

Nine Months and Third Quarter 2021 Results

November 2, 2021

Alessandro Dazza - Chief Executive Officer

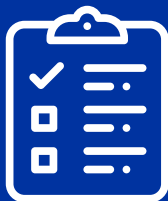
Sébastien Rouge - Chief Financial Officer

Disclaimer

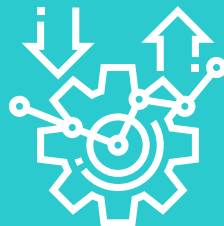
More comprehensive information about Imerys may be obtained on its website (www.imerys.com), under Regulated Information, including its Universal Registration Document filed under No. D.21-0167 in March 22, 2021 with Autorité des Marchés Financiers. Imerys draws the attention of investors to the “Risk factors and Internal control” set forth in the Universal 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.

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Highlights



Financial Results



Outlook



Highlights



Financial Results



Outlook

Q3 2021 Highlights - Solid performance in inflationary environment

Q3 Highlights

- Strong sales performance despite supply chain disruptions
- Rapidly increasing inflation, in particular for energy, raw materials and freight, more severe than anticipated at the end of July
- Agreement to divest the North American hydrous kaolin assets
- Chapter 11 process of the North American talc entities to be delayed into 2022

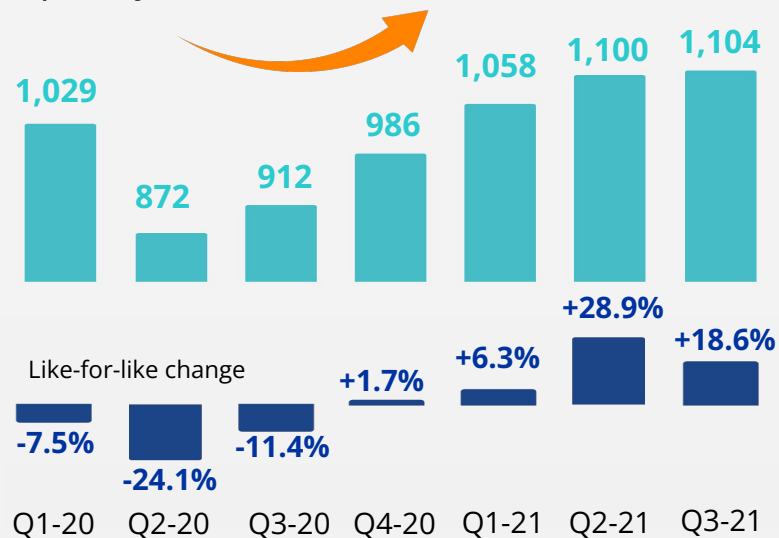
Financial performance⁽¹⁾

- Another quarter of solid organic growth at +18.6% in Q3 (+17.3% in 9 months 2021)
- Q3 revenue up 21.0% at €1,104 million (€3,262 million in 9 months 2021)
- Accelerating price mix impact at +3.6% in Q3 (vs. +1.5% in H1 2021)
- Current EBITDA at €194 million in Q3, a 17.6% margin on sales (€594 million in 9 months 2021, 18.2% margin, above 2019 level), despite headwinds on costs
- Net current income at €233 million in 9 months 2021, doubled vs. last year (+70% in Q3)

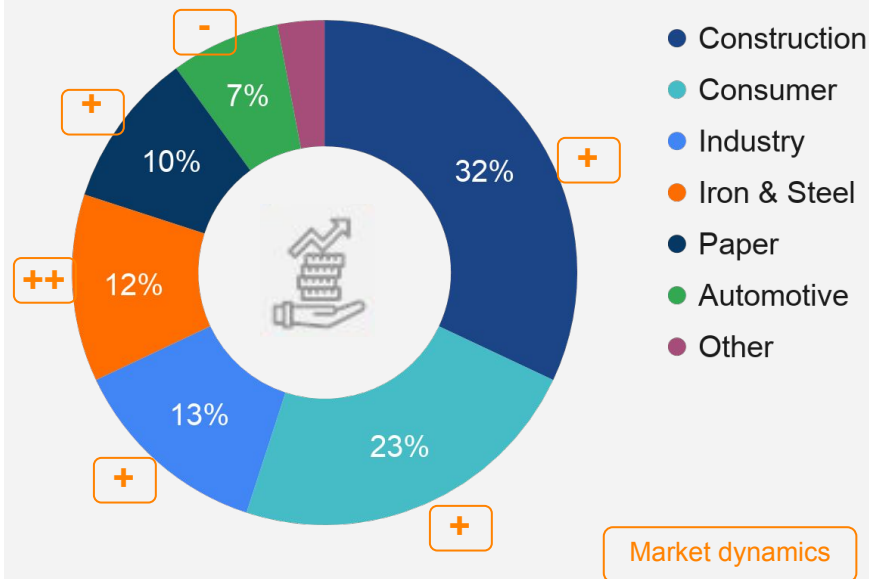
(1) Please refer to the glossary in appendix for definition of Alternative Performance Measures

Solid organic growth in Q3 2021: +18.6% vs Q3 2020

Revenue (€m) and like-for-like⁽¹⁾ change vs. prior year (%)



Imerys' revenue by end market



(1) See glossary in appendix for definition of Alternative Performance Measures

Recovery partly hampered by supply chain and production issues

Automotive



Light vehicle production ⁽¹⁾

	Q2-21 vs. Q2-20	Q3-21 vs. Q3-20
Europe	+88%	-24%
North Am.	+132%	-23%
Asia ⁽³⁾	+20%	-15%
World	+48%	-18%

- **Supply chain issues persisting globally in Q3**
- Semiconductors shortage now expected to last well into 2022, impacting outlook for light vehicle production

