

VERSUM MATERIALS

INVESTOR PRESENTATION

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FORWARD-LOOKING STATEMENTS

This presentation contains certain statements regarding business strategies, market potential, future financial performance, future action, results and other matters which are “forward-looking” statements within the meaning of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995. The words “believe,” “expect,” “anticipate,” “project,” “estimate,” “continue,” “intend,” “may,” “plan,” “potential,” “will,” “forecast,” “goal,” “guidance,” “outlook,” “target” and similar expressions, among others, generally identify forward-looking statements. Additionally, forward-looking statements include, but are not limited to: statements about business strategies and outlook for Versum Materials, expectations as to Versum Materials’ future sales, estimates regarding Versum Materials’ capital requirements and needs for additional financing, estimates of Versum Materials’ expenses, future revenues and profitability, and estimates of the size of the market for Versum Materials’ products, and estimates of the success of other competing technologies that may become available. These forward-looking statements are based on management’s reasonable expectations and assumptions as of the date of this release. Actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors not anticipated by management, including, without limitation, weakening of global or regional economic conditions; future financial and operating performance of major customers; unanticipated contract terminations or customer cancellations of sales; the impact of competitive products and pricing; unexpected changes in raw material supply and markets; failure to successfully develop and market new products and optimally manage product life cycles; inability to protect and enforce its intellectual property rights; failure to appropriately manage process safety and product stewardship issues; global economic and capital markets conditions, such as inflation, interest and currency exchange rates; business or supply disruptions; security threats, such as acts of sabotage, terrorism or war, weather events and natural disaster; increased competition; changes in relationships with our significant customers and suppliers; unanticipated business disruptions; inability to predict, identify and interpret changes in consumer preferences and demand; uncertainty regarding the availability of financing to us in the future and the terms of such financing; disruptions in information technology networks and systems; unexpected safety or manufacturing issues; costs and outcomes of litigation or regulatory investigations; the impact of management and organizational changes, the success of cost reduction efforts; the timing, impact, and other uncertainties of future acquisitions or divestitures; significant fluctuations in interest rates and foreign currencies from that currently anticipated; the impact of changes in environmental, tax or other legislation and regulations. Air Products and Versum disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this document to reflect any change in assumptions, beliefs or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based, except as required by applicable law.

IMPORTANT NOTICE

There is no assurance that the spin-off transaction described herein will be completed, and there are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein relating to the spin-off transaction. These risks and uncertainties include:

- there are a number of implementation and operational complexities to address in connection with the spin-off transaction, including the related internal reorganizations necessary to separate the Materials Technologies business from Air Products' other businesses;
- the ability and timing of Air Products to obtain required regulatory approvals regarding the spin-off transaction;
- the ability and timing of Air Products to complete financings and/or refinancings related to the spin-off transaction on acceptable terms or at all;
- while Air Products currently intends to take the steps necessary to separate its Materials Technologies business and complete the spin-off transaction, there could be changes in legal, regulatory, market and other circumstances such that Air Products can give no assurances that it will continue to pursue the spin-off transaction. Air Products will have the right to terminate the spin-off transaction, even if all of the conditions have been satisfied, if the board of directors of Air Products determines, in its sole and absolute discretion, that the spin-off transaction is not in the best interests of Air Products and its shareholders or that market conditions or other circumstances are such that the spin-off transaction is no longer advisable at that time; and
- other risks, including those as may be detailed from time to time in Air Products' and/or Versum's filings with the Securities and Exchange Commission.

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BEST IN CLASS SPECIALTY MATERIALS COMPANY



Solid growth

High margins

Low capital intensity

Strong free cash flow

VERSUM MATERIALS

BEST IN CLASS SPECIALTY MATERIALS COMPANY



Solid growth

High margins

Low capital intensity

Strong free cash flow



Leadership positions in niche markets with favorable industry structures



Strong technology, commercial and operations capabilities



Global infrastructure



Compelling growth platforms with sustainable competitive advantage



Strong financial performance and cash flow generation



Experienced management team with proven track record

MATERIALS TECHNOLOGIES

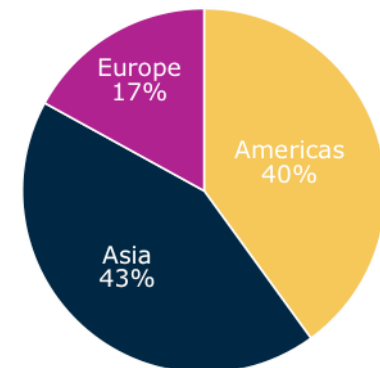
A PORTFOLIO OF WORLD CLASS BUSINESSES

Sales:*	\$2,053
Adj. EBITDA:*	\$590
EBITDA Margin:	28.7%
Op Income:*	\$499
Op Margin:	24.3%

