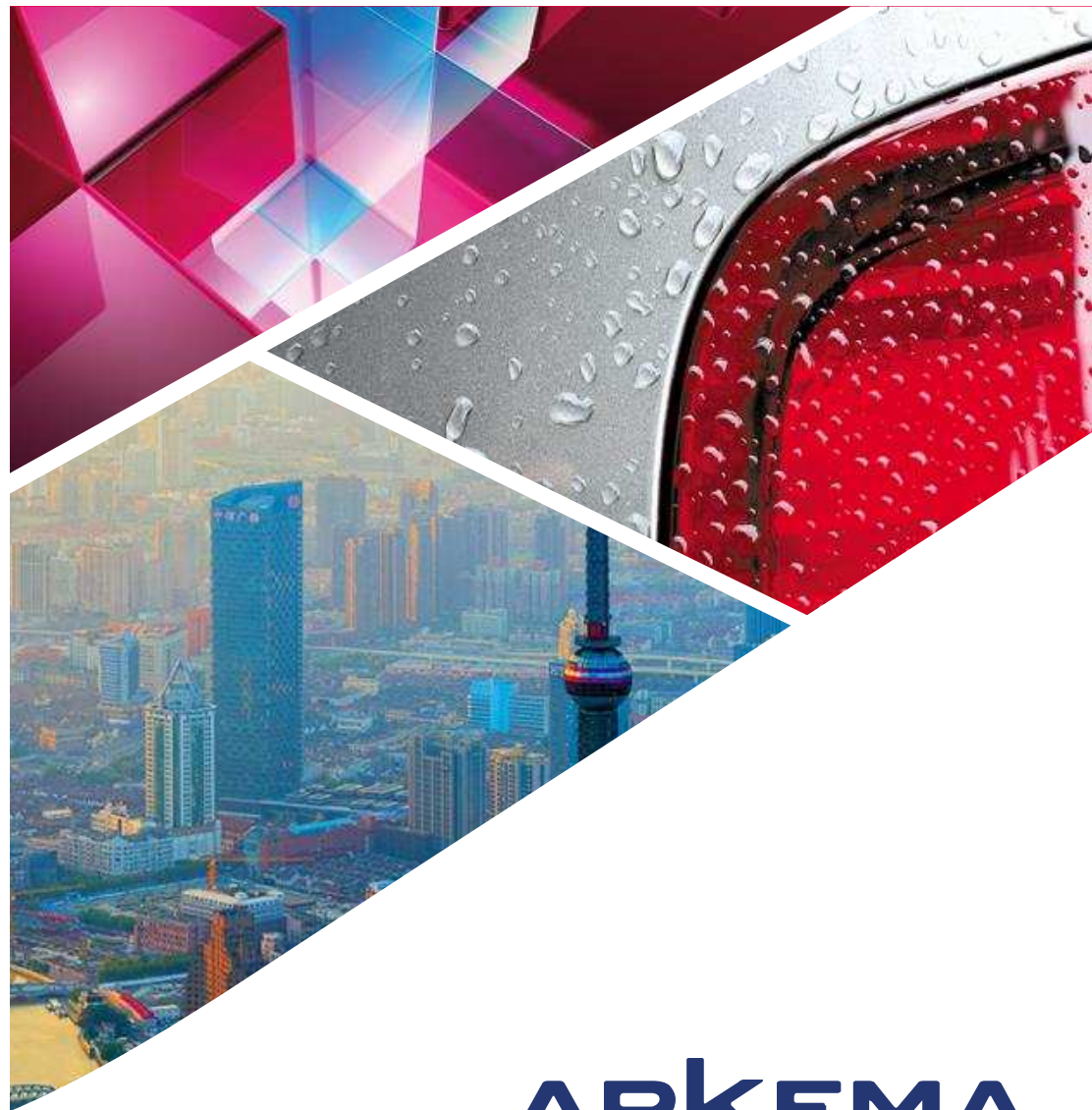


ARKEMA

**BANK OF AMERICA MERRILL LYNCH
CONSTRUCTION, CHEMICALS & PAPER
CONFERENCE 2019**

LONDON, 5 DECEMBER 2019



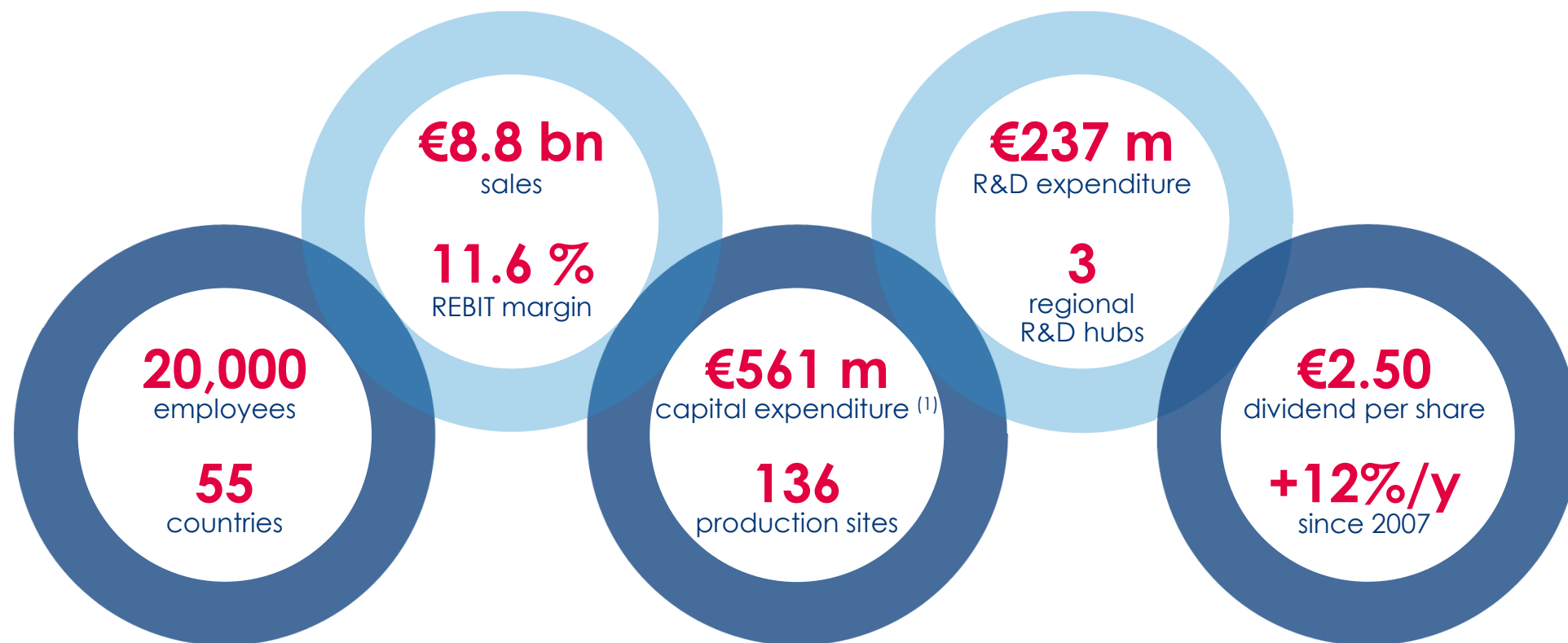
ARKEMA
INNOVATIVE CHEMISTRY



ARKEMA IN A NUTSHELL

ARKEMA
INNOVATIVE CHEMISTRY

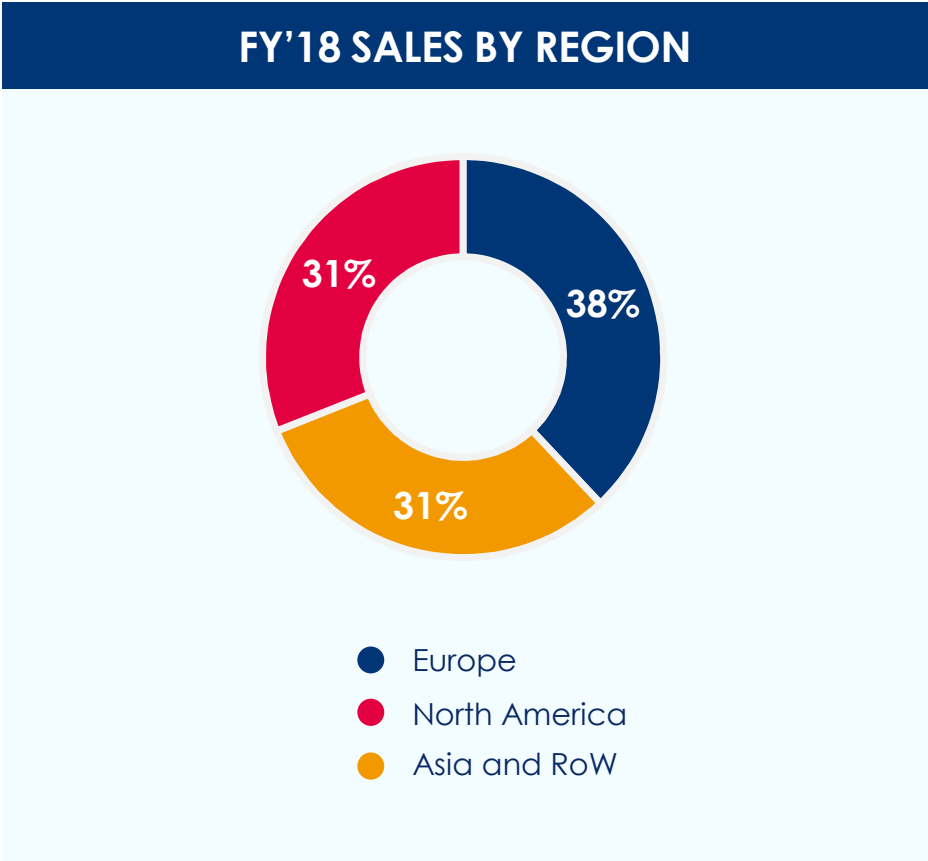