Iron & Steel



Steel production ⁽²⁾

	Q2-21 vs. Q2-20	Q3-21 vs. Q3-20
Europe	+37%	+27%
North Am.	+49%	+32%
Asia ⁽³⁾	+15%	-4%
World	+18%	+1%

- **Europe and US: rapid production increase**, mostly driven by construction and industrial markets
- Strong level of production in India
- Asian statistics impacted by significant drop in China production (-10%)
- CO₂ emission reduction in China to potentially support ROW production

Source: (1) IHS; (2) Worldsteel Association (3) Including China

Recovery continues towards normalization

Construction



Construction⁽¹⁾

	Q2-21 vs. Q2-20	Q3-21 vs. Q3-20
Europe	+20%	+4%
North Am.	+12%	+7%
Asia ⁽³⁾	+7%	+5%
World	+12%	+5%

- **Growth potential constrained by shortage of workforce and raw materials** in North America and in Europe
- Infrastructure Plan in the US expected to drive market growth
- Strong housing demand in Europe

Graphic Paper



Paper production⁽²⁾

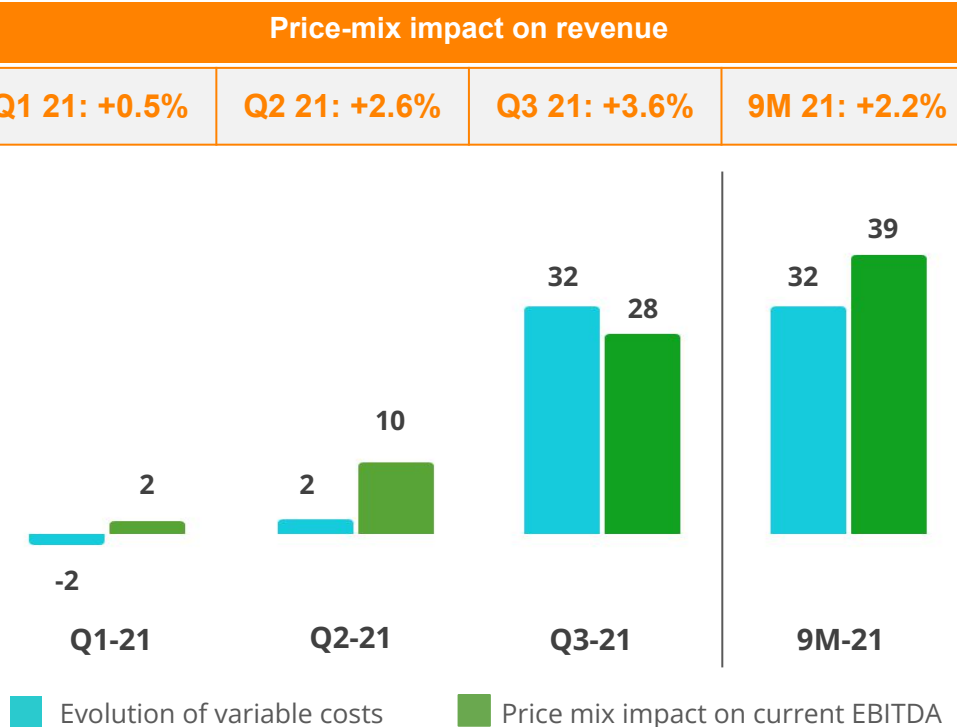
	Q2-21 vs. Q2-20	Q3-21 vs. Q3-20
Europe	+31%	+8%
USA	+20%	+3%
India	+3%	+3%

- **European graphic paper demand fueled by economic rebound** (travelling, advertising campaigns)
- Ongoing demand recovery partly constrained by logistics issues and past capacity reductions

Source: (1) Construction: OE (2) Eurograph, P&P Council, Risi (3) Including China.

Price increase in response to higher variable costs

Contribution of price-mix and evolution of variable costs (€m, vs prior year)



- Rapidly increasing inflation, in particular for energy, freight and raw materials
- Surge in energy costs in Q3 in Europe between 60% and 80% depending on the country
- Pricing discipline, purchasing savings and hedging to support Imerys' profitability



