

Q1 2018 Results

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Presentation of Q1 2018 Results

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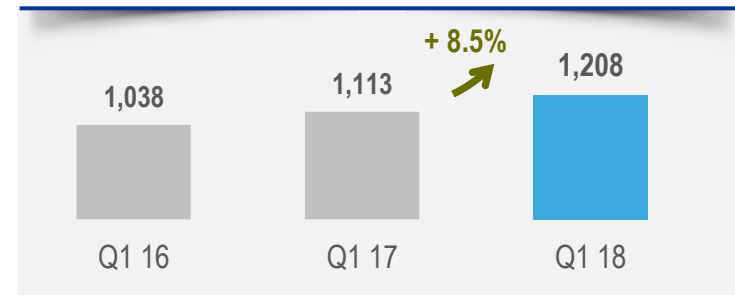


1 Results

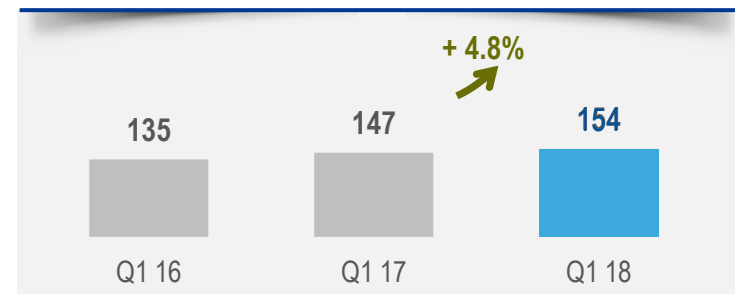
Good operational performance in first quarter 2018

- + 4.2% like-for-like⁽¹⁾ revenue growth
 - ◆ + 8.5% revenue growth on current basis, sustained by external growth
- Current operating income ⁽²⁾ up + 4.8%
 - ◆ + 15.1% growth excluding foreign exchange
- Net income from current operations of €95 million, up + 11.8%

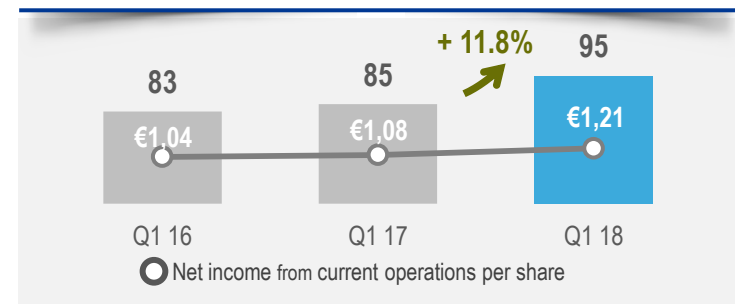
Revenue (€m)



Current operating income (€m)



Net income from current operations (€m)



Throughout the presentation

(1) Organic growth or "LFL" (like-for-like) means "at comparable Group's structure and exchange rates"

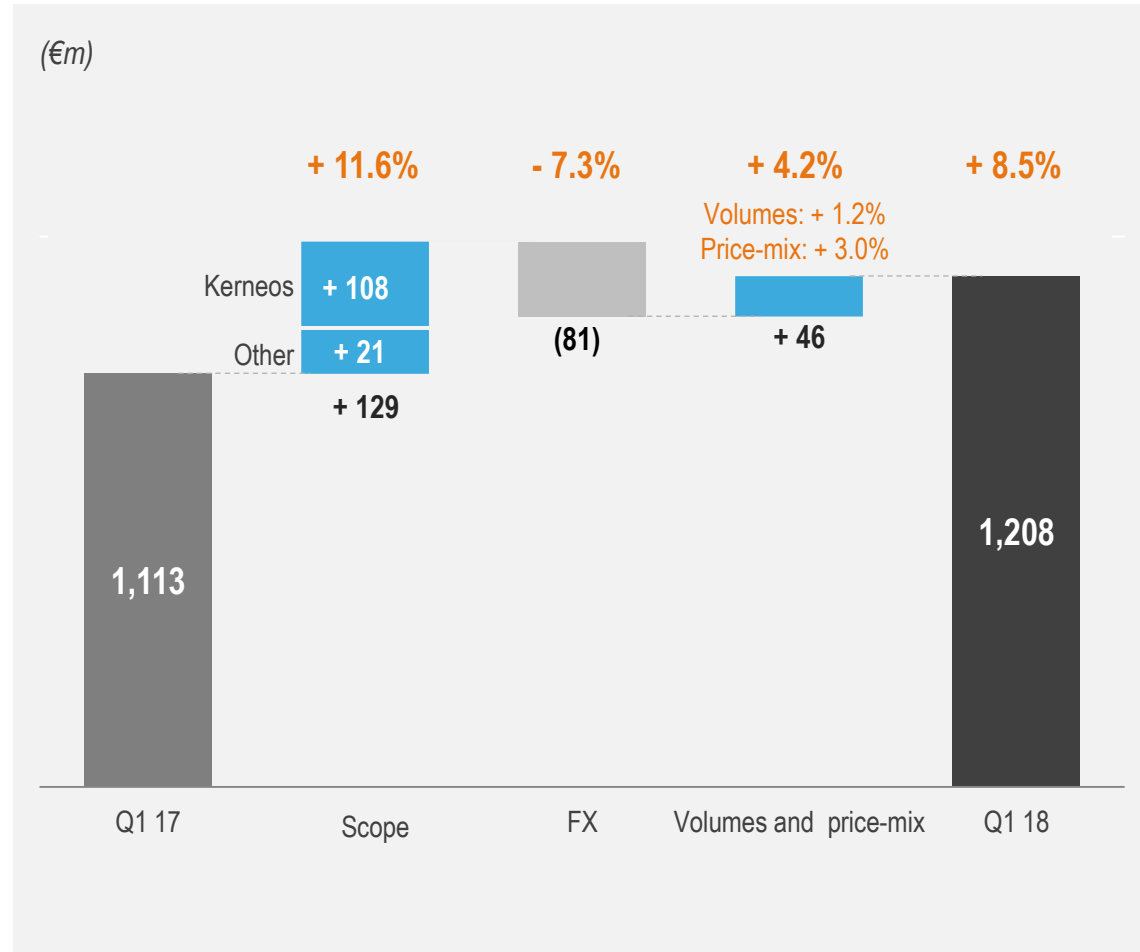
(2) "Current" means "before other operating revenue and expenses"

