Full year 2021 results and outlook

24/02/2022
Excellent financial performance and strong strategic progress in 2021
Excellent 2021 financial performance in a demanding context

**Sales**
€9,519m  
+25.9% vs 2020 at constant scope and currency

**EBITDA**
€1,727m  
+46.1% vs 2020  
Historic high

**Adj. net income**
€896m  
x2.3 vs 2020  
€11.88 per share

**EBITDA margin**
18.1%  
+310 bps vs 2020

**SPECIALTY MATERIALS**
EBITDA: €1.5bn  
EBITDA margin: 18.5%
Innovative materials for a sustainable world

A Specialty Materials leader
offering unique innovative and sustainable solutions
to address our customers’ current and future challenges

5 corporate values supporting our vision
Simplicity  Solidarity  Inclusion
Performance  Empowerment

2021 data

Adhesive Solutions 24%
Coating Solutions 29%
Advanced Materials 32.5%

€8.1bn sales
Strong progress in our strategic roadmap

Key steps achieved in **portfolio transformation**

**High return expansions** to capture sustainable growth

Expanding opportunities from our **sustainability-driven innovation**

Strong **CSR commitment** increasingly recognized
Two major M&A steps with Ashland acquisition and PMMA disposal

Major steps to refocus our portfolio towards Specialty Materials

**Ashland Performance Adhesives**
- Acquisition, expected to close in Q1'22
- EV: US$1,650m
- 8.7x EBITDA after pre-tax synergies

**PMMA**
- Divestment to Trinseo, closing 3 May 2021
- EV: €1,137m
- > 9x EBITDA

Specialty Materials sales

85.5%

32.5%

24%

14.5%

29%

Segments

Adhesive Solutions
Advanced Materials
Coating Solutions
Intermediates

Close to 90% pro forma 2021*

* On a pro forma basis, including full year contribution of all M&A operations announced in 2021

Bolt-on M&A operations

**ACQUISITIONS**

**DIVESTMENT**

Epoxides business
### High return expansions to capture sustainable growth

<table>
<thead>
<tr>
<th>Product</th>
<th>Expansion Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Kynar® PVDF</strong></td>
<td>+50% capacity in Changshu, CN (end-2022)</td>
</tr>
<tr>
<td></td>
<td>+50% capacity in Pierre-Bénite, FR (Q1’23)</td>
</tr>
<tr>
<td><strong>Forane®</strong></td>
<td>15 kt/yr 1233zd capacity in Calvert City, US (end-2023)</td>
</tr>
<tr>
<td><strong>Sartomer®</strong></td>
<td>+100% photocure resins capacity in Nansha, CN (H2’23)</td>
</tr>
<tr>
<td><strong>Pebax®</strong></td>
<td>+25% global capacity in Serquigny, FR (mid-2023)</td>
</tr>
<tr>
<td><strong>Rilsan® PA11</strong></td>
<td>+50% global capacity in Singapore (mid-2022)</td>
</tr>
<tr>
<td></td>
<td>New PA11 powders capacity in Changshu, CN (Q1’23)</td>
</tr>
<tr>
<td><strong>Hydrofluoric acid</strong></td>
<td>40 kt/yr supply in partnership with Nutrien in Aurora, US with a new eco-friendly process (mid-2022)</td>
</tr>
</tbody>
</table>
Expanding opportunities from our sustainability-driven innovation

**Global megatrends**

- **Urbanization and social change**
- **Climate change**
- **Resource scarcity**
- **Technological transformation**

**Priorities from our 5 innovation platforms**

- **Boost new energies and clean mobility**
- **Develop lightweight materials and design**
- **Enhance living comfort and home efficiency**
- **Manage natural resources and promote circular economy**
- **Develop electronic solutions**

We expect to generate **€1.5bn** additional sales by 2030* vs **€1.0bn previously announced** from our 5 innovation platforms, aligned with these priorities.

