

Sustainability Linked Bond (SLB)

Investor Presentation - November 2023

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**Financial
Results**



Sustainability



**SLB Framework
and Bond
Offering**



**Financial
Results**



Sustainability



**SLB Framework
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Imerys, the world's leading supplier of mineral-based specialty solutions

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#1 in 75%
of our businesses



Nearly 30,000
customers



14,000
employees



€4.3bn
revenue

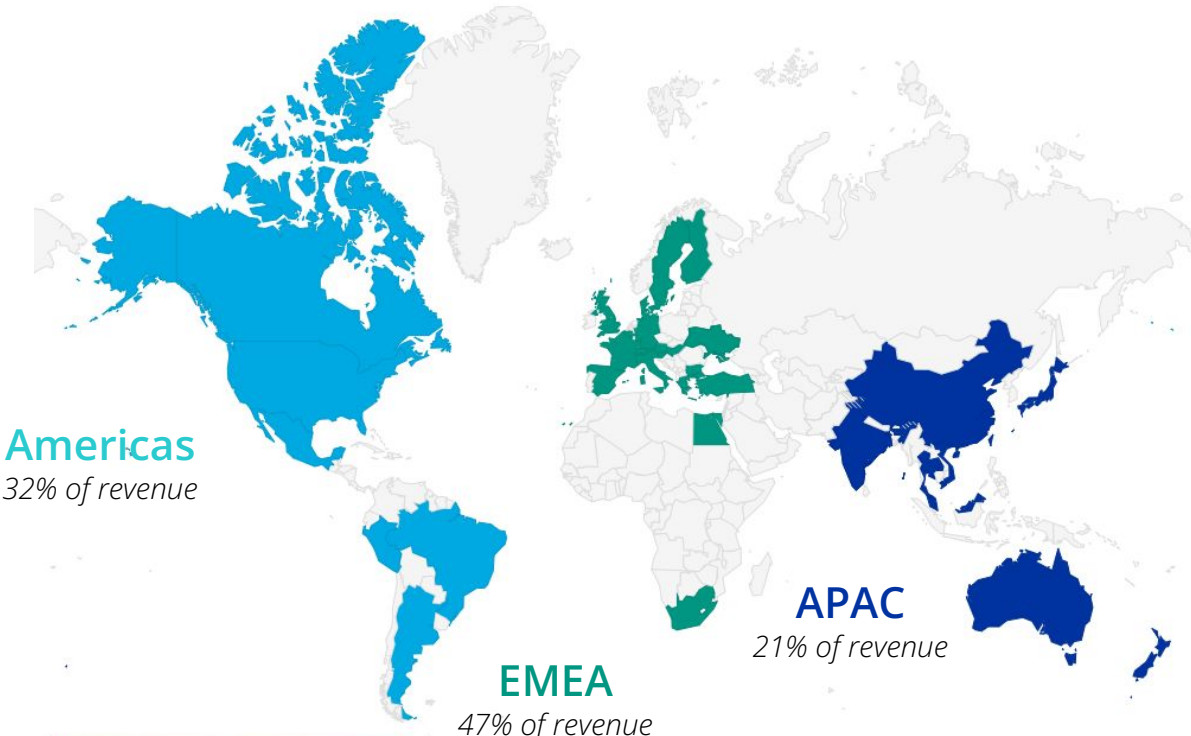


€720m
Current EBITDA



Sales in 133
countries

2022 data



Imerys in a nutshell

What we offer

High added-value solutions to different industries

We succeed through:

