

Results to September 30, 2017

Conference call
October 31, 2017

Gilles MICHEL - Chairman & Chief Executive Officer
Olivier PIROTTE - Chief Financial Officer



Disclaimer

More comprehensive information about Imerys may be obtained on its website (www.imerys.com). under Regulated Information, including its Registration Document filed under No. D.17-0190 on March 21, 2017 with Autorité des marchés financiers. Imerys draws the attention of investors to the “Risk factors and Internal control” set forth in section 4 of the Registration Document.

This document contains projections and other forward-looking statements. Investors are cautioned that such projections and forward-looking statements are subject to various risks and uncertainties (many of which are difficult to predict and generally beyond the control of Imerys) that could cause actual results and developments to differ materially from those expressed or implied.

Note:

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Results to September 30, 2017

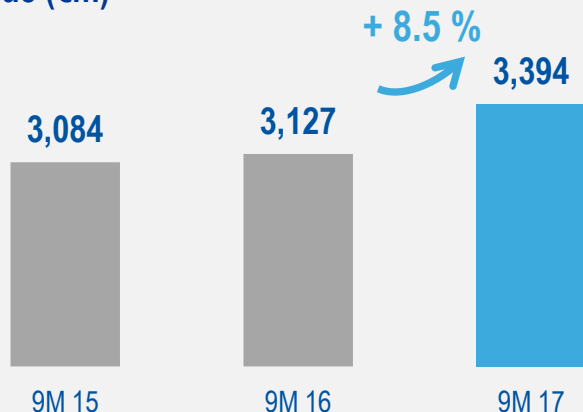
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Highlights

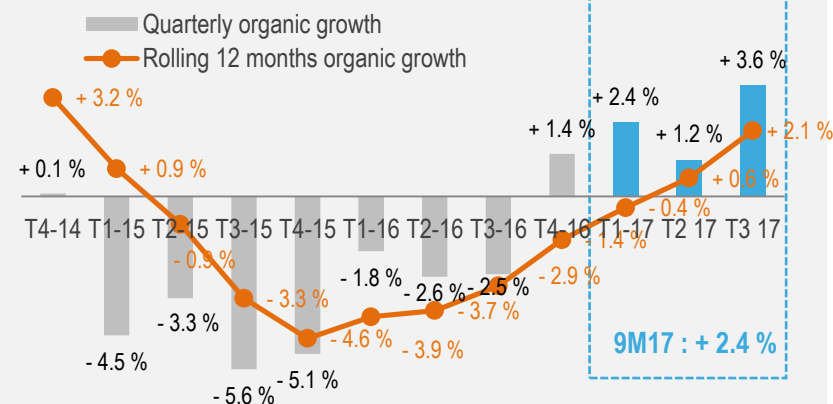


Key figures as at September 30, 2017

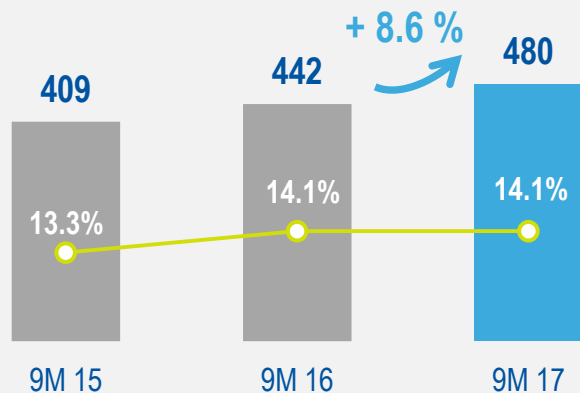
Revenue (€m)



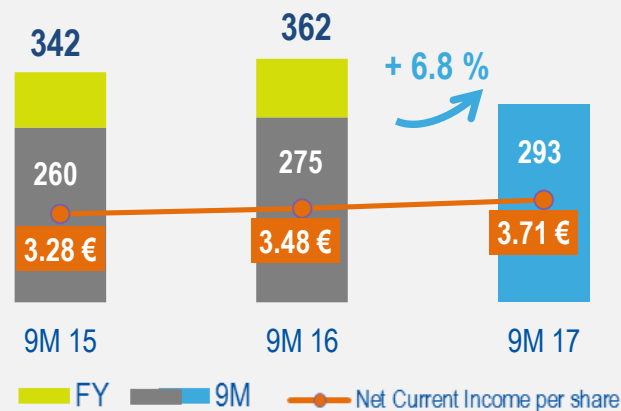
Quarterly organic growth ⁽²⁾



Current operating income (COI. €m) ⁽¹⁾



Net income from current operations (€m)



(1) « Current » means « before other organic growth »

