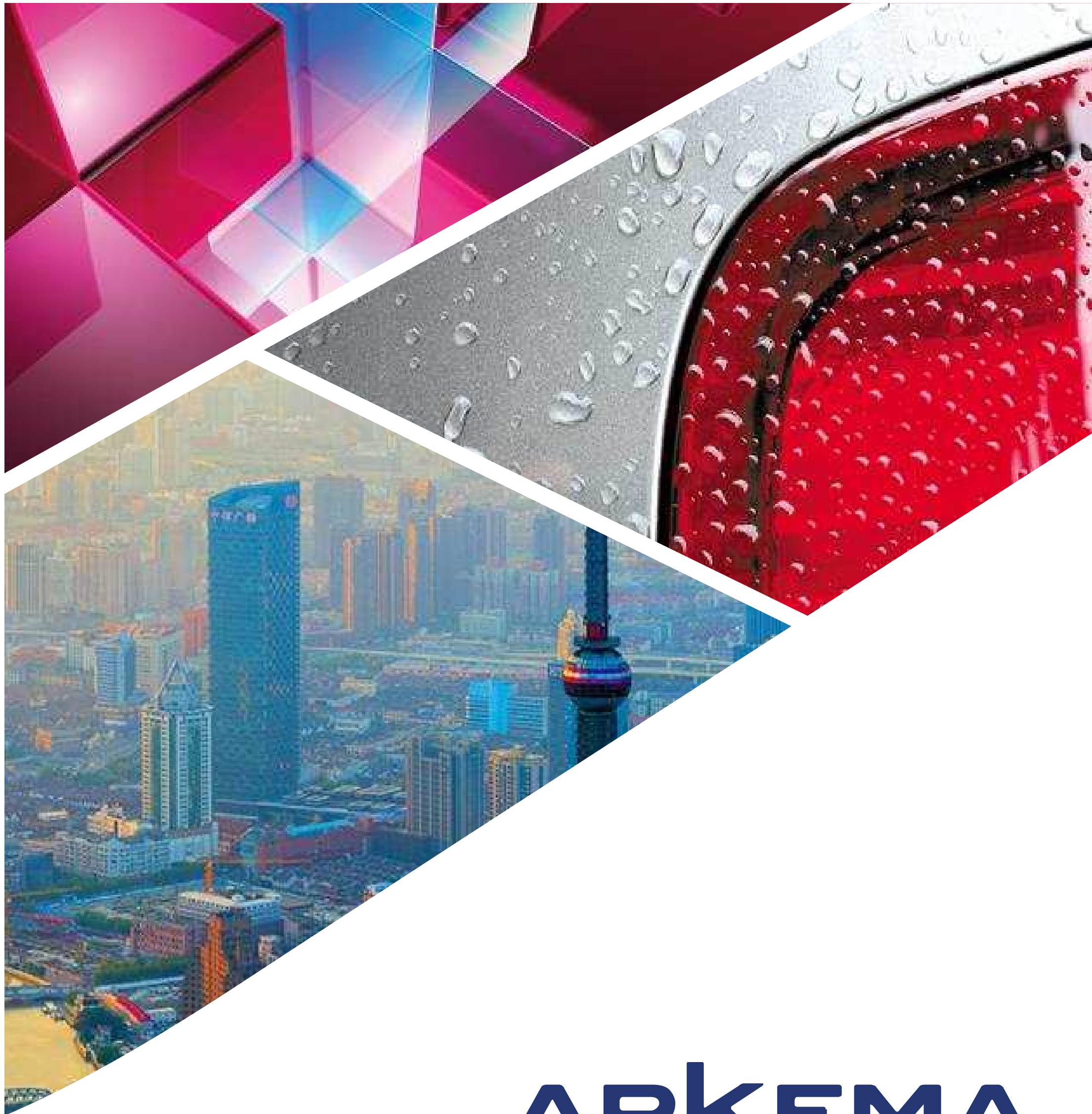
THIRD-QUARTER 2020 RESULTS

05 NOVEMBER 2020



ARKEMA
INNOVATIVE CHEMISTRY

STRONG SEQUENTIAL VOLUMES IMPROVEMENT AND EXCELLENT CASH GENERATION

€1,909m sales	9% decline at constant scope and currency (-18% in Q2'20), in line with the guidance of around -10% issued end July. Negative volume effect of 4.4% Rebound in the construction and decorative paints markets. Industrial markets remain well down overall despite growth in certain niches with a high technological content such as batteries
€307m EBITDA **16.1%** EBITDA margin	Moderate decline in Specialty Materials [1] EBITDA, supported by Bostik's growth and the resilience of Advanced Materials' and Coating Solutions' margins Marked decline in Intermediates, despite the sequential improvement in PMMA Continued fixed cost reduction initiatives
€109m adj. net income	**€1.42** adjusted EPS
€285m free cash flow	High level, reflecting the strict management of working capital and moderation of capital expenditure
€1,869m net debt (incl. hybrid bonds)	Down €265m compared with end of June 2020

1. Specialty Materials include the three following segments: Adhesive Solutions, Advanced Materials and Coating Solutions

FURTHER STEPS TO STRENGTHEN ADHESIVE SOLUTIONS

JAPAN

New plant in industrial adhesives

New **world-scale industrial adhesives plant** in Nara

Markets: diapers, hygiene, packaging, labelling, transportation and electronics

In line with Bostik's **geographical expansion** strategy

Start-up in September 2020

IDEAL WORK

Acquisition in flooring adhesives

Specialized in **high-end decorative flooring technologies**, especially micro-cement