+ 4.2% top-line growth

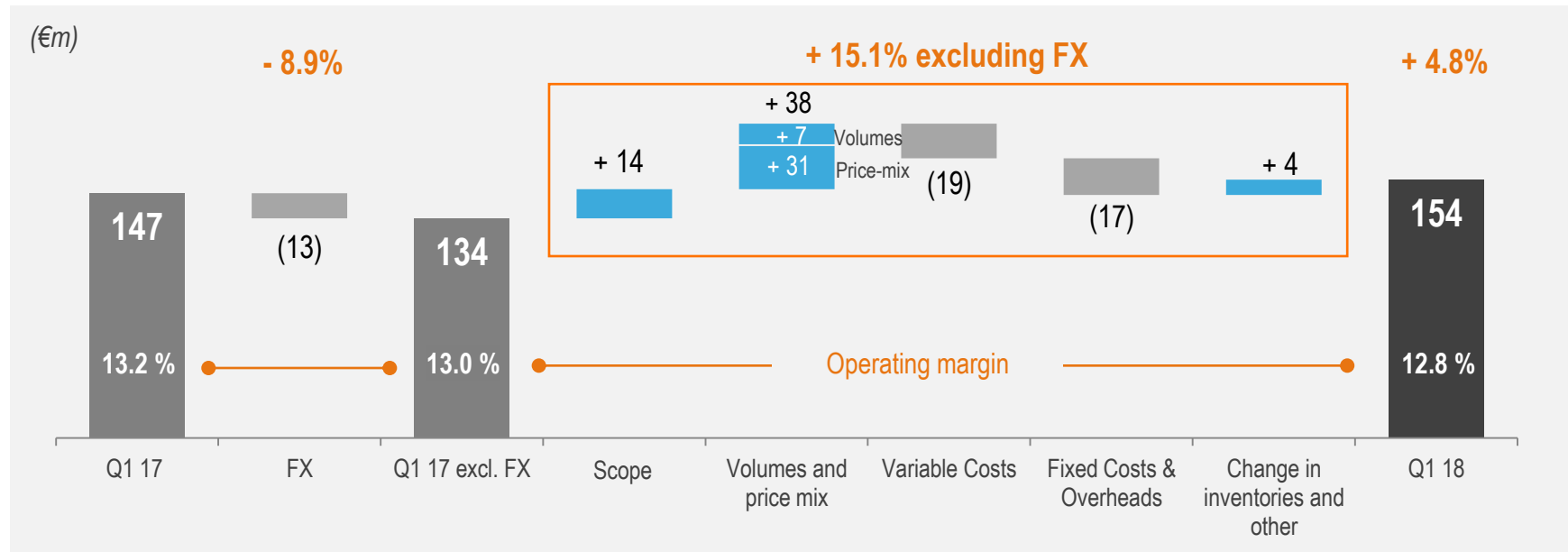
- Still well oriented market environment...
 - ◆ ...but volumes (+ 1.2%) impacted by adverse weather conditions in several regions
 - ◆ Firm price-mix in all business groups

- Significant scope effect (Kerneos in particular)

- Negative foreign exchange impact: -7.3%



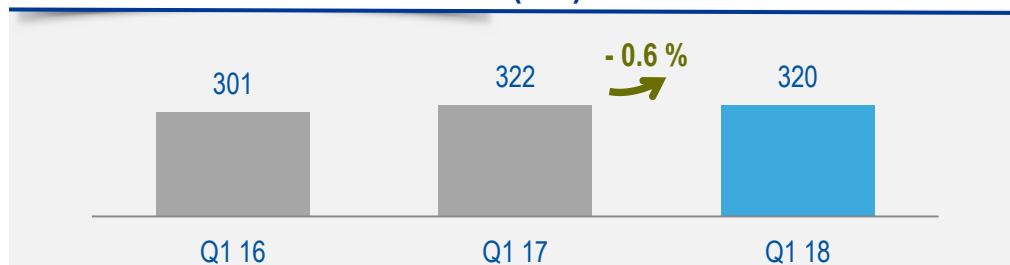
+ 4.8% growth in current operating income



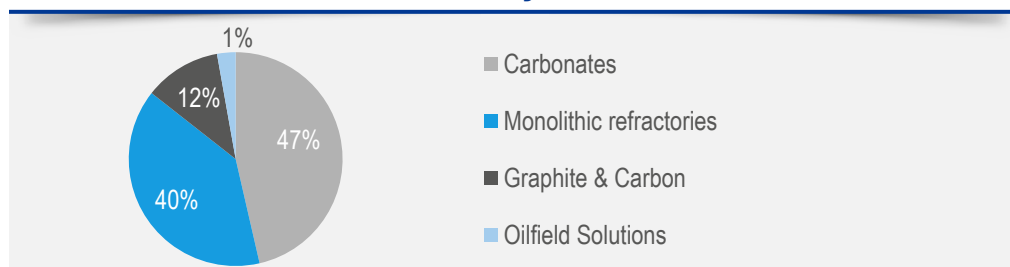
- Negative impact of currency effect: - 0.2 point on operating margin
- Growing contribution of acquisitions, as per plan
- Price mix covering rise in variable costs (raw material costs, energy and transport in particular)
- Fixed costs and overheads due to further selective investments in company growth (new capacities, skills strengthening, transformation programs)

