

Imerys posts record sales and strong performance in the first half of 2022

- Record revenue of €2,563 million, with +18.7% year-on-year growth reflecting strong pricing actions (+16.1%) to address inflationary pressures
- Significant increase in current EBITDA to €445 million (+11.2% vs. last year)
- Net income from current operations up 19.7% to €189 million
- Increased capital expenditures in the fast-growing green mobility market
- Imerys in exclusive negotiations to divest the High Temperature Solutions business area

Alessandro Dazza, Chief Executive Officer, said:

"Imerys delivered record sales of €2,563 million and a double-digit increase in revenue, pricing, current EBITDA and net income in the first half of 2022. I am very proud of the outstanding performance of our teams in such a challenging economic and political context, characterized by rising inflation, logistics and labor difficulties. Though I expect growth to decelerate in the second half of the year due to dropping consumer confidence and tightening monetary policy, I remain confident in the capacity of Imerys to deliver an EBITDA improvement year-on-year in 2022. The divestiture of our High Temperature Solutions business would be an important milestone in the Group's focusing efforts towards its core, high-growth specialty minerals business. With this in mind we look forward to presenting our 2023-2025 growth strategy during a Capital Markets Day in the fourth quarter 2022."

The limited review procedures on the half-year financial statements have been performed. The limited review report is being issued.

Consolidated results ¹ (€ millions)	H1 2021	H1 2022	Change (%)
Revenue	2,158	2,563	+18.7%
Organic change (like-for-like)	+16.7%	+14.8%	-
Current EBITDA	400	445	+11.2%
Current EBITDA margin	18.6%	17.4%	-
Current operating income	245	293	+19.5%
Current operating margin	11.3%	11.4%	-
Operating income	223	286	-
Net income from current operations, Group share	158	189	+19.7%
Net income, Group share	142	192	-
Net current free operating cash flow	122	16	-
Net income, Group share, per share ²	€1.67	€2.27	-
Net income from current operations per share ²	€1.87	€2.24	+19.7%

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

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

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

Imerys has entered today 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.

COMMENTARY ON THE FIRST HALF 2022 RESULTS

Revenue

Unaudited quarterly data (€ millions)	2021	2022	Reported Change	Like-for-like change	Volumes	Price mix
First quarter	1,058	1,211	+14.4%	+11.3%	-0.7%	+11.9%
Second quarter	1,100	1,352	+23.0%	+18.1%	-1.9%	+20.1%
Total	2,158	2,563	+18.7%	+14.8%	-1.3%	+16.1%

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.

Current EBITDA

Unaudited quarterly data (€ millions)	2021	2022	Change
First quarter	183	189	+3.4%
Second quarter	218	256	+17.7%
Total	400	445	+11.2%
<i>Margin</i>	<i>18.6%</i>	<i>17.4%</i>	<i>-120 bps</i>

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	445
Increase (-) / decrease (+) in operating working capital	(63)	(160)
Notional tax on current operating income	(66)	(79)
Other	3	6
Net current operating cash flow (before capital expenditure)	274	213
Capital expenditure	(143)	(181)
Right of use assets (IFRS 16)	(9)	(15)
Net current free operating cash flow	122	16

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
Net current free operating cash flow	122	16
Acquisitions and disposals	13	71
Dividend	(98)	(131)
Change in equity	(2)	(2)
Change in non-operating working capital	(33)	7
Other non-recurring income and expenses	(31)	(23)
Debt servicing costs	(11)	(11)
Exchange rates and other	1	(7)
Change in net financial debt	(40)	(80)

Financial structure

(€ millions)	Dec 31, 2021	June 30, 2022
Net financial debt	1,451	1,531
Shareholders' equity	3,242	3,481
Net financial debt / shareholders' equity	44.8%	44.0%
Net financial debt/current EBITDA*	1.9x	1.9x

*Based on the last twelve month 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).

