PARIS, JULY 25, 2019

Imerys: first half 2019 results

- Revenue down 1.5% organically[1] against strong comparatives and in a continuing challenging market environment
- Lower volumes partly offset by positive price - mix (+ 2.7%) as well as the gradual ramp up of the cost savings initiatives
- Solid net current free operating cash flow
- 2019 outlook: following the forecasted negative impact of the deconsolidation of the North American talc subsidiaries and the temporary shutdown of the Willsboro plant (ca. -7% on net income from current operations) and assuming no further deterioration in the market environment, full year net income from current operations expected to decline by around 10% versus 2018

CEO Conrad Keijzer commented:

"In the second quarter, in a still challenging market environment and against strong comparatives, Imerys continued to deliver positive price-mix. In addition, cost containment and cash management measures announced in the first quarter of 2019 are beginning to bear fruit. For 2019, following the forecasted negative impact of the deconsolidation of the North American talc subsidiaries and the temporary shutdown of the Willsboro plant (ca. -7% on net income from current operations) and assuming no further deterioration in the market environment, we expect full year net income from current operations to decline by around 10% versus 2018. This guidance factors in a sequential improvement of the current operating income in the second half compared to the first half. Imerys has started its transformation journey with a new market-focused organization. We remain confident that the mid-term financial targets recently announced at our Capital Markets Day will be achieved."

Audited consolidated results (€ millions)	H1 2018[2]	H1 2019	Change
■ Revenue	2,310.5	2,263.4	- 2.0%
■ Current operating income[3]	283.8	245.1	- 13.6%
Current operating margin	*12.3%*	*10.8%*	*- 150 bp*
■ Operating income	260.1	162.8	- 37.4%[4]
■ Net income from current operations, Group share	176.4	158.7	- 10.0%[5]
■ Net income, Group share	161.4	95.9[6]	- 40.6%
■ Net current free operating cash flow	75.8	76.6	+ 1.1%
■ Net financial debt	2,315.0	1,519.1[7]	- 34.4%
■ Net income from current operations, Group share (€ per share)[8]	€2.23	€2.00	- 10.0%

[1] Organic growth: growth at comparable scope and exchange rates, or "like-for-like"
[2] All 2018 data in the present press release is restated from Roofing disposal.
[3] Throughout this press release, "current" means "before other operating income and expenses", as defined in the notes to the financial statements relating to the consolidated income statement.
[4] -17.4% before restructuring charges in connection with the transformation program.
[5] -17.0% before the positive impact on net financial charges of the full repayment on March 2019 of the €56 million Japanese Yen denominated private placement maturing in 2033.
[6] Including €50 million of restructuring charges related to the transformation program
[7] €1,789.9 million with IFRS 16
[8] The weighted average number of shares was 79,170,908 in the 1st half of 2019 vs. 79,149,662 in the 1st half of 2018.

HALF YEAR HIGHLIGHTS

Roll out of the Connect and Shape transformation program

The Group has started to implement the measures in connection with its strategy and its transformation program called “Connect & Shape”.

The new customer centric and market driven organization is now effective in Asia and North America. In Europe, the information-consultation processes with employee representatives about the new organization is proceeding according to plan.

OUTLOOK

Given continuing challenging market environment, the Group will continue to give priority to cost reduction and cash generation.

For 2019, after the impact of the deconsolidation of the North American talc subsidiaries and the temporary shutdown of the Willsboro plant (ca. -7% on net income from current operations) and assuming no further deterioration in the market environment, full year net income from current operations is expected to decline by around 10% versus 2018. This guidance factors in a sequential improvement of the current operating income in the second half compared to the first half.

As announced during its Capital Market Day in June, the Group remains confident to achieve by 2022 an organic growth in line with its underlying markets and an improvement of its EBITDA margin of 200 bps vs 2018 [9]. The Group expects to achieve €100 million cost savings in full in 2022 with a gradual ramp up over the 2019 - 2022 period.

[9] *For more details, please refer to the press release published on June 13, 2019.*

FIRST HALF 2019 FINANCIAL REVIEW

REVENUE

Unaudited quarterly data (€ millions)	2018 Revenue	2019 Revenue	Change	Organic growth	Volumes	Price-mix
■ First quarter	1,129.6	1,124.0	-0.5%	- 0.9%	- 3.6%	+ 2.7%
■ Second quarter	1,180.9	1,139.4	-3.5%	- 2.0%	- 4.8%	+ 2.7%
■ **First half**	**2,310.5**	**2,263.4**	**- 2.0%**	**- 1.5%**	**- 4.2%**	**+ 2.7%**

Revenue for the first half 2019 amounted to €2,263.4 million, slightly decreasing compared to the same period of 2018 (- 2.0% on reported basis). In an inflationary environment, Imerys maintained a robust price-mix effect of +2.7%, positive in its two business segments (Performance Minerals and High Temperature Materials and Solutions). This helped mitigate the impact of a decrease in organic growth (- 1.5%) caused by lower volumes against challenging comparables and market conditions, notably in European automotive, refractory and industrial markets.

