

2021 Annual Results

February 17, 2022

Alessandro Dazza - Chief Executive Officer

Sébastien Rouge - Chief Financial Officer

Disclaimer

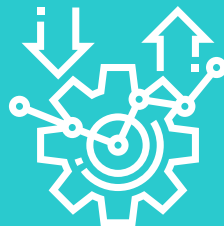
More comprehensive information about Imerys may be obtained on its website (www.imerys.com), under Regulated Information, including its Universal Registration Document filed under No. D.21-0167 in March 22, 2021 with Autorité des Marchés Financiers. Imerys draws the attention of investors to the “Risk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



Outlook



Highlights



Financial Results



Outlook

Highlights - Strong financial performance in 2021

Double-digit organic growth	Current EBITDA above guidance ¹	Strong cash flow generation and deleveraging	Increased dividend
+15.6%	€761m	€255m ²	€1.55 per share
<ul style="list-style-type: none">+15.6% organic growth vs 2020, +10.7% in Q4Robust recovery in most markets despite supply chain disruptions and inflationary environmentStrong commercial performance and market share gains	<ul style="list-style-type: none">Good operational leverage leading to a 21% increase in EBITDA vs 2020Increase in selling prices offsetting impact of high inflation17.4% margin, +80 bps versus 2020	<ul style="list-style-type: none">Sound cash generation despite inflation, higher working capital requirements and level of activityIncreased capex to support future growthImprovement of net debt to current EBITDA ratio to 1.9x versus 2.4x last year	<ul style="list-style-type: none">Net income from current operations at €288 million, up 72% vs last yearDividend increase of 35% to €1.55 per share proposed to the shareholders meeting, representing a payout ratio of 46%

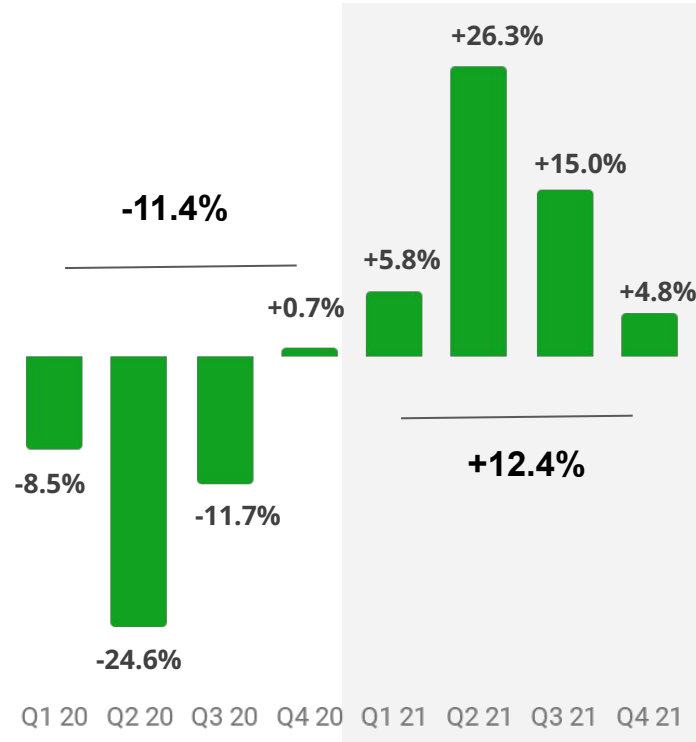
(1) Guidance announced on November 2, 2021: FY 2021 current EBITDA between €735 million and €755 million

(2) Net current free operating cash flow

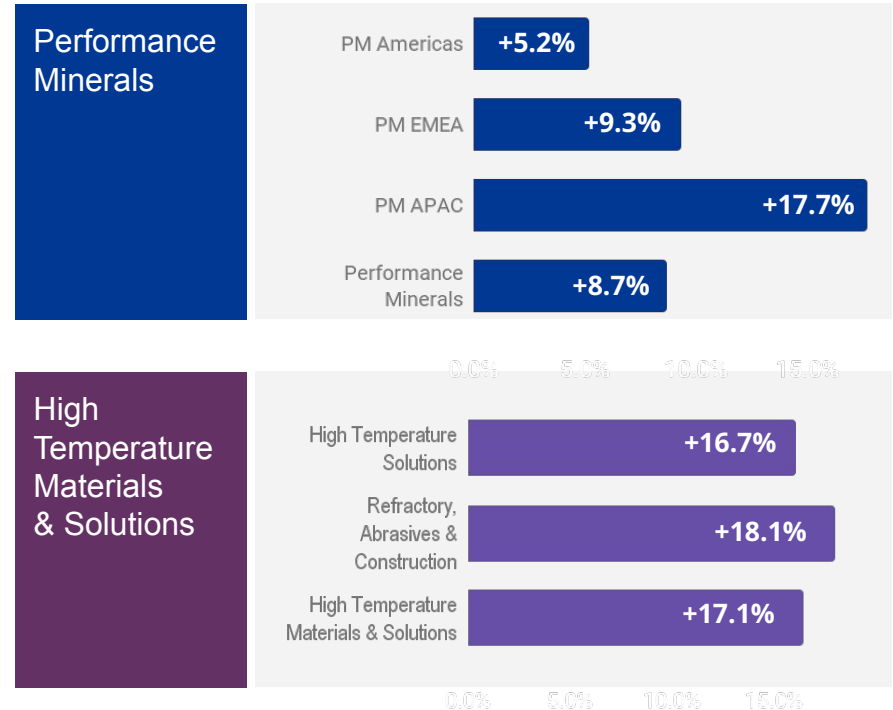
Note: Please refer to the glossary in appendix for definition of Alternative Performance Measures

