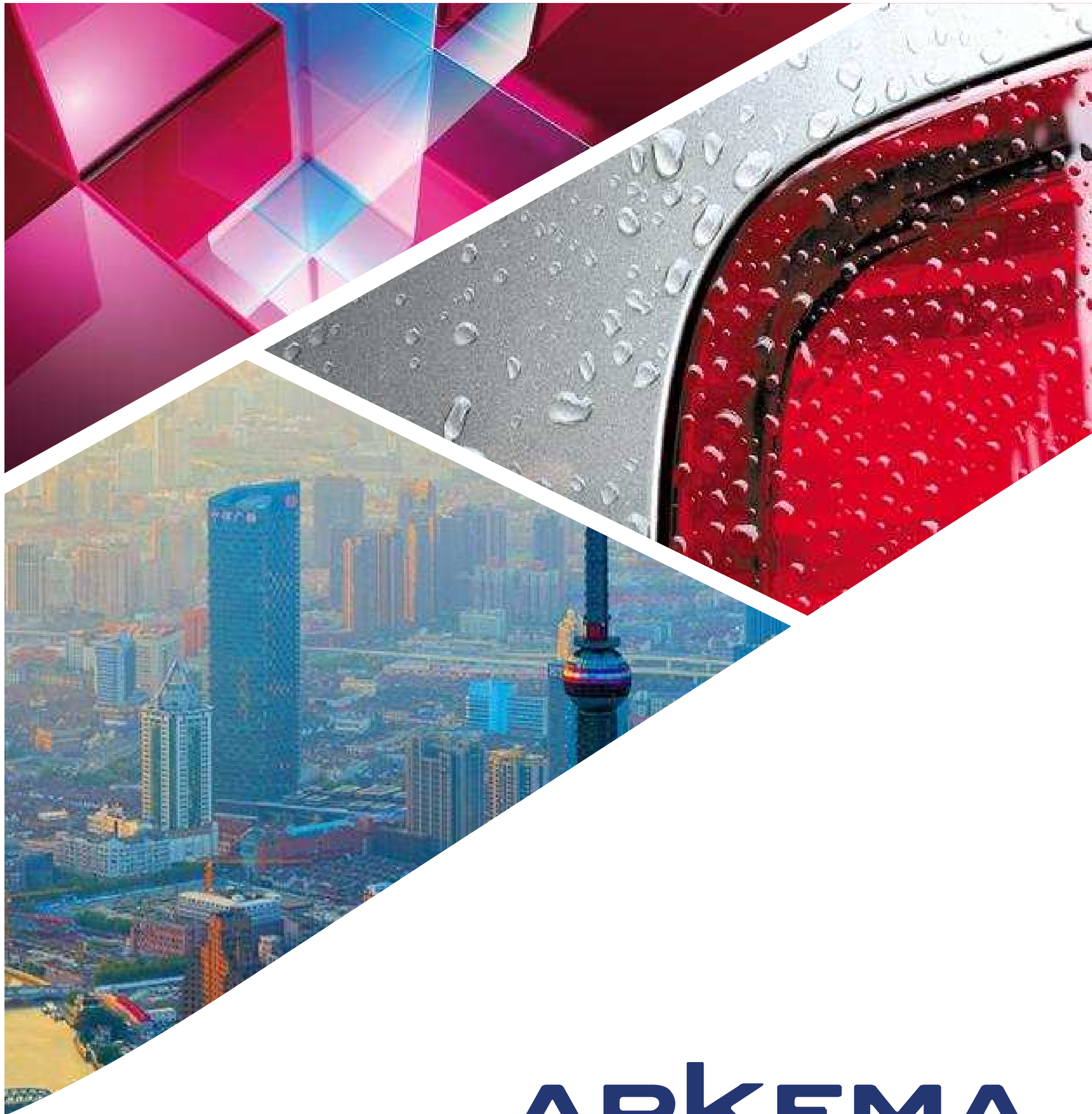
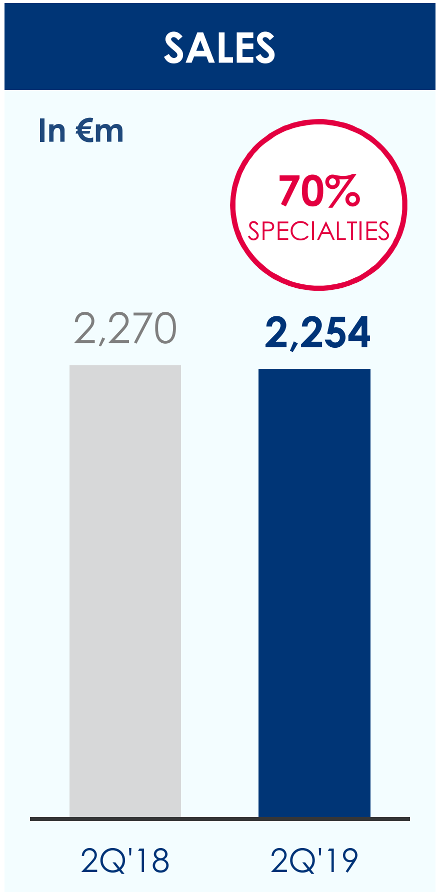
SECOND QUARTER 2019 RESULTS

