

PARIS, OCTOBER 30, 2023

Imerys reports its third quarter 2023 results and confirms its full year 2023 guidance

- Third quarter revenue of €918 million and first nine months revenue¹ 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
- Low end of current EBITDA guidance range² confirmed for full year 2023 assuming stable market conditions

Alessandro Dazza, Chief Executive Officer, said:

"As anticipated in July, our key end markets and geographies did not show any significant recovery, which affected our sales volumes in the third quarter. As we navigate this low visibility environment, characterized by soft demand and heightened geopolitical tensions, we are deploying a number of cash and cost savings initiatives to protect our financial performance. Our confidence in the adaptability of Imerys' business model is intact as we pursue our strategic goals."

Unaudited consolidated results ³ (€ millions)	9M 2022	9M 2023	Change year-on-year (%)
Revenue	3,258	2,900	-11.0%
Organic growth	-	-8.5%	-
Current EBITDA	568	481	-15.4%
Current EBITDA margin	17.4%	16.6%	-
Current operating income	346	300	-13.2%
Current operating margin	10.6%	10.3%	-
Operating income	247	231	-6.3%
Current net income from continuing operations, Group share	221	192	-13.1%
Net income from continuing operations, Group share	124	140	+12.4%
Net income from discontinued activities, Group share	69	44	-
Net income, Group share	193	184	-4.9%

¹ According to IFRS 5, HTS is accounted for as a discontinued operation and reported under 'Net income from discontinued activities' (its revenue, expenses and pre-tax profits are not detailed in the consolidated income statement).

² Set on July 27, 2023

³ The definition of alternative performance measures can be found in the glossary at the end of the press release

Third quarter 2023 highlights

Acquisition of Carmeuse's Ground Calcium Carbonate business in Georgia - USA

Imerys has reached an agreement with O-N Minerals Company, a subsidiary of Carmeuse Lime & Stone, for the acquisition of its North Georgia ground calcium carbonate business, effective September 1, 2023. We expect the business' full-year revenue run rate to reach \$15million post integration.

This acquisition will allow Imerys to expand its capacity for ground calcium carbonate (GCC) in North America and to foster its growth in sustainable construction. It also represents a great opportunity to develop new applications for Filtration & Life Sciences in agriculture.

Plan to divest Imerys' bauxite activities in Greece

Imerys has entered into exclusive negotiations with the Mytilineos Group to divest its bauxite activities in Greece, with an agreement signed on September 4, 2023, for an enterprise value of €10 million.

Imerys Bauxites produces metallurgical-grade bauxite in its underground mines, of which approximately 75% is sold to the Mytilineos Group and a small part used internally by Imerys for the production of calcium aluminate cements in its plants in Fos and Dunkerque, France. As Imerys is diversifying its sourcing of bauxite, the contemplated divestiture will guarantee the long-term standing of this activity in a vertically-integrated Mytilineos Group, where this raw material is strategic for the future.

Imerys has also secured a medium-term bauxite supply agreement to allow a smooth transition to new sources.

The intended sale of Imerys' assets serving the paper market to Syntagma Capital is highly unlikely to materialize

On September 30, Imerys announced that the completion of the proposed divestiture of its assets serving the paper market has become highly unlikely to materialize due to circumstances for which Imerys has formally reserved its rights towards Syntagma Capital.

At the end of 2022, Imerys signed a binding agreement with Syntagma Capital for the sale of most of its assets serving the paper market. These activities represented less than 10% of Imerys' revenue in 2022.

Imerys' focus on its core business of high-growth specialty minerals remains unchanged and the Group will explore alternative options for the divestment of this business. In the meantime, Imerys will continue to manage these assets in the best interest of the Group, its employees and its customers.

Imerys continues to expand in high growth markets in China and India

On October 31, 2023, Imerys will formally inaugurate its new, greenfield plant in Wuhu, China, producing high-quality talc used for lightweighting of polymers and typically addressing automotive applications, EVs in particular. The Group invested €43 million in this brand new, state-of-the-art unit to expand its presence in China, the largest car producing country in the world. Sales of its specialty mineral additives from the new plant are expected to reach €30 million per annum at maturity. This investment is an integral part of Imerys' 'Green Mobility' strategy which aims to support the industry transition towards a low-carbon economy with mineral solutions.

