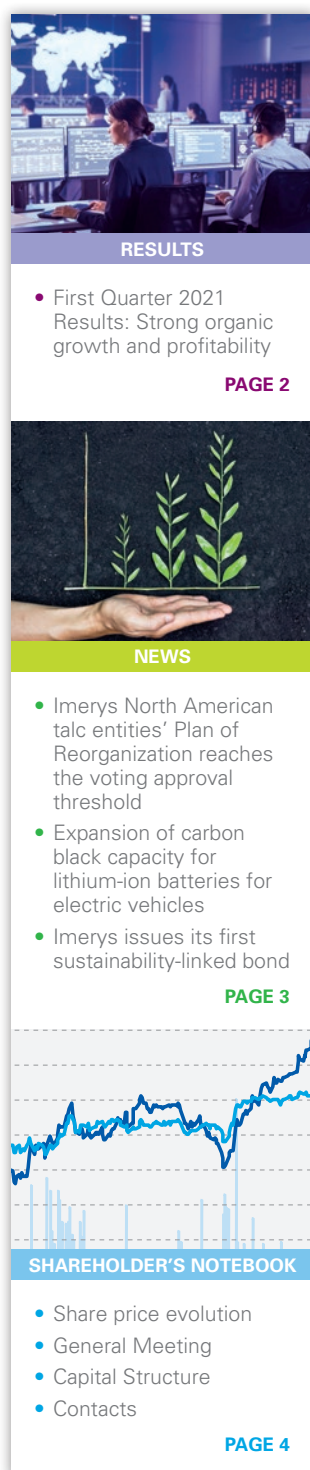


# LETTER TO SHAREHOLDERS 88



## MESSAGE

Patrick KRON

Chairman of the Board of Directors



**Dear Shareholders,**

Our recent General Meeting approved the distribution of a cash dividend of €1.15 per share for the fiscal year 2020, representing 57% of the net income from current operations. This dividend reflects the confidence of your Board in the fundamentals and prospects of the Group.

After a challenging 2020 year, which evidenced Imerys' sound fundamentals and the resilience of its business model in a crisis context due to the Covid-19 pandemic, the Group made a strong start to 2021, with positive organic growth momentum, improved current EBITDA and higher margins, well above pre-pandemic levels.

An important step was also achieved in April, with the approval by the creditors and plaintiffs of the Plan of Reorganization of the North American talc entities, which paves the way for a potential final resolution of the Chapter 11 process by the end of this year.

Over the past few months, Imerys made great progress in ramping up its sustainable development program. The Group has successfully launched its first sustainability-linked bond, which optimizes its debt profile and, at the same time, demonstrates the strength of its long term CSR commitments.

Looking ahead, Imerys is expecting demand for its specialty mineral solutions to continue at a good pace, driven by the prospect of further economic recovery worldwide. Current EBITDA and current EBITDA margin are targeted to improve in 2021 versus 2020, and recent capacity additions in rapidly expanding markets will enhance the Group's ability to capture future growth opportunities.

Please be assured, dear Shareholders, of my commitment to further successes for our Group. Thank you again for your loyalty and trust.

