

First Quarter 2021 Results

April 30, 2021

Alessandro Dazza - Chief Executive Officer

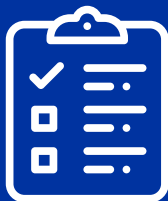
Sébastien Rouge - Chief Financial Officer

Disclaimer

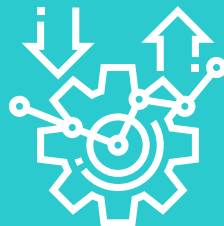
More comprehensive information about Imerys may be obtained on its website (www.imerys.com), under Regulated Information, including its Universal Registration Document filed under No. D.21-0167 March 22, 2021 with Autorité des Marchés Financiers. Imerys draws the attention of investors to the “Risk factors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



Conclusion



Highlights



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Conclusion

2021 Q1 results highlights - A strong quarter for Imerys

Highlights

- Good commercial performance and continued recovery in end-markets driving organic growth
- Additional capacity expansion to support the fast-growing market of lithium-ion batteries for electric vehicles
- Creditors' approval of the Plan of Reorganization of the North American talc entities

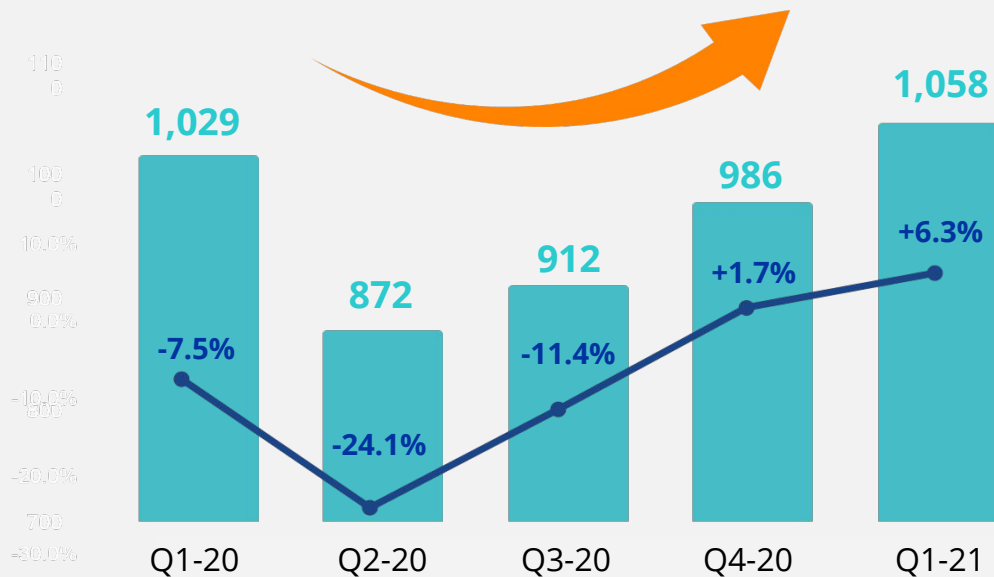
Financial performance⁽¹⁾

- Organic growth gaining traction: +6.3% in Q1 2021 after +1.7% in Q4 2020
- Q1 revenue up 2.9% vs. Q1 2020 at €1,058 million
- Continuing positive price mix at +0.5%
- Current EBITDA up 10.9%; margin at 17.3% vs. 16.0% in Q1 2020
- Net current income at €73.3 million (+49% vs. Q1 2020)

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

Q1 Revenue above pre COVID-19 crisis level driven by strong volume growth

Revenue (€m) and like-for-like⁽¹⁾ change vs. Q1 2020 (%)



Q1 2021: **€1,058m**

(+2.9% vs. Q1 2020)



Continued end markets recovery



Strong commercial performance



Outperforming underlying markets

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

Supportive markets despite worldwide production and supply chain issues

Automotive



Light vehicle production ⁽¹⁾

	Q4-20 vs. Q4-19	Q1-21 vs. Q1-20
Europe	0%	-3%
North Am.	+0%	-5%
Asia ⁽³⁾	+5%	+27%
World	+3%	+11%