Performance Materials Division (PMD)
~50% of sales

Electronic Materials Division (EMD)
~50% of sales

- Size and critical mass to succeed
- Strong financials
- Diversification of two divisions
- Geographically well positioned



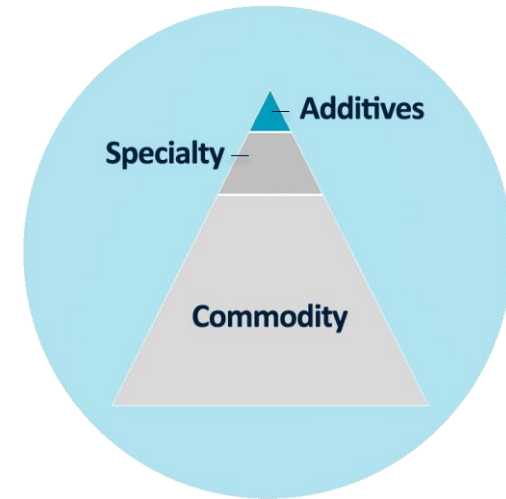
% of FY 15 Sales

CORE GROWTH PLATFORMS

Performance Materials Division:

The Premier Additives Company

- Focus on a true “Additive” portfolio where our products provide low cost in use/high value in use
- Target niche markets or unique technologies/segments where we can build leadership positions and where we can leverage market leadership, complexity, and technology to our advantage

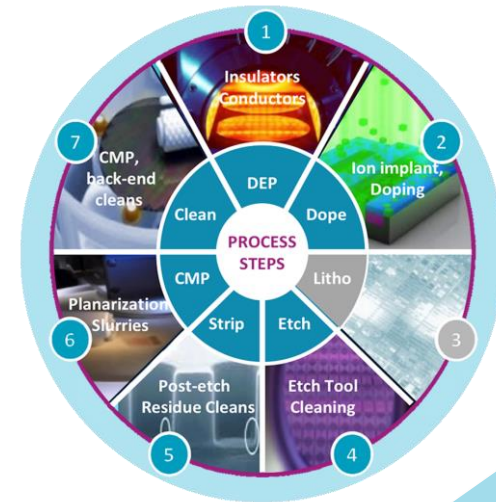


Additives

Electronic Materials Division:

The Materials Partner of Choice of the Semiconductor Industry

- Focus on Semiconductor (IC) Materials where materials provide low cost in use/high value in use
- Leverage technology leadership, global scale, quality and reliability capabilities, and partnership with customers and OEMs to develop and commercialize the next generation technologies which will advance the industry
- Expand into adjacent segments within IC



Semiconductor Materials

PERFORMANCE MATERIALS DIVISION

TECHNOLOGY AND INNOVATION EXPANDING PRODUCT PERFORMANCE BOUNDARIES

SBU



Epoxy Curing Agents

Key Products

- Curing Agents
- Accelerators and Catalysts
- Adhesive Promoters

Key End-Markets

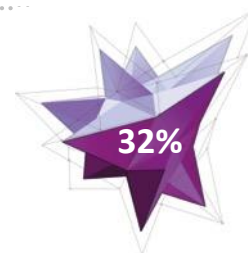
- Marine and Protective High Performance Coatings
- Construction
- Composites
- Structural Adhesives



Polyurethane Additives

- Catalysts:
Amine, Metal,
Low/Non-Emissive
- Surfactants
- Curatives

- Construction
- Consumer Foams
- Automotive
- Adhesives



Specialty Additives

- Surfactants
- Wetting Agents
- Dispersants
- Defoamers

- Coatings
- Inks
- Industrial Cleaning
- Chemical Processes



PERFORMANCE MATERIALS DIVISION

DIVERSE MARKETS AND CUSTOMERS



ELECTRONIC MATERIALS DIVISION

INCREASED FOCUS ON TECHNOLOGY DRIVEN ADVANCED MATERIALS

SBU



Advanced Materials

Key Products

- Advanced Deposition Materials for Thin Films
- CMP Slurries and Post CMP Cleans
- Formulated Products for Surface Prep & Clean