Revenue of **~€10m per year**

Markets: flooring renovation and decoration

In line with Bostik's **growth** strategy in the **construction market**

Closing 1 October 2020

FIXATTI

Acquisition in industrial adhesives

Leading global manufacturer of **high-performance thermobonding adhesive powders**

Revenue of **~€55m per year**

Markets: construction, technical coatings, batteries, automotive, and textile printing

In line with Bostik's **growth** strategy in **high performance adhesives for Industrial Assembly**

Closing 1 October 2020

CSR HIGHLIGHTS

PORTFOLIO SUSTAINABILITY ASSESSMENT

65% of Group sales assessed at end Sept. 2020 (44% at end 2019)

Around 46% of assessed sales significantly contribute to UN SDGs

CLIMATE & ENVIRONMENT (9M'20 vs end 2019)

CLIMATE	AIR	WATER	ENERGY
Around **-10%**	More than **-10%**	More than **-5%**	**Broadly stable**

Driven by proactive actions of the Group

while lower volumes had a slight favorable impact on climate and a negative impact on energy

Indicators in absolute value for GHG (climate) and in intensity for VOC (air), COD (water) and energy.

ELIUM®

- **ZEBRA** project for the **first 100% recyclable** wind turbine blade
- **2020 Pierre Potier Prize: Elium®** thermoplastic resin for wind turbines

FIRST EVER GREEN BOND

- **€300m**, **6 years** maturity, coupon **0.125%**, dedicated to **new world-scale plant** in Singapore for **100% bio-based Rilsan® PA 11**

RANKING #11

- **#11** in the Wall Street Journal's ranking of the **100 "Most Sustainably Managed Companies in the World"**, and **#1** in the chemical sector

