

Colombes, 10 November 2022

## ARKEMA: THIRD-QUARTER 2022 RESULTS

**Arkema achieved a very solid financial performance in the third quarter, marked by a slight increase in EBITDA and strong cash flow generation in a more challenging economic environment. Results are contrasted by region and benefited from the acceleration of innovation in sustainable megatrends. The Group confirms its EBITDA target for 2022.**

- **Sales** up by 24% compared with Q3'21 to **€3.0 billion**:
  - Growing demand for high value-added solutions in batteries, lightweighting, bio-based and recycled materials, 3D printing...
  - Continuation of the Group's initiatives to adjust its selling prices in the face of raw materials and energy cost inflation
  - Volumes globally down, with contrasting trends by region and end-market
- **EBITDA** up slightly to **€495 million** (€474 million in Q3'21) and **EBITDA margin** of **16.7%**. An 8% increase in Specialty Materials' EBITDA, driven by the Adhesive Solutions and Advanced Materials segments, and an 18% decrease in Intermediates' EBITDA
- **Adjusted net income** of **€260 million** (€258 million in Q3'21), representing **€3.52** per share
- **Strong cash flow generation**, with recurring cash flow of **€434 million** (€236 million in Q3'21). **Net debt** tightly controlled at **€2,615 million** (€2,789 million at end-June 2022), including €700 million in hybrid bonds
- Strengthening of the **Group's CSR commitments and initiatives**, in particular in terms of climate action, and further improvement in its Moody's ESG Solutions score, positioning Arkema among the very best in its industry
- **Full year guidance confirmed**: Arkema aims to achieve EBITDA of **€2,100 million** in 2022, *i.e.* annual EBITDA growth of around 20% at constant scope compared with 2021
- Continued strategy to **invest in Specialty Materials** and strengthening of initiatives to reduce costs and improve competitiveness in the face of the economic slowdown

Following Arkema's Board of Directors' meeting held on 9 November 2022 to review the Group's consolidated financial information for the third quarter of 2022, Chairman and CEO Thierry Le Hénaff said:

*"Our financial performance benefited from the diversification of our end markets, our balanced geographic footprint, and our growth momentum from new opportunities created by global megatrends. Thanks to all the teams' efforts, the Group has adapted to the strong inflation in energy and raw materials prices, the destocking observed among certain customers and the lack of visibility in our operating environment.*

*With its low-debt balance sheet, Arkema will continue to implement its long-term strategy focused on innovative materials for a sustainable world, while taking the necessary steps to adapt to the expected slowdown in the global economy, already observed in Europe. The Group will thus immediately step up its initiatives to improve its cost base, while benefiting from its new capacities in Asia and the United States, and from the ramp-up of Ashland's adhesives. Moreover, Arkema will continue to invest significantly in high-growth areas, in particular batteries, 3D printing, medical applications, electronics, high performance sports, eco-friendly paints and, more generally, in its bio-based and recycled polymers and resins.*

*Lastly, supported by the commitment of all our employees, we will continue our actions for climate change, sustainable development and the circular economy, in line with the long-term evolution of the Group's profile."*

KEY FIGURES

<i>in millions of euros</i>		Q3'22	Q3'21 <sup>(1)</sup>	Change
<b>Sales</b>		<b>2,972</b>	<b>2,398</b>	<b>+23.9%</b>
<b>EBITDA</b>		<b>495</b>	<b>474</b>	<b>+4.4%</b>
Specialty Materials		458	423	+8.3%
Intermediates		59	72	-18.1%
Corporate		-22	-21	
<b>EBITDA margin</b>		<b>16.7%</b>	<b>19.8%</b>	
Specialty Materials		16.9%	19.7%	
Intermediates		24.0%	29.5%	
<b>Recurring operating income (REBIT)</b>		<b>356</b>	<b>343</b>	<b>+3.8%</b>
REBIT margin		12.0%	14.3%	
<b>Adjusted net income</b>		<b>260</b>	<b>258</b>	<b>+0.8%</b>
Adjusted net income per share (in €)		3.52	3.44	+2.3%
<b>Recurring cash flow</b>		<b>434</b>	<b>236</b>	<b>+83.9%</b>
<b>Free cash flow</b>		<b>397</b>	<b>74</b>	
<b>Net debt</b> including hybrid bonds		<b>2,615</b>	<b>1,255</b>	
<i>€1,177m as of 31/12/2021</i>				

THIRD-QUARTER 2022 BUSINESS PERFORMANCE

At **€2,972 million**, the Group's **sales** were up by **23.9%** compared with third-quarter 2021. Volumes were down by 7.6%, mainly impacted by the slowdown in Europe, and more particularly in construction where business was affected by destocking. In North America, which currently accounts for 35% of Group sales, demand was resilient in most end markets, while business in Asia was solid with the exception of China, where demand remained soft. The 18.7% positive price effect mainly reflects the Group's ability to adjust its selling prices in the face of high raw materials and energy costs, as well as an improved product mix. The scope effect, at a positive 3.8%, is linked to the integration of acquisitions in Specialty Materials, particularly Ashland's performance adhesives. The currency effect was a positive 9.0%, supported by the strength of the US dollar and Chinese yuan against the euro.