Key End-Markets

- Semiconductors
- Advanced Packaging



Process Materials

- Process Gases for:
 - Deposition
 - Clean & Etch
 - Doping
 - Lasers

- Semiconductors
- Display
- LED
- Others



Delivery Systems & Services

- Equipment for:
 - Specialty Gases
 - Chemicals
 - CMP Slurries
- Materials Management Services

- Semiconductor
- Display



ELECTRONIC MATERIALS DIVISION

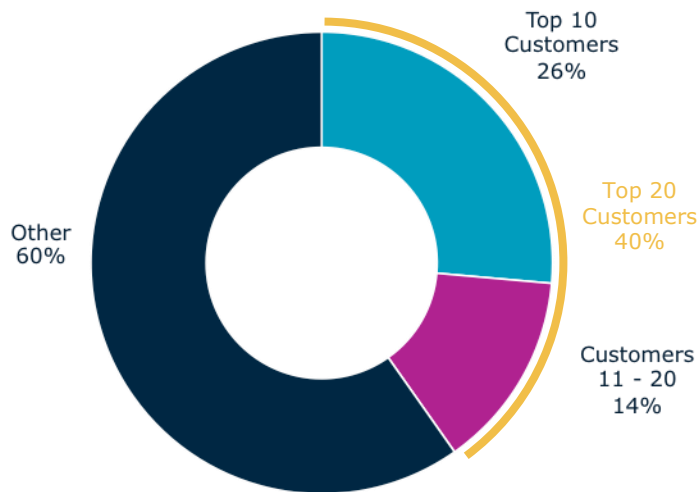
CREATING VALUE BY MANAGING COMPLEXITY



CUSTOMERS

DIVERSE AND HIGH QUALITY CUSTOMER BASE

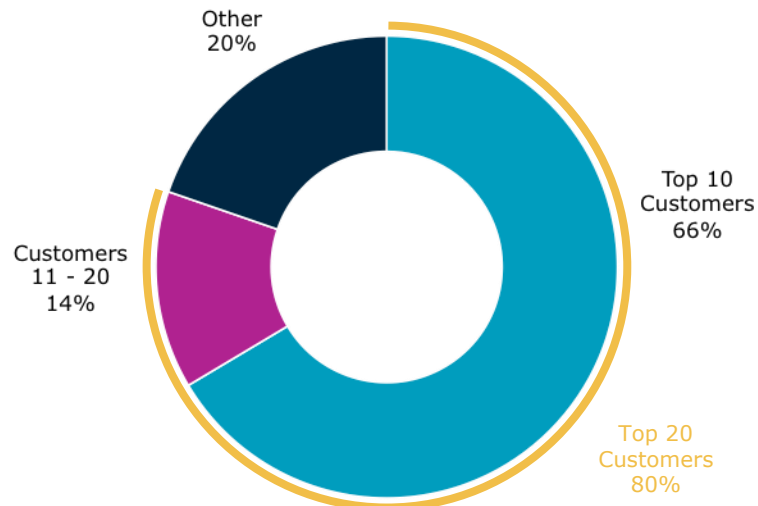
PMD



FY2015 Sales: \$1,078 million

- Base of large scale, global customers
- Diversified across industries, markets and geographies
- Additives formulated into many of our customer products

EMD



FY2015 Sales: \$1,009 million

- Serve semiconductor industry leaders with broad and diverse products portfolio
- Growth driven by partnerships requiring innovation capabilities, collaboration, and trust
- Many products are Process of Record (POR) in customer manufacturing process

