

**ARKEMA**

# First quarter 2025 results and outlook

07/05/2025

# Resilient results in a globally challenging and uncertain environment

in €million

## Sales

2,341

**2,381**



Q1'24

Q1'25

Specialty  
Materials

**93%**

## EBITDA

350

**329**



Q1'24

Q1'25

Margin **13.8%**

## Adj. Net Income

138

**99**



Q1'24

Q1'25

Adj. EPS **€1.31**

## Net Debt and hybrid bonds

3,241

**3,425**



31/12/24

31/03/25

**2.3x** LTM EBITDA

# Q1'25 financial highlights

**€2,381m** sales

→ **Up 1.7%** YoY

- Stable volumes (down 0.2%) supported by significant growth in High Performance Polymers and their dynamic of new businesses, notably in batteries, electronics and sports
- Contrasting trends by region with strong growth in Asia but broadly weak demand in Europe and North America
- Price effect limited to a negative 0.5% in a broadly stable raw materials environment
- First benefit of the integration of Dow's laminating adhesives

**€329m** EBITDA

**13.8%** EBITDA margin

→ EBITDA **slightly down** compared with Q1'24

- Good resilience of Specialty Materials (93% of the Group's sales) with a 3% EBITDA decrease
- Significant decline of nearly 40% in the EBITDA of Intermediates (7% of the Group's sales), impacted by refrigerant gases

**€99m** adj. net income

→ Representing **€1.31** per share

**€3,425m** net debt  
and hybrid bonds

→ Net debt and hybrid bonds representing 2.3x LTM EBITDA

→ Recurring cash flow at a negative €138m

# Highly profitable incremental PVDF investment announced in the US

## Capacity expansion in Calvert City (US)

**+15%**  
US capacity

**\$20m**  
invested

**Mid-2026**  
planned start-up

○ **Increasing demand for locally manufactured high performance resins**

○ **Focus on attractive markets and applications:**

- Lithium-ion batteries for EV and Energy Storage Systems
- Semiconductor manufacturing process
- Cables

Arkema PVDF production in all three regions

Global footprint expansion at a pace and with capabilities matching market development

# A step forward in the decarbonization of the adhesives



**4 sites  
in France**



Coubert, Privas,  
Ribécourt and Venette

## **New biomethane supply agreement with ENGIE**

- **25 GWh/year**
- **85%** of the gas consumption of the major Bostik sites in France
- **8-year contract**
- Following the **300 GWh/year** long-term contract signed in early 2023 for the supply of biomethane for the Advanced Materials segment



