

# Nine Months and Third Quarter 2023 Results

---

October 30, 2023

Alessandro Dazza - Chief Executive Officer

Sébastien Rouge - Chief Financial Officer

# Disclaimer

---

More comprehensive information about Imerys may be obtained on its website ([www.imerys.com](http://www.imerys.com)), under Regulated Information, including its Universal Registration Document filed under No. D.23-0127 on March 22, 2023 with Autorité des Marchés Financiers. Imerys draws the attention of investors to the “Risk factors and Internal control” set forth in the Universal Registration Document.

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

Photo credits: Imerys Photo Library, Reserved Rights, xxx.



**Highlights**



**Financial Results**



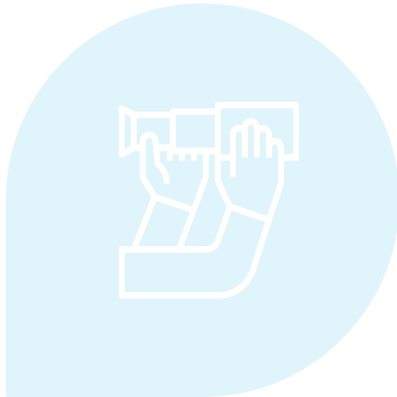
**Outlook**



**Highlights**



**Financial  
Results**



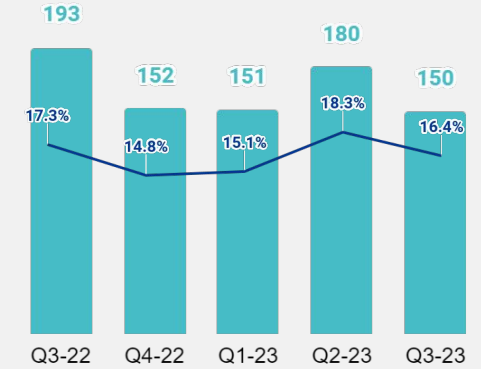
**Outlook**

# Q3 2023 Highlights

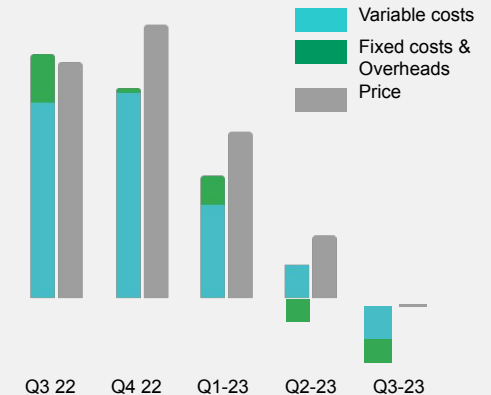
- Third quarter revenue of €918 million and first nine months revenue of €2.9 billion reflecting challenging global macroeconomic conditions
- Resilient third quarter current EBITDA margin at 16.4%, in line with first semester 2023 performance, benefitting from Imerys cost savings actions and downward trend in variable costs
- Positive price/cost balance maintained, demonstrating the strength of the Group's business model during periods of significant uncertainty
- Acquisition of ground calcium carbonate business from Carmeuse in the USA; divestiture of assets serving the paper market highly unlikely

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

### Current EBITDA (€m) and margin (%)



### Q3 2023: inflexion in variable costs



# End-markets trends in Q3 2023 (1/3)

## Construction



### Construction<sup>(1)</sup>

	Q2-23 vs. Q2-22	Q3-23 vs. Q3-22
Europe	+1%	+2%
North Am.	-3%	+2%
Asia <sup>(3)</sup>	+6%	+7%
World	+3%	+4%

- **Infrastructure and non-residential positively oriented**
- **Residential construction severely impacted** by higher interest rates and credit tightening in Europe and America
- **US housing starts**:-3% in Q3 and -10% expected for 2023
- **Performance in China** remains positive despite persistent headwinds from **failing real estate developers**

## Consumer goods



### Private Consumption <sup>(2)</sup>

	Q2-23 vs. Q2-22	Q3-23 vs. Q3-22
Europe	+0%	-0%
North Am.	+2%	+2%
Asia <sup>(3)</sup>	+6%	+6%
World	+4%	+3%

- **Sustained private consumption in the US thanks to robust job markets**
- **Household consumption** slowing down in Europe due to high inflation
- Rebound in China post Covid-19 restrictions