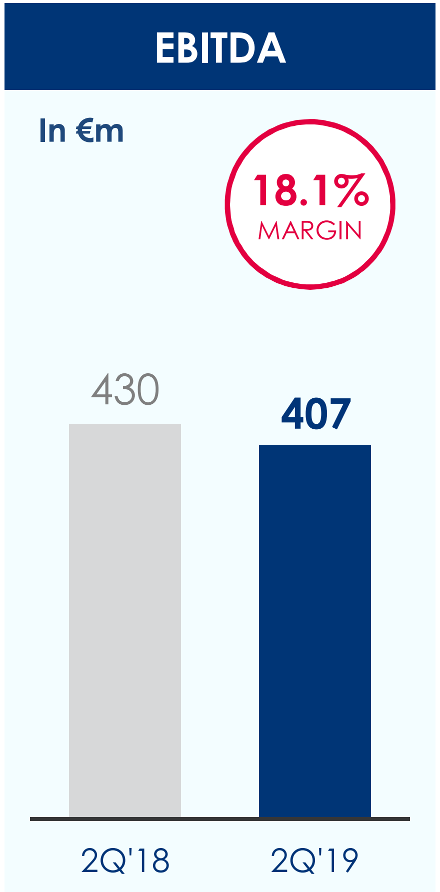
1 AUGUST 2019

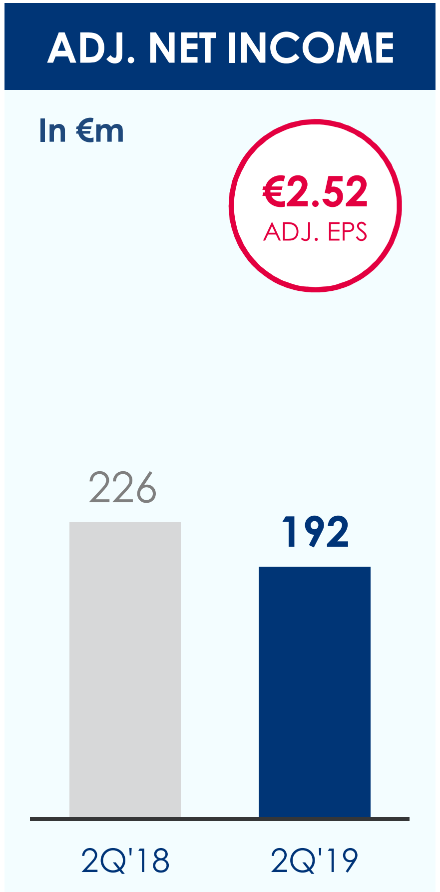


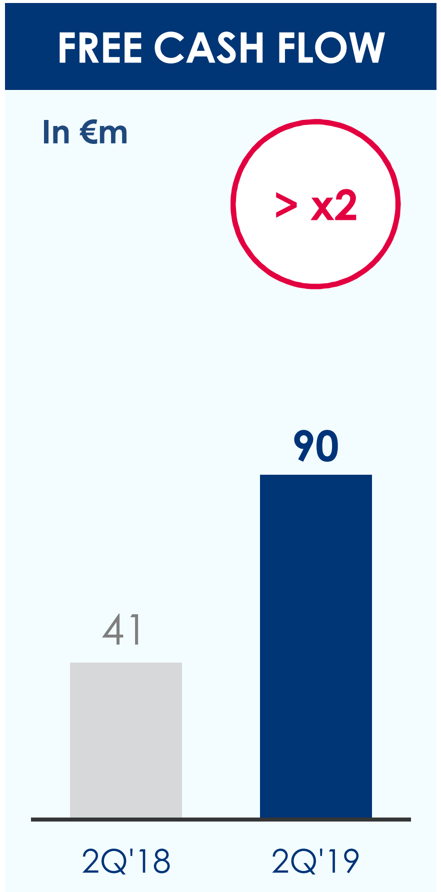
ARKEMA
INNOVATIVE CHEMISTRY

2Q’19 PERFORMANCE









As of 1 January 2019, the Group applies the IFRS 16 standard “Leases”. Impact on EBITDA is a €14m positive in 2Q’19 and is not material on REBIT. 2018 figures have not been restated.

2Q'19 FINANCIAL HIGHLIGHTS

€2,254m sales	Close to 2Q'18 level (€2,270m) **+4.7%** prices in High Performance Materials
€407m EBITDA	Good resilience against 2Q'18 record performance (€430m) in a more challenging macroeconomic environment 2nd time ever with quarterly EBITDA > €400m
18.1% EBITDA margin	Very solid 18.9% in 2Q'18 and 18.1% in 2Q'17
€192m adj. net income	**8.5%** of sales **€2.52** adjusted EPS
+€90m free cash flow	Very strong cash generation, up YoY (€41m in 2Q'18) **€1,308m net debt** at 30 June 2019 (€1,130m at 31 March) including €190m dividend payment, and representing 0.9x LTM EBITDA

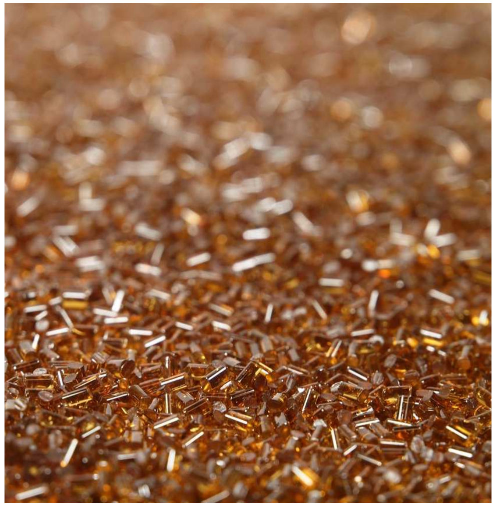
ORGANIC PROJECTS HIGHLIGHTS SINCE 1 JANUARY 2019

SPECIALTY POLYAMIDES

Singapore

New bio-based Rilsan® PA11 (monomer + polymer) plant in Jurong Island to be completed by late 2021

Markets: electronics, 3D printing, oil and gas, automotive



PEKK

United States

New unit started in 1Q'19

