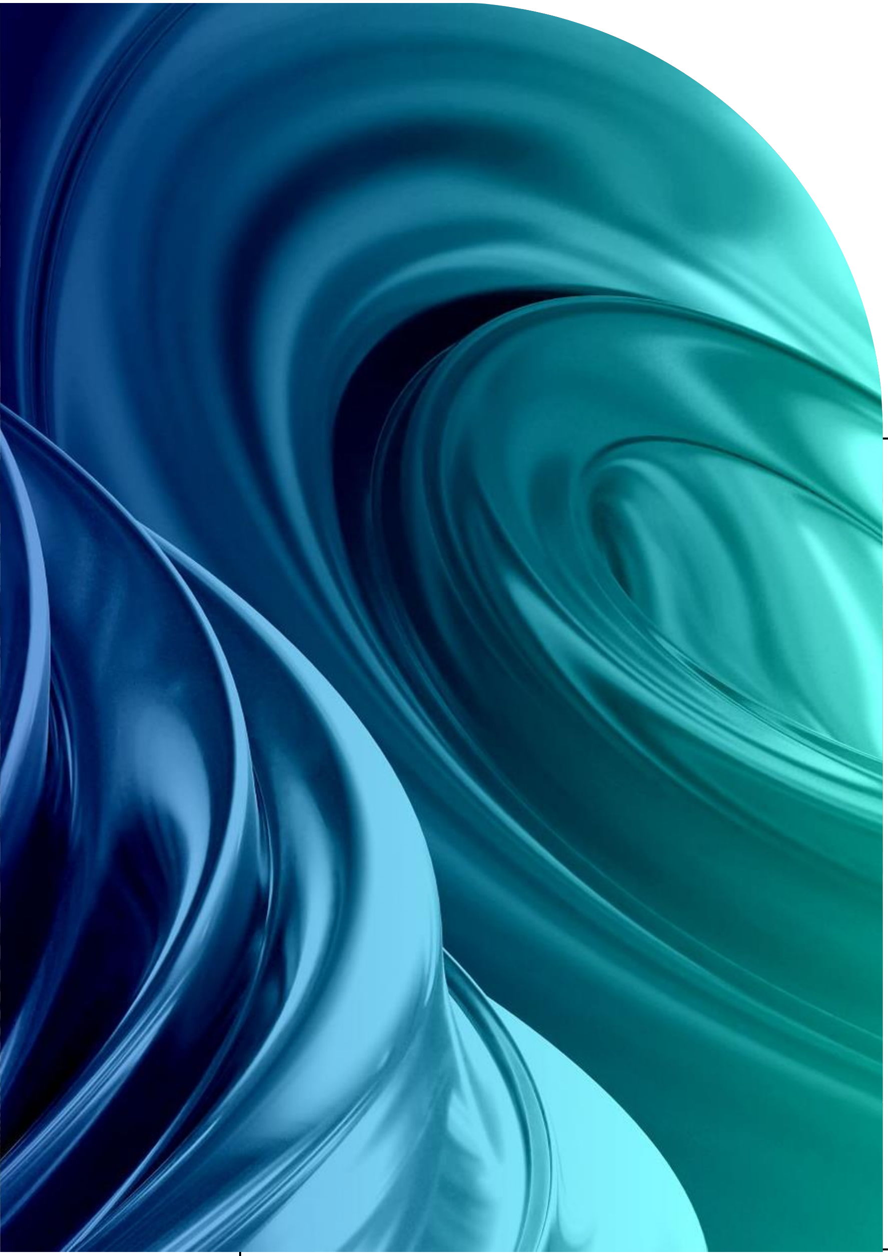
ARKEMA INNOVATIVE MATERIALS FOR A SUSTAINABLE WORLD

CIC Market Solutions Forum 2022

7 December 2022

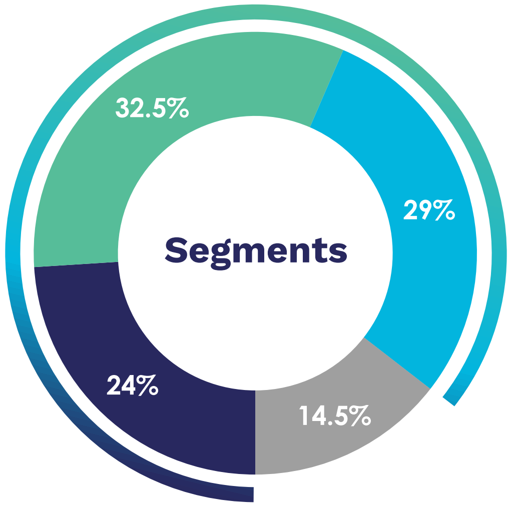


Arkema in a snapshot

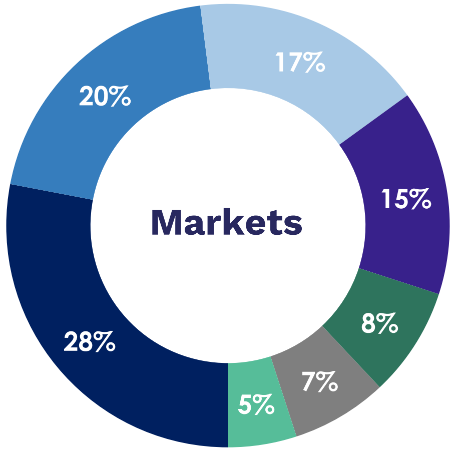
Innovative materials for a sustainable world

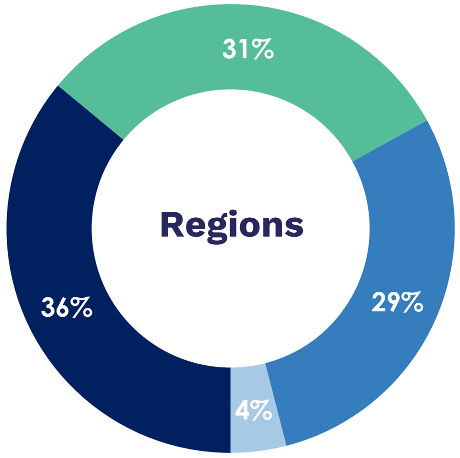
Arkema at a glance (2021)