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

# End-markets trends in Q3 2023 (2/3)

## Automotive



### Light vehicle production <sup>(1)</sup>

	Q2-23 vs. Q2-22	Q3-23 vs. Q3-22
Europe	+17%	+6%
North Am.	+15%	+5%
Asia <sup>(3)</sup>	+9%	-1%
World	+17%	+0%

- **Weakening consumer demand** (high prices and credit tightening) impacting prospects for the industry industry globally
- Order backlog and inventory rebuilding in Europe and US coming to an end
- China: slower domestic market and high comparison basis (end of lockdowns last year), but **robust export activity**

## Energy & Electronics



### Energy, Consumer electronics and EV <sup>(2)</sup>

	Q2-23 vs. Q2-22	Q3-23 vs. Q3-22
Europe	+11%	+7%
North Am.	+16%	+11%
Asia <sup>(3)</sup>	+15%	+5%
World	+14%	+6%

- Good momentum in the **Energy sector** notably in the US
- **Continued growth for EV in Europe**, though at slower pace
- Significant slowdown in demand growth in China for EVs and destocking throughout the value chain

Sources (1); IHS

(2) IHS, Oxford Economics, Group estimates

(3) Including China

# End-markets trends in Q3 2023 (3/3)

## Industry & Equipment



### Industrial production <sup>(1)</sup>

	Q2-23 vs. Q2-22	Q3-23 vs. Q3-22
Europe	-1%	-2%
North Am.	+0%	-0%
Asia <sup>(2)</sup>	+2%	+2%
World	+1%	+1%

- **Weak demand in Europe:** Eurozone PMI index at 46.5, its 35 months low
- High interest rates and energy costs impacting investments and overall economic activity
- Manufacturing downturn emerging also in the US after steady interest rate increases

## Graphic Paper



### Paper production <sup>(2)</sup>

	Q2-23 vs. Q2-22	Q3-23 vs. Q3-22
Europe	-32%	-26%
USA	-29%	-24%
India	+3%	+3%

## Iron & Steel



### Steel production <sup>(3)</sup>

	Q2-23 vs. Q2-22	Q3-23 vs. Q3-22
Europe	-11%	-5%
North Am.	-2%	-2%
Asia <sup>(4)</sup>	-2%	+4%

Source: (1) Oxford Economics (2) RISI (3) Wood Mackenzie & World Steel Association (4) Including China.





