

## Imerys delivers solid performance in the first quarter 2022

- Revenue at €1,211 million, up 14.4% vs. last year
- Positive price effect: +12% in Q1 vs. last year in high inflationary environment
- Increase in current EBITDA to €189 million (+3.4% vs. last year)
- Net income from current operations up 3.9% to €76 million
- Launch of new expansion projects in the fast-growing green mobility market

Alessandro Dazza, Chief Executive Officer, said:

*"In the first quarter of 2022, Imerys continued to undertake projects to drive future growth and to profit from its leading position in markets such as sustainable construction and green mobility. The Group's operating performance remained solid in a macroeconomic environment that has become more contrasted following the conflict in Ukraine. While Imerys has limited direct exposure to Ukraine and Russia, the consequences of the current situation are exacerbating inflation, especially energy costs, and disrupting supply chains in key industries served by the Group. In this context, Imerys is focused on sustaining its performance by prioritizing cost management and guaranteeing supply to its customers."*

Consolidated results <sup>1</sup> (€ millions)	Q1 2021	Q1 2022	Change (%)
Revenue	1,058.5	1,210.7	+14.4%
Organic change (like-for-like)	+6.3%	+11.3%	-
Current EBITDA	182.7	188.9	+3.4%
Current EBITDA margin	17.3%	15.6%	-
Current operating income	116.3	120.7	+3.8%
Current operating margin	11.0%	10.0%	-
Operating income	114.5	115.7	+1.0%
Net income from current operations, Group share	73.3	76.1	+3.9%
Net income, Group share	72.0	73.1	+1.5%
Net income from current operations per share <sup>2</sup>	€0.87	€0.90	+3.9%

<sup>1</sup> The definition of alternative performance measures can be found in the glossary at the end of the press release.

<sup>2</sup> Weighted average number of outstanding shares: 84,638,663 in Q1 2022 compared with 84,684,525 in Q1 2021.

## Update on growth projects

As part of its growth strategy, Imerys announces three significant capital expenditure projects to meet strong demand for its speciality minerals solutions in green mobility, electronics and energy.

### Further expansion in high quality conductive additives for mobile energy

The Group will invest €80 million to build an additional production line for high purity carbon black at its plant in Willebroek, Belgium, as well as a new line for specialty synthetic graphite in Bodio, Switzerland. The new production capacities, for which long-term customer contracts have already been secured, will serve growing demand from the Lithium-ion batteries and fuel-cells industries.

In line with its efforts to reduce greenhouse gas emissions, Imerys is also in final negotiations with a leading network operator and energy producer for the installation of an energy recovery unit at its Willebroek plant, where the new production line is expected to start operations in the 4th quarter of 2023.

These new development projects add to the €100 million already invested over the past two years to address the strong growth of the electric vehicle (EV) market worldwide. Imerys is the market leader in conductive additives for Lithium-ion batteries.

### New greenfield plant of minerals solutions for polymers lightweighting in Asia

Imerys will invest €40 million to build a new manufacturing facility in China to produce specialty talc grades for polymers lightweighting in the automotive industry. Imerys high aspect ratio HAR® products use a patented process and provide superior dimensional stability, exceptional stiffness and impact resistance in engineered thermoplastics. The new plant will be located adjacent to an existing Imerys carbonates plant, allowing significant operational synergies and cost savings.

With this investment, Imerys is poised to capture the significant growth opportunities offered by the EV industry in Asia: its minerals solutions are critical for international and local manufacturers to produce thinner, lighter auto parts, contributing to improved battery autonomy and reduced CO2 emissions, without compromising safety standards and aesthetics. The commissioning of the new plant is expected in the beginning of 2023.

## Closing of the divestiture of the kaolin assets in North America

On March 1, Imerys completed the sale to Thiele Kaolin Company, one of the world's leading producers of processed kaolin clay, of certain North American assets and mining resources supplying hydrous kaolin to the paper & packaging markets. These assets, which were part of Performance Minerals Americas business segment, posted revenue of approximately \$74 million in 2021.

## Impact of the Ukrainian crisis

The conflict in Ukraine and international sanctions against Russia are currently expected to have a limited direct impact on Imerys' activity. The Group generated approximately 1.5% of its consolidated revenue in Russia and Ukraine combined in 2021. Net asset value in the region represents less than 0.5% of the Group total capital employed.

Imerys has suspended its operations at its two production facilities in Ukraine since the conflict started. These operations generated revenue of €20 million in the full year 2021. The Group committed to financially and materially support its 240 employees and their families who have been relocated to lower risk locations in Ukraine and neighboring countries. Imerys is also working in close collaboration with the Red Cross, in order to provide aid to the local population.

