

2020 Annual Results

Paris - February 18, 2021

Alessandro Dazza, Chief Executive Officer
Sebastien 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.20-0165 in March 24, 2020 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

2020 FY results: resilience to the crisis



Highlights

- Recovery in most end markets gaining pace towards the end of the year
- Q4 organic growth of +1.7% vs last year (-11.4% in Q3)
- Significant contribution of fixed costs and overheads savings: €131 million full year
- Capacity expansions and targeted bolt-on acquisitions to support future growth



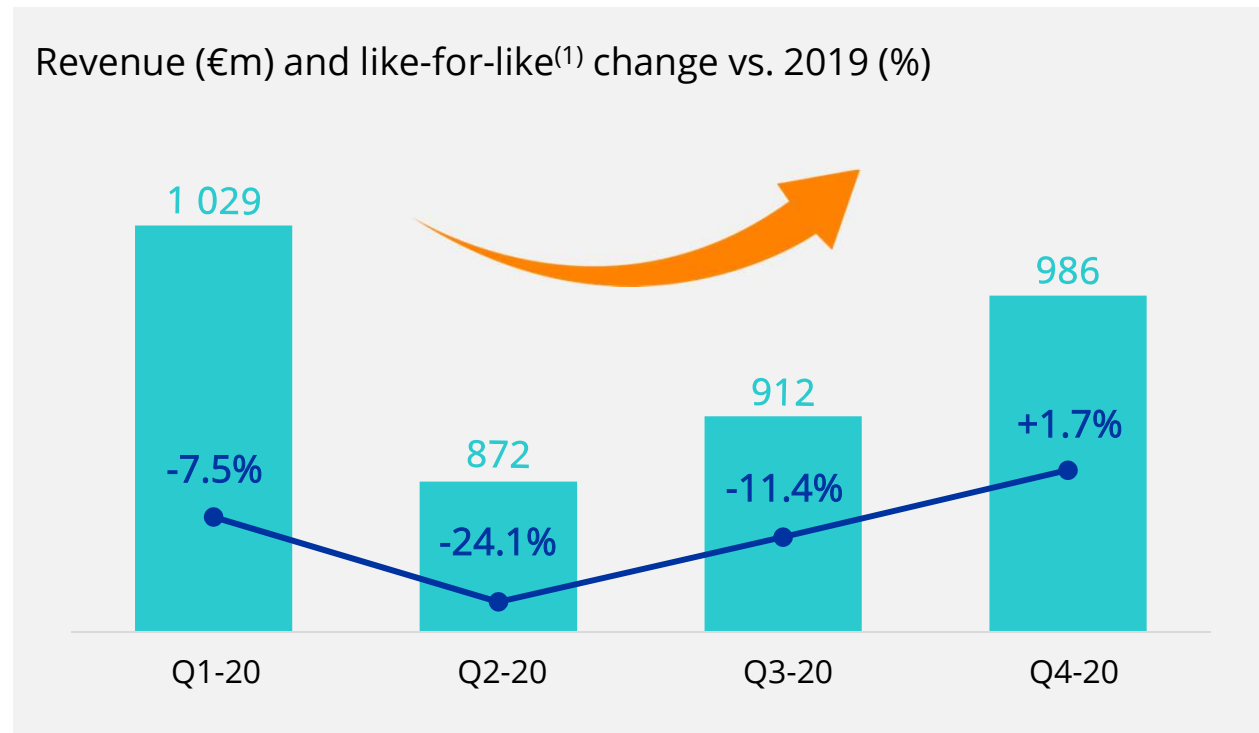
Financial performance⁽¹⁾

- Full year revenue at €3.8 billion (-12.8% vs FY 2019)
- Current EBITDA margin in Q3 and Q4 (18.0%) above 2019 level
- Strong net current free operating cash flow at €373 million, allowing a net debt reduction of €177 million
- Net income from current operations at €167 million (-39.7%), net income impacted by non-recurring charges of €137 million, mostly from asset impairments
- Dividend proposal⁽²⁾: €1.15 per share, in cash, representing a 57% payout ratio

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

(2) Proposal to be submitted to the Annual General Meeting of Shareholders of May 10, 2021

Revenue recovery continues in Q4



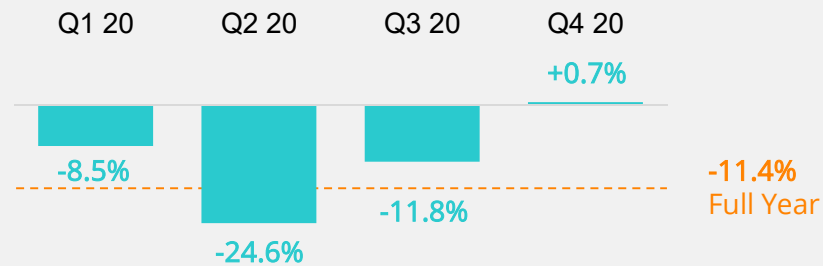
FY 20: €3,799m
(-10.7% vs. 2019)

- ✓ End markets recovery in H2
- ✓ Clear benefits of customer-centric organization
- ✓ Outperforming underlying markets

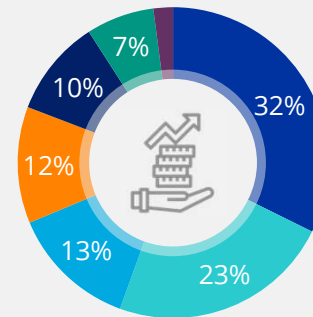
(1) See glossary in appendix for definition of Alternative Performance Measures

Improvement in all underlying markets

Volumes evolution (vs prior year)



Revenue by end market



Covid-19 impact

Construction	Moderate
Consumer	Limited
Industry	High
Iron & Steel	High
Paper	High
Automotive	High
Other	N/A

Year-on-year change in selected end markets in 2020



Light vehicle production⁽¹⁾

	Q2	Q3	Q4
Eur	-69%	-10%	0%
USA	-71%	0%	-1%



Steel production⁽²⁾

	Q2	Q3	Q4
Eur	-28%	-20%	+3%
USA	-35%	-26%	-14%



Paper production⁽³⁾

	Q2	Q3	Q4
Eur	-30%	-23%	-17%
USA	-37%	-22%	-16%



Construction⁽⁴⁾

	Q2	Q3	Q4
Eur	-19%	-10%	-7%
USA	-10%	-3%	-2%

Source: (1) IHS; (2) Worldsteel Association; (3) Eurograph, P&P Council; (4) Construction: OE.

Focus on innovation: 70 new minerals solutions launched in 2020



Automotive

- Increased performance of lithium-ion batteries for electric vehicles | **Lower CO₂ emissions**
- Rigidity of plastics used in cars | **Lighter vehicles**
- Barrier property for automotive tires inner liner | **Lighter material and better performances**



Construction

- Additives for large ceramic tiles | **Lightweight slabs and lower energy consumption**
- New additive for anticorrosion in powder coatings | **Lightweight decorative renders in facade coatings**