Energy Solutions & Specialties (27% of revenue)

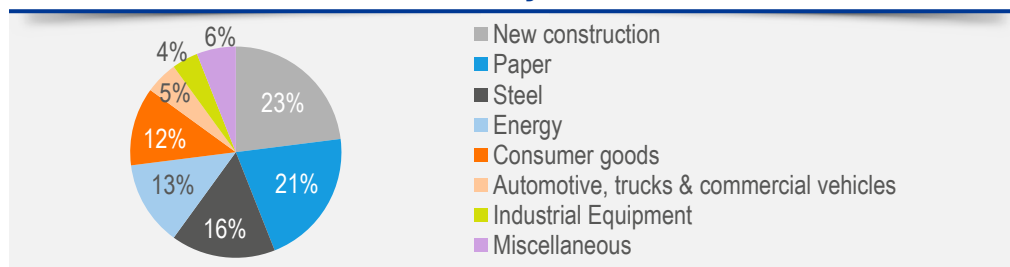
Revenue (€m)



Revenue by division



Revenue by market*



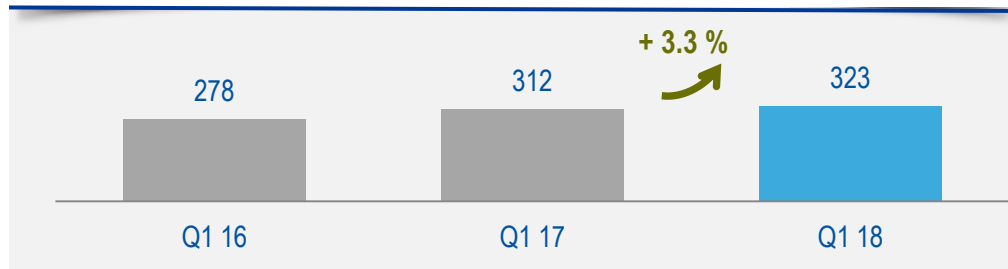
* 2017 data

Exchange rates	- 7.4%
Group structure	+ 1.9%
LFL	+ 4.9%

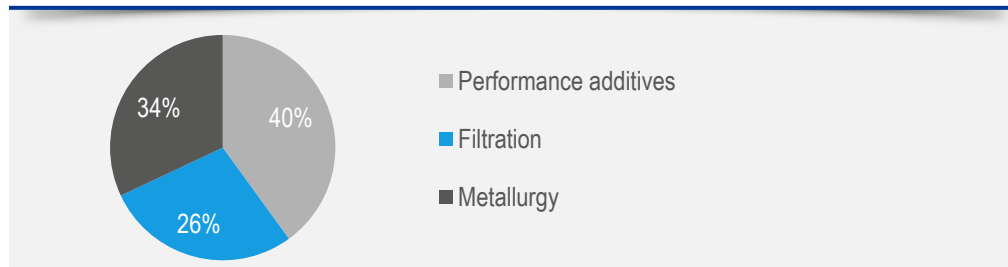
- **Carbonates**: firm level of activity in Asia, exploitation conditions impacted by adverse weather conditions in the US
- **Monolithic Refractories**: demand sustained by most European and Asian industrial markets
- **Graphite & Carbon**: growth driven by mobile energy markets
- **Oilfield Solutions**: no pick-up in activity

Filtration & Performance Additives (26% of revenue)

Revenue (€m)



Revenue by division



Revenue by market*



* 2017 data

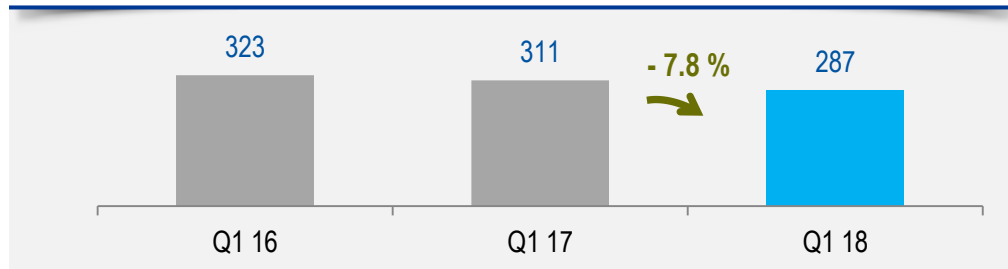
Exchange rates	- 7.5%
Group structure	+ 5.0%
LFL	+ 5.8%

■ Globally positive market momentum

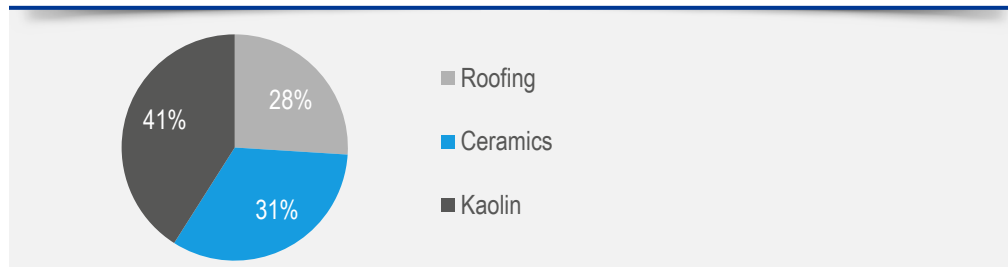
- ◆ **Performance Additives:** quarterly activity impacted by adverse weather conditions in the US
- ◆ **Filtration:** further contribution of diversification investments
- ◆ **Metallurgy:** dynamism of industrial markets

