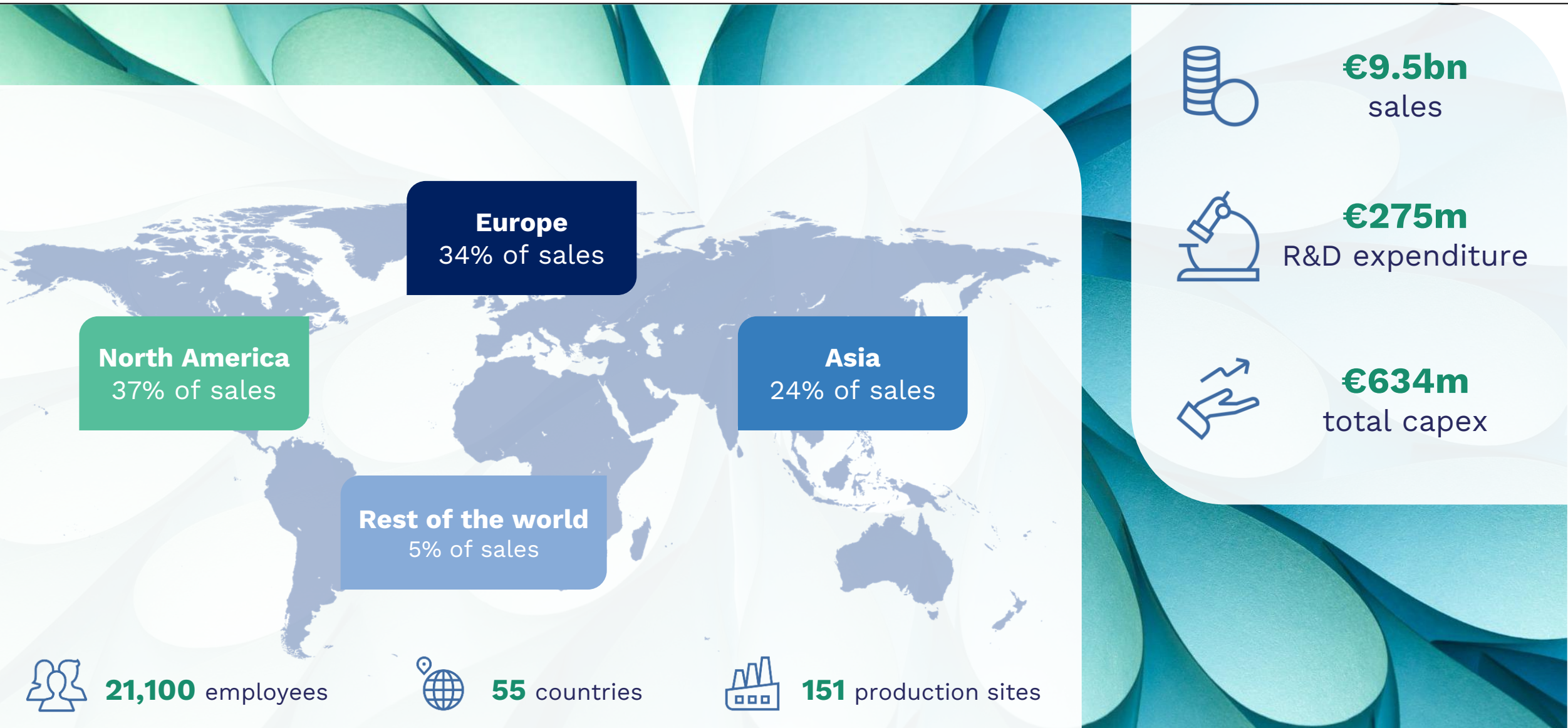


ARKEMA

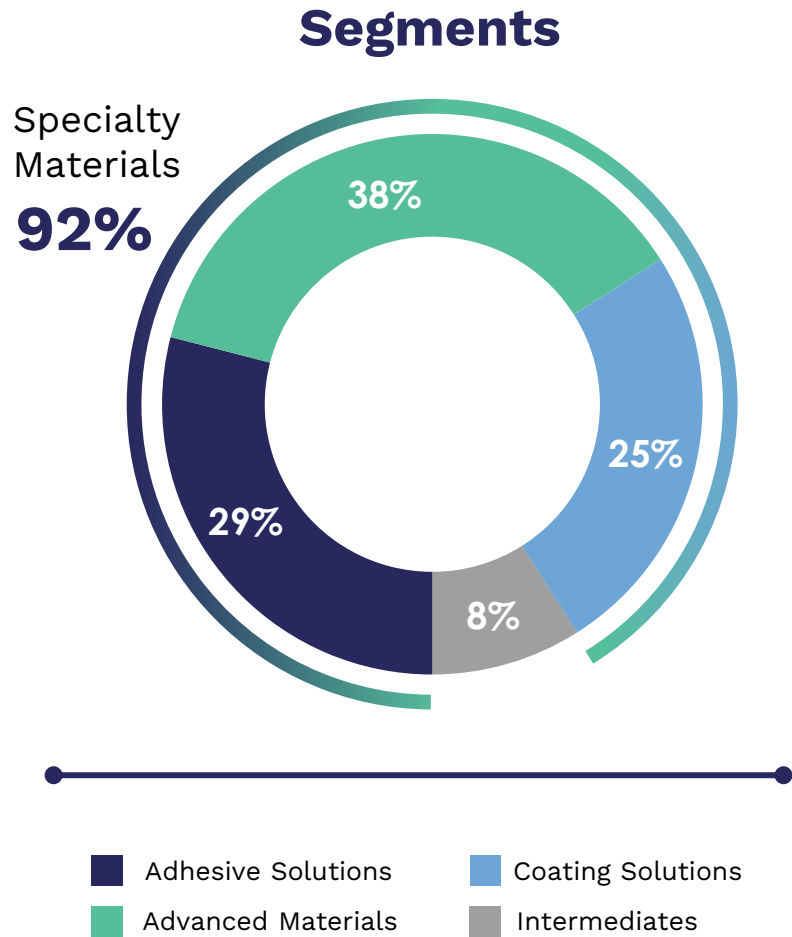
Full year 2023
results and highlights

29/02/2024

Arkema in a snapshot (2023)



3 coherent Specialty Materials segments serving attractive markets



2023 sales



31%
Building & construction



27%
General industry



19%
Consumer goods & electronics



12%
Water, health & nutrition



11%
Transportation & energy

2023 financial highlights

€9,514m sales

- Down **16.1%** YoY at constant scope and currency
 - Volumes down 10%, reflecting the overall slowdown in demand and destocking
 - Positive dynamic in innovation-driven high performance solutions addressing sustainable megatrends, such as in new energies, bio-based or recycled solutions, lightweighting and energy efficiency
 - Negative 6.1% price effect reflecting lower prices for certain raw materials and progressive price normalization of PVDF and upstream acrylics

€1,501m EBITDA

15.8% EBITDA margin

- Solid FY'23 EBITDA while lower than 2022 record high
 - More challenging economic environment
 - Absence of the €400m exceptional contribution in 2022 from PVDF and upstream acrylics
 - H2'23 supported by robust growth in Adhesive Solutions and Performance Additives
 - Q4'23 EBITDA up YoY at **€331m** (€291m in Q4'22)
- Solid EBITDA margin at 15.8% (18.3% in 2022) in this context of low demand

