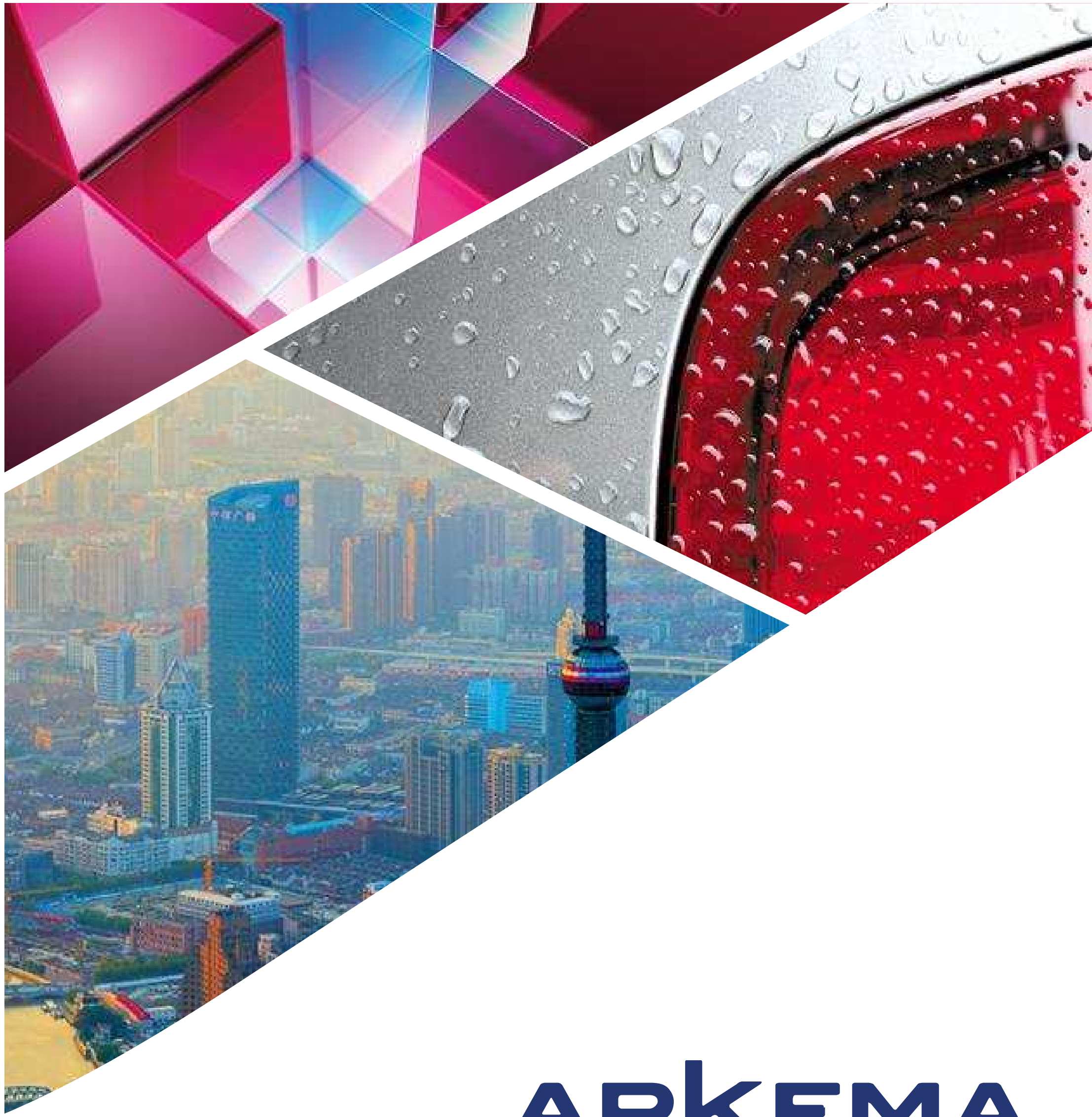
FULL YEAR 2018 RESULTS AND OUTLOOK

FEBRUARY 2019



ARKEMA

INNOVATIVE CHEMISTRY

DELIVERING AN EXCELLENT FINANCIAL PERFORMANCE

SIGNIFICANT INCREASE AFTER AN ALREADY EXCELLENT 2017

+6%

Sales

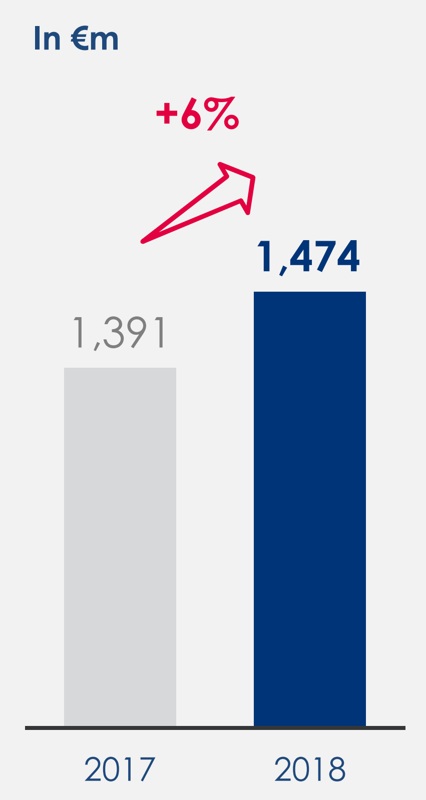
€ 8.8 billion

+22.5%

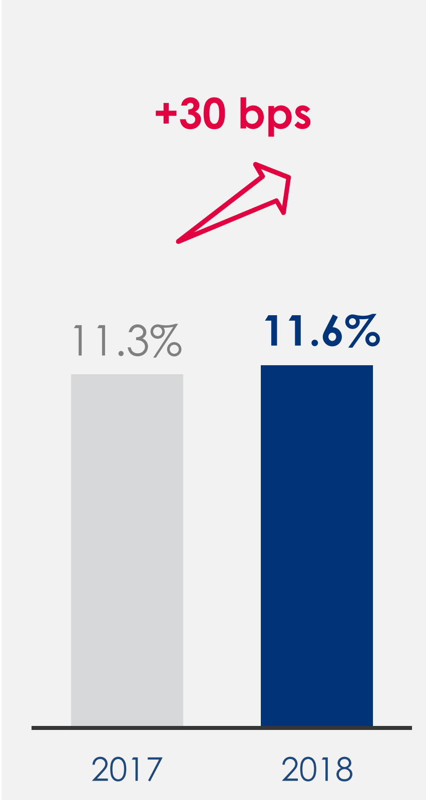
Adjusted net income

€ 725 million

EBITDA



REBIT MARGIN



0.7x EBITDA

Net debt

€ 1 billion

+100 bps

ROACE*

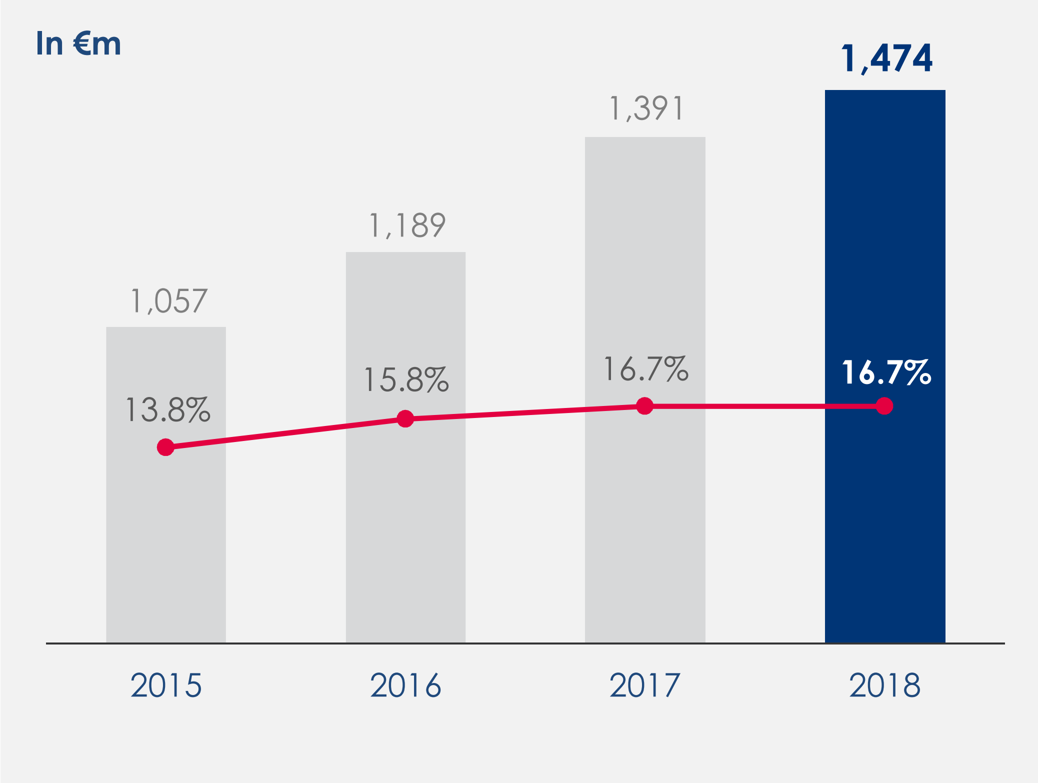
15.1%

* Return on average capital employed

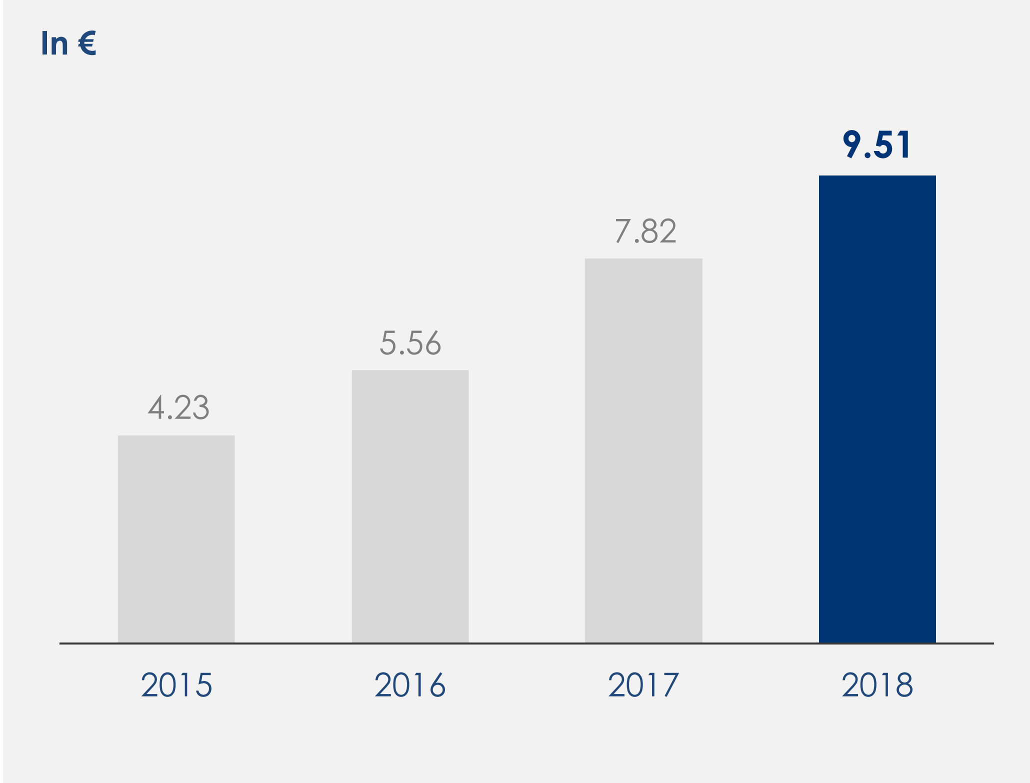
ARKEMA INNOVATIVE CHEMISTRY

STEADY GROWTH IN DIFFERENT MACRO-ECONOMIC ENVIRONMENTS

EBITDA AND EBITDA MARGIN

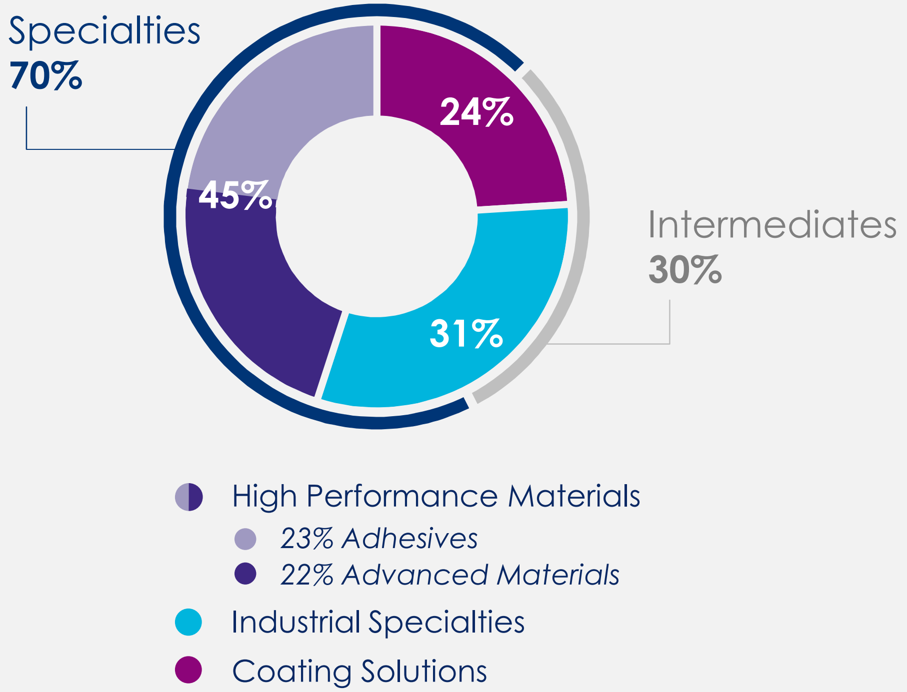


Adjusted EPS

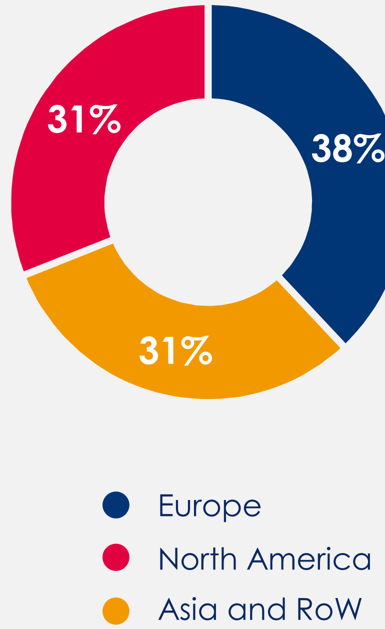


TRANSFORMATION ON TRACK

FY'18 SALES BY DIVISION



FY'18 SALES BY REGION



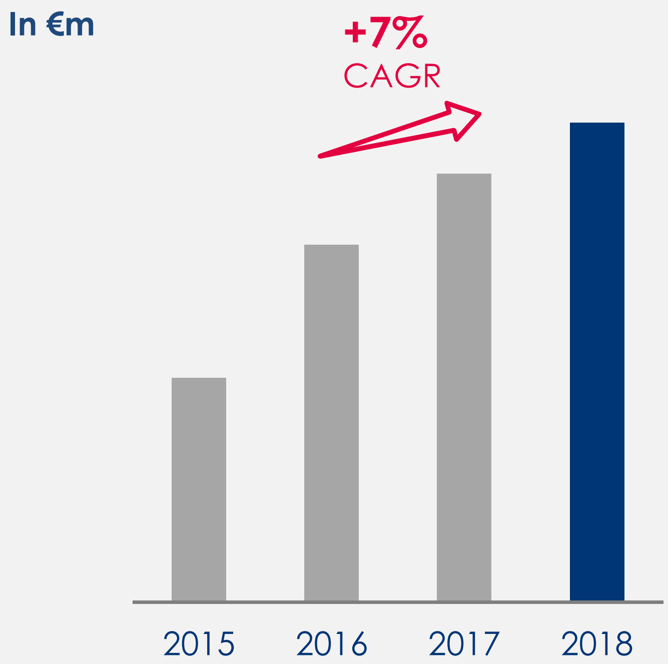
ADVANCED MATERIALS
ROBUST GROWTH SUPPORTED BY INNOVATION AND GEOGRAPHIC EXPANSION

INVESTMENTS

PVDF expansions :
+20% in the US
+25% in China