**EBITDA** increased by 4.4% to **€495 million** (€474 million in Q3'21), supported by the performance of North America and to a lesser extent Asia, which offset the decline in Europe. Specialty Materials' EBITDA was up by 8.3% to €458 million (€423 million in Q3'21), driven by the favorable shift in the product mix toward solutions with higher technological content, the price effect in an inflationary environment and the integration of acquisitions, mainly in Adhesive Solutions. In the Intermediates segment, EBITDA was down by 18.1% to €59 million (€72 million in Q3'21), reflecting less favorable market conditions in acrylics in Asia and a solid performance in refrigerant gases. The Group's **EBITDA margin** stood at **16.7%** (19.8% in Q3'21).

**Recurring operating income (REBIT)** grew by 3.8% compared with third-quarter 2021, coming in at **€356 million**, and the **REBIT margin** amounted to **12.0%** (14.3% in Q3'21), including recurring depreciation and amortization of €139 million, up slightly compared with third-quarter 2021 (€131 million), mainly due to an unfavorable currency effect.

**Adjusted net income** was stable at **€260 million** (€258 million in Q3'21), representing **€3.52 per share**. Excluding exceptional items, the tax rate amounted to 21% of recurring operating income.

<sup>(1)</sup> Includes the reclassification of upstream PVDF to the Advanced Materials segment (from the Intermediates segment).

**CASH FLOW AND NET DEBT AT 30 SEPTEMBER 2022**

The Group generated a high **€434 million** in **recurring cash flow** in third-quarter 2022 (€236 million in Q3'21). This figure includes a €138 million cash inflow (€103 million outflow in Q3'21) from the change in working capital, which reflects the decline in global business activity. At end-September 2022, working capital represented 15.5% of annualized sales (12.3% at end-September 2021 and 16.4% at end-September 2019). Recurring cash flow also included recurring capital expenditure of €131 million (€111 million in Q3'21).

**Free cash flow** amounted to **€397 million** (€74 million in Q3'21) and included exceptional capital expenditure of €21 million (€64 million in Q3'21). As a reminder, in third-quarter 2021, free cash flow included a non-recurring cash outflow of €98 million corresponding mainly to the payment of part of the capital gains tax on the divestment of PMMA.

Net cash flow from portfolio management operations represented an outflow of €121 million in third-quarter 2022, mainly reflecting the acquisitions of Permoseal in Adhesive Solutions and Polimeros Especiales in Coating Solutions.

Including the hybrid bonds, **net debt** declined to **€2,615 million** compared with €2,789 million at end-June 2022, and the net debt to last-twelve-months EBITDA ratio stood at 1.2x.

**THIRD-QUARTER 2022 PERFORMANCE BY SEGMENT**

**ADHESIVE SOLUTIONS (26% OF TOTAL GROUP SALES)**

<i>in millions of euros</i>	<b>Q3'22</b>	<b>Q3'21</b>	<b>Change</b>
<b>Sales</b>	<b>757</b>	<b>568</b>	<b>+33.3%</b>
<b>EBITDA</b>	<b>90</b>	<b>79</b>	<b>+13.9%</b>
<b>EBITDA margin</b>	<b>11.9%</b>	<b>13.9%</b>	
<b>Recurring operating income (REBIT)</b>	<b>69</b>	<b>63</b>	<b>+9.5%</b>
REBIT margin	9.1%	11.1%	

**Sales** in the Adhesive Solutions segment rose by 33.3% to **€757 million**. This figure includes a 19.2% positive scope effect, linked to the integration of Ashland's performance adhesives and Permoseal. At constant currency and scope, sales grew by 6.2%, including a 14.8% positive price effect, in a context of high raw materials, energy and logistics cost inflation. Volumes fell by 8.6%, impacted by the slowdown and temporary destocking in the European construction market after two years of significant growth. Business was solid in the United States, driven by industrial markets, and in Asia. The currency effect was a positive 7.9% for the segment.

At **€90 million**, **EBITDA** was up by 13.9% year-on-year (€79 million in Q3'21), reflecting higher selling prices to offset cost inflation, the integration of Ashland's adhesives, which benefited from their excellent positioning in the United States, as well as an improved product mix with more high value-added solutions. In an overall less buoyant context than in the prior year, the **EBITDA margin** came in at **11.9%** (13.9% in Q3'21), impacted by lower volumes in the European construction market and by the mechanical dilutive effect of price increases, and benefiting from the integration of Ashland's adhesives.

**ADVANCED MATERIALS (38% OF TOTAL GROUP SALES)**

<i>in millions of euros</i>	Q3'22	Q3'21 <sup>(1)</sup>	Change
<b>Sales</b>	<b>1,131</b>	<b>837</b>	<b>+35.1%</b>
<b>EBITDA</b>	<b>237</b>	<b>176</b>	<b>+34.7%</b>
<b>EBITDA margin</b>	<b>21.0%</b>	<b>21.0%</b>	
<b>Recurring operating income (REBIT)</b>	<b>167</b>	<b>106</b>	<b>+57.5%</b>
REBIT margin	14.8%	12.7%	

**Sales** in the Advanced Materials segment grew by a significant 35.1% compared with third-quarter 2021, coming in at **€1,131 million**. Volumes were down by a slight 4.9%, mainly due to the slowdown observed in Europe in Performance Additives, while global demand was well oriented in areas linked to sustainable megatrends such as batteries, bio-based consumer goods, 3D printing and sports. The 32.6% positive price effect, consistent across the segment, reflects the Group’s policy of increasing selling prices in response to cost inflation, and a favorable product mix thanks to the development of solutions with high technological content. The scope effect was a negative 1.4%, attributable to the divestment of the epoxides business in fourth-quarter 2021, and the currency effect was a positive 8.8%.