Revenue also included a favorable impact of exchange rates of €53.9 million due mainly to the appreciation of the US dollar versus the euro, which compensated for a negative perimeter effect of - €66.9 million (- 2.9%), of which -€53.0 million from the deconsolidation of our North American talc subsidiaries following their filing for chapter 11 since February 14, 2019.

CURRENT OPERATING INCOME

Unaudited quarterly data (€ millions)	2018	2019	Change
■ First quarter	129.6	109.6	-15.4%
Operating margin	*11.5%*	*9.8%*	*-170 bp*
■ Second quarter	154.2	135.5	-12.1%
Operating margin	*13.1%*	*11.9%*	*-120 bp*
■ **First half**	**283.8**	**245.1**	**-13.6%**
Operating margin	*12.3%*	*10.8%*	*-150 bp*

First half 2019 **current operating income** totaled €245.1 million[10], down 13.6% compared to the first half of 2018, reflecting mainly the lower contribution from volumes (- €54.5 million). It also takes into account the North American talc subsidiaries deconsolidation (- €10.6 million) and the impact of the temporary shutdown of the wollastonite plant in Willsboro, USA, due to production issues (- €9.0 million). Excluding the North American talc subsidiaries deconsolidation and temporary shutdown of Willsboro plant, the current operating margin was 11.4% in the first half of 2019. Effect of exchange rates was a positive €12.1 million.

The firm price mix effect of + €60.3 million fully compensated for the €51.1 million negative impact from the carry over of inflation of variable costs, corresponding to a + 4.4% year-on-year inflation (down from + 5.5% year on year in the first quarter of 2019).

Fixed costs and overheads improved by €19.4 million, reflecting:

- the positive effect of decisions made in the previous year on ceramic proppants and activities in Namibia (for €10.6 million in the first half);
- the first positive effects of the cost containment measures in all our business areas to adapt the Group's cost structure to the current market environment and the implementation of the Group's transformation program for €8.8 million euros in the first half.

[10] *The IFRS 16 impact on the current operating income is +€2.8 million in the first half of 2019.*

NET INCOME FROM CURRENT OPERATIONS

Net income from current operations amounted to 158.7 million[11], down 10.0% compared to the first half of 2018. It includes a €15.2 million improvement in financial results, mainly due to the full repayment on March 2019 of the €56 million Japanese Yen denominated private placement maturing in 2033. The tax charge of - €65.8 million (versus - €74.0 million in the first half of 2018) reflects an effective tax rate of 29.0 % (versus 29.6% in the first half of 2018).

Net income from current operations, Group share, per share is down - 10.0% to €2.00.

NET INCOME

Other operating income and expenses, net of taxes, amounted to a negative €62.8 million in the first half of 2019 including €50.1 million restructuring costs related to the transformation program and €4.7 million linked to the temporary shutdown of the Willsboro plant in the USA (the full-year negative impact of which is confirmed to be around €25 million on net income).

Consequently **net income, Group share**, was €95.9 million, down 40.6%.

NET CURRENT FREE OPERATING CASH FLOW

(in € millions)	First half 2018	First half 2019
■ Current EBITDA	393.2	352.8[12]
■ Change in operating working capital requirement (WCR)	(88.1)	(72.5)
■ Paid capital expenditure	(153.4)	(135.5)
■ Other	8.0	3.0
■ **Current free operating cash flow**	**159.8**	**147.7**
■ Notional tax	(84.0)	(71.1)
■ **Net current free operating cash flow**	**75.8**	**76.6**

Despite a decrease of 10.3% of **current EBITDA** to €352.8 million, Imerys generated a solid level of **net current free operating cash flow** which totaled €76.6 million in the first half of 2019, mainly as a result of the following items:

- A €135.5 million in **paid capital expenditure** (representing 6.0% of revenue) down compared to last year, showing the ability of the Group to adjust capex spending in a slower growth environment;
- A €72.5 million negative change in operating **working capital requirement**, improving compared to last year thanks in particular to a good control over inventories.