Industrials

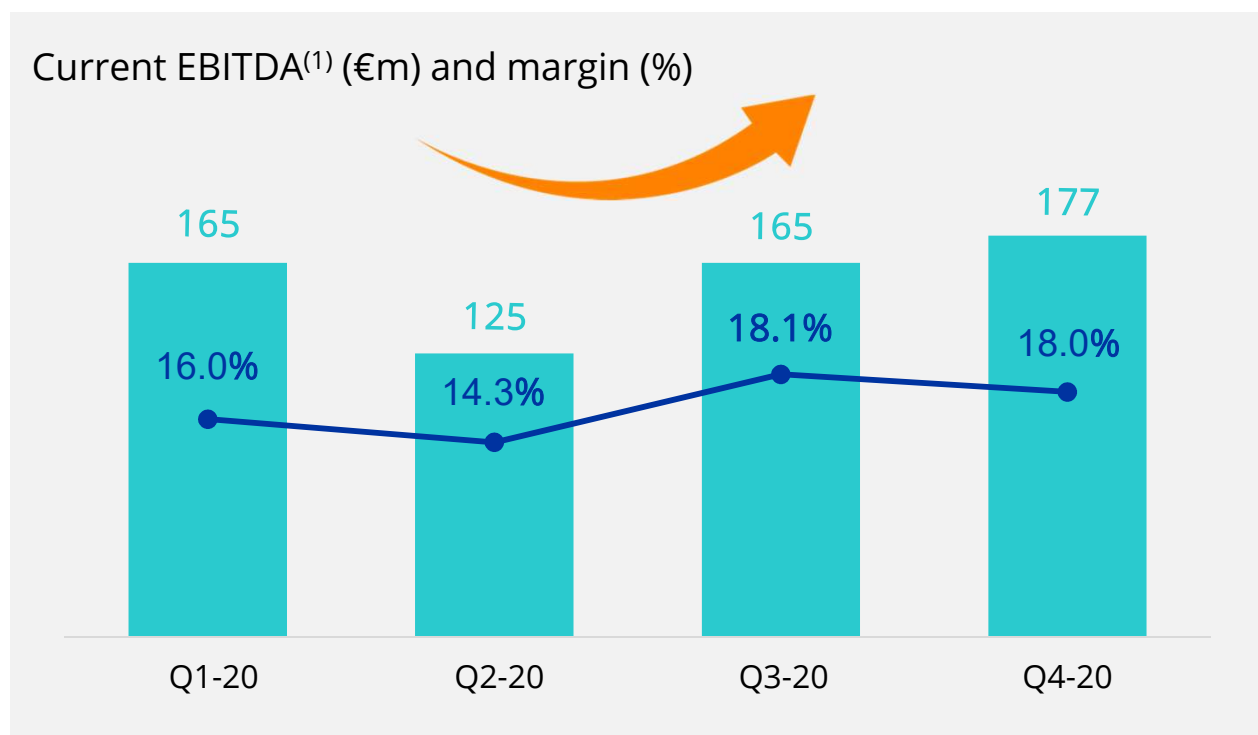
- Ultra-fine alumina for high-performance abrasives | **Improved resistance of abrasives**
- Additives for cryogenic insulation to store liquefied gas | **Energy efficiency**
- Solution for the cement industry | **high corrosion resistance gunning material**



Consumer

- Natural mineral solutions for cosmetics | **Lower environmental footprint**
- Natural solutions for healthier animals' feed | **Adsorption of organic toxins**
- Barrier coating for cardboard and containers | **Recyclability**

Current EBITDA rebound in Q3 and Q4



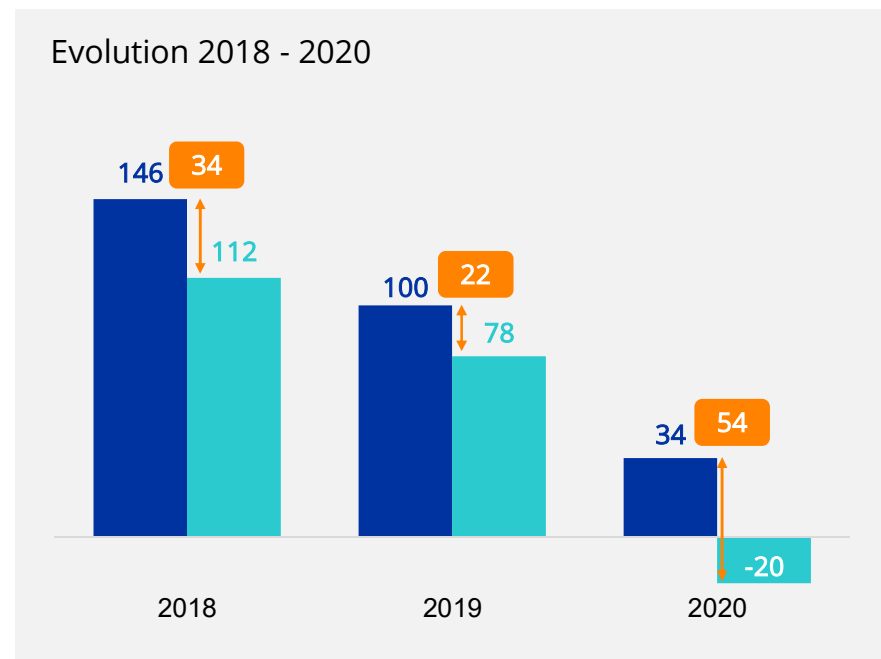
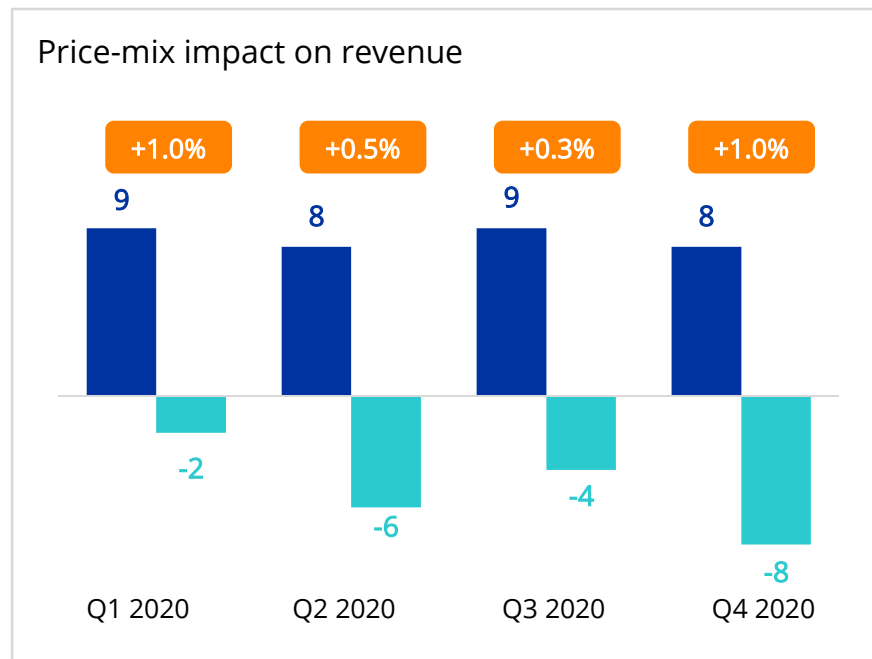
FY 20: €631m
(16.6% margin)

