GRACE

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First Quarter 2017 Business Update

Investor Presentation
April 26, 2017

Disclaimer

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This presentation contains forward-looking statements, that is, information related to future, not past, events. Such statements generally include the words “believes,” “plans,” “intends,” “targets,” “will,” “expects,” “suggests,” “anticipates,” “outlook,” “continues,” or similar expressions. Forward-looking statements include, without limitation, expected financial positions; results of operations; cash flows; financing plans; business strategy; operating plans; capital and other expenditures; competitive positions; growth opportunities for existing products; benefits from new technology and cost reduction initiatives, plans and objectives; and markets for securities. For these statements, Grace claims the protections of the safe harbor for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act. Like other businesses, Grace is subject to risks and uncertainties that could cause its actual results to differ materially from its projections or that could cause other forward-looking statements to prove incorrect. Factors that could cause actual results to differ materially from those contained in the forward-looking statements include, without limitation: risks related to foreign operations, especially in emerging regions; the cost and availability of raw materials and energy; the effectiveness of its research and development and growth investments; acquisitions and divestitures of assets and gains and losses from dispositions; developments affecting Grace’s outstanding indebtedness; developments affecting Grace's funded and unfunded pension obligations; its legal and environmental proceedings; uncertainties related to Grace’s ability to realize the anticipated benefits of the separation transaction; the inability to establish or maintain certain business relationships and relationships with customers and suppliers or the inability to retain key personnel; costs of compliance with environmental regulation; and those additional factors set forth in Grace's most recent Annual Report on Form 10-K, quarterly report on Form 10-Q and current reports on Form 8-K, which have been filed with the Securities and Exchange Commission and are readily available on the Internet at www.sec.gov. Reported results should not be considered as an indication of future performance. Readers are cautioned not to place undue reliance on Grace's projections and forward-looking statements, which speak only as the date thereof. Grace undertakes no obligation to publicly release any revision to the projections and forward-looking statements contained in this announcement, or to update them to reflect events or circumstances occurring after the date of this presentation.

Non-GAAP Financial Terms

In this presentation, Grace presents financial information in accordance with U.S. generally accepted accounting principles (U.S. GAAP), as well as the non-GAAP financial information described in the Appendix. Grace believes that this non-GAAP financial information provides useful supplemental information about the performance of its businesses, improves period-to-period comparability and provides clarity on the information management uses to evaluate the performance of its businesses. In the Appendix, Grace has provided reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP. These non-GAAP financial measures should not be considered as a substitute for financial measures calculated in accordance with U.S. GAAP, and the financial results calculated in accordance with U.S. GAAP and reconciliations from those results should be evaluated carefully.

Highlights

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1Q17

- Sales up 10% YoY
- Adjusted EPS up 11% YoY
- Adjusted EBIT up 5% YoY
- Adjusted Free Cash Flow of $50 million year-to-date

