

LETTER TO SHAREHOLDERS 85



RESULTS

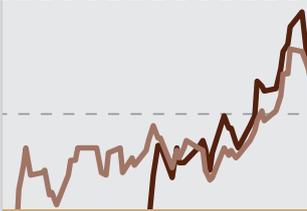
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- Donations to support communities and institutions during Covid-19 crisis exceeds €350,000
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MESSAGE

Patrick KRON

Chairman of the Board of Directors



Dear Shareholders,

During the first half of the year, and particularly in the second quarter, all our end-markets and geographies were severely affected by the spread of the Covid-19 pandemic, with unprecedented and rapid decline in business activity.

As highlighted in our previous letter, the Group has reacted quickly to ensure the health and safety of its employees, their families and all its stakeholders, while preserving business continuity and adjusting production to lower demand. Cost reduction and cash preservation measures were immediately deployed to protect the Group's financial performance.

Our results in the first half of the year prove that Imerys' business model is adaptive and resilient, supported by its diversified geographical footprint and portfolio of specialty minerals, even under the most challenging circumstances. Our Covid-19 action plan along with the Connect & Shape transformation program have allowed us to limit the erosion of our margins and to generate a solid cash flow.

Thanks to your support and the wide adoption of the 2019 dividend in shares, the Group has maintained a solid financial structure and can count on a strong liquidity.

Although we expect a recovery of our markets in the second half of the year, its speed and magnitude are difficult to predict. In this context, our teams will continue to closely monitor the situation and adjust production levels accordingly. Cash flow generation will continue to remain a priority.

Dear Shareholders, on behalf of all Imerys' employees, thank you again for your loyalty and trust.

Patrick Kron



IMERYS
TRANSFORM TO PERFORM

First half 2020 results

The Covid-19 pandemic caused a sharp drop in demand across all geographies and industrial markets, particularly in the second quarter: H1 2020 revenue decreased by 16% compared to last year, to €1.9 billion.

Consolidated results (€ million)	H1 2019	H1 2020	% change
Revenue	2,263	1,900	-16%
Current EBITDA	391	290	-26%
EBITDA margin	17.3%	15.2%	-
Net income from current operations	159	73	-54%
Net current free operating cash flow	99	139	+40%

The current EBITDA for the first half was €290 million, down 26% and net free operating cash flow reached €139 million, up 40% vs previous year.

Imerys continued to benefit from a favorable price-mix effect which stood at +0.8%, as well as continued savings from the Connect & Shape transformation program and Covid-19 action plan, which contributed to mitigate the negative impact of the

drop in volumes. In the first half of 2020:

- Covid-19 action plan generated fixed costs and overheads savings of €37 million, coming from the decrease in staff costs, reduction in maintenance costs in line with the decline of production activity and strict control on overheads and expenses.
- Connect & Shape transformation program generated additional savings of €25 million. Combined with the

€28 million achieved in 2019, it is in line with the objective to reach €100 million gross savings by 2022;

- booked capital expenditure was reduced by 7.3% to €101 million and is not expected to exceed €250 million in the full year, significantly below the typical range for the Group of €300–€350 million per year;
- operating working capital improved by €46 million thanks to dedicated actions.

Strong liquidity position and sound financial structure

€2.1 billion

Liquidity position of the Group as of June 30, 2020, of which ca. €1.1 billion of cash and €1.0 billion of undrawn bilateral credit lines.

€1.7 billion

Net financial debt was stable as of June 30, 2020 compared to December 31, 2019. It represented 56% of shareholders' equity, 48% pre IFRS 16 well below the Group's only bank covenant capped at 160%.



The full press release and the first half 2020 earnings presentation are available online in the Finance section of the **imerys.com** website.



Imerys commitment to sustainability: significant achievements in first half 2020

In the first half of this year, Imerys achieved significant improvements on the three pillars of our sustainable strategy.

EMPOWERING OUR PEOPLE	CARING FOR OUR PLANET	BUILDING FOR THE FUTURE
<ul style="list-style-type: none"> • Launch of diversity and inclusion 3-year program with the ambition to reach 30% women in senior management positions by 2022, starting from 21% today. • Occupational health & safety, which remains a priority for the Group, further improved with a total Injury Frequency Rate below 3. 	<ul style="list-style-type: none"> • Introduction of an internal price for the ton of CO₂, in order to support projects, which will help the Group long term ambition to reduce our CO₂ emissions by 36% till 2030. • Launch of a program to purchase low carbon electricity. • Renewal of act4nature engagement for the period 2020 - 2023, to show the Group's support and commitment to biodiversity. 	<ul style="list-style-type: none"> • Imerys awarded the highest medal Platinum by Ecovadis, and completion of an additional 16 Life Cycle Assessments for the Group's products.

Imerys strengthens its leadership position **in refractory solutions**



In August 2020, Imerys has signed an agreement for the acquisition of a majority stake of 60%, with options to purchase the remainder, of the Haznedar group, a Turkish-based high-grade monolithic refractories and refractory bricks manufacturer, serving iron & steel, cement and petrochemical segments. This business generated USD 64 million in revenue (of which 40% from exports) and USD 17 million in EBITDA in 2019.

