

Paris La Défense, 31 July 2025

ARKEMA: SECOND-QUARTER 2025 RESULTS

In a second quarter marked by weak demand and macroeconomic and geopolitical uncertainties, Arkema delivered a resilient EBITDA margin at the good level of 15.2% and a solid cash generation

- **Sales of €2.4 billion**, down 2.3% year-on-year at constant exchange rates:
 - Volumes slightly down 1.3% in a demand environment broadly disappointing in Europe and the United States, and positively oriented in Asia
 - Weak demand in most end-markets, however growth in several attractive sectors such as sports, batteries, efficient buildings and 3D printing, benefiting from the Group's innovation focus
 - Negative 2.5% price effect reflecting market conditions, the geographical mix and the evolution of certain raw materials
- **EBITDA** down at **€364 million** (€451 million in Q2'24) and a solid **EBITDA margin at 15.2%** (17.8% in Q2'24):
 - Good resilience of High Performance Polymers and Adhesive Solutions
 - Significant decline in Coating Solutions and Intermediates
 - Weakening of the US dollar and several other currencies against the euro
 - Strengthening of cost saving initiatives
- **Adjusted net income** of **€118 million** (€214 million in Q2'24), representing €1.56 per share (€2.87 in Q2'24)
- **Recurring cash flow** of **€111 million** (€132 million in Q2'24), reflecting the strict management of working capital in response to market conditions
- **Net debt** and hybrid bonds of **€3,580 million** at end-June 2025, including the dividend payment (€272 million) last May
- Adjustment of the **annual EBITDA guidance** to take into account continuing weakness in demand, geopolitical uncertainties and the evolution of exchange rates. The Group expects to achieve EBITDA of between €1.3 billion and €1.4 billion in 2025. Recurring cash flow should adjust accordingly to between €300 million and €400 million. Cost-cutting efforts will be strongly reinforced, with Arkema doubling its target for fixed and variable cost savings to €100 million for the year.

Chairman and CEO Thierry Le Hénaff said:

"The macroeconomic environment remained difficult in the second quarter, marked notably by the wait-and-see attitude of customers in response to tariffs and by the unfavorable evolution of exchange rates. Arkema's teams continue to adapt with agility and commitment, as they have done in the past in similar contexts, and to work simultaneously across both short- and long-term time horizons.

In the short term, cost and cash management actions are being significantly strengthened. Furthermore, operating with a long-term perspective, the Group is pursuing its strategy of development centered on innovative materials with the execution of its major projects and its innovation dynamic focused on its large growth platforms such as batteries, sustainable consumer goods or efficient buildings.

The ramp-up of our bio-based polyamide plant and the announcement of a new Rilsan® Clear transparent polyamide unit on our Singapore platform, where we gathered a large number of clients and the local authorities in mid-July, as well as the start-up of our additives plant for refining and biofuels in Texas are all assets which are serving this strategy."

KEY FIGURES

<i>in millions of euros</i>		Q2'25	Q2'24	Change	H1'25	H1'24	Change
Sales		2,395	2,536	-5.6%	4,776	4,877	-2.1%
EBITDA ^(a)		364	451	-19.3%	693	801	-13.5%
Specialty Materials		333	390	-14.6%	664	732	-9.3%
Intermediates		54	84	-35.7%	78	123	-36.6%
Corporate		-23	-23		-49	-54	
EBITDA margin ^(a)		15.2%	17.8%		14.5%	16.4%	
Specialty Materials		15.2%	17.2%		15.0%	16.5%	
Intermediates		28.7%	33.1%		22.6%	29.9%	
Recurring operating income (REBIT) ^(a)		198	302	-34.4%	358	504	-29.0%
REBIT margin ^(a)		8.3%	11.9%		7.5%	10.3%	
Adjusted net income ^(a)		118	214	-44.9%	217	352	-38.4%
Adjusted net income per share (in €) ^(a)		1.56	2.87	-45.6%	2.87	4.71	-39.1%
Operating income		117	217	-46.1%	219	352	-37.8%
Net income - Group share		47	145	-67.6%	96	224	-57.1%
Recurring cash flow ^(a)		111	132		-27	72	
Free cash flow ^(a)		91	117		-64	35	
Net debt and hybrid bonds ^(a)		3,580	3,270		3,580	3,270	
€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 June 2025 available at the end of the document for reconciliation tables and definitions

