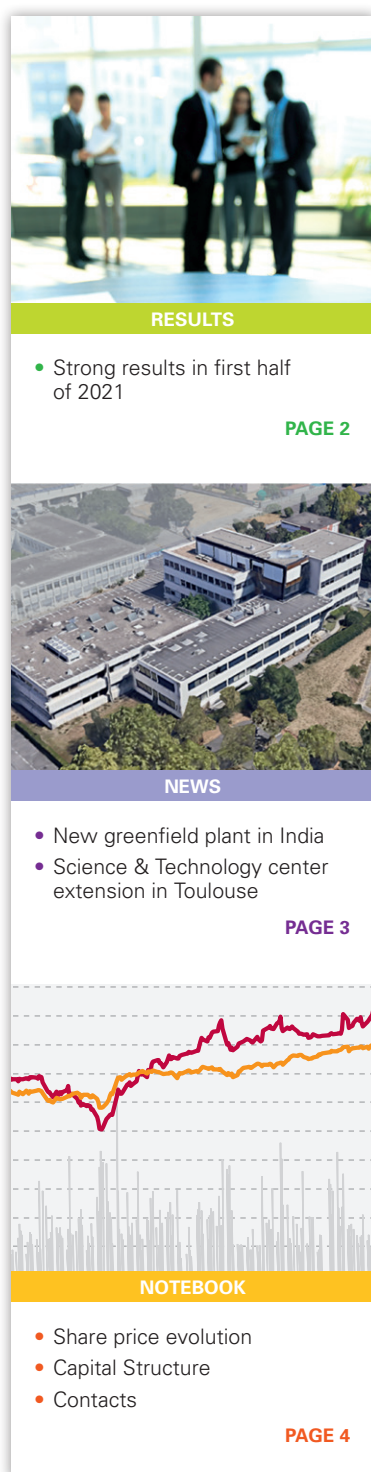


# LETTER TO SHAREHOLDERS 89



## MESSAGE

Patrick KRON

Chairman of the Board of Directors



Dear Shareholders,

Imerys significantly improved its financial performance in the first half of the year, supported by strong commercial momentum and the global recovery of our markets in all geographies. Continued focus on cost savings and pricing discipline contributed to increased profitability, even in the current inflationary environment.

In this context, the Group reported €2,158 million sales, with current EBITDA reaching €400 million, up 38% and net income more than doubling to €158 million. Cash generation was solid, in a recovery phase of activity, at €122 million, and the Group maintained a strong balance sheet and liquidity position as of June 30, 2021. We are confident that demand for the Group's specialty minerals solutions will continue at a good pace throughout the year, driven by the prospect of continued economic recovery worldwide. In this context, Imerys expects to reach revenue of €4.2 billion for the year 2021, with current EBITDA margin close to 18%, above the 2019 level, assuming constant exchange rates and no deterioration in the macro-economic environment.

This outlook also confirms the Group's ability to deliver on cost savings and positive price-mix in the current inflationary environment. Imerys is ideally positioned to capitalize on the global recovery that is gathering pace.

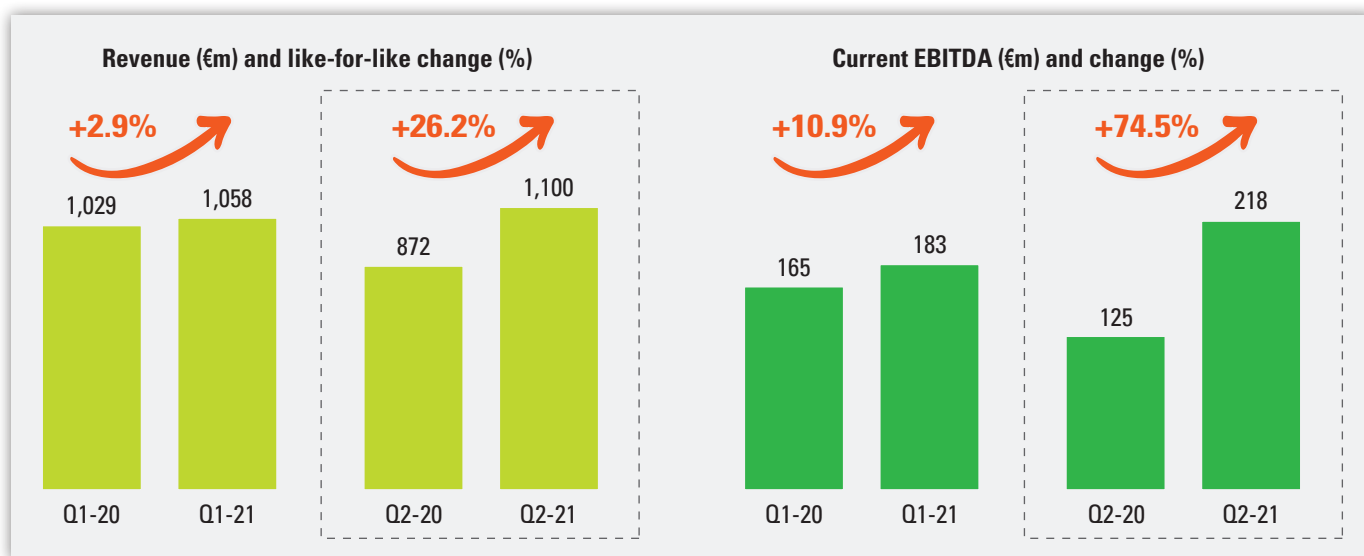
Dear Shareholders, on behalf of all Imerys' employees, thank you again for your loyalty and trust.