€653m adj. net income

- Representing **€8.75** per share

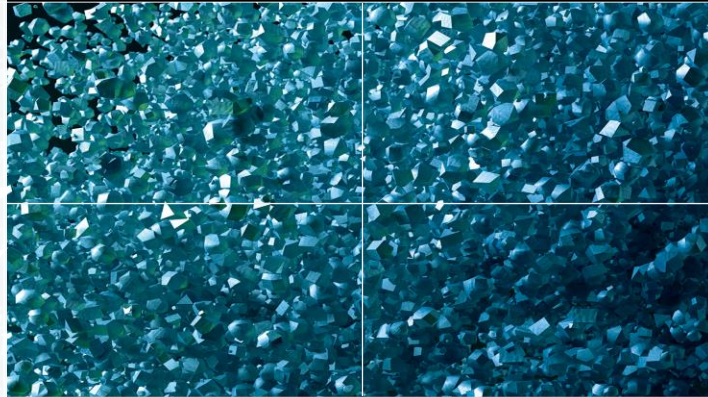
€2,930m net debt
(incl. hybrid bonds)

- Excellent recurring cash flow of **€761m** reflecting strict management of working capital and tight control of capital expenditure
- Strong balance sheet with net debt representing 1.95x FY23 EBITDA

2023 key take-aways

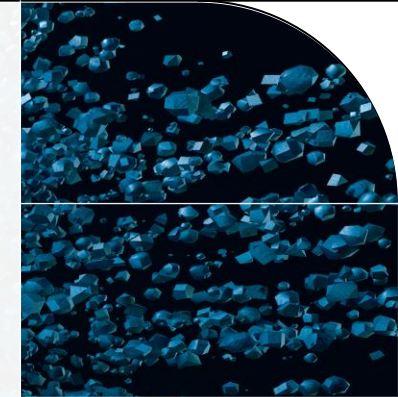
Solid results

in a challenging
macroeconomic context



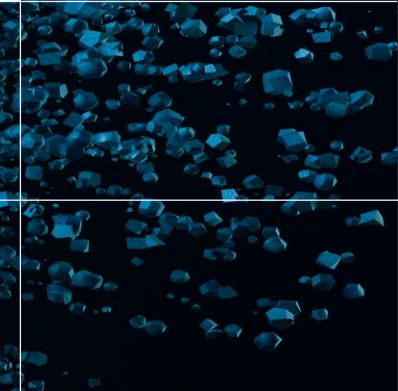
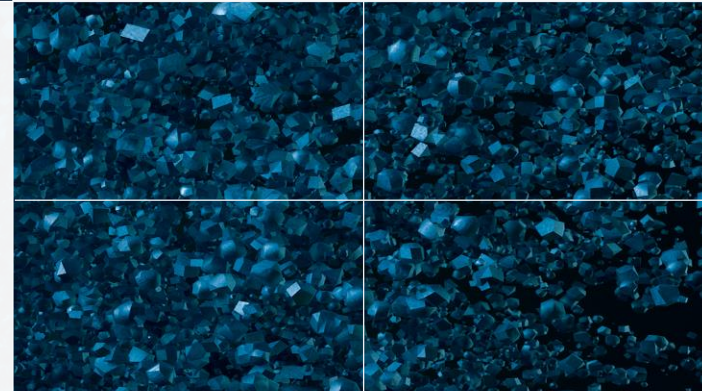
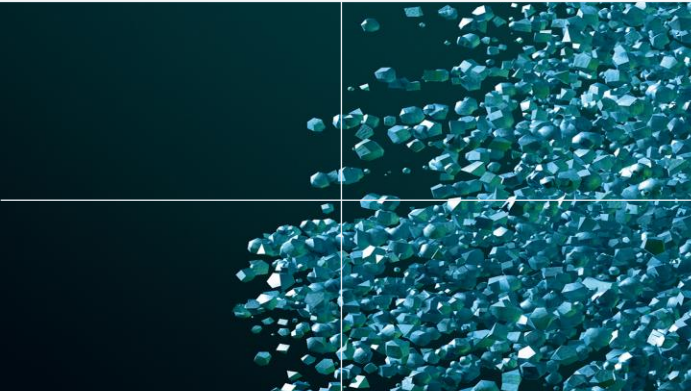
Excellent cash generation

and strong balance sheet



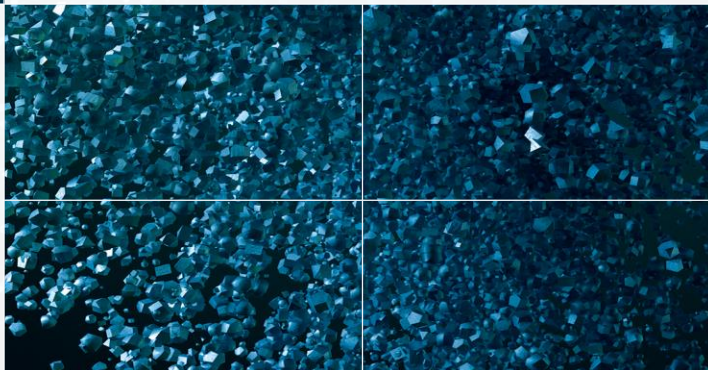
Strengthening of the Group's cutting-edge technologies