Patrick Kron

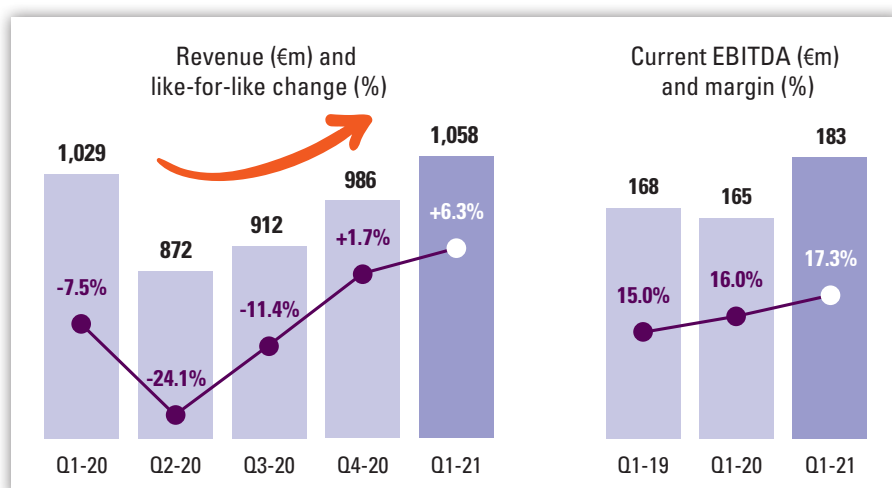


**IMERYS**



# First quarter 2021 results:

## Strong organic growth and profitability



Revenue for the first quarter of 2021 was €1,059 million, up 6.3% year-on-year at constant scope and exchange rates.

Group sales volumes were up 5.8%, as the recovery across underlying markets is gaining traction. In this context, Imerys maintained a positive 0.5% price-mix in the quarter versus the prior year.

Current EBITDA reached €183 million for the first quarter 2021, a 10.9% increase vs. prior year.

The current EBITDA margin, which improved by 130 basis points to 17.3% versus the first quarter of 2020, benefitted from positive volume contribution, positive price mix and ongoing cost control, in

particular savings related to the I-Cube industrial excellence program.

Net income from current operations, Group share, totaled €73 million, up 48.9% vs. the first quarter of 2020. Net income, Group share, totaled €72.0 million in the first quarter of 2021, after -€1.3 million of other income and expenses, after tax.

*The full press release and the presentation of first quarter 2021 results are available online in the Finance section of the [imerys.com](https://www.imerys.com) website.*





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

On April 7, 2021, the Plan of Reorganization ("the Plan") proposed by the North American talc entities (Imerys Talc America, Imerys Talc Vermont and Imerys Talc Canada) has received the majority support of 79.7% of the voting creditors and claimants in the U.S talc related litigation that was necessary to meet the 75% approval threshold required under the relevant statutory provisions applicable to their Plan. This is an important milestone towards the resolution of historic liabilities related to talc in the United-States.

The next step in the Chapter 11 process of the relevant talc entities will be the confirmation hearing on the Plan by the relevant US. District Court of Delaware with potential final approval of the Plan by the relevant US Courts and closure of Chapter 11 process by the end of 2021.



## Targeted capacity expansions to support future growth of the Group



Development in the fast growing market of lithium-ion batteries for electric vehicles.

As part of its development strategy, Imerys will invest €60 million in the next two years in the expansion of its carbon black production capacity at its plant in Willebroek, Belgium, in order to support the fast growing market of lithium-ion batteries for electric

vehicles. This investment follows the announcement, at the end of 2020, of a €35 million capital expenditure in its plant in Bodio, Switzerland, to expand production capacity for high-purity synthetic graphite.

Imerys will continue to develop innovative materials for safer and higher-performing batteries in close cooperation with the leading lithium-ion battery producers in the world.

## Imerys successfully launches its first sustainability-linked bond for €300 million

Imerys launched a €300 million sustainability-linked bond with an annual coupon of 1% maturing in 2031.

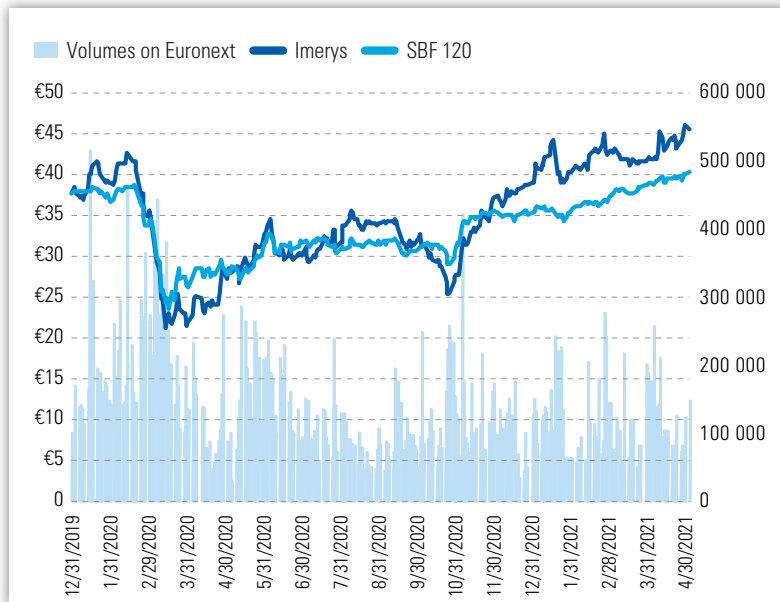
With this bond, the Group confirms it is fully committed to reducing carbon emissions and to achieving its broader sustainability ambition.



