Autumn Conference 2017
KeplerCheuvreux
Paris, 14 September 2017

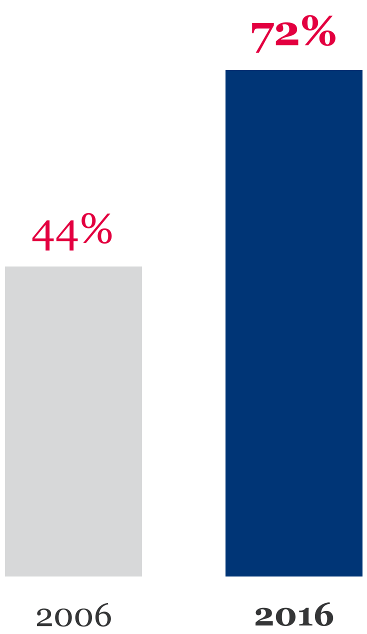
Key elements from July 2017 Capital Markets Day
Second quarter 2017 results and 2017 outlook

Key elements from July 2017 Capital Markets Day

A strong track record…

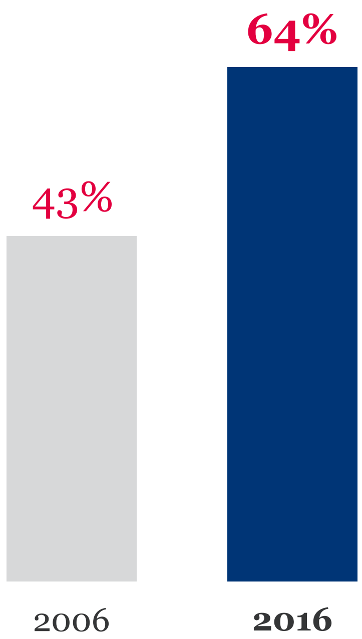
Share of specialties

In % of sales



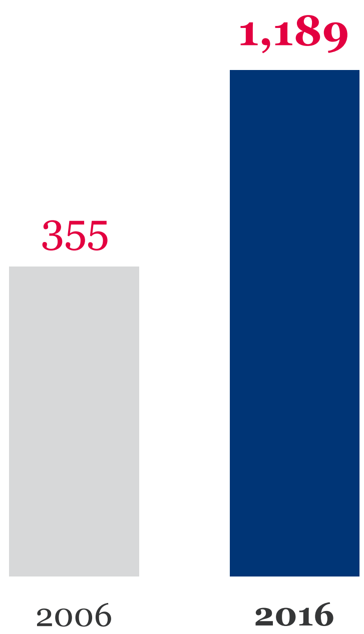
Sales outside Europe

In % of sales



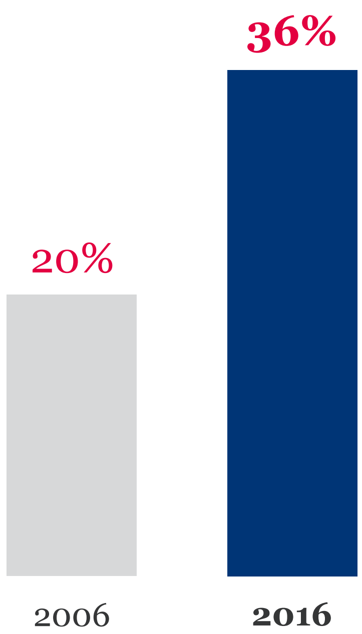
EBITDA

In €m



Free cash flow

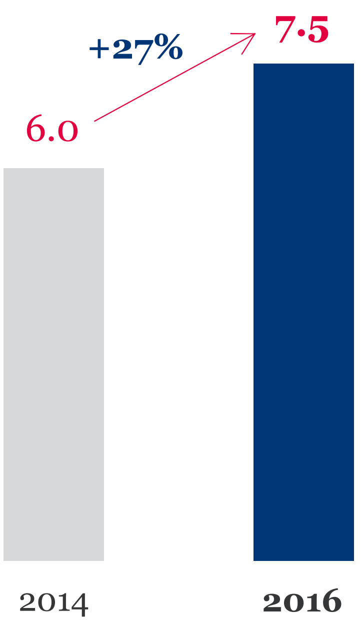
In % of EBITDA



… including a significant step-up in financials

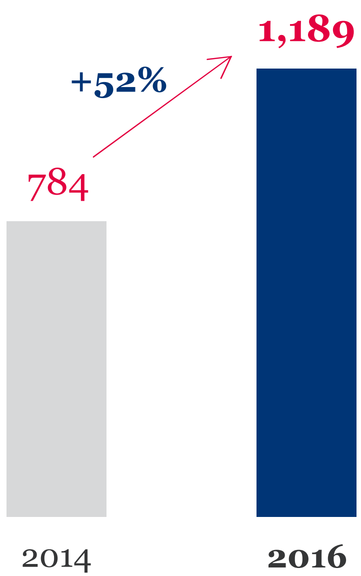
Sales

In €m



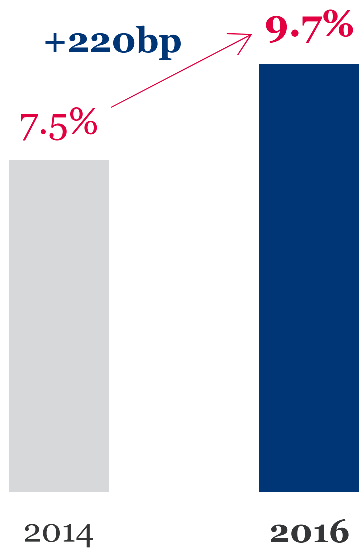
EBITDA

In €m



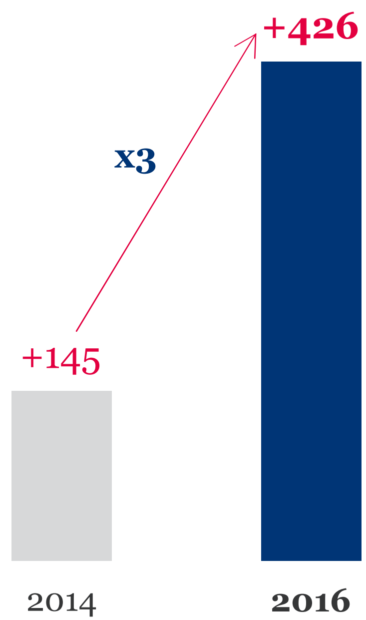
REBIT margin

In %



Free cash flow

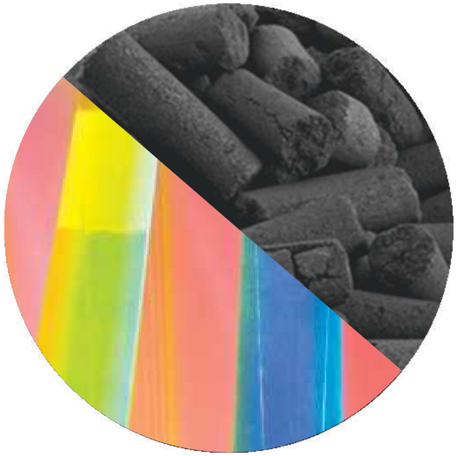
In €m



Significant achievements since last Capital Markets Day…

New step in the attractive adhesives and sealants market

Development of Bostik and acquisition of Den Braven



Further streamlining of the portfolio

Divestments of activated carbons and filter aids, of oxo-alcohols and of Sunclear