Highlights

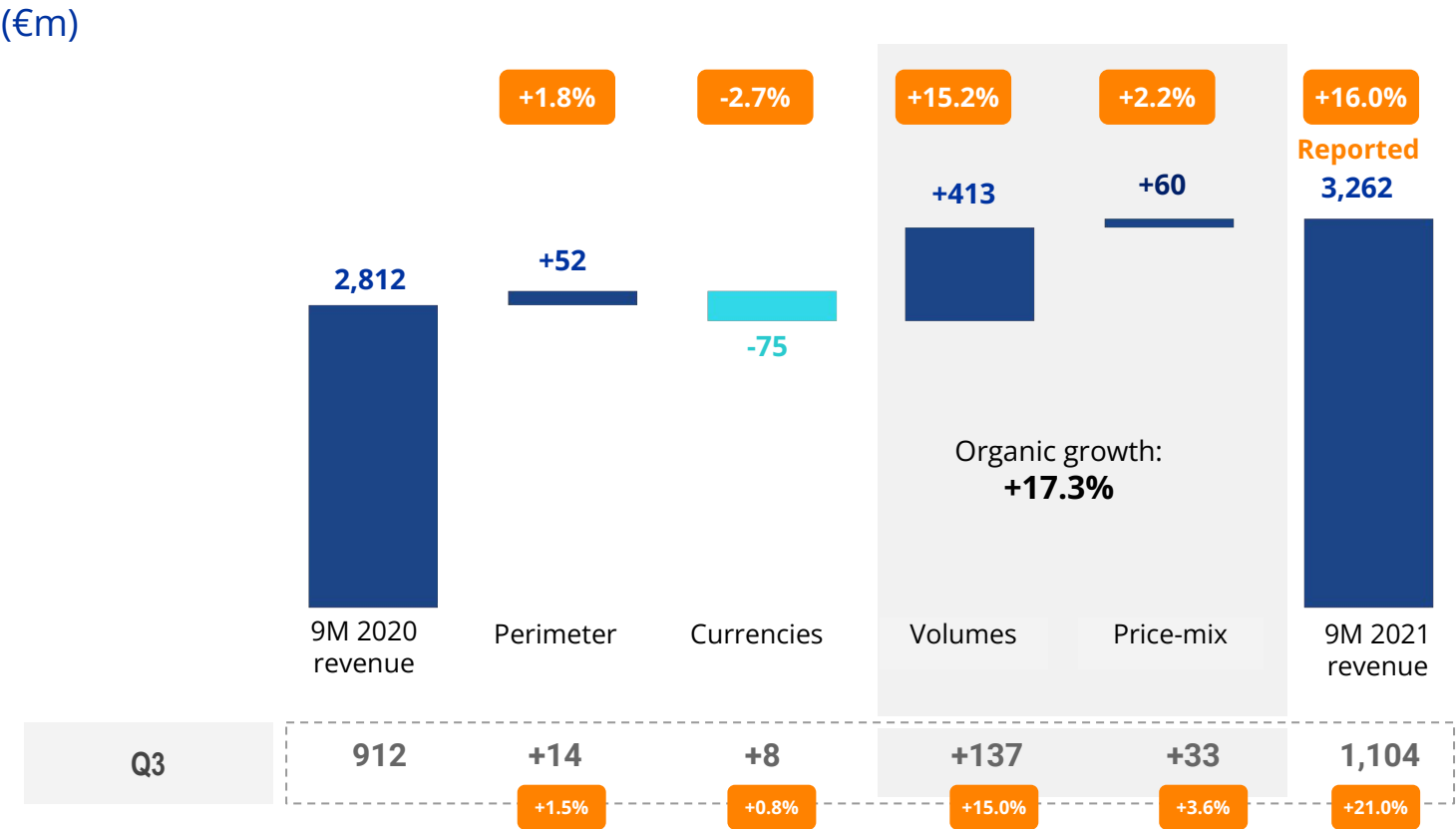


Financial Results



Outlook

Robust organic growth of +17.3% in 9M 2021



Performance Minerals: high level of activity except in automotive

Q3 2020	Q3 2021	like for like change vs. Q3 2020	Revenue (€m)	9M 2020	9M 2021	like for like change vs. 9M 2020
217	244	+11.3%	Americas	681	717	+10.5%
244	281	+14.5%	EMEA	745	864	+16.8%
103	131	+30.3%	APAC	320	386	+27.8%
(40)	(38)	-	Eliminations & others	(133)	(135)	-
523	619	+17.6%	Total segment revenue	1,613	1,831	+16.9%

- Dynamic construction sector, especially in renovation (paints & coatings, tiles and sanitaryware)
- Consumer markets recovery following the end of lock-down measures (filtration and life sciences applications)
- Buoyant growth in Graphite & Carbon (synthetic graphite and carbon black for Li-Ion batteries for electric vehicles)
- Improved paper & board demand
- Decline in automotive sector due to semiconductors shortage (polymers)

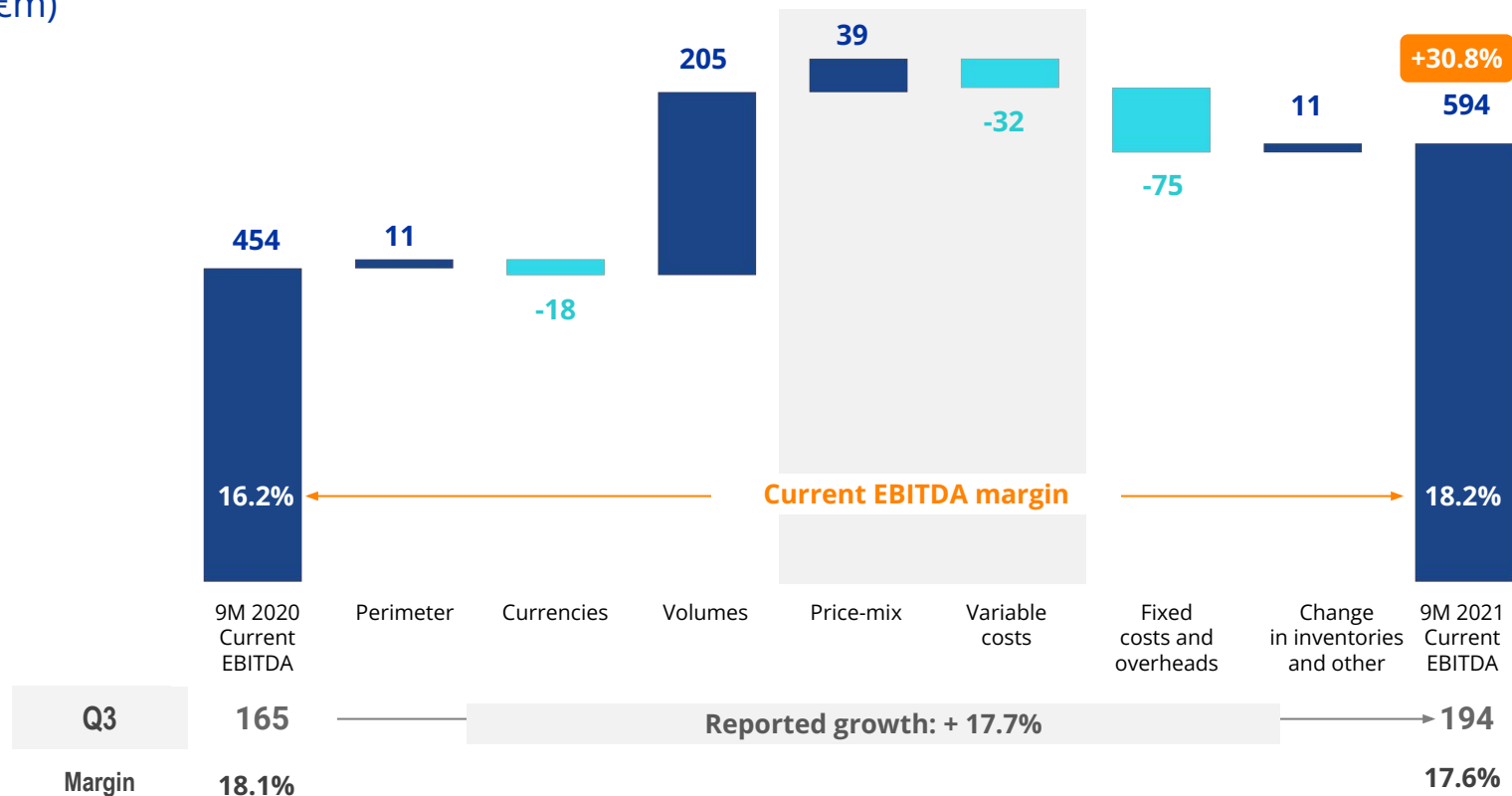
High Temperature Materials & Solutions: strong demand in iron & steel and industrial markets

