

ARKEMA

ARKEMA ROADSHOW PRESENTATION

SEPTEMBER 2024



Strategy and ambition

Our vision is shaped by the accelerating demand
for high performance materials



A **SIGNATURE**

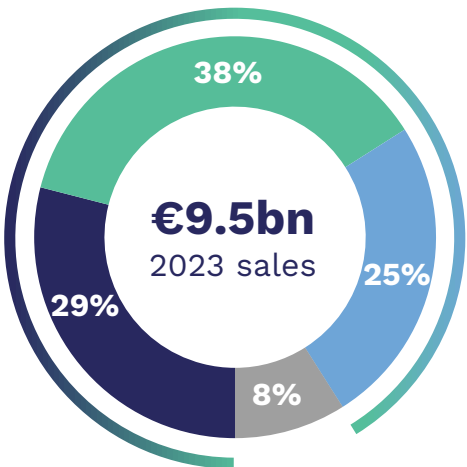
FOR A **VISION**

INNOVATIVE **MATERIALS** FOR A SUSTAINABLE WORLD

“Be the Specialty Materials leader,
**offering the most innovative and
sustainable solutions** to address our
customers’ current and future challenges”

We have built over time an attractive and well-balanced portfolio of Specialty Materials

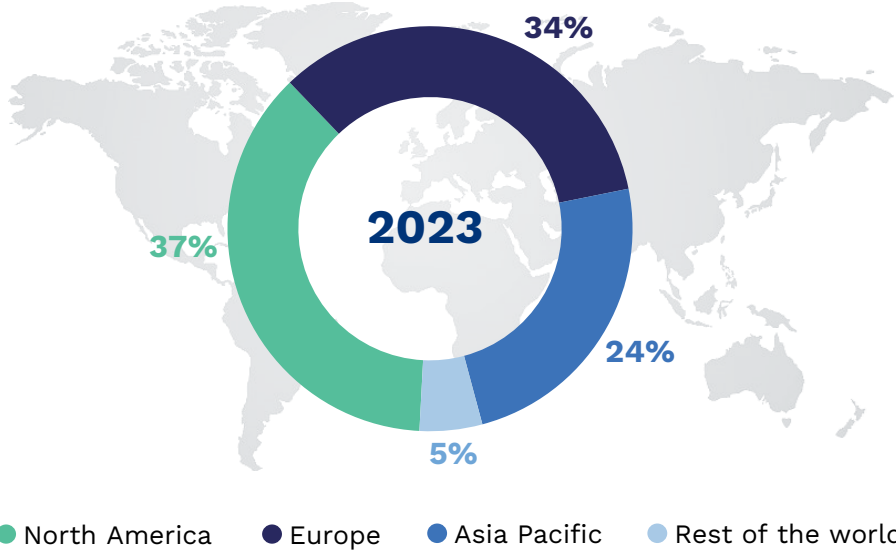
