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ARKEMA: FIRST-QUARTER 2025 RESULTS

Arkema's volumes and financial performance held up well in the first quarter of 2025, in a broadly weak demand environment outside of Asia, which is progressing, and an uncertain geopolitical context

- **Sales of €2.4 billion**, up by 1.7% year-on-year:
 - 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
- **EBITDA of €329 million**, slightly down compared with Q1'24 (€350 million), and **EBITDA margin at 13.8%**:
 - 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
- **Adjusted net income** down at **€99 million**, representing €1.31 per share (€1.84 in Q1'24)
- **Net debt** and hybrid bonds of **€3.4 billion** at end-March 2025, representing **2.3x** last-twelve-months EBITDA. Recurring cash flow at a negative €138 million, reflecting the seasonality of sales

Chairman and CEO Thierry Le Hénaff said:

“The global macroeconomic environment is currently marked by the strong uncertainty generated by the subject of tariffs and their consequences on demand, interest rates and exchange rates. In the first quarter, the Group's performance was broadly resilient, supported notably by the significant growth of our activities in Asia and of High Performance Polymers. Our balanced geographical footprint, the recent acquisitions of PIAM and Dow's laminating adhesives, and the progressive ramp-up of our major industrial investments made a positive contribution to the Group's results.

In this context of limited visibility and slowdown in demand, Arkema will once again rely on its capacity to adapt and its agility, and will continue to strictly manage its operations with a strong emphasis on cost savings. In parallel, the Group will pursue its long-term innovation strategy centered on Specialty Materials by focusing notably on finalizing the projects currently in progress.”

Outlook

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, while remaining vigilant about their effect on the macroeconomic environment and the global demand. 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.

KEY FIGURES FOR FIRST-QUARTER 2025

<i>in millions of euros</i>	Q1'25	Q1'24	Change
Sales	2,381	2,341	+1.7%
EBITDA ^(a)	329	350	-6.0%
Specialty Materials	331	342	-3.2%
Intermediates	24	39	-38.5%
Corporate	-26	-31	
EBITDA margin ^(a)	13.8%	15.0%	
Specialty Materials	14.9%	15.7%	
Intermediates	15.3%	24.7%	
Recurring operating income (REBIT) ^(a)	160	202	-20.8%
REBIT margin ^(a)	6.7%	8.6%	
Adjusted net income ^(a)	99	138	-28.3%
Adjusted net income per share (in €) ^(a)	1.31	1.84	-28.8%
Operating income	102	135	-24.4%
Net income - Group share	49	79	-38.0%
Recurring cash flow ^(a)	-138	-60	
Free cash flow ^(a)	-155	-82	
Net debt and hybrid bonds ^(a)	3,425	3,063	
€3,241m as of 31/12/2024			

(a) Alternative performance indicator : refer to sections 6 and 8 of the consolidated financial information at the end of March 2025 available the end of the document for reconciliation tables and definitions

FIRST-QUARTER 2025 BUSINESS PERFORMANCE

At **€2,381 million**, the Group's **sales** increased by 1.7% compared with first-quarter 2024. In a weak demand environment in Europe and North America, volumes were broadly stable year-on-year (down 0.2%), supported by strong growth in Asia. Benefiting from the significant increase in High Performance Polymers, driven by the dynamic of new businesses notably in the battery, electronics and sports markets, Specialty Materials volumes were nonetheless impacted by the decrease in Europe and the United States of industrial adhesives, Performance Additives and Coating Solutions. The price effect was limited (negative 0.5%) in a broadly stable raw materials environment. The 1.9% positive scope effect corresponded essentially to the integration of Dow's laminating adhesives. Finally, the currency effect was a positive 0.5%, mainly reflecting the appreciation of the US dollar against the euro at the start of the year.

At **€329 million**, Group **EBITDA** was down slightly by 6%, impacted by the significant decline of Intermediates, while Specialty Materials held up well in a weak demand environment and an uncertain geopolitical context. The latter benefitted from an additional contribution of €15 million from major growth projects compared to last year, and from the favorable dynamic in High Performance Polymers. The other business lines in specialties were stable or down. The Group's **EBITDA margin** stood at **13.8%** (15.0% in Q1'24).

Recurring operating income (REBIT) of **€160 million** (€202 million in Q1'24) included €169 million in recurring depreciation and amortization, up €21 million compared with first-quarter 2024, reflecting essentially the start-up of new production units during 2024. In first-quarter 2025, the **REBIT margin** thus amounted to 6.7% (8.6% in Q1'24).

Taking into account a tax rate excluding exceptional items of 22.5% of recurring operating income, **adjusted net income** amounted to **€99 million** (€138 million in Q1'24), i.e. €1.31 per share.