Q3 2020	Q3 2021	like for like change vs. Q3 2020	Revenue (€m)	9M 2020	9M 2021	like for like change vs. 9M 2020
160	204	+15.2%	High Temperature Solutions (HTS)	461	588	+17.0%
243	306	+26.2%	Refractory, Abrasives, Construction (RAC)	785	913	+19.5%
(8)	(13)	-	Eliminations & others	(26)	(41)	-
394	497	+20.5%	Total segment revenue	1,220	1,459	+17.5%

- Robust recovery in all underlying markets, despite supply chain disruptions and inflationary pressure
 - Strong rebound in refractories, abrasives and foundry
 - Continued growth in the building and infrastructure segment (specialty binders) driven by the construction industry and increased product penetration
- Haznedar integration in Turkey (HTS) performing above expectation, new Indian refractory and specialty binders plant (RAC) ramping up as per plan

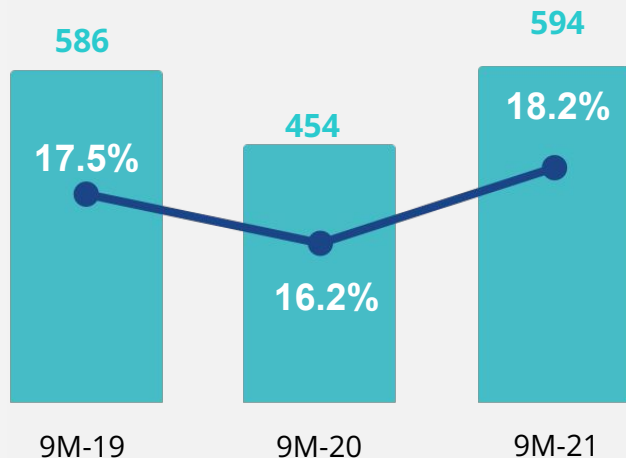
Current EBITDA margin of 18.2% for 9 months 2021, in line with FY target

(€m)



9M 2021 Current EBITDA margin above pre-pandemic level

Current EBITDA⁽¹⁾ (€m) and margin (%)



(1) See glossary in appendix for definition of Alternative Performance Measures

Current EBITDA 9M 2021: €594m
(up 30.8% vs. 9M 2020)

- ✓ Dynamic organic growth
- ✓ Solid operating leverage
- ✓ Pricing actions to counter impact of mounting inflation

Net income from current operations doubled at €233 million

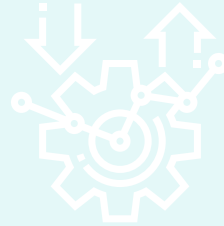
(€m)	9M 2020	9M 2021	Change
Current EBITDA	454	594	+30.8%
Current operating income	210	363	+73.0%
Current financial expenses	(44)	(30)	-
Current income tax	(48)	(90)	-
Current tax rate	28.0%	27.0%	-
Minority interests	(2)	(10)	-
Net income from current operations, Group's share	117	233	+99.7%
Other operating income and expenses, net	(21)	(17)	-
Net income, Group share	95	216	+126.5%
Net income from current operations (Group share) per share ⁽¹⁾	€1.44	€2.75	+91.7%

- Sharp increase in current operating income
- Lower financial expenses
- Low level of other operating expenses

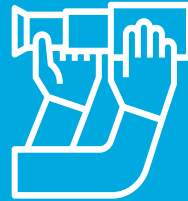
(1) Weighted average number of shares outstanding: 84,706,741 in 9M 2021 versus 81,305,809 in 9M 2020.