- ✓ Volumes recovery in H2
- ✓ Effective cost savings measures
- ✓ Price-mix

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

Positive price - mix maintained in 2020

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

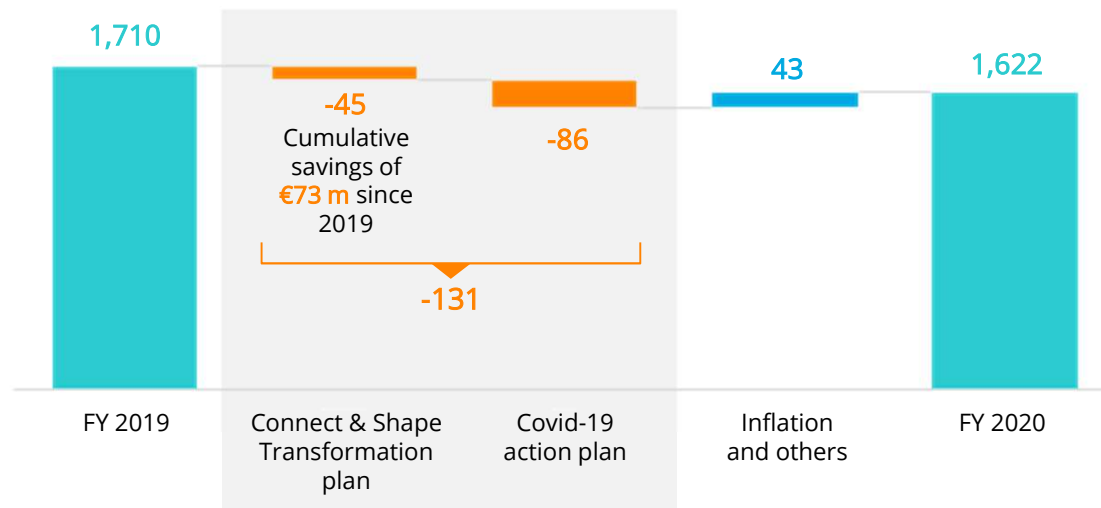


■ Price-mix impact on current EBITDA

■ Evolution of variable costs

€131 million fixed costs and overheads savings in 2020

Fixed costs and overheads (€m)



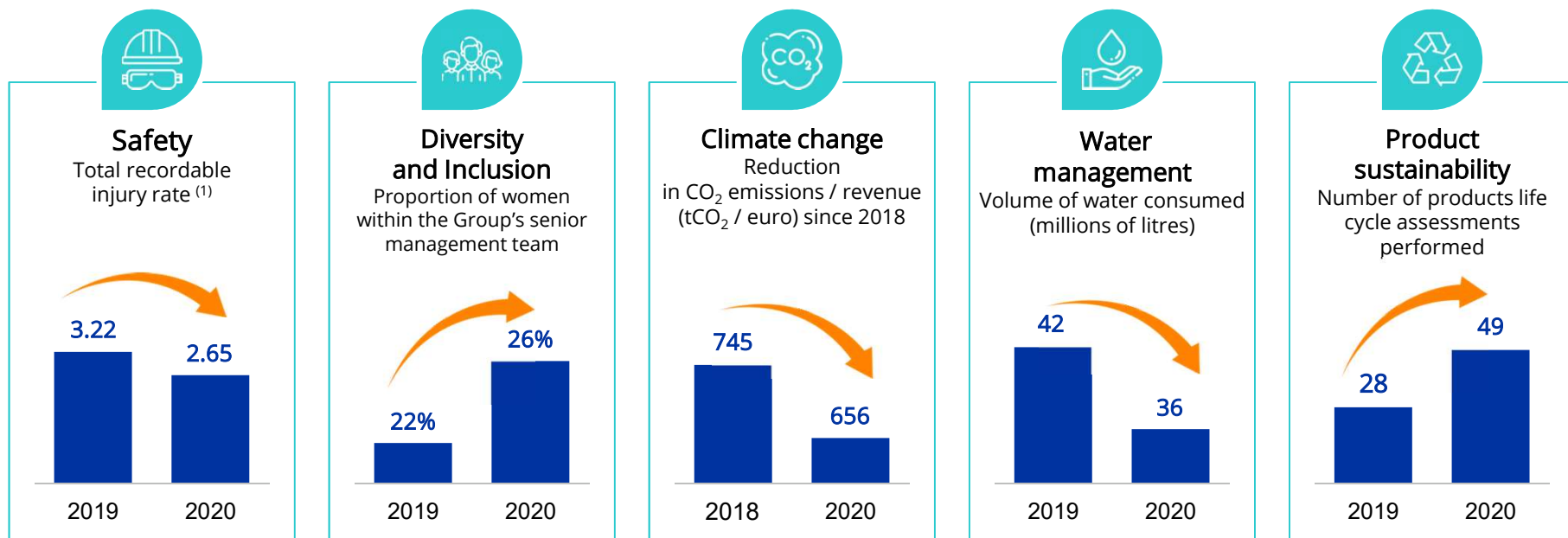
Variable costs (€m)

€71 million additional savings on variable costs thanks to

- Purchasing centralization (Connect & Shape transformation plan)
- Industrial excellence plan (I-Cube)

Target savings of Connect & Shape transformation plan (incl. variable costs) already achieved in 2020
Part of savings relating to Covid-19 action plan to become permanent

Significant achievements in ESG/CSR (selected examples)



(1) Imerys considers a recordable injury as an accident without lost-time whenever a medical service provider is involved in the treatment, even if the treatment is first aid



Update on the potential resolution of historic US talc-related liabilities

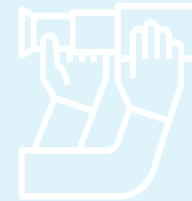
- Closing on February 17 of the sale of the North American talc business and assets to Magris Resources for USD 223 million
- Draft Plan of Reorganization for the North American talc subsidiaries currently being voted on by their creditors on the basis of the authorization obtained from the court on January 27 as part of the Chapter 11 procedure
- Approval of the plan by qualified majority vote expected in early April
- Hearings scheduled for the end of June to confirm the plan approved by the creditors by the court. If confirmed, final approval required from another federal court for final closure of Chapter 11 proceedings, expected in summer 2021
- Estimated financial impact of the Plan of Reorganization on the Group adequately covered by the balance of the provision in Imerys' consolidated financial statements



Highlights



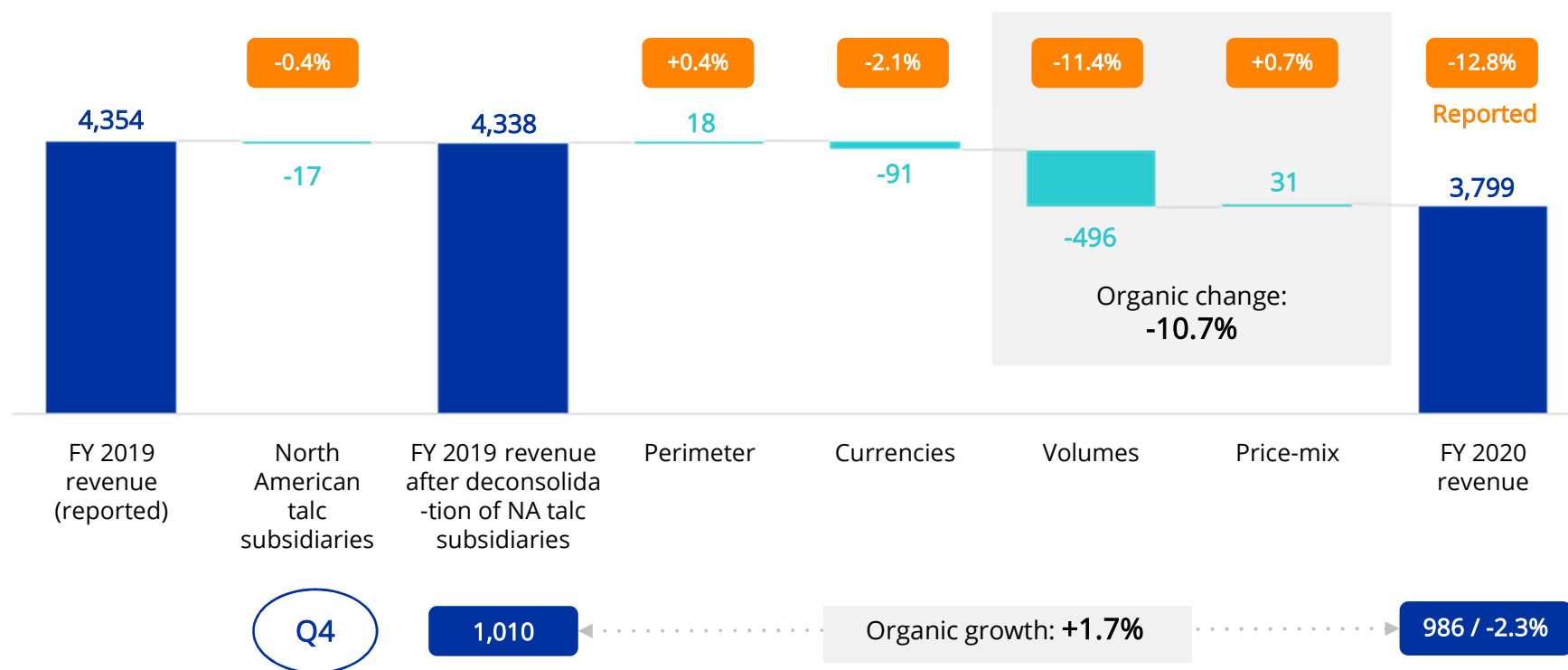
Financial Results



Outlook

Revenue

(€m)