(2) Organic growth: growth at comparable Group structure and exchange rates

Better overall market environment

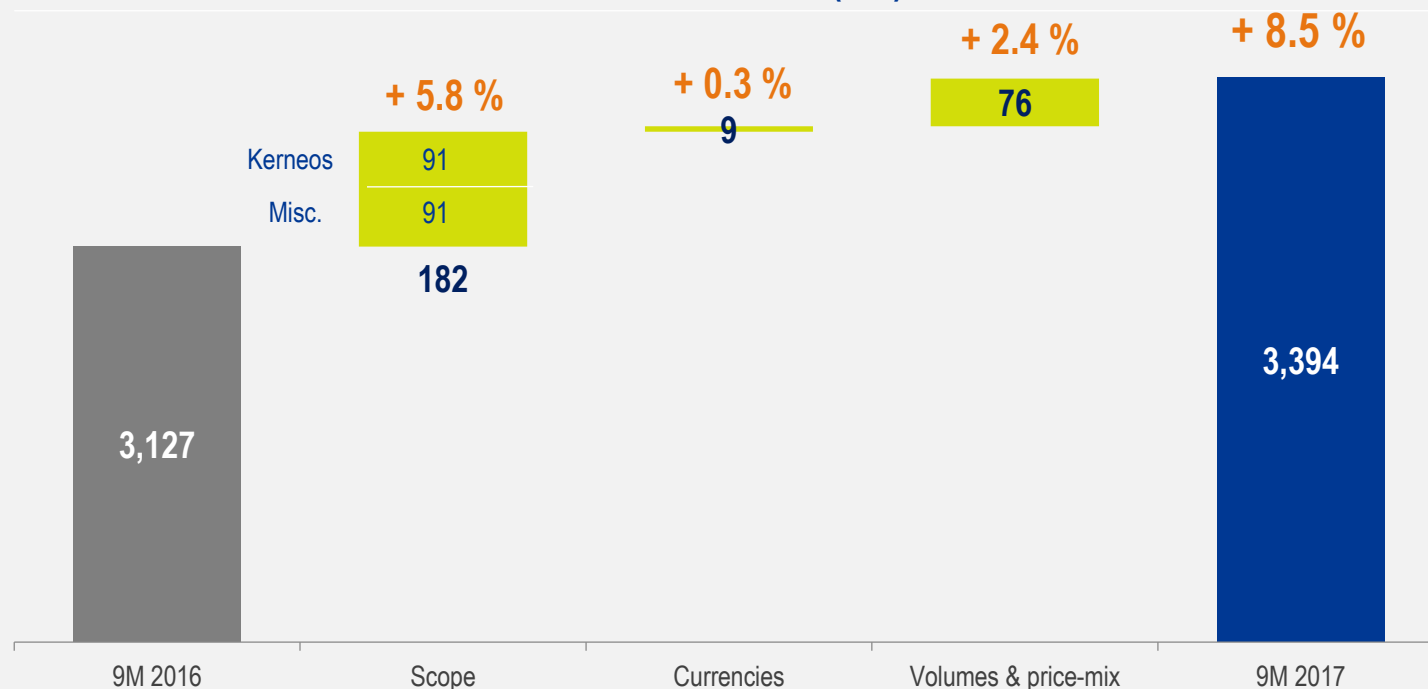
	% of Group revenue*	
Construction and renovation	~20 %	<ul style="list-style-type: none"> ■ Further increase in housing starts (single family and collective) in the US (+ 3.1 % 9M 2017 vs 9M 2016), building permits (+ 5.0 % 9M 2017 vs 9M 2016) ⁽¹⁾. ■ Good momentum in Europe, overall
Current consumption	~15 %	<ul style="list-style-type: none"> ■ Firm current consumption (ex. food and beverage, consumer electronics, health & beauty, etc.)
Paper	~15 %	<ul style="list-style-type: none"> ■ Decrease in printing and writing paper in Europe (-2.0 %) and in the US (- 5.0%) in H1 2017 vs H1 2016 ⁽²⁾ ■ Emerging markets stable H1 2017 vs H1 2016
Iron / Steel	~10 %	<ul style="list-style-type: none"> ■ Acceleration of steel production in the US (+ 3.1 %) and in Europe (+ 4.1 %), 9M 2017 vs 9M 2016 ⁽³⁾ ■ + 5.6 % globally
Automotive	~10 %	<ul style="list-style-type: none"> ■ Slight decline in car sales in the US as at end of September (- 1.6 %) ⁽⁴⁾ ■ Car sales in Europe + 3.7 % 9M 2017 vs 9M 2016 ⁽⁵⁾
Roofing in France	~7 %	<ul style="list-style-type: none"> ■ Sales of clay roof tiles down by - 2,8 % 9M 2017 vs 9M 2016 : new single family housing starts + 16,2 % as at end August 2017 ⁽⁶⁾ ■ Persisting weakness in renovation
US shale oil	~ 1 %	<ul style="list-style-type: none"> ■ Pick up in production limited to low-production costs basins, without impact on demand for ceramic proppants

(*) 2016 estimates

(1) Census (2) RISI (3) Worldsteel (4) IHS automotive, Wards (5) ACEA, (6) Commissariat Général au Développement Durable, trailing three months

+ 8.5 % revenue increase

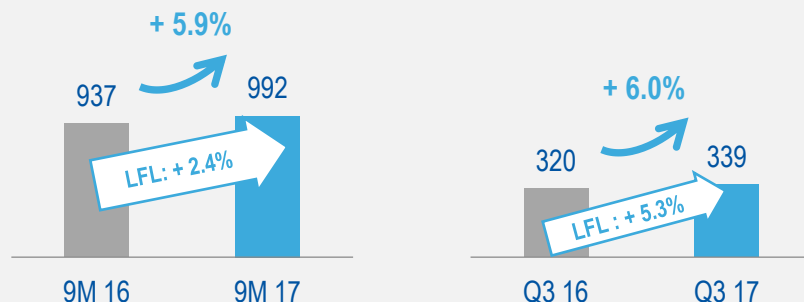
Evolution of revenue for the first nine months of 2017 (€m)



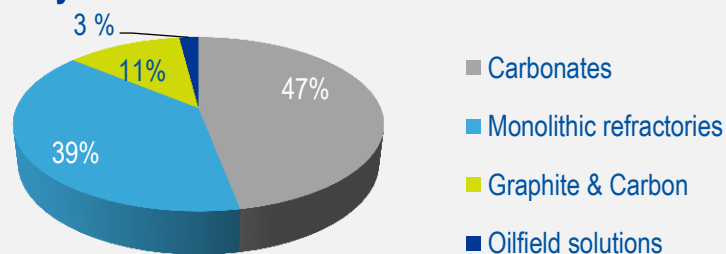
- Organic growth of + 2.4 % for the first nine months of 2017, of which + 3.6% in Q3
 - ◆ Volumes up + 1.8 %, with positive price-mix effect of + 0.6 % for the first nine months
- Integration of Kerneos
- Significant negative currency impact in Q3 (- 25 M€)

Energy Solutions & Specialties (29 % of consolidated revenue)

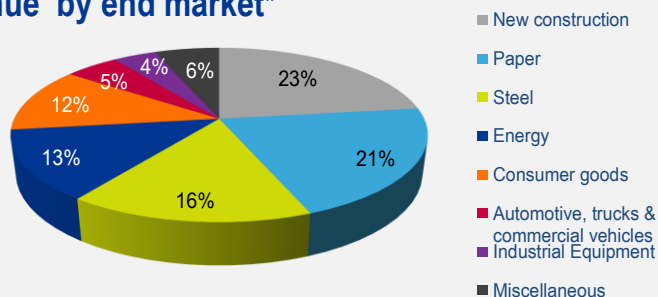
Revenue (€m)



