ARKEMA

Third-quarter 2025 results and outlook

07/11/2025

Q3’25 key takeaways

- **Challenging macroeconomic environment** including a lower than expected demand in the US over the summer
- **Very solid cash flow generation** supported by strong operational and capital discipline
- **Group EBITDA down** reflecting the weakness in demand, with Adhesive Solutions and Advanced Materials holding up better
- **Strengthening of our cost-cutting efforts**
  - Objective to broadly offset fixed costs inflation in 2025 and 2026
  - Further reduction in capex by €50m in 2026 to around €600m
- Maintaining our **innovation drive** with next-generation batteries laboratory and One Arkema platform dedicated to data centers
- **Net debt** down by almost €200m in the quarter to €3.4bn

Sales €2,187m	-4.7% vs Q3’24 at constant exchange rates
EBITDA €310m	14.2% EBITDA margin
Adjusted net income €78m	Adj. EPS €1.04
Recurring cash flow €207m	Net debt (1)/EBITDA ratio at 2.6x

(1) Net debt and hybrid bonds

A strong focus on cost savings

Large number of initiatives ramping up across all functions and business lines

- **Reduction** of discretionary expenses
- **Streamlining** of operations with the reorganization of Jarrie and Pierre-Bénite sites
- Review of major procurement contracts and **tightening of operational expenses**
- Yield and energy efficiency **improvement**
- **Digitalization** initiatives to support operational efficiency
- **Capex adjustment**, with focus on smaller size investments in attractive markets, decarbonization projects, maintenance and safety

Strict management of our operations

Objective to broadly
offset fixed costs inflation
in 2025 and 2026

~ €100m fixed and variable costs savings in 2025

CAPEX reduced by €50m in 2026 to **~ €600m**

Sustainable innovation for next-generation batteries

Inauguration of a new laboratory in France for next-generation battery

- Dedicated to exploring and advancing the solvent-free **dry coating process** for battery electrodes
- Hub for **collaborative innovation** with major cell makers and automotive players

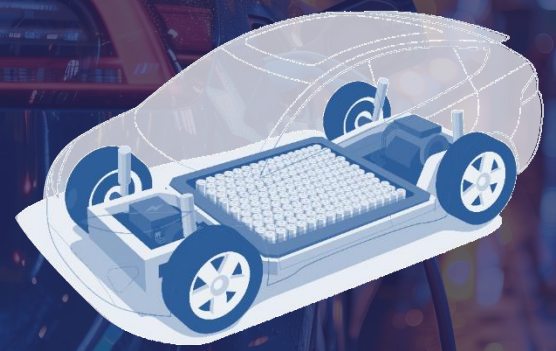
An electrode production process accelerating efficiency and reducing environmental impact

- 15%
production costs

- 40%
CO_2 emission

- 15%
space needed in factories

LFP representing already **50%** of battery technologies **in 2024** and expected to continue to gain share



In 2030
EV will account for **40%** of light vehicles worldwide

Source : International Energy Agency, Global EV Outlook 2025

Launch of a new One Arkema platform dedicated to the growing data center market

Our ambition

> €100m sales

in 2030

Global market

+10%/yr

expected CAGR

over 2025-30

Source : Grand View Research, Data Center Market Report

Chillers

Forane® refrigerants for building cooling

Waterproofing

Ground and roof water protection with Seal&Block range and resins

Flooring

Durability, hygiene and resistance to chemicals with Boscofloor range

Wiring and cables

Kynar® PVDF in overhead wire and cables with self extinguishing properties

Direct to Chip cooling

- Kynar® PVDF and Rilsan® PA11 in tubing/piping & fitting
- Foranext® 1233zd as cooling fluid and Oleris® as cooling fluid material

