

**HALF-YEAR  
FINANCIAL REPORT**

2022



**IMERYS**



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# 1 | Half-Year Activity Report

Imerys delivered record sales of €2,563 million in the first half of 2022 despite a challenging economic and geopolitical environment, characterized by rising inflation, logistics and labor difficulties. Sales were up 18.7% year-on-year reflecting higher selling prices (+16.1%) to address inflationary pressures, especially in Europe. In this context, current EBITDA reached €445 million, up 11.2% and net income from current operations was €189 million, up 19.7%. Net current free operating cash flow reflects increased strategic capital expenditures on new expansion projects and the increase in value of inventories driven by strong activity and inflation.

Unaudited consolidated results <sup>(1)</sup> (€ millions)	H1 2021	H1 2022	Change (%)
Revenue	2,158.3	2,563.0	+18.7%
Organic growth	+16.7%	+14.8%	-
Current EBITDA	400.4	445.1	+11.2%
Current EBITDA margin	18.6%	17.4%	-120 bps
Current operating income	245.0	292.7	+19.5%
Current operating margin	11.3%	11.4%	+10 bps
Operating income	223.2	285.9	-
Net income from current operations, Group share	158.3	189.4	+19.7%
Net income, Group share	141.8	192.4	-
Net income from current operations per share <sup>(2)</sup>	€1.87	€2.24	+19.7%

## DETAILED REVIEW OF THE GROUP'S RESULTS

### ■ REVENUE

Unaudited quarterly data (€ millions)	2021	2022	Reported Change	Like-for-like change	Volumes	Price mix
First quarter	1,058.5	1,210.7	+14.4%	+11.3%	-0.7%	+11.9%
Second quarter	1,099.9	1,352.3	+23.0%	+18.1%	-1.9%	+20.1%
<b>Total</b>	<b>2,158.3</b>	<b>2,563.0</b>	<b>+18.7%</b>	<b>+14.8%</b>	<b>-1.3%</b>	<b>+16.1%</b>

**Revenue** was €2,563 million, up 14.8% year-on-year at constant scope and exchange rates in the first half 2022. Group sales volumes were down 1.3%, reflecting the impact of the Ukrainian crisis and the international economic sanctions against Russia, as well as local lockdowns in China following the resurgence of the Covid-19 pandemic and the weakness of the automotive industry.

In a highly inflationary environment, Imerys' price effect accelerated from +11.9% in the first quarter of 2022 to +20.1% in the second quarter, averaging 16.1% in the first half.

Revenue included a positive currency effect of €101 million (+4.7%), primarily as a result of the appreciation of the U.S. dollar against the euro. The scope effect was €26 million negative, related to recent divestitures.

<sup>1</sup> The definition of alternative performance measures can be found in the glossary at the end of the half year activity report.

<sup>2</sup> Weighted average number of outstanding shares: 84,688,000 in H1 2022 compared with 84,709,730 in H1 2021.

## ■ CURRENT EBITDA

Unaudited quarterly data (€ millions)	2021	2022	Change
First quarter	182.7	188.9	+3.4%
Second quarter	217.7	256.1	+17.7%
<b>Total</b>	<b>400.4</b>	<b>445.1</b>	<b>+11.2%</b>
<b>Margin</b>	<b>18.6%</b>	<b>17.4%</b>	<b>-120 bps</b>

**Current EBITDA** fully benefited from higher selling prices, which became effective in the second quarter of 2022. The strong price effect (€365 million) in the first half of 2022 compensated for the significant and rapid increase in variable costs, fixed costs and overheads, a consequence of extremely high inflation on all input factors. The currency effect was positive at €26 million.

**Current operating income** reached €293 million for the first half of 2022, a 19.5% increase compared to the first half of last year.

## ■ NET INCOME FROM CURRENT OPERATIONS

**Net income from current operations, Group share**, totaled €189 million, up 19.7% vs. last year. Net financial result was negative at €(17) million. The income tax expense of €(74) million corresponds to an effective tax rate of 27.0%. **Net income from current operations, Group share, per share**, was up 19.7% to €2.24.

## ■ NET INCOME

**Net income, Group share**, totaled €192 million in the first half 2022. Other income and expenses, after tax, includes restructuring costs related to Russia and Ukraine compensated by a capital gain on the natural graphite disposal and a gain on the net monetary position of Haznedar (hyperinflation in Turkey in accordance with IAS 29). Excluding the latter, other income and expenses, after tax, represent a €15 million charge, in line with previous year.

## ■ NET CURRENT FREE OPERATING CASH FLOW

(€ millions)	H1 2021	H1 2022
Current EBITDA	400.4	445.1
Increase (-) / decrease (+) in operating working capital	(62.7)	(159.9)
Notional tax on current operating income	(66.1)	(79.0)
Other	2.8	6.3
<b>Net current operating cash flow (before capital expenditure)</b>	<b>274.4</b>	<b>212.5</b>
Capital expenditure	(142.7)	(181.3)
Right of use assets (IFRS 16)	(9.5)	(15.4)
<b>Net current free operating cash flow</b>	<b>122.2</b>	<b>15.8</b>

The net current free operating cash flow reflects strategic capital expenditures for new expansion projects (booked capital expenditures on strategic projects were €32 million) and the increase in value of inventories driven by strong activity and inflation. Change in operating working capital remains consistent with revenue trend. The Group expects cash generation to improve in the second half of 2022.

(€ millions)	H1 2021	H1 2022
<b>Net current free operating cash flow</b>	<b>122.2</b>	<b>15.8</b>
Acquisitions and disposals	12.7	71.0
Dividend	(98.4)	(131.3)
Change in equity	(1.8)	(1.7)
Change in non-operating working capital	(33.1)	7.0
Other non-recurring income and expenses	(30.7)	(22.9)
Debt servicing costs	(11.4)	(10.8)
Exchange rates and other	0.9	(6.8)
<b>Change in net financial debt</b>	<b>(39.7)</b>	<b>(79.8)</b>

## ■ FINANCIAL STRUCTURE

(€ millions)	Dec. 31, 2021	June 30, 2022
Net financial debt	1,451.1	1,530.9
Shareholders' equity	3,241.9	3,481.5
<b>Net financial debt / shareholders' equity</b>	<b>44.8%</b>	<b>44.0%</b>
<b>Net financial debt / current EBITDA*</b>	<b>1.9x</b>	<b>1.9x</b>

\*Based on the last twelve months current EBITDA

As of June 30, 2022, net financial debt totaled €1,531 million, which corresponds to a net financial debt to current EBITDA ratio of 1.9 x, stable vs December 31, 2021 and lower than at June 30, 2021 (2.1x).

The Group's financial structure is solid, as evidenced by the "investment grade" ratings confirmed by Standard and Poor's (September 14, 2021, BBB-, stable outlook) and Moody's (March 11, 2022, Baa3, stable outlook).

## EVENTS AFTER THE END OF THE PERIOD

### Active portfolio management to sustain the Group's long-term growth strategy

On July 28, 2022, Imerys entered into exclusive negotiations to sell to Platinum Equity, a global investment firm operating companies in a broad range of markets, its High Temperature Solution business (HTS), for an enterprise value of approx. €930 million. HTS is a leading global provider of refractory solutions serving more than 6,000 customers in the iron & steel, thermal and foundry markets. The business, which generated a revenue of €801 million in 2021, employs 2,800 people across 36 industrial sites in 16 countries.

The contemplated transaction is in line with Imerys' active portfolio management, long term development strategy and value-creation ambitions. It would allow the Group to focus on specialty minerals solutions and provide additional financial resources to pursue its development strategy, in particular in markets such as green mobility, sustainable construction and natural solutions for consumer goods.

This proposed transaction, which is subject to the fulfillment of customary closing conditions, including the information and consultation of works councils and other regulatory approvals, is expected to be completed by the end of the year.

## OUTLOOK

Geopolitical tensions, a tighter monetary policy, restrictions in China and potential gas curtailments in Europe are expected to impact consumer confidence and business activity in the second half of 2022.

However, Imerys' global geographic footprint and diversified market exposure, the continuous growth of the electric vehicle (EV) market, strategic capital expenditures coming on stream and its ability to pass through inflation on costs should allow Imerys to continue on its path of profitable growth and current EBITDA improvement year-on-year, albeit at a slower pace in the second half. For full year 2022, Imerys expects current EBITDA of €810-840 million, assuming no significant market disruptions in the second part of the year and excluding the impact of the contemplated HTS divestiture.

The divestiture of our High Temperature Solutions business would be an important milestone in the refocusing of the Group's activities around its core, high-growth specialty minerals business. The 2023-2025 development plan of the Group will be presented to the financial community during a Capital Markets Day in the fourth quarter of 2022.

## REVIEW BY BUSINESS GROUP

### ■ PERFORMANCE MINERALS

(54% of consolidated revenue)

Q2 2021 (M€)	Q2 2022 (M€)	Like for like change on Q2 2021	Unaudited quarterly data	H1 2021 (M€)	H1 2022 (M€)	Like for like change on H1 2021
242	297	+14.1%	Revenue Americas	473	558	+10.3%
300	348	+16.0%	Revenue Europe, Middle East and Africa (EMEA)	583	659	+12.3%
125	150	+15.6%	Revenue Asia-Pacific (APAC)	255	291	+9.4%
(50)	(53)	-	Eliminations	(98)	(108)	-
<b>616</b>	<b>742</b>	<b>+16.2%</b>	<b>Total revenue</b>	<b>1,212</b>	<b>1,400</b>	<b>+11.4%</b>
-	-	-	<b>Current EBITDA</b>	<b>263</b>	<b>276</b>	<b>+4.8%*</b>
-	-	-	Current EBITDA margin	21.7%	19.7%	-

\* Reported growth

Revenue generated by the **Performance Minerals** segment was up 11.4% like-for-like in the first half of 2022. On a reported basis, revenue was up 15.5% after a positive currency effect of €68 million (+5.6%) and a negative perimeter effect of €23 million (-1.9%).

Revenue in the **Americas** was up 10.3% at constant scope and exchange rates. Despite persistent logistics issues creating order backlog (unavailability of containers, congestion at US ports), the activity was good overall during the second quarter of 2022.

Revenue in **Europe, Middle East and Africa** increased by 12.3% at constant scope and exchange rates. While demand from the automotive industry remained weak, growth in the second quarter of 2022 was largely driven by a robust sales momentum in ceramics in Europe.

Local lockdowns in China weighed on the performance in **Asia-Pacific** where revenue rose by 9.4% at constant scope and exchange rates. During the second quarter of 2022, sales to the mobile energy sector continued to grow. Specialty minerals (i.e. ceramics, paints, coatings, and filtration) and paper and board also performed well.

## ■ HIGH TEMPERATURE MATERIALS AND SOLUTIONS

(46% of consolidated revenue)

Q2 2021 (M€)	Q2 2022 (M€)	Like for like change on Q2 2021	Unaudited quarterly data	H1 2021 (M€)	H1 2022 (M€)	Like for like change on H1 2021
198	252	+21.5%	Revenue High Temperature Solutions	385	474	+19.2%
311	388	+17.8%	Revenue Refractory, Abrasives & Construction	606	743	+17.6%
(16)	(17)	-	Eliminations	(28)	(32)	-
<b>493</b>	<b>622</b>	<b>+19.6%</b>	<b>Total revenue</b>	<b>962</b>	<b>1,185</b>	<b>+18.4%</b>
-	-	-	<b>Current EBITDA</b>	<b>140</b>	<b>187</b>	<b>+33.4%*</b>
-	-	-	Current EBITDA margin	14.6%	15.8%	-

\* Reported growth

Revenue generated by the **High Temperature Materials and Solutions** segment was up 18.4% in the first half of 2022 at constant scope and exchange rates. On a reported basis, revenue increased by 23.2% with a favorable currency effect of €42 million (+4.4%) and a negative scope effect of €3 million (-0.3%).

Revenue in **High Temperature Solutions**, which serves the iron & steel, thermal and foundry markets, increased by 19.2% 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 semester.

Revenue in the **Refractory, Abrasives & Construction** business area was up 17.6% at constant scope and exchange rates, driven by price hikes on all market segments, necessary to offset rising inflation especially on energy. Building and infrastructure held well while refractory and abrasive volumes experienced some softness in the second quarter of 2022 due to Russia and Ukraine, yet comparing favorably with market trends. In India, the new greenfield plant in Vizag, which produces refractories and specialty binders, continued to ramp up.

## RELATED PARTIES AND RISK FACTORS

### ■ RELATED PARTIES

Related parties disclosures in the first half of 2022 are detailed in the present 2022 Half-Year Financial Report: [Chapter 2 - Financial Statements - Note 22](#).

### ■ RISK FACTORS

An analysis of major risks is regularly conducted within the Group. It results in the mapping of the estimated potential impact of each identified risk and the extent to which it is controlled. This risk analysis and management process and main risk factors of the Group are described in detail in [Chapter 2 of the 2021 Universal Registration Document](#).

The main categories of identified risks in [Chapter 2, section 1 of the 2021 Universal Registration Document](#) are risks related to Imerys' business, industrial, environmental and legal risks. Information related to the management of risks arising from financial liabilities in the first half of 2022 are detailed in the present Half-Year Financial Report: [Chapter 2 - Financial Statements - Note 19.2](#).

Management considers that the recent assessment of main risks and uncertainties, and notably those generated by the conflict in Ukraine, does not modify the global perception about Imerys' risks as provided in [Chapter 2 of the 2021 Universal Registration Document](#).

## 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	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 capital expenditure and right-of-use assets (to reflect the IFRS 16 calculation).
Net current free operating cash flow	The Group's current EBITDA after deducting notional tax, changes in working capital requirement and paid capital expenditure and including subsidies, value of divested assets and miscellaneous.
Net financial debt	The difference between borrowings and financial debt and cash and cash equivalents.