Towards 100% Specialty Materials



Specialty Materials
92%

- Adhesive Solutions
- Advanced Materials
- Coating Solutions
- Intermediates

Rebalanced geographical footprint



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



21,100
employees



55
countries

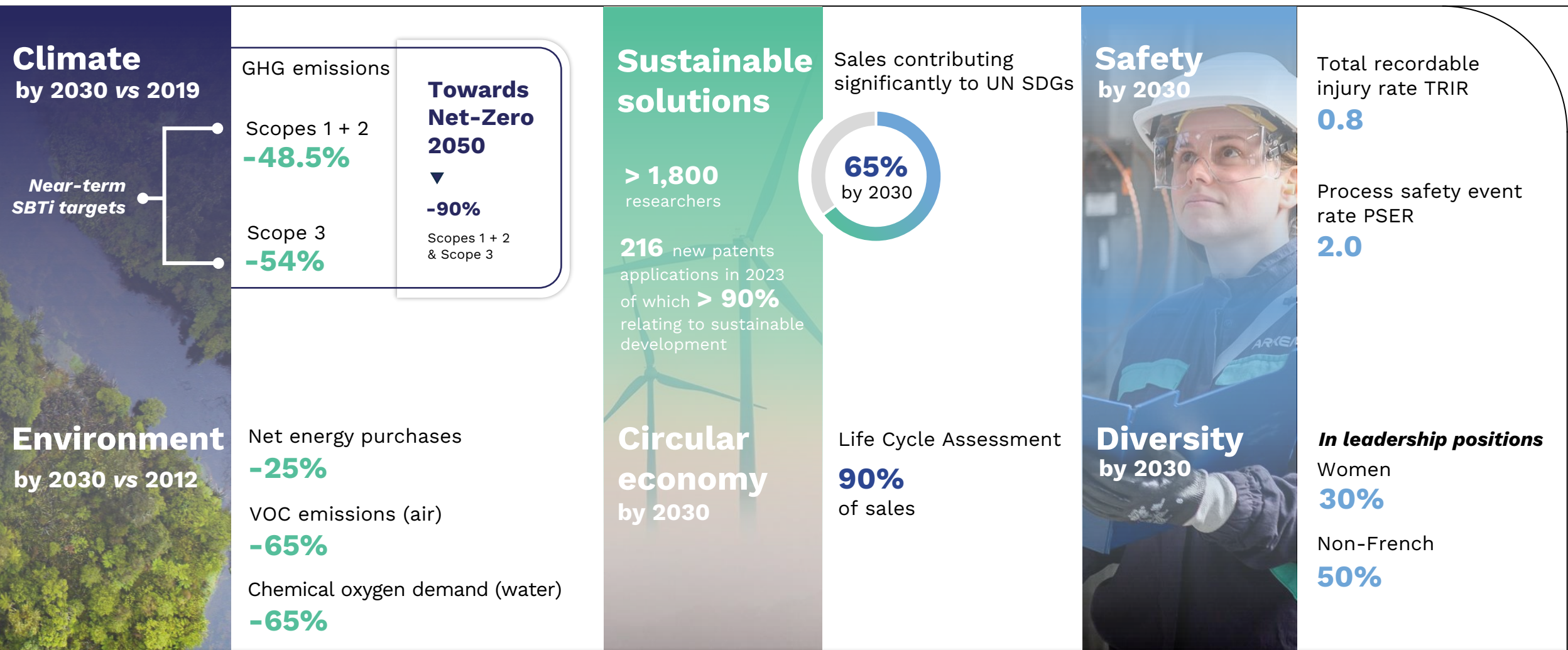


151
production sites



17
R&D centers

A clear CSR roadmap is embedded in our strategy



A recognized ESG performance



A- for Climate change
B for Water security



Rating **A**

With our high performance solutions, we support our customers in their quest for innovation and sustainability