Immersion cooling

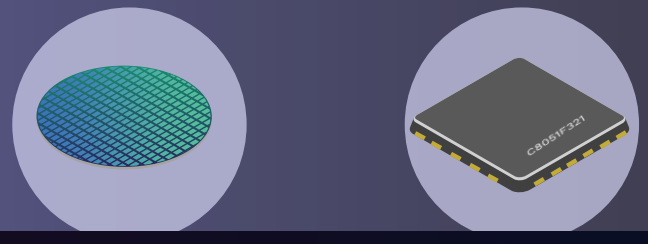
- Oleris® bio-based C7 acid and Foranext® 1233zd in immersion cooling tanks
- Kynar® PVDF, Rilsan® PA11 and Pebax® TPE in immersion cooling wire & cable

One Arkema Adhesive Solutions · Advanced Materials · Coating Solutions

Leveraging One Arkema solutions in the attractive and high value Advanced Electronics market

Chip and PCB manufacturing

Chip and PCB production & packaging



- PIAM polyimides films to **protect and reinforce circuits**
- UV/LED curing resins and bio-based specialty hot melts for **chip** encapsulation and **PCB protection**
- PVDF for ultra-purity water piping for **chip manufacturing**
- Hydrogen peroxide for **etching**

Device manufacturing

Display materials

Device components

Device assembly

- PIAM polyimides film and varnish for **flexible OLED substrates** and **Chip on Film of display**
- UV/LED curing resins to **protect** foldable displays
- PA11 for light and durable **frames** and **casings**
- PVDF for longer lasting **batteries**
- Engineering adhesives for **high-strength** assembly
- UV/thermal cure adhesives for components **bonding**