CASH FLOW AND NET DEBT AT 31 MARCH 2025

Recurring cash flow of **negative €138 million** (negative €60 million in Q1'24) included a negative change of €210 million in working capital reflecting the first-quarter business seasonality and a €96 million negative change in fixed assets payables mechanically linked to the sharp decrease in capital expenditure in the first quarter compared to end-2024. At end-March 2025, working capital represented 17.4% of the annualized sales (16.1% at end-March 2024). Recurring cash flow also included lower capital expenditure compared with last year at €89 million (€99 million in Q1'24), in line with the annual guidance.

Free cash flow was a **negative €155 million** (negative €82 million in Q1'24), including a non-recurring cash outflow of €17 million, down compared to the previous year, partly linked to reorganization costs at the Jarrie site in France.

Net debt and hybrid bonds amounted to **€3,425 million** at end-March 2025 (€3,241 million at end-2024), and the net debt and hybrid bonds to last-twelve-months EBITDA ratio stood at 2.3x.

FIRST-QUARTER 2025 PERFORMANCE BY SEGMENT

ADHESIVE SOLUTIONS (30% OF TOTAL GROUP SALES)

<i>in millions of euros</i>		Q1'25	Q1'24	Change
Sales		715	680	+5.1%
EBITDA ^(a)		99	105	-5.7%
EBITDA margin ^(a)		13.8%	15.4%	
Recurring operating income (REBIT) ^(a)		73	82	-11.0%
REBIT margin ^(a)		10.2%	12.1%	

(a) Alternative performance indicator : refer to sections 6 and 8 of the consolidated financial information at the end of March 2025 available the end of the document for reconciliation tables and definitions

Adhesive Solutions segment **sales** totaled **€715 million**, up by 5.1% year-on-year (€680 million in Q1'24), reflecting essentially the 8.1% positive scope effect corresponding to the integration of Dow's laminating adhesives. In a weak demand environment in North America and Europe, the segment's volumes were down 2.5%, impacted by industrial adhesives, while construction was stable. The 0.3% negative price effect reflected stable raw materials prices and the currency effect was limited at a negative 0.2%.

EBITDA amounted to **€99 million**, slightly down by 5.7% compared to first-quarter 2024. It was impacted by lower volumes but supported by strict control of operations and continued dynamic management of selling prices. In this context, **EBITDA margin** stood at 13.8% (15.4% in Q1'24), integrating the expected dilutive effect of nearly 50 bps linked to the consolidation of Dow's laminating adhesives.

ADVANCED MATERIALS (38% OF TOTAL GROUP SALES)

<i>in millions of euros</i>	Q1'25	Q1'24	Change
Sales	894	878	+1.8%
EBITDA ^(a)	174	162	+7.4%
EBITDA margin ^(a)	19.5%	18.5%	
Recurring operating income (REBIT) ^(a)	77	80	-3.8%
REBIT margin ^(a)	8.6%	9.1%	

(a) Alternative performance indicator : refer to sections 6 and 8 of the consolidated financial information at the end of March 2025 available the end of the document for reconciliation tables and definitions

Up 1.8% compared to first-quarter 2024, **sales** in the Advanced Materials segment stood at **€894 million**. Volumes were up 0.3%, supported by a positive dynamic in High Performance Polymers, notably in Asia in the battery, electronics and sports markets, but affected by weak demand in Performance Additives. Prices rose by 0.9%, driven by High Performance Polymers. Lastly, the currency effect was limited to a positive 0.6%.

At **€174 million**, the segment's **EBITDA** increased strongly by 7.4% compared to last year (€162 million in Q1'24). High Performance Polymers EBITDA was up significantly, benefiting from the strong progression of PIAM in electronics, the positive momentum in high value-added fluorospecialties for energy efficiency of buildings and the growth in the battery and sports markets. Performance Additives EBITDA held up well in this weak demand environment and was slightly down. **EBITDA margin** increased significantly by 100 bps and reached **19.5%** (18.5% in Q1'24).

COATING SOLUTIONS (25% OF TOTAL GROUP SALES)

<i>in millions of euros</i>	Q1'25	Q1'24	Change
Sales	607	615	-1.3%
EBITDA ^(a)	58	75	-22.7%
EBITDA margin ^(a)	9.6%	12.2%	
Recurring operating income (REBIT) ^(a)	26	44	-40.9%
REBIT margin ^(a)	4.3%	7.2%	

(a) Alternative performance indicator : refer to sections 6 and 8 of the consolidated financial information at the end of March 2025 available the end of the document for reconciliation tables and definitions

Sales in the Coating Solutions segment were down 1.3% compared to first-quarter 2024, and stood at **€607 million**, integrating a 2.5% decline in volumes in a weak demand environment. The price effect was stable at positive 0.2% and the segment benefited from a positive 1.0% currency effect.