Revenue by division



Revenue by end market*



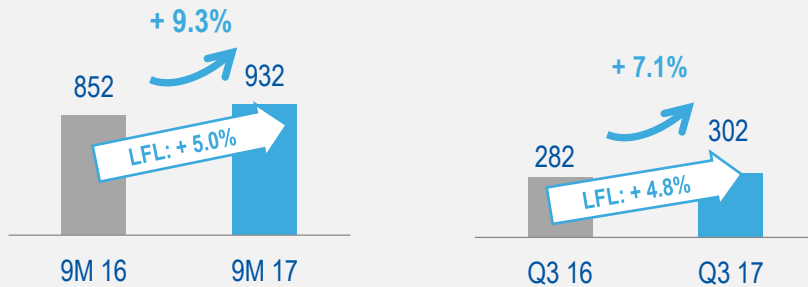
* 2016 Data

■ Broad-based improvement of activity

- ◆ Graphite & Carbon: dynamic markets for mobile energy and conducting polymers
- ◆ Carbonates: positive trends in Asia-Pacific and in packaging applications
- ◆ Monolithic refractories: growth in industrial markets in Europe
- ◆ Unchanged market environment for ceramic proppants

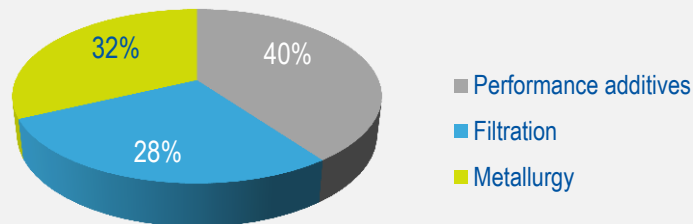
Filtration & Performance Additives (27 % of consolidated revenue)

Revenue (€m)

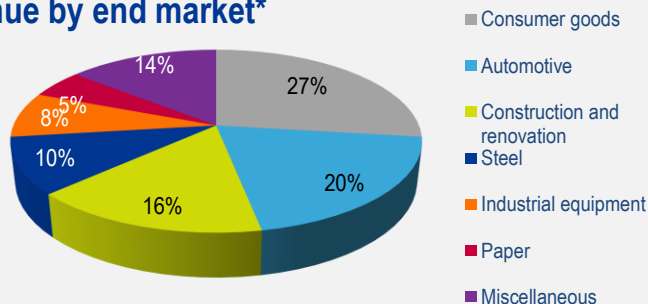


- Revenue benefiting from robust sales momentum in supportive markets
- New developments in health & beauty, construction, agriculture and plastics recycling markets

Revenue by division



Revenue by end market*



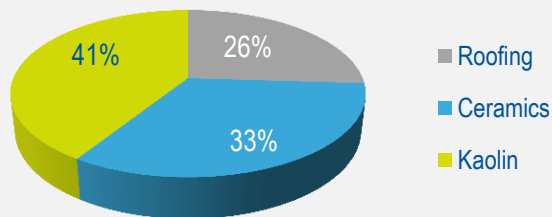
* 2016 Data

Ceramic Materials (26 % of consolidated revenue)

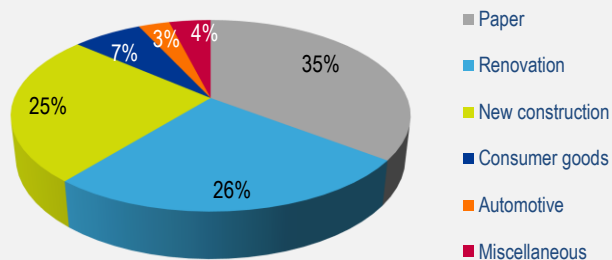
Revenue (€m)



Revenue by division



Revenue by end market*

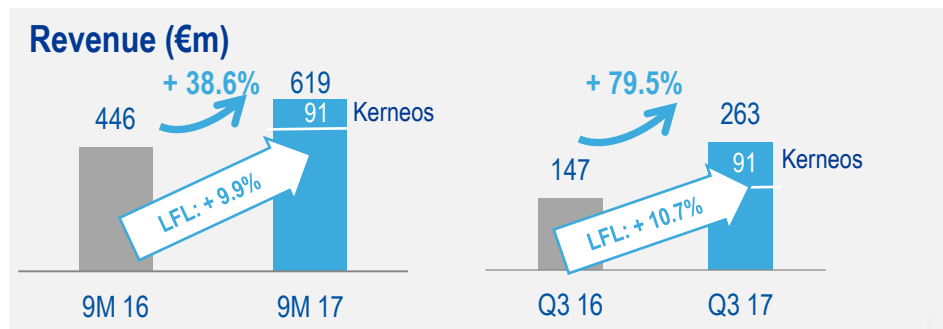


* 2016 data

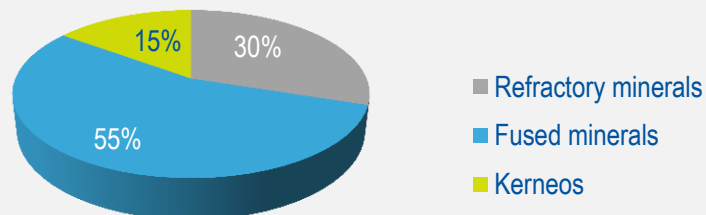
** Source : FFTB : Fédération française de tuiles et briques

- Sequential improvement
- Weak paper markets
- Clay roof tiles sales down -2.3% in Q3** due to slack renovation segment
- Good ceramic markets overall

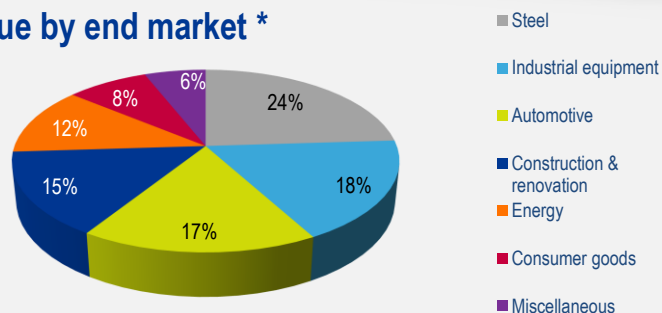
High Resistance Minerals (18 % of consolidated revenue)



Revenue by division



Revenue by end market *



* 2016 data

- Good sales and innovation dynamics in very supportive markets
- Very strong organic growth in Q3 with relatively favorable comparison basis
- Integration of recent acquisitions, Kerneos in particular, integrated since July 18

Current operating income up + 8.6 %

Evolution of Current Operating Income for the first nine months of 2017 (€m)



- Operating margin stable at **14.1 %**, despite negative currency impact in Q3
- Contribution from recent acquisitions, Kerneos in particular
- Positive contribution from volumes and price-mix for **+ 56 M€**
- Variable costs under control (**1 M€**) thanks to operational excellence programs
- Increase in activity and ongoing deployment of human and industrial capital necessary to the growth of the Group
 - ◆ Fixed costs and overheads: **+ 36 M€**