with PIAM acquisition
and organic capex



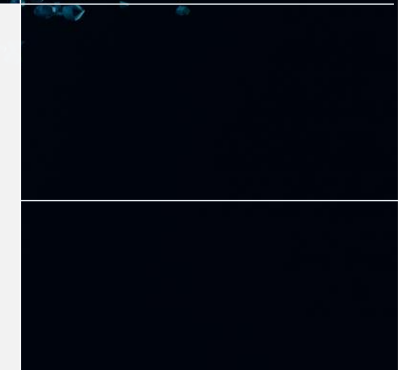
Ambitious 2028 roadmap

unveiled during the CMD
and focused on organic growth



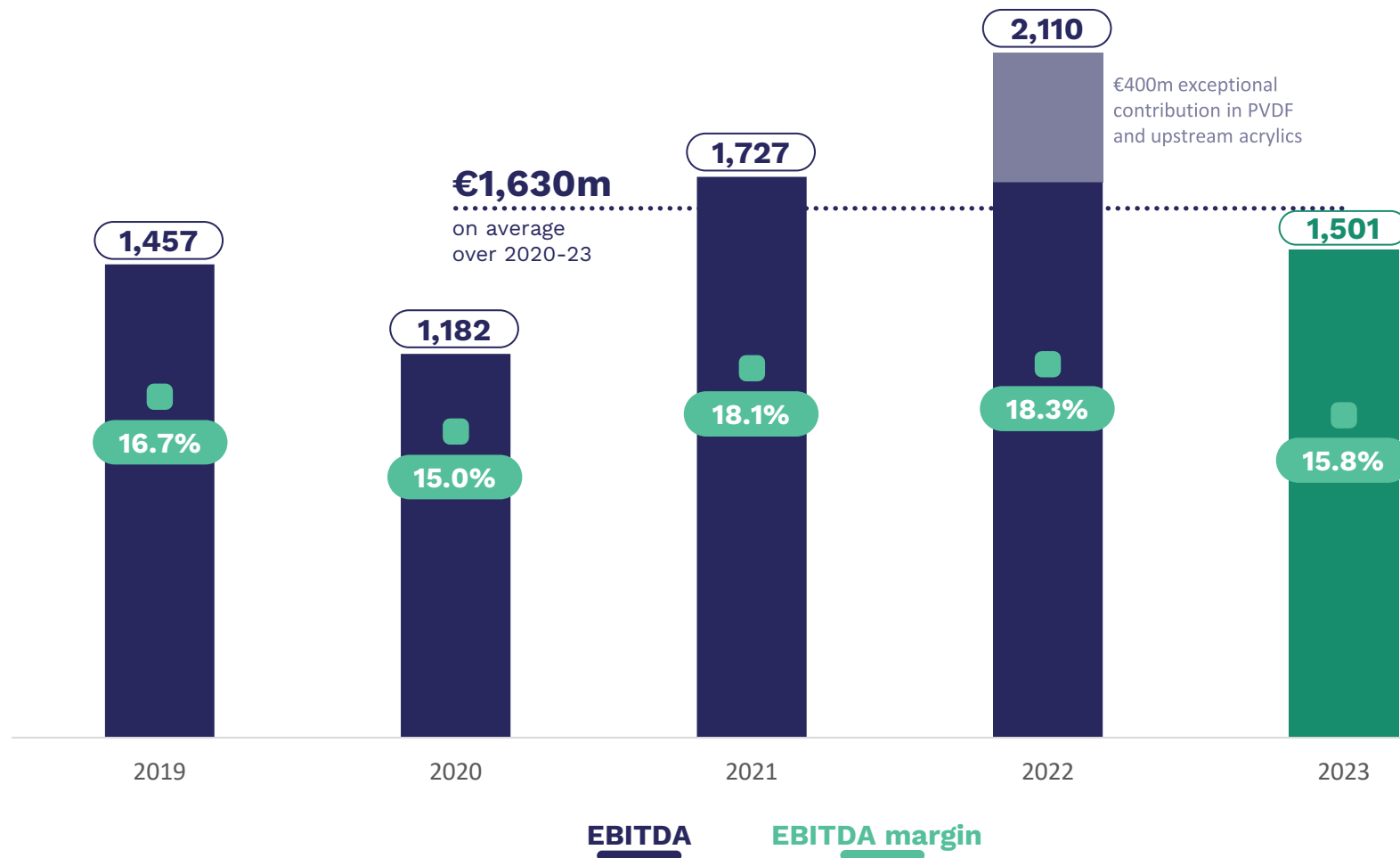
Continuous progress in CSR

including SBTi validation of
2030 decarbonization targets



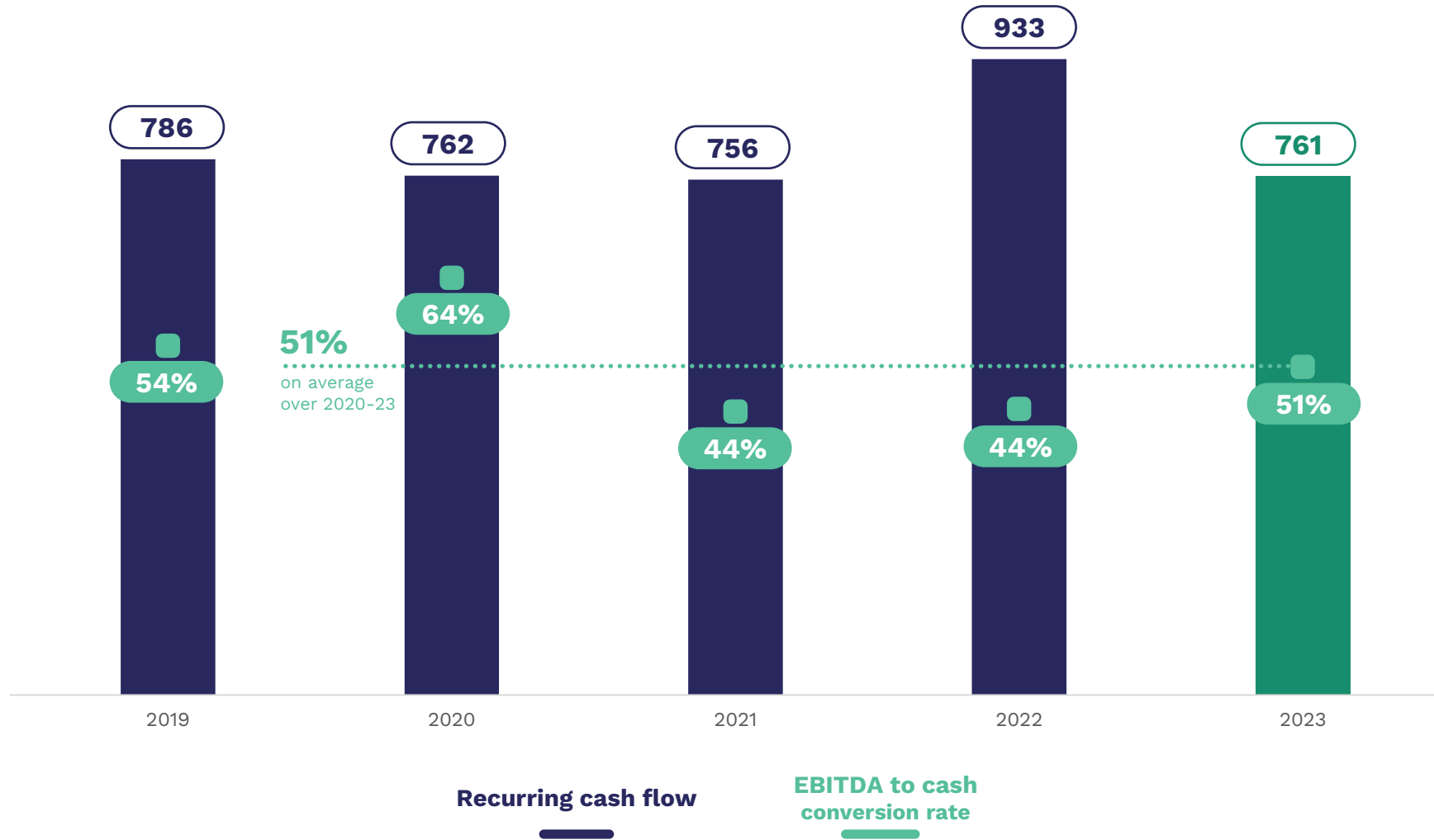
Solid results in a challenging context

EBITDA (€m) and EBITDA margin



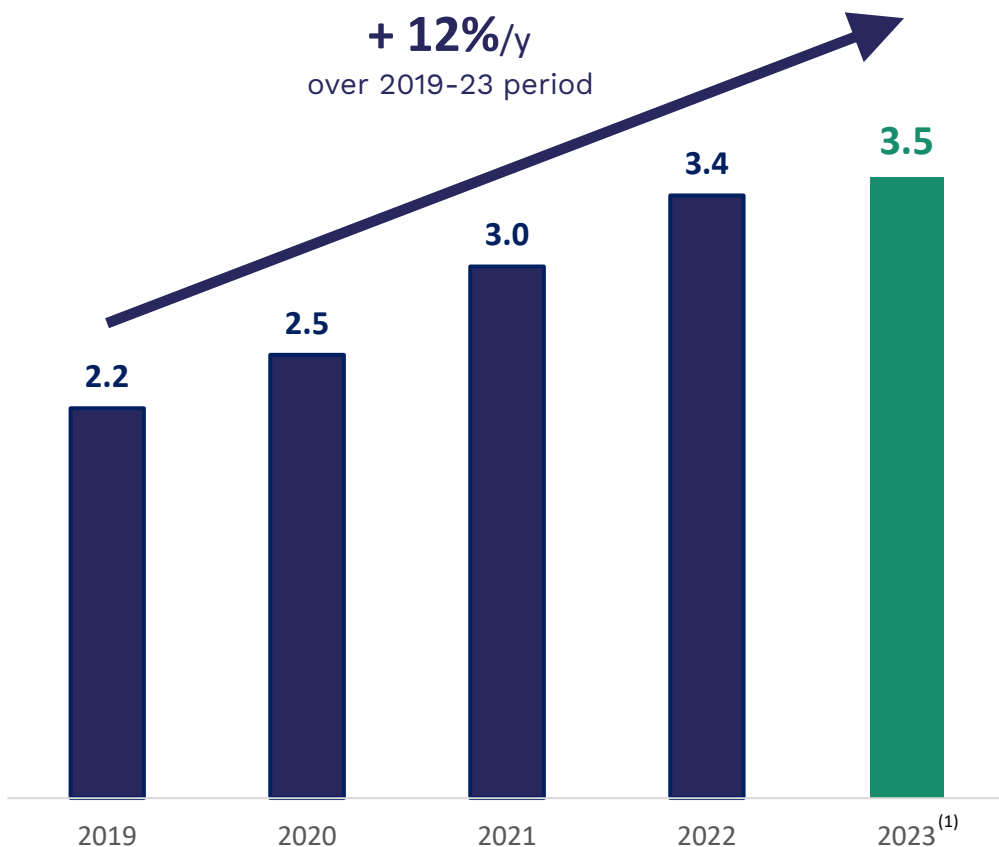
Excellent cash generation

Recurring cash flow (€m) & cash conversion



Growing dividend policy

Dividend (€/share) per fiscal year



(1) Dividend proposed to the annual general meeting of 15 May 2024



2023

€3.50

Dividend

proposed to the annual general meeting of 15 May 2024

Up **3%** vs 2022

in line with the Group's policy of progressively increasing the dividend

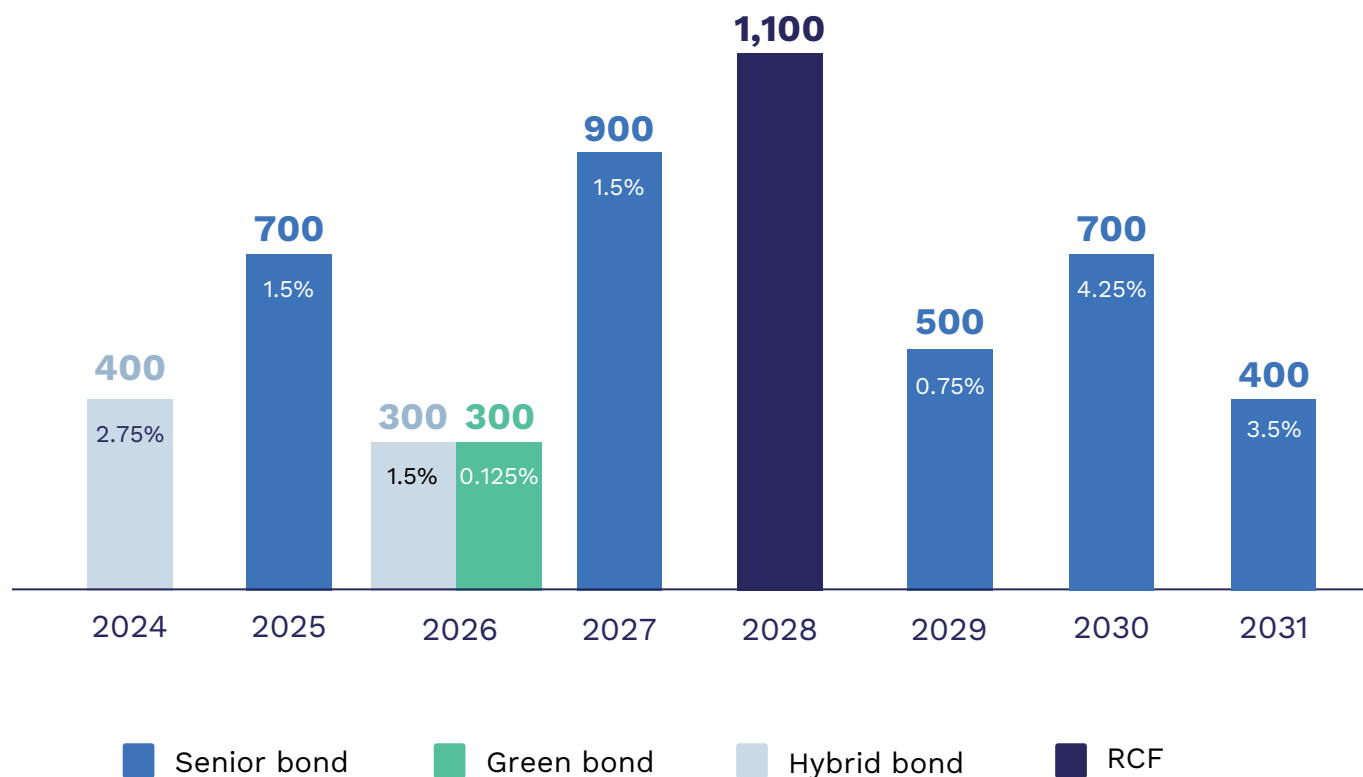