Furthermore, the Group has decided to cease its activities in Russia, which represented €50 million of sales for the full year 2021. Imerys has no industrial assets in the country.

The Group has put in place mitigation measures in order to offset the escalating inflation of energy costs, which represented 10% of the cost structure in 2021.

## Outlook

Given persisting high inflation and an uncertain economic and geopolitical environment, maintaining pricing discipline and tight cost control will remain a key area of focus. While the global macroeconomic outlook is being revised downwards, the Group's long-term growth potential remains intact, supported by new capital expenditure projects in fast growing markets, active portfolio management and the ongoing ecological transition, which will help natural minerals solutions replace less environmentally-friendly products over time.

## COMMENTARY ON THE FIRST QUARTER 2022 RESULTS

### Revenue

Unaudited quarterly data (€ millions)	2021	2022	Reported Change	Like-for-like change	Volumes	Price mix
First quarter	1,058	1,211	+14.4%	+11.3%	-0.7%	+11.9%

**Revenue** was €1,211 million, up 11.3% year-on-year at constant scope and exchange rates in the first quarter of 2022. Group sales volumes were down approximately 1%, reflecting the impact of the Ukrainian crisis and the international economic sanctions against Russia, as well as local lockdowns in China due to the resurgence of the Covid-19 pandemic.

In a context of high inflation, Imerys' price effect accelerated in the first quarter of 2022 to +11.9% versus +5.9% in the fourth quarter of 2021.

Revenue included a positive currency effect of €38 million (+3.6%), primarily as a result of the appreciation of the U.S. dollar against the euro. The scope effect was negative €9 million, related mostly to recent divestitures.

### Current EBITDA

Unaudited quarterly data (€ millions)	2021	2022	Change
First quarter	183	189	+3.4%
Margin	17.3%	15.6%	-

Current EBITDA benefitted in the first quarter of 2022 from a strong price effect (€134 million), which compensated for the increase in variable costs, a consequence of extremely high inflation on all input factors. The currency effect was positive at €15 million.

### Net income from current operations

**Net income from current operations, Group share**, totaled €76 million, up 3.9% vs. last year. Net financial result was negative at €9 million. The income tax expense of €30 million corresponds to an effective tax rate of 27.0%. **Net income from current operations, Group share, per share**, was up 3.9% to €0.90.

### Net income

**Net income, Group share**, totaled €73 million in first quarter 2022. It includes -€3 million of other income and expenses, after tax, mainly due to acquisition and divestiture costs and targeted business reorganizations.

## SEGMENT PERFORMANCE

Performance Minerals (53.5% of consolidated revenue)

Unaudited quarterly data (€ millions)	Q1 2021	Q1 2022	Current change vs. Q1 2021	LFL change vs. Q1 2021
Revenue Americas	231	262	+13.4%	+6.3%
Revenue Europe, Middle East and Africa (EMEA)	283	310	+9.7%	+8.5%
Revenue Asia-Pacific (APAC)	130	141	+8.6%	+3.5%
Eliminations	(48)	(55)	-	-
<b>Total revenue</b>	<b>596</b>	<b>659</b>	<b>+10.4%</b>	<b>+6.5%</b>

Revenue generated by the **Performance Minerals** segment was up 6.5% like-for-like in the first quarter of 2022. On a reported basis, revenue was up 10.4% after a positive currency effect of €28 million (+4.6%) and a negative perimeter effect of €5 million (-0.9%).

Revenue in the **Americas** was up 6.3% at constant scope and exchange rates, even with persistent logistic issues (unavailability of containers, congestion at US ports) creating a significant order backlog. The activity was supported by ceramic sales to the construction industry, filtration and agriculture markets in the consumer goods sector.

Revenue in **Europe, Middle East and Africa** increased by 8.5% at constant scope and exchange rates. Growth in ceramic, filtration and life science solutions were offset by weak sales to graphic paper and to the automotive sectors, which suffered from wire cables supply issues, as a result of the conflict in Ukraine, in addition to the global semiconductors shortage.

Revenue in **Asia-Pacific** was up 3.5% at constant scope and exchange rates, suffering from local lockdowns in China. Sales to the mobile energy sector remain dynamic; paper & board, ceramics and filtration were well oriented.