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

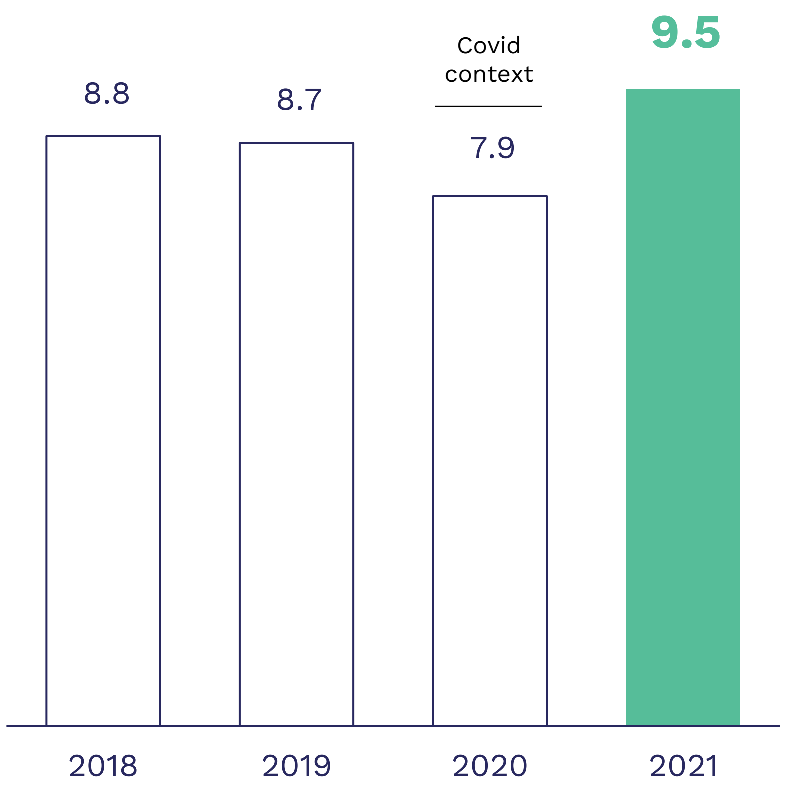
20,200 employees
55 countries

141 plants operated

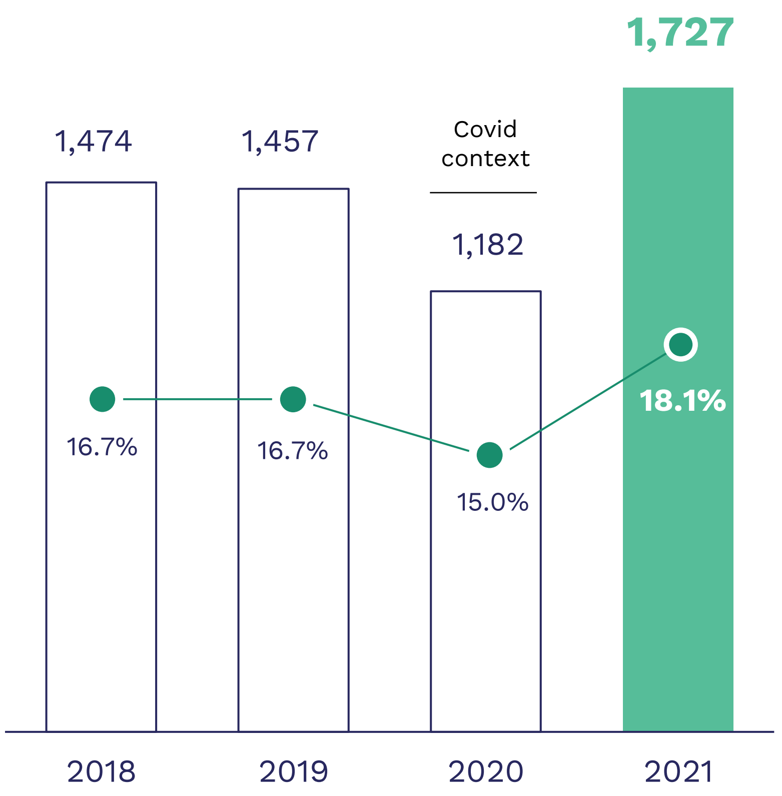
€758m
capital expenditure

2.6% of revenues
invested in R&D

Excellent 2021 financial performance in a demanding context

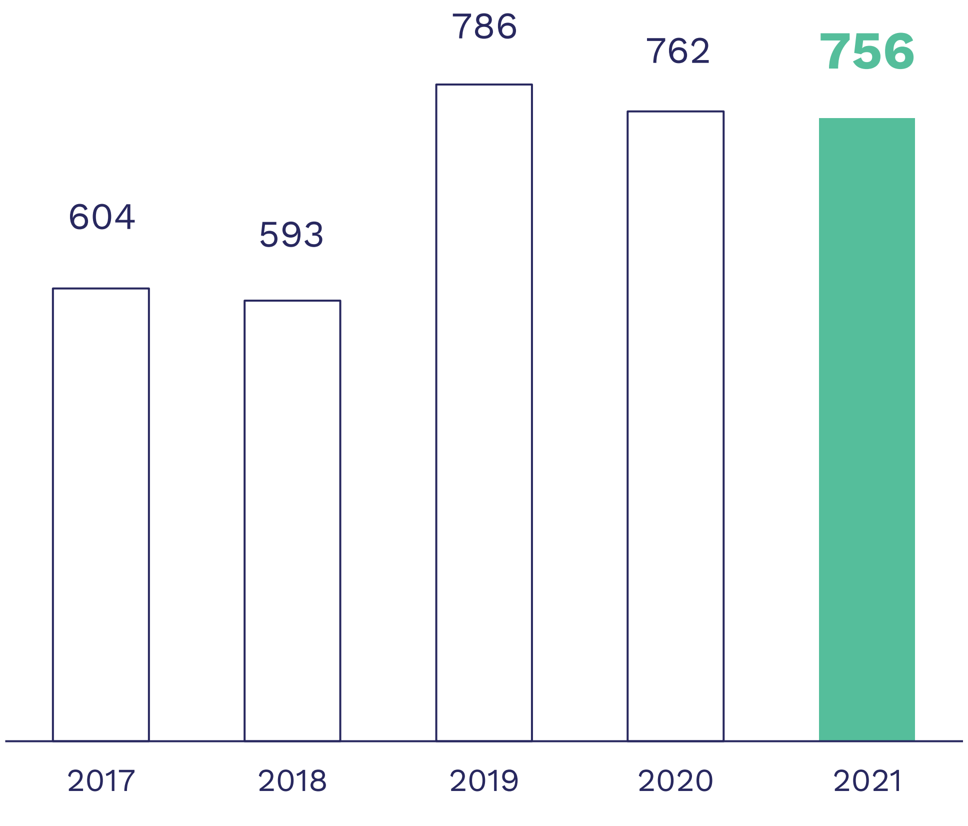


Sales (€bn)



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**

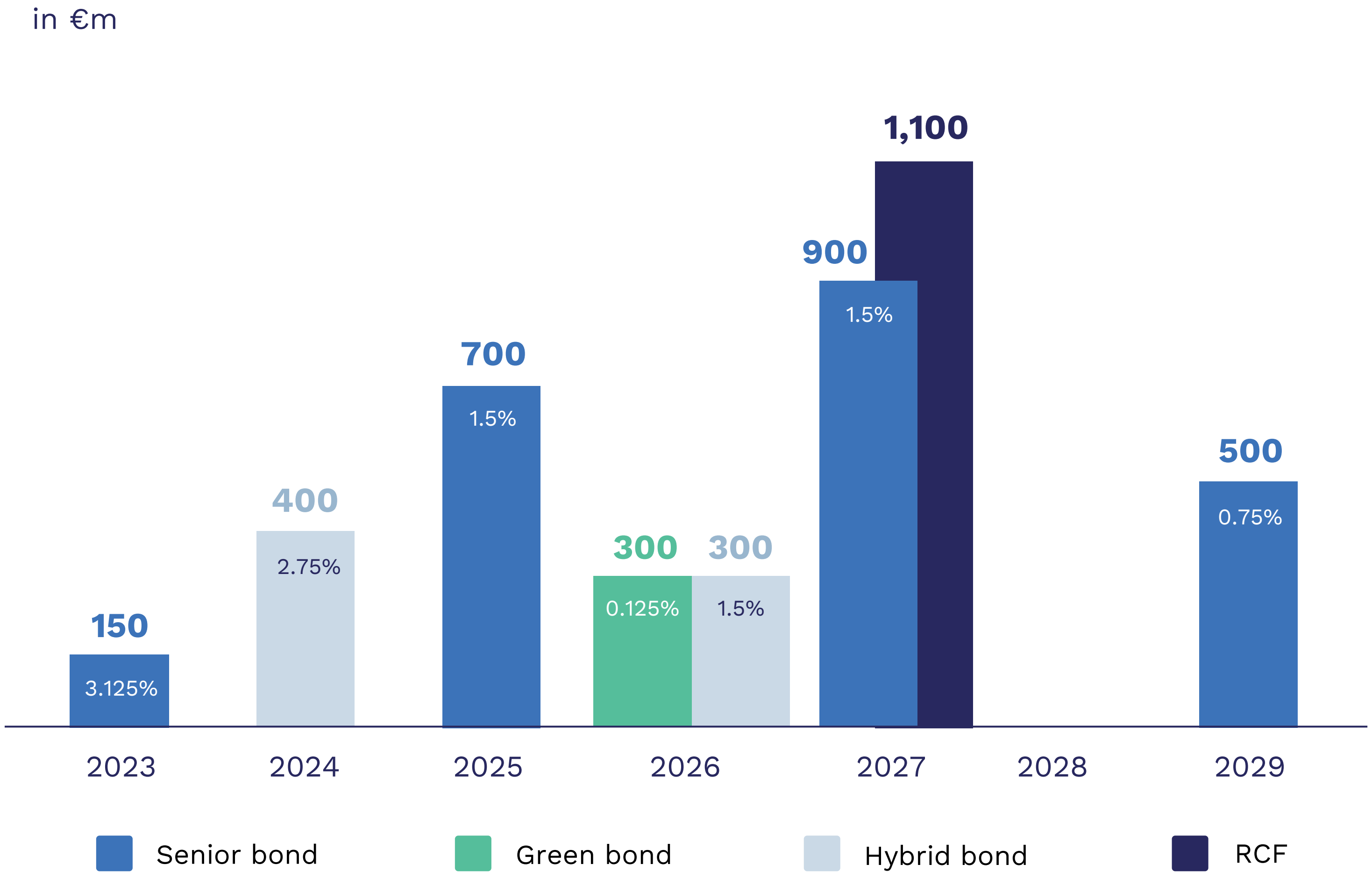
12.7% of sales at end-December 2021

→ **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** (excl. hybrids)

4.2 years

→ **RCF**

Maturity extended to **July 2027** (instead of July 2024)

3 CSR criteria taking into account Group's new objectives

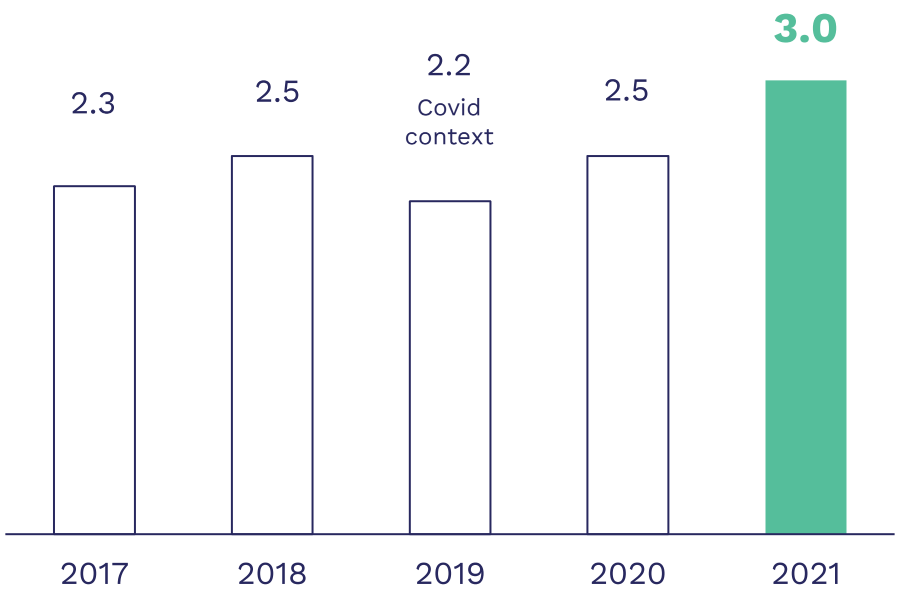
→ **Solid credit rating maintained**

BBB+ stable outlook (S&P)

