PRESS RELEASE

PARIS, NOVEMBER 2, 2020

Imerys reports third quarter and nine months 2020 results: recovery confirmed in Q3, costs savings in line with objectives

- Revenue down 11.4% organically in the third quarter after a decline of 24.1% during the peak of the Covid-crisis in the second quarter, following improvements in most markets
- Positive price-mix maintained in the third quarter
- €100 million cost savings achieved in the first nine months, in line with objectives, thanks to Covid-19 action plan and Connect & Shape program
- Significant profitability improvement with current EBITDA margin at 18.1% in the third quarter versus 14.3% in the second quarter
- Balance sheet and liquidity position remain solid

Alessandro Dazza, Chief Executive Officer, said:

" After the peak of the crisis in May, we have seen a slow but continuous recovery in the demand for our products. The month of September is the strongest one since the beginning of the pandemic, with some sectors, such as construction and consumer goods, almost entirely back to last year's levels. We also saw signs of improvements in other industries, such as automotive and iron and steel. We effectively delivered on our cost savings targets thanks to our Covid-19 action plan and Connect & Shape transformation program, which allowed us to improve our margins in the third quarter of the year. With the new customers-focused organisation largely in place, Imerys is now ready to take advantage of the recovery in underlying markets. The recent acquisitions and capacity expansions show that we are investing for future growth."

Unaudited consolidated results [1] (€ millions)	Q3 2019	Q3 2020	Change (%)	9M 2019	9M 2020	Change (%)
Revenue	1,081	912	-15.7%	3,345	2,812	-15.9%
Organic change (like-for-like)	-	-11.4%	-	-	-14.4%	-
Current EBITDA	194	165	-15.2%	586	454	-22.4%
Current EBITDA margin	18.0%	18.1%	+0.1 bp	17.5%	16.2%	-1.4 bp
Current operating income	113	78	-31.2%	358	210	-41.4%
Current operating margin	10.5%	8.5%	-2.0 bp	10.7%	7.5%	-3.2 bps
Operating income	112	69	-38.1%	274	180	-34.3%
Net income from current operations, Group share	69	44	-36.1%	228	117	-48.7%
Net income, Group share	64	39	-39.1%	160	95	-40.2%
Net income from current operations per share[2]	€0.87	€0.52	-40.4%	€2.88	€1.44	-50.1%

[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: 81,305,809 in the first nine months of 2020 compared with 79,133,506 in the first nine months of 2019.*

Paving the way for future growth: geography and capacity expansion

The Group has recently announced an investment of €35 million in its plant in Bodio, Switzerland, to expand production capacity for high-purity synthetic graphite used in Lithium-ion batteries, mostly in electric cars. This investment is the first of a series of capacity expansion projects the Group envisages to support and accompany the expected strong growth of the electric vehicle market worldwide.

In August, the Group announced that it had signed an agreement for the acquisition of a majority stake of 60%, with options to purchase the remainder, of Haznedar, a Turkish-based high-grade monolithic refractories and refractory bricks manufacturer, serving iron & steel, cement and petrochemical segments. This acquisition will complement Imerys offering and develop its position in the growing Turkish market. Furthermore, it represents a cost competitive production base strategically located between Europe, Middle-East and Africa. This business generated USD 64 million in revenue (of which 40% from exports) and USD 17 million in EBITDA in 2019. The closing of this transaction, which is subject to antitrust approvals, is expected in the fourth quarter of 2020.

In October, the Group also announced the acquisition of Sunward Refractories (expected revenue of USD 15 million in 2021), a Taiwanese producer of high temperature refractory solutions which complements the existing product portfolio of the Group in the region and extends its market reach in Asia.

Update on historic talc-related liabilities

In the court-supervised sale process of the North American talc subsidiaries' assets, a sale agreement signed with one of the bidders on October 13 sets their minimum purchase price at $223 million[3]. This sale is part of the U.S Chapter 11 proposed plan of reorganization (the "Plan") filed jointly by its proponents (North American talc subsidiaries, Imerys SA, representatives of existing and future potential talc related claimants) with the competent Federal Court for the District of Delaware on May 15, 2020.

All parties continue to work diligently toward approval of this Plan and completion of the related Chapter 11 process, which is expected toward the end of the first quarter of 2021.