## 2 | CONDENSED FINANCIAL STATEMENTS

### FINANCIAL STATEMENTS

#### ■ CONSOLIDATED INCOME STATEMENT

(€ millions)	Notes	June 30, 2022	June 30, 2021	2021
<b>Revenue</b>	<b>4</b>	<b>2,563.0</b>	<b>2,158.3</b>	<b>4,382.9</b>
Raw materials and consumables used	5	(914.3)	(728.8)	(1,495.6)
External expenses	6	(674.1)	(555.1)	(1,162.8)
Staff expenses	7	(508.4)	(464.7)	(939.8)
Taxes and duties		(22.8)	(18.7)	(39.0)
Amortization, depreciation and impairment		(159.8)	(160.0)	(323.9)
Intangible assets, mining assets and property, plant and equipment		(137.2)	(135.9)	(270.5)
Right-of-use assets	15	(22.6)	(24.1)	(53.4)
Other current income and expenses		9.1	13.9	30.5
<b>Current operating income</b>		<b>292.7</b>	<b>245.0</b>	<b>452.3</b>
Gain (loss) from obtaining or losing control	8	20.6	4.0	(0.5)
Other non-recurring items	8	(27.4)	(25.7)	(67.3)
<b>Operating income</b>		<b>285.9</b>	<b>223.2</b>	<b>384.5</b>
<b>Net financial debt expense</b>		<b>(16.3)</b>	<b>(18.2)</b>	<b>(37.8)</b>
Income from securities		2.0	1.4	2.6
Gross financial debt expense		(18.3)	(19.7)	(40.4)
Interest expense on borrowings and financial debt		(16.5)	(17.8)	(36.6)
Interest expense on lease liabilities		(1.8)	(1.9)	(3.8)
<b>Other financial income (expenses)</b>		<b>(0.5)</b>	<b>0.2</b>	<b>(1.9)</b>
Other financial income		164.7	122.4	153.7
Other financial expenses		(165.2)	(122.2)	(155.6)
<b>Financial income (loss)</b>	<b>9</b>	<b>(16.8)</b>	<b>(18.0)</b>	<b>(39.7)</b>
Gain (loss) on the net monetary position <sup>(1)</sup>		17.8	-	-
Income taxes	10	(78.1)	(58.3)	(95.1)
<b>Net income</b>		<b>208.8</b>	<b>146.9</b>	<b>249.7</b>
Net income, Group share <sup>(2)</sup>	11	192.4	141.8	240.1
Net income attributable to non-controlling interests		16.4	5.1	9.6
<i>(1) 1st application of IAS 29 on hyperinflationary economies (Note 2.3)</i>				
<i>(2) Net income per share</i>				
Basic net income per share (in €)	12	2.27	1.67	2.83
Diluted net income per share (in €)	12	2.24	1.65	2.79



## ■ CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ millions)	Notes	June 30, 2022	June 30, 2021	2021
<b>Net income</b>		<b>208.8</b>	<b>146.9</b>	<b>249.7</b>
<b>Components that will not be reclassified in profit or loss, before tax</b>				
Gains (losses) on remeasurements of defined benefit plans		58.8	71.8	101.1
Gains (losses) on investments in equity instruments measured at fair value		(0.6)	-	-
<b>Components that will be reclassified in profit or loss, before tax</b>				
<b>Cash flow hedges</b>		<b>(5.3)</b>	<b>26.2</b>	<b>51.8</b>
Gains (losses)		49.9	32.3	93.1
Reclassification adjustments		(55.2)	(6.0)	(41.3)
<b>Hedges of net investments in foreign operations</b>		<b>10.2</b>	<b>0.5</b>	<b>0.6</b>
Gains (losses)		10.2	3.0	3.1
Reclassification adjustments		-	(2.5)	(2.5)
<b>Exchange rate differences</b>		<b>111.4</b>	<b>45.0</b>	<b>52.8</b>
Gains (losses)		109.5	44.8	51.1
Reclassification adjustments		1.9	0.2	1.7
<b>Other comprehensive income, before tax</b>		<b>174.5</b>	<b>143.5</b>	<b>206.3</b>
Components that will not be reclassified in profit or loss, before tax		58.2	71.8	101.1
Components that will be reclassified in profit or loss, before tax		116.3	71.7	105.2
<b>Aggregated income tax on components that will not be reclassified in profit or loss</b>	10	<b>(15.0)</b>	<b>(12.4)</b>	<b>(22.6)</b>
<b>Aggregated income tax on components that will be reclassified in profit or loss</b>	10	<b>(3.1)</b>	<b>(7.2)</b>	<b>(13.2)</b>
<b>Other comprehensive income</b>		<b>156.4</b>	<b>123.9</b>	<b>170.5</b>
<b>Total comprehensive income</b>		<b>365.2</b>	<b>270.8</b>	<b>420.2</b>
Total comprehensive income, Group share		343.2	266.9	418.8
Total comprehensive income attributable to non-controlling interests		22.0	3.9	1.4

## ■ CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	Notes	June 30, 2022	June 30, 2021	2021
<b>Non-current assets</b>		<b>5,157.4</b>	<b>4,816.0</b>	<b>4,990.3</b>
Goodwill	13	2,187.2	2,155.5	2,144.7
Intangible assets	14	317.2	288.4	303.9
Right-of-use assets	15	171.5	176.7	175.6
Mining assets	15	437.1	412.6	419.0
Property, plant and equipment	15	1,674.4	1,489.6	1,622.6
Joint ventures and associates		113.2	105.5	100.3
Other financial assets		64.2	25.9	43.4
Other receivables		46.3	42.5	41.6
Derivative financial assets		3.1	0.4	0.6
Deferred tax assets		143.2	119.0	138.6
<b>Current assets</b>		<b>2,886.2</b>	<b>2,376.7</b>	<b>2,362.7</b>
Inventories	17	1,032.1	751.3	849.1
Trade receivables		825.2	677.3	614.3
Other receivables		246.5	213.1	238.7
Derivative financial assets		73.1	39.5	75.4
Other financial assets	19.1	8.3	7.5	8.0
Cash and cash equivalents	19.1	701.0	687.9	577.2
<b>Assets held for sale<sup>(1)</sup></b>	<b>20</b>	<b>-</b>	<b>59.7</b>	<b>63.1</b>
<b>Consolidated assets</b>		<b>8,043.6</b>	<b>7,252.3</b>	<b>7,416.1</b>
<b>Equity, Group share</b>		<b>3,428.5</b>	<b>3,067.9</b>	<b>3,193.4</b>
Share capital		169.9	169.9	169.9
Share premium		614.4	614.4	614.4
Treasury shares		(9.4)	(6.3)	(13.4)
Reserves		2,461.2	2,148.1	2,182.4
Net income, Group share		192.4	141.8	240.1
<b>Equity attributable to non-controlling interests</b>		<b>53.0</b>	<b>60.5</b>	<b>48.5</b>
<b>Equity</b>		<b>3,481.5</b>	<b>3,128.4</b>	<b>3,241.9</b>
<b>Non-current liabilities</b>		<b>2,712.0</b>	<b>2,669.3</b>	<b>2,726.5</b>
Provisions for employee benefits		225.9	277.1	259.7
Other provisions	18	440.0	414.8	414.0
Borrowings and financial debt	19.1	1,693.2	1,701.3	1,695.0
Lease liabilities	19.1	128.1	148.9	155.7
Other debts		76.9	21.5	70.7
Derivative financial liabilities		2.4	8.1	1.8
Deferred tax liabilities		145.5	97.6	129.6
<b>Current liabilities</b>		<b>1,850.1</b>	<b>1,442.1</b>	<b>1,434.2</b>
Other provisions	18	49.9	42.7	53.2
Trade payables		871.4	582.4	660.1
Income tax payable		143.9	101.3	115.4
Other debts		350.9	325.2	410.1
Derivative financial liabilities		19.2	3.0	7.9
Borrowings and financial debt	19.1	350.0	323.9	124.9
Lease liabilities	19.1	55.6	43.2	32.5
Bank overdrafts	19.1	9.2	20.4	30.1
<b>Liabilities related to assets held for sale<sup>(1)</sup></b>	<b>20</b>	<b>-</b>	<b>12.4</b>	<b>13.5</b>
<b>Consolidated equity and liabilities</b>		<b>8,043.6</b>	<b>7,252.3</b>	<b>7,416.1</b>

(1) Hydrous kaolin business in the US (Note 20)

## ■ CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ millions)	Equity, Group share									Equity attributa- ble to non- controlling interests	Total
	Reserves							Net income, Group share			
	Share capital	Share premium	Treasury shares	Cash flow hedges	Translation reserve	Other reserves	Subtotal				
Equity at January 1, 2021	169.9	614.4	(6.7)	6.2	(633.2)	2,720.8	2,093.8	30.1	2,901.5	59.0	2,960.5
Total comprehensive income	-	-	-	19.5	46.4	59.2	125.1	141.8	266.9	3.9	270.8
Transactions between shareholders	0.0	0.0	0.4	0.0	0.0	(65.9)	(65.9)	(30.1)	(95.6)	(2.4)	(98.0)
Appropriation of 2020 net profit	-	-	-	-	-	30.1	30.1	(30.1)	0.0	-	0.0
Dividend	-	-	-	-	-	(97.5)	(97.5)	-	(97.5)	(0.1)	(97.6)
Capital increase	-	-	-	-	-	-	0.0	-	0.0	0.8	0.8
Treasury share transactions	-	-	0.4	-	-	(3.1)	(3.1)	-	(2.7)	-	(2.7)
Share-based payments	-	-	-	-	-	4.6	4.6	-	4.6	-	4.6
Transactions with non-controlling interests	-	-	-	-	-	-	0.0	-	0.0	(3.1)	(3.1)
Equity at June 30, 2021	169.9	614.4	(6.3)	25.7	(586.8)	2,714.1	2,153.0	141.8	3,072.8	60.5	3,133.3
Total comprehensive income	-	-	-	18.3	16.2	19.1	53.6	98.3	151.9	(2.5)	149.4
Transactions between shareholders	0.0	0.0	(7.1)	0.0	(10.5)	(13.7)	(24.2)	0.0	(31.3)	(9.5)	(40.8)
Dividend	-	-	-	-	-	-	0.0	-	0.0	(8.6)	(8.6)
Capital increase	-	-	-	-	-	-	0.0	-	0.0	1.8	1.8
Treasury share transactions	-	-	(7.1)	-	-	(0.2)	(0.2)	-	(7.3)	-	(7.3)
Share-based payments	-	-	-	-	-	4.0	4.0	-	4.0	-	4.0
Transactions with non-controlling interests	-	-	-	-	(10.5)	(17.5)	(28.0)	-	(28.0)	(2.7)	(30.7)
Equity at December 31, 2021	169.9	614.4	(13.4)	44.0	(581.1)	2,719.5	2,182.4	240.1	3,193.4	48.5	3,241.9
Total comprehensive income <sup>(1)</sup>	-	-	-	(3.9)	111.5	43.2	150.8	192.4	343.2	22.0	365.2
Transactions between shareholders	0.0	0.0	4.0	0.0	(5.7)	133.7	128.0	(240.1)	(108.1)	(17.5)	(125.6)
Appropriation of 2021 net profit	-	-	-	-	-	240.1	240.1	(240.1)	0.0	-	0.0
Dividend	-	-	-	-	-	(131.3)	(131.3)	-	(131.3)	-	(131.3)
Treasury share transactions	-	-	4.0	-	-	(5.7)	(5.7)	-	(1.7)	-	(1.7)
Share-based payments	-	-	-	-	-	7.4	7.4	-	7.4	-	7.4
Transactions with non-controlling interests	-	-	-	-	(5.7)	23.2	17.5	-	17.5	(17.5)	0.0
Equity at June 30, 2022	169.9	614.4	(9.4)	40.1	(475.3)	2,896.4	2,461.2	192.4	3,428.5	53.0	3,481.5

(1) Exchange rate differences include €18.0 million before income taxes (€15.9 million after income taxes) relating to the restatement of non-monetary items pursuant to the 1<sup>st</sup> application of IAS 29 on hyperinflationary economies, of which €16.5 million before income taxes at January 1, 2022 and €1.5 million before income taxes with respect to the first half of 2022 (Note 2.3).

