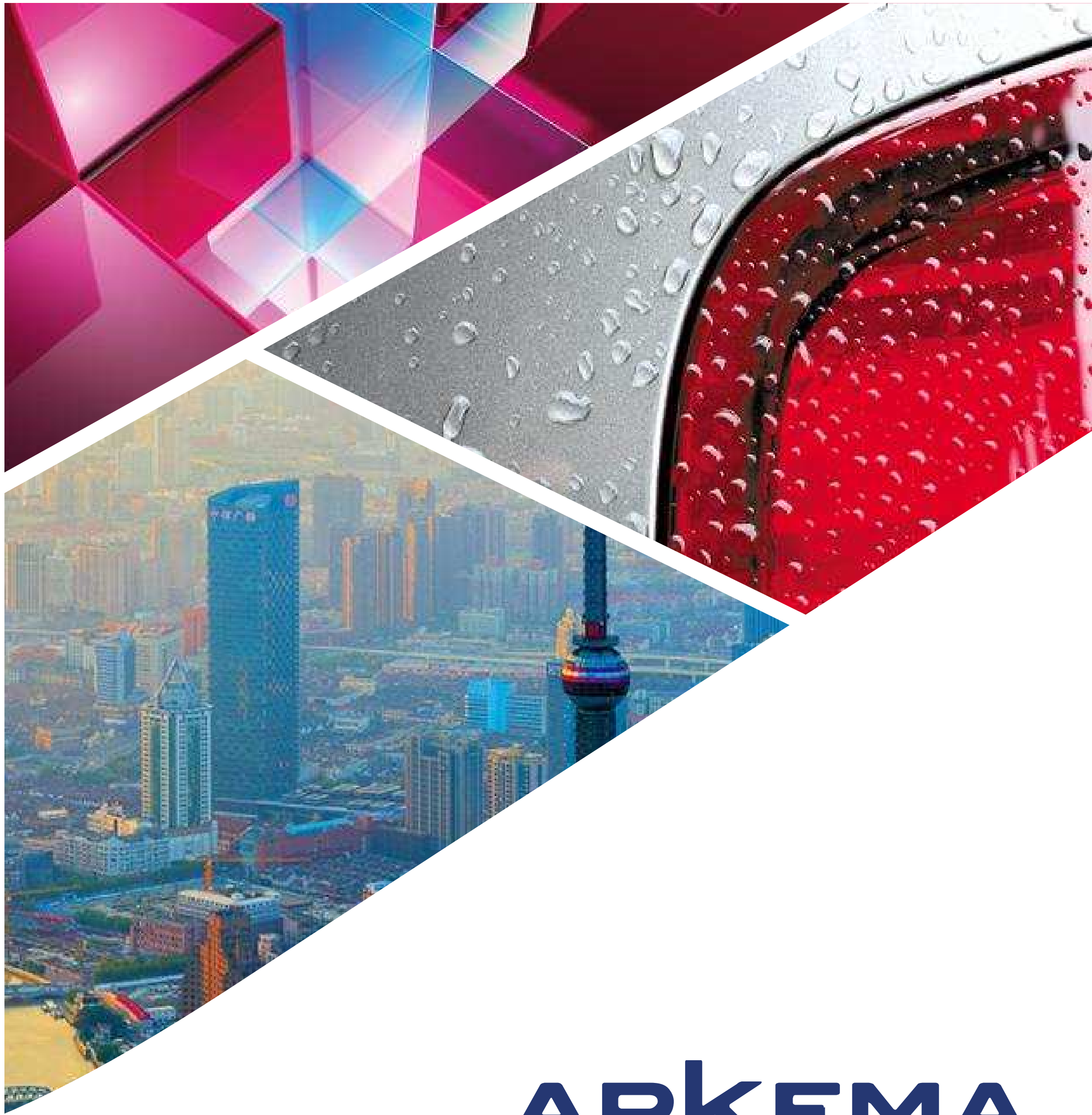
ARKEMA

KEPLER CHEUVREUX AUTUMN CONFERENCE 2019

PARIS, 11 SEPTEMBER 2019



ARKEMA
INNOVATIVE CHEMISTRY

ARKEMA IN A NUTSHELL

A LEADER IN SPECIALTY CHEMICALS AND ADVANCED MATERIALS

€8.8 bn
sales

11.6 %
REBIT margin

€237 m
R&D expenditure

3
regional
R&D hubs

20,000
employees

55
countries

€561 m
capital expenditure (1)

