

Colombes, 2 May 2024

ARKEMA ACQUIRES DOW'S FLEXIBLE PACKAGING LAMINATING ADHESIVES BUSINESS

Arkema has agreed to acquire Dow's flexible packaging laminating adhesives business, one of the leading producers of adhesives for the flexible packaging market, generating annual sales of around US\$250 million. The proposed acquisition will significantly expand Arkema's portfolio of solutions for flexible packaging, enabling the Group to become a key player in this attractive market.

Dow's flexible packaging laminating adhesives business offers a broad range of high-quality solutions in food and medical applications, where flexible packaging is the optimal solution in terms of efficiency, as well as for industrial lamination (window films, photovoltaic backsheets, etc.). The flexible packaging market is expected to grow at GDP+ in the coming years, driven in particular by the need for more sustainable and recyclable solutions. Boasting cutting-edge technologies, well-recognized brands such as ADCOTE™ and MOR-FREE™, and five state-of-the-art production sites in Italy, the United States and Mexico, Dow's laminating adhesives business is one of the main historical solutions providers for the packaging industry, with presence in North America and Europe.

Combined with Bostik's existing commercial presence, product offering and technological breadth for flexible packaging, this operation will enable Bostik to ideally complement its existing business, marking a step change and a unique opportunity for Bostik to position itself as one of the key global partners for customers across the packaging industry.

Beyond benefiting from the underlying growth and the recovery of the market in the coming years, Arkema aims to rapidly capture new growth opportunities and deliver a high and balanced level of cost and development synergies, which should represent around US\$30 million in EBITDA after 5 years.

The proposed acquisition is fully in line with the Group's strategy to expand in superior technologies and growing markets and constitutes another important step to support the future growth of its Adhesive Solutions segment. It is based on an enterprise value of US\$150 million (around 10 times 2024F EBITDA) and will trigger around US\$50 million of implementation costs or capex over the next three years.

"We are very happy to announce this great acquisition which is perfectly in line with Arkema's strategy to offer its customers innovative products with high technological content and continue to grow in the attractive adhesives segment. It will allow the Group and Bostik to broaden its commercial and geographic presence in packaging and complete its product ranges in this demanding and rapidly evolving market, notably regarding sustainable development challenges. We are very happy to welcome Dow's teams in this new development stage", stated Thierry Le Hénaff, Arkema's Chairman and Chief Executive Officer.

The project is subject to the approval of certain antitrust authorities and is expected to close in the fourth quarter of 2024.

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 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 92% of Group sales in 2023, 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 2023, and operates in some 55 countries with 21,100 employees worldwide.

Investor relations contacts

Béatrice Zilm	+33 (0)1 49 00 75 58	beatrice.zilm@arkema.com
Peter Farren	+33 (0)1 49 00 73 12	peter.farren@arkema.com
Mathieu Briatta	+33 (0)1 49 00 72 07	mathieu.briatta@arkema.com
Alexis Noël	+33 (0)1 49 00 74 37	alexis.noel@arkema.com

Media contact :

Anne Plaisance +33 (0)6 81 87 48 77 anne.plaisance@arkema.com