Expansion in PVDF Kynar®

+25% production capacity at Changshu in China

Globalization of the Thiochemicals footprint

Start and successful ramp-up of the €200 m Thiochemicals complex in Malaysia

Main levers of transformation

Organic growth

Innovation, partnerships
and geographic expansion

Portfolio management

€3.7 bn sales acquired
€2.2 bn sales divested

Productivity plans

Offset **1/2** to **2/3** of inflation
on fixed costs

Lower capital intensity

5.6% of sales in 2016
versus **8%** at peak

Reduction of working capital

14.5% in 2016
versus **23%** in 2006

ARKEMA INNOVATIVE CHEMISTRY

Arkema at a glance (2016)

€7.5 bn sales

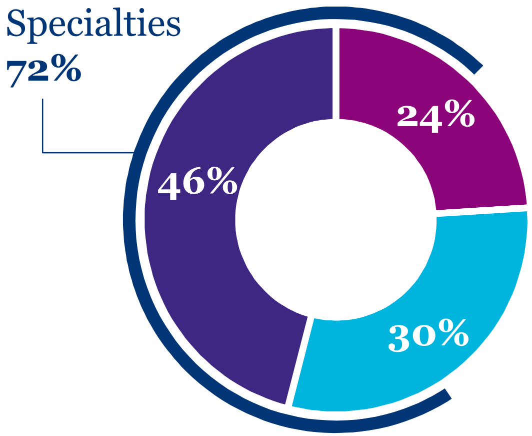
19,700 employees

Present in **50 countries**

133 industrial sites

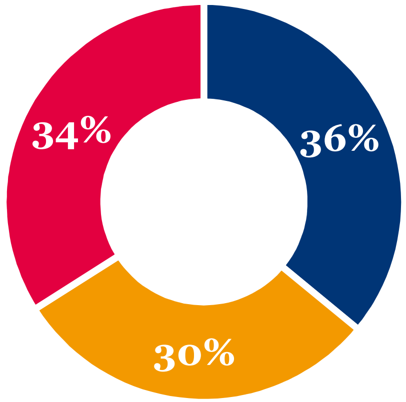
€222 m R&D spending

A strong portfolio of businesses



- High Performance Materials
  - **25%** *Advanced Materials*
  - **21%** *Adhesives*
- Coating Solutions
- Industrial Specialties

A global and balanced footprint



- Europe
- North America
- Asia and RoW

Our portfolio of businesses

High Performance Materials

Advanced Materials

Adhesives

- High value added niches
- Well-known brands
- Innovation supported by megatrends
- Co-developments with customers

Industrial Specialties

Fluorogases
Upstream of PVDF

PMMA
Engineering plastic

Thiochemicals

H_2O_2

- Integrated intermediate chains
- Global leading positions
- Complex and proprietary manufacturing processes and technologies
- World-scale and competitive plants

Coating Solutions

Acrylic Monomers
Upstream of Performance Coatings

Performance Coatings

- Extensive offering to coating customers
- Competitive and global acrylic acid backbone
- Eco-friendly solutions
- Downstream integration reinforces resilience

ARKEMA INNOVATIVE CHEMISTRY

2016 sales by end markets

24% *Consumer Goods* — ↗ Lightweighting Design

19% *Coatings* — ↗ Regulations Low-VOC

19% *Chemicals & Plastics* — ↗ Emerging countries Megatrends

11% *Building & Construction* — ↗ Home efficiency and insulation

7% *Automotive & Transportation* — ↗ Lightweighting Mobility

7% *Industry*

8% *Energy & Water* — ↗ Access to clean water; New energies

5% *Others*

Diversity of end markets offers resilience and growth

Leading positions on all key product lines

Rank	*Business Lines*	*Main peers*
#3	**Bostik** (adhesives and sealants)	Henkel, Sika, H.B. Fuller
#1	**Specialty Polyamides**	Evonik, Ems-Chemie, Ube
#1	**PVDF** (fluoropolymers)	Solvay, Kureha
#1	**Sartomer** (UV curing resins)	Allnex, Miwon
#1	**Thiochemicals**	Chevron Phillips
#2	**MMA / PMMA**	Mitsubishi Rayon, Evonik, Sumitomo
#3	**Fluorogases**	Honeywell, Chemours, Mexichem
#2	**Acrylic Monomers**	BASF, Dow, Nippon Shokubai
#3	**Performance Coatings**	BASF, Allnex, Dow

- High Performance Materials
- Industrial Specialties
- Coating Solutions

Our vision

A global specialty chemical group strongly focused on adhesives and advanced materials, fostering customers innovation in megatrends and sustainability, and delivering best-in-class financial, operational and CSR performance.

Long-term financial objectives (2023)

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

Maintain disciplined capital allocation policy

Organic growth	*M&A*	*Dividend*
Support development of main growth pillars	***Reinforce current portfolio***	***A key element of shareholder return policy***
Targeted capex	Bolt-on acquisitions with significant synergies and divestments of small non-core businesses	Stable to growing dividend every year