* Compared with 2019
Significant opportunities in clean mobility

**HYDROGEN**
- PVDF for fuel cells & electrolyzers
- PA11 for tanks

**BATTERY**
- PVDF for cathode and separators
- Ultrapure electrolyte salts
- PA11 for battery casing and cooling lines
- Adhesives for cell to cell bonding
- Piezoelectric actuators for monitoring sensors

**HYBRID**
- PA11 for fuel lines and cooling lines

**CHASSIS**
- 100% recyclable composites

€1bn sales in batteries by 2030

New Center of Excellence for batteries in France

Key partnerships in 2021
Verkor, Morrow

Full year 2021 results and outlook
High growth potential in 3D printing

Leading portfolio of solutions for the major 3D printing technologies

- Filament extrusion
- Radiation curing
- Powder bed fusion

Industry

Consumer goods

Aeronautics

Sports

>20% CAGR 2019-2024 *

* Source: market estimation, Wohlers report 2019

3 Centers of Excellence dedicated to each technology

Equity investments
ERPRO 3D Factory, Carbon, Continuous Composites

Courtesy of Materialise, Demgy, Bowman, Stratasys, Hexcel (HexAM® products), Continuous Composites, IAM Footwear Consortium
Increased demand for sustainable lifestyle products

**Consumer goods**
- Customizable & bio-based eyeglass frames
- Bio-based, recyclable toys
- Technical bio-based textile

**High performance sports**
- 100% recyclable running shoes
- High energy return foam outsoles for sports shoes
- Bio-based ski boots

**Consumer electronics**
- Durable components for smartphones, tablets, TVs
- Bio-based & recyclable wearable devices

>20% CAGR 2020-2025 *

* Source: Arkema’s demand growth estimation

**Agiplast acquisition in 2021**
to develop high performance polymers **recycling**
Strong CSR commitment increasingly recognized

→ Improved ranking to 3rd in DJSI World 2021 vs 6th in 2020 “Chemicals” category

CSA by S&P Global score: 82

MSCI Rating: A

CDP B for Climate change

ecovadis Among top 1% of the sector

Top percentile across all sectors
Score: 67

CAC 40® ESG
Integration in a new Euronext index (2021)
Continued progress in our 3 CSR structuring programs

**Archimedes program**
Moving toward higher positive impact

**Circular Economy**
A sustainable resource management

**Climate Plan**
Contain global warming

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**Archimedes program**
Moving toward higher positive impact

**Circular Economy**
A sustainable resource management

**Climate Plan**
Contain global warming

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**ImpACT+ target**
65% of our sales significantly contributing to UN SDGs by 2030

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

**Commitment to Paris Agreement**
Science Based Target wb 2°C in kt CO₂ eq.

- **2012**: 4,720
- **2015**: 3,628
- **2019**: 3,117
- **2020**: 2,950
- **2021**: 2,515
- **2030**: 2,390

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

(2) GHG emissions (scopes 1 & 2 + ODS) absolute target vs 2015

---

51% in 2021 (50% in 2020)

27% in 2021 (22% in 2020)
Strengthening safety and promoting diversity

**Safety**

TRIR (Number of accidents per million hours worked)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRIR</td>
<td>1.6</td>
<td>1.3</td>
<td>1.4</td>
<td>1.0</td>
<td>1.0</td>
<td>≤ 0.8</td>
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</table>

PSER (Process safety events rate per million hours worked)

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<th>Year</th>
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<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2030</th>
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<tbody>
<tr>
<td>PSER</td>
<td>3.9</td>
<td>4.4</td>
<td>3.7</td>
<td>4.0</td>
<td>3.1</td>
<td>≤ 2.0</td>
</tr>
</tbody>
</table>

**Diversity**

**Women**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2024</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>19%</td>
<td>21%</td>
<td>23%</td>
<td>23%</td>
<td>24%</td>
<td>26%</td>
<td>30%</td>
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</table>

**Non-French**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2024</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-French</td>
<td>37%</td>
<td>39%</td>
<td>40%</td>
<td>41%</td>
<td>40%</td>
<td>40%</td>
<td>50%</td>
</tr>
</tbody>
</table>

**ARKEMA CARES 2021**

*global engagement survey*

82% of employees stating their full engagement

**TOP EMPLOYER 2022**

in 4 countries
High value creation for shareholders

Dividend
(in €/share) per financial year

- 2.3 (2017)
- 2.5 (2018)
- 2.2 (2019) in Covid context
- 2.5 (2020)
- 3.0 (2021)

In line with the Group’s ambition to progress **ly increase shareholder returns**

(1) Dividend proposed at the shareholders’ annual general meeting of 19 May 2022

**Share buybacks**

- **Completion** of the €300m program on November 2021
- **Capital reduction** in January 2022 by cancellation of treasury shares representing 3.19% of share capital