Robust volumes growth driven by strong commercial performance

Quarterly volumes evolution (% vs prior year)

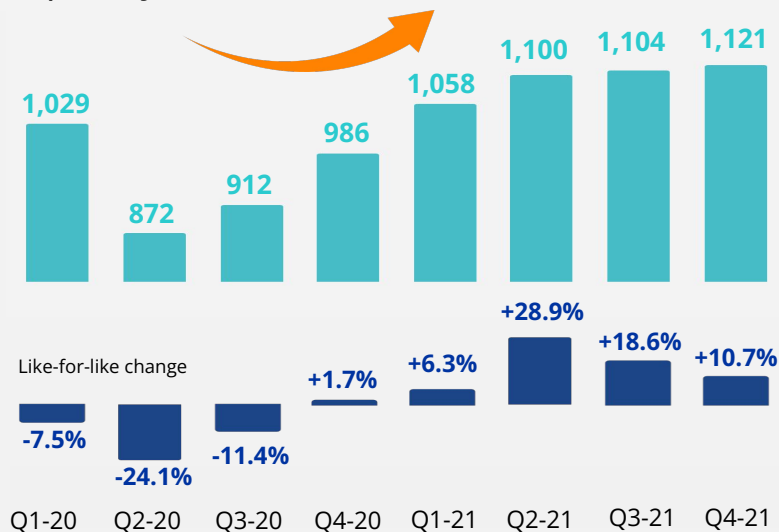


Volume evolution (%) by business area (FY21 vs. 2020)

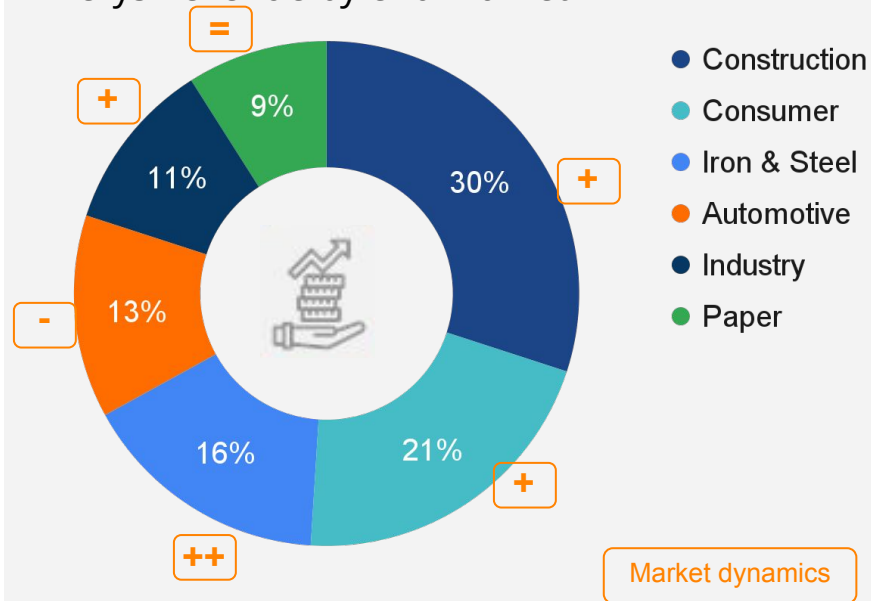


Solid organic growth also in Q4 2021 despite high comparatives

Revenue (€m) and like-for-like⁽¹⁾ change vs. prior year (%)



Imerys' revenue by end market



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

Recovery across all end markets above pre-crisis levels (1/2)

Construction



Construction⁽¹⁾

	Q2-21 vs. Q2-20	Q3-21 vs. Q3-20	Q4-21 vs. Q4-20
Europe	+22%	+4%	+3%
North Am.	+12%	+7%	+6%
Asia ⁽³⁾	+8%	+1%	+2%
World	+12%	+4%	+3%

- **Solid growth worldwide, partly constrained by shortage of workforce and raw materials** in North America and in Europe
- Infrastructure Plan in the US expected to drive further growth
- Solid housing demand in Europe

Iron & Steel



Steel production⁽²⁾

	Q2-21 vs. Q2-20	Q3-21 vs. Q3-20	Q4-21 vs. Q4-20
Europe	+37%	+21%	+5%
North Am.	+48%	+28%	+16%
Asia ⁽³⁾	+15%	-7%	-14%
World	+17%	+1%	-10%

- **Europe and US: rapid production increase**, mostly driven by construction and industrial markets
- Strong level of production in India
- Asia impacted by significant drop in Chinese production (-23% in Q4)
- CO₂ emission reduction targets in China to potentially support ROW production

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

Recovery across all end markets above pre-crisis levels (2/2)

Consumer goods



GDP ⁽¹⁾

	Q2-21 vs. Q2-20	Q3-21 vs. Q3-20	Q4-21 vs. Q4-20
Europe	+15%	+5%	+5%
North Am.	+12%	+5%	+5%
Asia ⁽³⁾	+6%	+6%	+6%
World	+12%	+5%	+4%

- **Supportive market demand globally**
- Overall impact of Covid-19 resurgence on consumption varying from country to country

Energy & Electronics



Energy, Consumer electronics and EV ⁽²⁾

	Q2-21 vs. Q2-20	Q3-21 vs. Q3-20	Q4-21 vs. Q4-20
Europe	+31%	+7%	+5%
North Am.	+27%	+7%	+4%
Asia ⁽³⁾	+11%	+14%	+18%
World	+30%	+14%	+8%

- **Energy: dynamic market** driven by high prices and green transition
- **Electronics & EV: strong growth in lithium-ion battery demand driven by EV**, mainly in China and Europe, supported by new EV models and government policies