Best-in-class resources, operations and technologies



Customer application **knowledge** and market-driven **innovation**



Geographical **footprint** and growing **underlying markets**



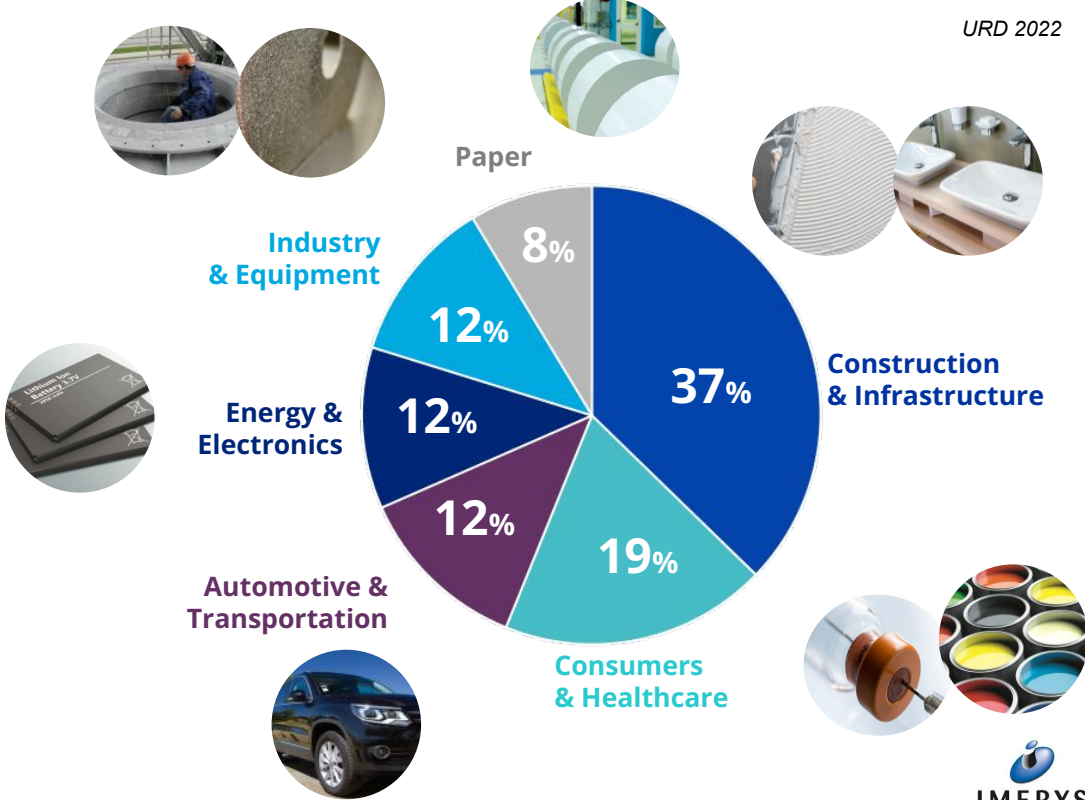
Leading positions in most markets



Ambitious **sustainability** targets

Whom we serve

URD 2022



Strategic roadmap in place, good financial resilience in a tough environment



Highlights

- Strategic roadmap focused on three megatrends: green mobility and sustainable energy, natural solutions for consumer goods and sustainable construction
- Strategic moves: High Temperature Solutions business divestiture, graphite and carbon capacity investments, lithium projects
- Current macroeconomic challenges following 2022 rebound



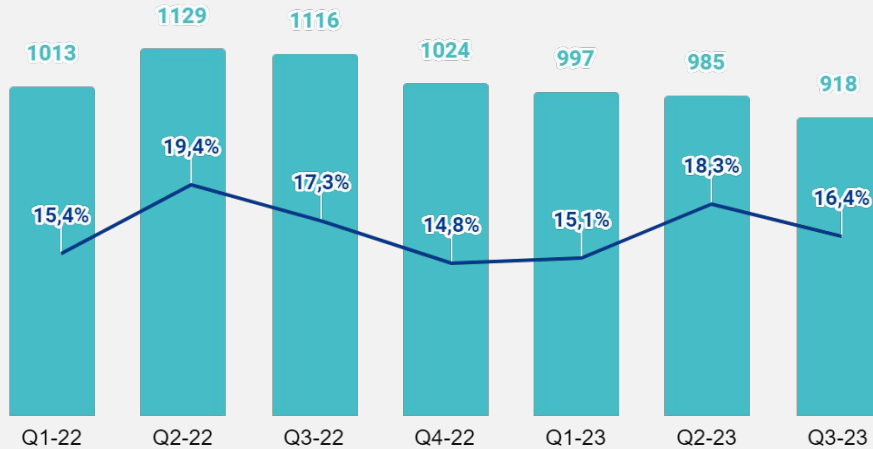
Financial performance⁽¹⁾

- First nine months revenue of €2.9 billion reflecting low end-markets and destocking effect
- Resilient current EBITDA margin at 16.6% for the first nine months of 2023 performance, only slightly below 2022 levels
- Positive price/cost balance maintained, demonstrating the strength of the Group's business model during periods of significant uncertainty
- Guidance confirmed for 2023 current EBITDA at the low end of €630-650 million range announced last July

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

Resilient current EBITDA margin despite low volumes

Revenue (€m) current EBITDA margin (%)



NB: HTS not included

First 9 months 2023 :