**EBITDA** for the segment increased significantly by 34.7% year-on-year to **€237 million**, supported by the strong growth of High Performance Polymers and the resilience of Performance Additives despite lower volumes. The segment’s **EBITDA margin** amounted to **21.0%**, with the temporary tightness in certain product lines seen in the first half of the year gradually subsiding.

**COATING SOLUTIONS (28% OF TOTAL GROUP SALES)**

<i>in millions of euros</i>	Q3'22	Q3'21	Change
<b>Sales</b>	<b>825</b>	<b>742</b>	<b>+11.2%</b>
<b>EBITDA</b>	<b>131</b>	<b>168</b>	<b>-22.0%</b>
<b>EBITDA margin</b>	<b>15.9%</b>	<b>22.6%</b>	
<b>Recurring operating income (REBIT)</b>	<b>99</b>	<b>138</b>	<b>-28.3%</b>
REBIT margin	12.0%	18.6%	

**Sales** in the Coating Solutions segment were up by 11.2% compared with third-quarter 2021 and came to **€825 million**, around one third of which in acrylic monomers. The price effect, stable in acrylic monomers, was a positive 12.1%, supported by price increases in downstream product lines (resins and additives) in response to inflation. While demand in the United States remained well-oriented, segment volumes were down by 10.6%, impacted by the slowdown and the effects of destocking in Europe, particularly in decorative paints. The 0.4% positive scope effect reflects the integration of Polimeros Especiales since 1 September 2022. The currency effect was a positive 9.3%.

At **€131 million**, **EBITDA** was robust but down by 22.0% *versus* the high comparison base of Q3'21. Although it benefited from the improvement in the product mix toward higher value-added solutions in new energies and 3D printing, the segment was impacted by lower volumes and less favorable market conditions in upstream acrylics in Europe. In this context, the **EBITDA margin** normalized at 15.9% (22.6% in Q3'21 and 15.4% in Q3'19), below last year’s exceptional performance.

<sup>(1)</sup> Includes the reclassification of upstream PVDF to the Advanced Materials segment (from the Intermediates segment).

**INTERMEDIATES (8% OF TOTAL GROUP SALES)**

<i>in millions of euros</i>	Q3'22	Q3'21 <sup>(1)</sup>	Change
<b>Sales</b>	<b>246</b>	<b>244</b>	<b>+0.8%</b>
<b>EBITDA</b>	<b>59</b>	<b>72</b>	<b>-18.1%</b>
<b>EBITDA margin</b>	<b>24.0%</b>	<b>29.5%</b>	
<b>Recurring operating income (REBIT)</b>	<b>44</b>	<b>58</b>	<b>-24.1%</b>
REBIT margin	17.9%	23.8%	

**Sales** in Intermediates rose by a very slight 0.8% to **€246 million**. The 0.4% positive price effect reflects the solid momentum in refrigerant gases, particularly in the United States, offset by deteriorating market conditions in acrylics in Asia. The 7.0% decrease in volumes was mainly attributable to the mechanical effect of refrigerant gas quotas in the United States. The 3.3% negative scope effect corresponds to some residual PMMA sales in Asia which will continue until the end of 2021. The currency effect was a positive 10.7%.

The segment's **EBITDA** came in at **€59 million**, a year-on-year decrease of 18.1%, and the **EBITDA margin** reached **24.0%** (29.5% in Q3'21), essentially reflecting reduced tightness in upstream acrylics in Asia.

**THIRD-QUARTER 2022 HIGHLIGHTS**

On 1 July 2022, Arkema finalized the acquisition of Permoseal in South Africa, a leader in adhesive solutions for DIY, packaging and construction. Permoseal's well-known brands will complement Bostik's offering in the region and strengthen its positions in South Africa's and Sub-Saharan Africa's dynamic markets.

On 1 September 2022, Arkema finalized the acquisition of Polimeros Especiales, a leading waterborne acrylic resin producer in Mexico, strengthening the Group's offering in solvent-free solutions and its position in this fast-growing region.

Lastly, on 26 September 2022, Arkema announced that it was boosting its global Pebax® elastomer capacity expansion at its Serquigny, France site from +25% to +40% in two separate phases, firstly in first-quarter 2023 by raising global capacity by 15%, with the additional 25% starting up in third-quarter 2023. This capacity increase will support the strong demand from partner customers in the sports, consumer electronics, medical and industrial markets, who recognize the highly specialized Pebax® grades' lightweight properties, flexibility and exceptional energy return.

**THIRD-QUARTER 2022 CSR HIGHLIGHTS**

On 7 July 2022, Arkema reinforced its commitment to fight global warming by publishing its new climate plan. In line with the expectations of the Paris Agreement to contain global warming to 1.5°C above pre-industrial levels by the end of the century, the Group has set itself the ambitious target, based on an SBT (Science Based Target) approach, to reduce its scope 1 and 2 greenhouse gas emissions and its scope 3 emissions by 46% by 2030 relative to 2019. Thus, the Group has raised its level of commitment from a trajectory well below 2°C for scopes 1 and 2 to a 1.5°C trajectory across its entire value chain.