x2 specialty molecular sieves in France started end 2016

EBITDA



INNOVATION

Bio-based polyamides for **consumer goods** *(sports, electronics)*

Materials for **batteries**

> 5% VOLUME GROWTH IN 2018

ADVANCED MATERIALS

EXCITING NEW OPPORTUNITIES FROM INNOVATION

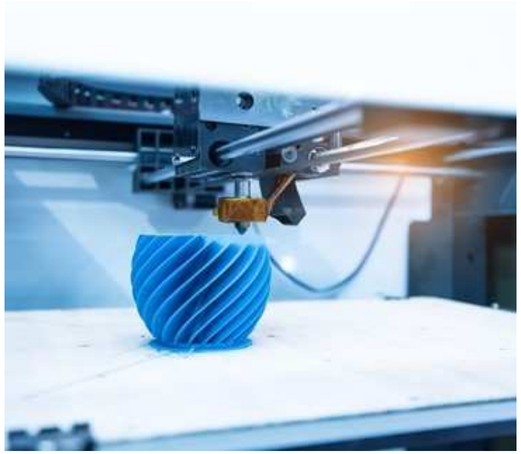
Composites

High performance resins for thermoplastic composites

Partnerships with:

- Hexcel in aerospace
- Barrday in oil and gas

Elium® recyclable resin



3D printing

Unique range of materials (PEKK, PA, UV curing resins) **for all technologies**

Dedicated commercial platform

Partnerships with key players (end users, 3D printer manufacturers)

New center of excellence in the US

Batteries

3 main applications

- Separator coatings
- Electrode binders
- Electrolytes

New development in lithium-sulfur batteries with Oxis

Partnerships with customers in key end-markets (electronics, EV)

Water treatment

Membranes for ultra-filtration

Coatings for water transportation pipelines

Partnerships with key industrial players in water treatment and water transportation