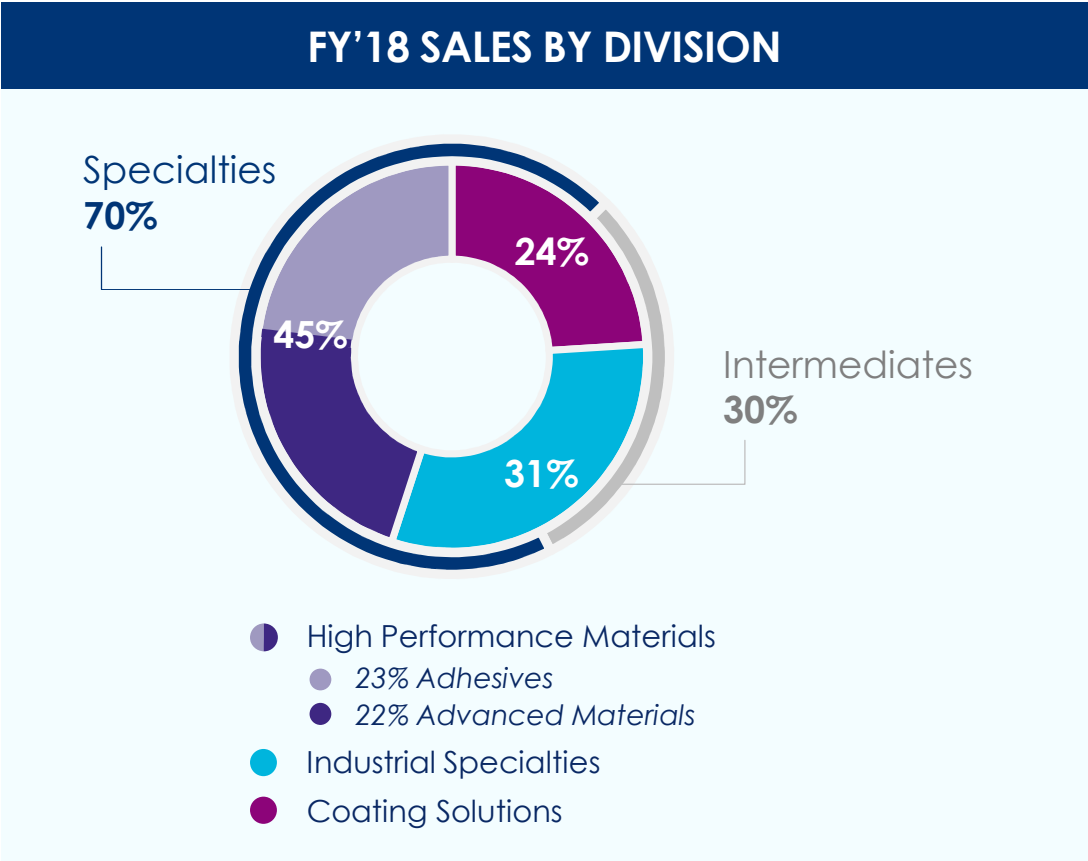
A LEADER IN SPECIALTY CHEMICALS AND ADVANCED MATERIALS



2018 figures

(1) Recurring (€500 m) and exceptional (€61 m)

BREAKDOWN BY DIVISION AND REGION



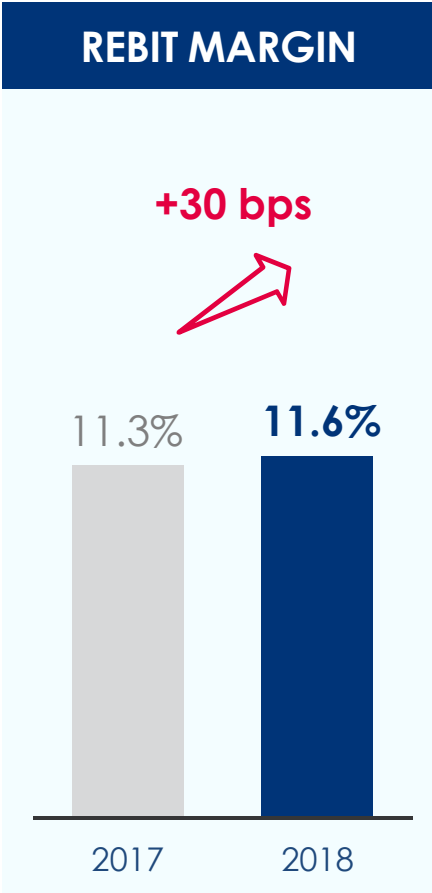
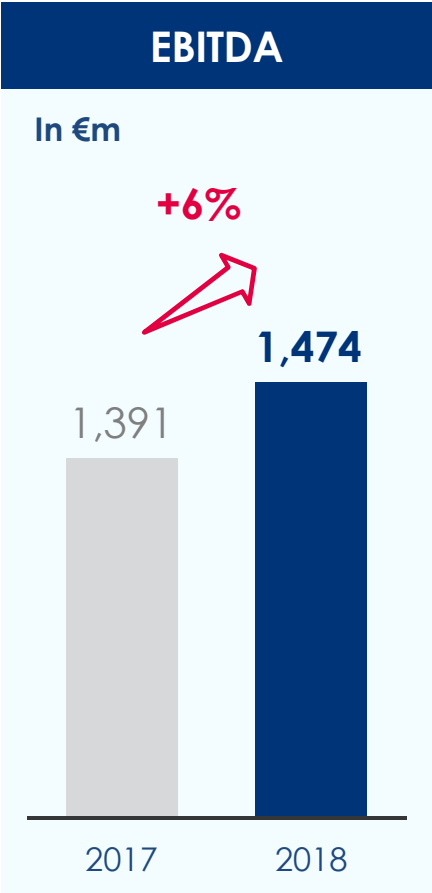
AN EXCELLENT 2018 PERFORMANCE