Revenue -8.5% like-for-like
Current EBITDA margin at 16.6%



2022 high comparables



Challenging markets hit by high interests rates and inflation



Positive price-mix cost balance, input costs reversing in Q3

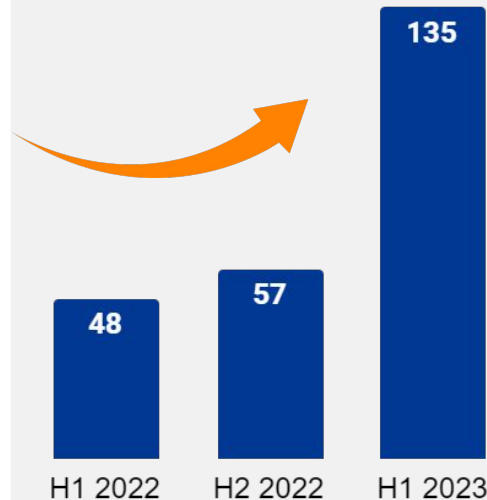


Effective cost savings

Stronger cash flow generation in H1 2023 despite lower current EBITDA

(including HTS as per IFRS 5 rules)

Net current free operating cash flow before strategic capex (€m)



Current EBITDA
(€m)



Current EBITDA hit per lower sales volume vs Last Year



Change in WCR
(€m)



Improving OWC change: lower inflation and structural actions



Capex paid
(€m)

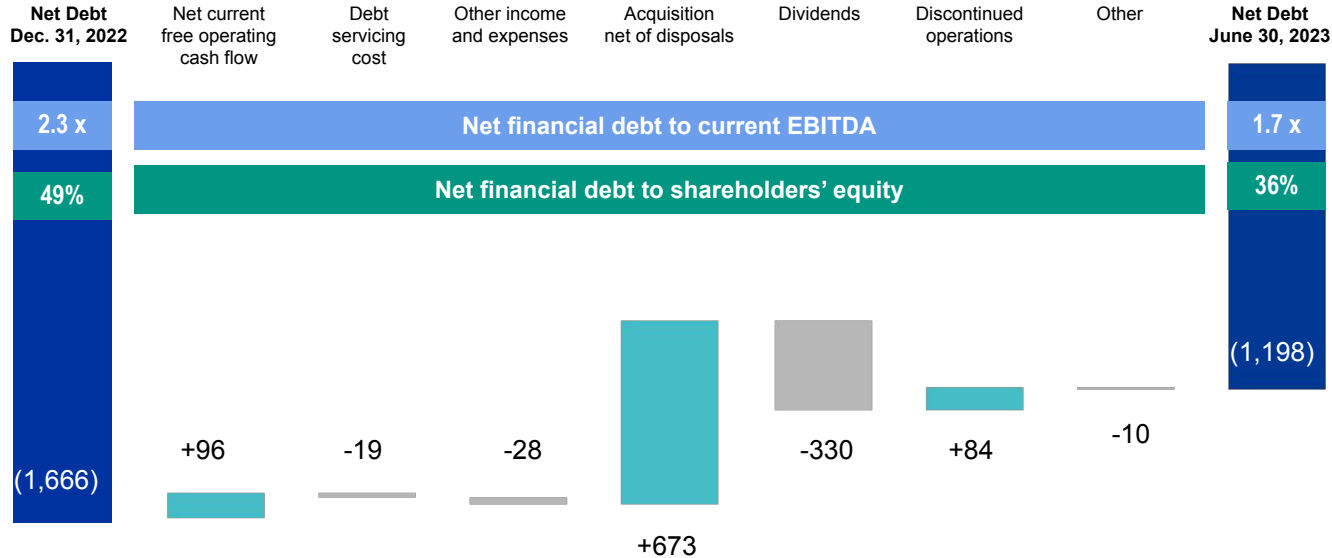


Consistent capex paid over the last two years

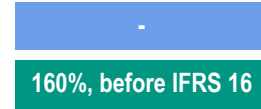
Source: Imerys

Net debt reduced by €468M (-28%) from December 2022 to June 2023

Change in net financial debt (€m)



