

Investor and analyst factsheet

	3Q'15 in €m	3Q'14 ¹ in €m	Variation	9m'15 in €m	9m'14 ¹ in €m	Variation
Sales	1,946	1,478	+31.7%	5,923	4,521	+31.0%
Prices	(4.3)%			(3.5)%		
Volumes	(0.5)%			(0.4)%		
FX	+7.0%			+8.7%		
Portfolio	+29.4%			+26.2%		
EBITDA	286	207	+38.2%	843	618	+36.4%
High Performance Materials	131	84	+56.0%	391	247	+58.3%
Industrial Specialties	114	82	+39.0%	335	237	+41.4%
Coating Solutions	53	51	+3.9%	167	171	(2.3)%
Corporate	(12)	(10)		(50)	(37)	
EBITDA margin	14.7%	14.0%		14.2%	13.7%	
Depreciation and amortization	(110)	(87)	+26.4%	(326)	(245)	+33.1%
Recurring EBIT	176	120	+46.7%	517	373	+38.6%
NR items	(15)	(43)		(97)	(75)	
Equity in income of affiliates	2	-		7	-	
Financial results	(53)	(15)	+253.3%	(107)	(44)	+143.2%
Income taxes	(51)	(37)	+37.8%	(87)	(112)	(22.3)%
Net income – Group share	61	24	+154.2%	236	140	+68.6%
Adjusted net income²	95	70	+35.7%	283	216	+31.0%
Adjusted EPS ^{2 3} (€)	1.27	1.06	+19.8%	3.85	3.29	+17.0%
Capital expenditure	161	107	+50.5%	312	310	+0.6%
Working capital (12/31)	1,323	958				
Net debt (12/31)	1,632	154				
Gearing⁴ (12/31)	42%	4%				

3Q 2015 GROUP PERFORMANCE

- **€1,946m sales**, 31.7% up versus 3Q 2014
 - -0.5% volume growth
 - Overall soft global demand
 - -4.3% prices
 - Mainly reflecting acrylic cycle
 - +29.4% scope of business
 - Bostik acquisition
 - Acquisition of a stake in Sunke in Acrylics in China
 - +7.0% currency
 - Favorable euro / US dollar FX rate
- **€286m EBITDA**, 38.2% up on 3Q 2014
 - Strong performance, up +38% YoY (€207m in 3Q'14)
 - Significant increase excluding Bostik contribution, driven by Industrial Specialties
 - Good performance of Bostik reinforced by first benefits from synergies
 - Favorable impact of currencies (translation) and lower input costs
 - Improvement in EBITDA margin, up 70bps YoY at 14.7%

¹ Restated figures to reflect the new reporting structure presented at the Capital Markets Day held on 29 June 2015 and in accordance with IFRIC 21 "Levies"

² Adjusted net income now excludes unrealized foreign exchange results on the financing in foreign currencies of non-recurring investments (Thiochemicals in Malaysia)

³ For 3Q'14, adjusted figure to take account of the share capital increase with preferential subscription rights finalized in December 2014

⁴ Calculated as net financial debt divided by shareholders' equity

9m 2015 PERFORMANCE BY SEGMENT

	9m'15 in €m	9m'14 ⁵ in €m	Variation	Prices	Volumes	FX	Portfolio
Sales	5,923	4,521	+31.0%	(3.5)%	(0.4)%	+8.7%	+26.2%
<i>High Performance Materials</i>	2,515	1,310	+92.0%	(0.2)%	(0.5)%	+7.9%	+84.8%
<i>Industrial Specialties</i>	1,918	1,706	+12.4%	+1.1%	+1.3%	+9.3%	+0.6%
<i>Coating Solutions</i>	1,470	1,489	(1.3)%	(11.8)%	(2.4)%	+8.6%	+4.3%
EBITDA	843	618	+36.4%				
<i>High Performance Materials</i>	391	247	+58.3%				
<i>Industrial Specialties</i>	335	237	+41.4%				
<i>Coating Solutions</i>	167	171	(2.3)%				
EBITDA margin	14.2%	13.7%					
<i>High Performance Materials</i>	15.5%	18.9%					
<i>Industrial Specialties</i>	17.5%	13.9%					
<i>Coating Solutions</i>	11.4%	11.5%					
Recurring EBIT	517	373	+38.6%				
<i>High Performance Materials</i>	281	174	+61.5%				
<i>Industrial Specialties</i>	206	131	+57.3%				
<i>Coating Solutions</i>	81	106	(23.6)%				