Ceramic Materials (23% of revenue)

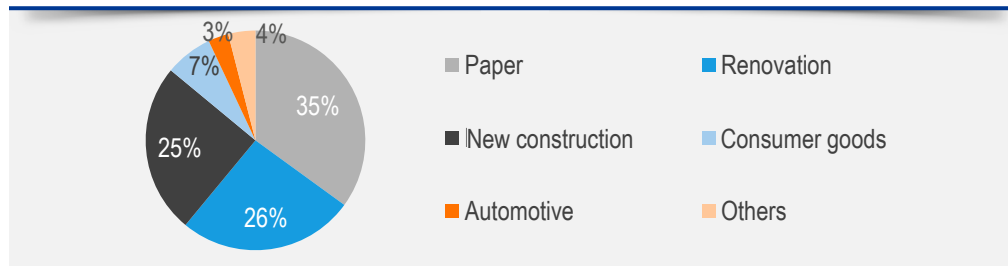
Revenue (€m)



Revenue by division



Revenue by market*



* 2017 data

Exchange rates	- 6.7%
Group structure	+ 0.1%
LFL	- 1.2%

■ Kaolin

- ◆ Lower volumes despite development in specialty applications
- ◆ Unfavorable impact of BRL evolution

■ Roofing

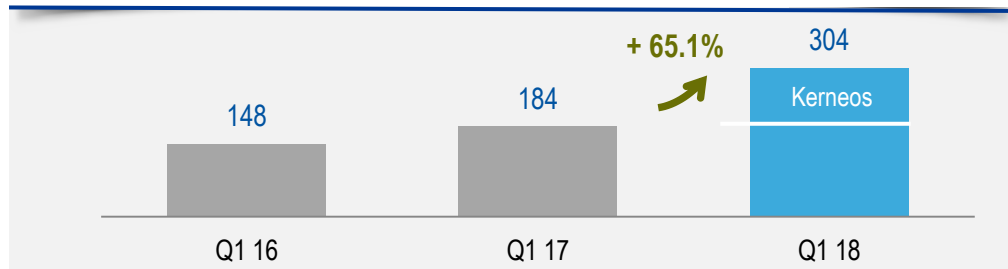
- ◆ Contrasted activity due to weather conditions in France, in a market which shows some sign of recovery

■ Ceramics

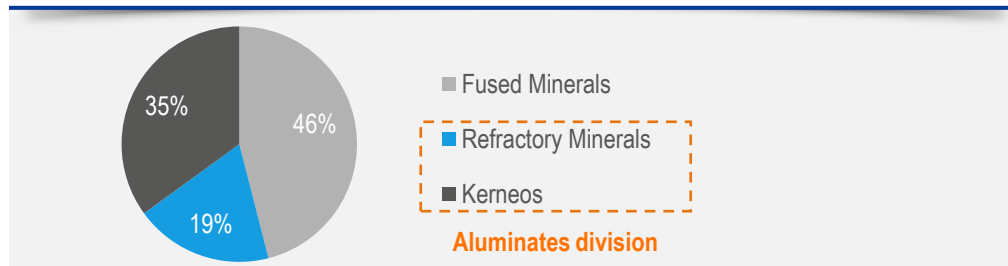
- ◆ Sustained demand, in emerging countries in particular

High Resistance Minerals (24% of revenue)

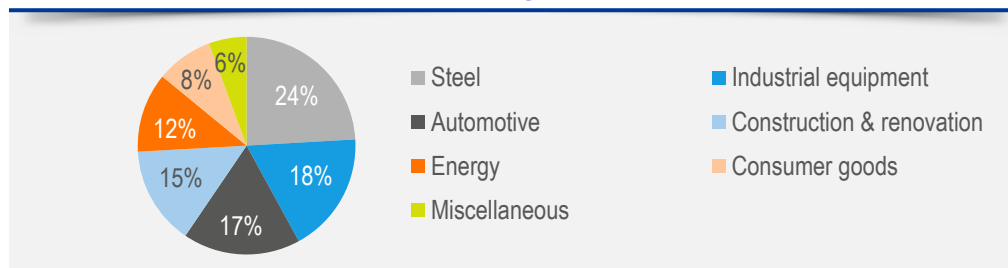
Revenue (€m)



Revenue by division



Revenue by market*



* 2017 data

Exchange rates	- 7.4%
Group structure	+ 62.1%
LFL	+ 10.3%

- Significant scope effect due to Kerneos in particular and Zhejiang
- Significant pressure on some raw materials
- **Aluminates**
 - ◆ Further growth in construction and civil engineering markets (building chemicals); firm level of activity in refractories
- **Fused Minerals**
 - ◆ Firm industrial activity in all geographies and markets

Net income from current operations up by + 11.8%

(€m)	Q1 2017	Q1 2018	Variation
■ Current operating income	147.2	154.2	+ 4.8%
■ Current financial expense	(25.8)	(19.6)	-
■ Current income tax	(35.8)	(39.0)	-
◆ Current tax rate	29.5%	29.0%	- 0.5 point
■ Minority interests	(0.2)	(0.3)	-
Net income from current operations, Group's share	85.3	95.4	+ 11.8%
Net income from current operations, Group's share (in euros) ⁽¹⁾	1.08	1.21	+ 11.5%
■ Other operating income and expenses, net, and net income of assets held for sale	(6.5)	(3.7)	-
Net income, Group's share	78.8	91.7	+ 16.3%

