

First Quarter 2023 Results

May 2, 2023

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Disclaimer

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Highlights



**Financial
Results**



Outlook



Highlights



Financial Results

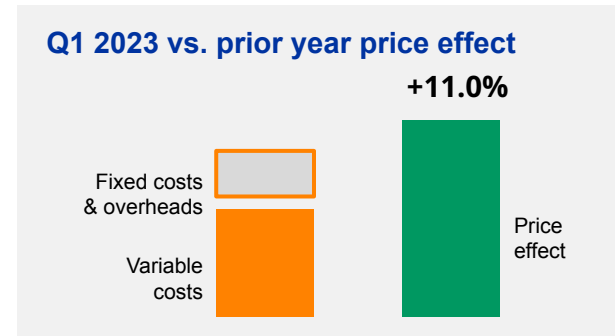
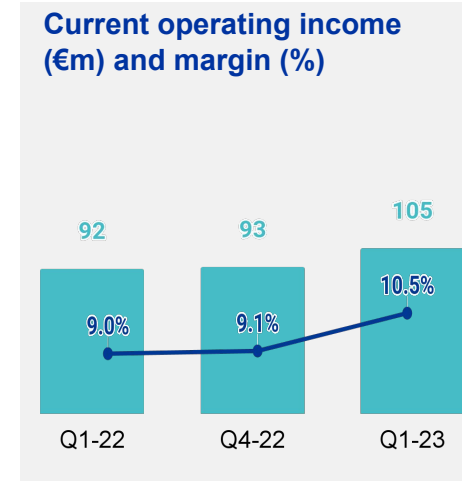
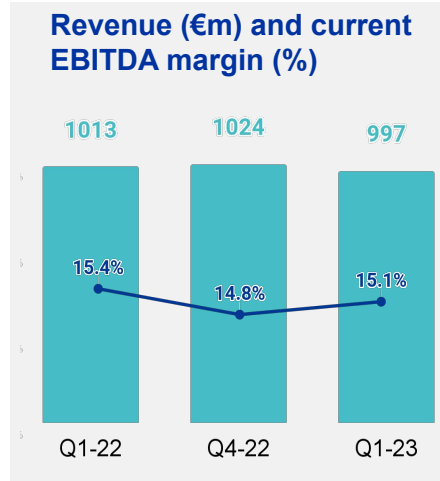


Outlook

Q1 2023 Highlights (*)

- Revenue at €997 million, in line with previous quarter (-0.9% like-for-like) amid challenging market conditions
- Current EBITDA margin above 15% of sales demonstrating the Group's resilient performance
- Double-digit increase in current operating income (+14.6% vs Q1 2022) at €105 million
- Solid pricing offsetting variable and fixed costs inflation

(*) Please refer to the glossary in appendix for definition of Alternative Performance Measures



End-markets trends in Q1 2023 (1/3)

Construction



Construction⁽¹⁾

	Q4-22 vs. Q4-21	Q1-23 vs. Q1-22
Europe	+1%	-1%
North Am.	-9%	-10%
Asia ⁽³⁾	+6%	+5%
World	+1%	+0%

- Recessionary headwinds in **Europe and North America**, with residential construction severely impacted by credit tightening
- **Public policies supporting growth in China**, but concerns about the financial strength of property developers persist

Consumer goods



Private Consumption ⁽²⁾

	Q4-22 vs. Q4-21	Q1-23 vs. Q1-22
Europe	+1%	+1%
North Am.	+2%	+2%
Asia ⁽³⁾	+3%	+5%
World	+1%	+2%

- **Sustained private consumption in all geographies**
- **European** consumption expected to pull back slightly over next quarters due to high inflation
- US household consumption expected to stay robust
- **Significant rebound in China** post Covid-19 restrictions

Source: (1) Oxford Economics; (2) Oxford Economics (3) Including China

End-markets trends in Q1 2023 (2/3)

Automotive



Light vehicle production ⁽¹⁾

	Q4-22 vs. Q4-21	Q1-23 vs. Q1-22
Europe	+15%	+17%
North Am.	+8%	+7%
Asia ⁽³⁾	+2%	-1%
World	+3%	+3%

- Improved supply chain **positively impacting inventory rebuilding in Europe and US**
- Demand still below 2019 levels, reflecting low consumer confidence and inflation
- Soft Q1 in China after expiry of subsidies for EVs (December 2022)

Energy & Electronics



Energy, Consumer electronics and EV ⁽²⁾

	Q4-22 vs. Q4-21	Q1-23 vs. Q1-22
Europe	+12%	+22%
North Am.	+17%	+15%
Asia ⁽³⁾	+13%	+5%
World	+15%	+8%