40%

Payout ratio

in line with the Group's long term objective

Extension of debt maturity through successful refinancing in 2023

in €m



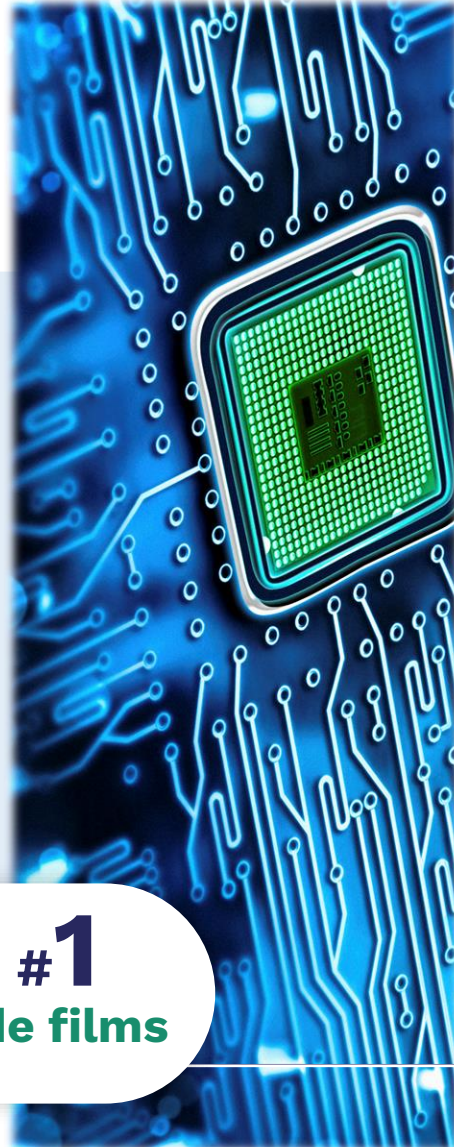
- **Refinancing of €1,100m** senior bonds in 2023
- **Average maturity** (incl. hybrids) **3.7 years** (end of Q4'23)
- **Average coupon** (incl. hybrids) **2.1%**
- **RCF** **3 CSR criteria** taken into account in the Group's objectives
- **Solid credit rating maintained**
BBB+ positive outlook (S&P)
Baa1 stable outlook (Moody's)

PIAM acquisition¹ closed in December offering superior growth potential in attractive markets

PI Advanced Materials

- Superior sales growth expected at **13%/y**
- **PI films and varnishes** for increasingly demanding applications
 - FPCB and graphite sheets
 - EV Battery Management System
 - 5G antennas
 - OLED displays
 - Flexible screens

