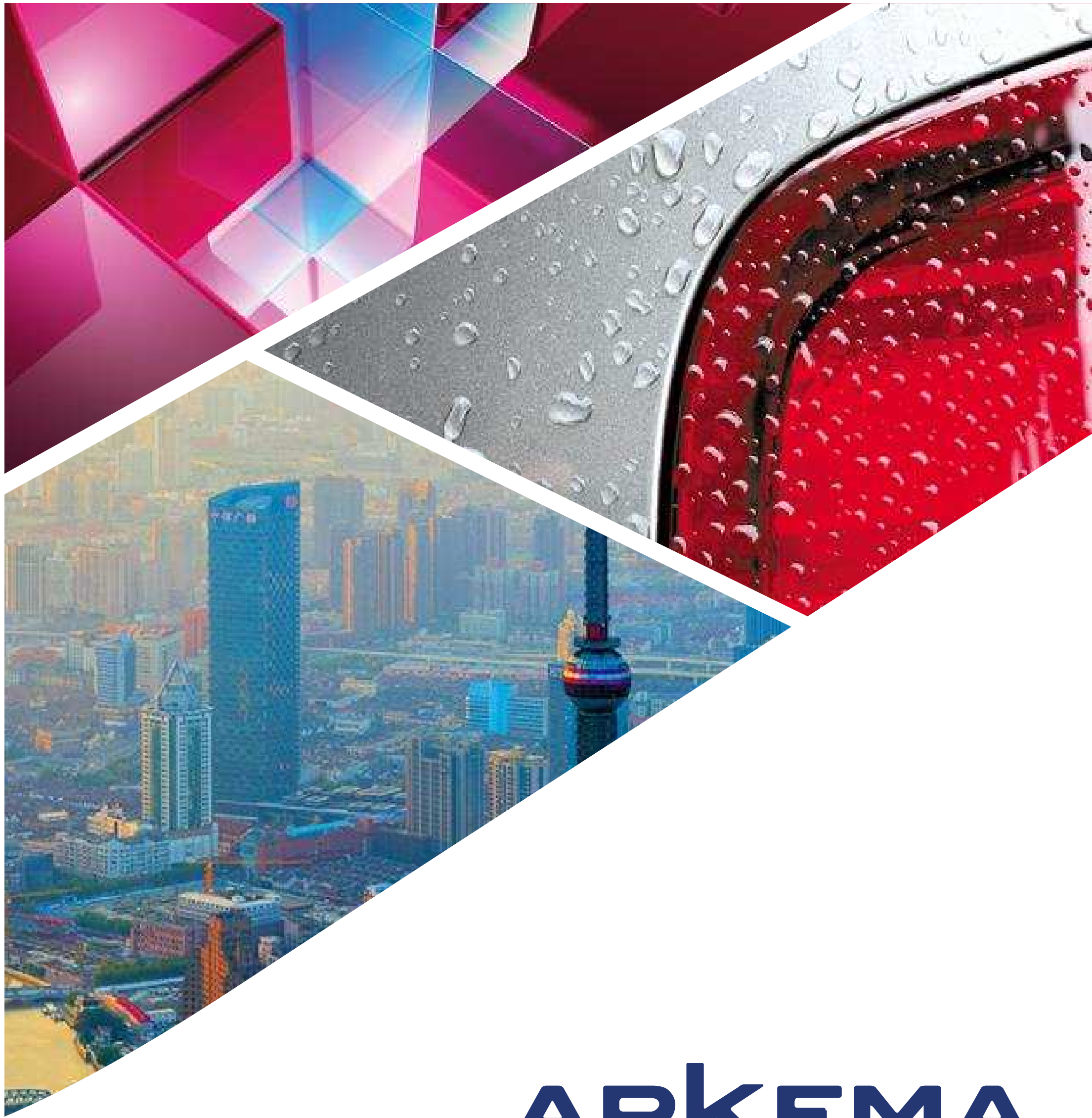
ARKEMA

CREDIT SUISSE 2018 GLOBAL CHEMICALS AND AGRICULTURE CONFERENCE

LONDON - 7 JUNE 2018



ARKEMA
INNOVATIVE CHEMISTRY

ARKEMA IN A NUTSHELL

2017 KEY FIGURES

€8.3 bn sales

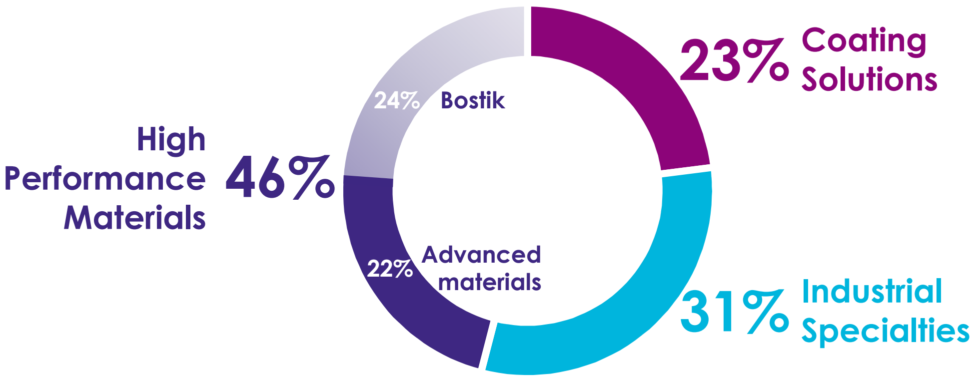
19,800 employees worldwide

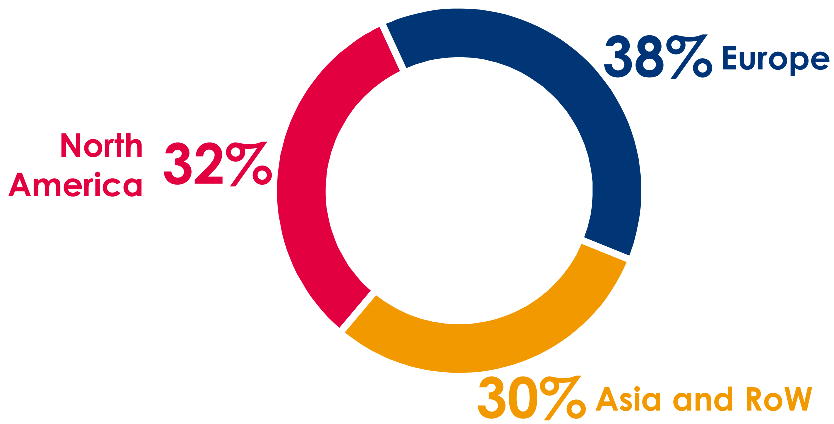
Worldwide presence in 55 countries

136 industrial sites

3 R&D & innovation geographical hubs

BALANCED PORTFOLIO OF BUSINESSES AND GEOGRAPHIC FOOTPRINT





ARKEMA INNOVATIVE CHEMISTRY