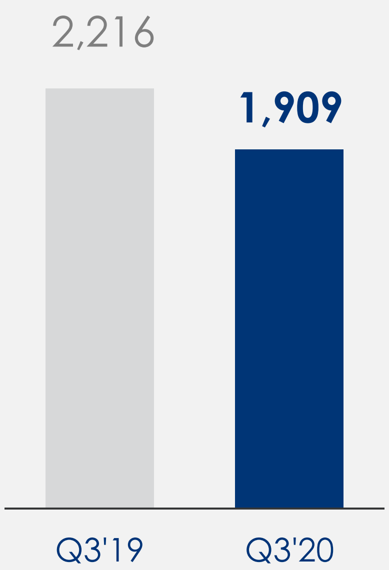
ARKEMA INNOVATIVE CHEMISTRY

SOLID Q3'20 PERFORMANCE IN THE CURRENT CONTEXT

SALES

In €m

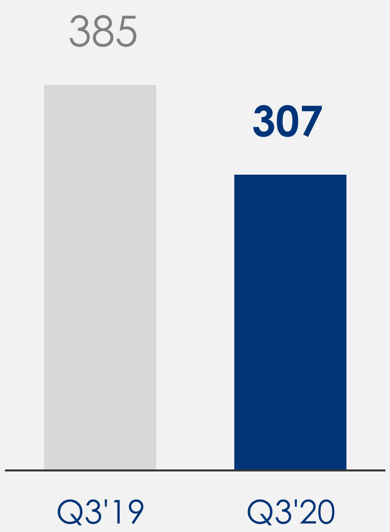
-13.9%



EBITDA

In €m

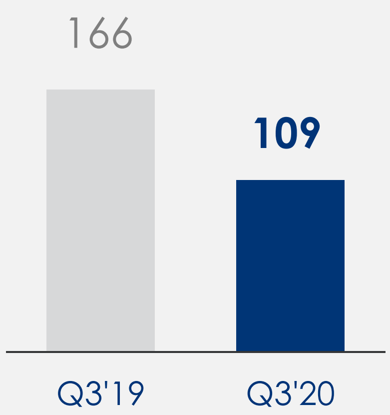
16.1% MARGIN



ADJ. NET INCOME

In €m

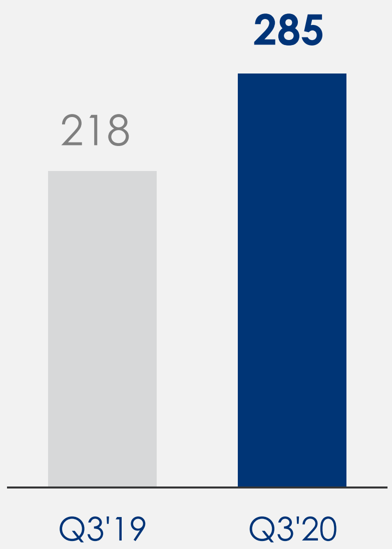
€1.42 ADJ. EPS



FREE CASH FLOW

In €m

x1.3



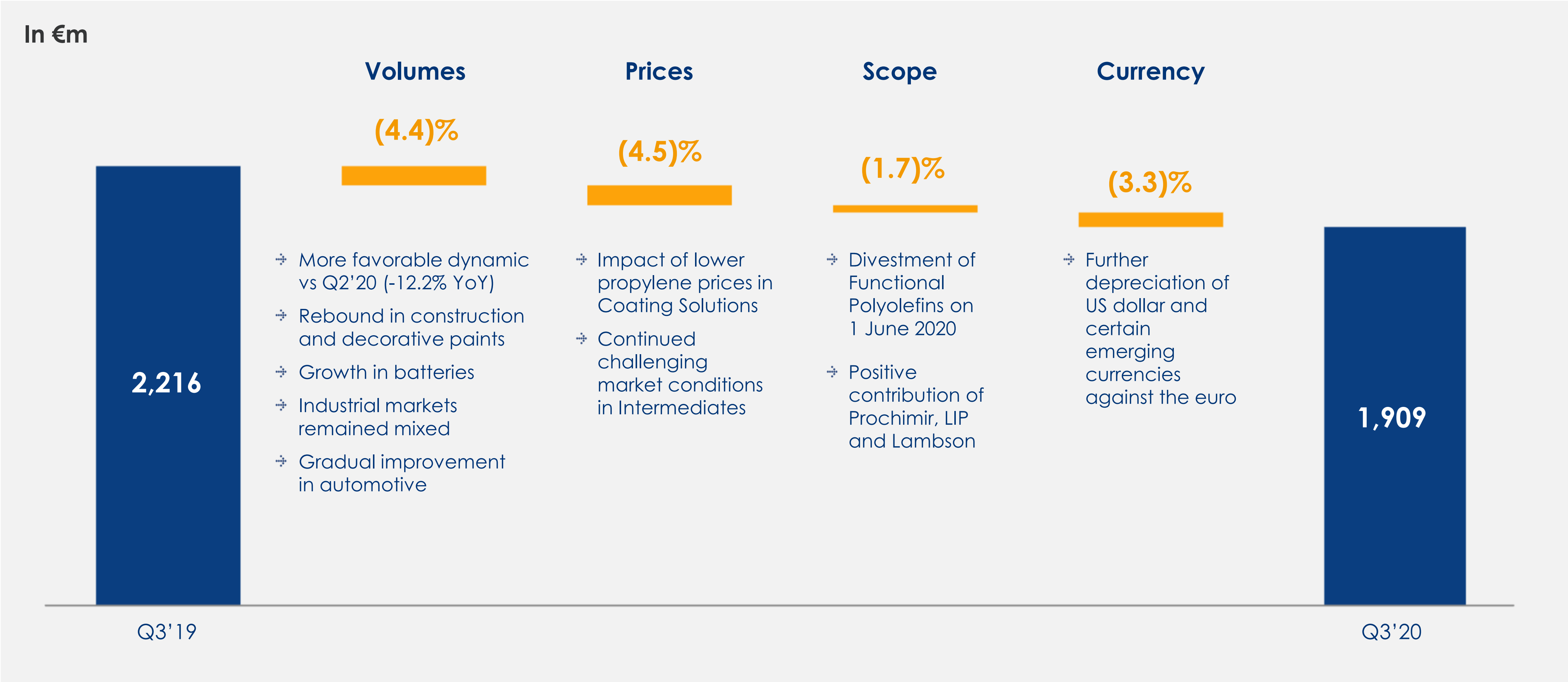
Q3'20 KEY FIGURES

In €m		Q3'19	**Q3'20**	Change
Sales		2,216	**1,909**	(13.9)%
EBITDA		385	**307**	(20.3)%
	Specialty Materials	312	**268**	(14.1)%
	Intermediates	92	**55**	(40.2)%
	Corporate	-19	**-16**	
EBITDA margin		17.4%	**16.1%**	
	Specialty Materials [1]	17.7%	**16.9%**	
	Intermediates [1]	20.6%	**17.5%**	
Recurring operating income (REBIT)		250	**171**	(31.6)%
REBIT margin		11.3%	**9.0%**	
Adjusted net income		166	**109**	(34.3)%
Net debt (incl hybrid bonds) €2,331m as of 31/12/2019		2,470	**1,869**	