(1) Average weighted number of outstanding shares: 79 003 196 in Q1 2018 against 78 849 404 in Q1 2017



2 Outlook

2018 outlook: another year of increase in net income from current operations

Context

- Demand still well oriented in most of our markets and geographies
- Dollar weakness and currency volatility
- Pressure on some costs (raw materials, energy, logistics)

Performance levers

- Full year contribution of acquisitions, Kerneos in particular
- Innovation, new production capacities
- Benefits from investments in excellence programs and internal efficiencies



3 Appendix

Revenue and Current Operating Income by quarter

Revenue (€m)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Energy Solutions & Specialties	312.5	323.5	314.1	303.0	300.8	316.2	319.6	314.0	321.6	332.0	338.7	334.3	319.7
Filtration & Performance Additives	218.9	306.2	284.5	271.9	278.2	292.1	282.0	292.2	312.4	317.0	302.2	305.5	322.6
Ceramic Materials	291.0	301.4	285.8	294.2	323.2	311.4	293.8	293.6	310.9	300.9	285.9	285.3	286.6
High Resistance Minerals	165.3	165.0	156.0	143.1	148.3	151.5	146.5	151.4	184.2	171.5	263.1	296.2	304.2
Holding & Eliminations	(14.1)	(12.4)	(13.2)	(10.2)	(12.4)	(12.6)	(12.1)	(12.5)	(15.9)	(14.3)	(16.7)	(16.4)	(25.5)
Consolidated revenue	973.6	1,083.7	1,027.2	1,002.2	1,038.1	1,058.6	1,029.8	1,038.7	1,113.2	1,107.1	1,173.2	1,204.9	1,207.6

Like-for-like revenue growth	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Energy Solutions & Specialties	-4.7 %	-3.5 %	-9.7 %	-8.1 %	-6.8 %	-2.9 %	-3.2 %	+1.2 %	+1.0 %	+0.7 %	+5.3 %	+9.0 %	+4.9 %
Filtration & Performance Additives	+2.8 %	+3.6 %	-0.1 %	+2.7 %	+2.3 %	-1.7 %	-0.5 %	+6.0 %	+6.5 %	+4.0 %	+4.8 %	+6.1 %	+5.8 %
Ceramic Materials	-6.3 %	-1.7 %	-4.4 %	-4.7 %	+2.8 %	-2.3 %	-2.1 %	-3.8 %	-4.7 %	-2.9 %	-1.8 %	-0.2 %	-1.2 %
High Resistance Minerals	-7.4 %	-10.4 %	-3.4 %	-10.5 %	-6.4 %	-4.4 %	-5.5 %	+4.9 %	+14.6 %	+4.4 %	+10.7 %	+13.2 %	+10.3 %
Like-for-like revenue growth	-4.5 %	-3.3 %	-5.6 %	-5.1 %	-1.8 %	-2.6 %	-2.5 %	+1.4 %	+2.4 %	+1.2 %	+3.6 %	+6.1 %	+4.2 %

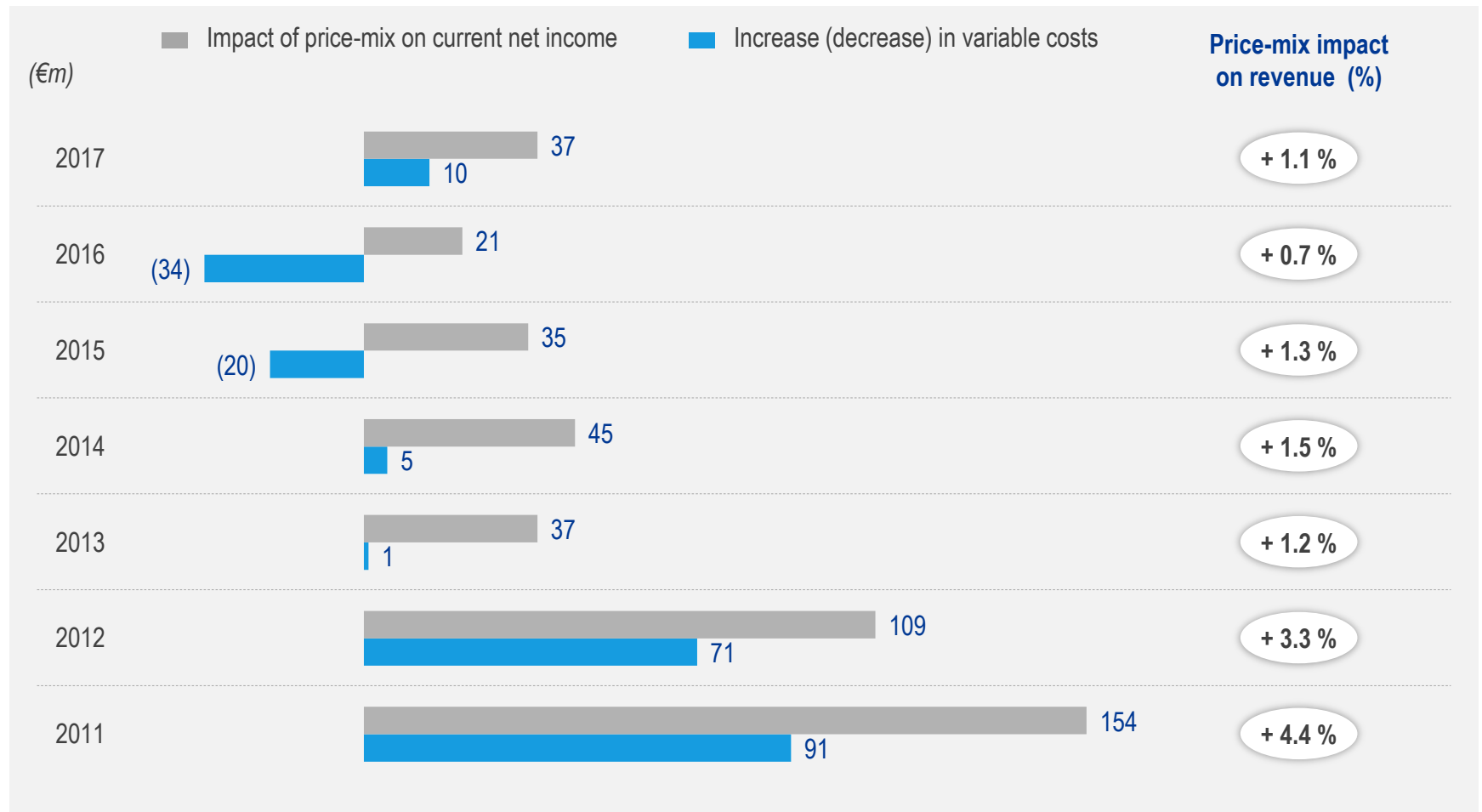
Current Operating Income (€m)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Current Operating Income	123.2	150.8	135.0	129.1	135.4	157.7	148.5	140.6	147.2	165.4	166.9	168.6	154.2
Operating margin	12.7 %	13.9 %	13.1 %	12.9 %	13.0 %	14.9 %	14.4 %	13.5 %	13.2 %	14.9 %	14.2 %	14.0 %	12.8 %