Patrick Kron



IMERYS

# Strong results in the first half of 2021: **net income more than doubled**



**Revenue for the first half of 2021 was €2,158 million, up 17% (+29% in Q2) year-on-year at constant scope and exchange rates. Group sales volumes were up 15.2%, as the recovery across underlying markets continued to gain traction.**

In a context of high inflation, Imerys' price-mix accelerated in Q2 (+2.6%), averaging 1.5% for the first half versus the prior year.

Current EBITDA reached €400 million for the first half 2021, a 38.3% increase vs. prior year. The current EBITDA margin, which improved by 340 basis points to 18.6% versus the first half of 2020, benefitted from positive volume contribution, strong price mix and ongoing cost control, in particular savings related to the I-Cube industrial excellence program and further purchasing initiatives.

Current operating income reached €245 million for the first half of 2021, an 85.5% increase compared to the first half of last year.

Net income from current operations, Group share, totaled €158 million, up 117.4% vs. the first half of 2020. Net income, Group share, totaled €142 million in the first half of 2021, after -€16.5 million of other income and expenses, after tax.

Imerys generated a solid net current free operating cash flow of €122 million in the first half of 2021, thanks primarily to disciplined working capital management.

As of June 30, 2021, net financial debt totaled €1,548 million, which corresponds to a net financial debt to current EBITDA ratio of 2.1 x, improving vs last year.



*The full press release and the first half 2021 results presentation are available online in the Finance section of the **imerys.com** website.*



## New calcium aluminate production unit in India

### Ramp up of the new greenfield plant in Vizag to serve the dynamic domestic refractory and construction markets.

In India, where the Group already has 16 industrial sites and 800 employees, Imerys has inaugurated a plant in the state of Andhra Pradesh to manufacture calcium aluminate, a binder used in formulations of low-carbon concrete cement content.

Representing an investment of €40 million, with the hiring of 100 employees trained on site for the commissioning of this new production unit in the South of the country, this facility also develops specialty solutions for ceramics, plastics, polymers, as well as for refractory products.

This unit will enable Imerys to distribute ready-to-use mortar, as well as bentonite solutions to supply the infrastructure market, which is growing strongly despite the pandemic.



In this particular health context, the plant was also commissioned remotely using "Industry 4.0" technology. Augmented reality has notably made it possible to configure furnaces and machines from France, because employees on site were not trained to those kind of manoeuvres.

## Extension of Science & Technology center in Toulouse

### Extended European Technology Center for performance minerals in Toulouse, France

Geared towards Imerys' clients' operational requirements, the idea behind this investment is to speed up the launch of new products to meet the emerging needs of the Group's key markets.

The 2,500 m<sup>2</sup> Toulouse Technology Center hosts 50 experts and features state-of-the-art equipment for the polymer, rubber, paint, ceramic, building materials, filtration, health and human food and animal feed markets.

The new site will focus Imerys' R&D resources on its key markets, while at the same time enabling knowledge to be shared with other laboratories elsewhere in Europe, the US and Asia.

Recognized in Europe by manufacturers as a leading laboratory engaged in optimizing and developing new mineral-based solutions for plastics, elastomers and life sciences, the Toulouse Technology Center is also a world center of excellence for polymer applications.