This target will be supported by an increase in investments contributing to decarbonization, which could reach €400 million by 2030 and which will be included in the Group's recurring capital expenditure envelope.

Moreover, in September 2022, the Group obtained a score of 69/100 from rating agency Moody's ESG Solutions (formerly Vigeo Eiris), improving on its previous score of 67/100 and highlighting the Group's progress in this area.

<sup>(1)</sup> Includes the reclassification of upstream PVDF to the Advanced Materials segment (from the Intermediates segment).

Lastly, on 12 September 2022, Euronext published the revised composition of the CAC40® ESG stock market index and confirmed Arkema's presence among the constituents. The index identifies the 40 companies that have demonstrated the best environmental, social and governance (ESG) practices. Arkema's continued inclusion in this index once again recognizes the Group's commitment and achievements over the past several years in promoting a sustainable economy.

### SUBSEQUENT EVENTS

On 27 October 2022, Arkema carried out a capital increase reserved for employees – the eighth since its stock market listing 16 years ago. Nearly 7,400 current and former employees subscribed for 757,473 shares, totaling approximately €49 million, bringing the share of Arkema's capital held by employees to approximately 7%. The amounts invested and the high participation rate highlight employees' commitment and their confidence in the Group's development.

Moreover, on 28 October 2022, continuing with the dynamic management of its business portfolio, the Group announced the proposed divestment of Febex, a company specialized in phosphorus-based chemistry, to Belgian group Prayon. This business, which has limited integration with the Group's other activities, reported sales of around €30 million in 2021 and employs 59 people. This project, which is expected to be finalized in 1<sup>st</sup> quarter 2023, is subject to information and prior consultation process with employee representative bodies in France and to approval by the relevant Swiss authorities.

### OUTLOOK FOR 2022

The global operating environment in the second half is more challenging and uncertain, marked in particular by the energy crisis in Europe, a slowdown in demand amplified temporarily by some destocking, and an elevated level of inflation.

In this environment, the Group will continue to benefit from the strength of its innovation in high performance materials, its balanced geographical presence, the diversity of its end markets and the solidity of its low-debt balance sheet. It will ensure it adapts quickly to the evolution of the economic context, reinforcing its cost-saving initiatives, notably in Europe, and strictly managing its inventories.

In light of these elements, Arkema is confirming its annual target and thus aims to achieve EBITDA of €2,100 million in 2022, representing annual EBITDA growth at constant scope of around 20% compared with 2021. Fourth-quarter EBITDA, which includes the destocking expected at year-end, should be comparable to the pre-Covid level of 2019, but below Q4'21 which benefited from significant restocking.

Moreover, the Group is reaffirming its confidence in its ability to achieve the ambitious targets it has set for 2024. As of 2023, it will benefit from the start-up of several significant capacity expansions for growing, high value-added products, and will continue to implement its strategic roadmap for sustainable development.

Further details concerning the Group's third-quarter 2022 results are provided in the "Third-quarter 2022 results and highlights" presentation and the "Factsheet" document, both available on Arkema's website at: [www.arkema.com/global/en/investor-relations/](http://www.arkema.com/global/en/investor-relations/)

**FINANCIAL CALENDAR**

23 February 2023: Publication of full-year 2022 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 the current context, where the Covid-19 pandemic persists across the world, and where the consequences of the Russian offensive in Ukraine and the resulting economic sanctions against Russia on geopolitical stability and the global 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 risk factors such as (but not limited to) changes in raw materials prices, currency fluctuations, the pace at which cost-reduction projects are implemented, developments in the Russian offensive in Ukraine, developments in the Covid-19 situation, 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 information at 30 September 2022 as reviewed by Arkema's Board of Directors on 9 November 2022. Quarterly financial information is not audited. Information by segment is presented in accordance with Arkema's internal reporting system used by management.*

Details of the main alternative performance indicators used by the Group are provided in the tables appended to this press release. For the purpose of analyzing its results and defining its targets, the Group also uses EBITDA margin, which corresponds to EBITDA expressed as a percentage of sales, EBITDA equaling recurring operating income (REBIT) plus recurring depreciation and amortization of tangible and intangible assets, as well as REBIT margin, which corresponds to recurring operating income (REBIT) expressed as a percentage of sales.

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;
- **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 sustainable materials. With the ambition to become in 2024 a pure player in Specialty Materials, the Group is structured into 3 complementary, resilient and highly innovative segments dedicated to Specialty Materials -Adhesive Solutions, Advanced Materials, and Coating Solutions- accounting for some 85.5% of Group sales in 2021, 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 2021, and operates in some 55 countries with 20,200 employees worldwide.

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# **ARKEMA financial statements**

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**Consolidated financial information - At the end of September 2022**

Consolidated financial statements as of December 2021 have been audited.