ADHESIVES
EXECUTING OUR ROADMAP

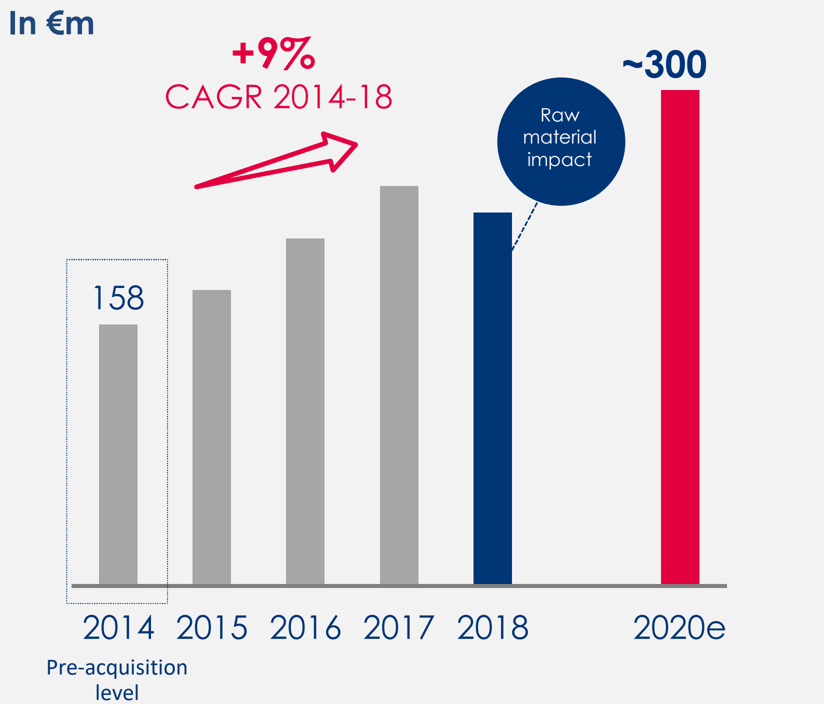
GROWTH

Bolt-on acquisitions

New products
Fix & Flash in DIY
Kizen® and Reseal® for packaging

Start-up
Industrial adhesives in India

EBITDA



PRICING

Actions to raise selling prices accelerated in 2H'18

Benefits from gradual pass through of higher raw material costs in 2018

Further pricing actions in 2019

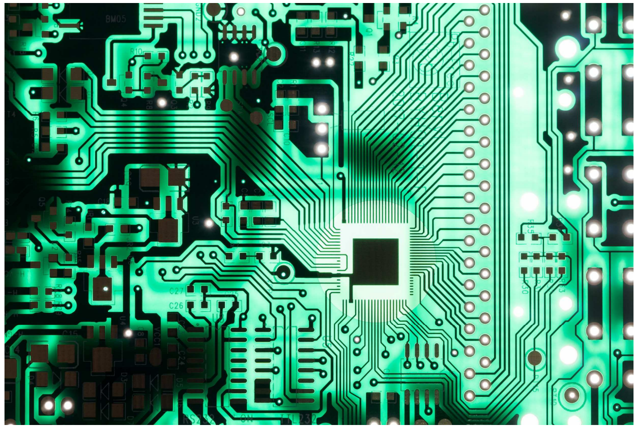
ON TRACK TO DELIVER 2020 TARGET

ADHESIVES

BOLT-ON ACQUISITIONS PAVING THE WAY FOR LEADERSHIP POSITIONS

Den Braven in sealants

- Build a global leadership position in sealants
- 2/5 of synergies already implemented



Flooring adhesives in the US

- Complementary acquisitions of XL Brands (2018) and CMP (2017)
- Successful integration with performance well in line with expectations

Industrial adhesives

- Enter fast-growing engineering adhesives markets with Afinitica (cyanoacrylate)
- Expand in industrial adhesives in Japan: Nitta Gelatin's business and new production unit