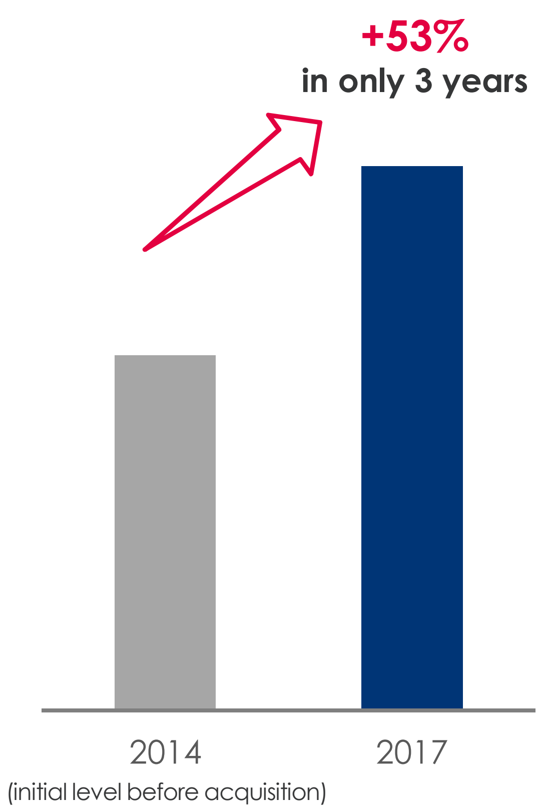
AHEAD OF OUR 2017 FINANCIAL TARGETS

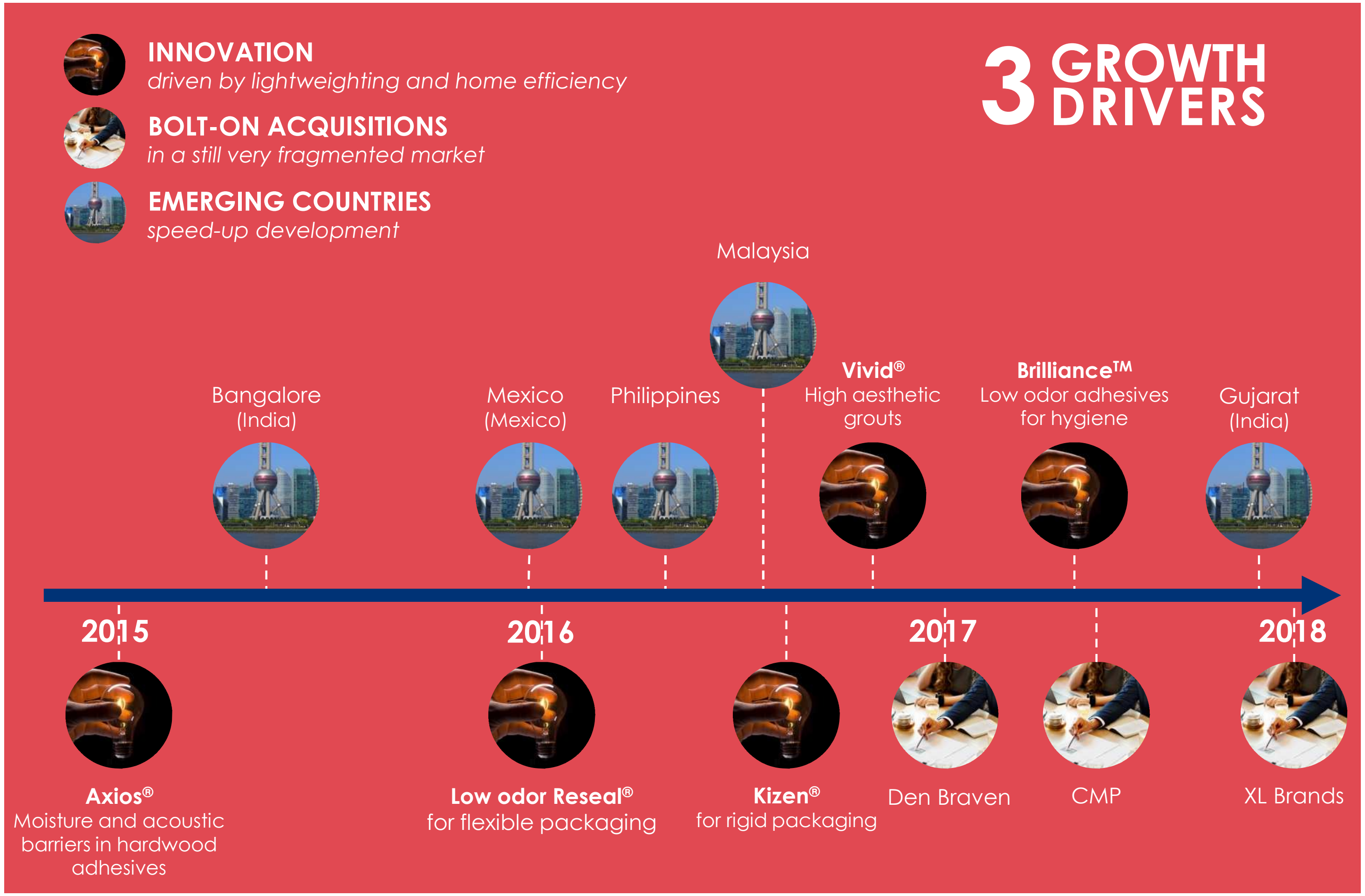
	2017 TARGETS SET 3 YEARS AGO DURING OUR 2015 CAPITAL MARKETS DAY	ACHIEVED IN 2017
EBITDA	€1.3 bn	€1,391 m from €784 m in **2014**
Net cash flow*	x3	x4 vs **2014**
EBITDA to free cash conversion	35%	41% from 18% in **2014**
Capital intensity (recurring capex to sales)	5.5%	5.2% from 5.8% in **2014**
Working capital (as a % of sales)	15%	13.1% from 16.1% in **2014**
Gearing	40%	24%
Net debt to EBITDA (excluding hybrid bond)	1.5x	0.8x