## CONSOLIDATED INCOME STATEMENT

3<sup>rd</sup> quarter 2022

3<sup>rd</sup> quarter 2021

(In millions of euros)

<b>Sales</b>	<b>2,972</b>	<b>2,398</b>
Operating expenses	(2,356)	(1,826)
Research and development expenses	(66)	(59)
Selling and administrative expenses	(214)	(187)
Other income and expenses	(15)	1
<b>Operating income</b>	<b>321</b>	<b>327</b>
Equity in income of affiliates	(3)	(1)
Financial result	(17)	(15)
Income taxes	(76)	(64)
<b>Net income</b>	<b>225</b>	<b>247</b>
Attributable to non-controlling interests	1	0
<b>Net income - Group share</b>	<b>224</b>	<b>247</b>
<i>Earnings per share (amount in euros)</i>	<i>2.88</i>	<i>3.19</i>
<i>Diluted earnings per share (amount in euros)</i>	<i>2.86</i>	<i>3.16</i>

End of September 2022

End of September 2021

(In millions of euros)

<b>Sales</b>	<b>9,043</b>	<b>7,019</b>
Operating expenses	(6,841)	(5,407)
Research and development expenses	(199)	(178)
Selling and administrative expenses	(649)	(574)
Other income and expenses	(85)	709
<b>Operating income</b>	<b>1,269</b>	<b>1,569</b>
Equity in income of affiliates	(4)	0
Financial result	(31)	(43)
Income taxes	(277)	(327)
<b>Net income</b>	<b>957</b>	<b>1,199</b>
Attributable to non-controlling interests	3	2
<b>Net income - Group share</b>	<b>954</b>	<b>1,197</b>
<i>Earnings per share (amount in euros)</i>	<i>12.68</i>	<i>15.57</i>
<i>Diluted earnings per share (amount in euros)</i>	<i>12.62</i>	<i>15.47</i>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>3<sup>rd</sup> quarter 2022</u>	<u>3<sup>rd</sup> quarter 2021</u>
<i>(In millions of euros)</i>		
<b>Net income</b>	<b>225</b>	<b>247</b>
Hedging adjustments	3	6
Other items	-	-
Deferred taxes on hedging adjustments and other items	-	(1)
Change in translation adjustments	240	82
<b>Other recyclable comprehensive income</b>	<b>243</b>	<b>87</b>
Impact of remeasuring unconsolidated investments	-	(1)
Actuarial gains and losses	52	(5)
Deferred taxes on actuarial gains and losses	(10)	-
<b>Other non-recyclable comprehensive income</b>	<b>42</b>	<b>(6)</b>
<b>Total income and expenses recognized directly in equity</b>	<b>285</b>	<b>81</b>
<b>Total comprehensive income</b>	<b>510</b>	<b>328</b>
Attributable to non-controlling interest	2	1
<b>Total comprehensive income - Group share</b>	<b>508</b>	<b>327</b>

	<u>End of September 2022</u>	<u>End of September 2021</u>
<i>(In millions of euros)</i>		
<b>Net income</b>	<b>957</b>	<b>1,199</b>
Hedging adjustments	19	(19)
Other items	-	-
Deferred taxes on hedging adjustments and other items	(3)	(1)
Change in translation adjustments	567	174
<b>Other recyclable comprehensive income</b>	<b>583</b>	<b>154</b>
Impact of remeasuring unconsolidated investments	(1)	(3)
Actuarial gains and losses	167	62
Deferred taxes on actuarial gains and losses	(29)	(14)
<b>Other non-recyclable comprehensive income</b>	<b>137</b>	<b>45</b>
<b>Total income and expenses recognized directly in equity</b>	<b>720</b>	<b>199</b>
<b>Total comprehensive income</b>	<b>1,677</b>	<b>1,398</b>
Attributable to non-controlling interest	5	4
<b>Total comprehensive income - Group share</b>	<b>1,672</b>	<b>1,394</b>

## INFORMATION BY SEGMENT

### 3<sup>rd</sup> quarter 2022\*

<i>(In millions of euros)</i>	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
<b>Sales</b>	757	1,131	825	246	13	2,972
<b>EBITDA</b>	90	237	131	59	(22)	495
Recurring depreciation and amortization of property, plant and equipment and intangible assets	(21)	(70)	(32)	(15)	(1)	(139)
<b>Recurring operating income (REBIT)</b>	<b>69</b>	<b>167</b>	<b>99</b>	<b>44</b>	<b>(23)</b>	<b>356</b>
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	(14)	(5)	(1)	-	-	(20)
Other income and expenses	(13)	(9)	1	25	(19)	(15)
<b>Operating income</b>	<b>42</b>	<b>153</b>	<b>99</b>	<b>69</b>	<b>(42)</b>	<b>321</b>
Equity in income of affiliates	-	(3)	-	-	-	(3)
<b>Intangible assets and property, plant, and equipment additions</b>	<b>21</b>	<b>94</b>	<b>29</b>	<b>4</b>	<b>4</b>	<b>152</b>
Of which: recurring capital expenditure	21	73	29	4	4	131

### 3<sup>rd</sup> quarter 2021\*

<i>(In millions of euros)</i>	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
<b>Sales</b>	568	837	742	244	7	2,398
<b>EBITDA</b>	79	176	168	72	(21)	474
Recurring depreciation and amortization of property, plant and equipment and intangible assets	(16)	(70)	(30)	(14)	(1)	(131)
<b>Recurring operating income (REBIT)</b>	<b>63</b>	<b>106</b>	<b>138</b>	<b>58</b>	<b>(22)</b>	<b>343</b>
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	(12)	(4)	(1)	-	-	(17)
Other income and expenses	(5)	(1)	-	4	3	1
<b>Operating income</b>	<b>46</b>	<b>101</b>	<b>137</b>	<b>62</b>	<b>(19)</b>	<b>327</b>
Equity in income of affiliates	-	0	-	(1)	-	(1)
<b>Intangible assets and property, plant, and equipment additions</b>	<b>15</b>	<b>129</b>	<b>22</b>	<b>5</b>	<b>5</b>	<b>176</b>
Of which: recurring capital expenditure	15	65	21	5	5	111

\* Integrates the reclassification of the upstream of PVDF in the Advanced Materials segment (ex Intermediates segment). The comparative segment information presented for the period ended 30 September 2021 has been restated accordingly.