INDUSTRIAL SPECIALTIES
REAPING THE BENEFITS FROM OUR STRONG POSITIONS

Thiochemicals

Resilient demand above GDP

- Animal nutrition (+5% p.a.) on growing population
- Critical applications for customers
- Benefits from more stringent regulations for fuels

Invest to capture growth

- x2 capacities in Malaysia by 2020
- Up to 30% in linear mercaptans in the US by 2020

PMMA

Growth supported by structural trends

- Lightweighting
- Circular economy with MMAtwo European project

Tight market conditions since 2016 with normalization starting in 4Q'18

Fluorogases

2018 above high level of 2017 reference

Benefits from regulations in current generations of gases

Capture opportunities in next generation HFOs over the longer tem

COATING SOLUTIONS
LEVERAGING INTEGRATION

Consolidating our leading position in Acrylics

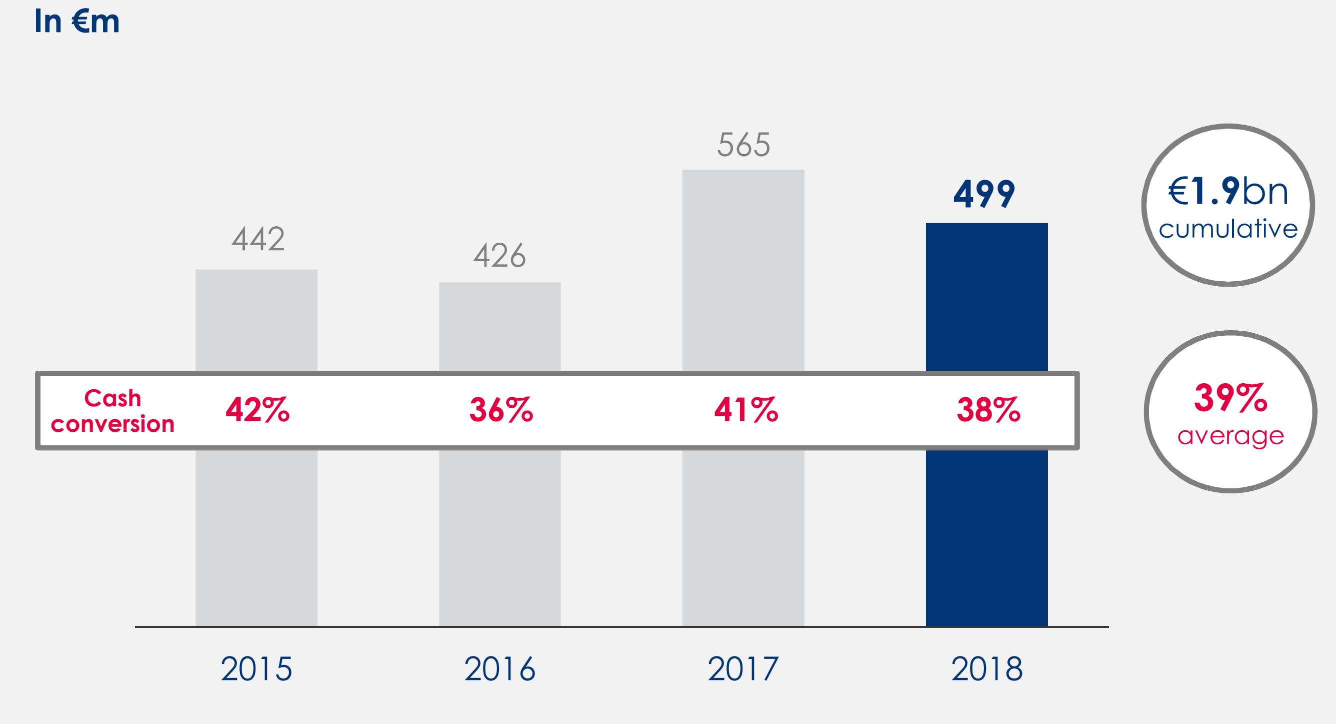
- #2 worldwide with competitive assets
- Robust volume growth in 2018 with gradual improvement of the cycle
- Supporting future growth with targeted investments
  - New 90 kt/yr reactor in Clear Lake (US) to start mid-2019
  - Pending acquisition of our partner’s stake in Sunke to close in 2Q’19

Acrylics downstream

- In 2018, strong emphasis on pricing initiatives to offset higher input costs
- Benefits from increasing demand for low-VOC products
- New coating resins unit in India started early 2019
- Long term objective to increase downstream integration
  - Organic growth
  - Bolt-on acquisitions

BEST-IN-CLASS CASH GENERATION

Free cash flow and EBITDA to cash conversion rate



2018 HIGHLIGHTS

Excellent FCF generation on:

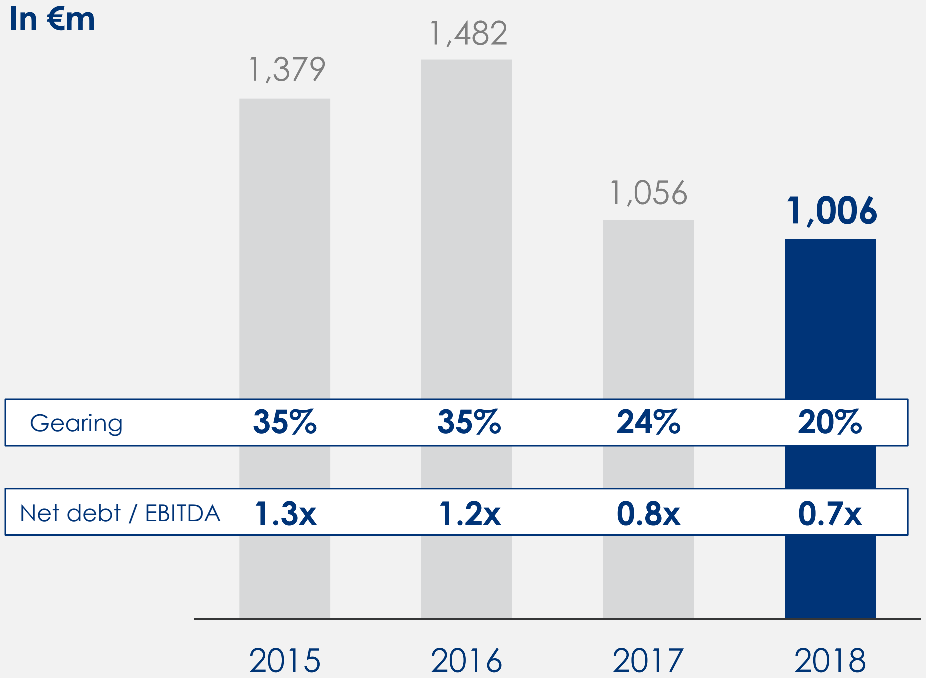
- Higher EBITDA
- Lower taxes
- Tight working capital management

Main cash uses:

- **€561m capex** including €500m recurring and €61m exceptional
- **€213m bolt-on acquisitions** including XL Brands, Nitta Gelatin industrial adhesives and Afinitica
- **€176m dividend**

MAINTAINING A STRONG BALANCE SHEET

NET DEBT excluding €700m hybrid bond



	2015	2016	2017	2018
Gearing	**35%**	**35%**	**24%**	**20%**
Net debt / EBITDA	**1.3x**	**1.2x**	**0.8x**	**0.7x**

BALANCE SHEET AT 31 DECEMBER 2018

- **13.4% working capital to annual sales ratio**
  - Close to the record low of 13.1% at end 2017
  - 14.5% at end 2016 excluding impact of Den Braven acquisition
- **€7bn capital employed and 15.1% ROACE**
- **€467m net provisions for pensions (€322m) and other employee benefits, stable YoY**
- **Upgraded credit ratings**
  - Standard & Poor's: BBB+ (stable outlook) upgraded from BBB
  - Moody's: Baa2 (positive outlook - upgraded from stable)