EBITDA was down significantly by 22.7% and stood at **€58 million** (€75 million in Q1'24), impacted, beyond the decrease in volumes, by low cycle margins in upstream acrylics. In this context, the **EBITDA margin** stood at **9.6%** (12.2% in Q1'24).

INTERMEDIATES (7% OF TOTAL GROUP SALES)

<i>in millions of euros</i>	Q1'25	Q1'24	Change
Sales	157	158	-0.6%
EBITDA ^(a)	24	39	-38.5%
EBITDA margin ^(a)	15.3%	24.7%	
Recurring operating income (REBIT) ^(a)	16	29	-44.8%
REBIT margin ^(a)	10.2%	18.4%	

(a) Alternative performance indicator : refer to sections 6 and 8 of the consolidated financial information at the end of March 2025 available the end of the document for reconciliation tables and definitions

At **€157 million, sales** in the Intermediates segment were stable compared with first-quarter 2024, benefiting from a significant 15.8% increase in volumes driven mainly by acrylics in Asia, partially offset by lower quotas in refrigerant gases in Europe. The negative price effect of 11.4% mainly reflected lower refrigerant gas prices in the United States. The scope effect was a negative 7.6%, corresponding to the disposal of non-strategic assets in sebacic acid in China finalized in fourth-quarter 2024, and the currency effect was a positive 2.6%.

At **€24 million** (€39 million in Q1'24), **EBITDA** decreased by 38.5% year-on-year, mainly impacted by refrigerant gases, which are expected to remain significantly down in the second quarter but improve from mid-year. In this context, the **EBITDA margin** stood at **15.3%** (24.7% in Q1'24).

FIRST-QUARTER 2025 HIGHLIGHTS

On 26 February 2025, Arkema announced a 15% capacity expansion of its PVDF production site in Calvert City, Kentucky, representing an investment of around 20 million US dollars, in line with the Group's strategy to increase its global PVDF footprint at a pace and with capabilities that match market development. This capacity expansion, whose start-up is planned for mid-2026, will support the increasing demand for locally manufactured high performance resins for lithium-ion batteries, as well as the growing semiconductor and cable markets.

Arkema also announced on 26 March 2025 that it had signed a new contract with ENGIE to supply biomethane to several Bostik sites in France, following the long-term contract signed with ENGIE in early 2023 for the supply of 300 GWh/year of biomethane in France. This 25 GWh/year contract will cover some 85% of the annual gas consumption of four Bostik sites in France (Coubert, Privas, Ribécourt and Venette), a notable step forward in the decarbonization of its energy supply.

OUTLOOK

In a global economic environment that remains uncertain and marked by weak demand outside of Asia, Arkema will continue to rely on its geographical balance, the diversity of its end markets and its major growth projects and will continue its cost control actions, as well as the strict management of its operations.

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.

Arkema will also continue to implement its strategic roadmap unveiled at the Capital Markets Day in September 2023, notably its innovation efforts and the development of high performance solutions for a less carbon-intensive and more sustainable world, in partnership with its customers.

Further details concerning the Group's 2025 results are provided in the "First quarter 2025 results and outlook" presentation and the "Factsheet", both available on Arkema's website at: www.arkema.com/global/en/investor-relations/

FINANCIAL CALENDAR

22 May 2025: Annual general meeting

31 July 2025: Publication of first-half 2025 results

7 November 2025: Publication of third-quarter 2025 results

DISCLAIMER

The information disclosed in this press release may contain forward-looking statements with respect to the financial position, results of operations, business and strategy of Arkema.

In a context of significant geopolitical tensions, where the outlook for the global economy remains 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 risk factors such as (but not limited to) changes in raw materials prices, currency fluctuations, and the pace at which cost-reduction projects are implemented, escalating geopolitical tensions, and changes in general economic and financial conditions. 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.

Balance sheet, income statement and cash flow statement data, as well as data relating to the statement of changes in shareholders' equity and information by segment included in this press release are extracted from the consolidated financial statements at 31 March 2025 as reviewed by Arkema's Board of Directors on 6 May 2025. Quarterly financial information is not audited.

Information by segment is presented in accordance with Arkema's internal reporting system used by management. Definitions and concordance tables for the main alternative performance indicators used by the Group are provided in Notes 6 and 8 to the 31 March 2025 consolidated financial statements at the end of this document.

For the purpose of tracking changes in its results, and particularly its sales figures, the Group analyzes the following effects (unaudited analyses):

- **scope effect:** the impact of changes in the Group's scope of consolidation, which arise from acquisitions and divestments of entire businesses or as a result of the first-time consolidation or deconsolidation of entities. Increases or reductions in capacity are not included in the scope effect;
- **currency effect:** the mechanical impact of consolidating accounts denominated in currencies other than the euro at different exchange rates from one period to another. The currency effect is calculated by applying the foreign exchange rates of the prior period to the figures for the period under review;
- **price effect:** the impact of changes in average selling prices is estimated by comparing the weighted average net unit selling price of a range of related products in the period under review with their weighted average net unit selling price in the prior period, multiplied, in both cases, by the volumes sold in the period under review; and
- **volume effect:** the impact of changes in volumes is estimated by comparing the quantities delivered in the period under review with the quantities delivered in the prior period, multiplied, in both cases, by the weighted average net unit selling price in the prior period.

