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Third Quarter 2016 Business Update

Investor Presentation
October 26, 2016

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Performance Driven.

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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 protection 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 materially differ 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 that may delay or negatively impact the separation transaction or cause the separation transaction to not occur at all; uncertainties related to the company’s ability to realize the anticipated benefits of the spin-off; 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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3Q16

- Adjusted EBIT of $102.7 million up 22% YoY
- Adjusted EBIT margin of 25.4% up 420 bps YoY
- Adjusted EPS of $0.80 versus $0.54 YoY
- Adjusted Free Cash Flow of $190.5 million year-to-date

FY16

- Maintaining full year 2016 outlook:
  - Adjusted EBIT of $400M - $405M
  - Adjusted EBITDA of $500M - $505M
  - Adjusted EPS of $3.05 - $3.10 per share
  - Adjusted Free Cash Flow of at least $250M

Capital Allocation

- Received $761M in cash from GCP spin-off and divestitures year-to-date
- Paid down $600M of term loans year-to-date
- Stock buy back of $55M or 738,000 shares year-to-date
- Declaring quarterly cash dividend of $0.17 per share
- Integrating acquisition of the polyolefin catalyst business

Note: The prior year quarter (3Q15) is on a discontinued operations basis (adjusting for the separation of GCP Applied Technologies Inc.) and includes approximately $9M of additional operating costs.

Planning Environment 4Q16 into FY2017

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Tailwinds

- Refining Technologies (FCC) volume growth
- Polyolefin catalyst acquisition integration on track
- FCC pricing / reformulation opportunities
- Material Technologies inventory levels currently stable
- Productivity initiatives continue

Headwinds

- Polypropylene licensing down
- Chemical catalysts demand very weak in China
- Potential pockets of inflation

Expect Another Year of Earnings Growth in Slower Global Environment

Q3 2016 Financial Performance

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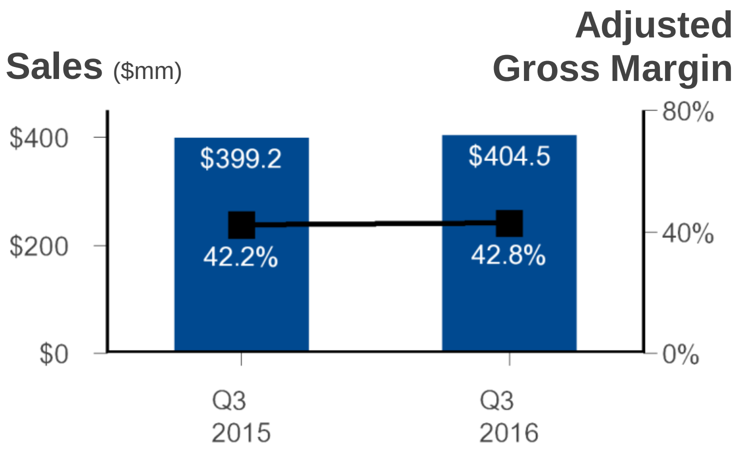
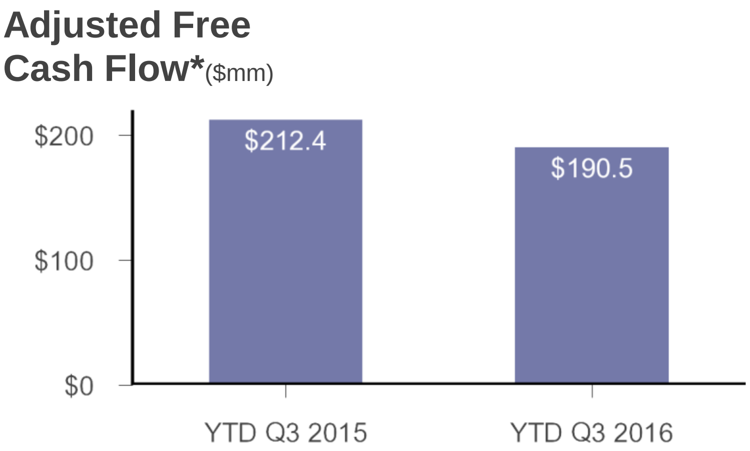
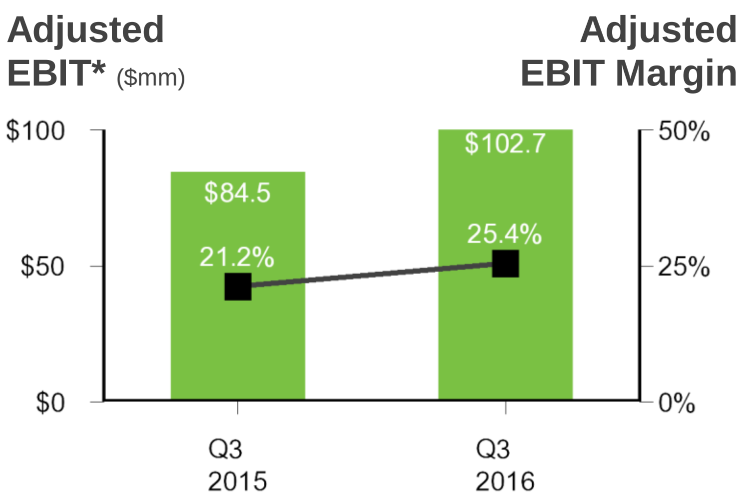