1. Excluding corporate costs allocation

ARKEMA INNOVATIVE CHEMISTRY

Q3'20 SALES BRIDGE



Volumes
- More favorable dynamic vs Q2'20 (-12.2% YoY)
- Rebound in construction and decorative paints
- Growth in batteries
- Industrial markets remained mixed
- Gradual improvement in automotive

Prices
- Impact of lower propylene prices in Coating Solutions
- Continued challenging market conditions in Intermediates

Scope
- Divestment of Functional Polyolefins on 1 June 2020
- Positive contribution of Prochimir, LIP and Lambson

Currency
- Further depreciation of US dollar and certain emerging currencies against the euro

ADHESIVE SOLUTIONS (27% OF GROUP SALES)

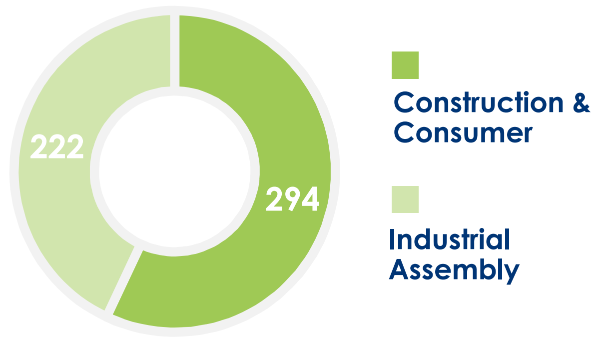
Q3'20 KEY FIGURES

In €m	Q3'19	Q3'20	Change
Sales	522	**516**	(1.1)%
EBITDA	71	**73**	+2.8%
EBITDA margin	13.6%	**14.1%**	
Rec. operating income	57	**57**	-