GLOBAL #1
Polyimide films

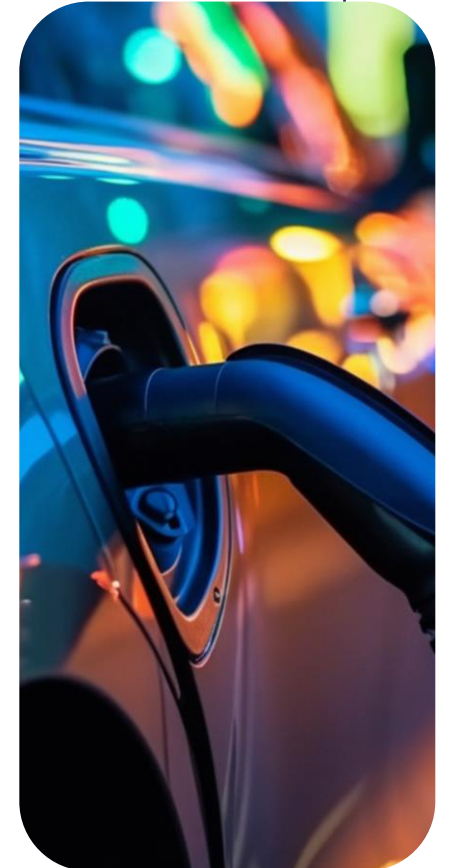


Progressive rebound expected from Q2'24 after slow 2023

- Volume **ramp-up** from March
- In line with electronics market dynamic

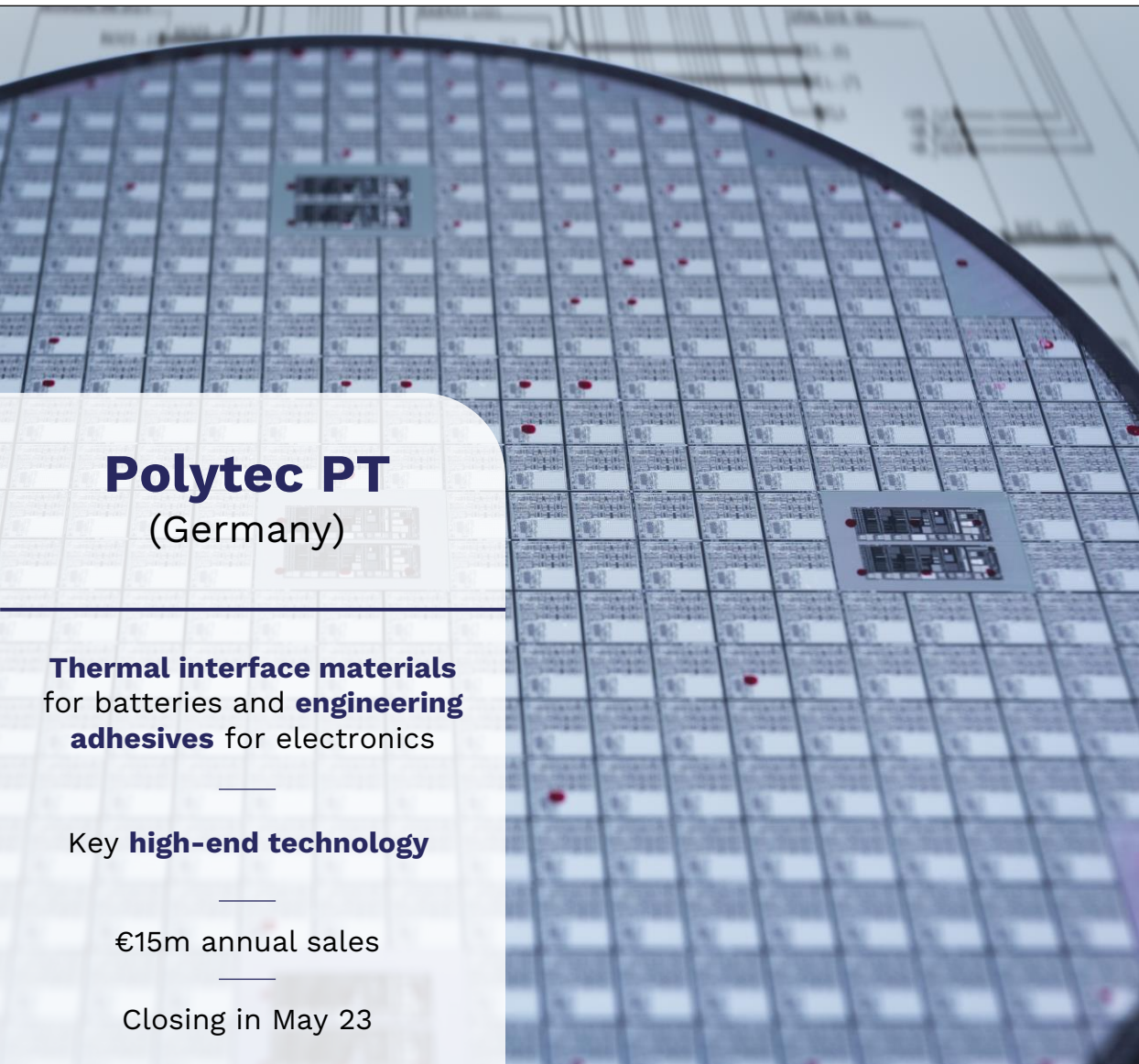
Ongoing confirmation of identified synergies

- Mapping targets for **expansion** of PIAM sales in NA and Europe
- Joint R&D reviews driving **new innovation potential**



1. Acquisition of a 54% majority stake

Promising bolt-on acquisitions for Bostik



Polytec PT (Germany)

Thermal interface materials for batteries and **engineering adhesives** for electronics

Key **high-end technology**

€15m annual sales

Closing in May 23

Arc Building Products (Ireland)

Tile adhesives and **floor preparation** systems

Key Irish manufacturer, notably in **powder adhesives**

€15m annual sales

Closing in January 24



Sustainable innovation driving new business

Acceleration in batteries

Acquisition of a stake in Tiamat, start-up pioneer in sodium-ion battery technology

Launch of Incellion™ range

- Waterborne acrylics with **lower VOC emissions**
- Synergistic combination with PVDF



Recyclable turbine blades with Elium®

- Validation testing completed for first blade (65m long)
- Second blade (77m) partly made with **recycled Elium®**

Bio-based specialty hot-melt adhesives

- Up to 90% **bio-based content**
- Used in durable goods in electronics, technical textile, automotive

> 1,800
researchers

216
new patents filed
>90% linked to sustainable development

17
R&D centers

~ 15%
Specialty Materials sales from products <5 years old

2.9%
of sales in R&D

2023 data

Organic capex in cutting-edge technologies to drive future growth

PVDF

Expansions
(China, France)

Batteries, semicon



UV curing resins

Doubling capacity
(China)

New energies, electronics, 3D printing



Bio-based PA11

New units
(Singapore, China)

Consumer goods, sustainable lifestyle, mobility



Pebax®

Expansion
(France)

Consumer goods, sustainable lifestyle



Fluorospecialties

HF with Nutrien (US)

HFO 1233zd (US)

Energy efficiency, batteries



2023

2024

EBITDA contribution in 2024 **c. + €60-70 M** vs 2023

Delivering 1.5°C trajectory by 2030, paving the way for Net-Zero in 2050

GHG emissions

2030 targets (vs 2019)



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

-48.5% for Scopes 1 & 2

-39% in 2023 vs 2019

-54% for Scope 3

-53% in 2023 vs 2019

Net energy purchases

2030 targets (vs 2012)

