

ARKEMA

Full year 2024
results and highlights

27/02/2025

A vision shaped by the accelerating demand for high performance materials



a **SIGNATURE**

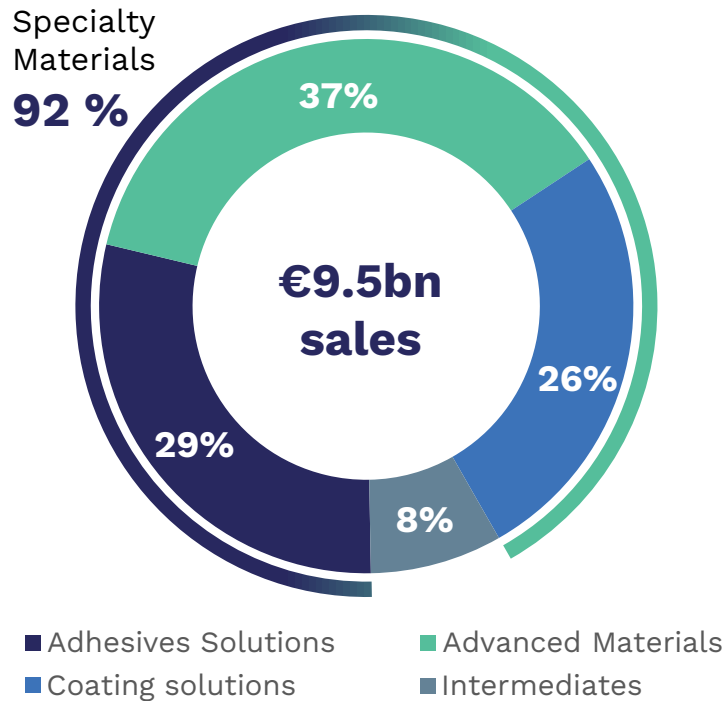
for a **VISION**

INNOVATIVE **MATERIALS** FOR A SUSTAINABLE WORLD

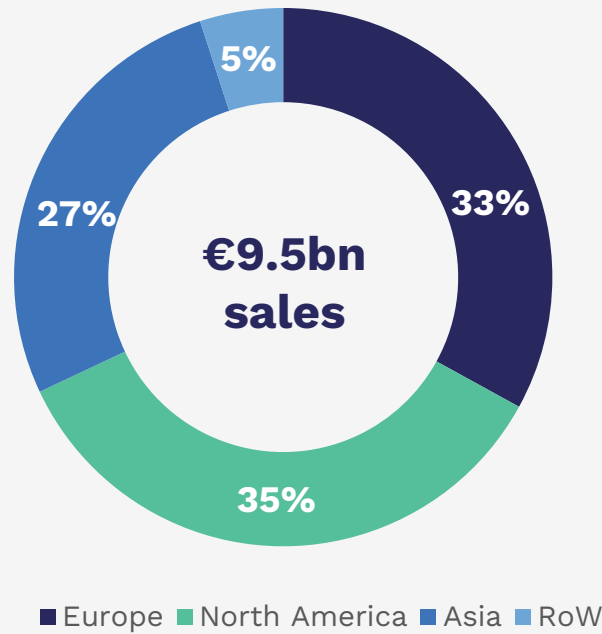
“Be a Specialty Materials leader **offering innovative and sustainable solutions** to address our customers’ current and future challenges”

Arkema 2024 overview

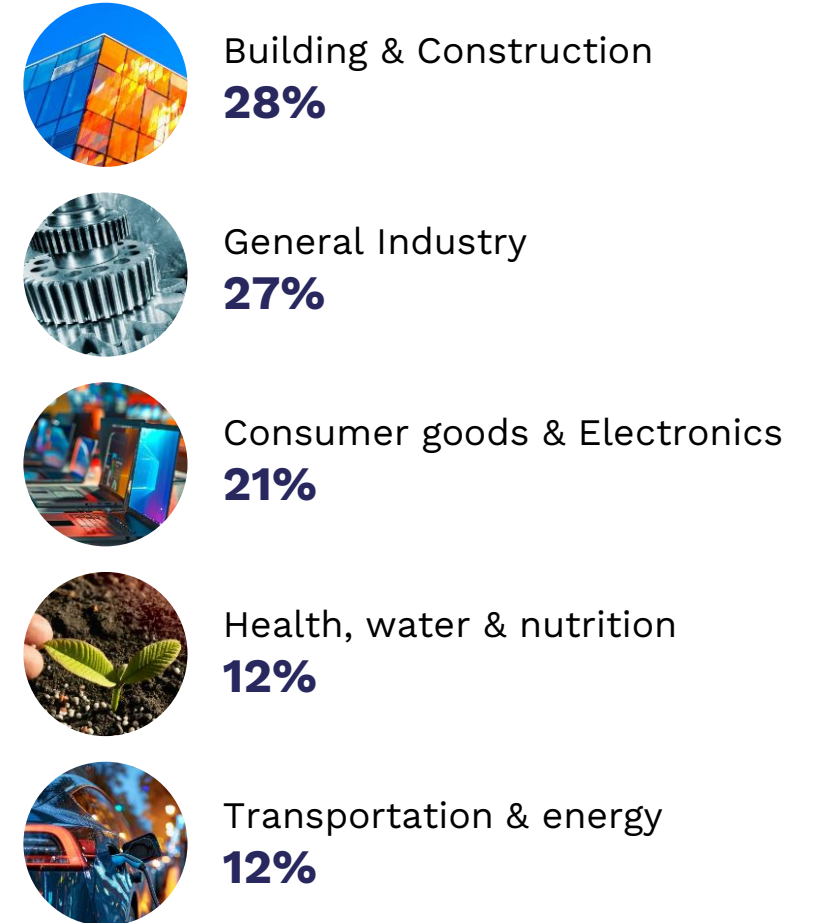
92% sales on Specialty Materials



Balanced geographical footprint



Markets



2024 data

 **55** countries

 **21,150** employees

 **2.9%** R&D spend

2024 key achievements

- ✓ Solid financial performance reflecting the Group's **resilience** and **capacity to adapt** in a challenging macroeconomic environment
- ✓ Growth driven by **Adhesives** and **High Performance Polymers, Asia**, and new business developments linked to megatrends
- ✓ Progressive ramp-up of our **major growth projects** (organic and M&A)
- ✓ Acquisition of **Dow's laminating adhesives business** to become a key global player in flexible packaging
- ✓ **Significant progress on CSR**, leading the Group to strengthen several targets for 2030