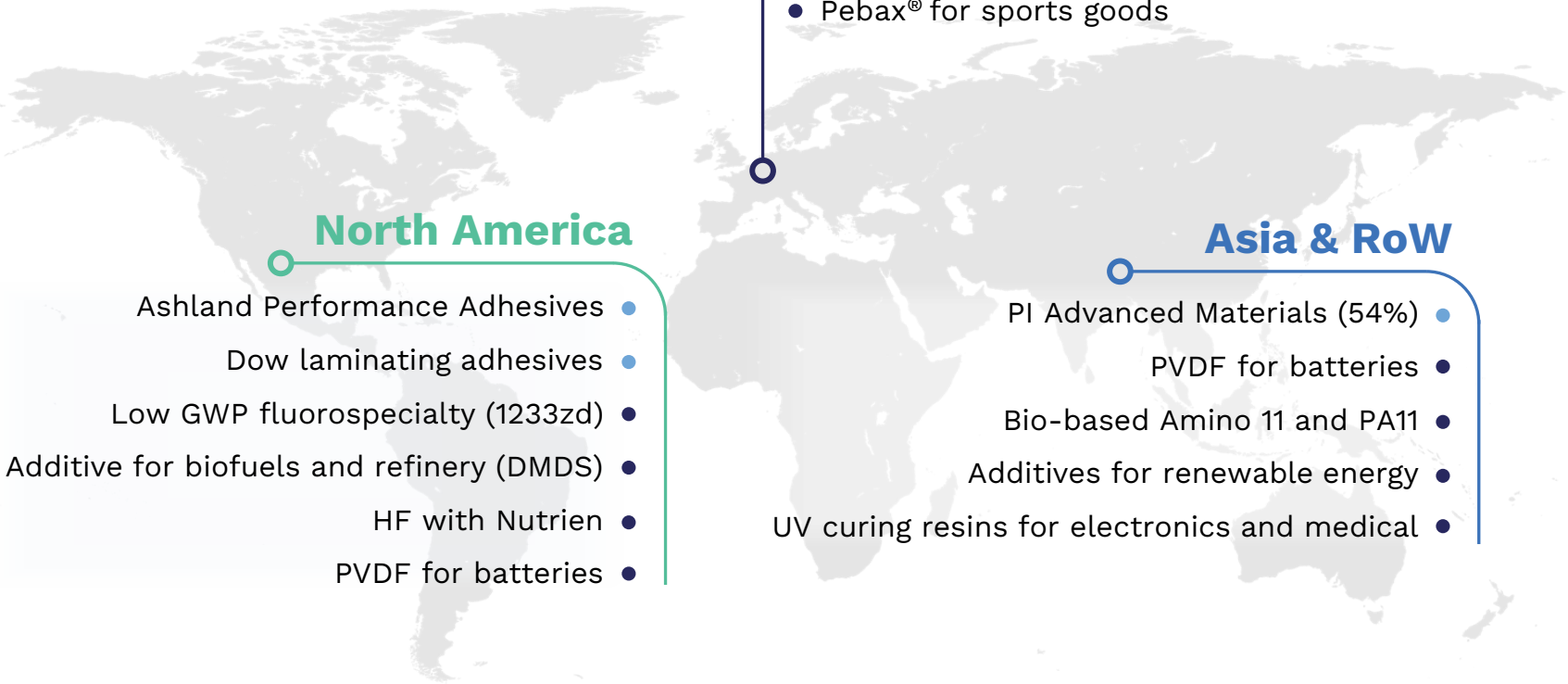
Data centers

- Adhesives and resins in **waterproofing** and **flooring** applications
- PVDF for **wiring** and **cables**
- Polyamides, PVDF and fluorospecialties in **cooling**

One Arkema Adhesive Solutions · Advanced Materials · Coating Solutions

Projects ramp-up supporting our strategic roadmap on Specialty Materials

● Acquisition ● CAPEX



Europe

- Pebax® for sports goods

North America

- Ashland Performance Adhesives
- Dow laminating adhesives
- Low GWP fluorospecialty (1233zd)
- Additive for biofuels and refinery (DMDS)
- HF with Nutrien
- PVDF for batteries

Asia & RoW

- PI Advanced Materials (54%)
- PVDF for batteries
- Bio-based Amino 11 and PA11
- Additives for renewable energy
- UV curing resins for electronics and medical

