

2015 FULL YEAR RESULTS

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Chairman and CEO

3 MARCH 2016



ARKEMA
INNOVATIVE CHEMISTRY

10-YEAR SUCCESSFUL TURNAROUND

STRONG FINANCIALS

- ▶ x3 EBITDA
- ▶ 13.8% EBITDA margin (6.2% in 2005)
- ▶ €1.90 dividend* (no dividend at start)
- ▶ Gearing < 40% (iso spin-off)

INCREASINGLY RESILIENT

- ▶ Bostik acquisition
- ▶ Vinyls divestment
- ▶ Cyclical activities down from 56% in 2005 to 29%
- ▶ HPM sales x2 at €3.4 bn

INNOVATIVE

- ▶ 5th year in a row in Thomson Reuters Top 100 global innovators
- ▶ Strong pipeline in new materials and sustainable solutions

GEOGRAPHICALLY REBALANCED

- ▶ 38% sales in Europe (57% in 2005)
- ▶ x2.5 sales in Asia
- ▶ Changshu (China) Group's largest industrial platform
- ▶ Thiochemicals plant in Malaysia

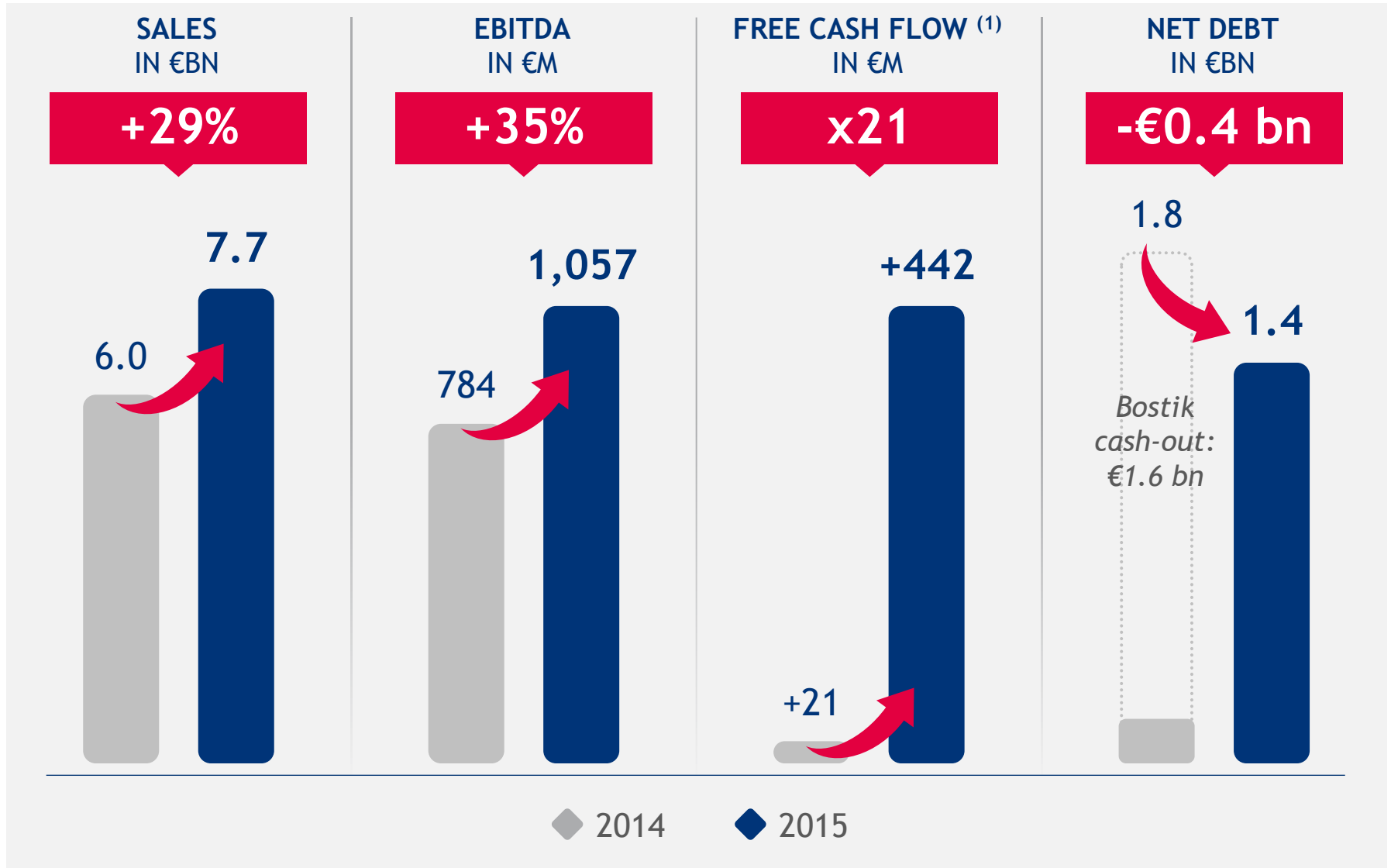
RESPONSIBLE

- ▶ 1.5 TRIR (11.3 in 2005)
- ▶ GHG emissions down -64%
- ▶ VOC emissions down -43%



* Dividend proposed to the Shareholders' Annual General Meeting of 7 June 2016

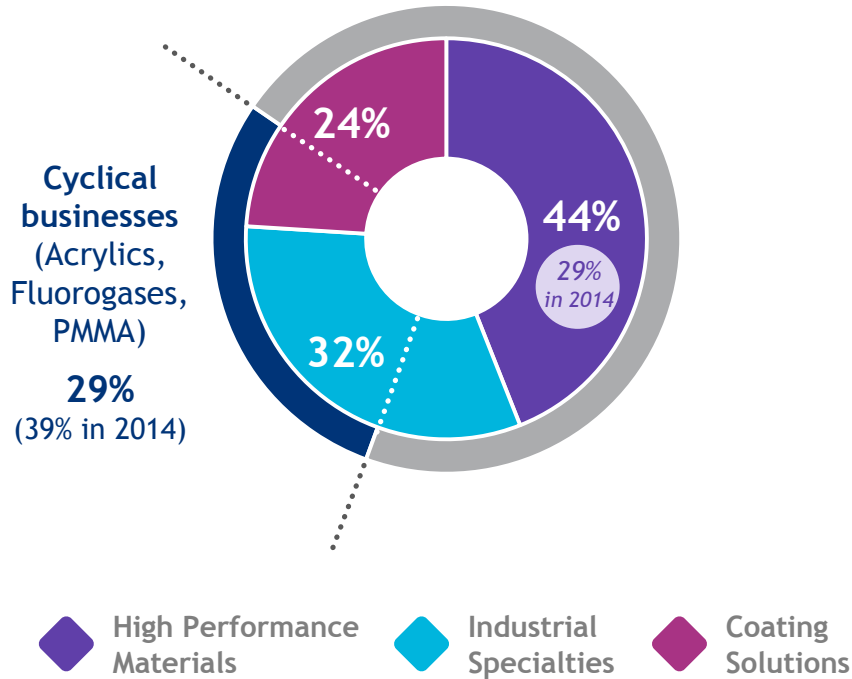
A STRONG SET OF RESULTS IN 2015



(1) Cash flow from operations and investments excluding the impact of portfolio management