[11] *The IFRS 16 impact on the net income from current operations is -€0.7 million in the first half of 2019.*
[12] *€391.3 million with IFRS 16*

FINANCIAL STRUCTURE

(€ millions)	Without IFRS 16	
	Dec. 31, 2018	June 30, 2019
■ Net financial debt	1,297.4	1,519.1
■ Shareholders' equity	3,253.5	3,158.3
■ **Net financial debt / shareholders' equity**	**39.9%**	**48.1%**
■ **Net financial debt / current EBITDA**	**1.6x**	**2.0x**

Net financial debt excluding IFRS 16 amounted to €1,519.1 million as of June 30, 2019, which represents a ratio between net financial debt and current EBITDA of 2.0x. In addition, IFRS 16 lease liabilities (related to the right of use of the assets) represented €270.7 million as of June 30, 2019 (i.e. 0.2x of net financial debt to current EBITDA ratio[13]) leading to a €1,789.9 million net financial debt under IFRS 16.

The change in net financial debt over the 6 first months of 2019 (+€221 million without IFRS 16) resulted notably from the following items:

- €170.7 million paid in dividends in May 2019;
- €21.5 million for the purchase of treasury shares;
- and €28.5 million related to the deconsolidation of the North American talc subsidiaries cash.

The Group's robust financial structure is rated Baa2 by Moody's and BBB by Standard & Poor's, with a stable outlook for both rating agencies.

At June 30, 2019, Imerys' bond financing amounted to €1,923.5 million with an average maturity of 5.7 years. The Group also benefited from €1,280.0 million in bilateral credit lines. As a result, the Group's **financial resources** totaled €3,203.5 million with an average maturity of 4.4 years.

[13] *Based on the last twelve month restated IFRS 16 current EBITDA (€791.3 million)*

BUSINESS SEGMENTS' ACTIVITY IN FIRST HALF 2019

As previously announced, the Group was reorganised into two business segments effective January 1, 2019: Performance Minerals and High Temperature Materials & Solutions[14].

Performance Minerals *(55% of consolidated revenue)*

Unaudited quarterly revenue (€ million) and like-for-like growth (%)	Q1 2019	Q2 2019	H1 2019	Change / H1 2018
■ Performance Minerals Americas	282.0 (-2.8%)	273.5 (-3.4%)	555.4 (-3.1%)	-7.8%
■ Performance Minerals EMEA	258.8 (-0.2%)	256.6 (-3.2%)	515.4 (-1.7%)	-1.6%
■ Performance Minerals APAC	114.7 (+2.8%)	114.5 (+3.7%)	229.2 (+3.2%)	+7.3%
■ Eliminations	(32.4)	(24.1)	(56.4)	-
■ **Total Performance minerals**	**623.1 (-1.7%)**	**620.5 (-1.8%)**	**1,243.6 (-1.8%)**	**-3.0%**
Profitability (€ millions)		**H1 2018**	**H1 2019**	**Change**
■ **Current operating income**		**181.9**	**144.1**	**-20.8%**
Operating margin		*14.2%*	*11.6%*	*-260 bp*

The **Performance Minerals** business segment's revenue totaled €1,243.6 million in the first half of 2019 (-3.0% on a current basis). This change takes into account a significant - €54.9 million perimeter effect (-4.3%), mainly due to the deconsolidation of the North American talc subsidiaries. These are working under the "Chapter 11" judicial protection towards an efficient and permanent resolution of their historic talc-related liabilities. They have engaged in productive negotiations of a plan of reorganization with the relevant representatives of claimants. A positive exchange rate effect of €38.6 million (+ 3.0%) helped partly offset this scope effect. Like-for-like revenue was down 1.8% in the first half of 2019, as a result of contrasted geographic trends.

Revenue in the **Americas** was down 3.4% on a like-for-like basis in the second quarter. Excluding the temporary shutdown of the plant in Willsboro, USA, which has resumed operations in early June, it was down 1.2% in the second quarter versus -1.6% in the first quarter. Sales were affected by negative trend in paper and board markets and weak demand in filtration for food and beverages in the USA.

Revenue in **EMEA** was down 3.2% like-for-like in the second quarter in an adverse market environment. Soft paints & coatings markets and mixed performance in ceramics were partially offset by better revenue growth in filtration. Meanwhile paper & board were particularly weak in the second quarter.

Revenue in **APAC** was up 3.7% like-for-like in the second quarter. Growth was mainly driven by strong sales of conductive additives for mobile energy applications, especially Lithium-ion batteries in China and South Korea. It largely compensated for an overall softer environment in plastics, rubber and paints due to the car production decline in China, as well as decreasing paper & board markets in Japan.