- **Global semiconductor shortage impacting vehicle production in Q1 2021**
- Europe: ongoing recovery despite measures to contain third wave of COVID-19
- North America: supply chain hampered by adverse weather conditions

Iron & Steel



Steel production ⁽²⁾

	Q4-20 vs. Q4-19	Q1-21 vs. Q1-20
Europe	+6%	+3%
North Am.	-12%	-5%
Asia ⁽³⁾	+8%	+13%
World	+7%	+10%

- **Supply constrained by capacity ramp-up; demand recovery driven by automotive and construction**
- Production rebound in India (+10%)
- China already above pre-crisis level
- US still lagging behind

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

Supportive markets in all geographies

Construction



Construction⁽¹⁾

	Q4-20 vs. Q4-19	Q1-21 vs. Q1-20
Europe	-3%	0%
North Am.	-1%	0%
Asia ⁽³⁾	+0%	+15%
World	-1%	+7%

- **Continuing recovery in all geographies**
- Mixed trends across Europe (e.g. France +10%, UK -3%, Italy +3%, Germany -1%)
- North America: high expectations after announcement of infrastructure plan

Graphic Paper



Paper production⁽²⁾

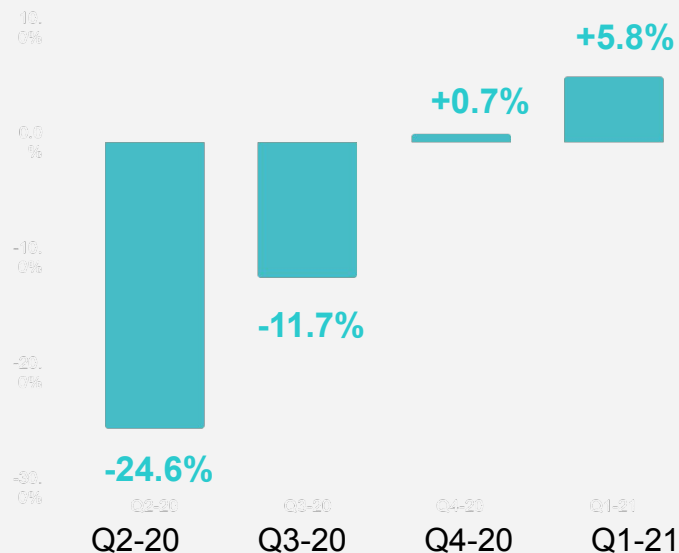
	Q4-20 vs. Q4-19	Q1-21 vs. Q1-20
Europe	-15%	-20%
USA	-18%	-21%
India	-20%	-11%

- **Slow recovery** mainly due to new COVID -19 restrictions in several countries
- Rebound expected in the second part of the year, on the back of stronger industrial activity and travel recovery

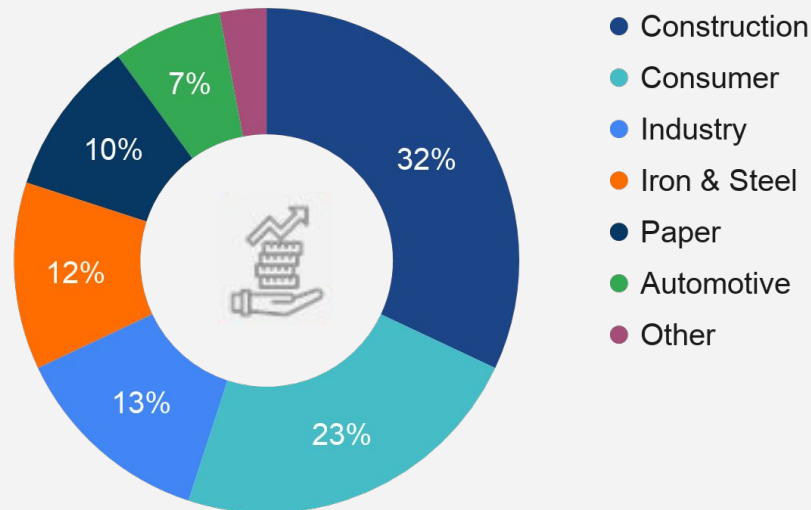
Source: (1) Construction: OE (2) Eurograph, P&P Council, Japan Paper Association (3) Including China.