Covenant



S&P Global

BBB-

Stable outlook

MOODY'S

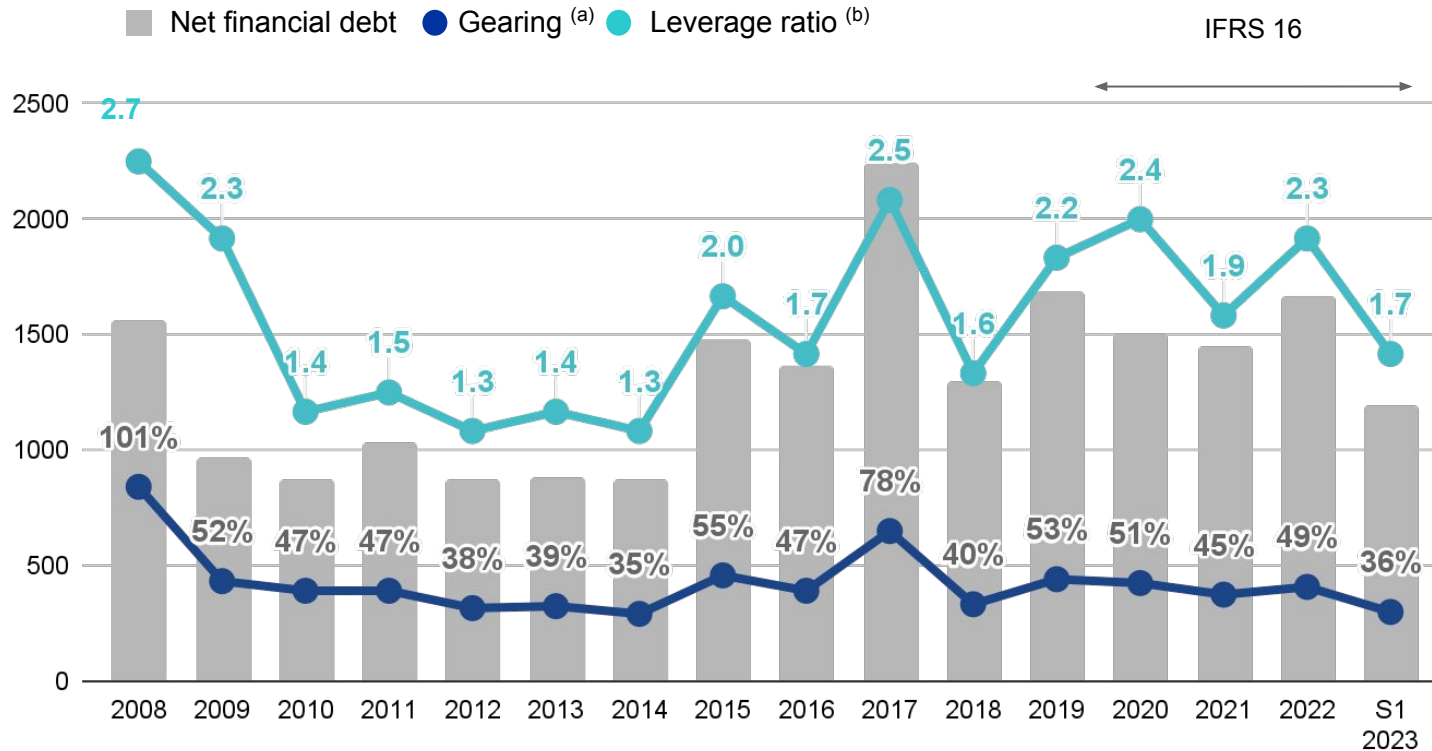
Baa3

Stable outlook

Source: Imerys

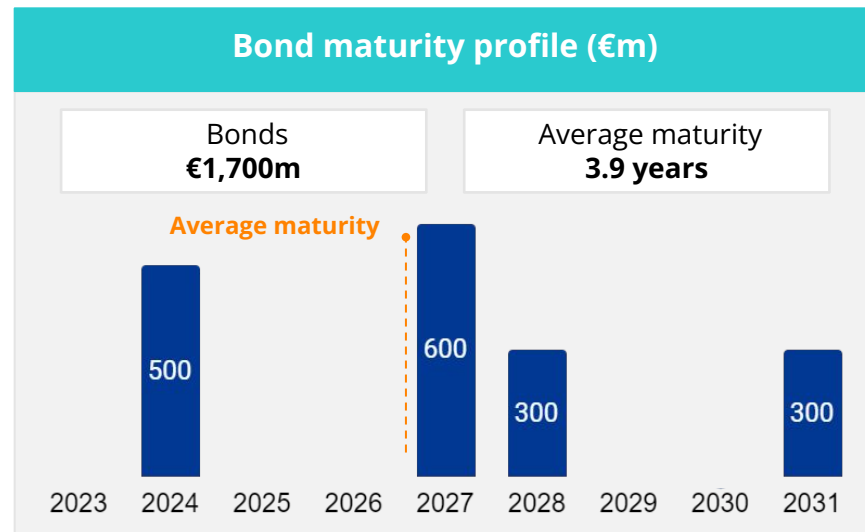
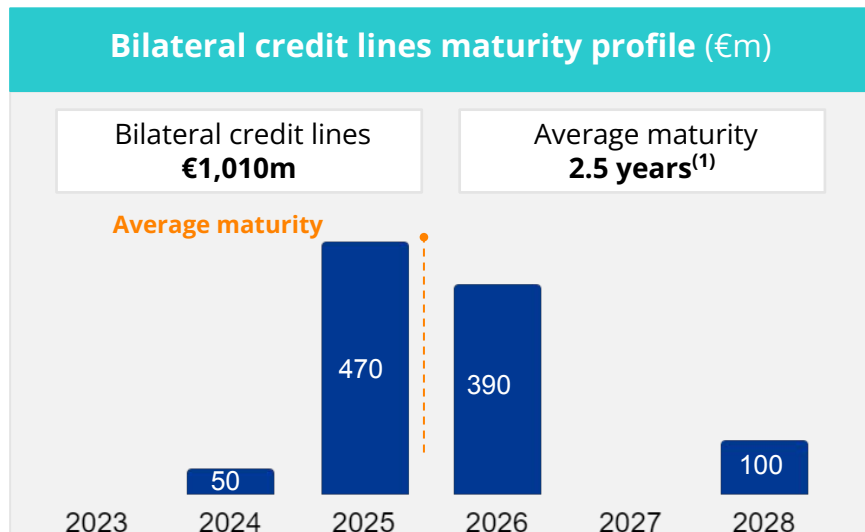
Maintaining a solid and flexible balance sheet

Net financial debt (€m) and financial ratios



(a) Net financial debt/Equity
 (b) Net financial debt/current EBITDA

Strong liquidity position and debt maturity profile as of June 2023



High level of available resources :
 €1.01 billion credit lines and €658 million cash
 as of June 30, 2023

(€m)	31/12/2022	30/06/2023	30/09/2023
Bonds	1,700	1,700	1,700
Other debts	585	156	171
Gross debt	2,285	1,856	1,871
Cash⁽²⁾	619	658	NA
Net debt	1,666	1,198	NA
Average interest rate (gross)	1.5%	1.3%	1.8%

⁽¹⁾Bilateral credit lines average maturity as of December 31, 2022

⁽²⁾Including other financial assets

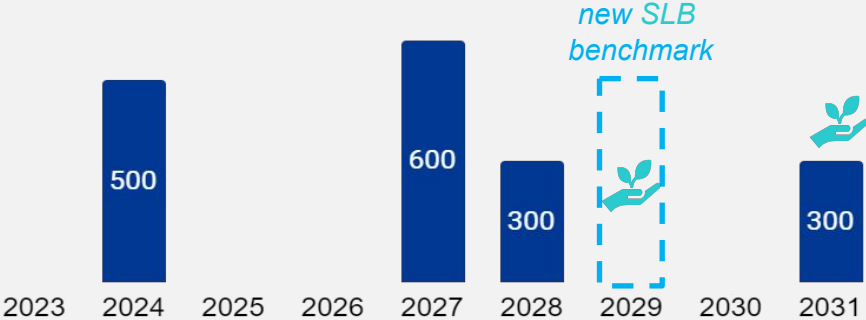
Imerys contemplated new bond transaction in SLB format

New 6-year SLB issuance: reinforcement of issuer's ESG commitments and perfect match in the debt profile

Key characteristics of the new issuance:

- 1 SLB issuance under the newly established Framework, as a strong illustration of Imerys' reinforcement of ESG strategy and commitments
- 2 Matching Imerys' debt profile, without overloading existing maturities
- 3 New issuance as part of effective and timely debt management, securing notably its 2024 maturity bond reimbursement

Imerys Debt Profile:



Our mid-term targets

Improved growth and profitability profile

- **Organic growth** to be fuelled by development capex and positioning on key megatrends
- **Current EBITDA margin** expected to reach 18-20% before end 2025

Disciplined capital allocation

Resources

- **Cash flow** (before strategic capex)
- **Proceeds from disposals**

Use of resources

- **Strategic capex** (excluding lithium)
- Strategic and bolt-on **acquisitions** or/and potential **deleveraging**
- Return to shareholders

Sound balance sheet

- Commitment to remain **Investment Grade**
- Investment Grade ratings maintained since initiation by Moody's (2001), S&P (2016)



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Sustainability



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Imerys purpose, vision and values

Unlocking Better Futures

for our people
for our customers
for our planet



Our Purpose

Unlocking better futures for our people, our customers and the planet

Our Vision

We aim to lead the specialty minerals industry, by...