* Net cash flow excluding M&A, exceptional capex, dividend and cost of hybrid

BOSTIK
FULLY ON TRACK WITH SIGNIFICANT POTENTIAL AHEAD

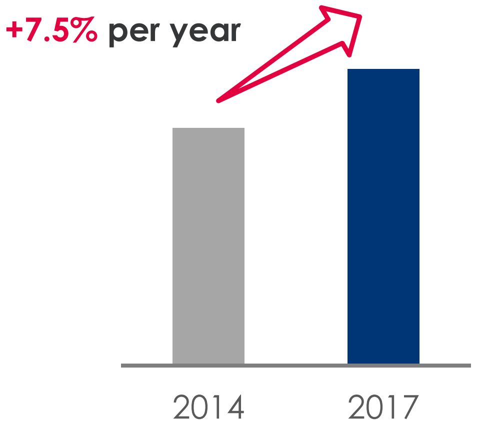
EBITDA GROWTH





ADVANCED MATERIALS
SUSTAINED GROWTH SUPPORTED BY INNOVATION IN MEGATRENDS

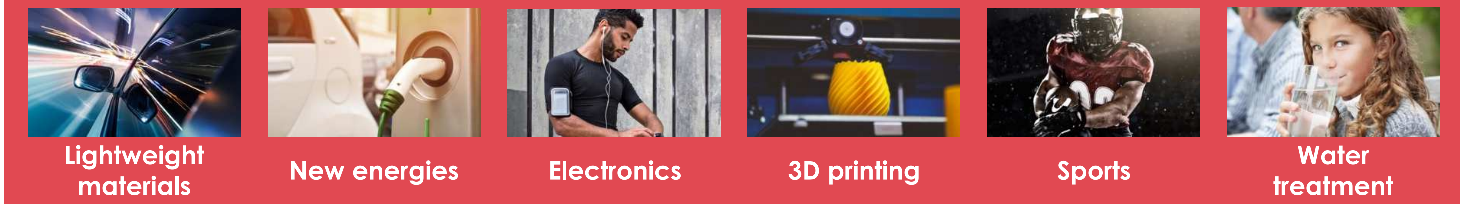
EBITDA GROWTH

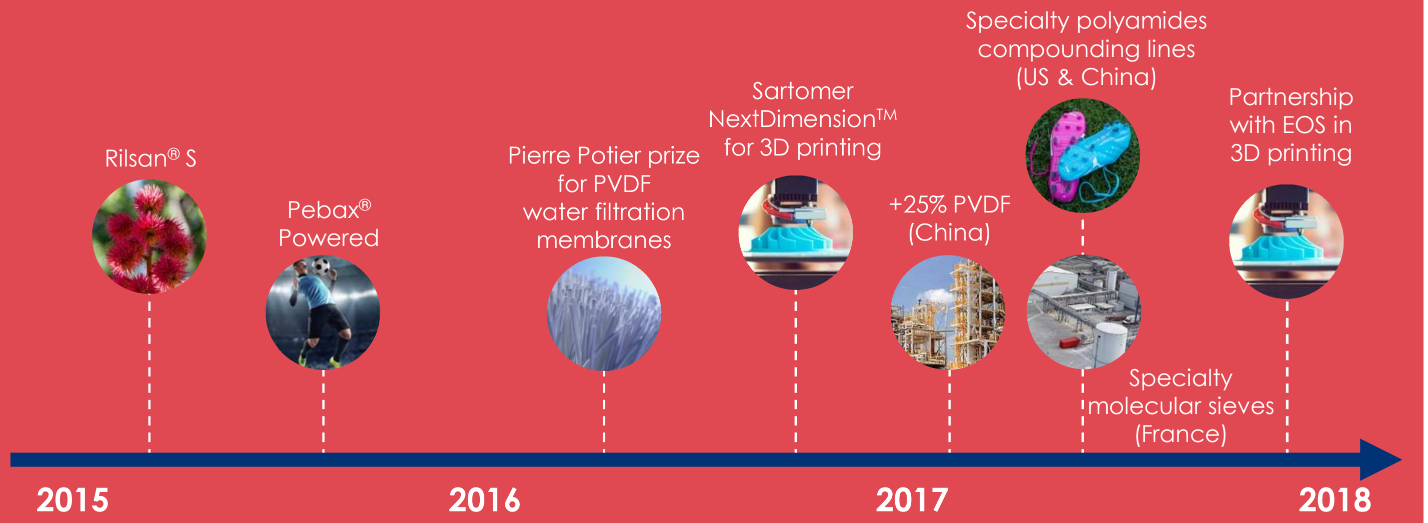


INNOVATION IS OUR DNA

239 patents in 2017

7th consecutive time in the TOP100 Global Innovators Clarivate Analytics

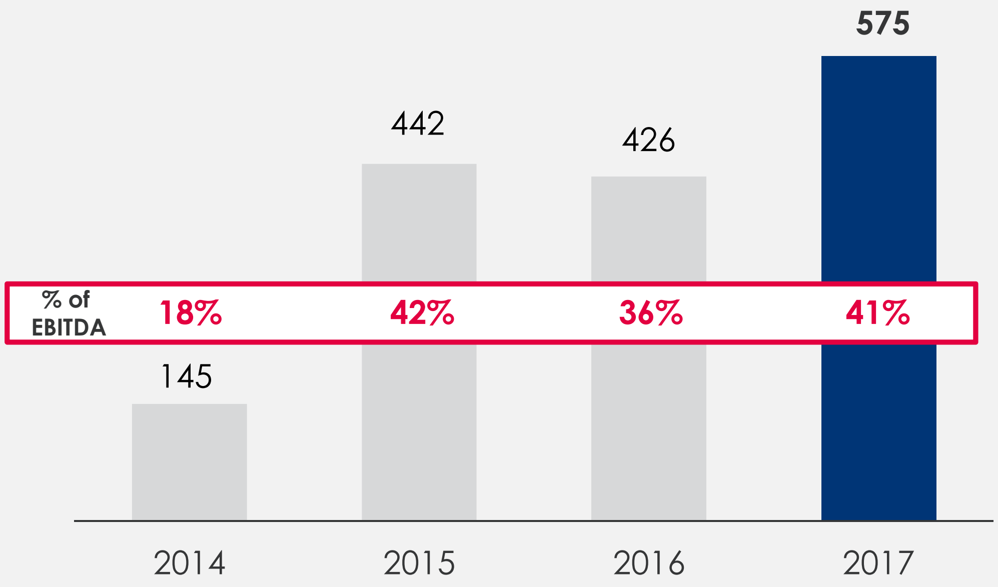




BEST-IN CLASS CASH CONVERSION

STRONG FREE CASH FLOW GENERATION*

In €m



* Excluding exceptional investments

€2.7 BN FREE CASH BEFORE CAPEX GENERATED OVER 2015-2017

Use of cash

CAPEX

€1.3 bn

M&A

€2 bn net

Acquisitions
Bostik, Den Braven and CMP

Divestments
Sunclear, activated carbon and filter aid and oxo alcohol businesses

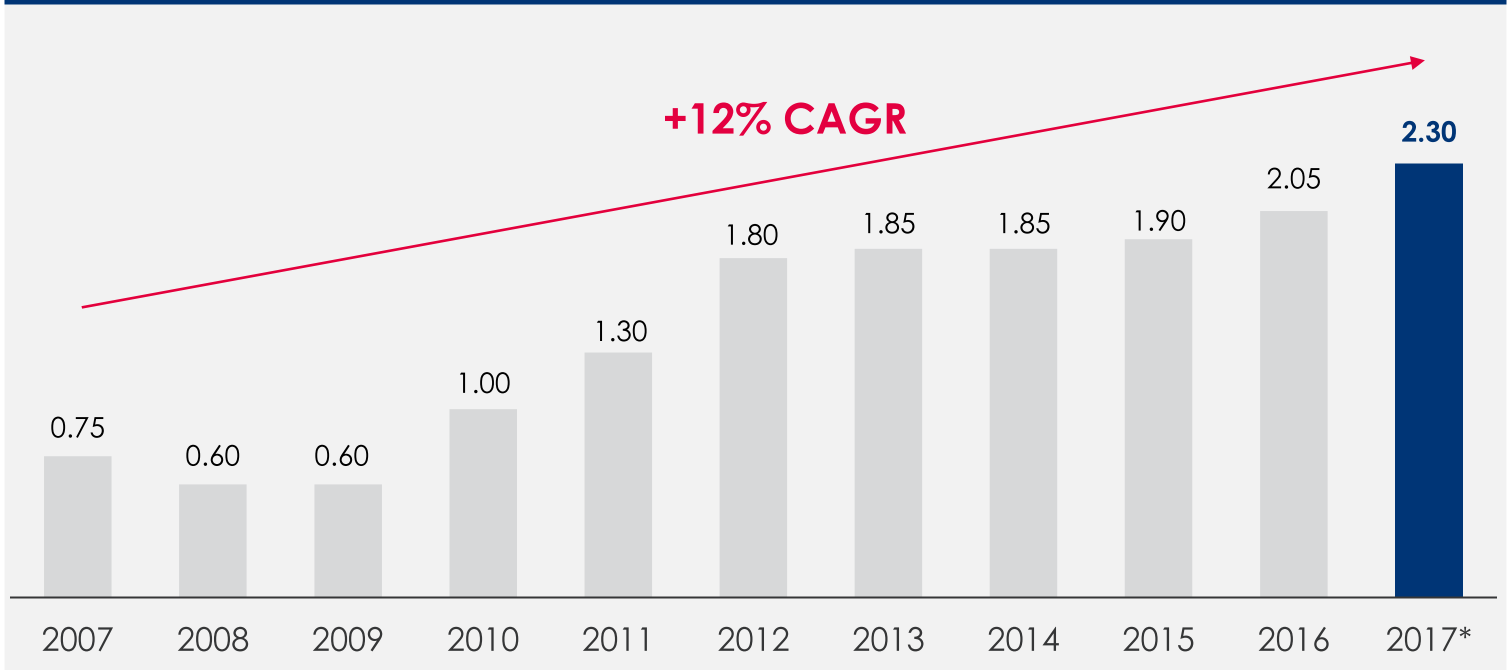
Dividend

€0.4 bn

€1.1 NET DEBT AT 31/12/2017 REPRESENTING 0.8x 2017 EBITDA

SIGNIFICANT INCREASE IN DIVIDEND

DIVIDEND in €/share

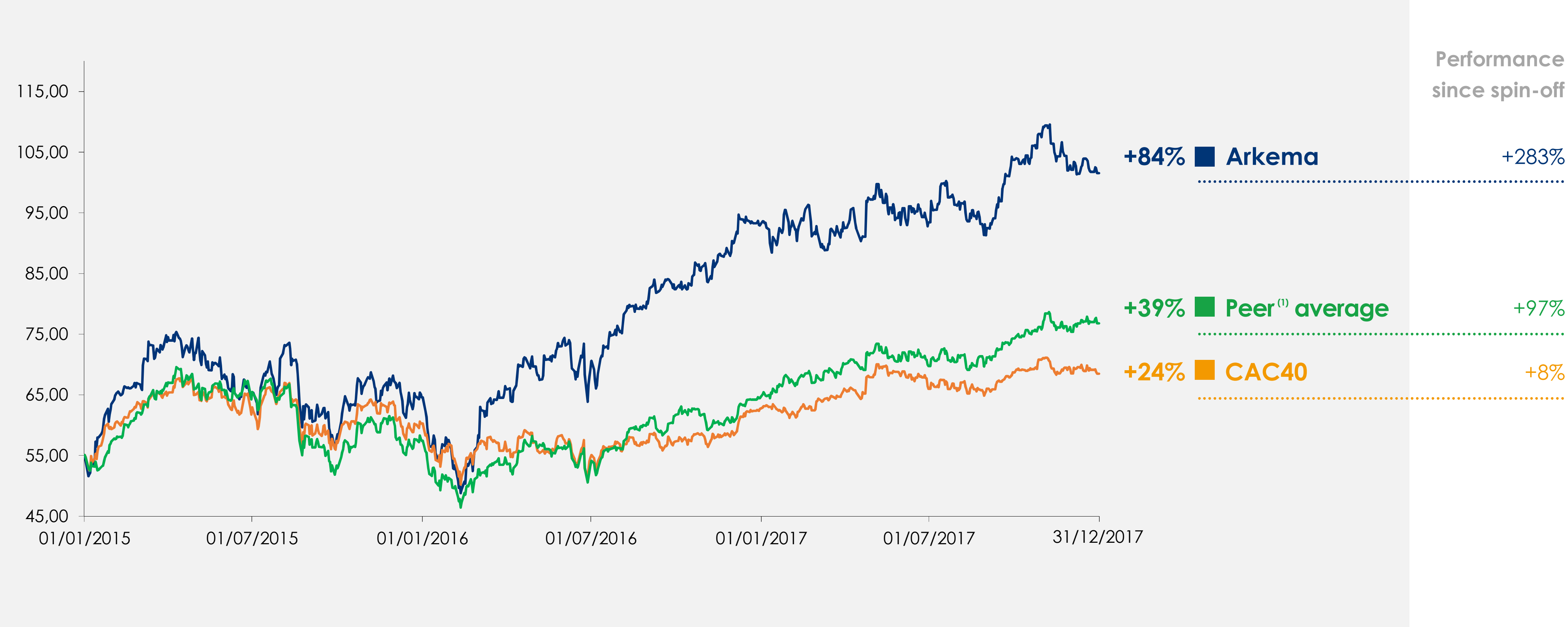


- Reflects the strong confidence of the Board in the current level of profitability and long-term growth prospects
- **~30%** payout ratio
- **Dividend to be paid fully in cash from 29 May 2018**
  - Ex-dividend date: 25 May 2018

In line with dividend policy of paying a stable to growing dividend every year

* Dividend proposed to the shareholders' annual general meeting of 18 May 2018

3-YEAR SHARE PRICE EVOLUTION



(1) AkzoNobel, BASF, Clariant, DSM, Evonik, Lanxess, Solvay