Highlights



Financial Results



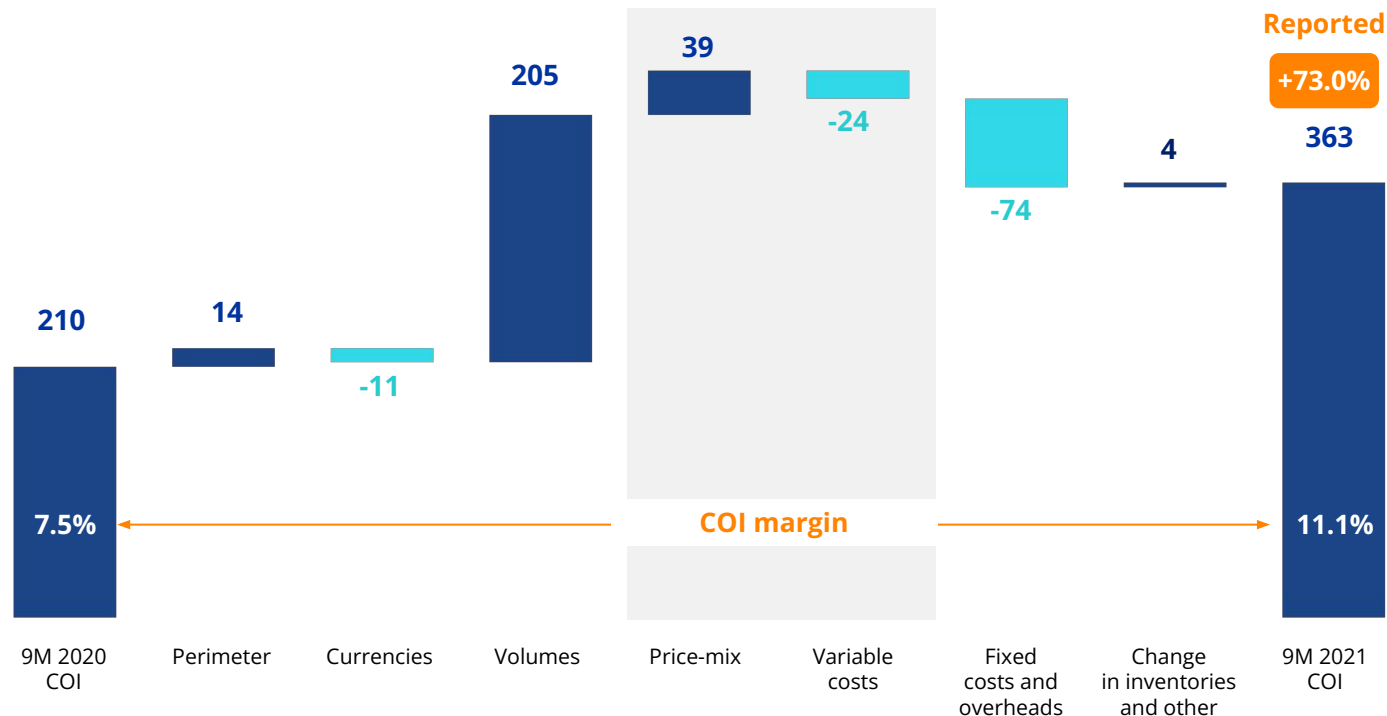
Outlook

- Imerys expects demand for its specialty minerals solutions to remain sustained across most market segments well into 2022
- Pricing discipline and tight cost management should continue to offset the impact of higher input costs
- In current market conditions, Imerys targets current EBITDA between €735 and €755 million in 2021, a significant improvement from the €631 million recorded in 2020
- Imerys' first Biodiversity Day held in October reaffirms the Group's commitment to responsible development

APPENDIX

Current operating income (COI)

(€m)