Net income from current operations up by + 6.8%

M€	9M 2016	9M 2017	Change
Current operating income	441.5	479.5	+ 8.6%
Current financial expense	(47.5)	(63.1)	
<i>Average cost of debt</i>	2.3 %	1.8 %	
Current income tax	(117.2)	(122.8)	
<i>Average tax rate</i>	29.7 %	29.5 %	
Minority interests	(2.3)	(0.4)	
Net income from current operations, Group's share	274.5	293.2	+ 6.8%
<i>Net income from current operations, Group's share, per share ⁽¹⁾</i>	<i>3.48 €</i>	<i>3.71 €</i>	<i>+ 6.5%</i>
Other operating income and expenses, net	(55.5)	(25.4)	
Net income, Group's share	219.0	267.8	+ 22.3%

- Increase in current financial expense reflecting marked currency effect in the 3rd quarter
- Other operating income and expenses halved

(1) Average weighted number of outstanding shares: 79 031 930 (9M 2017)
versus 78 774 246 (9M 2016)

Conclusion



Conclusion

- Recent acquisitions, especially Kerneos, expected to contribute gradually
- Objective of 2017 net income from current operations growth to exceed **+ 7 %** confirmed

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
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
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
Ceramic Materials	291.0	301.4	285.8	294.2	323.2	311.4	293.8	293.6	310.9	300.9	285.9
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
Eliminations & Holding companies	(14.1)	(12.4)	(13.2)	(10.2)	(12.4)	(12.6)	(12.1)	(12.5)	(15.9)	(14.3)	(16.7)
TOTAL	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

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
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%
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%
Ceramic Materials	- 6.3%	- 1.7%	- 4.4%	- 4.7%	+ 2.8%	- 2.3%	- 2.1%	- 3.8%	- 4.7%	- 2.9%	- 1.8%
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%
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%

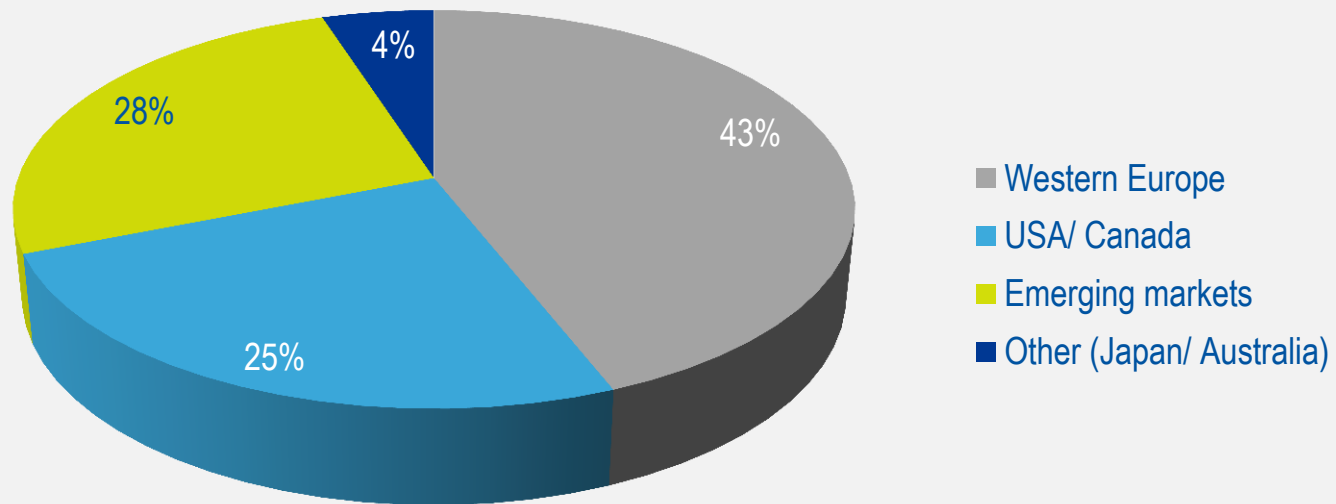
Current Operating Income (€m)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Consolidated C.O.I.	123.2	150.8	135.0	129.1	135.4	157.7	148.5	140.6	147.2	165.4	166.9
Operating margin	12.7%	13.9%	13.1%	12.9%	13.0%	14.9%	14.4%	13.5%	13.2%	14.9%	14.2%

Current operating income and operating margin 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
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
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
Ceramic Materials	112.5	97.0	108.5	111.2	104.4	106.7	106.8	103.3	113.7	109.7	107.0
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
Eliminations & Holding companies	(23.6)	(26.6)	(21.0)	(20.7)	(23.2)	(29.0)	(26.5)	(24.8)	(32.7)	(31.2)	(35.7)
Consolidated C.O.I	265.4	222.7	244.0	233.0	247.7	246.9	274.0	264.1	293.0	289.1	312.6

Operating Margin	H1 2012	H2 2012	H1 2013	H2 2013	H1 2014	H2 2014	H1 2015	H2 2015	H1 2016	H2 2016	H1 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%
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%
Ceramic Materials	17.3%	15.7%	17.4%	19.1%	17.9%	18.6%	18.0%	17.8%	17.9%	18.7%	17.5%
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%
Consolidated Operating Margin	13.4%	11.7%	13.0%	12.8%	13.5%	13.3%	13.3%	13.0%	14.0%	14.0%	14.1%

Revenue by region as at September 30, 2017



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

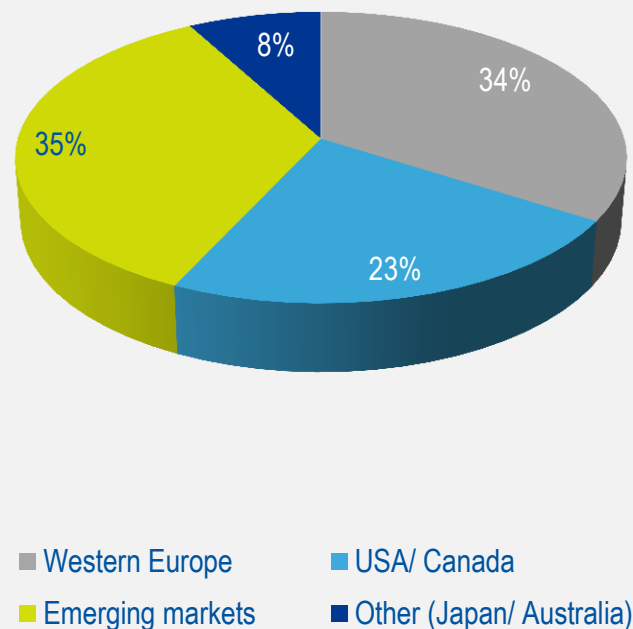
■ Graphite & Carbon

- ◆ 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

9M 2017 revenue by region



Filtration & Performance Additives

■ Performance Additives

- ◆ Additives for paints, plastics, polymers, rubbers, adhesives, sealants, pharma & personal care (mainly talc, mica and wollastonite, etc.)