SECOND-QUARTER 2025 BUSINESS PERFORMANCE

At **€2,395 million**, Group **sales** were down 5.6% year-on-year, impacted by a negative 3.3% currency effect reflecting the weakening of the US dollar and of certain Asian currencies against the euro. At constant exchange rates, sales decreased by 2.3%. In a demand environment broadly disappointing in Europe and the United States, and positively oriented in Asia, volumes declined slightly by 1.3%, down in most end-markets. They were supported by Arkema's growth in several attractive sectors such as sports, batteries, efficient buildings and 3D printing, benefiting from the Group's innovation focus. The negative 2.5% price effect reflected market conditions, the geographical mix and the evolution of certain raw materials. The 1.5% positive scope effect corresponded essentially to the integration of Dow's laminating adhesives.

At **€364 million**, Group **EBITDA** was down on the previous year (€451 million in Q2'24) and the **EBITDA margin** remained solid at **15.2%** (17.8% in Q2'24). This result benefited from the good resilience of High Performance Polymers and Adhesive Solutions, but reflected the significant decline in Coating Solutions and the decrease in Intermediates compared with the high comparison base of last year. Furthermore, this performance integrated the strengthening of cost control initiatives and included an unfavorable currency effect estimated at around €15 million on EBITDA for the quarter.

Recurring depreciation and amortization totaled €166 million, up €17 million on the second quarter of 2024, reflecting the start-up of new production units during 2024, partially offset by a favorable currency effect. **Recurring operating income** (REBIT) therefore amounted to **€198 million** (€302 million in Q2'24) and REBIT margin came in at 8.3% (11.9% in Q2'24).

Operating income came in at **€117 million** (€217 million in Q2'24). It included €47 million of exceptional expenses, mainly corresponding to restructuring costs in Hydrogen Peroxides linked notably to the reorganization of the Jarrie site in order to ensure its future by refocusing on activities in which Arkema is one of the world leaders, and resulting in the shutdown of certain production lines of the site.

Adjusted net income amounted to **€118 million** (€214 million in Q2'24), *i.e.* €1.56 per share.

CASH FLOW AND NET DEBT AT 30 JUNE 2025

Cash generation was solid with **recurring cash flow** of **€111 million** (€132 million in Q2'24). It included a small change in working capital, reflecting the Group's strict management in response to market conditions. At end-June 2025, working capital represented 17.0% of the annualized sales (15.7% at end-June 2024). Recurring cash flow also included lower capital expenditure at €151 million (€170 million in Q2'24), in line with the annual guidance.

Free cash flow amounted to **€91 million** (€117 million in Q2'24), including a non-recurring cash outflow of €20 million, linked notably to restructuring costs and reorganization costs at the Jarrie site in France.

Net debt and hybrid bonds came in at **€3,580 million** at end-June 2025 (€3,425 million at end-March 2025), integrating the €3.60 per share dividend payment in May 2025 for a total amount of €272 million. The net debt and hybrid bonds to last-twelve-months EBITDA ratio stood at 2.5x.

SECOND-QUARTER 2025 PERFORMANCE BY SEGMENT

ADHESIVE SOLUTIONS (30% OF TOTAL GROUP SALES)

<i>in millions of euros</i>	Q2'25	Q2'24	Change
Sales	716	706	+1.4%
EBITDA ^(a)	103	109	-5.5%
EBITDA margin ^(a)	14.4%	15.4%	
Recurring operating income (REBIT) ^(a)	78	88	-11.4%
REBIT margin ^(a)	10.9%	12.5%	

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

At **€716 million** (€706 million in Q2'24), **sales** in the Adhesive Solutions segment were up 4.8% year-on-year excluding the currency effect, supported by an 8.0% positive scope effect corresponding to the acquisition of Dow's flexible packaging laminating adhesives business. Down 2.6%, volumes decreased in industrial adhesives, notably in North America, while construction grew slightly, benefiting from an improved dynamic in Asia and Europe. Prices were stable overall at negative 0.6 % and the currency effect was a negative 3.4%.

In this weak demand environment, segment **EBITDA** amounted to **€103 million** (€109 million in Q2'24) and **EBITDA margin** held up well at **14.4%** (15.4% in Q2'24), despite the 50 bps dilutive effect linked to the consolidation of Dow's laminating adhesives, reflecting notably the strict management of prices and operations.