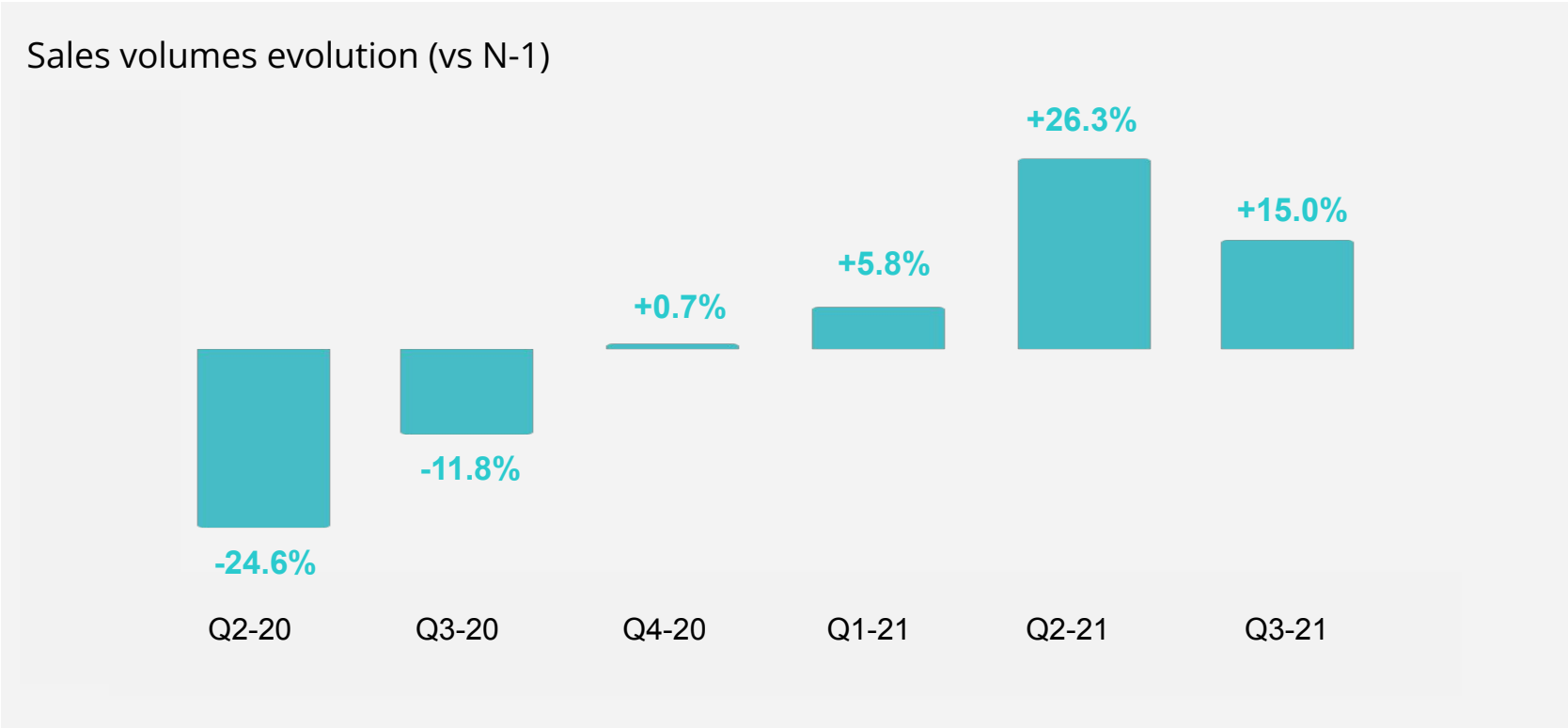


Q3 Net income

(€m)	Q3 2020	Q3 2021	Change
Current EBITDA	165	194	+17.7%
Current operating income	78	118	+51.9%
Current financial expenses	(15)	(12)	-
Current income tax	(18)	(29)	-
<i>Current tax rate</i>	28.0%	27.0%	-
Minority interests	(1)	(3)	-
Net income from current operations, Group's share	44	75	+70.4%
Net income from current operations (Group share) per share ⁽¹⁾	€0.52	€0.89	+70.5%
Other operating income and expenses, net	(5)	(1)	-
Net income, Group share	39	74	+91.7%

(1) Weighted average number of outstanding shares: 84,709,741 in Q3 2021 vs. 81,305,809 in Q3 2020

Growth in sales volumes



Solid cash flow generation

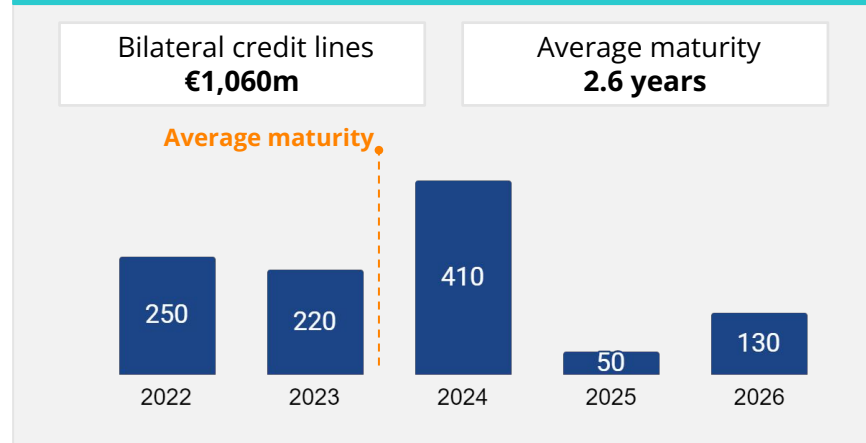
(€m)	H1 2020	H1 2021
Current EBITDA	290	400
Current EBITDA margin	15.2%	18.6%
Increase (-)/decrease (+) in operating working capital	46	(63)
Notional tax on current operating income	(37)	(66)
Others	3	3
Current operating cash flow (avant investissements industriels)	302	274
Paid capital expenditure	(149)	(143)
Right to use assets	(13)	(9)
Net current free operating cash flow	139	122

Strong liquidity position

Bond maturity profile (€m)



Bilateral credit lines maturity profile (€m)



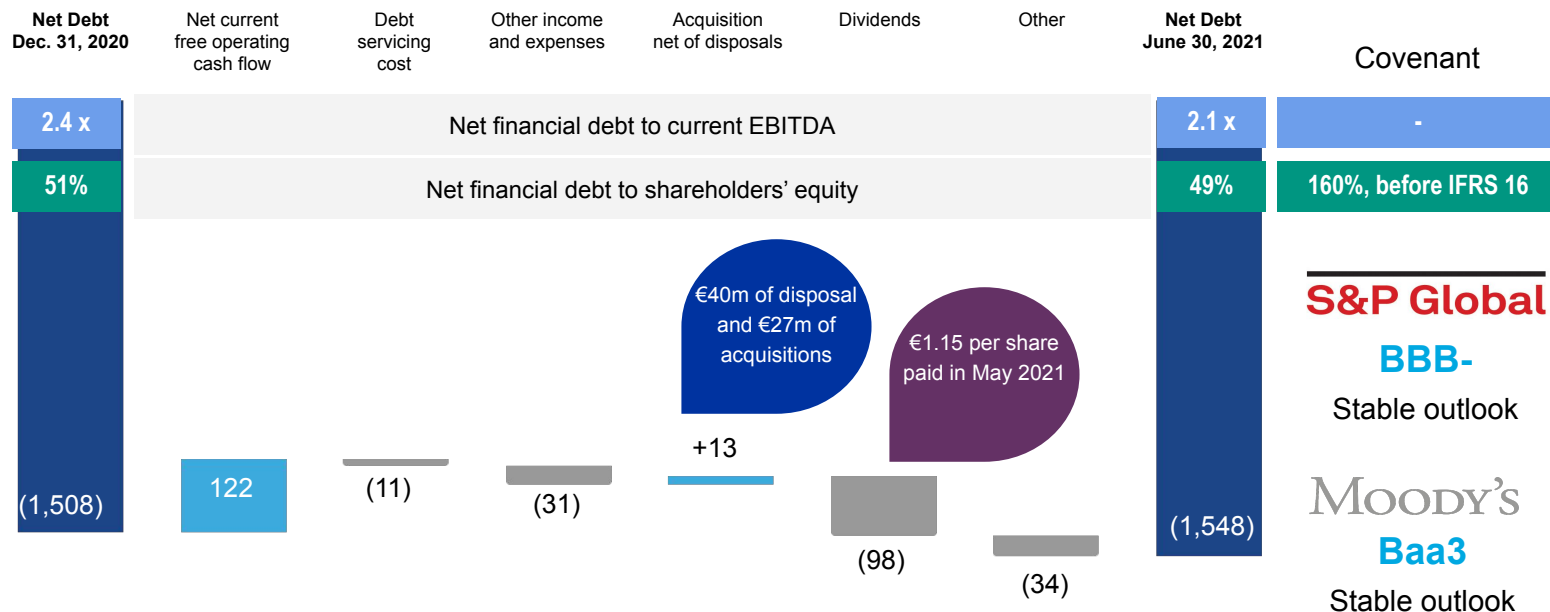
High level of available resources :