Markets: aerospace, oil & gas, 3D printing

SARTOMER

China

30% photocure resins capacity started in 2Q'19

Markets: electronics, 3D printing, adhesives, inkjet printing

COATING RESINS

India

New unit started in 1Q'19

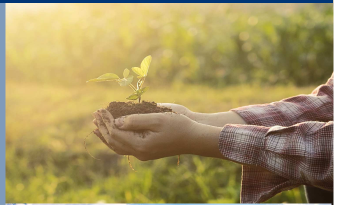
Markets: low-VOC powder coatings

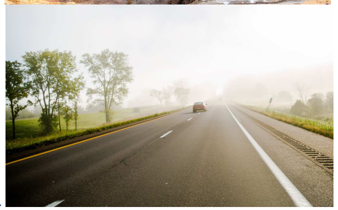
SPECIALTIES REINFORCED BY SEVERAL BOLT-ON ACQUISITIONS AND PARTNERSHIPS

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

Closing expected in 4Q'19

To be 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

Closing expected in 4Q'19

To be 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

PROPOSED ACQUISITION OF PROCHIMIR
POSITION BOSTIK AMONG WORLD-LEADING PLAYERS IN THERMOBONDING FILMS

- Prochimir, a renowned leader in **high-performance thermobonding films**
  - 3 production facilities in France and in the US with state-of-the-art process
  - Exports accounting for 75% of sales
- **Environmentally friendly** solutions combining excellent adhesion on materials with ease-of-use
- **Fast-growing** niche market with **new development** opportunities in automotive, construction, textile and healthcare
  - Annual double-digit growth in the past 5 years
  - Increasing number of industrial applications
- Significant **technological** and **commercial synergies**