ADVANCED MATERIALS (38% OF TOTAL GROUP SALES)

<i>in millions of euros</i>	Q2'25	Q2'24	Change
Sales	917	918	-0.1%
EBITDA ^(a)	177	190	-6.8%
EBITDA margin ^(a)	19.3%	20.7%	
Recurring operating income (REBIT) ^(a)	77	103	-25.2%
REBIT margin ^(a)	8.4%	11.2%	

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

Sales in the Advanced Materials segment amounted to **€917 million** (€918 million in Q2'24), supported by an organic growth of 3.3%. Volumes were significantly up 5.7%, with progress in most of the segment's businesses, more particularly in High Performance Polymers in Asia. They were supported by Arkema's growth in several attractive sectors such as sports, batteries, efficient buildings and 3D printing, benefiting from the Group's innovation focus. Prices were down 2.4%, reflecting mainly the evolution of certain raw materials, as well as an unfavorable geographical mix and the current market conditions in Performance Additives. Lastly, the currency effect was a negative 3.4%.

At **€177 million** (€190 million in Q2'24), segment **EBITDA** was impacted essentially by the decrease in Performance Additives, while High Performance Polymers were more resilient. In this context, the **EBITDA margin** for the segment remained at the good level of **19.3%** (20.7% in Q2'24).

COATING SOLUTIONS (24% OF TOTAL GROUP SALES)

<i>in millions of euros</i>	Q2'25	Q2'24	Change
Sales	565	648	-12.8%
EBITDA ^(a)	53	91	-41.8%
EBITDA margin ^(a)	9.4%	14.0%	
Recurring operating income (REBIT) ^(a)	22	61	-63.9%
REBIT margin ^(a)	3.9%	9.4%	

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

Sales in the Coating Solutions segment decreased significantly by 12.8% year-on-year to **€565 million**. In a weak demand environment, volumes were down 6.6%, notably in the industrial coatings and construction markets, and affected in particular by North America. The negative 3.1% price effect reflected mainly the less favorable market conditions in upstream acrylics. Lastly, the currency effect was a negative 3.1%.

In this context, segment **EBITDA** declined sharply to **€53 million** (€91 million in Q2'24), reflecting low cycle margins in upstream acrylics as well as weak volumes in the segment's downstream activities, and the **EBITDA margin** came in at **9.4%** (14.0% in Q2'24).

INTERMEDIATES (8% OF TOTAL GROUP SALES)

<i>in millions of euros</i>	Q2'25	Q2'24	Change
Sales	188	254	-26.0%
EBITDA ^(a)	54	84	-35.7%
EBITDA margin ^(a)	28.7%	33.1%	
Recurring operating income (REBIT) ^(a)	47	74	-36.5%
REBIT margin ^(a)	25.0%	29.1%	

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

At **€188 million** (€254 million in Q2'24), **sales** in the Intermediates segment were down sharply 26.0% compared to last year. Volumes decreased by 9.0% and prices by 6.6%, impacted essentially by refrigerant gases, which nevertheless improved compared to the first quarter. The scope effect was a negative 7.3%, corresponding to the disposal of non-strategic assets in sebacic acid in China finalized in fourth-quarter 2024. The currency effect was a negative 3.1%.

At **€54 million** (€84 million in Q2'24), **EBITDA** was affected by the significant decline in refrigerant gases on last year's high comparison base but benefited from the slight growth in acrylics in China. The **EBITDA margin** stood at the high level of **28.7%** (33.1% in Q2'24).

OUTLOOK

The start of the second half of the year follows the trend of recent months, within a macroeconomic environment marked by continuing weakness in demand, geopolitical uncertainties and unfavorable evolution of exchange rates relative to the euro. In this context, Arkema is focusing as a priority on the elements that are within its control, and is significantly strengthening its cost-cutting initiatives, aiming to achieve €100 million of fixed and variable cost savings over the year, *i.e.*, double the original target. Cash will continue to receive a particular attention, notably through strict management of working capital and capital expenditures.

The Group will also rely on the ramp-up of its major projects in high value-added innovative applications and in fast growing regions. Their additional EBITDA contribution is now expected to reach around €50 million in 2025 compared to 2024, with the Group also reaffirming its target of over €400 million in 2028.

