

ARKEMA

18th EUROPEAN CEO SEMINAR

Thierry Le Hénaff
Chairman and CEO



ARKEMA
INNOVATIVE CHEMISTRY

ARKEMA IN 2015



€7.7 bn
sales



19,000
employees
worldwide



Worldwide
presence
in 50 countries



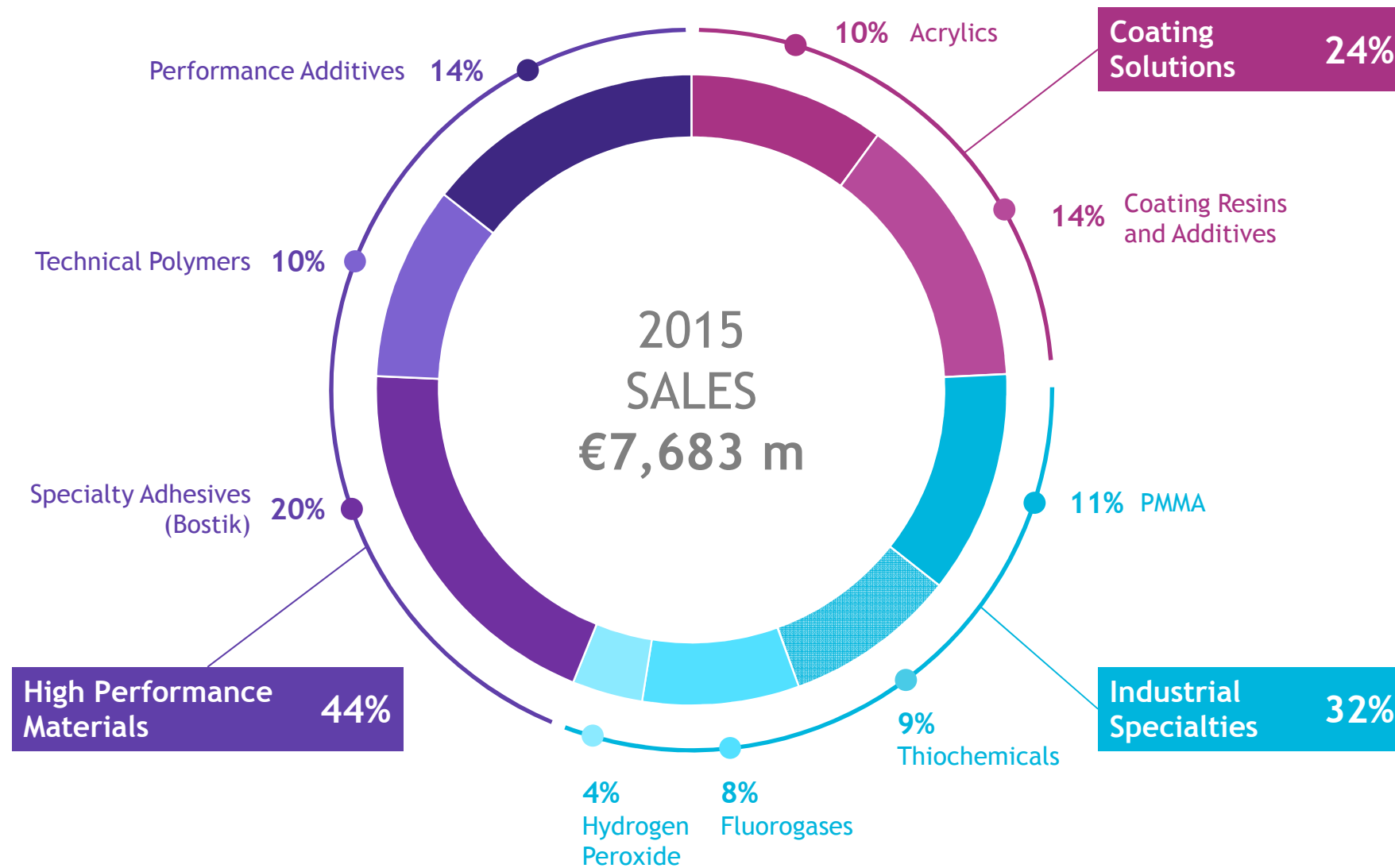
136
industrial sites



3 R&D
and innovation
geographical hubs



SALES BREAKDOWN BY BUSINESS



MAIN STRATEGIC DIRECTIONS

1

ACCELERATE GROWTH
OF HIGH PERFORMANCE
MATERIALS

2

SELECTIVE GROWTH IN
INDUSTRIAL SPECIALTIES

3

REINFORCE ACRYLICS
DOWNSTREAM

4

FINALIZE THE FULL
GEOGRAPHICAL
BALANCING

5

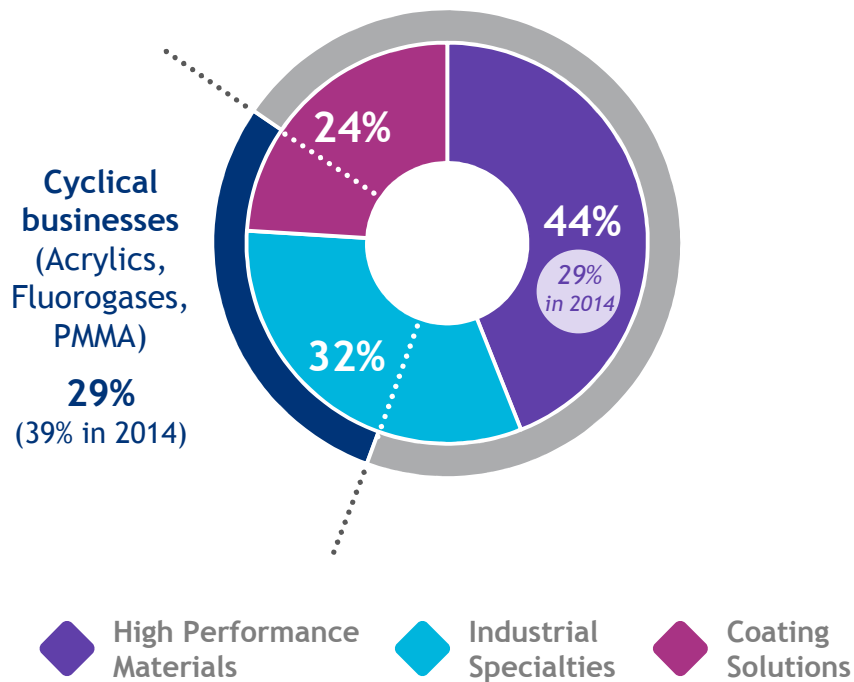