## INFORMATION BY SEGMENT

**End of September 2022\***

*(In millions of euros)*

	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
<b>Sales</b>	<b>2,206</b>	<b>3,319</b>	<b>2,647</b>	<b>839</b>	<b>32</b>	<b>9,043</b>
<b>EBITDA</b>	<b>291</b>	<b>793</b>	<b>530</b>	<b>282</b>	<b>(77)</b>	<b>1,819</b>
Recurring depreciation and amortization of property, plant and equipment and intangible assets	(57)	(204)	(95)	(45)	(4)	(405)
<b>Recurring operating income (REBIT)</b>	<b>234</b>	<b>589</b>	<b>435</b>	<b>237</b>	<b>(81)</b>	<b>1,414</b>
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	(42)	(14)	(4)	-	-	(60)
Other income and expenses	(45)	(31)	1	23	(33)	(85)
<b>Operating income</b>	<b>147</b>	<b>544</b>	<b>432</b>	<b>260</b>	<b>(114)</b>	<b>1,269</b>
Equity in income of affiliates	-	(4)	-	0	-	(4)
<b>Intangible assets and property, plant, and equipment additions</b>	<b>48</b>	<b>254</b>	<b>68</b>	<b>9</b>	<b>10</b>	<b>389</b>
Of which: recurring capital expenditure	48	167	68	9	10	302

**End of September 2021\***

*(In millions of euros)*

	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
<b>Sales</b>	<b>1,698</b>	<b>2,374</b>	<b>2,021</b>	<b>905</b>	<b>21</b>	<b>7,019</b>
<b>EBITDA</b>	<b>247</b>	<b>502</b>	<b>403</b>	<b>228</b>	<b>(70)</b>	<b>1,310</b>
Recurring depreciation and amortization of property, plant and equipment and intangible assets	(48)	(205)	(88)	(53)	(5)	(399)
<b>Recurring operating income (REBIT)</b>	<b>199</b>	<b>297</b>	<b>315</b>	<b>175</b>	<b>(75)</b>	<b>911</b>
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)	(11)	(4)	-	-	(51)
Other income and expenses	(34)	(143)	(13)	908	(9)	709
<b>Operating income</b>	<b>129</b>	<b>143</b>	<b>298</b>	<b>1,083</b>	<b>(84)</b>	<b>1,569</b>
Equity in income of affiliates	-	1	-	(1)	-	0
<b>Intangible assets and property, plant, and equipment additions</b>	<b>43</b>	<b>340</b>	<b>47</b>	<b>19</b>	<b>12</b>	<b>461</b>
Of which: recurring capital expenditure	43	159	43	19	12	276

\* Integrates the reclassification of the upstream of PVDF in the Advanced Materials segment (ex Intermediates segment). The comparative segment information presented for the period ended 30 September 2021 has been restated accordingly.

## CONSOLIDATED CASH FLOW STATEMENT

End of September 2022      End of September 2021

(In millions of euros)

### Operating cash flows

Net income	957	1,199
Depreciation, amortization and impairment of assets	492	571
Other provisions and deferred taxes	(36)	34
(Gains)/losses on sales of long-term assets	(31)	(960)
Undistributed affiliate equity earnings	4	-
Change in working capital	(384)	(248)
Other changes	37	11
<b>Cash flow from operating activities</b>	<b>1,039</b>	<b>607</b>

### Investing cash flows

Intangible assets and property, plant, and equipment additions	(389)	(461)
Change in fixed asset payables	(99)	(14)
Acquisitions of operations, net of cash acquired	(1,614)	(41)
Increase in long-term loans	(49)	(20)
<b>Total expenditures</b>	<b>(2,151)</b>	<b>(536)</b>
Proceeds from sale of intangible assets and property, plant, and equipment	6	12
Proceeds from sale of operations, net of cash transferred	20	1,122
Proceeds from sale of unconsolidated investments	-	8
Repayment of long-term loans	43	44
<b>Total divestitures</b>	<b>69</b>	<b>1,186</b>
<b>Cash flow from investing activities</b>	<b>(2,082)</b>	<b>650</b>

### Financing cash flows

Purchase of treasury shares	(11)	(240)
Dividends paid to parent company shareholders	(222)	(191)
Interest paid to bearers of subordinated perpetual notes	(16)	(15)
Dividends paid to non-controlling interests	(2)	(2)
Increase in long-term debt	5	7
Decrease in long-term debt	(62)	(46)
Increase / (Decrease) in short-term debt	384	(57)
<b>Cash flow from financing activities</b>	<b>76</b>	<b>(544)</b>
Net increase/(decrease) in cash and cash equivalents	(967)	713
Effect of exchange rates and changes in scope	(38)	(14)
Cash and cash equivalents at beginning of period	2,285	1,587
<b>Cash and cash equivalents at end of the period</b>	<b>1,280</b>	<b>2,286</b>

## CONSOLIDATED BALANCE SHEET

30 September 2022

31 December 2021

(In millions of euros)