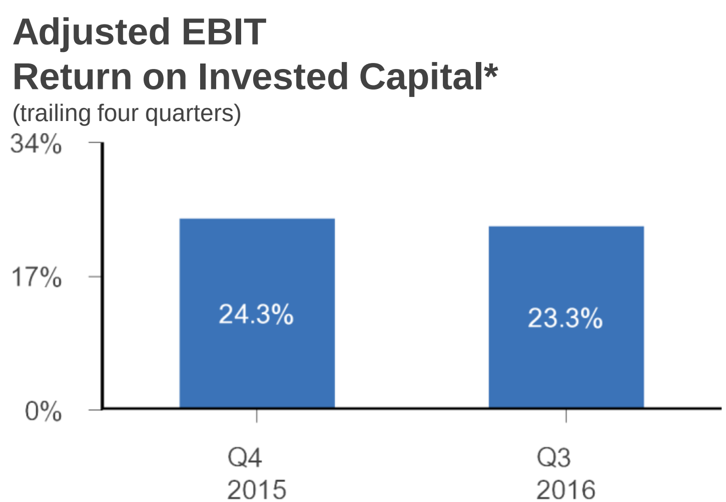
Strong gross margin up 60 bps, sales up 1%



76.2% of FY16 AFCF $250M target achieved



Strong Adj. EBIT Margin up 420 bps



ROIC impacted by polyolefin catalysts acquisition (up 60 bps over 2Q16)