Sources ⁽¹⁾ ; Oxford economics

⁽²⁾ IHS, Oxford Economics, Group estimates

⁽³⁾ Including China

.... except for the automotive and paper sectors

Automotive



Light vehicle production ⁽¹⁾

	Q2-21 vs. Q2-20	Q3-21 vs. Q3-20	Q4-21 vs. Q4-20
Europe	+88%	-35%	-29%
North Am.	+131%	-27%	-17%
Asia ⁽³⁾	+20%	-13%	-14%
World	+48%	-19%	-17%

- **Supply chain issues persisting globally**
- Semiconductors shortage expected to last well into 2022, impacting outlook for light vehicle production
- Normalization of supply and demand expected from H2 2022

Graphic Paper



Paper production ⁽²⁾

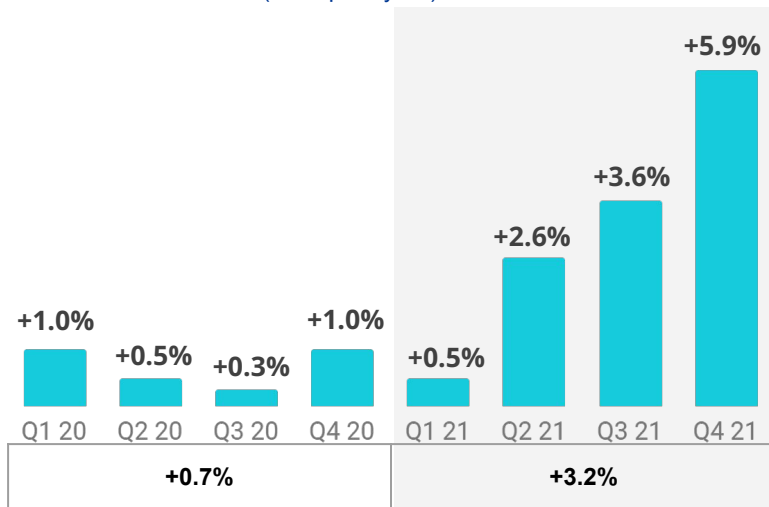
	Q2-21 vs. Q2-20	Q3-21 vs. Q3-20	Q4-21 vs. Q4-20
Europe	+31%	+14%	+1%
USA	+27%	+4%	-1%
India	+5%	+5%	+5%

- **European graphic paper progressively recovering from Covid-induced lows:** healthier production/demand balance
- Demand recovery still partly constrained by logistics issues and past capacity reductions

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

Acceleration of sales price increases to cover rising inflation

Price-mix evolution (% vs prior year)



- Acceleration of price increases through 2021
- Application of specific surcharges to offset inflation
- Move from annual pricing to quarterly/half year pricing

Contribution of price-mix to current EBITDA and evolution of variable costs (€m, vs prior year)

Variable costs Price-mix



- Logistic and supply chain pressures driving costs to record levels
- Tight market for chemicals and packaging; high inflation on energy costs, especially in Europe, and raw materials
- Pricing discipline, purchasing savings and hedging of certain input costs to support Imerys' profitability

Pursuing opportunities through innovation

**80 new mineral solutions
launched
in 2021**

- Target of 50% of new products ranked as “SustainAgility solutions” *
- Specific label for products with highest sustainability rating
- Strong focus on recyclability of materials



Green Mobility

- Increased performance of lithium-ions batteries for electric vehicles
 > Lower CO2 emissions
- Rigidity of plastics used in cars
 > Lighter vehicles



Sustainable Construction

- Additives for large ceramic tiles
 > Lightweight slabs and less energy consumption
- New additive for anticorrosion in powder coatings
 > Lightweight decorative renders in facade coatings



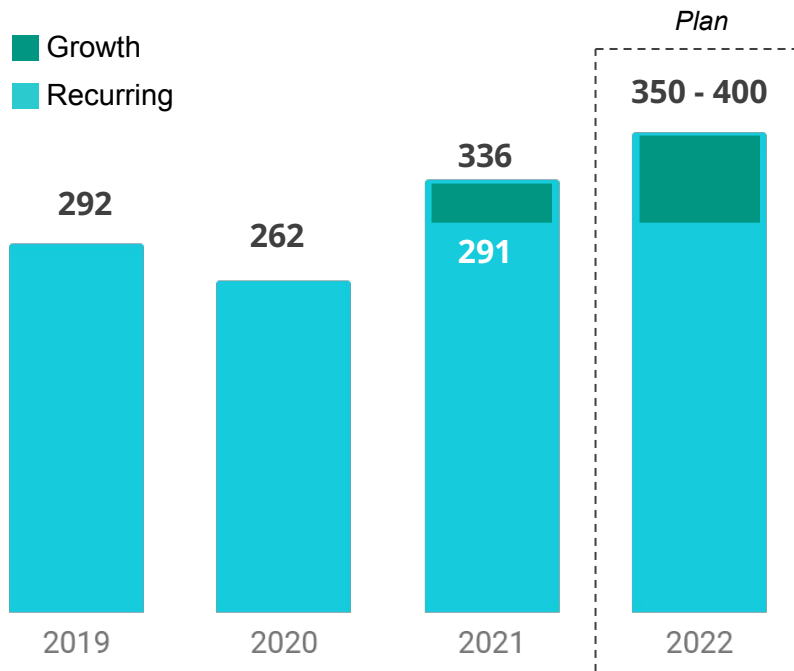
Consumer Goods

- Natural mineral solutions for cosmetics > Sustainability
- Natural solutions for animals wellbeing > Adsorptions of organic toxins
- Mineral-based barrier coating for carton board containers
 > Recyclability

* Based on the SustainAgility Solutions Assessment framework. A “SustainAgility Solution” is a product in an application that has scored within the two highest categories of the four possible categories.