Building on its unique set of expertise in materials science, **Arkema** offers a portfolio of first-class technologies to address ever-growing demand for new and more sustainable materials. With the ambition to become a pure player in Specialty Materials in 2024, the Group is structured into three complementary, resilient and highly innovative segments dedicated to Specialty Materials - Adhesive Solutions, Advanced Materials, and Coating Solutions - accounting for some 92% of Group sales in 2024, and a well-positioned and competitive Intermediates segment. Arkema offers cutting-edge technological solutions to meet the challenges of, among other things, new energies, access to water, recycling, urbanization and mobility, and fosters a permanent dialogue with all its stakeholders. The Group reported sales of around €9.5 billion in 2024 and operates in some 55 countries with 21,150 employees worldwide.

Investor relations contacts

Béatrice Zilm	+33 (0)1 49 00 75 58	beatrice.zilm@arkema.com
James Poutier	+33 (0)1 49 00 73 12	james.poutier@arkema.com
Alexis Noël	+33 (0)1 49 00 74 37	alexis.noel@arkema.com
Colombe Boiteux	+33 (0)1 49 00 72 07	colombe.boiteux@arkema.com

Media contacts

Gilles Galinier	+33 (0)1 49 00 70 07	gilles.galinier@arkema.com
Anne Plaisance	+33 (0)6 81 87 48 77	anne.plaisance@arkema.com

Arkema

51, Esplanade du Général de Gaulle CS
10478 - 92907 Paris La Défense France
Tel: +33 (0)1 49 00 80 80
arkema.com

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ARKEMA financial statements

Consolidated financial information - At the end of March 2025

Consolidated financial statements as of December 2024 have been audited.

1. CONSOLIDATED INCOME STATEMENT

<i>(In millions of euros)</i>	<u>1st quarter 2025</u>	<u>1st quarter 2024</u>
Sales	2 381	2 341
Operating expenses	(1 940)	(1 873)
Research and development expenses	(71)	(69)
Selling and administrative expenses	(246)	(235)
Other income and expenses	(22)	(29)
Operating income	102	135
Equity in income of affiliates	0	(1)
Financial result	(24)	(18)
Income taxes	(28)	(36)
Net income	50	80
Attributable to non-controlling interests	1	1
Net income - Group share	49	79
<i>Earnings per share (amount in euros)</i>	<i>0,33</i>	<i>0,99</i>
<i>Diluted earnings per share (amount in euros)</i>	<i>0,33</i>	<i>0,99</i>

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(In millions of euros)</i>	<u>1st quarter 2025</u>	<u>1st quarter 2024</u>
Net income	50	80
Hedging adjustments	10	(15)
Other items	—	0
Deferred taxes on hedging adjustments and other items	0	0
Change in translation adjustments	(202)	57
Other recyclable comprehensive income	(192)	42
Impact of remeasuring unconsolidated investments	(1)	—
Actuarial gains and losses	8	13
Deferred taxes on actuarial gains and losses	0	(3)
Other non-recyclable comprehensive income	7	10
Total other comprehensive income	(185)	52
Total comprehensive income	(135)	132
Attributable to non-controlling interest	(16)	(5)
Total comprehensive income - Group share	(119)	137

3. CONSOLIDATED CASH FLOW STATEMENT

End of March 2025

End of March 2024

(In millions of euros)

Net income	50	80
Depreciation, amortization and impairment of assets	205	189
Other provisions and deferred taxes	(24)	(14)
(Gains)/Losses on sales of long-term assets	(1)	5
Undistributed affiliate equity earnings	—	1
Change in working capital	(210)	(185)
Other changes	2	9
Cash flow from operating activities	22	85
Intangible assets and property, plant, and equipment additions	(89)	(99)
Change in fixed asset payables	(101)	(71)
Acquisitions of operations, net of cash acquired	—	(19)
Increase in long-term loans	(9)	(10)
Total expenditures	(199)	(199)
Proceeds from sale of intangible assets and property, plant and equipment	2	1
Change in fixed asset receivables	5	1
Proceeds from sale of operations, net of cash transferred	—	—
Repayment of long-term loans	10	9
Total divestitures	17	11
Cash flow from investing activities	(182)	(188)
Issuance/(Repayment) of shares and paid-in surplus	—	—
Acquisition/sale of treasury shares	(17)	(4)
Issuance of hybrid bonds	—	399
Redemption of hybrid bonds	—	—
Dividends paid to parent company shareholders	—	—
Interest paid to bearers of subordinated perpetual notes	(24)	(5)
Dividends paid to non-controlling interests and buyout of minority interests	—	—
Increase in long-term debt	10	2
Decrease in long-term debt	(28)	(730)
Increase / (Decrease) in short-term debt	(700)	706
Cash flow from financing activities	(759)	368
Net increase/(decrease) in cash and cash equivalents	(919)	265
Effect of exchange rates and changes in scope	24	6
Cash and cash equivalents at beginning of period	2 013	2 045
Cash and cash equivalents at end of the period	1 118	2 316