## ■ CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	Notes	June 30, 2022	June 30, 2021	2021
<b>Net income</b>		<b>208.8</b>	<b>146.9</b>	<b>249.7</b>
<b>Adjustments</b>				
Adjustments for depreciation and amortization	Appendix	176.1	171.3	352.7
Adjustments for impairment loss (reversal of impairment loss) recognized in profit or loss, trade and other receivables		(0.9)	0.2	4.4
Adjustments for impairment loss (reversal of impairment loss) recognized in profit or loss, inventories		1.3	(6.0)	(5.9)
Adjustments for provisions	Appendix	7.3	(14.6)	(24.8)
Adjustments for share-based payments		7.4	4.6	8.6
Adjustments for losses (gains) on disposal of non-current assets	Appendix	(29.6)	(7.3)	(7.0)
Adjustments for undistributed profits from joint ventures and associates		(17.4)	(4.1)	(14.7)
Adjustments for net interest income and expense		16.3	18.3	37.8
Adjustments for fair value losses (gains)		1.0	0.4	(4.6)
Other adjustments for non-cash items		-	1.3	(0.2)
Other adjustments for which cash effects are investing or financing cash flow		9.4	1.4	5.4
<b>Change in working capital requirement</b>		<b>(203.0)</b>	<b>(109.7)</b>	<b>(51.9)</b>
Adjustments for decrease (increase) in inventories	19.1	(166.5)	(55.7)	(145.7)
Adjustments for decrease (increase) in trade receivables	19.1	(179.1)	(103.0)	(40.7)
Adjustments for increase (decrease) in trade payables	19.1	185.7	96.0	167.1
Adjustments for other receivables and debts		(43.1)	(47.0)	(32.6)
<b>Adjustments for income tax expense</b>	<b>10</b>	<b>78.1</b>	<b>58.3</b>	<b>95.1</b>
<b>Net cash flow from (used in) operations</b>		<b>254.8</b>	<b>261.2</b>	<b>644.6</b>
Interest paid		(13.3)	(12.3)	(34.9)
Income taxes refund (paid)		(50.4)	(48.3)	(72.0)
Adjustments for dividends received		-	(0.5)	-
Adjustments for dividends received from joint ventures and associates		2.3	2.4	5.2
<b>Net cash flows from (used in) operating activities</b>		<b>193.4</b>	<b>202.4</b>	<b>542.9</b>

(€ millions)	Notes	June 30, 2022	June 30, 2021	2021
Acquisitions of intangible assets	Appendix	(18.1)	(12.2)	(24.3)
Acquisitions of property, plant and equipment	Appendix	(125.4)	(103.8)	(337.0)
Change in payables on acquisitions of intangible assets and property, plant and equipment		(37.9)	(26.7)	25.0
Cash flows used in (from gaining) control of subsidiaries or other businesses		(19.9)	(28.1)	(46.4)
Proceeds from disposals of intangible assets and property, plant and equipment	Appendix	6.0	5.3	8.8
Cash flows from losing control of subsidiaries or other businesses <sup>(1)</sup>		82.8	16.8	33.9
Cash advances and loans granted to third parties		(8.0)	54.8	(6.3)
Cash receipts from repayment of advances and loans granted to third parties		5.7	(30.1)	34.3
Interest received		1.8	1.4	2.4
<b>Cash flow from investing activities</b>		<b>(113.0)</b>	<b>(122.7)</b>	<b>(309.6)</b>
Proceeds from issuing shares	19.1	-	0.8	1.5
Payments to acquire or redeem treasury shares	19.1	(1.7)	(2.6)	(10.0)
Dividends paid	19.1	(131.3)	(97.9)	(106.5)
Proceeds from borrowings		0.3	299.0	298.3
Repayments of borrowings		(6.1)	(5.5)	(312.3)
Payments of lease liabilities		(24.1)	(26.6)	(58.8)
Other cash inflows (outflows) <sup>(2)</sup>		207.2	(234.2)	(153.5)
<b>Cash flow from financing activities</b>		<b>44.3</b>	<b>(67.0)</b>	<b>(341.3)</b>
<b>Change in cash and cash equivalents</b>		<b>124.7</b>	<b>12.7</b>	<b>(108.0)</b>

(1) Of which €47.2 million received with respect to the loss of control of the US hydrous kaolin business and €33.1 million with respect to the loss of control of the Canadian and Namibian natural graphite business (Note 20)

(2) Mainly made-up of short-term negotiable debt securities issued (Note 19.2)

(€ millions)	June 30, 2022	June 30, 2021	2021
<b>Cash and cash equivalents at the beginning of the period</b>	<b>547.2</b>	<b>647.8</b>	<b>647.8</b>
Change in cash and cash equivalents	124.7	12.8	(108.0)
Effect of exchange rate changes	19.9	7.0	7.3
<b>Cash and cash equivalents at the end of the period</b>	<b>691.8</b>	<b>667.6</b>	<b>547.1</b>
Cash	591.4	481.8	485.5
Cash equivalents	109.6	206.1	91.7
Bank overdrafts	(9.2)	(20.4)	(30.1)

## Appendix: table of indirect references to the notes

The following table is intended to help users of the financial statements reconcile the amounts presented in the consolidated statement of cash flows and its two appendices and the amounts presented in the notes to the financial statements.

(€ millions)	Notes	June 30, 2022	June 30, 2021	2021
<b>Consolidated Statement of Cash Flows</b>				
Adjustments for depreciation and amortization		176.1	171.4	352.7
Increase in amortization – intangible assets	14	13.1	11.7	26.4
Increase in depreciation – property, plant and equipment	15	150.2	148.3	297.4
Impairment – intangible assets	14	0.1	-	-
Impairment – property, plant and equipment	15	12.7	13.3	36.9
Reversal of impairment – intangible assets and property, plant and equipment		-	(1.9)	(8.0)
Adjustments for provisions		7.3	(14.5)	(24.8)
Net change in provisions for employee benefits – Current operating income	7	(2.3)	(2.8)	(6.5)
Net change in provisions for employee benefits – Other operating income and expenses		-	(1.4)	(0.2)
Net change in provisions for employee benefit liabilities – Closed plans		(3.1)	(2.2)	(7.5)
Normative return on assets of defined benefit plans		(10.7)	(7.2)	(14.5)
Unwinding of defined employee benefit liabilities		12.5	9.2	18.6
Net change in termination benefits		0.2	(17.0)	(27.7)
Increase in other provisions	18	42.6	27.7	55.3
Change in adjusted provisions for the cost of property, plant and equipment		(5.1)	-	(5.8)
Use of other provisions	18	(17.7)	(10.8)	(22.6)
Reversals of unused portions of other provisions	18	(11.1)	(11.2)	(17.6)
Unwinding of other provisions	18	1.6	1.2	2.9
Unwinding of other debts		0.4	-	0.8
Adjustments for losses (gains) on disposal of non-current assets		(29.5)	(7.3)	(7.0)
Income from asset disposals		0.8	(2.5)	(2.7)
Income from disposals of consolidated businesses	8	(30.0)	(3.8)	(3.1)
Gain from bargain purchases	8	-	(1.7)	(1.7)
Income from non-recurring asset disposals	8	(0.3)	0.7	0.5
Acquisitions of intangible assets	14	(18.1)	(12.2)	(24.3)
Acquisitions of property, plant and equipment		(125.4)	(103.8)	(337.0)
Property, plant and equipment	15	(130.5)	(103.8)	(342.8)
Change in adjusted provisions for the cost of property, plant and equipment		5.1	-	5.8
Proceeds from disposals of intangible assets and property, plant and equipment		5.9	5.2	8.8
Intangible assets	14	3.3	0.5	0.1
Property, plant and equipment	15	1.4	3.1	6.7
Income from asset disposals		(0.8)	2.5	2.7
Income from non-recurring asset disposals	8	0.3	(0.7)	(0.5)
Change in receivables on disposals of intangible assets and property, plant and equipment		1.7	(0.2)	(0.2)

## NOTES TO THE FINANCIAL STATEMENTS

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### ■ SIGNIFICANT EVENTS OF THE PERIOD

This paragraph helps readers to easily identify the main notes addressing significant events that occurred in the first half of 2022.

- Developments in the operational litigation related to the historical talc business in North America: [Note 18](#).
- Disposal of the US hydrous kaolin and Canadian and Namibian natural graphite businesses: [Notes 8 and 20](#).
- Restructuring of the Group's operations in Russia and Ukraine: [Notes 8 and 16](#).
- Hyperinflation in Turkey: [Note 2.3](#).

### ■ BASIS OF PREPARATION

#### Note 1 Accounting principles

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The half-year financial statements at June 30, 2022 are intended to update the information published in the full-year financial statements at December 31, 2021 in accordance with International Financial Reporting Standards (IFRS) adopted within the European Union (hereafter "the Principles"). They are presented here in a condensed form in accordance with IAS 34, Interim Financial Reporting and do not include all the information covered in the full financial statements as published at the end of the financial year. They must therefore be analyzed in conjunction with the Group's full-year financial statements published at December 31, 2021. The European Union's adoption process of certain decisions may result in temporary differences at the end of the reporting period between the Principles and IFRS, however this was not the case at June 30, 2022. The half-year consolidated financial statements were approved by the Board of Directors of Imerys S.A., the parent company of the Group, at its meeting held on July 28, 2022.

#### Note 2 Changes in accounting policies, errors, estimates and judgments

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##### 2.1 Mandatory changes

###### Early adoption

Imerys did not early adopt any standard or interpretation in 2022.

###### Adoption upon effective date

**Amendments to IAS 16, Property, Plant and Equipment – Proceeds before Intended Use.** The proceeds received from selling items produced during the development of items of property, plant and equipment and their cost of production are required to be accounted for in profit or loss by these amendments. No material transaction was affected by this amendment during the periods presented.

**Amendments to IAS 37, Onerous Contracts – Cost of Fulfilling a Contract.** This text specifies that only direct costs are to be used to measure an onerous contract. These provisions were integrated into the rules applied to measure provisions for onerous contracts, without generating a material impact on liabilities recognized in previous periods for this purpose.

**Amendments to IFRS 3, Business Combinations.** This amendment updates a reference to the Conceptual Framework in IFRS 3 without significantly changing its requirements.



**IFRS Interpretations Committee (IFRS IC) agenda decisions about configuration or customization costs in a cloud computing arrangement (IAS 38).** At December 31, 2021, Imerys had disclosed that an analysis was in progress to measure the impact of this IFRS IC agenda decision about configuration or customization costs in Software as a Service (SaaS) arrangements. The Committee distinguished two scenarios. In the first scenario, the entity recognizes SaaS configuration or customization costs as an intangible asset if the entity controls the resource and has the power to restrict the access of third parties. In the second scenario, where the entity does not recognize an intangible asset in relation to configuration or customization of the SaaS, the entity must recognize an expense as services are rendered. These clarifications, implemented by the Imerys impact analysis, served to conclude that the configuration or customization costs that should have been recognized as an expense as the services were rendered, but were actually recognized as intangible assets, were not material. The carrying amount of intangible assets at January 1, 2021 was therefore not restated.

## 2.2 Voluntary changes

No voluntary changes were applied in 2021 or 2022.

## 2.3 First application of accounting policies

The occurrence of transactions, events or conditions that did not occur previously or were immaterial may require new accounting policies to be applied. In the first half of 2022, the Turkish economy became hyperinflationary, requiring the first-time application of certain provisions of IAS 21, The Effects of Changes in Foreign Exchange Rates, IAS 29, Financial Reporting in Hyperinflationary Economies and the interpretation of IFRIC 7, Applying the Restatement Approach under IAS 29. These new accounting policies were applied to Imerys' main operation in Turkey, Haznedar, which was acquired in December 2020 and the financial statements of which were stated in the measuring unit current at the end of the reporting period, in terms of foreign exchange rates (*Note 21*) as well as price indices. The reference used for this purpose, the consumer price index (base year 2003 = 100) published by Türkiye İstatistik Kurumu, the Turkish Statistical Institute, was applied as follows:

- **At January 1, 2022.** Restatement of non-monetary items (goodwill, property, plant and equipment, intangible assets and share capital) totaling €16.5 million before income taxes. The restatement was recognized against the translation reserve, the value of which was credited by €14.4 million after income taxes.
- **In the first half of 2022.** Restatement of non-monetary items (goodwill, property, plant and equipment, intangible assets and share capital) and income and expenses against a gain on the net monetary position included in profit or loss totaling €17.8 million.

## 2.4 Errors

No errors were corrected in 2021 or 2022.

## 2.5 Estimates and judgments

The matters that require Executive Management to make material estimates and judgments are identified in *Note 4* of *Chapter 6 of the 2021 Universal Registration Document*. These factors remained relevant throughout the first half of 2022 and Executive Management continues to carefully consider these areas of estimates and judgments.

## Note 3 Standards and interpretations effective after the closing date

In line with the European Union's latest IFRS endorsement status report of May 2, 2022 published by the European Financial Reporting Advisory Group (EFRAG), Imerys will apply the following standards and interpretations in 2023.

**Amendment to IAS 1, Classification of Liabilities as Current or Non-current.** The modifications proposed by this amendment make it clear that the split between current and non-current liabilities is based on the contractual arrangements, irrespective of the issuer's intentions.

**Amendments to IAS 1, Disclosure of Accounting Policies.** While the current standard requires that an issuer discloses its significant accounting policies; these amendments require the disclosure of material accounting policies. Such amendments provide that an accounting policy may be material because of its nature, even in the absence of significant amounts, especially if the users of the financial statements need to be aware of the policy to understand other information contained therein.

**Amendments to IAS 8, Definition of Accounting Estimates.** Having observed that issuers may struggle to differentiate between changes in accounting policy that must be applied retrospectively and changes in estimates that must be applied prospectively, in particular regarding changes to measurement methods, the standard setter reviewed these two definitions with examples.

**Amendment to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction.** The amendment clarifies that the initial recognition exemption for deferred tax does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition, for example in relation to the initial recognition of leases. This clarification does not require any change to be made to the accounting policies applied by Imerys, which already complied with these principles.

Amendments to IFRS 17, Insurance Contracts, do not apply to Imerys.

## ■ INFORMATION BY SEGMENT

Imerys is split into two segments – Performance Minerals (PM) and High Temperature Materials & Solutions (HTMS) – grouping five business areas to focus on the Group's core markets. Each of the reported segments manufactures and sells goods and services presenting geological, industrial and commercial synergies. They are formed through the aggregation of business areas monitored each month by Executive Management in its business reporting. Executive Management does not consider the holding structure that handles the Group's centralized financing to be a segment. The aggregates for this activity are therefore presented in a reconciliation column with inter-segment eliminations (IS&H).

### Consolidated Income Statement

Revenue from transactions made by Imerys with each of its external customers never exceeds the threshold of 10.0% of the Group's revenue.