Capacity expansion projects to support future growth

Evolution of capex paid (€m)



Green Mobility

- Additional capacity for the production of carbon black in Belgium (€60 million)
- New production line for synthetic graphite in Switzerland (€35 million)
- Launch of a new project of minerals solutions for polymers lightweighting in China

Innovation

- Construction of new laboratory facility for synthetic minerals

Sustainable Construction

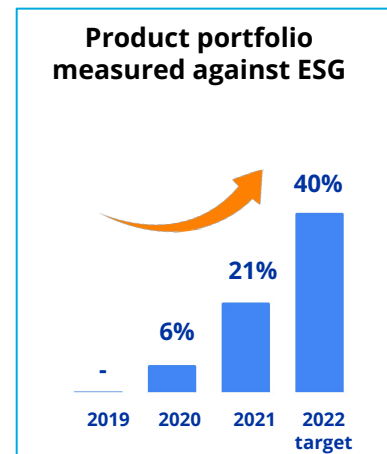
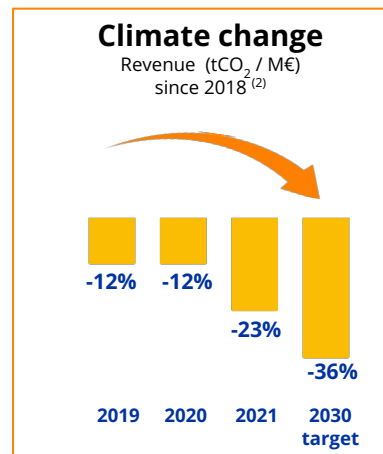
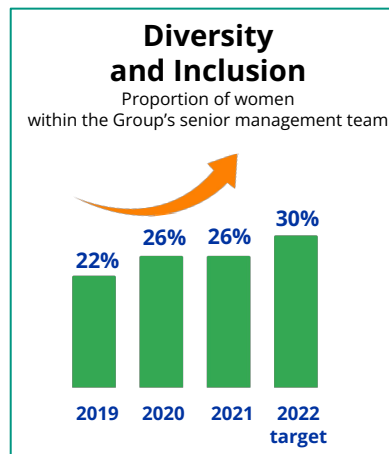
- Completion and commissioning of a greenfield plant in India for specialty binders

ESG objectives in line with Imerys roadmap

Significant progress on ESG *SustainAgility* program

- Appointment of a Board Member as ESG Referent: review of ESG roadmap by the Board twice a year
- Climate change risk and opportunity scenario analysis
- Introduction of internal price for carbon emissions in capital expenditure projects
- Issuance of first sustainability-linked bond of €300 million in May, with an annual coupon of 1% maturing in 2031

Selected ESG KPIs



(1) Imerys considers a recordable injury as an accident without lost-time

(2) In 2021, Imerys improved its data reporting accuracy and updated the methodology for the calculation of its greenhouse gas (GHG) emissions. As per the Group GHG Recalculation Policy made public in May 2021, audited by Deloitte and available on Imerys.com, the Group recalculated the 2018 base year emission inventory. To facilitate comparison, Imerys has also recalculated 2019 and 2020 data. Based on the updated emission factors and calculation methodology, 2019 and 2020 Group GHG emissions were reduced by -14% in 2019 and by -15% in 2020 compared to 2018.



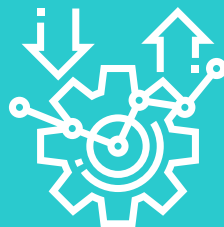
SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