Sales

€9,544m

Volumes
+2.4% YoY

EBITDA

€1,532m

EBITDA margin
up at **16.1%**

Adjusted net income

€616m

Dividend⁽¹⁾
3.60€/share

Recurring cash flow

€419m

Net debt ⁽²⁾/EBITDA
ratio at **2.1**

(1) Dividend proposed at next AGM on 22 May 2025

(2) Net debt including hybrid bonds

Specialty Materials growth driven by Adhesives and HPP



Adhesives Solutions

- **8.4% EBITDA increase**
- Good dynamics in packaging and labeling markets, while construction still subdued
- **EBITDA margin** at a record high of **15.1%**



Advanced Materials

- **EBITDA up 6.2%**
- **Significant growth in High Performance Polymers** benefiting from new business development linked to megatrends and PIAM integration
- Performance Additives down on a high comparison base



Coating Solutions

- **EBITDA up in downstream activities** driven by good dynamics in industrial coatings and electronics markets
- Low cycle market conditions in upstream acrylics

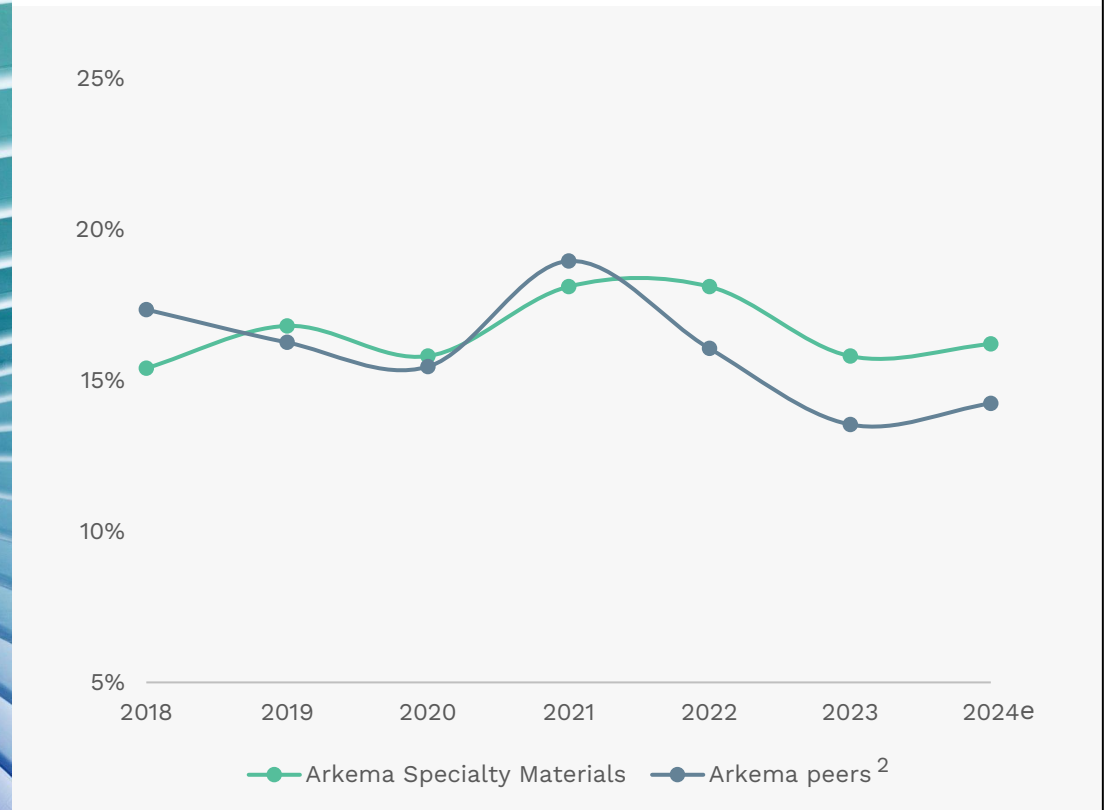
Superior resilience in different macro environments

Lower margin volatility compared to peers (2018-24e)

	EBITDA margin volatility ¹
Arkema Specialty Materials	270 bps
Peers ² average	690 bps

1. Difference between highest and lowest annual EBITDA margin over 2018-24
2. HB Fuller, Sika, BASF, Clariant, Covestro, Dow, Evonik, Syensqo (Solvay before 2023), Wacker, Lanxess.
Published 2024 results for HB Fuller and Sika, 2024 estimates for other peers.

EBITDA margin evolution (2018-24e)



Continuous cost-cutting initiatives

- Better products and process **yields**, and improved **energy efficiency**
- **Digitalization**, automation and process simplification
- Global **procurement strategy** for goods and services
- Improved efficiency of **internal processes**



€55m
cost savings
in 2024

—
1/3 fixed costs
2/3 variable costs

In line with 2028 target

€250m
cost savings
by 2028 vs. 2023

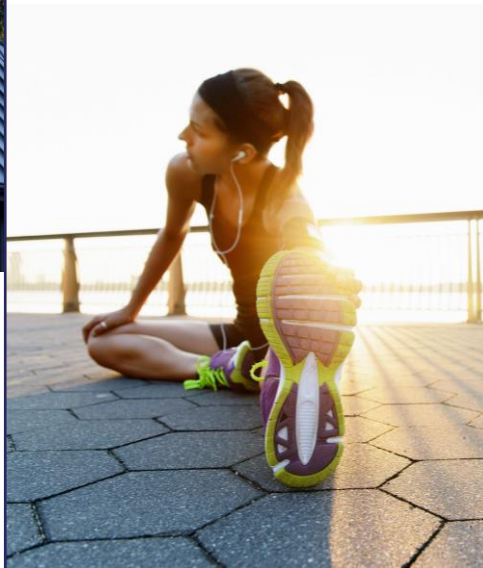
Attractive technologies serving 5 identified high-growth platforms

One Arkema portfolio in EV batteries, and additives, resins and polymer in **green energy and electric mobility**



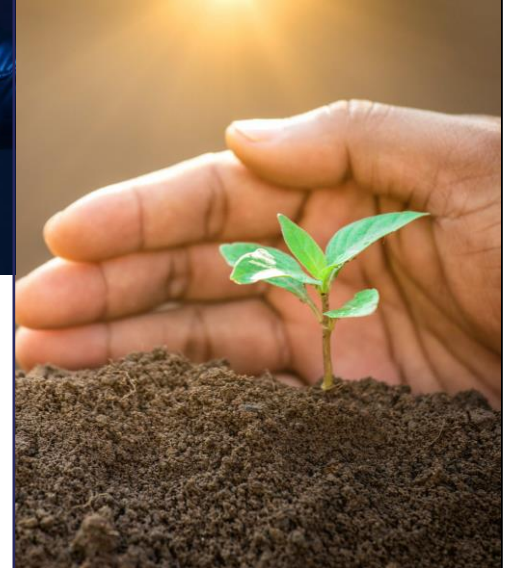
Adhesives, sealants and coatings for **efficient buildings and homes**