4. CONSOLIDATED BALANCE SHEET

31 March 2025

31 December 2024

(In millions of euros)

	31 March 2025	31 December 2024
ASSETS		
Goodwill	2 999	3 071
Other intangible assets, net	2 293	2 373
Property, plant and equipment, net	4 068	4 227
Investments in equity affiliates	11	11
Other investments	48	50
Deferred tax assets	149	155
Other non-current assets	318	327
TOTAL NON-CURRENT ASSETS	9 886	10 214
Inventories	1 437	1 348
Accounts receivable	1 509	1 312
Other receivables and prepaid expenses	220	201
Income taxes recoverable	113	101
Current financial derivative assets	19	20
Cash and cash equivalents	1 118	2 013
Assets held for sale	—	—
TOTAL CURRENT ASSETS	4 416	4 995
TOTAL ASSETS	14 302	15 209
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	761	761
Paid-in surplus and retained earnings	6 483	6 439
Treasury shares	(39)	(22)
Translation adjustments	163	348
SHAREHOLDERS' EQUITY - GROUP SHARE	7 368	7 526
Non-controlling interests	220	235
TOTAL SHAREHOLDERS' EQUITY	7 588	7 761
Deferred tax liabilities	426	435
Provisions for pensions and other employee benefits	369	391
Other provisions and non-current liabilities	432	456
Non-current debt	3 670	3 680
TOTAL NON-CURRENT LIABILITIES	4 897	4 962
Accounts payable	1 097	1 074
Other creditors and accrued liabilities	437	424
Income tax payables	93	82
Current financial derivative liabilities	17	32
Current debt	173	874
Liabilities associated with assets held for sale	—	—
TOTAL CURRENT LIABILITIES	1 817	2 486
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	14 302	15 209

5. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(In millions of euros)</i>	Shares issued						Treasury shares		Shareholders' equity - Group share	Non-controlling interests	Shareholders' equity
	Number	Amount	Paid-in surplus	Hybrid bonds	Retained earnings	Translation adjustments	Number	Amount			
At 1st January 2025	76 060 831	761	1 117	700	4 622	348	(257 160)	(22)	7 526	235	7 761
Cash dividend	—	—	—	—	(24)	—	—	—	(24)	—	(24)
Issuance of share capital	—	—	—	—	—	—	—	—	—	—	—
Capital reduction by cancellation of treasury shares	—	—	—	—	—	—	—	—	—	—	—
Acquisition/sale of treasury shares	—	—	—	—	—	—	(292 780)	(17)	(17)	—	(17)
Grants of treasury shares to employees	—	—	—	—	0	—	109	0	0	—	0
Share-based payments	—	—	—	—	2	—	—	—	2	—	2
Issuance of hybrid bonds	—	—	—	—	—	—	—	—	—	—	—
Redemption of hybrid bonds	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	0	—	—	—	0	1	1
Transactions with shareholders	—	—	—	—	(22)	—	(292 671)	(17)	(39)	1	(38)
Net income	—	—	—	—	49	—	—	—	49	1	50
Total income and expense recognized directly through equity	—	—	—	—	17	(185)	—	—	(168)	(17)	(185)
Total comprehensive income	—	—	—	—	66	(185)	—	—	(119)	(16)	(135)
At 31 March 2025	76 060 831	761	1 117	700	4 666	163	(549 831)	(39)	7 368	220	7 588

6. ALTERNATIVE PERFORMANCE INDICATORS

The Group uses performance indicators that are not directly defined in the consolidated financial statements under IFRS and which are used as monitoring and analysis tools. The purpose of these indicators is to provide additional information to illustrate the Group's financial performance and its various activities, notably by eliminating exceptional or non-recurring items in certain cases, to ensure period-on-period comparability. In some cases, the indicators may also provide a consistent basis for comparison with the financial performance of our peers. A reconciliation with the aggregates of the IFRS consolidated financial statements is presented in this note.