In line with our ambition to accelerate growth in adhesives through bolt-on acquisitions in leading technologies

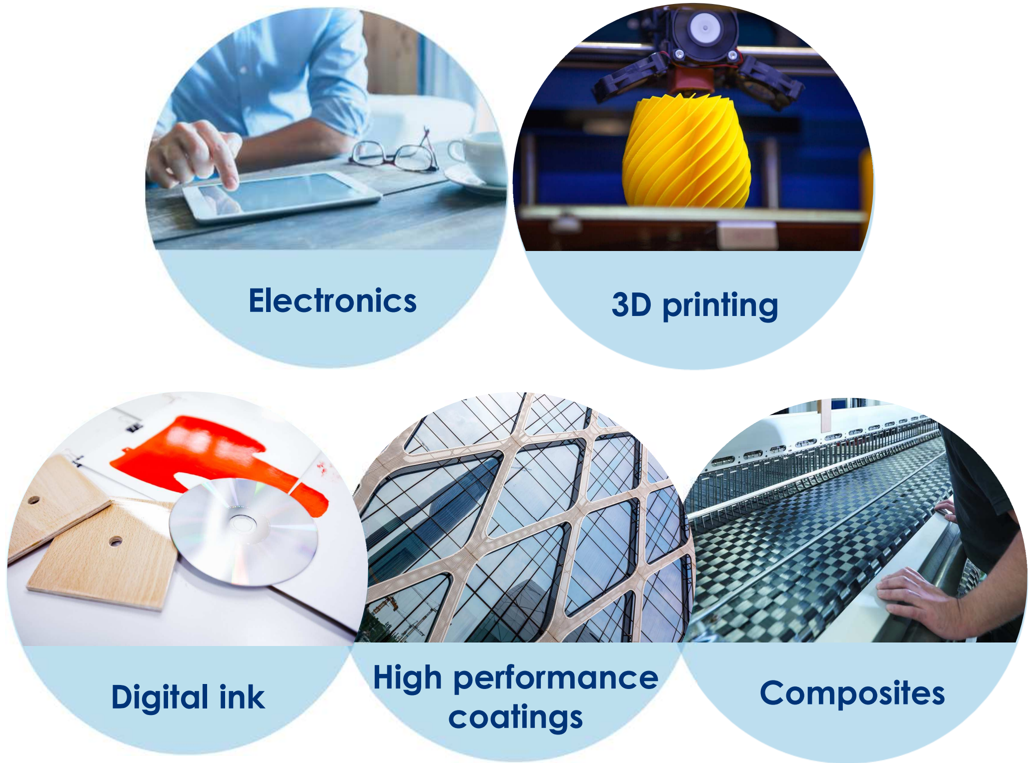
ARKEMA INNOVATIVE CHEMISTRY

PROPOSED ACQUISITION OF LAMBSON
EXPAND SARTOMER'S PORTFOLIO OF SOLUTIONS

- Lambson specialized in **photoinitiators**, used to initiate polymerization reactions during the UV-curing process

- **Perfect complementarity** between Lambson's photoinitiators and Sartomer's resins range for fast-growing photocure market
  - Unique integrated offer
  - Curing market expected to grow at 5%/year on average

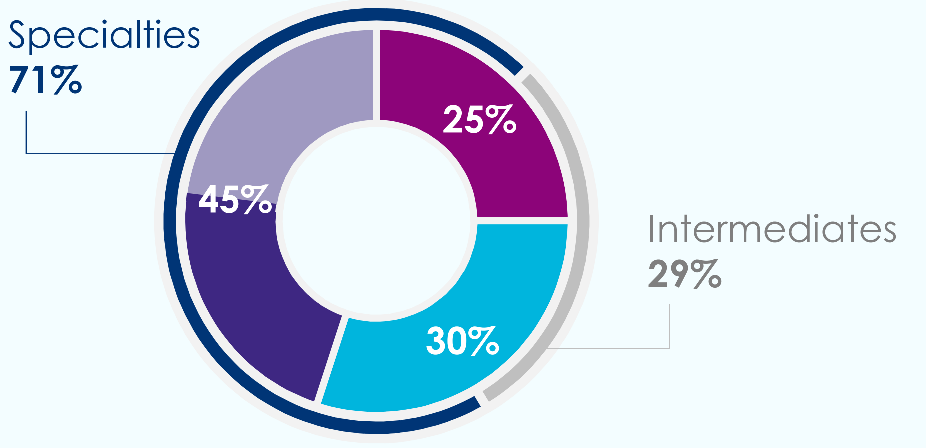
- Remain at the **forefront** of **new developments** in photocure technology