EMPOWERING

our people to thrive in a safe and inclusive workplace

APPLYING

our expertise to serve our customers with commercial and operational excellence

LEVERAGING

our capabilities and resources to expand our presence in fast-growing markets

INNOVATING

the products and technologies of tomorrow in a digital world

EMBEDDING

responsible and sustainable thinking into all that we do

Our Values

EVERY PERSON MATTERS

Creating a safe, healthy, and inclusive environment

PARTNER OF CHOICE

Helping our customers solve tomorrow's challenges

ONE TEAM TOGETHER

Collaborating for better results

STRIVE FOR BETTER

Continuously learning, improving and innovating

ENABLERS OF TOMORROW

Protecting the planet and the future through our actions

Unlocking Better Futures for our people, our customers, our planet

Green Mobility & Sustainable Energy



Mobile energy Lightweighting Green energy



Ambitious CAPEX program:

- **Graphite & Carbon black** for energy transition & EVs
- **High performance minerals** for plastic lightweighting in automotive

Sustainable Construction



High performance and durable building Reduced CO₂ emission materials



- Aluminates for mineral foam insulation
- Metakaolin as green **supplementary cementitious material**

Natural solutions for consumer goods



Feeding the world Good health and well being



- Minerals substituting microplastics & chemicals
- Capacity increase in **high purity filtration for pharmaceuticals**

Lithium for mobile energy



Energy transition Mobile energy



- Launch of **Emili** project & **Imerys British Lithium** joint venture
- Production of lithium for **Li-ion batteries for electric vehicles**

Our Sustainability ambition

In 2018, the Group launched its sustainability program named **SustainAgility**, structured around 3 axes.

In 2022, the Group defined priority topics with **mid-term sustainability objectives** to be achieved by the end of 2025 that contribute to the UN Sustainable Development Goals



Empowering our People



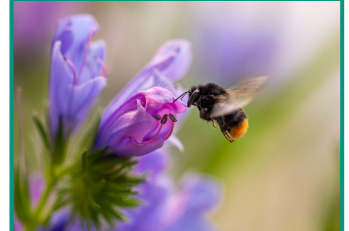
Making sure employees stay healthy and safe, safeguarding human rights and labor practices, nurturing talent, promoting diversity, equity and inclusion and engaging with local communities.

Growing with our Customers



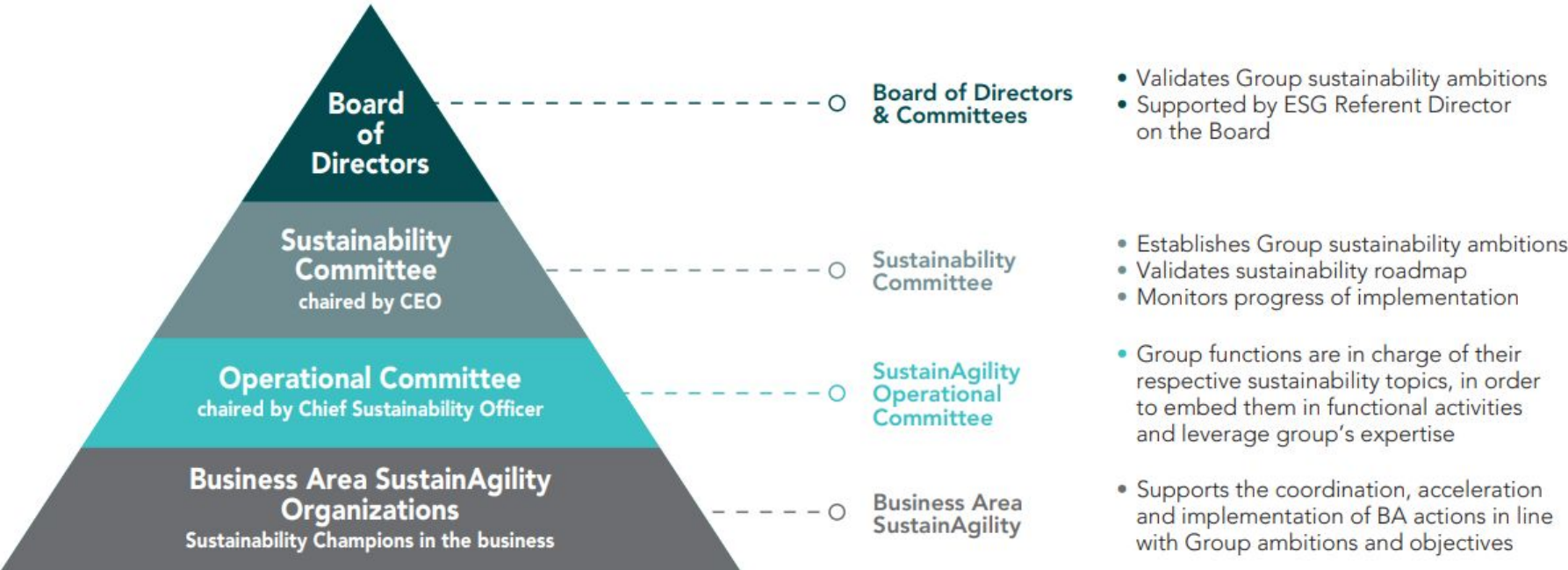
Behaving ethically, operating fairly, ensuring responsible purchasing, and advancing sustainable products and processes.