The Plan provides that once the necessary approvals have been obtained, 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.

On the basis of these recent developments, the provision set aside to resolve the litigation involving the Group's talc operations in the US is considered as appropriate to cover the expected financial impact of the Plan for the Group.

Outlook

Even though Imerys end markets are expected to continue recovering in Q4, the pace of recovery remains subject to the impact of the sanitary situation on the economy, especially in Europe, notably in light of its most recent developments. Imerys therefore confirms it is not in a position to give a guidance for the full year 2020.

[3] *Effective control of the North American Talc Subsidiaries was transferred on February 13, 2019 to the court to repay creditors, the assets and liabilities held by the North American Talc Subsidiaries were removed from the scope of consolidation of the Group's financial statements from this date forward.*

COMMENTARY ON THE THIRD QUARTER AND NINE MONTHS 2020 RESULTS

Revenue

Unaudited quarterly data (€ millions)	2019	2020	Change	Like-for-like change	Volumes	Price mix
First quarter	1,124.0	1,028.5	-8.5%	-7.5%	-8.5%	+1.0%
Second quarter	1,139.4	871.6	-23.5%	-24.1%	-24.6%	+0.5%
Third quarter	1,081.4	912.0	-15.7%	-11.4%	-11.8%	+0.3%
Total	**3,344.8**	**2,812.2**	**-15.9%**	**-14.4%**	**-15.1%**	**+0.6%**

Revenue for the first 9 months of 2020 was €2,812.2 million, down 14.4% year-on-year at constant scope and exchange rates. Group sales volumes decreased by 11.8% in the third quarter of 2020 (-€127.1 million), showing a gradual improvement compared to the second quarter, which was negatively impacted by the peak of the Covid-19 pandemic. All underlying markets showed a recovery in the third quarter, though at an uneven pace: automotive production was -10% in Europe and flat in the USA, steel production was down 20% in Europe and 26% in the USA, paper production was -23% in Europe and -22% in the USA and construction was down 10% in Europe and 3% in the USA.

In this context, Imerys maintained a positive 0.6% price mix (+€3.5 million) in the third quarter.

The scope effect was a negative €14.6 million (-0.4%) for the first 9 months of 2020, largely attributable to the deconsolidation of the North American talc subsidiaries after they filed for the protection of the Chapter 11 legal procedure on February 13, 2019.

Revenue also included a negative currency effect of €35.2 million (-1.1%), primarily as a result of the depreciation of the U.S. dollar against the euro, in the third quarter.

Current EBITDA

Unaudited quarterly data (€ millions)	2019	2020	Change
First quarter	168.3	164.8	-2.1%
Margin	15.0%	16.0%	+1.0 bp
Second quarter	223.0	124.8	-44.0%
Margin	19.6%	14.3%	-5.3 bps
Third quarter	194.4	164.8	-15.2%
Margin	18.0%	18.1%	+0.1 bp
Nine-months	**585.8**	**454.4**	**-22.4%**
Margin	17.5%	16.2%	-1.4 bp

Current EBITDA reached €454.4 million in the first nine months of 2020 and includes €100 million of cost savings in fixed costs and overheads delivered from the Covid-19 action plan and Connect & Shape program. In the third quarter, current EBITDA margin improved to 18.1%, compared to 14.3% in the second quarter.

Over the third quarter of 2020, lower volume contribution (-€64.7 million) was partially offset by continuing positive price mix (€8.5 million) and lower variable costs (€2.1 million). Current EBITDA also reflects gross savings of €38 million on fixed costs and overheads coming from specific actions in relation to Covid-19 (€28 million, through the decrease in staff costs, reduction in maintenance costs and strict control on overheads and expenses) and the Connect & Shape transformation program (€10 million). Combined with the €28 million achieved in 2019 and the €25 million achieved in the first half of 2020, it is in line with the objective to reach €100 million gross savings by 2022. The currency effect was negative at €9.0 million.

Current operating income at €209.8 million shows a 41.4% decrease against the same period in 2019.

Net income from current operations

Net income from current operations, Group share, totaled €116.8 million, down 48.7% versus the first nine months of 2019. Net financial result is negative at -€44.3 million in the first nine months of 2020, €11.2 million higher than in the same period in 2019, which benefited from the repayment in March 2019 of the private placement denominated in Japanese yen (€17.0 million). The income tax expense of €46.3 million corresponds to an effective tax rate of 28.0%, compared with 28.8% in the first nine months of 2019.

