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2Q18



AUGUST
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Braskem 

Disclaimer on Forward-Looking Statements

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Scenario Highlights

Region	Quarter	Demand ⁽¹⁾ (million tons)		International Spreads ⁽²⁾ (US\$/ton)					
		PE+PP+PVC	Δ	PE+PP	Δ	Vinyls	Δ	Chemicals	Δ
Brazil	Q2 17	1.25	0%	703	-7%	705	3%	458	-15%
	Q1 18	1.31	-4%	736	-11%	716	1%	388	1%
	Q2 18	1.25		653		724		390	
US		PP	Δ	PP	Δ				
	Q2 17	1.96	2%	573	17%				
	Q1 18	1.86	7%	617	8%				
	Q2 18	1.99		669					
Europe		PP	Δ	PP	Δ				
	Q2 17	2.08	2%	504	-23%				
	Q1 18	2.19	-3%	471	-18%				
	Q2 18	2.12		388					
Mexico				PE	Δ				
	Q2 17			965	13%				
	Q1 18			1,140	-5%				
	Q2 18			1,087					

(1) Sources: Brazil – ABIQUIM and AliceWeb; US – ACC; Europe – IHS/ (2) Source: IHS

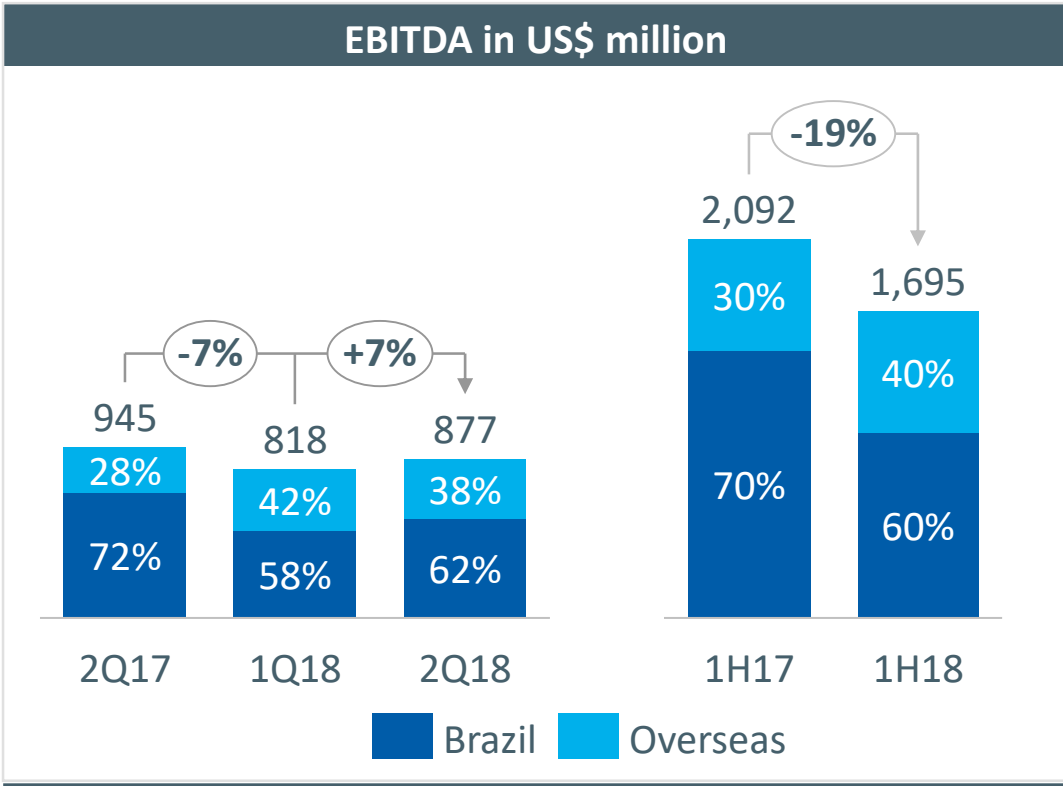
Operational Highlights