In India, Imerys' recently-built manufacturing plant in Vizag increased sales volumes by more than 50% compared to last year. The Vizag plant, which opened at the end of 2021, produces calcium aluminate binders for use in the refractory and construction industries. Sales at maturity are expected to exceed €25m per annum. This expansion is part of a larger effort by Imerys to increase production, innovation and sustainability in India.

Outlook

Our results for the first nine months continue to demonstrate the adaptability of Imerys' business model during periods of significant uncertainty. We are confident in our ability to increase cash and cost savings through the initiatives that are being deployed throughout the Group. Assuming stable market conditions, we aim to achieve the low end of the current EBITDA guidance range of €630 million to €650 million that we set on July 27.

COMMENTARY ON THE THIRD QUARTER 2023 RESULTS

Revenue

Unaudited consolidated results (€ millions)	2022	2023	Change			
			Reported Change	Like-for-like change	Volumes	Price
First quarter	1,013	997	-1.6%	-0.9%	-11.9%	+11.0%
Second quarter	1,129	985	-12.7%	-10.0%	-13.7%	+3.8%
Third quarter	1,116	918	-17.8%	-14.2%	-14.2%	+0.0%
Total	3,258	2,900	-11.0%	-8.5%	-13.3%	+4.8%

Revenue for the third quarter of 2023 amounted €918 million, 14.2% below last year at constant change and perimeter.

Revenue was €2,900 million, down 8.5% year-on-year at constant scope and exchange rates in the first nine months of 2023. Group sales volumes were down 13.3%, reflecting weakness in all main end markets, continued destocking due to a lack of visibility on the timing of a rebound, and increasing competition in some geographies.

Imerys' pricing effect was positive in the first nine months thanks to the carry-over effect of price increases implemented last year and specific actions carried out in 2023.

Revenue included a negative currency effect of €58 million (-1.8%), primarily as a result of the depreciation of the U.S. dollar against the euro. The scope effect was negative €30 million, primarily attributable to recent divestments.

Current EBITDA

Unaudited quarterly data (€ millions)	2022	2023	Change
First quarter	156	151	-3.4%
Second quarter	219	180	-17.8%
Third quarter	193	150	-22.2%
Total current EBITDA	568	481	-15.4%
<i>Margin</i>	<i>17.4%</i>	<i>16.6%</i>	

Current EBITDA was resilient in the third quarter and benefited from tight costs management and the Group's agility to adapt production and fixed costs to changing demand patterns.

For the first nine months of 2023, Imerys maintained a **current EBITDA** margin close to 17%, benefiting from lower variable costs, in particular energy and freight, decreasing fixed costs despite inflation, and dividend contribution of joint ventures and associates.

Current net income from continuing operations, Group share

In the third quarter, the **current net income from continuing operations, Group share** reached €53 million, vs. €72 million last year.

In the first nine months of 2023, **current net income from continuing operations, Group share** totaled €192 million down 13.1% vs. last year. Net financial result was a negative €33 million. The income tax expense of €72 million corresponds to an effective tax rate of 27.0%. Current net income from continuing operations per share reached €2.27.

Net income

Net income, Group share, totaled €38 million in the third quarter of 2023. Net income from continuing operations, Group share reached €39 million. It includes €15 million of charges, after taxes, mainly in relation to acquisition, divestiture as well as restructuring costs.

At the end of September, the **net income, Group share** totaled €184 million, a decrease of 4.9% vs. last year.

COMMENTARY BY SEGMENT

Performance Minerals (68% of consolidated revenue)

Q3 2022 (€ millions)	Q3 2023 (€ millions)	Like for like change on Q3 2022	Unaudited quarterly data	9M 2022 (€ millions)	9M 2023 (€ millions)	Like for like change on 9M 2022
317	246	-17.5%	Revenue Americas	875	760	-10.3%
353	284	-18.3%	Revenue Europe, Middle East and Africa (EMEA)	1,012	916	-8.2%
153	130	-8.0%	Revenue Asia-Pacific (APAC)	444	396	-5.0%
(67)	(38)	-	Eliminations	(175)	(114)	-
756	622	-13.9%	Total revenue	2,156	1,958	-6.4%

Revenue generated by the **Performance Minerals** segment was down 13.9% like-for-like in the third quarter of 2023, impacted by continued destocking in all regions and soft demand in certain end markets such as residential construction. On a reported basis, revenue was down 17.7% and includes a negative currency effect of €32 million (-4.2%).