Performance Minerals: activity rebound in Q4

(€m)

	Q4 2019 restated from Kaolin ⁽¹⁾	Q4 2020	LFL change vs. Q4 2019 restated	FY 2019 restated from Kaolin ⁽¹⁾	FY 2020	LFL change vs. 2019 restated
Revenue: Americas	241	205	-6.3%	1,007	886	-7.1%
Revenue: EMEA	260	264	-0.2%	1,110	1,009	-10.1%
Revenue: APAC	117	120	+7.9%	480	440	-6.5%
Eliminations	(42)	(25)	-	(182)	(157)	-
Total segment revenue	575	564	+4.7%	2,415	2,178	-7.7%
Current EBITDA	-	-		490	430	-12.4% ⁽²⁾

Americas

- Recovery of paints, rubber, polymers and ceramics markets driven by construction and automotive
- Good performance of filtration and life science markets driven by pharma and agriculture sectors
- Weak paper market
- Rapid integration of Cornerstone (perlite)

EMEA

- Recovery in construction (paints & coatings) and automotive (plastics, absorbents)
- Contrasted trends in consumers goods (positive pharma and agriculture vs. weak filtration for food & beverage)
- Positive trend for board and packaging, persistent weakness in demand for paper

APAC

- Strong growth in the Graphite & Carbon business driven by mobile energy
- Good performance of specialty solutions for plastics, paints, coatings and ceramics
- Weakness of paper markets
- Good business activity overall in China
- Divestiture of kaolin operations in Pittong, Australia (AUD 12 million revenue)

(1) The Kaolin business revenue which was entirely recognized within the Performance Minerals Americas business area has been allocated to the Performance Minerals Americas, EMEA and APAC business areas based on the destination of sales since January 1, 2020. Historical data has been restated accordingly. See appendix.

(2) Reported change

High Temperature Materials & Solutions: I&S and automotive improving in Q4

(€m)

	Q4 2019	Q4 2020	LFL change vs. Q4 2019	FY 2019	FY 2020	LFL change vs. 2019
Revenue: High Temperature Solutions	181	171	-0.2%	795	632	-15.1%
Revenue: Refractory, Abrasives, Construction	270	264	+0.5%	1,222	1,050	-13.6%
Eliminations	(7)	(8)	-	(41)	(34)	-
Total segment revenue	443	428	-0.9%	1,976	1,648	-14.3%
Current EBITDA	-	-		251	188	-25.1%⁽¹⁾

High Temperature Solutions

- Recovery, especially in iron & steel, accelerating through the 4th quarter of the year
- Global improvement in automotive market (foundry)
- Integration of the acquisitions of Hysil in India, Sunward in Taiwan and Haznedar in Turkey proceeding as per plan

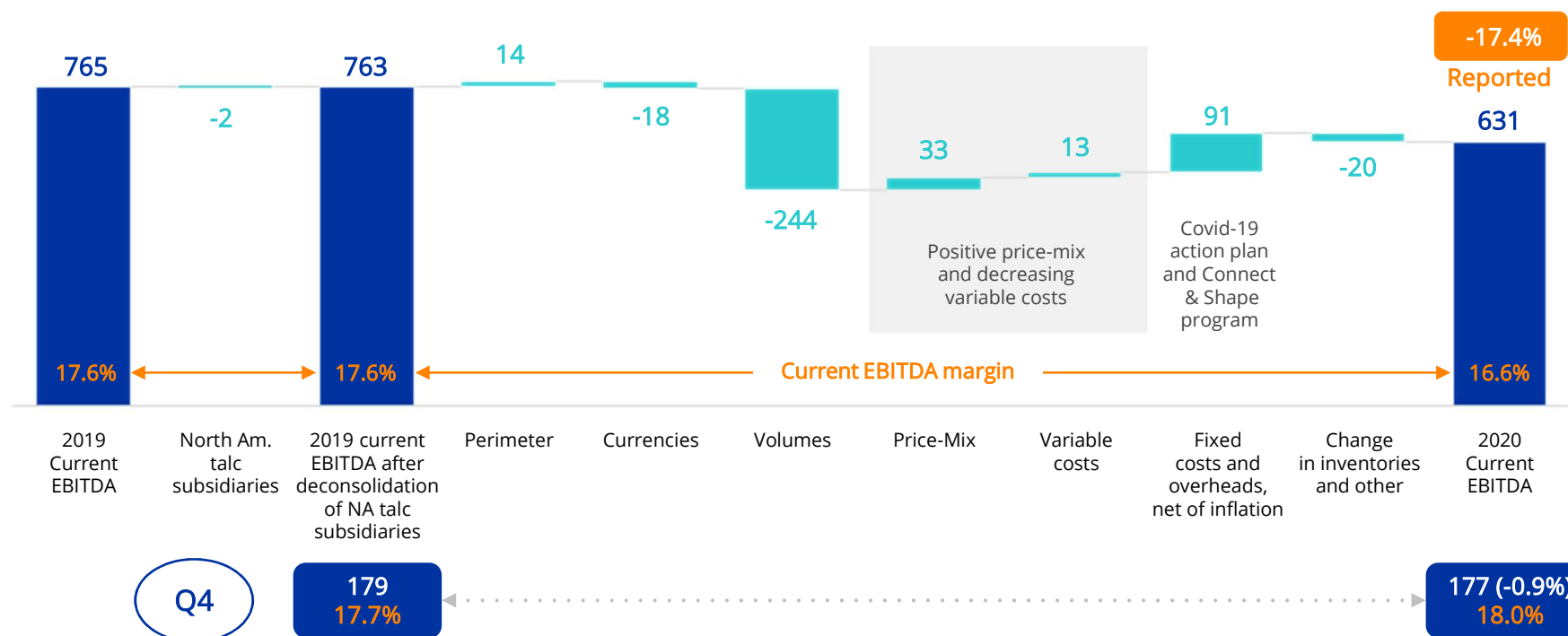
Refractory, Abrasives & Construction

- Progressive recovery of refractory and abrasives markets, particularly in Europe, driven by an increase in iron & steel and automotive production
- Sales in the building and infrastructure segment (specialty binders) remain at high level
- Development of new minerals solutions: mortars for wastewater networks resistant to biogenic corrosion

(1) Reported change

Current EBITDA margin at 18.0% in Q4, above 2019 level

(€m)



Net income

(€m)