Additional contribution of projects to EBITDA

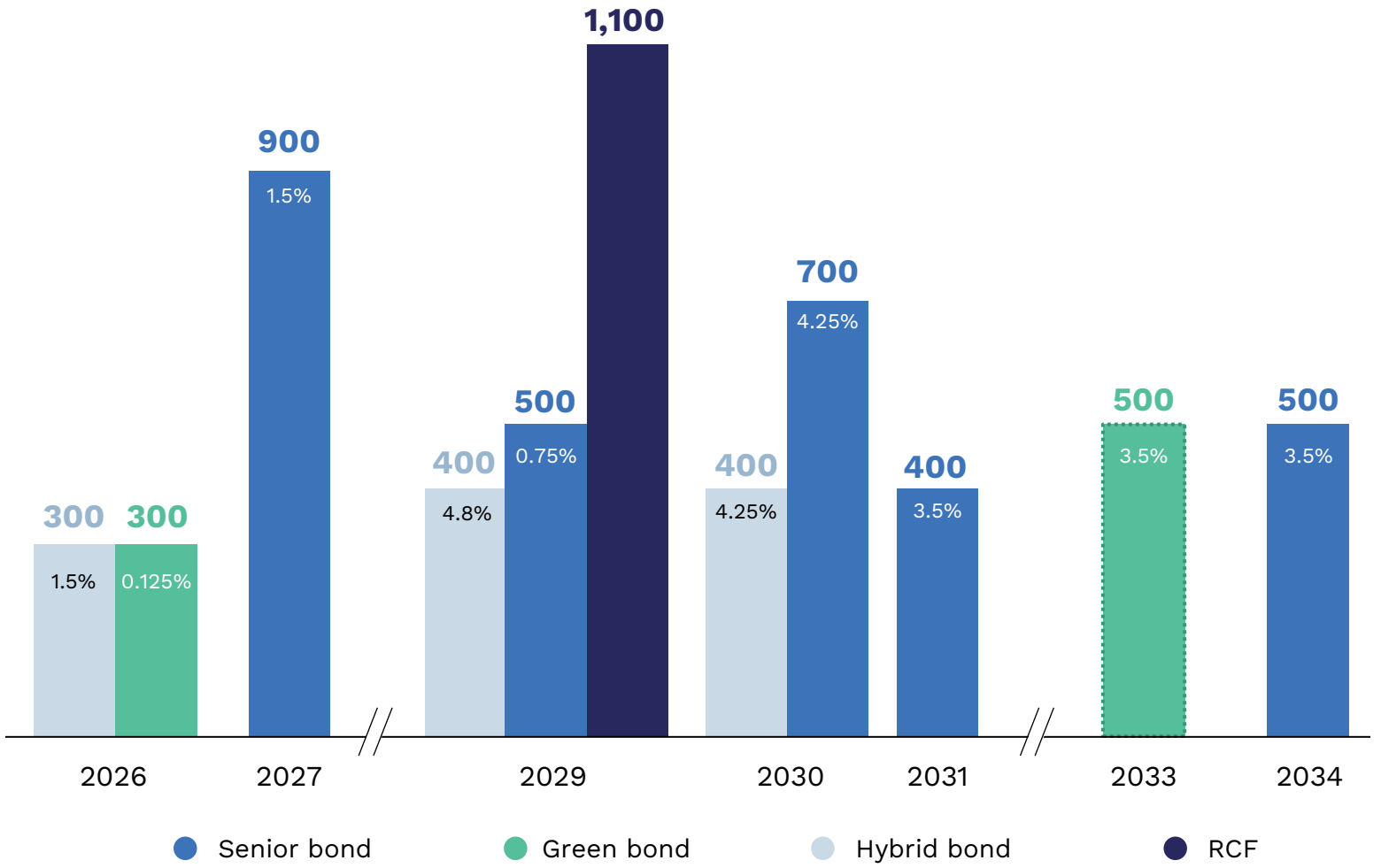
+€60m

in 2025 vs 2024

2025 projects highlights

- Start-up of DMDS and low GWP fluorospecialty 1233zd units in the US
- Singapore Amino 11 & PA11 plant reaching breakeven point
- Mechanical completion finalized on the Rilsan® Clear unit in Singapore

Finalization of the refinancing of 2026 bond maturities



Figures in €m

Issuance of a **€500m green bond** in September 2025 (3.5% rate, 8-year maturity)

Extended **debt[1] maturity to 4.6 yrs** at end-Q3

Solid credit rating maintained

BBB+ stable outlook (S&P)
Baa1 stable outlook (Moody's)

1. Excluding hybrids

Outlook FY'25

- Global context marked by limited visibility, geopolitical tensions, the increase in tariffs and a weak demand environment.
- Large number of initiatives ramping up across all functions and business lines to optimize and streamline activities with the objective to broadly **offset fixed costs inflation in 2025 and 2026**. The Group confirms its objective of **around €100 million of savings** in fixed and variable costs **in 2025**.
- Ongoing **ramp-up of major projects**, for the most part already funded. **Additional contribution** to the Group's **EBITDA** has been reassessed for 2025 at around **€60 million**.
- Taking into account the currently challenging macroeconomic context and the softer than expected demand in the United States, the Group aims at delivering an **EBITDA** of between **€1.25 billion and €1.3 billion** and a **recurring cash flow** of approximately **€300 million in 2025**.