RECURRING OPERATING INCOME (REBIT) AND EBITDA

<i>(In millions of euros)</i>	End of March 2025	End of March 2024
OPERATING INCOME	102	135
- Depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses	(36)	(38)
- Other income and expenses	(22)	(29)
RECURRING OPERATING INCOME (REBIT)	160	202
- Recurring depreciation and amortization of property, plant and equipment and intangible assets	(169)	(148)
EBITDA	329	350

Details of depreciation and amortization of property, plant and equipment and intangible assets:

<i>(In millions of euros)</i>	End of March 2025	End of March 2024
Depreciation and amortization of property, plant and equipment and intangible assets	(205)	(189)
Of which: Recurring depreciation and amortization of property, plant and equipment and intangible assets	(169)	(148)
Of which: Depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses	(36)	(38)
Of which: Impairment included in other income and expenses	0	(3)

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

<i>(In millions of euros)</i>	End of March 2025	End of March 2024
NET INCOME - GROUP SHARE	49	79
- Depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses	(36)	(38)
- Other income and expenses	(22)	(29)
- Other income and expenses attributable to non-controlling interests	—	—
- Taxes on depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses	8	9
- Taxes on other income and expenses	2	1
- One-time tax effects	(2)	(2)
ADJUSTED NET INCOME	99	138
Weighted average number of ordinary shares	75 701 925	74 800 943
Weighted average number of potential ordinary shares	76 000 539	75 043 514
ADJUSTED EARNINGS PER SHARE (in euros)	1,31	1,84
DILUTED ADJUSTED EARNINGS PER SHARE (in euros)	1,30	1,84

RECURRING CAPITAL EXPENDITURE

<i>(In millions of euros)</i>	End of March 2025	End of March 2024
INTANGIBLE ASSETS AND PROPERTY, PLANT, AND EQUIPMENT ADDITIONS	89	99
- Exceptional capital expenditure	—	—
- Investments relating to portfolio management operations	—	—
- Capital expenditure with no impact on net debt	—	—
RECURRING CAPITAL EXPENDITURE	89	99

CASH FLOWS

<i>(In millions of euros)</i>	End of March 2025	End of March 2024
Cash flow from operating activities	22	85
+ Cash flow from investing activities	(182)	(188)
NET CASH FLOW	(160)	(103)
- Net cash flow from portfolio management operations	(5)	(21)
FREE CASH FLOW	(155)	(82)
- Exceptional capital expenditure	—	—
- Non-recurring cash flow	(17)	(22)
RECURRING CASH FLOW	(138)	(60)
- Recurring capital expenditure	(89)	(99)
OPERATING CASH FLOW	(49)	39

NET DEBT

<i>(In millions of euros)</i>	<u>End of March 2025</u>	<u>End of December 2024</u>
Non-current debt	3 670	3 680
+ Current debt	173	874
- Cash and cash equivalents	1 118	2 013
NET DEBT	2 725	2 541
+ Hybrid bonds	700	700
NET DEBT AND HYBRID BONDS	3 425	3 241
Last twelve months EBITDA	1 511	1 532
NET DEBT AND HYBRID BONDS TO EBITDA RATIO	2,3	2,1

WORKING CAPITAL

<i>(In millions of euros)</i>	<u>End of March 2025</u>	<u>End of December 2024</u>
Inventories	1 437	1 348
+ Accounts receivable	1 509	1 312
+ Other receivables including income taxes recoverable	333	302
+ Current financial derivative assets	19	20
- Accounts payable (operating suppliers)	1 097	1 074
- Other liabilities including income taxes	530	506
- Current financial derivative liabilities	17	32
WORKING CAPITAL	1 654	1 370

CAPITAL EMPLOYED

<i>(In millions of euros)</i>	<u>End of March 2025</u>	<u>End of December 2024</u>
<i>Goodwill</i> , net	2 999	3 071
+ Intangible assets (excluding goodwill), and property, plant and equipment, net	6 361	6 600
+ Investments in equity affiliates	11	11
+ Other investments and other non-current assets	366	377
+ Working capital	1 654	1 370
CAPITAL EMPLOYED	11 391	11 429

7. INFORMATION BY SEGMENT

1st quarter 2025

(In millions of euros)

	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
Sales	715	894	607	157	8	2 381
EBITDA ^(a)	99	174	58	24	(26)	329
Recurring depreciation and amortization of property, plant and equipment and intangible assets ^(a)	(26)	(97)	(32)	(8)	(6)	(169)
Recurring operating income (REBIT) ^(a)	73	77	26	16	(32)	160
Depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses	(25)	(9)	(2)	—	—	(36)
Other income and expenses	(10)	(10)	—	0	(2)	(22)
Operating income	38	58	24	16	(34)	102
Equity in income of affiliates	—	0	—	—	—	0
Intangible assets and property, plant, and equipment additions	10	50	23	1	5	89
Of which: recurring capital expenditure ^(a)	10	50	23	1	5	89

1st quarter 2024

(In millions of euros)