136
production sites

€2.50
dividend per share

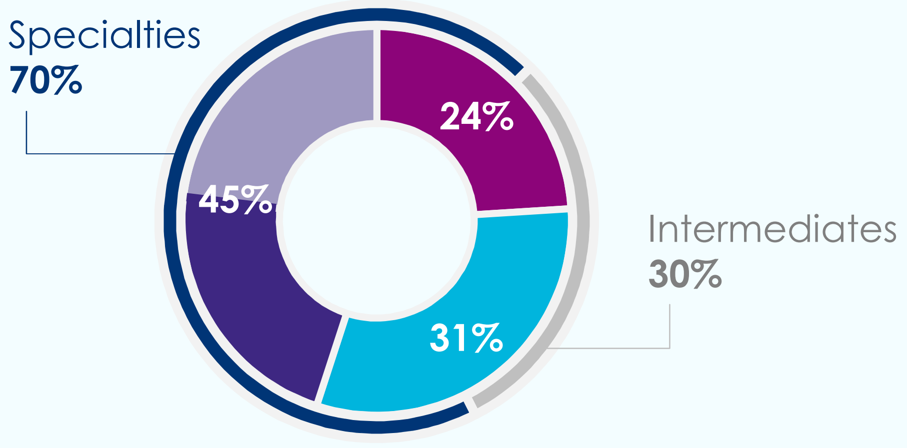
+12%/y
since 2007

2018 figures

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

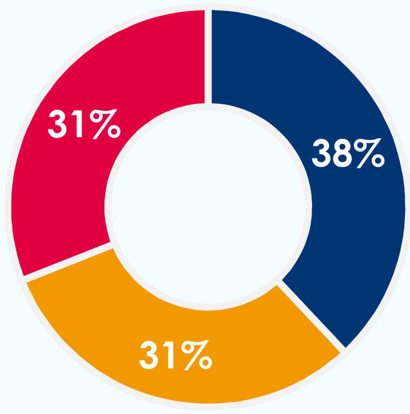
BREAKDOWN BY DIVISION AND REGION

FY'18 SALES BY DIVISION



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

FY'18 SALES BY REGION



- Europe
- North America
- Asia and RoW

AN EXCELLENT 2018 PERFORMANCE

+6%

Sales

€ 8.8 billion

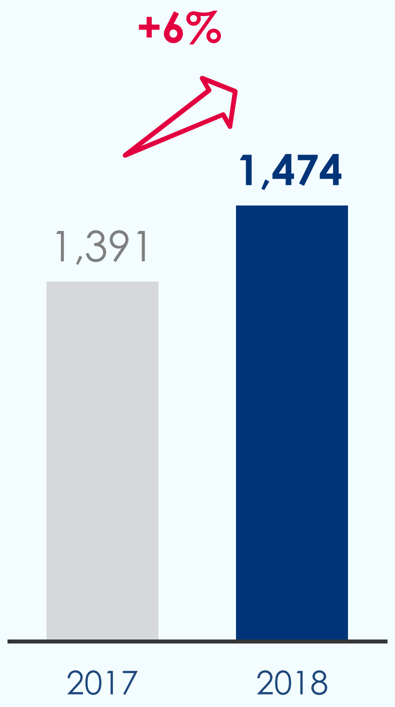
+22.5%

Adjusted net income

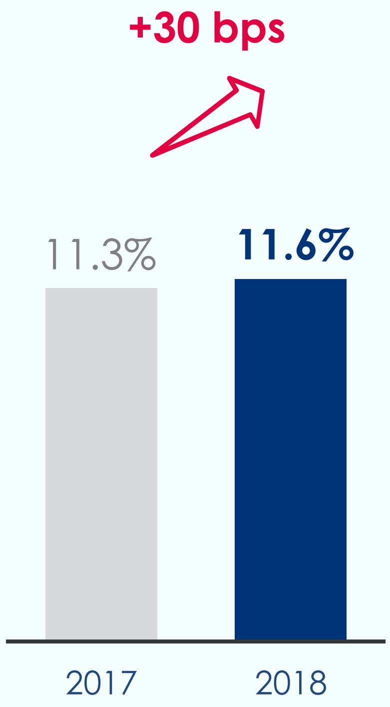
€ 725 million

EBITDA

In €m



REBIT MARGIN



0.7x EBITDA

Net debt

€ 1 billion

+100 bps

ROACE*

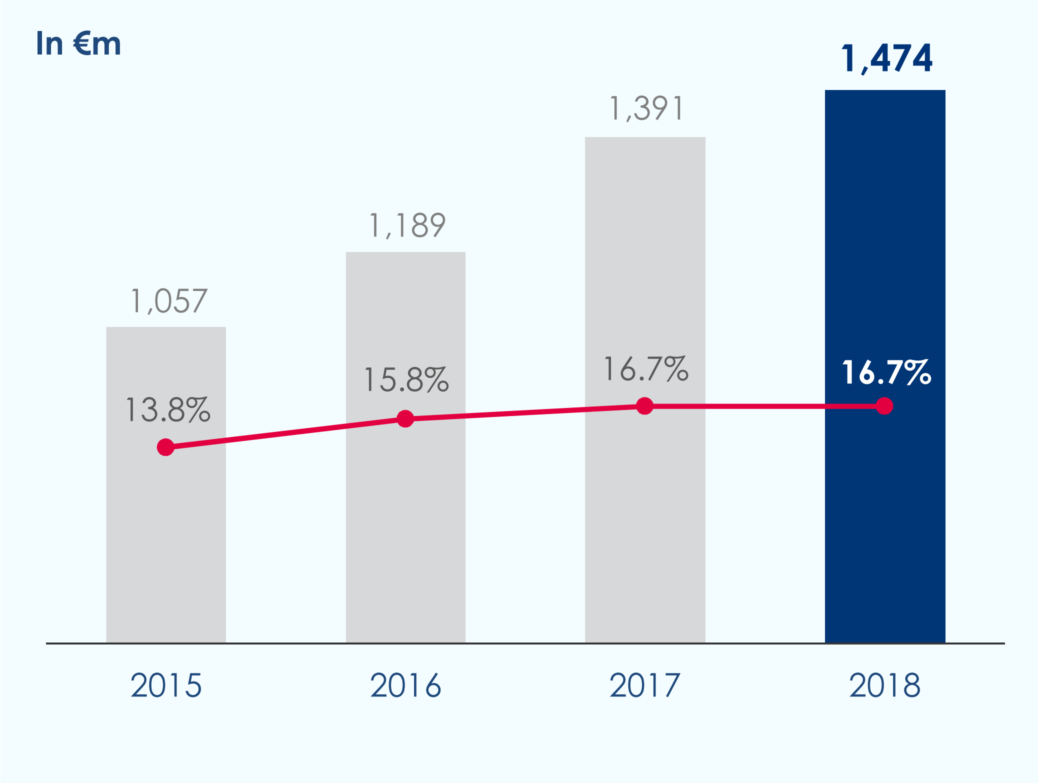
15.1%

* Return on average capital employed

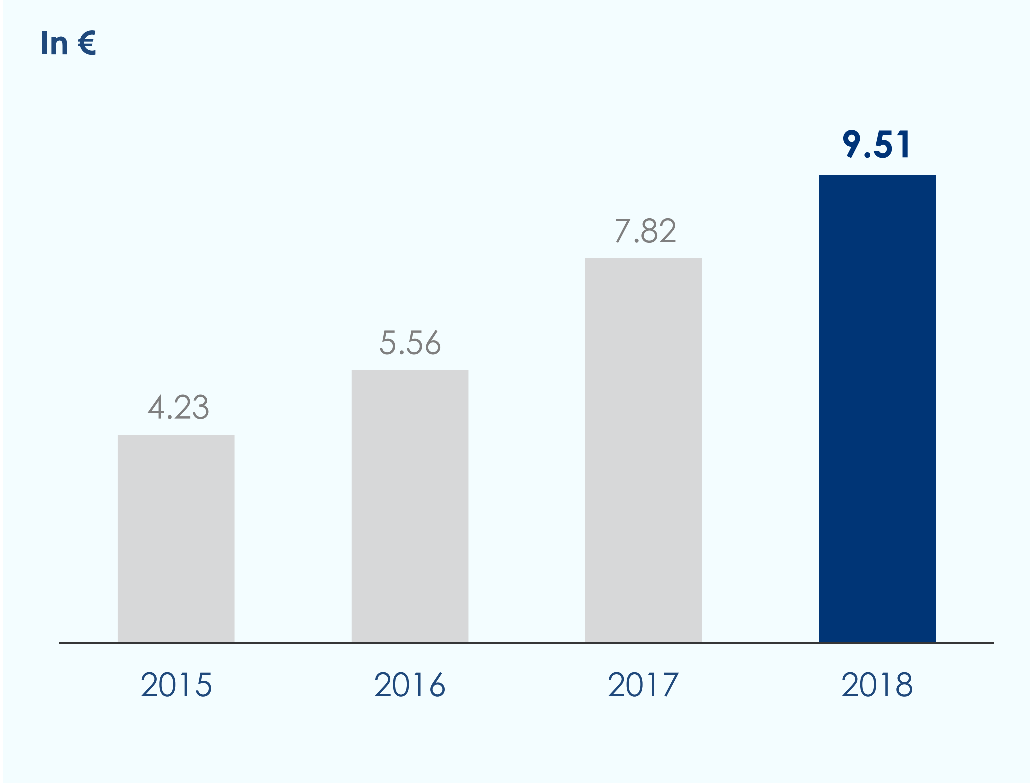
ARKEMA INNOVATIVE CHEMISTRY

STEADY GROWTH IN DIFFERENT MACRO-ECONOMIC ENVIRONMENTS

EBITDA AND EBITDA MARGIN



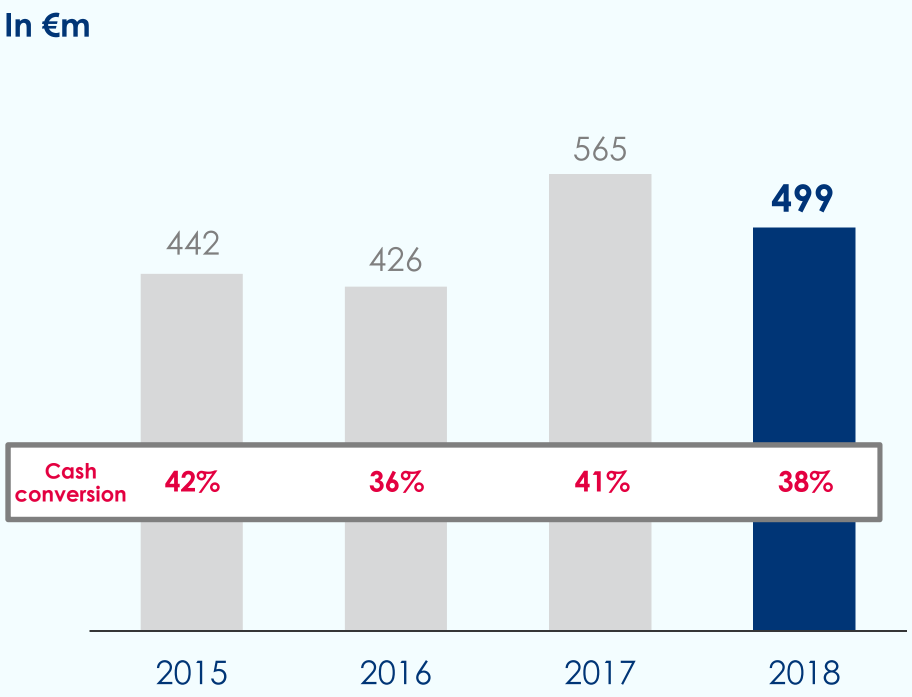
Adjusted EPS



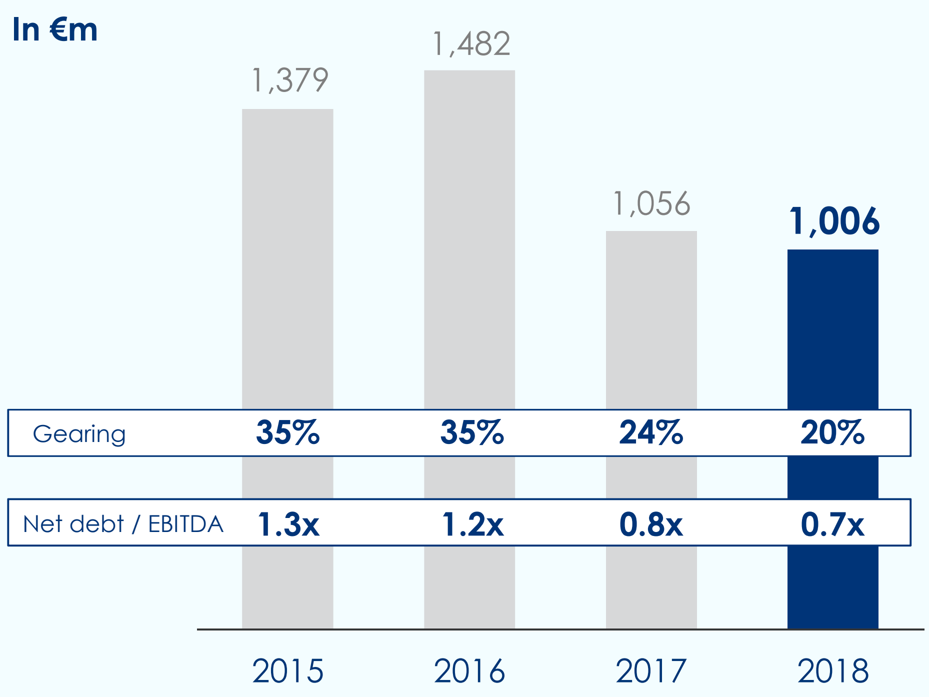
ARKEMA INNOVATIVE CHEMISTRY

BEST-IN-CLASS CASH GENERATION

Free cash flow and EBITDA to cash conversion rate

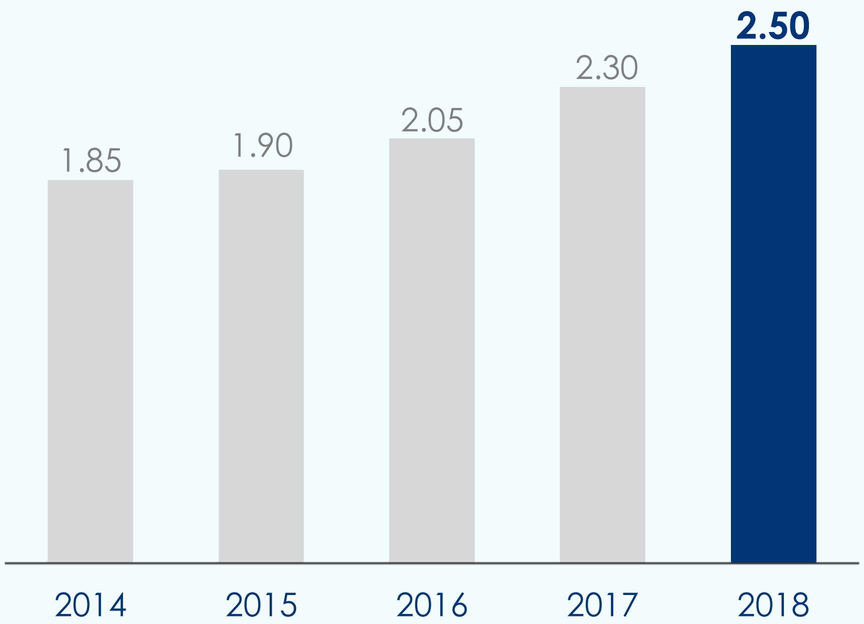


NET DEBT excluding €700m hybrid bond



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

Innovation

Acquisitions

High-growth countries