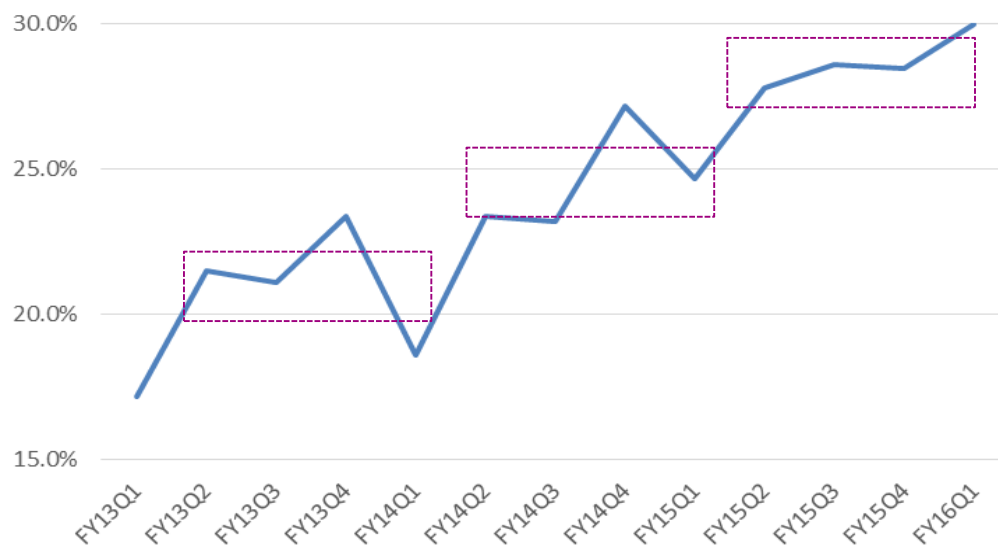
REACHING HIGHER LEVELS OF PERFORMANCE

SELF-HELP ACTIONS DRIVING SUSTAINABLE MARGIN IMPROVEMENT

Structural Shift In Profitability

- Exited un-sustainable businesses
- Improved Process Material business model and supply chain
- Reduced structural cost
- Drove multi lever actions (volume leverage, innovation, product mix, pricing, RM cost, operating and overhead productivity)

Materials Technologies Adj. EBITDA Margin



INDUSTRY & BUSINESS PORTFOLIO CHANGED

MORE PROFITABLE, MORE COMPETITIVE & LESS CYCLICAL

PERFORMANCE MATERIALS DIVISION

- Stable business with low historic cyclicalities
- Sustainable Competitive Advantage
 - Global Market Leader
 - Technology & Application Expertise
 - Fragmented business at a product level
- Ongoing self-help actions drive productivity and improve cost positions
- Strong industry push for both better environmental characteristics and performance supports innovation

ELECTRONICS MATERIALS DIVISION

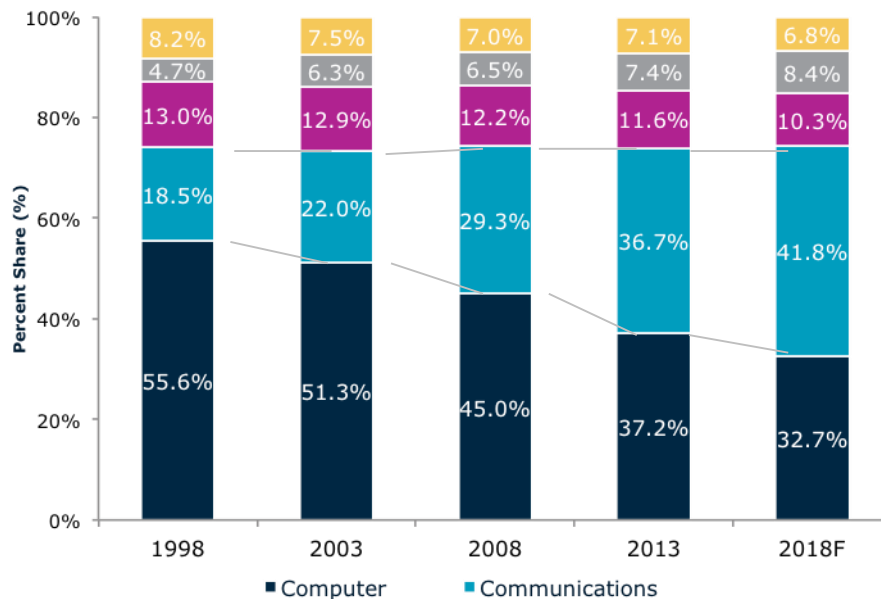
- Self-help actions, changes in our portfolio mix and innovation have improved the quality of our business and reduced cyclicalities
- Changing industry dynamics are reducing cyclicalities
 - Growth of mobility and Internet-of-Things (IoT) are reducing PC demand dynamics and moving industry towards consumer goods/GDP growth
 - Mega Fab required high investment levels and concentration of semiconductor producers has increased investment discipline and lowered oversupply dynamics
- Materials are more critical to the industry's ability to innovate for next generation nodes