Q3'20 SALES DEVELOPMENT

Volumes	**(0.3)%**
Prices	**+0.4%**
Currency	**(3.7)%**
Scope	**+2.5%**

Q3'20 SALES BY BUSINESS LINE



Q3'20 HIGHLIGHTS

- **€516m sales, down 1.1% YoY**
  - Sales back to prior year level at constant scope and currency, after the temporary drop in Q2'20
  - Volumes down 0.3% confirming strong recovery of construction, while industrial sectors remained challenging, and packaging and hygiene normalized
  - Scope effect of +2.5% corresponding to LIP and Prochimir integration
- **€73m EBITDA and 14.1% EBITDA margin**
  - EBITDA up ~3% YoY reflecting LIP and Prochimir contribution, very good performance in construction and DIY markets, and fixed costs control
  - EBITDA margin +50 bps YoY, confirming Adhesive Solutions' resilience in a challenging macro-economic environment and operational progress

ADVANCED MATERIALS (31.5% OF GROUP SALES)

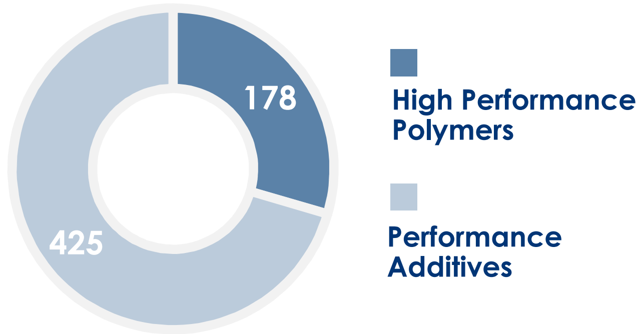
Q3'20 KEY FIGURES

In €m	Q3'19	Q3'20	Change
Sales	708	**603**	(14.8)%
EBITDA	159	**127**	(20.1)%
EBITDA margin	22.5%	**21.1%**	
Rec. operating income	100	**66**	(34.0)%

Q3'20 SALES DEVELOPMENT

Volumes	**(12.6)%**
Prices	**+0.8%**
Currency	**(3.0)%**
Scope	**-**

Q3'20 SALES BY BUSINESS LINE



Q3'20 HIGHLIGHTS

- **€603m sales, down 14.8% YoY**
  - Decline in volumes (-12.6%) linked to the Covid-19 crisis
    - In High Performance Polymers, strong growth in batteries overshadowed by sharp decline in industrial sectors, consumer goods and oil & gas
    - Performance Additives volumes down in oil & gas, partly offset by robust performance of certain markets like crop nutrition or medical applications
  - Price effect of +0.8% mainly reflecting favorable product mix
- **€127m EBITDA and 21.1% EBITDA margin**
  - EBITDA down 20% YoY, primarily reflecting the drop in volumes, notably for High Performance Polymers, and negative FX, partly offset by lower fixed costs
  - EBITDA margin remained at a high level

ARKEMA INNOVATIVE CHEMISTRY

COATING SOLUTIONS (24.5% OF GROUP SALES)

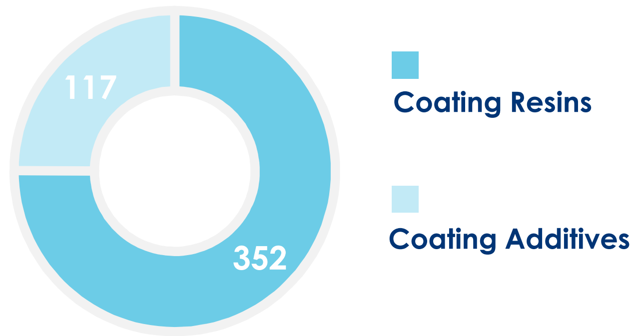
Q3'20 KEY FIGURES

In €m	Q3'19	Q3'20	Change
Sales	532	**469**	(11.8)%
EBITDA	82	**68**	(17.1)%
EBITDA margin	15.4%	**14.5%**	
Rec. operating income	53	**39**	(26.4)%

