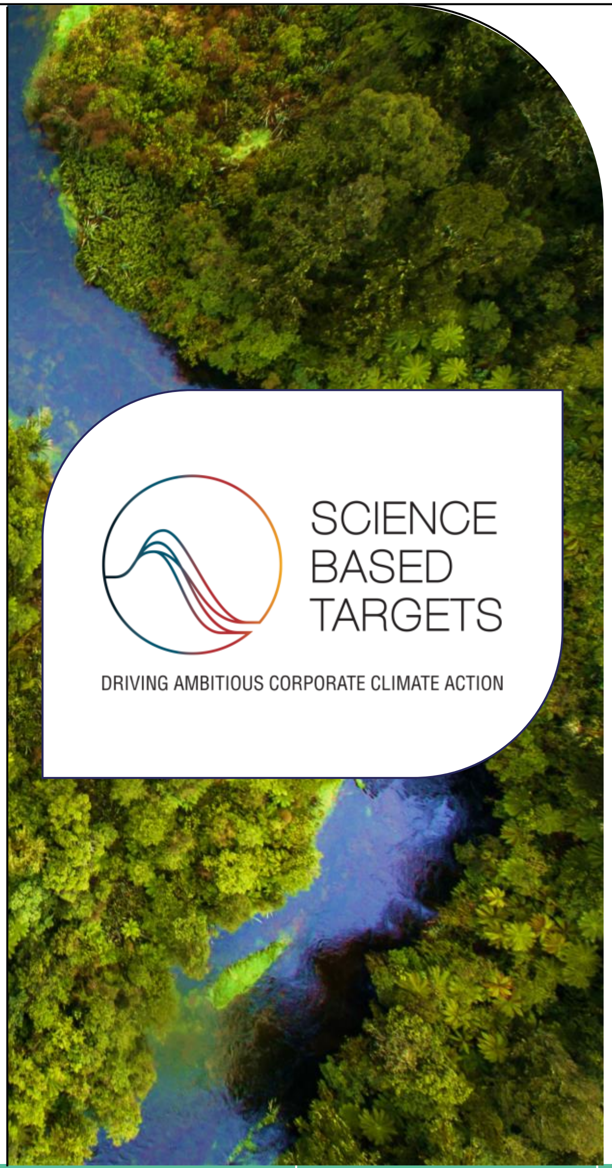
New ambitious 1.5°C trajectory approved by SBTi (2030 targets)

Scopes 1+2
GHG emissions (Mt CO_2e)



Scope 3
GHG emissions (Mt CO_2e)





* *Restated data, in line with SBTi recommendations*

ESG recognition among best-in-class in the sector

MSCI: **A**

CDP: **B** (climate change)

Moody's ESG Solutions: **69**
Superior percentile across all sectors

Ecovadis: **top 3%**
Among the best performers in the sector

Sustainalytics: ***Rated***

ISS ESG: **1st decile**
(global, oct. 2022)

CAC40® ESG: **since its creation** (2021)

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

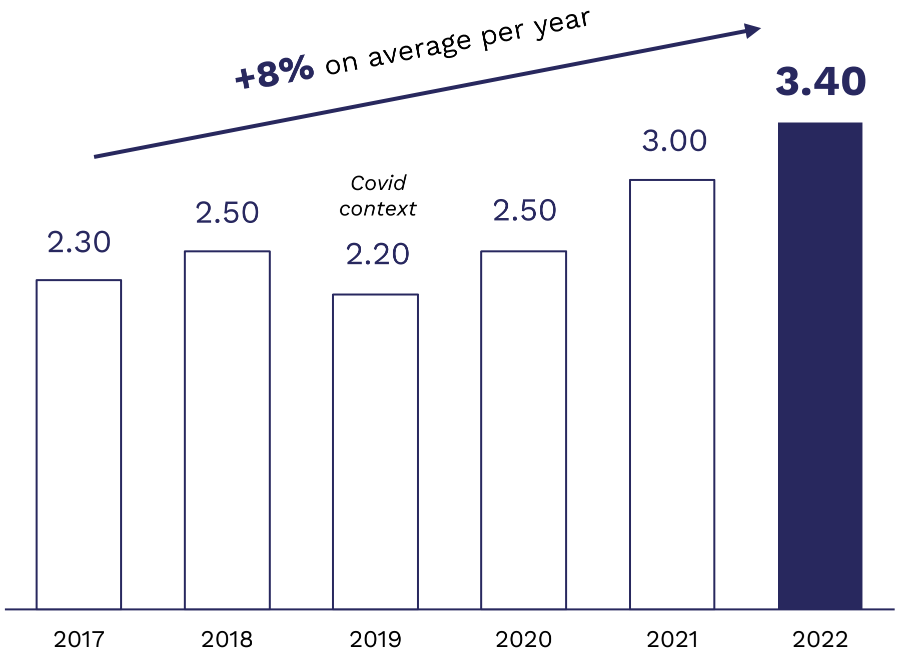
3rd place
DJSI World 2022
"Chemicals" category