- 25%

- 9% in 2023 vs 2012



Major steps achieved in the shift towards renewable energy

New long-term supply agreements

20 GWh/year
from solar energy
with EDF Renouvelables

70% of Bostik's power needs in France starting 2026

150 GWh/year
from solar energy
and certificates
with 3 US providers

40% of the Group's US power needs (combined with prior deals) by the end of 2024

27%

electricity from
renewable sources

in 2023
vs 24% in 2022



Continued progress in CSR in line with 2030 objectives

Environment

2023

Chemical oxygen demand
in water

- 62%
vs 2012

VOC emissions in air

- 51%
vs 2012

Water withdrawals

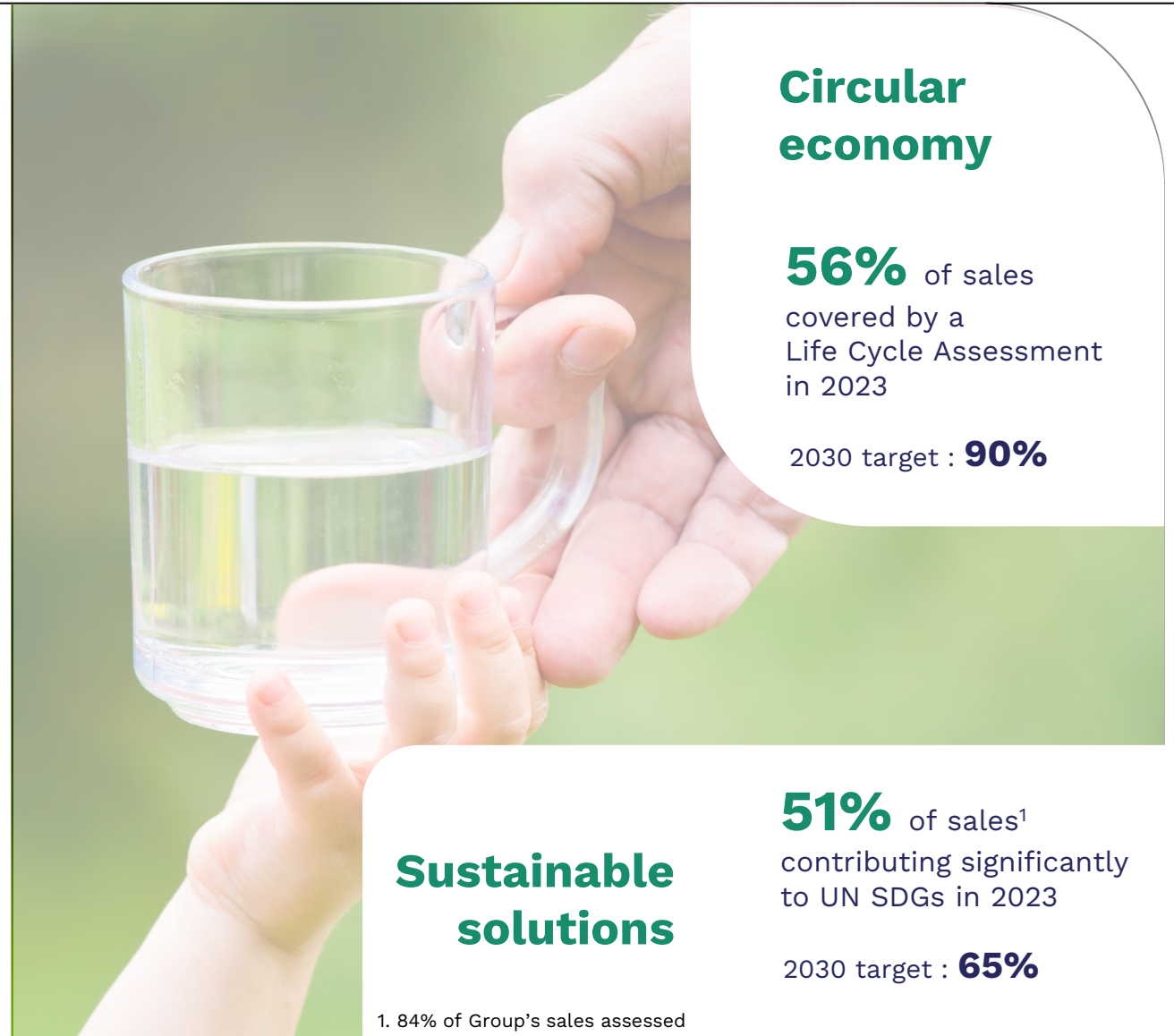
- 21%
vs 2019

**2030
targets**

- 65%

- 65%

- 25%



Circular economy

56% of sales
covered by a
Life Cycle Assessment
in 2023

2030 target : **90%**

Sustainable solutions

51% of sales¹
contributing significantly
to UN SDGs in 2023

2030 target : **65%**

1. 84% of Group's sales assessed

Strong CSR recognition by non-financial ratings agencies



Improved to A-
for Climate change
B for Water security

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

→ ranked **4th in DJSI World 2023**
Category “Chemicals”

S&P Global

78
S&P Global
Sustainability
Yearbook 2024

ecovadis

Among **top 4%**
of the sector



**IMPROVED
RATING**

MSCI  Rating **A**

ISS ESG 
1st decile (global)

Inclusion in the
CAC[®] SBT 1.5[°]
index created in 2023

Maintained in
CAC 40[®] ESG

Arkema recognized as an employer of choice



Capital

3rd in the ranking of
France's 500 Favorite
Employers for 2024

**WORLD'S BEST
EMPLOYERS**

**Forbes
2023**

POWERED BY STATISTA

4th consecutive year
in the ranking

Certified
Top Employer Europe
for 2024



and Top Employer in
4 other countries



Promoting well-being at work and diversity

Engagement survey
ARKEMA CARES 2023*

77%

Employee engagement rate

2030 target : **≥ 80%**



29%

Women
in senior management and
executive positions

40%

Non-French
in senior management and
executive positions

*Annual internal survey proposed to all the Group's employees

Maintaining high safety standards

Continued focus on safety

Rates per million hours worked



2030 targets

2.0 process safety events per million hours worked (PSER)

0.8 accident per million hours worked (TRIR)

Outlook 2024

- Q1'24 has started in the continuity of the previous quarter. The macroeconomic context remains marked by a lack of visibility and soft demand. First-quarter EBITDA should thus be comparable to the fourth-quarter 2023 level and below the first-quarter 2023 level, which still benefited from favorable market conditions in PVDF and upstream acrylics.
- Irrespective of a progressive rebound in demand, Arkema will benefit, starting in Q2'24, from the ramp-up of several growth projects, contributing in the full year around €60 million to €70 million in terms of EBITDA, and from the integration of PIAM.
- Adhesive Solutions should achieve good growth in 2024, on the back of the positive dynamic which started in second-half 2023.
- Based on these factors, in 2024 Arkema aims to grow its EBITDA, estimated to come in at €1.5 billion to €1.7 billion depending on the level of recovery in demand, and with seasonality more weighted to the second half of the year.