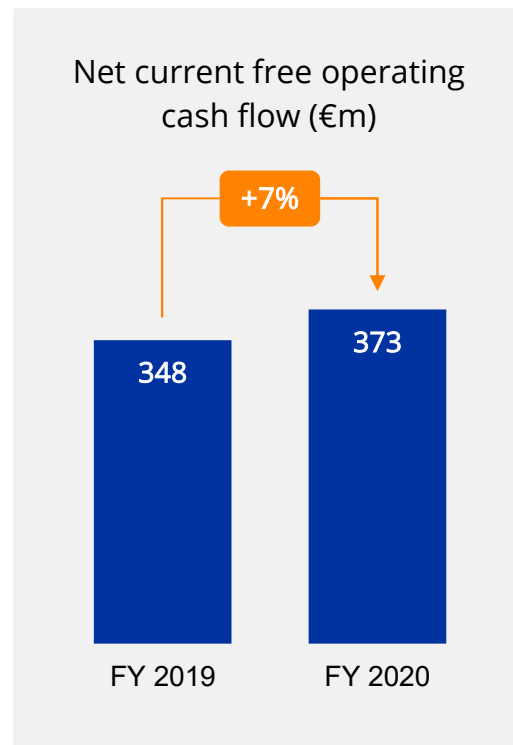
	FY 2019	FY 2020	Change
Current EBITDA	765	631	-17.4%
Current operating income	439	299	-32.0%
Current financial expenses	(44) ⁽²⁾	(61)	-
Current income tax	(114)	(66)	-
Current tax rate	28.8%	27.8%	-
Minority interests	(4)	(4)	-
Net income from current operations, Group's share	277	167	-39.7%
Other operating income and expenses, net	(156)	(137)	-
Net income, Group share	121	30	-75.1%
Net income from current operations (Group share) per share ⁽¹⁾	€3.50	€2.03	-42.0%

- Financial expenses in line with previous year (excluding the reimbursement of the yen denominated private placement in 2019)
- Stable corporate tax rate
- 2020 other operating income and expenses, net (non-recurring)
 - Mostly resulting from non cash asset impairments and business reorganizations

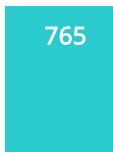
(1) Weighted average number of shares outstanding: 82,168,061 in 2020 versus 79,089,697 in 2019.

(2) Of which reimbursement of the yen denominated private placement for €17 million.

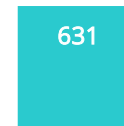
Strong cash flow generation



Current EBITDA (€m)



FY 2019



FY 2020

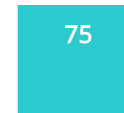
Strong cash generation
despite significant drop in
current EBITDA



Change in WCR (€m)



FY 2019



FY 2020

**Reduction of operating
working capital thanks to
dedicated actions**



Capex paid (€m)



FY 2019

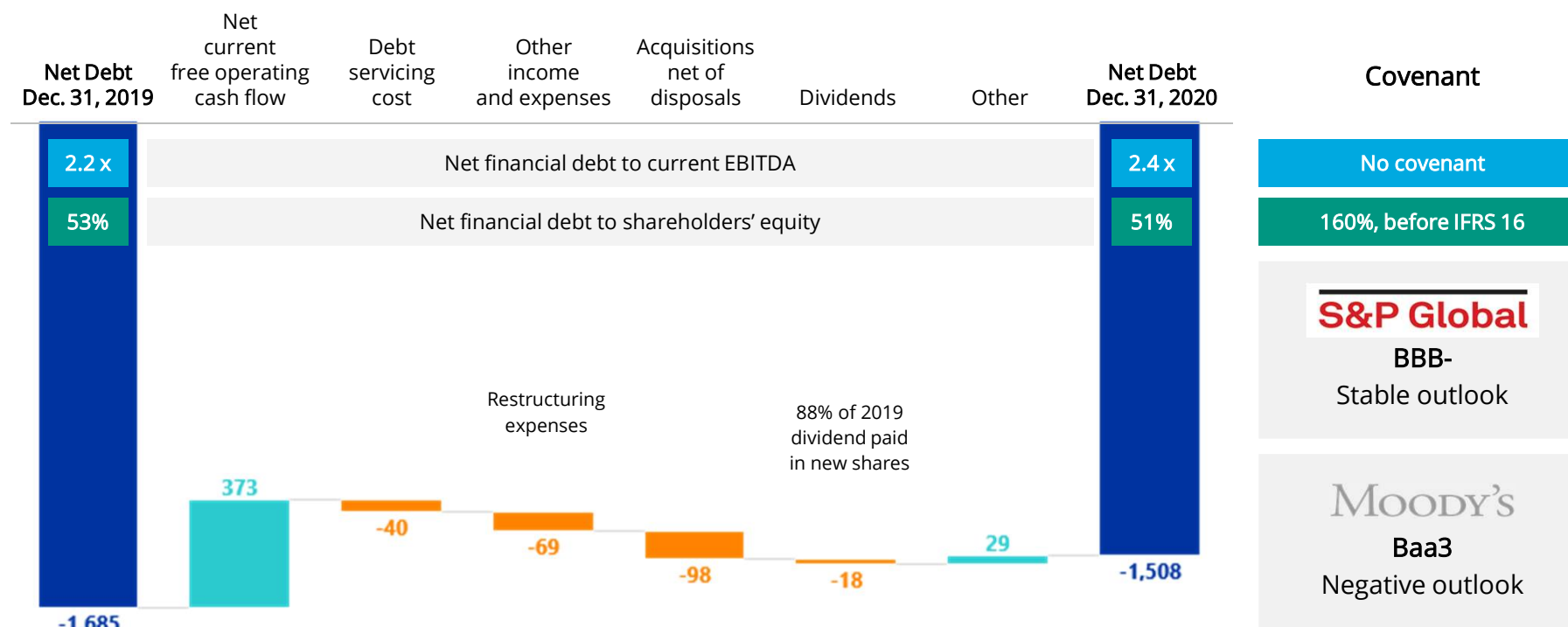


FY 2020

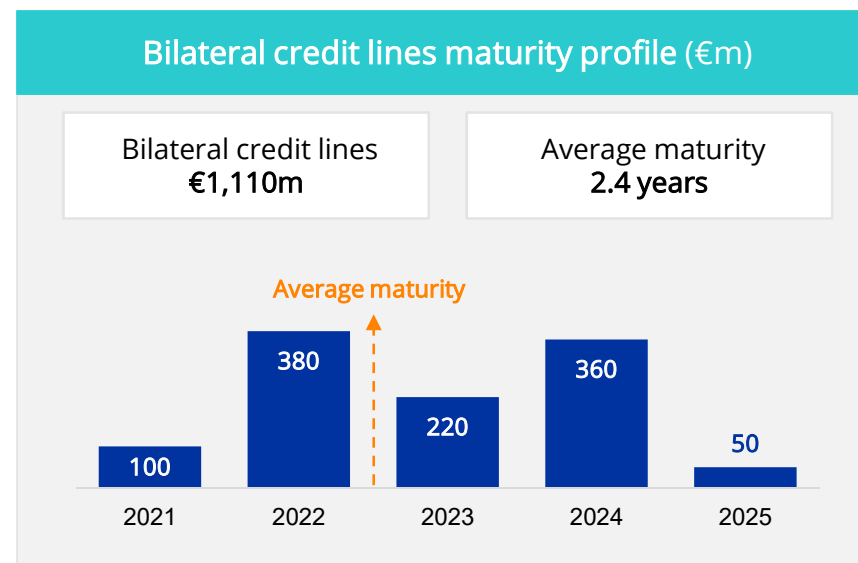
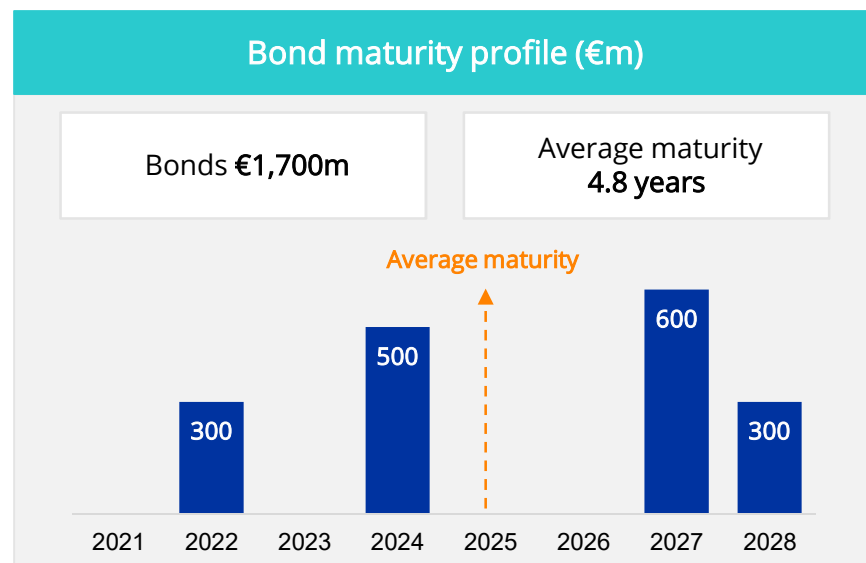
**Booked capital expenditures
reduced to €254 million:
-19% compared to last year
(€313 million)**