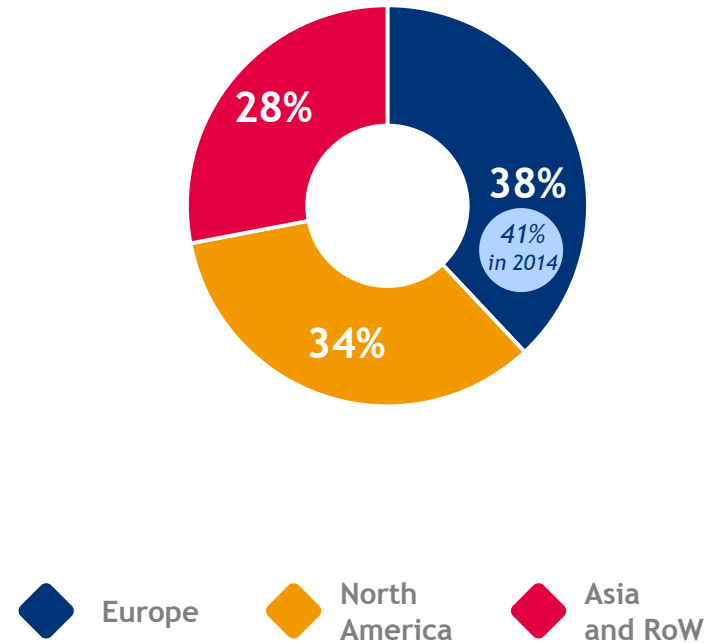
A STEP CHANGE IN THE GROUP'S PROFILE

FY'15 sales by business segment



ACCELERATING DEVELOPMENT OF HIGH PERFORMANCE MATERIALS

FY'15 sales by region



FURTHER REBALANCING OF GEOGRAPHICAL PRESENCE

DELIVERING ON THE GROUP'S AMBITION

	GUIDANCE	ACHIEVED IN 2015
▶ EBITDA (€m)	1,020 to 1,040 in 2015	1,057
▶ EBITDA to cash conversion	35% mid-term (normalized conditions)	42% ⁽¹⁾
▶ Capital intensity (capex / sales)	5.5% long-term	5.6% ⁽²⁾
▶ Working capital on sales	~14% long-term	14.6% ⁽³⁾
▶ Net debt / EBITDA	~1.5x long-term	1.3x (1.6x including 50% hybrid in net debt)
▶ High Performance Materials (% of Group sales)	~50% long-term	44%
▶ Operational excellence	€100 m savings cumulative over 2015 to 2017	~€30 m

(1) Estimated at around 35% at constant raw material prices

(2) Excluding capex related to M&A (mainly related to the transfer of a 3rd acrylics production line to Sunke without any impact on net debt)

(3) Working capital excluding fixed asset payable related to the transfer of a 3rd acrylics production line to Sunke and 13.9% if included