DISPOSAL OF NON-CORE
ASSETS

6

MAINTAIN EMPHASIS
ON OPERATIONAL
EXCELLENCE

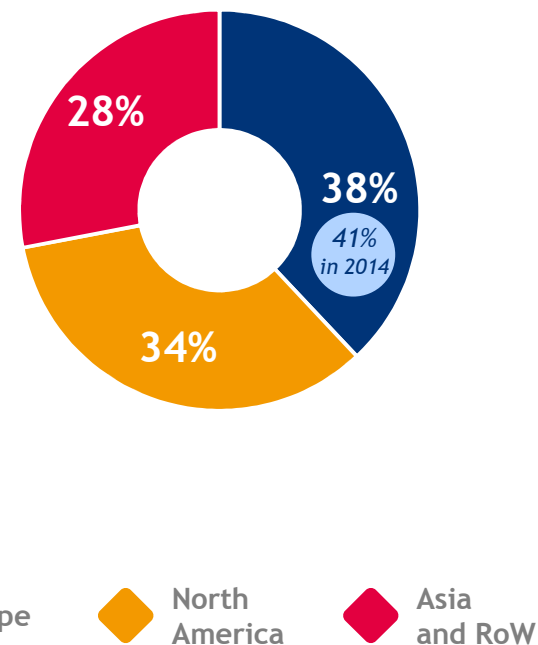
A STEP CHANGE IN THE GROUP'S PROFILE

FY'15 sales by business segment



ACCELERATING DEVELOPMENT OF HIGH PERFORMANCE MATERIALS

FY'15 sales by region



FURTHER REBALANCING OF GEOGRAPHICAL PRESENCE

A STRONG VALUE CREATION

Since 1 January 2016:

(at 10 June 2016)

Arkema: +7%
Peers average: -8%
CAC 40: -8%

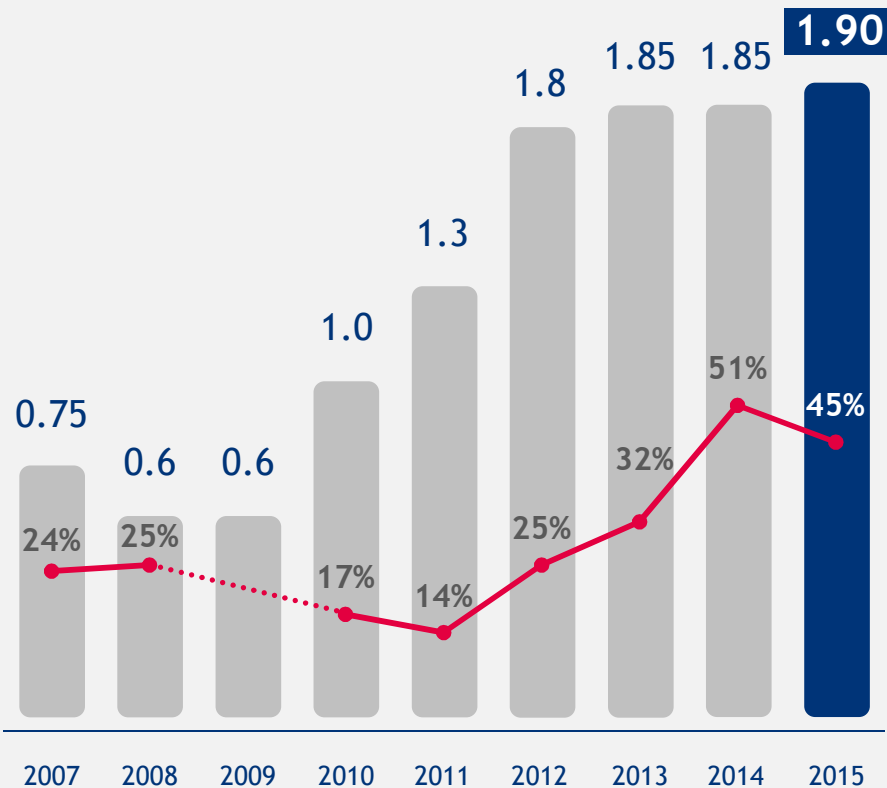
Share price since 18 May 2006



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)