S&P Global Sustainability Yearbook 2023 – score **83**

A steadily growing dividend

Dividend

(in €/share) per fiscal year

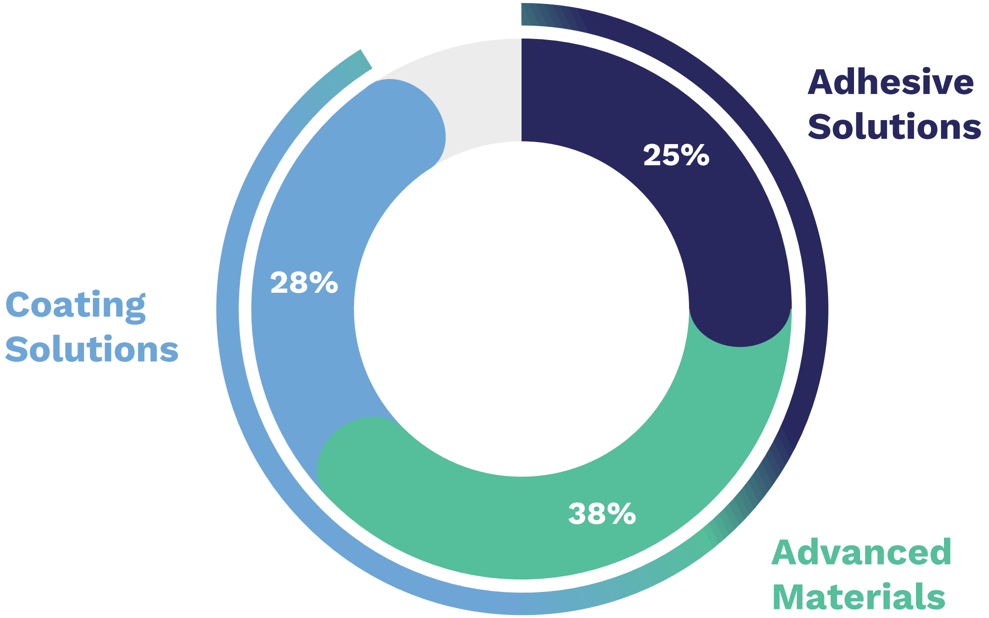


→ In line with the Group's ambition to **progressively increase the dividend**

Strategy and ambition

Contribute to a more sustainable world thanks to our materials

Innovative materials



A **One Arkema** approach based on 3 segments with **strong** technical and commercial **synergies**

% of 2022 sales

To meet the challenges of tomorrow

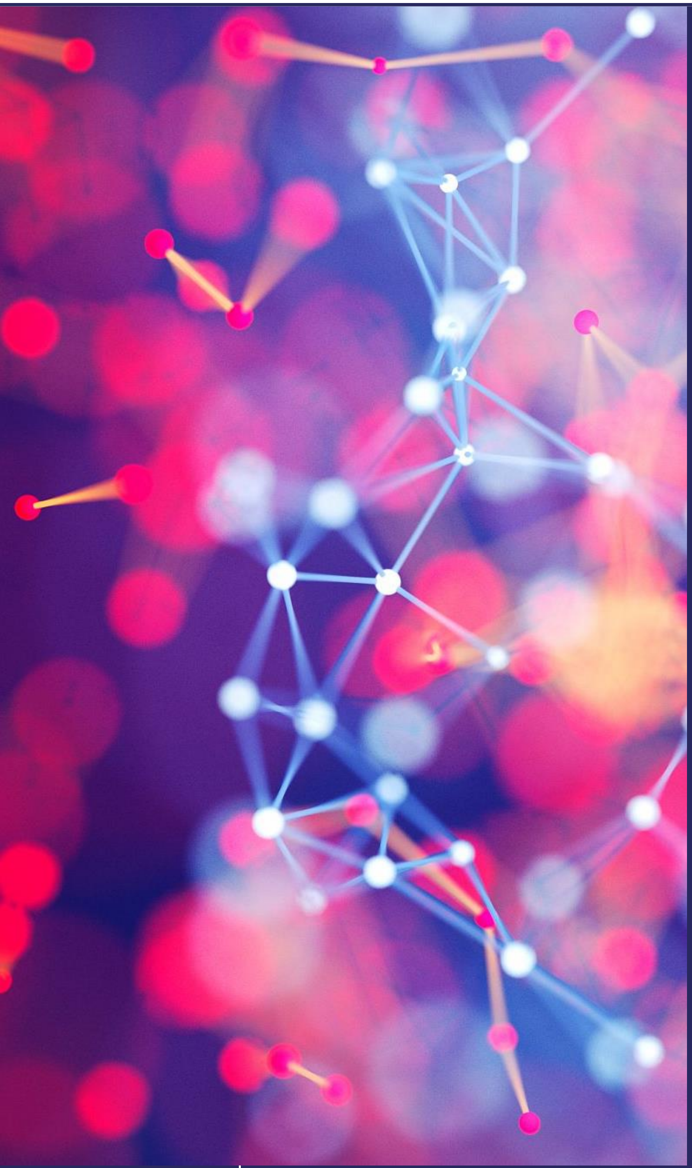
Urbanization and social change

Climate change

Resource scarcity

Technological transformation

In line with our 2024 ambition



Be a Specialty Materials leader

Sales of
€10 to **11bn**

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

EBITDA margin of
17%

Cash generation
> 40%

4 main levers to achieve this ambition

Accelerate **organic growth** through:

- **cutting-edge innovation** for the energy transition and decarbonization
- **industrial investments** in high-growth markets

Strengthen the geographic footprint and leadership positions in high value-added market segments through **bolt-on acquisitions**

Continue progress in **CSR** by implementing the **1.5°C** trajectory and strengthening the **circular economy**

Aim for **excellence** in **operational** processes and **commercial** performance

Strong innovation serving sustainability

Up to **€1.5bn** additional sales from sustainable innovation by 2030 *vs.* 2019

5 R&D platforms

Natural resources management

New energies

Lightweight materials and design

Living comfort and home efficiency

Electronics solutions

> 90%
patents filed relating to sustainable development in 2022

53%
of sales significantly contributing to UN SDGs* in 2022 (ImpACT+)

ImpACT+ target: ***65%*** *by 2030*

*based on 86% of our sales assessed (excl. Ashland Performance Adhesives)