At June 30, 2022

(€ millions)

	PM	HTMS	IS&H	Total
<b>External revenue</b>	<b>1,375.5</b>	<b>1,185.7</b>	<b>1.8</b>	<b>2,563.0</b>
Sale of goods	1,213.2	1,083.2	1.8	2,298.3
Rendering of services	162.2	102.5	-	264.7
<b>Inter-segment revenue</b>	<b>25.0</b>	<b>(0.5)</b>	<b>(24.4)</b>	<b>0.0</b>
<b>Revenue</b>	<b>1,400.4</b>	<b>1,185.2</b>	<b>(22.7)</b>	<b>2,563.0</b>
<b>Current operating income</b>	<b>175.0</b>	<b>135.6</b>	<b>(17.9)</b>	<b>292.7</b>
Of which amortization, depreciation and impairment	(96.4)	(54.8)	(8.7)	(159.8)
<b>Other operating income and expenses</b>				<b>(6.8)</b>
<b>Operating income</b>				<b>285.9</b>
<b>Financial income (loss)</b>				<b>(16.8)</b>
Interest income				1.9
Interest expense				(16.3)
Gain (loss) on the net monetary position <sup>(1)</sup>				17.8
<b>Income taxes</b>				<b>(78.1)</b>
<b>Net income</b>				<b>208.8</b>

(1) 1<sup>st</sup> application of IAS 29 on hyperinflationary economies (Note 2.3)

**At June 30, 2021**

(€ millions)	PM	HTMS	IS&H	Total
<b>External revenue</b>	<b>1,197.3</b>	<b>960.4</b>	<b>0.6</b>	<b>2,158.3</b>
Sale of goods	1,060.1	880.1	0.6	1,940.8
Rendering of services	137.2	80.3	-	217.6
<b>Inter-segment revenue</b>	<b>15.0</b>	<b>2.0</b>	<b>(17.0)</b>	<b>0.0</b>
<b>Revenue</b>	<b>1,212.3</b>	<b>962.4</b>	<b>(16.4)</b>	<b>2,158.3</b>
<b>Current operating income</b>	<b>169.6</b>	<b>94.0</b>	<b>(18.6)</b>	<b>245.0</b>
Of which amortization, depreciation and impairment	(100.6)	(50.8)	(8.6)	(160.0)
<b>Other operating income and expenses</b>				<b>(21.7)</b>
<b>Operating income</b>				<b>223.2</b>
<b>Financial income (loss)</b>				<b>(18.0)</b>
Interest income				1.4
Interest expense				(17.9)
<b>Income taxes</b>				<b>(58.3)</b>
<b>Net income</b>				<b>146.9</b>

**At December 31, 2021**

(€ millions)	PM	HTMS	IS&H	Total
<b>External revenue</b>	<b>2,389.5</b>	<b>1,992.3</b>	<b>1.1</b>	<b>4,382.9</b>
Sale of goods	2,109.5	1,803.9	1.1	3,914.5
Rendering of services	280.0	188.4	-	468.4
<b>Inter-segment revenue</b>	<b>35.8</b>	<b>2.7</b>	<b>(38.5)</b>	<b>0.0</b>
<b>Revenue</b>	<b>2,425.3</b>	<b>1,995.0</b>	<b>(37.4)</b>	<b>4,382.9</b>
<b>Current operating income</b>	<b>303.5</b>	<b>183.0</b>	<b>(34.2)</b>	<b>452.3</b>
Of which amortization, depreciation and impairment	(192.6)	(104.9)	(26.4)	(323.9)
<b>Other operating income and expenses</b>				<b>(67.8)</b>
<b>Operating income</b>				<b>384.5</b>
<b>Financial income (loss)</b>				<b>(39.7)</b>
Interest income				2.6
Interest expense				(35.9)
<b>Income taxes</b>				<b>(95.1)</b>
<b>Net income</b>				<b>249.7</b>

**Current EBITDA****At June 30, 2022***(€ millions)*

	PM	HTMS	IS&H	Total
<b>Items from the Consolidated Income Statement</b>				
External revenue	1,375.5	1,185.7	1.8	2,563.0
Raw materials and consumables used	(414.5)	(593.0)	93.2	(914.3)
External expenses	(427.0)	(209.1)	(38.0)	(674.1)
Staff expenses	(253.4)	(185.4)	(69.6)	(508.4)
Taxes and duties	(15.4)	(5.8)	(1.6)	(22.8)
Other current income and expenses	6.1	(2.1)	5.1	9.1
<b>Adjustments</b>				
Change in provisions for employee benefits	0.1	(1.6)	(0.8)	(2.3)
Change in current operating write-downs and provisions	5.8	1.9	(0.7)	7.0
Share in net income of joint ventures and associates	(3.7)	(3.4)	(7.4)	(14.5)
Dividends received from joint ventures and associates	2.3	-	-	2.3
<b>Current EBITDA</b>	<b>275.8</b>	<b>187.2</b>	<b>(18.0)</b>	<b>445.1</b>

**At June 30, 2021***(€ millions)*

	PM	HTMS	IS&H	Total
<b>Items from the Consolidated Income Statement</b>				
External revenue	1,197.3	960.4	0.6	2,158.3
Raw materials and consumables used	(344.2)	(471.3)	86.8	(728.8)
External expenses	(349.6)	(174.4)	(31.2)	(555.1)
Staff expenses	(232.7)	(172.0)	(60.0)	(464.7)
Taxes and duties	(11.7)	(5.8)	(1.2)	(18.7)
Other current income and expenses	11.0	7.8	(4.9)	13.9
<b>Adjustments</b>				
Change in provisions for employee benefits	(2.9)	0.9	(0.8)	(2.8)
Change in current operating write-downs and provisions	(3.2)	(5.7)	10.3	1.4
Share in net income of joint ventures and associates	(2.7)	(0.2)	(2.6)	(5.5)
Dividends received from joint ventures and associates	1.6	0.8	-	2.4
<b>Current EBITDA</b>	<b>262.9</b>	<b>140.5</b>	<b>(3.0)</b>	<b>400.4</b>

**At December 31, 2021**

(€ millions)	PM	HTMS	IS&H	Total
<b>Items from the Consolidated Income Statement</b>				
External revenue	2,389.5	1,992.3	1.1	4,382.9
Raw materials and consumables used	(686.0)	(982.3)	172.7	(1,495.6)
External expenses	(731.1)	(372.0)	(59.7)	(1,162.8)
Staff expenses	(469.6)	(342.7)	(127.5)	(939.8)
Taxes and duties	(24.4)	(12.3)	(2.3)	(39.0)
Other current income and expenses	17.7	4.9	7.9	30.5
<b>Adjustments</b>				
Change in provisions for employee benefits	(1.9)	(3.8)	(0.8)	(6.5)
Change in current operating write-downs and provisions	5.1	(4.3)	-	0.8
Share in net income of joint ventures and associates	(5.7)	(2.2)	(6.8)	(14.7)
Dividends received from joint ventures and associates	3.7	1.5	-	5.2
<b>Current EBITDA</b>	<b>497.3</b>	<b>279.1</b>	<b>(15.4)</b>	<b>761.0</b>

**Consolidated Statement of Financial Position****At June 30, 2022**

(€ millions)	PM	HTMS	IS&H	Total
<b>Capital employed – Assets</b>	<b>3,849.6</b>	<b>3,029.6</b>	<b>171.5</b>	<b>7,050.7</b>
Goodwill <sup>(1)</sup>	1,222.3	964.1	0.8	2,187.2
Intangible assets and property, plant and equipment <sup>(2)</sup>	1,508.6	992.3	99.3	2,600.2
Inventories	449.0	586.2	(3.1)	1,032.1
Trade receivables	469.2	363.6	(7.6)	825.2
Other receivables – non-current and current	174.9	86.0	31.9	292.8
Joint ventures and associates	25.5	37.4	50.3	113.2
<b>Unallocated assets</b>				<b>992.9</b>
<b>Total assets</b>				<b>8,043.6</b>
<b>Capital employed – Liabilities</b>	<b>769.3</b>	<b>726.1</b>	<b>(52.2)</b>	<b>1,443.2</b>
Trade payables	442.5	420.4	8.5	871.4
Other debts – non-current and current	275.5	249.8	(97.5)	427.8
Income tax payable	51.3	55.9	36.7	143.9
<b>Provisions</b>	<b>445.6</b>	<b>169.9</b>	<b>100.3</b>	<b>715.8</b>
<b>Unallocated liabilities</b>				<b>2,403.2</b>
<b>Total non-current and current liabilities</b>				<b>4,562.1</b>
<b>Total capital employed</b>	<b>3,080.4</b>	<b>2,303.5</b>	<b>223.6</b>	<b>5,607.5</b>
(1) Increase in goodwill	-	6.3	-	6.3
(2) Acquisitions of intangible assets and property, plant and equipment	112.4	38.1	8.4	158.9

**At June 30, 2021**

(€ millions)	PM	HTMS	IS&H	Total
<b>Capital employed – Assets</b>	<b>3,426.1</b>	<b>2,708.5</b>	<b>177.9</b>	<b>6,312.5</b>
Goodwill <sup>(1)</sup>	1,194.1	960.6	0.8	2,155.5
Intangible assets and property, plant and equipment <sup>(2)</sup>	1,355.0	908.8	103.5	2,367.3
Inventories	341.3	411.4	(1.4)	751.3
Trade receivables	370.8	311.0	(4.5)	677.3
Other receivables – non-current and current	141.5	84.0	30.1	255.6
Joint ventures and associates	23.4	32.8	49.4	105.5
<b>Unallocated assets</b>				<b>880.2</b>
<b>Assets held for sale<sup>(3)</sup></b>				<b>59.7</b>
<b>Total assets</b>				<b>7,252.3</b>
<b>Capital employed – Liabilities</b>	<b>619.3</b>	<b>458.1</b>	<b>(46.9)</b>	<b>1,030.4</b>
Trade payables	285.8	293.0	3.6	582.4
Other debts – non-current and current	288.9	140.7	(82.9)	346.7
Income tax payable	44.5	24.4	32.4	101.3
<b>Provisions</b>	<b>427.5</b>	<b>192.5</b>	<b>114.6</b>	<b>734.6</b>
<b>Unallocated liabilities</b>				<b>2,334.1</b>
<b>Liabilities related to assets held for sale<sup>(3)</sup></b>				<b>12.4</b>
<b>Total non-current and current liabilities</b>				<b>4,111.5</b>
<b>Total capital employed</b>	<b>2,806.8</b>	<b>2,250.4</b>	<b>224.8</b>	<b>5,282.0</b>
(1) Increase in goodwill	(4.7)	(1.8)	-	(6.6)
(2) Acquisitions of intangible assets and property, plant and equipment	79.8	35.1	10.5	125.5
(3) Hydrous kaolin business in the US (Note 20)				

**At December 31, 2021**

(€ millions)	PM	HTMS	IS&H	Total
<b>Capital employed – Assets</b>	<b>3,556.3</b>	<b>2,802.9</b>	<b>150.6</b>	<b>6,509.8</b>
Goodwill <sup>(1)</sup>	1,201.4	942.5	0.8	2,144.7
Intangible assets and property, plant and equipment <sup>(2)</sup>	1,442.4	979.6	99.1	2,521.1
Inventories	378.7	472.0	(1.6)	849.1
Trade receivables	337.6	285.8	(9.1)	614.3
Other receivables – non-current and current	172.2	88.8	19.3	280.3
Joint ventures and associates	24.0	34.2	42.1	100.3
<b>Unallocated assets</b>				<b>843.2</b>
<b>Assets held for sale<sup>(3)</sup></b>				<b>63.1</b>
<b>Total assets</b>				<b>7,416.1</b>
<b>Capital employed – Liabilities</b>	<b>651.2</b>	<b>593.7</b>	<b>11.4</b>	<b>1,256.3</b>
Trade payables	320.8	332.4	6.9	660.1
Other debts – non-current and current	286.4	217.3	(22.9)	480.8
Income tax payable	44.0	44.0	27.4	115.4
<b>Provisions</b>	<b>434.8</b>	<b>191.2</b>	<b>100.9</b>	<b>726.9</b>
<b>Unallocated liabilities</b>				<b>2,177.5</b>
<b>Liabilities related to assets held for sale<sup>(3)</sup></b>				<b>13.5</b>
<b>Total non-current and current liabilities</b>				<b>4,174.2</b>
<b>Total capital employed</b>	<b>2,905.1</b>	<b>2,209.2</b>	<b>139.2</b>	<b>5,253.5</b>
(1) Increase in goodwill	(4.8)	(24.0)	-	(28.8)
(2) Acquisitions of intangible assets and property, plant and equipment	257.4	114.7	23.6	395.7
(3) Hydrous kaolin business in the US (Note 20)				

## ■ NOTES TO THE CONSOLIDATED INCOME STATEMENT

### Note 4 Revenue

Given the diversity of the Group's operations and geographic spread, Imerys is not materially affected by seasonal variations or economic cycles in certain markets, in particular the steel, automotive and construction industries. The following table presents a breakdown of revenue by sale of goods and rendering of services. In the first half of 2022, total revenue equaled €2,563.0 million (€2,158.3 million in the first half of 2021 and €4,382.9 million for the full year), representing an 18.7% increase (compared with 13.6% in the first half of 2021 and 15.4% for the full year), including a positive currency effect of €100.5 million (a negative effect of €82.5 million in the first half of 2021 and €53.5 million for the full year) and a negative scope effect of €26.2 million (a positive effect of €37.6 million in the first half of 2021 and €57.4 million for the full year). At constant scope and exchange rates, revenue grew by 14.8% (compared with 16.7% in the first half of 2021 and 15.6% for the full year).

(€ millions)	June 30, 2022	June 30, 2021	2021
Sale of goods	2,298.3	1,940.8	3,914.5
Rendering of services	264.7	217.6	468.4
<b>Total</b>	<b>2,563.0</b>	<b>2,158.3</b>	<b>4,382.9</b>

The following table presents a different breakdown of revenue by the time at which goods or services are transferred to customers, distinguishing between goods and services transferred to customers at a given point in time and services transferred to customers over time.