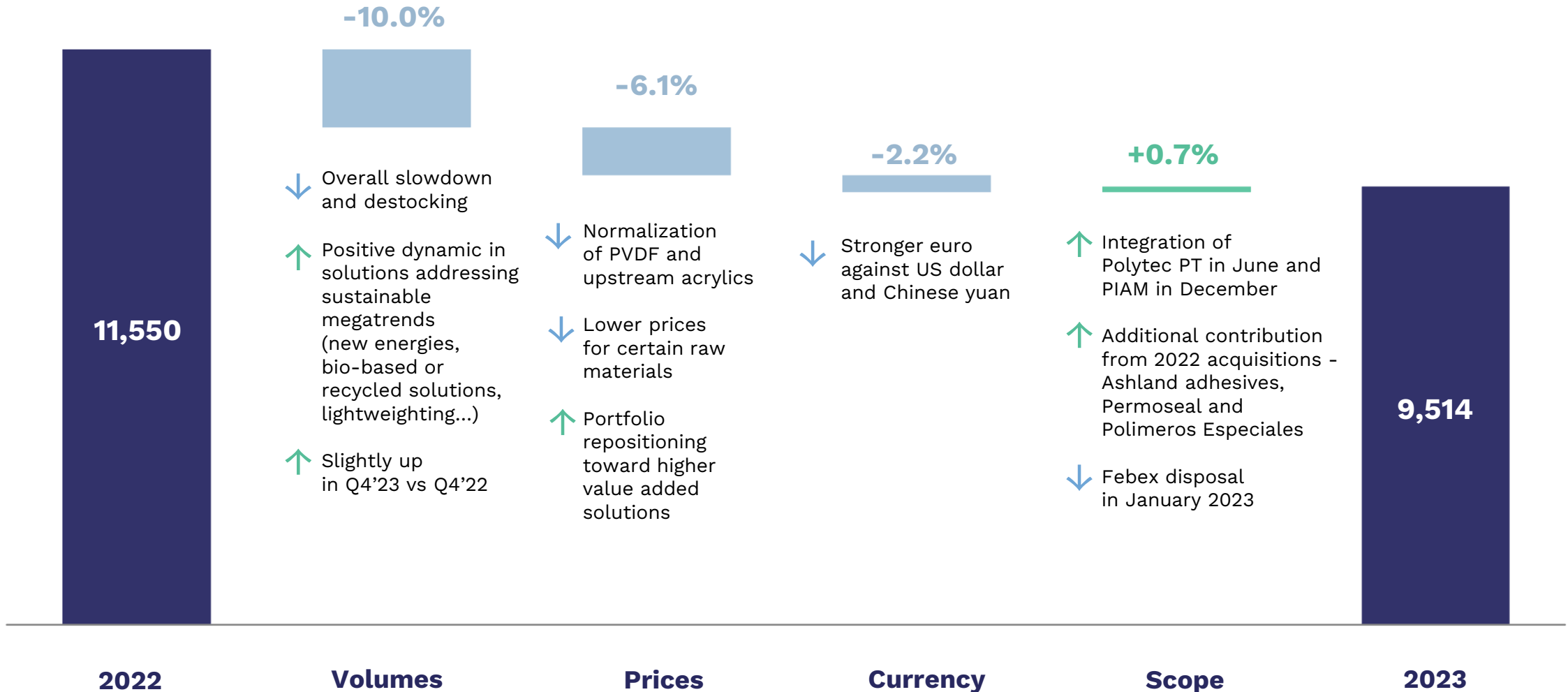
Detailed Q4 & FY 2023 results

Key figures

	Q4'23	Q4'22	Change	2023	2022	Change
Sales	2,222	2,507	-11.4%	9,514	11,550	-17.6%
EBITDA	331	291	+13.7%	1,501	2,110	-28.9%
Specialty Materials	312	286	+9.1%	1,373	1,900	-27.7%
Intermediates	40	24	+66.7%	213	306	-30.4%
Corporate	-21	-19		-85	-96	
EBITDA margin	14.9%	11.6%		15.8%	18.3%	
Specialty Materials	15.2%	12.3%		15.8%	18.1%	
Intermediates	24.8%	13.3%		26.7%	30.0%	
Recurring operating income (REBIT)	174	146	+19.2%	939	1,560	-39.8%
REBIT margin	7.8%	5.8%		9.9%	13.5%	
Adjusted net income	107	88	+21.6%	653	1,167	-44.0%
Net debt (incl. hybrid bonds)	2,930	2,366		2,930	2,366	

Sales reflecting lower demand and destocking

Sales in €million

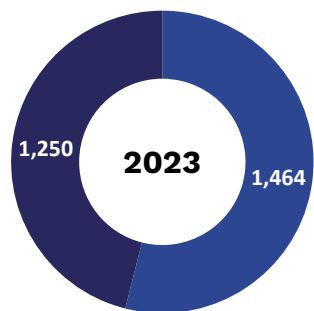


Adhesive Solutions (29% of Group sales in 2023)

Key figures

in €m	Q4'23	Q4'22	Change	2023	2022	Change
Sales	642	692	-7.2%	2,714	2,898	-6.3%
EBITDA	94	75	+25.3%	380	366	+3.8%
EBITDA margin	14.6%	10.8%		14.0%	12.6%	
REBIT	69	54	+27.8%	293	288	+1.7%

Sales by Business Line



■ Construction & Consumer
■ Industrial Assembly

Sales development

	Q4'23	2023
Volumes	-1.3%	-7.5%
Prices	-3.2%	+0.9%
Currency	-3.2%	-2.8%
Scope	+0.5%	+3.1%

2023 highlights

→ Prices up 0.9% YoY

- Positive impact in H1'23 of the price increases implemented in 2022 in response to cost inflation
- Lower prices YoY in H2'23 reflecting normalization of certain raw materials

→ Volumes down 7.5% YoY

- Soft demand overall
- Destocking in construction and certain industrial markets, which subsided in H2'23

→ EBITDA up 3.8% YoY and significant EBITDA margin improvement to 14.0%

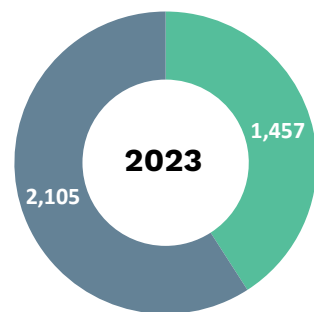
- Strong YoY growth of 16% in H2'23
- Robust pricing and better product mix
- Operational excellence and cost control actions
- Contribution of recent acquisitions

Advanced Materials (38% of Group sales in 2023)

Key figures

in €m	Q4'23	Q4'22	Change	2023	2022	Change
Sales	857	1,022	-16.1%	3,562	4,341	-17.9%
EBITDA	149	148	+0.7%	666	941	-29.2%
EBITDA margin	17.4%	14.5%		18.7%	21.7%	
REBIT	56	74	-24.3%	366	663	-44.8%

Sales by Business Line



- High Performance Polymers
- Performance Additives

Sales development

	Q4'23	2023
Volumes	+2.3%	-8.0%
Prices	-15.9%	-7.2%
Currency	-3.0%	-2.1%
Scope	+0.5%	-0.6%

2023 highlights

→ Volumes down 8.0% YoY

- Soft demand overall and destocking notably in Performance Additives in Europe
- Automotive and energy markets well oriented, and positive momentum in new energies and bio-based or recycled solutions
- H2'23 volumes in High Performance Polymers up YoY, supported in particular by batteries in China

→ Prices down 7.2% YoY

- Normalization of PVDF prices in batteries
- Pricing effect broadly positive for all other activities, reflecting improved product mix

→ €666m EBITDA and EBITDA margin at 18.7%

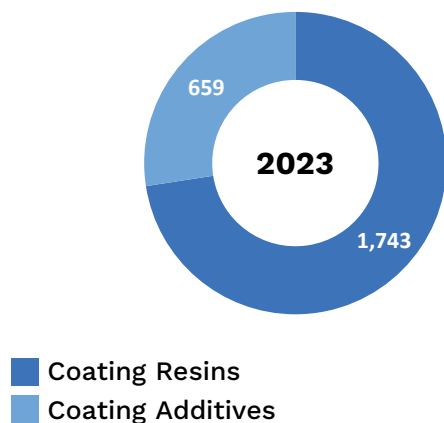
- Performance Additives' EBITDA up, supported by growth in high value-added solutions linked to sustainable megatrends
- Solid PVDF margin while EBITDA below 2022 which benefited from exceptional conditions