Share price evolution

- Arkema: +32.5%
- CAC 40: +28.9%
- Peers: +15.2%

(2) Peers: Solvay, BASF, Lanxess, Clariant, Sika, Evonik, HB Fuller and MSCI Europe Index
Detailed Q4’21 & 2021 results and outlook
### 2021 financial highlights

| **€9,519m** sales | Up by **25.9%** vs 2020 at constant scope and currency
| | • **7.3%** growth in volumes, driven notably by robust demand for sustainable solutions with high technological content, particularly in batteries, 3D printing, consumer goods and more environmentally friendly paints
| | • **18.6%** increase in selling prices, reflecting the Group’s initiatives to offset strong raw materials and energy inflation, improved product mix, and tightness of upstream acrylics |

| **€1,727m** EBITDA | EBITDA at a historic high, up by **46.1%** YoY, in an environment marked by operational disruptions and high raw materials and energy costs |
| **18.1%** EBITDA margin | Specialty Materials EBITDA of **€1,503m** (€1,018m in 2020)
| | • Strong growth in each of the segments
| | • EBITDA margin of 18.5%
| | Intermediates EBITDA of **€316m** vs **€231m** in 2020, driven by favorable market conditions in acrylics in Asia and despite ~€90m negative PMMA and POF scope effect |

<p>| <strong>€896m</strong> adj. net income | Representing <strong>€11.88</strong> per share |
| <strong>€1,177m</strong> net debt (incl. hybrid bonds) | <strong>0.7x</strong> LTM EBITDA |
| | <strong>€756m</strong> recurring cash flow (FCF before exceptional items) |</p>
<table>
<thead>
<tr>
<th></th>
<th>Q4'21</th>
<th>Q4'20</th>
<th>Change</th>
<th>2021</th>
<th>2020</th>
<th>Change</th>
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<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,500</td>
<td>1,985</td>
<td>+25.9%</td>
<td>9,519</td>
<td>7,884</td>
<td>+20.7%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialty Materials</td>
<td>417</td>
<td>289</td>
<td>+44.3%</td>
<td>1,727</td>
<td>1,182</td>
<td>+46.1%</td>
</tr>
<tr>
<td>Intermediates</td>
<td>359</td>
<td>261</td>
<td>+37.5%</td>
<td>1,503</td>
<td>1,018</td>
<td>+47.6%</td>
</tr>
<tr>
<td>Corporate</td>
<td>80</td>
<td>42</td>
<td>+90.5%</td>
<td>316</td>
<td>231</td>
<td>+36.8%</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialty Materials</td>
<td>16.7%</td>
<td>14.6%</td>
<td></td>
<td>18.1%</td>
<td>15.0%</td>
<td></td>
</tr>
<tr>
<td>Intermediates</td>
<td>16.5%</td>
<td>15.9%</td>
<td></td>
<td>18.5%</td>
<td>15.8%</td>
<td></td>
</tr>
<tr>
<td>Corporate</td>
<td>25.6%</td>
<td>12.6%</td>
<td></td>
<td>22.9%</td>
<td>16.2%</td>
<td></td>
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<tr>
<td><strong>Recurring operating income (REBIT)</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>273</td>
<td>144</td>
<td></td>
<td>+89.6%</td>
<td>1,184</td>
<td>619</td>
<td>+91.3%</td>
</tr>
<tr>
<td><strong>REBIT margin</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.9%</td>
<td>7.3%</td>
<td></td>
<td></td>
<td>12.4%</td>
<td>7.9%</td>
<td></td>
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<tr>
<td><strong>Adjusted net income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>212</td>
<td>92</td>
<td></td>
<td>+130.4%</td>
<td>896</td>
<td>391</td>
<td>+129.2%</td>
</tr>
<tr>
<td><strong>Net debt (incl. hybrid bonds)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,177</td>
<td>1,910</td>
<td></td>
<td></td>
<td></td>
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</table>
Strong organic sales growth

Sales in €m

<table>
<thead>
<tr>
<th>2020</th>
<th>Volumes</th>
<th>Prices</th>
<th>Currency</th>
<th>Scope</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,884</td>
<td>▲ Improved market environment</td>
<td>▲ +18.6%</td>
<td>▼ -1.1%</td>
<td>▲ Integration of Fixatti, Ideal Work, Poliplas, Edge Adhesives Texas, and Agiplast</td>
<td>9,519</td>
</tr>
<tr>
<td></td>
<td>▲ Benefiting from cutting-edge innovation in batteries, consumer goods, decorative paints, electronics and 3D printing</td>
<td></td>
<td></td>
<td>▼ Disposals of PMMA on 3 May 2021 and Functional Polyolefins on 1 June 2020</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▼ Oil &amp; gas and paper markets remaining down</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>▼ Automotive sector impacted by chip shortages</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Adaptation of selling prices in the face of high raw materials, energy and logistics cost inflation
- Much more favorable market conditions in upstream acrylics relative to a low 2020
- Stronger euro against US dollar
- Oil & gas and paper markets remaining down
- Automotive sector impacted by chip shortages
Adhesive Solutions (24% of Group sales)