High performance and bio-based polymers for **sustainable lifestyle and goods**



Resins, high performance films and polymers for **advanced electronics**

High performance polymers for **health and well-being**



3x higher
organic sales CAGR
than Group's average

> 50%
of Arkema **R&D spendings**

Latest sustainable innovations serving these high-growth platforms

Textile and paint markets

Product carbon footprint reduction up to 30% with bio-based ethyl acrylate

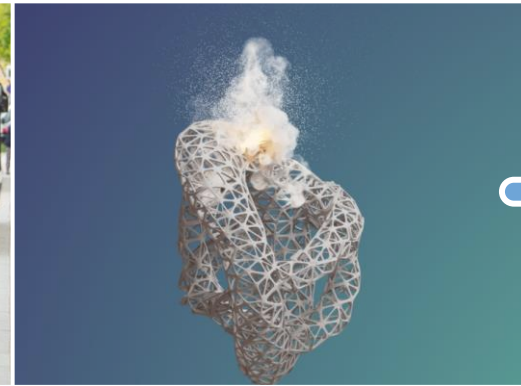


Flooring adhesive

R3Bond® SYSTEM enabling to recycle floor covering

Green hydrogen

New grades of molecular sieves improving efficiency and energy savings in purification process



3D printing

Recyclable Orgasol® PA12 powders enabling to reach a zero-waste solution

E-mobility

Product carbon footprint reduction up to 20% with recycled based powder coatings



Electronics and medical

Born2Bond™ Ultra K85 bio-based fast-bond adhesive

High density of projects to support our growth

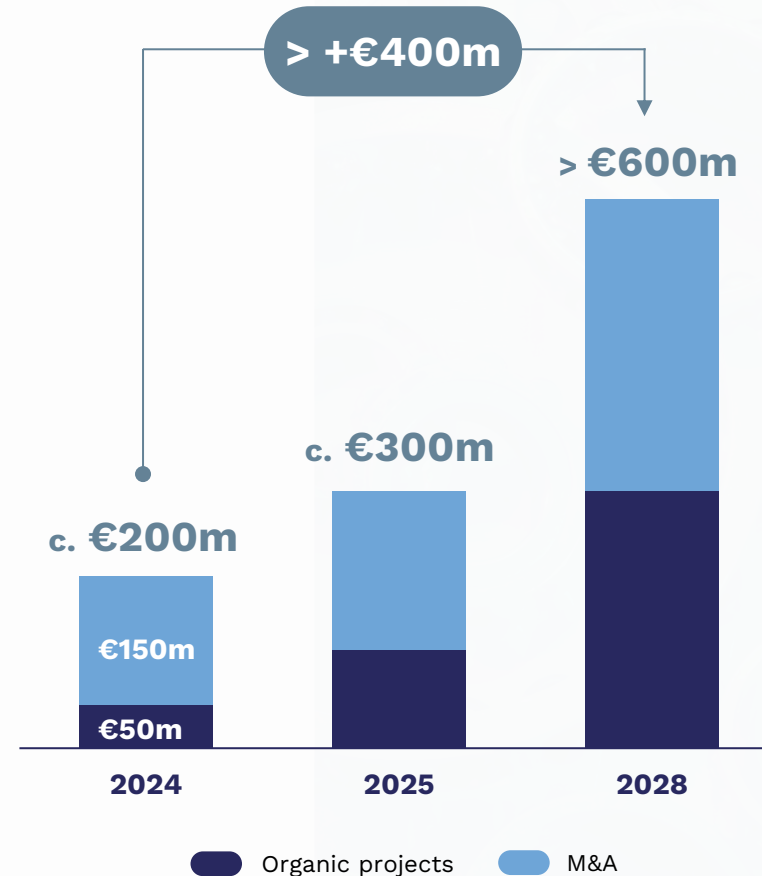
CAPEX

> 95% disbursed at end of 2024

- **UV curing resins** (China)
Electronics and medical
- **Bio-based Amino 11** and **PA11** (Singapore, China)
Consumer goods
- **Niche additives** (China)
Renewable energy
- **PVDF** (China)
Batteries
- **PVDF** (USA) **NEW**
Batteries and semiconductors
- **High performance additives** (USA)
Biofuels and refinery
- Low GWP **fluorospecialty** (USA)
Thermal insulation, batteries
- **HF** with Nutrien (USA)
PI Advanced Materials (54%)
- **Pebax®** (France)
Sports goods
Ashland Performance Adhesives
- Dow flexible packaging laminating adhesives

Acquisitions

EBITDA contribution



Major growth projects located in North America and Asia

● Acquisition ● CAPEX

North America

- Ashland Performance Adhesives
- Dow laminating adhesives
- Additive for biofuels and refinery
- Low GWP fluorospecialty
- HF with Nutrien
- **NEW** PVDF for batteries

Europe

- Pebax® for sports goods

Asia & RoW

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

Sales breakdown by region

Long-term Group's trend

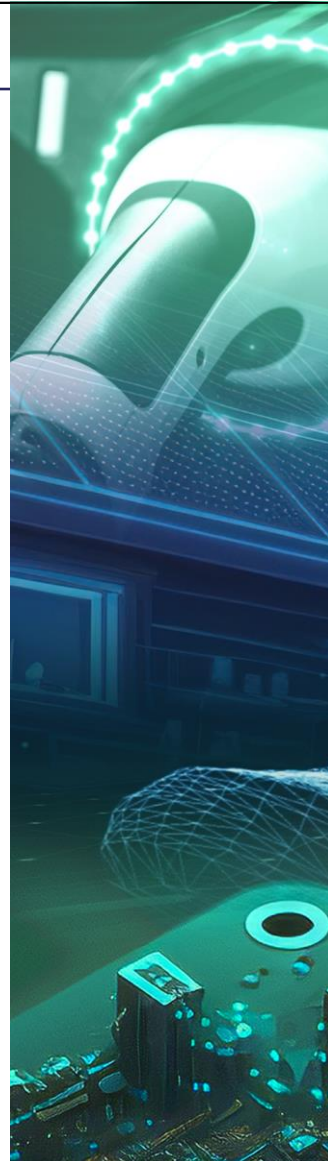


Significant growth opportunities confirmed for PIAM

+15% EBITDA
in 2024 vs. 2023

**Promising start
of the year 2025**

**Market growth
and PI penetration
rate increase**



Growth drivers

**New product
launches in mobile
devices**
(foldable, 5G)

High-value-added
ultra-thin films in
mobile and display
(OLED, slimmer devices)

Double-digit growth
in **semiconductors,**
and **batteries**

New certifications
and sales
development in
North America
and **Europe**

Promising first steps for Dow's laminating adhesives business



● One of the **global leaders** of adhesives for the flexible packaging

● **Successful closing and integration starting well**

● **Development potential and synergies confirmed**

- Start of the year aligned with expectations
- **+US\$30m** EBITDA synergies within 5 years