SEGMENT PERFORMANCE

Performance Minerals (54% of consolidated revenue)

Q2 2021 (€ millions)	Q2 2022 (€ millions)	Like for like change on Q2 2021	Unaudited quarterly data	H1 2021 (€ millions)	H1 2022 (€ millions)	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)	-
616	742	+16.2%	Total revenue	1,212	1,400	+11.4%
-	-	-	Current EBITDA	263	276	+4.8% *
-	-	-	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 an 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 & Solutions (46% of consolidated revenue)

Q2 2021 (€ millions)	Q2 2022 (€ millions)	Like for like change on Q2 2021	Unaudited quarterly data	H1 2021 (€ millions)	H1 2022 (€ millions)	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)	-
493	622	+19.6%	Total revenue	962	1,185	+18.4%
-	-	-	Current EBITDA	140	187	+33.4% *
-	-	-	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.

Update on Chapter 11 process of North American talc entities

The stakeholders in the chapter 11 process are still engaged in a court-approved mediation (with a recently extended timeline) to reach a revised plan of reorganization. The Group continues to consider that the balance of the provision in the financial statements as of the end of June 2022 is appropriate to cover the expected financial impact on Imerys of the Chapter 11 process.

First half 2022 results webcast

The press release is available on the Group's website www.imerys.com. The Group will hold a live webcast to discuss the first half 2022 results at 18:30 AM (CET) on July 28, 2022, which can be accessed on the Group's website www.imerys.com.

Financial Calendar

November 2, 2022	3rd quarter 2022 results
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These dates are subject to change and may be updated on the Group's website <https://www.imerys.com/finance>.

The world's leading supplier of mineral-based specialty solutions for industry with €4.4 billion in revenue and 17,000 employees in 2021. Imerys delivers high value-added, functional solutions to a great number of sectors, from processing industries to consumer goods. The Group draws on its understanding of applications, technological knowledge and expertise in material science to deliver solutions by benefiting its mineral resources, synthetic minerals and formulations. Imerys' solutions contribute essential properties to customers' products and their performance, including heat resistance, hardness, conductivity, opacity, durability, purity, lightness, filtration, absorption and water repellency. Imerys is determined to develop responsibly, in particular by fostering the emergence of environmentally-friendly products and processes.

More comprehensive information about Imerys may be obtained from its website (www.imerys.com) in the Regulated Information section, particularly in its Registration Document filed with the French financial markets authority (Autorité des marchés financiers, AMF) on March 22, 2022 under number D.22-0131 (also available from the AMF website, www.amf-france.org). Imerys draws investors' attention to chapter 2 "Risk Factors and Internal Control" of its Registration Document.

Disclaimer: This document contains projections and other forward-looking statements. Investors should be aware that such projections and forward-looking statements are subject to various risks and uncertainties (many of which are difficult to predict and generally beyond the control of Imerys) that could cause actual results and developments to differ materially from those expressed or implied.

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APPENDIX

Revenue

Revenue by business group (€ millions)	Q2 2021	Q2 2022	Reported change	Group structure	Exchange rates	Like for like change
Performance Minerals	616	742	+20.4%	-2.9%	+6.5%	+16.2%
High Temperature Materials & Solutions	493	622	+26.2%	+0.0%	+5.5%	+19.6%
Holding & Eliminations	(9)	(11)	n.s.	n.s.	n.s.	n.s.
Total	1,100	1,352	+23.0%	-1.6%	+5.7%	+18.1%

Key income indicators

(€ millions)	Q1 2021	Q1 2022	Change	Q2 2021	Q2 2022	Change
Revenue	1,059	1,211	+14.4%	1,100	1,352	+23.0%
Current EBITDA	183	189	+3.4%	218	256	+17.8%
Current operating income	116	121	+3.8%	129	172	+33.7%
Current financial expense	(12)	(9)	-	(6)	(8)	-
Current taxes	(28)	(30)	-	(33)	(44)	-
Minority interests	(3)	(5)	-	(4)	(6)	-
Net income from current operations, Group share	73	76	+3.9%	85	113	+33.4%
Other operating income and expenses, net	(1)	(3)	-	(15)	(12)	-
Gain on net monetary position (hyperinflation in Turkey, IAS 29)	0	0	-	0	18	-
Net income, Group share	72	73	+1.5%	70	119	+71.0%

(€ millions)	H1 2021	H1 2022	Change
Revenue	2,158	2,563	+18.7%
Current EBITDA	400	445	+11.2%
Current operating income	245	293	+19.5%
Current financial expense	(18)	(17)	-
Current taxes	(61)	(74)	-
Minority interests	(7)	(12)	-
Net income from current operations, Group share	158	189	+19.7%
Other operating income and expenses, net	(16)	(15)	-
Gain on net monetary position (hyperinflation in Turkey, IAS 29)	0	18	-
Net income, Group share	142	192	+35.7%