(€ millions)	June 30, 2022	June 30, 2021	2021
<b>Goods and services transferred to customers at a given point in time</b>	<b>2,304.0</b>	<b>1,945.1</b>	<b>3,922.1</b>
Sale of material specialties	2,298.3	1,940.8	3,914.5
Rendering of industrial services	5.3	4.1	7.1
Rendering of other services	0.4	0.2	0.5
<b>Services transferred to customers over time</b>	<b>259.0</b>	<b>213.3</b>	<b>460.8</b>
Shipping revenue	178.2	147.5	307.5
Rendering of industrial services	74.1	64.8	151.3
Rendering of other services	6.7	1.0	2.0
<b>Total</b>	<b>2,563.0</b>	<b>2,158.3</b>	<b>4,382.9</b>

### Note 5 Raw materials and consumables used

(€ millions)	June 30, 2022	June 30, 2021	2021
Raw materials	(508.9)	(411.7)	(832.1)
Energy	(292.0)	(161.8)	(365.7)
Chemicals	(45.6)	(31.6)	(68.1)
Other consumables	(151.5)	(110.6)	(243.8)
Merchandise	(90.5)	(71.9)	(146.3)
Change in inventories	166.5	56.4	146.4
Self-constructed assets	7.7	2.3	14.0
<b>Total</b>	<b>(914.3)</b>	<b>(728.8)</b>	<b>(1,495.6)</b>



**Note 6 External expenses**

(€ millions)	June 30, 2022	June 30, 2021	2021
Transportation	(355.9)	(278.3)	(585.7)
Lease payments recognized in expenses	(22.9)	(20.2)	(36.8)
Lease term of 12 months or less	(12.4)	(8.8)	(21.3)
Leases of low-value assets	(0.2)	(0.2)	(0.5)
Variable payments and services	(10.3)	(11.1)	(15.0)
Impact of reductions in the scope of leases	-	0.2	0.2
Subcontracting	(79.1)	(67.5)	(142.9)
Maintenance and repair	(65.5)	(62.9)	(127.8)
Fees	(49.4)	(44.5)	(90.8)
Other external expenses	(101.3)	(81.9)	(179.0)
<b>Total</b>	<b>(674.1)</b>	<b>(555.1)</b>	<b>(1,162.8)</b>

**Note 7 Staff expenses**

(€ millions)	June 30, 2022	June 30, 2021	2021
Salaries	(392.5)	(358.5)	(720.3)
Social security contributions	(73.6)	(68.2)	(137.9)
Net change in provisions for employee benefits	2.3	2.8	6.5
Contributions to defined benefit plans	(7.2)	(9.3)	(16.2)
Contributions to defined contribution plans	(15.7)	(13.1)	(26.9)
Profit-sharing	(14.6)	(13.2)	(35.5)
Other employee benefits	(7.1)	(5.1)	(9.5)
<b>Total</b>	<b>(508.4)</b>	<b>(464.7)</b>	<b>(939.8)</b>

**Note 8 Other operating income and expenses**

“Other operating income and expenses” corresponds to items of income and expenses resulting from a limited number of clearly identified, non-recurring and significant events, such as the impact in profit of acquiring or losing control of a business (Note 20), restructuring including any related asset disposals, impairment loss recognized against goodwill (Note 16) or major litigation (Note 18).

(€ millions)	June 30, 2022	June 30, 2021	2021
<b>Gain (loss) from changes in control</b>	<b>20.6</b>	<b>4.0</b>	<b>(0.5)</b>
Transaction costs	(9.4)	(1.4)	(5.5)
Changes in the estimated contingent consideration of the seller	-	-	0.2
Income from disposals of consolidated businesses	30.0	3.8	3.1
Gain from bargain purchases	-	1.7	1.7
<b>Other non-recurring items</b>	<b>(27.4)</b>	<b>(25.7)</b>	<b>(67.3)</b>
Impairment due to restructuring	(16.3)	(11.4)	(28.9)
Income from non-recurring asset disposals	0.3	(0.7)	(0.5)
Restructuring expenses paid	(13.0)	(32.9)	(58.6)
Change in provisions	(1.3)	20.6	20.7
Share of net income from non-recurring operations of associates	3.0	(1.4)	-
<b>Other operating income and expenses</b>	<b>(6.8)</b>	<b>(21.7)</b>	<b>(67.8)</b>

## Other operating income and expenses in the first half of 2022

“Other operating income and expenses” represented a €6.8 million expense, of which :

- €20.6 million of “Gain (loss) from changes in control”, mainly made-up of €31.8 million in income from disposing of the natural graphite business in Canada and Namibia ([Note 20](#)), a €9.4 million expense incurred by disposing of the hydrous kaolin business in the US ([Note 20](#)) and a €9.4 million expense in transaction costs; and
- a €27.4 million loss corresponding to “Other non-recurring items”, mainly made-up of an €18.3 million expense of restructuring and write-down of assets of the Group’s operations in Russia and Ukraine ([Note 16](#)).

## Other operating income and expenses in the first half of 2021

“Other operating income and expenses” represented a €21.7 million expense, including €3.0 million through the “Connect & Shape” transformation plan and €4.3 million to restructure the paper business.

## Other operating income and expenses in 2021

“Other operating income and expenses” represented a €67.8 million expense, including a €22.0 million expense incurred by restructuring the ground calcium carbonate (GCC) business at the Baltimore facility in the US and a €15.7 million expense incurred by disposing of the hydrous kaolin business in the US.

## Note 9 Financial income (loss)

At June 30, 2022

	Non-hedge accounting			Cash flow hedge		Total		
	IFRS 9 categories							
	Amortized cost	Fair value through profit or loss	Non IFRS 9	Hedged item	Hedge	Income	Expenses	Net
(€ millions)								
Net financial debt expense	(18.3)	2.0	0.0	0.0	0.0	2.0	(18.3)	(16.3)
Income from securities	-	2.0	-	-	-	2.0	-	2.0
Gross financial debt expense	(18.3)	-	-	-	-	-	(18.3)	(18.3)
Other financial income (expenses)	5.3	(0.2)	(5.7)	0.0	0.0	164.7	(165.2)	(0.5)
Net exchange rate differences	6.6	(0.7)	(0.1)	-	-	146.6	(140.7)	5.9
Financial income and expenses of defined benefit plans	-	-	(3.6)	-	-	10.7	(14.3)	(3.6)
Unwinding of other provisions	-	-	(1.6)	-	-	-	(1.6)	(1.6)
Other financial income (expenses)	(1.3)	0.5	(0.4)	-	-	7.4	(8.6)	(1.2)
Financial income (loss)	(13.0)	1.8	(5.7)	0.0	0.0	166.7	(183.5)	(16.8)

## At June 30, 2021

	Non-hedge accounting			Cash flow hedge		Total		
	IFRS 9 categories		Non IFRS 9	Hedged item	Hedge	Income	Expenses	Net
	Amortized cost	Fair value through profit or loss						
<i>(€ millions)</i>								
<b>Net financial debt expense</b>	<b>(19.7)</b>	<b>1.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.4</b>	<b>(19.7)</b>	<b>(18.2)</b>
Income from securities	-	1.4	-	-	-	1.4	-	1.4
Gross financial debt expense	(19.7)	-	-	-	-	-	(19.7)	(19.7)
<b>Other financial income (expenses)</b>	<b>6.2</b>	<b>(0.4)</b>	<b>(5.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>122.4</b>	<b>(122.2)</b>	<b>0.2</b>
Net exchange rate differences	1.6	(0.4)	(0.2)	-	-	110.2	(109.2)	1.0
Financial income and expenses of defined benefit plans	-	-	(3.9)	-	-	7.2	(11.1)	(3.9)
Unwinding of other provisions	-	-	(1.2)	-	-	-	(1.2)	(1.2)
Other financial income (expenses)	4.6	-	(0.2)	-	-	5.0	(0.6)	4.4
<b>Financial income (loss)</b>	<b>(13.5)</b>	<b>1.0</b>	<b>(5.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>123.8</b>	<b>(141.8)</b>	<b>(18.0)</b>

## At December 31, 2021

	Non-hedge accounting			Cash flow hedge		Total		
	IFRS 9 categories		Non IFRS 9	Hedged item	Hedge	Income	Expenses	Net
	Amortized cost	Fair value through profit or loss						
<i>(€ millions)</i>								
<b>Net financial debt expense</b>	<b>(40.4)</b>	<b>2.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.6</b>	<b>(40.4)</b>	<b>(37.8)</b>
Income from securities	-	2.6	-	-	-	2.6	-	2.6
Gross financial debt expense	(40.4)	-	-	-	-	-	(40.4)	(40.4)
<b>Other financial income (expenses)</b>	<b>9.7</b>	<b>0.0</b>	<b>(11.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>153.7</b>	<b>(155.6)</b>	<b>(1.9)</b>
Net exchange rate differences	2.9	(0.2)	0.2	-	-	129.0	(126.1)	2.9
Financial income and expenses of defined benefit plans	-	-	(7.8)	-	-	14.6	(22.4)	(7.8)
Unwinding of other provisions	-	-	(2.9)	-	-	-	(2.9)	(2.9)
Other financial income (expenses)	6.8	0.2	(1.1)	-	-	10.1	(4.2)	5.9
<b>Financial income (loss)</b>	<b>(30.7)</b>	<b>2.6</b>	<b>(11.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>156.3</b>	<b>(196.0)</b>	<b>(39.7)</b>

## Note 10 Income taxes

### Half-year income tax rate

The tax rate applied to the half-year income is obtained using an estimate of the rate applicable to the annual income. The estimate is calculated by taking the average legal rates weighted by the forecasted results. This weighted average is adjusted for permanent differences expected to occur over the period as well as events whose trigger events relate to the first half of the year.

### Income taxes recognized in profit or loss

(€ millions)	June 30, 2022	June 30, 2021	2021
<b>Payable and deferred income taxes</b>			
Income tax payable	(75.5)	(59.4)	(104.5)
Deferred taxes	(2.6)	1.0	9.4
<b>Total</b>	<b>(78.1)</b>	<b>(58.4)</b>	<b>(95.1)</b>
<b>Income taxes by level of profit</b>			
<b>Income taxes on current operating and financial income (loss)</b>	<b>(74.4)</b>	<b>(61.3)</b>	<b>(111.4)</b>
Income taxes payable on current operating and financial income (loss)	(75.0)	(63.0)	(112.9)
Deferred taxes on current operating and financial income (loss)	0.6	1.7	1.5
<b>Income taxes on other operating income and expenses</b>	<b>(3.7)</b>	<b>2.9</b>	<b>16.3</b>
Income taxes payable on other operating income and expenses	(0.5)	3.6	8.4
Deferred taxes on other operating income and expenses	(3.2)	(0.7)	7.9
<b>Total</b>	<b>(78.1)</b>	<b>(58.4)</b>	<b>(95.1)</b>

### Income taxes recognized in equity

(€ millions)	June 30, 2022	June 30, 2021	2021
Gains (losses) on remeasurements of defined benefit plans	(15.2)	(12.4)	(22.6)
Gains (losses) on investments in equity instruments measured at fair value	0.2	-	-
<b>Income taxes on components that will not be reclassified</b>	<b>(15.0)</b>	<b>(12.4)</b>	<b>(22.6)</b>
<b>Cash flow hedges</b>	<b>1.5</b>	<b>(6.8)</b>	<b>(14.0)</b>
Income taxes recognized in equity	(12.8)	(8.3)	(25.3)
Income taxes reclassified in profit or loss	14.3	1.6	11.3
<b>Translation reserve</b>	<b>(4.6)</b>	<b>(0.4)</b>	<b>0.8</b>
Income taxes recognized in equity	(4.6)	(1.4)	(0.2)
Income taxes reclassified in profit or loss	-	1.0	1.0
<b>Income taxes on components that will be reclassified</b>	<b>(3.1)</b>	<b>(7.2)</b>	<b>(13.2)</b>
<b>Total</b>	<b>(18.1)</b>	<b>(19.6)</b>	<b>(35.8)</b>

### Income taxes paid

In the first half of 2022, income taxes paid in cash and using tax credits amounted to €50.4 million (€48.3 million in the first half of 2021 and €72.0 million for the full year).

**Note 11 Net income from current operations and Net income, Group share**

(€ millions)	June 30, 2022	June 30, 2021	2021
Current operating income	292.7	245.0	452.3
Financial income (loss)	(16.8)	(18.0)	(39.7)
Income taxes on current operating income and financial income (loss)	(74.5)	(61.3)	(111.4)
Current operating income (expenses) and financial income (loss) attributable to non-controlling interests	(12.0)	(7.4)	(13.3)
<b>Net income from current operations, Group share</b>	<b>189.4</b>	<b>158.3</b>	<b>287.9</b>
Other operating income (expenses), gross	(6.8)	(21.7)	(67.8)
Gain (loss) on the net monetary position <sup>(1)</sup>	17.8	-	-
Income taxes on other operating income and expenses <sup>(2)</sup>	(3.7)	2.9	16.3
Other operating income (expenses) attributable to non-controlling interests	(4.3)	2.3	3.7
<b>Net income, Group share</b>	<b>192.4</b>	<b>141.8</b>	<b>240.1</b>

(1) 1<sup>st</sup> application of IAS 29 on hyperinflationary economies (Note 2.3)

(2) Including income taxes on gain (loss) on the net monetary position

**Note 12 Earnings per share**

(€ millions)	June 30, 2022	June 30, 2021	2021
<b>Numerator</b>			
Net income, Group share	192.4	141.8	240.1
Net income from current operations, Group share	189.4	158.2	287.9
<b>Denominator</b>			
Weighted average number of shares used to calculate basic income per share	84,688,000	84,709,730	84,689,581
Diluted impact of free shares	1,399,813	1,441,725	1,436,525
Weighted average number of shares used to calculate diluted income per share	86,087,813	86,151,455	86,126,106
<b>Basic income per share, Group share (in €)</b>			
Basic net income per share	2.27	1.67	2.83
Basic net income from current operations per share	2.24	1.87	3.40
<b>Diluted income per share, Group share (in €)</b>			
Diluted net income per share	2.24	1.65	2.79
Diluted net income from current operations per share	2.20	1.84	3.34

## ■ NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Note 13 Goodwill

(€ millions)	June 30, 2022	June 30, 2021	2021
<b>Carrying amount at the beginning of the period</b>	<b>2,144.7</b>	<b>2,149.1</b>	<b>2,149.1</b>
Gross amount	2,241.0	2,236.4	2,236.4
Impairment	(96.3)	(87.3)	(87.3)
Incoming entities	-	(1.6)	(23.8)
Outgoing entities	-	(0.2)	(0.2)
Exchange rate differences <sup>(1)</sup>	42.5	13.3	24.6
Reclassification to assets held for sale <sup>(2)</sup>	-	(5.0)	(5.0)
<b>Carrying amount at the end of the period</b>	<b>2,187.2</b>	<b>2,155.5</b>	<b>2,144.7</b>
Gross amount	2,291.5	2,246.2	2,241.0
Impairment	(104.3)	(90.7)	(96.3)

(1) Exchange rate differences include €14.4 million relating to the restatement of non-monetary items pursuant to the 1<sup>st</sup> application of IAS 29 on hyperinflationary economies, of which €6.3 million at January 1, 2022 and €8.1 million with respect to the first half of 2022 (Note 2.3).