DIVERSIFIED PORTFOLIO | TECHNOLOGY DRIVEN MARKETS | BEST IN CLASS COSTS | MEGATREND SUPPORTED GROWTH

ELECTRONIC MATERIALS INDUSTRY IS CHANGING

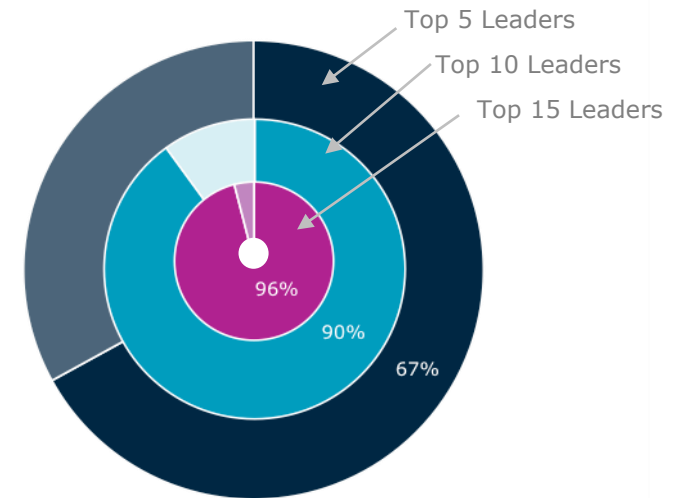
SHIFTING GROWTH DRIVERS (MOBILITY & IOT) & INDUSTRY CONCENTRATION

IC Market Share by System Type (%)



Source: IC Insights.