Caring for our Planet

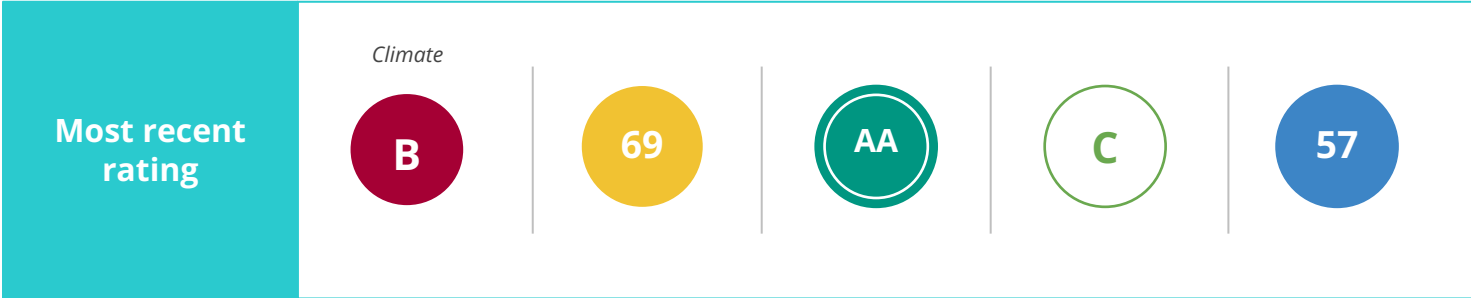


Protecting the environment, promoting natural resources efficiency, respecting biodiversity and acting on climate change.

Organization to support our sustainability ambition



Performance on selected ESG ratings



Imerys ratings as of 14/11/2023

Empowering our people: our mid-term ESG objectives



Safety & Health



Empowering our People

Our strategic focus

Reinforce our maturity on core values

Our commitment

Making sure employees stay healthy and safe, safeguarding human rights and labor practices, nurturing talent, promoting diversity, equity and inclusion and engaging with local communities.



Human Capital



Group Objective

Safety : Improve Group Safety Culture Maturity* across all Business areas

	Perf 2022	Target 2025
Safety : Improve Group Safety Culture Maturity* across all Business areas	3.0	3.3
Health : Increase the global Occupational Health action plan improvement rate	NEW	75%

Health : Increase the global Occupational Health action plan improvement rate

*Maturity Level 3 corresponds to Proactive level on the Imerys Safety Culture Maturity Matrix where Imerys Safety System is "fully implemented, employees are engaged and contribute actively"

Group Objective

Diversity, Equity & Inclusion : Increase the score of the Diversity, Equity & Inclusion Index**

	Perf 2022	Target 2025
Diversity, Equity & Inclusion : Increase the score of the Diversity, Equity & Inclusion Index**	NEW	100

** The Diversity, Equity and Inclusion Index is a composite metric used to track diversity and inclusion across a range of dimensions including gender balance, pay equity, nationality, disability, as well as inclusion.

Growing with our customers: our mid-term ESG objectives

Business Conduct

Growing with our customers

Our strategic focus

Accelerate the development of sustainable solutions

Sustain business ethics in the whole value chain

Sustainable Solutions

SustainAgility™ Solutions Assessment

Our methodology and ambition for developing a sustainable product portfolio

Group Objective	Perf 2022	Target 2025
Business Ethics & Compliance : Improve the external sustainability rating of the Group compared to 2022 assessment.	69	+7%
Responsible Purchasing : Deploy a sustainability rating scheme of Group suppliers (by spend)	53%	75%

Our commitment

Behaving ethically, operating fairly, ensuring responsible purchasing, and advancing sustainable products and processes.