## High Temperature Materials & Solutions (46.5% of consolidated revenue)

Unaudited quarterly data (€ millions)	Q1 2021	Q1 2022	Current change vs. Q1 2021	LFL change vs Q1 2021
Revenue High Temperature Solutions	187	223	+19.1%	+16.6%
Revenue Refractory, Abrasives & Construction	295	355	+20.4%	+17.4%
Eliminations	(12)	(15)	-	-
<b>Total revenue</b>	<b>470</b>	<b>563</b>	<b>+19.9%</b>	<b>+17.0%</b>

Revenue generated by the **High Temperature Materials and Solutions** segment was up 17.0% in the first quarter of 2022 at constant scope and exchange rates. On a reported basis, revenue increased by 19.9% with a favorable currency effect of €15 million (+3.1%) and a negative scope effect of €3 million (-0.7%).

Revenue in **High Temperature Solutions**, which serves the iron & steel, thermal and foundry markets, increased by 16.6% year-on-year at constant scope and exchange rates, supported by strong activity and price increases. The business continued to benefit from various commercial initiatives and well oriented underlying markets. Haznedar, a high-grade refractory monolithics and bricks manufacturer in Turkey acquired in December 2020, achieved a record quarter.

Revenue in the **Refractory, Abrasives & Construction** business area was up 17.4% at constant scope and exchange rates, driven by price hikes on all market segments. Volumes were holding well and compare favorably with market trends. In India, the new greenfield plant in Vizag, which produces refractories and specialty binders, continued to ramp up.

## Update on Chapter 11 process of North American talc entities

The North American talc entities, representatives of current and future potential claimants, and other stakeholders in the chapter 11 process are still engaged in a court-approved mediation to reach a revised plan of reorganization that will achieve the required 75% majority approval vote by claimants. The Group continues to consider that the balance of the provision in the financial statements as of the end of 2021 is appropriate to cover the expected financial impact of the Chapter 11 process on Imerys.

## First quarter 2022 results webcast

The press release is available on the Group's website [www.imerys.com](http://www.imerys.com). The Group will hold a live webcast to discuss the first quarter 2022 results at 9.00 AM (CET) on April 29, 2022, which can be accessed on the Group's website [www.imerys.com](http://www.imerys.com).

## Financial Calendar

July 28, 2022	1st half 2022 results
November 2, 2022	3rd quarter 2022 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 17,000 employees in 2021. 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](http://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 22, 2022 under number D.22-0131 (also available from the AMF website, [www.amf-france.org](http://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

Revenue by business group (€ millions)	Q1 2021	Q1 2022	Reported change	Group structure	Exchange rates	Like for like change
Performance Minerals	596	659	+10.4%	-0.9%	+4.6%	+6.5%
High Temperature Materials & Solutions	470	563	+19.9%	-0.7%	+3.1%	+17.0%
Holding & Eliminations	(8)	(11)	n.s.	n.s.	n.s.	n.s.
<b>Total</b>	<b>1,058</b>	<b>1,211</b>	<b>+14.4%</b>	<b>+0.8%</b>	<b>+3.6%</b>	<b>+11.3%</b>

### KEY INCOME STATEMENT INDICATORS

(€ millions)	Q1 2021	Q1 2022	Change
<b>Revenue</b>	<b>1,059</b>	<b>1,211</b>	<b>+14.4%</b>
<b>Current EBITDA</b>	<b>183</b>	<b>189</b>	<b>+3.4%</b>
<b>Current operating income</b>	<b>116</b>	<b>121</b>	<b>+3.8%</b>
Current financial expense	(12)	(9)	-
Current taxes	(28)	(30)	-
Minority interests	(3)	(5)	-
<b>Net income from current operations, Group share</b>	<b>73</b>	<b>76</b>	<b>+3.9%</b>
Other operating income and expenses, net	(1)	(3)	-
<b>Net income, Group share</b>	<b>72</b>	<b>73</b>	<b>+1.5%</b>

## 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 2021 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 organic or internal growth)	<p>Calculated by stripping out the impact of currency fluctuations as well as acquisitions and disposals (scope effect).</p> <p>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.</p> <p>Restatement of Group structure to take into account newly consolidated entities consists of:</p> <ul style="list-style-type: none"> <li>subtracting the contribution of the acquisition from the aggregates of the current year, for entities entering the consolidation scope in the current year;</li> <li>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.</li> </ul> <p>Restatement of entities leaving the consolidation scope consists of:</p> <ul style="list-style-type: none"> <li>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;</li> <li>subtracting the departing entity's contribution from the aggregates of the prior year, for entities leaving the consolidation scope in the prior year.</li> </ul>
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 (also called Price 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.