Highlights



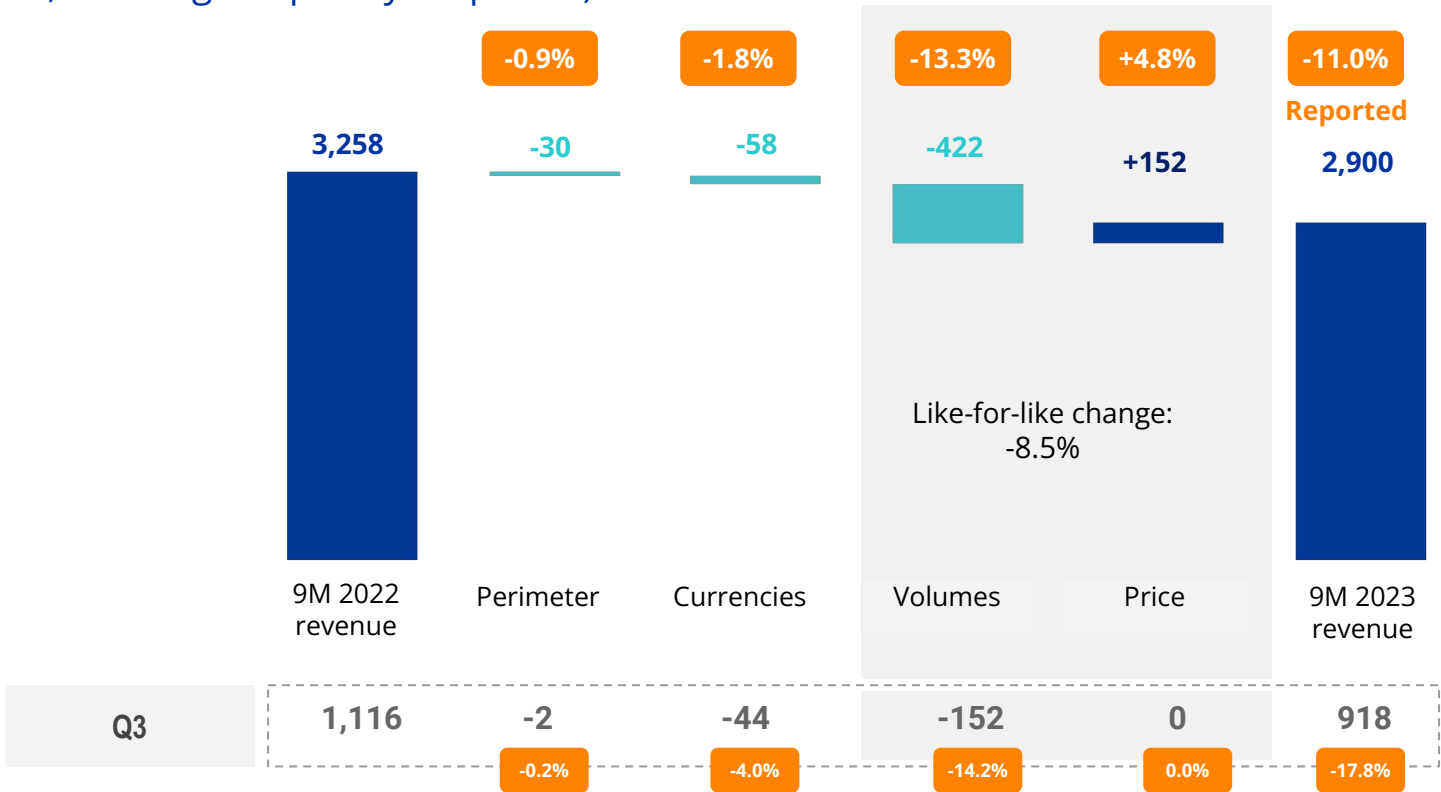
Financial Results



Outlook

# 9M 2023 Sales variance

(M€, % change vs prior year period)



# Performance Minerals

Q3 2022	Q3 2023	like for like change vs. Q3 2022	Revenue (€m)	9M 2022	9M 2023	like for like change vs. 9M 2022
317	246	-17.5%	Americas	875	760	-10.3%
353	284	-18.3%	EMEA	1,012	916	-8.2%
153	130	-8.0%	APAC	444	396	-5.0%
(67)	(38)	-	Eliminations & others	(175)	(114)	-
<b>756</b>	<b>622</b>	<b>-13.9%</b>	<b>Total segment revenue</b>	<b>2,156</b>	<b>1,958</b>	<b>-6.4%</b>

- Continued destocking in all regions
- Slow down in residential construction, impacted by rising interest rates in the US and Europe
- Sales in mobile energy market under pressure with widespread destocking through the value chain, though fundamentals remain strong
- Paper & Board activity severely impacted by mills closures, especially in the US and Europe
- Filtration market and consumer goods still holding well