FULL YEAR 2015

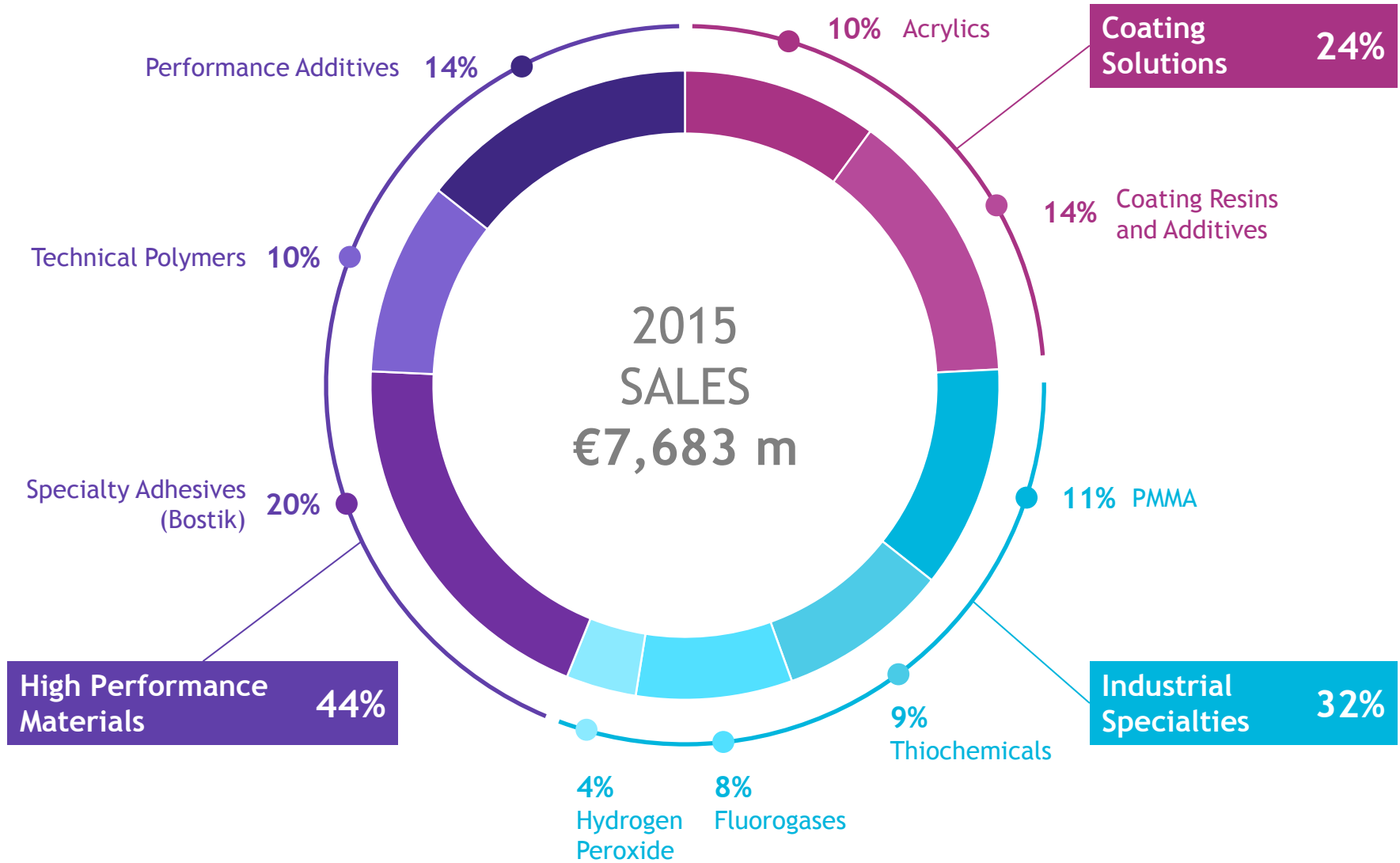
RESULTS

2015 KEY FIGURES

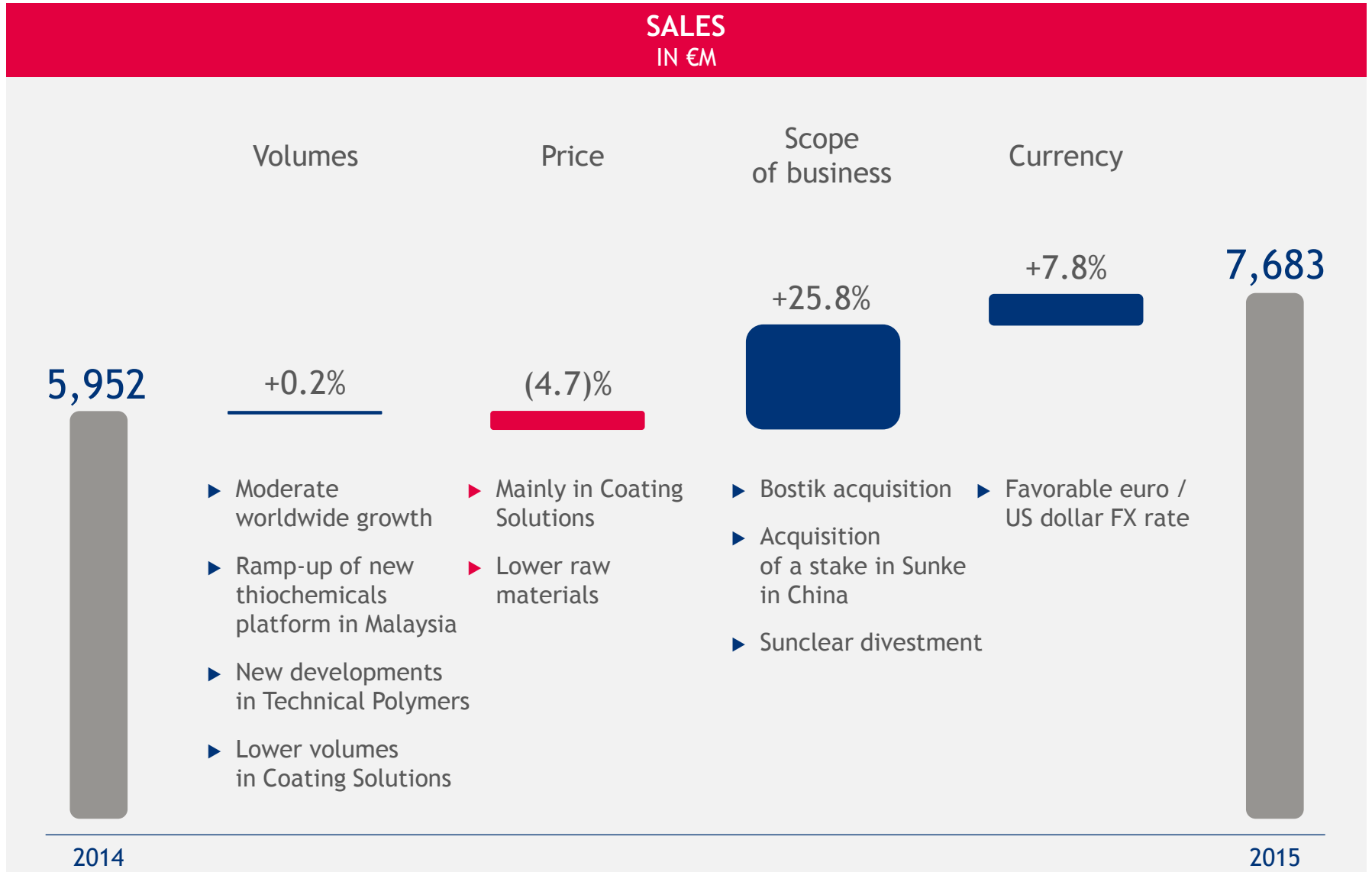
IN €M (EXCEPT EPS)	2014	2015	VARIATION
Sales	5,952	7,683	+29.1%
EBITDA	784	1,057	+34.8%
EBITDA margin	13.2%	13.8%	
Recurring operating income	447	604	+35.1%
Adjusted net income*	246	312	+26.8%
Net income (Group share)	167	285	+70.7%
Adjusted EPS* (euro)	3.72	4.23	+13.7%

* Adjusted net income excludes unrealized foreign exchange result on the financing in foreign currencies of non-recurring investments

SALES BREAKDOWN BY BUSINESS



SALES BRIDGE



STRATEGIC PROJECTS DRIVING GROWTH IN 2015

BOSTIK

THIOCHEMICALS
Kerteh (Malaysia)