Baa1 stable outlook (Moody's)

Strong value creation for shareholders

→ **Gradual increase in the dividend**



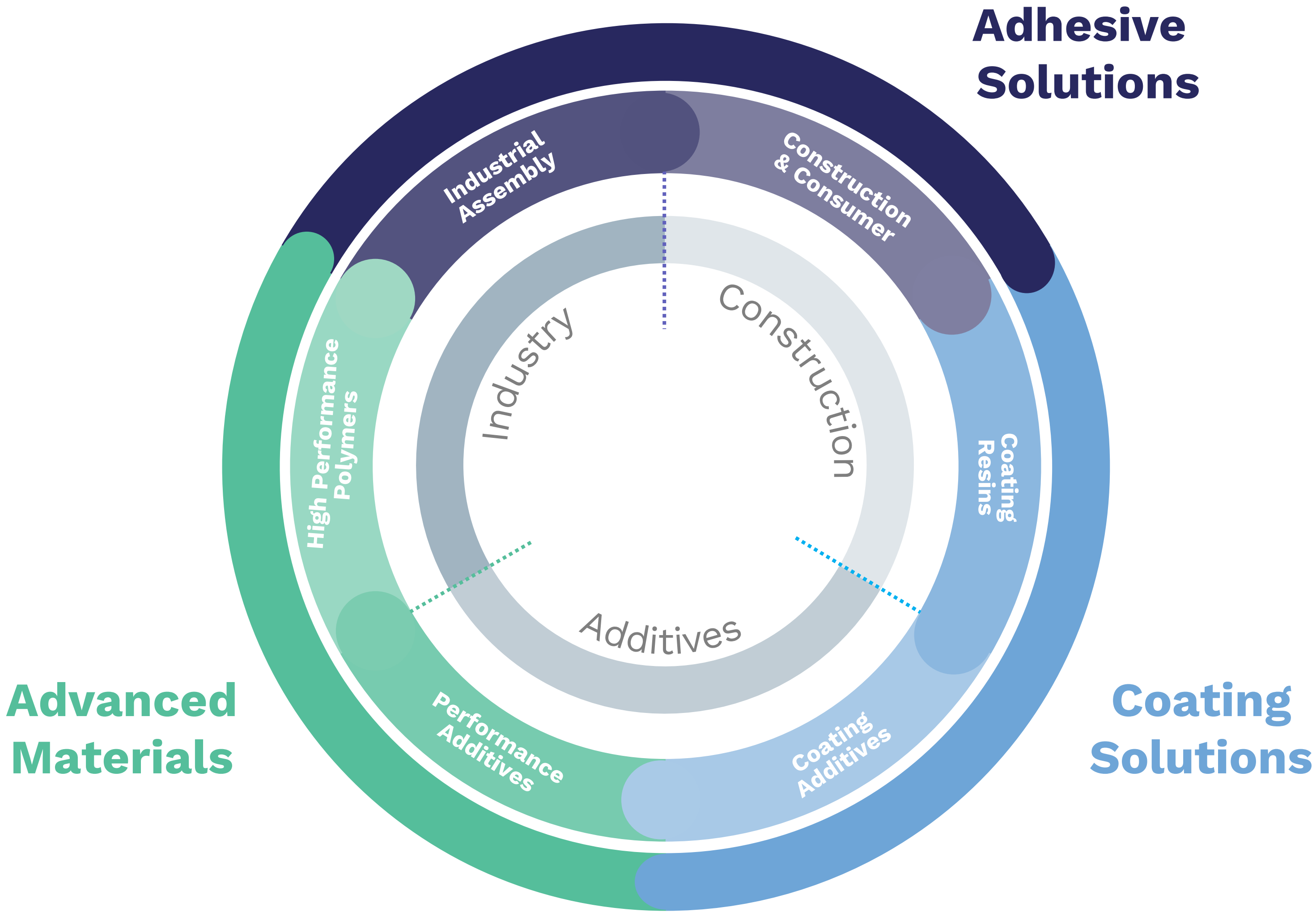
Dividend
(in €/share) per fiscal year

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

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

Strategy and ambition

Materials science at the core of our streamlined portfolio



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

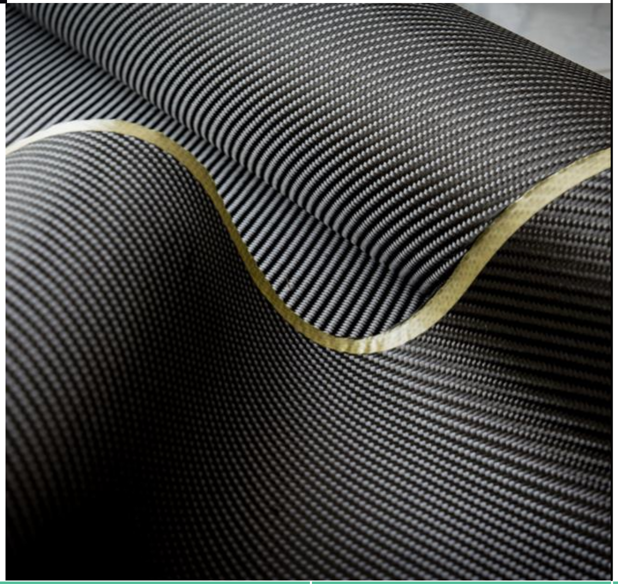
A strategy supported by 4 levers

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

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

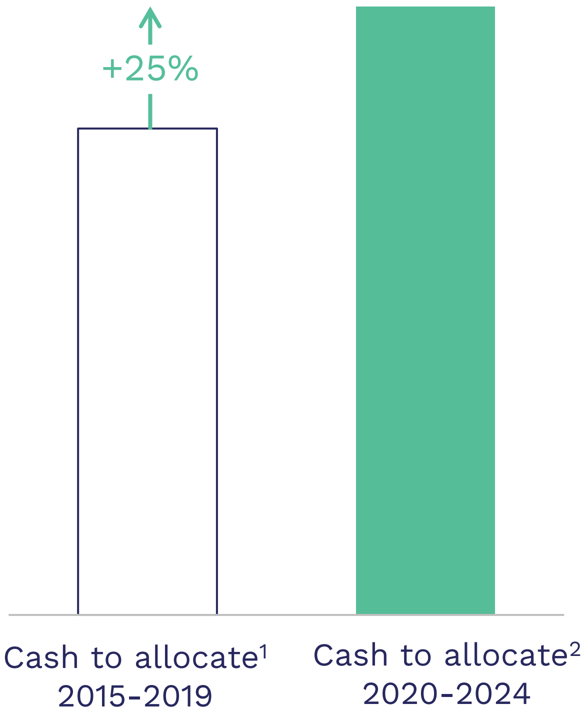
Accelerate **organic growth** and **sustainable innovation**

Pursue **operational and commercial excellence** initiatives

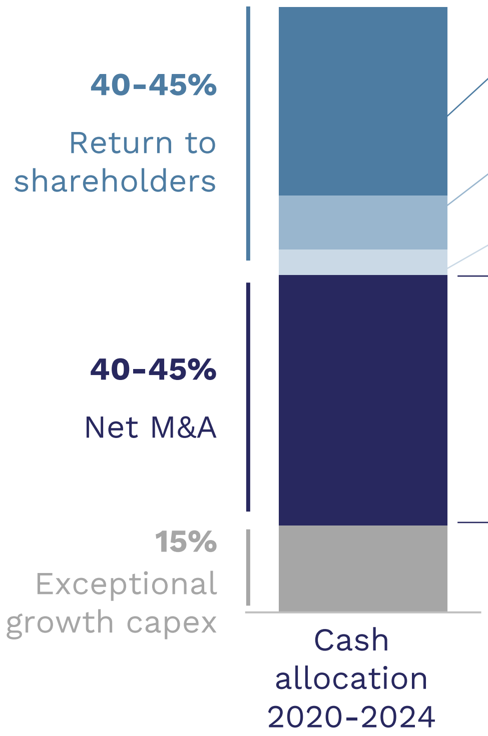


Cash allocation priorities

Estimated cash to allocate over the 5 year plan **~€3.5bn** at constant leverage[3] (~1.6x)



Subject to market conditions



Reiterating our **progressive dividend policy**, targeting **40%** payout ratio by 2024

Opportunistic share buy-back program

Employee shareholder program

Mostly small and medium size **bolt-on** acquisitions

Across our 3 segments with priority in **Adhesive Solutions**

EV/EBITDA multiple after growth and synergies of <7x EBITDA

Proceeds from strategic review of Intermediates

Exceptional capex: IRR ≥ 15% after taxes

Includes capacity expansion **PA11 in Asia** (€450m total investment, and €100m EBITDA contribution at maturity) and **Nutrien project in US**