Net income from current operations, Group share, per share was down 50.1% to €1.44.

Net income

Other income and expenses, after tax, represent an overall charge of €21.3 million in the first nine months of 2020, significantly below last year's level, which included significant costs to implement the Connect & Shape transformation program.

Consequently, **net income, Group share,** totaled €95.5 million in the first nine months of 2020.

Financial structure

The Group' financial structure remains robust with strict management of capital expenditures and working capital requirements effectively protecting cash flow generation. The strength of the Group's balance sheet is also supported by significant liquidity.

Imerys "investment grade" ratings were confirmed by Standard and Poor's (June 2, 2020, BBB-, stable outlook) and Moody's (April 2, 2020, Baa3, negative outlook).

COMMENTARY BY SEGMENT

Performance Minerals (57% of consolidated revenue)

Q3 2019 restated from Kaolin	Q3 2020	LFL change on Q3 2019 restated[4]	Unaudited quarterly data (€ millions)	9M 2019 restated from Kaolin	9M 2020	LFL change on 9M 2019 restated
253.1	216.9	-5.3%	Revenue Americas	766.4	681.2	-7.4%
270.5	243.7	-10.3%	Revenue Europe, Middle East and Africa (EMEA)	850.0	744.6	-13.1%
117.5	103.4	-7.9%	Revenue Asia-Pacific (APAC)	363.0	320.3	-11.1%
(44.4)	(40.5)	-	Eliminations	(139.1)	(132.7)	-
596.7	**523.4**	**-8.6%**	**Total revenue**	**1,840.3**	**1,613.4**	**-11.6%**

Revenue generated by the **Performance Minerals** segment fell 11.6% like-for-like in the first nine months of 2020, though showing a positive trend (-8.6% in the third quarter). On a reported basis, revenue was down -12.3% and took into account a negative scope effect of €20.2 million (-1.1%), mostly due to the deconsolidation of the North American talc subsidiaries. The scope effect also takes into account the acquisition of EDK

[4] *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.*

(November 2019), a calcium carbonate producer in Brazil (annual revenue of USD 13 million) and Cornerstone Industrial Minerals Corp. (April 15, 2020), a producer of high-quality perlite in North America (annual revenue of USD 12 million). The currency effect is negative at €17.0 million (-0.9%).

Revenue in the **Americas** was down 7.4% at constant scope and exchange rates in the first nine months of 2020. During the third quarter, revenue was down 5.3% organically. Paints, rubber, polymers and ceramic markets showed a recovery driven by construction, particularly in the United States. Filtration and life science markets were resilient. Continued paper mills closures and decline in demand affected paper & board in the third quarter.

Revenue in **Europe, Middle-East and Africa** decreased by 13.1% at constant scope and exchange rates in the first nine months of 2020. During the third quarter (-10.3%), Imerys benefitted on one hand from a rebound in construction (paint and coating), the gradual recovery of the automotive segment (plastics, absorbents) and resilient pharmaceutical markets. On the other hand, the Group faced a continued depressed demand for paper and some destocking in consumer segments (board, filtration).

Revenue in **Asia-Pacific** was down 11.1% at constant scope and exchange rates in the first nine months of 2020. During the third quarter (-7.9%), Graphite & Carbon for mobile energy as well as specialty minerals for plastics, paint & coating and rubber recovered well, particularly in China, while ceramics and paper markets were lagging behind in the region.

High Temperature Materials & Solutions (43% of consolidated revenue)

Q3 2019	Q3 2020	LFL change on Q3 2019	Unaudited quarterly data (€ millions)	9M 2019	9M 2020	LFL change on 9M 2019
203.8	159.8	-14.6%	Revenue High Temperature Solutions	613.8	461.1	-19.5%
303.5	242.7	-17.2%	Revenue Refractory, Abrasives & Construction	952.9	785.3	-17.5%
(11.8)	(8.3)	-	Eliminations	(34.2)	(26.0)	-
495.6	**394.2**	**-15.8%**	**Total revenue**	**1,532.5**	**1,220.4**	**-18.2%**