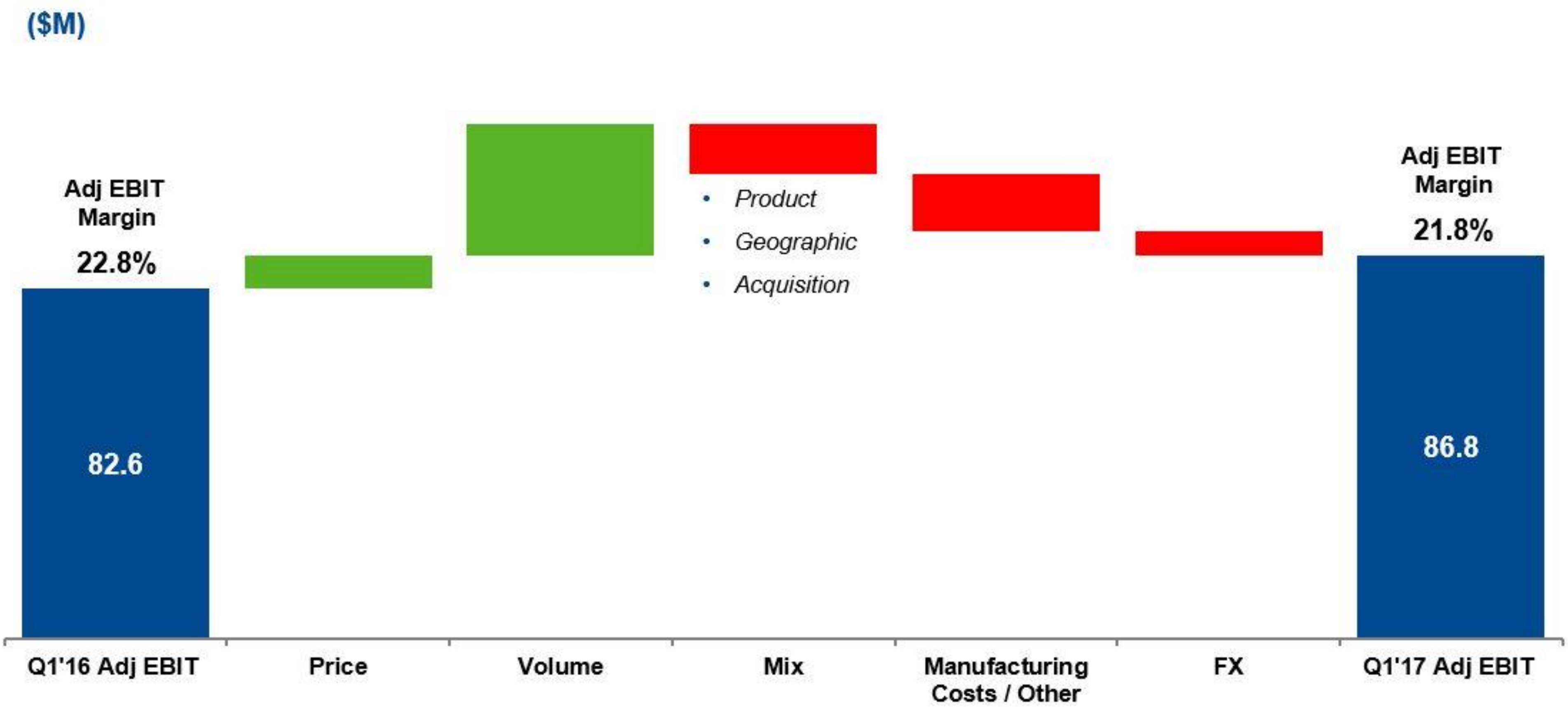
FY17

- Tightening full year 2017 outlook:
  - Adjusted EPS of $3.30 - $3.45, up 6%-11%
  - Sales growth of 3%-4% (4%-5% on a constant currency basis)
  - Adjusted EBIT of $415M - $430M, up 4%-7%
  - Adjusted EBITDA of $525M - $540M, up 5%-8%
  - (assumes an average 1.05 EUR/USD exchange rate for the year)
- Maintaining full year 2017 Adjusted Free Cash Flow of $265M to $275M

Capital Allocation

- Declaring quarterly cash dividend of $0.21 per share
- Stock buy back of $10M or ~142,000 shares year-to-date
- Capital expenditures of $31M year-to-date
- Completed deferred payment of $30M to the Asbestos PD Trust

1Q17 vs. 1Q16 Adjusted EBIT Margin



Good volume growth, some price; margin dilution from acquisition, mix and higher manufacturing costs

Q1 2017 Financial Performance

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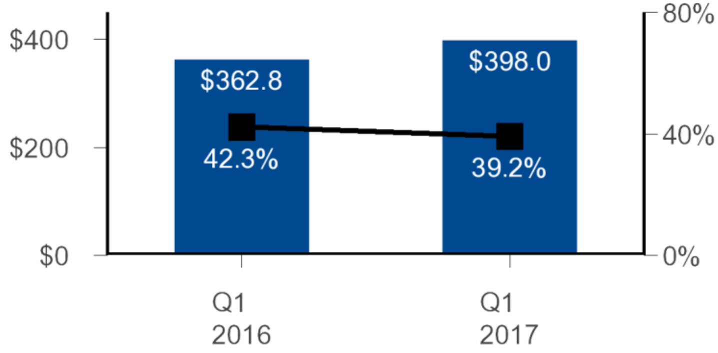
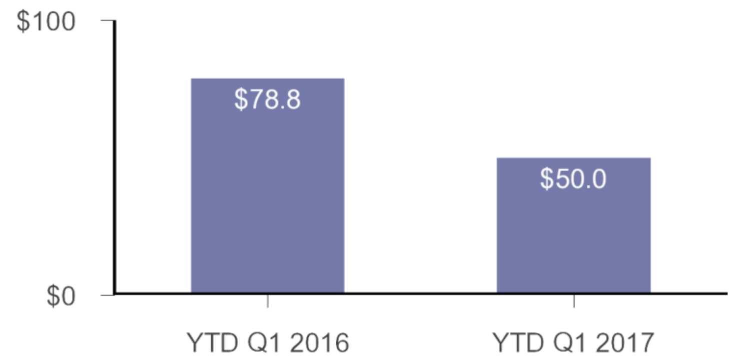
Sales ($mm) / **Adjusted Gross Margin***