Coating Solutions (25% of Group sales in 2023)

Key figures

in €m	Q4'23	Q4'22	Change	2023	2022	Change
Sales	552	603	-8.5%	2,402	3,250	-26.1%
EBITDA	69	63	+9.5%	327	593	-44.9%
EBITDA margin	12.5%	10.4%		13.6%	18.2%	
REBIT	37	31	+19.4%	201	466	-56.9%

Sales by Business Line



Sales development

	Q4'23	2023
Volumes	+11.8%	-12.4%
Prices	-17.3%	-13.1%
Currency	-3.0%	-1.3%
Scope	-	+0.7%

2023 highlights

→ Prices down 13.1% YoY

- Progressive normalization of market conditions in upstream acrylic prices after an exceptional 2022
- Pass-through of certain lower raw materials prices in downstream product lines

→ Volumes down 12.4% YoY

- Subdued demand and destocking in Europe and US in decorative paints and industrial markets
- Q4'23 volumes up 11.8% benefiting, from improved activity levels

→ €327m EBITDA and EBITDA margin at 13.6%

- Progressive normalization of upstream acrylics throughout the year
- Downstream product lines' EBITDA holding up better, thanks to improved product mix and dynamic price management

Intermediates (8% of Group sales in 2023)

Key figures

in €m	Q4'23	Q4'22	Change	2023	2022	Change
Sales	161	181	-11.0%	797	1,020	-21.9%
EBITDA	40	24	+66.7%	213	306	-30.4%
EBITDA margin	24.8%	13.3%		26.7%	30.0%	
REBIT	35	8	+337.5%	170	245	-30.6%

Sales development

	<u>Q4'23</u>	<u>2023</u>
Volumes	— -21.0%	— -18.7%
Prices	— +14.4%	— +0.1%
Currency	— -4.4%	— -3.3%
Scope	— -	— -

2023 highlights

- **Volumes down 18.7% YoY**
 - Low demand for acrylics in Asia

- **Prices up 0.1% YoY**
 - Good momentum in refrigerant gases in the US and EU
 - Less favorable market conditions for acrylics in Asia

- **€213m EBITDA and high level of EBITDA margin at 26.7%**
 - Solid dynamic of refrigerant gases
 - Significant EBITDA growth in Q4'23

Excellent cash flow generation

in €m

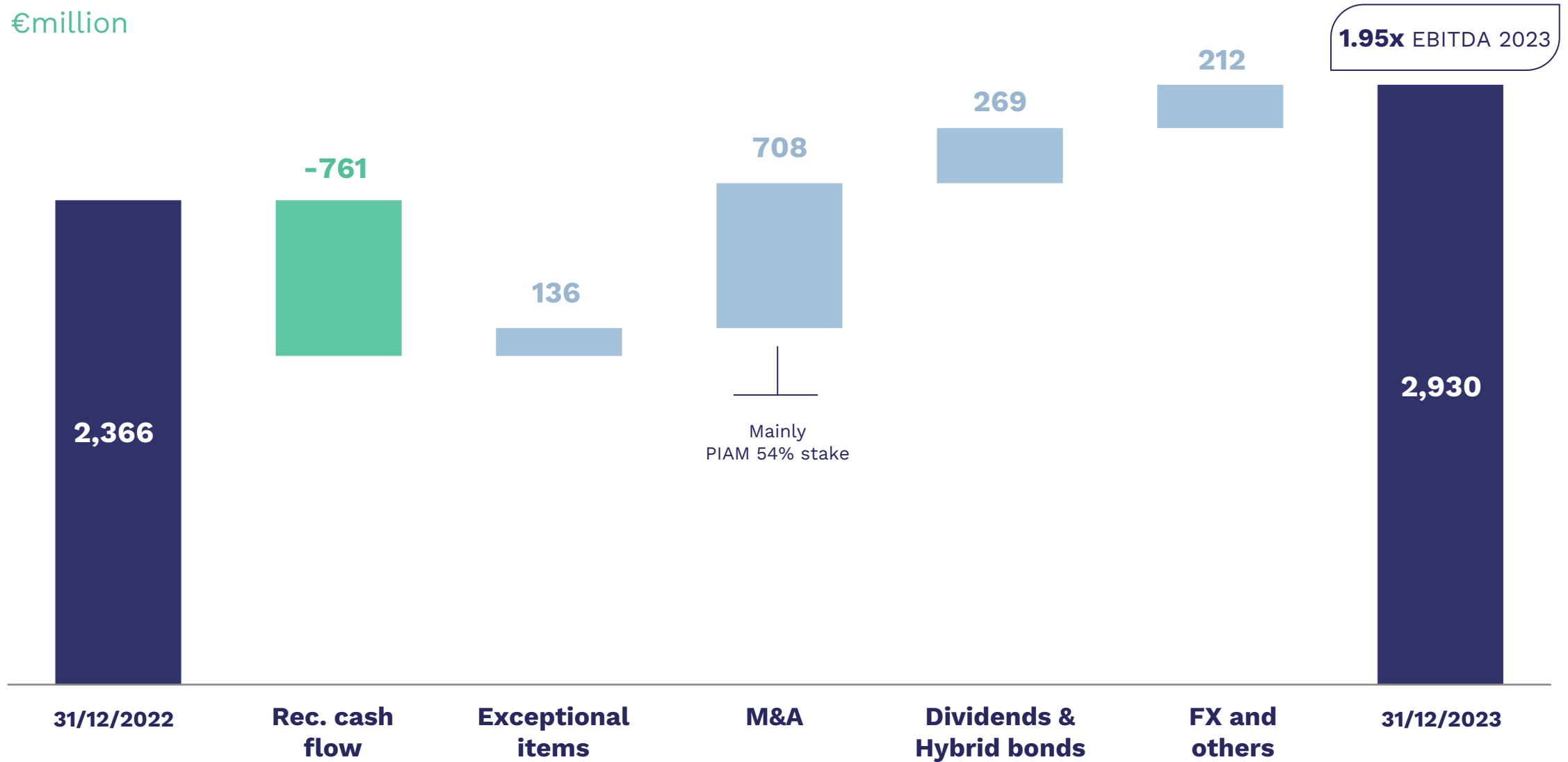
	Q4'23	Q4'22	2023	2022
EBITDA	331	291	1,501	2,110
Current taxes	-3	-32	-184	-326
Cost of debt	-17	-24	-53	-71
Change in working capital and fixed assets payables ⁽¹⁾	281	314	127	-176
Recurring capital expenditure	-259	-282	-608	-584
Others	-8	-29	-22	-20
Recurring cash flow	325	238	761	933
Exceptional capital expenditure	-9	-36	-26	-123
Non-recurring items	-33	-3	-110	-26
Free cash flow	283	199	625	784
Impact of portfolio management	-664	-1	-708	-1,629
Net cash flow	-381	198	-83	-845

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

- **2023 tax rate**
21% of REBIT (excl. exceptional items)
- **Strict working capital management**
13.1% of annual sales excluding PIAM (12.6% at end-2022)
- **EBITDA to cash conversion rate**
50.7%, above the long term objective of 40%
- **Impact of portfolio management**
 - PIAM 54% stake in 2023
 - Ashland Performance Adhesives in 2022
- **Recurring and exceptional capex**
€634m in 2023, including €26m exceptional

Net debt tightly controlled below 2x EBITDA

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 2022 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 2022 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