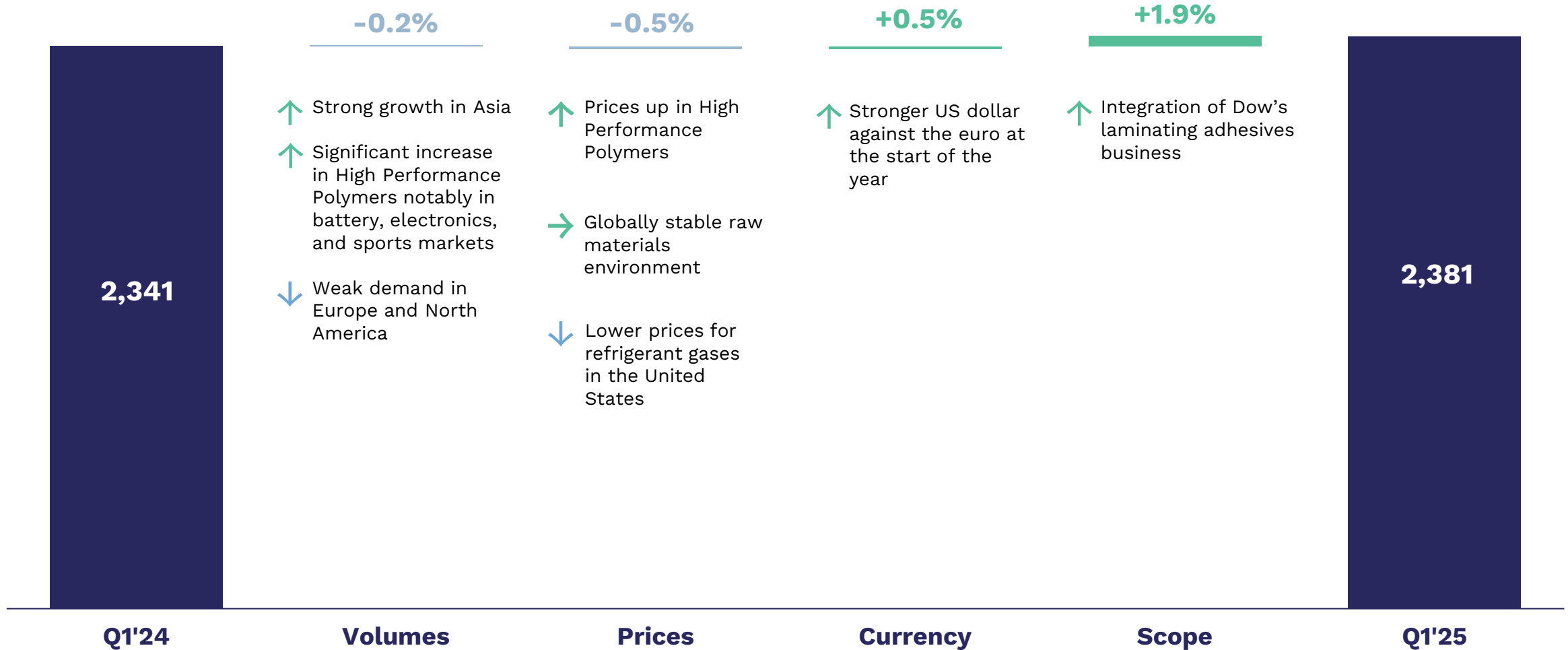
# Key figures

in €million

	Q1'25	Q1'24	Change
<b>Sales</b>	<b>2,381</b>	2,341	+1.7%
<b>EBITDA</b>	<b>329</b>	350	-6.0%
Specialty Materials	<b>331</b>	342	-3.2%
Intermediates	<b>24</b>	39	-38.5%
Corporate	<b>-26</b>	-31	
<b>EBITDA margin</b>	<b>13.8%</b>	15.0%	
Specialty Materials	<b>14.9%</b>	15.7%	
Intermediates	<b>15.3%</b>	24.7%	
<b>Recurring operating income (REBIT)</b>	<b>160</b>	202	-20.8%
<b>REBIT margin</b>	6.7%	8.6%	
<b>Adjusted net income</b>	<b>99</b>	138	-28.3%
<b>Net debt and hybrid bonds</b>	<b>3,425</b>	3,063	

# Slight sales increase supported by scope effect and stable volumes

Sales in €million

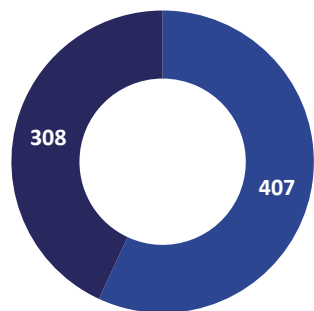


# Adhesive Solutions (30% of Group sales)

## Key figures

in €m	Q1'25	Q1'24	Change
Sales	<b>715</b>	680	+5.1%
EBITDA	<b>99</b>	105	-5.7%
EBITDA margin	<b>13.8%</b>	15.4%	
REBIT	<b>73</b>	82	-11.0%

## Sales by Business Line



■ Construction & Consumer  
■ Industrial Assembly

## Sales development

Volumes — -2.5%  
Prices — -0.3%  
Currency — -0.2%  
Scope — +8.1%

## Highlights

- **8.1% positive scope effect** corresponding to the integration of Dow's laminating adhesives
- **Volumes down 2.5%**
  - Weak demand environment in North America and Europe
  - Lower industrial adhesives
  - Construction remaining stable
- **Prices at negative 0.3%**, reflecting stable raw materials prices
- **EBITDA slightly down 5.7% and EBITDA margin at 13.8%**
  - Impacted by lower volumes
  - Supported by strict control of operations and continued dynamic management of selling prices
  - Expected dilutive effect of Dow's laminating adhesives consolidation on the margin rate (nearly 50 bps)