*With net debt to EBITDA < **2x***

ARKEMA INNOVATIVE CHEMISTRY

Our strategic priorities

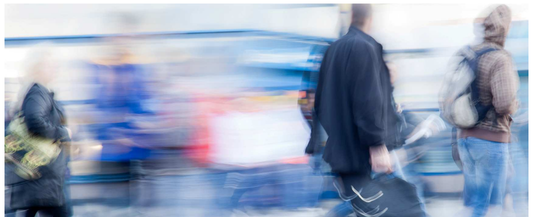
Innovation

Acquisitions

Emerging countries

Commercial excellence

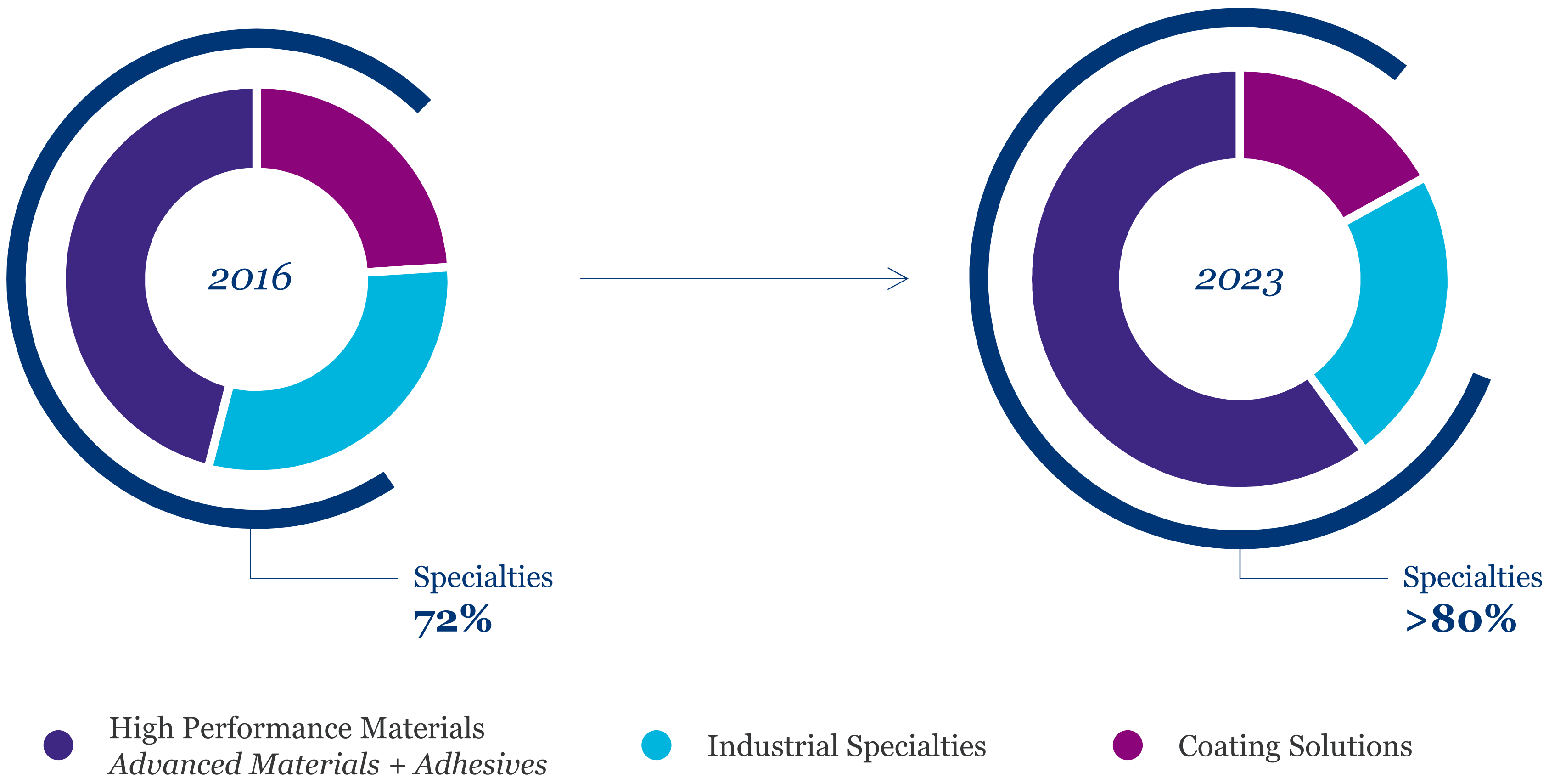
Operational excellence



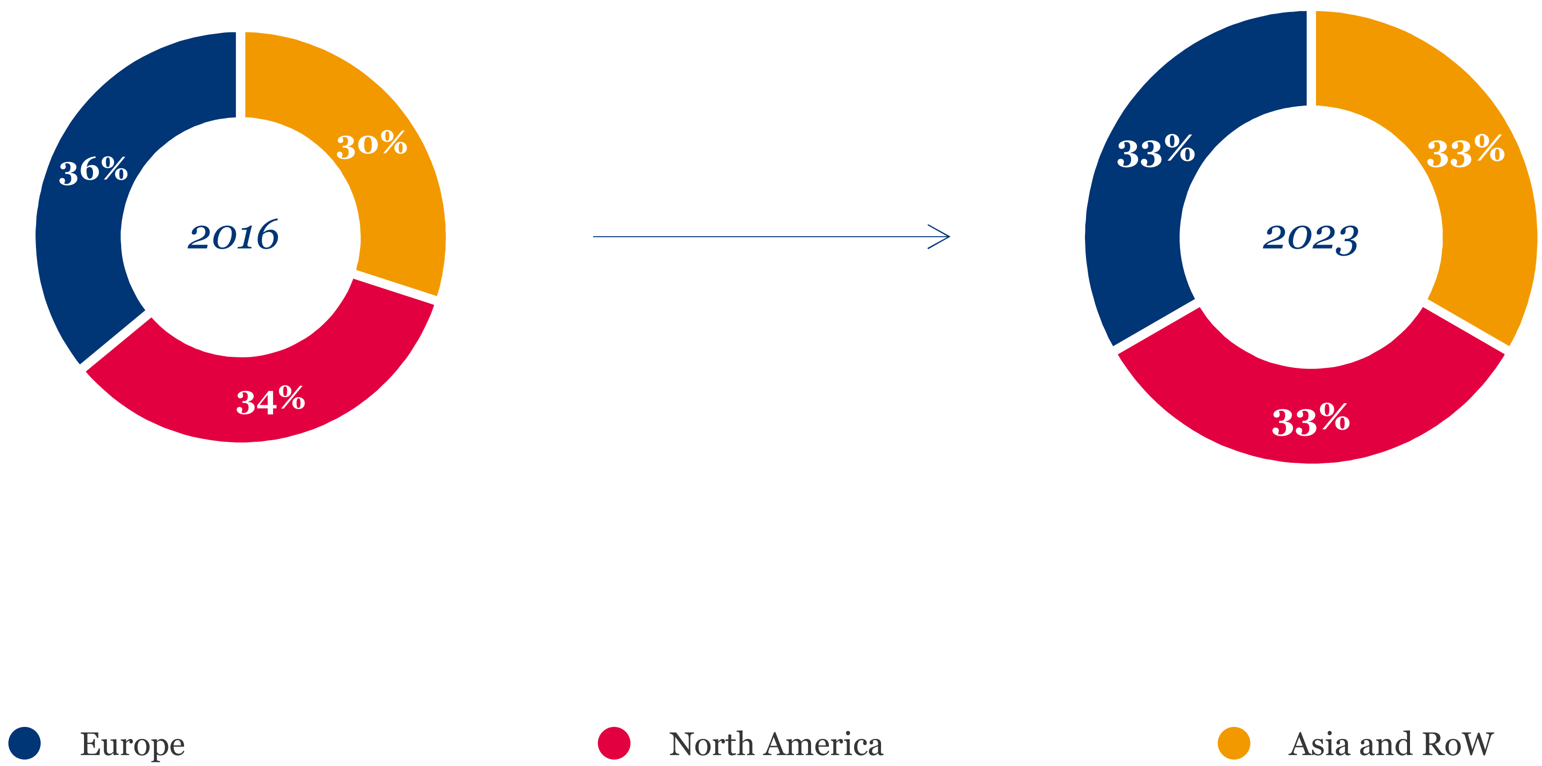
Corporate social responsibility

Digitalization

Accelerate growth of Advanced Materials and Adhesives



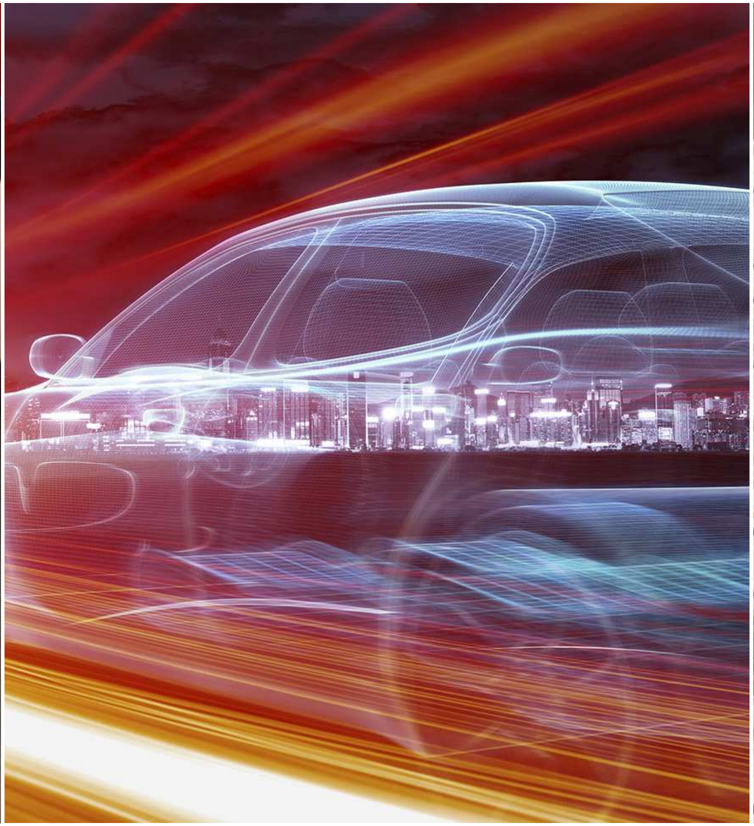
Reinforce footprint in higher growth countries