Sébastien Rouge, Chief Financial Officer: "We are proud to have launched our first sustainability-linked bond. The success of this operation exceeded our expectations with an oversubscription of more than 4x. It allows us to optimize our debt profile and, at the same time, to demonstrate the strength of our long term CSR commitments, in particular in reducing greenhouse gas emissions."

Leah Wilson, Corporate Social Responsibility Vice President: "Climate change is a global issue and a priority CSR theme for Imerys since 2017. The launch of this Sustainability-Linked Bond is an important milestone in the ramp up of our CSR program, SustainAgility, by ensuring that our CSR commitment is embedded across all our business operations and that we are driving continuous improvement."

# Evolution of share price as of May 10, 2021



## GENERAL MEETING

The following resolutions were passed at the Board of Directors' Meeting and Combined General Shareholders' Meeting of May 10, 2021:

- Approval of 2020 financial statements;
- Net dividend of €1.15 per share, representing 57% of the net income from current operations; payout on May 17, 2021;
- The re-appointment for a 3-year term of Patrick Kron and Marie-Françoise Walbaum as directors; and
- The appointment for a 3-year term of Paris Kyriacopoulos as director.

As of today, the Board of Directors is made up of 10 directors, including 6 independent directors (i.e. 60%) and 4 female directors (i.e. 40%), and 2 employee representative directors. Furthermore, the term of office of Laurent Raets as non-voting observer was renewed.

## BREAKING NEWS - Your letter to shareholders will become 100% digital

As part of our actions around sustainability, this shareholders' newsletter will no longer be distributed by post. It will be sent by email in a PDF format to those of you who provide us with their email address. Moreover the letter will be available directly on our corporate website (<http://www.imerys.com>, Finance section / Shareholders' Corner). The Letter to Shareholders will be published twice a year, after the annual results and the interim results.

**To receive our future letters to shareholders in electronic format, please sign up to our distribution list now by emailing us at [shareholders@imerys.com](mailto:shareholders@imerys.com).**

## IMERYS AND THE STOCK MARKETS

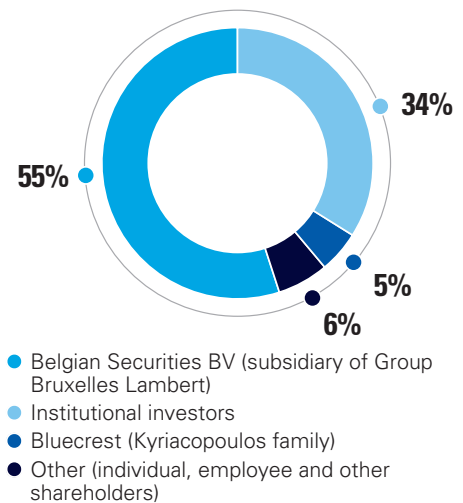
ISIN: FR0000120859 - NK  
Euronext Paris - Eurolist - Local values  
Compartment A (large caps)  
(Eligible for the deferred settlement service)

(Data as of April 30, 2021)

- **Number of shares:** 84,940,955
- **Par value:** €2.0
- **Closing price:** €43.24
- **Market capitalization:** €3.7 billion

## OWNERSHIP STRUCTURE

(April 30, 2021)



## NEXT DATES

- **July 27, 2021:** 1<sup>st</sup> half 2021 results
- **November 2, 2021:** 3<sup>rd</sup> quarter 2021 results

## FINANCIAL COMMUNICATION CONTACTS

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