INNOVATION
6 growth platforms

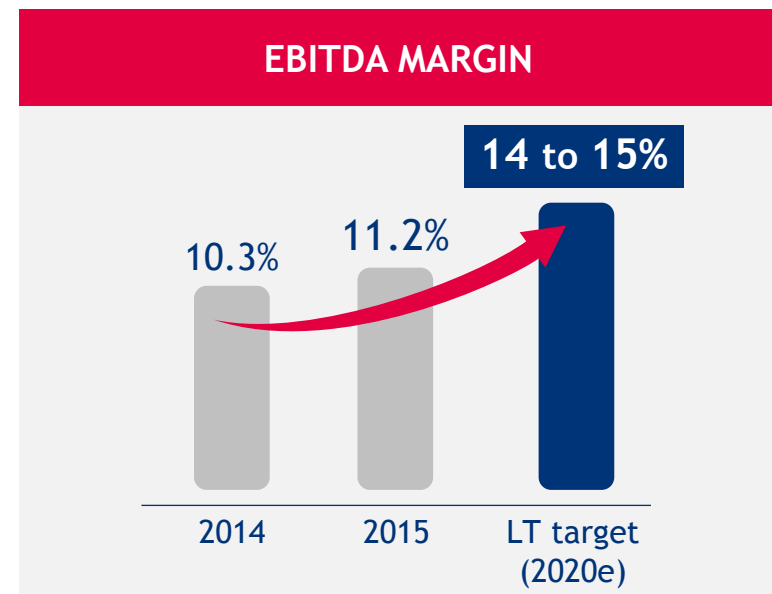
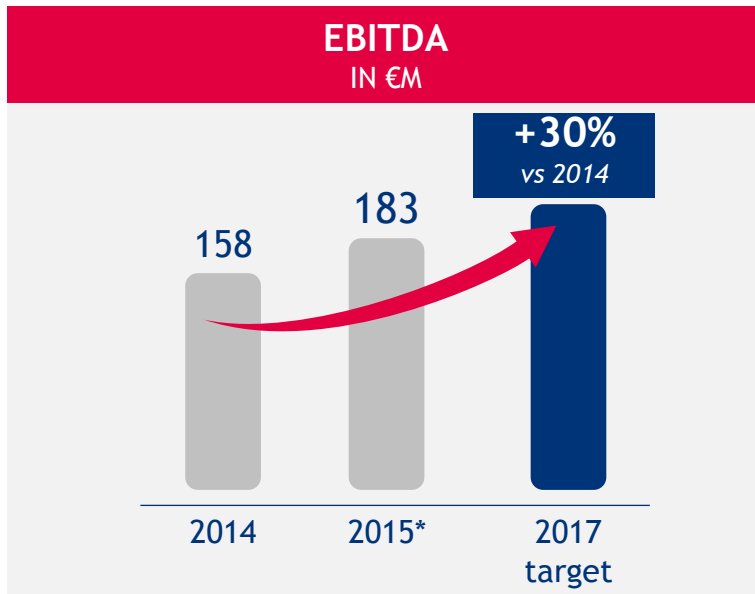


EPS AND CASH ACCRETIVE
FROM 1ST YEAR

EXCELLENT TECHNICAL
AND COMMERCIAL START-UP

- BIO BASED RAW MATERIALS
- NEW ENERGIES
- SOLUTIONS FOR ELECTRONICS
- WATER MANAGEMENT
- LIGHTWEIGHT MATERIALS
- BUILDING PERFORMANCE AND INSULATION

BOSTIK: A PROMISING START



FY'15 EBITDA up 16% versus 2014

- ▶ Benefits from organic developments, lower costs, first synergies and positive FX
- ▶ EBITDA margin up 90 bp versus 2014

Smooth and quick integration

Synergies well on track with first benefits in 2015

Accretive in EPS and cash from 1st year of integration

CONFIRM MID AND LONG TERM GROWTH POTENTIAL OF BOSTIK

* Of which 11 months within Arkema

BOSTIK: DELIVERING ON STRATEGY

GROWTH

INNOVATION

BRAND



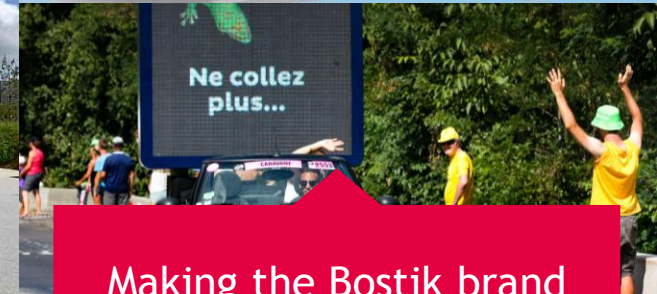
3 NEW UNITS

Monterrey (Mexico)
Dallas (United States)
Bangalore (India)



OPENING OF THE SMART HOUSE

A laboratory-house project for sustainable construction



Making the Bostik brand
FLY ACROSS EUROPE

&

RIDE ALONG
with the Tour de France

HIGH PERFORMANCE MATERIALS: SUCCESSFUL INTEGRATION OF BOSTIK AND INNOVATION IN NEW MATERIALS

2015 KEY FIGURES

IN €M	2014*	2015	variation
Sales	1,730	3,358	+94.1%
EBITDA	314	506	+61.1%
EBITDA margin	18.2%	15.1%	Bostik dilutive impact
Rec. operating income	213	354	+66.2%

2015 SALES DEVELOPMENT

Volumes	+0.1%
Prices	(0.5)%
Currency	+7.2%
Scope	+87.4%

2015 HIGHLIGHTS

BOSTIK

- ▶ €183 m EBITDA on 12 months up +16% (of which 11 months within Arkema)
- ▶ 11.2% EBITDA margin

TECHNICAL POLYMERS

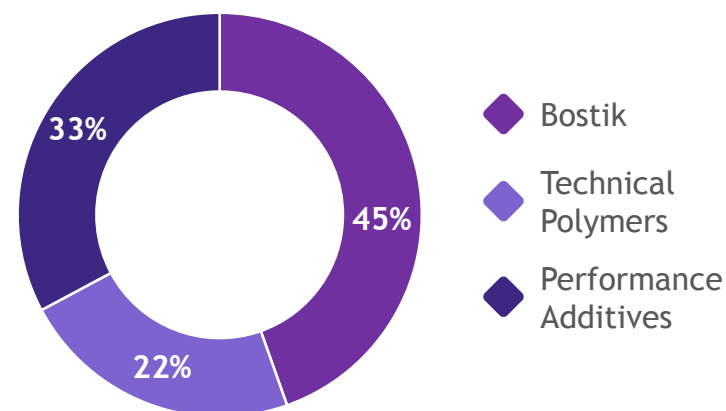
- ▶ Good development of growing applications (lightweight materials, new energies)

PERFORMANCE ADDITIVES

In filtration and adsorption:

- ▶ Good year for molecular sieves, up on 2014
- ▶ 2016 to reflect a less favorable project timeline

2015 SALES BY BUSINESS LINE



* Restated figures in accordance with new reporting

INDUSTRIAL SPECIALTIES: VERY GOOD PERFORMANCE DRIVEN BY ALL BUSINESS LINES

2015 KEY FIGURES

IN €M	2014*	2015	variation
Sales	2,269	2,450	+8.0%
EBITDA	312	418	+34.0%
EBITDA margin	13.8%	17.1%	
Rec. operating income	169	237	+40.2%

2015 SALES DEVELOPMENT

Volumes	+1.7%
Prices	(0.2)%
Currency	+8.6%
Scope	(2.0)%

2015 HIGHLIGHTS

PMMA

- ▶ Very good results, up YoY, on currently favorable market conditions in MMA
- ▶ Divestment of Sunclear closed in November 2015

THIOCHEMICALS

- ▶ High contribution from new Malaysian plant on strong demand in Asia in animal nutrition
- ▶ Ramp-up quicker than initially planned