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

3Q16 vs. 3Q15 Adjusted EBIT Margin

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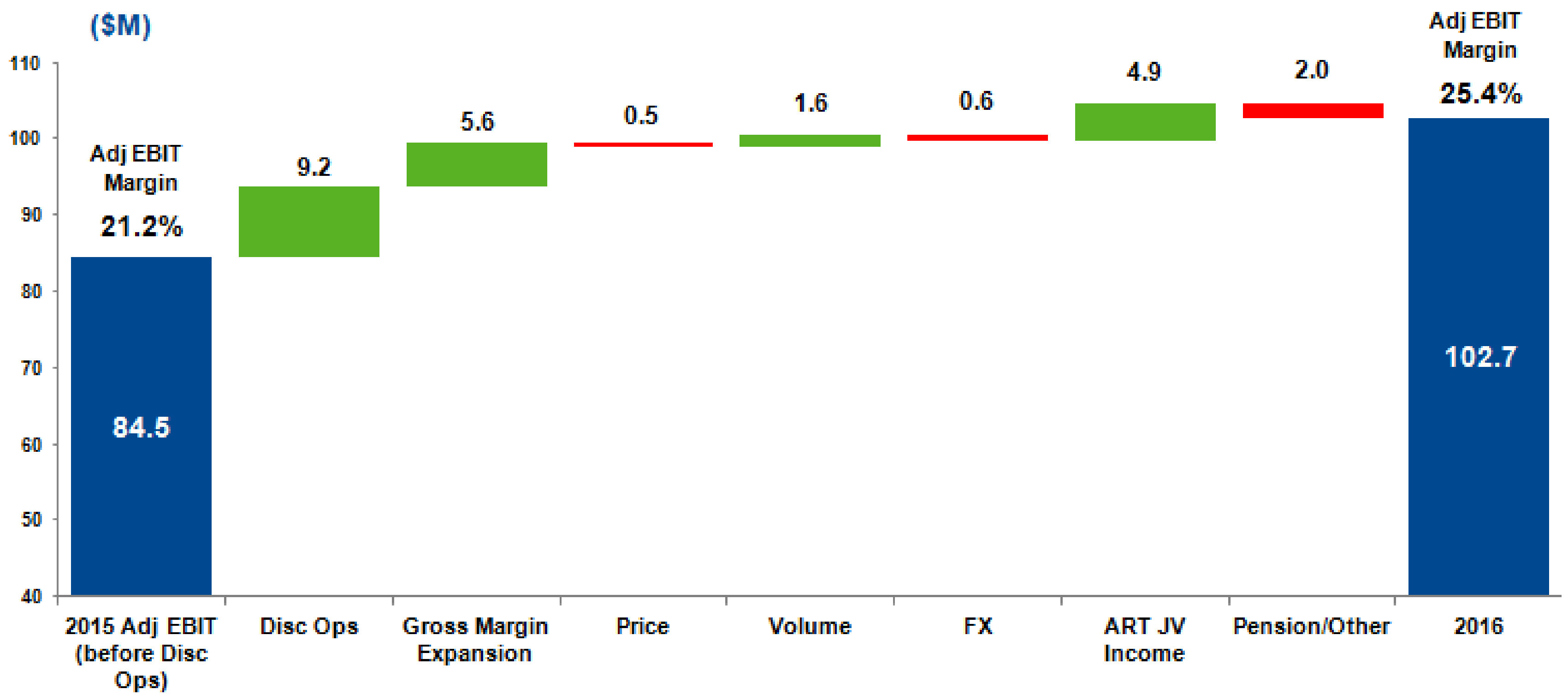

** Volumes include net impact of exited product lines and acquisition*

Continued Gross Margin Expansion

Catalysts Technologies – Q3 2016 Results

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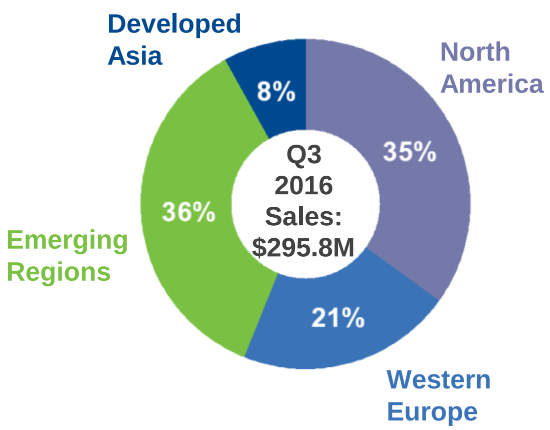
- FCC catalyst volumes up 8% sequentially
- FCC prices up 0.2% sequentially
- Gross margin up 110 bps YoY
- Operating margin up 160 bps YoY
- Q3 earnings contribution from ART joint venture highest level in 13 quarters
- Polyolefin catalysts acquisition on track