(2) In 2021, the hydrous kaolin business in the US (Note 20)

### Note 14 Intangible assets

(€ millions)	Software	Trademarks, patents and licenses	Industrial processes and others	Total
<b>Carrying amount at January 1, 2021</b>	<b>50.1</b>	<b>163.1</b>	<b>74.4</b>	<b>287.6</b>
Gross amount	144.0	180.6	152.6	477.3
Amortization and impairment	(93.9)	(17.5)	(78.3)	(189.7)
Incoming entities	-	27.3	-	27.3
Outgoing entities	-	-	(0.6)	(0.6)
Acquisitions	17.0	0.1	7.2	24.3
Disposals	-	-	(0.1)	(0.1)
Amortization	(13.9)	(3.3)	(9.2)	(26.4)
Reclassification and other	0.4	-	(0.4)	-
Exchange rate differences	0.3	(9.4)	0.9	(8.2)
<b>Carrying amount at January 1, 2022</b>	<b>53.9</b>	<b>177.8</b>	<b>72.2</b>	<b>303.9</b>
Gross amount	163.7	198.3	166.7	528.7
Amortization and impairment	(109.8)	(20.5)	(94.5)	(224.8)
Outgoing entities	-	-	(1.4)	(1.4)
Acquisitions	4.3	-	13.8	18.1
Disposals	(0.1)	-	(3.2)	(3.3)
Amortization	(6.3)	(1.5)	(5.4)	(13.1)
Impairment	-	-	(0.1)	(0.1)
Reclassification and other	0.4	(0.1)	(0.3)	-
Exchange rate differences <sup>(1)</sup>	(0.1)	12.0	1.2	13.1
<b>Carrying amount at June 30, 2022</b>	<b>52.1</b>	<b>188.2</b>	<b>76.8</b>	<b>317.2</b>
Gross amount	171.5	210.5	167.7	549.8
Amortization and impairment	(119.4)	(22.3)	(90.9)	(232.6)

(1) Exchange rate differences include €12.9 million relating to the restatement of non-monetary items pursuant to the 1<sup>st</sup> application of IAS 29 on hyperinflationary economies, of which €5.6 million at January 1, 2022 and €7.3 million with respect to the first half of 2022 (Note 2.3).

## Note 15 Property, plant and equipment

### Table of changes

The following table shows the change in the carrying amount of property, plant and equipment owned by the Group between the beginning and end of the periods presented. The "Right-of-use assets" column presents the change in rights conveyed by leases to use property, plant and equipment. The "Mining assets" column includes the carrying amount of mineral deposits that Imerys owns or leases, as well as the overburden work required to gain access to the deposit. The other columns in the table analyze the change in freehold movable and immovable property, depending on their nature.

(€ millions)	Right-of-use assets	Mining assets	Land and buildings	Plant and equipment	Down payments and plants under construction	Other plant and equipment	Total
<b>Carrying amount at January 1, 2021</b>	<b>192.5</b>	<b>425.6</b>	<b>306.1</b>	<b>923.3</b>	<b>198.9</b>	<b>78.6</b>	<b>2,125.0</b>
Gross amount	397.5	907.2	579.7	3,622.2	222.0	309.8	6,038.4
Depreciation and impairment	(205.0)	(481.6)	(273.6)	(2,698.9)	(23.1)	(231.2)	(3,913.4)
Incoming entities	-	-	9.7	6.3	-	0.9	16.9
Outgoing entities	-	-	(0.6)	(5.9)	(0.3)	-	(6.8)
Acquisitions	-	65.1	9.1	59.9	203.2	5.5	342.8
Acquisition cost and subsequent adjustments	34.4	-	-	-	-	-	34.4
Contributions in kind	-	-	1.1	-	-	-	1.1
Disposals	-	(0.2)	(0.8)	(3.7)	(1.6)	(0.4)	(6.7)
Depreciation	(53.4)	(57.6)	(13.3)	(153.2)	-	(19.9)	(297.4)
Impairment	(0.3)	(22.1)	(0.9)	(12.3)	(1.3)	-	(36.9)
Reversals of impairment	-	-	0.4	7.3	0.3	-	8.0
Reclassification and other	-	0.4	(8.3)	179.2	(178.9)	7.6	0.0
Reclassification to assets held for sale <sup>(1)</sup>	(2.7)	(11.6)	(6.7)	(13.2)	(3.4)	(0.3)	(37.9)
Exchange rate differences	5.1	19.4	6.6	34.3	7.5	1.8	74.7
<b>Carrying amount at January 1, 2022</b>	<b>175.6</b>	<b>419.0</b>	<b>302.4</b>	<b>1,022.0</b>	<b>224.4</b>	<b>73.8</b>	<b>2,217.2</b>
Gross amount	364.0	966.1	555.2	3,844.9	248.5	307.9	6,286.6
Depreciation and impairment	(188.4)	(547.1)	(252.8)	(2,822.9)	(24.1)	(234.1)	(4,069.4)
Incoming entities	-	-	-	-	1.5	-	1.5
Outgoing entities	-	(1.7)	-	(4.5)	-	(0.4)	(6.6)
Acquisitions	-	33.9	1.4	19.9	73.6	1.7	130.5
Acquisition cost and subsequent adjustments	15.4	-	-	-	-	-	15.4
Disposals	-	-	(0.8)	(0.4)	(0.1)	(0.1)	(1.4)
Depreciation	(22.6)	(30.7)	2.7	(90.0)	(0.5)	(9.1)	(150.2)
Impairment	-	(2.3)	(9.4)	-	(0.8)	(0.2)	(12.7)
Reclassification and other	0.1	0.6	1.7	95.6	(106.9)	8.9	0.0
Exchange rate differences <sup>(2)</sup>	3.0	18.3	10.3	46.2	9.0	2.6	89.4
<b>Carrying amount at June 30, 2022</b>	<b>171.5</b>	<b>437.1</b>	<b>308.3</b>	<b>1,088.8</b>	<b>200.2</b>	<b>77.2</b>	<b>2,283.1</b>
Gross amount	376.6	1,009.4	565.7	4,035.5	206.1	318.1	6,511.4
Depreciation and impairment	(205.1)	(572.3)	(257.4)	(2,946.7)	(5.9)	(240.9)	(4,228.3)

(1) Hydrous kaolin business in the US (Note 20)

(2) Exchange rate differences include €10.6 million relating to the restatement of non-monetary items pursuant to the 1<sup>st</sup> application of IAS 29 on hyperinflationary economies, of which €4.5 million at January 1, 2022 and €6.1 million with respect to the first half of 2022 (Note 2.3).



## Note 16 Impairment tests

At December 31, 2021, the impairment test on goodwill did not lead to the recognition of any impairment loss. This test is performed systematically on goodwill at the end of the financial year. It is only performed at the half-year close when an impairment indicator is identified. After having considered the observable facts and circumstances likely to trigger an impairment test, particularly interest rate fluctuations and events that may affect the activity, and having measured in particular that the impact of the conflict in Ukraine and the international sanctions imposed on Russia would have a limited impact on Imerys' businesses, both directly due to the low materiality of operations in these countries, and indirectly due to the measures taken by the Group to offset rising inflation of energy costs, Executive Management identified there was no indication of impairment and the test on goodwill was not performed at the end of the first half of 2022.

In 2021, the total amount of revenue generated in Russia and Ukraine accounted for around 1.5% of consolidated Group revenue, while the net value of assets represented less than 0.5% of total capital employed. At the beginning of the conflict, Imerys suspended its operations at its two production facilities in Ukraine. These operations contributed to revenue by approximately €20.0 million in 2021. Besides, Imerys terminated its operations in Russia, which in 2021 contributed approximately €50.0 million in revenue. The Group does not own any industrial assets in Russia. At June 30, 2022, Imerys recognized €18.3 million in restructuring expenses and write-down of assets with respect to its operations in Ukraine and Russia ([Note 8](#)), of which €12.8 million in impairment, primarily regarding property, plant and equipment.

## Note 17 Inventories

(€ millions)	June 30, 2022			June 30, 2021			2021		
	Gross amount	Write-down	Carrying amount	Gross amount	Write-down	Carrying amount	Gross amount	Write-down	Carrying amount
Raw materials	501.4	(21.3)	480.1	354.1	(20.9)	333.1	426.3	(21.9)	404.4
Work in progress	142.4	(4.7)	137.7	98.5	(2.4)	96.1	112.1	(3.8)	108.3
Finished goods	324.3	(15.5)	308.8	259.5	(19.0)	240.4	275.5	(17.4)	258.1
Merchandise	107.7	(2.2)	105.5	83.5	(2.0)	81.6	80.2	(1.9)	78.3
<b>Total</b>	<b>1,075.8</b>	<b>(43.7)</b>	<b>1,032.1</b>	<b>795.6</b>	<b>(44.3)</b>	<b>751.3</b>	<b>894.1</b>	<b>(45.0)</b>	<b>849.1</b>

## Note 18 Other provisions

(€ millions)	June 30, 2022	June 30, 2021	2021
Other non-current provisions	440.0	414.8	414.0
Other current provisions	49.9	42.7	53.2
<b>Total</b>	<b>489.9</b>	<b>457.5</b>	<b>467.2</b>

The following table presents the change in other provisions.

(€ millions)	Product warranties	Environmental and dismantling obligations	Mine site restoration	Legal, social and regulatory risks	Total
<b>Balance at January 1, 2021</b>	<b>3.4</b>	<b>120.3</b>	<b>145.0</b>	<b>184.9</b>	<b>453.7</b>
Change in the scope of consolidation	-	0.2	-	0.1	0.3
Increase	0.7	16.4	10.5	28.5	56.1
Utilizations	(0.7)	(2.3)	(6.4)	(13.2)	(22.6)
Unused decreases	(0.9)	(5.8)	(0.4)	(10.5)	(17.6)
Unwinding expense	-	0.9	1.6	0.4	2.9
Reclassification and other	-	(20.2)	0.2	(2.4)	(22.4)
Reclassification in liabilities related to assets held for sale <sup>(1)</sup>	-	(0.5)	(1.4)	-	(1.9)
Exchange rate differences	0.1	5.2	5.4	8.0	18.7
<b>Balance at January 1, 2022</b>	<b>2.6</b>	<b>114.2</b>	<b>154.5</b>	<b>195.9</b>	<b>467.2</b>
Change in the scope of consolidation	-	(3.4)	(4.2)	(0.6)	(8.2)
Increase	0.2	16.9	8.3	17.2	42.6
Utilizations	(0.2)	(3.1)	(2.8)	(11.5)	(17.7)
Unused decreases	(0.1)	(0.4)	-	(10.6)	(11.1)
Unwinding expense	-	0.4	0.6	0.6	1.6
Reclassification and other	-	(1.6)	0.3	(1.7)	(3.0)
Exchange rate differences	-	1.1	6.1	11.2	18.4
<b>Balance at June 30, 2022</b>	<b>2.5</b>	<b>124.1</b>	<b>162.8</b>	<b>200.5</b>	<b>489.9</b>

(1) Hydrous kaolin business in the US (Note 20)

The criteria used to measure other provisions at the end of the half-year reporting period are identical to those applied at the end of the annual reporting period (Note 23.2 in Chapter 6 of the 2021 Universal Registration Document). This amount includes in particular the balance of the provision set aside to resolve the litigation involving the Group's talc operations in the US. On February 13, 2019, the Group's three North American talc subsidiaries (the "North American Talc Subsidiaries") decided to file for the protection, with immediate effect, of the special legal process of Chapter 11 under US bankruptcy law in order to permanently resolve the potential liabilities related to their historic commercial talc operations in the United States. Under Chapter 11, the Group remains the legal owner of the share capital of the North American Talc Subsidiaries, but their businesses are under the judicial control of the relevant US Delaware federal courts, which oversees the continuing operations of the entities concerned as well as the conclusion and execution of a business reorganization plan that the North American Talc Subsidiaries have sought to negotiate with representatives of existing and future potential claimants (the "Representatives of Claimants") in talc-related litigation brought against them. The Chapter 11 process also suspends all ongoing and future litigation proceedings and prevents any further claims being brought against these entities relating to past and current talc operations in the US. Given 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, which led to an additional expense of €5.6 million being recognized in other operating income and expenses. Negotiations between the North American Talc Subsidiaries, which were joined by Imerys Talc Italy (the "Talc Subsidiaries Involved"), the Group and the Representatives of Claimants led to the agreement on May 15, 2020 of a joint reorganization plan (the "Plan"), which was filed on the same day with the competent Federal Court for the District of Delaware (the "Bankruptcy Court"). The Plan provides that once the necessary approvals have been obtained, the Talc Subsidiaries Involved will emerge from the Chapter 11 process and the Group will be released from all existing and future talc-related liabilities arising out of their past operations, as such liabilities will be channeled into a dedicated trust to be established. Following the approval by the Bankruptcy Court of the disclosure statement of the Plan (the "Disclosure Statement") in January 2021, the Plan was then submitted to the vote by the creditors and claimants against the Talc Subsidiaries Involved. In April 2021, the Plan was approved at a qualified majority exceeding the 75% required voting threshold under the applicable regulations. However, on October 13, 2021, the Bankruptcy Court issued a ruling that certain ballots cast in favor of the Plan will not be counted and, as a consequence, the approval of the Plan fell just short of the required 75% majority vote. This ruling is expected to result in a new solicitation of votes on an updated Plan. The North American Talc Subsidiaries, the Representatives of the Claimants, and other stakeholders in the Chapter 11 process are still engaged in a mediation approved by the Bankruptcy Court, with a recently extended timeline, to reach a revised Plan (the "Revised Plan") that will achieve the required 75% majority approval vote. The key remaining disputed issues in the Chapter 11 process involve (i) monetization of the North American