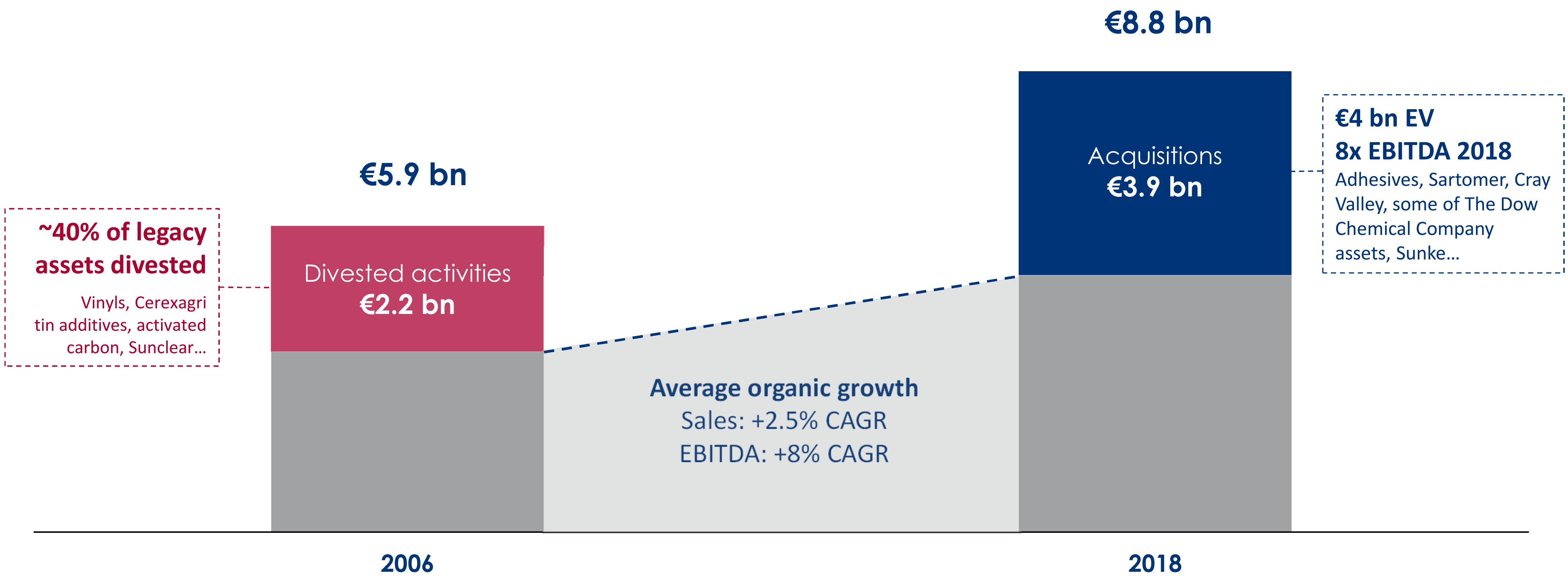
Commercial excellence

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

ARKEMA INNOVATIVE CHEMISTRY

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)

(1) Technical Polymers and Performance Additives Business Lines

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)

ARKEMA INNOVATIVE CHEMISTRY

INVEST IN FUTURE GROWTH

CAPEX PLAN

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

LONG TERM GROWTH SUPPORTED BY SELECTIVE HIGH-RETURN CAPEX

Start-up — 2019 — 2020 — 2021

1H'19

USA — Started

PEKK plant at Mobile

Markets : *aerospace, oil & gas, 3D printing*

China — Started

+30% Sartomer photocure resins production capacities

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

India — Started

Powder coating resins facility

Markets : *low-VOC powder coatings*

2H'19

USA — Started

90kt acrylic acid reactor at Clear Lake

Markets : *paints, coatings, adhesives, water treatment*

France

+50% global specialty polyamides powders capacities

Markets : *coatings, advanced composite materials, 3D printing*

2020

Malaysia

Doubling of thiochemicals capacities

Markets : *animal nutrition, petro-chemicals & refining*

China

+25% global PA12 production capacities

Markets : *lightweight materials, sports, electronics*