● **Detailed roadmap defined and short-term initiatives launched**

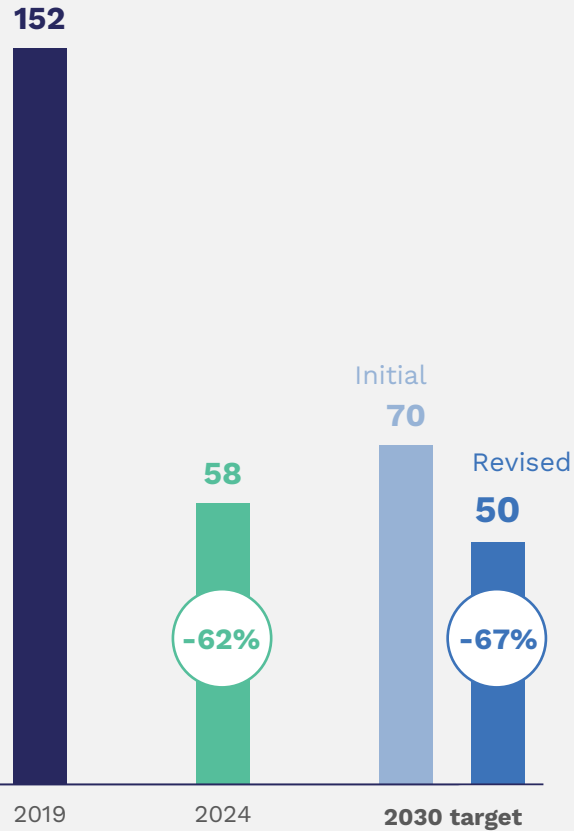
	Sales (50% of synergies)	Cost (50% of synergies)
Short-term	<ul style="list-style-type: none"> • Propose one global rationalized and combined product offering • Restore legacy market position 	<ul style="list-style-type: none"> • Optimize procurement and G&A costs
Medium-term	<ul style="list-style-type: none"> • Accelerate positioning in high-end applications • Develop sustainable offering 	<ul style="list-style-type: none"> • Optimize manufacturing footprint and supply chain

Strengthening our targets on 5 key CSR indicators

CLIMATE

Scope 3 GHG emissions

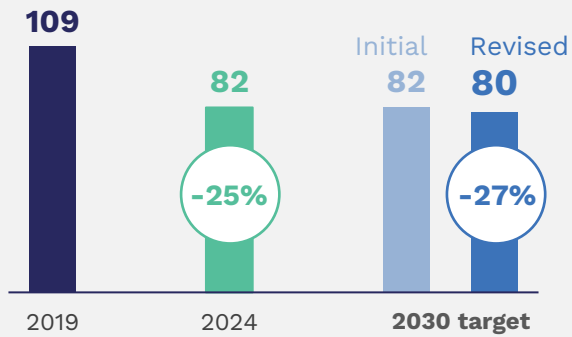
(in Mt CO₂e)



WATER

Water withdrawals

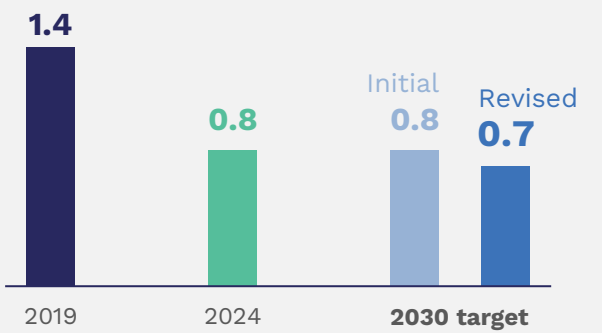
(in million of cu.m)



PEOPLE

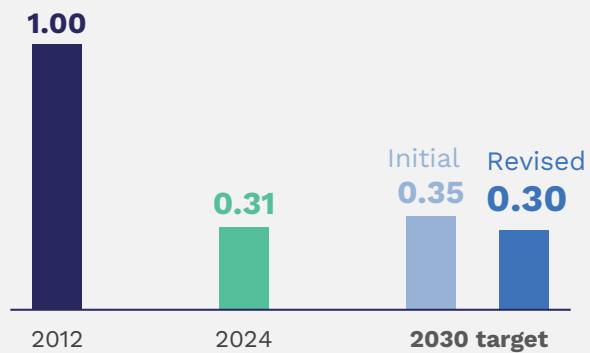
TRIR

(accident per million hours worked)

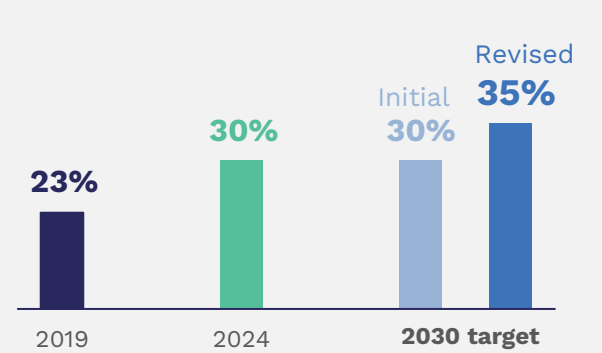


Chemical oxygen demand

(in EFPI relative to 2012)



Women in senior management and executive positions



CSR great achievements in 2024

Innovation

- **> 1,800 researchers** across the 3 regions
- **245 new patents applications**
>90% of filed patents are linked to **sustainable development**
- **53% of Impact+ sales**
Sales contributing significantly to UN Sustainable Development Goals Target of 60%⁽¹⁾ in 2030

