

PARIS, NOVEMBER 2, 2021

Imerys delivers a solid financial performance in Q3 2021 in a challenging inflationary environment

- Third quarter revenue up 21.0% to €1,104 million (€3,262 million in the first 9 months of the year)
- Another quarter of solid organic growth at +18.6% vs. Q3 last year, driven by strong sales performance and despite supply chain disruptions
- Accelerating price mix impact at +3.6% in the third quarter (vs. +1.5% in the first half) in an exceptionally high-inflation environment
- Good profitability momentum with current EBITDA up 17.7% to €194 million in the third quarter (€594 million in the first 9 months) and current EBITDA margin at 17.6% (18.2% in the first 9 months, above 2019 level)
- Net income from current operations doubled to €233 million for the first 9 months (+70% in Q3)

Alessandro Dazza, Chief Executive Officer, said:

" Imerys achieved another quarter of solid, double-digit organic growth and current EBITDA increase as we strived to serve our customers in a challenging context. While market conditions have changed since we reported our results for the first half year at the end of July, we are determined to ensure that pricing discipline and tight cost management continue to offset the impact of higher input costs on our profitability. We expect demand for Imerys' specialty minerals solutions to remain strong in most markets and are confident in our ability to deliver on our objectives for 2021. "

Unaudited consolidated results ¹ (€ millions)	Q3 2020	Q3 2021	Change (%)	9M 2020	9M 2021	Change (%)
Revenue	912	1,104	+21.0%	2,812	3,262	+16.0%
Organic growth	-14.4%	+18.6%	-	-14.4%	+17.3%	-
Current EBITDA	165	194	+17.7%	454	594	+30.8%
Current EBITDA margin	18.1%	17.6%	+50 bps	16.2%	+18.2%	+200 bps
Current operating income	78	118	+51.9%	210	363	+73.0%
Current operating margin	8.5%	10.7%	+220 bps	7.5%	11.1%	+370 bps
Operating income	69	115	+66.4%	180	338	+87.5%
Net income from current operations, Group share	44	75	+70.4%	117	233	+99.7%
Net income, Group share	39	74	+91.7%	95	216	+126.5%
Net income from current operations per share ²	€0.52	€0.89	+70.5%	€1.44	€2.75	+91.7%

¹ The definition of alternative performance measures can be found in the glossary at the end of the press release.

² Weighted average number of outstanding shares: 84,706,741 in 9 months of 2021 compared with 81,305,809 in 9 months of 2020.

Third quarter highlights

Agreement to sell the US kaolin assets serving the paper and board market in North America

On July 24, 2021, Imerys signed an agreement to sell to Thiele Kaolin Company, one of the world's leading producers of processed kaolin clay, certain assets and mining resources supplying hydrous kaolin to the paper & packaging markets. These assets, which are part of Imerys' Performance Minerals Americas business segment, posted revenue of approximately \$76 million in 2020 with 109 employees. This transaction is expected to be completed around the end of the current year.

Imerys expects to generate net proceeds of ca. €100 million from the sale of these assets and other disposals initiated in 2021 (such as its stake in Fiberlean Technologies, related production facilities and other minor non-strategic assets).

Update on Chapter 11 process of North American talc entities

On October 13, 2021, the Court overseeing the North American Chapter 11 cases issued a ruling that certain ballots cast in favor of the North American talc entities plan of reorganization (the "Plan") will not be counted. This means the approval of the Plan now falls just short of the required 75% majority vote. This ruling is expected to result in a resolicitation of the votes on an updated Plan that will extend the Chapter 11 timeline into 2022.

The Group does not expect this ruling to have any material effect on the settlement with Imerys SA and its affiliates embodied in the Plan, which is in part already consummated through the sale of the assets of the North American talc entities to a third party. The representatives of current and future potential claimants continue to support the settlement with Imerys SA and its affiliates under the terms and conditions currently outlined in the Plan.

The Group continues to consider that the balance of the provision in the financial statements as of the end of 2020 is appropriate to cover the expected financial impact of the Chapter 11 process on Imerys.

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.

COMMENTARY ON THE THIRD QUARTER AND NINE MONTHS 2021 RESULTS

Revenue

Unaudited quarterly data (€ millions)	2020	2021	Reported Change	Like-for-like change	Volumes	Price mix
First quarter	1,028	1,058	+2.9%	+6.3%	+5.8%	+0.5%
Second quarter	872	1,100	+26.2%	+28.9%	+26.3%	+2.6%
Third quarter	912	1,104	+21.0%	+18.6%	+15.0%	+3.6%
Total	2,812	3,262	+16.0%	+17.3%	+15.2%	+2.2%

Revenue for the first nine months of 2021 was €3,262 million, up 17.3% year-on-year at constant scope and exchange rates, including an exceptional growth of 28.9% in the second quarter. Group sales volumes were up 15.2%, in the first nine months, confirming the demand recovery across all underlying markets despite logistics and supply issues.

In a context of high inflation, Imerys' price mix accelerated in Q3 (+3.6%), averaging 2,2% for the first nine months versus the prior year.