FLUOROGASES

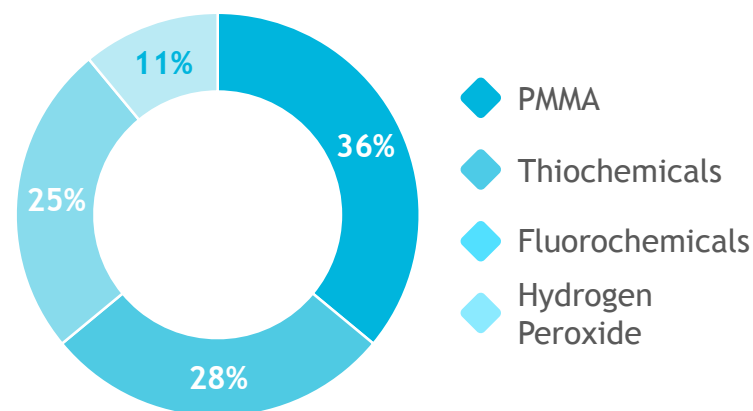
- ▶ Gradual improvement versus 2014 in line with expectations
- ▶ Higher prices of some gases and productivity initiatives

HYDROGEN PEROXIDE

- ▶ Solid performance with developments in specialties

* Restated figures in accordance with new reporting

2015 SALES BY BUSINESS LINE



COATING SOLUTIONS: GOOD RESILIENCE

2015 KEY FIGURES

IN €M	2014*	2015	variation
Sales	1,930	1,849	(4.2)%
EBITDA	203	190	(6.4)%
EBITDA margin	10.5%	10.3%	
Rec. operating income	112	72	(35.7)%

2015 SALES DEVELOPMENT

Volumes	(1.4)%
Prices	(13.9)%
Currency	+7.5%
Scope	+3.6%

2015 HIGHLIGHTS

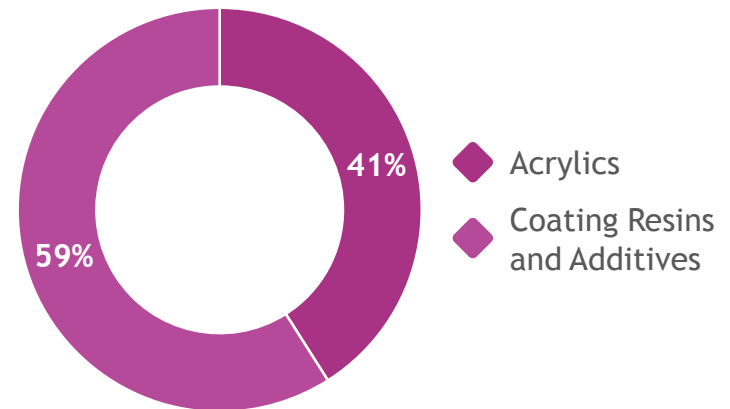
ACRYLICS

- ▶ Low cycle unit margins, down YoY. Stabilized at year-end
- ▶ Cautious inventory management by customers due to high volatility in raw material prices
- ▶ Contribution of Sunke in China impacted by new capacities in the region

COATING RESINS AND ADDITIVES

- ▶ Solid performance supported by new innovative developments and good cost management
- ▶ Soft demand in deco paints and construction in Europe

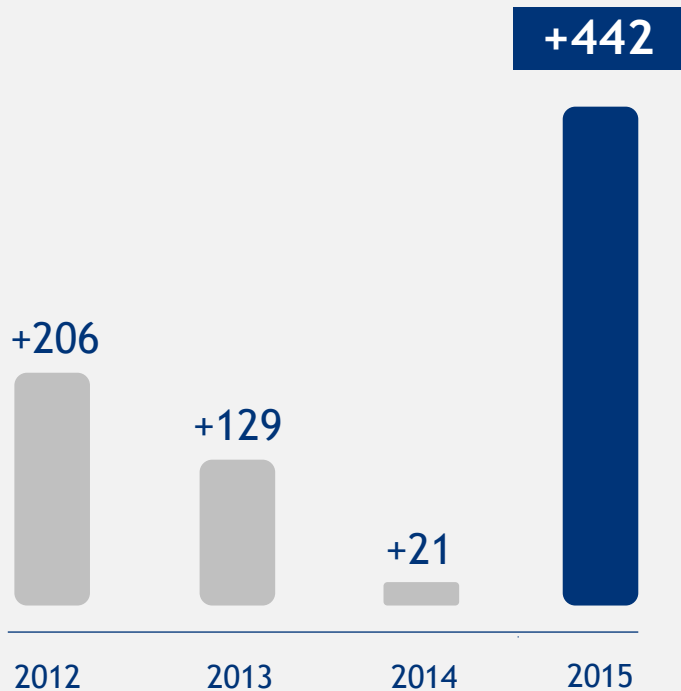
2015 SALES BY BUSINESS LINE



* Restated figures in accordance with new reporting

STRONG CASH GENERATION

FREE CASH FLOW⁽¹⁾ IN €M



Strong performance in 2015

- ▶ Solid EBITDA contribution
- ▶ Significant decrease in working capital partially driven by lower raw material costs
- ▶ 14.6% working capital on sales ratio⁽²⁾ (16.1% in 2014)
- ▶ Capex significantly reduced at €431m (€470 m in 2014) despite Bostik acquisition, Sunke integration and FX

High EBITDA to cash conversion

2016 assumptions

- ▶ €470 m capex with a €/US\$ rate at 1.10
- ▶ Working capital / sales at around 15%

(1) Cash flow from operations and investments excluding the impact of portfolio management

(2) Working capital excluding fixed asset payable related to the transfer of a 3rd acrylics production line to Sunke

2015 CASH FLOW

In €m	2015	
EBITDA	1,057	
Working capital variation ⁽¹⁾	122	▶ Strict working capital management supported by lower raw material prices
Taxes	(200)	▶ Current taxes excluding impact of Bostik PPA
Cost of debt	(79)	
Capital expenditure ⁽²⁾	(431)	
Others	9	
RECURRING CASH FLOW	478	
Non-recurring items in operating and investing cash flow	(36)	▶ Mainly restructuring expenses
FREE CASH FLOW	442	
Impact of portfolio management	(1,219)	▶ Mainly acquisition of Bostik net of cash acquired (price cashed out of €1,603 m) and divestment of Sunclear
NET CASH FLOW	(777)	