In line with Arkema's long-term ambition to achieve more than 80% of its sales in specialties by 2023

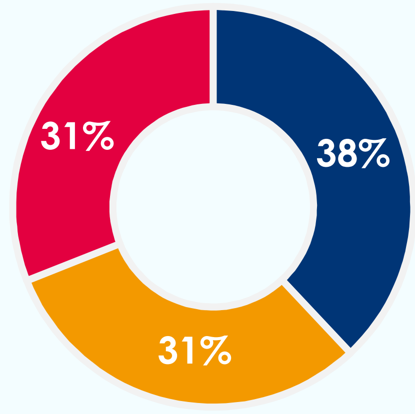
BREAKDOWN BY DIVISION AND REGION

1H'19 SALES BY DIVISION



- High Performance Materials
  - *23% Adhesives*
  - *22% Advanced Materials*
- Industrial Specialties
- Coating Solutions

1H'19 SALES BY REGION



- Europe
- North America
- Asia and RoW

2Q'19 KEY FIGURES

In €m (except EPS)	2Q'18	**2Q'19**	CHANGE
Sales	2,270	**2,254**	-0.7%
EBITDA	430	**407**	-5.3%
EBITDA margin	18.9%	**18.1%**	
Recurring operating income (REBIT)	318	**278**	-12.6%
REBIT margin	14.0%	**12.3%**	
Adjusted net income	226	**192**	-15.0%
Net income – Group share	219	**176**	-19.6%
Adjusted EPS *(in euros)*	2.97	**2.52**	-15.2%

As of 1 January 2019, the Group applies the IFRS 16 standard "Leases". Impact on EBITDA is a €14m positive in 2Q'19 and is not material on REBIT. 2018 figures have not been restated.

ARKEMA INNOVATIVE CHEMISTRY

2Q'19 SALES BRIDGE

SALES

HIGH PERFORMANCE MATERIALS (44% OF GROUP SALES)

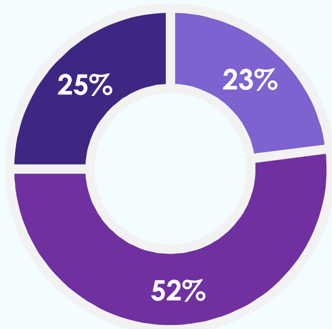
2Q'19 KEY FIGURES

In €m	2Q'18	**2Q'19**	Change
Sales	1,007	**998**	(0.9)%
EBITDA	177	**170**	(4.0)%
EBITDA margin	17.6%	**17.0%**	
Rec. operating income	137	**123**	(10.2)%

2Q'19 SALES DEVELOPMENT

Volumes	**(8.0)%**
Prices	**+4.7%**
Currency	**+1.7%**
Scope	**+0.9%**

2Q'19 SALES BY BUSINESS LINE



2Q'19 HIGHLIGHTS

- **+4.7% price effect, in continuity with the beginning of the year**
  - Continued increase in selling prices
  - Product mix optimization towards higher value-added applications
- **Volumes down 8.0%,** in line with market trends, on notably lower demand YoY in automotive, consumer electronics and oil & gas and inventory adjustments in some of those chains
- **€170m EBITDA and 17.0% EBITDA margin**
  - Good resilience of EBITDA in spite of weakness in certain end-markets weighing on volumes particularly in advanced materials
  - Benefits of pricing initiatives, especially in adhesives which recorded significant EBITDA growth
  - In 1H, Bostik EBITDA margin up 100 bp YoY at 13%

INDUSTRIAL SPECIALTIES (30% OF GROUP SALES)

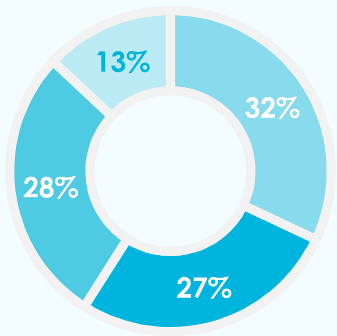
2Q'19 KEY FIGURES

In €m	2Q'18	2Q'19	Change
Sales	709	**673**	(5.1)%
EBITDA	208	**179**	(13.9)%
EBITDA margin	29.3%	**26.6%**	
Rec. operating income	163	**126**	(22.7)%