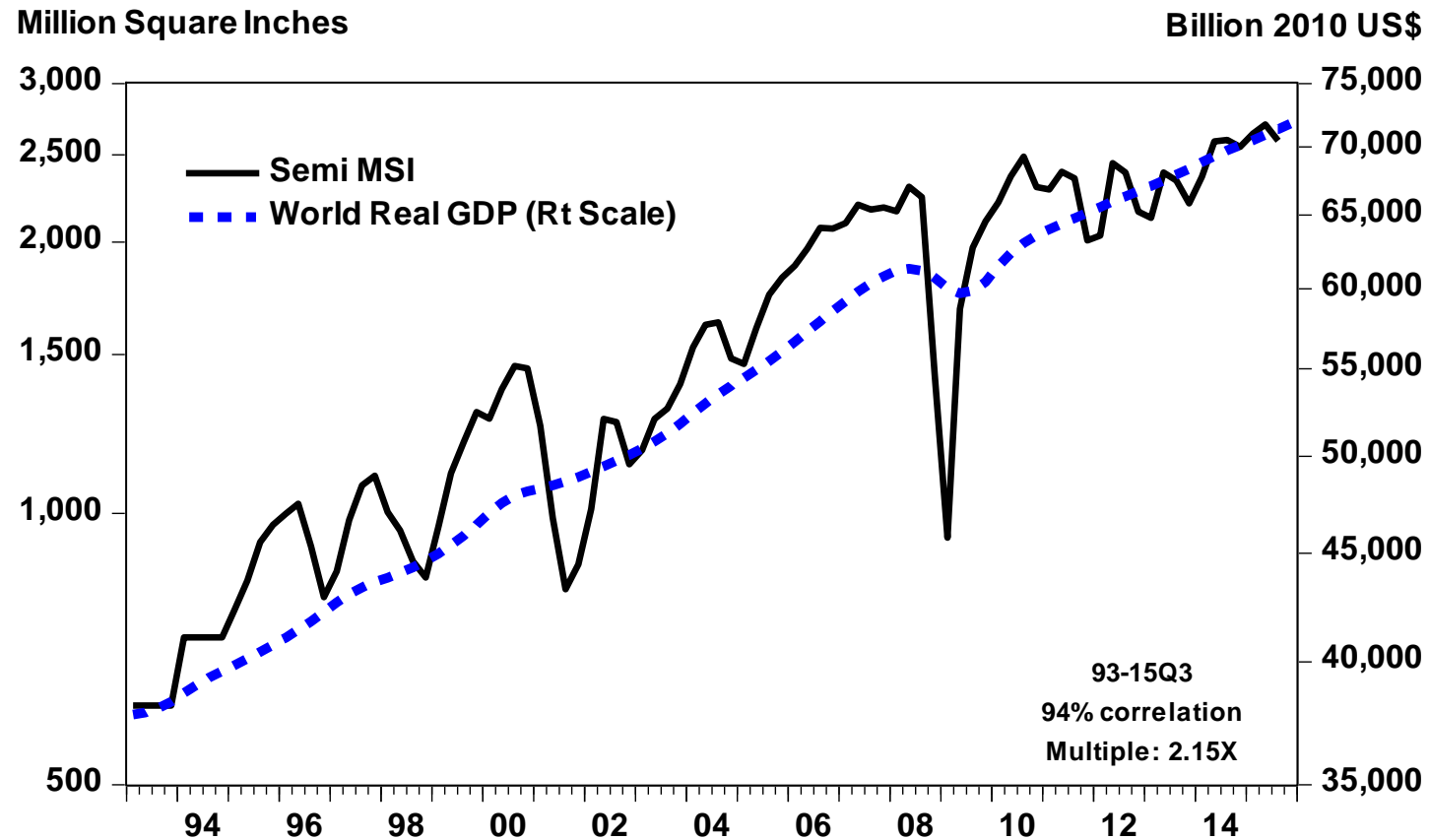
Global Share of 300mm Wafer Capacity



- Move towards consumer products dampens demand cyclicity
- More disciplined industry capacity expansions

SEMICONDUCTOR DEMAND CORRELATED TO GDP

DRIVING DECREASING VOLATILITY



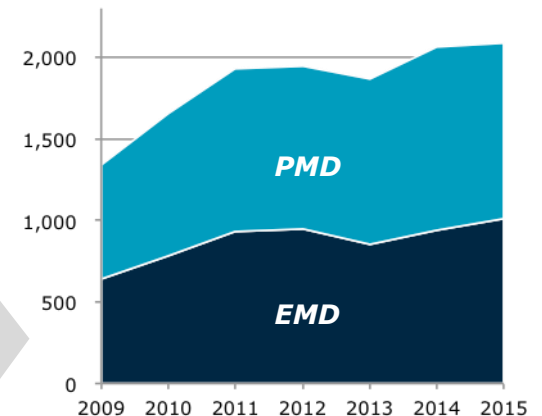
Total real (inflation-removed) spending on finished goods and services by business, government and commercial in 85 of the largest economies highly correlated with Semi MSI

VERSUM MATERIALS GROWTH DRIVERS

ACCELERATING GROWTH DRIVERS SUPPORTING BASE BUSINESS

	Growth as multiple of global GDP	Impact on Versum Materials
Base Business	1x	~1/3 growing with underlying GDP
Megatrends	2-3x	<div>Environment</div> <div>Energy efficiency</div> <div>Emerging markets</div> <div>~1/3 driven by target markets segment dynamics</div>
Innovation	>3x	~1/3 "x-factor" segments / offerings