- **Solid and steady growth momentum in EV production**
- Dip in China (expiry of subsidies for EVs) expected to have only temporary impact
- Consumer electronics going through a significant downturn (deprioritized by consumers in inflationary context)

Sources (1); IHS

(2) IHS, Oxford Economics, Group estimates

(3) Including China

End-markets trends in Q1 2023 (3/3)

Industry & Equipment



Industrial production ⁽¹⁾

	Q4-22 vs. Q4-21	Q1-23 vs. Q1-22
Europe	-0%	-0%
North Am.	+3%	-1%
Asia ⁽²⁾	+3%	+3%
World	+2%	+1%

- **Soft demand in Europe & North America** due to cost inflation & depressed corporate investments
- **Asia benefitting from lifting of Covid-19** restrictions in China and strong economic context in India

Graphic Paper



Paper production ⁽¹⁾

	Q4-22 vs. Q4-21	Q1-23 vs. Q1-22
Europe	-24%	-20%
USA	-5%	-15%
India	-1%	+3%

Iron & Steel



Steel production ⁽¹⁾

	Q4-22 vs. Q4-21	Q1-23 vs. Q1-22
Europe	-19%	-15%
North Am.	-11%	-6%
Asia ⁽²⁾	-5%	+6%
World	-5%	+1%

Source: (1) Oxford Economics (2) Including China.



Highlights



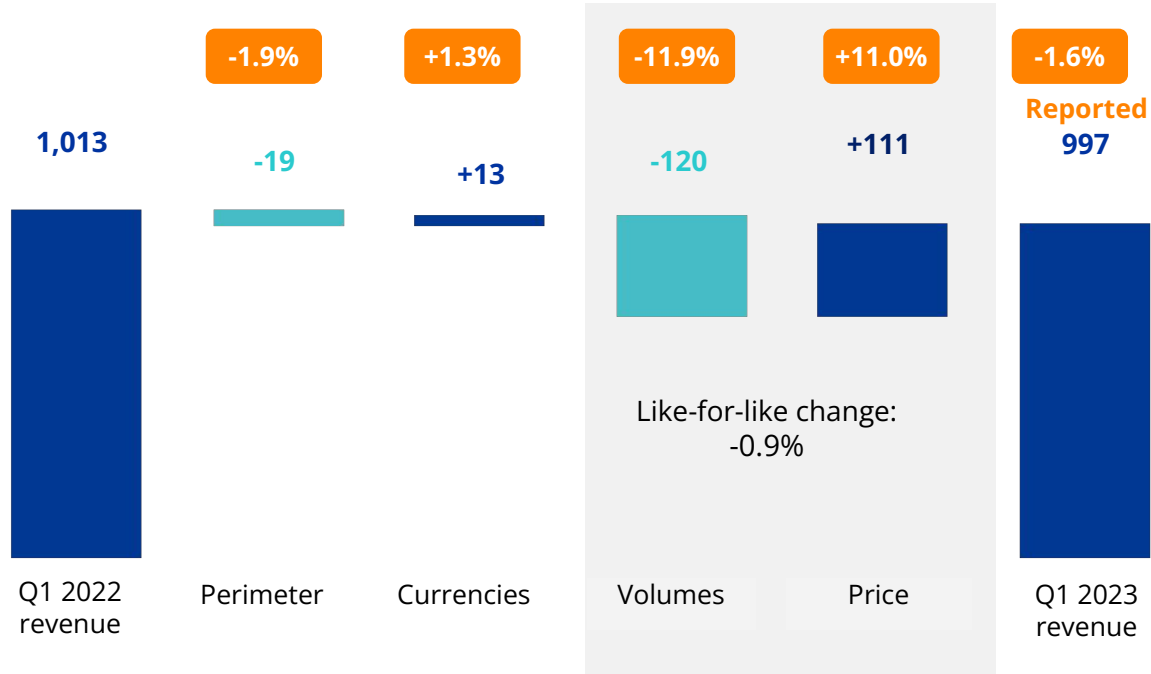
Financial Results



Outlook

Sales variance in Q1 2023

(€m)



Performance Minerals

Revenue (€m)	Q1 2022	Q1 2023	like for like change vs. Q1 2022
Americas	262	256	-1.2%
EMEA	310	328	+6.6%
APAC	141	133	-1.1%
Eliminations & others	(55)	(39)	-
Total segment revenue	659	677	+4.4%

- Construction industry impacted by rising interest rates in the US and Europe
- Growth in Europe driven by pricing actions
- Significant rebound of automotive market
- Weak quarter in mobile energy sales due to the end of subsidies in China (December 2022)
- Early signs of recovery in manufacturing in China yet to be confirmed