Japan

New adhesives world-scale plant

Markets : *industrial adhesives, nonwoven*

2021

Singapore

+50% global PA11 monomer and polymer production capacities

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

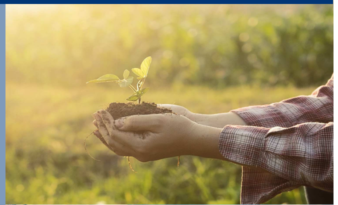
Europe | North America | Asia

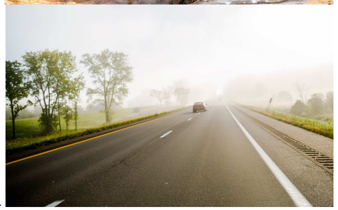
BOLT-ON ACQUISITIONS AND PARTNERSHIPS IN HIGH PERFORMANCE MATERIALS

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

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

ACQUISITION OF ARRMAZ
CREATING A NEW LEADER IN SPECIALTY SURFACTANTS

- Leadership positions in **specialty surfactants** for crop nutrition, mining and infrastructure
  - Tailored and sustainable solutions for attractive markets driven by mega-trends and fast-growing countries
  - Solid long-term partnerships with leading global customers
- A **profitable**, **resilient and low capital intensive** business
  - 18% EBITDA margin
  - ~60% EBITDA to cash conversion
- Combining Arkema’s and ArrMaz’s complementary **expertise** in **formulations**, **technologies** and **geographic reach** for specialty surfactants
  - Well-identified synergies estimated at $15m
  - EV/EBITDA multiple down to ~7x by 2023 from 10.8x at transaction, including synergies and ArrMaz’s organic growth