Highly technical products for clean mobility

Hydrogen tank liner made of bio-based and recyclable **Rilsan® PA11**

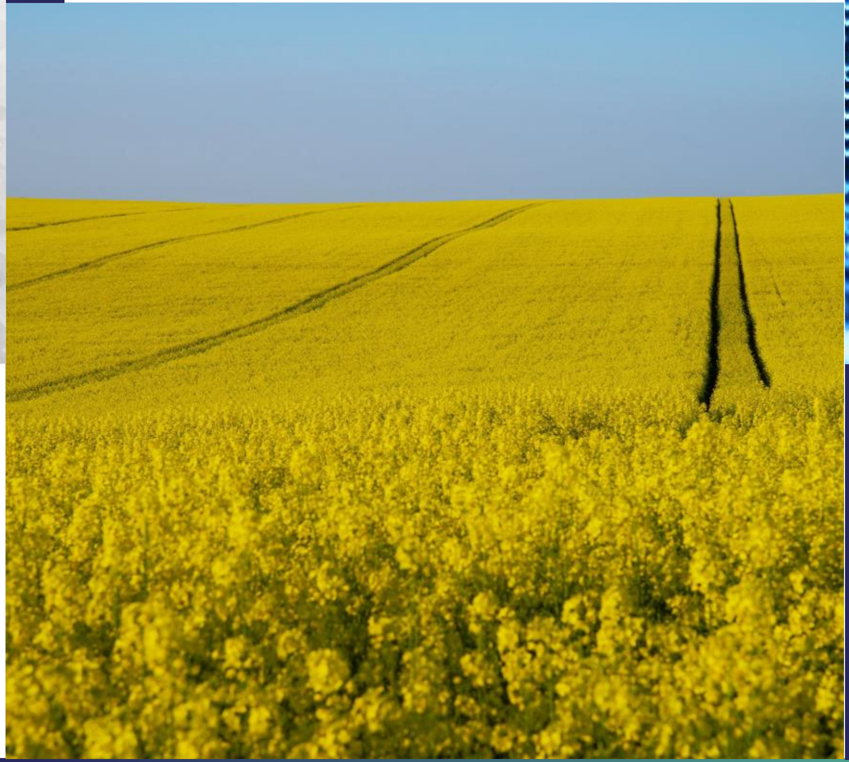
High performance solutions for the inside and outside of **battery** cells

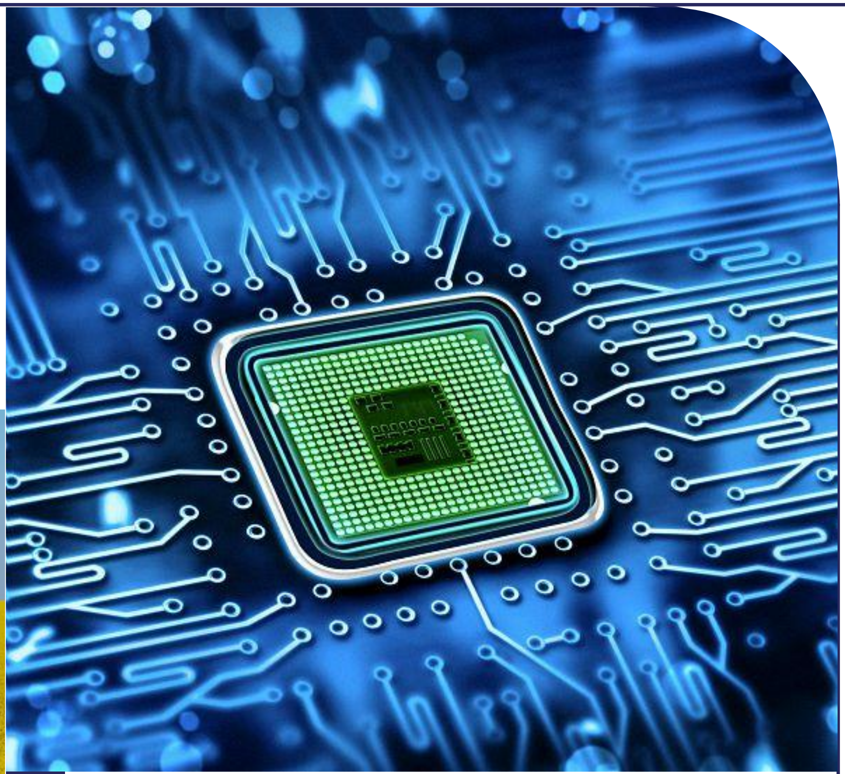
DMDS specialty additives used in **bio-refineries**

A vast range of bio-based or recyclable materials

New **recycled** high performance polyamides produced by Agiplast

New ISCC+ **mass balance** certified acrylic monomers





Bio-based heat-activatable high performance adhesives made from rapeseed

Sustainable solutions for home comfort

97% bio-based
Synaqua® resins
for decorative paints

Solvent, phtalate or
isocyanate-free,
35% bio-based
Bostik flooring adhesive

Kynar Aquatec® and Coating Solutions resins and additives for **sustainable thermal reflective roofs**

Performance at the heart of our innovation

KING Agera golf putter insert made of **PA11**, 3D-printed with **HP** technology