Current operating income for the segment came to €144.1 million in the first half of 2019, resulting in an operating margin of 11.6% (from 14.2% in the first half of 2018). Excluding the North American talc subsidiaries deconsolidation and temporary shutdown of Willsboro plant, current operating income decreased by 10.2% and current operating margin was 12.5% in the first half of 2019.

[14] *The correspondence between the new business segments and the former divisions can be found on page 11 of the 2018 Registration Document*

High Temperature Materials and Solutions *(45% of consolidated revenue)*

Unaudited quarterly revenue (€ millions) and like-for-like growth (%)	Q1 2019	Q2 2019	H1 2019	Change / H1 2018
■ High Temperature Solutions	201.4 (-1.8%)	208.6 (-3.4%)	410.0 (-2.6%)	-3.2%
■ Refractory, Abrasives, Construction	319.3 (-0.2%)	330.1 (-3.0%)	649.4 (-1.7%)	-0.2%
■ Eliminations	(11.1)	(11.3)	(22.4)	-
■ **Total High Temperature Materials and Solutions**	**509.6 (-0.5%)**	**527.4 (-3.2%)**	**1,037.0 (-1.9%)**	**-1.2%**
Profitability (€ millions)		**H1 2018**	**H1 2019**	**Change**
■ **Current operating income**		**111.9**	**96.9**	**-13.4%**
Operating margin		*10.7%*	*9.3%*	*-130 bp*

The **High Temperature Materials and Solutions** business segment's **revenue** totaled €1,037.0 million in the first half of 2019, -1.2% year-on-year decrease on current basis. It includes a +18.5 million exchange rate impact (+1.8%) and a -€11.5 million perimeter effect (-1.1%), mainly related to the disposal of a cat litter business (October 1, 2018), and a non-core fused magnesia plant in United Kingdom (March 1, 2019). Like-for-like change in revenue trended down in the second quarter (-3.2% versus -0.5% in the first quarter).

In the second quarter, the **High Temperature Solutions** revenue decreased by 3.4% on a like-for-like basis due to more challenging market conditions. Car production continued to weigh on the foundry market in Europe and iron & steel production has further deteriorated after a weak first quarter, as a consequence of capacity reduction of steel mills. However, thermal markets (major kiln refurbishment projects for petrochemicals, boilers, incinerators industries) recovered from the first quarter.

Revenue of **Refractory, Abrasives and Construction** was down 3.0% like-for-like in the second quarter due to an unfavorable basis of comparison and an adverse trading environment for abrasives and for construction particularly in June. This slowdown was mainly seen in Europe, where Imerys has a significant presence. The Group pursued its product development in the building chemistry business.

The business segment's **current operating income** totaled €96.9 million, leading to an operating margin of 9.3% in the first half of 2019 (versus 10.7% in the first half of 2018), due to volumes decline partly offset by price - mix, downward trend in alumina prices and lower fixed costs and overheads.

Financial agenda 2019

October 28, 2019 (post market)	Q3 2019 Results

This date is tentative and may be updated on the Group's website at ***https://www.imerys.com/finance***.

Conference call

The press release is available on the Group's website ***www.imerys.com***. The first half 2019 results will be discussed in a **conference call today at 6:00 pm** (Paris time). The conference call will be streamed live on the Group's website ***www.imerys.com***.

***The world leader in mineral-based specialty solutions for industry**, with €4.6 billion revenue and 18,000 employees, Imerys delivers high value-added, functional solutions to a great number of sectors, from processing industries to consumer goods. The Group draws on its knowledge of applications, technological expertise and its material science know-how to deliver resources based on beneficiation of its mineral resources, synthetic minerals and formulations. These contribute essential properties to customers' products and performance, including refractoriness, hardness, conductivity, opacity, durability, purity, lightness, filtration, absorption and repellency. Imerys is determined to develop responsibly, in particular by fostering the emergence of environmentally-friendly products and processes.*

***More comprehensive information about Imerys** may be obtained from its website (www.imerys.com) under Regulated Information, particularly in its Registration Document filed with Autorité des marchés financiers on March 20, 2019 under number D.19-0175 (also available from the Autorité des marchés financiers website, www.amf-france.org). Imerys draws the attention of investors to chapter 4, "Risk Factors and Internal Control", of its Registration Document.*

***Disclaimer**: 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.*

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APPENDIX: FIRST HALF 2019 RESULTS

Statutory auditors' limited review procedures are finalized. Their report on the half-yearly financial information is not yet issued.