2Q'19 SALES DEVELOPMENT

Volumes	**(1.3)%**
Prices	**(5.7)%**
Currency	**+1.9%**
Scope	**-**

2Q'19 SALES BY BUSINESS LINE



2Q'19 HIGHLIGHTS

€673m sales

- -5.7% price effect against the very high levels reached in 2018 in MMA/PMMA and Fluorogases
- Volumes down 1.3%, mainly in Fluorogases

€179m EBITDA and 26.6% EBITDA margin

- Solid performance with excellent margin but down against 2Q'18 record performance
- Strong performance of Thiochemicals
- Fluorogases impacted in particular by continued illegal HFC imports in Europe weighing on volumes and prices of this business
- Normalization of market conditions in MMA/PMMA in the continuity of 1Q'19

COATING SOLUTIONS (26% OF GROUP SALES)

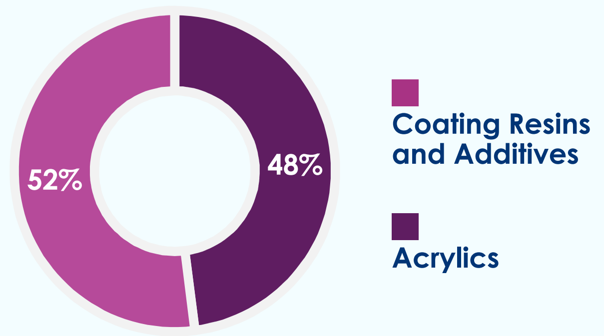
2Q'19 KEY FIGURES

In €m	2Q'18	2Q'19	Change
Sales	547	**576**	+5.3%
EBITDA	68	**82**	+20.6%
EBITDA margin	12.4%	**14.2%**	
Rec. operating income	42	**54**	+28.6%

2Q'19 SALES DEVELOPMENT

Volumes	**+6.7%**
Prices	**(3.8)%**
Currency	**+2.4%**
Scope	**-**

2Q'19 SALES BY BUSINESS LINE



2Q'19 HIGHLIGHTS

- **€576m sales, up 5.3% YoY**
  - Volumes up significantly at +6.7%, with continued good momentum especially in acrylic monomers
  - Price effect of -3.8% mainly reflects lower propylene price. Overall stable prices in downstream activities
- **€82m EBITDA, strongly up by 20.6% YoY**
  - Gradual improvement of market conditions in acrylic monomers
  - Progressive recovery of unit margins in downstream activities
- **Significant EBITDA margin expansion at 14.2%**

ARKEMA INNOVATIVE CHEMISTRY

EXCELLENT CASH GENERATION

RECONCILIATION OF EBITDA TO NET CASH FLOW

In €m	2Q'18	2Q'19
EBITDA	**430**	**407**
Current taxes	(64)	(47)
Cost of debt	(22)	(25)
Change in working capital and fixed assets payables [1]	(152)	(103)
Recurring capital expenditure	(92)*	(101)
Exceptional capital expenditure	(13)	(20)
Others (including non-recurring items)	(46)*	(21)
FREE CASH FLOW	**41**	**90**
Impact of portfolio management	(9)	(24)
NET CASH FLOW	**32**	**66**