(in millions of dollars)	Q3 2015	Q3 2016	Q2 2016	Y/Y Change	Q/Q Change
Sales	**285.3**	**295.8**	**278.4**	**3.7%**	**6.3%**
Gross Margin	***43.5%***	***44.6%***	***46.2%***	***110 bps***	***(160) bps***
Operating Income	**86.4**	**94.3**	**87.5**	**9.1%**	**7.8%**
Operating Margin	***30.3%***	***31.9%***	***31.4%***	***160 bps***	***50 bps***

Factors Impacting Sales

Y/Y Change	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Volume	(8.2)%	0.2%	(5.0)%	(3.7)%	**4.3%**
Price	(0.4)%	(1.1)%	(0.8)%	(0.9)%	**(0.4)%**
Currency	(4.8)%	(3.3)%	(1.4)%	0.8%	**(0.2)%**
Total	**(13.4)%**	**(4.2)%**	**(7.2)%**	**(3.8)%**	**3.7%**

Note: In Q3 2016 6.0% volume growth is attributable to the polyolefin acquisition that closed at the end of Q2 2016 and (0.2%) of the price change due to lower metals.

Materials Technologies – Q3 2016 Results

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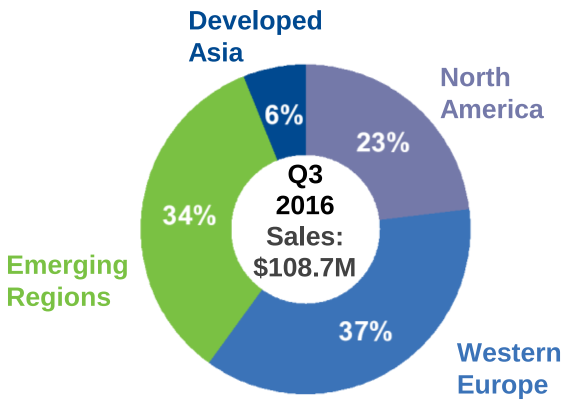
- Sales down 5% YoY and up 2% excluding the exited product lines
- Operating margin up 360 bps YoY driven by exited product lines
- Volume growth of 2.9% YoY
- Regions (current business):
  - North America moderating
  - EMEA stable
  - Asia Pacific weak
  - LATAM mixed



(in millions of dollars)	Q3 2015	Q3 2016	Q2 2016	Y/Y Change	Q/Q Change
Sales	**113.9**	**108.7**	**112.1**	**(4.6)%**	**(3.0)%**
Gross Margin	***39.0%***	***37.8%***	***40.6%***	***(120) bps***	***(280) bps***
Operating Income	**23.6**	**26.4**	**28.0**	**11.9%**	**(5.7)%**
Operating Margin	***20.7%***	***24.3%***	***25.0%***	***360 bps***	***(70) bps***

Factors Impacting Sales

Y/Y Change	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Volume	(5.0)%	9.8%	(8.1)%	(0.5)%	**2.9%**
Price	0.8%	(0.2)%	0.7%	0.1%	**(0.1)%**
Currency	(9.5)%	(9.4)%	(4.4)%	0.2%	**(0.9)%**
Exited products				(4.7)%	**(6.5)%**
Total	**(13.7)%**	**0.2%**	**(11.8)%**	**(4.9)%**	**(4.6)%**

Grace Business Results* – Q3 2016

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(in millions of dollars except EPS)	Q3 2015	Q3 2016	Y/Y Change	Q2 2016	Q/Q Change
Net Sales	399.2	404.5	1.3%	390.5	3.6%
Adjusted Gross Margin	42.2%	42.8%	60 bps	44.6%	(180) bps
Adjusted EBIT	84.5	102.7	21.5%	96.1	6.9%
Adjusted EBIT Margin	21.2%	25.4%	420 bps	24.6%	80 bps
Adjusted EBITDA Margin	27.3%	32.1%	480 bps	30.7%	140 bps
Adjusted EBIT ROIC**	NA	23.3%	NA	22.7%	60 bps
Diluted EPS from continuing operations	0.46	0.58	26.1%	0.54	7.4%
Adjusted EPS	0.54	0.80	48.1%	0.74	8.1%

**2Q16 Adjusted EBIT ROIC impacted by polyolefin catalysts acquisition (26.7% ex acquisition)

Strong Margins; Good Growth in Earnings

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

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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.