€1.06 billion credit lines and €675 million cash as of June. 30, 2021

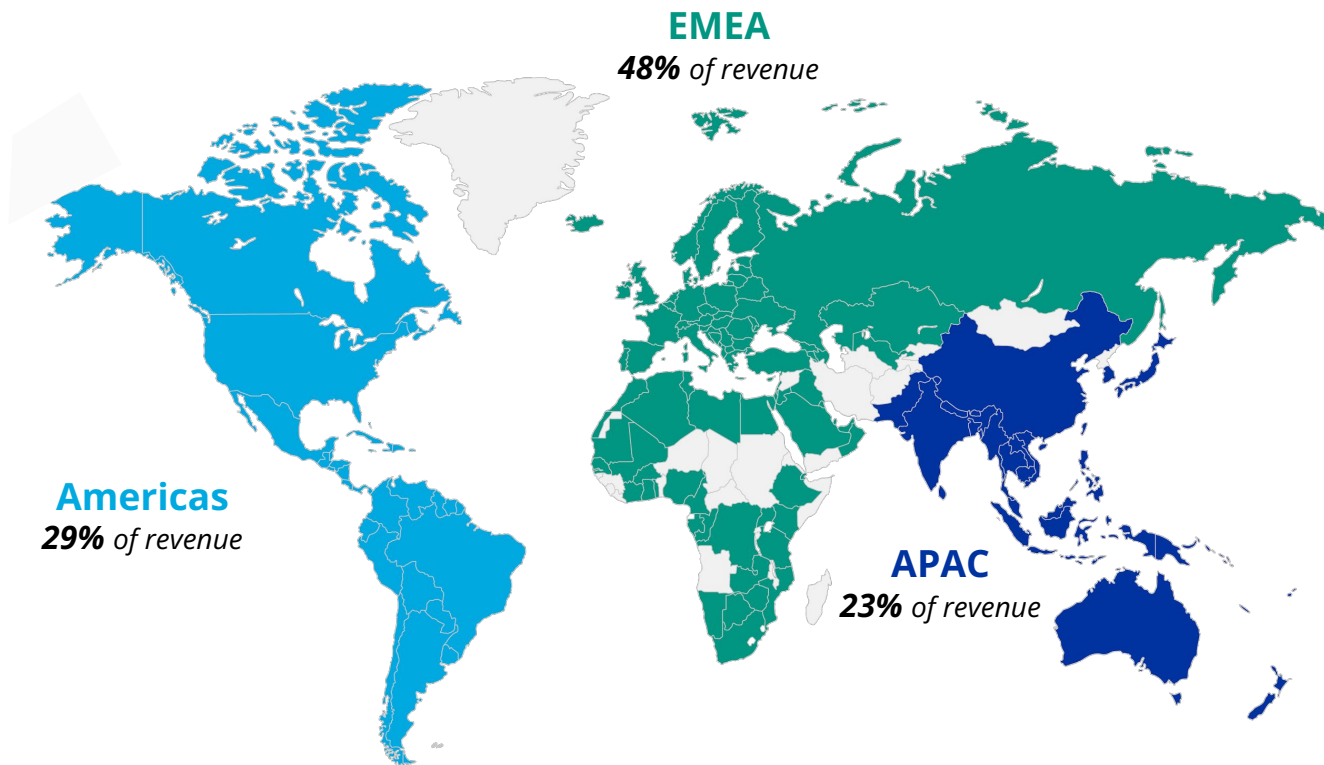
(€m)	31/12/2020	30/06/2021
Bonds	1,700	2,000
Other debts	466	223
Gross debt	2,166	2,223
Cash	658	675
Net debt	1,508	1,548
Average interest rate (gross)	1.8%	1.7%

Sound financial structure

Change in net financial debt (€m)



Imerys, a global player...



Based on 2020 consolidated figures.

...which offers value-added solutions for diverse markets

Imerys delivers value-added solutions that are formulated to meet the technical specifications of each customer

- Valorization of mineral resources (clay, bentonite, diatomite, feldspar, kaolin, mica, etc.)
- Formulations (ceramic bodies, continuous casting fluxes for steel, monolithic refractories, etc.)
- Synthetic minerals (synthetic graphite, zirconia, etc.)

From high quality assets

- Unique portfolio of mineral resources
- Wide range of exclusive technologies and processes
- Materials science expertise
- Know how and customers' application knowledge



...that contribute essential properties and performance to its customers' products



Whiteness and toughness of sanitaryware, floor and wall tiles

World leader in ceramic pastes for sanitaryware



Lifespan and fast charging of electric vehicle li-ion batteries

World leader in conducting additives (graphite, carbon black) for mobile energy



Gloss and opacity for paint

World leader in wollastonite and talc for paint



Thermal and mechanical resistance of abrasives

World leader in fused minerals for abrasives



Resistance and lightness of automotive plastic parts

World leader in talc-based performance additives for plastics



Purity and quality of steel

World leader in continuous casting fluxes for steel production



Self levelling and quick drying of floors

World leader in calcium aluminate-based performance binders for construction



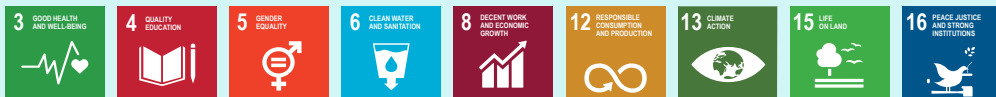
Filtration of liquids (food or blood plasma)

World leader in perlite and diatomite for filtration

Our ambition is simple: we want to unlock the sustainable potential of minerals

As the **world's leading supplier of mineral-based specialty solutions**, the technical expertise and innovative mindset of its people enable Imerys to extract and transform minerals responsibly and in a sustainable way over the long term

In full alignment with the **UN Global Compact Principles** and contributing concretely to 9 of the **UN Sustainable Development Goals**



Imerys recognises the need to act rapidly to **provide solutions** to the environmental and societal challenges facing the world.