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

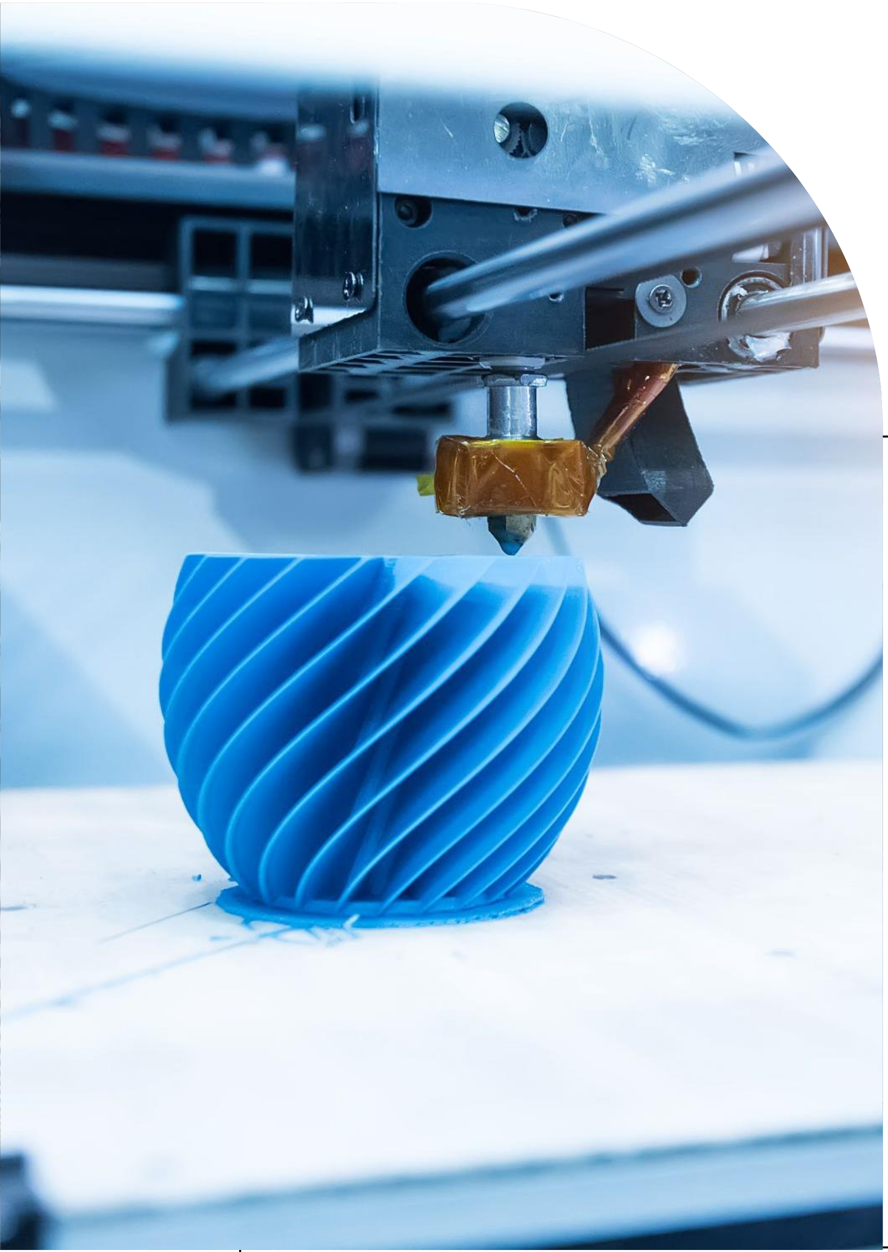
ROCE
>10%

Net debt to EBITDA ratio **<2x**
(Incl. hybrid bonds)

Solid investment grade rating

Recurring Capex
~5.5%
of sales

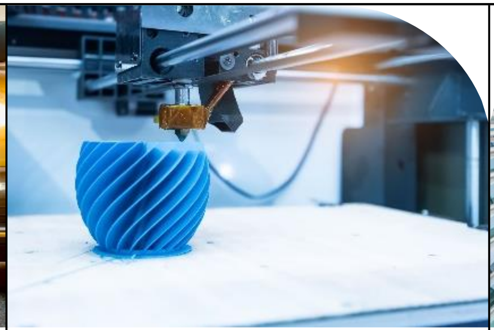
Controlled working capital
~14%
of sales



Accelerate organic growth and sustainable innovation

Expanding opportunities from our sustainability-driven innovation

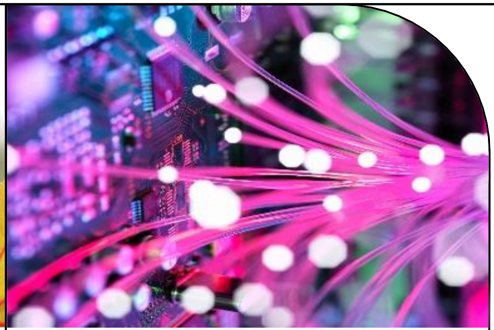
New energies and clean mobility



Lightweight materials and design

Living comfort and home efficiency

Natural resources and circular economy



Electronics solutions

Battery

H_2

Hydrogen

Lifestyle

Home

Electronics

We expect to generate

€1.5 bn

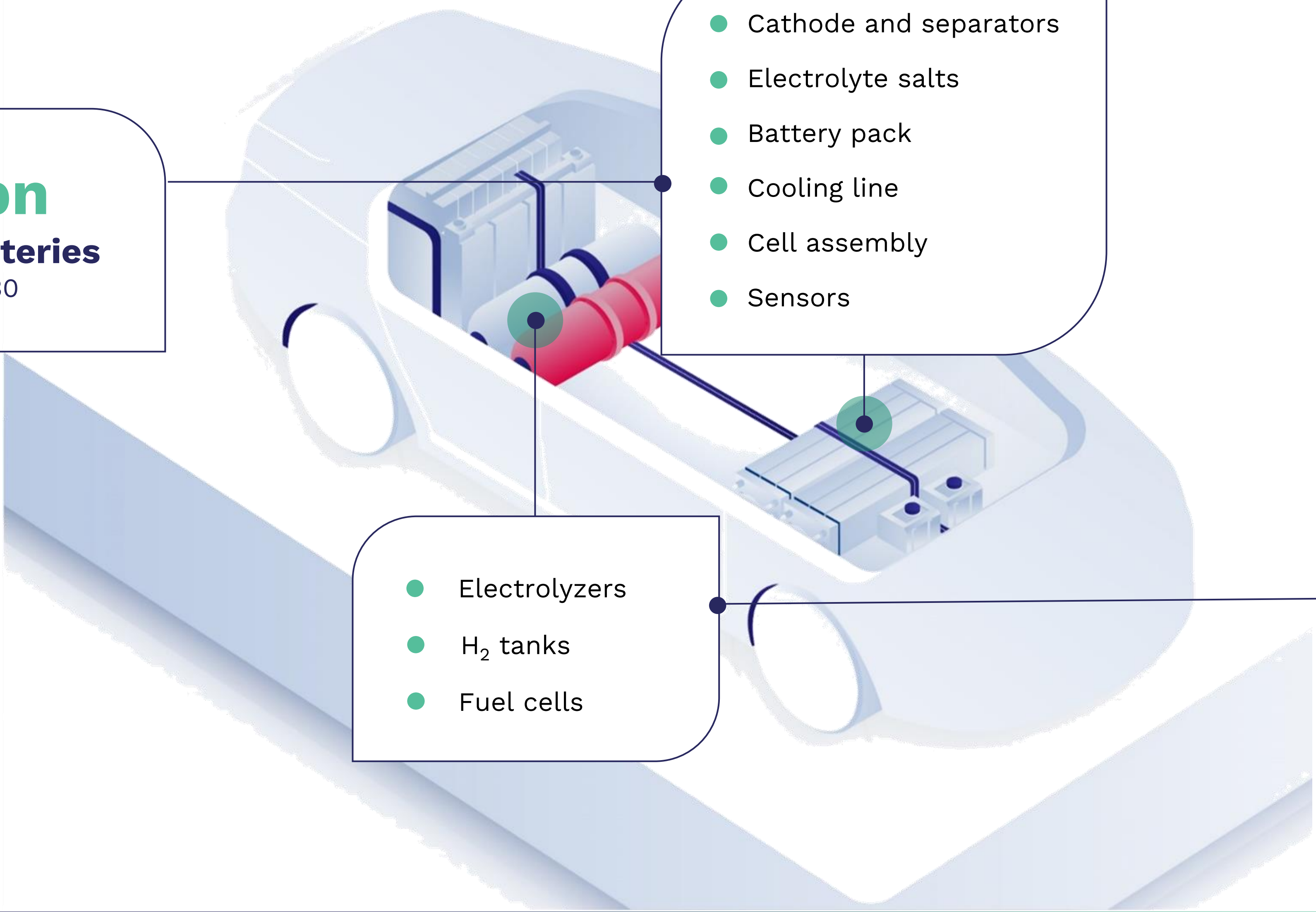
of additional sales by 2030

compared with 2019

Strong growth potential in clean mobility

Batteries

€1 bn
sales in **batteries**
by 2030



- Cathode and separators
- Electrolyte salts
- Battery pack
- Cooling line
- Cell assembly
- Sensors