High performance and bio-based polymers for **sports and consumer goods**



Additives, resins and polymers for **green energies**

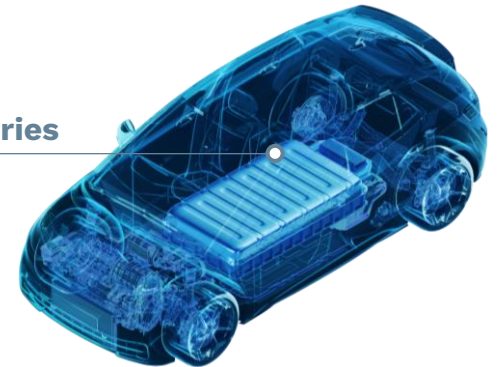


Adhesives, sealants and coatings for **efficient buildings**

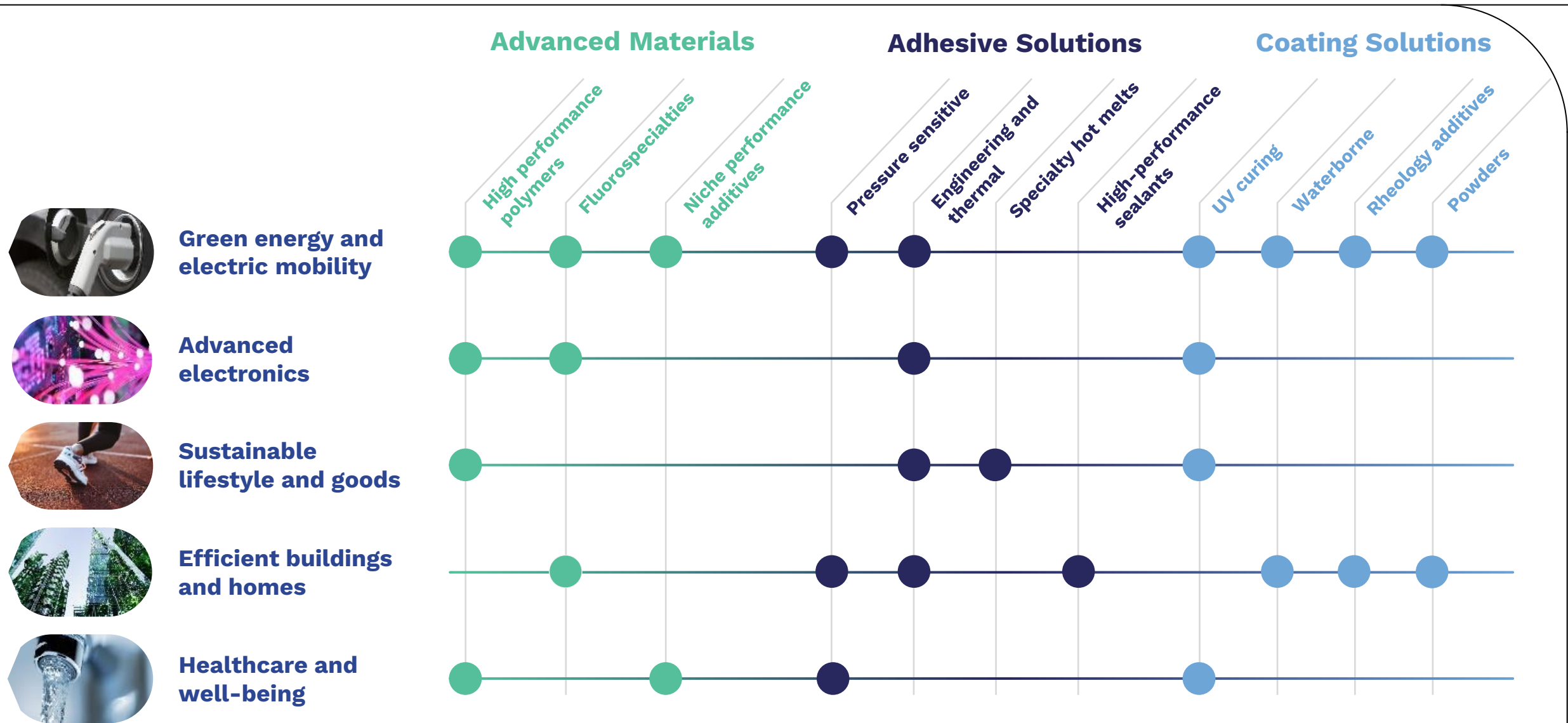


Resins, high performance films and polymers for **advanced electronics**

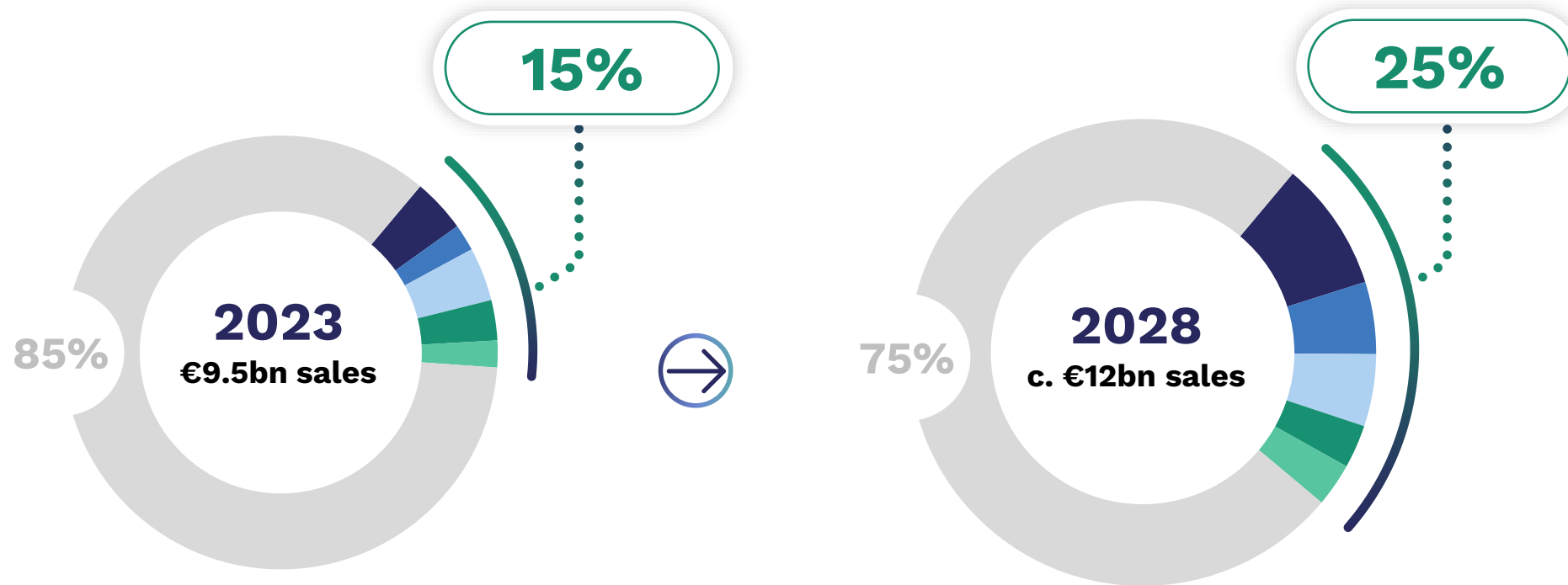
Broad One Arkema portfolio in **EV batteries**



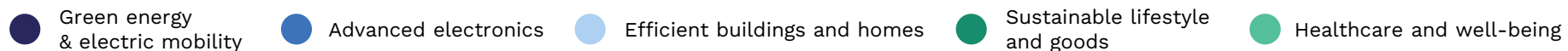
We have developed an unmatched range of cutting-edge technologies to serve key identified submarkets



This combination of technologies x submarkets
will accelerate our growth



3x higher organic sales CAGR than Group's average
Over 50% of Arkema R&D spendings



Forecasts defined in normalized macroeconomic and market conditions

We will benefit in the coming years from a unique density of high-quality and almost entirely financed investments

Recent CAPEX and new announcements

Combined CAPEX

c. €1.1bn

(€1bn financed end-24)

EBITDA contribution
in 2028

c. €300m

(of which €60m
achieved in 2024)

Recent CAPEX 2023 & 2024 starts-up

- PVDF (China, France)
- UV curing resins (China)
- Bio-based PA11 (Singapore, China) and Pebax® (France)
- HF with Nutrien (US)
- HFO 1233zd (US)

New announcements 2025 & 2026 starts-up

- Additive for biofuels (US)
- Decarbonization of acrylics production (France)
- Niche additive for renewable energies (China)

Recent major acquisitions

Combined EV

c. €3.0bn⁽¹⁾

(including 100% of PIAM)

EBITDA contribution
in 2028

c. €340m

(of which €150m
achieved in 2024)

Ashland Performance Adhesives

Pressure Sensitive Adhesives

Feb. 2022

PI Advanced Materials

High performance PI films

Dec. 2023

Dow flexible packaging laminating adhesives

Adhesives in flexible packaging

*Expected
in Q4 2024*

(1) Investment reduced to €2.4bn when taking into account Arkema's 54% share in PIAM, and fully financed end-24.