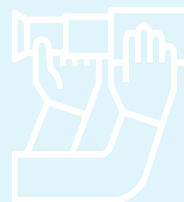




Highlights



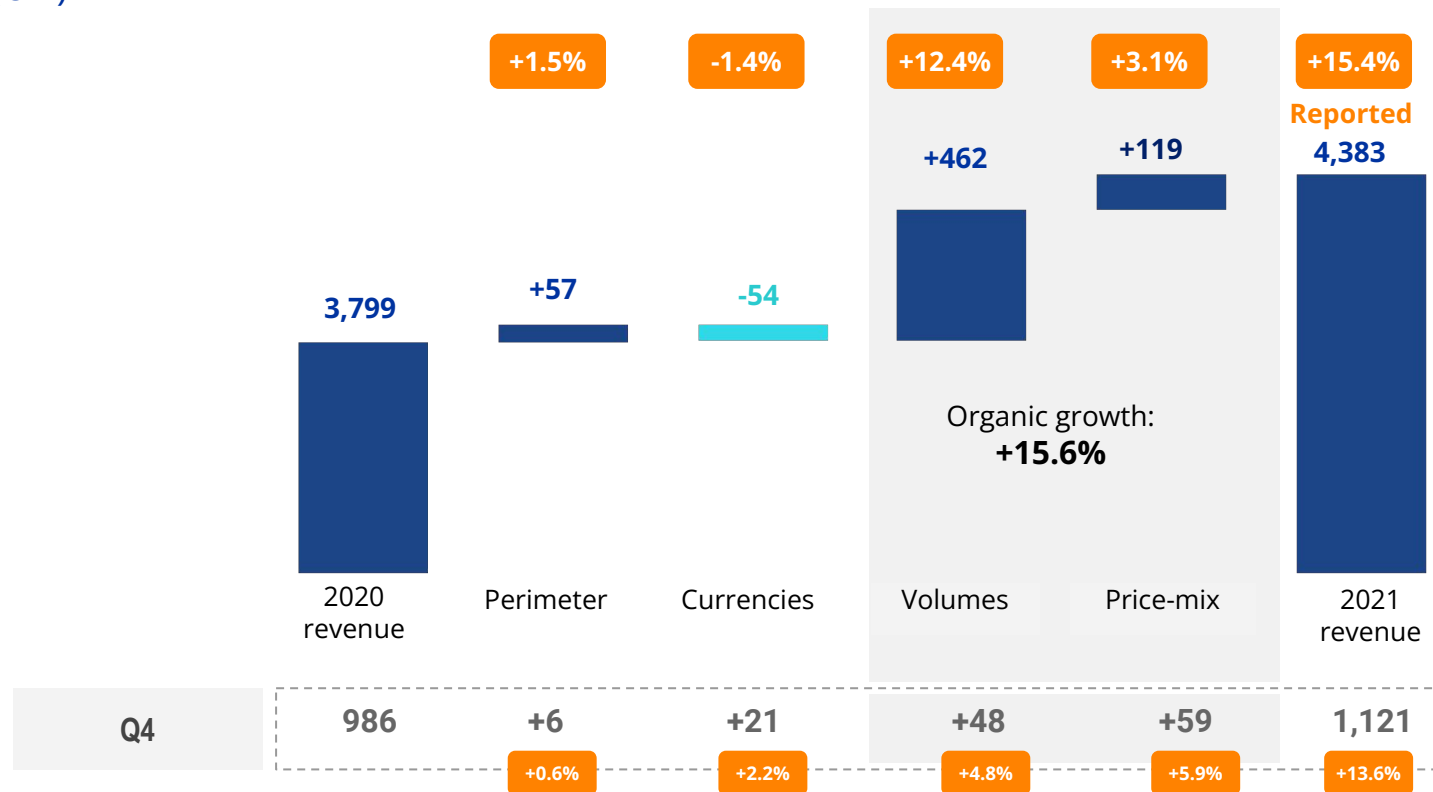
Financial Results



Outlook

Solid organic growth of +15.6% in 2021

(€m)



Performance Minerals: high level of activity except in automotive

Q4 2020	Q4 2021	like for like change vs. Q4 2020	(€m)	2020	2021	like for like change vs. 2020
			Revenue			
205	240	+11.3%	PM Americas	886	957	+10.7%
264	267	+0.2%	PM EMEA	1,009	1,130	+12.4%
120	129	+7.3%	PM APAC	440	515	+22.0%
(25)	(41)	-	Eliminations & others	(157)	(177)	-
564	594	+3.3%	Total segment revenue	2,178	2,425	+13.2%
-	-	-	Current EBITDA	430	497	+15.7%*
			Current EBITDA margin	19.7%	20.5%	+80 bps

- Dynamic construction sector, especially in renovation (paints & coatings, tiles and sanitaryware)
- European sales affected by impact of semiconductors shortage in automotive sector
- Buoyant growth in demand around EV and electronics (synthetic graphite and carbon black for Li-Ion batteries)
- Improvement of paper and board demand in Asia
- Increase in current EBITDA margin

(*) reported growth

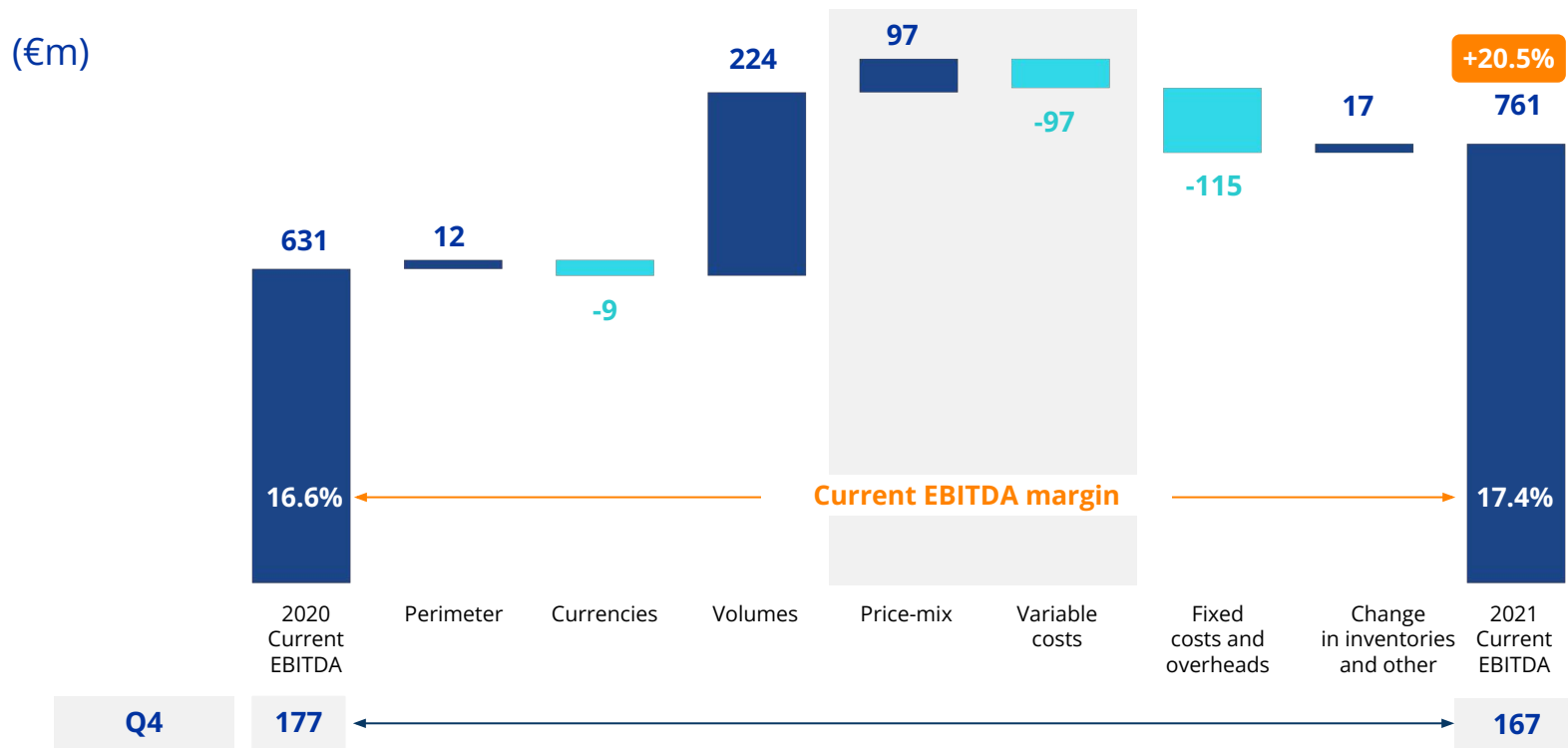
High Temperature Materials & Solutions: strong demand in iron & steel and industrial markets