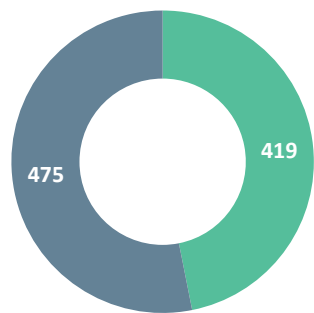


# Advanced Materials (38% of Group sales)

## Key figures

in €m	Q1'25	Q1'24	Change
Sales	<b>894</b>	878	+1.8%
EBITDA	<b>174</b>	162	+7.4%
EBITDA margin	<b>19.5%</b>	18.5%	
REBIT	<b>77</b>	80	-3.8%

## Sales by Business Line



■ High Performance Polymers  
■ Performance Additives

## Sales development

**Volumes** ——— +0.3%  
**Prices** ——— +0.9%  
**Currency** ——— +0.6%  
**Scope** ——— -

## Highlights

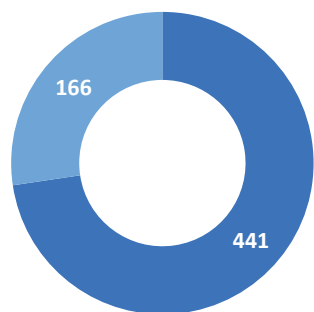
- **Volumes up 0.3%**
  - Positive dynamic in High Performance Polymers notably in Asia in the battery, electronics and sports markets
  - Weak demand in Performance Additives
- **Prices up 0.9%**
  - Driven by High Performance Polymers
- **Strong EBITDA increase by 7.4%**
  - Significant progression of PIAM in electronics
  - Positive momentum in high value-added fluorospecialties for energy efficiency of buildings
  - Growth in the battery and sports markets
  - Performance Additives slightly down in a weak demand environment
- **EBITDA margin significantly up 100 bps at 19.5%**

# Coating Solutions (25% of Group sales)

## Key figures

in €m	Q1'25	Q1'24	Change
Sales	<b>607</b>	615	-1.3%
EBITDA	<b>58</b>	75	-22.7%
EBITDA margin	<b>9.6%</b>	12.2%	
REBIT	<b>26</b>	44	-40.9%

## Sales by Business Line



■ Coating Resins  
■ Coating Additives

## Sales development

Volumes — -2.5%  
Prices — +0.2%  
Currency — +1.0%  
Scope — -

## Highlights

- **Volumes down 2.5%** in a weak demand environment
- **Prices stable at positive 0.2%**
- **EBITDA significantly down and EBITDA margin at 9.6%**
  - Decrease in volumes
  - Low cycle margins in upstream acrylics

# Intermediates (7% of Group sales)

## Key figures

in €m	Q1'25	Q1'24	Change
Sales	<b>157</b>	158	-0.6%
EBITDA	<b>24</b>	39	-38.5%
EBITDA margin	<b>15.3%</b>	24.7%	
REBIT	<b>16</b>	29	-44.8%

## Sales development

Volumes	——	+15.8%
Prices	————	-11.4%
Currency	——	+2.6%
Scope	————	-7.6%

## Highlights

### → Volumes up 15.8%

- Mainly driven by acrylics in Asia
- Partially offset by lower quotas in refrigerant gases in Europe

### → Prices down 11.4%

- Reflecting mainly lower refrigerant gas prices in the United States

### → EBITDA down 38.5% and EBITDA margin at 15.3%

- Impacted by refrigerant gases, expected to remain significantly down in Q2 but to improve from mid-year
- Progression in Asia acrylics