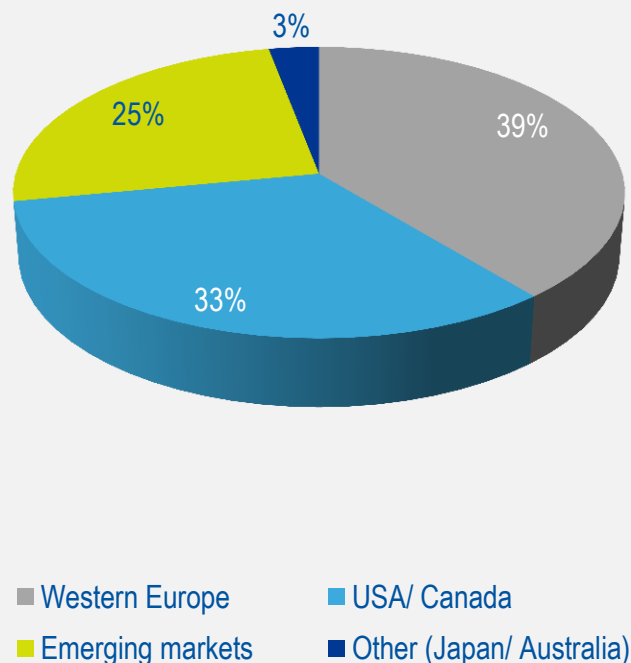
■ Filtration

- ◆ 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

9M 2017 revenue by region



Ceramic Materials

■ Roofing

- ◆ Clay roof tiles in France

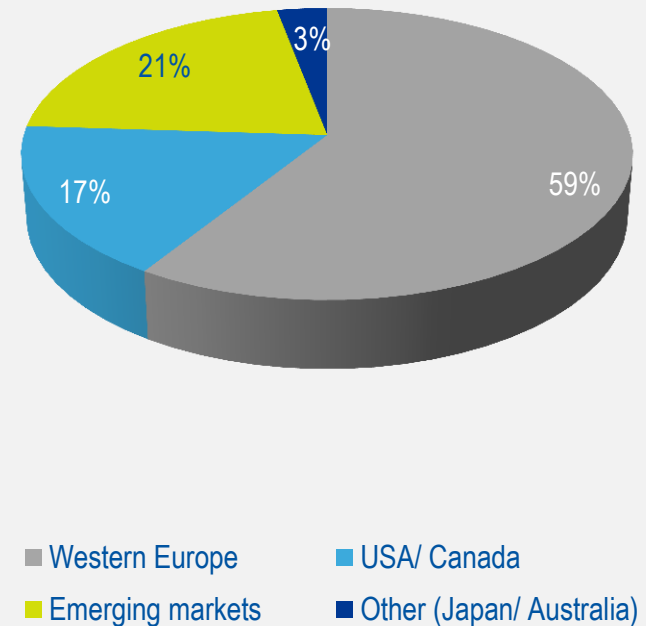
■ Ceramics

- ◆ 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.

9M 2017 revenue by region



High Resistance Minerals

■ Fused Minerals

- ◆ Fused alumina and bauxite for abrasives (cutting, grinding and polishing mills, sandpapers), zirconium for refractories, oxygen sensor

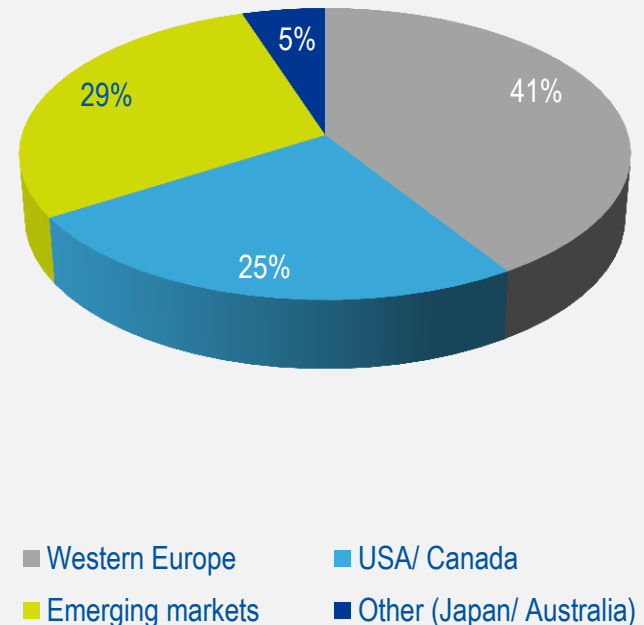
■ Refractory Minerals

- ◆ Production of acidic refractory minerals including andalusite and chamottes

■ Kerneos

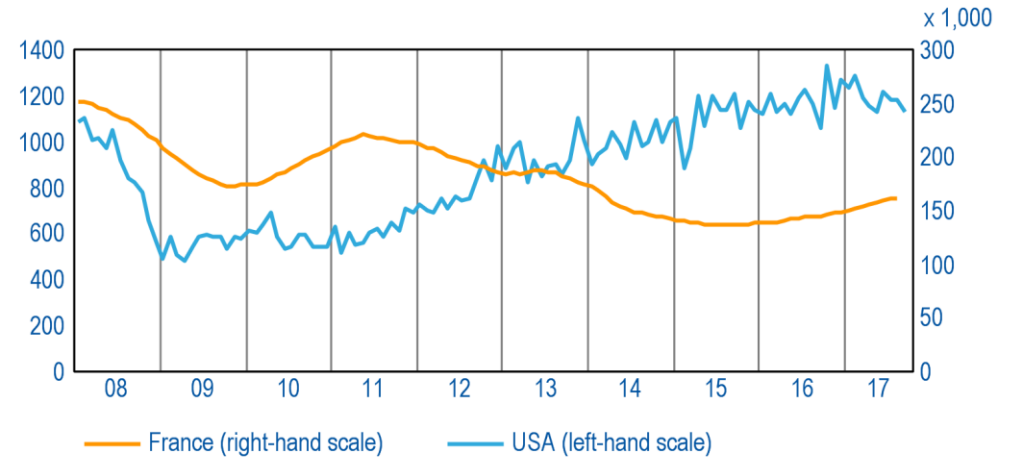
- ◆ Binders and additives for floor mortars, self levelling screeds, adhesives, tile joint and technical mortars
- ◆ Special hydraulic binders for monolithic refractory concretes, proofing and patching mortars for sewage system infrastructure