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



A key element of shareholder return

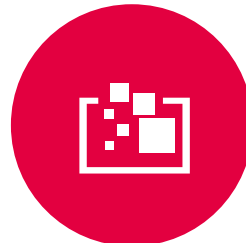
1Q'16: A VERY STRONG QUARTER

€1,893 m sales	<ul style="list-style-type: none">✦ +1.2% YoY✦ Volumes up +2.5% supported by innovation and recently started production units
€302 m EBITDA	<ul style="list-style-type: none">✦ +27% YoY (€237 m in 1Q'15) with a very limited scope effect✦ A record high for a first quarter
16% EBITDA margin	<ul style="list-style-type: none">✦ Up 330 basis points YoY✦ Driven by excellent margins in Industrial Specialties and High Performance Materials
€106 m adjusted net income	<ul style="list-style-type: none">✦ Up +63% YoY✦ €1.42 adjusted net income per share✦ 5.6% of Group sales
€1,390 m net debt	<ul style="list-style-type: none">✦ Stable versus 31 December 2015 despite the usual strong seasonality of working capital

1Q'16 TAKE-AWAYS



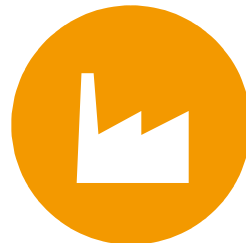
**STRONG START
TO THE YEAR**



**STRUCTURAL DRIVERS
SUPPORTING
HIGHER EARNINGS**



**STRONG POTENTIAL
OF BOSTIK
CONFIRMED**



**SUCCESSFUL EXECUTION
OF STRATEGY**



**OUTLOOK FOR THE YEAR
CONFIRMED**

1Q'16 PERFORMANCE BY SEGMENT

IN €M	1Q'15*	1Q'16	variation
Sales	742	868	+17.0%**
EBITDA	111	149	+34.2%
EBITDA margin	15.0%	17.2%	

HIGH PERFORMANCE MATERIALS

Strong contribution from Bostik and developments in Technical Polymers in lightweight materials and new energies

IN €M	1Q'15*	1Q'16	variation
Sales	626	586	(6.4)**
EBITDA	93	129	+38.7%
EBITDA margin	14.9%	22.0%	

INDUSTRIAL SPECIALTIES

Higher performance for each Business Line

IN €M	1Q'15*	1Q'16	variation
Sales	496	432	(12.9)%
EBITDA	53	50	(5.7)%
EBITDA margin	10.7%	11.6%	

COATING SOLUTIONS









Good resilience of the results thanks to a solid downstream integration

Units margins in acrylic monomers stabilized at low levels since end of 2015

* Restated figures in accordance with the new reporting presented at the 2015 CMD.

** At 1st January 2016, a business was transferred from High Performance Materials to Industrial Specialties. YoY sales variation includes the impact of this transfer.

WHERE DO WE STAND ON 2016 PRIORITIES?

			
			
<h2>BOSTIK</h2>	<h2>THIOCHEMICALS</h2>	<h2>FLUOROGASES</h2>	<h2>DIVESTMENT PROGRAM</h2>
<ul style="list-style-type: none"> ❖ Further good progress with strong YoY improvement ❖ EBITDA margin at ~13% gradually catching up with major peers' average ❖ Fully on track towards 2017 target to improve EBITDA by 30% vs 2014 	<ul style="list-style-type: none"> ❖ Targeted contribution over a full year (last 12 months) now reached ❖ Ramp-up far quicker than initially planned 	<ul style="list-style-type: none"> ❖ Gradual recovery in line with Group's assumptions 	<ul style="list-style-type: none"> ❖ Project* to divest activated carbon and filter aid activity representing sales of some €93 m to Calgon Carbon ❖ Offer based on a €145 m enterprise value, i.e., 9.5x 2015 EBITDA

* Subject to the information - consultation process of works councils

2016 OUTLOOK CONFIRMED

A world economy remaining slow and volatile:

- ✦ Overall moderate global growth with low visibility and different 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)
- ✦ In Thiochemicals, additional contribution of the Malaysian platform expected in 2016 vs 2015 already fully booked in 1Q'16. Performance of remaining 9 months of 2016 expected to be comparable to that of last year.
- ✦ Operational excellence initiatives to offset part of the inflation on fixed costs
- ✦ Benefit from innovation in lightweight materials and sustainable solutions



Based on these drivers and assuming an environment in line with the start of the year as regards energy and currencies,
Arkema reiterates its confidence in its ability to grow EBITDA in 2016

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 2016, 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.