Courtesy of Cobra Golf

Pebax® foam soles for **Decathlon**'s Kiprun KD900X running shoes

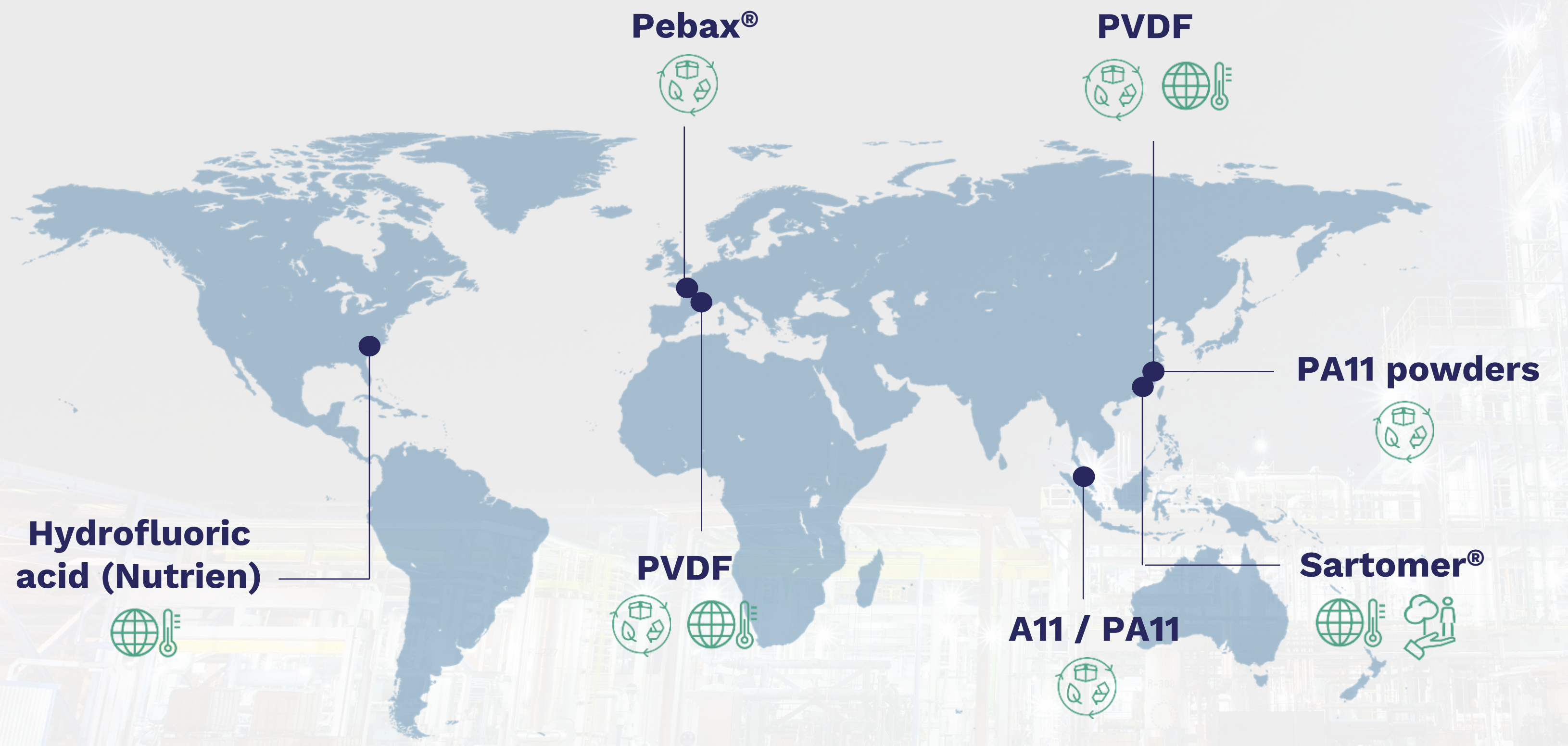
Courtesy of Decathlon

Protective coating made of Kynar Aquatec® PVDF latex for **NASA**'s logo on *SLS Artemis 1*

Photo credit: NASA/Ben Smegelsky

High return investments supporting our sustainable growth strategy

Key current expansion projects



Bio-based, renewable Recyclable

Solvent-free Low VOC

Less emissive

Combined Capex

€750m

EBITDA contribution

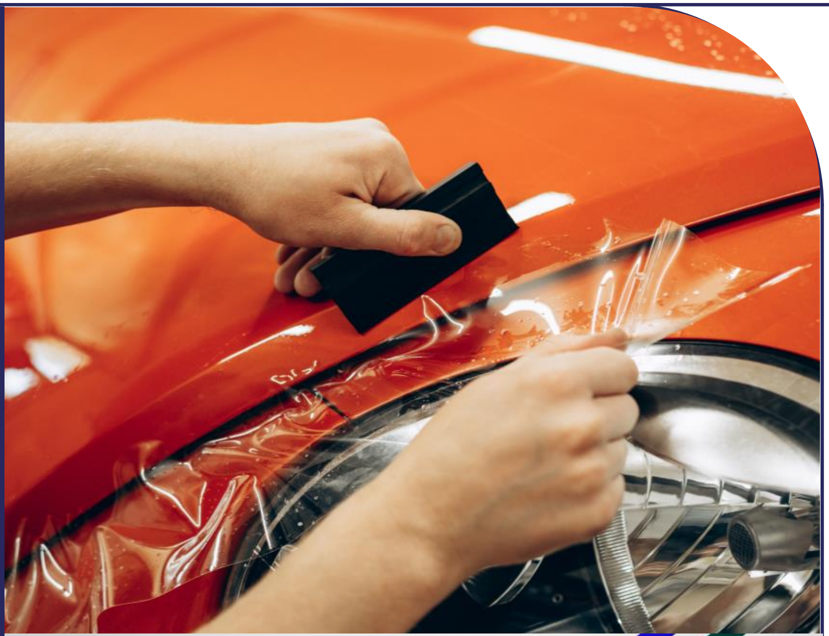
€50-70m
in 2023 (mainly H2)

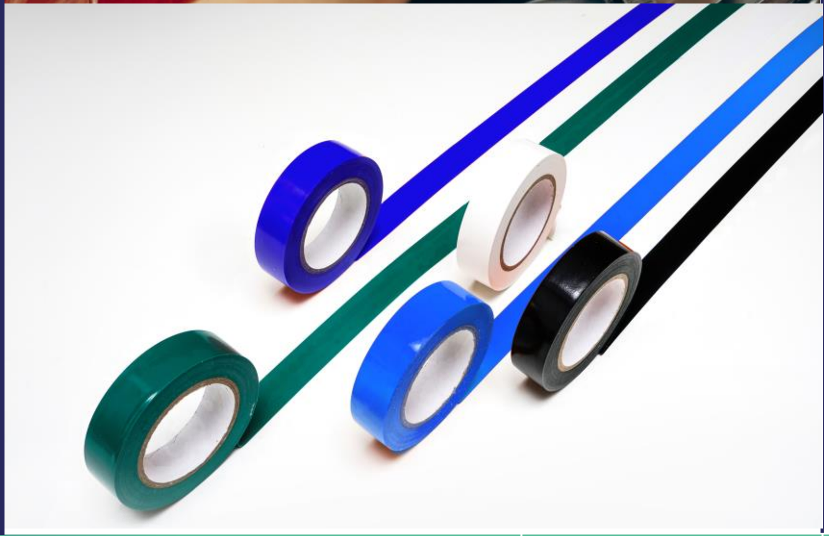
~€180-200m
at maturity

A leadership position in pressure sensitive adhesives thanks to Ashland's adhesives acquisition