+6%

Sales
€ 8.8 billion

+22.5%

Adjusted net income
€ 725 million



0.7x EBITDA

Net debt
€ 1 billion

+100 bps

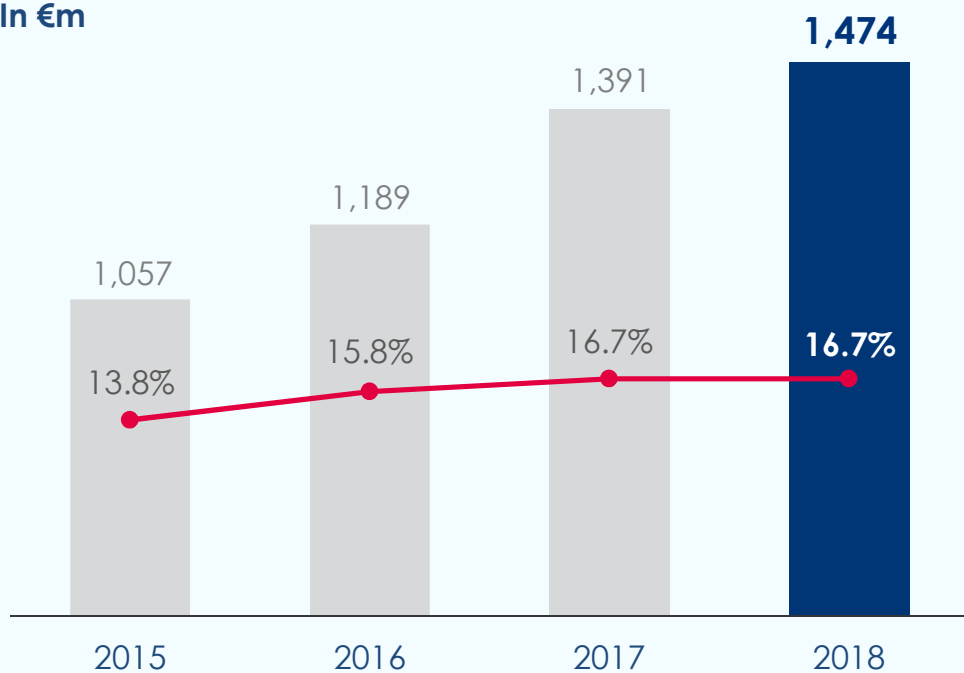
ROACE*
15.1%

* Return on average capital employed

STEADY GROWTH IN DIFFERENT MACRO-ECONOMIC ENVIRONMENTS

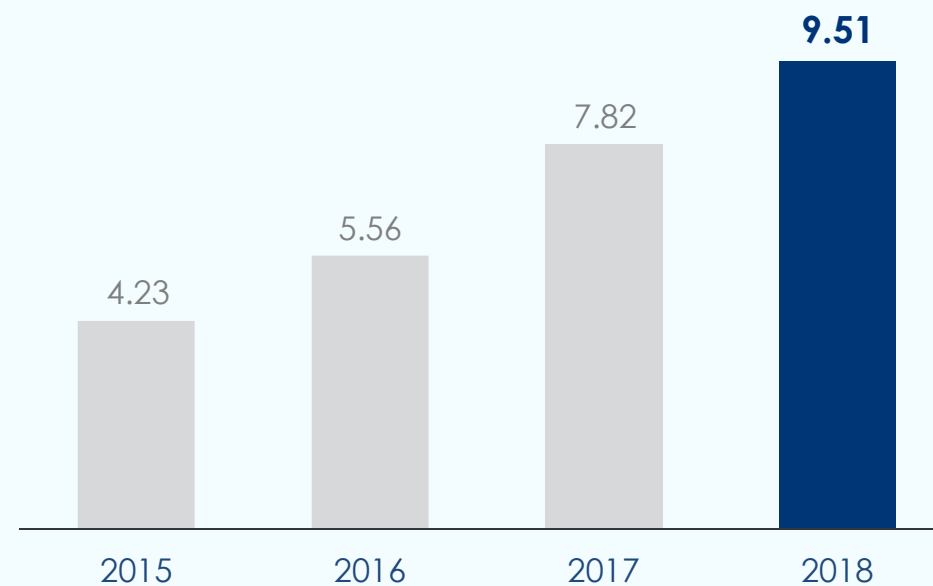
EBITDA AND EBITDA MARGIN

In €m



Adjusted EPS

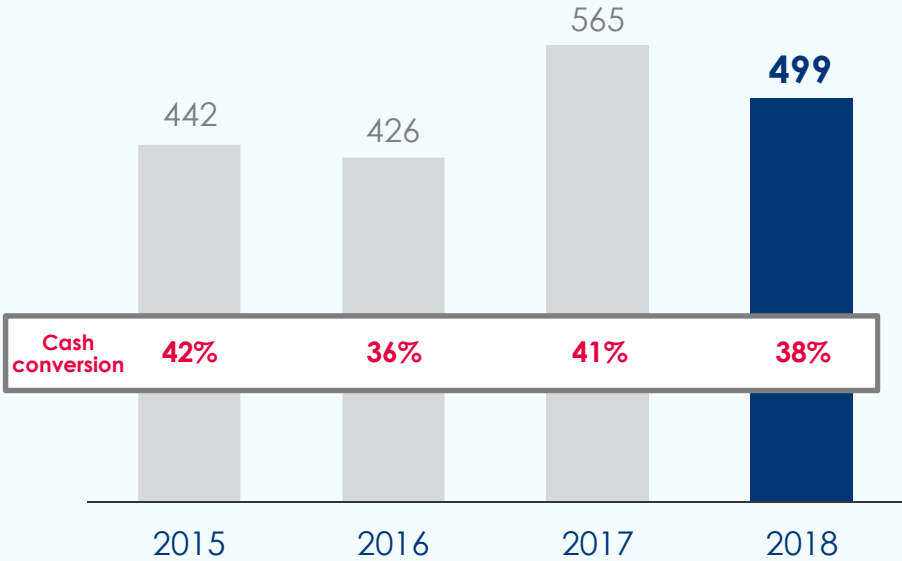
In €



BEST-IN-CLASS CASH GENERATION

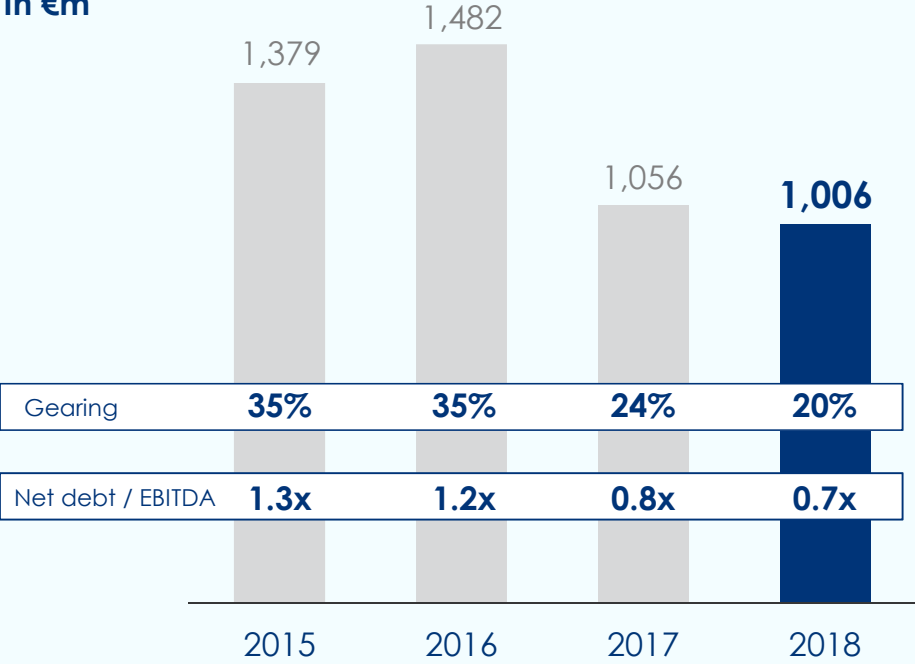
Free cash flow and EBITDA to cash conversion rate