ArrMaz

Another milestone in Arkema’s growth journey towards specialties

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**

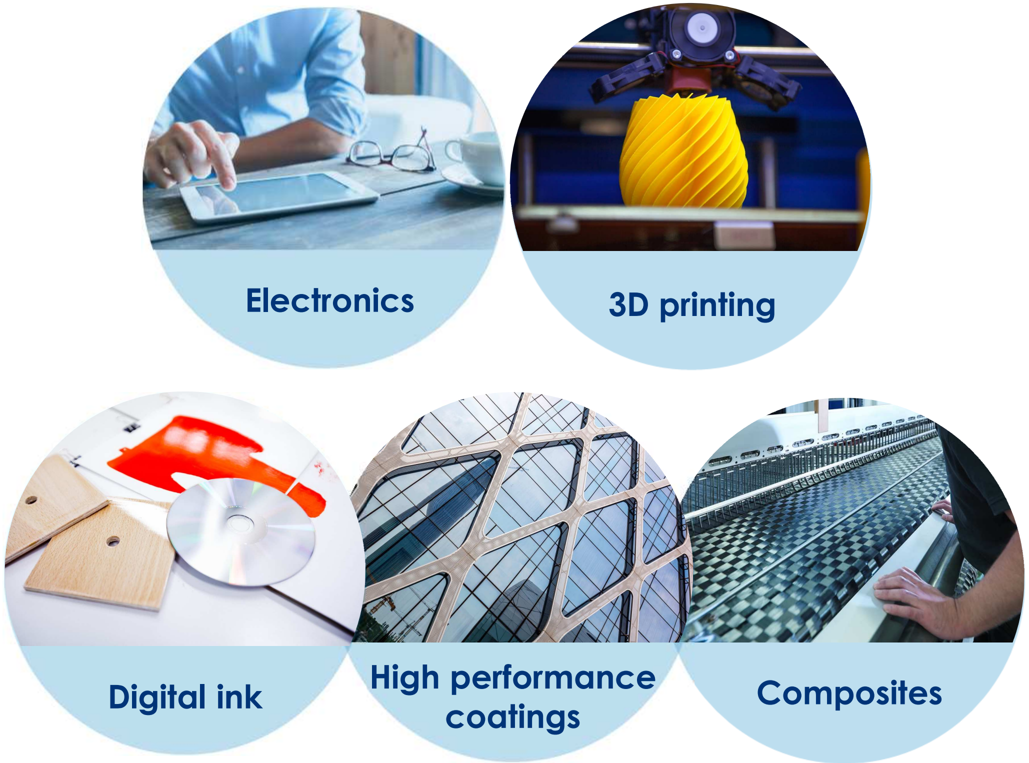
In line with our ambition to accelerate growth in adhesives through bolt-on acquisitions in leading technologies

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

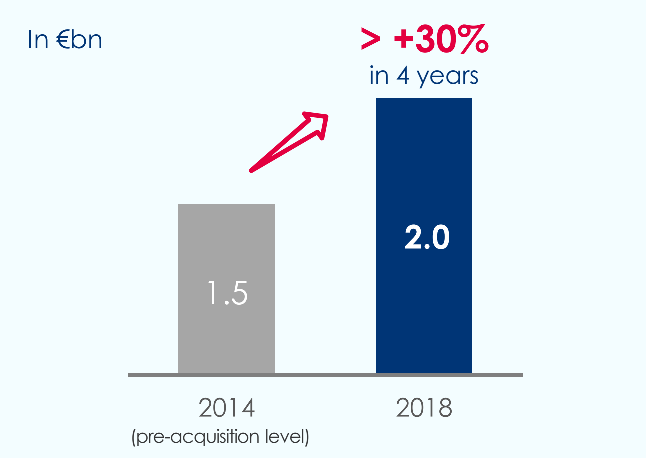
- Remain at the **forefront** of **new developments** in photocure technology

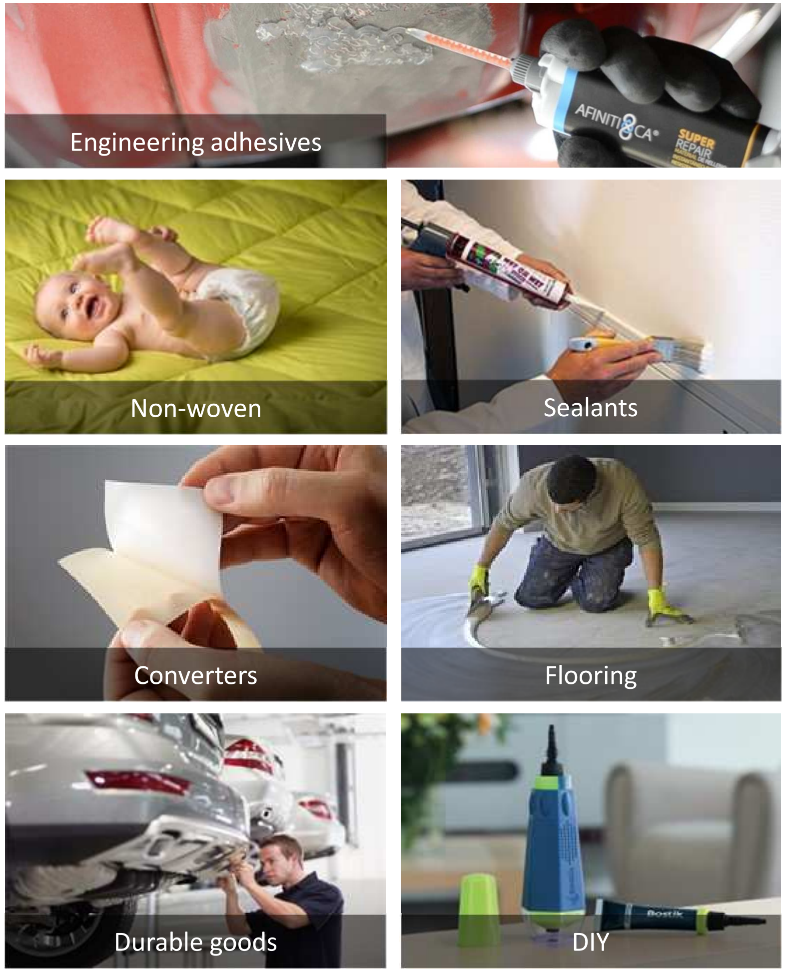


In line with Arkema's long-term ambition to achieve more than 80% of its sales in specialties by 2023