Sales volumes gathering momentum in most end markets

Volumes evolution (vs prior year)

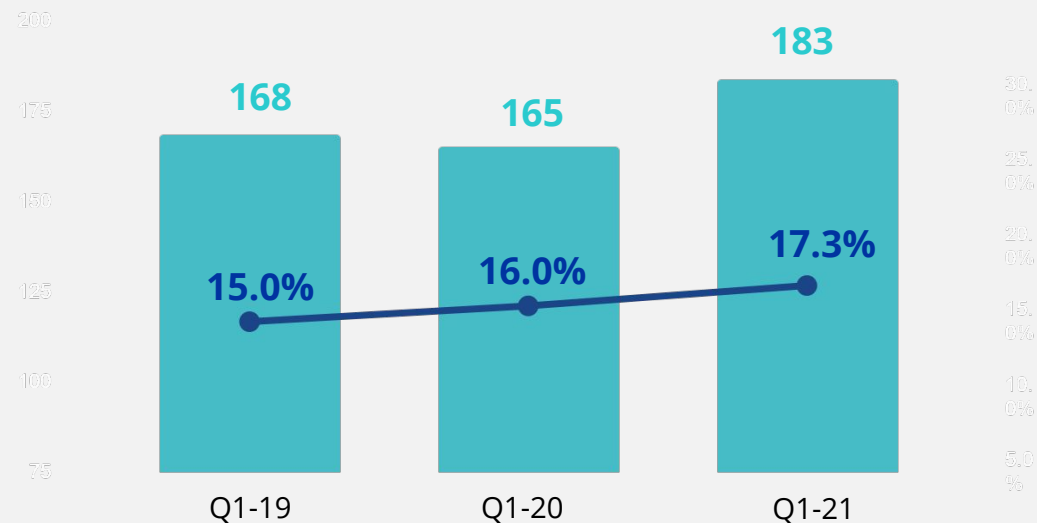


Imerys' revenue by end market



Improvement in current EBITDA

Current EBITDA⁽¹⁾ (€m) and margin (%)



Current EBITDA Q1 2021: €183m
(up 10.9% vs. Q1 2020)



Volume recovery



Strong operational performance



Positive price-mix

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

North American talc entities' Plan of Reorganization reaches voting approval threshold

- Sale of North American talc business and assets to Magris Resources closed in February for USD 223 million
- Approval of the Plan of Reorganization of the North American talc entities with a majority of 79.7% from the voting creditors and claimants on April 14
- Confirmation hearing on the Plan by the relevant US. District Court of Delaware expected this summer
- Potential final approval of the Plan by the relevant US Courts and closure of "Chapter 11" process by the end of 2021