The most complete and integrated pressure sensitive adhesives (PSA) global offering on the market

- Including **4 major technologies**: hot melt, water-based, UV, specialty acrylic solutions
- Leveraging:
  - the recent acquisition of **Ashland's adhesives**
  - our position in the **acrylic value chain**
  - **a strong reputation** with customers
- Serving a wide variety of demanding applications in adhesive tapes, labels and specialty films





Group's profile strengthened by recent bolt-on M&A



Acquisitions

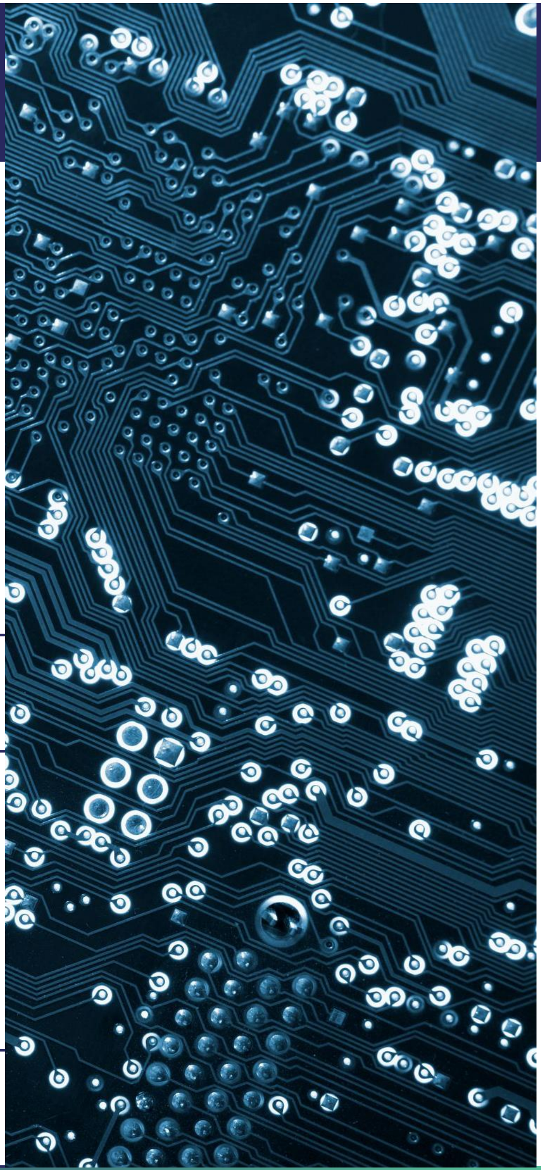
Permoseal
(South Africa)

Polytec PT
(Germany)

Adhesive Solutions

Polimeros Especiales SA
(Mexico)

Coating Solutions



Divestment

Febex divested
to Prayon group

3 CSR challenges for sustainable growth of our activities

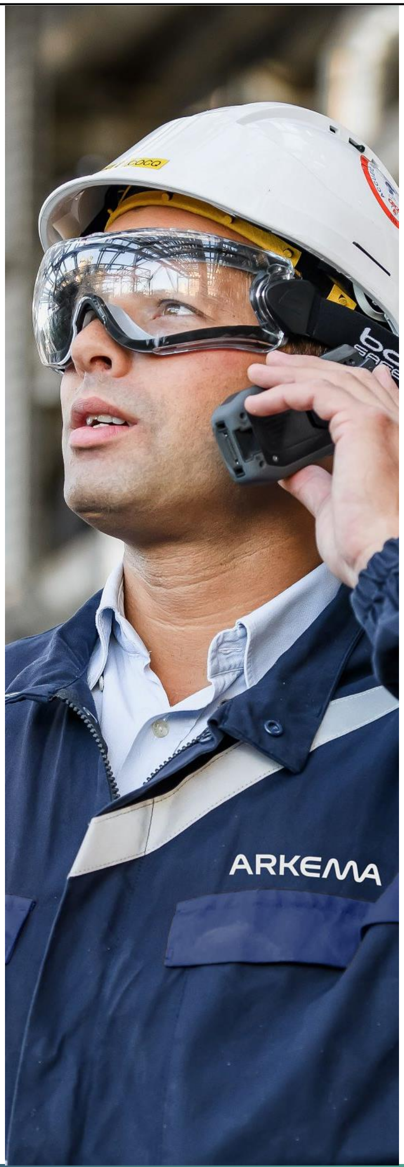
Offer **sustainable solutions** driven by **innovation**

Act as a **responsible manufacturer**

Cultivate a position as an employer of choice and an **open dialogue** with **stakeholders**

Ensuring employees' health and equipment safety

2030 targets		2022
0.8	accident per million hours worked (TRIR)	**0.9**
2.0	process safety events per million hours worked (PSER)	**2.8**