Q4 2020	Q4 2021	like for like change vs. Q4 2020	(€m)	2020	2021	like for like change vs. 2020
			Revenue			
171	213	+17.5%	High Temperature Solutions (HTS)	632	801	+17.2%
264	328	+20.9%	Refractory, Abrasives, Construction (RAC)	1,050	1,240	+19.9%
(8)	(5)	-	Eliminations & others	(34)	(47)	-
428	536	+21.0%	Total segment revenue	1,648	1,995	+18.4%
-	-	-	Current EBITDA	188	279	+48.1%*
-	-	-	Current EBITDA margin	11.4%	14.0%	+260 bps

- Robust recovery in all underlying markets, despite supply chain disruptions and inflationary pressure
 - Strong rebound in refractories, abrasives and foundry
 - Continued growth in the building and infrastructure segment (specialty binders) driven by the construction industry and increased penetration
- Haznedar integration in Turkey (HTS) performing above expectations, new Indian refractory and specialty binders plant (RAC) ramping up as per plan
- Significant improvement in current EBITDA margin

(*) reported growth

Current EBITDA €761 million, above FY 2021 guidance (*)



(*) Guidance announced on November 2, 2021: FY 2021 current EBITDA between €735 million and €755 million

Net income from current operations up 72%

(€m)	2020	2021	Change
Current EBITDA	631	761	+20.5%
Current operating income	299	452	+51.5%
Current financial expenses	(61)	(40)	-
Current income tax	(66)	(111)	-
Current tax rate	27.8%	27.0%	-
Minority interests	(4)	(13)	-
Net income from current operations, Group's share	167	288	+72.4%
Other operating income and expenses, net	(137)	(48)	-
Net income, Group share	30	240	-
Net income from current operations (Group share) per share ⁽¹⁾	€2.03	€3.40	+67.5%

- Sharp increase in current operating income
- Lower financial expenses
- Low level of other operating expenses

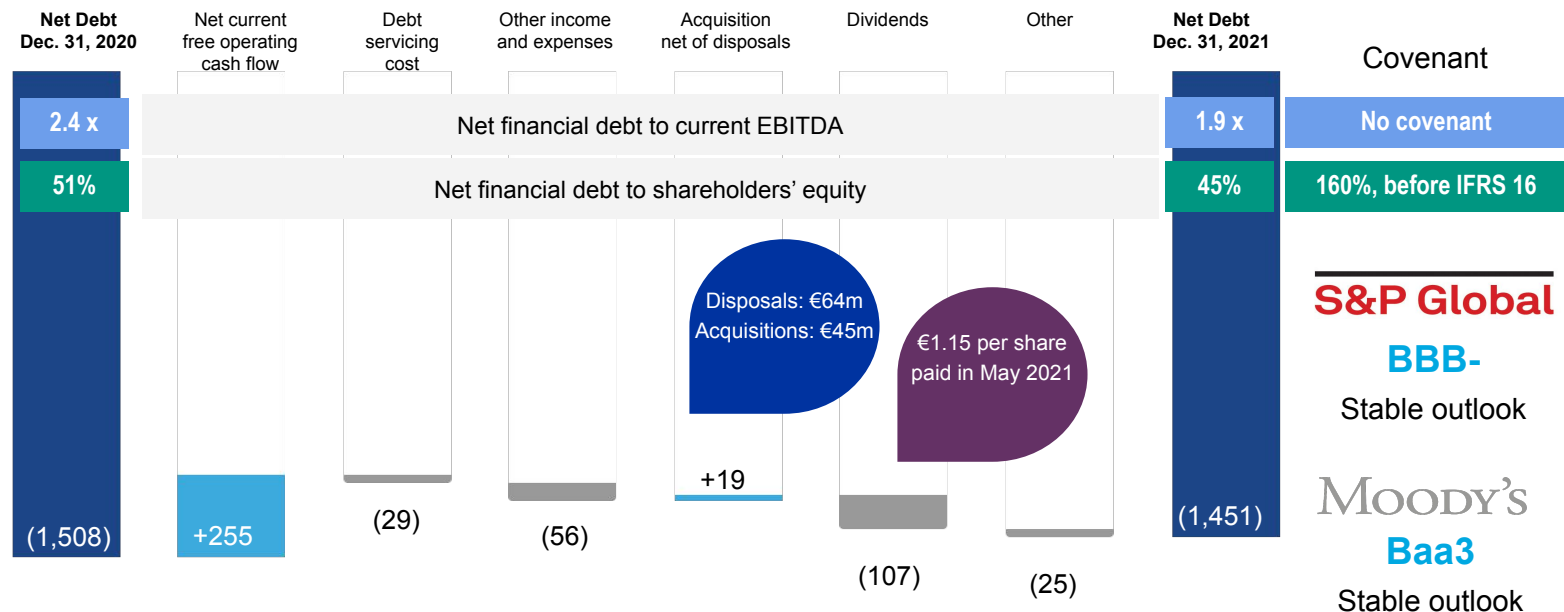
(1) Weighted average number of shares outstanding: 84,689,581 in 2021 versus 82,168,061 in 2020.