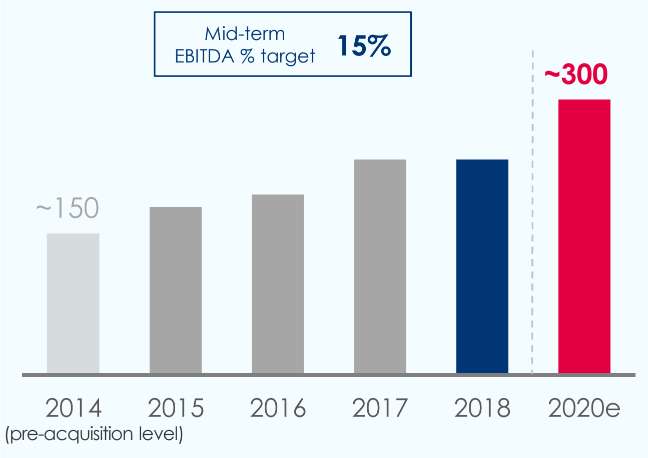
BOSTIK JOURNEY ON TRACK WITH SIGNIFICANT FURTHER GROWTH POTENTIAL

SALES GROWTH





EBITDA (€M at constant rate)



Ongoing acquisition flow

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

Expand organically

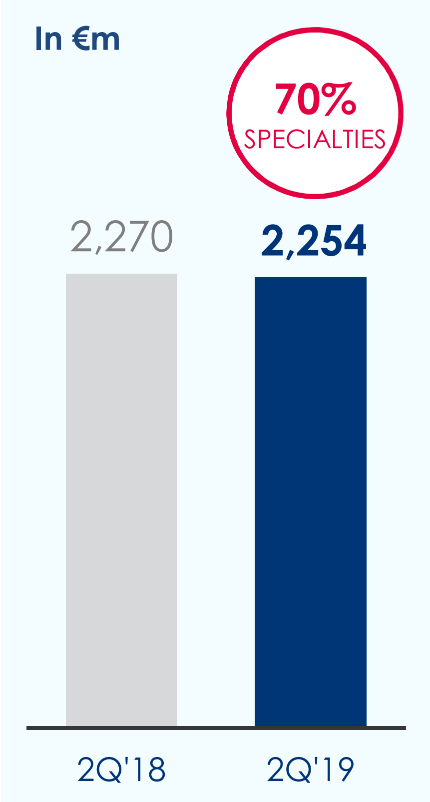
- Structural and engineering adhesives
- High performance sealants
- Flooring systems
- Emerging countries

ARKEMA

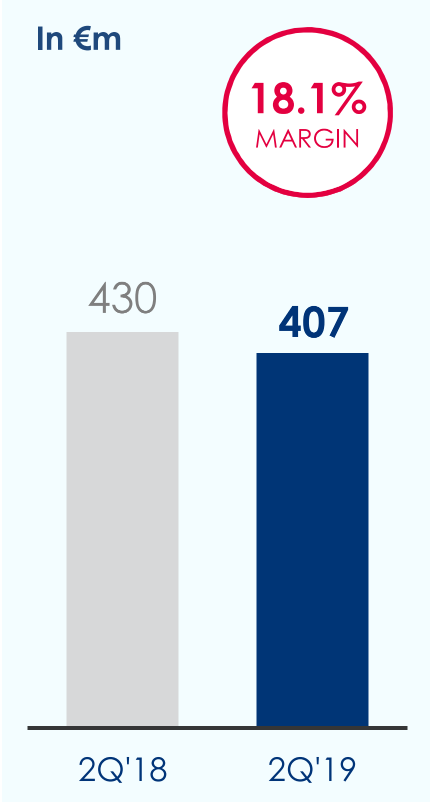
2Q AND 1H 2019 RESULTS

2Q’19 PERFORMANCE

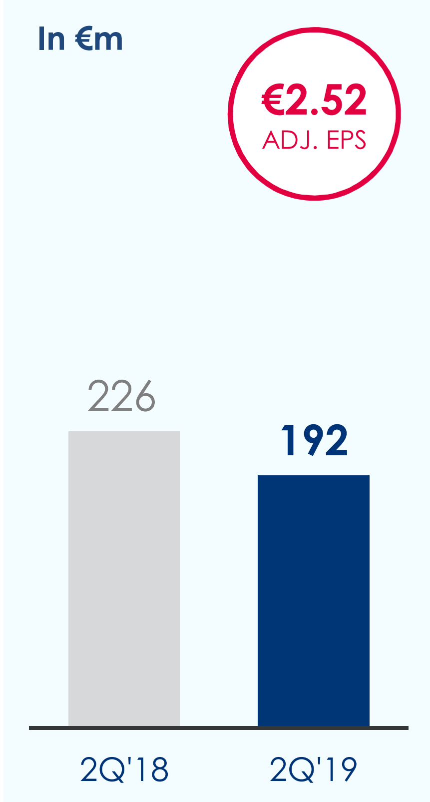
SALES



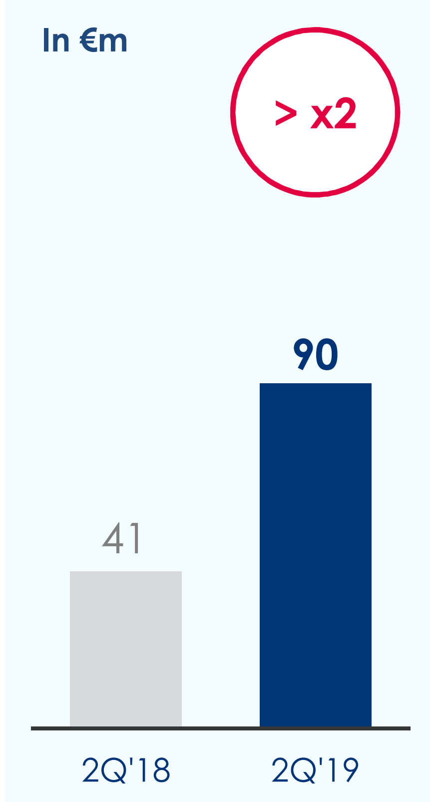
EBITDA



ADJ. NET INCOME



FREE CASH FLOW



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 2^{nd} 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