(1) Previously 65%, reflecting slower development of the EV market

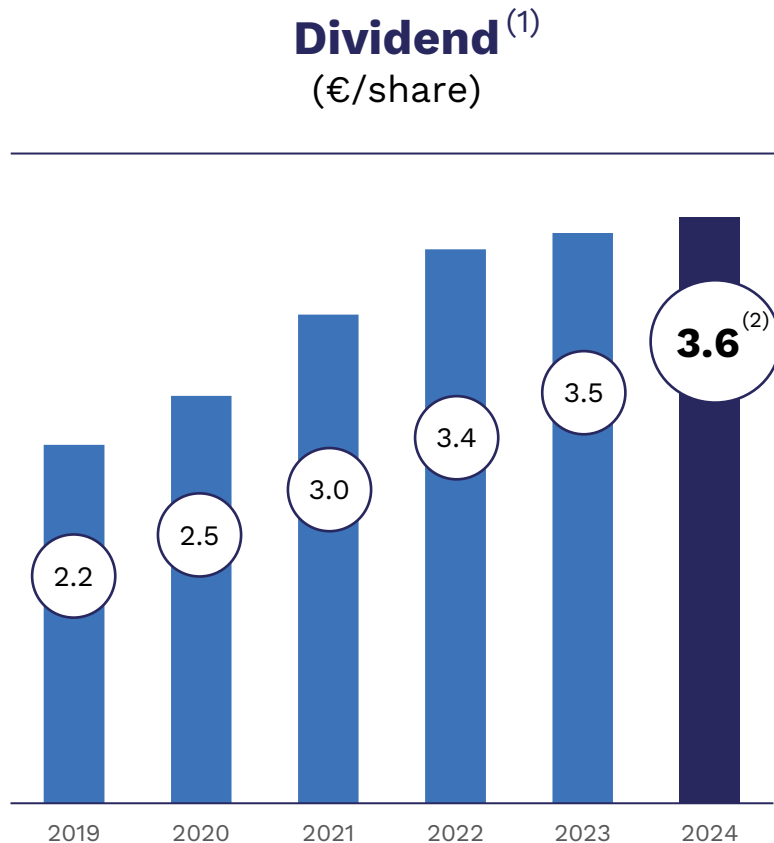
Recognitions

- **Numerous external awards in China**
- **Solar Impulse labels** for Kynar Aquatec® and Rilsan® PA11 products range
- Registration of one Oleris® product on **ChemSec Marketplace**
- **European Responsible Care awards** for our water consumption reduction program, and Rilsan® PA11 carbon footprint reduction

Acculturation

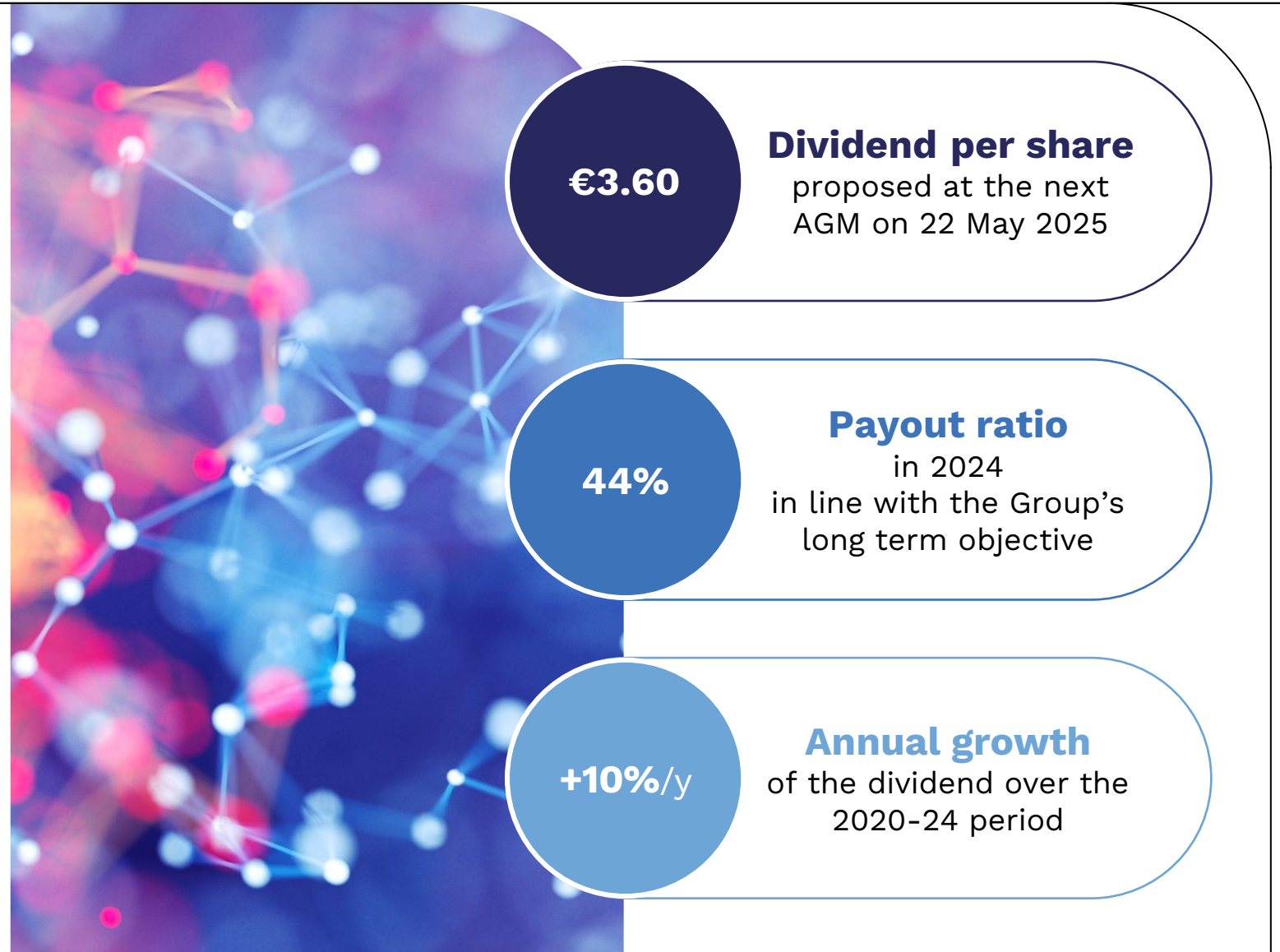
- **Climate Fresk** with 4,000+ participants in 20 countries
- **Climate School fundamentals** with 5,000+ learners in 9 languages
- **Go For the Planet Day** dedicated to biodiversity
- **Suppliers' webinar** gathering 300 suppliers in the 3 regions