Solid cash flow generation

(€m)	2020	2021
Current EBITDA	631	761
Current EBITDA margin	16.6%	17.4%
Increase (-)/decrease (+) in operating working capital	75	(19)
Notional tax on current operating income	(83)	(122)
Others	36	6
Current operating cash flow (before capital expenditure)	659	626
Paid capital expenditure	(262)	(336)
Right to use assets (IFRS 16)	(23)	(34)
Net current free operating cash flow	373	255

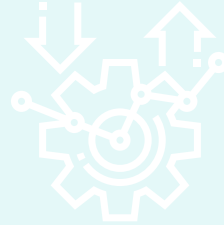
Sound financial structure

Change in net financial debt (€m)

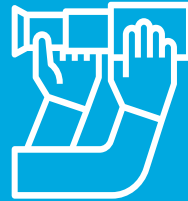




Highlights



Financial Results



Outlook

- Demand for Imerys' specialty minerals solutions to remain sustained across most market segments in 2022
- Further growth expected from the automotive sector, once semiconductor shortages and supply chain constraints have disappeared
- Continued pricing discipline expected to support the Group's profitability and tight cost management to remain a focus in a context of persistent high inflation
- Group's long-term expansion to benefit from active portfolio management and acceleration of growth capex projects
- Ecological transition to contribute to Imerys future development, as natural minerals solutions gradually replace less environmentally-friendly products

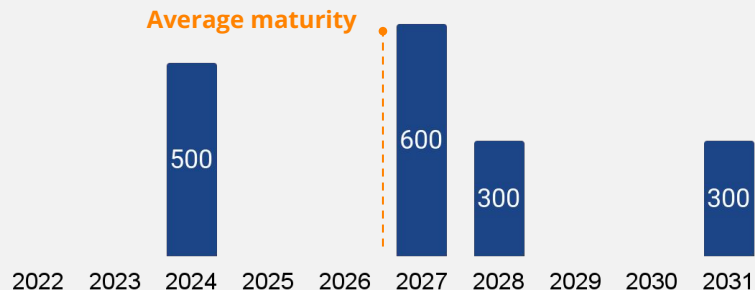
APPENDIX

Strong liquidity position

Bond maturity profile (€m)

Bonds
€1,700m

Average maturity
5.43 years

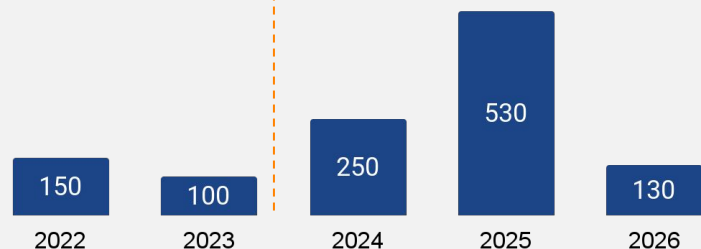


Bilateral credit lines maturity profile (€m)

Bilateral credit lines
€1,160m

Average maturity
2.91 years

Average maturity



High level of available resources :

€1.16 billion credit lines and €555 million cash
as of December 31, 2021

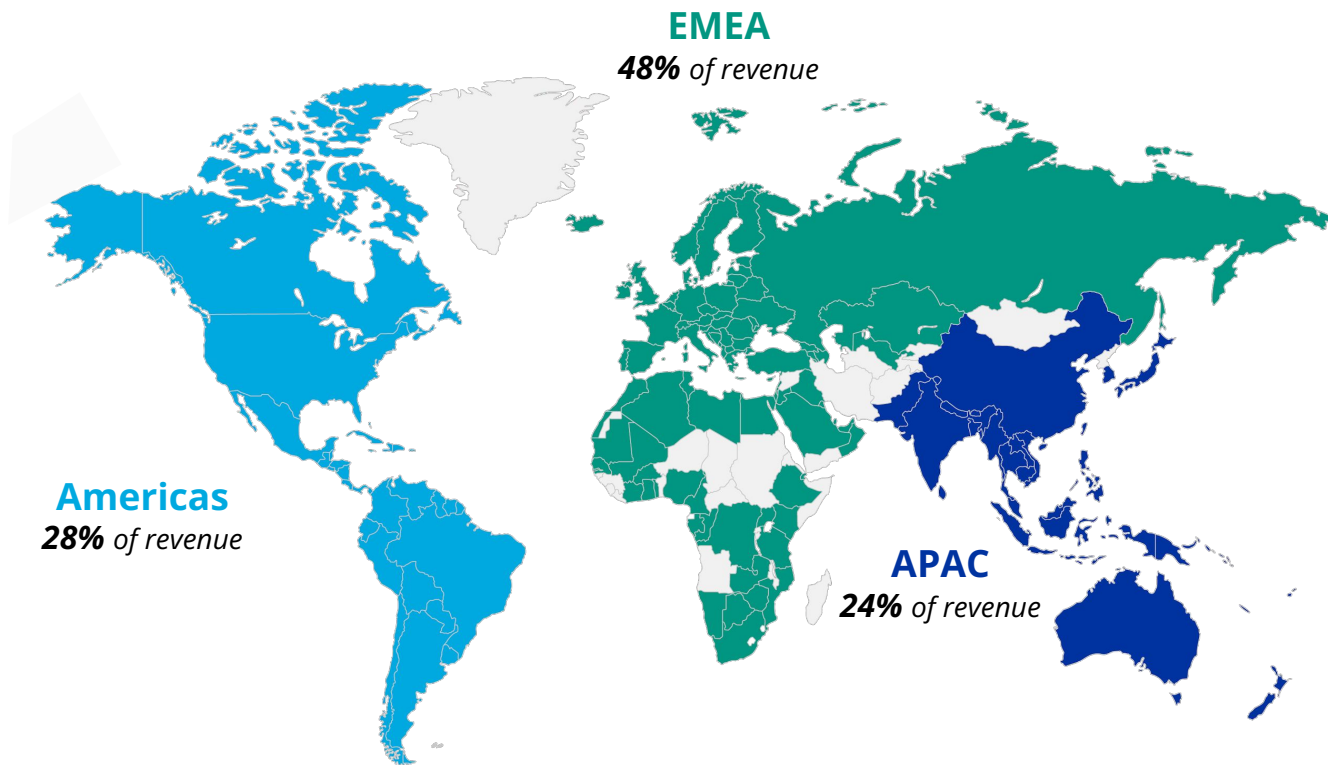
(€m)	31/12/2020	31/12/2021
Bonds	1,700	1,700
Other debts	466	306
Gross debt	2,166	2,006
Cash	658	555
Net debt	1,508	1,451
Average interest rate (gross)	1.8%	1.7%