REMINDER OF 2023 LONG-TERM OBJECTIVES PRESENTED AT 2017 CAPITAL MARKETS DAY

A global specialty player focused on adhesives and advanced materials

Bostik 2023 objectives

- Exceed **1/3** of Group sales
- **More than double** sales vs 2016
- **12.5%** to **13%** REBIT margin

Advanced materials 2023 objectives

- Exceed **25%** of Group sales
- **14%** to **15%** REBIT margin

Exceed 80% of sales from specialty businesses
(71% in 2017)

Delivering strong margins and cash generation

REBIT margin
11.5% to 12.5%

EBITDA to free cash conversion
35%

Under strict financial discipline

ROCE
at least 10%

Net debt
<2x EBITDA

Rating
Solid investment grade

Defined in normalized market conditions and under current IFRS rules

LONG TERM GROWTH SUPPORTED BY A NEW WAVE OF SIGNIFICANT PROJECTS

Start-up 2018 2019 2020 2021

2018

+20% PVDF Kynar® production capacities at Calvert City (US)

Markets
New energies and water filtration

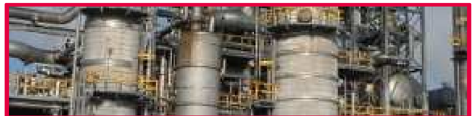
Powder coating resins facility in India

Markets
Paints, coatings and construction

PEKK plant at Mobile (US)

Markets
Aeronautics, 3D-printing and oil & gas

2019



90kt acrylic acid reactor at Clear Lake (US)

Markets
Paints, coatings, adhesives and water treatment

+30% Sartomer photocure resins production capacities in Nansha (China)

Markets
3D-printing, graphic arts and electronics

2020

Doubling of thiochemicals capacities in Malaysia

Markets
Animal nutrition and petrochemicals and refining applications

+25% global PA12 production capacities (China)