Safety always in mind
ARKEMA

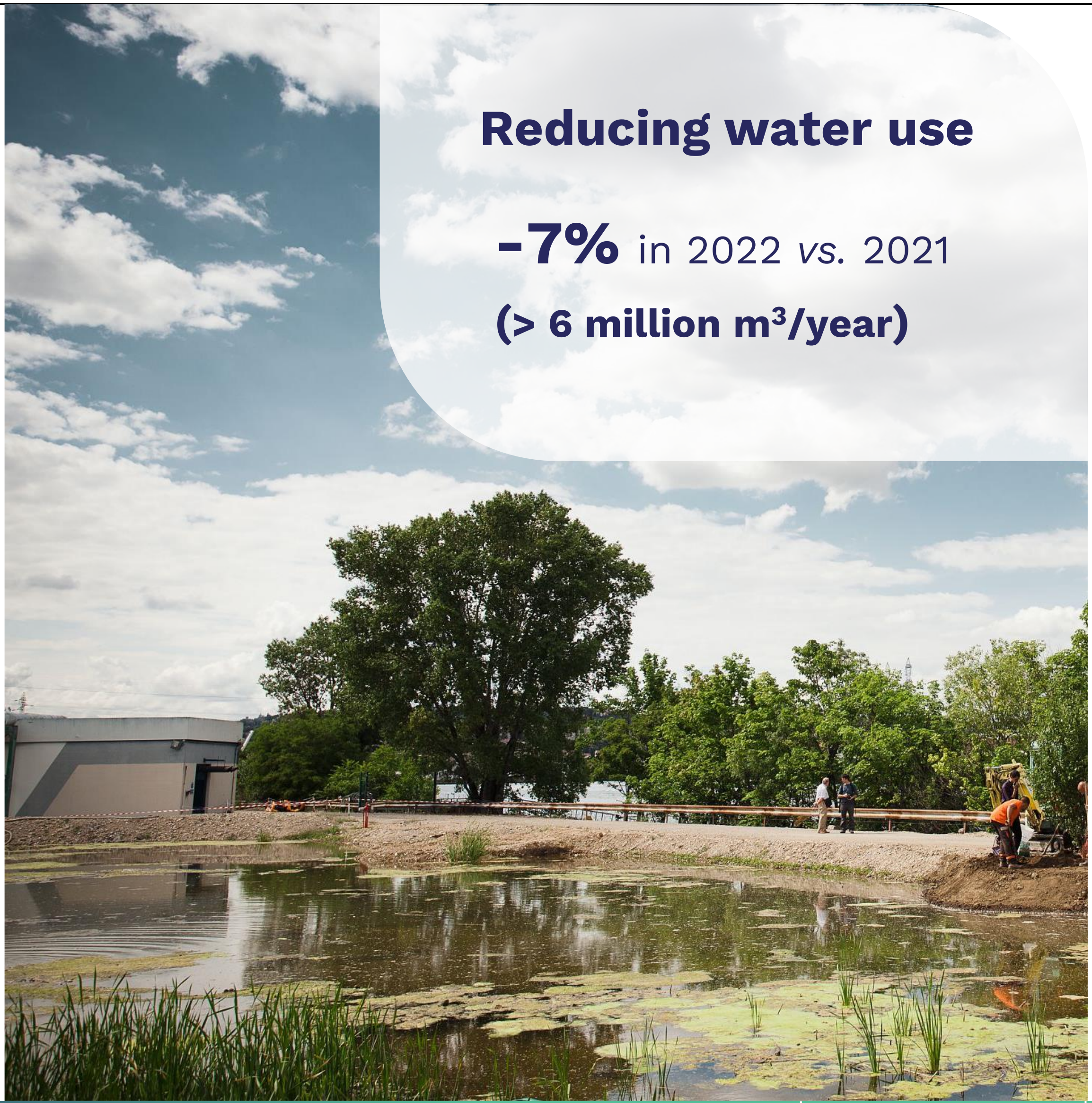
Safety in Action
promote safety culture

The Essentials program
14 golden rules to be applied without compromise

Reducing environmental footprint and preserving biodiversity

2030 targets (*vs.* 2012)	**2022** (*vs.* 2012)
Air: **-65%** VOC* emissions	**-47%**
Water: **-60%** COD*	**-58%**

*Volatile Organic Compounds, Chemical Oxygen Demand



Reducing water use

-7% in 2022 *vs.* 2021

(> 6 million m³/year)

Circular economy as a priority to reduce environmental impact

2024 target

50% of sales covered by a Life Cycle Assessment

41% *in 2022*

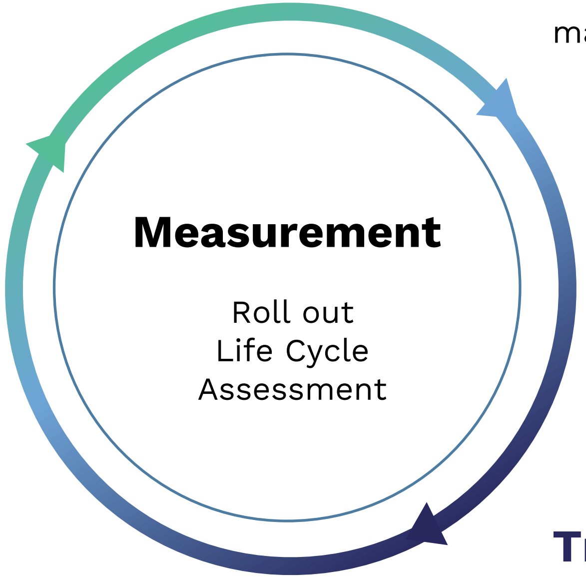
27% in 2021

Implementation, use, end-of-life

Maintain products and materials in the use-loop

Materials

Maximize use of renewable or recycled materials and packaging



Transformation processes

Manage resources on our sites

5 core values ingrained in our corporate culture

5 core values

Solidarity

Performance

Simplicity

Empowerment

Inclusion

Promoting diversity, inclusion and equal opportunity

1st publication of Arkema's **Diversity and Inclusion Charter**

2030 targets

in senior management and executive positions

30% women

26% *in 2022*

50% non-French

40% *in 2022*

UN WOMEN

Committed with UN Women to promote **professional equality between women and men**

Arkema recognized as an employer of choice

Top Employer certification **renewed** in 4 countries

top EMPLOYER FRANCE 2023 CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

top EMPLOYER 中国杰出雇主 CHINA 2023 CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

top EMPLOYER UNITED STATES OF AMERICA 2023 CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

top EMPLOYER BRASIL BRAZIL 2023 CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