Q4 Net income

(€m)	Q4 2020	Q4 2021	Change
Current EBITDA	177	167	-5.9%
Current operating income	89	89	+0.7%
Current financial expenses	(17)	(10)	-
Current income tax	(20)	(21)	-
<i>Current tax rate</i>	27.8%	27.0%	-
Minority interests	(2)	(3)	-
Net income from current operations, Group's share	50	55	+8.9%
Net income from current operations (Group share) per share ⁽¹⁾	€0.59	€0.65	+9.4%
Other operating income and expenses, net	(115)	(31)	-
Net income, Group share	(65)	24	-

(1) Weighted average number of outstanding shares: 84,689,061 in Q4 2021 vs. 81,168,061 in Q4 2020

Imerys, a global player...



Based on 2021 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**



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















Fostering positive changes: our 6 SustainAgility pillars

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 2020/2021							
Relative to industry	Above industry average C <i>Minings & Metals</i>	96 th percentile <i>All industries</i>		50 th percentile <i>Construction materials</i>	6 th out of 41 <i>Minings & Metals</i>	99 th percentile <i>Materials</i>	53 th out of 128 <i>Specialty chemicals</i>

Looking ahead: Mid-term ESG 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
 - Status as of end 2021 : **Level 2.89 achieved**

Occupational Health: % performance increase against 2019 baseline assessment

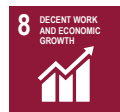
- Improve Group occupational health performance by 30% against 2019 baseline assessments by the end of 2022
 - Status as of end 2021 : **19% improvement**



HUMAN CAPITAL

Diversity and Inclusion: % women in senior management

- Increase the number of women in senior management to 30% by the end of 2022
 - Status as of end 2021 : **26% female**
- Fully implement the Group Diversity and Inclusion 3-year program by the end of 2022
 - Status as of end 2021 : **65% completed**



*Maturity Level 3 corresponds to Proactive level on the Imerys Safety Culture Maturity Matrix where Imerys Safety System is “fully implemented, employees are engaged and contribute actively”

Looking ahead: Mid-term ESG 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
 - Status as of end 2021 : 90% audits

Biodiversity and Land Rehabilitation: % completion of biodiversity improvement program

- Achieve all objectives defined within Group act4nature commitment by the end of 2021
 - Status as of end 2021 : 100% achieved



CLIMATE CHANGE

Climate Change Strategy: % reduction of CO2 emissions by revenue

- Reduce Group CO₂ emissions by 36 % relative to revenue (tCO₂/Eur) by 2030
 - Status as of end 2021 : 23% emission reduction
- Engage 71 % of Group suppliers to have science based targets by 2023
 - Status as of end 2021 : 26% spend covered



Looking ahead: Mid-term ESG objectives (3/3)



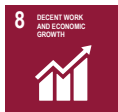
Fair Operating Practices & Responsible Purchasing: % suppliers evaluated

- Improve the external sustainability rating of the Group by the end of 2022
 - Status as of end 2021 : **70 score achieved**
- Deploy a sustainability rating scheme covering at least 50% of Group suppliers by spend by the end of 2022
 - Status as of end 2021 : **35% spend assessed**



Product Sustainability: % portfolio evaluated

- Assess Imerys Products in Application Combinations (PAC) according to the SustainAgility Solution Assessment* framework to cover at least 40% of Imerys product portfolio (by revenue) by the end of 2022
 - Status as of end 2021 : **21% revenue assessed**
- Ensure at least 50% of Group New Product Developments launched are scored as 'SustainAgility Solutions'** by the end of 2022
 - Status as of end 2021 : **70% score achieved**



*SustainAgility Solutions Assessment methodology is based on the World Business Council for Sustainable Development's Portfolio Sustainability Assessment framework

**Based on the SustainAgility Solutions Assessment framework a "SustainAgility Solution" is a product in an application that has scored within the two highest categories of the four possible categories.

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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