Markets
Lightweight materials, sports, electronics

2021

+50% global PA11 monomer and polymer production capacities

+50% global Pebax® production capacities

Markets
Lightweight materials, sports, electronics

North America | Asia

Asia and North America, two core growth regions for Arkema

ARKEMA INNOVATIVE CHEMISTRY

CORPORATE SOCIAL RESPONSIBILITY AT THE HEART OF OUR STRATEGY

A RESPONSIBLE CHEMIST

Safety
*Be a top quartile **safety performer** in the chemical industry*

	OCCUPATIONAL SAFETY (TRIR)
2025 objective	<1.2
2017	1.6

Environment
***Reduce** the environmental **footprint** of our activities*

	GREENHOUSE GAS EMISSIONS	VOLATILE ORGANIC COMPOUND	CHEMICAL OXYGEN DEMAND	NET ENERGY PURCHASED
2025 objectives	-50% vs 2012	-33% vs 2012	-40% vs 2012	-15% vs 2012
2017	-48%	-34%	-30%	-11%

A SUSTAINABLE INNOVATION

Innovation
*Place **sustainable** development solutions at the heart of **innovation** and **product range***

Water management

Bio-based products

Electronics solutions

Home efficiency and insulation

New energies

Lightweight materials and design

AN OPEN STAKEHOLDERS DIALOGUE

Social
*Promote the individual and collective **development** of all **employees** and teams*

Increasing senior executive positions	TO BE HELD BY WOMEN	TO BE HELD BY NON-FRENCH NATIONALS
2025 objectives	23-25%	42-45%
2017	19%	37%

Societal
*Encourage open **dialogue** with all **stakeholders***

RECOGNITION

2017 CSR Rating GOLD ecovadis

FTSE4Good

CDP DRIVING SUSTAINABLE ECONOMIES

EURONEXT vigeo eiris INDICES EUROZONE 120

OUR AMBITION

Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

ARKEMA INNOVATIVE CHEMISTRY

FINANCIAL RESULTS

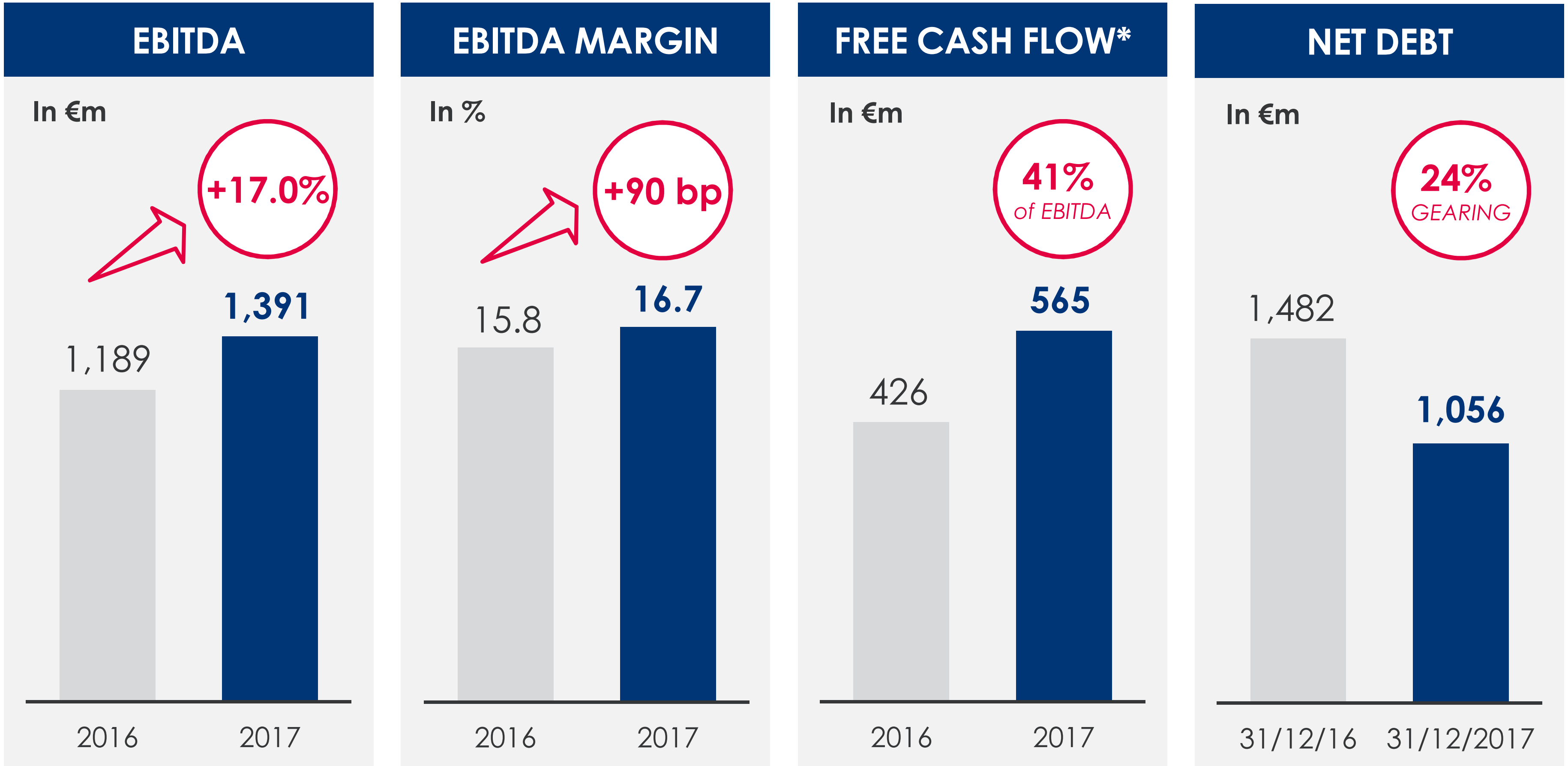
ARKEMA
INNOVATIVE CHEMISTRY

FY'17 RESULTS KEY TAKE-AWAYS

€8,326 m sales	**+10.5%** up YoY **+8.9%** at constant scope and FX
€1,391 m EBITDA	**+17%** up on 2016 good performance Driven by all 3 business divisions
16.7% EBITDA margin	15.8% in 2016 Despite a context of higher raw material costs and stronger euro vs the US dollar
€592 m adjusted net income	**+42%** up YoY **€7.82** adjusted EPS (€5.56 in 2016)
€1,056 m net debt	Significantly down YoY (€1,482 m at 31 December 2016) Excellent cash generation with **€565 m** free cash flow (€426 m in 2016) **0.8x** 2017 EBITDA
€2.30 dividend	Proposed increase from €2.05 in 2016