CONSOLIDATED INCOME STATEMENT

(€ millions)	June 30, 2022	June 30, 2021	2021
Revenue	2,563.0	2,158.3	4,382.9
Raw materials and consumables used	(914.3)	(728.8)	(1,495.6)
External expenses	(674.1)	(555.1)	(1,162.8)
Staff expenses	(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	(22.6)	(24.1)	(53.4)
Other current income and expenses	9.1	13.9	30.5
Current operating income	292.7	245.0	452.3
Gain (loss) from obtaining or losing control	20.6	4.0	(0.5)
Other non-recurring items	(27.4)	(25.7)	(67.3)
Operating income	285.9	223.2	384.5
Net financial debt expense	(16.3)	(18.2)	(37.8)
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)
Other financial income (expenses)	(0.5)	0.2	(1.9)
Other financial income	164.7	122.4	153.7
Other financial expenses	(165.2)	(122.2)	(155.6)
Financial income (loss)	(16.8)	(18.0)	(39.7)
Gain (loss) on the net monetary position ⁽¹⁾	17.8	-	-
Income taxes	(78.1)	(58.3)	(95.1)
Net income	208.8	146.9	249.7
Net income, Group share ⁽²⁾	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 €)	2.27	1.67	2.83
Diluted net income per share (in €)	2.24	1.65	2.79

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	June 30, 2022	June 30, 2021	2021
Non-current assets	5,157.4	4,816.0	4,990.3
Goodwill	2,187.2	2,155.5	2,144.7
Intangible assets	317.2	288.4	303.9
Right-of-use assets	171.5	176.7	175.6
Mining assets	437.1	412.6	419.0
Property, plant and equipment	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
Current assets	2,886.2	2,376.7	2,362.7
Inventories	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	8.3	7.5	8.0
Cash and cash equivalents	701.0	687.9	577.2
Assets held for sale⁽¹⁾	-	59.7	63.1
Consolidated assets	8,043.6	7,252.3	7,416.1
Equity, Group share	3,428.5	3,067.9	3,193.4
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
Equity attributable to non-controlling interests	53.0	60.5	48.5
Equity	3,481.5	3,128.4	3,241.9
Non-current liabilities	2,712.0	2,669.3	2,726.5
Provisions for employee benefits	225.9	277.1	259.7
Other provisions	440.0	414.8	414.0
Borrowings and financial debt	1,693.2	1,701.3	1,695.0
Lease liabilities	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
Current liabilities	1,850.1	1,442.1	1,434.2
Other provisions	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	350.0	323.9	124.9
Lease liabilities	55.6	43.2	32.5
Bank overdrafts	9.2	20.4	30.1
Liabilities related to assets held for sale⁽¹⁾	-	12.4	13.5
Consolidated equity and liabilities	8,043.6	7,252.3	7,416.1

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

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.

PARIS, JULY 28, 2022

(€ millions)	June 30, 2022	June 30, 2021	2021
Items from the Consolidated Income Statement			
Revenue	2,563.0	2,158.3	4,382.9
Raw materials and consumables used	(914.3)	(728.8)	(1,495.6)
External expenses	(674.1)	(555.1)	(1,162.8)
Lease expense reintegration	-	-	-
Staff expenses	(508.4)	(464.7)	(939.8)
Taxes and duties ⁽¹⁾	(22.7)	(18.7)	(39.0)
Other current income and expenses ⁽¹⁾	9.1	13.9	30.5
Adjustments			
Change in provisions for employee benefits	(2.3)	(2.8)	(6.5)
Change in current operating write-downs and provisions	7.0	1.4	0.8
Ineffective portion of cash flow hedges	-	-	-
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
Current EBITDA	445.1	400.4	761.0
Income taxes			
Notional income tax on current operating income	(79.0)	(66.1)	(122.1)
Adjustments			
Change in operating working capital requirement ⁽²⁾	(159.9)	(62.7)	(19.3)
Carrying amount of intangible assets and property, plant and equipment disposed of	6.3	2.8	6.2
Net current operating cash flow	212.5	274.4	625.8
Investing activities			
Acquisitions of intangible assets and property, plant and equipment ⁽³⁾	(181.3)	(142.7)	(336.3)
Additions to right-of-use assets	(15.4)	(9.5)	(34.4)
Net current free operating cash flow	15.8	122.2	255.1
<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