Revenue and Current Operating Income by semester

Current Operating Income (€m)	H1 2012	H2 2012	H1 2013	H2 2013	H1 2014	H2 2014	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017	H2 2017
Energy Solutions & Specialties	77.5	65.7	67,9	60,2	72,1	77,5	64,4	55,3	67,0	62,9	68,8	72,3
Filtration & Performance Additives	45.4	44.9	51.3	49.6	58.0	55.4	88,0	90.1	105.0	109.7	125.0	129.2
Ceramic Materials	112.5	97.0	108,5	111.2	104.4	106.7	106.8	103.3	113.7	109.7	107,0	105.7
High Resistance Minerals	53.6	41.6	37.4	32.7	36.5	36.3	41.4	40.2	40,0	38.0	47.5	64.0
Holding & Eliminations	(23.6)	(26.6)	(21.0)	(20.7)	(23.2)	(29.0)	(26.5)	(24.8)	(32,7)	(31.2)	(35.7)	(35.7)
Current Operating Income	265.4	222.7	244.0	233.0	247.7	246.9	274,0	264.1	293.0	289.1	312.6	335.5

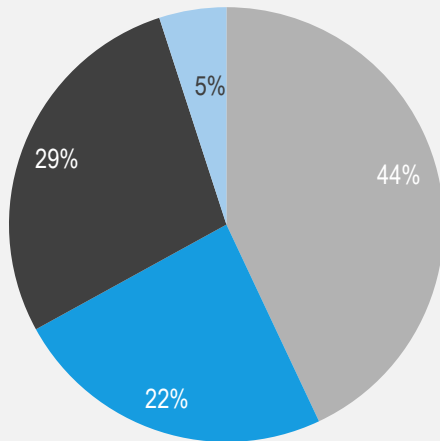
Operating Margin	H1 2012	H2 2012	H1 2013	H2 2013	H1 2014	H2 2014	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017	H2 2017
Energy Solutions & Specialties	11.8 %	10.4 %	10.9 %	9.6 %	11.5 %	11.8 %	10.1 %	9.0 %	10.9 %	9.9 %	10.5 %	10.7 %
Filtration & Performance Additives	14.3 %	14.2 %	15.9 %	15.9 %	17.9 %	16.6 %	16.8 %	16.2 %	18.4 %	19.1 %	19.9 %	21.3 %
Ceramic Materials	17.3 %	15.7 %	17.4 %	19.1 %	17.9 %	18.6 %	18.0 %	17.8 %	17.9 %	18.7 %	17,5 %	18.5 %
High Resistance Minerals	13.9 %	11.7 %	11.1 %	10.3 %	11.1 %	11.6 %	12.5 %	13.4 %	13.3 %	12.8 %	13.4 %	11.4 %
Operating Margin	13.4 %	11.7 %	13.0 %	12.8 %	13.5 %	13.3 %	13.3 %	13.0 %	14.0 %	14.0 %	14.1 %	14.1 %

Evolution of price-mix and variable costs



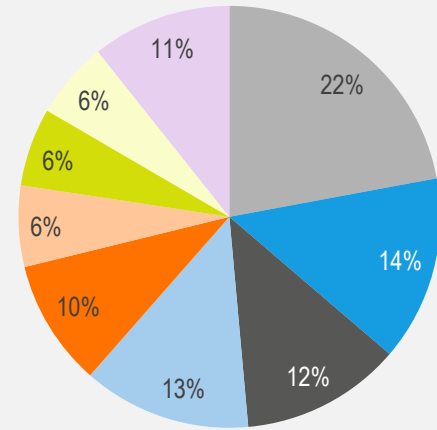
Revenue breakdown

Revenue by geography in Q1 2018



- Western Europe (of which France: 11% and Germany: 11%)
- U.S.A./ Canada
- Emerging countries (of which China: 5%, India: 3% and Brazil: 3%)
- Other (Japan/ Australia)

Revenue by end-market (2017)