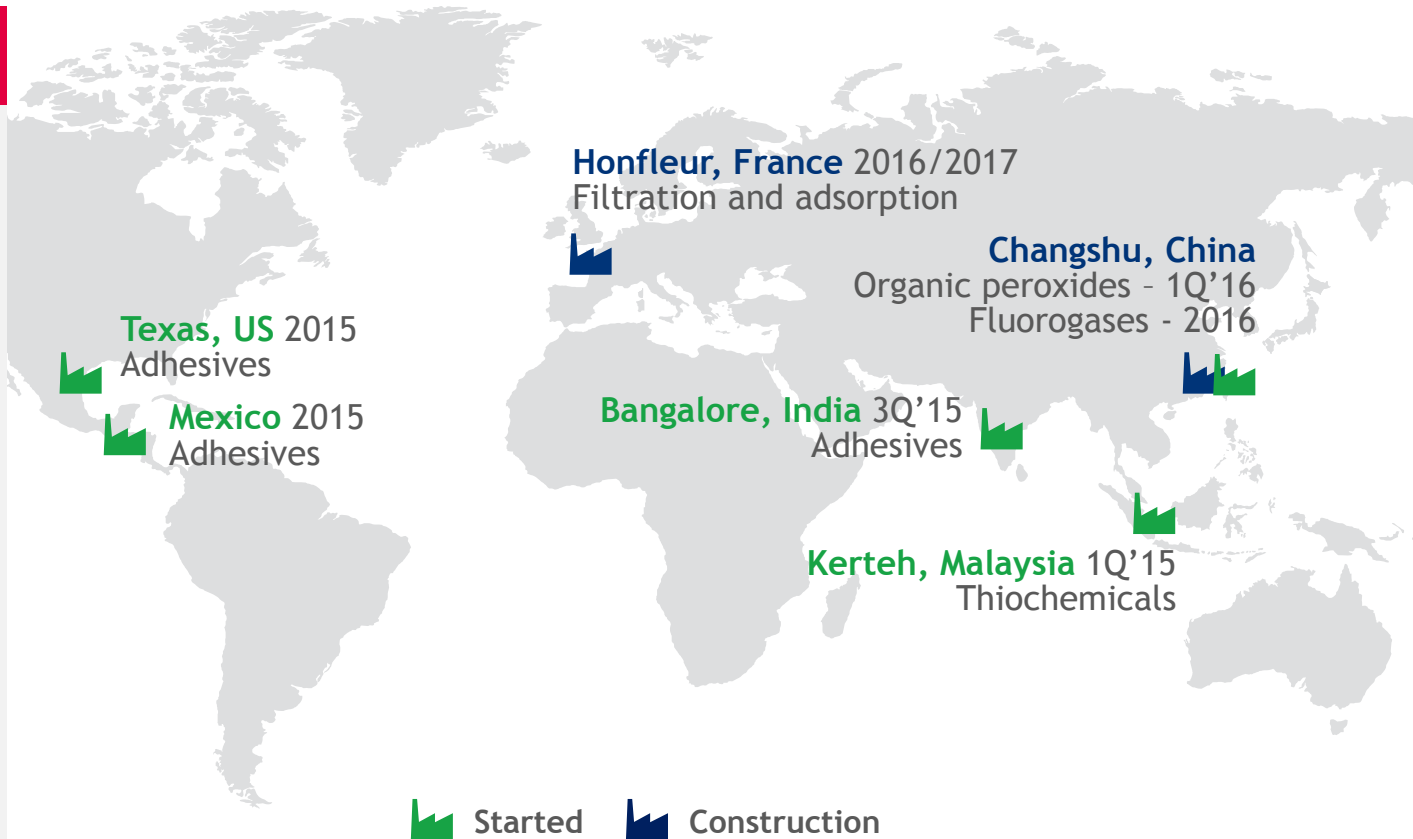
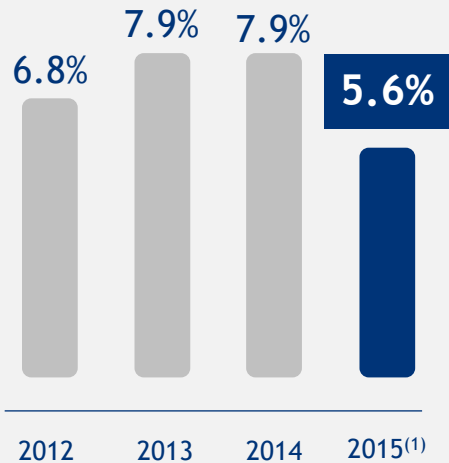
(1) Variation in working capital and fixed asset payables excluding non-recurring items

(2) Excluding capex related to M&A (mainly related to the transfer of the 3rd acrylic production line to Sunke without any impact on net debt)