Detailed Q3 Results

07/11/2025

Q3’25 financial highlights

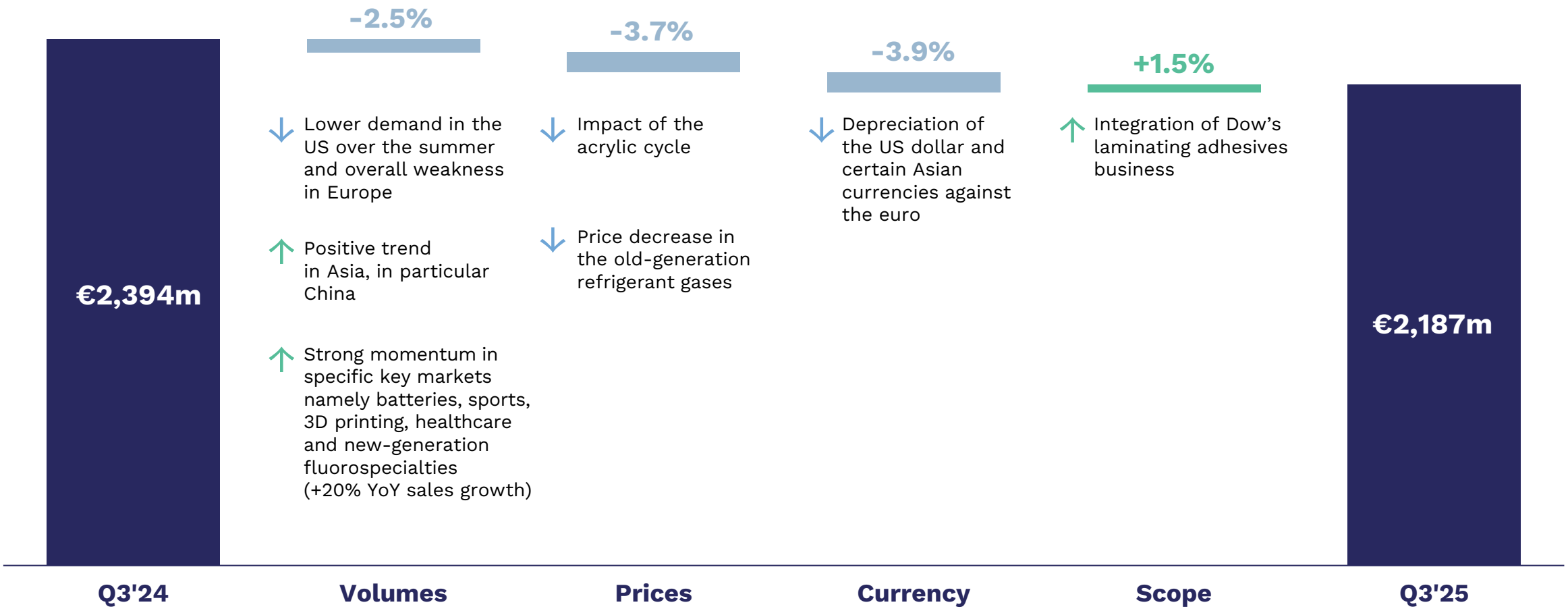
€2,187m sales	→ **Down 4.7%** YoY at constant exchange rates: • Volumes down 2.5% reflecting the lower demand in the US over the summer, and the overall weakness in Europe while Asia, in particular China, remains more resilient • Strong momentum with ~20% YoY sales growth in batteries, sports, 3D printing, healthcare and new-generation fluorospecialties • Negative 3.7% price effect, impacted essentially by the acrylic cycle and the old-generation refrigerant gases. More stable pricing in all other activities
€310m EBITDA **14.2%** EBITDA margin	→ Adhesive Solutions and Advanced Materials performance : • Lower volumes reflecting weak demand in Europe and the US, but supported by the Group’s development strategy in higher value-added activities and by growth in Asia • Slightly negative net pricing with some benefit from lower raw material costs as they work through the supply chain → Coating Solutions significantly down, impacted by the acrylic cycle and the sales decline in the US construction market → Seasonal decrease in refrigerant gases → Unfavorable currency impact of around €15m, mainly linked to the US dollar
€78m adj. net income	→ Representing **€1.04** per share
€3,403m net debt and hybrid bonds	→ **Very solid cash generation** with a recurring cash flow above last year at **€207m**, reflecting the strict management of working capital and lower capex than last year → Net debt and hybrid bonds down by almost €200m in the quarter