Reduction in net financial debt

Change in net financial debt (€m, post IFRS 16)



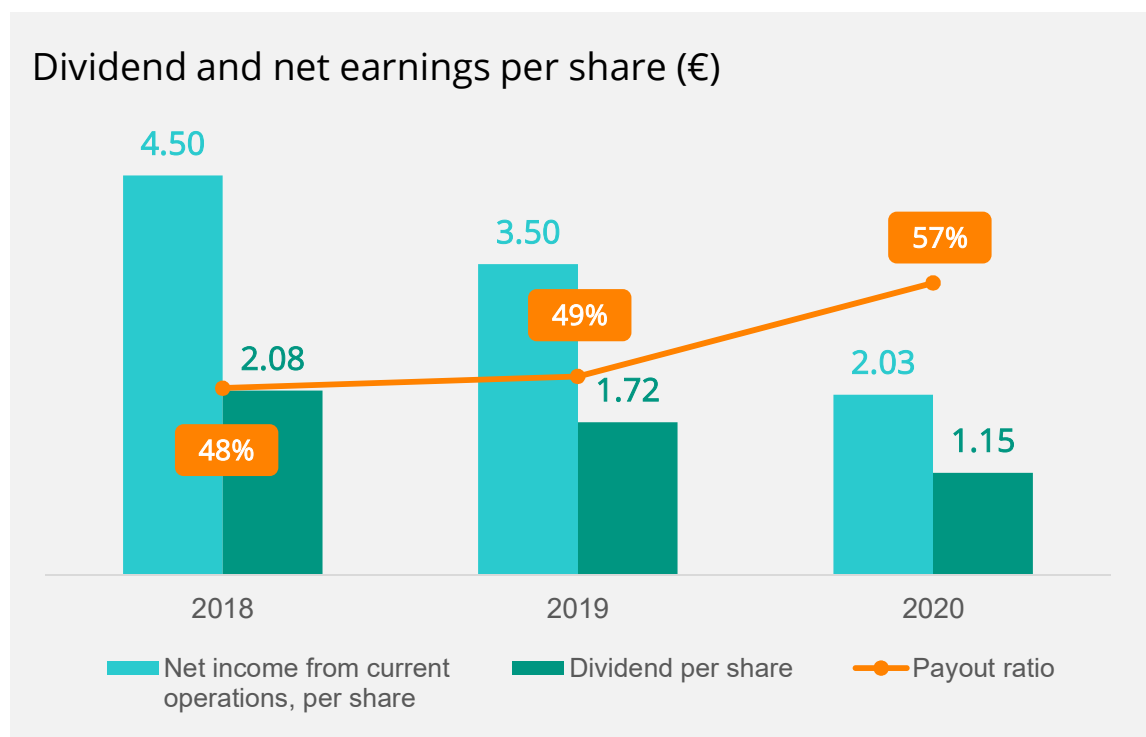
Strong liquidity position



High level of available resources :
 €1.1 billion credit lines and €600 million cash
 as of Dec. 31, 2020

(€m)	31/12/2019	31/12/2020
Bonds	1,924	1,700
Other debts	425	466
Gross debt	2,349	2,166
Cash	664	658
Net debt	1,685	1,508
Average interest rate (gross)	1.7%	1.8%

Dividend proposal: €1.15 per share, in cash



✓ Proposal submitted to the annual general meeting of shareholders on May 10, 2021

✓ Cash dividend, €97 million cash out

✓ 57% dividend payout



Highlights



Financial Results



Outlook

Broadly on track with mid-term targets

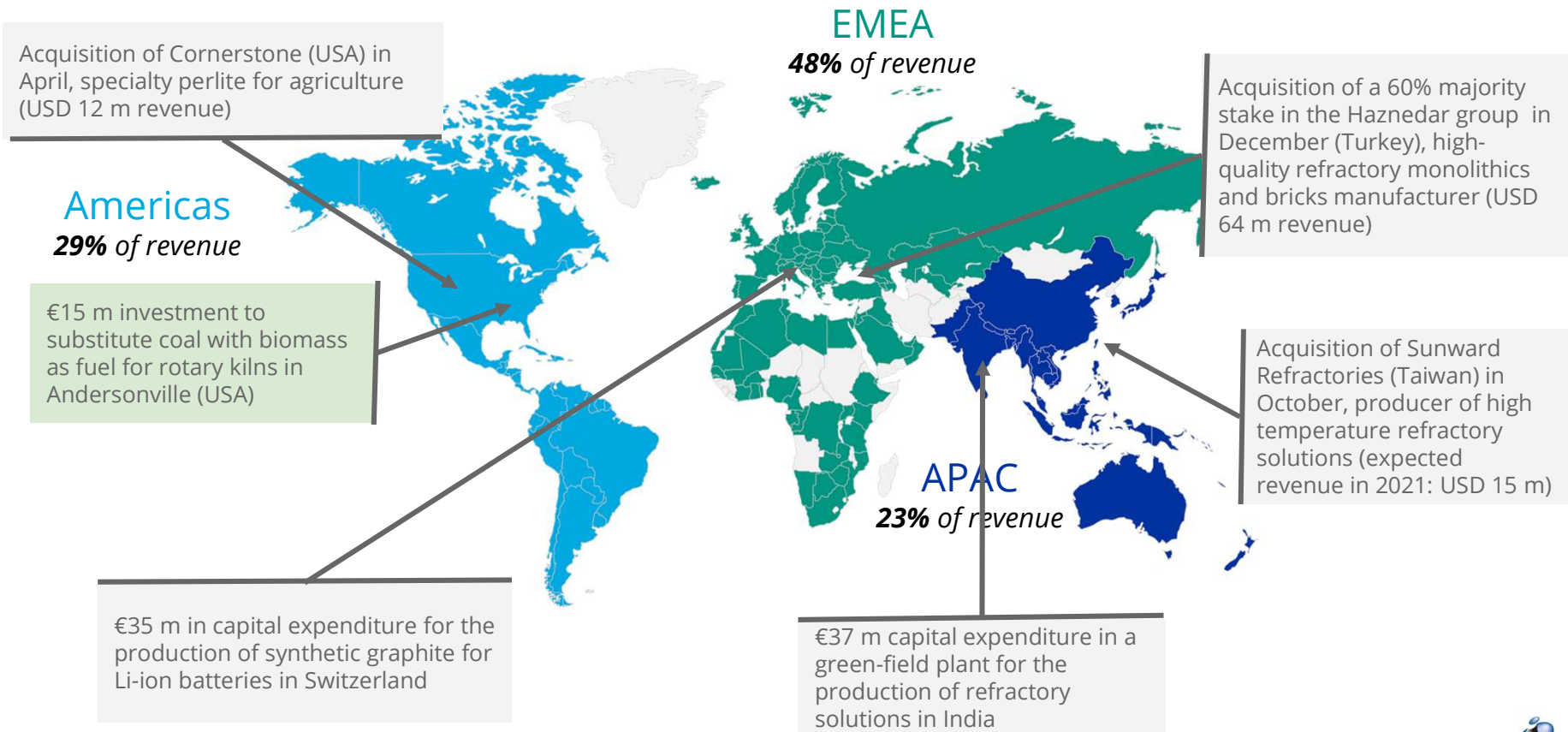
Key targets 2022 (as presented in June 2019)