In €m



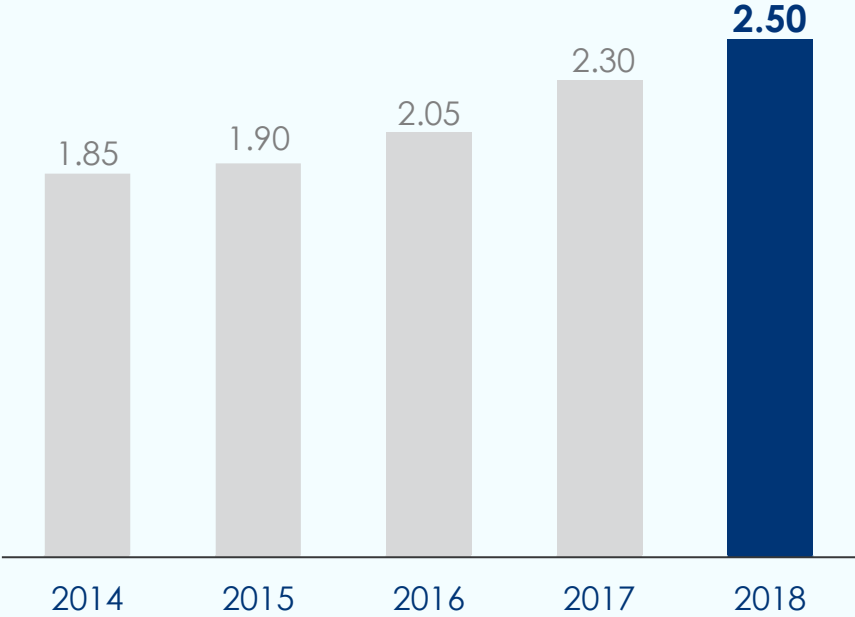
NET DEBT excluding €700m hybrid bond

In €m



DIVIDEND: A KEY COMPONENT OF ARKEMA'S SHAREHOLDER RETURN POLICY

DIVIDEND in €/share



Policy of paying stable to growing dividend every year

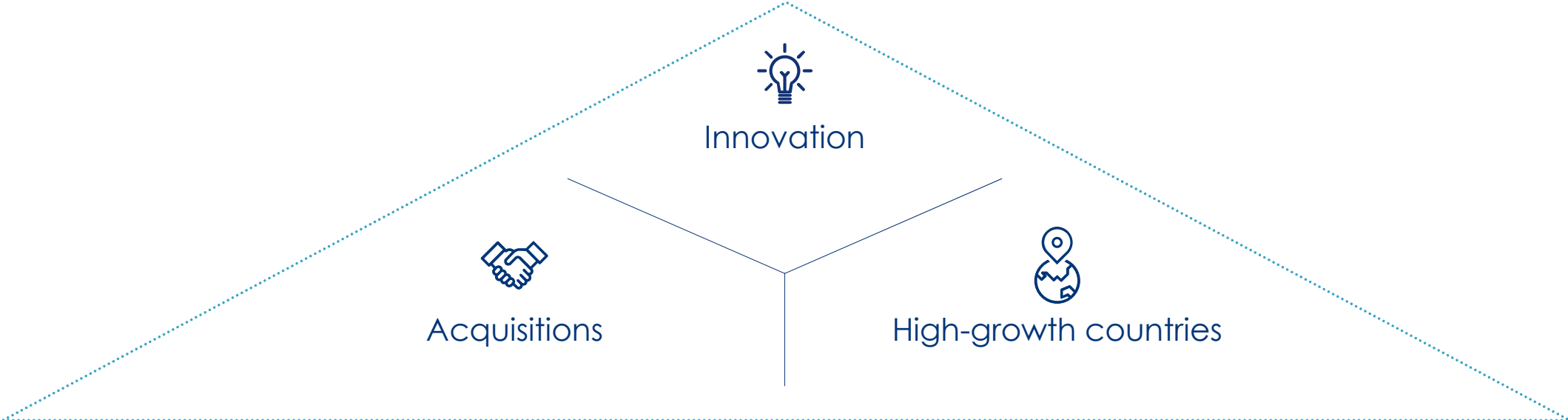
- ✦ 26% payout ratio in 2018
- ✦ 3.3% yield (based on the share price as of 31/12/2018)
- ✦ +8.7% growth 2018 vs. 2017
- ✦ ~ +8% on average since 2014



AN ONGOING VALUE CREATIVE TRANSFORMATION

ARKEMA
INNOVATIVE CHEMISTRY

OUR STRATEGIC AND OPERATIONAL PRIORITIES



Commercial excellence



Operational excellence

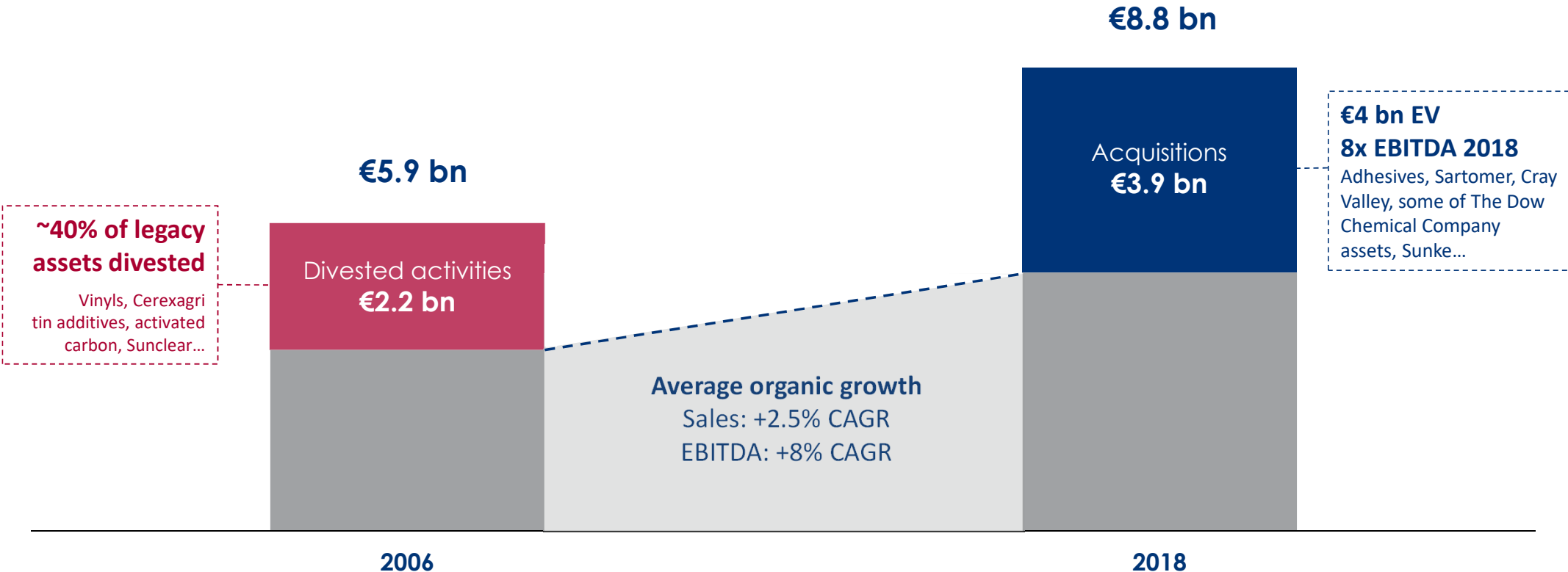


Corporate social responsibility



Digitalization

PORTFOLIO EVOLUTION SINCE 2006 (TURNOVER*)