Highlights



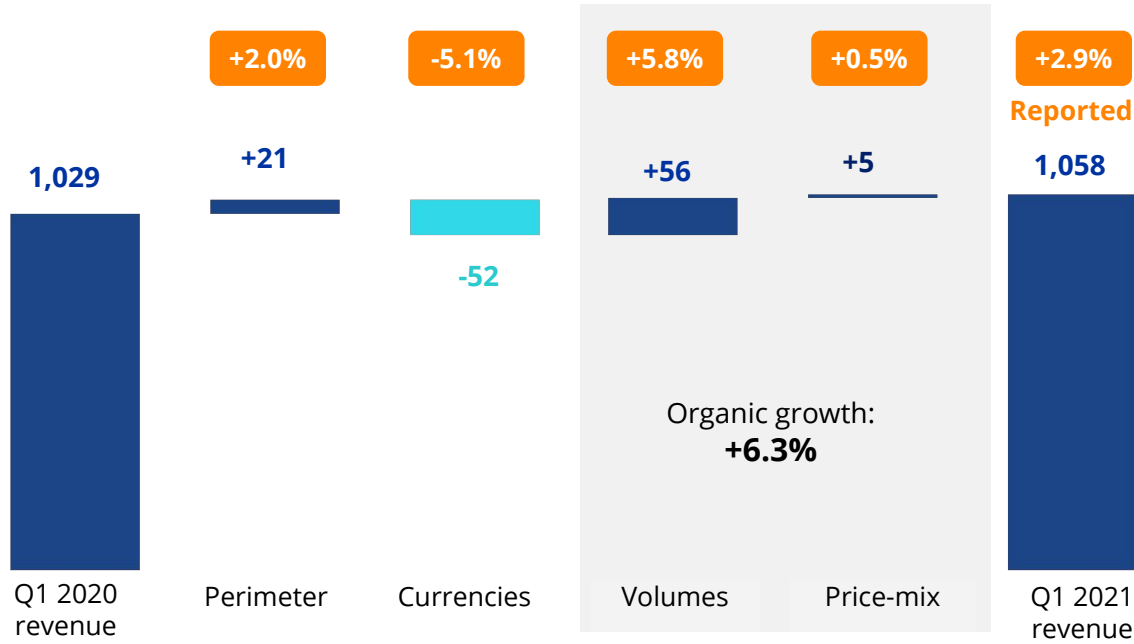
Financial Results



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Q1 2021 revenue organic growth: +6.3%

(€m)



Performance Minerals: solid recovery in Q1

(€m)

	Q1 2020	Q1 2021	LFL change vs. Q1 2020	Reported change vs. Q1 2020
Revenue: Americas	251	231	+0.8%	-8.0%
Revenue: EMEA	273	283	+4.8%	+3.6%
Revenue: APAC	111	130	+25.9%	+16.9%
Eliminations	(47)	(48)	-	-
Total segment revenue	589	596	+7.0%	+1.3%

Americas

- Solid recovery of demand for paints, rubber, polymers & ceramics and supportive filtration and life science markets
- Containers shortage and heavy winter storms in the US affecting several plants in February

EMEA

- Plastics, rubber, paints & coatings and ceramics & building products benefitted from rebound of construction and automotive markets in Europe
- Soft consumer goods demand caused by COVID-19 restrictions

APAC

- Buoyant growth in Graphite & Carbon for mobile energy
- First signs of recovery of paper and board markets, especially in India and China
- Good performance in specialty minerals for plastic, paint & coating and ceramics

High Temperature Materials & Solutions: further rebound of industrial and construction markets

(€m)

	Q1 2020	Q1 2021	LFL change vs. Q1 2020	Reported change Vs. Q1 2020
Revenue: High Temperature Solutions	164	187	+7.1%	+14.1%
Revenue: Refractory, Abrasives, Construction	297	295	+3.6%	-0.6%
Eliminations	(11)	(12)	-	-
Total segment revenue	449	470	+4.7%	+4.6%

High Temperature Solutions

- Strong rebound of end markets, particularly in India and China
- Growth in Europe mainly driven by thermal and foundry
- Integration of recent bolt-on acquisitions as per plan
- Good start to the year for Haznedar in Turkey

Refractory, Abrasives & Construction

- Continuing solid growth in the building and infrastructure segment (specialty binders)
- Further recovery in iron & steel and automotive markets worldwide
- Commissioning of new greenfield plant in India; production to serve the growing demand of the domestic refractory market launched

Improvement in current EBITDA margin at 17.3% in Q1 2021

(€m)



Net income from current operations up 49% in Q1

(€m)

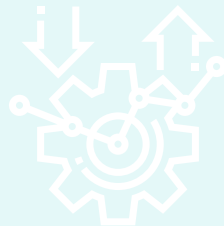
	Q1 2020	Q1 2021	Change
Current EBITDA	165	183	+10.9%
Current operating income	83	116	+40.8%
Current financial expenses	(13)	(12)	-
Current income tax	(20)	(28)	-
Current tax rate	28.0%	27.0%	-
Minority interests	(1)	(3)	-
Net income from current operations, Group's share	49	73	+48.9%
Other operating income and expenses, net	(5)	(1)	-
Net income, Group share	44	72	+63.6%
Net income from current operations (Group share) per share ⁽¹⁾	€0.62	€0.87	+38.8%

- Sharp increase in current operating income
- Financial expenses in line with previous year
- Stable corporate tax rate
- Low level of other operating expenses

(1) Weighted average number of shares outstanding: 84,684,525 in Q1 2021 versus 78,959,698 in Q1 2020.