Second quarter 2024 results

Extract from « Second quarter 2024 results and outlook »
presentation (1 August 2024)

Solid financial performance in a challenging environment



Q2'24 financial highlights

€2,536m sales

- Up **3.8%** YoY
 - +4.7% volume growth
 - Improved momentum in certain markets such as sports, batteries and energy, and in industrial adhesives
 - Negative 2.4% price effect in line with raw material price evolution

€451m EBITDA
17.8% EBITDA margin

- EBITDA up **8.2%** YoY
 - Good growth in most of the businesses - Adhesive Solutions, High Performance Polymers, Fluorogases and the downstream of Coating Solutions
 - Performance Additives down compared with the prior year's high comparison base and upstream acrylics still close to low cycle conditions
 - €15m benefit from the ramp-up of recent organic CAPEX
- Strong EBITDA margin at **17.8%**
 - Strength and resilience of the Group's portfolio of technologies and solutions in a challenging economic context
 - Strict management of operations

€214m adj. net income

- Representing **€2.87** per share

€3,270m net debt
(incl. hybrid bonds)

- Recurring cash flow of **€132m**, reflecting the usual Q2 seasonality and higher capex in line with the Group's guidance
- Net debt representing 2.2x LTM EBITDA

Making progress in our strategic priorities

Acquisition of
**Dow flexible packaging
laminating adhesives**



Ramp-up of
organic projects



Delivering our roadmap
in **EV batteries**



Significant achievements
toward more
sustainable operations



**H1'24
highlights**

Acquisition¹ of Dow's flexible packaging laminating adhesives: a high-quality business strengthening our existing position

One of the **global leaders** for adhesives in flexible packaging

Annual sales around **US\$ 250m**

High-quality solutions with **well recognized brands**

A **unique opportunity** to become a technological and commercial **partner of choice** in the flexible packaging market

Key figures

US\$150m

Enterprise value
(~10x EBITDA 2024F)

US\$50m

Implementation costs and CAPEX over the next 3 years

US\$30m

Synergies in EBITDA within 5 years

EV/EBITDA < 4

After 5 years
(including synergies, recovery of the market and growth)

1. Proposed acquisition announced on 2 May 2024, subject to the approval of certain antitrust authorities. Closing expected in Q4 2024

Delivering our roadmap in EV batteries

Stake acquisition in Tiamat

January 2024

Pioneer in new generation
sodium-ion batteries



Partnership with ProLogium

May 2024

Taiwanese technology leader in
lithium ceramic batteries



Acquisition of 78% stake in Proionic

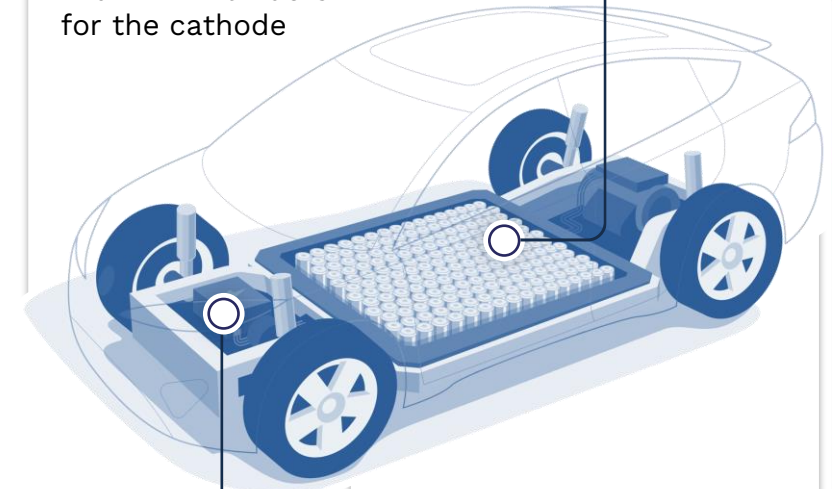
June 2024

Pioneer in the field of
ionic liquids for **solid batteries**

Leveraging the One Arkema offer

- New **Incellion™** range of waterborne acrylic based binders for the anode
- Synergistic combination with **PVDF** binders for the cathode