Continuous increase of shareholder return



(1) Dividend per fiscal year

(2) Dividend proposed at next AGM on 22 May 2025

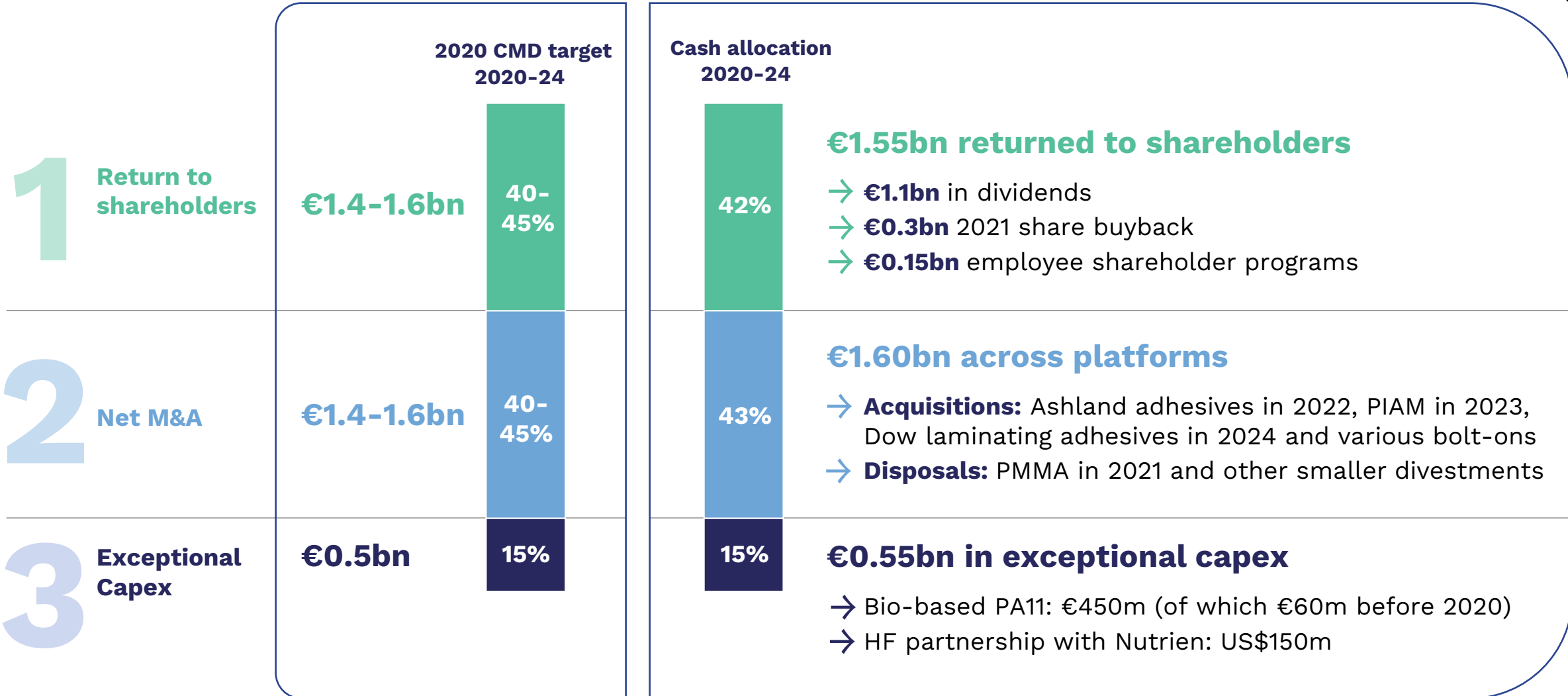


2020-24 performance in line with the 2020 CMD ambition in a volatile environment

	2024 Ambition¹ from 2020 CMD	Average 2020-24	2024 in a challenging global macroeconomic environment
Net Sales	€10-11bn	€9.6bn	€9.5bn
Group EBITDA margin	c. 17%	16.7%	16.1%
EBITDA to cash conversion rate	>40%	46%	27%
Net debt/EBITDA	<2x	1.5	2.1

1. In normalized macroeconomic and market conditions as defined in the "Strategy Update" presentation dated 2 April 2020

Cash allocation fully in line with the 2020-24 targets



Outlook FY'25

- ✓ Macroeconomic environment remains uncertain and marked by weak demand at the start of the year
- ✓ The Group aims for its EBITDA to grow in 2025 and reach between **€1.53 bn and €1.67 bn** depending on the evolution of macroeconomic conditions, supported by an additional significant contribution from its major projects in Specialty Materials, of around €100 million EBITDA compared to 2024, while Intermediates are expected to decrease
- ✓ The Group also plans to strongly increase its **recurring cash flow** to **around 600 million euros** in 2025
- ✓ The Group will rely on its balanced geographical footprint and the diversity of its end markets to benefit from the different regional dynamics. Cost control actions as well as strict management of its operations will continue.



Detailed Q4 & FY 2024 results

2024 financial highlights

€9,544m sales

→ **Stable** YoY

- Volumes up 2.4% supported by growth in Specialty Materials in Asia
- More favorable volume dynamics in certain markets such as sports, packaging, batteries and energy
- Negative 3.0% price effect reflecting the slight decrease in raw materials prices

€1,532m EBITDA

16.1% EBITDA margin

→ **FY'24 EBITDA and EBITDA margin slightly up**

- Benefit from the Group's balanced geographical footprint and the quality of its portfolio of technologies
- Significant growth in Adhesive Solutions and High Performance Polymers, while Performance Additives and Coating Solutions were down
- Contrasted trends between regions with very strong growth in Asia, a relative stability in North America and a decline in Europe

€616m adj. net income

→ Representing **€8.23** per share

€3,241m net debt
and hybrid bonds

→ Recurring cash flow of **€419m**

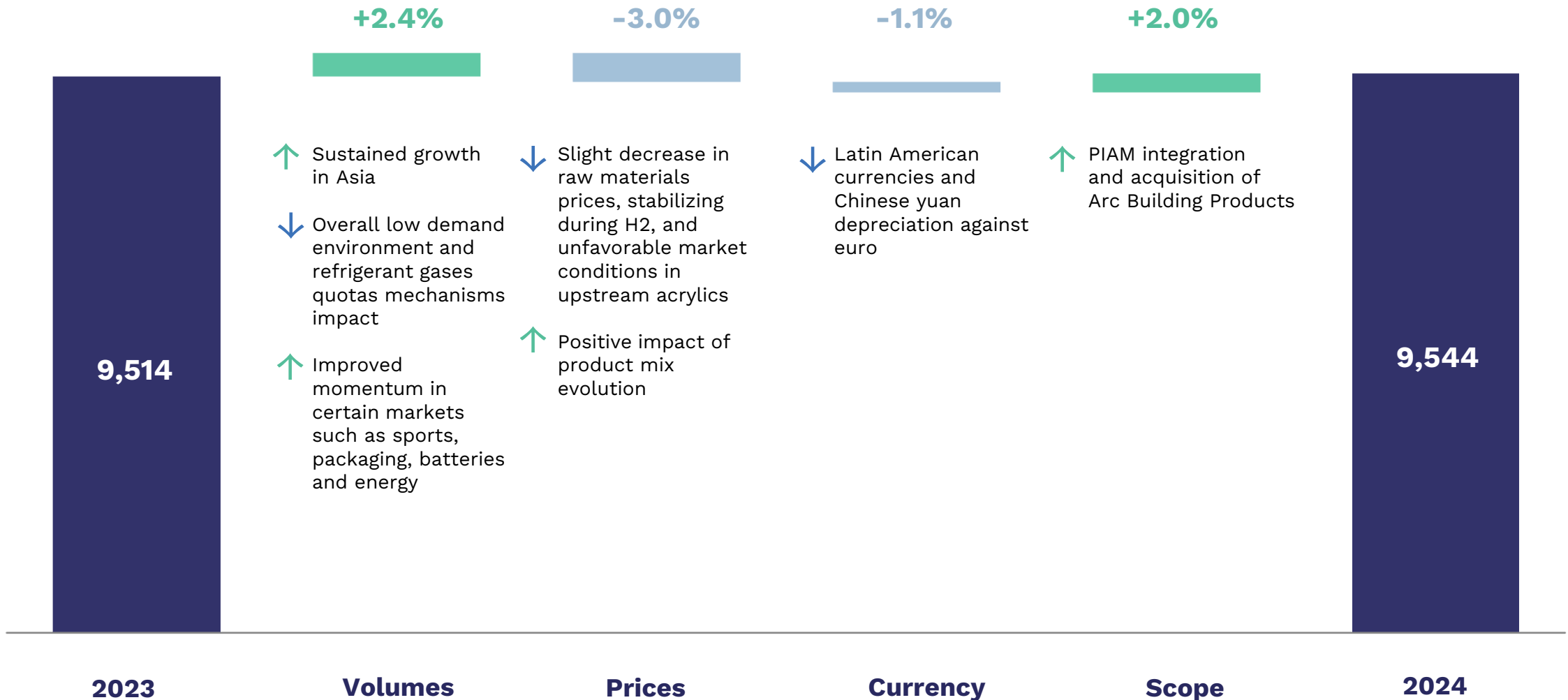
→ Net debt and hybrid bonds representing 2.1x EBITDA 2024