# Cash flow generation

in €million

	Q1'25	Q1'24
<b>EBITDA</b>	<b>329</b>	350
Taxes	-33	-39
Cash items included in the financial result	-23	-14
Change in working capital and fixed assets payables <sup>(1)</sup>	-306	-255
Other	-16	-3
<b>Operating cash flow</b>	<b>-49</b>	39
Recurring capital expenditure	-89	-99
<b>Recurring cash flow</b>	<b>-138</b>	-60
Exceptional capital expenditure	0	0
Non-recurring cash flow	-17	-22
<b>Free cash flow</b>	<b>-155</b>	-82
Net cash flow from portfolio management operations	-5	-21
<b>Net cash flow</b>	<b>-160</b>	-103

- **Q1'25 tax rate**  
22.5% of REBIT (excl. exceptional items)
- **Change in working capital of negative €210m reflecting Q1 seasonality**  
17.4% of annualized sales at end-March 2025 (16.1% at end-March 2024)
- **Fixed assets payables significantly down by €96m vs end-December 2024**
- **Lower Capex in line with guidance**  
at €89m (vs €99m in Q1'24)

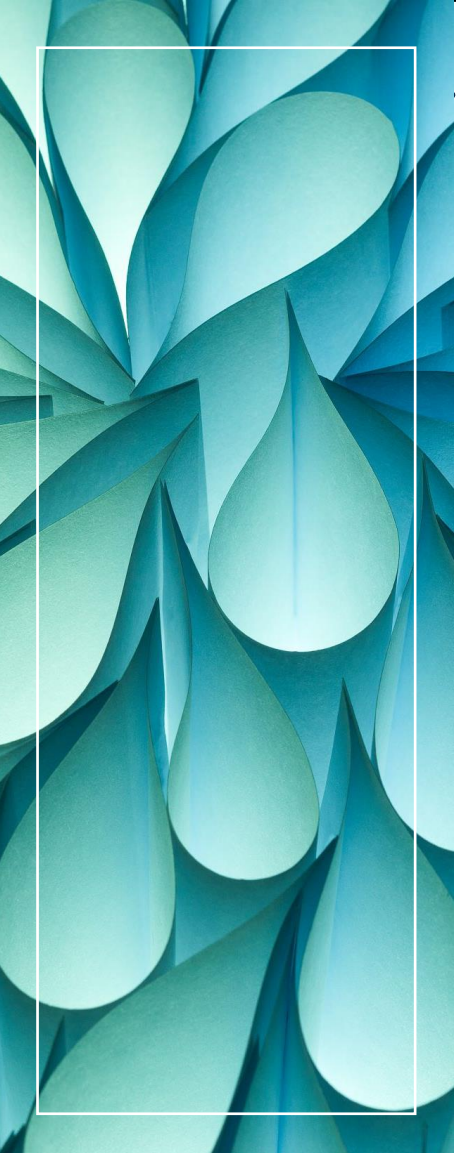
1. Excluding non-recurring items and impact of portfolio management

# Net debt at 2.3x LTM EBITDA

in €million



# Outlook

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- Global economic environment remaining uncertain and marked by weak demand outside of Asia.
  - Relying on its industrial footprint close to customers in the three major regions of the world, Arkema anticipates a limited direct impact from the recent increase in tariffs. Nevertheless, the Group will remain vigilant about their effect on the macroeconomic environment and the global demand, which is difficult to assess reliably at this stage.
  - In this context, the Group aims to achieve in 2025 an EBITDA at least equal to last year's at constant exchange rates and a significantly increasing recurring cash flow of close to €600 million, unless a major slowdown in global growth occurs due to geopolitical disruptions.
  - The second quarter is expected to be in relative continuity with the trends observed since the beginning of the year, with two specific points of attention on customer wait-and-see attitude linked to the announcements on tariffs and the evolution of exchange rates.

# 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 2024 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.

Definitions and reconciliation tables for the main alternative performance indicators used by the Group are provided in the "Arkema first-quarter 2025 results press release" available on Arkema's website at: [www.arkema.com/global/en/investor-relations/](http://www.arkema.com/global/en/investor-relations/)

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