Key figures

in €million

	Q3'25	Q3'24	Change	9m'25	9m'24	Change
Sales	**2,187**	2,394	-8.6%	**6,963**	7,271	-4.2%
EBITDA	**310**	407	-23.8%	**1,003**	1,208	-17.0%
Specialty Materials	**296**	377	-21.5%	**960**	1,109	-13.4%
Intermediates	**38**	51	-25.5%	**116**	174	-33.3%
Corporate	**-24**	-21		**-73**	-75	
EBITDA margin	**14.2%**	17.0%		**14.4%**	16.6%	
Specialty Materials	**14.7%**	17.2%		**14.9%**	16.7%	
Intermediates	**23.6%**	26.7%		**22.9%**	28.9%	
Recurring operating income (REBIT)	**142**	246	-42.3%	**500**	750	-33.3%
REBIT margin	**6.5%**	10.3%		**7.2%**	10.3%	
Adjusted net income	**78**	168	-53.6%	**295**	520	-43.3%
Net debt and hybrid bonds	**3,403**	3,111		**3,403**	3,111	

Sales evolution reflecting market conditions and currency effect

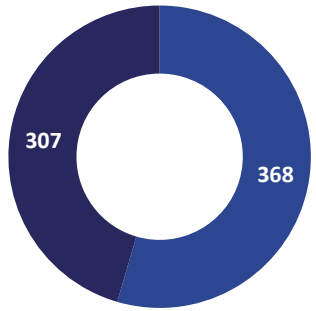


Adhesive Solutions (31% of Group sales in Q3'25)

Key figures

in €m	**Q3'25**	Q3'24	Change	**9m'25**	9m'24	Change
Sales	**675**	682	-1.0%	**2,106**	2,068	+1.8%
EBITDA	**93**	107	-13.1%	**295**	321	-8.1%
EBITDA margin	**13.8%**	15.7%		**14.0%**	15.5%	
REBIT	**66**	86	-23.3%	**217**	256	-15.2%

Q3'25 sales by Business Line



Q3'25 sales development

Volumes	-3.1%
Prices	-1.1%
Currency	-3.8%
Scope	+7.0%

Highlights Q3'25

→ **Limited sales decrease of 1% despite negative 3.8% change effect**

- **Volumes down 3.1%**
  - Broadly weak demand in industrial adhesives
  - Disappointing summer in the US, notably in flexible packaging and construction
- **Prices slightly down 1.1%**
  - Benefits from certain raw material costs decline to start supporting net pricing more particularly from Q4'25 onwards
- **7.0% positive scope effect,** corresponding to the acquisition of Dow's laminating adhesives

→ **EBITDA affected mainly by lower volumes and currency effect**

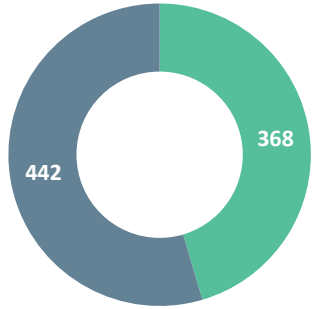
- EBITDA margin down YoY, reflecting the decrease in EBITDA as well as the dilutive effect of Dow's adhesives, in integration phase

Advanced Materials (37% of Group sales in Q3'25)

Key figures

in €m	Q3'25	Q3'24	Change	9m'25	9m'24	Change
Sales	**810**	885	-8.5%	**2,621**	2,681	-2.2%
EBITDA	**152**	189	-19.6%	**503**	541	-7.0%
EBITDA margin	**18.8%**	21.4%		**19.2%**	20.2%	
REBIT	**50**	95	-47.4%	**204**	278	-26.6%

Q3'25 sales by Business Line



Q3'25 sales development

Volumes	-3.9%
Prices	-0.6%
Currency	-4.0%
Scope	-

Highlights Q3'25

→ **Sales down 4.5% at constant exchange rates, impacted mainly by volume decrease in Performance Additives**

- **Volumes down 3.9%**
  - Performance Additives impacted by weak demand in the US and Europe, particularly in the energy markets, and Jarrie site's reorganization
  - Stable volumes in High Performance Polymers, supported by strong growth in Asia, and positive momentum in several key markets such as sports, batteries, 3D printing, healthcare, and low GWP fluorospecialties
- **Prices broadly stable at a negative 0.6%**