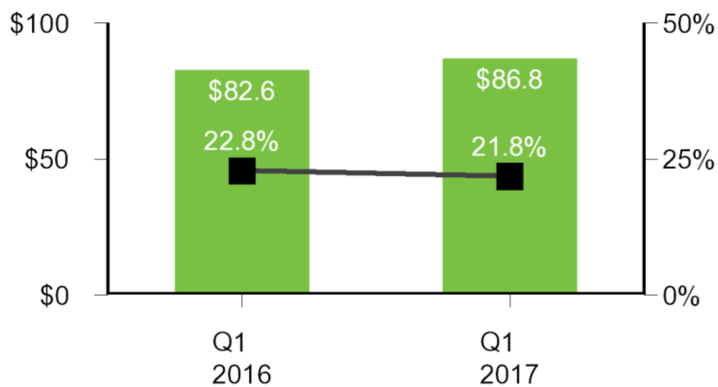
Strong sales growth of 10%

Adjusted Free Cash Flow*($mm)



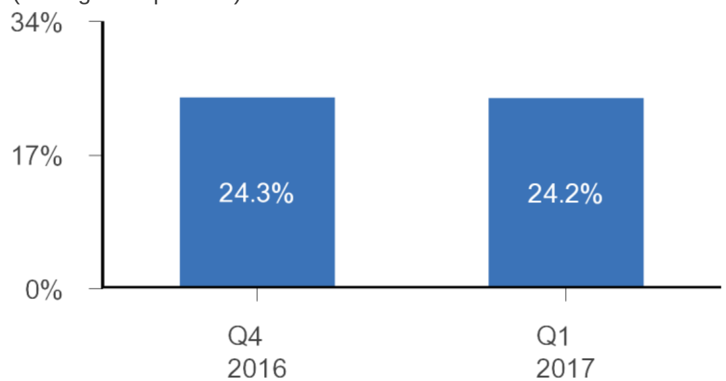
On track for FY17 AFCF target $265-$275M

Adjusted EBIT* ($mm) / **Adjusted EBIT Margin**



Adj. EBIT growth of 5%

Adjusted EBIT Return on Invested Capital*
(trailing four quarters)

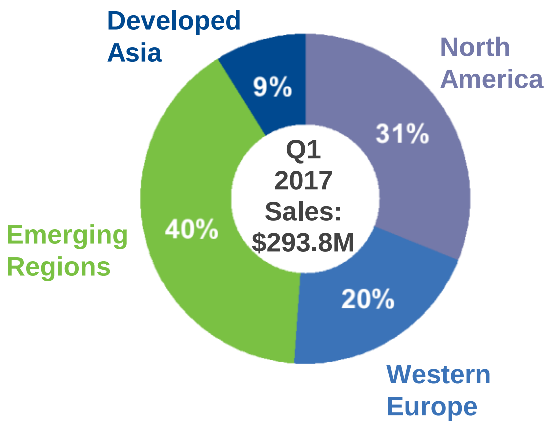


*Definitions of non-GAAP financial terms and reconciliations to the closest GAAP term are provided in the Appendix

Catalysts Technologies – Q1 2017 Results

- Specialty catalyst organic sales up 8% YoY
- FCC catalyst volumes up 5% YoY
- FCC prices up >1% YoY
- Gross Margin affected by higher manufacturing costs and regional/product mix
- ART joint venture contributed $7.0 million to segment operating income

(in millions of dollars)	Q1 2016	Q1 2017	Y/Y Change
Sales	**260.6**	**293.8**	**12.7%**
Gross Margin	***43.4%***	***39.2%***	***(420) bps***
Operating Income	**78.3**	**81.2**	**3.7%**
Operating Margin	***30.0%***	***27.6%***	***(240) bps***