Talc Subsidiaries' rights to insurance coverage and contractual indemnity and (ii) allocation of the North American Talc Subsidiaries' assets, including current and future potential settlement proceeds with third parties, among claimants alleging different injuries. These issues are not related to the terms and conditions of the settlement with the Group as embedded in the Plan announced in May 2020, which continues to be supported by the Representatives of the Claimants. Once the relevant stakeholders reach an agreed Revised Plan following the ongoing mediation and other negotiations, the supporting documents of the Revised Plan will be submitted to the approval of the Bankruptcy Court before a new solicitation of claimants' votes on the Revised Plan is undertaken by the Talc Subsidiaries Involved. Subject to approval of the Revised Plan at the required 75% voting threshold, it will then undergo a confirmation procedure before the Bankruptcy Court to be followed by a final approval process before the competent Federal Court. Imerys Talc Italy has been named in a few talc related lawsuits in the United States. Upon the grant of the required majority vote on the Revised Plan, Imerys Talc Italy also intends to file for Chapter 11 protection before the final confirmation of the Revised Plan and join the Revised Plan in order to benefit from the same comprehensive and permanent resolution of historic talc-related liabilities as the North American Talc Subsidiaries. In accordance with the Plan, the North American Talc Subsidiaries sold their assets to Magris Resources, a Canadian investment fund, for USD223.0 million on February 17, 2021. Imerys Talc Italy's business was not included in this sale and will remain part of the Group throughout and after the closing of the Chapter 11 proceedings. Under the terms and conditions of the settlement with the Group as embedded in the Plan, the Group's contribution consists of (i) a minimum cash payment of USD75.0 million, (ii) an additional amount of up to USD102.5 million subject to a reduction mechanism proportionate to the sale price for the assets of the North American Talc Subsidiaries, and (iii) certain other components further outlined in the Plan. These commitments primarily include certain insurance assets, financing of minor unsecured trade claims (USD5.0 million) and certain potential excess administrative costs of the Chapter 11 process incurred by the Talc Subsidiaries Involved up to a maximum of USD15.0 million. Given the North American Talc Subsidiaries assets were sold for USD223.0 million, the Group's contribution under the above-mentioned (i) and (ii) of the Revised Plan is not expected to exceed the minimum amount of USD75.0 million. In light of the current state and progress of mediation and negotiation toward a Revised Plan between the relevant stakeholders, at the date the Group's 2022 half year financial results were approved, Executive Management reviewed with the help of independent third-party experts and reiterated its prior estimate of the risk related to the resolution of the Chapter 11 procedure and the forecasted financial impact for the Group. A provision of €250.0 million was initially accrued in Imerys' 2018 consolidated financial accounts, bearing in mind that the North American Talc Subsidiaries have been deconsolidated since February 13, 2019. At June 30, 2022, the provision recognized in the Imerys financial statements, which amounted to USD112.6 million, i.e. €108.4 million, was considered appropriate to cover the expected financial impact of the Revised Plan for the Group.

## Note 19 Financial liabilities

### 19.1 Financial debt

Net financial debt reflects the Group's net position on the market and with financial institutions, i.e. the total financial liabilities contracted in the market and with financial institutions in the form of bonds, bank credits, lease liabilities and bank overdrafts, less cash, cash equivalents and other current financial assets. It is used to manage the Group's financial resources, in particular to calculate covenants with which Imerys has to comply as part of the financing agreements entered into with financial markets ([Note 19.2](#)).

This note analyzes the change in net financial debt in two stages – from current EBITDA to net current free operating cash flow, and from net current free operating cash flow to the change in net financial debt. The following table presents the link between net financial debt and the Consolidated Statement of Financial Position with a distinction between non-derivative and derivative financial instruments. Derivative financial instruments included in the calculation of net financial debt correspond to financing hedge assets and liabilities since they are part of the future cash outflows of this aggregate ([Note 19.2](#)). Operational hedge instruments are not included in the calculation of net financial debt.

At June 30, 2022, "Cash and cash equivalents" amounted to €701.0 million (€687.9 million at June 30, 2021 and €577.2 million at December 31, 2021), of which €591.4 million in cash (€481.8 million at June 30, 2021 and €485.5 million at December 31, 2021) and €109.6 million in cash equivalents (€206.1 million at June 30, 2021 and €91.7 million at December 31, 2021). Cash included a restricted balance of €2.6 million (€2.4 million at June 30, 2021 and €2.7 million at December 31, 2021) not available for Imerys S.A. and its subsidiaries, of which €2.1 million (€1.9 million at June 30, 2021 and €2.0 million at December 31, 2021) due to legal restrictions or foreign exchange controls and €0.5 million (€0.5 million at June 30, 2021 and €0.7 million at December 31, 2021) due to statutory requirements. Furthermore, the Group holds €14.1 million in cash in its entities in Russia, which, although available for Imerys S.A. and its subsidiaries, are subject to certain restrictive regulatory provisions. At June 30, 2022, cash equivalents were composed of €109.6 million in short-term deposits and investments (€206.1 million at June 30, 2021 and €91.7 million at December 31, 2021).

(€ millions)	June 30, 2022	June 30, 2021	2021
<b>Non-derivative financial liabilities</b>	<b>2,236.0</b>	<b>2,237.7</b>	<b>2,038.2</b>
Borrowings and financial debt - non-current	1,693.1	1,701.3	1,695.0
Lease liabilities - non-current	128.1	148.9	155.7
Borrowings and financial debt - current	350.0	323.9	124.9
Lease liabilities - current	55.6	43.2	32.5
Bank overdrafts	9.2	20.4	30.1
<b>Non-derivative financial assets</b>	<b>(709.3)</b>	<b>(695.4)</b>	<b>(585.2)</b>
Other financial assets	(8.3)	(7.5)	(8.0)
Cash and cash equivalents	(701.0)	(687.9)	(577.2)
<b>Hedge derivatives</b>	<b>4.2</b>	<b>5.3</b>	<b>(1.9)</b>
Financing hedge instruments - liabilities	8.9	8.8	4.0
Financing hedge instruments - assets	(4.7)	(3.5)	(5.9)
<b>Net financial debt</b>	<b>1,530.9</b>	<b>1,547.6</b>	<b>1,451.1</b>

## Net current free operating cash flow

Net current free operating cash flow corresponds to the residual cash flow from recurring operations after current operating income taxes and operating capital expenditure, taking into account proceeds from operating asset disposals and cash changes in operating working capital requirement. In comparison with the cash flow presented in the [Consolidated Statement of Cash Flows](#), net current free operating cash flow corresponds to the recurring portion of "Net cash flows from (used in) operating activities" adjusted for acquisitions and disposals of intangible assets and property, plant and equipment in "Cash flow from investing activities" after income taxes.

(€ millions)	Notes	June 30, 2022	June 30, 2021	2021
<b>Items from the Consolidated Income Statement</b>				
Revenue	4	2,563.0	2,158.3	4,382.9
Raw materials and consumables used	5	(914.3)	(728.8)	(1,495.6)
External expenses	6	(674.1)	(555.1)	(1,162.8)
Staff expenses	7	(508.4)	(464.7)	(939.8)
Taxes and duties <sup>(1)</sup>		(22.7)	(18.7)	(39.0)
Other current income and expenses <sup>(1)</sup>		9.1	13.9	30.5
<b>Adjustments</b>				
Change in provisions for employee benefits	7	(2.3)	(2.8)	(6.5)
Change in current operating write-downs and provisions		7.0	1.4	0.8
Share in net income of joint ventures and associates		(14.5)	(5.5)	(14.7)
Dividends received from joint ventures and associates		2.3	2.4	5.2
<b>Current EBITDA</b>		<b>445.1</b>	<b>400.4</b>	<b>761.0</b>
<b>Income taxes</b>				
Notional income tax on current operating income		(79.0)	(66.1)	(122.1)
<b>Adjustments</b>				
Change in operating working capital requirement <sup>(2)</sup>		(159.9)	(62.7)	(19.3)
Carrying amount of intangible assets and property, plant and equipment disposed of		6.3	2.8	6.2
<b>Net current operating cash flow</b>		<b>212.5</b>	<b>274.4</b>	<b>625.8</b>
<b>Investing activities</b>				
Acquisitions of intangible assets and property, plant and equipment <sup>(3)</sup>		(181.3)	(142.7)	(336.3)
Additions to right-of-use assets	15	(15.4)	(9.5)	(34.4)
<b>Net current free operating cash flow</b>		<b>15.8</b>	<b>122.2</b>	<b>255.1</b>
<i>(1) Consolidated Income Statement</i>				
<i>(2) Change in operating working capital requirement (Consolidated Statement of Cash Flows)</i>				
Adjustments for decrease (increase) in inventories		(166.5)	(55.7)	(145.7)
Adjustments for decrease (increase) in trade receivables		(179.1)	(103.0)	(40.7)
Adjustments for increase (decrease) in trade payables		185.7	96.0	167.1
<i>(3) Acquisitions of intangible assets and property, plant and equipment (Consolidated Statement of Cash Flows)</i>				
Acquisitions of intangible assets		(18.1)	(12.2)	(24.3)
Acquisitions of property, plant and equipment		(125.4)	(103.8)	(337.0)
Change in payables on acquisitions of intangible assets and property, plant and equipment		(37.9)	(26.7)	25.0

## Change in net financial debt

The following table presents the cash flow from non-recurring operations, i.e. non-recurring operating transactions, changes in the scope of consolidation, financing transactions and transactions with shareholders. These cash flows, added to the net current free operating cash flow from the previous table, give the total change in net financial debt.

(€ millions)	June 30, 2022	June 30, 2021	2021
<b>Net current free operating cash flow</b>	<b>15.8</b>	<b>122.2</b>	<b>255.1</b>
<b>Income taxes</b>			
Notional income tax on financial income (loss) and non-recurring income and expenses	4.5	4.9	10.7
Change in current and deferred tax assets and liabilities	(1.2)	(1.7)	(1.5)
Change in income tax payables and receivables	25.6	11.1	32.5
Income taxes paid on non-recurring income and expenses	(0.5)	3.6	8.3
<b>Consolidated Income Statement</b>			
Financial income (loss)	(16.8)	(18.0)	(39.7)
Other operating income and expenses	(6.8)	(21.7)	(67.8)
<b>Adjustments</b>			
Change in non-operating working capital requirement	(43.1)	(47.0)	(32.6)
Change in financial write-downs and provisions	1.5	1.7	-
Change in fair value of hedging instruments	0.4	-	(4.8)
Non-recurring impairment losses	-	(1.7)	(1.7)
Change in non-recurring write-downs and provisions	17.7	(9.3)	8.2
Share in net income of joint ventures and associates	(3.0)	1.4	-
Gain (loss) on businesses disposed of	(30.1)	(3.8)	(3.2)
Gain (loss) on intangible assets and property, plant and equipment disposed of	(0.3)	0.7	0.5
Gain (loss) on the net monetary position	17.8	-	-
<b>Investing activities</b>			
Acquisition of businesses	(19.9)	(27.1)	(45.3)
Disposal of businesses	92.9	17.6	38.7
Disposal of intangible assets and property, plant and equipment	0.4	-	-
Loans and advances in cash received from (granted to) third parties	(2.3)	22.1	25.4
<b>Equity</b>			
Share capital increases (decreases)	-	0.8	1.5
Disposals (acquisitions) of treasury shares	(1.7)	(2.6)	(10.0)
Share-based payments	7.4	4.6	8.6
Dividends	(131.3)	(98.4)	(106.5)
<b>Change in net financial debt</b>	<b>(73.0)</b>	<b>(40.6)</b>	<b>76.4</b>

(€ millions)	June 30, 2022	June 30, 2021	2021
<b>Net financial debt at the beginning of the period</b>	<b>(1,451.1)</b>	<b>(1,508.0)</b>	<b>(1,508.0)</b>
Change in net financial debt excl. exchange rate effects	(73.0)	(40.6)	76.4
Exchange rate effects	(6.8)	0.9	(19.5)
<b>Change in net financial debt</b>	<b>(79.8)</b>	<b>(39.7)</b>	<b>56.9</b>
<b>Net financial debt at the end of the period</b>	<b>(1,530.9)</b>	<b>(1,547.6)</b>	<b>(1,451.1)</b>

## 19.2 Borrower's liquidity risk

**Description.** Borrower's liquidity risk is the risk whereby Imerys would not be in a position to meet the repayment obligations of its financial liabilities. To assess the exposure of the Group to this risk, the following table presents maturity on issue at June 30, 2022.