Key figures

<table>
<thead>
<tr>
<th></th>
<th>Q4’21</th>
<th>Q4’20</th>
<th>Change</th>
<th>2021</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>580</td>
<td>512</td>
<td>+13.3%</td>
<td>2,278</td>
<td>1,996</td>
<td>+14.1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>69</td>
<td>69</td>
<td>-</td>
<td>316</td>
<td>261</td>
<td>+21.1%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>11.9%</td>
<td>13.5%</td>
<td></td>
<td>13.9%</td>
<td>13.1%</td>
<td></td>
</tr>
<tr>
<td>REBIT</td>
<td>51</td>
<td>52</td>
<td>-1.9%</td>
<td>250</td>
<td>198</td>
<td>+26.3%</td>
</tr>
</tbody>
</table>

Sales by business line

- Construction & Consumer: 1,053 (2021) vs 1,223 (2020)
- Industrial Assembly: 1,053 (2021) vs 1,223 (2020)

Sales development

<table>
<thead>
<tr>
<th></th>
<th>Q4’21</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes</td>
<td>-3.3%</td>
<td>+5.4%</td>
</tr>
<tr>
<td>Prices</td>
<td>+11.5%</td>
<td>+5.4%</td>
</tr>
<tr>
<td>Currency</td>
<td>+2.3%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Scope</td>
<td>+2.8%</td>
<td>+4.1%</td>
</tr>
</tbody>
</table>

2021 highlights

→ **Volumes up 5.4% YoY**
  - Robust demand in construction and DIY
  - Recovery in high performance industrial applications post-Covid
  - Shortages of several important raw materials in H2’21

→ **Prices up 5.4% YoY**
  - Reflecting the Group’s ongoing actions to pass on high raw materials inflation
  - Constantly growing through the year (+11.5% in Q4’21)

→ **EBITDA increase of 21.1% YoY**, driven by positive sales momentum, shift in product mix toward higher value-added applications and contribution of acquisitions

→ **EBITDA margin up 80 bps to 13.9%**,
  - In line with the 14% guidance announced early 2021
  - Despite mechanical dilutive impact of price increases on this ratio of ~100 bps for the year

Full year 2021 results and outlook

24/02/2022
Advanced Materials (32.5% of Group sales)

Key figures

<table>
<thead>
<tr>
<th></th>
<th>Q4’21</th>
<th>Q4’20</th>
<th>Change</th>
<th>2021</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>874</td>
<td>644</td>
<td>+35.7%</td>
<td>3,087</td>
<td>2,527</td>
<td>+22.2%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>168</td>
<td>123</td>
<td>+36.6%</td>
<td>662</td>
<td>496</td>
<td>+33.5%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>19.2%</td>
<td>19.1%</td>
<td></td>
<td>21.4%</td>
<td>19.6%</td>
<td></td>
</tr>
<tr>
<td>REBIT</td>
<td>100</td>
<td>57</td>
<td>+75.4%</td>
<td>408</td>
<td>245</td>
<td>+66.5%</td>
</tr>
</tbody>
</table>

2021 highlights

→ **Volumes up 10.3% YoY**
  - Driven by High Performance Polymers' strong dynamic in most end markets, despite decline in the automotive sector
  - Acceleration in demand for high performance and sustainable solutions
  - Moderate volume growth in Performance Additives, with lower demand in oil & gas and paper markets

→ **Prices up 12.8% YoY**
  - Selling price increases in the context of marked raw materials, energy and logistics cost inflation
  - Improved product mix on high performance, higher value-added solutions

→ **EBITDA up 33.5% YoY**, supported notably by the excellent year of High Performance Polymers

→ **EBITDA margin at 21.4%** (19.6% in 2020)