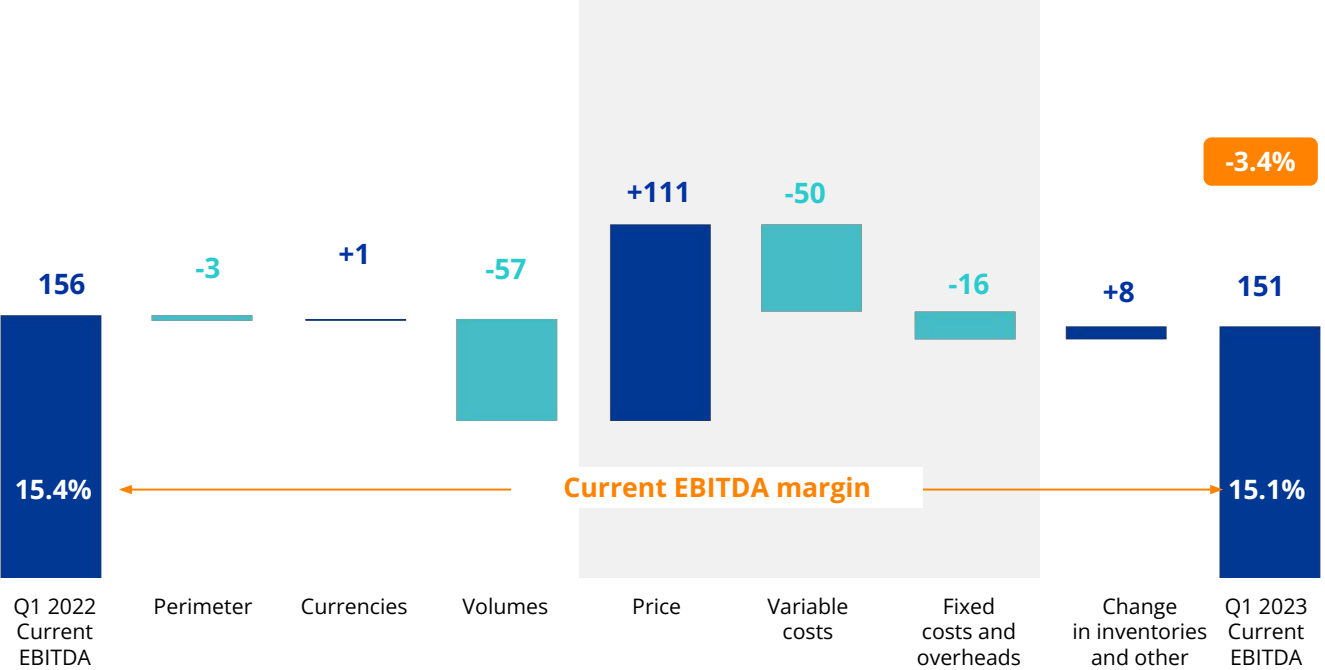
High Temperature Materials and Solutions

Revenue (€m)	Q1 2022	Q1 2023	like for like change vs. Q1 2022
Refractory, Abrasives, Construction (RAC)	355	319	-10.9%
Elimination & others	0	1	-
Total segment revenue	355	320	-10.6%

- Building and Infrastructure activity posting resilient performance (increased penetration of our products)
- Industrial activities (abrasives, refractories) under pressure (destocking, low activity), especially in Europe, less so in the US
- Dynamic Indian market
- China starting to rebound after lifting of Covid restrictions and a weak 2022

Current EBITDA margin of 15.1% for Q1 2023

(€m)



Current net income from continuing operations reached €68 million

(€m)	Q1 2022	Q1 2023	Change y-o-y
Current EBITDA	156	151	-3.4%
Current operating income	92	105	+14.6%
Current financial expenses	(9)	(12)	-
Current income tax	(22)	(25)	-
Current tax rate	27.0%	27.0%	-
Current net income from continuing operations	60	68	+12.2%
Other operating income and expenses, net	(2)	(6)	-
Net income from continuing operations, Group share	58	62	+7.8%
Net income from discontinued activities, Group share	15	39	-
Net income, Group share	73	101	+38.8%