ARKEMA INNOVATIVE CHEMISTRY

3 major growth pillars

Adhesives



Advanced Materials

Thiochemicals

A wave of significant projects supporting our objectives

Adhesives

- Further organic growth and cost optimization of **Bostik** “legacy”
- Development of **Den Braven** and **CMP** including implementation of synergies with Bostik
- Further participate in market consolidation with **bolt-on acquisitions**

★ **Announced today**

Advanced Materials

- Build and start the **PEKK plant** in **Mobile** (Alabama, USA)
- Continuously expand our **PVDF capacities** in the 3 regions consistently with our current investment in Changshu (China)
- ★ Expand significantly the bio-based **polyamide 11 chain in Asia (+50% WW)**
- Leverage the recent expansion of the **molecular sieves** plant at **Honfleur** (France)
- ★ Expand by **30% Sartomer production capacity in Nansha** (China)

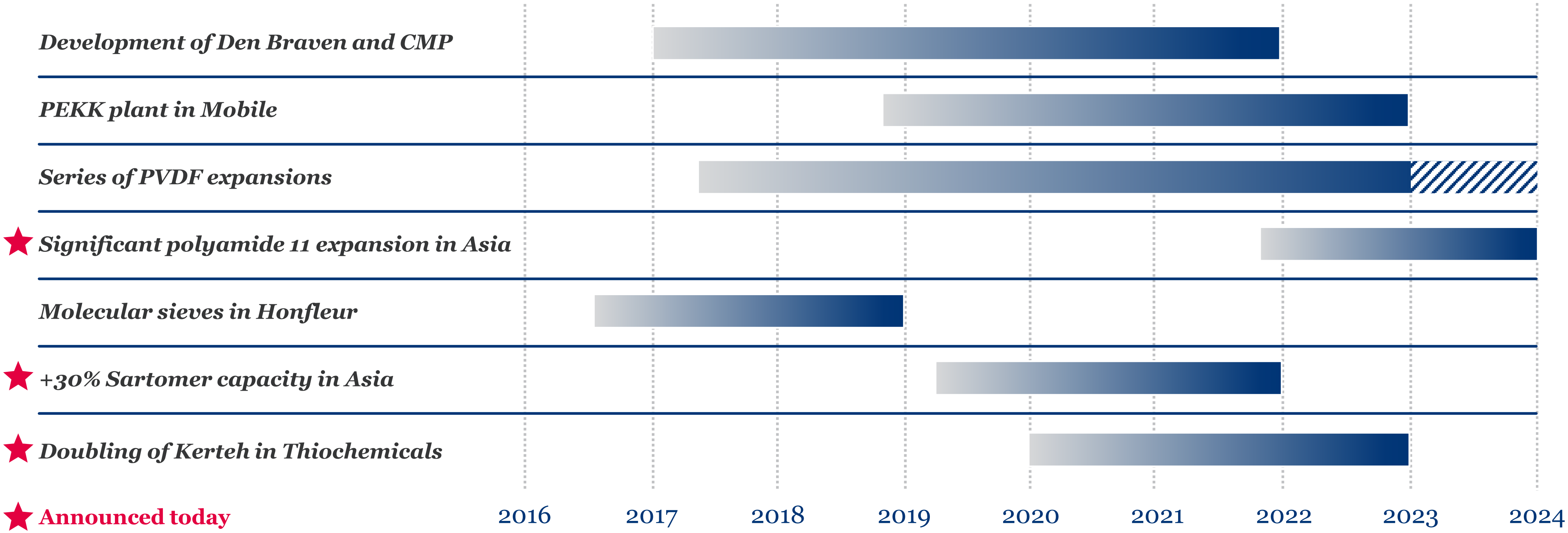
Thiochemicals

- ★ Double site capacity at **Kerteh** (Malaysia)
- Advanced thoughts underway on a project to double site capacity at **Beaumont**
- Accelerate development of our **Carelflex®** and **Odorflex®** solutions in petrochemicals and refining

ARKEMA INNOVATIVE CHEMISTRY

Planned calendar of these projects

Start-up *Ramp-up*



ARKEMA INNOVATIVE CHEMISTRY

Adhesives

Market

Fragmented market and ongoing **consolidation** by the leaders

Barriers to entry, **resilience** and low capital intensity

Substitution of mechanical fasteners by adhesives

Increasing needs for **home efficiency and insulation**

Arkema / Bostik

Participate in the consolidation of the market

Focused growth in core segments and high value niches

R&D efforts increased by **30%** to foster innovation

Synergies with **Arkema's Advanced Materials**

Adhesives long-term ambition

- Exceed **1/3** of Group sales
- **More than double** sales versus 2016
  in completing GDP+ organic growth by
  an ambitious bolt-on acquisition program
- **12.5%** to **13%** REBIT margin
- Maintain capex level below **3%** of sales

Advanced Materials

Market

Consolidated market with limited number of players

Significant opportunities **from megatrends**
Lightweighting, clean water, new energies, 3D printing