Sales by business line

Sales development

<table>
<thead>
<tr>
<th></th>
<th>Q4’21</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes</td>
<td>+4.2%</td>
<td>+10.3%</td>
</tr>
<tr>
<td>Prices</td>
<td>+28.1%</td>
<td>+12.8%</td>
</tr>
<tr>
<td>Currency</td>
<td>+3.3%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Scope</td>
<td>+0.1%</td>
<td>+0.2%</td>
</tr>
</tbody>
</table>
## Key figures

<table>
<thead>
<tr>
<th></th>
<th>Q4’21</th>
<th>Q4’20</th>
<th>Change</th>
<th>2021</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>725</td>
<td>489</td>
<td>+48.3%</td>
<td>2,746</td>
<td>1,911</td>
<td>+43.7%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>122</td>
<td>69</td>
<td>+76.8%</td>
<td>525</td>
<td>261</td>
<td>+101.1%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>16.8%</td>
<td>14.1%</td>
<td></td>
<td>19.1%</td>
<td>13.7%</td>
<td></td>
</tr>
<tr>
<td>REBIT</td>
<td>92</td>
<td>39</td>
<td>+135.9%</td>
<td>407</td>
<td>142</td>
<td>+186.6%</td>
</tr>
</tbody>
</table>

## 2021 highlights

→ **Prices up 37.6% YoY**
  - Necessary price increases in downstream product lines to offset very high raw materials and energy inflation
  - Significant tightness of upstream acrylics

→ **Volumes up 8.1% YoY**, driven by robust demand in decorative paints, 3D printing, industrial coatings, graphic arts and electronics

→ **€525m EBITDA** (vs €261m in 2020)
  - Growth and product mix improvement linked to strong demand for more environmentally friendly solutions
  - More favorable conditions in upstream acrylics

→ **EBITDA margin at a high level of 19.1%**
  - (13.7% in 2020)

## Sales by business line

- **Coating Resins**: 741 (2021) vs 2,005 (2021)
- **Coating Additives**: 2,005 (2021) vs 741 (2021)

## Sales development

<table>
<thead>
<tr>
<th>Volumes</th>
<th>Prices</th>
<th>Currency</th>
<th>Scope</th>
<th>Q4’21</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>-2.9%</td>
<td>+47.7%</td>
<td>+3.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Q4’21** vs **2021**
Intermediates (14.5% of Group sales)

Key figures

<table>
<thead>
<tr>
<th></th>
<th>Q4’21</th>
<th>Q4’20</th>
<th>Change</th>
<th>2021</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>312</td>
<td>334</td>
<td>-6.6%</td>
<td>1,378</td>
<td>1,425</td>
<td>-3.3%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>80</td>
<td>42</td>
<td>+90.5%</td>
<td>316</td>
<td>231</td>
<td>+36.8%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>25.6%</td>
<td>12.6%</td>
<td></td>
<td>22.9%</td>
<td>16.2%</td>
<td></td>
</tr>
<tr>
<td>REBIT</td>
<td>55</td>
<td>12</td>
<td>+358.3%</td>
<td>219</td>
<td>109</td>
<td>+100.9%</td>
</tr>
</tbody>
</table>

2021 highlights

→ **Scope effect of -29.1% YoY** related to PMMA and Functional Polyolefins divestments

→ **Prices up 22.1% YoY**
  - Much more favorable market conditions for acrylics in Asia compared to the low level of the previous years
  - Solid performance in Fluorogases

→ **Volumes up 3.6% YoY**
  - Higher demand post-Covid
  - Held back in H2’21 in Asia Acrylcs following Chinese authorities’ measures to limit energy consumption

→ **EBITDA up 36.8% YoY** and **EBITDA margin at 22.9%** from 16.2% last year

Sales development

<table>
<thead>
<tr>
<th></th>
<th>Q4’21</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes</td>
<td>-2.4%</td>
<td>+3.6%</td>
</tr>
<tr>
<td>Prices</td>
<td>+29.9%</td>
<td>+22.1%</td>
</tr>
<tr>
<td>Currency</td>
<td>+5.4%</td>
<td>+0.1%</td>
</tr>
<tr>
<td>Scope</td>
<td>-39.5%</td>
<td>-29.1%</td>
</tr>
</tbody>
</table>
## 2021 cash flow