Improved growth and profitability profile	Ambition to gradual ramp up of organic growth to reach underlying markets level by 2022	✓	Customer-centric organization in place, further benefits in 2021
	€100 million expected cost savings in full in 2022	✓	Achieved in 2021
	2022 current EBITDA margin up by +200 bp versus 2018		Gradual current EBITDA margin improvement expected in 2021 and 2022 ⁽¹⁾
Disciplined capital allocation	€300 million - €350 million annual total capital expenditures	✓	
	Development capital expenditures with target IRR of 15% and acquisitions with ROCE > WACC within 3 full years of integration	✓	Criteria used for recent bolt-on acquisitions and capex
Sound balance sheet	Solid investment grade rating	✓	Gradual deleveraging expected
Commitment to attractive shareholder returns	Consistent dividend growth in line with growth in net income from current operations per share, with flexible payout ratio	✓	

(1) No quantitative target for 2022 given the uncertainty on the global economy following the Covid-19 pandemic

✓ Financial targets confirmed

Investing for future sustainable growth



Imerys with strong fundamentals for the future



Strong market positions in attractive end-markets, customer-centric organization, innovation, recent capacity increases and acquisitions to generate **revenue growth above the expected recovery in underlying markets**



Profitability improvement to continue thanks to resilient business model, unrelenting focus on costs control and portfolio management



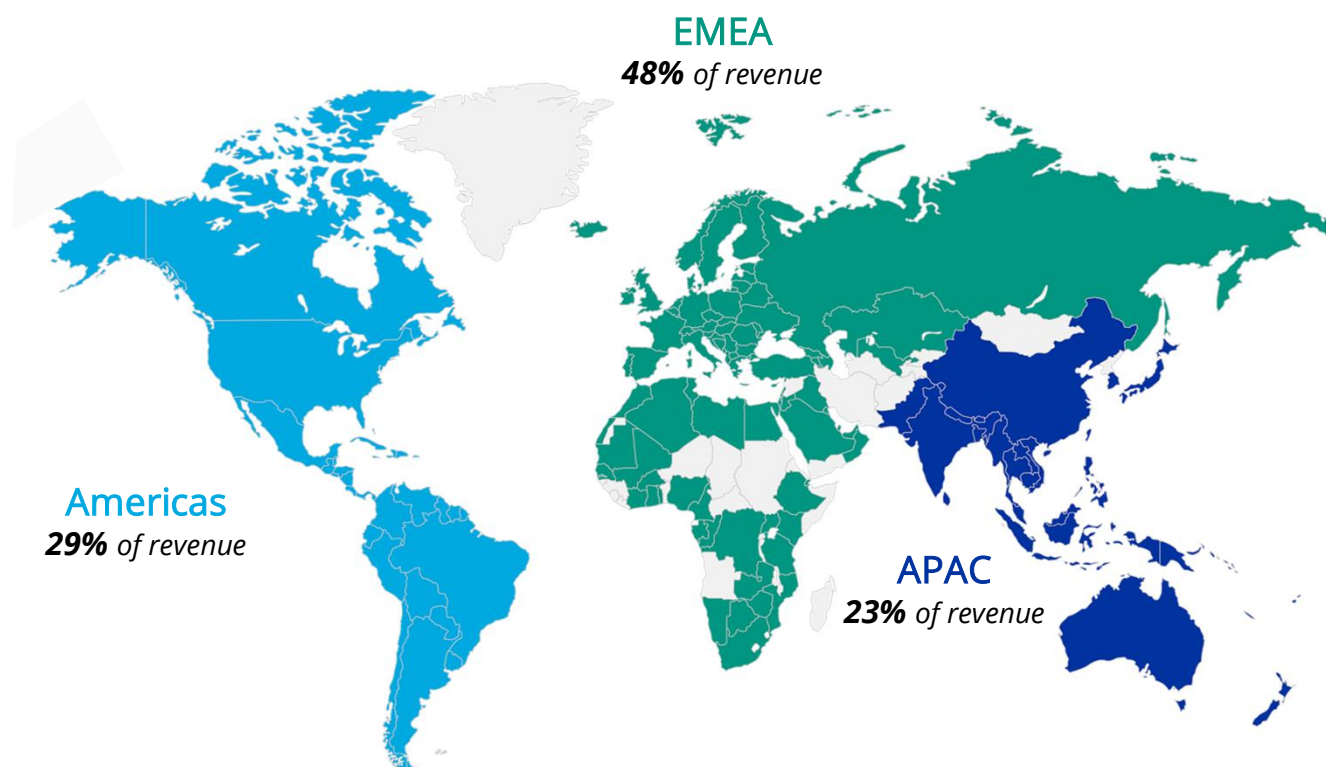
Stable shareholding structure, solid balance sheet, strong liquidity position and cash flow generation to sustain disciplined investments for **future growth and value creation**



Industry-leading, innovative minerals solutions to contribute to long-term, **responsible development**

APPENDIX

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 perf. 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

Performance Minerals: restated revenue split by business areas

(€m)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019
Americas	261	253	253	241	1,007
EMEA	291	289	270	260	1,110
APAC	123	123	117	117	480
Eliminations	(51)	(43)	(44)	(42)	(182)
Performance Minerals	623	621	597	575	2,415

- Quarterly 2019 revenue has been restated to reflect the decision in the first quarter 2020 to recognize the Kaolin business revenue by product destination, instead of the previously adopted reporting by product origin.
- As a consequence, the Kaolin business revenue which was entirely recognized within the Performance Minerals Americas business area is now allocated to the Performance Minerals Americas, EMEA and APAC business areas based on the destination of sales.
- Historic data have been restated accordingly.