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

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Adjusted EBIT by Operating Segment:	2015	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Catalysts Technologies segment operating income	$ 347.3	$ 73.7	$ 86.6	$ 86.4	$ 100.6	$ 78.3	$ 87.5	$ 94.3
Materials Technologies segment operating income	96.9	23.9	23.8	23.6	25.6	20.6	28.0	26.4
Corporate costs	(79.9)	(20.8)	(23.0)	(22.3)	(13.8)	(13.2)	(16.3)	(14.9)
Gain on termination and curtailment of postretirement plans related to current businesses	1.9	—	—	1.9	—	—	—	—
Certain pension costs(B)	(20.4)	(5.3)	(5.0)	(5.1)	(5.0)	(3.1)	(3.1)	(3.1)
Adjusted EBIT	**345.8**	**71.5**	**82.4**	**84.5**	**107.4**	**82.6**	**96.1**	**102.7**
(Costs) benefit related to Chapter 11, and legacy product and environmental, net	(6.1)	9.6	(2.8)	(6.2)	(6.7)	(4.4)	(6.7)	(13.1)
Restructuring and repositioning expenses	(20.4)	(5.5)	(4.2)	(5.2)	(5.5)	(13.6)	(9.4)	(5.6)
Third-party acquisition-related costs	—	—	—	—	—	—	(2.5)	—
Amortization of acquired inventory fair value adjustment	—	—	—	—	—	—	—	(4.1)
Pension MTM adjustment and other related costs, net	(30.5)	(4.2)	—	—	(26.3)	0.2	0.7	0.2
Gain on sale of product line	—	—	—	—	—	—	0.7	—
Income and expense items related to divested businesses	1.5	0.8	(0.3)	0.8	0.2	(0.3)	0.1	(0.1)
Gain on termination and curtailment of postretirement plans related to divested businesses	2.6	—	—	2.6	—	—	—	—
Loss on early extinguishment of debt	—	—	—	—	—	(11.1)	—	—
Interest expense, net	(99.1)	(24.5)	(24.6)	(25.1)	(24.9)	(21.8)	(19.4)	(19.4)
Provision for income taxes	(69.8)	(17.5)	(17.9)	(17.7)	(16.7)	(21.2)	(21.5)	(19.4)
Income from continuing operations attributable to W. R. Grace & Co. shareholders	**$ 124.0**	**$ 30.2**	**$ 32.6**	**$ 33.7**	**$ 27.5**	**$ 10.4**	**$ 38.1**	**$ 41.2**

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Adjusted Free Cash Flow:	Q3 2015	Q3 2016
Net cash (used for) provided by operating activities	**(229.4)**	**207.6**
Capital expenditures	(86.2)	(89.4)
Free Cash Flow	**(315.6)**	**118.2**
Cash paid for Chapter 11, and legacy product and environmental	502.2	17.3
Cash paid for repositioning	18.6	35.4
Cash paid for restructuring	4.2	13.6
Capital expenditures related to repositioning	3.0	1.8
Cash paid for third-party acquisition-related costs	—	1.6
Cash paid for taxes related to repositioning	—	2.6
Adjusted Free Cash Flow	**212.4**	**190.5**