Cell



- **PA11** coating for busbars

Pack

- Thermally conductive adhesive (**Polytec PT** range)

Significant achievements toward more sustainable operations

Commitment with Act4nature

May 2024

New engagements to map and reduce our impacts on biodiversity

Upstream

Reduce major impacts of our raw materials

Direct operations

Understand and act on our sites' impact
Deploy a biodiversity culture internally

Downstream

Assess the biodiversity footprint of our products

Reinforced objectives

in COD emissions, GHG emissions
and water withdrawals

act4nature
international

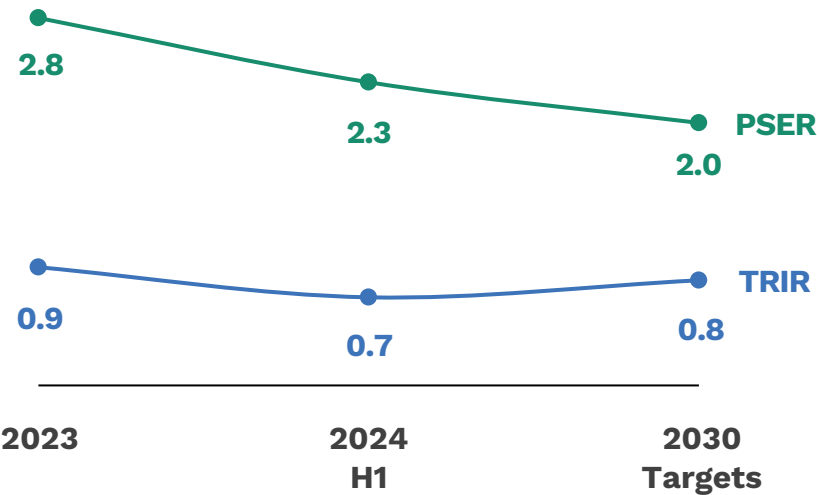


Decarbonizing the global coating value chain

- 4 new Coating Solutions sites certified **Mass Balance ISCC+** in H1 2024
- In addition to Carling (certified end 2022)

Improving safety performance

Rates per million hours worked



Sales growth in a still subdued demand environment

Sales in €million

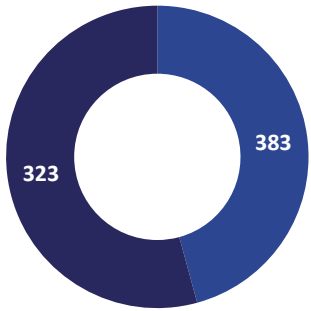


Adhesive Solutions (28% of Group sales in Q2'24)

Key figures

| in €m | Q2'24 | Q2'23 | Change | H1'24 | H1'23 | Change |
|---------------|-------|-------|--------|-------|-------|--------|
| Sales | 706 | 692 | +2.0% | 1,386 | 1,390 | -0.3% |
| EBITDA | 109 | 95 | +14.7% | 214 | 188 | +13.8% |
| EBITDA margin | 15.4% | 13.7% | | 15.4% | 13.5% | |
| REBIT | 88 | 75 | +17.3% | 170 | 147 | +15.6% |

Q2'24 Sales
by Business Line



■ Construction & Consumer
■ Industrial Assembly

Sales development

| | | |
|----------|----|-------|
| Volumes | —— | +5.1% |
| Prices | —— | -2.9% |
| Currency | —— | -0.9% |
| Scope | —— | +0.7% |