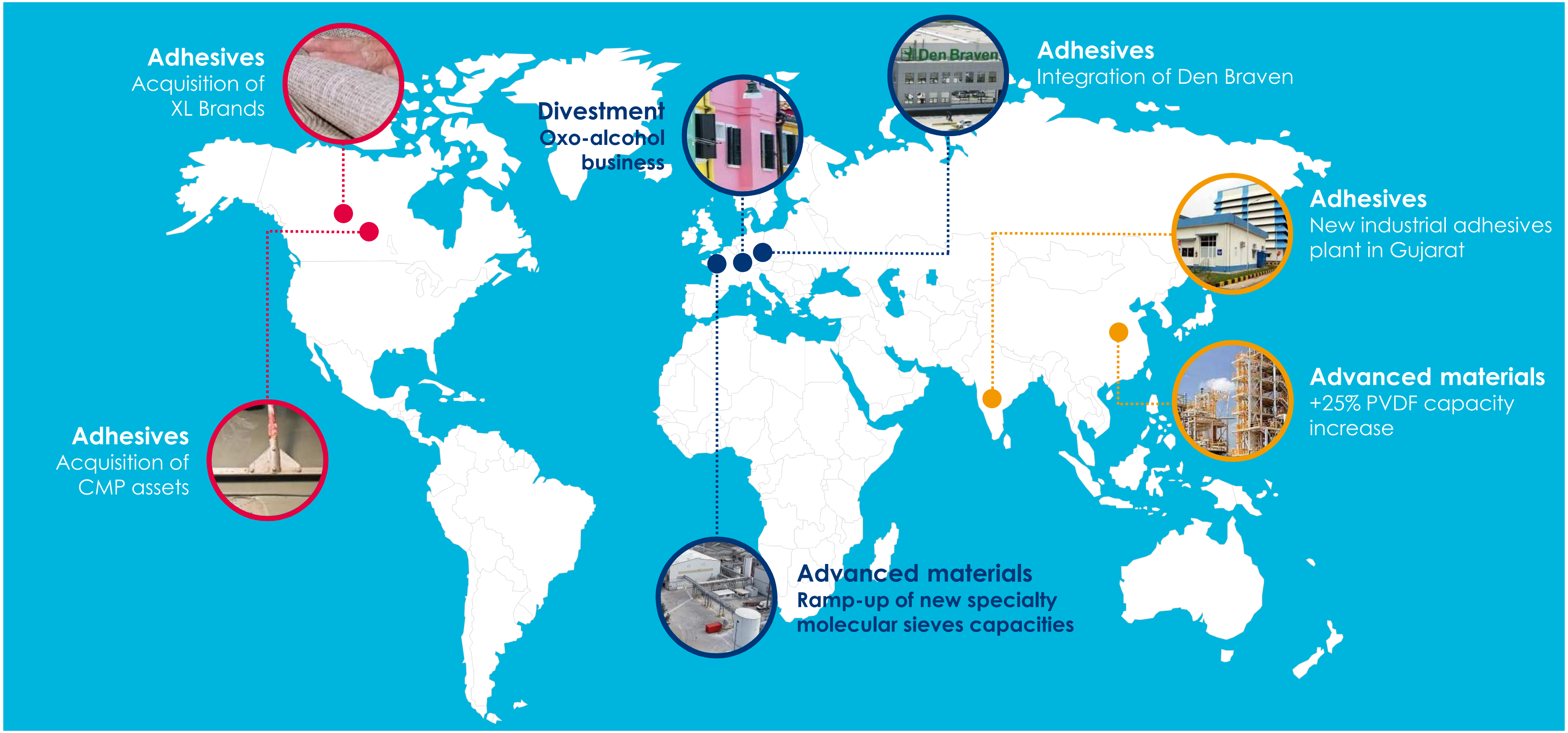
With the US tax reform, Arkema will benefit from tax savings estimated at around 6% of its adjusted net income (on the basis of 2017 results)

DELIVERING AN EXCELLENT 2017 PERFORMANCE



* Cash flow from operations and investments excluding the impact of portfolio management

2017 HIGHLIGHTS



2017 KEY FIGURES

In €m (except EPS)	2016	**2017**	CHANGE
Sales	7,535	**8,326**	+10.5%
EBITDA	1,189	**1,391**	+17.0%
EBITDA margin	15.8%	**16.7%**	
Recurring operating income (REBIT)	734	**942**	+28.3%
REBIT margin	9.7%	**11.3%**	
Adjusted net income	418	**592**	+41.6%
Net income – Group share	427	**576**	+34.9%
Adjusted EPS *(in euros)*	5.56	**7.82**	+40.6%

2017 SALES BRIDGE

SALES

In €m

2016: 7,535

Volumes +2.4%

- +4.4% in High Performance Materials driven by Asia, innovation and start-up of new units

Price +6.5%

- Price increases to pass through higher raw material costs in specialties (71% of Group's sales)
- Positive trends in intermediate chemical businesses (29% of Group's sales)*

Scope of business +3.3%

- Integration of Den Braven and CMP
- Divestments of the activated carbon and filter aid business, and of oxo-alcohols

Currency (1.7)%

- Mainly strengthening of the euro against US dollar

2017: 8,326

* Acrylics, Fluorogases, PMMA

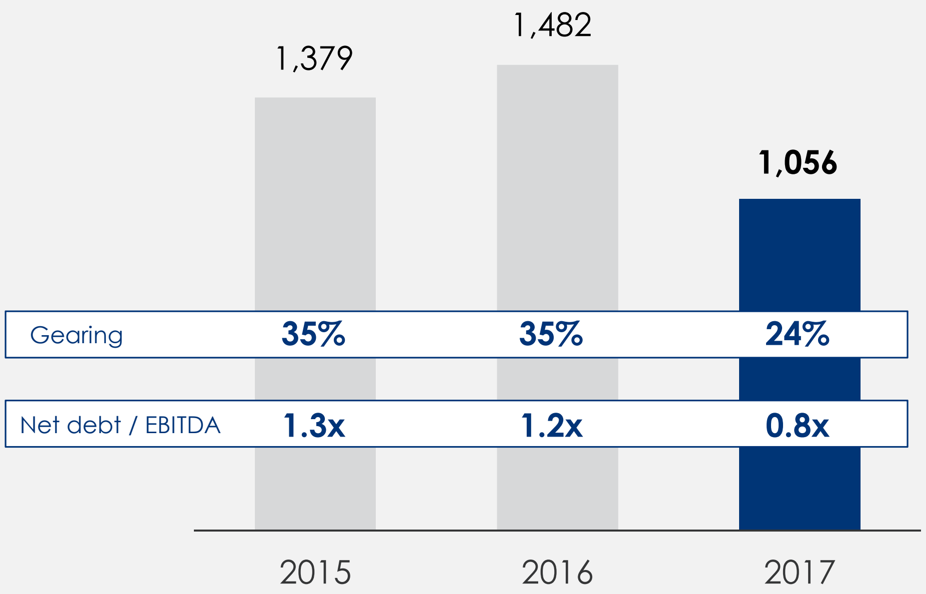
SUPERIOR CASH GENERATION

In €m	FY 2016	FY 2017	
EBITDA	**1,189**	**1,391**	
Change in working capital [1]	2	(48)	13.1% working capital to sales ratio versus 14.5% (excluding Den Braven) in 2016
Change in fixed assets payables [1]	14	2	
Taxes	(206)	(208)	Excluding exceptional items, tax rate at 26% of REBIT (29% in 2016) 2018e tax rate: ~23% of REBIT (including benefits from US tax reform)
Cost of debt	(89)	(92)	
Recurring capital expenditure [2]	(423)	(431)	5.2% of Group's sales (5.6% in 2016) 2018e capex (recurring + exceptional): ~€550 m
Others	(10)	15	
RECURRING CASH FLOW	**477**	**629**	
Exceptional capital expenditure	-	(10)	As part of the project to double thiochemical production capacity in Malaysia
Other non-recurring items in operating and investing cash flow	(51)	(54)	Correspond mainly to the consequences of hurricane Harvey and restructuring costs
FREE CASH FLOW	**426**	**565**	
Impact of portfolio management	(269)	(5)	
NET CASH FLOW	**157**	**560**	

(1) Excluding non-recurring items and impact of portfolio management
(2) Excluding exceptional capex and capex relating to portfolio management