9M 2017 revenue by region

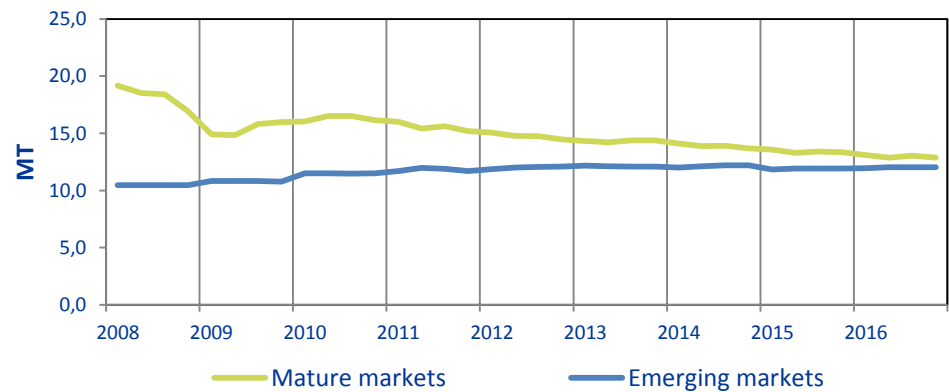


Market indicators for construction, printing & writing paper

New housing starts
(in thousands)

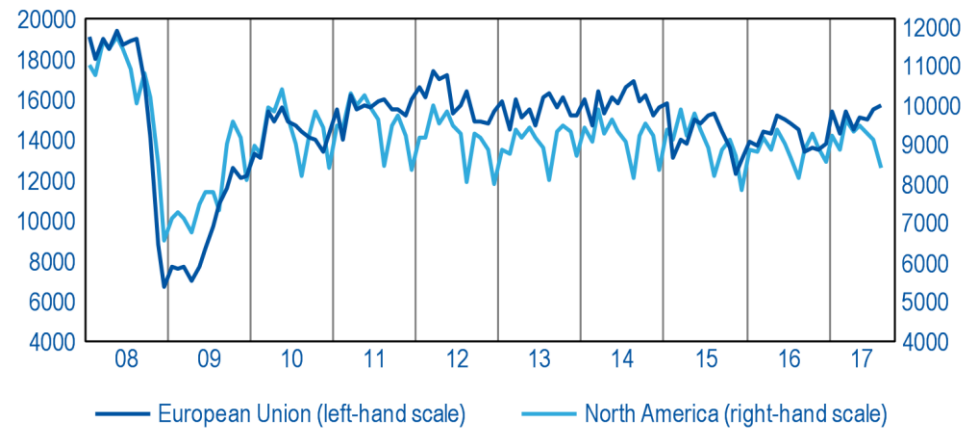


Printing & writing paper
(in millions of tons)



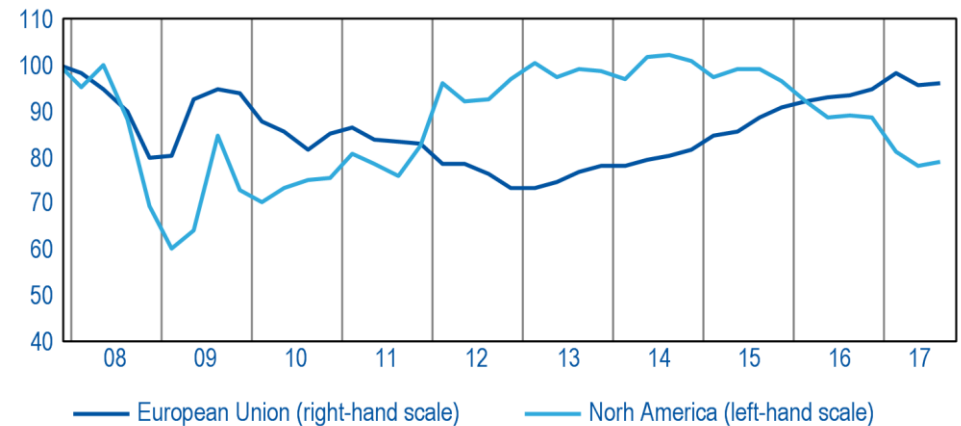
Indicators for steel production and passenger car registrations

**Steel production
(in thousands of tons)**



Source: Thomson Reuters Datastream

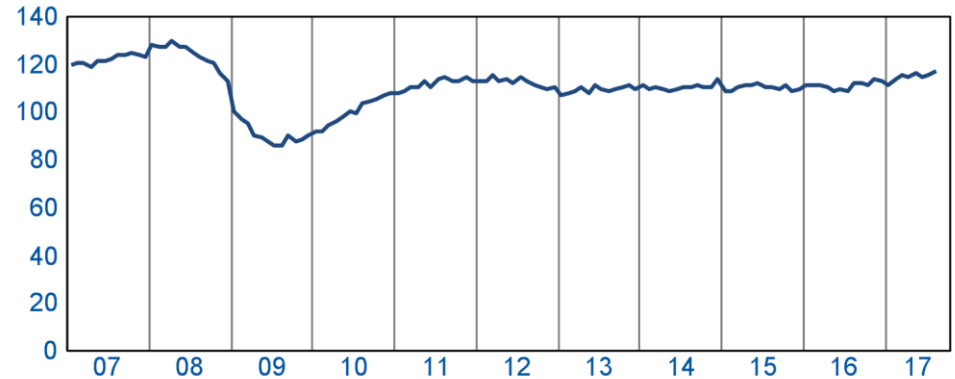
**Light vehicle registrations
(basis 100 in Q4 2007)**