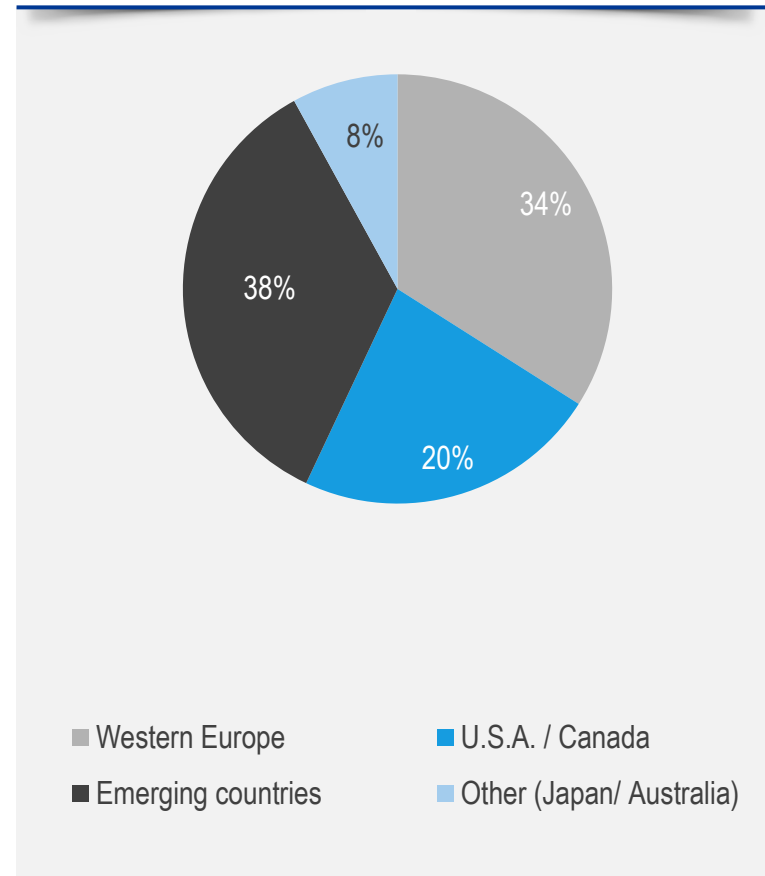


- New building and renovation
- Current consumption
- Paper
- Iron & steel
- Automotive
- Roofing (France)
- Industrial equipment
- Energy
- Others

Energy Solutions & Specialties

- Carbonates
 - ◆ Natural (GCC) and Precipitated (PCC) Calcium Carbonates used as filling or coating pigment for paper production and functional additives for paints, plastics, etc..
- Monolithic Refractories
 - ◆ Unshaped refractory materials used to protect industrial equipment from high temperatures in heavy industries (steel, cement, power generation, petro-chemicals, etc.)
 - ◆ Protection for furnaces, kilns, crucibles and incinerators
- Graphite & Carbon
 - ◆ High performance graphite powder for mobile energy, electronics and engineering, refractories for the transport and automotive markets
- Oilfield Solutions
 - ◆ Production of ceramic proppants for non-conventional oil and gas exploration

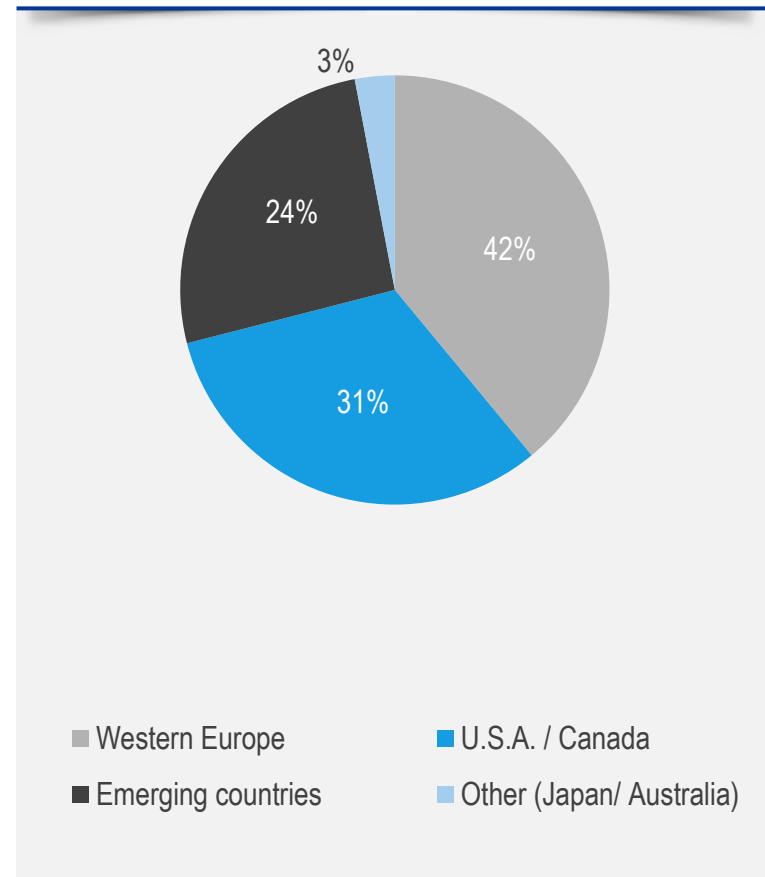
Q1 2018 Revenue by geography



Filtration & Performance Additives

- Performance Additives
 - ◆ Additives for paints, plastics, polymers, rubbers, adhesives, sealants, pharma & personal care (mainly talc, mica and wollastonite, etc.)
- Filtration
 - ◆ Filtration minerals providing filter aid for edible liquids such as beer, wine, oil, fruit juice, etc. (mainly diatomite and perlite)
 - ◆ Perlite based solutions used in building materials and horticulture
- Metallurgy
 - ◆ Bentonite (binders for foundry, sealing solutions, additives for drilling and for consumer products) and continuous casting fluxes for the steel industry