	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
Sales	680	878	615	158	10	2 341
EBITDA ^(a)	105	162	75	39	(31)	350
Recurring depreciation and amortization of property, plant and equipment and intangible assets ^(a)	(23)	(82)	(31)	(10)	(2)	(148)
Recurring operating income (REBIT) ^(a)	82	80	44	29	(33)	202
Depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses	(27)	(9)	(2)	—	—	(38)
Other income and expenses	(5)	(23)	0	0	(1)	(29)
Operating income	50	48	42	29	(34)	135
Equity in income of affiliates	—	(1)	—	—	—	(1)
Intangible assets and property, plant, and equipment additions*	11	63	15	7	3	99
Of which: recurring capital expenditure * ^(a)	11	63	15	7	3	99

*Includes a correction related to Q1'24 data resulting from a transfer of figures between Coating Solutions and Intermediates

(a) Alternative performance indicator: refer to sections 6 and 8 for reconciliation tables and definitions.

8. DEFINITIONS OF ALTERNATIVE PERFORMANCE INDICATORS

- **Recurring depreciation and amortization of property, plant and equipment and intangible assets**

This alternative performance indicator corresponds to depreciation, amortization and impairment of property, plant and equipment and intangible assets before taking into account:

- i. depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses, and
- ii. impairment included in other income and expenses.

The indicator facilitates period-to-period comparisons by eliminating non-recurring items.

- **Working capital**

This alternative performance indicator corresponds to the net amount of current assets and liabilities relating to operating activities, capital expenditure and financing activities. It reflects the Group's short-term financing requirements resulting from cash flow timing differences between outflows and inflows relating to operating activities.

- **Capital employed**

This alternative performance indicator corresponds to the sum of the following:

- i. the net book value of goodwill,
- ii. the net book value of intangible assets (excluding goodwill) and property, plant and equipment,
- iii. the amount of investments in equity affiliates,
- iv. the amount of other investments and other non-current assets, and
- v. working capital.

Capital employed is used to analyze the amount of capital invested by the Group to conduct its business.

- **Adjusted capital employed**

This alternative performance indicator corresponds to capital employed adjusted for divestments and acquisitions, to ensure consistency between the numerator and denominator items used to calculate ROCE.

In the case of an announced divestment of a business announced and not finalized by 31 December, the operating income of this business remains consolidated in the income statement, and is therefore included in the calculation of REBIT, whereas items relating to capital employed are classified as assets/liabilities held for sale and are therefore excluded from the calculation of capital employed. To ensure consistency between the numerator and denominator items used to calculate ROCE, capital employed at 31 December is increased by the capital employed relating to the business being sold.

When an acquisition is finalized during the year, operating results are only consolidated in the income statement from the date of acquisition, and not for the full year, while capital employed is recognized in full at 31 December. When the acquisition has not generated a material contribution to the year's earnings, in order to ensure consistency between the numerator and denominator items used to calculate ROCE, capital employed at 31 December is reduced by the capital employed relating to the acquired business, unless they are considered as not material.

- **Net debt**

This alternative performance indicator corresponds to the sum of current and non-current debt less cash and cash equivalents.

- **Net debt and hybrid bonds**

This alternative performance indicator corresponds to the amount of net debt and hybrid bonds.

- **Net debt and hybrid bonds to EBITDA ratio**

This alternative performance indicator corresponds to the ratio of net debt and hybrid bonds to EBITDA. The indicator measures the level of debt in relation to the Group's operating performance, and provides a consistent basis for comparison with our peers.

- **Earnings Before Interest Taxes Depreciation & Amortization (EBITDA)**

The IFRS item most similar to this alternative performance indicator is operating income.

The indicator corresponds to operating income before taking into account:

- i. recurring depreciation and amortization of property, plant and equipment and intangible assets,
- ii. other income and expenses, and
- iii. depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses.

This indicator is used to assess the Group's operating profitability and its ability to generate operating cash flow before changes in working capital, capital expenditure and cash flow from financing and tax expenses. It also facilitates period-to-period comparisons by eliminating non-recurring items, and provides a consistent basis for comparison with our peers.

- **Recurring cash flow**

This alternative performance indicator corresponds to free cash flow excluding non-recurring or exceptional items, i.e., non-recurring cash flow and exceptional capital expenditure. The indicator enables period-to-period comparisons by eliminating the impact of exceptional or non-recurring items and portfolio management, and provides a consistent basis for comparison with our peers. It is used to assess the Group's ability to generate cash to finance its shareholder returns, non-recurring or exceptional items and acquisitions.

- **Free cash flow**

This alternative performance indicator corresponds to net cash flow before taking into account net cash flow from portfolio management operations. It enables period-to-period comparisons by eliminating portfolio management, and provides a consistent basis for comparison with our peers.

- **Net cash flow**

This alternative performance indicator corresponds to the sum of two IFRS items, cash flow from operations and cash flow from net investments. It provides an estimate of Group cash flow before changes in cash flow from financing activities.