Arkema among the world's best employers by Forbes

WORLD'S BEST EMPLOYERS Forbes 2022 POWERED BY STATISTA

First-quarter 2023 results

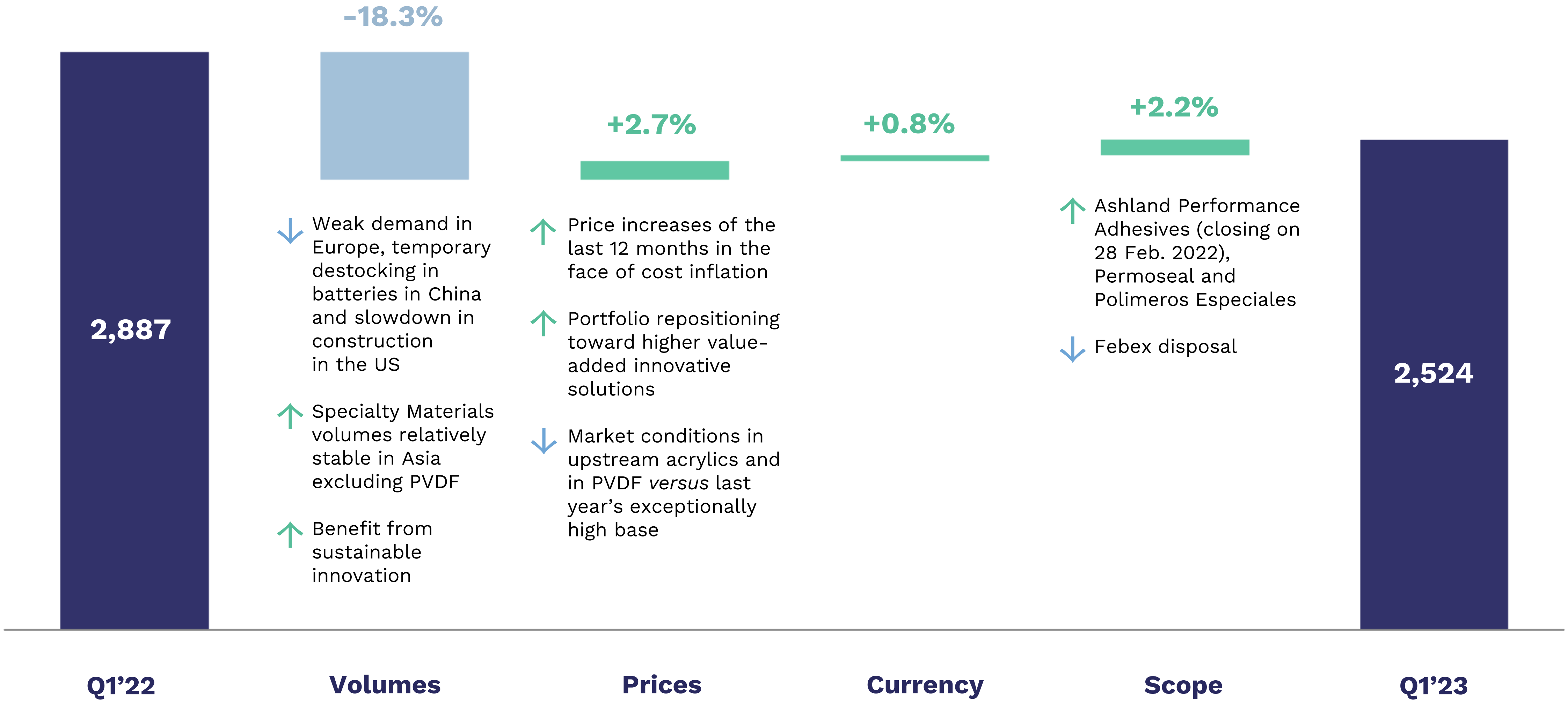
Extract from “First-quarter 2023 results and outlook” presentation (5 May 2023)

Q1'23 financial highlights

€2,524m sales	→ Down **12.6%** *vs* **Q1'22** • Volumes down, impacted by continued weak demand in Europe, a slowdown observed in construction in the US and temporary destocking in batteries in China • Overall resilience in prices, benefiting from the work to position the portfolio on higher value-added solutions • Benefits of our sustainable innovation in high performance solutions such as bio-based and recyclable materials, 3D printing and more eco-friendly coatings
€367m EBITDA **14.5%** EBITDA margin	→ Down compared with the exceptionally high comparison base of Q1'22, which benefited from particularly favorable market conditions in PVDF and upstream acrylics → Q1'22 EBITDA of €619m and Q1'21 EBITDA of €358m → FY'23 EBITDA guidance confirmed at around €1.5-1.6bn
€162m adj. net income	→ Representing €2.17 per share
€2,389m net debt (incl. hybrid bonds)	→ 1.3x LTM EBITDA reflecting strong balance sheet → €(21)m recurring cash flow, reflecting usual Q1 working capital seasonality

Sales reflecting low volume environment and good pricing

Sales in €million



Volumes

- ↓ Weak demand in Europe, temporary destocking in batteries in China and slowdown in construction in the US
- ↑ Specialty Materials volumes relatively stable in Asia excluding PVDF
- ↑ Benefit from sustainable innovation

Prices

- ↑ Price increases of the last 12 months in the face of cost inflation
- ↑ Portfolio repositioning toward higher value-added innovative solutions
- ↓ Market conditions in upstream acrylics and in PVDF *versus* last year's exceptionally high base

Scope

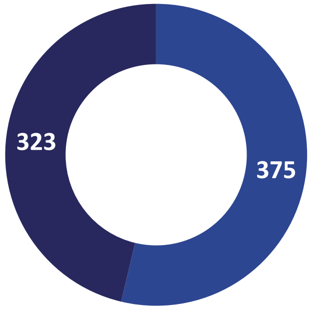
- ↑ Ashland Performance Adhesives (closing on 28 Feb. 2022), Permoseal and Polimeros Especiales
- ↓ Febex disposal

Adhesive Solutions (28% of Group sales)

Key figures

in €m	**Q1'23**	Q1'22	Change
Sales	**698**	670	+4.2%
EBITDA	**93**	90	+3.3%
EBITDA margin	**13.3%**	13.4%	
REBIT	**72**	73	-1.4%

Sales by Business Line



Sales development

Volumes -12.7%

Prices +6.7%

Currency +0.2%

Scope +10.0%

Highlights

→ **Prices up 6.7% YoY,** in the general inflationary context, also supported by positive mix

→ **Volumes down 12.7% YoY**
- Destocking and slowdown in construction in EU and in the US, in the continuity of Q4'22
- Industrial adhesives in the US and Asia better oriented, with nuances by end-market