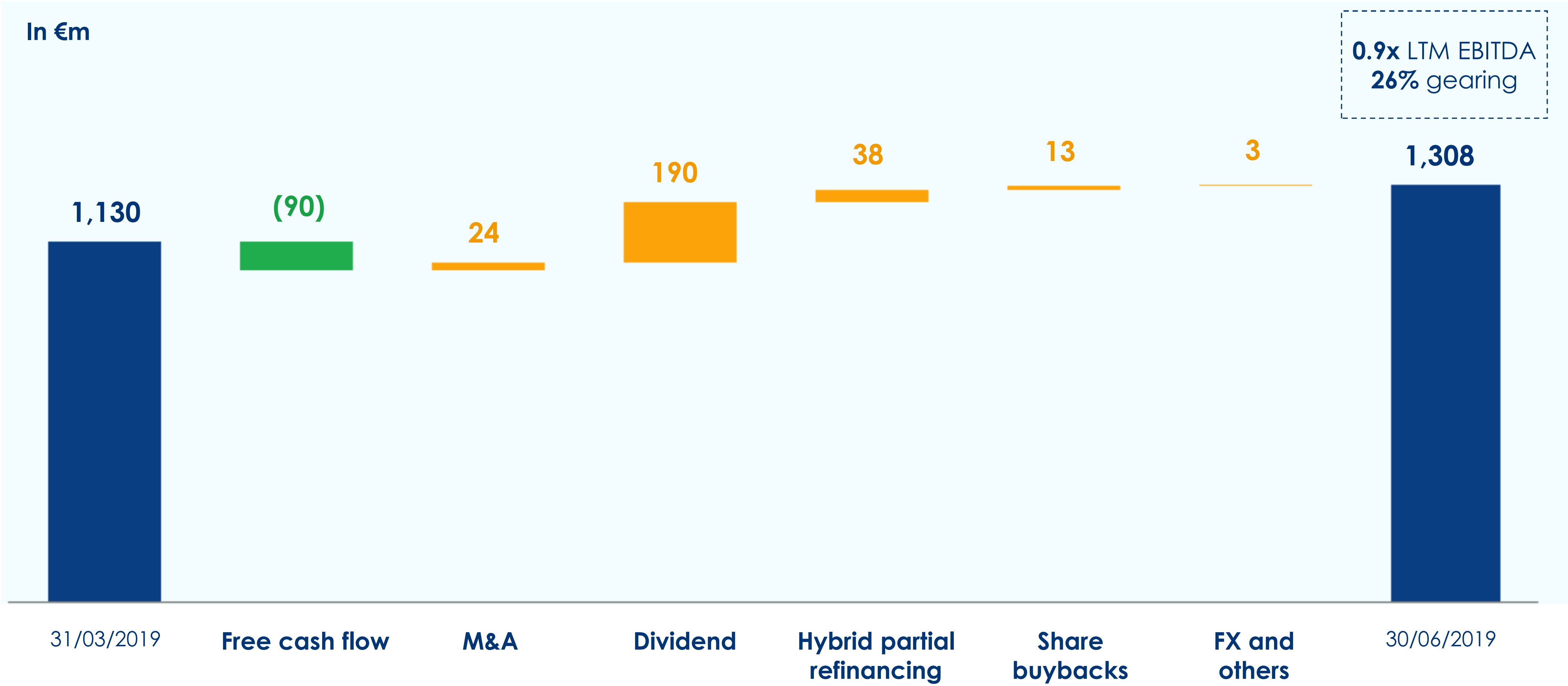
2Q'19 HIGHLIGHTS

- **Limited increase of working capital versus 2Q'18**
  - Tight management, activity levels and favorable impact of lower raw materials costs on inventories
  - 16.0% working capital on annualized sales ratio (16.5% end of June 2018)
- **Higher capex YoY reflecting ambitious organic investment policy**
  - 2019e capex (recurring + exceptional): ~€610m
- **€24m portfolio management cash out**
  - Mainly corresponding to the equity investment in Carbon®