3Q 2015 PERFORMANCE BY SEGMENT

	3Q'15 in €m	3Q'14 ⁶ in €m	Variation	Prices	Volumes	FX	Portfolio
Sales	1,946	1,478	+31.7%	(4.3)%	(0.5)%	+7.0%	+29.4%
<i>High Performance Materials</i>	866	432	+100.5%	+0.2%	(1.9)%	+6.8%	+95.6%
<i>Industrial Specialties</i>	608	552	+10.1%	(1.3)%	+3.2%	+7.8%	+0.3%
<i>Coating Solutions</i>	465	489	(4.9)%	(11.8)%	(3.6)%	+6.5%	+4.1%
EBITDA	286	207	+38.2%				
<i>High Performance Materials</i>	131	84	+56.0%				
<i>Industrial Specialties</i>	114	82	+39.0%				
<i>Coating Solutions</i>	53	51	+3.9%				
EBITDA margin	14.7%	14.0%					
<i>High Performance Materials</i>	15.1%	19.4%					
<i>Industrial Specialties</i>	18.8%	14.9%					
<i>Coating Solutions</i>	11.4%	10.4%					
Recurring EBIT	176	120	+46.7%				
<i>High Performance Materials</i>	94	59	+59.3%				
<i>Industrial Specialties</i>	70	42	+66.7%				
<i>Coating Solutions</i>	24	29	(17.2)%				

⁵ Restated figures to reflect the new reporting structure presented at the Capital Markets Day held on 29 June 2015 and in accordance with IFRIC 21 "Levies"

⁶ Restated figures to reflect the new reporting structure presented at the Capital Markets Day held on 29 June 2015 and in accordance with IFRIC 21 "Levies"

HIGH PERFORMANCE MATERIALS

- Bostik:
 - €411m sales
 - Good performance, up YoY, in a moderate growth economic environment
 - Successful implementation of strategy
 - First benefits from synergies
- Technical Polymers:
 - Continued good development of growing applications (batteries, electronics)
 - Lower demand in some oil & gas applications
- Performance Additives:
 - Solid performance overall

INDUSTRIAL SPECIALTIES

- Thiochemicals:
 - Excellent performance reflecting the contribution from the new Malaysian plant driven by a continuing strong demand in Asia in the animal nutrition market
- Fluorogases:
 - YoY gradual improvement of the prices of some gases with the usual less favorable seasonality of 3Q
- PMMA:
 - Very good level of results with a few signs of normalization
- Hydrogen Peroxide:
 - Solid performance with further good developments in specialties

COATING SOLUTIONS

- Acrylics:
 - Inventory adjustments at customers in a context of high raw material cost volatility
 - Low cycle unit margins (down YoY) and expected to remain low in a near future
 - In Asia, contribution well below expectations
- Coating Resins and Additives:
 - Strong performance supported by good developments at Coatex and lower costs
 - Soft demand in deco paints and construction in Europe

CASH FLOW IN 3Q 2015

(in €m)	3Q'15	Comments
EBITDA	286	
Working capital variation ⁽¹⁾	68	Good working capital management
Taxes	(54)	
Cost of debt ⁽²⁾	(19)	
Capex ⁽³⁾	(103)	2015e capex: ~ €470m
Others	(3)	
Recurring cash flow	175	
Non-recurring items in operating and investing cash flow	(3)	Mainly restructuring expenses
Free cash flow ⁽²⁾	172	Performance in line with the Group ambition to increase cash generation +€235m free cash flow over first 9 months of 2015
Impact of portfolio management	(5)	
Net cash flow ⁽²⁾	167	

⁽¹⁾ Variation in working capital and fixed asset payables excluding non-recurring items

⁽²⁾ Excluding €(28) m unrealized foreign exchange losses on the financing in US\$ of the investments made in Thiochemicals in Malaysia with no impact on net debt.

⁽³⁾ Excluding capital expenditure related to M&A (in 3Q'15, mainly related to the transfer of the 3rd acrylic production line to Sunke without any impact on net debt)

NET DEBT AT END OF SEPTEMBER 2015

- €1,632 m net debt at 30 September 2015
- 42% gearing

PROJECTS ANNOUNCED SINCE 1ST JULY 2015

- **Organic growth**
 - Increase of Bostik's hotmelt pressure sensitive adhesives (HMPSA) production capacities in Bangalore in India to serve global customers in the disposable hygiene market
- **Financing**
 - Extension for a further 12 months of the multi-currency credit agreement for a maximum amount of €900 million signed in October 2014 for an initial 5-year term

2015 OUTLOOK

- Macro-economic assumptions
 - 4Q'15 should reflect the usual year-end seasonality which might be amplified by the current volatility of raw material prices and result in a more cautious behaviour from some customers
 - Impact of the US\$/€ rate expected to remain positive but far less material in 4Q than in previous quarters
 - Unit margins in acrylic monomers expected to remain at low-cycle levels, in particular in Asia
- Main drivers
 - Contribution of Bostik
 - Ramp-up of the Thiochemicals platform in Malaysia
 - Improvement of fluorogas business expected to be limited in 4Q'15 given the usual year-end seasonality of this business
 - Operational excellence initiatives to offset part of the inflation on fixed costs
- **Based on these drivers and the strong performance of the first nine months, Arkema increases its 2015 EBITDA target (including Bostik contribution) up to a range of €1,020 million to €1,040 million** (versus initial guidance of an EBITDA "slightly above €1 billion" in 2015)