- Electrolyzers
- H_2 tanks
- Fuel cells

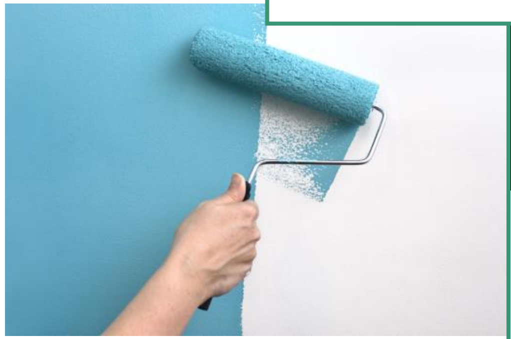
Hydrogen

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

Sustainability at the heart of our latest innovations

New ranges of recycled high performance polyamides

Partially or fully recycled PA11, PA12 and Pebax® polymers made by Agiplast



Synaqua® resins for waterborne decorative paints

97% bio-based raw materials coming from by-products of predominately Nordic foresting, USDA certified

Natural resources and circular economy

STIX A600 bio-based floor adhesive

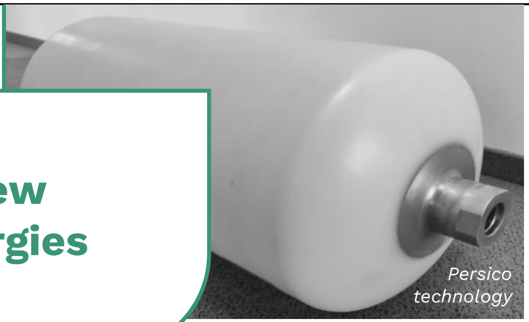
35% bio-based raw material, **solvent, phthalate and isocyanate-free** formulation

Partnership in circularity
(Spanish consortium Suschempol)

Recycling innovations in more **sustainable solvent-free powder resins** for the coating market

Sustainability at the heart of our latest innovations (cont'd)

New energies



Clean mobility

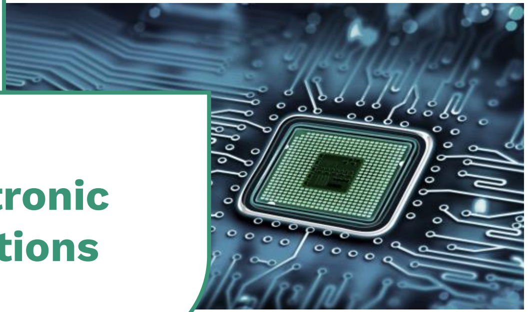
Impermeable hydrogen tank liner
in bio-based and recyclable Rilsan® PA11

Living comfort and home efficiency

Cool roof

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

Electronic solutions

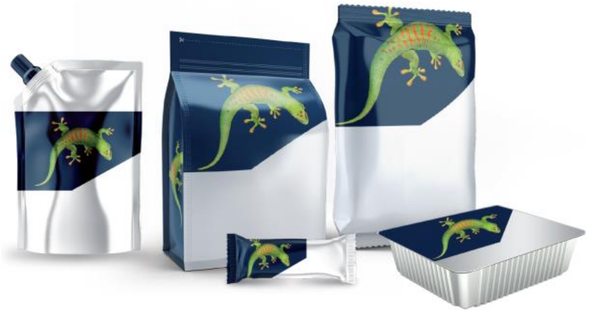


Printed circuit boards

Solvent-free UV coating using Sartomer® resins for **humidity protection and insulation** of PCBs

- HIGHLIGHT -

Pierre Potier medal 2022



→ Innovative adhesive for flexible food packaging **PURBINDER-CX**

→ Reduced adhesive setting time **by 2 to 3x** without a heating step

Booming demand for our high performance Pebax® elastomers

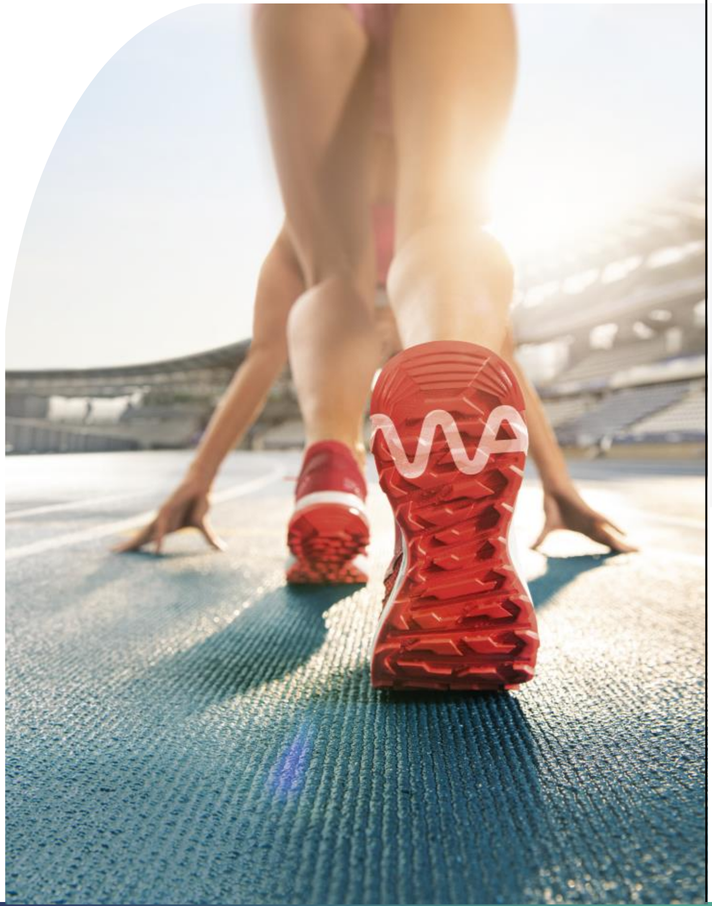
Global capacity expansion boosted to +40%

Recyclable

Bio-based

Pebax® Rnew®

- **+15%** starting in Q1'23,
  +25% starting in Q3'23,
  in Serquigny (France)
- Traditional and bio-based grades
- Sports, consumer electronics, medical and industrial markets



- HIGHLIGHT -

New partnership with Decathlon

Courtesy of Decathlon

- Carbon-plated running shoe Kiprun KD900X
- Using **Pebax® foam** for lightweight, flexibility and exceptional energy return

High return investments strengthening our sustainable growth profile

Kynar® PVDF

Kynar® CTO

+50% plant capacity* (start end-22)

+50% plant capacity* (start Q1’23)

Forane®

15 kt/yr 1233zd new capacity* (start early-24)

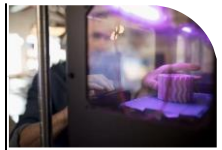
Sartomer®

+100% plant capacity* (start H2’23)

Hydrofluoric acid

40 kt/yr* supply in partnership with Nutrien (start H1’23)

Rilsan® PA11



New PA11 powders capacity* (start Q1’23)

+50% global capacity* (start end-22)

Pebax®

Pebax® Rnew®

+40% global capacity* (start +15% in Q1’23 and +25% in Q3’23)

Bio-based, renewable

Recyclable

Solvent-free

Less emissive

* After full demand ramp-up

Strengthen Specialty Materials through bolt-on acquisitions

Integration of recent acquisitions to bolster Adhesive Solutions

Ashland Performance Adhesives

- First-class leader in high performance adhesives in the United States
- ~US$360m sales in 2021
- Finalized on 28 February 2022

Permoseal
(South Africa)

- Adhesive solutions for DIY, packaging and construction
- €43m sales in 2021
- Finalized on 1 July 2022

Edge Adhesives
(Texas)

- High performance adhesives for residential construction
- $12m annual sales
- Finalized on 1 June 2021

Poliplas (Brazil)

- Hybrid technology selants and adhesives for construction
- ~€10m sales in 2020
- Finalized on 1 March 2021

PMP (China)

- Hot-melt adhesives for the consumer electronics market
- >€1m annual sales
- Finalized on 1 April 2022

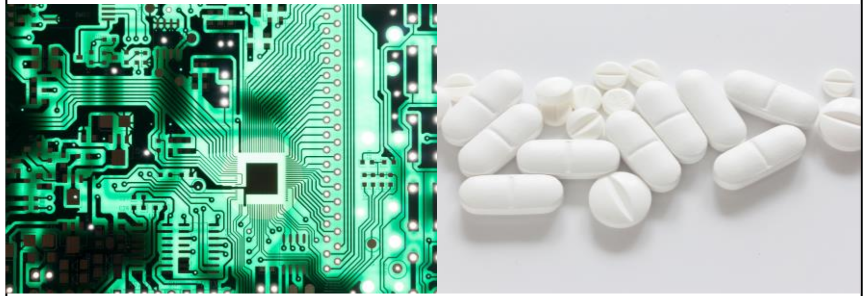
Continued business portfolio management

Finalization of a high-value bolt-on acquisition in Coating Solutions

Polimeros Especiales SA
(Mexico)

- Leading player in **solvent-free waterborne acrylic resins** for architectural & decorative paints, textiles, pressure sensitive adhesives
- ~US$40m sales in 2021 and 230 employees
- Finalized on 1 September 2022

Disposal of Febex



- Proposed disposal to Belgian group Prayon
- **Phosphorus derivatives** used in electronics and pharmaceuticals
- ~€30m sales in 2021, 59 employees
- Closing expected in Q1 2023