[1] Excluding non-recurring items and impact of portfolio management

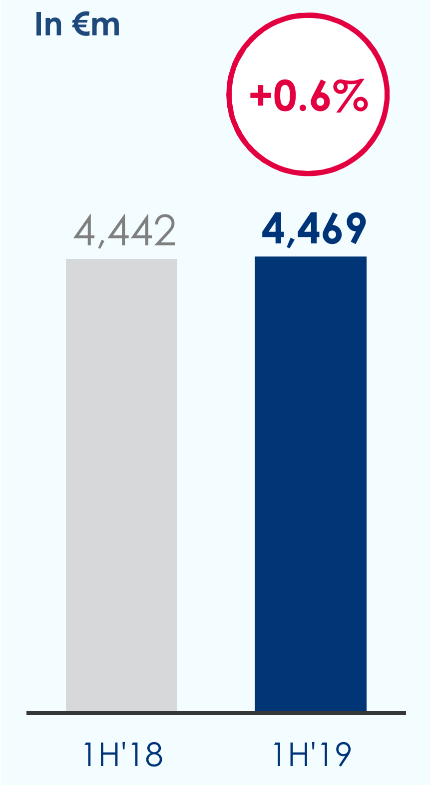
* Restated figures

2Q'19 NET DEBT BRIDGE

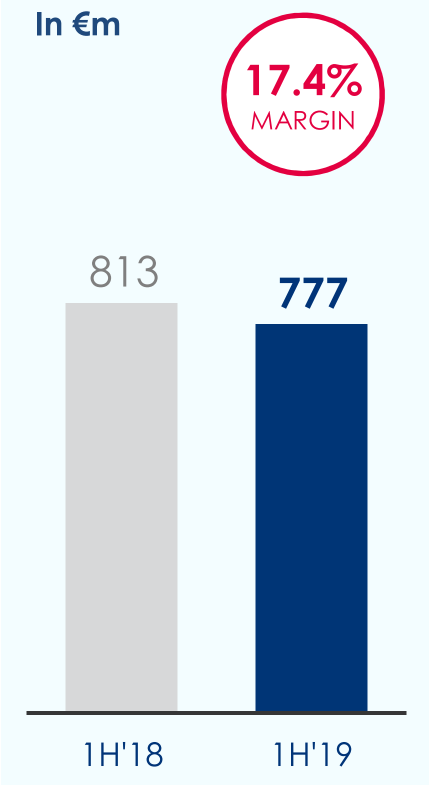


1H'19 PERFORMANCE

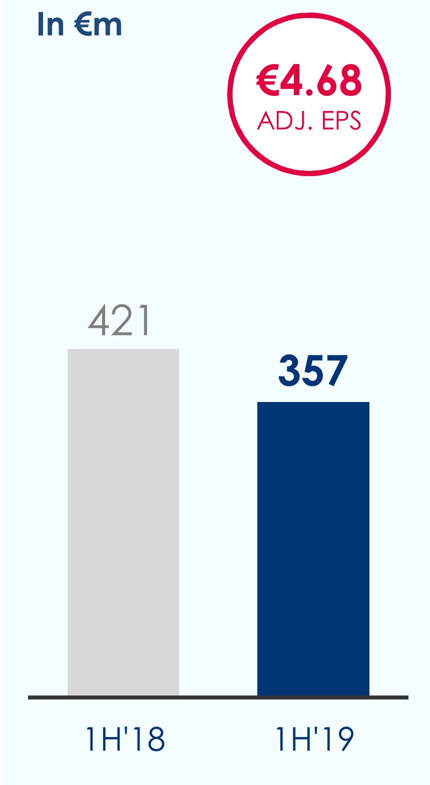
SALES



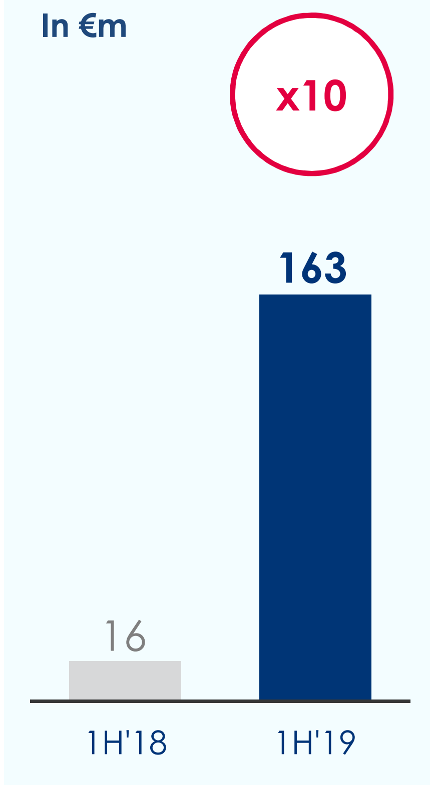
EBITDA



ADJ. NET INCOME



FREE CASH FLOW



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ARKEMA INNOVATIVE CHEMISTRY

1H'19 KEY FIGURES

In €m (except EPS)	1H'18	**1H'19**	CHANGE
Sales	4,442	**4,469**	+0.6%
EBITDA	813	**777**	-4.4%
EBITDA margin	18.3%	**17.4%**	
Recurring operating income (REBIT)	595	**525**	-11.8%
REBIT margin	13.4%	**11.7%**	
Adjusted net income	421	**357**	-15.2%
Net income – Group share	407	**323**	-20.6%
Adjusted EPS *(in euros)*	5.53	**4.68**	-15.4%

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2019 OUTLOOK

- 2H'19 macroeconomic environment should remain volatile and complex
  - Continued geopolitical uncertainties are weighing on global demand and raw material volatility
  - Inventory adjustments in certain end-markets expected to ease

- Continued focus on internal momentum and implementation of our long term strategy. Expected benefits in 2H'19 from new capacities (Sartomer, technical polymers and acrylics) and acquisitions (ArrMaz and Sunke)

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.