1. CONSOLIDATED REVENUE BREAKDOWN

Revenue by geographic destination (€ millions)	H1 2018	H1 2019	Reported change	% total H1 2019 revenue
■ EMEA	1,153.9	1,116.6	-3.2%	49%
■ Americas	681.1	651.8	-4.3%	29%
■ APAC	475.6	495.1	+4.1%	22%
■ **Total**	**2,310.5**	**2,263.4**	**-2.0%**	**100%**

2. KEY INCOME INDICATORS

(€ millions)	Q2 2018	Q2 2019	Change
■ Revenue	1,180.9	1,139.4	-3.5%
■ Current operating income	154.2	135.5	-12.1%
■ Current financial expense	(14.0)	(16.0)	-14.0%
■ Current taxes	(41.5)	(34.7)	+16.4%
■ Minority interests	+0.5	(1.3)	n/a
■ Net income from current operations, Group share	99.3	83.6	-15.8%
■ Other operating income and expenses, net	(11.4)	(54.9)	n/a
■ Net income, Group share	87.9	28.7	-67.3%

3. NET CURRENT FREE OPERATING CASH FLOW

(in € millions)	First half 2018	First half 2019
■ **Current free operating cash flow**	**159.8**	**147.7**
■ Notional tax	(84.0)	(71.1)
■ **Net current free operating cash flow**	**75.8**	**76.6**
■ Financial expense (net of tax)	(10.1)	(2.2)
■ Change in other operating items	49.4	(72.8)
■ **Net current free cash flow**	**115.2**	**1.6**

4. GLOSSARY

- The term **"on a comparable basis" or "like for like"** means: "at comparable Group structure and exchange rates";

  - Restatement of the foreign exchange effect consists of calculating aggregates for the current year at the exchange rate of the previous year. The impact of exchange rate instruments qualifying as hedging instruments is taken into account in current data.
  - Restatement of Group structure effect of newly consolidated entities consists of:
    - for entities entering the consolidation scope in the current year, subtracting the contribution of the acquisition from the aggregates of the current year,
    - for entities entering the consolidation scope in the previous year, subtracting the contribution of the acquisition from January 1 of the current year, until the last day of the month of the current year when the acquisition was made the previous year;
  - Restatement of entities leaving the consolidation scope consists of:
    - for entities leaving the consolidation scope in the current year, subtracting the departing entity's contributions from the aggregates of the previous year as from the first day of the month of divestment,
    - for entities leaving the consolidation scope in the previous year, subtracting the departing entity's contributions from the aggregates of the previous year.
- the term **« volume effect »** corresponds to the sum of the change in sales volumes of each division between the current year and the previous one, valued at the average sales price of the previous year.
- the term **« price-mix effect »** corresponds to the sum of the change in average prices by product family of each division between the current year and the previous one, applied to volumes of the current year.
- the term **"Current operating income"** means operating income before other operating income and expenses;
- the term **"Net income from current operations"** means the Group's share of income before other operating revenue and expenses, net.
- the term **"Net current free operating cash flow"** means current EBITDA after deduction of notional tax, changes in working capital requirement and paid capital expenditure and including subsidies, value of divested assets and miscellaneous (see change in net financial debt as an appendix to this press release);
- the term "**Net current free cash flow**" means Current free operating cash flow less financial expense (net of tax) and other working capital requirement items (see change in net financial debt as an appendix to this press release).