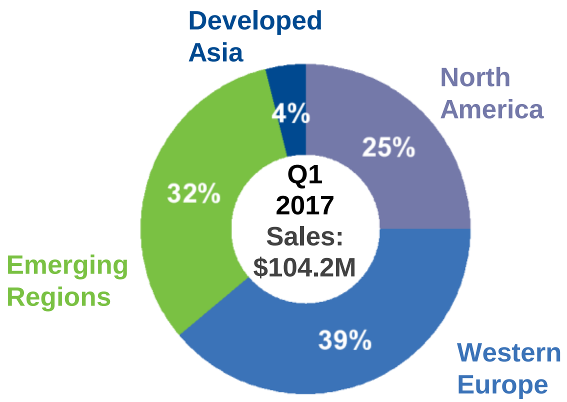
Factors Impacting Sales

Y/Y Change	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Volume	(3.9)%	(2.1)%	5.8%	6.2%	**13.0%**
Price	(1.9)%	(2.5)%	(1.9)%	1.4%	**0.8%**
Currency	(1.4)%	0.8%	(0.2)%	(0.3)%	**(1.1)%**
Total	**(7.2)%**	**(3.8)%**	**3.7%**	**7.3%**	**12.7%**

Materials Technologies – Q1 2017 Results

- Sales up 10% YoY excluding the exited product lines
- Operating margin up 360 bps YoY on volume growth and lower expenses
- Regions:
  - Asia Pacific strengthening
  - North America stable
  - EMEA stable
  - LATAM mixed

(in millions of dollars)	Q1 2016	Q1 2017	Y/Y Change
Sales	**102.2**	**104.2**	**2.0%**
Gross Margin	***39.4%***	***39.1%***	***(30) bps***
Operating Income	**20.6**	**24.8**	**20.4%**
Operating Margin	***20.2%***	***23.8%***	***360 bps***



Factors Impacting Sales

Y/Y Change	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Volume	(8.1)%	(0.5)%	2.9%	3.0%	**11.4%**
Price	0.7%	0.1%	(0.1)%	(0.3)%	**(0.6)%**
Currency	(4.4)%	0.2%	(0.9)%	—%	**(1.0)%**
Exited products		(4.7)%	(6.5)%	(8.1)%	**(7.8)%**
Total	**(11.8)%**	**(4.9)%**	**(4.6)%**	**(5.4)%**	**2.0%**

Grace Business Results* – Q1 2017

(in millions of dollars except EPS)	Q1 2016	Q1 2017	Y/Y Change
Net Sales	362.8	398.0	9.7%
Adjusted Gross Margin	42.3%	39.2%	(310) bps
Adjusted EBIT	82.6	86.8	5.1%
Adjusted EBIT Margin	22.8%	21.8%	(100) bps
Adjusted EBITDA Margin	29.2%	28.6%	(60) bps
Adjusted EBIT ROIC*	NA	24.2%	NA
Diluted EPS from continuing operations	0.15	0.63	NM
Adjusted EPS	0.61	0.68	11.5%

Good sales growth; expected margin dilution from acquisition, mix & higher manufacturing costs

*Definitions of non-GAAP financial terms and reconciliations to the closest GAAP term are provided in the Appendix

Grace 2017 Outlook

(in millions of dollars except EPS)	Current 2017 Outlook	Previous 2017 Outlook	What Has Changed
Sales Growth	3%-4% growth	3%-6% growth	Middle East customer out for the year
Adjusted Gross Margin	41% - 42%	42% - 43%	Lower sales growth, mix, higher inflation
Adjusted EBIT	$415 - $430	$415 - $440	
Adjusted EBITDA	$525 - $540	$525 - $550	
Adjusted EPS	$3.30 - $3.45	$3.30 - $3.55	
Adjusted FCF	$265 - $275	$265 - $275	
Capital Expenditures	~$150 - $160	~$150 - $160	
Adjusted EBIT ROIC	~25%	25% - 26%	
Interest Expense	~$79	~$79	
Adjusted Effective Tax Rate Adjusted Cash Tax Rate	33% - 34% 8% - 10%	33% - 34% 8% - 10%	

Notes:
- 2017 Share count ~68 million
- 2017 Outlook assumes an average 1.05 EUR/USD exchange rate for the year. Every one cent move in the Euro = ~$1.3 million annualized Adj. EBIT
- Definitions of non-GAAP financial terms and reconciliations to the closest GAAP term are provided in the Appendix

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Tania Almond
Investor Relations Officer
+1 410.531.4590
Tania.Almond@grace.com

Non-GAAP Financial Terms

Adjusted EBIT means income from continuing operations attributable to W. R. Grace & Co. shareholders adjusted for interest income and expense; income taxes; costs related to Chapter 11, and legacy product and environmental; restructuring and repositioning expenses and asset impairments; pension costs other than service and interest costs, expected returns on plan assets, and amortization of prior service costs/credits; income and expense items related to divested businesses, product lines, and certain other investments; gains and losses on sales of businesses, product lines, and certain other investments; third-party acquisition-related costs and the amortization of acquired inventory fair value adjustment; and certain other unusual or infrequent items that are not representative of underlying trends.