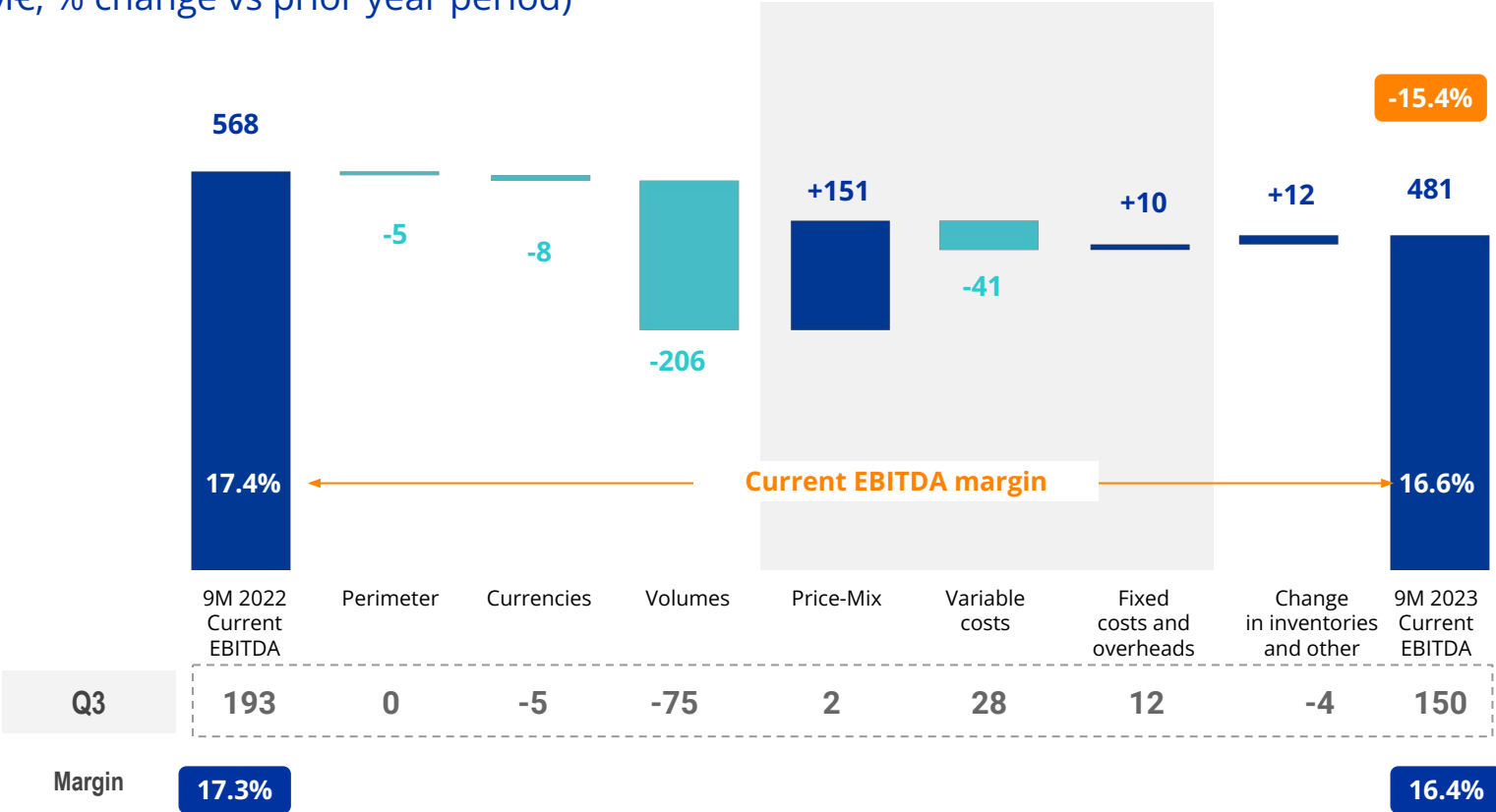
# High Temperature Materials and Solutions

Q3 2022	Q3 2023	like for like change vs. Q3 2022	Revenue (€m)	9M 2022	9M 2023	like for like change vs. 9M 2022
362	297	-13.5%	Refractory, Abrasives, Construction (RAC)	1,105	944	-12.7%
-	-	-	Elimination & others	-	1	-
362	297	-13.6%	Total segment revenue	1,105	945	-12.6%

- Residential construction sector still affected by higher interest rate environment
- Sales to Building and Infrastructure remain solid
- Industrial activities (abrasives, refractories) under pressure, especially in Europe, to a lesser extent in the US:
  - low end-markets
  - destocking
  - increased competition from Asia for energy intensive businesses

# Current EBITDA margin of 16.6% for the first nine months of 2023

(M€, % change vs prior year period)



# 9 months Net income

(€m)	9M 2022	9M 2023	Change y-o-y
<b>Current EBITDA</b>	568	481	-15.4%
<b>Current operating income</b>	346	300	-13.2%
<b>Current financial expenses</b>	(36)	(33)	-
<b>Current income tax</b>	(84)	(72)	-
<b>Current tax rate</b>	27.0%	27.0%	-
<b>Minority interests</b>	(5)	(3)	-
<b>Current net income from continuing operations</b>	221	192	-13.1%
<b>Other operating income and expenses, net</b>	(97)	(52)	-
<b>Net income from continuing operations, Group share</b>	124	140	+12.4%
<b>Net income from discontinued activities, Group share</b>	69	44	-
<b>Net income, Group share</b>	193	184	-4.9%



Highlights



Financial Results



Outlook

# Outlook

---

- First nine months results demonstrating the adaptability of Imerys' business model during periods of significant uncertainty
- Confidence in our ability to further increase cash and cost savings with initiatives deployed throughout the Group
- Low end of current EBITDA guidance range of €630 million to €650 million\* confirmed for full year 2023, assuming stable market conditions
- Progress towards strategic goals confirmed