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

Arkema Corporate Social Responsibility policy

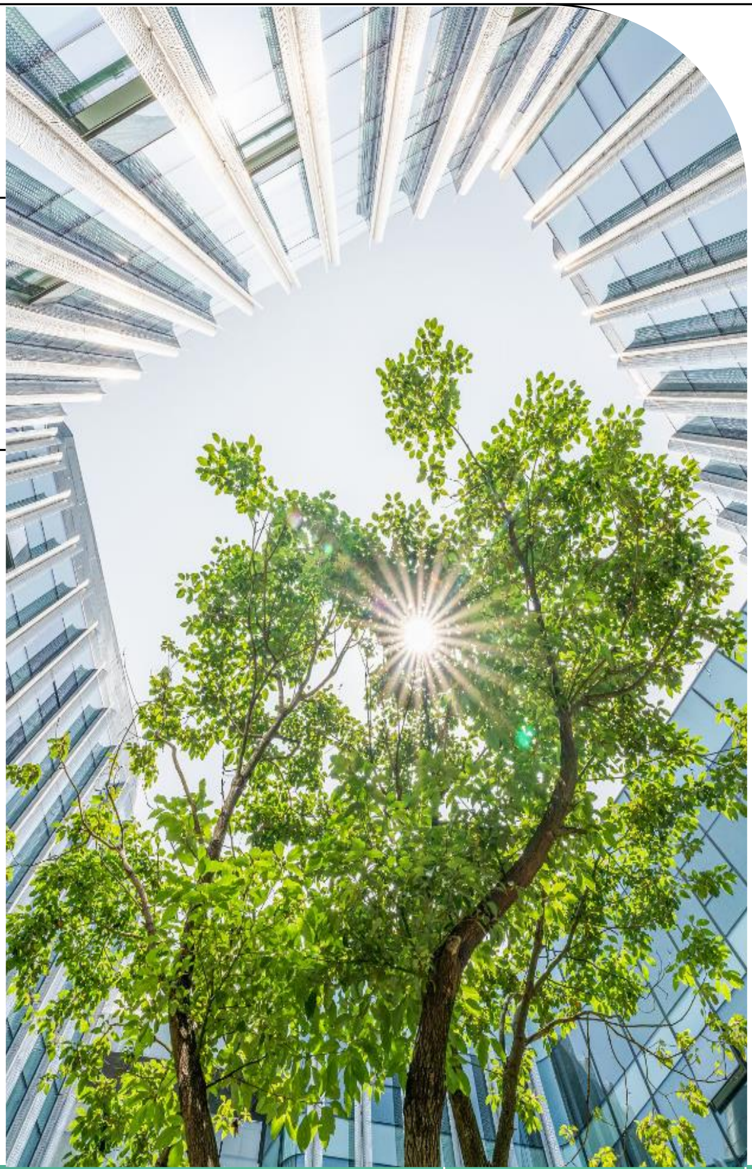
Responsible Care® OUR COMMITMENT TO SUSTAINABILITY

THE GLOBAL COMPACT WE SUPPORT

SUSTAINABLE DEVELOPMENT GOALS

Our 3 commitments

Deliver sustainable solutions driven by innovation	Manage our activities as a responsible manufacturer	Cultivate an open dialogue and close relations with our stakeholders
→ Responsible product stewardship → Solutions addressing social challenges provided by 5 innovation platforms: • New energies • Natural resources management • Living comfort & home efficiency • Lightweight materials & design • Electronics solutions	→ Safety of people and processes → Health → Climate → Resources management → Environment	→ Ethics → Human rights → Diversity & inclusion → Employee development → Responsible value chain → Corporate citizenship



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 **3%** in the sector

Moody's | ESG Solutions

Superior percentile
across all sectors

Score 2022: **69**

SUSTAINALYTICS
a Morningstar company
RATED

ISS ESG

1st decile (global)
(Oct. 2022)

CAC40® ESG

Listed in the new Euronext index **since its inception** in March 2021

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)*

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

Circular Economy

A sustainable resource management

Life Cycle Analysis target

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

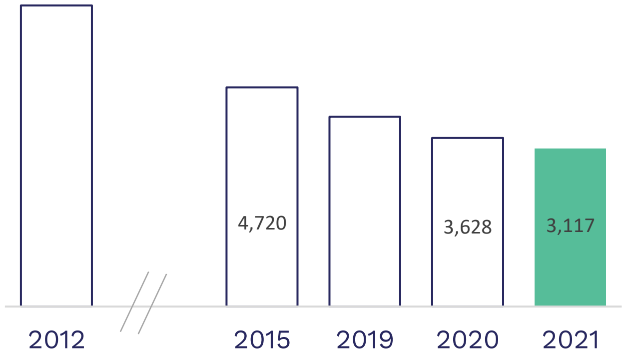
27% in 2021 *(22% in 2020)*

Climate Plan

Contain global warming

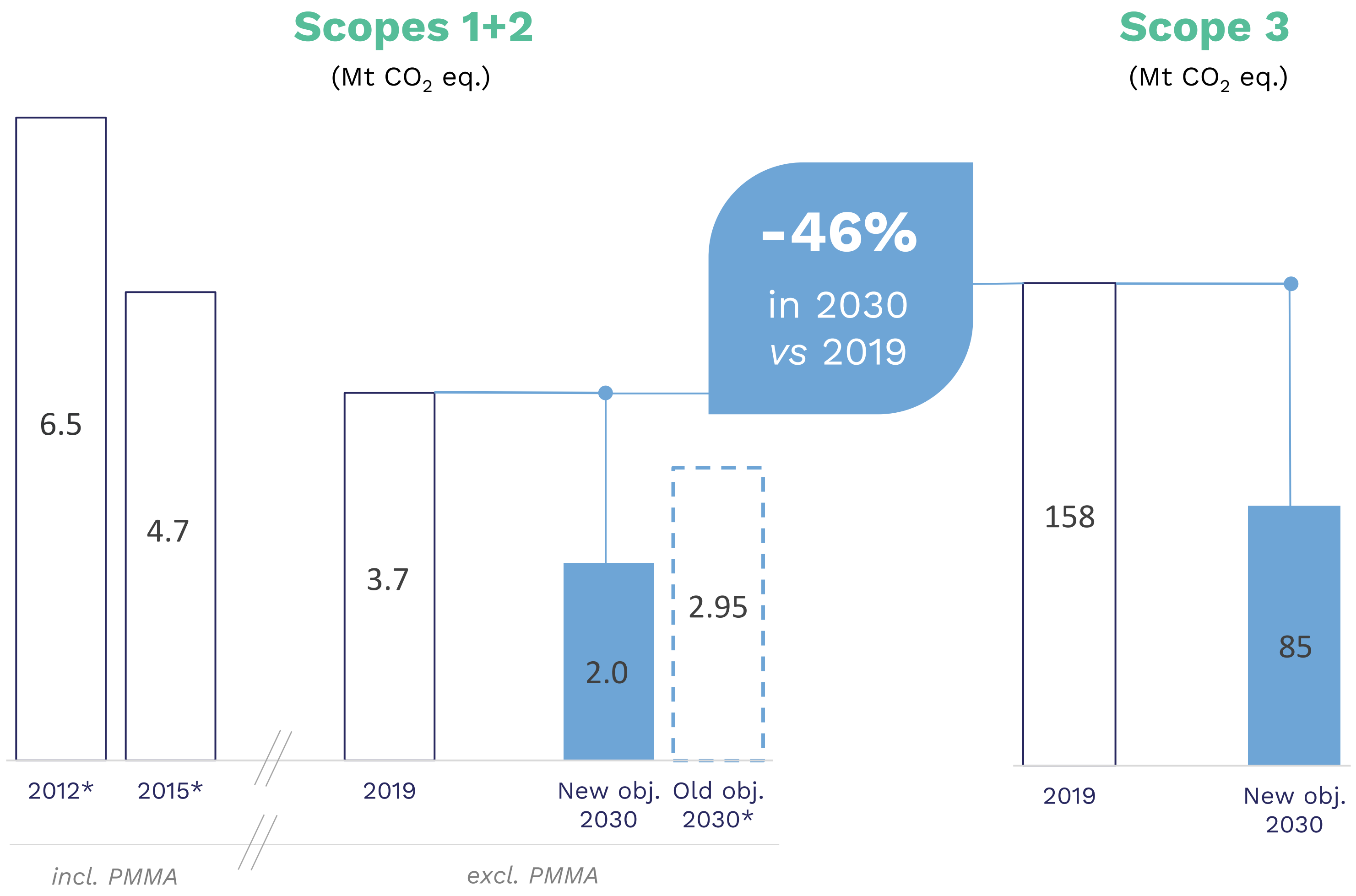
Commitment to Paris agreement

Reinforced in July 2022 with a **1.5°C** trajectory



GHG emissions (scopes 1 & 2 + ODS) In kt CO_2 eq.