DELIVERING ON 2018 FINANCIAL OBJECTIVES

	OBJECTIVES	ACHIEVED	
EBITDA	Mid-single digit growth (~5%)	+6%	✓
Cash conversion rate	35%	38%	✓
Capital intensity (recurring capex to sales)	5.5%	5.7%	✓
Working capital (as a % of sales)	14-15%	13.4%	✓
Net debt to EBITDA*	1.5x	0.7x	✓

* Excluding hybrid bond

OUR CORPORATE SOCIAL RESPONSIBILITY POLICY

3 CSR PILLARS

Deliver **sustainable solutions** driven by **innovation**

- Solutions addressing societal challenges
- Innovation at the heart of the activities
- Responsible product stewardship

Manage our activities as a **responsible chemist**

- Safety of people and processes
- Health
- Environmental footprint reduction

Cultivate an **open dialogue** and **close relations** with our **stakeholders**

- Ethics
- Human rights
- Employee development
- Responsible value chain
- Corporate citizenship

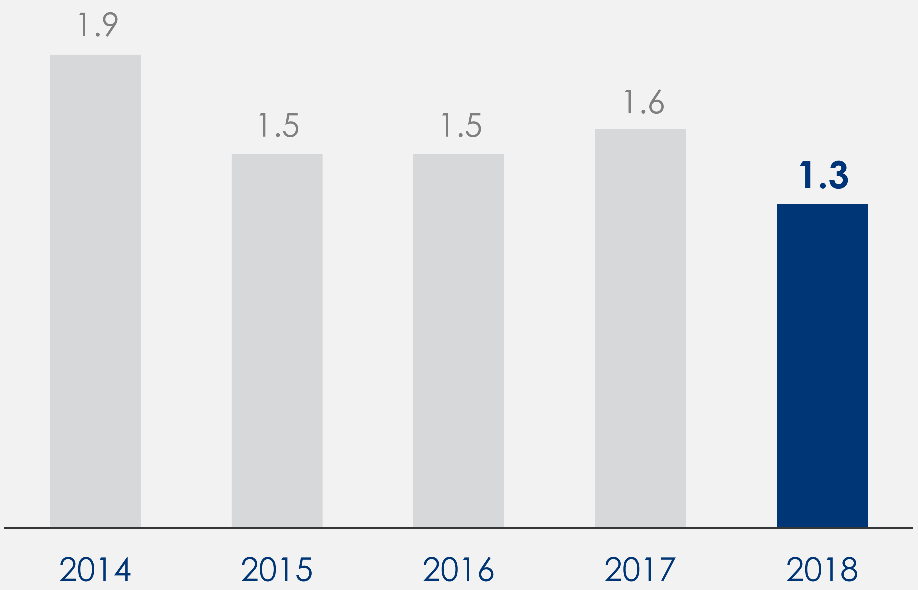
INNOVATION PLATFORMS WELL ALIGNED WITH UN SUSTAINABLE DEVELOPMENT GOALS

New energies	Lightweight materials and design	Bio-based products	Electronics solutions	Water management	Home efficiency and insulation

- **154 patent applications related to UN SDGs in 2018, i.e. >60% of total patent applications**
- **Portfolio sustainability assessment project**
  - Systematic assessment of solutions portfolio in light of sustainability criteria
  - Pilot program initiated in 2018, with gradual roll-out starting in 2019
  - Definition of an indicator to measure contribution to the UN SDGs currently under review

ACTING AS A RESPONSIBLE CHEMIST

SAFETY (Total Recordable Injury rate)



CONSISTENT WITH <1.2 TARGET IN 2025

ENVIRONMENT

	CLIMATE CHANGE	AIR
2025 target	**-50%** in greenhouse gas emissions	**-33%** in volatile organic compound emissions
2018	**-54%**	**-38%**

	WATER	ENERGY
2025 target	**-40%** in chemical oxygen demand	**-15%** in net energy purchases
2018	**-41%**	**-12%**

OPEN DIALOGUE AND CLOSE RELATIONS WITH STAKEHOLDERS

SUPPLIERS

- **Pragati initiative** in India: providing a framework for the sustainable production of castor beans
- **Together for Sustainability** initiative in the chemical industry chain (>1,400 suppliers assessed)

PHILANTHROPY

- **Fund for Education**: financing employees' education-related projects
- Sponsoring the **"Young Audience Program"** at the Théâtre des Champs-Elysées in Paris

EMPLOYEES

	2018	2025 target
Senior executive positions to be held by women	**21%**	**23% to 25%**
Senior executive positions to be held by non-French nationals	**39%**	**42% to 45%**

LOCAL COMMUNITIES

- **Common Ground® initiative:** 1,064 initiatives carried out around the world in 2018, covering 84% of production plants

FULL YEAR 2018 RESULTS

FY'18 RESULTS KEY TAKE-AWAYS

€8,816m sales	**5.9%** up YoY **7.9%** up at constant scope and FX on higher prices and volumes
€1,474m EBITDA	**6.0%** up on excellent 2017 performance Driven by both specialty and intermediate businesses **All time high EBITDA** in a volatile economic environment
16.7% EBITDA margin	Stable at high levels in a context of higher raw material costs In line with Group's mid-term target
€725m adjusted net income	**22.5%** up YoY on higher EBITDA and lower taxes **€9.51** adjusted EPS (€7.82 in 2017)
€499m free cash flow	Strong cash generation Net debt down at **€1bn** (€1,056m at 31 December 2017) **20%** gearing and **0.7x** 2018 EBITDA

2018 KEY FIGURES

In €m (except EPS)	2017	**2018**	CHANGE
Sales	8,326	**8,816**	+5.9%
EBITDA	1,391	**1,474**	+6.0%
EBITDA margin	16.7%	**16.7%**	
Recurring operating income (REBIT)	942	**1,026**	+8.9%
REBIT margin	11.3%	**11.6%**	
Adjusted net income	592	**725**	+22.5%
Net income – Group share	576	**707**	+22.7%
Adjusted EPS *(in euros)*	7.82	**9.51**	+21.6%

2018 SALES BRIDGE

SALES

Volumes

- +2.7% excluding Fluorogases, impacted by regulations
- Innovation drive in advanced materials
- Good demand in Coating Solutions
- Priority to prices over volumes in downstream

Price

- Positive in all 3 divisions
- Proactive price increase policy to recover higher raw material costs
- Favorable price environment in MMA/PMMA and Fluorogases

Scope

- Integration of bolt-on acquisitions in adhesives, notably XL Brands

Currency

- Stronger euro notably against US dollar in 1H'18

ARKEMA INNOVATIVE CHEMISTRY

HIGH PERFORMANCE MATERIALS (45% OF GROUP SALES)

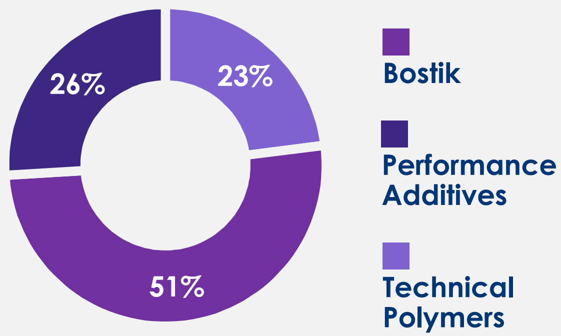
2018 KEY FIGURES

In €m	2017	2018	Change
Sales	3,830	3,970	+3.7%
EBITDA	632	640	+1.3%
EBITDA margin	16.5%	16.1%	
REBIT	474	481	+1.5%
REBIT margin	12.4%	12.1%	