Adjusted EBITDA means Adjusted EBIT adjusted for depreciation and amortization.

Adjusted Free Cash Flow means net cash provided by or used for operating activities from continuing operations minus capital expenditures plus cash flows related to Chapter 11, and legacy product and environmental; cash paid for restructuring and repositioning; capital expenditures related to repositioning; cash paid for third-party acquisition-related costs; and accelerated payments under defined benefit pension arrangements.

Adjusted Earnings Per Share (EPS) means diluted EPS from continuing operations adjusted for costs related to Chapter 11, and legacy product and environmental; restructuring and repositioning expenses and asset impairments; pension costs other than service and interest costs, expected returns on plan assets, and amortization of prior service costs/credits; income and expense items related to divested businesses, product lines, and certain other investments; gains and losses on sales of businesses, product lines, and certain other investments; third-party acquisition-related costs and the amortization of acquired inventory fair value adjustment; certain other unusual or infrequent items that are not representative of underlying trends; and certain discrete tax items.

Adjusted EBIT Return On Invested Capital means Adjusted EBIT (on a trailing four quarters basis) divided by the sum of net working capital, properties and equipment and certain other assets and liabilities.

Adjusted Gross Margin means gross margin adjusted for pension-related costs included in cost of goods sold and the amortization of acquired inventory fair value adjustment.

Adjusted EBIT, Adjusted EBITDA, Adjusted EBIT Return On Invested Capital, Adjusted Gross Margin, Adjusted EPS and Adjusted Free Cash Flow do not purport to represent income or liquidity measures as defined under U.S. GAAP, and should not be considered as alternatives to such measures as an indicator of Grace's performance or liquidity.

Grace uses Adjusted EBIT as a performance measure in significant business decisions and in determining certain incentive compensation. Grace uses Adjusted EBIT as a performance measure because it provides improved period-to-period comparability for decision making and compensation purposes, and because it better measures the ongoing earnings results of its strategic and operating decisions by excluding the earnings effects of the Chapter 11 proceedings, legacy product and environmental matters, restructuring and repositioning activities, divested businesses, and other items discussed above. Grace uses Adjusted EBITDA, Adjusted EBIT Return On Invested Capital, Adjusted Gross Margin, and Adjusted EPS as performance measures and may use these measures in determining certain incentive compensation. Grace uses Adjusted Free Cash Flow as a liquidity measure to evaluate its ability to generate cash to support its ongoing business operations, to invest in its businesses, and to provide a return of capital to shareholders. Grace also uses Adjusted Free Cash Flow as a performance measure in determining certain incentive compensation.

These measures are provided to investors and others to improve the period-to-period comparability and peer-to-peer comparability of Grace's financial results, and to ensure that investors and others understand the information Grace uses to evaluate the performance of its businesses. They distinguish the operating results of Grace's current business base from the costs of Grace's Chapter 11 proceedings, legacy product and environmental matters, restructuring and repositioning activities, divested businesses, and other items discussed above. These measures may have material limitations due to the exclusion or inclusion of amounts that are included or excluded, respectively, in the most directly comparable measures calculated and presented in accordance with U.S. GAAP and thus investors and others should review carefully the financial results calculated in accordance with U.S. GAAP.