Highlights Q2'24

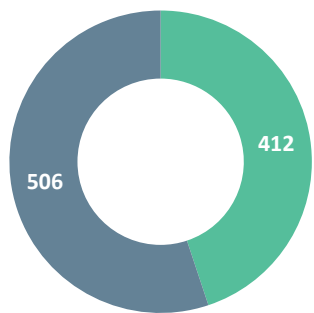
- **Volumes up 5.1% YoY**
 - Supported by industrial adhesives, in particular in durable goods, packaging and labelling
 - Construction stabilizing at a low level in a challenging market environment
- **Prices down 2.9% YoY**, reflecting the lower price of certain raw materials
- **EBITDA sharply up by 14.7% YoY and EBITDA margin improvement to 15.4%**
 - Successful integration of recent acquisitions and development of associated synergies
 - Active pricing management and cost control
 - Development of high-performance solutions

Advanced Materials (36% of Group sales in Q2'24)

Key figures

| in €m | Q2'24 | Q2'23 | Change | H1'24 | H1'23 | Change |
|---------------|--------------|-------|--------|--------------|-------|--------|
| Sales | 918 | 912 | +0.7% | 1,796 | 1,849 | -2.9% |
| EBITDA | 190 | 185 | +2.7% | 352 | 345 | +2.0% |
| EBITDA margin | 20.7% | 20.3% | | 19.6% | 18.7% | |
| REBIT | 103 | 117 | -12.0% | 183 | 210 | -12.9% |

Q2'24 Sales by Business Line



■ High Performance Polymers
■ Performance Additives

Sales development

| | | |
|----------|---|-------|
| Volumes | — | -1.0% |
| Prices | — | -2.8% |
| Currency | — | -1.2% |
| Scope | — | +5.7% |

Highlights Q2'24

→ Volumes down 1.0% YoY

- Impacted by planned maintenance turnarounds in Thiochemicals
- Supported by positive momentum in High Performance Polymers in Asia, notably in the battery, energy, medical and sport markets

→ Prices down 2.8% YoY, reflecting mainly the lower price of certain raw materials

→ EBITDA up 2.7% YoY and EBITDA margin at a very good level at 20.7%

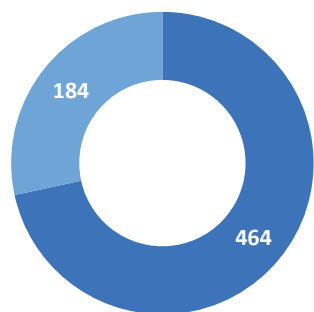
- Progressive contribution of organic projects
- Integration and ramp-up of PIAM
- Performance Additives down relative to last year's high comparison base, in line with the drop in volumes

Coating Solutions (26% of Group sales in Q2'24)

Key figures

| in €m | Q2'24 | Q2'23 | Change | H1'24 | H1'23 | Change |
|---------------|--------------|-------|--------|--------------|-------|--------|
| Sales | 648 | 617 | +5.0% | 1,263 | 1,278 | -1.2% |
| EBITDA | 91 | 88 | +3.4% | 166 | 182 | -8.8% |
| EBITDA margin | 14.0% | 14.3% | | 13.1% | 14.2% | |
| REBIT | 61 | 58 | +5.2% | 105 | 121 | -13.2% |

Q2'24 Sales by Business Line



■ Coating Resins
■ Coating Additives

Sales development

Volumes — +10.4%

Prices — -5.9%

Currency — +0.5%

Scope — -

Highlights Q2'24

→ Volumes up by a very strong 10.4% YoY

- Driven by downstream activities, particularly in industrial coatings, electronics and renewable energy
- Higher volumes in upstream acrylics, notably in Europe

→ Prices down 5.9% YoY

- Year-on-year decrease of certain raw materials
- Less favorable market conditions in upstream acrylics

→ EBITDA up 3.4% YoY and EBITDA margin at 14.0%

- Higher volumes in downstream activities
- Contribution of Sartomer's organic project in China
- Growth initiatives focused on more sustainable and value-added solutions

Intermediates (10% of Group sales in Q2'24)