Revenue per business segment

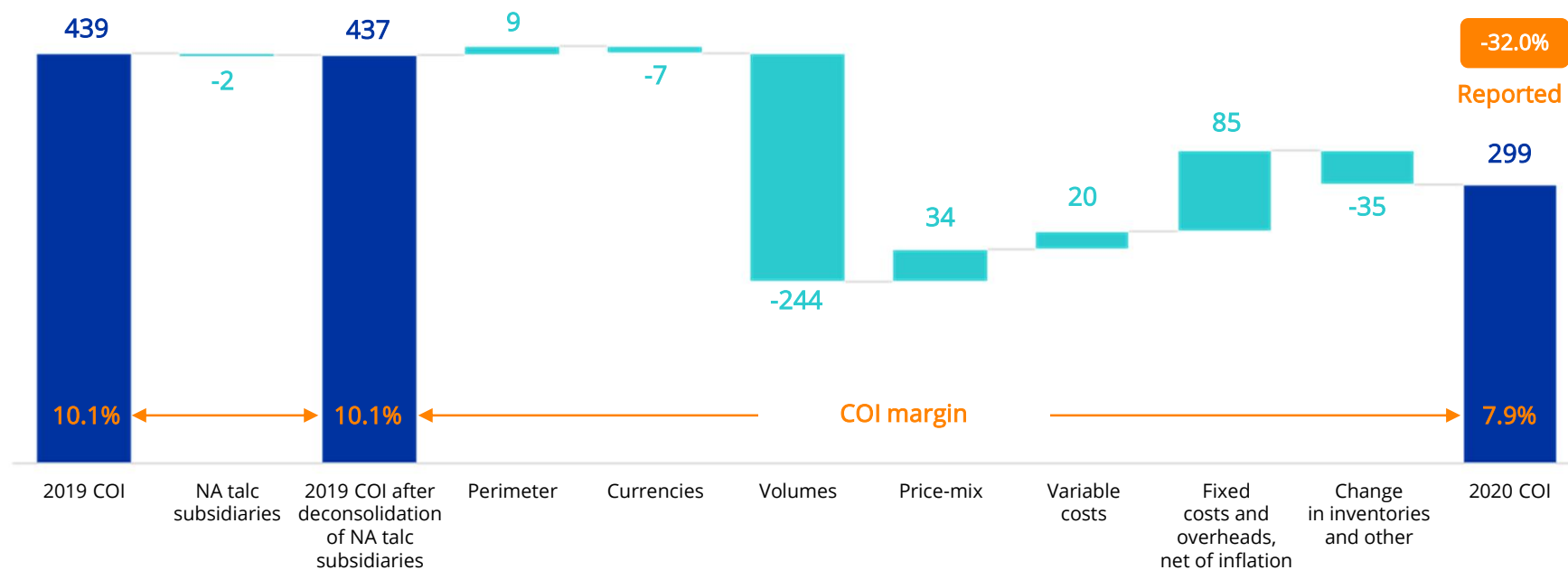
(€m)

	Q4 2019 reported	Q4 2019 restated from Kaolin	Q4 2020	Reported change vs. Q4 2019 restated	FY 2019 reported	FY 2019 restated from Kaolin	FY 2020	Reported change vs. FY 2019 restated
Revenue: Americas	257	241	205	-15.1%	1,085	1,007	886	-12.1%
Revenue: EMEA	230	260	264	+1.7%	984	1,110	1,009	-9.1%
Revenue: APAC	117	117	120	+3.0%	463	480	440	-8.2%
Eliminations	(29)	(42)	(25)	-	(117)	(182)	(157)	-
Total Performance Minerals Revenue	575	575	564	-1.9%	2,415	2,415	2,178	-9.8%

	Q4 2019	Q4 2020	Reported change vs. Q4 2019	FY 2019	FY 2020	Reported change vs. FY 2019
Revenue: High Temperature Solutions	181	171	-5.4%	795	632	-20.4%
Revenue: Refractory, Abrasives, Construction	270	264	-1.9%	1,223	1,050	-14.1%
Eliminations	(7)	(8)	-	(41)	(34)	-
Total High Temperature Materials and Solutions revenue	444	428	-3.6%	1,976	1,648	-16.6%

Current operating income (COI)

(€m)



Strong cash flow generation

(€m)

	FY 2019	FY 2020	Change (€m)	Change (%)
Current EBITDA	765	631	-133	-17.4%
Change in operating Working Capital Requirement	52	75	23	n.a.
Notional tax on current operating income	(126)	(83)	43	-
Other	8	36	27	-
Net current operating cash flow (before capex)	699	659	-39	-5.6%
Paid capital expenditure	(292)	(262)	-30	-10.1%
Right of use assets (IFRS 16)	(59)	(23)	-35	-
Net current free operating cash flow	348	373	25	+7.4%

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 our people enable us 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**



Our commitments: our SustainAgility journey



We recognise 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



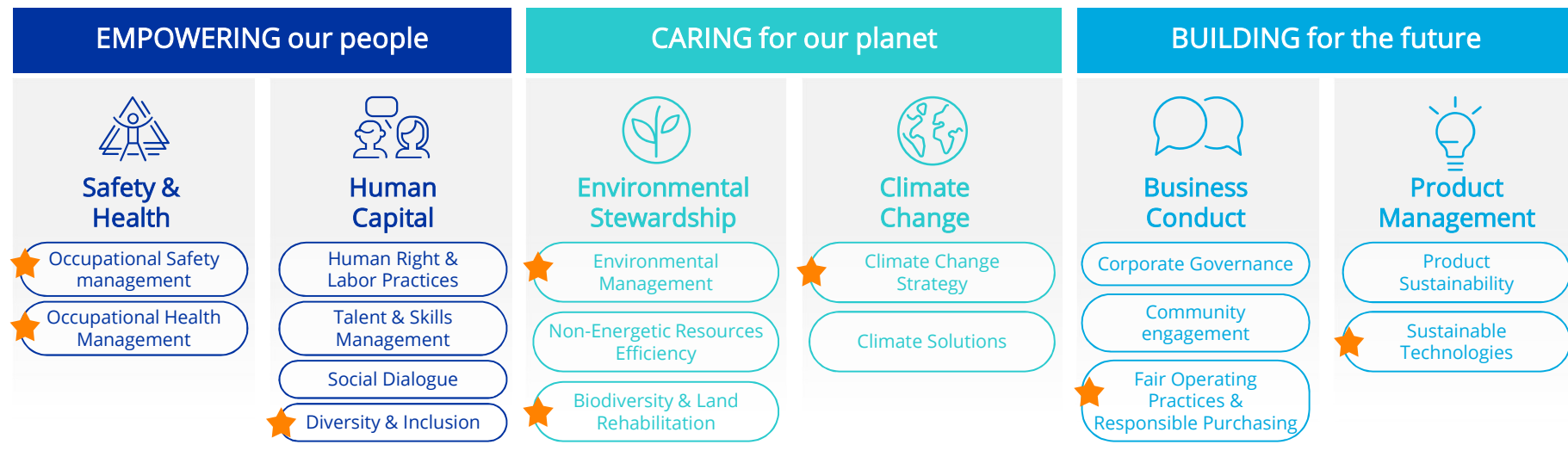
We are committed to act by reducing carbon emissions in our operations and are accelerating the pace of transition towards low carbon energy and cleaner fossil fuel across our business

Fostering positive changes: our 6 SustainAgility pillars












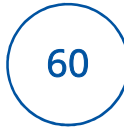




SustainAgility is an integral part of how we do business. Its pillars bring together a number of interconnected themes that are the foundation for **concrete initiatives** with **measurable results**

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)	99 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)



SAFETY & HEALTH

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



HUMAN CAPITAL

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 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 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)



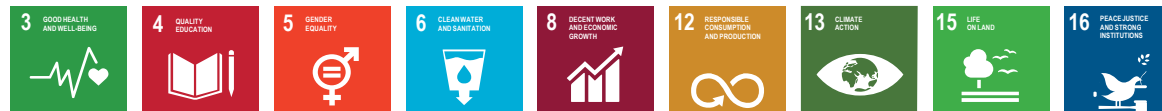
Fair Operating Practices & Responsible Purchasing: % suppliers evaluated

- 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 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



Glossary

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 current year at the exchange rate of the prior 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	Current EBITDA after notional income tax on current operating income, adjusted for changes in operational working capital requirement and proceeds from divested intangible and tangible 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	Difference between financial liabilities (borrowings, financial debts, and IFRS 16 liabilities) and cash and cash equivalents.

Thank you for your attention

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Financial Calendar

April 29, 2021	1 st quarter 2021 results
May 10, 2021	General Meeting of Shareholders
July 27, 2021	1 st half 2021 results
November 2, 2021	3 rd quarter 2021 results