Key figures

	Q4'24	Q4'23	Change	2024	2023	Change
Sales	2,273	2,222	+2.3%	9,544	9,514	+0.3%
EBITDA	324	331	-2.1%	1,532	1,501	+2.1%
Specialty Materials	311	312	-0.3%	1,420	1,373	+3.4%
Intermediates	24	40	-40.0%	198	213	-7.0%
Corporate	-11	-21		-86	-85	
EBITDA margin	14.3%	14.9%		16.1%	15.8%	
Specialty Materials	14.8%	15.2%		16.2%	15.8%	
Intermediates	14.5%	24.8%		25.8%	26.7%	
Recurring operating income (REBIT)	145	174	-16.7%	895	939	-4.7%
REBIT margin	6.4%	7.8%		9.4%	9.9%	
Adjusted net income	96	107	-10.3%	616	653	-5.7%
Net debt (incl. hybrid bonds)	3,241	2,930		3,241	2,930	

Stable sales in a globally weak demand environment

Sales in €million

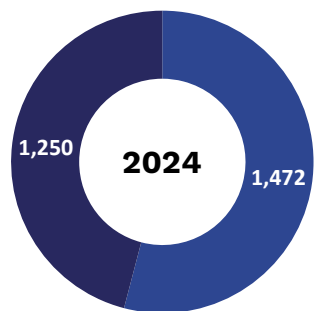


Adhesive Solutions (29% of Group sales in 2024)

Key figures

in €m	Q4'24	Q4'23	Change	2024	2023	Change
Sales	654	642	+1.9%	2,722	2,714	+0.3%
EBITDA	91	94	-3.2%	412	380	+8.4%
EBITDA margin	13.9%	14.6%		15.1%	14.0%	
REBIT	67	69	-2.9%	323	293	+10.2%

Sales by Business Line



■ Construction & Consumer
■ Industrial Assembly

Sales development

	Q4'24	2024
Volumes	+0.6%	+2.4%
Prices	-0.1%	-2.0%
Currency	-0.8%	-1.2%
Scope	+2.2%	+1.1%

2024 highlights

→ Volumes up 2.4%

- Good growth in industrial adhesives
- Construction market stabilized at low level
- Positive dynamics in packaging and labeling, as well as in durable goods in the first part of the year

→ Prices down 2.0%

- Reflecting the decrease of certain raw materials prices

→ EBITDA sharply up 8.4% and record EBITDA margin at 15.1%

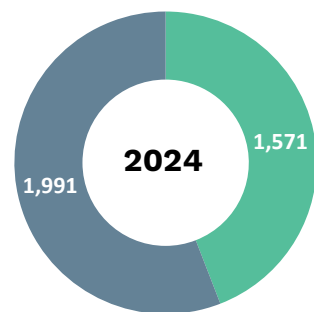
- Contribution of latest bolt-on acquisitions and associated synergies
- Value pricing and product mix improvement
- Operational excellence

Advanced Materials (37% of Group sales in 2024)

Key figures

in €m	Q4'24	Q4'23	Change	2024	2023	Change
Sales	881	857	+2.8%	3,562	3,562	-
EBITDA	166	149	+11.4%	707	666	+6.2%
EBITDA margin	18.8%	17.4%		19.8%	18.7%	
REBIT	58	56	+3.6%	336	366	-8.2%

Sales by Business Line



■ High Performance Polymers
■ Performance Additives

Sales development

	Q4'24	2024
Volumes	+2.4%	+1.2%
Prices	-2.3%	-4.4%
Currency	-0.6%	-1.5%
Scope	+3.3%	+4.7%

2024 highlights

→ Volumes up 1.2%

- Positive dynamics in Asia, partly offset by marked decline in Europe
- Good growth in HPP and stable Performance Additives
- Supported by the battery, sports, energy and medical markets, while impacted by the slowdown of the automotive sector in H2'24

→ Prices down 4.4%

- Reflecting mainly raw materials price evolution

→ Solid EBITDA growth at +6.2%

- Contribution of new developments and PIAM
- Development of fluorospecialties with low emissive impact
- Benefit from strong HPP footprint in Asia
- Performance Additives down on a high comparison base and impacted by German flooding

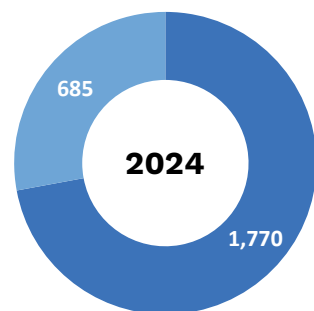
→ EBITDA margin nearing 20%

Coating Solutions (26% of Group sales in 2024)

Key figures

in €m	Q4'24	Q4'23	Change	2024	2023	Change
Sales	565	552	+2.4%	2,455	2,402	+2.2%
EBITDA	54	69	-21.7%	301	327	-8.0%
EBITDA margin	9.6%	12.5%		12.3%	13.6%	
REBIT	20	37	-45.9%	174	201	-13.4%

Sales by Business Line



■ Coating Resins
■ Coating Additives

Sales development

	Q4'24	2024
Volumes	+2.6%	+6.8%
Prices	0.0%	-4.1%
Currency	-0.2%	-0.5%
Scope	-	-

2024 highlights

→ Volumes up 6.8%

- Strong dynamics in downstream activities in industrial coatings and electronics
- Ramp-up of Sartomer's UV curing resins capacity expansion in China
- Growth in upstream acrylics in Europe on a low comparison base

→ Prices down 4.1%

- Decrease in certain raw materials prices
- Unfavorable market conditions in upstream acrylics

→ €301m EBITDA and EBITDA margin at 12.3%

- Downstream activities up while upstream acrylics impacted by low cycle market conditions
- Development of high-value added solutions focused notably on sustainability
- Benefit from acrylic chain integration