2018 SALES DEVELOPMENT

Volumes	+2.7%
Prices	+2.0%
Currency	(2.9)%
Scope	+1.8%

2018 SALES BY BUSINESS LINE



2018 HIGHLIGHTS

+2.7% volumes on high 2017 performance

- Sustained demand in advanced materials for lighter materials, batteries, 3D printing and consumer goods and ramp-up of new industrial units
- Volume growth in adhesives held back by priority given to price increases

Prices up 2.0% reflecting the Group's continued actions to increase selling prices over the year, especially in adhesives

EBITDA slightly up YoY and EBITDA margin holding firm in a more unfavorable environment for raw materials and currencies

- Excellent contribution, notably in 1Q'18, from specialty molecular sieves given the particularly high density of projects finalized in 2018
- Adhesives performance temporarily impacted by higher raw material costs
- Benefits from recent acquisitions in adhesives, notably XL Brands

INDUSTRIAL SPECIALTIES (31% OF GROUP SALES)

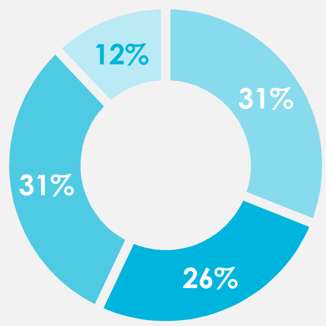
2018 KEY FIGURES

In €m	2017	2018	Change
Sales	2,545	**2,699**	+6.1%
EBITDA	585	**675**	+15.4%
EBITDA margin	23.0%	**25.0%**	
REBIT	411	**497**	+20.9%
REBIT margin	16.1%	**18.4%**	

2018 SALES DEVELOPMENT

Volumes	**(3.4)%**
Prices	**+12.0%**
Currency	**(2.5)%**
Scope	**-**

2018 SALES BY BUSINESS LINE



2018 HIGHLIGHTS

+12.0% price effect, positive in each of the 4 Business Lines

(3.4)% volumes as a consequence of lower sales quotas in Europe and the United States in Fluorogases

All 4 Business Lines contributing to excellent EBITDA performance and 25.0% EBITDA margin

- Tight market conditions overall in MMA/PMMA with some normalization in the last few months of the year
- Good performance of Thiochemicals and Hydrogen Peroxide, particularly in Asia
- Benefits from F-Gas regulation in Europe in Fluorogases, which achieved excellent results, above our expectations, surpassing the high levels of the 2017 reference year

ARKEMA INNOVATIVE CHEMISTRY

COATING SOLUTIONS (24% OF GROUP SALES)

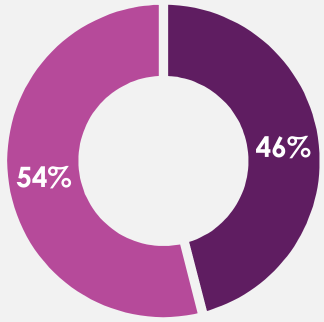
2018 KEY FIGURES

In €m	2017	2018	Change
Sales	1,924	**2,120**	+10.2%
EBITDA	244	**243**	(0.4)%
EBITDA margin	12.7%	**11.5%**	
REBIT	135	**140**	+3.7%
REBIT margin	7.0%	**6.6%**	

2018 SALES DEVELOPMENT

Volumes	**+6.0%**
Prices	**+7.4%**
Currency	**(2.9)%**
Scope	**(0.4)%**

2018 SALES BY BUSINESS LINE



2018 HIGHLIGHTS

Prices up 7.4% YoY reflecting higher selling prices across the entire chain

Good volume momentum mainly in Asia and the United States with a +6.0% effect

Stable EBITDA

- Gradual improvement of market conditions in acrylic monomers
- Good volumes in downstream acrylics but impact of higher raw material costs, notably acrylic acid and MMA

11.5% EBITDA margin reflecting the dilutive impact of higher selling prices on this ratio

EXCELLENT CASH GENERATION

RECONCILIATION OF EBITDA TO NET CASH FLOW

In €m	2017	2018
EBITDA	**1,391**	**1,474**
Current taxes	(208)	(180)
Cost of debt	(92)	(90)
Change in working capital and fixed assets payables [1]	(46)	(75)
Recurring capital expenditure	(420)*	(500)
Others (including non-recurring items)	(50)*	(69)
Free cash flow excluding exceptional capex	**575**	**560**
EBITDA to cash conversion rate	**41%**	**38%**
Exceptional capital expenditure	(10)	(61)
FREE CASH FLOW	**565**	**499**
Impact of portfolio management	(5)	(213)
NET CASH FLOW	**560**	**286**

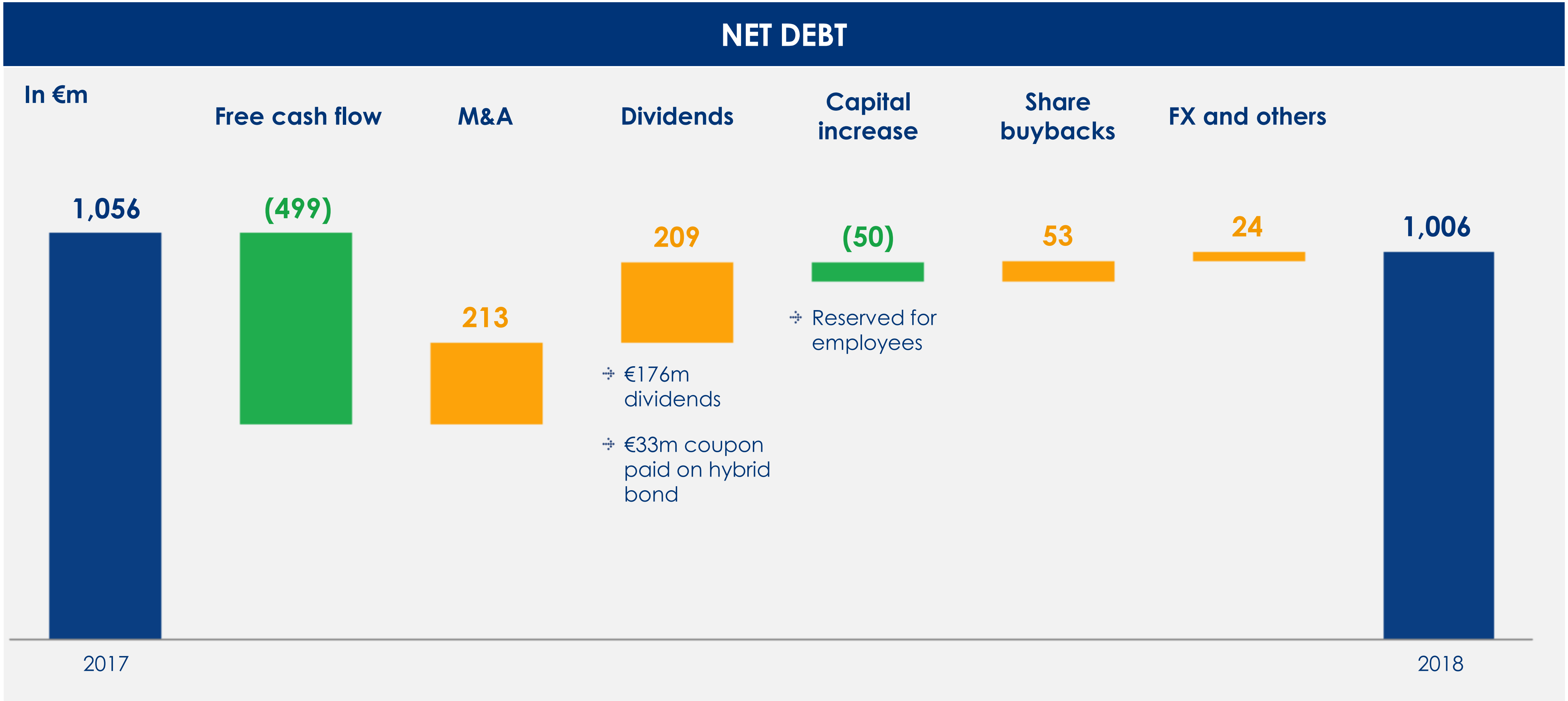
[1] Excluding non-recurring items and impact of portfolio management