Source: Thomson Reuters Datastream

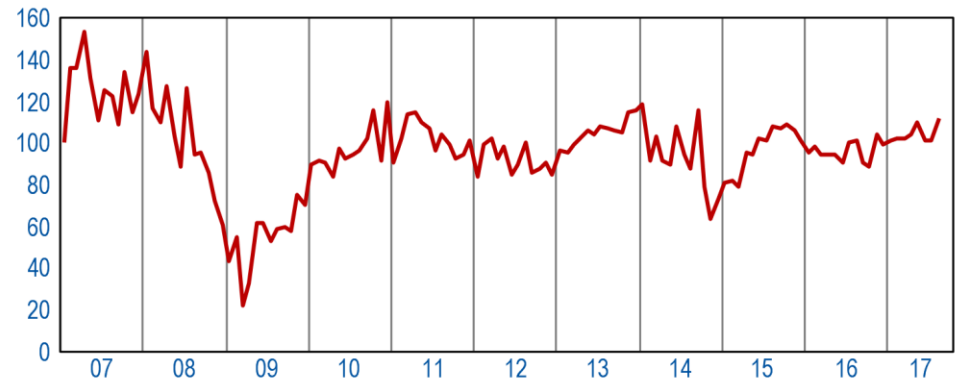
Industrial production indicator: industrial equipment

New orders index (machine and industrial equipment manufacturing in EU-28 (adjusted for seasonal effect and working days)



Source: Thomson Reuters Datastream

New orders index (machine and industrial equipment manufacturing in the U.S.A. (adjusted for seasonal effect)



Source: Thomson Reuters Datastream

Kerneos: a new platform to grow Imerys' minerals-based specialties



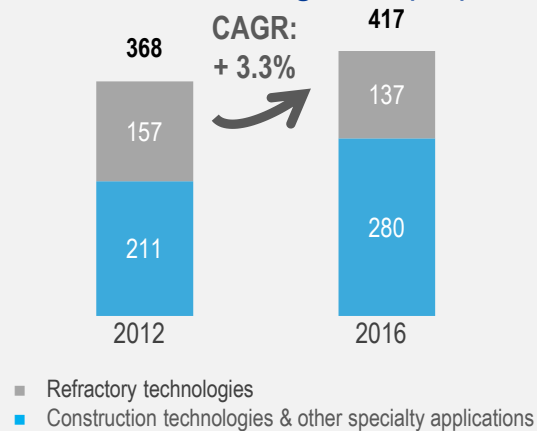
Main strategic rationale for Imerys



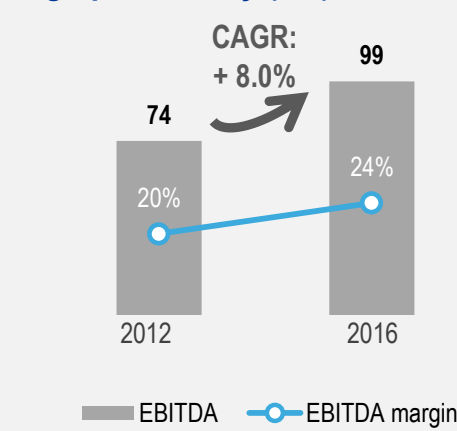
- A world class **technology platform**
- Entering into a **new and growing market segment**
 - ◆ Leveraging growing adoption rate of aluminate technologies in construction
 - ◆ Enhancing Imerys financial performance with above Group-average top line growth, profitability and cash flow generation
- **Close fit with Imerys' business model**
 - ◆ Leading technologies, high quality assets with global footprint, secured access to mineral reserves
 - ◆ Leadership position: worldwide # 1 in calcium aluminates performance binders
 - ◆ High-functional value products with multiple key properties, for a small share of client input costs
 - ◆ Innovation leadership and customer focus
 - ◆ Shared culture of excellence

Kerneos: global leadership positions with proven track record of growth and profitability

Sustained revenue growth (€m)



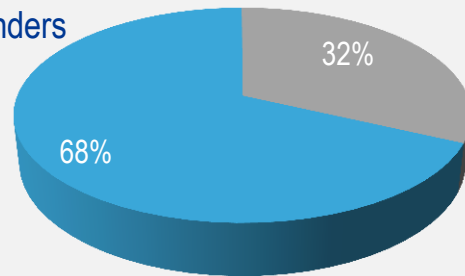
High profitability (€m)



- Proven track-record of **growth and resilient profitability** at high level
 - ◆ Revenue: + 3.3% CAGR 2012-2016, of which + 6.2% organic growth p.a. in construction technologies
 - ◆ 24% EBITDA margin in 2016
- Strong **free cash flow: 60 M€** in 2016 ⁽¹⁾

Revenue by segment

Worldwide #1 in CAC performance binders for construction technologies



Worldwide #1 in CAC performance binders for refractories



■ Refractory technologies
■ Construction technologies & other specialty applications

(1) Free cash flow before taxes, excluding exceptional and non recurring items.
Free cash flow excludes financial lease charges

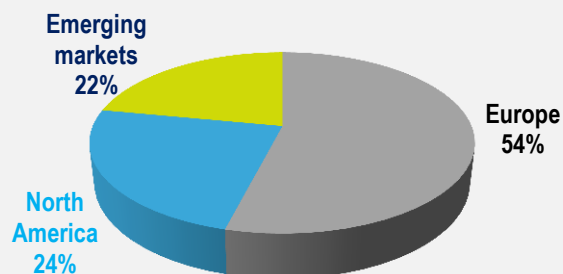
With Kerneos, Imerys would complement its global footprint...

- **Global presence:** 1,500 employees in 9 industrial facilities and 17 sales offices
- **Competitive industrial base** located in key markets
- **Secured access to required minerals** (including ownership of red bauxite mines)
- Strong customer focus with **recognized technical support** and expertise
- Significant presence in growing geographies: ca. **50%** of revenue in North America and emerging markets:

Sole CAC player with global footprint



Revenue by region (2016)



- Production Plants
- Commercial Offices
- Integrated Bauxite mining sites
- Countries with Industrial Sites