NET DEBT

NET DEBT in €m – excluding €700 m hybrid bond



Refinancing in 2017

- €500 m bond at 4% / year redeemed in October 2017
- €900 m bond at 1.5% / year issued in 2Q'17

⇒ Positive impact on FY'18 cost of debt: ~€(12) m versus 2017

Including 50% of the €700 m hybrid bond (same as rating agencies), net debt to EBITDA ratio at 1.0x

Credit ratings

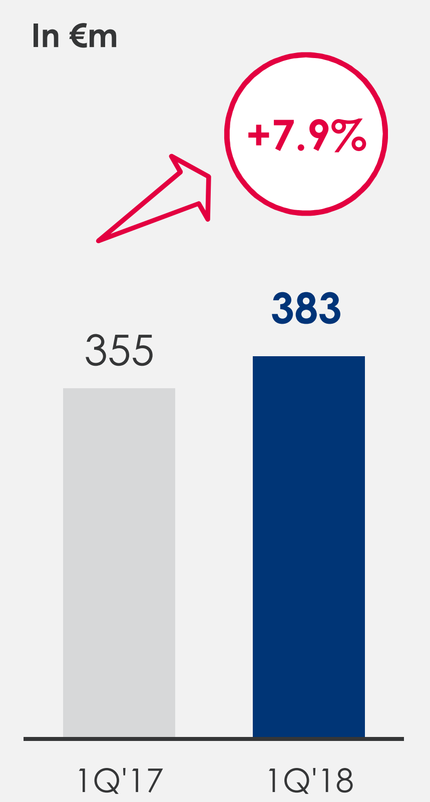
- Standard & Poor's: BBB (stable outlook)
- Moody's: Baa2 (stable outlook)

1Q'18 FINANCIAL HIGHLIGHTS

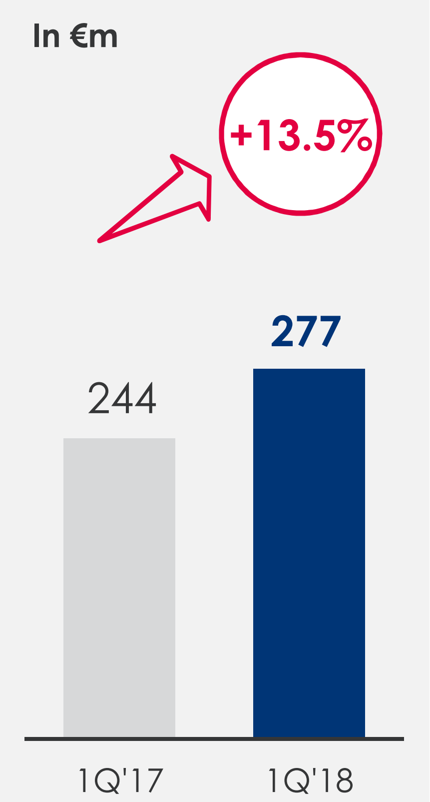
€2,172m sales	**+0.9%** up YoY **+7.3%** at constant scope and FX
€383m EBITDA	**+8%** up on high 1Q'17 performance (€355m) and despite stronger euro (-€26m impact from translation) Driven by Industrial Specialties and High Performance Materials
17.6% EBITDA margin	16.5% in 1Q'17 Demonstrates resilience in a context of higher raw materials and stronger euro
€195m adjusted net income	**+33%** up YoY on higher EBITDA and lower taxes **€2.57** adjusted EPS (€1.94 in 1Q'17)
€1,227m net debt	Including acquisition of XL Brands early 2018 Close-to-balance free cash flow despite the usual strong working capital seasonality **27%** gearing

EXCELLENT PERFORMANCE IN 1Q'18

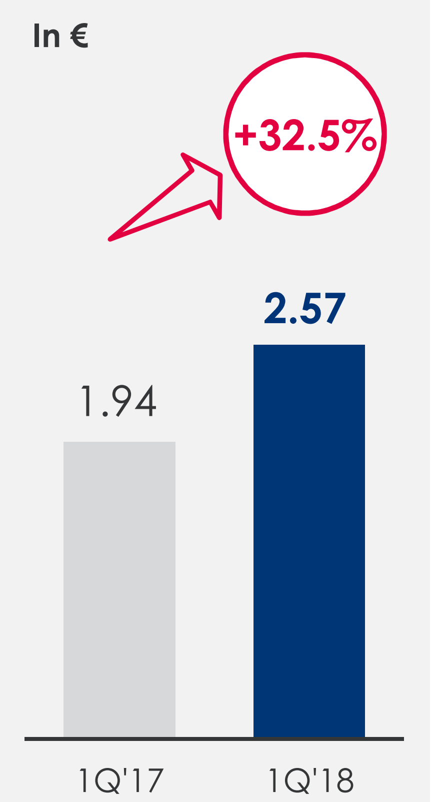
EBITDA



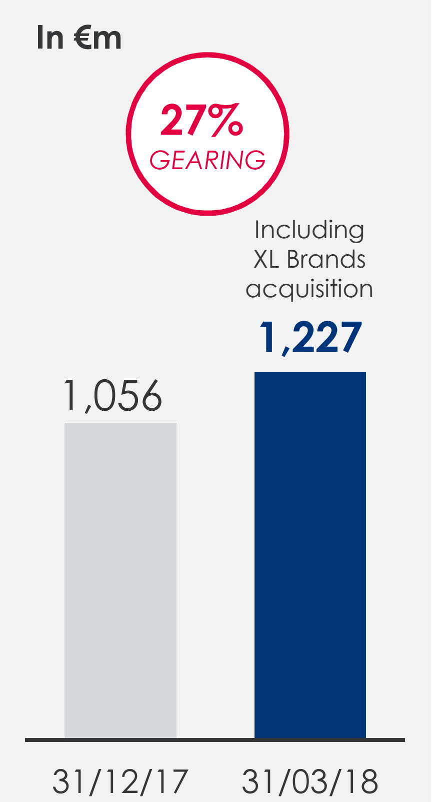
REBIT



ADJUSTED EPS



NET DEBT



1Q'18 KEY FIGURES

In €m (except EPS)	1Q'17	**1Q'18**	CHANGE
Sales	2,152	**2,172**	+0.9%
EBITDA	355	**383**	+7.9%
EBITDA margin	16.5%	**17.6%**	
Recurring operating income (REBIT)	244	**277**	+13.5%
REBIT margin	11.3%	**12.8%**	
Adjusted net income	147	**195**	+32.7%
Net income – Group share	137	**188**	+37.2%
Adjusted EPS *(in euros)*	1.94	**2.57**	+32.5%

1Q'18 SALES BRIDGE

SALES

HIGH PERFORMANCE MATERIALS (46% OF GROUP SALES)

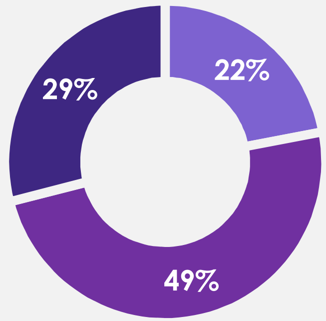
1Q'18 KEY FIGURES

In €m	1Q'17	1Q'18	Change
Sales	976	**998**	+2.3%
EBITDA	166	**176**	+6.0%
EBITDA margin	17.0%	**17.6%**	
Rec. operating income	127	**138**	+8.7%

1Q'18 SALES DEVELOPMENT

Volumes	**+7.3%**
Prices	**(0.4)%**
Currency	**(6.1)%**
Scope	**+1.5%**

1Q'18 SALES BY BUSINESS LINE



1Q'18 HIGHLIGHTS

- **Sales up +6.9% at constant FX and scope of business**
  - +7.3% volumes driven notably by the large number of projects carried out in 1Q in specialty molecular sieves and the ongoing benefit from innovation
  - ~+2.5% price effect (excluding molecular sieves) reflecting actions to increase selling prices to offset higher raw material costs. These actions will continue in coming months.
- **EBITDA up 6% YoY at €176m and 17.6% EBITDA margin**
  - Despite stronger euro and higher raw material costs
  - Strong contribution from specialty molecular sieves, benefits from XL Brands integration in Bostik and overall solid performance of other businesses driven by innovation
  - 2Q'18 will be impacted by strikes at SNCF (French railways) in France which affect the transportation by train of certain products and raw materials, and thus operations at certain sites, mainly in advanced materials.