Furthermore, Arkema anticipates a limited direct impact from the increase in tariffs thanks to its industrial footprint close to customers in the three major regions of the world but will nevertheless remain vigilant about their indirect impact on the macroeconomic environment and the wait-and-see attitude of customers.

Based on these elements, the Group now expects to achieve EBITDA of between €1.3 billion and €1.4 billion in 2025, including an unfavorable impact linked to the evolution of exchange rates of around €50 million compared to last year. Recurring cash flow should adjust accordingly to between €300 million and €400 million.

Finally, beyond the short-term priorities, Arkema will also continue to implement its strategic roadmap, notably its innovation focus and the development of high-performance solutions for a less carbon-intensive and more sustainable world, in close partnership with its customers. Relying also on its balanced geographical footprint, the Group will thus reinforce its positioning and its resilience, while benefiting from numerous growth opportunities.

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

REGULATORY INFORMATION

The half-year financial report for the six months ended 30 June 2025 is available on the Group's website (www.arkema.com) under Investors/Financials/Financial results.

FINANCIAL CALENDAR

7 November 2025: Publication of third-quarter 2025 results

26 February 2026: Publication of full-year 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 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 condensed consolidated interim financial statements at 30 June 2025, as approved by Arkema's Board of Directors on 30 July 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 consolidated financial information at the end of June 2025 provided 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.

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ARKEMA financial statements

Consolidated financial information - At the end of June 2025

Half-year information is subject to a limited review by auditors.

Consolidated financial statements as of December 2024 have been audited.

1. CONSOLIDATED INCOME STATEMENT

	<u>2nd quarter 2025</u>	<u>2nd quarter 2024</u>
<i>(In millions of euros)</i>		
Sales	2,395	2,536
Operating expenses	(1,940)	(1,965)
Research and development expenses	(71)	(68)
Selling and administrative expenses	(220)	(238)
Other income and expenses	(47)	(48)
Operating income	117	217
Equity in income of affiliates	0	(1)
Financial result	(34)	(15)
Income taxes	(36)	(52)
Net income	47	149
Attributable to non-controlling interests	0	4
Net income - Group share	47	145
<i>Earnings per share (amount in euros)</i>	<i>0.62</i>	<i>1.94</i>
<i>Diluted earnings per share (amount in euros)</i>	<i>0.62</i>	<i>1.93</i>

	<u>End of June 2025</u>	<u>End of June 2024</u>
<i>(In millions of euros)</i>		
Sales	4,776	4,877
Operating expenses	(3,880)	(3,838)
Research and development expenses	(142)	(137)
Selling and administrative expenses	(466)	(473)
Other income and expenses	(69)	(77)
Operating income	219	352
Equity in income of affiliates	0	(2)
Financial result	(58)	(33)
Income taxes	(64)	(88)
Net income	97	229
Attributable to non-controlling interests	1	5
Net income - Group share	96	224
<i>Earnings per share (amount in euros)</i>	<i>0.95</i>	<i>2.93</i>
<i>Diluted earnings per share (amount in euros)</i>	<i>0.95</i>	<i>2.92</i>

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>2nd quarter 2025</u>	<u>2nd quarter 2024</u>
<i>(In millions of euros)</i>		
Net income	47	149
Hedging adjustments	11	12
Other items	0	0
Deferred taxes on hedging adjustments and other items	0	0
Change in translation adjustments	(320)	14
Other recyclable comprehensive income	(309)	26
Impact of remeasuring unconsolidated investments	0	(1)
Actuarial gains and losses	3	5
Deferred taxes on actuarial gains and losses	(1)	(1)
Other non-recyclable comprehensive income	2	3
Total other comprehensive income	(307)	29
Total comprehensive income	(260)	178
Attributable to non-controlling interest	(1)	(1)
Total comprehensive income - Group share	(259)	179

	<u>End of June 2025</u>	<u>End of June 2024</u>
<i>(In millions of euros)</i>		
Net income	97	229
Hedging adjustments	21	(3)
Other items	0	0
Deferred taxes on hedging adjustments and other items	0	0
Change in translation adjustments	(522)	71
Other recyclable comprehensive income	(501)	68
Impact of remeasuring unconsolidated investments	(1)	(1)
Actuarial gains and losses	11	18
Deferred taxes on actuarial gains and losses	(1)	(4)
Other non-recyclable comprehensive income	9	13
Total other comprehensive income	(492)	81
Total comprehensive income	(395)	310
Attributable to non-controlling interest	(17)	(6)
Total comprehensive income - Group share	(378)	316