Revenue in the **Americas** was down 17.5% at constant scope and exchange rates in the third quarter of 2023. The paper and plastics businesses drove this decline, partially offset by a better oriented filtration business and positive pricing.

Revenue in **Europe, Middle East and Africa** decreased by 18.3% at constant scope and exchange rates in the third quarter of 2023. Volumes were impacted by lower demand in ceramics with high comparison basis vs last

year, and paper and board. Activity in the consumer segment remained more sustained despite persistent inflation.

Revenue in **Asia-Pacific** was down 8% at constant scope and exchange rates for the third quarter of the year. Volumes were impacted by softer demand in lithium-ion batteries and a weak paper business.

High Temperature Materials & Solutions (32% of consolidated revenue)

Q3 2022 (€ millions)	Q3 2023 (€ millions)	Like for like change on Q3 2022	Unaudited quarterly data	9M 2022 (€ millions)	9M 2023 (€ millions)	Like for like change on 9M 2022
362	297	-13.5%	Revenue Refractory, Abrasives & Construction	1105	944	-12.7%
0	0	-	Eliminations	0	1	-
362	297	-13.6%	Total revenue	1105	945	-12.6%

Revenue like-for-like in the third quarter of 2023 for the **Refractory, Abrasives & Construction** business area was down 13.5%, reflecting continued destocking, low iron & steel production in Europe, and increased competition from Asian players benefiting from lower energy and logistics costs. The building and infrastructure business continued to perform well thanks to the increased market penetration of products helping to decarbonize the industry.

On a reported basis, third quarter 2023 revenue decreased by 17.9%, including an unfavorable currency effect of €18 million (-5.1%).

Third quarter 2023 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 third quarter 2023 results at 18.30 (CET) on October 30, 2023, which can be accessed on the Group's website www.imerys.com.

Financial Calendar

February 21, 2024	Full year 2023 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 €4.3 billion in revenue and 14,000 employees in 2022. Imerys delivers high value-added, functional solutions to a great number of sectors, from processing industries to consumer goods. The Group draws on its understanding of applications, technological knowledge and expertise in material science to deliver solutions by beneficiating its mineral resources, synthetic minerals and formulations. Imerys' solutions contribute essential properties to customers' products and their performance, including heat resistance, hardness, conductivity, opacity, durability, purity, lightness, filtration, absorption and water repellency. Imerys is determined to develop responsibly, in particular by fostering the emergence of environmentally-friendly products and processes.

More comprehensive information about Imerys may be obtained from its website (www.imerys.com) 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, 2023 under number D.23-0127 (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 by Segment

Q3 2022	Q3 2023	Reported change on Q3 2022	Unaudited quarterly data (€ millions)	9M 2022	9M 2023	Reported change on 9M 2022
317	246	-22.2%	Revenue Americas	875	760	-13.1%
353	284	-19.6%	Revenue Europe, Middle East and Africa (EMEA)	1,012	916	-9.5%
153	130	-15.0%	Revenue Asia-Pacific (APAC)	444	396	-10.9%
(67)	(38)	-	Eliminations & others	(175)	(114)	-
756	622	-17.7%	Total Performance Minerals revenue	2,156	1,958	-9.2%
362	297	-17.9%	Revenue Refractory, Abrasives & Construction	1,105	944	-14.6%
0	0	-	Eliminations & others	0	1	-
362	297	-17.9%	Total High Temperature Materials & Solutions revenue	1,105	945	-14.5%

Key income statement indicators

(€ millions)	Q3 2022	Q3 2023	Change	9M 2022	9M 2023	Change
Revenue	1,116	918	-17.8%	3,258	2,900	-11.0%
Current EBITDA	193	150	-22.2%	568	481	-15.4%
Current operating income	118	82	-30.4%	346	300	-13.2%
Current financial expense	(17)	(8)	-	(36)	(33)	-
Current taxes	(27)	(20)	-	(84)	(72)	-
Minority interests	(2)	(1)	-	(5)	(3)	-
Current net income, Group share	72	53	-25.8%	221	192	-13.1%
Net Other, Group share	(95)	(15)	-	(97)	(52)	-
Net income from continuing operations, Group share	(24)	39	-	124	140	+12.4%
Net income from discontinued activities, Group share	24	(0)	-	69	44	-
Net income, Group share	1	38	-	193	184	-4.9%

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 (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.
Notional income tax rate	Income tax rate on current income