Reconciliation of EBITDA to net cash flow

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>1,727</td>
<td>1,182</td>
</tr>
<tr>
<td>Current taxes</td>
<td>-233</td>
<td>-121</td>
</tr>
<tr>
<td>Cost of debt</td>
<td>-52</td>
<td>-75</td>
</tr>
<tr>
<td>Change in working capital and fixed assets payables(^{(1)})</td>
<td>-238</td>
<td>212</td>
</tr>
<tr>
<td>Recurring capital expenditure</td>
<td>-506</td>
<td>-460</td>
</tr>
<tr>
<td>Others</td>
<td>58</td>
<td>24</td>
</tr>
<tr>
<td><strong>Recurring cash flow</strong></td>
<td>756</td>
<td>762</td>
</tr>
<tr>
<td>Exceptional capital expenditure</td>
<td>-252</td>
<td>-140</td>
</tr>
<tr>
<td>Non-recurring items</td>
<td>-25</td>
<td>29</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>479</td>
<td>651</td>
</tr>
<tr>
<td>Impact of portfolio management</td>
<td>909</td>
<td>6</td>
</tr>
<tr>
<td><strong>Net cash flow</strong></td>
<td>1,388</td>
<td>657</td>
</tr>
</tbody>
</table>

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

### 2021 tax rate
- 20% of REBIT (excl. exceptional items)
- In 2022, ~21% of REBIT (excl. exceptional items)

### Working capital well controlled
- 12.7% of annual sales (excl. PMMA)

### EBITDA to cash conversion rate
- 43.8% in line with long term objective of 40%

### Non-recurring items
- Mainly restructuring costs and consequences of winter storm Uri in the United States

### Recurring and exceptional capex
- €758m in 2021, in line with the Group’s guidance of €750m
- 5.5% of sales in recurring capex and ~€130m in exceptional capex expected in 2022
## Net debt evolution (including hybrid bonds)

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Amount (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/12/2020</td>
<td>Non-current debt</td>
<td>1,910</td>
</tr>
<tr>
<td></td>
<td>Rec. cash flow</td>
<td>-756</td>
</tr>
<tr>
<td></td>
<td>Exceptional items</td>
<td>277</td>
</tr>
<tr>
<td></td>
<td>M&amp;A</td>
<td>-909</td>
</tr>
<tr>
<td></td>
<td>Dividends &amp; Hybrid bonds</td>
<td>329</td>
</tr>
<tr>
<td></td>
<td>Share buyback</td>
<td>206</td>
</tr>
<tr>
<td></td>
<td>FX and others</td>
<td>120</td>
</tr>
<tr>
<td>31/12/2021</td>
<td>Total</td>
<td>1,177</td>
</tr>
</tbody>
</table>

*0.7x LTM EBITDA*
Further strengthen our Specialty Materials in 2022

**M&A**
- Integrate *Ashland Performance Adhesives* and implement synergies with Bostik and Coating Solutions segment
- Benefit from recent *bolt-ons* and carry out new acquisitions
- Pursue *strategic review* in Intermediates

**High return projects**
- Start up our major expansion projects
  - +50% *Rilsan® PA11* capacity in Asia
  - *AHF supply* in partnership with Nutrien in the US
  - +50% *Kynar® PVDF* capacity in China

**Innovation**
- Accelerate development in clean mobility, lightweighting, 3D printing, bio-based products, eco-friendly coatings
- Foster innovation capabilities between the 3 Specialty Materials segments

**CSR**
- Reinforce *climate actions* along the value chain
- Progress on *Product Sustainability Assessment*
- Continue to promote *inclusion* and *diversity*
- Implement a new *Materiality Assessment*
Outlook

→ In 2022, Arkema should benefit from a positive level of global demand with nuances in different regions and markets, and from its leading positioning on innovative, high performance Specialty Materials.

→ Environment still volatile at the start of the year, marked by uncertainty related to the health crisis, growing geopolitical tensions and continued strong constraints in raw materials end energy. While remaining attentive to the demand trends, the Group will continue to pass on higher costs in its selling prices, and ensure supply chain management optimization.

→ For full-year 2022 Arkema is aiming to achieve **Specialty Materials EBITDA comparable to the record high of 2021 at constant scope**. Moreover, the scope effect at Group level will include the contribution of Ashland Performance Adhesives, expected to close in the first quarter, and the residual effect of the divestment of PMMA.

→ Confidence in the Group’s ability to achieve its ambitious 2024 targets fully reaffirmed.
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 the evolution of the situation as well as the magnitude of its impacts on the global economy are highly 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, developments in the Covid-19 situation, and changes in general economic and business conditions. These risk factors are further developed in the 2020 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 2020 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 free cash flow excluding exceptional capital expenditure divided by EBITDA