3. CONSOLIDATED CASH FLOW STATEMENT

End of June 2025

End of June 2024

(In millions of euros)

Net income	97	229
Depreciation, amortization and impairment of assets	404	382
Other provisions and deferred taxes	(4)	23
(Gains)/Losses on sales of long-term assets	0	4
Undistributed affiliate equity earnings	0	3
Change in working capital	(231)	(279)
Other changes	9	18
Cash flow from operating activities	275	380
Intangible assets and property, plant, and equipment additions	(240)	(269)
Change in fixed asset payables	(107)	(50)
Acquisitions of operations, net of cash acquired	—	(29)
Increase in long-term loans	(30)	(55)
Total expenditures	(377)	(403)
Proceeds from sale of intangible assets and property, plant and equipment	3	3
Change in fixed asset receivables	8	(2)
Proceeds from sale of operations, net of cash transferred	—	—
Repayment of long-term loans	20	16
Total divestitures	31	17
Cash flow from investing activities	(346)	(386)
Issuance/(Repayment) of shares and paid-in surplus	—	—
Acquisition/sale of treasury shares	(27)	(14)
Issuance of hybrid bonds	399	399
Redemption of hybrid bonds	—	—
Dividends paid to parent company shareholders	(272)	(261)
Interest paid to bearers of subordinated perpetual notes	(24)	(5)
Dividends paid to non-controlling interests and buyout of minority interests	(3)	(1)
Increase in long-term debt	11	3
Decrease in long-term debt	(67)	(750)
Increase / (Decrease) in short-term debt	(718)	685
Cash flow from financing activities	(701)	56
Net increase/(decrease) in cash and cash equivalents	(772)	50
Effect of exchange rates and changes in scope	70	(1)
Cash and cash equivalents at beginning of period	2,013	2,045
Cash and cash equivalents at end of the period	1,311	2,094

4. CONSOLIDATED BALANCE SHEET

30 June 2025

31 December 2024

(In millions of euros)

ASSETS		
Goodwill	2,898	3,071
Other intangible assets, net	2,194	2,373
Property, plant and equipment, net	3,902	4,227
Investments in equity affiliates	10	11
Other investments	48	50
Deferred tax assets	139	155
Other non-current assets	316	327
TOTAL NON-CURRENT ASSETS	9,507	10,214
Inventories	1,309	1,348
Accounts receivable	1,435	1,312
Other receivables and prepaid expenses	216	201
Income taxes recoverable	103	101
Current financial derivative assets	35	20
Cash and cash equivalents	1,311	2,013
Assets held for sale	—	—
TOTAL CURRENT ASSETS	4,409	4,995
TOTAL ASSETS	13,916	15,209
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	761	761
Paid-in surplus and retained earnings	6,678	6,439
Treasury shares	(49)	(22)
Translation adjustments	(156)	348
SHAREHOLDERS' EQUITY - GROUP SHARE	7,234	7,526
Non-controlling interests	216	235
TOTAL SHAREHOLDERS' EQUITY	7,450	7,761
Deferred tax liabilities	412	435
Provisions for pensions and other employee benefits	361	391
Other provisions and non-current liabilities	433	456
Non-current debt	3,644	3,680
TOTAL NON-CURRENT LIABILITIES	4,850	4,962
Accounts payable	935	1,074
Other creditors and accrued liabilities	429	424
Income tax payables	89	82
Current financial derivative liabilities	16	32
Current debt	147	874
Liabilities associated with assets held for sale	—	—
TOTAL CURRENT LIABILITIES	1,616	2,486
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13,916	15,209

5. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In millions of euros)	Shares issued		Paid-in surplus	Hybrid bonds	Retained earnings	Translation adjustments	Treasury shares		Shareholders' equity - Group share	Non-controlling interests	Shareholders' equity
	Number	Amount					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	—	—	—	—	(296)	—	—	—	(296)	(6)	(302)
Issuance of share capital	—	—	—	—	—	—	—	—	—	—	—
Capital reduction by cancellation of treasury shares	—	—	—	—	—	—	—	—	—	—	—
Acquisition/sale of treasury shares	—	—	—	—	—	—	(378,429)	(27)	(27)	—	(27)
Grants of treasury shares to employees	—	—	—	—	0	—	109	0	0	—	0
Share-based payments	—	—	—	—	10	—	—	—	10	—	10
Issuance of hybrid bonds	—	—	—	400	(1)	—	—	—	399	—	399
Redemption of hybrid bonds	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	0	—	—	—	0	4	4
Transactions with shareholders	—	—	—	400	(287)	—	(378,320)	(27)	86	(2)	84
Net income	—	—	—	—	96	—	—	—	96	1	97
Total income and expense recognized directly through equity	—	—	—	—	30	(504)	—	—	(474)	(18)	(492)
Total comprehensive income	—	—	—	—	126	(504)	—	—	(378)	(17)	(395)
At 30 June 2025	76,060,831	761	1,117	1,100	4,461	(156)	(635,480)	(49)	7,234	216	7,450

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

RECURRING OPERATING INCOME (REBIT) AND EBITDA

(In millions of euros)	End of June 2025	End of June 2024	2 nd quarter 2025	2 nd quarter 2024
OPERATING INCOME	219	352	117	217
- 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	(70)	(75)	(34)	(37)
- Other income and expenses	(69)	(77)	(47)	(48)
RECURRING OPERATING INCOME (REBIT)	358	504	198	302
- Recurring depreciation and amortization of property, plant and equipment and intangible assets	(335)	(297)	(166)	(149)
EBITDA	693	801	364	451

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

(In millions of euros)	End of June 2025	End of June 2024	2 nd quarter 2025	2 nd quarter 2024
Depreciation and amortization of property, plant and equipment and intangible assets	(404)	(382)	(199)	(193)
Of which: Recurring depreciation and amortization of property, plant and equipment and intangible assets	(335)	(297)	(166)	(149)
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	(70)	(75)	(34)	(37)
Of which: Impairment included in other income and expenses	1	(10)	1	(7)

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

(In millions of euros)	End of June 2025	End of June 2024	2 nd quarter 2025	2 nd quarter 2024
NET INCOME - GROUP SHARE	96	224	47	145
- 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	(70)	(75)	(34)	(37)
- Other income and expenses	(69)	(77)	(47)	(48)
- 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	16	16	8	7
- Taxes on other income and expenses	6	12	4	11
- One-time tax effects	(4)	(4)	(2)	(2)
ADJUSTED NET INCOME	217	352	118	214
Weighted average number of ordinary shares	75,597,121	74,748,618		
Weighted average number of potential ordinary shares	75,987,210	75,043,514		
ADJUSTED EARNINGS PER SHARE (in euros)	2.87	4.71	1.56	2.87
DILUTED ADJUSTED EARNINGS PER SHARE (in euros)	2.86	4.69	1.56	2.85

RECURRING CAPITAL EXPENDITURE

(In millions of euros)	End of June 2025	End of June 2024	2 nd quarter 2025	2 nd quarter 2024
INTANGIBLE ASSETS AND PROPERTY, PLANT, AND EQUIPMENT ADDITIONS	240	269	151	170
- Exceptional capital expenditure	—	—	—	—
- Investments relating to portfolio management operations	—	—	—	—
- Capital expenditure with no impact on net debt	—	—	—	—
RECURRING CAPITAL EXPENDITURE	240	269	151	170

CASH FLOWS

(In millions of euros)	End of June 2025	End of June 2024	2 nd quarter 2025	2 nd quarter 2024
Cash flow from operating activities	275	380	253	295
+ Cash flow from investing activities	(346)	(386)	(164)	(198)
NET CASH FLOW	(71)	(6)	89	97
- Net cash flow from portfolio management operations	(7)	(41)	(2)	(20)
FREE CASH FLOW	(64)	35	91	117
- Exceptional capital expenditure	—	—	—	—
- Non-recurring cash flow	(37)	(37)	(20)	(15)
RECURRING CASH FLOW	(27)	72	111	132
- Recurring capital expenditure	(240)	(269)	(151)	(170)
OPERATING CASH FLOW	213	341	262	302

NET DEBT

<i>(In millions of euros)</i>	<u>End of June 2025</u>	<u>End of December 2024</u>
Non-current debt	3,644	3,680
+ Current debt	147	874
- Cash and cash equivalents	1,311	2,013
NET DEBT	2,480	2,541
+ Hybrid bonds	1,100	700
NET DEBT AND HYBRID BONDS	3,580	3,241
Last twelve months EBITDA	1,424	1,532
NET DEBT AND HYBRID BONDS TO EBITDA RATIO	2.5	2.1