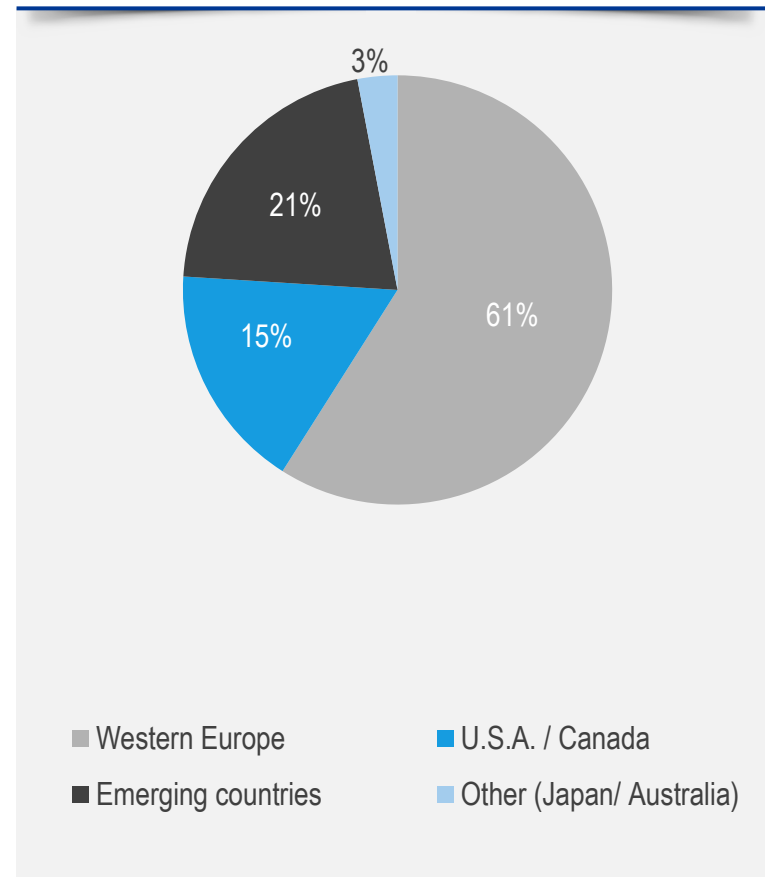
Q1 2018 Revenue by geography



Ceramic Materials

- Roofing
 - ◆ Clay roof tiles in France
- Ceramics
 - ◆ Raw materials and bodies for tableware, sanitary and floor tiles, quartz, technical ceramics
- Kaolin
 - ◆ Kaolin for applications in the paper, paints, plastics, ceramics and refractories markets, etc.

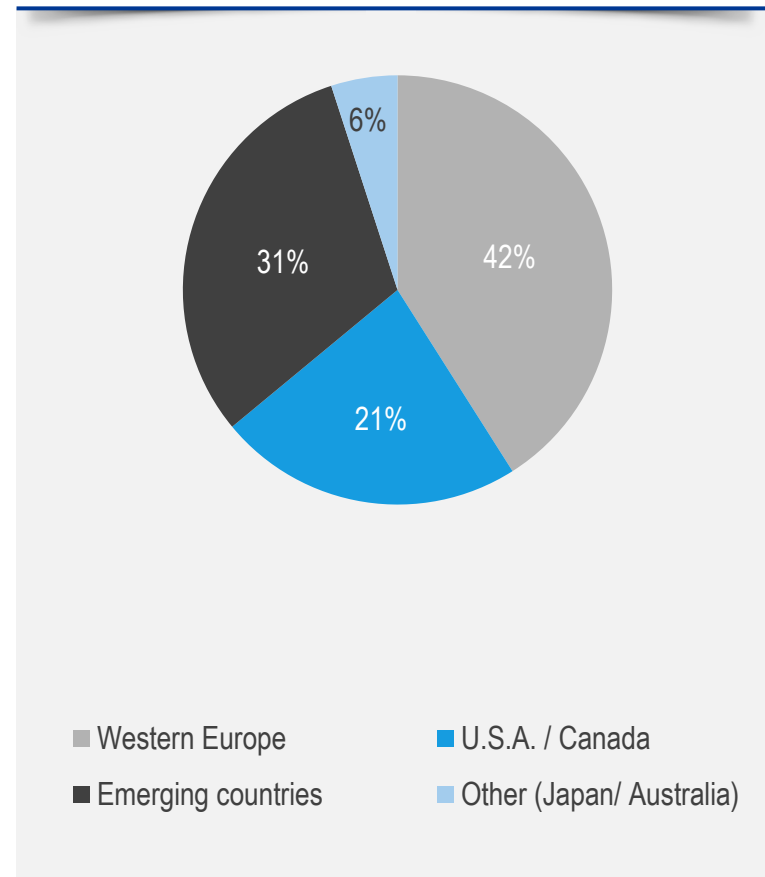
Q1 2018 Revenue by geography



High Resistance Minerals

- Fused Minerals
 - ◆ Fused alumina and bauxite for abrasives (cutting, grinding and polishing mills, sandpapers), zirconium for refractories, oxygen sensor
- Aluminates
 - ◆ Binders and additives for soil preparation mortars, self-leveling screeds, glues and mortars, tile joints, technical mortars
 - ◆ Special hydraulic binders for monolithic refractory concretes, protective mortars and repair of sanitation networks
 - ◆ Production of acidic refractory minerals including andalusite, chamottes

Q1 2018 Revenue by geography





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