(€ millions)	Less than 1 year		2 to 5 years		More than 5 years		Total
	Capital	Interest	Capital	Interest	Capital	Interest	
<b>Non-derivative financial liabilities</b>	<b>387.4</b>	<b>25.0</b>	<b>1,502.1</b>	<b>81.5</b>	<b>348.4</b>	<b>24.9</b>	<b>2,369.3</b>
Eurobond/EMTN/Sustainability-Linked Bonds	-	22.8	1,400.0	74.5	300.0	9.9	1,807.2
Private placements	-	-	-	-	-	-	0.0
Short-term negotiable debt securities issued	330.0	-	-	-	-	-	330.0
Bilateral facilities	-	-	-	-	-	-	0.0
Other facilities	(0.8)	-	-	-	-	-	(0.8)
Lease liabilities	58.2	2.2	102.1	7.0	48.4	15.0	232.9
<b>Hedge derivatives</b>	<b>4.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.2</b>
Financing hedge instruments - liabilities	8.9	-	-	-	-	-	8.9
Financing hedge instruments - assets	(4.7)	-	-	-	-	-	(4.7)
<b>Future cash outflows with respect to gross financial debt</b>	<b>391.6</b>	<b>25.0</b>	<b>1,502.1</b>	<b>81.5</b>	<b>348.4</b>	<b>24.9</b>	<b>2,373.5</b>
<b>Non-derivative financial liabilities</b>	<b>9.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9.2</b>
Bank overdrafts	9.2	-	-	-	-	-	9.2
<b>Non-derivative financial assets</b>	<b>(709.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(709.3)</b>
Other current financial assets	(8.3)	-	-	-	-	-	(8.3)
Cash and cash equivalents	(701.0)	-	-	-	-	-	(701.0)
<b>Future cash outflows with respect to net financial debt</b>	<b>(308.5)</b>	<b>25.0</b>	<b>1,502.1</b>	<b>81.5</b>	<b>348.4</b>	<b>24.9</b>	<b>1,673.4</b>
Of which items recognized at June 30, 2022 (net financial debt)	(308.5)	(11.1)	1,502.1	-	348.4	-	1,530.9
<b>Non-derivative financial liabilities</b>	<b>1,222.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,222.3</b>
Trade payables	871.4	-	-	-	-	-	871.4
Other debts	350.9	-	-	-	-	-	350.9
<b>Hedge derivatives</b>	<b>(58.9)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(58.9)</b>
Operational hedge instruments - liabilities	12.7	-	-	-	-	-	12.7
Operational hedge instruments - assets	(71.6)	-	-	-	-	-	(71.6)
<b>Future cash outflows</b>	<b>854.9</b>	<b>25.0</b>	<b>1,502.1</b>	<b>81.5</b>	<b>348.4</b>	<b>24.9</b>	<b>2,836.8</b>

The maturity of the net financial debt after interest rate swaps is as follows:

(€ millions)	Less than 1 year	2 to 5 years	More than 5 years	Total
<b>Debt at fixed rate</b>	<b>43.5</b>	<b>1,502.1</b>	<b>348.4</b>	<b>1,894.0</b>
Debt at fixed rate on issue	43.5	1,502.1	348.4	1,894.0
Fixed-for-floating swap	-	-	-	-
<b>Debt at floating rate</b>	<b>(363.1)</b>	<b>0.0</b>	<b>0.0</b>	<b>(363.1)</b>
Debt at floating rate on issue	337.0	-	-	337.0
Net cash and other current financial assets	(700.1)	-	-	(700.1)
Fixed-for-floating swap	-	-	-	-
<b>Net financial debt</b>	<b>(319.6)</b>	<b>1,502.1</b>	<b>348.4</b>	<b>1,530.9</b>



**Management.** Imerys is required to maintain one covenant for the portion of its finance agreements composed of bilateral facilities (€0.0 million at June 30, 2022, €0.0 million at June 30, 2021 and 0.0 million at December 31, 2021). The main restrictive terms and conditions attached to certain bilateral facilities are as follows:

- Purpose: general corporate financing requirement.
- Covenant compliance obligations: consolidated net financial debt excluding IFRS 16 lease liabilities/consolidated equity shall, in accordance with the related financing agreements, be less than or equal to 1.60 at the end of each reporting period for annual consolidated financial statements. At June 30, 2022, the ratio worked out at 0.39 (0.43 at June 30, 2021 and 0.39 at December 31, 2021),
- Absence of any collateral in favor of lenders.

Failure to comply with the above obligations in any of the related financing agreements could lead to the available amount being canceled and the corresponding financial debt becoming immediately due, upon demand of the lender(s) in question. Other than with two exceptions, the Group's financing agreements do not provide for any cross default if a mandatory covenant is breached. At June 30, 2022, Imerys had long-term rating of Baa3, stable outlook (Baa3, stable outlook at June 30, 2021 and Baa3, stable outlook at December 31, 2021) from Moody's and BBB-, stable outlook (BBB-, stable outlook at June 30, 2021 and BBB-, stable outlook at December 31, 2021) from S&P.

On June 16, 2022, Imerys updated its Euro Medium Term Note program (EMTN) with the Financial Industry Regulatory Authority in Luxembourg, the *Commission de Surveillance du Secteur Financier*. The program amounted to €3.0 billion and is approved to issue notes similar to ordinary bonds with maturities from one month to 30 years. At June 30, 2022, outstanding securities amounted to €1,400.0 million (€2,000.0 million at June 30, 2021 and €1,400.0 million at December 31, 2021). Imerys also has a short-term negotiable securities program (NEU CP) capped at €1,000.0 million (€1,000.0 million at June 30, 2021 and €1,000.0 million at December 31, 2021) rated P-3 by Moody's (P-3 at June 30, 2021 and P-3 at December 31, 2021). At June 30, 2022, outstanding short-term negotiable securities amounted to €330.0 million (€0.0 million at June 30, 2021 and €100.0 million at December 31, 2021). On June 8, 2022, Imerys put in place a Negotiable European Medium-Term Note (NEU MTN) program with the Banque de France capped at €300.0 million rated Baa3 by Moody's and BBB- by S&P. At June 30, 2022, outstanding short-term negotiable securities amounted to €0.0 million (€0.0 million at June 30, 2021 and €0.0 million at December 31, 2021). At June 30, 2022, Imerys had access to €1,010.0 million in available bilateral facilities (€1,060.0 million at June 30, 2021 and €1,160.0 million at December 31, 2021), a portion of which secures the short-term negotiable securities issued, in accordance with the Group's financial policy.

Moreover, Imerys further underscored its commitment in its sustainable development policy by tying its financing strategy to its environmental ambition in 2021. Therefore, on May 14, 2021, the Group completed an issue of bonds indexed to its sustainable development objectives (Sustainability-Linked Bonds) for a principal amount of €300.0 million. These bonds, due to mature on July 15, 2031, bear an annual coupon of 1.00% and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Issued in accordance with the Sustainability-Linked Bond Principles as published by the International Capital Market Association (ICMA), these instruments are indexed to a target to reduce greenhouse gas emissions by 22.9% in 2025 and 36.0% in 2030 in relation to the revenue (tCO<sub>2</sub>e/million euros) considering 2018 as the reference year, as approved by the Science Based Target initiative (SBTi). This includes Scope 1 emissions (direct emissions from sources owned or controlled by Imerys) and Scope 2 emissions (indirect emissions from the production of electricity, heat or steam imported or purchased by the Group). Failure to comply with these targets at December 31, 2025 and/or at December 31, 2030 could lead to the payment of penalties corresponding to 25 basis points of the principal amount for the 2025 target and/or 50 basis points of the principal amount for the 2030 target. At June 30, 2022, Imerys had reduced the metric tons of CO<sub>2</sub> emitted per million euros of revenue by 32.0% compared with 2018 levels (23.0% since 2018 at December 31, 2021).



## ■ OTHER INFORMATION

### Note 20 Changes in the scope of consolidation

**Performance Minerals (PM).** In the second quarter of 2021, the segment received a proposal to purchase several of its hydrous kaolin mining and industrial transformation assets serving the paper market in Georgia, US. At June 30, 2021, the assets and liabilities of this business were classified as assets (and liabilities related to assets) held for sale. On July 24, 2021, Imerys announced the sale agreement had been finalized. After lifting the conditions precedent clauses in the offer received, the sale of the business to the US group Thiele Kaolin Company was finalized on March 1, 2022, generating a €9.4 million loss from the disposal ([Note 8](#)), of which a €3.7 million loss due to the reclassification of the translation reserve related to the business. The disposal price of this business amounts to €49.7 million paid in cash. Furthermore, on April 29, 2022, the segment sold its natural graphite business in Canada and Namibia to the Canadian group Northern Graphite Corporation (NGC), generating a €31.8 million gain from the disposal ([Note 8](#)). The disposal price of this business amounts to €37.2 million, of which €33.5 million in cash and €3.7 million in shares of the acquirer NGC.

**High Temperature Materials & Solutions (HTMS).** The segment has not undergone any material change in the scope of consolidation since the acquisition of the French group Kerneos in 2017.

### Note 21 Translation of foreign currencies

(€1 =)	Currency	June 30, 2022		June 30, 2021		2021	
		Closing	Average	Closing	Average	Closing	Average
Brazil	BRL	5.4407	5.5583	5.9446	6.4862	6.3205	6.3773
India	INR	81.9972	83.3146	88.3523	88.3828	84.1550	87.4225
Singapore	SGD	1.4483	1.4924	1.5976	1.6059	1.5279	1.5891
Turkey <sup>(1)</sup>	TRY	17.3220	16.2395	10.3210	9.5226	15.2335	10.5124
UK	GBP	0.8582	0.8422	0.8581	0.8680	0.8403	0.8596
US	USD	1.0387	1.0939	1.1884	1.2054	1.1326	1.1827

(1) All financial statements of the entity Haznedar, Imerys' main operation in Turkey, were translated using the closing rate pursuant to the 1<sup>st</sup> application of IAS 29 on hyperinflationary economies ([Note 2.3](#))

### Note 22 Related parties

#### Related parties outside Imerys

Imerys has related party relationships with The Desmarais Family Residuary Trust, held by the Desmarais family (Canada), and Stichting A.K. Frère-Bourgeois, controlled by the Frère family (Belgium). These entities are the ultimate controlling parties of Imerys. Through their joint venture Parjointco, they jointly control the Belgian group Groupe Bruxelles Lambert (GBL), which controls Belgian Securities BV (Netherlands), a shareholder of Imerys. In this respect, GBL is considered a related party of Imerys. Imerys is not involved in any transactions with these related parties.

#### Key management personnel of Imerys

The managers qualifying as related parties at June 30, 2022 are the 12 members of the Board of Directors, including the two employee representative directors but excluding the non-voting observer (12 members at June 30, 2021 and 12 members at December 31, 2021) and the 11 members of the Executive Committee, including the Chief Executive Officer (11 members at June 30, 2021 and 11 members at December 31, 2021) ([Note 27 of Chapter 6 of the 2021 Universal Registration Document](#)).

In accordance with the acquisition agreement concluded between Imerys, S&B GP, Blue Crest and K and R Holdings Sàrl on November 5, 2014 and subsequently amended, PropCo2, an entity affiliated with Blue Crest, which holds 6.05% of voting rights in Imerys, in which Ulysses Kyriacopoulos, director of Imerys S.A. until May 2021, also held a directorship, must reimburse Imerys Industrial Minerals Greece S.A., which owns land in the name and on behalf of these entities, for the expenses it incurred in relation to its ownership of this land. This €18,000 commitment was considered a related party transaction. No amount was reimbursed in 2021 or 2022.

### **Post-employment benefits for Imerys employees**

The post-employment benefit plans to which Imerys employees are entitled are deemed to be related party agreements. The amount of the contributions to external funds recognized as an expense in the first half of 2022 amounted to €7.8 million (€10.3 million at June 30, 2021 and €20.4 million for the full year), primarily including €0.5 million for Comerica, United States (€7.0 million at June 30, 2021 and €8.1 million for the full year) and €4.4 million for Imerys UK Pension Fund Trustees Ltd, United Kingdom (€0.9 million at June 30, 2021 and €7.5 million for the full year).

### **Transactions with joint ventures and associates**

Of the main joint ventures and associates in which Imerys holds a stake, The Quartz Corporation joint venture is the only one to which Imerys granted a loan (€7.1 million at June 30, 2021 and €3.7 million December 31, 2021), which was fully repaid at June 30, 2022.

## **Note 23 Subsequent events**

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The half-year consolidated financial statements at June 30, 2022 were approved by the Board of Directors at its meeting held on July 28, 2022. On the same day, Imerys has entered into exclusive negotiations with the Platinum Equity investment firm, to dispose of its High Temperature Solution Business, for an amount of ca. €930.0 million. The business, which generated a revenue of €801.0 million in 2021, employs 2,800 people across 36 industrial sites in 16 countries. The transaction, which is subject to the fulfillment of customary closing conditions, including the information and consultation of works councils and other regulatory approvals, is expected to be completed by the end of the year.

### 3 | Statutory auditors' review report

**PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

S.A.S. au capital de 2 510 460 € - 672 006 483 RCS Nanterre  
Société de Commissariat aux Comptes inscrite à  
la Compagnie Régionale de Versailles et du Centre

**Deloitte & Associés**

6, place de la Pyramide  
92908 Paris-La Défense Cedex

S.A. au capital de 2 188 160 € - 572 028 041 RCS Nanterre  
Société de Commissariat aux Comptes inscrite à  
la Compagnie Régionale de Versailles et du Centre

#### Statutory Auditors' Review Report on the Half-yearly Financial Information

Period from January 1, 2022 to June 30, 2022

*This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the Shareholders of IMERYS,

In compliance with the assignment entrusted to us by General meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements for the period from January 1, 2022 to June 30, 2022,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of directors. Our role is to express a conclusion on these financial statements based on our review.

#### Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

#### Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, July 28, 2022  
The Statutory Auditors

*French original signed by*

**PricewaterhouseCoopers Audit**

Cédric HAASER

**Deloitte & Associés**

Olivier BROISSAND



## 4 | Person responsible for the Half-Year Financial Report

### **1 - Person responsible for the Half-Year Financial Report**

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Alessandro Dazza, Chief Executive Officer

### **2 - Certificate of the person responsible for the Half-Year Financial Report**

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I certify that to the best of my knowledge the condensed financial statements for the past six months have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the reporting entity and the companies included in the scope of consolidation, and that the enclosed half-year activity report includes a fair review of the material events that occurred in the first six months of the financial year, their impact on the financial statements, an account of the main related-party transactions as well as a description of the principal risks and the principal uncertainties for the remaining six months of the year.

Paris, July 28, 2022

Alessandro Dazza  
Chief Executive Officer

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Imerys – French Limited Liability Company (*Société Anonyme*)  
with a share capital of euros 169,881,910  
RCS Paris 562 008 151



**IMERYS**