

Imerys reaches an agreement for a proposed resolution of historic talc-related liabilities

Imerys SA (“the Group”) today announced that it, along with the North American talc subsidiaries (Imerys Talc America, Imerys Talc Vermont and Imerys Talc Canada) and Imerys Talc Italy SpA¹ (collectively, the “Talc Subsidiaries”), have reached an agreement to resolve historic talc-related liabilities with representatives of existing and potential future claimants.

This agreement is documented in a joint Plan of Reorganization (the “Plan”) which was filed today in the United States Bankruptcy Court for the District of Delaware, where the North American Talc Subsidiaries’ chapter 11 proceedings are pending.

The Plan provides that once the necessary approvals have been obtained, the Talc Subsidiaries will emerge from the chapter 11 process and the Group will be released from all existing and future talc-related liabilities arising out of the Talc Subsidiaries’ past operations, as such liabilities will be channeled into a dedicated trust.

The approval process for the Plan includes an affirmative vote by the requisite majority of talc-related claimants², followed by a confirmation and final approval from the applicable US courts. Since the terms of the Plan have been agreed with representatives appointed by the bankruptcy court to represent (existing and future potential) talc-related claimants, it is expected that the Plan could be approved in time for the Talc Subsidiaries to emerge from chapter 11 before the end of 2020.

Under the proposed Plan and concurrently with its approval process, the North American Talc Subsidiaries³ will initiate a sale process for their assets to which the Group will be allowed to participate. Completion of the sale is expected to occur during the fourth quarter of 2020, around the time of the approval process for the Plan.

The Group’s contribution to the Plan will consist of (i) a minimum cash payment of USD \$75 million, (ii) an additional amount of up to USD \$102.5 million subject to a reduction mechanism proportionate to the sale price for the assets of the North American Talc Subsidiaries, and (iii) certain other components further outlined in the Plan⁴.

Overall, the Plan is not expected to materially affect the Group’s financial situation, profitability, and cash generative business profile. A provision of €250 million was initially accrued in Imerys’ 2018 consolidated financial accounts, knowing that the North American Talc Subsidiaries have been deconsolidated since February 13, 2019. The balance of this provision, which amounts to USD \$114 million, is considered as appropriate to cover the expected financial impact of the Plan for the Group. This assessment takes into account the expected market value of the North American Talc Subsidiaries⁵, but remains subject to the uncertainty related to a sale of assets in a difficult economic environment.

The Plan and associated approval process will not materially affect the business operations, employees, or customers of the Group and the relevant Talc Subsidiaries, which intend to operate as usual during their ongoing chapter 11 process.

¹ Imerys Talc Italy has been named in a few outstanding talc related lawsuits in the United States.

² Upon the grant of this vote and as contemplated under the Plan, Imerys Talc Italy SpA intends to file for chapter 11 protection and join the Plan in order to benefit from the same global and permanent resolution of historic talc-related liabilities as the North American Talc Subsidiaries.

³ Imerys Talc Italy’s business is not included in this sale and will remain part of the Group throughout and after closing of the chapter 11 proceedings.

⁴ Such as certain insurance assets, financing of minor unsecured trade claims (USD \$5 million) or certain potential excess administrative costs of the North American Talc Subsidiaries up to a maximum of USD \$15million..

⁵ The North American Talc Subsidiaries generated revenue of USD \$162 million and EBITDA of USD \$34 million in 2019.

"Today's announcement marks an important step toward a permanent resolution of historic talc-related liabilities," said Alessandro Dazza, Imerys' Chief Executive Officer. "The Plan, once approved by the relevant Courts, represents a favorable outcome for the Group and the Talc Subsidiaries, and will enable the Group to focus on its current operations and move forward free from these past liabilities."

For more information on the terms of the Plan, as well as the North American Talc Subsidiaries' announcement, please visit www.ITArestructuring.com.

The world's leading supplier of mineral-based specialty solutions for industry with €4.4 billion in revenue and 16,300 employees in 2019. 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 24, 2020 under number D.20-0165 (also available from the AMF website, www.amf-france.org). Imerys draws investors' attention to chapter 4 "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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Analyst/Investor Relations:

Vincent Gouley: +33 (0)1 49 55 64 69

finance@imerys.com

Press contacts:

Claire Lauvernier: +33 (0)1 49 55 66 65

Hugues Schmitt (DGM Conseil): +33 (0)1 40 70 11 89