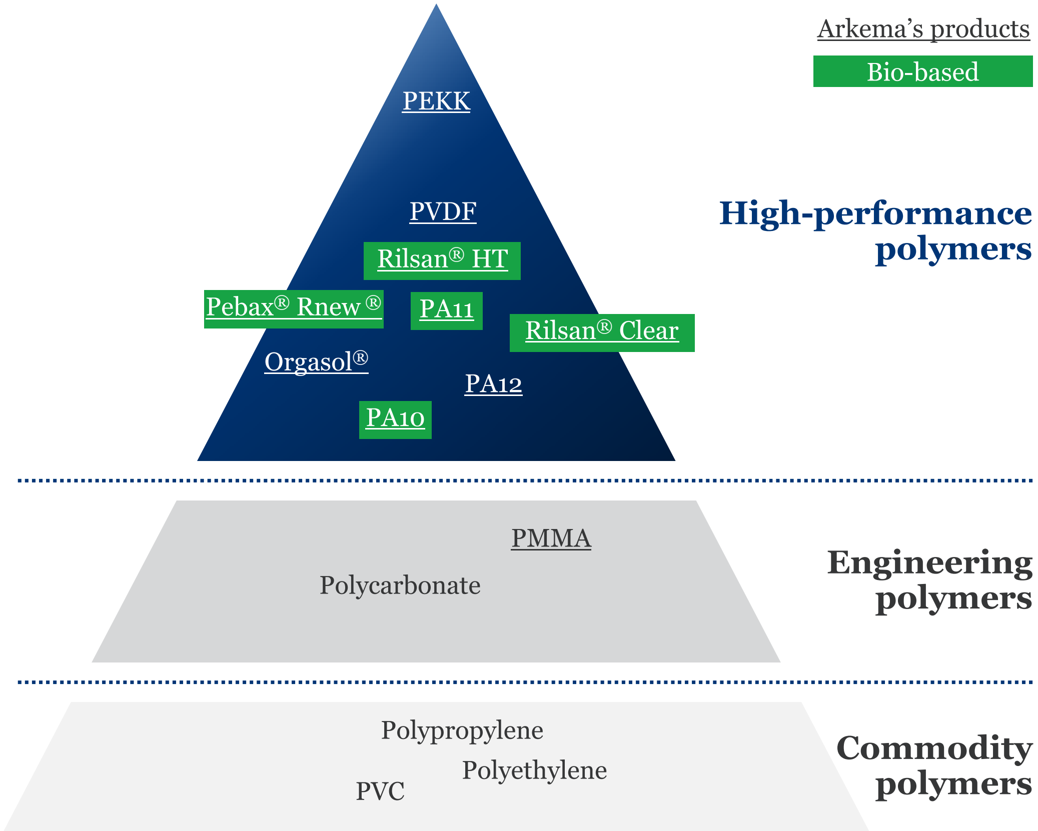
Arkema

Unique technology-driven portfolio supporting high-value applications

Unique **bio-based** positioning

Well recognized brands

Ranking of polymers pricing and performance



Advanced Materials long-term ambition

- Exceed **25%** of Group sales
- **14%** to **15%** REBIT margin
- Support long-term growth of bio-based polyamide 11 with **~€300 m** exceptional capex in Asia
- R&D expenses at **4%** of sales, up to 8% in certain applications

ARKEMA INNOVATIVE CHEMISTRY

Targeting excellence is our driver

Commercial excellence

Accelerate our long-term growth

Program to be launched at the 2017 worldwide Senior Management convention

Key account management

Geographic expansion

End-market expertise

Place our customers at the heart of our digital strategy

Transversal innovation across businesses

Operational excellence

Objective: **€30 m to €40 m** gain /year

To offset at least 1/2 of inflation on fixed costs

People quality and commitment

Safety and environment

Manufacturing excellence
Competitiveness, reliability, quality

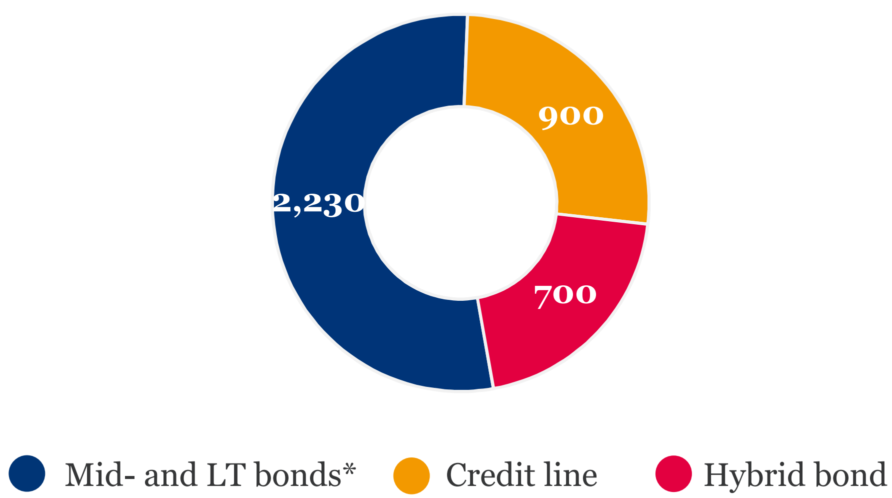
"Next Gen" manufacturing footprint with digitalization