* Restated 2017 figures

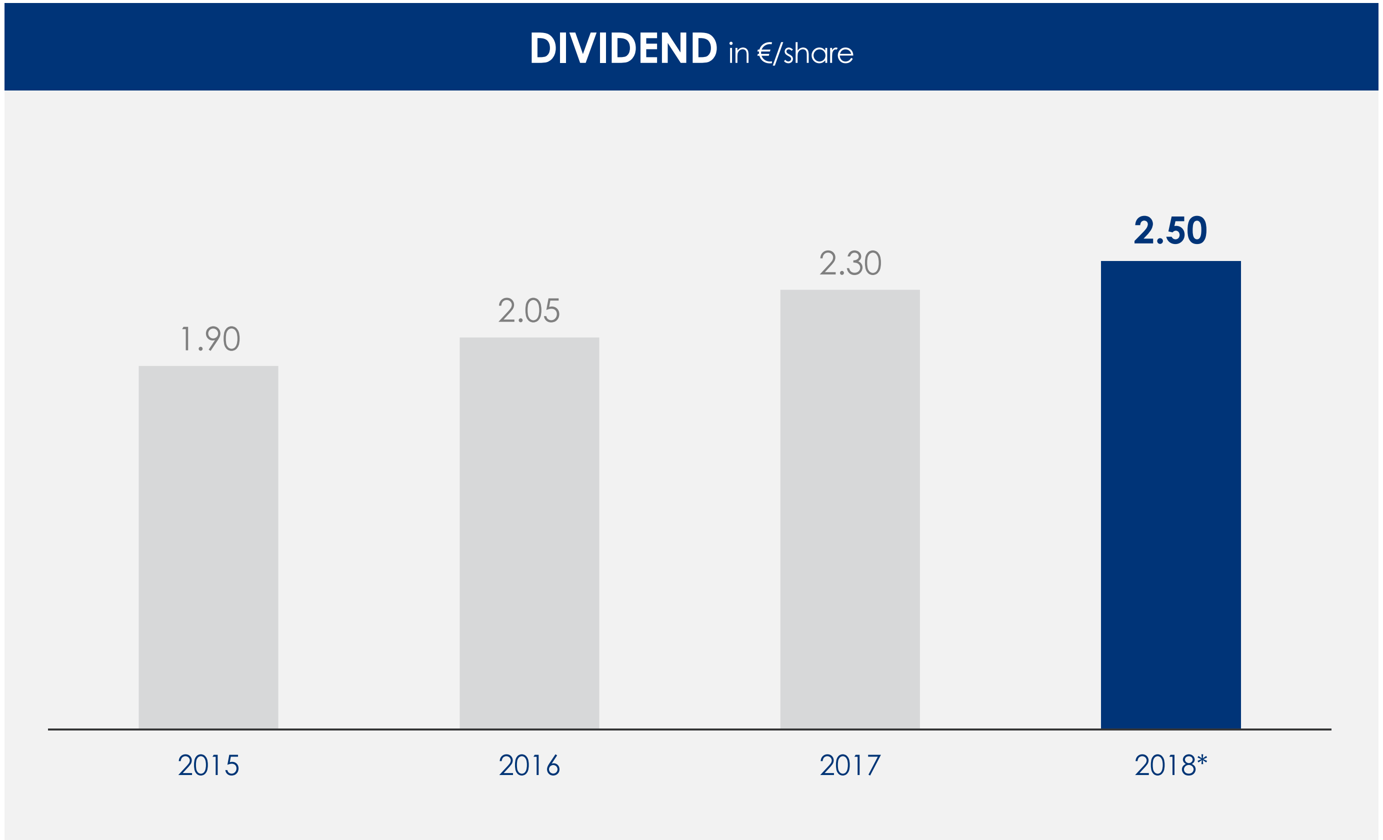
2018 HIGHLIGHTS

- **EBITDA to cash conversion rate above Group's 35% target**
- **Tax rate: 19% of REBIT** (excl. exceptional items)
  - US tax reform benefits and geographic mix of earnings
  - Down significantly on 2017 (26%)
  - 2019e tax rate: ~21% of REBIT
- **Tight management of working capital in a context of higher selling prices and raw material costs**
- **5.7% recurring capex to total sales**
  - In line with the Group's 5.5% guidance
- **€(213)m M&A corresponding to acquisitions in adhesives (mainly XL Brands)**

2018 NET DEBT BRIDGE



DIVIDEND



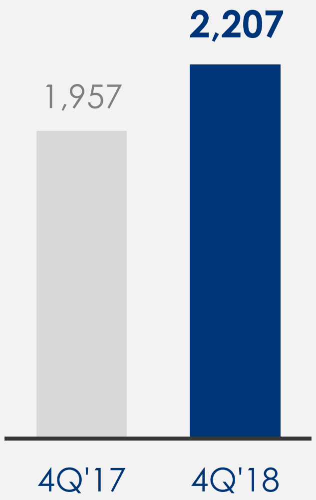
- **~9%** proposed increase
- In line with dividend policy to pay a stable to growing dividend every year
- Reflects the very good results and the confidence of the Board in the Group's development prospects
- Dividend to be paid fully in cash from **29 May 2019**
  - Ex-dividend date: 27 May 2019

* Dividend proposed at the shareholders' annual general meeting of 21 May 2019

DELIVERING AN EXCELLENT PERFORMANCE IN 4Q'18

SALES

In €m



- **12.8%** up YoY
- **+11.2%** at constant scope and FX on +7.7% prices and +3.5% volumes

EBITDA

In €m

- **Up 1.4%** against 4Q'17 record performance
- In a volatile and mixed macro-economic environment

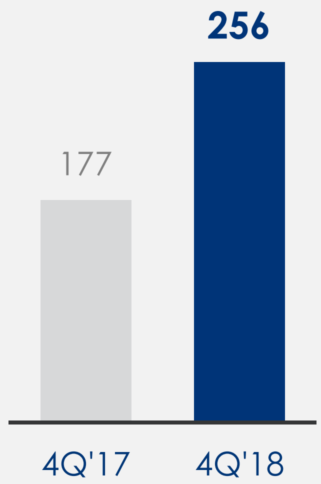
ADJUSTED NET INCOME

In €m

- **€1.53** adjusted EPS

FREE CASH FLOW

In €m



- Excellent cash generation
- Tight management of working capital with a +€187m cash inflow (+€95m in 4Q'17)

4Q'18 PERFORMANCE BY DIVISION

HIGH PERFORMANCE MATERIALS

in €m	4Q'17	4Q'18	Change
Sales	909	**978**	+7.6%
EBITDA	131	**125**	(4.6)%
EBITDA margin	14.4%	**12.8%**	