SUMMARY OF FINANCIAL STATEMENTS AS OF JUNE 30, 2019

CONSOLIDATED INCOME STATEMENT

(€ millions)	June 30, 2019	June 30, 2018	2018
Revenue	**2,263.4**	**2,310.5**	**4,590.0**
Current income and expenses	**(2,018.3)**	**(2,026.7)**	**(4,027.9)**
Raw materials and consumables used	(784.6)	(755.3)	(1,503.2)
External expenses	(582.6)	(637.4)	(1,267.8)
Staff expenses	(481.9)	(503.1)	(997.7)
Taxes and duties	(21.4)	(20.9)	(41.2)
Amortization, depreciation and impairment	(165.3)	(125.8)	(265.9)
Intangible assets, mining assets and property, plant and equipment	(129.6)	(125.8)	(265.9)
Right-of-use assets[1]	(35.7)	-	-
Other current income and expenses	17.5	15.7	47.9
Current operating income	**245.1**	**283.8**	**562.1**
Other operating income and expenses	**(82.3)**	**(23.7)**	**(651.5)**
Gain (loss) from obtaining or losing control	3.4	(6.5)	3.9
Other non-recurring items	(85.7)	(17.1)	(655.4)
Operating income	**162.8**	**260.1**	**(89.4)**
Net financial debt expense	**(8.3)**	**(21.5)**	**(42.0)**
Income from securities	3.2	1.9	4.9
Gross financial debt expense	(11.5)	(23.3)	(46.9)
Interest expense on borrowings and financial debt	(8.1)	(23.3)	(46.9)
Interest expense on lease liabilities[1]	(3.4)	-	-
Other financial income and expenses	**(10.1)**	**(12.1)**	**(18.2)**
Other financial income	126.1	145.5	285.4
Other financial expenses	(136.2)	(157.6)	(303.6)
Financial income (loss)	**(18.4)**	**(33.6)**	**(60.2)**
Income tax	(46.5)	(65.3)	(89.0)
Net income from discontinued operations[2]	**-**	**32.6**	**788.0**
Net income	**98.0**	**193.8**	**549.4**
Net income, Group share[3]	95.9	194.1	559.6
Net income attributable to non-controlling interests	2.1	(0.3)	(10.2)

(1) Change in accounting policy IFRS 16, Leases as of January 1, 2019
(2) Roofing division
(3) Net income per share:

Basic net income per share (in €)	1.21	2.04	7.06
Diluted net income per share (in €)	1.20	2.01	6.96

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	June 30, 2019	June 30, 2018	2018
Non-current assets	**5,060.6**	**5,140.3**	**4,908.3**
Goodwill	2,123.8	2,147.9	2,143.3
Intangible assets	277.2	291.8	277.6
Right-of-use assets(1)	254.2	-	-
Mining assets	503.4	507.5	503.7
Property, plant and equipment	1,574.1	1,797.8	1,662.1
Joint ventures and associates	116.2	122.9	112.8
Other financial assets	40.3	63.6	42.0
Other receivables	39.6	45.5	35.1
Derivative financial assets	7.2	18.6	19.3
Deferred tax assets	124.6	144.7	112.4
Current assets	**2,496.9**	**2,381.1**	**2,685.6**
Inventories	832.9	863.6	867.0
Trade receivables	730.6	756.9	656.6
Other receivables	294.0	284.7	296.9
Derivative financial assets	6.6	10.2	7.3
Other financial assets(2)	10.5	8.9	8.9
Cash and cash equivalents(2)	622.3	456.8	848.9
Assets held for sale	**-**	**233.1**	**-**
Consolidated assets	**7,557.5**	**7,754.5**	**7,593.9**
Equity, Group share	**3,116.3**	**2,878.2**	**3,217.2**
Capital	159.0	159.4	159.0
Premiums	520.5	534.3	520.4
Reserves	2,340.9	1,990.4	1,978.2
Net income, Group share	95.9	194.1	559.6
Equity attributable to non-controlling interests	**39.2**	**49.1**	**36.4**
Equity	**3,155.5**	**2,927.3**	**3,253.6**
Non-current liabilities	**3,043.2**	**2,832.2**	**3,095.5**
Provisions for employee benefits	346.8	271.8	290.0
Other provisions	439.9	382.6	666.2
Borrowings and financial debt(2)	1,913.9	1,986.8	1,995.9
Lease liabilities(1) & (2)	197.9	-	-
Other debts	18.8	19.1	17.7
Derivative financial liabilities	1.5	-	0.4
Deferred tax liabilities	124.4	171.9	125.3
Current liabilities	**1,358.8**	**1,861.3**	**1,244.8**
Other provisions	21.8	28.7	23.7
Trade payables	544.4	565.4	557.3
Income tax payable	179.8	121.0	115.1
Other debts	286.5	320.4	358.9
Derivative financial liabilities	10.2	14.1	9.7
Borrowings and financial debt(2)	239.5	800.6	168.5
Lease liabilities(1) & (2)	72.8	-	-
Bank overdrafts(2)	3.8	11.1	11.6
Liabilities related to assets held for sale	**-**	**133.7**	**-**
Consolidated equity and liabilities	**7,557.5**	**7,754.5**	**7,593.9**
(1) Change in accounting policy IFRS 16, Leases as of January 1, 2019			
(2) Included in the calculation of net financial debt	*1,789.8*	*2,315.0*	*1,297.4*