ARKEMA

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%

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2Q'19 SALES BRIDGE

HIGH PERFORMANCE MATERIALS (44% OF GROUP SALES)

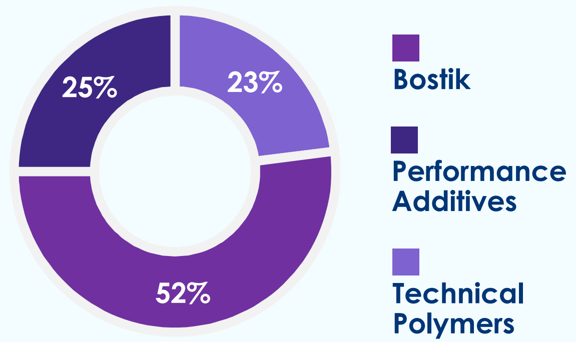
2Q'19 KEY FIGURES

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%

ARKEMA INNOVATIVE CHEMISTRY

INDUSTRIAL SPECIALTIES (30% OF GROUP SALES)

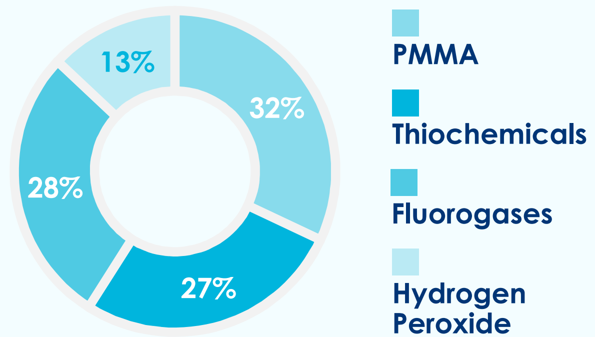
2Q'19 KEY FIGURES

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)