SOLID PERFORMANCE

- Sales up 5.3% vs 4Q'17 at constant scope and FX
- +3.9% price effect on continued actions to increase selling prices selectively
- Volumes up 1.4% on high 4Q'17
- Performance temporarily impacted by the Group's inventories management in a context of highly volatile oil prices

INDUSTRIAL SPECIALTIES

in €m	4Q'17	4Q'18	Change
Sales	606	**683**	+12.7%
EBITDA	120	**140**	+16.7%
EBITDA margin	19.8%	**20.5%**	

A VERY STRONG QUARTER

- Sales up 12.0% vs 4Q'17 at constant scope and FX driven by a positive price effect in all Business Lines
- Better than expected contribution in Fluorogases
- Very solid performance of Thiochemicals and Hydrogen Peroxide
- Normalization as expected in MMA/PMMA, especially in Europe

COATING SOLUTIONS

in €m	4Q'17	4Q'18	Change
Sales	437	**539**	23.3%
EBITDA	44	**44**	-
EBITDA margin	10.1%	**8.2%**	

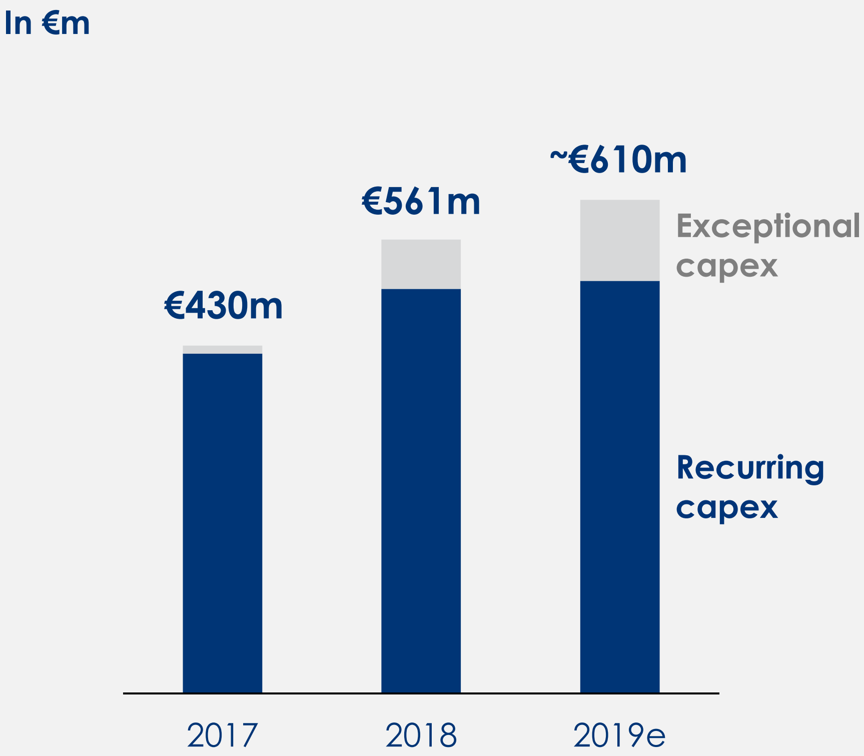
GOOD VOLUMES BUT HIGHER RAW MATERIAL COSTS

- Sales up 22.3% vs 4Q'17 at constant scope and FX
- Volumes up 13.2% mainly driven by Asia and North America
- +9.1% prices on continued pricing actions in the acrylics chain
- Benefits from higher volumes fully offset by the impact of higher input costs in downstream

OUR PRIORITIES GOING FORWARD

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.

Start-up expected
end 2021

EXCEPTIONAL CAPEX FOCUSED ON HIGH GROWTH LINES

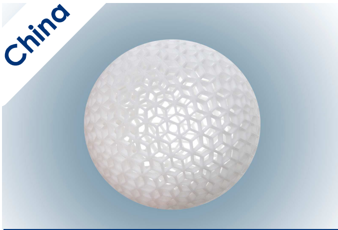
AMBITIOUS INVESTMENT PLAN IN ADVANCED MATERIALS

Start-up — 2019 — 2020 — 2021

+50% global specialty polyamides powders capacities

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

LT growth drivers :
- Sustainability
- Lightweighting



+30% Sartomer photocure resins production capacities

Markets : *3D printing, electronics, graphic arts*

LT growth drivers :
- Low VOC content
- Lightweighting

+25% global PA12 production capacities

Markets : *automotive, sports, electronics*

+50% global PA11 production capacities (monomer + polymer)

Markets : *3D printing, electronics, automotive*

LT growth drivers :
- Bio-based products (PA11, Pebax® RNew)
- Lightweighting (transportation, sports)

~5% VOLUME GROWTH IN ADVANCED MATERIALS BY 2023

DELIVER PROFITABLE GROWTH IN ADHESIVES

Expand organically

- Accelerate geographic expansion (new unit in Japan, …)
- Strong focus on innovation to increase our position in engineering adhesives

Create value through M&A

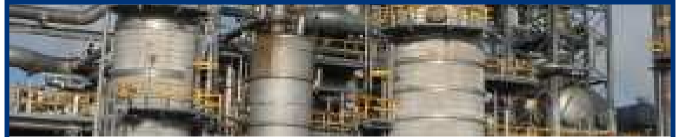
- Roll out acquisition strategy in a fragmented market
- Accelerate implementation of synergies at Den Braven in line with €30m target
- Leverage recently acquired businesses (Afinitica, industrial adhesives in Japan)

Strengthen operational excellence

- Simplify processes and streamline organization
- Optimize manufacturing footprint
- Leverage integrated worldwide IT systems

2019 PRIORITIES

NEW UNITS

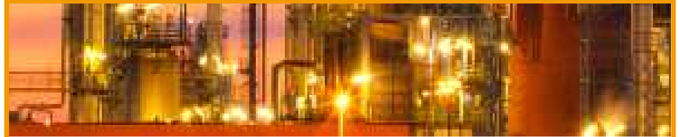


- Ramp up PEKK plant (US) and coating resins unit (India) started early 2019
- Start up capacity expansions in acrylics (US), photocure resins (China) and specialty PA powders (France)

INNOVATION

- Leverage partnerships in composites
- Continued strong emphasis on EV, lightweighting, water treatment and 3D

M&A

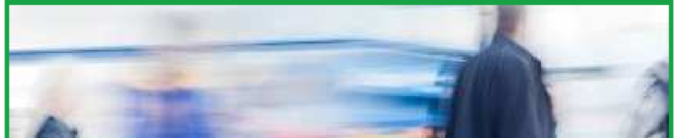


- Implementation of acquisition synergies in adhesives
- Completion of Sunke deal in Acrylics
- Ongoing thoughts in High Performance Materials

OPERATIONAL EXCELLENCE

- Disciplined cost management
- Offset at least 50% of fixed cost inflation
- Tight management of working capital

CSR



- Roll out portfolio sustainability assessment

PRICING INITIATIVES

- Pursue actions to increase selling prices selectively and pass through higher raw material costs

2019 OUTLOOK

- Volatile environment and some geopolitical tensions weighing somewhat on global demand
- Continued focus on internal momentum and implementation of long term strategy
- Arkema aims to demonstrate its resilience in this more complex environment and to consolidate its financial performance at high levels
- 1Q'19 EBITDA expected to be slightly below the very high comparison base of 1Q'18

Arkema aims to achieve in 2019 an EBITDA comparable to the 2018 record level, with momentum improving throughout the year, driven notably by the growth of specialty businesses

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 FY'18 press release. 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.