→ **+10.0% scope effect**
- 2 additional months of Ashland's adhesives

→ **€93m EBITDA, up 3.3% YoY**
- Decline in volumes more than offset by scope effect, price increases and control of fixed costs

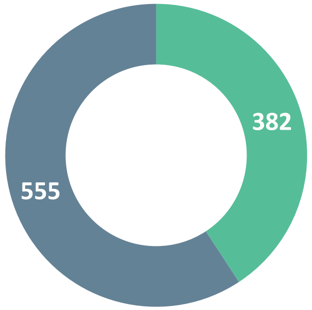
→ **EBITDA margin held up well at 13.3%**
- Product mix improvement toward high performance adhesive applications and the integration of acquisitions offsetting lower volumes

Advanced Materials (37% of Group sales)

Key figures

in €m	Q1'23	Q1'22	Change
Sales	**937**	1,075	-12.8%
EBITDA	**160**	274	-41.6%
EBITDA margin	**17.1%**	25.5%	
REBIT	**93**	207	-55.1%

Sales by Business Line



High Performance Polymers
Performance Additives

Sales development

Volumes -20.5%

Prices +7.9%

Currency +0.8%

Scope -1.0%

Highlights

→ **Volumes significantly down 20.5% YoY**
- Demand remaining overall rather well oriented in the US for the segment, but impacted by specific challenging EU context
- Temporary destocking in batteries in China affecting PVDF

→ **Prices up 7.9% YoY**
- Teams' actions to face cost inflation
- New high value-added developments linked to sustainable megatrends
- Rapid normalization of PVDF prices in batteries in light of prior year's exceptional context

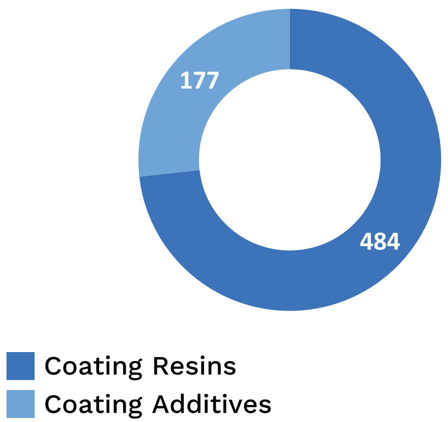
→ **€160m EBITDA and EBITDA margin at 17.1%**
- Exceptionally high comparison base for High Performance Polymers in Q1'22
- Performance Additives quarter in line with prior year
- Segment EBITDA well above Q1'21 level of €142m

Coating Solutions (26% of Group sales)

Key figures

in €m	**Q1'23**	Q1'22	Change
Sales	**661**	862	-23.3%
EBITDA	**94**	192	-51.0%
EBITDA margin	**14.2%**	22.3%	
REBIT	**63**	161	-60.9%

Sales by Business Line



Sales development

Volumes	-20.5%
Prices	-5.3%
Currency	+1.6%
Scope	+0.9%

Highlights

→ **Volumes down 20.5% YoY**
- Weaker overall demand, particularly in EU and in construction with ongoing destocking at certain customers
- Strong focus on developing eco-friendly range and good prospects in new energies

→ **Prices down 5.3% YoY**
- Overall not far from stable in downstream activities
- Less favorable conditions in upstream acrylics compared with last year's high comparison base

→ **€94m EBITDA**
- Down versus prior year's very high comparison base, which benefited from particularly favorable conditions in upstream acrylics
- Good relative level of EBITDA margin at 14.2%

Intermediates (9% of Group sales)

Key figures

in €m	**Q1'23**	Q1'22	Change
Sales	**218**	271	-19.6%
EBITDA	**49**	94	-47.9%
EBITDA margin	**22.5%**	34.7%	
REBIT	**36**	79	-54.4%

Sales development

Volumes	-17.4%
Prices	-2.6%
Currency	+0.4%
Scope	-

Highlights

→ **Volumes down 17.4% YoY**

- Primarily reflecting subdued demand for acrylics in China

→ **Prices down 2.6% YoY**

- Continued positive dynamic in refrigerant gases in the three continents
- Significantly less favorable market conditions in acrylics in Asia

→ **€49m EBITDA and EBITDA margin at 22.5%**

- Solid margin level in the context of acrylics normalization

Cash flow reflecting usual Q1 working capital seasonality

in €million

	Q1'23	Q1'22
EBITDA	**367**	619
Current taxes	-55	-101
Cost of debt	-16	-13
Change in working capital and fixed assets payables (1)	-243	-411
Recurring capital expenditure	-82	-72
Others	8	4
Recurring cash flow	**-21**	26
Exceptional capital expenditure	-7	-40
Non-recurring items	-18	-9
Free cash flow	**-46**	-23
Impact of portfolio management	30	-1,496
Net cash flow	**-16**	-1,519

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

→ **Q1'23 tax rate**
21% of REBIT (excl. exceptional items)

→ **Working capital**
- Inventory rebuild compared to low point of end-December 2022
- **16.3%** of annualized sales at end-March 2023 (14.0% at end-March 2022)

→ **Portfolio management**
- Payment of Ashland's adhesives acquisition in Q1'22

Outlook

→ The macroeconomic context remains marked by a lack of visibility and continued low volumes. The outlook should be contrasted by region for the coming months, Europe remaining weak, the US down but holding up better overall and Asia improving slightly from a low level

→ Raw material costs are sequentially showing signs of easing tightness but broadly remain at elevated levels in Europe and in the US, and energy prices are declining while remaining relatively high in Europe

→ The Group will continue to work on two levels:

- the tight management of its operations with a strong emphasis on cost control, WC optimization and the environmental performance of sites
- the implementation of projects to develop sustainable solutions through growth-driven industrial investments and the acceleration of targeted innovation

→ Benefit from the start-up and ramp-up of main expansion projects, which should contribute €50m to €70m to the Group's EBITDA in 2023, mainly in H2

→ 2023 guidance reaffirmed, with EBITDA of around €1.5bn to €1.6bn while maintaining a high EBITDA to cash conversion rate of > 40%

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 2022 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 2022 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