Supply chain streamlining

A strong and balanced debt structure

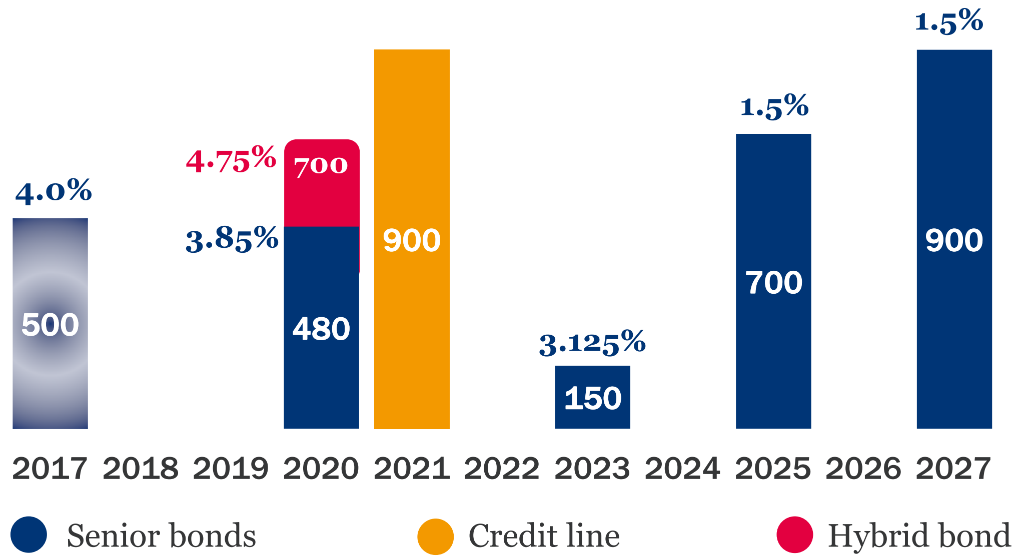
€3.8 bn of financial resources

In €m



€2.6 bn of financial resources with maturity beyond 3 years

In €m



€900m bond issued in 2Q'17 at **1.50% / year**

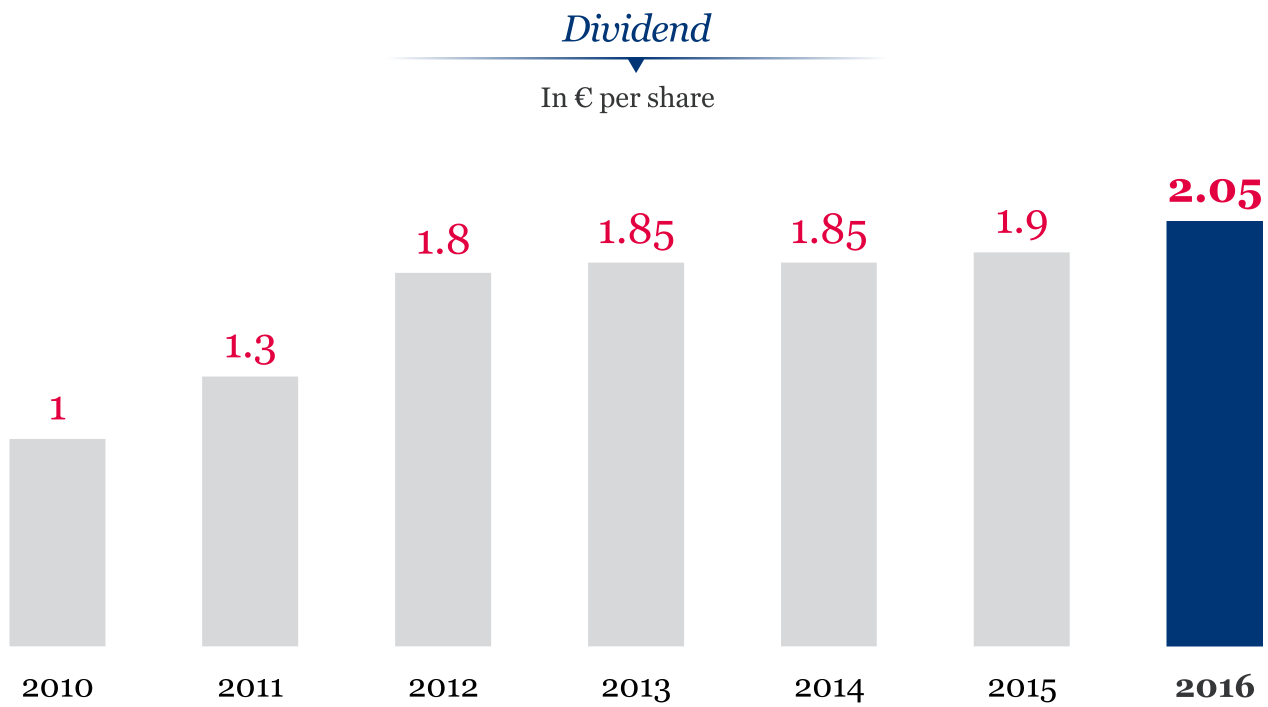
Cash cost of senior bonds **€47 m** (versus **€54 m** previously)

Cash cost of hybrid bond **€33 m**

* Excluding €500 m bond maturing in October 2017

ARKEMA INNOVATIVE CHEMISTRY

Dividend policy



- Arkema confirms its policy aiming to pay a stable to growing dividend each year
- The dividend has grown at 13% per year on average since 2010
- 37% payout in 2016

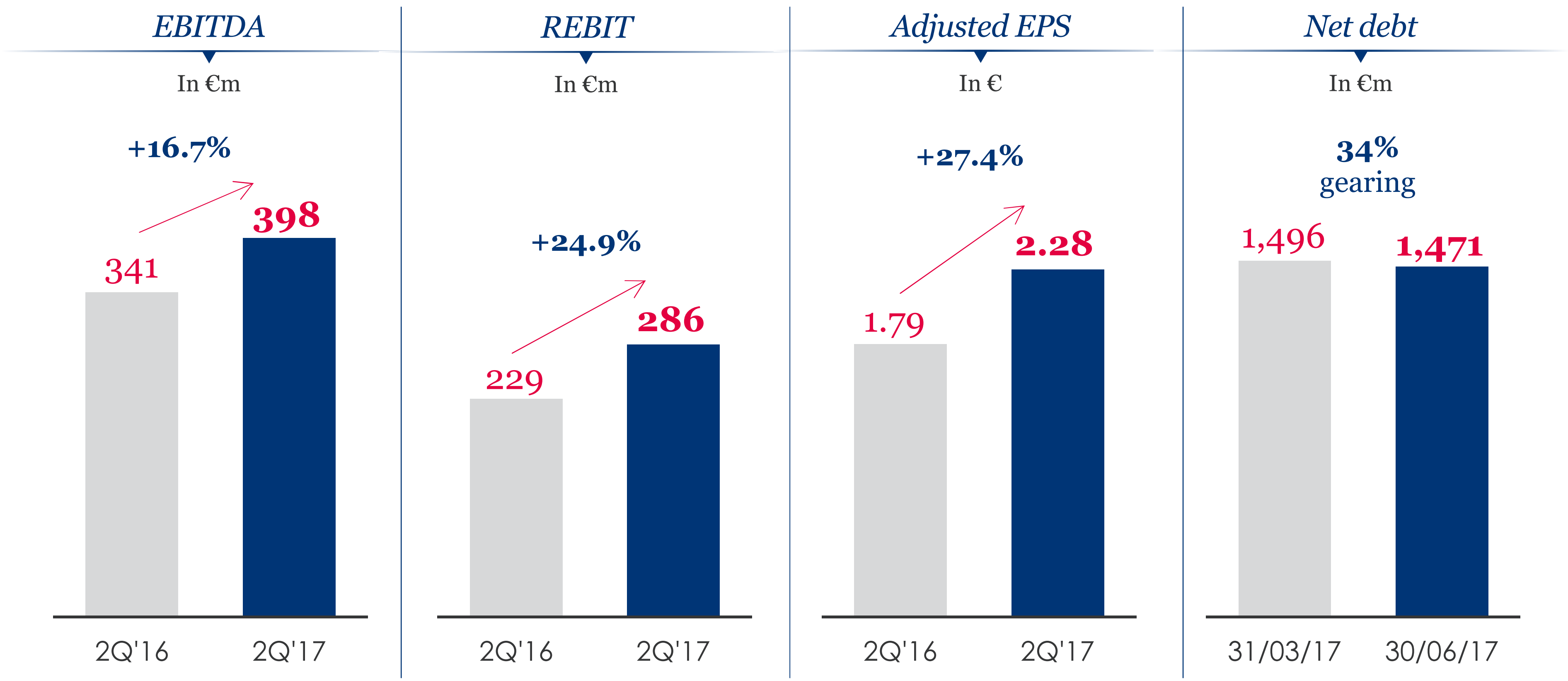
A key element of shareholder return

Second quarter 2017 results and 2017 outlook

2Q'17 key take-aways

€2,198 m sales	✣ **+12.6%** up YoY ✣ **+8.9%** at constant scope and FX
€398 m EBITDA	✣ **+17%** up on strong 2Q'16 (€341 m) ✣ An all time high in a quarter
18.1% EBITDA margin	✣ 17.5% in 2Q'16 ✣ Confirms Group's ability to adapt to a rising raw materials context
€172 m adjusted net income	✣ **+28%** up YoY ✣ **€2.28** adjusted EPS
€1,471 m net debt	✣ Excellent cash generation with **+€158 m** free cash flow ✣ Net debt slightly down vs 31 March 2017 despite €155 m dividend payment in May ✣ **34%** gearing ✣ €900 m bond issued in 2Q'17 with a ten-year maturity at a coupon of 1.50%

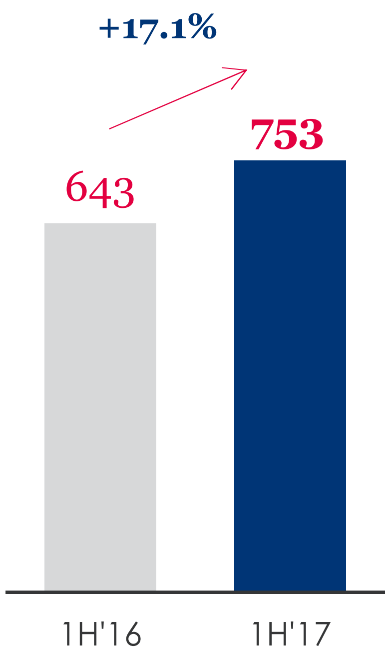
Excellent year-on-year quarterly performance