Adjusted EBIT by Operating Segment:	**2016**	**Q1 2016**	**Q2 2016**	**Q3 2016**	**Q4 2016**	**Q1 2017**
Catalysts Technologies segment operating income	$ 367.8	$ 78.3	$ 87.5	$ 94.3	$ 107.7	$ 81.2
Materials Technologies segment operating income	104.0	20.6	28.0	26.4	29.0	24.8
Corporate costs	(59.4)	(13.2)	(16.3)	(14.9)	(15.0)	(16.1)
Gain on curtailment of postretirement plans related to current businesses	0.2	—	—	—	0.2	—
Certain pension costs(B)	(12.3)	(3.1)	(3.1)	(3.1)	(3.0)	(3.1)
Adjusted EBIT	**400.3**	**82.6**	**96.1**	**102.7**	**118.9**	**86.8**
(Costs) benefit related to Chapter 11, and legacy product and environmental, net	(35.4)	(4.4)	(6.7)	(13.1)	(11.2)	(2.1)
Restructuring and repositioning expenses	(38.6)	(13.6)	(9.4)	(5.6)	(10.0)	(2.3)
Third-party acquisition-related costs	(2.5)	—	(2.5)	—	—	—
Amortization of acquired inventory fair value adjustment	(8.0)	—	—	(4.1)	(3.9)	—
Pension MTM adjustment and other related costs, net	(60.3)	0.2	0.7	0.2	(61.4)	(1.9)
Gain on sale of product line	1.7	—	0.7	—	1.0	—
Income and expense items related to divested businesses	0.1	(0.3)	0.1	(0.1)	0.4	(0.3)
Gain on curtailment of postretirement plans related to divested businesses	0.3	—	—	—	0.3	—
Loss on early extinguishment of debt	(11.1)	(11.1)	—	—	—	—
Interest expense, net	(80.5)	(21.8)	(19.4)	(19.4)	(19.9)	(19.3)
(Provision for) benefit from income taxes	(59.0)	(21.2)	(21.5)	(19.4)	3.1	(18.0)
Income (loss) from continuing operations attributable to W. R. Grace & Co. shareholders	**$ 107.0**	**$ 10.4**	**$ 38.1**	**$ 41.2**	**$ 17.3**	**$ 42.9**

Adjusted Free Cash Flow:	Q1 2016	Q1 2017
Net cash provided by (used for) operating activities	**74.3**	**35.9**
Capital expenditures	(34.4)	(31.0)
Free Cash Flow	**39.9**	**4.9**
Cash paid for Chapter 11, and legacy product and environmental	2.5	40.7
Cash paid for repositioning	29.0	0.6
Cash paid for restructuring	4.5	3.8
Capital expenditures related to repositioning	0.3	—
Cash paid for third-party acquisition-related costs	—	—
Cash paid for taxes related to repositioning	2.6	—
Adjusted Free Cash Flow	**78.8**	**50.0**

Calculation of Adjusted EBIT Return On Invested Capital (trailing four quarters):	Q4 2016	Q1 2017
Adjusted EBIT	**400.3**	**404.5**
Invested Capital:		
Trade accounts receivable	273.9	244.5
Inventories	228.0	234.1
Accounts payable	(195.4)	(199.7)
	306.5	**278.9**
Other current assets (excluding income taxes)	32.0	37.7
Properties and equipment, net	729.6	740.2
Goodwill	394.2	394.9
Technology and other intangible assets, net	269.1	265.6
Investment in unconsolidated affiliate	117.6	124.9
Other assets (excluding capitalized financing fees)	34.9	31.2
Other current liabilities (excluding income taxes, legacy environmental matters, accrued interest, and restructuring)	(144.4)	(113.7)
Other liabilities (excluding legacy environmental matters)	(89.3)	(90.3)
Total invested capital	**1,650.2**	**1,669.4**
Adjusted EBIT Return On Invested Capital	**24.3%**	**24.2%**

Appendix: Reconciliation of Non-GAAP Financial Measures (continued)

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	Three Months Ended March 31,							
	2017				2016			
(In millions, except per share amounts)	Pre-Tax	Tax Effect	After-Tax	Per Share	Pre-Tax	Tax Effect	After-Tax	Per Share
Diluted earnings per share from continuing operations				$ 0.63				$ 0.15
Restructuring and repositioning expenses	$ 2.3	$ 0.8	$ 1.5	0.02	$ 13.6	$ 4.8	$ 8.8	0.12
Costs (benefit) related to Chapter 11, and legacy product and environmental, net	2.1	0.8	1.3	0.02	4.4	1.6	2.8	0.04
Loss on early extinguishment of debt	—	—	—	—	11.1	4.1	7.0	0.10
Pension MTM adjustment and other related costs, net	1.9	0.7	1.2	0.02	(0.2)	(0.1)	(0.1)	—
Income and expense items related to divested businesses	0.3	0.1	0.2	—	0.3	0.1	0.2	—
Discrete tax items:								
Discrete tax items, including adjustments to uncertain tax positions		0.5	(0.5)	(0.01)		(13.9)	13.9	0.20
Adjusted EPS				$ 0.68				$ 0.61