WORKING CAPITAL

<i>(In millions of euros)</i>	<u>End of June 2025</u>	<u>End of December 2024</u>
Inventories	1,309	1,348
+ Accounts receivable	1,435	1,312
+ Other receivables including income taxes recoverable	319	302
+ Current financial derivative assets	35	20
- Accounts payable (operating suppliers)	935	1,074
- Other liabilities including income taxes	518	506
- Current financial derivative liabilities	16	32
WORKING CAPITAL	1,629	1,370

CAPITAL EMPLOYED

<i>(In millions of euros)</i>	<u>End of June 2025</u>	<u>End of December 2024</u>
Goodwill, net	2,898	3,071
+ Intangible assets (excluding goodwill), and property, plant and equipment, net	6,096	6,600
+ Investments in equity affiliates	10	11
+ Other investments and other non-current assets	364	377
+ Working capital	1,629	1,370
CAPITAL EMPLOYED	10,997	11,429

7. INFORMATION BY SEGMENT

2nd quarter 2025

(In millions of euros)

	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
Sales	716	917	565	188	9	2,395
EBITDA ^(a)	103	177	53	54	(23)	364
Recurring depreciation and amortization of property, plant and equipment and intangible assets ^(a)	(25)	(100)	(31)	(7)	(3)	(166)
Recurring operating income (REBIT) ^(a)	78	77	22	47	(26)	198
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	(24)	(9)	(1)	—	—	(34)
Other income and expenses	(9)	(33)	—	3	(8)	(47)
Operating income	45	35	21	50	(34)	117
Equity in income of affiliates	—	0	—	—	—	0
Intangible assets and property, plant, and equipment additions	16	71	53	6	5	151
Of which: recurring capital expenditure ^(a)	16	71	53	6	5	151

2nd quarter 2024

(In millions of euros)

	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
Sales	706	918	648	254	10	2,536
EBITDA ^(a)	109	190	91	84	(23)	451
Recurring depreciation and amortization of property, plant and equipment and intangible assets ^(a)	(21)	(87)	(30)	(10)	(1)	(149)
Recurring operating income (REBIT) ^(a)	88	103	61	74	(24)	302
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	(26)	(10)	(1)	—	—	(37)
Other income and expenses	(11)	(28)	0	(1)	(8)	(48)
Operating income	51	65	60	73	(32)	217
Equity in income of affiliates	—	(1)	—	—	—	(1)
Intangible assets and property, plant, and equipment additions	16	113	28	4	9	170
Of which: recurring capital expenditure ^(a)	16	113	28	4	9	170

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

7. INFORMATION BY SEGMENT

	End of June 2025					
(In millions of euros)	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
Sales	1,431	1,811	1,172	345	17	4,776
EBITDA ^(a)	202	351	111	78	(49)	693
Recurring depreciation and amortization of property, plant and equipment and intangible assets ^(a)	(51)	(197)	(63)	(15)	(9)	(335)
Recurring operating income (REBIT) ^(a)	151	154	48	63	(58)	358
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	(49)	(18)	(3)	—	—	(70)
Other income and expenses	(19)	(43)	—	3	(10)	(69)
Operating income	83	93	45	66	(68)	219
Equity in income of affiliates	—	0	—	—	—	0
Intangible assets and property, plant, and equipment additions	26	121	76	7	10	240
Of which: recurring capital expenditure ^(a)	26	121	76	7	10	240

	End of June 2024					
(In millions of euros)	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
Sales	1,386	1,796	1,263	412	20	4,877
EBITDA ^(a)	214	352	166	123	(54)	801
Recurring depreciation and amortization of property, plant and equipment and intangible assets ^(a)	(44)	(169)	(61)	(20)	(3)	(297)
Recurring operating income (REBIT) ^(a)	170	183	105	103	(57)	504
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	(53)	(19)	(3)	—	—	(75)
Other income and expenses	(16)	(51)	0	(1)	(9)	(77)
Operating income	101	113	102	102	(66)	352
Equity in income of affiliates	—	(2)	—	—	—	(2)
Intangible assets and property, plant, and equipment additions	27	176	43	11	12	269
Of which: recurring capital expenditure ^(a)	27	176	43	11	12	269

(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.