CURRENT FREE OPERATING CASH FLOW

(€ millions)	June 30, 2019	June 30, 2018	Discontinued operations[1]	2018	Discontinued operations[1]
Current operating income	245.1	283.8	50.8	562.1	76.1
Elimination of the impact of IFRS 16	(2.9)	-	-	-	-
Operating amortization, depreciation and impairment	129.6	125.8	5.4	265.9	5.4
Net change in operating provisions	(18.9)	(18.0)	(0.8)	(38.6)	(0.4)
Share in net income of joint ventures and associates	(2.9)	(1.3)	-	(1.7)	-
Dividends received from joint ventures and associates	2.8	3.0	-	5.6	-
Operating cash flow before taxes (current EBITDA)	**352.8**	**393.2**	**55.5**	**793.3**	**81.1**
Notional tax on current operating income[2]	(71.1)	(84.3)	(17.7)	(162.6)	(26.6)
Net current operating cash flow	**281.7**	**309.0**	**37.8**	**630.7**	**54.5**
Capital expenditure	**(135.5)**	**(153.4)**	**(6.8)**	**(333.0)**	**(9.9)**
Intangible assets	(10.7)	(8.3)	(0.1)	(28.4)	(0.3)
Property, plant and equipment	(70.8)	(88.4)	(3.2)	(251.6)	(5.9)
Overburden mining assets	(27.1)	(25.2)	-	(55.9)	-
Debt on acquisitions	(26.9)	(31.6)	(3.5)	2.9	(3.7)
Carrying amount of current asset disposals	**3.0**	**8.0**	**0.4**	**13.5**	**0.8**
Change in operational working capital requirement	**(72.6)**	**(88.1)**	**(5.6)**	**(25.4)**	**(0.1)**
Inventories	14.7	(72.1)	(5.6)	(99.9)	0.4
Accounts receivable, advances and down payments received	(82.6)	(82.7)	(6.7)	15.1	(0.1)
Accounts payable, advances and down payments paid	(4.7)	66.7	6.7	59.4	(0.4)
Current free operating cash flow	**76.6**	**75.5**	**25.7**	**285.8**	**45.3**

(1) Roofing division					
(2) Effective tax rate on current operating income	*29.0%*	*29.6%*	34.8%	*28.9%*	-

CHANGE IN NET FINANCIAL DEBT

(€ millions)	June 30, 2019	June 30, 2018	Discontinued operations[1]	2018	Discontinued operations[1]
Current free operating cash flow	**76.6**	**75.5**	**25.7**	**285.8**	**45.3**
Financial income (loss)	(18.4)	(33.6)	(0.3)	(60.2)	(0.5)
Elimination of the impact of IFRS 16 on financial income (loss)	3.5	-	-	-	-
Financial impairment loss and unwinding of the discount	7.3	13.6	0.1	10.9	0.2
Income tax on financial income (loss)	5.3	10.2	0.1	17.4	0.2
Change in income tax debt	(0.8)	48.9	2.0	16.5	1.7
Change in deferred taxes on current operating income	(22.3)	8.1	0.1	17.3	0.6
Change in other items of working capital	(56.2)	(15.0)	4.3	(9.2)	6.0
Share-based payments expenses	6.5	7.6	0.2	14.9	0.4
Change in the fair value of operational hedge instruments	0.1	0.1	-	(0.7)	-
Change in dividends expected from available-for-sale financial assets	-	(0.2)	-	0.1	-
Current free cash flow	**1.6**	**115.2**	**32.2**	**292.8**	**53.9**
Acquisitions	**(2.3)**	**(22.7)**	**0.0**	**(23.2)**	**0.0**
Acquisitions of shares in consolidated entities minus net debt acquired	(2.3)	(22.4)	-	(22.9)	-
Acquisitions of available-for-sale financial assets	-	(0.3)	-	(0.3)	-
Disposals	**(16.4)**	**13.7**	**0.0**	**51.9**	**851.5**
Disposals of investments in consolidated entities minus net debt disposed	(21.8)	7.5	-	42.2	851.5
Non-recurring disposals of intangible assets and property plant and equipment	5.4	6.2	-	9.7	-
Transaction costs	**(5.1)**	**(8.1)**	**-**	**(5.4)**	**(16.7)**
Changes in the estimated contingent consideration of the seller	**-**	**-**	**-**	**(0.8)**	**-**
Cash flow from other operating income and expenses	**(18.6)**	**(9.7)**	**(1.4)**	**(46.6)**	**(3.3)**
Dividends paid to shareholders and non-controlling interests	**(170.7)**	**(102.6)**	**(62.9)**	**(104.9)**	**(62.9)**
Financing requirement	**(211.5)**	**(14.1)**	**(32.1)**	**163.8**	**822.5**
Transactions on equity	(21.4)	4.6	-	2.4	-
Net change in financial assets	(4.0)	(4.0)	0.1	(7.1)	0.1
Cash flow of assets held for sale	**-**	**(32.1)**	**(32.1)**	**822.6**	**822.6**
Change in net financial debt	**(236.9)**	**(45.6)**	**-**	**981.7**	**-**