Q3'20 SALES DEVELOPMENT

Volumes	**+2.1%**
Prices	**(11.3)%**
Currency	**(3.4)%**
Scope	**+0.8%**

Q3'20 SALES BY BUSINESS LINE



Q3'20 HIGHLIGHTS

- **€469m sales, down 11.8% YoY**
  - Price effect of -11.3% primarily linked to lower propylene prices
  - Volumes up 2.1% driven by decorative paints, while demand in other markets remained broadly lower versus last year
- **€68m EBITDA and 14.5% EBITDA margin**
  - EBITDA down 17.1% YoY
    - Decline concentrated in acrylic activities not integrated downstream, amid challenging market conditions since the pandemic started
    - Performance of the other activities on a par with last year's level, supported by good volumes in decorative paints
  - EBITDA margin holding up well, benefitting notably from cost reduction initiatives and synergies between product lines within the segment

INTERMEDIATES (17% OF GROUP SALES)

Q3'20 KEY FIGURES

In €m	Q3'19	Q3'20	Change
Sales	447	315	(29.5)%
EBITDA	92	55	(40.2)%
EBITDA margin	20.6%	17.5%	
Rec. operating income	61	27	(55.7)%

Q3'20 SALES DEVELOPMENT

Volumes	(3.8)%
Prices	(10.5)%
Currency	(3.0)%
Scope	(12.2)%

Q3'20 HIGHLIGHTS

- **€315m sales, down 29.5% YoY**
  - -12.2% scope effect corresponding to the divestment of the Functional Polyolefins business, finalized on 1 June 2020
  - Price effect of -10.5% reflecting unfavorable market conditions in Fluorogases in EU and Asia, and in acrylics in China
  - Modest volumes decline of 3.8%
    - Strong slowdown in Fluorogases
    - Higher demand in PMMA, driven notably by the gradual improvement in automotive and sustained momentum in the niche market for protective barriers
- **€55m EBITDA and 17.5% EBITDA margin**
  - Considerably lower than Q3'19 in the unfavorable context linked to the pandemic
  - Sequential improvement in PMMA

HIGH FREE CASH FLOW IN Q3'20

RECONCILIATION OF EBITDA TO NET CASH FLOW

In €m	Q3'19	Q3'20
EBITDA	**385**	**307**
Current taxes	(48)	(31)
Cost of debt	(24)	(19)
Change in working capital and fixed assets payables [1]	59	160
Recurring capital expenditure	(118)	(105)
Exceptional capital expenditure	(30)	(33)
Non-recurring items and others	(6)	6
FREE CASH FLOW	**218**	**285**
Impact of portfolio management	(594)	(5)
NET CASH FLOW	**(376)**	**280**