Intermediates (8% of Group sales in 2024)

Key figures

in €m	Q4'24	Q4'23	Change	2024	2023	Change
Sales	165	161	+2.5%	768	797	-3.6%
EBITDA	24	40	-40.0%	198	213	-7.0%
EBITDA margin	14.5%	24.8%		25.8%	26.7%	
REBIT	15	35	-57.1%	157	170	-7.6%

Sales development

	<u>Q4'24</u>	<u>2024</u>
Volumes	+20.5%	-4.8%
Prices	-13.0%	+3.1%
Currency	+1.2%	-0.7%
Scope	-6.2%	-1.2%

2024 highlights

→ Volumes down 4.8%

- Lower quotas in refrigerant gases in Europe and United States
- Higher acrylics volumes in China

→ Prices up 3.1%

- Higher prices in refrigerant gases while acrylics in China under pressure

→ Slight decrease of EBITDA and strong resilience of EBITDA margin at 25.8%

- Impact of quota mechanisms in refrigerant gases (prices up compensating volumes decrease)
- Stability at a low point in acrylics in China

Solid cash flow

in €million

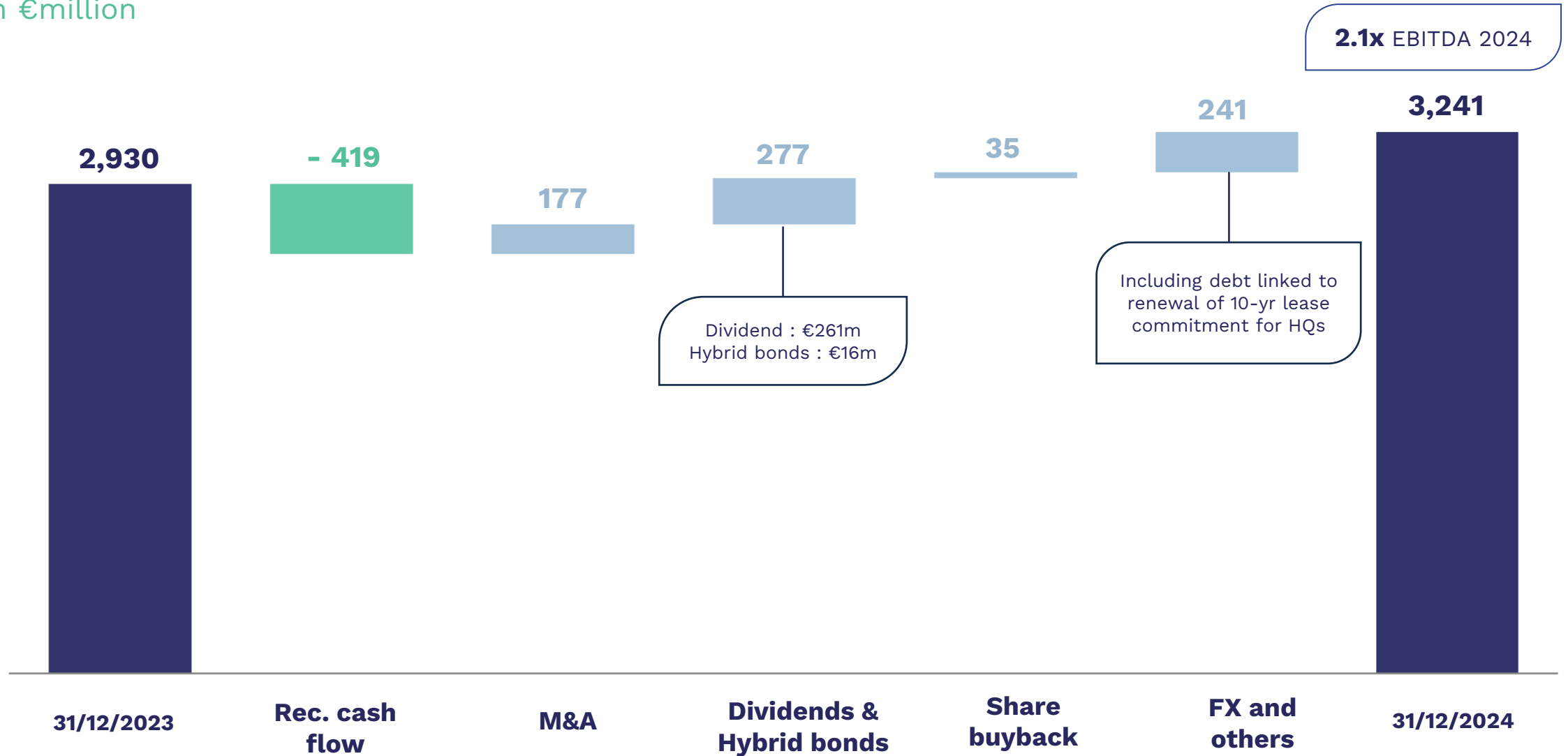
	Q4'24	Q4'23	2024	2023
EBITDA	324	331	1,532	1,501
Taxes	-54	-3	-199	-184
Cash items included in the financial result	-17	-17	-58	-53
Change in working capital and fixed assets payables ⁽¹⁾	277	281	-60	127
Other	-48	-8	-35	-22
Operating cash flow	482	584	1,180	1,369
Recurring capital expenditure	-325	-259	-761	-608
Recurring cash flow	157	325	419	761
Exceptional capital expenditure	0	-9	0	-26
Non-recurring cash flow	-9	-33	-61	-110
Free cash flow	148	283	358	625
Net cash flow from portfolio management operations	-135	-664	-177	-708
Net cash flow	13	-381	181	-83

(1) Excluding non-recurring items and impact of portfolio management

- **2024 tax rate**
22% of REBIT (excl. exceptional items)
- **Working capital**
13.8% of annual sales excluding Dow laminating adhesives (13.1% at end-2023 excl PIAM)
- **Capex in line with guidance**
 - €761m in 2024
 - Expected between €650m and €700m per year over 2025-28
 - Middle of this range in 2025
- **Portfolio management**
 - Dow's laminating adhesives acquisition in December 2024
 - PIAM 54% stake in December 2023

Net debt maintained around 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 2023 Universal Registration Document.

Arkema does not assume any liability to update such forward-looking statements whether as a result of any new information or any unexpected event or otherwise.

Further information on factors which could affect Arkema's financial results is provided in the documents filed with the French *Autorité des marchés financiers*.

Financial information since 2005 is extracted from the consolidated financial statements of Arkema. Quarterly financial information is not audited.

The business segment information is presented in accordance with Arkema's internal reporting system used by the management.

Definitions and reconciliation tables for the main alternative performance indicators used by the Group are provided in the "Arkema full-year 2024 results press release" available on Arkema's website at : www.arkema.com/global/en/investor-relations/