CAPTURING GROWTH WHILE REDUCING CAPITAL INTENSITY

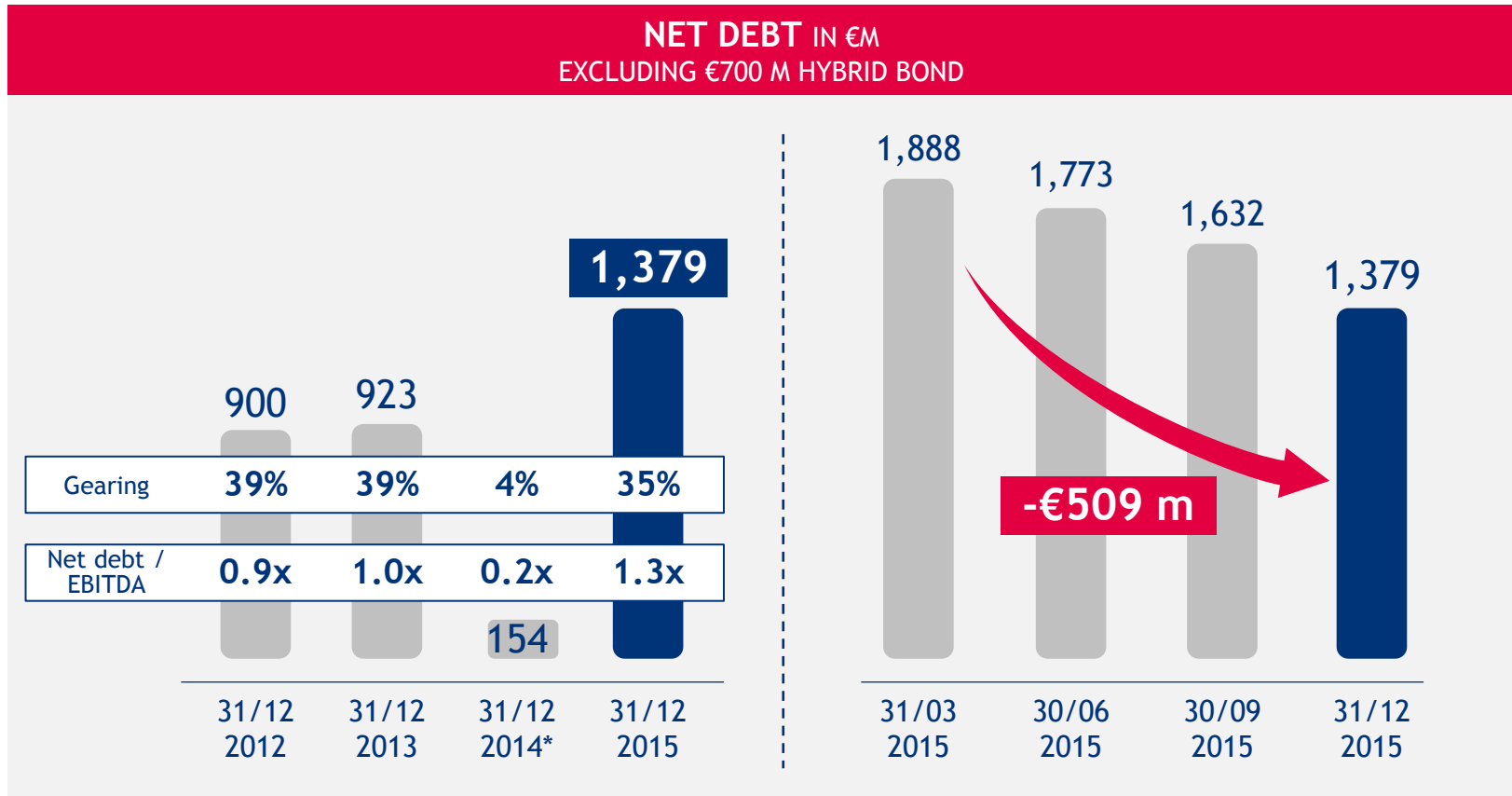
CAPITAL INTENSITY

CAPEX / SALES IN %



(1) Excluding capex related to M&A (mainly related to the transfer of a 3rd acrylics production line to Sunke without any impact on net debt)

NET DEBT



Net debt decreased quicker than anticipated since Bostik acquisition in 1Q'15

- ▶ Including 50% of the €700 m hybrid bond (same as rating agencies), net debt to EBITDA ratio stands at 1.6x
- ▶ Long-term target (2020e): net debt to EBITDA of 1.5x

* Net debt included at 31/12/2014 €350 m share capital increase and €700 m hybrid to finance Bostik acquisition

BALANCE SHEET

IN €M	31 Dec 2014	31 Dec 2015
Non current assets ⁽¹⁾	3,607	5,399
Working capital	958	1,067
Capital employed	4,565	6,466
Shareholder's equity	3,573	3,949
Net provisions for pensions and other employee benefits ⁽²⁾	455	571
Other net provisions ⁽²⁾	296	336
Total net provisions⁽²⁾	751	907
Net debt	154	1,379

€571 m net provisions for pensions and other employee benefits include:

- ▶ €388 m provisions for pensions (€348 m end 2014)
- ▶ Impact of Bostik integration (€177 m provisions on acquisition)
- ▶ €55 m decrease in provisions on higher discount rates

€336 m other net provisions include:

- ▶ €51 m restructuring (€55 m end 2014)
- ▶ €134 m environment (€125 m end 2014)
- ▶ Increase versus 2014 results mainly from Bostik integration

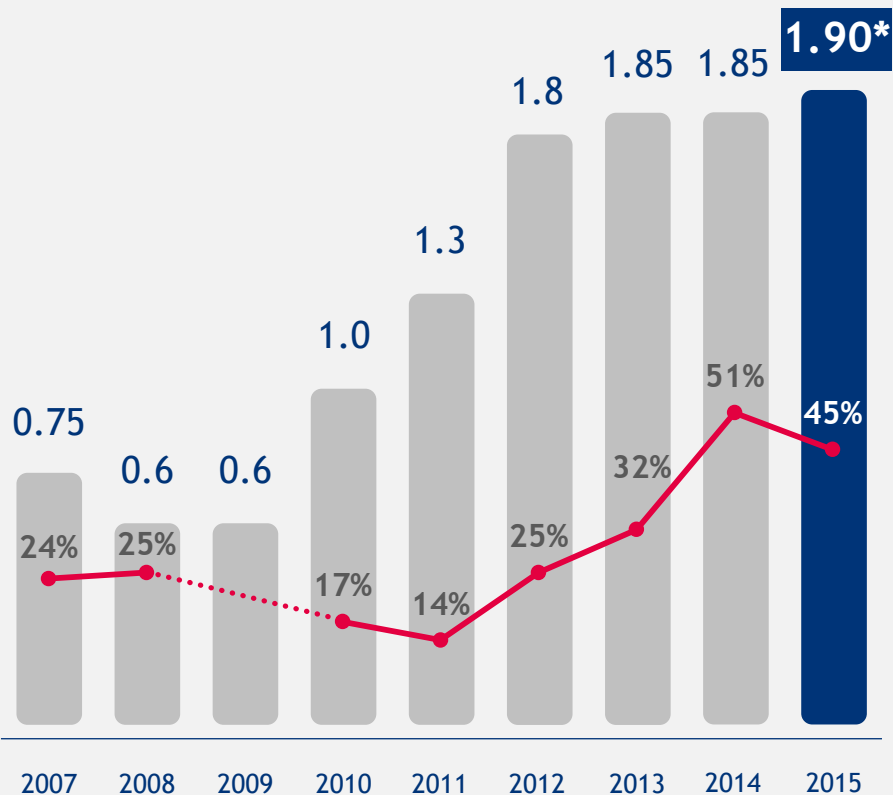
(1) Excluding deferred taxes and including pension assets

(2) Provisions net of non-current assets

DIVIDEND

DIVIDEND AND PAYOUT RATIO

IN € / SHARE AND IN %



Dividend increased to €1.90, up +2.7%

- ▶ Reflects confidence in the Group's solid cash generation and balance sheet
- ▶ 45% payout on 2015 adjusted net income
- ▶ 2.9% dividend yield (based on share price at year end)

Dividend to be paid in cash only from 13 June (ex-dividend date: 9 June)

In line with dividend policy:
“aims at paying a stable to growing dividend each year”

A KEY ELEMENT OF SHAREHOLDER RETURN

* Dividend proposed to the Shareholders' Annual General Meeting of 7 June 2016



OUR PRIORITIES

GOING FORWARD

2016 PRIORITIES

FLUOROGASES



- ▶ Follow-up of antidumping cases in the US
- ▶ Higher pricing on HFCs in Europe
- ▶ Further address competitiveness issues

THIOCHEMICALS



- ▶ Pursue successful development of Malaysian platform
- ▶ Further growth potential

BOSTIK



- ▶ Accelerate geographic expansion
- ▶ Finalize implementation of short-term synergies

M&A



- ▶ Implementation of divestment program (~€500 m sales remaining)

2016 OUTLOOK

Cautious macro-economic approach:

- ▶ Moderate worldwide growth and contrasted dynamics by region
- ▶ Volatility in currencies, energy and raw material prices

Strong organic momentum driven by:

- ▶ Continuous development of Bostik including ramp-up of synergies
- ▶ Progressive improvement of fluorogases business (pricing and competitiveness)
- ▶ Additional contribution of Thiochemicals platform in Malaysia (one more quarter)
- ▶ Operational excellence initiatives to offset part of the inflation on fixed costs
- ▶ Benefit from innovation in lightweight materials and sustainable solutions

Assuming energy cost and FX in line with current levels,
Arkema is confident in its ability to grow EBITDA in 2016

KEY TAKE-AWAYS



**Strong 2015
performance in
a contrasted environment**



**Portfolio profile
step-up**



**Successful Bostik
integration with attractive
growth potential**



**High cash generation
with significant
deleveraging**



**Projects well in place
to support
performance in 2016**



**Committed to further
value creation for
shareholders through
dividend policy and strict
cash allocation**

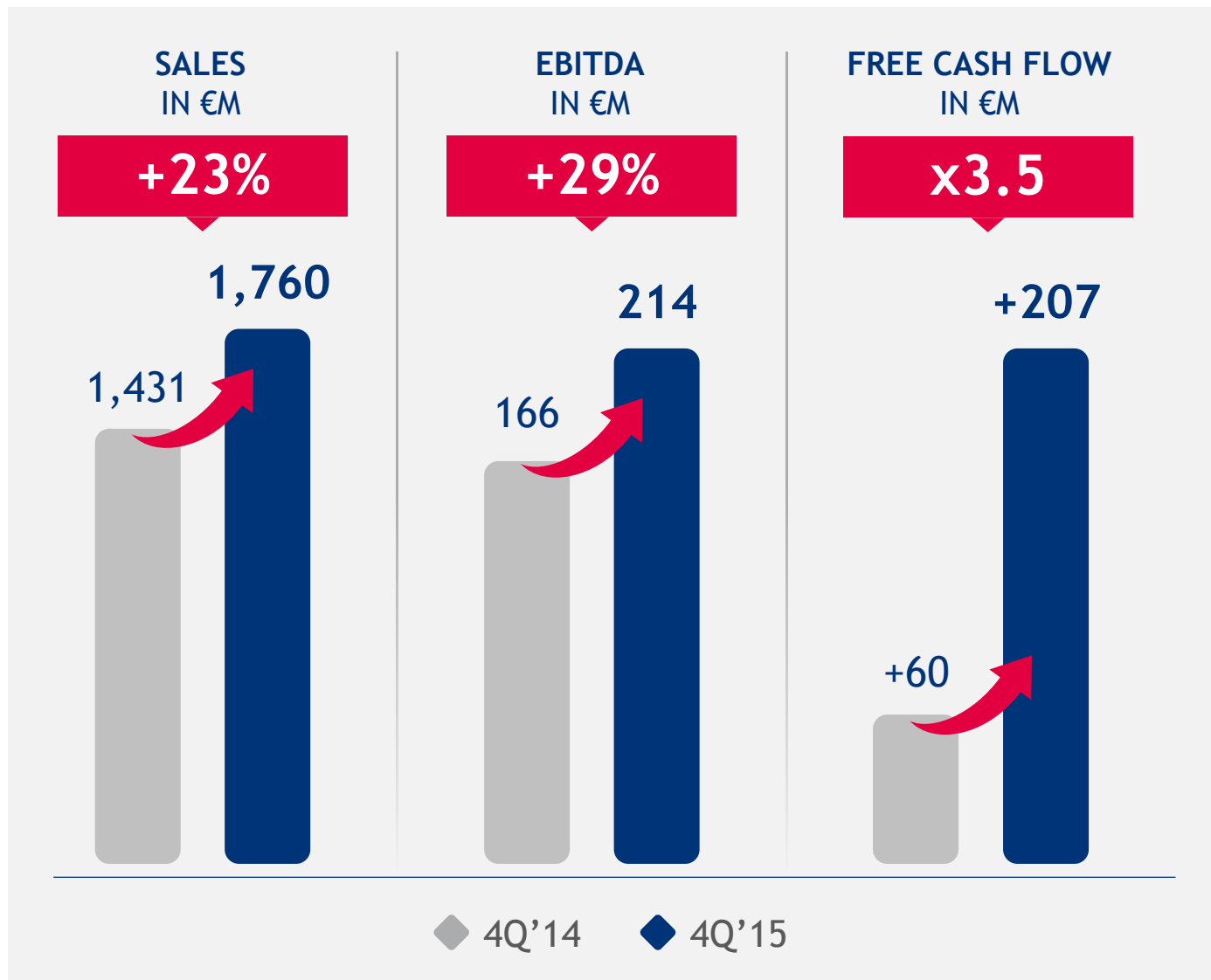
WELL ON TRACK TO SUCCESSFULLY DELIVER ON OUR AMBITION



APPENDIX

4Q'15 RESULTS

VERY SOLID Q4 2015 WITH USUAL YEAR-END SEASONALITY



4Q'15 PERFORMANCE BY SEGMENT

IN €M	4Q'14*	4Q'15	variation
Sales	420	843	+100.7%
EBITDA	67	115	+71.6%
EBITDA margin	16.0%	13.6%	

IN €M	4Q'14*	4Q'15	variation
Sales	563	532	(5.5)%
EBITDA	75	83	+10.7%
EBITDA margin	13.3%	15.6%	

IN €M	4Q'14*	4Q'15	variation
Sales	441	379	(14.1)%
EBITDA	32	23	(28.1)%
EBITDA margin	7.3%	6.1%	

HIGH PERFORMANCE MATERIALS

- ▶ **BOSTIK**: successful implementation of strategy and benefit of first synergies
- ▶ **TECHNICAL POLYMERS**: strong developments in PVDF
- ▶ **PERFORMANCE ADDITIVES**: good quarter for molecular sieves in filtration and adsorption

INDUSTRIAL SPECIALTIES

- ▶ **THIOCHEMICALS**: excellent performance supported by Malaysian plant
- ▶ **PMMA**: another strong set of results with some signs of normalization at year-end
- ▶ **FLUOROGASES**: reflect usual year-end seasonality

COATING SOLUTIONS

- ▶ **ACRYLICS**: low cycle conditions, in line with 3rd quarter 2015, and maintenance shutdowns in Europe and US
- ▶ **COATING RESINS AND ADDITIVES**: lower costs but usual year-end seasonality

* Restated figures in accordance with IFRIC 21 "Levies" and new reporting

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 for 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006 and 2005 is extracted from the consolidated financial statements of Arkema. Quarterly financial information is not audited.

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

The definition of the main performance indicators used can be found in the press release on the quarterly results.