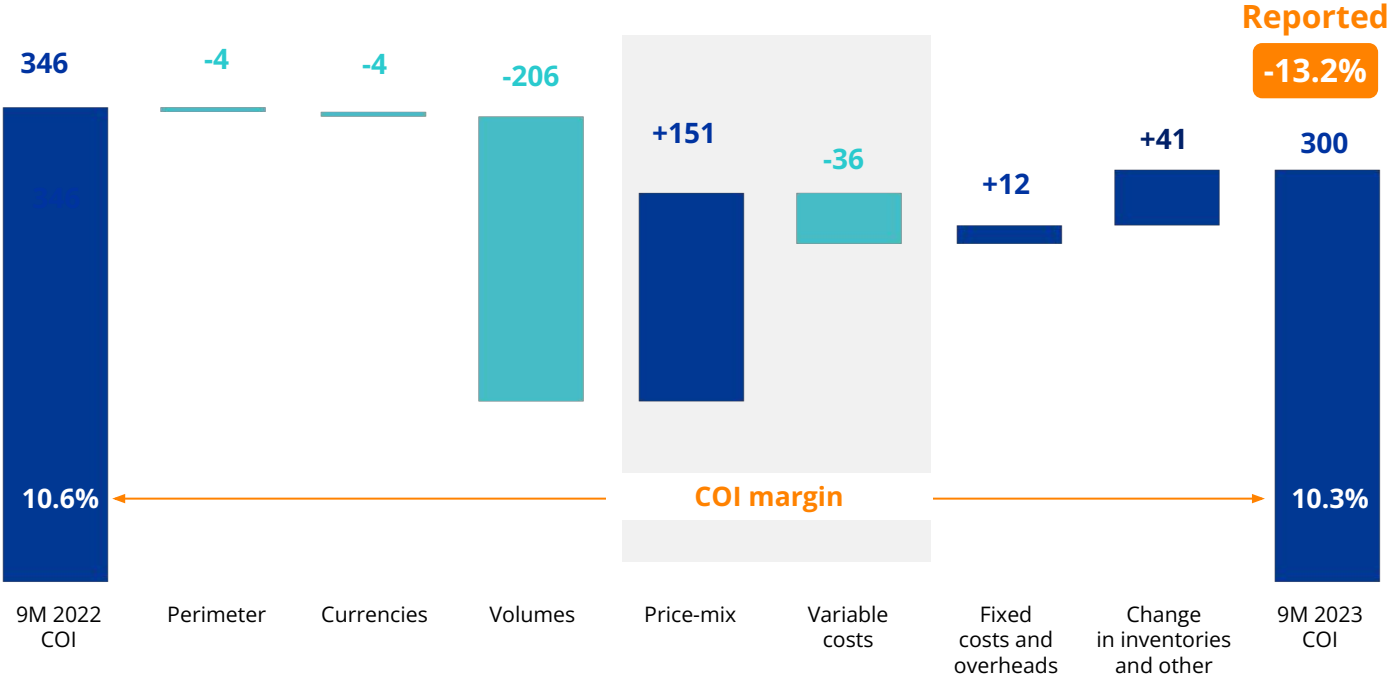
\*Set on July 27, 2023



# APPENDIX

# Current operating income (COI)

(M€, % change vs prior year period)



# Q3 Net income

(€m)	Q3 2022	Q3 2023	Change y-o-y
<b>Current EBITDA</b>	193	150	-22.2%
<b>Current operating income</b>	118	82	-30.4%
<b>Current financial expenses</b>	(17)	(8)	-
<b>Current income tax</b>	(27)	(20)	-
<b>Current tax rate</b>	27.0%	27.0%	-
<b>Minority interests</b>	(2)	(1)	-
<b>Current net income, Group share</b>	72	53	-25.8%
<b>Other operating income and expenses, net</b>	(95)	(15)	-
<b>Net income from continuing operations, Group share</b>	(24)	39	-
<b>Net income from discontinued activities, Group share</b>	24	(0)	-
<b>Net income, Group share</b>	1	38	+41.7%

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"> <li>• Calculated by stripping out the impact of currency fluctuations as well as acquisitions and disposals (scope effect).</li> <li>• Restatement of the currency effect consists of calculating aggregates for the prior year at the exchange rate of the current year.</li> <li>• The impact of exchange rate instruments qualifying as hedging instruments is taken into account in current data.</li> <li>• 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.</li> <li>• 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.</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 including dividends received from joint ventures and associates.
Notional income tax rate	Income tax rate on current income

---

# Thank you for your attention

Visit [www.imerys.com](http://www.imerys.com) for more information.

Or connect with us:

 @imerys

 [www.linkedin.com/company/imerys/](http://www.linkedin.com/company/imerys/)

 [www.facebook.com/imerysgroup/](http://www.facebook.com/imerysgroup/)