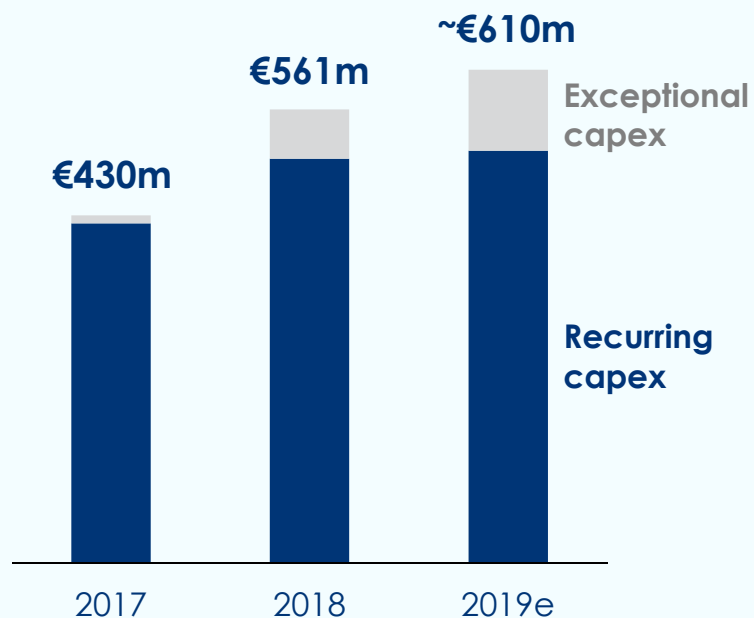
	2006	2018
Net debt ⁽¹⁾	€0.32 bn	€1.00 bn
EBITDA ⁽¹⁾	€0.43 bn	€1.47 bn

* Estimated figures (1) excl. IFRS 16

INVEST IN FUTURE GROWTH

CAPEX PLAN

In €m



STRONG CAPEX DISCIPLINE

- ~5.5% recurring capex as a % of Group sales
- ~€500m exceptional capex over 2018-2021



x2 thiochemicals
capacities in Malaysia

5% growth p.a.

Start-up expected
in 1H 2020



Specialty polyamides
expansion plan in Asia
(incl. +50% global PA11)

5% growth p.a.

PA11 unit to be
completed by late 2021

EXCEPTIONAL CAPEX FOCUSED ON HIGH GROWTH LINES

BOLT-ON ACQUISITIONS AND PARTNERSHIPS IN HIGH PERFORMANCE MATERIALS

ARRMAZ

Specialty surfactants for crop nutrition, mining and infrastructure

US\$290 m sales

Create a new leader in specialty surfactants

Profitable, resilient and low capital intensive activity

US\$ 570m EV

Completed on 1 July

Integrated in **Performance Additives**





PROCHIMIR

High performance **thermobonding adhesives films** for automotive, construction, textile and healthcare

€30 m sales



Position Bostik among world-leading players in thermobonding films

Completed on 1 October

Integrated in **Adhesives**

LAMBSON

Photoinitiators for curing technology used in 3D printing, electronics, digital ink and composites

€45 m sales



Expand Sartomer's portfolio of solutions

Completed on 1 October

Integrated in **Performance Additives**

CARBON®
3D printing

Support the next generation of fully integrated digital manufacturing platforms

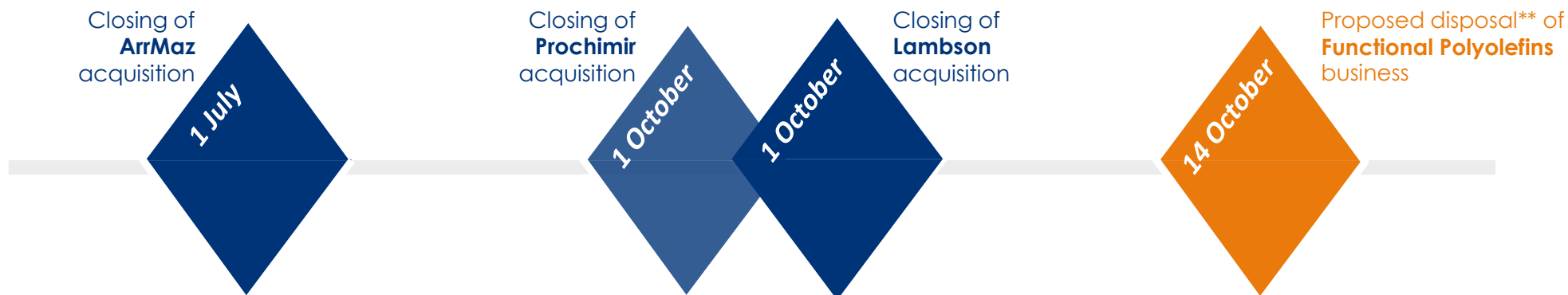
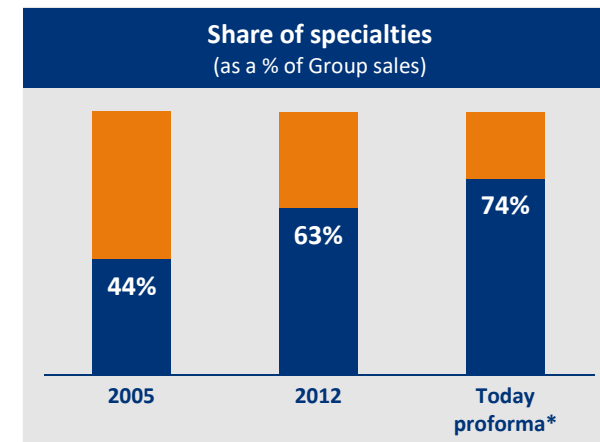
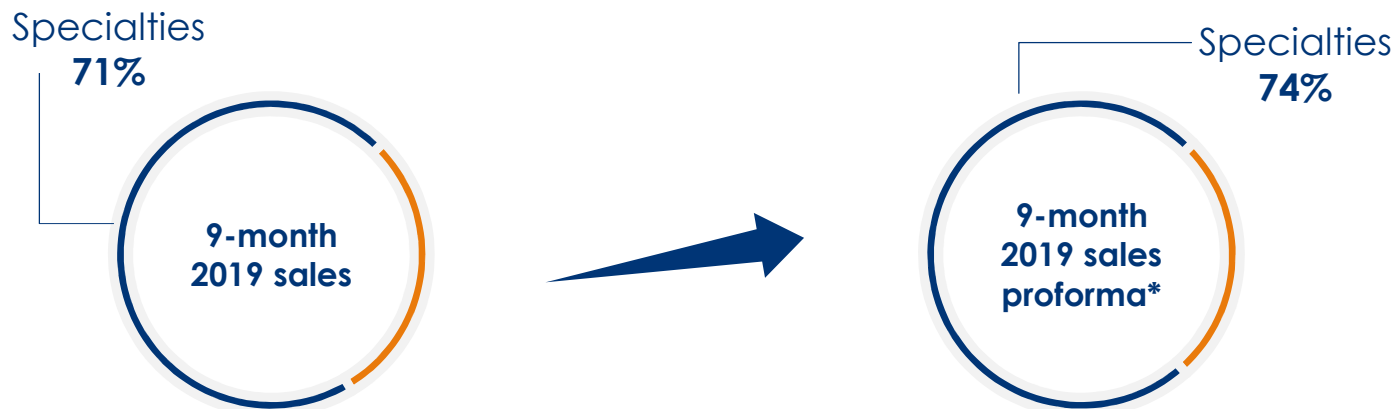
US\$20 m equity investment

HEXCEL
Composites

Develop thermoplastic composites for aerospace sector

Opening of a joint R&D laboratory in France

RECENT M&A PROJECTS ACCELERATING TRANSFORMATION TOWARDS SPECIALTIES



* Including the impact of the acquisitions of ArrMaz, Prochimir and Lambson and the proposed disposal of the Functional Polyolefins business on a 9-month basis