Materials Technologies
Historical Revenue



Growth Trend

PMD:	7%
EMD:	9%
Versum:	7%

Potential to Grow at 1.5-3x GDP

VERSUM MATERIALS FINANCIAL PROFILE

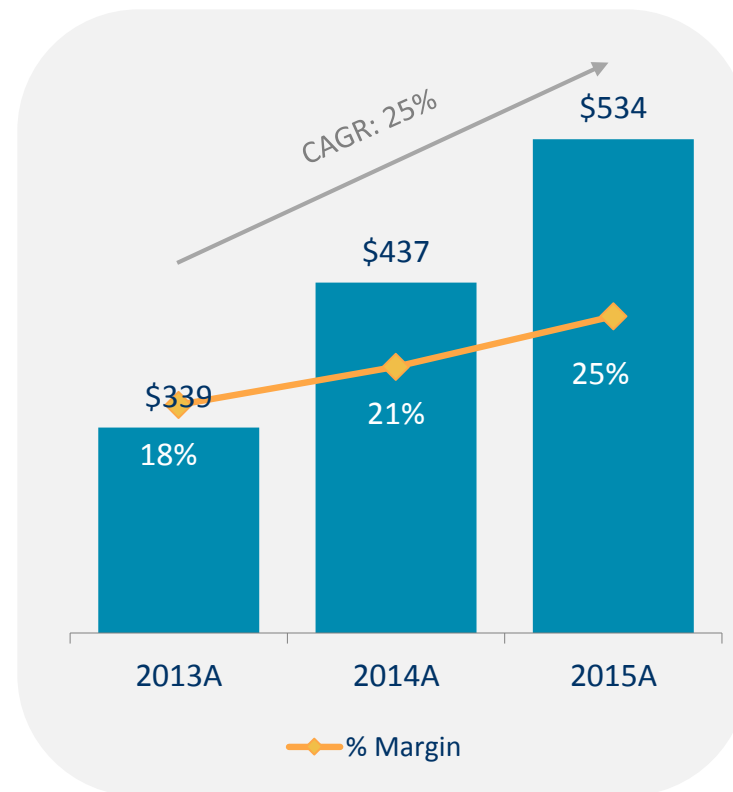
IMPROVING BUSINESS QUALITY THROUGH SPECIFIC ACTIONS

SALES



- Mixed Economic Period
- Impacted by Portfolio Adjustments

ADJUSTED EBITDA

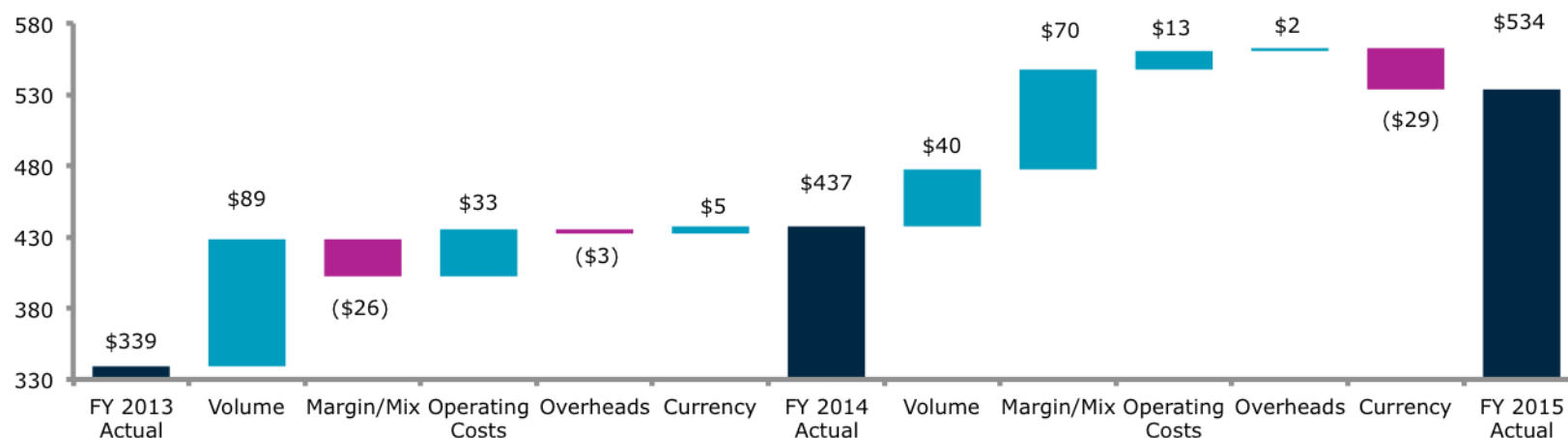


- Significant Profit Leverage
- Driven by “Self-Help” Actions

VERSUM MATERIALS FINANCIAL PROFILE

PROFIT IMPROVEMENT DRIVEN BY DIFFERENT LEVERS AT DIFFERENT TIMES

Adjusted EBITDA Waterfall



Key Factors Impacting FY14 Performance

- Strong volumes across both segments
- Unfavorable pricing/raw material cost in PMD and unfavorable mix
- Favorable productivity in PMD from sourcing/yields, in EMD from operations restructuring

Key Factors Impacting FY15 Performance

- Strong volumes in EMD from memory market demand and new products
- Favorable mix, improved pricing in EMD due to demand for process gases, and favorable price/raw material management in PMD
- Cost reductions program in supply chain & overheads
- Unfavorable currency primarily EUR, TWD, KRW

SIGNIFICANT CASH GENERATION

(\$ million)	
Adj EBITDA	\$534
Est. Interest	(150)
Est. Cash Taxes	(84)
Est. Maintenance Capex	<u>(30)</u>
Est. Distributable Cash Flow	\$270
Est. Growth Capex	(40)
Est. Free Cash Flow (before dividend)	\$230

Notes:

- Adj EBITDA = FY15 Versum Carve-out, non-GAAP – see appendix for reconciliation
- Est. Interest = assumes \$2.5 billion debt at 6%
- Est. Maintenance Capex = 1.5% of sales, as disclosed in Form 10
- Est. Growth Capex = ~\$70 million total capex average for last three years, as disclosed in Form 10, less maintenance capex

FINANCIAL OVERVIEW

SETUP FOR SUCCESS

- **Strong financial profile with attractive and sustainable margins**
 - Balanced customer portfolio across industries, markets and geographies
 - Technology & Innovation Leadership delivering tailored solutions to niche markets
 - Strategically located global manufacturing footprint and infrastructure
 - Opportunity to optimize cost structure to “Specialty Materials” company
- **Solid balance sheet**
 - Limited environmental and pension liabilities
 - No material off balance-sheet liabilities
- **Significant cash flow generation**
 - Class leading EBITDA margins
 - Low capital intensity
- **Future growth through innovation and cash accretive bolt-on M&A**
 - Customer centric new product development
 - Opportunities for expansion geographically and in product adjacencies

SPIN-OFF UPDATE

ON TRACK TO BE READY TO SPIN NO LATER THAN SEPTEMBER 2016

Air Products MT

- Operating segment within APD
- Share systems, process and infrastructure

Air Products ↔ VM

- Operating as a 100% Owned Subsidiary of APD
- Independent Management, Systems, Process, Infrastructure, Customer interactions
- Ready for spin by Sept 2016

Air Products

VM

- Spin & Ownership change
- Timing dependent on market conditions and final APD Board decision

LOOKING AHEAD

OUR PRIORITIES

No compromise on safety

Deliver on financial commitments

Complete separation activities on-time

Execute strategic initiatives

Plan for stand-alone company optimization

BEST IN CLASS SPECIALTY MATERIALS COMPANY



Solid growth

High margins

Low capital intensity

Strong free cash flow

THANK YOU



APPENDIX SLIDES

Appendix – Non GAAP Measures

\$ Millions

	Quarter													Dec15
	Q113	Q213	Q313	Q413	Q114	Q214	Q314	Q414	Q115	Q215	Q315	Q415	Q116	LTM
Materials Technologies Segment within Air Products														
Operating Income	51.1	69.4	72.7	86.3	64.3	93.8	96.6	124.3	104.6	124.2	131.5	116.4	127.2	499.3
Add: Depreciation and amortization	26.8	27.7	26.4	26.8	24.5	22.7	24.5	27.4	24.0	23.3	22.7	22.8	19.6	88.4
Add Equity Affiliates' Income	<u>0.9</u>	<u>0.9</u>	<u>0.3</u>	<u>0.7</u>	<u>0.6</u>	<u>0.6</u>	<u>0.8</u>	<u>0.6</u>	<u>0.6</u>	<u>0.7</u>	<u>0.3</u>	<u>0.6</u>	<u>0.4</u>	<u>2.0</u>
Adjusted EBITDA	78.8	98.0	99.4	113.8	89.4	117.1	121.9	152.3	129.2	148.2	154.5	139.8	147.2	589.7
Sales	457.2	455.0	471.2	486.9	479.5	499.6	524.7	560.8	524.0	533.3	539.8	490.0	490.0	2,053.1
Operating Margin	11.2%	15.3%	15.4%	17.7%	13.4%	18.8%	18.4%	22.2%	20.0%	23.3%	24.4%	23.8%	26.0%	24.3%
Adjusted EBITDA Margin	17.2%	21.5%	21.1%	23.4%	18.6%	23.4%	23.2%	27.2%	24.7%	27.8%	28.6%	28.5%	30.0%	28.7%

	Fiscal Year		
	FY13	FY14	FY15
Versum Materials			
Net Income	75.8	253.8	307.9
Add: Interest expense	2.5	0.9	0.8
Add: Income tax provision	27.9	87.6	98.6
Add: Depreciation and amortization	88.8	86.0	84.5
Add: Noncontrolling interests	6.8	7.1	7.0
Add: Business restructuring and cost reduction actions	<u>137.4</u>	<u>2.0</u>	<u>34.8</u>
Adjusted EBITDA	339.2	437.4	533.6
Sales	1,879.0	2,075.3	2,096.4
Adjusted EBITDA margin	18.1%	21.1%	25.5%