INDUSTRIAL SPECIALTIES (31% OF GROUP SALES)

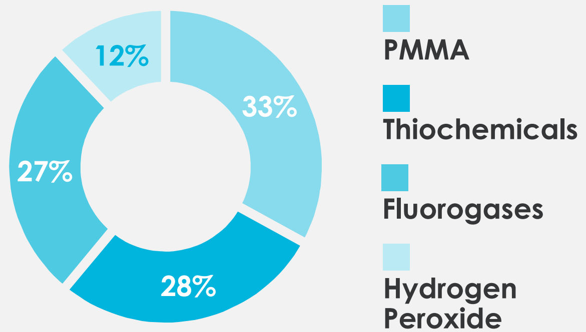
1Q'18 KEY FIGURES

In €m	1Q'17	1Q'18	Change
Sales	644	**661**	+2.6%
EBITDA	140	**162**	+15.7%
EBITDA margin	21.7%	**24.5%**	
Rec. operating income	96	**120**	+25.0%

1Q'18 SALES DEVELOPMENT

Volumes	**(4.0)%**
Prices	**+13.6%**
Currency	**(7.0)%**
Scope	**-**

1Q'18 SALES BY BUSINESS LINE



1Q'18 HIGHLIGHTS

- **Sales up 9.6% at constant FX and scope of business**
  - +13.6% price effect driven by ongoing high prices for Fluorogases in Europe and Asia and tight market conditions in MMA/PMMA
  - Volumes down 4% mainly resulting from expected lower selling quotas in Fluorogases more than offset by higher HFC prices
- **EBITDA up 15.7% YoY at €162m**
  - Performance up YoY in all four Business Lines
  - Confirmation of the division excellent performance
  - Robust perspective moving forward
- **24.5% EBITDA margin**

COATING SOLUTIONS (23% OF GROUP SALES)

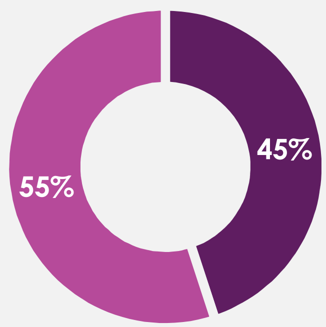
1Q'18 KEY FIGURES

In €m	1Q'17	1Q'18	Change
Sales	525	**507**	(3.4)%
EBITDA	74	**66**	(10.8)%
EBITDA margin	14.1%	**13.0%**	
Rec. operating income	47	**41**	(12.8)%

1Q'18 SALES DEVELOPMENT

Volumes	**(0.8)%**
Prices	**+6.0%**
Currency	**(7.2)%**
Scope	**(1.5)%**

1Q'18 SALES BY BUSINESS LINE



1Q'18 HIGHLIGHTS

- **Sales up 5.2% at constant FX and scope of business**
  - +6.0 % price effect resulting from ongoing actions to raise selling prices across the entire acrylic chain
  - Volumes down 0.8% reflecting restocking effects in 1Q'17 and weather conditions in Europe and in the US
  - -1.5% sales from M&A corresponding to the divestment of oxo-alcohol business
- **EBITDA down 10.8% YoY at €66m**
  - High basis of comparison in 1Q'17 when acrylic unit margins in China were at very high levels
  - For the rest of the year, acrylic unit margins expected to improve overall compared to last year
- **Solid start of the year with EBITDA margin at 13.0%**

1Q'18 CASH FLOW

In €m	1Q'17	1Q'18	1Q'18 highlights
EBITDA	**355**	**383**	
Change in working capital [1]	(195)	(221)	Usual seasonality of working capital and higher raw material prices 15.3% working capital to annualized sales ratio (15.6% end of March 2017)
Change in fixed assets payables [1]	(54)	(29)	
Taxes	(64)	(53)	Benefits from US tax reform 2018e tax rate: ~23% REBIT
Cost of debt	(22)	(20)	
Recurring capital expenditure [2]	(53)	(58)	2018e capex (recurring + exceptional): ~€550m
Others	(3)	(12)	
RECURRING CASH FLOW	**(36)**	**(10)**	
Exceptional capital expenditure	(1)	(5)	Capex related to Thiochemicals in Malaysia and polyamides in Asia
Other non-recurring items in operating and investing cash flow	(7)	(10)	Mainly restructuring costs
FREE CASH FLOW	**(44)**	**(25)**	
Impact of portfolio management	20	(165)	XL Brands acquisition
NET CASH FLOW	**(24)**	**(190)**	

(1) Excluding non-recurring items and impact of portfolio management
(2) Excluding exceptional capex and capex relating to portfolio management

2018 OUTLOOK

External environment

- Well-oriented demand in all three main regions
- Stronger euro versus the US dollar *
- Higher raw material costs

Arkema will continue to benefit from:

- Strong innovation drive in advanced materials
- Integration of XL Brands within Bostik
- Globally robust market environment in its intermediate chemical businesses
- Actions to pass on in its selling prices the rises in raw materials costs
- Operational excellence initiatives to partly offset inflation on its fixed costs

Arkema confirms its objective to increase EBITDA in 2018 compared to the excellent 2017 performance

* 10% increase in euro / US dollar exchange rate has a €(50)m EBITDA impact (translation) for the year

DISCLAIMER

The information disclosed in this document may contain forward-looking statements with respect to the financial condition, results of operations, business and strategy of Arkema. Such statements are based on management's current views and assumptions that could ultimately prove inaccurate and are subject to material risk factors such as among others, changes in raw material prices, currency fluctuations, implementation pace of cost-reduction projects and changes in general economic and business conditions. These risk factors are further developed in the reference document.

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

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

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

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

The main performance indicators used by the Group are defined in the notes to the consolidated financial statements at 31 December 2017 included in section 4.3.3 of the 2017 Reference Document and in the press release. As part of the analysis of its results or to define its objectives, the Group also uses the following indicators:

REBIT margin: corresponds to the recurring operating income (REBIT) as a percentage of sales.

Free cash flow: corresponds to cash flow from operations and investments excluding the impact of portfolio management.

EBITDA to free cash conversion: corresponds to the ratio of EBITDA on the free cash flow excluding exceptional capex. Free cash flow will be restated to offset the impact of the raw material environment on changes in working capital.

Return on capital employed: corresponds to the ratio of: (REBIT – current income taxes) / (net debt + shareholders' equity) under current IFRS rules.