Region	Quarter	Utilization Rate (%)		Sales - Resins (kton)				EBITDA (US\$ million)	
		Crackers	Δ	Brazil	Δ	Exports	Δ	Brazil	Δ
Brazil	Q2 17	93%	-3 p.p.	835	-2%	367	-13%	718	-31%
	Q1 18	90%	0 p.p.	886	-7%	320	0%	451	10%
	Q2 18	90%		821		320		495	
US		PP	Δ	US	Δ			US & Europe	Δ
	Q2 17	97%	-18 p.p.	376	-7%			120	42%
	Q1 18	92%	-13 p.p.	364	-4%			176	-3%
Europe		PP	Δ	Europe	Δ				
	Q2 17	89%	6 p.p.	140	6%				
	Q1 18	92%	3 p.p.	142	4%				
Mexico		PE	Δ	Mexico	Δ	Exports	Δ	Mexico	Δ
	Q2 17	83%	-11 p.p.	130	4%	109	-43%	142	13%
	Q1 18	85%	-13 p.p.	146	-8%	58	7%	165	-2%
	Q2 18	72%		135		62		161	

Financial Highlights

		Consolidated Figures	
Net Revenue (US\$ million)	Q2 17	3,695	Δ 3%
	Q1 18	4,018	-5%
	Q2 18	3,818	
EBITDA (US\$ million)	Q2 17	945	Δ -7%
	Q1 18	818	7%
	Q2 18	877	
Net Profit ⁽¹⁾ (R\$ million)	Q2 17	1,090	Δ -50%
	Q1 18	1,054	-48%
	Q2 18	547	

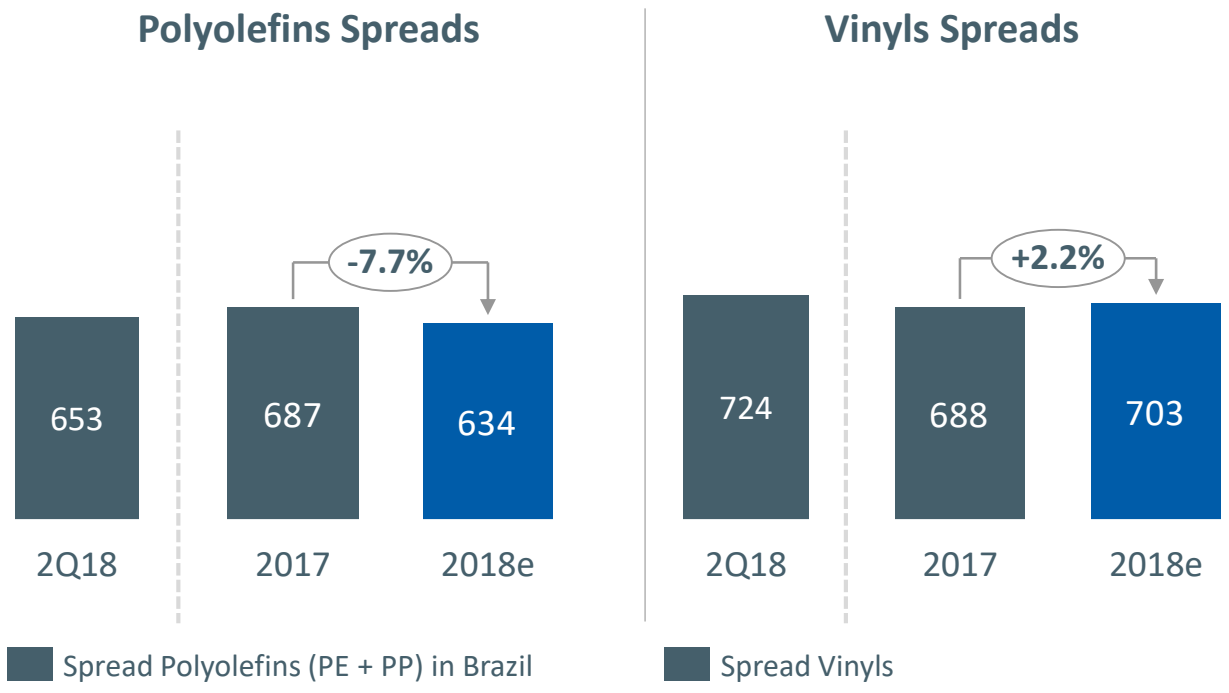
Around **40%** of Braskem' EBITDA in the 1H18 was generated **outside Brazil** ⁽²⁾