→ **EBITDA mainly impacted by lower volumes in Performance Additives and unfavorable currency effect**

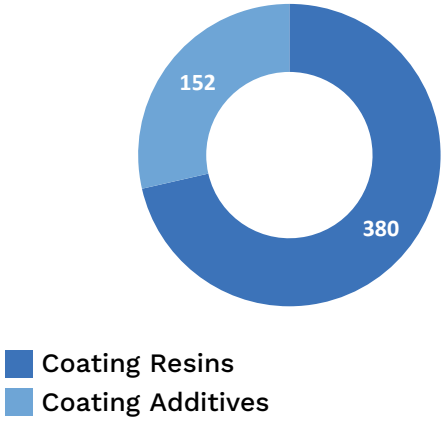
- Good level of EBITDA margin at 18.8%
- HPP maintaining its solid margin level of 20%

Coating Solutions (25% of Group sales in Q3'25)

Key figures

in €m	Q3'25	Q3'24	Change	9m'25	9m'24	Change
Sales	**532**	627	-15.2%	**1,704**	1,890	-9.8%
EBITDA	**51**	81	-37.0%	**162**	247	-34.4%
EBITDA margin	**9.6%**	12.9%		**9.5%**	13.1%	
REBIT	**20**	49	-59.2%	**68**	154	-55.8%

Q3'25 sales by Business Line



Q3'25 sales development

Volumes	-5.8%
Prices	-5.9%
Currency	-3.5%
Scope	-

Highlights Q3'25

→ **Decrease of sales by 15.2%**

- **Volumes down 5.8%**
  - Weak demand environment, notably in construction and decorative paints markets, essentially in North America
- **Prices down 5.9%**
  - Less favorable market conditions in upstream acrylics

→ **EBITDA significantly down at €51m and EBITDA margin at 9.6%**

- Low cycle margins in upstream acrylics
- Sales decline in the United States

Intermediates (7% of Group sales in Q3’25)

Key figures

in €m	**Q3’25**	Q3’24	Change	**9m’25**	9m’24	Change
Sales	**161**	191	-15.7%	**506**	603	-16.1%
EBITDA	**38**	51	-25.5%	**116**	174	-33.3%
EBITDA margin	**23.6%**	26.7%		**22.9%**	28.9%	
REBIT	**32**	39	-17.9%	**95**	142	-33.1%

Q3’25 sales development

Volumes	**+16.7%**
Prices	**-21.6%**
Currency	**-5.1%**
Scope	**-5.7%**

Highlights Q3’25

→ **Sales down 15.7%**

- **Sharp volume rise of 16.7% offset by negative 21.6% price effect on a high comparison basis**
  - Impact of the shift in product mix in refrigerant gases led notably by the end of the production of 410A equipment in the US last year
- **Currency and scope impact at a negative 10.8%**

→ **EBITDA down at €38m and high level of EBITDA margin at 23.6%**

- Less favorable macroeconomic environment and impact of the evolution of the regulations in the US and Europe in refrigerant gases
- Slight improvement in acrylics in Asia

Very solid cash generation in Q3’25

in €million

	Q3’25	Q3’24	9m’25	9m’24
EBITDA	**310**	**407**	**1,003**	**1,208**
Taxes	-25	-52	-98	-145
Cash items included in the financial results	-30	-15	-83	-41
Change in working capital and fixed assets payables [1]	94	-6	-235	-337
Others	-11	23	-36	13
Operating cash flow	**338**	**357**	**551**	**698**
Recurring capital expenditures	-131	-167	-371	-436
Recurring cash flow	**207**	**190**	**180**	**262**
Exceptional capital expenditure	-	-	-	-
Non-recurring cash flow	-22	-15	-59	-52
Free cash flow	**185**	**175**	**121**	**210**
Net cash flow from portfolio management operations	2	-1	-5	-42
Net cash flow	**187**	**174**	**116**	**168**