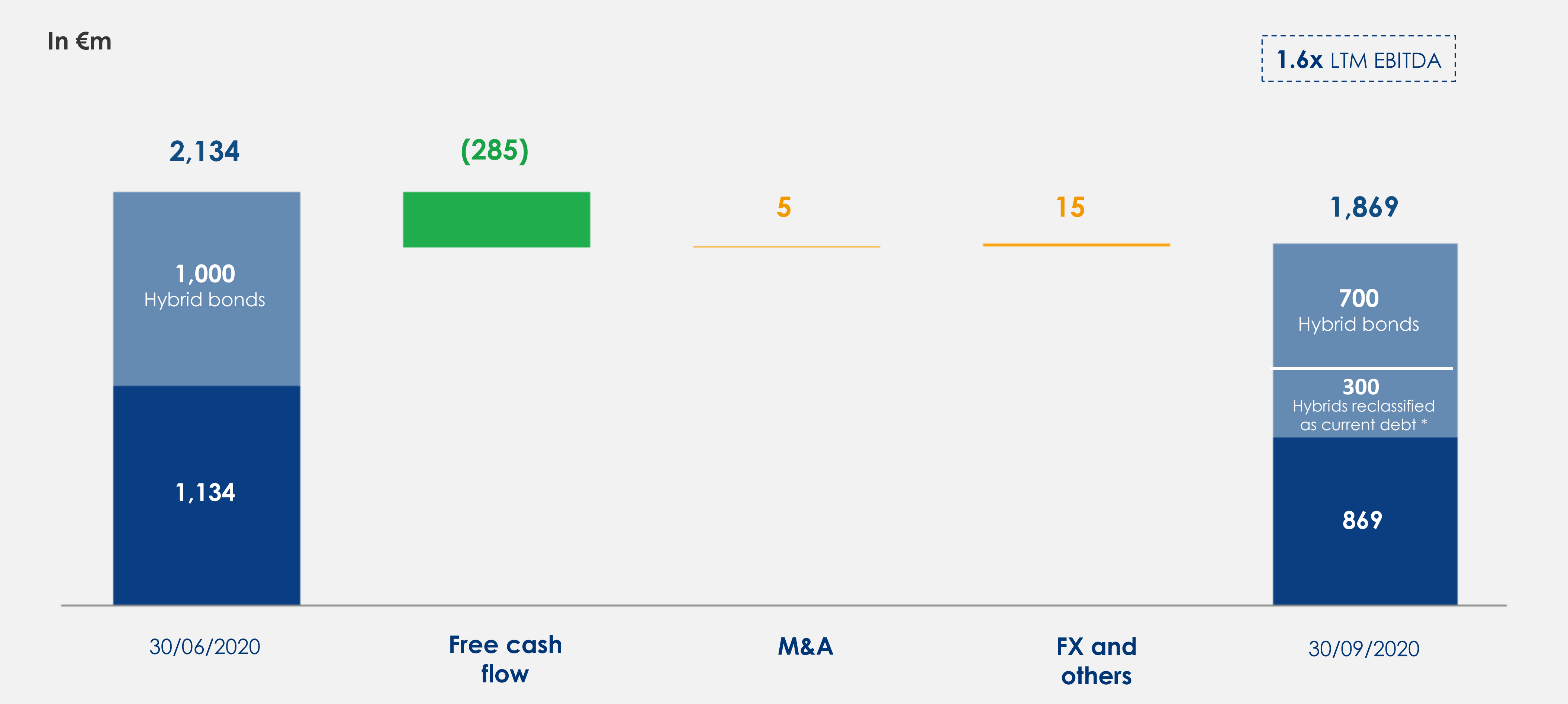
Q3'20 HIGHLIGHTS

- **Tax rate Q3'20: ~22% of REBIT** (excl. exceptional items)
- **Strict working capital management**
  - 13.9% working capital on annualized quarterly sales (16.4% at 30 September 2019)
- Lower capital expenditure vs Q3'19
  - The Group **confirms ~€600m of recurring and exceptional capex for 2020**
- Impact of portfolio management in Q3'19 (€594m) mainly corresponding to ArrMaz acquisition

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

ARKEMA INNOVATIVE CHEMISTRY

Q3'20 NET DEBT BRIDGE (INCLUDING HYBRID BONDS)



* Refunded in October 2020

ARKEMA

OUTLOOK

- The fourth quarter is marked by a **second wave of Covid-19** in many countries, especially in Europe, which could weigh on global demand.
- In this uncertain environment, Arkema estimates at this stage that **activity levels** should nevertheless be **in the continuity of those of the third quarter**, excluding a significant impact on the global economy linked to the new sanitary restrictions.
- **Fourth-quarter sales could therefore decline by around 7% year on year at constant scope and currency**, reflecting a solid performance of the construction market for Bostik and Coating Solutions, a sequential improvement for High Performance Polymers, but a continued marked decline in Intermediates.
- Arkema will continue to focus its efforts on the elements that are within its control, notably cost reduction initiatives and the strict management of working capital and capital expenditure.
- The Group will continue to implement its long-term strategy, in line with its ambition to become a pure player in Specialty Materials by 2024.

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 continues to spread 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 2019 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 2019 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