We are scaling up our efforts to deliver new solutions and opportunities to extend the life cycle of our minerals, recognizing the need to produce better for longer



We are determined to play a positive role, both for local ecosystems and economies over the long-term, preserving biodiversity and finding new ways to help our local communities thrive

















We are committed to act by reducing carbon emissions in our operations and are accelerating the pace of transition towards low carbon energy and cleaner fossil fuel across our business

SustainAgility is an integral part of how we do business. Its pillars bring together a number of interconnected themes that are the foundation for **concrete initiatives** with **measurable results**

Priority themes have been identified through the Group Materiality Assessment and are the focus of 2022 mid-term objectives



Sustainability performance recognized by leading CSR rating agencies

Indices/ Assessment	 (-D to A)	 (0 to 100)	 (CCC to AAA)	 (D- to A+)	 (0 to 100)	 (0 to 100)	 (100 - 0) 0 = low risk
Most recent rating 2019/2020							
Relative to industry	Above industry average (C)	96 th percentile	-	50 th percentile	7 th out of 45	99 th percentile	37 th out of 122

Looking ahead: CSR mid term objectives (1/3)



Occupational Safety: % sites at Level 3 Maturity

- Improve Group Safety Culture Maturity to Level 3 across all Business Areas by the end of 2022

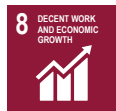
Occupational Health: % performance increase against 2019 baseline assessment

- Improve Group occupational health performance by 30% against 2019 baseline assessments by the end of 2022



Diversity and Inclusion: % women in senior management

- Increase the number of women in senior management to 30% by the end of 2022
- Fully implement the Group Diversity and Inclusion 3-year program by the end of 2022



Looking ahead: CSR mid term objectives (2/3)



ENVIRONMENTAL STEWARDSHIP

Environmental Management: % audits conducted against environmental maturity matrix

- Reduce environmental impacts through the deployment of a continuous improvement program and conduct 100% of environmental audits using the environmental maturity matrix by the end of 2022

Biodiversity and Land Rehabilitation: % completion of biodiversity improvement program

- Achieve all objectives defined within Group act4nature commitment by the end of 2021



CLIMATE CHANGE

Climate Change Strategy: % reduction of CO₂ emissions by revenue

- Reduce Group CO₂ emissions by 36 % relative to revenue (tCO₂/Eur) by 2030
- Engage 71 % of Group suppliers to have science based targets by 2023



Looking ahead: CSR mid term objectives (3/3)



BUSINESS CONDUCT

Fair Operating Practices & Responsible Purchasing: % suppliers evaluated

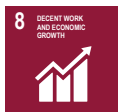
- Improve the external CSR rating of the Group by the end of 2022
- Deploy a CSR rating scheme covering at least 50% of Group suppliers by spend by the end of 2022



PRODUCT MANAGEMENT

Product Sustainability: % portfolio evaluated

- Assess Imerys Products in Application Combinations (PAC) according to the CSR criteria to cover at least 40% of Imerys product portfolio (by revenue) by the end of 2022
- Ensure at least 50% of Group New Product Developments are scored as 'Sustainable Solutions' by the end of 2022



Alternative Performance Indicators	Definitions and reconciliation to IFRS indicators
Growth at constant scope and exchange rates (also called life-for-like growth, LFL, organic growth or internal growth)	<ul style="list-style-type: none"> • Calculated by stripping out the impact of currency fluctuations as well as acquisitions and disposals (scope effect). • Restatement of the currency effect consists of calculating aggregates for the prior year at the exchange rate of the current year. • The impact of exchange rate instruments qualifying as hedging instruments is taken into account in current data. • Restatement of Group structure to take into account newly consolidated entities consists of subtracting the contribution of the acquisition from the aggregates of the current year, for entities entering the consolidation scope in the current year and 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 prior year, for entities entering the consolidation scope in the prior year. • Restatement of entities leaving the consolidation scope consists of subtracting the departing entity's contribution from the aggregates of the prior year as from the first day of the month of divestment, for entities leaving the consolidation scope in the current year and subtracting the departing entity's contribution from the aggregates of the prior year, for entities leaving the consolidation scope in the prior year.
Volume effect	The sum of the change in sales volumes of each business area between the current and prior year, valued at the average sales price of the prior year.
Price mix effect	The sum of the change in average prices by product family of each business area between the current and prior year, applied to volumes of the current year.
Current operating income	The operating income before other operating income and expenses (income from changes in control and other non-recurring items).
Net income from current operations	The Group's share of income before other operating income and expenses, net (income from changes in control and other non-recurring items, net of tax) and income from discontinued operations.
Current EBITDA	Calculated from current operating income before operating amortization, depreciation and impairment losses and adjusted for changes in operating provisions and write-downs, share in net income and dividends received from joint ventures and associates.
Net current operating cash flow	Net current free operating cash flow before paid intangible and tangible capital expenditure and changes in right-of-use assets.
Net current free operating cash flow	Current EBITDA after notional income tax on current operating income, adjusted for changes in operational working capital requirement, proceeds from divested intangible and tangible assets, paid intangible and tangible capital expenditure and changes in right-of-use assets.
Net financial debt	The difference between borrowings and financial debt and cash and cash equivalents.

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