NET INCOME FROM CURRENT OPERATIONS, AND NET INCOME, GROUP SHARE

(€ millions)	June 30, 2019	June 30, 2018	2018
Current operating income	245.1	283.8	562.1
Financial income (loss)	(18.4)	(33.6)	(60.2)
Income tax on current operating income and financial income	(65.7)	(74.1)	(145.2)
Current operating income (expenses) and financial income (loss) attributable to non-controlling interests	(2.1)	0.3	0.1
Net income from current operations, Group share	**158.9**	**176.4**	**356.8**
Other operating income and expenses, gross	(82.3)	(23.7)	(651.5)
Income tax on other operating income and expenses	19.3	8.8	56.2
Other operating income (expenses) attributable to non-controlling interests	-	-	10.1
Net income from discontinued operations[1]	**-**	**32.6**	**788.0**
Net income, Group share	**95.9**	**194.1**	**559.6**

(1) Roofing division

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	June 30, 2019	June 30, 2018	2018
Cash flow from operating activities	**145.1**	**289.5**	**615.7**
Of which cash flow from discontinued operations[1]	-	37.4	59.7
Cash flow from current operations	264.7	355.9	847.2
Interest paid	(12.3)	(22.6)	(46.1)
Income tax on current operating income and financial income	(89.0)	(32.5)	(135.7)
Dividends received from available-for-sale financial assets	-	(0.2)	0.1
Cash flow from other operating income and expenses	(18.3)	(11.1)	(49.8)
Cash flow from investing activities	**(137.0)**	**(174.8)**	**378.4**
Of which cash flow from discontinued operations[1]	-	(6.6)	676.1
Acquisitions of intangible assets and property, plant and equipment	(135.5)	(160.1)	(342.8)
	(2.3)	(23.2)	(23.7)
Transaction costs	(5.1)	(8.1)	(22.1)
Changes in the estimated contingent consideration of the seller	-	-	(0.8)
Acquisitions of available-for-sale financial assets	-	-	(0.1)
Disposals of intangible assets and property, plant and equipment	10.3	11.1	26.8
Disposals of shares in consolidated entities, net of disposed cash	(3.3)	7.4	743.2
Net change in financial assets	(4.3)	(4.0)	(7.2)
Interest income	3.2	2.1	5.1
Cash flow from financing activities	**(230.0)**	**(38.8)**	**(529.2)**
Of which cash flow from discontinued operations[1]	-	(31.8)	(29.9)
Capital increase and decrease in cash	0.1	5.7	(6.9)
Disposals (acquisitions) of treasury shares	(21.5)	(1.1)	9.4
Dividends paid to shareholders	(170.0)	(164.6)	(164.6)
Dividends paid to non-controlling interests	(0.7)	(0.9)	(3.2)
Loans issued	6.9	5.6	5.6
Repayments of borrowings	(90.2)	(3.7)	(32.7)
Net change in other debts	45.4	120.2	(336.8)
Change in cash and cash equivalents	**(221.9)**	**75.9**	**464.9**

(1) Roofing division

(€ millions)	June 30, 2019	June 30, 2018	2018
Cash and cash equivalents at January 1	**837.3**	**379.0**	**379.0**
Change in cash and cash equivalents	(221.9)	75.9	464.9
Reclassification of discontinued operations	-	(1.8)	-
Impact of currency fluctuations	3.1	(7.3)	(6.6)
Cash and cash equivalents at the end of the period[2]	**618.5**	**445.8**	**837.3**
Cash	372.4	372.4	509.1
Cash equivalents	249.9	84.4	339.8
Bank overdrafts	(3.8)	(11.1)	(11.6)

(2) At June 30, 2019, "Cash and cash equivalents at the end of the period" included a restricted balance of €3.5 million (€1.3 million at June 30, 2018 and €7.1 million at December 31, 2018) not available for Imerys SA and its subsidiaries, of which €2.4 million (€0.6 million at June 30, 2018 and €5.6 million at December 31, 2018) due to legal restrictions or foreign exchange controls and €1.1 million (€0.7 million at June 30, 2018 and €1.5 million at December 31, 2018) due to statutory requirements.