Revenue generated by the **High Temperature Materials and Solutions** segment fell 18.2% in the first months of 2020 (-15.8% in the third quarter) at constant scope and exchange rates. On a reported basis, revenue was down 20.4% in the first nine months of 2020. This includes a negative currency effect of €16.1 million (-1.1%). The scope effect of €6.8 million (+0.4%) takes into account the disposal of the non-strategic fused magnesia plant in the UK (March 1, 2019), as well as the acquisition in December 2019 of a 65% stake in Shandong Luxin Mount Tai Co., a Chinese producer of minerals for abrasives (€12 million in annual revenue) and of Hysil in July 2020, a leading Indian producer of calcium silicate boards used for thermal insulation projects (€5 million in annual revenue).

Revenue from **High Temperature Solutions** decreased by 19.5% at constant scope and exchange rates in the first nine months of 2020. It benefitted from an improved trend in the third quarter (-14.6%) due to the gradual recovery of the thermal and foundry markets in EMEA, thanks to an improvement in the automotive sector.

Revenue in the **Refractory, Abrasives & Construction** business area was down 17.5% at constant scope and exchange rates in the first nine months of 2020. During the third quarter (-17.2%), the refractory and abrasives markets continued to suffer, whereas the building and infrastructure segment (specialty cements) recovered.

Third Quarter and Nine months 2020 results conference call

The press release is available on the Group's website www.imerys.com. The first nine months 2020 results will be presented at a conference call held today at 9.00 am (CET). The call will be broadcast live on the Group's website www.imerys.com.

Financial Calendar

February 17, 2021	2020 annual results
April 29, 2021	1st quarter 2021 results
July 27, 2021	1st half 2021 results
November 2, 2021	3rd quarter 2021 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 €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.20-0175 (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 2019 restated from Kaolin	Q3 2020	Reported change on Q3 2019 restated	Unaudited quarterly data (€ millions)	9M 2019 restated from Kaolin	9M 2020	Reported change on 9M 2019 restated
253.1	216.9	-14.3%	Revenue Americas	766.4	681.2	-11.1%
270.5	243.7	-9.9%	Revenue Europe, Middle East and Africa (EMEA)	850.0	744.6	-12.4%
117.5	103.4	-12.0%	Revenue Asia-Pacific (APAC)	363.0	320.3	-11.8%
(44.4)	(40.5)	-	Eliminations	(139.1)	(132.7)	-
596.7	**523.5**	**-12.3%**	**Total Performance Minerals revenue**	**1,840.3**	**1,613.4**	**-12.3%**
203.8	159.8	-22.0%	Revenue High Temperature Solutions	613.8	461.1	-24.9%
303.5	242.7	-19.8%	Revenue Refractory, Abrasives & Construction	952.9	785.3	-17.6%
(11.8)	(8.3)	-	Eliminations	(34.2)	(26.0)	-
495.6	**394.2**	**-20.5%**	**Total High Temperature Materials & Solutions revenue**	**1,532.5**	**1,220.4**	**-20.4%**

Revenue by regions

(€ millions)	9M 2019	9M 2020	Change
Americas	970.1	835.2	-13.9%
EMEA	1,636.4	1,349.6	-17.5%
APAC	738.3	627.4	-15.0%
Total	**3,344.8**	**2,812.2**	**-15.9%**

Key income indicators

(€ millions)	Q3 2019	Q3 2020	Change	9M 2019	9M 2020	Change
Revenue	**1,081**	**912**	**-15.7%**	**3,345**	**2,812**	**-15.9%**
Current EBITDA	**194**	**165**	**-15.2%**	**586**	**454**	**-22.4%**
Current operating income	**113**	**78**	**-31.2%**	**358**	**210**	**-41.4%**
Current financial expense	(15)	(15)	-	(33)	(44)	-
Current taxes	(28)	(18)	-	(94)	(46)	-
Minority interests	(1)	(1)	-	(4)	(2)	-
Net income from current operations, Group share	**69**	**44**	**-36.1%**	**228**	**117**	**-48.7%**
Other operating income and expenses, net	(5)	(5)	-	(68)	(21)	-
Net income, Group share	**64**	**39**	**-39.1%**	**160**	**95**	**-40.2%**

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 2019 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 or internal growth)	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; 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; 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.