** Subject to an information and consultation process involving Arkema's employee representative bodies and to the approval of the relevant antitrust authorities

2023 LONG-TERM OBJECTIVES

A global specialty player focused on adhesives and advanced materials ⁽¹⁾

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
(70% in 2018)

Delivering strong margins and cash generation



REBIT margin
11.5% to 12.5%



EBITDA to free cash conversion
35%

Under strict financial discipline



ROCE ⁽²⁾
at least 10%



Net debt
<2x EBITDA



Rating
Solid investment grade

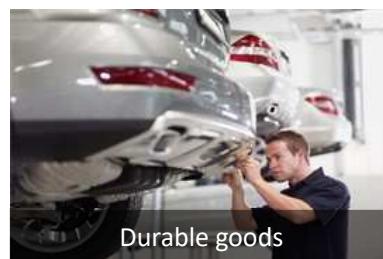
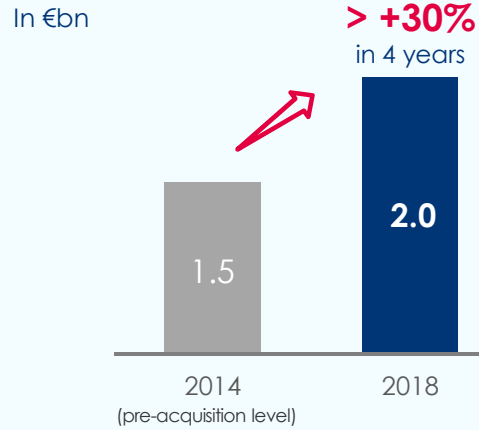
Defined in normalized market conditions

⁽²⁾ (REBIT – current taxes) / (net debt + shareholders' equity)

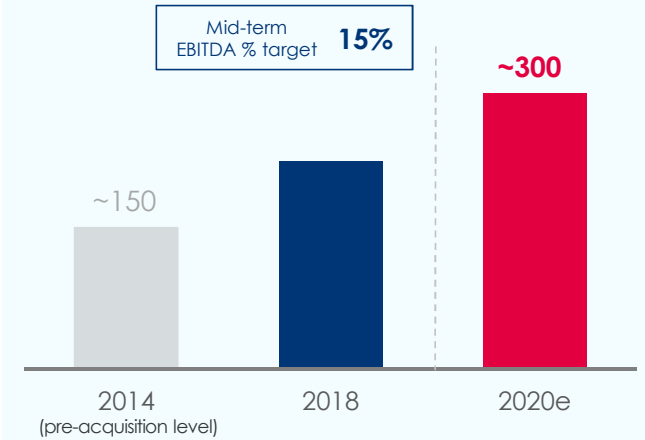
⁽¹⁾ Technical Polymers and Performance Additives Business Lines

BOSTIK JOURNEY ON TRACK WITH SIGNIFICANT FURTHER GROWTH POTENTIAL

SALES GROWTH



EBITDA (€M)



Ongoing acquisition flow

- Den Braven (sealants)
- CMP and XL Brands (flooring)
- Nitta Gelatin industrial adhesives
- Afinitica (engineering adhesives)
- Prochimir (high performance thermobonding films)

Expand organically

- Structural and engineering adhesives
- High performance sealants
- Flooring systems
- Emerging countries

ARKEMA CORPORATE SOCIAL RESPONSIBILITY POLICY



OUR 3 COMMITMENTS:



Deliver sustainable solutions driven by innovation

- Solutions that address societal challenges
- Innovation at the heart of the activities
- Product stewardship



Manage our activities as a responsible manufacturer

- Safety of people and processes
- Health
- Environmental footprint reduction



Cultivate an open dialogue and close relations with our stakeholders

- Ethics
- Human rights
- Employee development
- Responsible value chain
- Corporate citizenship

OUR MISSION

Develop, as a responsible industrial company, innovative solutions adapted to our customers' main challenges and support them in their quest for sustainable performance