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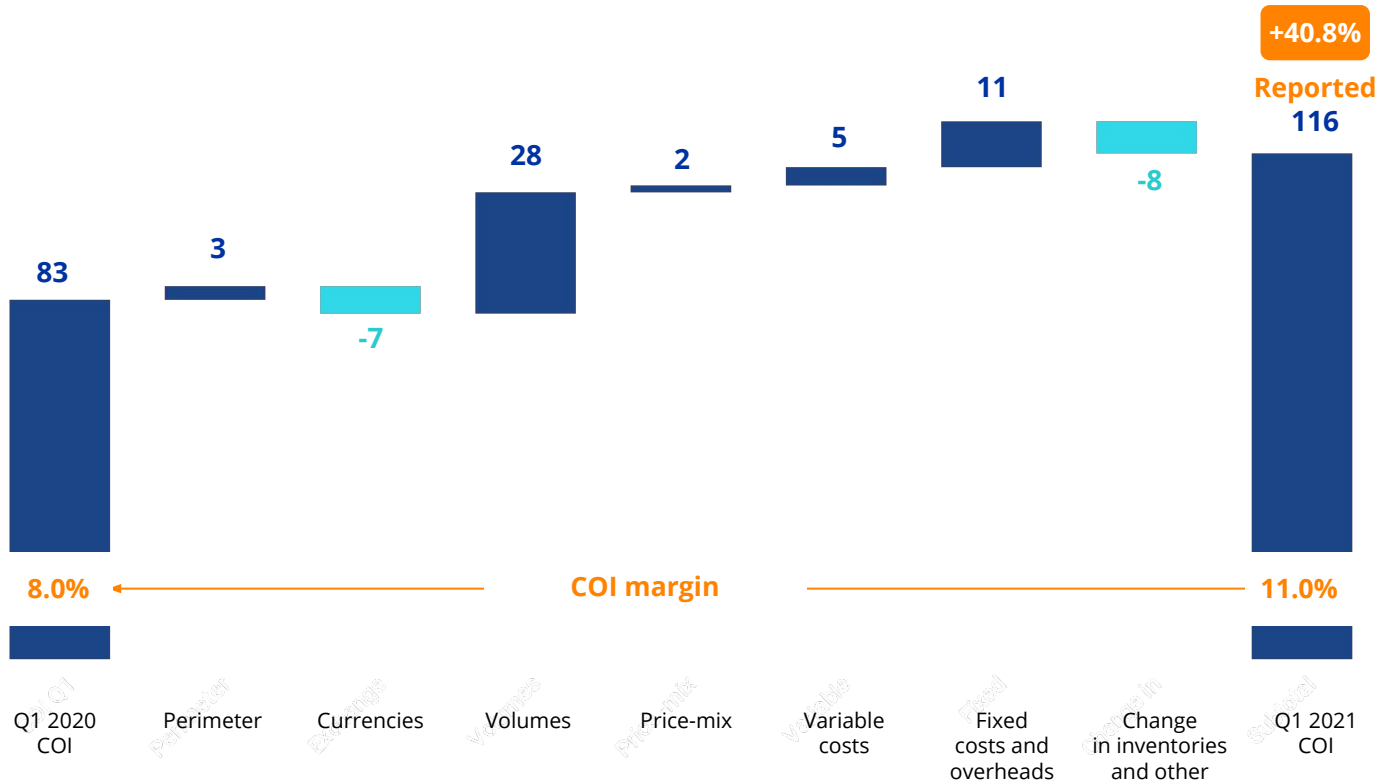
Imerys with strong fundamentals for the future

- Good start to the year with robust Q1 performance
 - Organic growth fuelled by commercial strength
 - Operating leverage further enhanced through ongoing cost savings
- Demand for Imerys' specialty mineral solutions to continue at a good pace throughout the year driven by the prospect of further economic recovery worldwide
- Improvement in current EBITDA and EBITDA margin targeted for 2021
- Recent acquisitions and capacity additions in rapidly expanding markets to generate above-market growth as the global economy gathers pace
- Imerys commitment to responsible development reaffirmed