With this deal, Imerys, World #1 in alumino-silicate monolithic refractories present in 30 countries, will complement its current offer with basic and acidic refractory bricks and extend its industrial footprint with a competitive production base in Turkey, strategically located between Europe, Middle-East and Africa.

The Group will also strengthen its position within the attractive and growing Turkish market, where Haznedar has leadership positions, a strong brand name and superior products to serve the local market. Turkey is one of the largest producers of cement and steel in the world.

The closing of this transaction, which is subject to antitrust approvals, is expected in the fourth quarter of 2020. Then this business will be fully consolidated in the High Temperature Solutions business area, part of the High Temperature Materials & Solutions segment.

Donations to support communities and institutions during **Covid-19 crisis exceeds €350,000**

Hospitals and healthcare facilities all over the world remain overwhelmed by Covid-19 and reliant on support from the local community. As such, Imerys continues to provide much-needed funding and critical supplies to help support our communities all around the world. Since the beginning of the crisis, Imerys sites worldwide have made countless donations of PPE, medical equipment, technology, meals and other items, which are now estimated to have exceeded €100,000 in value.

In addition, 90 leaders, including chairman Patrick Kron, CEO Alessandro Dazza and the Executive Committee, have made salary donations totaling €250,000, which will be given, among others, to Unicef and Institut Pasteur.

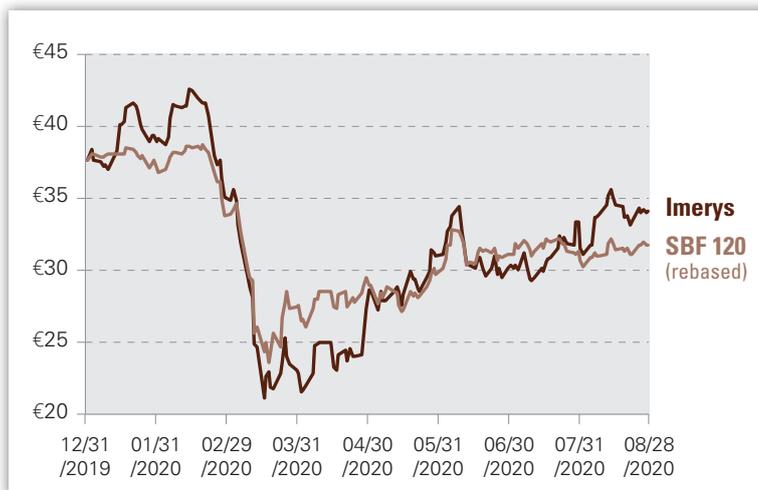
Changes in the Group's Executive Committee

With effect from August 2, 2020, Olivier Pirotte, member of the Executive Committee and Chief Financial Officer since 2015, who has successfully contributed to the transformation of the Finance and IT functions over the past few years, became Chief Strategy and Mergers & Acquisitions Officer of the Group, replacing Olivier Hautin.

On the same date, Sébastien Rouge was appointed Chief Financial Officer of Imerys and member of the Executive Committee and will oversee the Finance and IT functions. Sébastien Rouge has gained broad financial experience in industrial groups such as Alstom Power and General Electric, and was Chief Financial Officer of Latécoère and Soitec.

SHAREHOLDER'S NOTEBOOK

Share price evolution as of August 28, 2020



88%
of the 2019
dividend paid
in shares

The option for the payment of the dividend in shares decided by the Shareholders' General Meeting of Imerys on May 4, 2020 resulted in the exercise of 88.1% of the rights in favor of a payment in shares, which corresponds to a capital increase (premium included) of €119.8 million.

This dividend distribution rate in shares gave rise to the creation of 5.7 million new shares, representing an increase of 7.15% of the share capital and of 4.49% of the voting rights on the basis of the share capital as of May 31, 2020. The payment of the dividend in cash has been therefore limited to a total amount of €16.1 million.

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IMERYS AND THE STOCK MARKET

ISIN: FR0000120859 - NK

Euronext Paris - Eurolist - Local values

Compartment A (large caps)

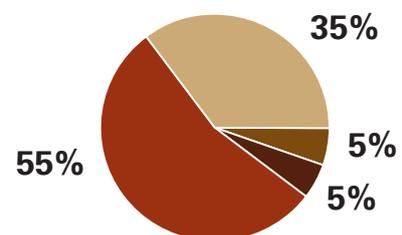
(Eligible for the deferred settlement service)

(data as of August 28, 2020)

- Number of shares: 85 015 055
- Par value: €2.0
- Closing price: €34.02
- Market capitalization: €2.9 billion

OWNERSHIP STRUCTURE

(August 31, 2020)



- Belgian Securities BV (subsidiary of Groupe Bruxelles Lambert)
- Institutional investors
- Bluecrest (Kyriacopoulos family)
- Other (individual, employee and other shareholders)

NEXT DATES

- **November 2, 2020:** Q3 2020 Results
- **February 17, 2021:** 2020 annual results
- **April 29, 2021:** 1st quarter 2021 results
- **July 27, 2021:** 1st half 2021 results
- **November 2, 2021:** 3rd quarter 2021 results