Revenue included a significantly negative currency effect of €75 million (-2.7%), primarily as a result of the depreciation of the U.S. dollar against the euro in the first part of the year.

The scope effect was €52 million for the first nine months, related mostly to the positive contribution of recent acquisitions (Haznedar group, Cornerstone, Sunward Refractories and Hysil) and the divestiture of the kaolin operations in Australia.

Current EBITDA

Unaudited quarterly data (€ millions)	2020	2021	Change
First quarter	165	183	+10.9%
Second quarter	125	218	+74.5%
Third quarter	165	194	+17.7%
Nine-months	454	594	+30.8%
Margin	16.2%	18.2%	+200 bps

Current EBITDA reached €594 million for the first nine months of 2021, a 30.8% increase vs. 9 months 2020. Current EBITDA margin improved by 200 basis points to 18.2% versus the first 9 months of 2020.

It benefitted from positive volume contribution (€205 million) and strong price mix (€39 million), which compensated for the €32 million increase in variable costs, a consequence of extremely high inflation on freight, raw materials, energy and packaging costs. For the full year, the Group targets a positive price mix cost balance, leveraging its purchasing savings, hedging positions and continuous operational improvement actions.

Fixed costs and overheads were up €75 million vs last year, following increased activity at all production sites.

The currency effect was negative at €18 million.

Current operating income reached €363 million for the first nine months of 2021, a 73.0% increase compared to the first nine months of last year.

Net income from current operations

Net income from current operations, Group share, totaled €233.2 million, up 99.7% vs. 2020. Net financial result was negative at -€29.6 million. The income tax expense of €90.0 million corresponds to an effective tax rate of 27.0%, compared with 28.0% in the first nine months of 2020. **Net income from current operations, Group share, per share**, was up 91.7% to €2.75.

Net income

Net income, Group share, totaled €216.2 million in the first nine months of 2021, after -€17 million of other income and expenses, after tax.

COMMENTARY BY SEGMENT

Performance Minerals (56% of consolidated revenue)

Q3 2020	Q3 2021	LFL change on Q3 2020	Unaudited quarterly data (€ millions)	9M 2020	9M 2021	LFL change on 9M 2020
217	244	+11.3%	Revenue Americas	681	717	+10.5%
244	281	+14.5%	Revenue Europe, Middle East and Africa (EMEA)	745	864	+16.8%
103	131	+30.3%	Revenue Asia-Pacific (APAC)	320	386	+27.8%
(40)	(38)	-	Eliminations	(133)	(135)	-
523	619	+17.6%	Total revenue	1,613	1,831	+16.9%

Revenue generated by the **Performance Minerals** segment was up 16.9% like-for-like in the first 9 months of 2021. On a reported basis, revenue was up 13.5% after a negative currency effect of €45.5 million (-2.8%).

Revenue in the **Americas** was up 10.5% at constant scope and exchange rates in the first 9 months of 2021, of which +11.3% in the third quarter, despite persisting logistic issues which created a significant order backlog. The overall rebound in activity was supported by sales of paints, rubber, polymers and ceramic products in the construction industry and a better performance of filtration and agriculture markets in the consumer goods sector.

Revenue in **Europe, Middle East and Africa** increased by 16.8% at constant scope and exchange rates in the first 9 months of 2021. During the third quarter (+14.5%), the Group benefited from a dynamic construction sector, especially in renovation (paints & coatings, tiles and sanitaryware) and better consumer goods market (filtration and life science applications). The automotive market continued to suffer from the global semiconductors shortage.

Revenue in **Asia-Pacific** was up 27.8% at constant scope and exchange rates in the first 9 months of 2021 (+30.3% in the third quarter) thanks to the continued, strong demand for carbon black and synthetic graphite for mobile energy and the recovery of paper & board, ceramics and filtration.

High Temperature Materials & Solutions (44% of consolidated revenue)

Q3 2020	Q3 2021	LFL change on Q3 2020	Unaudited quarterly data (€ millions)	9M 2020	9M 2021	LFL change on 9M 2020
160	204	+15.2%	Revenue High Temperature Solutions	461	588	+17.0%
243	306	+26.2%	Revenue Refractory, Abrasives & Construction	785	913	+19.5%
(8)	(13)	-	Eliminations	(26)	(41)	-
394	497	+20.5%	Total revenue	1,220	1,459	+17.5%

Revenue generated by the **High Temperature Materials and Solutions** segment was up 17.5% in the first 9 months of 2021 at constant scope and exchange rates. On a reported basis, revenue increased by 19.6% with a positive scope effect of €51.8 million (+4.2%) and a negative currency effect of €21.9 million (-1.8%).

Revenue in **High Temperature Solutions**, which is serving the iron & steel, thermal and foundry markets, increased by 17.0% year-on-year at constant scope and exchange rates in the first nine months of 2021, posting growth of 15.2% in the third quarter. The business continued to benefit from various commercial initiatives and the strong underlying market recovery, particularly in India and China, and to a lesser extent in Europe and the US. The rebound was supported by the dynamism of the iron & steel and foundry segments, despite increasing supply issues, notably in the automotive market. Haznedar in Turkey continued to perform above expectations.