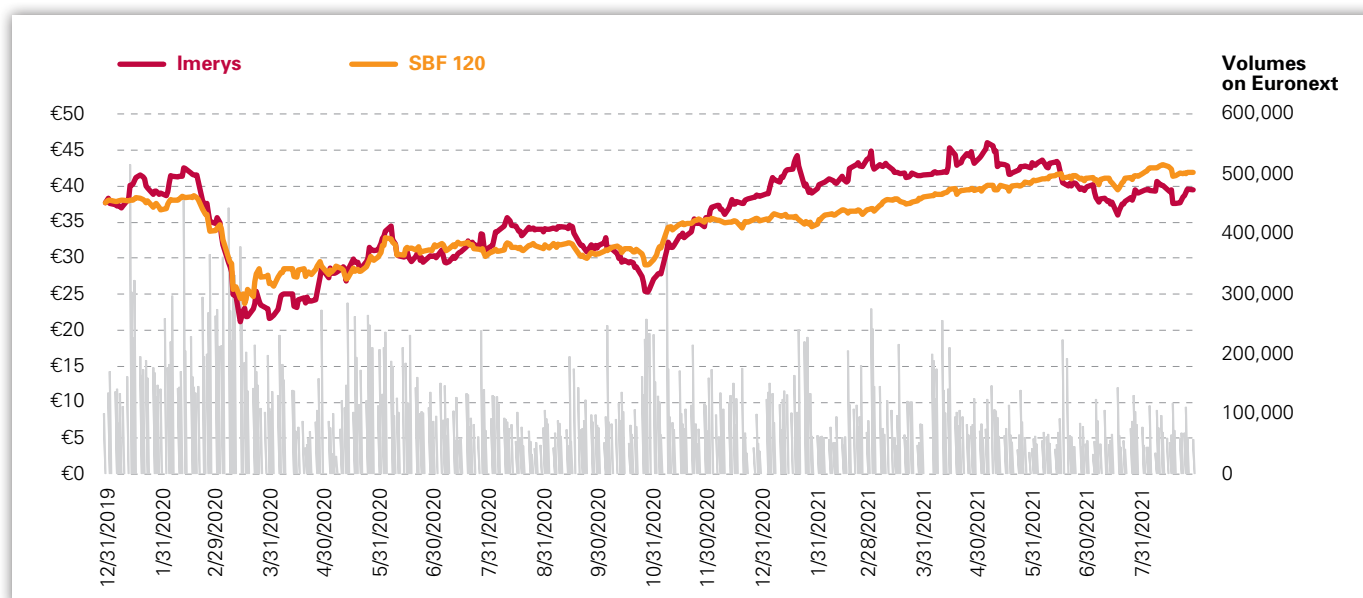
Its location in Toulouse means that the Group has access to major university and scientific resources throughout a region that is home to major R&D initiatives.

Imerys employs 330 people working in 9 Science & Technology centers worldwide. In 2020, the Group launched 70 new minerals solutions in different fields (i.e. electric vehicle, health & beauty, animal husbandry, industrial equipment, construction, paint & coatings, packaging...).



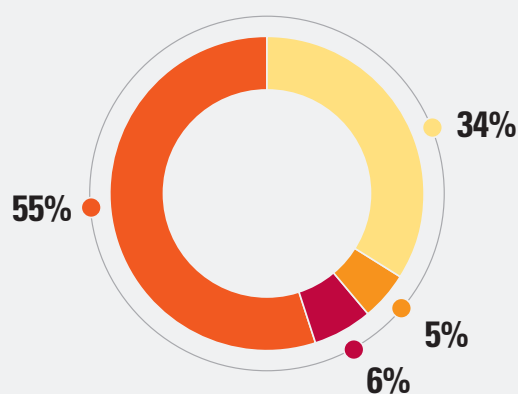


# Share price evolution as of August 30, 2021



## OWNERSHIP STRUCTURE

(August 30, 2021)



- Belgian Securities BV (subsidiary of Group Bruxelles Lambert)
- Institutional investors
- Bluecrest (Kyriacopoulos family)
- Other (individual, employee and other shareholders)

## IMERYS ON THE STOCK MARKET

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

(Data as of August 30, 2021)

- Number of shares: 84,940,955
- Par value: €2.0
- Closing price: €39.54
- Market capitalization: €3.4 billion

## NEXT DATES

- **November 2, 2021** ..... 3<sup>rd</sup> quarter 2021 results
- **February 17, 2022** ..... 2021 annual results
- **April 28, 2022** ..... 1<sup>st</sup> quarter 2022 results
- **July 28, 2022** ..... 1<sup>st</sup> half 2022 results
- **November 2, 2022** ..... 3<sup>rd</sup> quarter 2022 results



## FINANCIAL COMMUNICATION CONTACTS

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- @imerys
- [www.linkedin.com/company/imerys/](https://www.linkedin.com/company/imerys/)
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