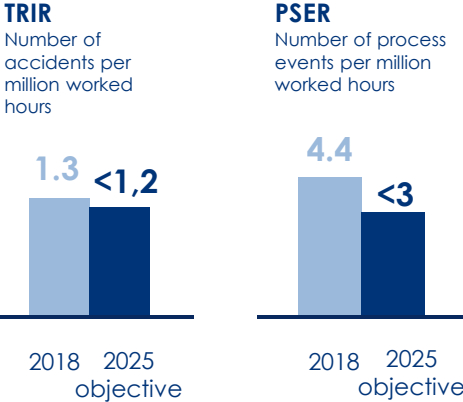


ARKEMA CORPORATE SOCIAL RESPONSIBILITY PERFORMANCE



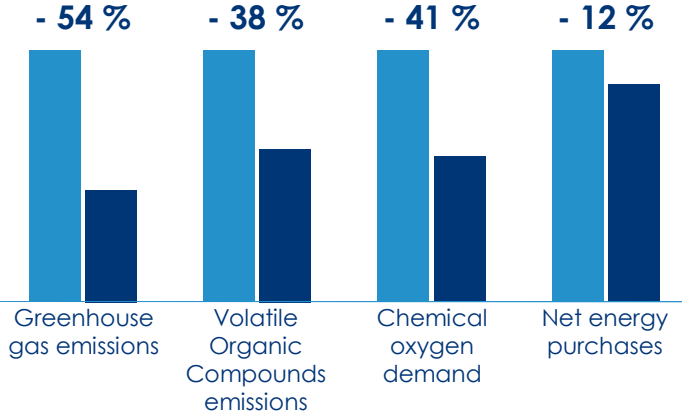
OUR PERFORMANCE - KEY ILLUSTRATIONS

Safety



✓ Behavior dimension ✓ Process safety

Environment



2012 Reference year

Achieved in 2018

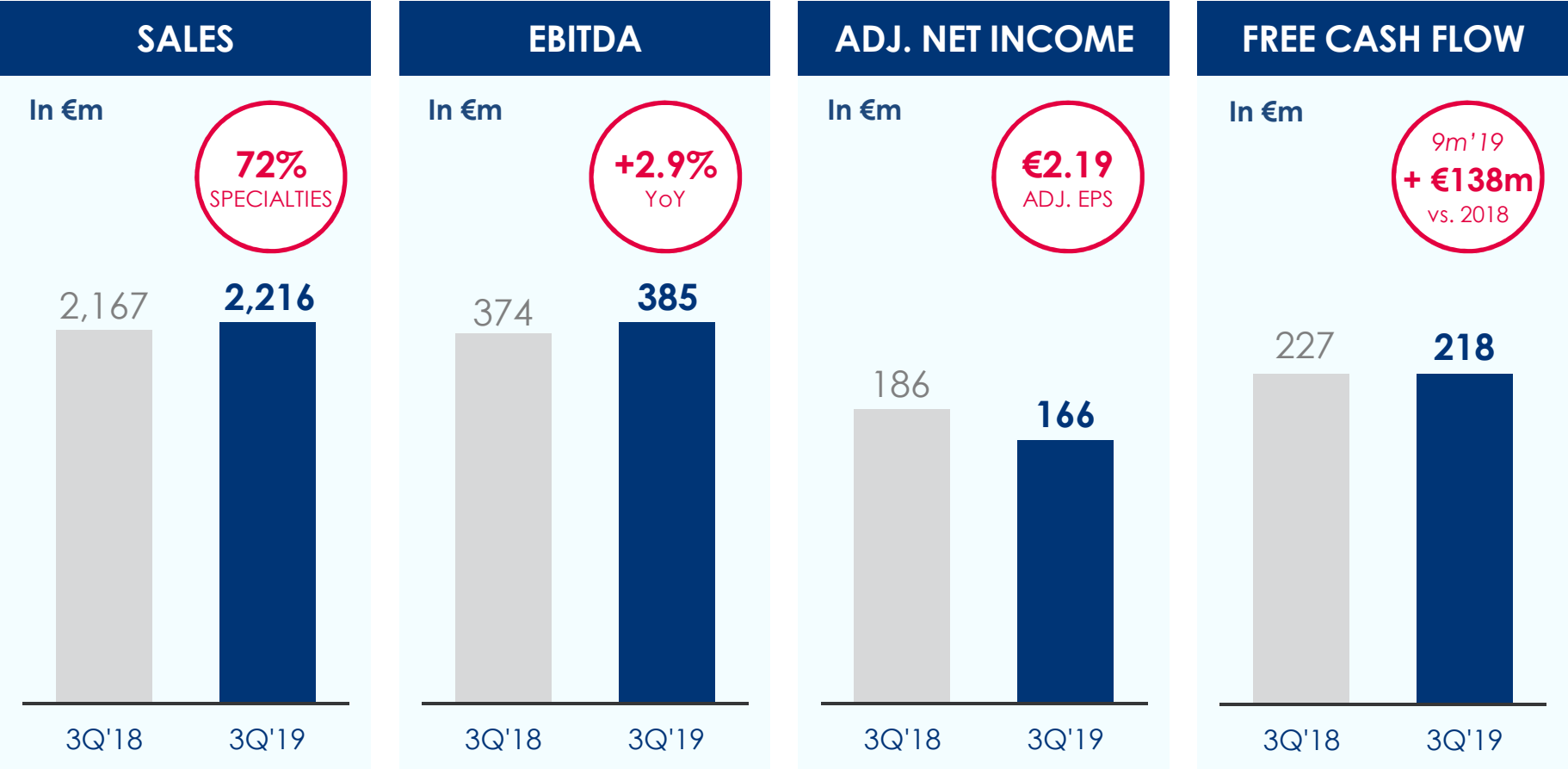




3Q AND 9M 2019 RESULTS

ARKEMA
INNOVATIVE CHEMISTRY

3Q'19 PERFORMANCE



As of 1 January 2019, the Group applies the IFRS 16 standard "Leases". Impact on EBITDA is a €15m positive in 3Q'19 and is not material on REBIT. 2018 figures have not been restated.

3Q'19 FINANCIAL HIGHLIGHTS

€2,216m sales

- ✦ **+2.3%** YoY (€2,167m in 3Q'18)
- ✦ Slight growth in volumes of **+0.7%**

€385m EBITDA

- ✦ **3%** up against the record performance of 3Q'18
- ✦ Driven by the strong increase of **specialties** ⁽¹⁾

17.4% EBITDA margin

- ✦ 17.3% in 3Q'18
- ✦ Stable at a high level despite a more challenging and uncertain macro-economic environment

€166m adj. net income

- ✦ **7.5%** of sales
- ✦ **€2.19** adjusted EPS

€218m free cash flow

- ✦ Strong performance, in the continuity of 1H'19

€1,770m net debt

- ✦ 1.2x LTM EBITDA
- ✦ Including payment for the acquisitions of ArrMaz and of our partner's stake in Sunke

⁽¹⁾ The Group distinguishes intermediate businesses, corresponding to the PMMA, Fluorogases and Acrylics Business Lines, and specialty businesses

3Q'19 SALES BRIDGE



HIGH PERFORMANCE MATERIALS (48% OF GROUP SALES)

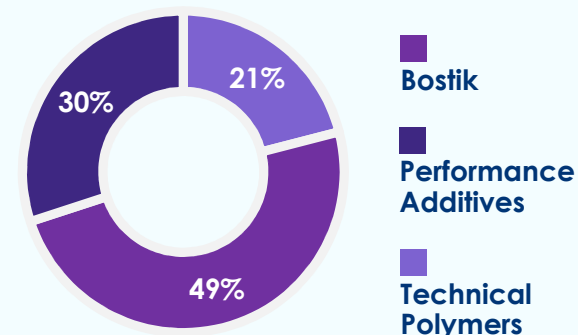
3Q'19 KEY FIGURES

In €m	3Q'18	3Q'19	Change
Sales	987	1,068	+8.2%
EBITDA	162	182	+12.3%
EBITDA margin	16.4%	17.0%	
Rec. operating income	123	134	+8.9%

3Q'19 SALES DEVELOPMENT

Volumes	(4.1)%
Prices	+3.0%
Currency	+2.1%
Scope	+7.1%

3Q'19 SALES BY BUSINESS LINE



3Q'19 HIGHLIGHTS

- ✦ **+7.1% scope effect**, reflecting the integration of ArrMaz in Performance Additives
- ✦ **Prices up 3.0%**, positive in all Business Lines, on higher selling prices and improved product mix, especially in adhesives
- ✦ **Volumes down 4.1%**, penalized by the global economic context
 - Softer demand in transport, oil & gas and consumer electronics. Positive dynamic in niche markets like batteries and 3D printing
 - Cautious inventory management by our customers
- ✦ **€182m EBITDA (+12.3% YoY) and EBITDA margin up 60 bps to 17%**
 - Bostik EBITDA up ~20% YoY and EBITDA margin up 200 bps, driving the higher profitability of the division
 - Advanced materials resisting well, in spite of the weakness of volumes in certain markets
 - ArrMaz performance perfectly in line with our expectations

INDUSTRIAL SPECIALTIES (28% OF GROUP SALES)

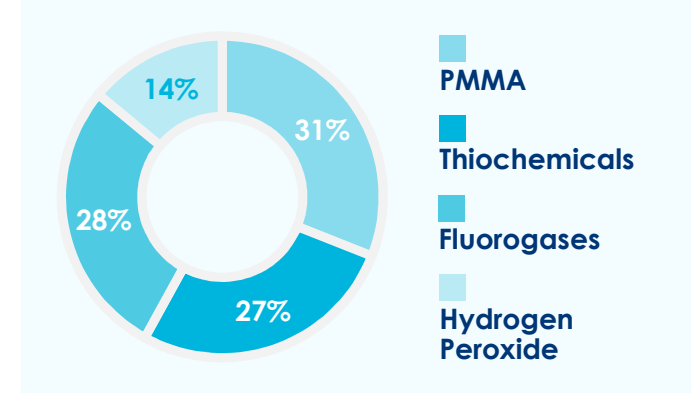
3Q'19 KEY FIGURES

In €m	3Q'18	3Q'19	Change
Sales	646	606	(6.2)%
EBITDA	165	152	(7.9)%
EBITDA margin	25.5%	25.1%	
Rec. operating income	121	98	(19.0)%

3Q'19 SALES DEVELOPMENT

Volumes	+2.8%
Prices	(10.8)%
Currency	+1.7%
Scope	-

3Q'19 SALES BY BUSINESS LINE



3Q'19 HIGHLIGHTS

✦ €606m sales

- Prices down 10.8%, reflecting continued challenging market conditions in Fluorogases and, to a lesser extent, normalization in MMA/PMMA
- +2.8% volume effect, driven by a positive dynamic in Thiochemicals

✦ €152m EBITDA and stable EBITDA margin at 25%, with contrasting trends between Business Lines

- Strong growth of Thiochemicals in the continuity of 1H'19, driven by solid demand in its end markets
- Fluorogases still strongly penalized by illegal HFC imports in Europe weighing on prices
- MMA/PMMA chain holding up well, benefiting from its strong integration, its quality of innovation and favorable raw materials

COATING SOLUTIONS (24% OF GROUP SALES)

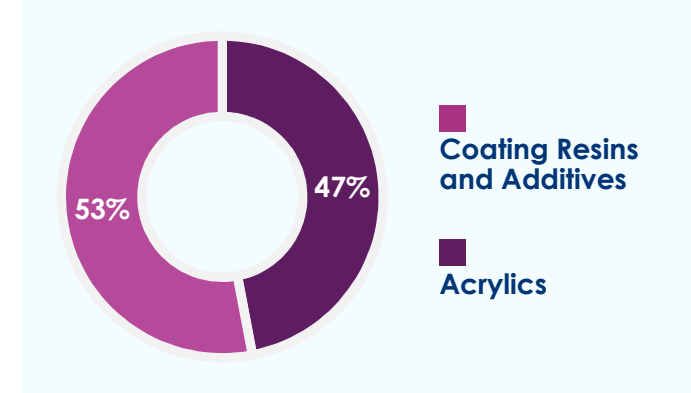
3Q'19 KEY FIGURES

In €m	3Q'18	3Q'19	Change
Sales	527	535	+1.5%
EBITDA	65	70	+7.7%
EBITDA margin	12.3%	13.1%	
Rec. operating income	39	39	-