Key figures

| in €m | Q2'24 | Q2'23 | Change | H1'24 | H1'23 | Change |
|---------------|-------|-------|--------|-------|-------|--------|
| Sales | 254 | 212 | +19.8% | 412 | 430 | -4.2% |
| EBITDA | 84 | 69 | +21.7% | 123 | 118 | +4.2% |
| EBITDA margin | 33.1% | 32.5% | | 29.9% | 27.4% | |
| REBIT | 74 | 57 | +29.8% | 103 | 93 | +10.8% |

Sales development

| | | |
|----------|------|--------|
| Volumes | —— | +9.9% |
| Prices | ———— | +11.3% |
| Currency | —— | -1.4% |
| Scope | ———— | - |

Highlights Q2'24

- **Volumes up 9.9% YoY**
 - Higher demand for acrylics in China
- **Prices up 11.3% YoY**
 - Good momentum of refrigerant gases
 - Ongoing challenging market conditions for acrylics in China
- **€84m EBITDA and very good level of EBITDA margin at 33.1%**

Cash flow generation reflecting usual seasonality

in €million

| | Q2'24 | Q2'23 | H1'24 | H1'23 |
|--|------------|-------|------------|-------|
| EBITDA | 451 | 417 | 801 | 784 |
| Current taxes | -54 | -57 | -93 | -112 |
| Cost of debt | -12 | -12 | -26 | -28 |
| Change in working capital and fixed assets payables ⁽¹⁾ | -76 | -42 | -331 | -285 |
| Others | -7 | -31 | -10 | -23 |
| Operating cash flow | 302 | 275 | 341 | 336 |
| Recurring capital expenditures | -170 | -130 | -269 | -212 |
| Recurring cash flow | 132 | 145 | 72 | 124 |
| Exceptional capital expenditure | 0 | -5 | 0 | -12 |
| Non-recurring items | -15 | -25 | -37 | -43 |
| Free cash flow | 117 | 115 | 35 | 69 |
| Impact of portfolio management | -20 | -69 | -41 | -39 |
| Net cash flow | 97 | 46 | -6 | 30 |

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

→ **Q2'24 tax rate**
22% of REBIT (excl. exceptional items)

→ **Working capital**
15.7% of annualized sales at end-June 2024
 (16.9% at end-June 2023)

→ **Q2'24 Portfolio management**

- Acquisition of a 78% stake in Proionic finalized on 3 June 2024
- Fees related to the acquisition of Dow flexible packaging laminating adhesives

Outlook

- At the start of the third quarter the macroeconomic context remains in line with that of previous quarters, with no tangible signs of a rebound in demand.
- In this environment, Arkema will continue to focus on elements under its control, in particular the strict management of operations and the ramp-up of its major projects, which are expected to contribute around €60 million of EBITDA in 2024, of which €40 million estimated in H2'24.
- Arkema confirms its full-year guidance, tightening its range, and aims to achieve a higher EBITDA year-on-year in 2024, estimated at between €1.53 billion and €1.63 billion (€1.5bn in 2023) depending on the evolution of macroeconomic conditions (previously €1.5bn to €1.7bn). In Q3'24, the Group's EBITDA is expected to be slightly up YoY.

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 a context marked by strong geopolitical tensions, where the evolution of 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, rising geopolitical tensions, and changes in general economic and business conditions. These risk factors are further developed in the 2023 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 2023 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

Recurring cash flow: corresponds to free cash flow excluding exceptional capex and non recurring items

Operating cash flow: corresponds to recurring cash flow before capex (intangible assets and property, plant and equipment additions)

CAGR over 24-28: corresponds to the compound annual growth rate over the 5-year period 2024-28

This document contains forward looking information, which describe expectations, strategies, future events or intentions. Forecasts and financial objectives over the period 2024-2028 are defined in normalized macroeconomic and market conditions, among other EUR/USD exchange rate of 1.1, GDP of 3% and oil price at US\$80/bbl. The achievement of these forecasts and financial objectives is therefore subject to uncertainties regarding these economic factors, as well as regarding changing market conditions, competitive landscape, regulatory evolutions, and other unplanned events. As a consequence, results may differ from those expressed or implied in this document.