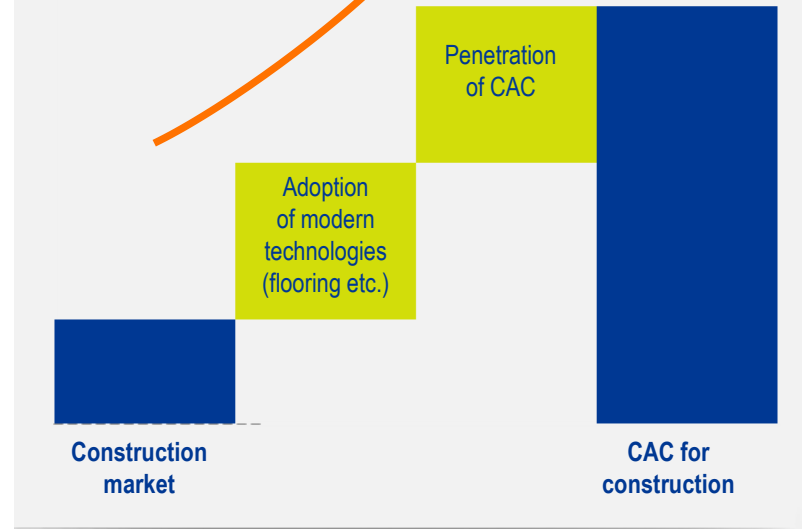
... and enhance its profile with 2/3 of Kerneos activities offering growth potential

■ Construction technologies and specialty applications: long-term growth outperforming construction markets

- ◆ Self leveling and quick drying properties
- ◆ Cost effective solution
- ◆ High penetration potential of mortars using CAC technology in the US
- ◆ Continuing CAC penetration in all European markets (France, Germany and the UK)
- ◆ Customer base including premium players (Sika, Bostik, Weber, Mapei, Thomsit, etc.)

Leveraging growing adoption rate of aluminate technologies in construction

+4-5% p.a.



■ Other specialty applications

- ◆ CAC products for wastewater treatment, mining industry, metal refinery, engineering jobs and specialized concrete producers
- ◆ Bauxite mining activities

Refractory technologies: high value offering

- Serving primarily as binders for **refractory products (monolithics)**
 - ◆ Performance binders are critical to the performance of client products
 - ◆ Represents a small share of client input cost in refractories
- Benefiting from a **resilient performance**
 - ◆ Selling almost exclusively added value CAC products with high level of technical service
 - ◆ Serving several high temperature industries (steel, cement, glass, petrochemical, incinerators, etc.)
 - ◆ Substitution from bricks to monolithic refractories
- CAC market for **refractories prospect**
 - ◆ Expectations of mature countries recovery, India growth and increasing CAC penetration in emerging markets
 - ◆ Expectation of markets with growing demand of modern standard

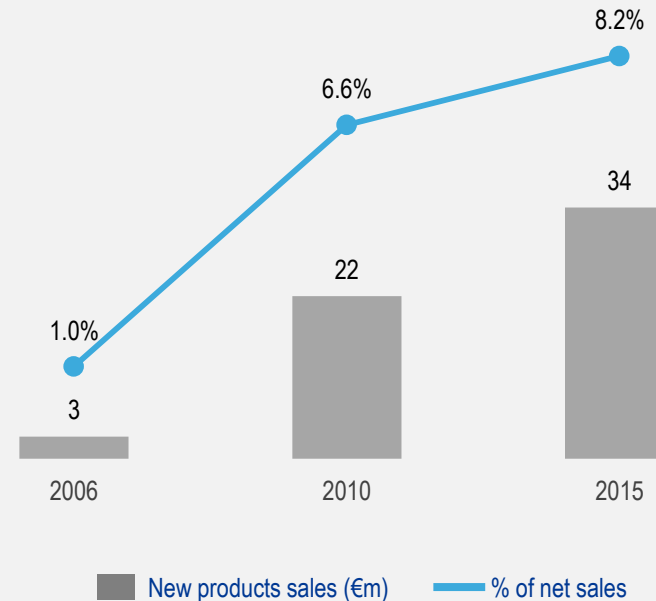
Innovation leadership supported by strong R&D capabilities

■ High quality R&D strengthening Imerys' innovation capabilities

- ◆ 2 R&D centers dedicated to Construction technologies (France) and Refractories (China)
- ◆ 5 application laboratories worldwide offering customers' support
- ◆ Large cooperation network with universities and institutes

New products sales evolution over last 10 years

€m and % of Net Sales



■ Selected trademarks

TERNAL **SECAR** **ALAG** **CALCOAT** **FONDAG** **CIMENT FONDU** **SEWPERCOAT** **LDSF** **OPTOMET** **peramin**
a Kerneos brand

€23 m run-rate annual synergies identified

■ Leveraging geographical coverage

- ◆ Kerneos stronger presence in some geographies

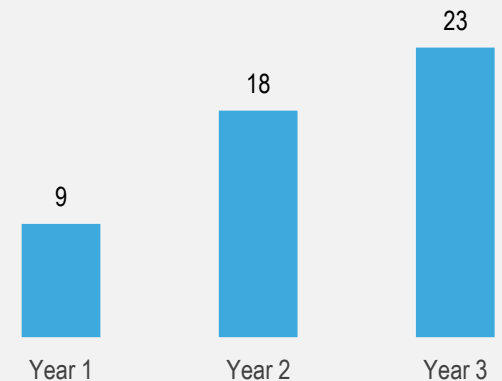
■ Enhancing innovation potential

- ◆ New technologies/ applications
- ◆ Cross fertilization opportunities

■ Cost optimization

- ◆ Procurement efficiencies
- ◆ Industrial set up

Pre-tax synergies phasing (€m)



Imerys and Kerneos: a value creative transaction

- Estimated enterprise value of c. **€880 million**
 - ◆ **€23m** annual run rate synergies from third full year of consolidation
 - ◆ **8.9x** 2016 LTM EBITDA¹ and **7.2x** post run-rate annual synergies
- Financed from Imerys' available resources
 - ◆ Available cash and secured financing
 - ◆ Complies with our objective to maintain an investment grade rating
 - ◆ Ensures financing flexibility: deleveraging thanks to solid cash generation
- **Value creative** acquisition
 - ◆ ROCE above WACC within 3 years, in line with Imerys stringent acquisition criteria
 - ◆ High single digit EPS² accretion from first full-year of consolidation



7.2x 2016 EBITDA
post run-rate annual synergies ⁽¹⁾



High single-digit
EPS accretion from Year 1

1. Last 12 months, as of September 30, 2016

2. Net income from current operations per share

Kerneos, a further step in Imerys' development strategy that matches all our value-creation criteria

- ✓ World class technology platform
- ✓ Entry into a new growing market segment
- ✓ Enhancement of Imerys growth and profitability profile
- ✓ Excellent fit with Imerys business model
- ✓ Strong innovation capabilities
- ✓ Significant synergies identified
- ✓ Consistent with investment grade objective



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