A very significant growth in first half 2017

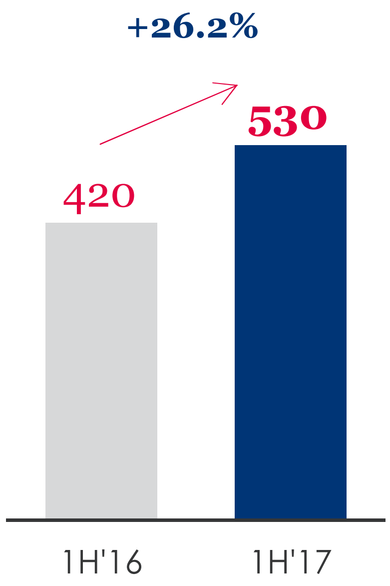
EBITDA

In €m



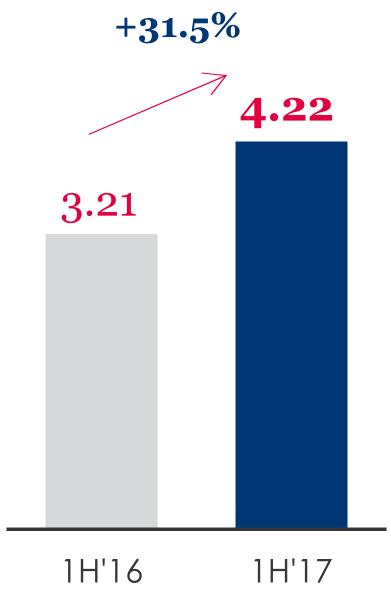
REBIT

In €m



Adjusted EPS

In €



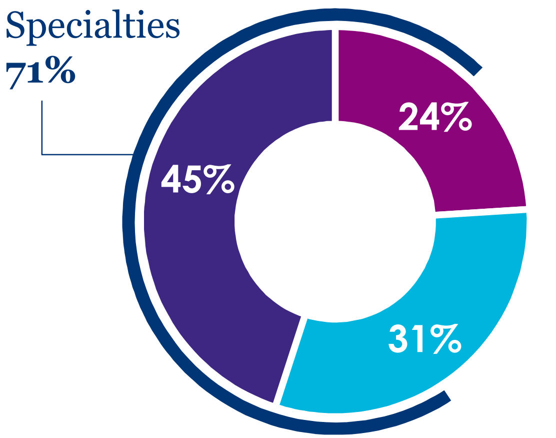
Net debt

In €m

Stable

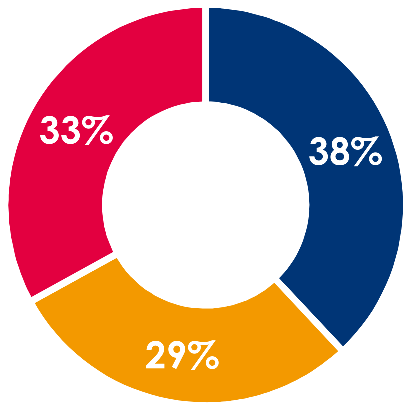
Breakdown by segment and region

1H'17 sales by segment



- High Performance Materials
- Coating Solutions
- Industrial Specialties

1H'17 sales by region



- Europe
- North America
- Asia and RoW

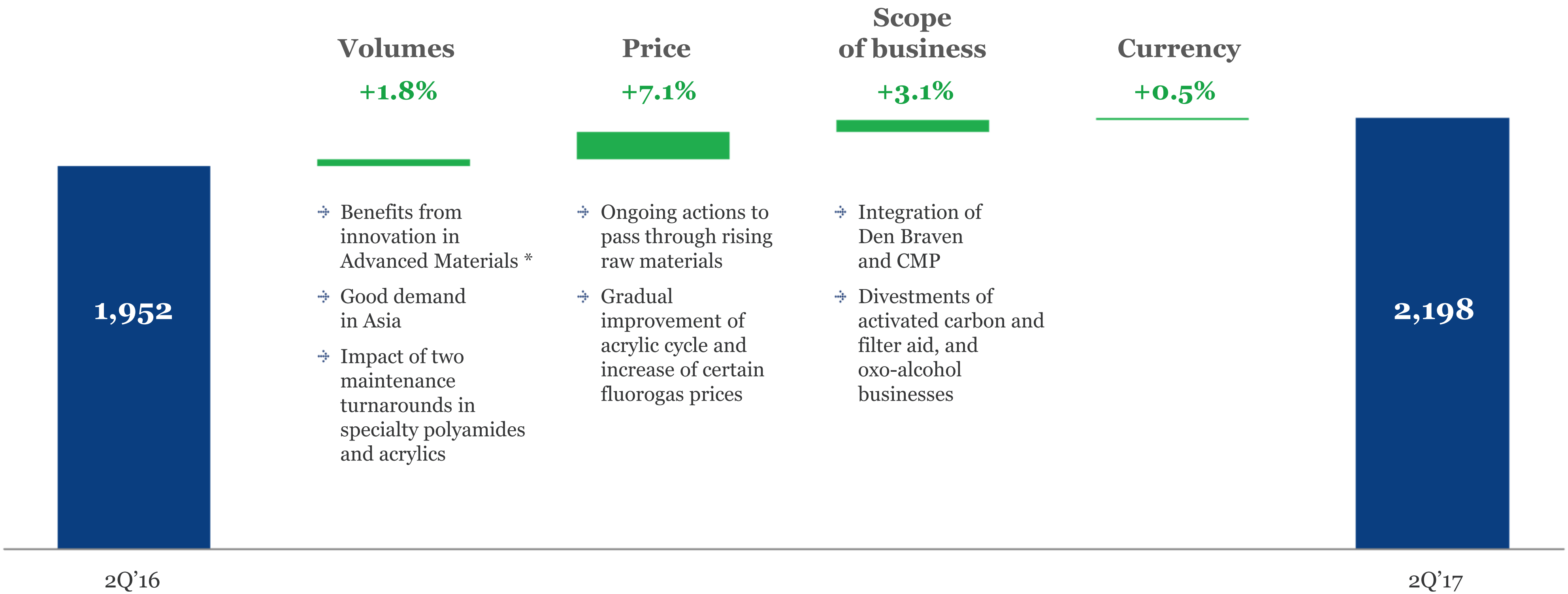
2Q’17 key figures

In €m (except EPS)	2Q’16	**2Q’17**	CHANGE
Sales	1,952	**2,198**	+12.6%
EBITDA	341	**398**	+16.7%
EBITDA margin	17.5%	**18.1%**	
Recurring operating income (REBIT)	229	**286**	+24.9%
REBIT margin	11.7%	**13.0%**	
Adjusted net income	134	**172**	+28.4%
Net income – Group share	147	**160**	+8.8%
Adjusted EPS *(in euros)*	1.79	**2.28**	+27.4%

2Q'17 sales bridge

Sales

In €m



Volumes
- Benefits from innovation in Advanced Materials *
- Good demand in Asia
- Impact of two maintenance turnarounds in specialty polyamides and acrylics

Price
- Ongoing actions to pass through rising raw materials
- Gradual improvement of acrylic cycle and increase of certain fluorogas prices

Scope of business
- Integration of Den Braven and CMP
- Divestments of activated carbon and filter aid, and oxo-alcohol businesses

* Advanced Materials include two Business Lines: Technical Polymers and Performance Additives