<b>ASSETS</b>		
Goodwill	3,475	1,925
Intangible assets, net	1,727	1,517
Property, plant and equipment, net	3,392	3,031
Equity affiliates: investments and loans	28	29
Other investments	52	52
Deferred tax assets	132	144
Other non-current assets	250	218
<b>TOTAL NON-CURRENT ASSETS</b>	<b>9,056</b>	<b>6,916</b>
Inventories	1,715	1,283
Accounts receivable	1,714	1,432
Other receivables and prepaid expenses	207	181
Income tax receivables	107	91
Other current financial assets	74	109
Cash and cash equivalents	1,280	2,285
Assets held for sale	0	4
<b>TOTAL CURRENT ASSETS</b>	<b>5,097</b>	<b>5,385</b>
<b>TOTAL ASSETS</b>	<b>14,153</b>	<b>12,301</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Share capital	743	767
Paid-in surplus and retained earnings	6,257	5,598
Treasury shares	(43)	(305)
Translation adjustments	808	243
<b>SHAREHOLDERS' EQUITY - GROUP SHARE</b>	<b>7,765</b>	<b>6,303</b>
Non-controlling interests	50	47
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>7,815</b>	<b>6,350</b>
Deferred tax liabilities	378	342
Provisions for pensions and other employee benefits	334	493
Other provisions and non-current liabilities	456	443
Non-current debt	2,719	2,680
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,887</b>	<b>3,958</b>
Accounts payable	1,282	1,274
Other creditors and accrued liabilities	486	430
Income tax payables	151	155
Other current financial liabilities	56	52
Current debt	476	82
Liabilities related to assets held for sale	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,451</b>	<b>1,993</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>14,153</b>	<b>12,301</b>

**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
<b>At 1 January 2022</b>	<b>76,736,476</b>	<b>767</b>	<b>1,272</b>	<b>700</b>	<b>3,626</b>	<b>243</b>	<b>(2,779,553)</b>	<b>(305)</b>	<b>6,303</b>	<b>47</b>	<b>6,350</b>
Cash dividend	-	-	-	-	(238)	-	-	-	(238)	(2)	(240)
Issuance of share capital	-	-	-	-	-	-	-	-	-	-	-
Capital decrease by cancellation of treasury shares	(2,450,435)	(24)	(246)	-	-	-	2,450,435	270	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	(120,000)	(11)	(11)	-	(11)
Grants of treasury shares to employees	-	-	-	-	(3)	-	32,123	3	-	-	-
Share-based payments	-	-	-	-	38	-	-	-	38	-	38
Issuance of hybrid bonds	-	-	-	-	-	-	-	-	-	-	-
Redemption of hybrid bonds	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	1	-	-	-	1	-	1
<b>Transactions with shareholders</b>	<b>(2,450,435)</b>	<b>(24)</b>	<b>(246)</b>	<b>-</b>	<b>(202)</b>	<b>-</b>	<b>2,362,558</b>	<b>262</b>	<b>(210)</b>	<b>(2)</b>	<b>(212)</b>
Net income	-	-	-	-	954	-	-	-	954	3	957
Total income and expense recognized directly through equity	-	-	-	-	153	565	-	-	718	2	720
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,107</b>	<b>565</b>	<b>-</b>	<b>-</b>	<b>1,672</b>	<b>5</b>	<b>1,677</b>
<b>At 30 September 2022</b>	<b>74,286,041</b>	<b>743</b>	<b>1,026</b>	<b>700</b>	<b>4,531</b>	<b>808</b>	<b>(416,995)</b>	<b>(43)</b>	<b>7,765</b>	<b>50</b>	<b>7,815</b>



## ALTERNATIVE PERFORMANCE INDICATORS

To monitor and analyse the financial performance of the Group and its activities, the Group management uses alternative performance indicators. These are financial indicators that are not defined by the IFRS. This note presents a reconciliation of these indicators and the aggregates from the consolidated financial statements under IFRS.

### RECURRING OPERATING INCOME (REBIT) AND EBITDA

<i>(In millions of euros)</i>	<u>End of September 2022</u>	<u>End of September 2021</u>	<u>3<sup>rd</sup> quarter 2022</u>	<u>3<sup>rd</sup> quarter 2021</u>
<b>OPERATING INCOME</b>	<b>1,269</b>	<b>1,569</b>	<b>321</b>	<b>327</b>
- Depreciation and amortization related to the revaluation of tangible and intangible assets as part of the allocation of the purchase price of businesses	(60)	(51)	(20)	(17)
- Other income and expenses	(85)	709	(15)	1
<b>RECURRING OPERATING INCOME (REBIT)</b>	<b>1,414</b>	<b>911</b>	<b>356</b>	<b>343</b>
- Recurring depreciation and amortization of tangible and intangible assets	(405)	(399)	(139)	(131)
<b>EBITDA</b>	<b>1,819</b>	<b>1,310</b>	<b>495</b>	<b>474</b>