A new, more ambitious climate plan



* Including Ozone Depleting Substances (~0,25 kT in 2015)

1.5°C trajectory across the whole value chain

→ Replacing previous commitment of a well below 2°C trajectory on scopes 1+2

→ Science Based Target approach

Scopes 1+2

- Energy efficiency
- Evolution of energy mix

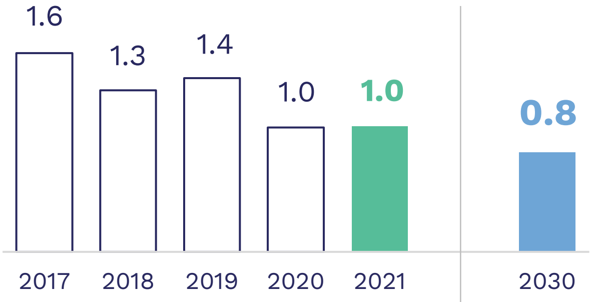
Scope 3

- Reduction of most emissive activities
- Innovation contributing to GHG reduction
- Commitments from suppliers on scopes 1+2

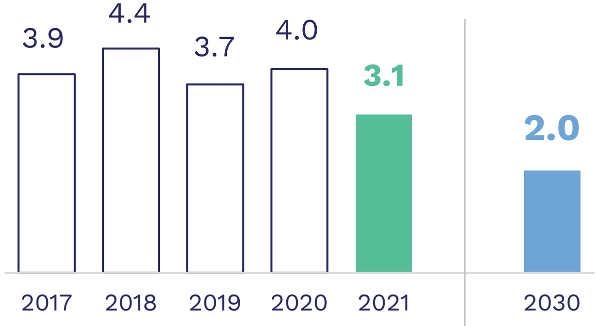
Strengthening safety and promoting diversity

Safety

TRIR (Number of accidents per million hours worked)



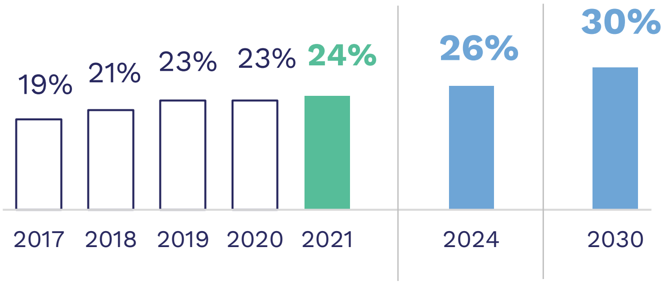
PSER (Process safety events rate per million hours worked)



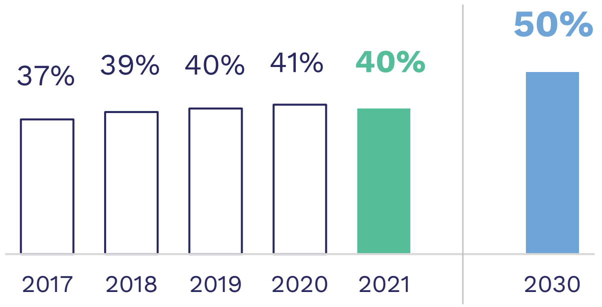
Diversity

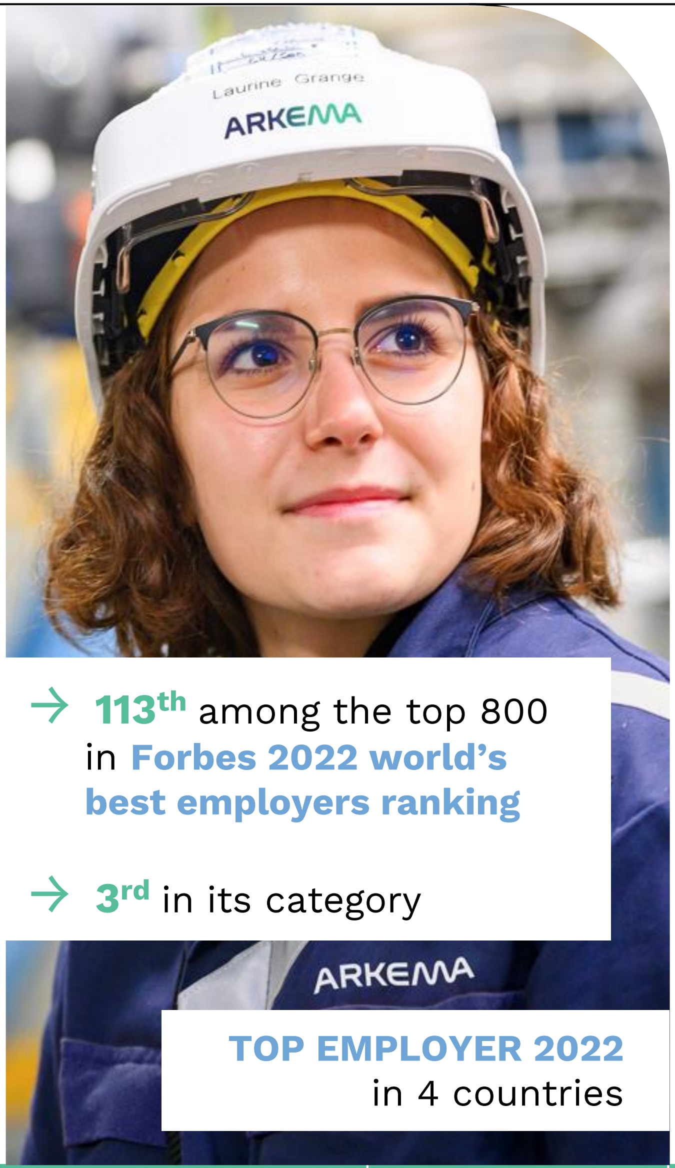
in senior management and executive positions

Women



Non-French





→ **113th** among the top 800 in **Forbes 2022 world's best employers ranking**

→ **3rd** in its category

TOP EMPLOYER 2022
in 4 countries

Q3'22 results and highlights

Extract from "Third-quarter 2022 results and highlights" presentation
(10 November 2022)

Q3'22 financial highlights

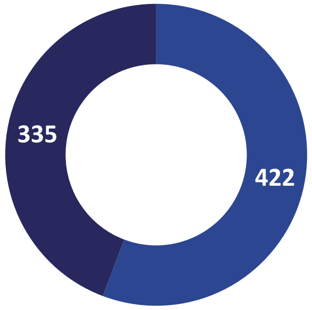
€2,972m sales	→ Up **24%** *vs* **Q3'21** • Growing demand for high value-added solutions in batteries, lightweighting, bio-based and recycled materials, 3D printing... • Group's ongoing initiatives to adjust its selling price in the face of raw materials and energy cost inflation • Volumes globally down, with contrasting trends by region and end-market
€495m EBITDA **16.7%** EBITDA margin	→ EBITDA up slightly to **€495m**, and EBITDA margin at **16.7%** → Specialty Materials EBITDA up 8% YoY, driven by Adhesive Solutions and Advanced Materials → Intermediates EBITDA down 18%
€260m adj. net income	→ Representing €3.52 per share
€2,615m net debt (incl. hybrid bonds)	→ 1.2x LTM EBITDA → Strong cash flow generation with **€434m** recurring cash flow

Adhesive Solutions (26% of Group sales in Q3'22)

Key figures

in €m	**Q3'22**	Q3'21	Change	**9m'22**	9m'21	Change
Sales	**757**	568	+33.3%	**2,206**	1,698	+29.9%
EBITDA	**90**	79	+13.9%	**291**	247	+17.8%
EBITDA margin	**11.9%**	13.9%		**13.2%**	14.5%	
REBIT	**69**	63	+9.5%	**234**	199	+17.6%

Q3'22 Sales
by Business Line



Construction & Consumer
Industrial Assembly

Q3'22 sales
development

Volumes	-8.6%
Prices	+14.8%
Currency	+7.9%
Scope	+19.2%

Highlights Q3'22

→ **Prices up 14.8%**, in a context of high raw materials, energy and logistics cost inflation

→ **Volumes down 8.6%**
- Solid in industrial markets in the US, and in Asia
- Slowdown and temporary destocking in construction in Europe, after two years of significant growth

→ **€90m EBITDA, up 13.9%**
- Improved product mix with more high value-added solutions
- Offset of input cost increases
- Integration of Ashland's adhesives, benefiting from their excellent positioning in the US

→ **EBITDA margin at 11.9%**
- Impacted by lower volumes in the European construction market
- Mechanical dilutive effect of price increases
- Benefit from Ashland's adhesives

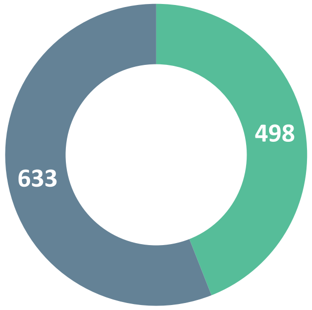
Advanced Materials (38% of Group sales in Q3’22)

Key figures

in €m	**Q3’22**	Q3’21 *	Change	**9m’22**	9m’21 *	Change
Sales	**1,131**	837	+35.1%	**3,319**	2,374	+39.8%
EBITDA	**237**	176	+34.7%	**793**	502	+58.0%
EBITDA margin	**21.0%**	21.0%		**23.9%**	21.1%	
REBIT	**167**	106	+57.5%	**589**	297	+98.3%

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

Q3’22 Sales by Business Line



High Performance Polymers
Performance Additives

Q3’22 sales development

Volumes	-4.9%
Prices	+32.6%
Currency	+8.8%
Scope	-1.4%

Highlights Q3’22

→ **Prices up 32.6%**
- Consistent across the segment in response to cost inflation
- Favorable product mix thanks to the development of solutions with high technological content