- **Net cash flow from portfolio management operations**

This alternative performance indicator corresponds to cash flows from acquisitions and divestments as described in notes 3.2.2 "Acquisitions during the year" and 3.3 "Business divestments".

- **Non-recurring cash flow**

This alternative performance indicator corresponds to cash flow from other income and expenses, as described in note 6.1.5 "Other income and expenses".

- **Operating cash flow**

This alternative performance indicator corresponds to free cash flow before taking into account intangible assets and property, plant and equipment additions, adjusted for non-recurring cash flows. It is used to assess the Group's ability to generate cash to finance its intangible assets and property, plant and equipment additions, shareholder returns and acquisitions. It corresponds to and replaces the "Operating cash flow" indicator defined at the Capital Markets Day on 27 September 2023.

- **Recurring capital expenditure**

The IFRS item most similar to this alternative performance indicator is intangible assets and property, plant and equipment additions. Recurring capital expenditure includes all intangible assets and property, plant and equipment additions, adjusted for exceptional capital expenditure, investments linked to portfolio management operations and investments with no impact on net debt (financed by third parties). This indicator enables period-to-period comparisons by eliminating exceptional items, and provides a consistent basis for comparison with our peers.

- **Exceptional capital expenditure**

Alternative performance indicator corresponding to a very limited number of capital expenditure items for major development projects that the Group presents separately in its financial communication due to their size and nature.

- **REBIT margin**

This alternative performance indicator corresponds to the recurring operating income (REBIT) to sales ratio. It facilitates period-to-period comparisons by eliminating non-recurring items, and provides a consistent basis for comparison with our peers.

- **EBITDA margin**

This alternative performance indicator corresponds to the EBITDA to sales ratio. It facilitates period-to-period comparisons by eliminating non-recurring items, and provides a consistent basis for comparison with our peers. It is also one of the financial performance criteria linked to performance share plans.

- **Recurring operating income (REBIT)**

The IFRS item most similar to this alternative performance indicator is operating income. The indicator corresponds to operating income before taking into account:

- i. depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses, and
- ii. other income and expenses.

The indicator assesses the Group's operating profitability before tax and excluding non-recurring items, whatever the financing structure, since it does not take into account financial result. It facilitates period-to-period comparisons by eliminating non-recurring items, and provides a consistent basis for comparison with our peers.

- **Adjusted net income**

The IFRS item most similar to this alternative performance indicator is net income – Group share. This indicator corresponds to net income – Group share before non-recurring items. Exceptional or non-recurring items correspond to:

- i. other income and expenses, net of applicable taxes,
- ii. depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses, net of applicable taxes, and
- iii. one-time tax effects unrelated to other income and expenses and relating to events that are exceptional in terms of frequency and amount, such as the recognition or impairment of deferred tax assets, or the impact of a change in tax rates on deferred taxes.

This indicator enables us to assess the Group's profitability by taking account of not only operating items, but also the Group's financing structure and income taxes. It facilitates period-to-period comparisons by eliminating non-recurring items, and provides a consistent basis for comparison with our peers.

- **Adjusted earnings per share**

This alternative performance indicator is calculated by dividing adjusted net income for the period by the weighted average number of ordinary shares outstanding during the period.

- **Diluted adjusted earnings per share**

This alternative performance indicator corresponds to earnings per share adjusted for the dilutive effect of all potential ordinary shares. It is calculated by dividing adjusted net income for the period by the weighted average number of potential ordinary shares outstanding during the period.

- **Return on capital employed (ROCE)**

This alternative performance indicator corresponds to the ratio of recurring operating income (REBIT) for the period to capital employed at the end of the period. It is used to assess the profitability of capital expenditure over time.

- **Return on adjusted capital employed**

This alternative performance indicator corresponds to the ratio of recurring operating income (REBIT) for the period to the adjusted capital employed at the end of the period. It is used to assess the profitability of capital expenditure over time, by adjusting items relating to capital employed acquired during the period or in the course of disposal to bring them into line with the items used in REBIT.

- **EBITDA to cash conversion rate**

This alternative performance indicator corresponds to the ratio of recurring cash flow to EBITDA. The indicator is used to assess the Group's ability to generate cash to finance, in particular, returns to shareholders, exceptional capital expenditure and acquisitions.

- **EBITDA to operating cash conversion rate**

This alternative performance indicator corresponds to the ratio of operating cash flow to EBITDA. The indicator provides a consistent basis for comparison between periods and with our peers, whatever the growth strategy adopted, whether external growth through acquisitions or internal growth through capital expenditure. It is also one of the financial performance criteria linked to performance share plans. It corresponds to and replaces the "Operating cash conversion rate" indicator defined at the Capital Markets Day on 27 September 2023.