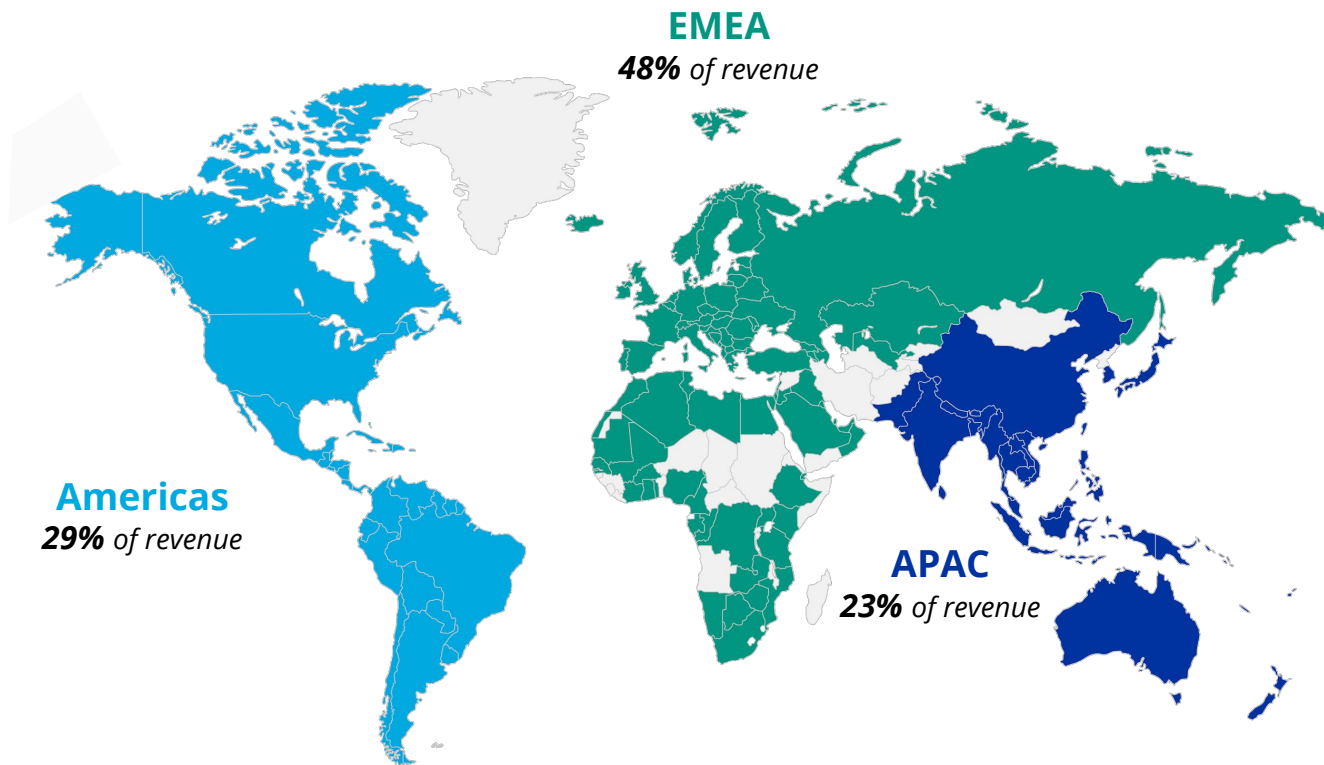
APPENDIX

Current operating income (COI)

(€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**



Our commitments: our SustainAgility journey

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)	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

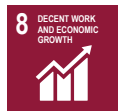
- Improve Group occupational health performance by 30% against 2019 baseline assessments by the end of 2022



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 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

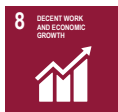
- Improve the external CSR rating of the Group by the end of 2022
- Deploy a CSR rating scheme covering at least 50% of Group suppliers by spend by the end of 2022



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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Financial Calendar

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