3Q'19 SALES DEVELOPMENT

Volumes	+7.0%
Prices	(10.7)%
Currency	+2.3%
Scope	+2.9%

3Q'19 SALES BY BUSINESS LINE



3Q'19 HIGHLIGHTS

✦ €535m sales, up 1.5% YoY

- Significant volume growth at +7.0%, mainly in acrylic monomers in Asia and the US, following the start-up of the new acrylic acid reactor in Clear Lake
- -10.7% price effect mainly on lower propylene price
- +2.9% scope effect corresponding to the acquisition of Jurong's stake in Taixing Sunke Chemicals

✦ €70m EBITDA and EBITDA margin at 13.1%

- Unit margin improvement in downstream businesses
- EBITDA margin up by 80 bps YoY

9M'19 KEY FIGURES

In €m (except EPS)	9M'18	9M'19	Δ
Sales	6,609	6,685	+1.1%
EBITDA	1,187	1,162	-2.1%
EBITDA margin	18.0%	17.4%	
Recurring operating income (REBIT)	860	775	-9.9%
REBIT margin	13.0%	11.6%	
Adjusted net income	607	523	-13.8%
Adjusted EPS (in euros)	7.97	6.87	-13.8%
Free cash flow	243	381	
Net debt	1,167	1,770	

As of 1 January 2019, the Group applies the IFRS 16 standard "Leases". Impact on EBITDA is a €42m positive in 9M'19 and is not material on REBIT. 2018 figures have not been restated.

EXCELLENT CASH GENERATION IN 9M'19

RECONCILIATION OF EBITDA TO NET CASH FLOW

In €m	9m'18	9m'19
EBITDA	1,187	1,162
Current taxes	(162)	(144)
Cost of debt	(65)	(73)
Change in working capital and fixed assets payables ⁽¹⁾	(328)	(170)
Recurring capital expenditure	(268)*	(305)
Exceptional capital expenditure	(34)	(68)
Others (including non-recurring items)	(87)*	(21)
FREE CASH FLOW	243	381
Impact of portfolio management	(201)	(619)
NET CASH FLOW	42	(238)

⁽¹⁾ Excluding non-recurring items and impact of portfolio management

* Restated figures

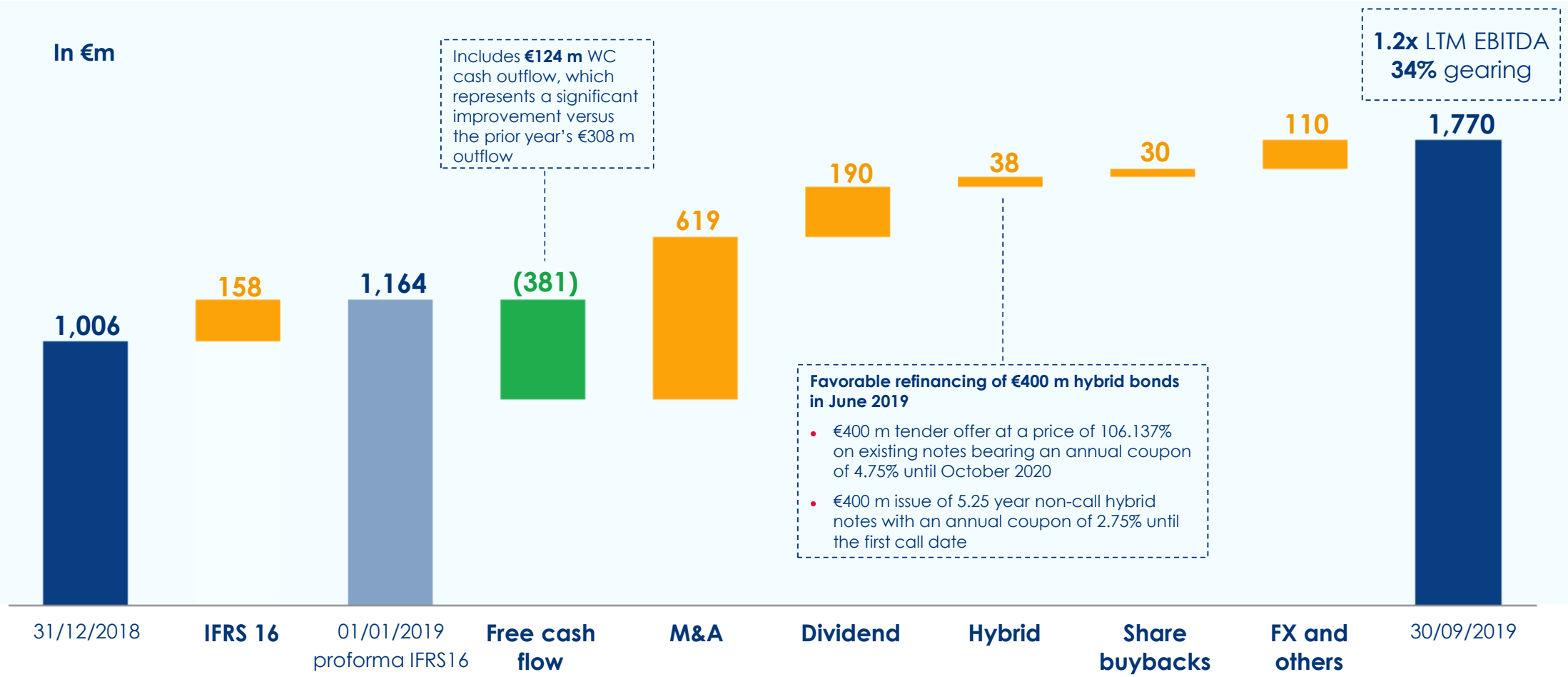
HIGHLIGHTS

- ✦ **Limited increase of working capital**
 - Tight management, activity levels and favorable impact of lower raw materials costs on inventories
 - 16.4% working capital on annualized sales ratio (16.1% end of September 2018)

- ✦ **Higher capex YoY reflecting ambitious organic investment policy**
 - 2019e capex (recurring + exceptional): ~€610m

- ✦ **€619m portfolio management cash out**
 - Equity investment in Carbon[®]
 - Acquisition of ArrMaz
 - Acquisition of Jurong's stake in Taixing Sunke Chemicals

9M'19 NET DEBT BRIDGE



2019 OUTLOOK

- ❖ 4Q'19 macro-economic environment should remain challenging and volatile
 - Ongoing geopolitical uncertainties are weighing on global demand
 - Cautious inventory management expected from our customers
- ❖ Continued focus on internal momentum and implementation of our long term strategy
- ❖ In 4Q'19, intermediates should be well down, mainly reflecting the challenging conditions in Fluorogases, while further solid growth is expected in specialties, notably driven by positive momentum in adhesives and performance coatings, as well as ArrMaz

Taking into account the performance over the first three quarters of the year and while remaining attentive to the development of the macroeconomic environment, Arkema confirms its ambition to consolidate its financial performance at high levels and to achieve in 2019 an EBITDA comparable with the 2018 record level.

2019 takes into account the new IFRS 16 standard.

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 2018 Reference Document. As part of the analysis of its results or to define its objectives, the Group uses in particular 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 cash conversion rate: corresponds to the free cash flow excluding exceptional capital expenditure divided by EBITDA

Return on average capital employed (ROACE): corresponds to the REBIT divided by the average of capital employed at the end of years Y and Y-1.