→ **Continued strict management of working capital**
17.3% of annualized sales at end-September 2025 (17.0% at end-June 2025 and 16.4% at end-September 2024)

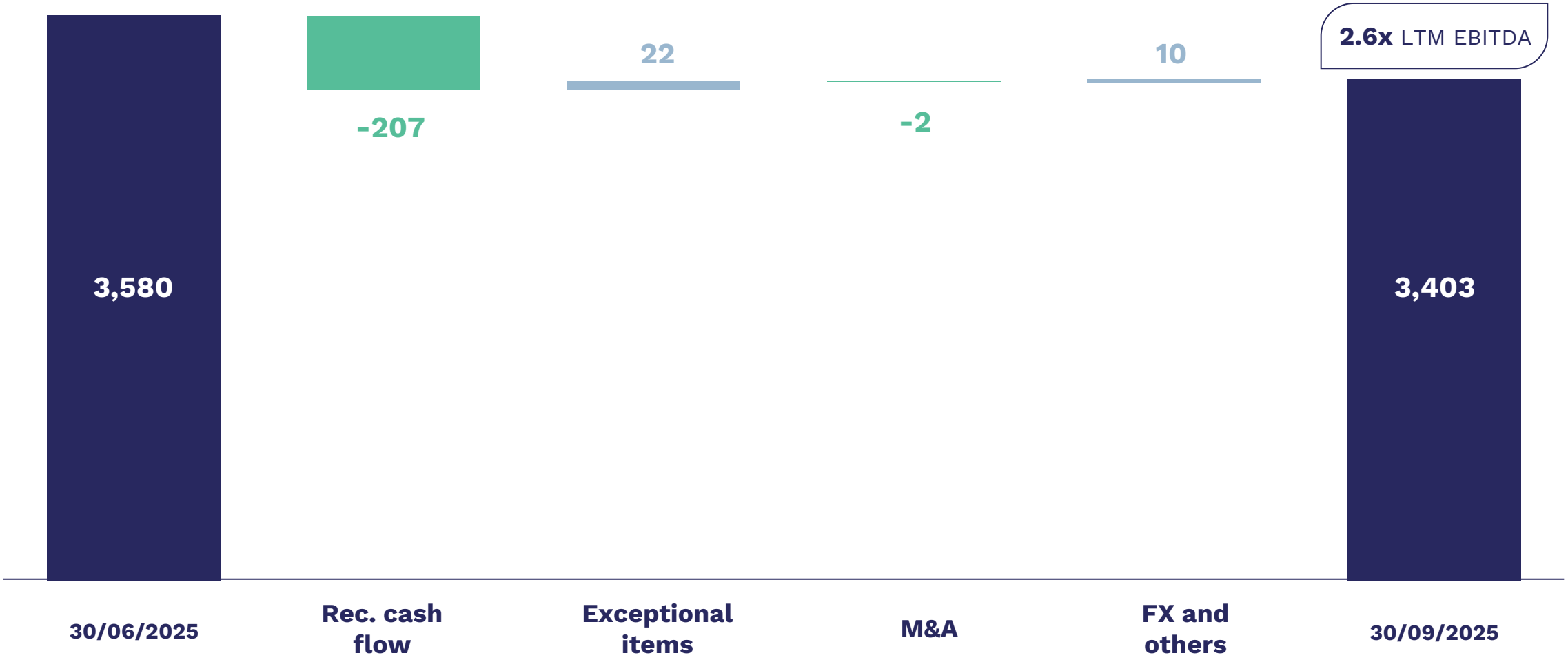
→ **Increased financial interests outflow in 2025** due to higher costs of our bonds and lower interests on invested cash

→ **Lower capex in line with annual guidance of around €650m**
€131m in Q3’25 (vs €167m in Q3’24)

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

Net debt decrease by almost €200m over the quarter

in €million



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 third-quarter 2025 results press release" available on Arkema's website at: www.arkema.com/global/en/investor-relations/

arkema.com

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