Revenue in the **Refractory, Abrasives & Construction** business area was up 19.5% at constant scope and exchange rates in the first nine months of 2021, driven by a strong recovery (mainly in refractories and abrasives) in demand for industrial equipment and steel, as well as further growth in building and infrastructure (specialty binders). In India, the new greenfield plant in Vizag continued to ramp up to serve the dynamic domestic refractory and construction markets.

Third quarter and 9 months 2021 results webcast

The press release is available on the Group's website www.imerys.com. The Group will hold a live webcast to discuss the third quarter and nine months 2021 results at 6.30 PM (CET) on November 2, 2021, which can be accessed on the Group's website www.imerys.com.

Financial Calendar

February 17, 2022	2021 annual results
April 28, 2022	1st quarter 2022 results
July 28, 2022	1st half 2022 results
November 2, 2022	3rd quarter 2022 results

These dates are subject to change and may be updated on the Group's website <https://www.imerys.com/finance>.

The world's leading supplier of mineral-based specialty solutions for industry with €3.8 billion in revenue and 16,400 employees in 2020. Imerys delivers high value-added, functional solutions to a great number of sectors, from processing industries to consumer goods. The Group draws on its understanding of applications, technological knowledge and expertise in material science to deliver solutions by beneficiating its mineral resources, synthetic minerals and formulations. Imerys' solutions contribute essential properties to customers' products and their performance, including heat resistance, hardness, conductivity, opacity, durability, purity, lightness, filtration, absorption and water 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) in the Regulated Information section, particularly in its Registration Document filed with the French financial markets authority (Autorité des marchés financiers, AMF) on March 22, 2021 under number D.21-0167 (also available from the AMF website, www.amf-france.org). Imerys draws investors' attention to chapter 2 "Risk Factors and Internal Control" of its Registration Document.

Disclaimer: This document contains projections and other forward-looking statements. Investors should be aware 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

Revenue by business areas

Q3 2020	Q3 2021	Reported change on Q3 2020	Unaudited quarterly data (€ millions)	9M 2020	9M 2021	Reported change on 9M 2020
216.9	243.9	+12.4%	Revenue Americas	681.2	716.5	+5.2%
243.7	281.1	+15.4%	Revenue Europe, Middle East and Africa (EMEA)	744.6	863.7	+16.0%
103.4	131.5	+27.2%	Revenue Asia-Pacific (APAC)	320.3	386.2	+20.6%
(40.5)	(37.9)	-	Eliminations	(132.7)	(135.5)	-
523.5	618.6	+18.2%	Total Performance Minerals revenue	1,613.4	1,830.9	+ 13.5%
159.8	203.6	+27.4%	Revenue High Temperature Solutions	461.1	588.1	+27.5%
242.7	306.4	+26.3%	Revenue Refractory, Abrasives & Construction	785.3	912.7	+16.2%
(8.3)	(13.0)	-	Eliminations	(26.0)	(41.4)	-
394.2	497.1	+26.1%	Total High Temperature Materials & Solutions revenue	1,220.4	1,459.5	+19.6%

Key income statement indicators

(€ millions)	Q3 2020	Q3 2021	Change	9M 2020	9M 2021	Change
Revenue	912	1,104	+21.0%	2,812	3,262	+16.0%
Current EBITDA	165	194	+17.7%	454	594	+30.8%
Current operating income	78	118	+51.9%	210	363	+73.0%
Current financial expense	(15)	(12)	-	(44)	(30)	-
Current taxes	(18)	(29)	-	(46)	(90)	-
Minority interests	(1)	(3)	-	(2)	(10)	-
Net income from current operations, Group share	44	75	+70.4%	117	233	+99.7%
Other operating income and expenses, net	(5)	(1)	-	(21)	(17)	-
Net income, Group share	39	74	+91.7%	95	216	+126.5%

GLOSSARY

Imerys uses “current” indicators to measure the recurrent performance of its operations, excluding significant items that, because of their nature and their relatively infrequent occurrence, cannot be considered as inherent to the recurring performance of the Group (see section 5.5 Definitions and reconciliation of alternative performance measures to IFRS indicators in the 2020 Universal Registration Document).

Alternative Performance Indicators	Definitions and reconciliation to IFRS indicators
Growth at constant scope and exchange rates (also called life-for-like change, LFL growth organic or internal growth)	<p>Calculated by stripping out the impact of currency fluctuations as well as acquisitions and disposals (scope effect).</p> <p>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.</p> <p>Restatement of Group structure to take into account newly consolidated entities consists of:</p> <ul style="list-style-type: none"> subtracting the contribution of the acquisition from the aggregates of the current year, for entities entering the consolidation scope in the current 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 prior year, for entities entering the consolidation scope in the prior year. <p>Restatement of entities leaving the consolidation scope consists of:</p> <ul style="list-style-type: none"> 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; 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.