Calculation of Adjusted EBIT Return On Invested Capital (trailing four quarters):	Q4 2015	Q3 2016
Adjusted EBIT	**345.8**	**388.8**
Invested Capital:		
Trade accounts receivable	254.5	252.7
Inventories	198.8	236.1
Accounts payable	(157.8)	(162.2)
	295.5	**326.6**
Other current assets (excluding income taxes)	43.2	37.9
Properties and equipment, net	624.9	731.7
Goodwill	336.5	395.2
Technology and other intangible assets, net	227.5	270.3
Investment in unconsolidated affiliate	103.2	107.5
Other assets (excluding capitalized financing fees)	31.8	35.1
Other current liabilities (excluding income taxes, legacy environmental matters, accrued interest, and restructuring)	(160.0)	(136.5)
Other liabilities (excluding legacy environmental matters)	(81.4)	(101.1)
Total invested capital	**1,421.2**	**1,666.7**
Adjusted EBIT Return On Invested Capital	**24.3%**	**23.3%**

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

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(In millions, except per share amounts)	Three Months Ended September 30, 2016 Pre-Tax	2016 Tax Effect	2016 After-Tax	2016 Per Share	2015 Pre-Tax	2015 Tax Effect	2015 After-Tax	2015 Per Share
Diluted earnings per share from continuing operations				$ 0.58				$ 0.46
Costs related to Chapter 11, and legacy product and environmental, net	$ 13.1	$ 4.9	$ 8.2	0.12	$ 6.2	$ 1.8	$ 4.4	0.06
Restructuring and repositioning expenses	5.6	1.4	4.2	0.06	5.2	1.7	3.5	0.05
Amortization of acquired inventory fair value adjustment	4.1	1.5	2.6	0.04	—	—	—	—
Pension MTM adjustment and other related costs, net	(0.2)	(0.1)	(0.1)	—	—	—	—	—
Income and expense items related to divested businesses	0.1	—	0.1	—	(0.8)	(0.3)	(0.5)	(0.01)
Gain on termination and curtailment of postretirement plans related to divested businesses	—	—	—	—	(2.6)	(0.7)	(1.9)	(0.03)
Discrete tax items, including adjustments to uncertain tax positions		(0.3)	0.3	—		(1.0)	1.0	0.01
Adjusted EPS				$ 0.80				$ 0.54

(In millions, except per share amounts)	Nine Months Ended September 30, 2016 Pre-Tax	2016 Tax Effect	2016 After-Tax	2016 Per Share	2015 Pre-Tax	2015 Tax Effect	2015 After-Tax	2015 Per Share
Diluted earnings per share from continuing operations				$ 1.27				$ 1.32
Restructuring and repositioning expenses	$ 28.6	$ 9.5	$ 19.1	0.27	$ 14.9	$ 4.6	$ 10.3	0.14
Costs (benefit) related to Chapter 11, and legacy product and environmental, net	24.2	9.0	15.2	0.21	(0.6)	(0.2)	(0.4)	(0.01)
Loss on early extinguishment of debt	11.1	4.1	7.0	0.10	—	—	—	—
Amortization of acquired inventory fair value adjustment	4.1	1.5	2.6	0.04	—	—	—	—
Third-party acquisition-related costs	2.5	0.7	1.8	0.03	—	—	—	—
Pension MTM adjustment and other related costs, net	(1.1)	(0.3)	(0.8)	(0.01)	4.2	1.7	2.5	0.03
Gain on sale of product line	(0.7)	(0.3)	(0.4)	(0.01)	—	—	—	—
Income and expense items related to divested businesses	0.3	0.1	0.2	—	(1.3)	(0.5)	(0.8)	(0.01)
Gain on termination and curtailment of postretirement plans related to divested businesses	—	—	—	—	(2.6)	(0.7)	(1.9)	(0.03)
Discrete tax items, including adjustments to uncertain tax positions		(17.7)	17.7	0.25		(1.6)	1.6	0.02
Adjusted EPS				$ 2.15				$ 1.46