PARIS, JULY 28, 2022

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
Net current free operating cash flow	15.8	122.2	255.1
Income taxes			
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
Consolidated Income Statement			
Financial income (loss)	(16.8)	(18.0)	(39.7)
Other operating income and expenses	(6.8)	(21.7)	(67.8)
Adjustments			
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	-	-
Investing activities			
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
Equity			
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)
Change in net financial debt	(73.0)	(40.6)	76.4

CHANGE IN NET FINANCIAL DEBT

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

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(€ millions)</i>	June 30, 2022	June 30, 2021	2021
Net income	208.8	146.9	249.7
Adjustments			
Adjustments for depreciation and amortization	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	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	(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
Change in working capital requirement	(203.0)	(109.7)	(51.9)
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
Adjustments for other receivables and debts	(43.1)	(47.0)	(32.6)
Adjustments for income tax expense	78.1	58.3	95.1
Net cash flow from (used in) operations	254.8	261.2	644.6
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
Net cash flows from (used in) operating activities	193.4	202.4	542.9

<i>(€ millions)</i>	June 30, 2022	June 30, 2021	2021
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
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	6.0	5.3	8.8
Cash flows from losing control of subsidiaries or other businesses ³	82.8	16.8	33.9

³ 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)

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
Cash flow from investing activities	(113.0)	(122.7)	(309.6)
Proceeds from issuing shares	-	0.8	1.5
Payments to acquire or redeem treasury shares	(1.7)	(2.6)	(10.0)
Dividends paid	(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) ⁴	207.2	(234.2)	(153.5)
Cash flow from financing activities	44.3	(67.0)	(341.3)
Change in cash and cash equivalents	124.7	12.7	(108.0)

⁴ Mainly made-up of short-term negotiable debt securities issued (Note 19.2)

GLOSSARY

Imerys uses “current” indicators to measure the recurrent performance of its operations, excluding significant items that, because of their nature and their relatively infrequent occurrence, cannot be considered as inherent to the recurring performance of the Group (see section 5.5 Definitions and reconciliation of alternative performance measures to IFRS indicators in the 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). Restatement of the currency effect consists of calculating aggregates for the prior year at the exchange rate of the current year. The impact of exchange rate instruments qualifying as hedging instruments is taken into account in current data. Restatement of Group structure to take into account newly consolidated entities consists of: subtracting the contribution of the acquisition from the aggregates of the current year, for entities entering the consolidation scope in the current year; subtracting the contribution of the acquisition from January 1 of the current year, until the last day of the month of the current year when the acquisition was made the prior year, for entities entering the consolidation scope in the prior year. Restatement of entities leaving the consolidation scope consists of: subtracting the departing entity's contribution from the aggregates of the prior year as from the first day of the month of divestment, for entities leaving the consolidation scope in the current year; subtracting the departing entity's contribution from the aggregates of the prior year, for entities leaving the consolidation scope in the prior year.</p>
Volume effect	The sum of the change in sales volumes of each business area between the current and prior year, valued at the average sales price of the prior year.
Price mix effect (also called Price effect)	The sum of the change in average prices by product family of each business area between the current and prior year, applied to volumes of the current year.
Current operating income	The operating income before other operating income and expenses (income from changes in control and other non-recurring items).
Net income from current operations	The Group's share of income before other operating income and expenses, net (income from changes in control and other non-recurring items, net of tax) and income from discontinued operations.
Current EBITDA	Calculated from current operating income before operating amortization, depreciation and impairment losses and adjusted for changes in operating provisions and write-downs, share in net income and dividends received from joint ventures and associates.
Net current operating cash flow	Net current free operating cash flow before paid intangible and tangible capital expenditure and changes in right-of-use assets.
Net current free operating cash flow	Current EBITDA after notional income tax on current operating income, adjusted for changes in operational working capital requirement, proceeds from divested intangible and tangible assets, paid intangible and tangible capital expenditure and changes in right-of-use assets.
Net financial debt	The difference between borrowings and financial debt and cash and cash equivalents.