Highlights



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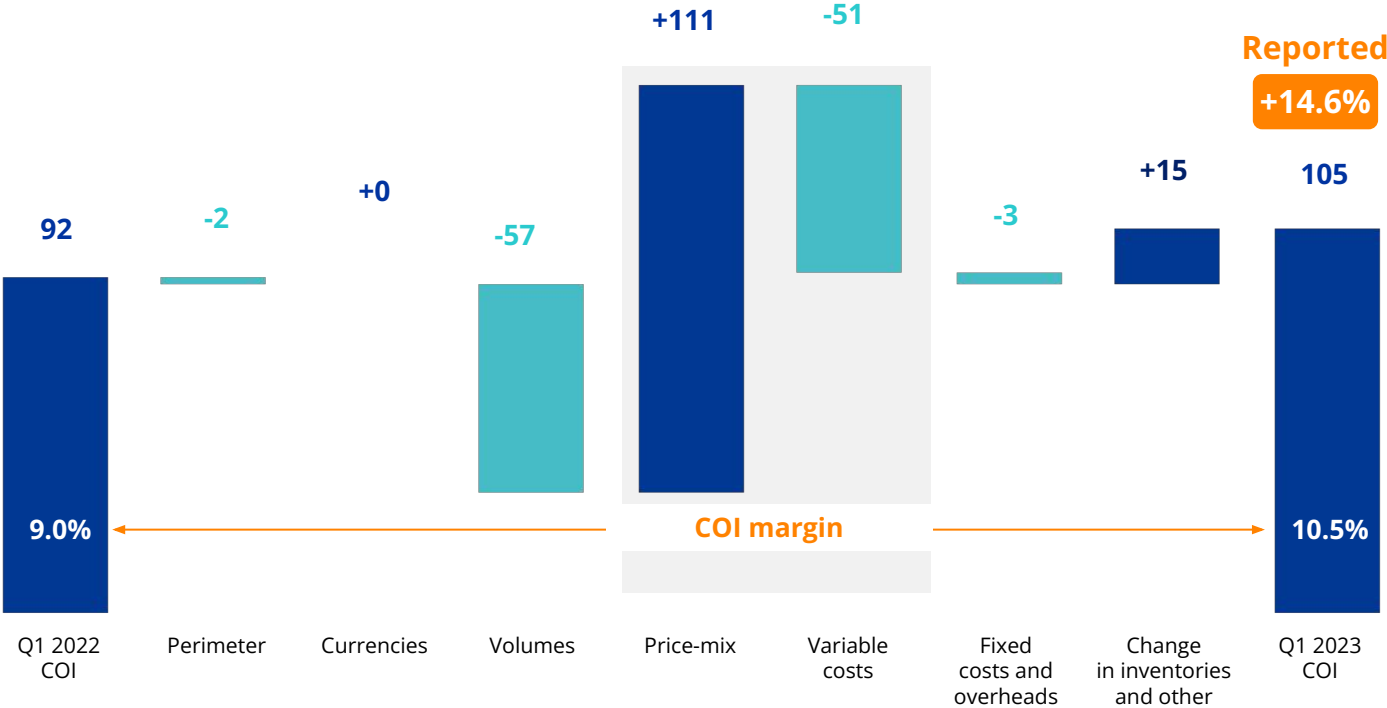
- Weak demand in certain markets, notably construction (higher interest rates in Europe and US) and industrial applications (low level of activity and destocking)
- Both the Chinese economy and the automotive market seem on track to a robust recovery
- Mobile energy sector expected to go back to sustained growth after a soft Q1
- Focus on cost and cash management to protect profitability
- Imerys progressing on its strategic journey towards its medium-term objectives⁽¹⁾

(1) Guidance provided at the Capital Markets Day held on November 7, 2022

APPENDIX

Current operating income (COI)

(€m)



Glossary

Alternative Performance Indicators	Definitions and reconciliation to IFRS indicators
Growth at constant scope and exchange rates (also called life-for-like growth, LFL, organic growth or internal growth)	<ul style="list-style-type: none"> • Calculated by stripping out the impact of currency fluctuations as well as acquisitions and disposals (scope effect). • Restatement of the currency effect consists of calculating aggregates for the prior year at the exchange rate of the current year. • The impact of exchange rate instruments qualifying as hedging instruments is taken into account in current data. • Restatement of Group structure to take into account newly consolidated entities consists of subtracting the contribution of the acquisition from the aggregates of the current year, for entities entering the consolidation scope in the current year and subtracting the contribution of the acquisition from January 1 of the current year, until the last day of the month of the current year when the acquisition was made the prior year, for entities entering the consolidation scope in the prior year. • Restatement of entities leaving the consolidation scope consists of subtracting the departing entity's contribution from the aggregates of the prior year as from the first day of the month of divestment, for entities leaving the consolidation scope in the current year and subtracting the departing entity's contribution from the aggregates of the prior year, for entities leaving the consolidation scope in the prior year.
Volume effect	The sum of the change in sales volumes of each business area between the current and prior year, valued at the average sales price of the prior year.
Price mix effect (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 (or Current Net Income)	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.

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