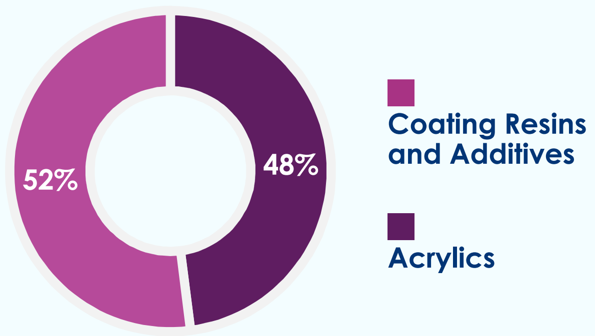
2Q'19 KEY FIGURES

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



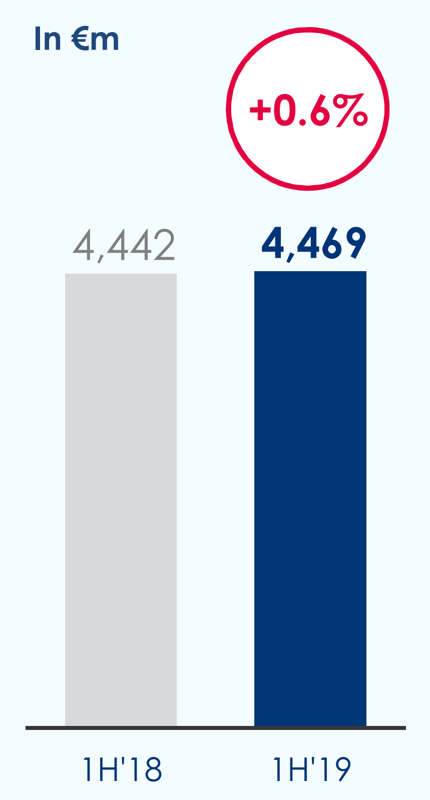
2Q'19 HIGHLIGHTS

- **€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%**

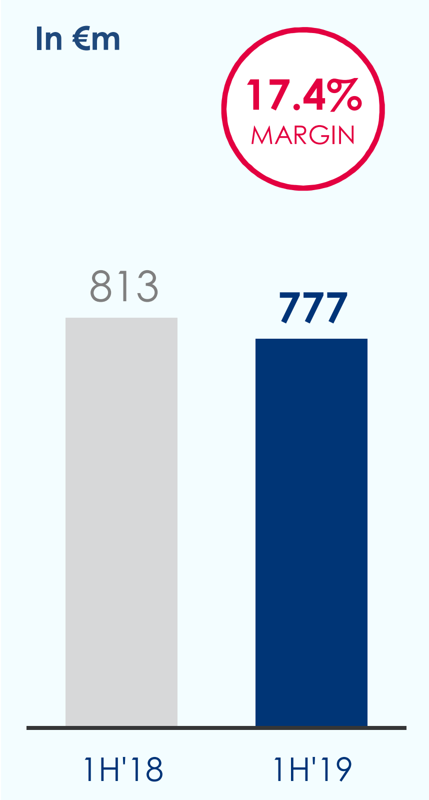
ARKEMA INNOVATIVE CHEMISTRY

1H’19 PERFORMANCE

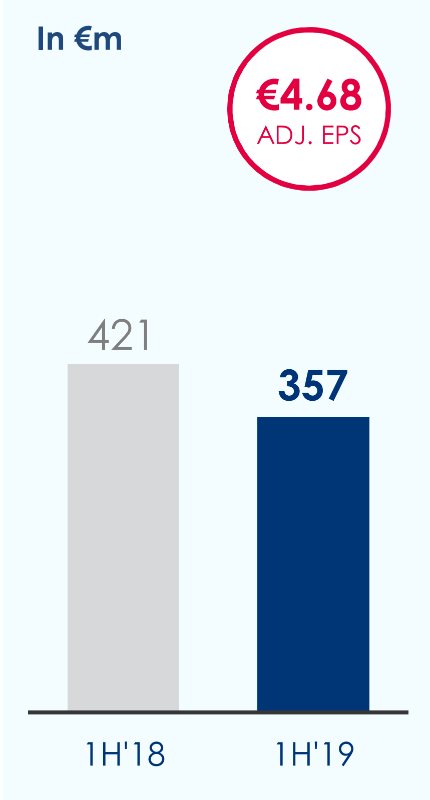
SALES



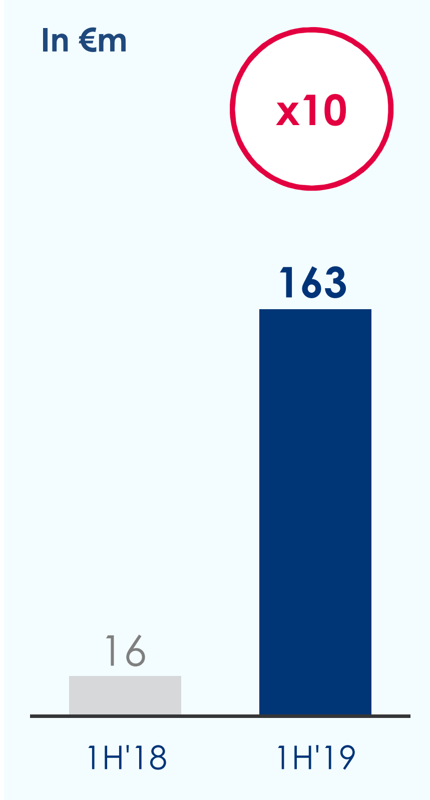
EBITDA



ADJ. NET INCOME



FREE CASH FLOW



As of 1 January 2019, the Group applies the IFRS 16 standard “Leases”. Impact on EBITDA is a €27m positive in 1H’19 and is not material on REBIT. 2018 figures have not been restated.

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%

As of 1 January 2019, the Group applies the IFRS 16 standard "Leases". Impact on EBITDA is a €27m positive in 1H'19 and is not material on REBIT. 2018 figures have not been restated.

EXCELLENT CASH GENERATION IN 1H'19

RECONCILIATION OF EBITDA TO NET CASH FLOW

In €m	1H'18	1H'19
EBITDA	**813**	**777**
Current taxes	(117)	(94)
Cost of debt	(42)	(49)
Change in working capital and fixed assets payables [1]	(402)	(229)
Recurring capital expenditure	(148)*	(187)
Exceptional capital expenditure	(18)	(38)
Others (including non-recurring items)	(70)*	(17)
FREE CASH FLOW	**16**	**163**
Impact of portfolio management	(174)	(25)
NET CASH FLOW	**(158)**	**138**

1H'19 HIGHLIGHTS

Limited increase of working capital versus 1H'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

€25m portfolio management cash out

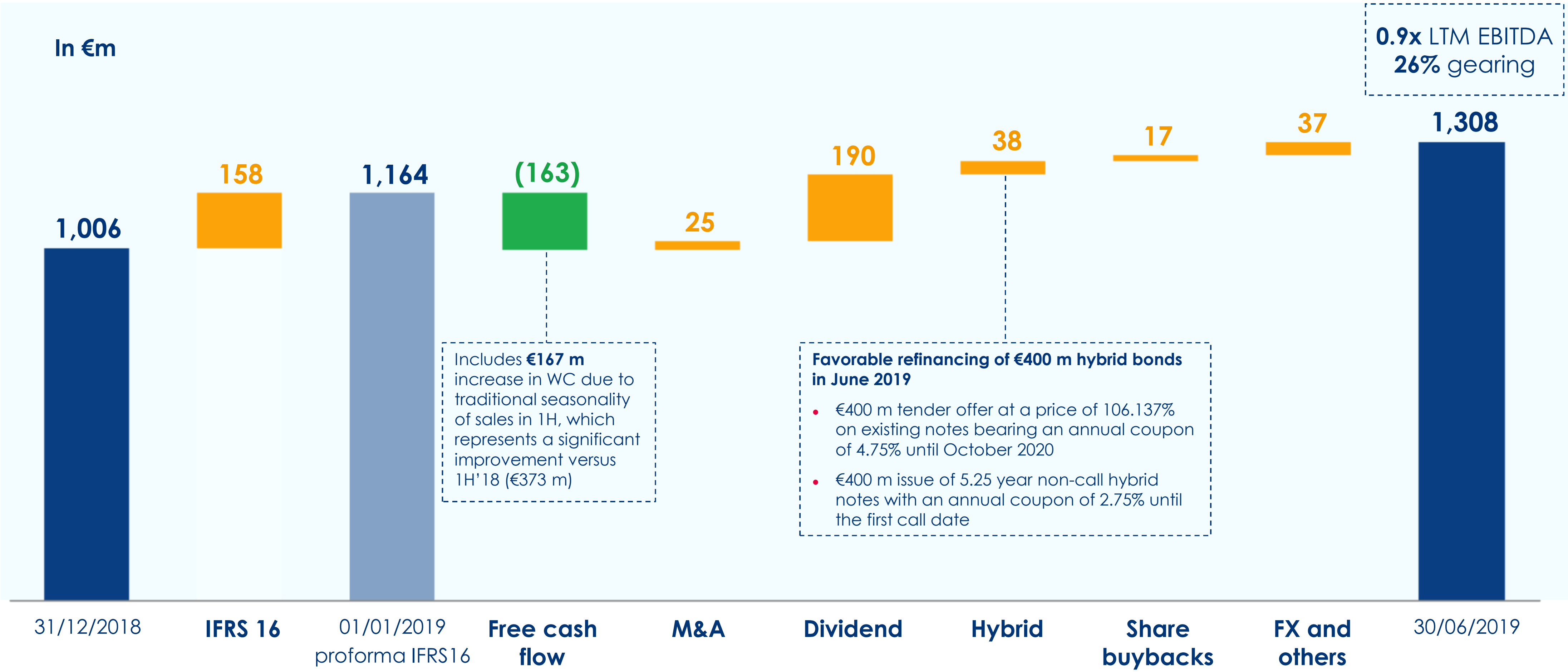
- Mainly corresponding to the equity investment in Carbon®

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

* Restated figures

ARKEMA INNOVATIVE CHEMISTRY

1H'19 NET DEBT BRIDGE



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.