#### Details of depreciation and amortization of tangible and intangible assets:

<i>(In millions of euros)</i>	<u>End of September 2022</u>	<u>End of September 2021</u>	<u>3<sup>rd</sup> quarter 2022</u>	<u>3<sup>rd</sup> quarter 2021</u>
<b>Depreciation and amortization of tangible and intangible assets</b>	<b>(492)</b>	<b>(571)</b>	<b>(166)</b>	<b>(150)</b>
Of which: Recurring depreciation and amortization of tangible and intangible assets	(405)	(399)	(139)	(131)
Of which: Depreciation and amortization related to the revaluation of assets as part of the allocation of the purchase price of businesses	(60)	(51)	(20)	(17)
Of which: Impairment included in other income and expenses	(27)	(121)	(7)	(2)

### ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

<i>(In millions of euros)</i>	<u>End of September 2022</u>	<u>End of September 2021</u>	<u>3<sup>rd</sup> quarter 2022</u>	<u>3<sup>rd</sup> quarter 2021</u>
<b>NET INCOME - GROUP SHARE</b>	<b>954</b>	<b>1,197</b>	<b>224</b>	<b>247</b>
- Depreciation and amortization related to the revaluation of tangible and intangible assets as part of the allocation of the purchase price of businesses	(60)	(51)	(20)	(17)
- Other income and expenses	(85)	709	(15)	1
- Other income and expenses - Non-controlling interests	—	—	—	—
- Taxes on depreciation and amortization related to the revaluation of assets as part of the allocation of the purchase price of businesses	12	12	4	4
- Taxes on other income and expenses	5	(162)	(2)	(4)
- One-time tax effects	3	5	(3)	5
<b>ADJUSTED NET INCOME</b>	<b>1,079</b>	<b>684</b>	<b>260</b>	<b>258</b>
- Weighted average number of ordinary shares	73,947,397	75,865,209		
- Weighted average number of potential ordinary shares	74,333,266	76,316,982		
<b>ADJUSTED EARNINGS PER SHARE (in euros)</b>	<b>14.59</b>	<b>9.02</b>	<b>3.52</b>	<b>3.44</b>
<b>DILUTED ADJUSTED EARNINGS PER SHARE (in euros)</b>	<b>14.52</b>	<b>8.96</b>	<b>3.50</b>	<b>3.41</b>

### RECURRING CAPITAL EXPENDITURE

<i>(In millions of euros)</i>	<u>End of September 2022</u>	<u>End of September 2021</u>	<u>3<sup>rd</sup> quarter 2022</u>	<u>3<sup>rd</sup> quarter 2021</u>
<b>INTANGIBLE ASSETS AND PROPERTY, PLANT, AND EQUIPMENT ADDITIONS</b>	<b>389</b>	<b>461</b>	<b>152</b>	<b>176</b>
- Exceptional capital expenditure	87	181	21	64
- Investments relating to portfolio management operations	—	—	—	—
- Capital expenditure with no impact on net debt	—	4	—	1
<b>RECURRING CAPITAL EXPENDITURE</b>	<b>302</b>	<b>276</b>	<b>131</b>	<b>111</b>

### CASH FLOWS

<i>(In millions of euros)</i>	<u>End of September 2022</u>	<u>End of September 2021</u>	<u>3<sup>rd</sup> quarter 2022</u>	<u>3<sup>rd</sup> quarter 2021</u>
Cash flow from operating activities	1,039	607	508	174
+ Cash flow from investing activities	(2,082)	650	(232)	(110)
<b>NET CASH FLOW</b>	<b>(1,043)</b>	<b>1,257</b>	<b>276</b>	<b>64</b>
- Net cash flow from portfolio management operations	(1,628)	886	(121)	(10)
<b>FREE CASH FLOW</b>	<b>585</b>	<b>371</b>	<b>397</b>	<b>74</b>
Exceptional capital expenditure	(87)	(181)	(21)	(64)
- Non-recurring cash flow	(23)	18	(16)	(98)
<b>RECURRING CASH FLOW</b>	<b>695</b>	<b>534</b>	<b>434</b>	<b>236</b>

The net cash flow from portfolio management operations corresponds to the impact of acquisition and divestment operations.  
Non-recurring cash flow corresponds to cash flow from other income and expenses.

## NET DEBT

<i>(In millions of euros)</i>	<u>End of September 2022</u>	<u>End of December 2021</u>
Non-current debt	2,719	2,680
+ Current debt	476	82
- Cash and cash equivalents	1,280	2,285
<b>NET DEBT</b>	<b>1,915</b>	<b>477</b>
+ Hybrid bonds	700	700
<b>NET DEBT AND HYBRID BONDS</b>	<b>2,615</b>	<b>1,177</b>

## WORKING CAPITAL

<i>(In millions of euros)</i>	<u>End of September 2022</u>	<u>End of December 2021</u>
Inventories	1,715	1,283
+ Accounts receivable	1,714	1,432
+ Other receivables including income taxes	314	272
+ Other current financial assets	74	109
- Accounts payable	1,282	1,274
- Other liabilities including income taxes	637	585
- Other current financial liabilities	56	52
<b>WORKING CAPITAL</b>	<b>1,842</b>	<b>1,185</b>

## CAPITAL EMPLOYED

<i>(In millions of euros)</i>	<u>End of September 2022</u>	<u>End of December 2021</u>
Goodwill, net	3,475	1,925
+ Intangible assets (excluding goodwill), and property, plant and equipment, net	5,119	4,548
+ Investments in equity affiliates	28	29
+ Other investments and other non-current assets	302	270
+ Working capital	1,842	1,185
<b>CAPITAL EMPLOYED</b>	<b>10,766</b>	<b>7,957</b>