High Performance Materials

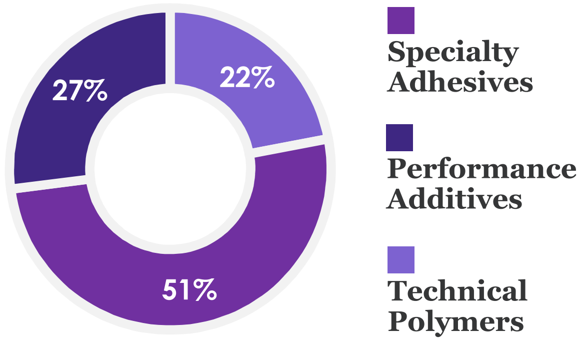
2Q'17 key figures

In €m	2Q'16	2Q'17	Change
Sales	879	**990**	+12.6%
EBITDA	165	**174**	+5.5%
EBITDA margin	18.8%	**17.6%**	
Rec. operating income	125	**135**	+8.0%

2Q'17 sales development

Volumes	**+2.9%**
Prices	**+2.2%**
Currency	**(0.1)%**
Scope	**+7.7%**

2Q'17 sales by Business Line



2Q'17 highlights

- **Volumes up +2.9% driven by innovation and good demand in Asia, in particular in Technical Polymers**
- **+7.7% sales impact from M&A reflecting Den Braven and CMP acquisitions and the divestment of the activated carbon and filter aid business**
- **EBITDA up +5.5% YoY despite higher raw materials and large maintenance turnaround in specialty polyamides in France**
  - Good volume momentum in Advanced Materials supported by:
    - the benefits from successful developments in lightweight materials and new energies in Technical Polymers
    - the ramp-up of the new specialty molecular sieves unit in Honfleur (France)
  - Growth in Specialty Adhesives supported notably by Den Braven integration
- **17.6% EBITDA margin in 2Q'17 remaining at high level**
  - In Specialty Adhesives, EBITDA margin over the 1st half of the year resisted well at 13.3% (13.8% in 1H'16)

ARKEMA INNOVATIVE CHEMISTRY

Industrial Specialties

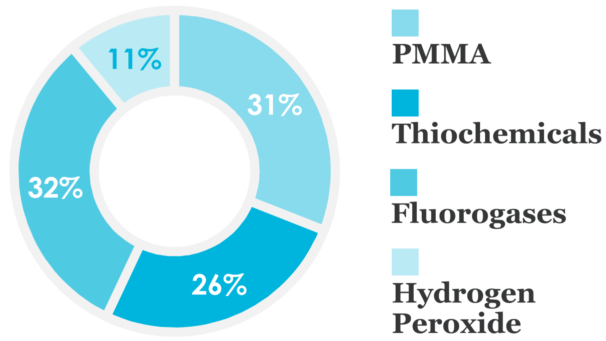
2Q'17 key figures

In €m	2Q'16	2Q'17	Change
Sales	609	**701**	+15.1%
EBITDA	134	**176**	+31.3%
EBITDA margin	22.0%	**25.1%**	
Rec. operating income	92	**131**	+42.4%

2Q'17 sales development

Volumes	**+4.5%**
Prices	**+9.5%**
Currency	**+1.2%**
Scope	**-**

2Q'17 sales by Business Line



2Q'17 highlights

- **Sales up +14.0% at constant scope of business and FX driven by positive contribution from volumes and prices**
- **EBITDA strongly up +31.3% YoY**
  - Fluorogases back to high levels of profitability
    - The Group should by end of 2017 achieve the target it had set itself for 2018 to improve this business' EBITDA by €100 m compared to 2014
  - Continued very good market conditions in MMA/PMMA
  - Solid contribution of Thiochemicals and Hydrogen Peroxide
- **25.1% EBITDA margin at historically high levels**

ARKEMA INNOVATIVE CHEMISTRY

Coating Solutions

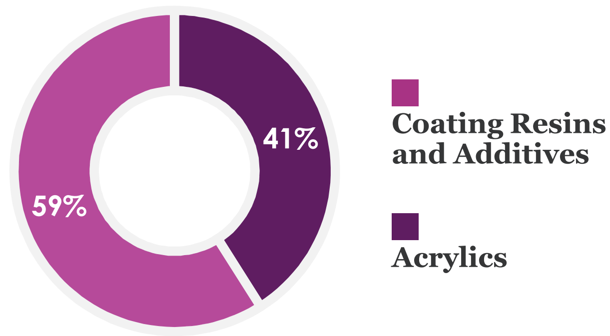
2Q'17 key figures

In €m	2Q'16	2Q'17	Change
Sales	457	**499**	+9.2%
EBITDA	63	**64**	+1.6%
EBITDA margin	13.8%	**12.8%**	
Rec. operating income	34	**36**	+5.9%

2Q'17 sales development

Volumes	**(4.0)%**
Prices	**+13.6%**
Currency	**+0.9%**
Scope	**(1.4)%**

2Q'17 sales by Business Line



2Q'17 highlights

- **Sales up +9.6% at constant FX and scope of business (divestment of oxo-alcohol business early March 2017)**
  - +13.6% price effect reflecting gradually improving acrylic cycle and actions to pass through higher raw material costs throughout the chain
  - Volumes reflecting maintenance turnaround at Clear Lake (US) in Acrylics and stock adjustments at some customers in paints and coatings
- **EBITDA slightly up YoY at €64 m**
  - In line with Group's assumptions, confirmation of the gradual improvement in acrylic monomers unit margins compared to the low levels of 2Q'16
  - Performance of acrylic downstream activities temporarily impacted by higher input costs, including acrylic acid

ARKEMA INNOVATIVE CHEMISTRY

2Q'17 cash flow

In €m	2Q'17	
EBITDA	**398**	
Change in working capital (1)	(42)	• Reflects the usual seasonality of working capital and higher sales price • 15.5% working capital over annualized sales ratio versus 17.2% end of June 2017 (2)
Change in fixed assets payables (1)	(2)	
Current taxes	(81)	
Cost of debt	(24)	
Capital expenditure (3)	(83)	• 2017e capex: close to €450 m
Others	(2)	
RECURRING CASH FLOW	**164**	
Non-recurring items in operating and investing cash flow	(6)	• Mainly restructuring expenses
FREE CASH FLOW	**158**	
Impact of portfolio management	(22)	• Including CMP business acquisition in Specialty Adhesives
NET CASH FLOW	**136**	

(1) Excluding non-recurring items and impact of portfolio management
(2) Excluding in 2016 fixed asset payable related to the transfer of a 3rd acrylic acid production line to Taixing Sunke Chemicals
(3) Excluding capex relating to portfolio management

ARKEMA INNOVATIVE CHEMISTRY

2017 outlook

Focus on internal drivers

- Growth in adhesives and integration of Den Braven
- Innovation in Advanced Materials and downstream acrylics
- Better prices in Fluorogases
- Arkema will continue to ensure that higher cost of certain raw materials is reflected in its selling prices
- Operational excellence initiatives to offset part of the inflation on fixed costs

The performance of the 1st half of the year leads the Group to upgrade its initial EBITDA objective for 2017

Arkema now anticipates to exceed €1.3 bn EBITDA and achieve between €1,310 m and €1,350 m EBITDA for the full 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 segment 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 2016 included in section 4.3.3. of the 2016 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.

Exceptional capex: corresponds to exceptional investments which are unusual in size or nature.

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.