→ **Volumes slightly down 4.9%**
- Demand well oriented in areas linked to sustainable megatrends such as batteries, bio-based consumer goods, 3D printing and sports
- Slowdown in Performance Additives in Europe

→ **€237m EBITDA, significantly up 34.7%**
- Strong growth in High Performance Polymers
- Resilience of Performance Additives despite lower volumes

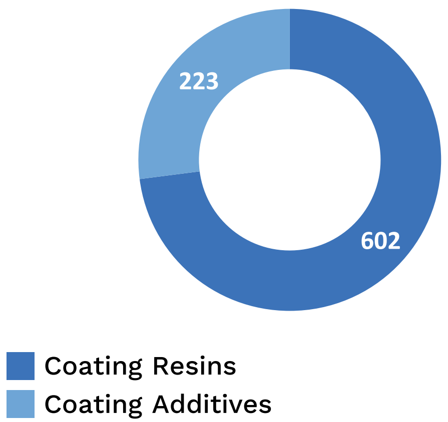
→ **EBITDA margin at 21.0%**
- Consistently above 20%
- Gradual easing of the tightness seen in the first half

Coating Solutions (28% of Group sales in Q3'22)

Key figures

in €m	**Q3'22**	Q3'21	Change	**9m'22**	9m'21	Change
Sales	**825**	742	+11.2%	**2,647**	2,021	+31.0%
EBITDA	**131**	168	-22.0%	**530**	403	+31.5%
EBITDA margin	**15.9%**	22.6%		**20.0%**	19.9%	
REBIT	**99**	138	-28.3%	**435**	315	+38.1%

Q3'22 Sales
by Business Line



Q3'22 sales
development

Volumes	-10.6%
Prices	+12.1%
Currency	+9.3%
Scope	+0.4%

Highlights Q3'22

→ **Prices up 12.1%**
- Increases in downstream product lines in response to inflation
- Stable in acrylic monomers, sequentially down

→ **Volumes down 10.6%**
- Demand still well-oriented in the US
- Slowdown and destocking in Europe, particularly in decorative paints

→ **€131m EBITDA, down 22.0%**
- Robust level against Q3'21 high comparison base
- Benefit from higher value-added solutions in new energies and 3D printing
- More challenging market conditions in upstream acrylics in Europe

→ **Normalization of EBITDA margin at 15.9%**

Intermediates (8% of Group sales in Q3'22)

Key figures

in €m	**Q3'22**	Q3'21 *	Change	**9m'22**	9m'21 *	Change
Sales	**246**	244	+0.8%	**839**	905	-7.3%
EBITDA	**59**	72	-18.1%	**282**	228	+23.7%
EBITDA margin	**24.0%**	29.5%		**33.6%**	25.2%	
REBIT	**44**	58	-24.1%	**237**	175	+35.4%

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

Q3'22 Sales development

Volumes	-7.0%
Prices	+0.4%
Currency	+10.7%
Scope	-3.3%

Highlights Q3'22

→ **Volumes down 7.0%**
- Mechanical effect of refrigerant gas quotas in the US

→ **Prices up 0.4%**
- Solid momentum in refrigerant gases, particularly in the US
- Deteriorating market conditions in acrylics in Asia

→ **€59m EBITDA, down 18.1%**
- Reduced tightness in upstream acrylics in Asia
- EBITDA margin at 24.0%

Strong cash flow generation

in €million

Reconciliation of EBITDA to net cash flow

	Q3'22	Q3'21	**9m'22**	9m'21
EBITDA	**495**	474	**1,819**	1,310
Current taxes	-76	-60	-294	-177
Cost of debt	-21	-13	-47	-40
Change in working capital and fixed assets payables (1)	138	-80	-490	-320
Recurring capital expenditure	-131	-111	-302	-276
Others	29	26	9	37
Recurring cash flow	**434**	236	**695**	534
Exceptional capital expenditure	-21	-64	-87	-181
Non-recurring cash flow	-16	-98	-23	18
Free cash flow	**397**	74	**585**	371
Impact of portfolio management	-121	-10	-1,628	886
Net cash flow	**276**	64	**-1,043**	1,257

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

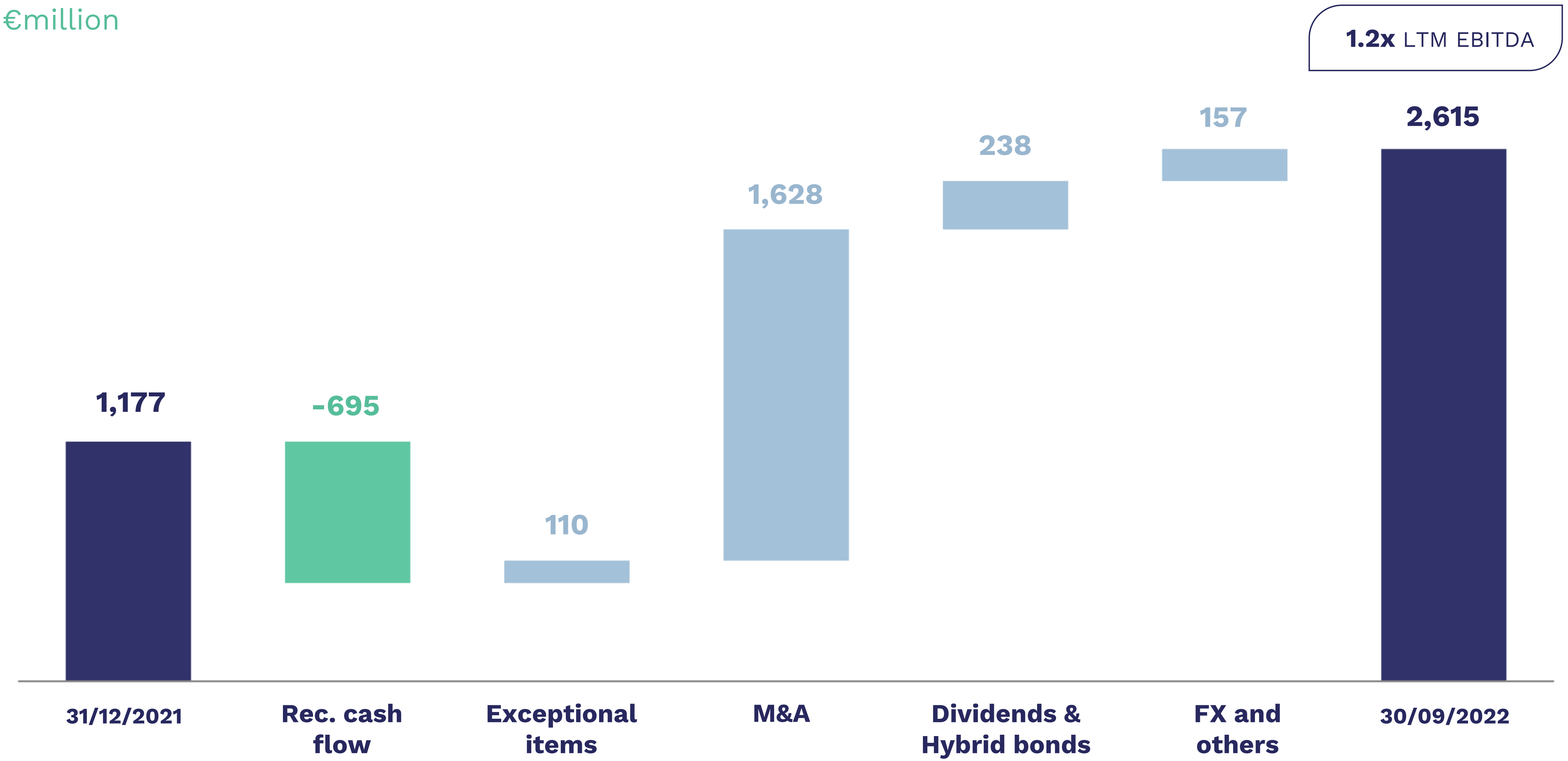
→ **Q3'22 tax rate**
21% of REBIT (excl. exceptional items)

→ **Working capital**
- Active management to adjust to activity level in Q3'22
- **15.5%** of annualized sales at end-September 2022

→ **Impact of portfolio management**
- Payment of Ashland's performance adhesives acquisition finalized on 28 February 2022
- Proceeds from PMMA disposal in May 2021

Net debt tightly controlled

in €million



Outlook

- More challenging and uncertain global operating environment in the second half, marked in particular by the energy crisis in Europe, a slowdown in demand amplified temporarily by some destocking, and elevated inflation.

- The Group will continue to benefit from the strength of its innovation in high performance materials, its balanced geographical presence, the diversity of its end markets and the solidity of its low-debt balance sheet. It will ensure it adapts quickly to the evolution of the economic context, reinforcing its cost-saving initiatives, notably in Europe, and strictly managing its inventories.

- Arkema is **confirming its annual target** and aims to achieve an **EBITDA of €2,100 million in 2022**, representing annual EBITDA growth at constant scope of around 20% compared with 2021. Q4'22 EBITDA, which includes the destocking expected at year-end, should be comparable to the pre-Covid level of 2019, but below Q4'21 which benefited from significant restocking.

- Moreover, the Group is reaffirming its confidence in its ability to achieve the ambitious targets it has set for 2024. As of 2023, it will benefit from the start-up of several significant capacity expansions for growing, high value-added products, and will continue to implement its strategic roadmap for sustainable development.

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