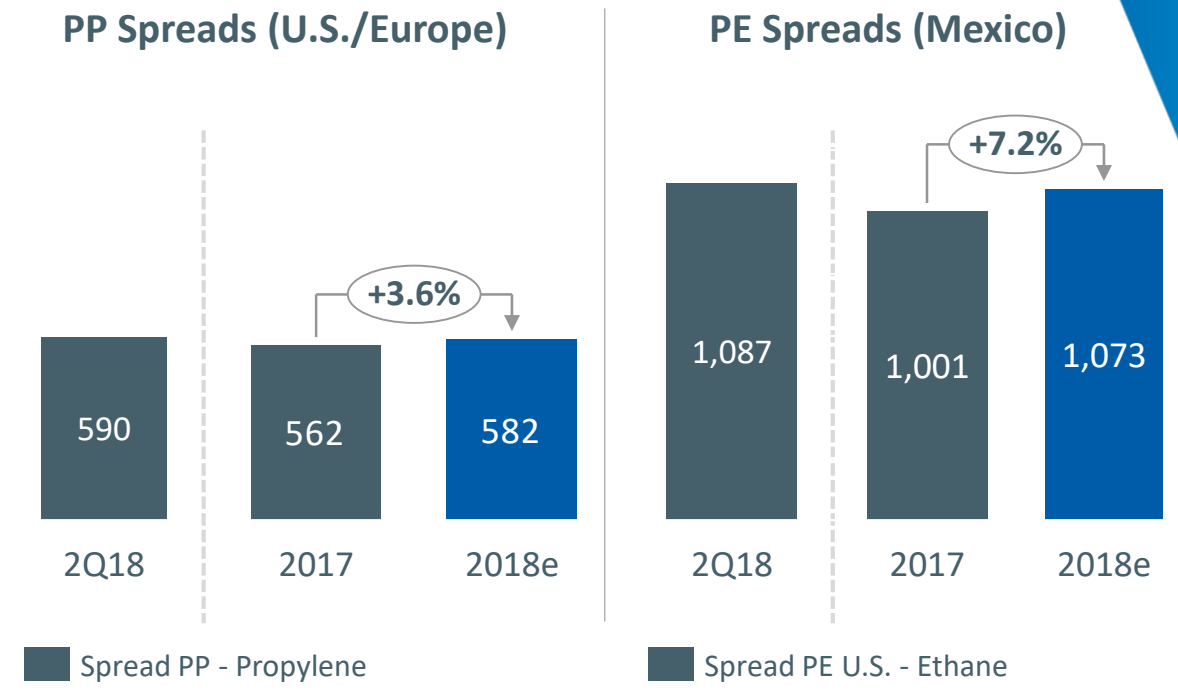
(1) Net Profit attributable to Company's shareholders
 (2) Does not consider the EBITDA from Brazilian exports

Petrochemical Scenario Outlook

Spreads – Brazil (US\$/ton)



Spreads – International Business (US\$/ton)



PE: Lower spreads for the remainder of the year, due to the ramp up of new capacities in the U.S and higher oil prices.

PP: Although China continues to aim for self-sufficiency and add capacity, demand is expected to grow more and keep spreads high.

Vinyls: PVC and caustic prices are forecasted to increase vs. 2017, due to recent capacity closures and environmental concerns.

PP U.S./Europe: Higher spreads due to tight PP market in the U.S., in addition to new propylene capacity being ramped up in the region. In Europe, spreads are expected to decrease slightly.

PE Mexico: Lower spreads in the quarter due to new capacities in the U.S. and rising ethane prices.

Source: IHS

Outlook for 2018

		Current Estimates for 2018 vs. 2017	Current Estimates vs. Previous Est.
Utilization Rate		Lower in all regions ▼	⊖
Regional Demand	US/Europe	■~1x GDP ▲	⊖
	Brazil/Mexico	■~1.5 x GDP	⊖
Spreads (US\$/t)*	Chemicals	▼	⊕
	PE+PP Brazil	▼	⊖
	PVC Brazil	▲	⊖
	US & Europe	▲	⊖
	Mexico	▲	⊖
Reintegra		0.1% ▼	⊖
REIQ		0% ▼	⊖
Exchange Rate (R\$/US\$)		Depreciation ▼	⊕
Consolidated EBITDA (US\$ million)		▼	⊖

	Current Estimates for 2018 vs. 2017	Current Estimates vs. Previous Est.
Working Capital	Not Relevant ▲	⊖
Interest	Lower interest rates and gross debt ▲	⊖
Tax	US Tax Reform ▲	⊖
CAPEX	US\$876 million ▼	⊖
Free Cash Flow (US\$ million)	▲	⊖

Braskem remains expecting a higher Cash Flow Generation for 2018 as compared with 2017, though a lower EBITDA

*Source: IHS

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