Group Objective	Perf 2022	Target 2025
Portfolio Sustainability : Assess the Products in Application Combinations (PAC) of Imerys product portfolio (by revenue) according to sustainability criteria*	55%	75%
Portfolio Sustainability : Ensure the Group New Product Developments are scored as SustainAgility Solutions**	75%	75%

*The Group portfolio is assessed using the SustainAgility Solutions Assessment methodology, which is based on the World Business Council for Sustainable Development's Portfolio Sustainability Assessment framework

**Based on the SustainAgility Solutions Assessment framework a "SustainAgility Solution" is a product in an application that has scored within the two highest categories of the four possible categories.



Caring for our planet : our Mid-term ESG objectives



Climate Change



Caring for our planet

Our strategic focus

Strengthen our commitments to preserve the planet



Environmental Stewardship



Group Objective

Perf 2022 Target 2030

Climate Change Strategy : Reduce Group scope 1 & 2 greenhouse gas emissions (tCO₂eq) by 42% from 2021 base year in alignment with a 1.5°C trajectory

NEW -42%

Climate Change Strategy : Reduce scope 3* greenhouse gas emissions (tCO₂eq) by 25% from a 2021 base year

NEW -25%

Our commitment

Protecting the environment, promoting natural resources efficiency, respecting biodiversity and acting on climate change.



Group Objective

Perf 2022 Target 2025

Environmental Management : Reduce environmental impacts by assessing the maturity level of sites against environmental management requirements*

NEW 100%

Natural Resource Efficiency: Improve water management by ensuring major** sites comply with new water reporting requirements

NEW 100%

Natural Resource Efficiency : Improve mineral resources efficiency by ensuring sites (by mineral waste volume) comply with new mineral wastes reporting requirements

NEW 80%

Biodiversity & Land Rehabilitation : Reduce impact on biodiversity by filling our act4nature commitments and conducting biodiversity audits on priority sites

NEW 20

*Requirement as defined by Imerys protocols and measured by the environmental maturity matrix

**Major sites refer to withdrawal > 1 Mm3 or located in water stress zones.



*Scope 3 emissions covered: purchased goods and services, capital goods, fuel and energy related activities, upstream and downstream transportation and distribution, waste generated in operations, business travel, employee commuting, and investments



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Sustainability



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GHG emissions: a strategic priority for Imerys

Context

- **Climate crisis** poses an urgent and irreversible systemic threat to our planet which calls for global action
- Historically, GDP growth has been linked to growth in GHG emissions, and this needs to change in order to reach the Paris Agreement
- The **industrial minerals sector** has a **major role to play**

A strategic priority

- Climate change has been identified as a material sustainability challenge in our double materiality assessment
- Climate change risks and opportunities integrated in **strategic & financial** planning
 - Internal carbon price for €150k+ capex impacting >~1000 tCO₂e
 - CO₂ impact evaluation for all M&A and divestiture activities

Reinforced targets

- Imerys **succeeded to reduce scope 1 & 2 GHG emissions by 31 % relative to revenue** in 2022 compared to 2018 baseline
- In 2022, the Groupe went a step further by **reinforcing its GHG emissions targets** by calculating them in **absolute value**, i.e. decoupling them from the revenue growth

SLB Financing Framework aligned with ICMA SLB principles

KPI Selection: Absolute GHG Emissions

- GHG Emissions is related to climate change mitigation, one of the main environmental challenges the industrial minerals industry is facing

Calculation of the KPI

- Tons of CO₂ emissions equivalent (Scope 1 and 2) ⁽¹⁾

Calibration of the SPT⁽²⁾: -32.7% in 2028 versus 2021

- SPT 2028 consistent with the 2030 SBTi validated pathway
- Ambitious (beyond business as usual) and science based target

Bond characteristics: premium payment in certain conditions

- 0.75% premium if 2028 target is not reached, paid in 2029

Reporting: Performance on KPI, and against the baseline are reported annually

Verification: Data and metrics used to produce our KPI are externally verified

(1) Imerys' Scope 1 and 2 emissions represent about 33% of the total emissions in 2021

(2) SPT: Sustainability Performance Target

SLB Framework aligned with



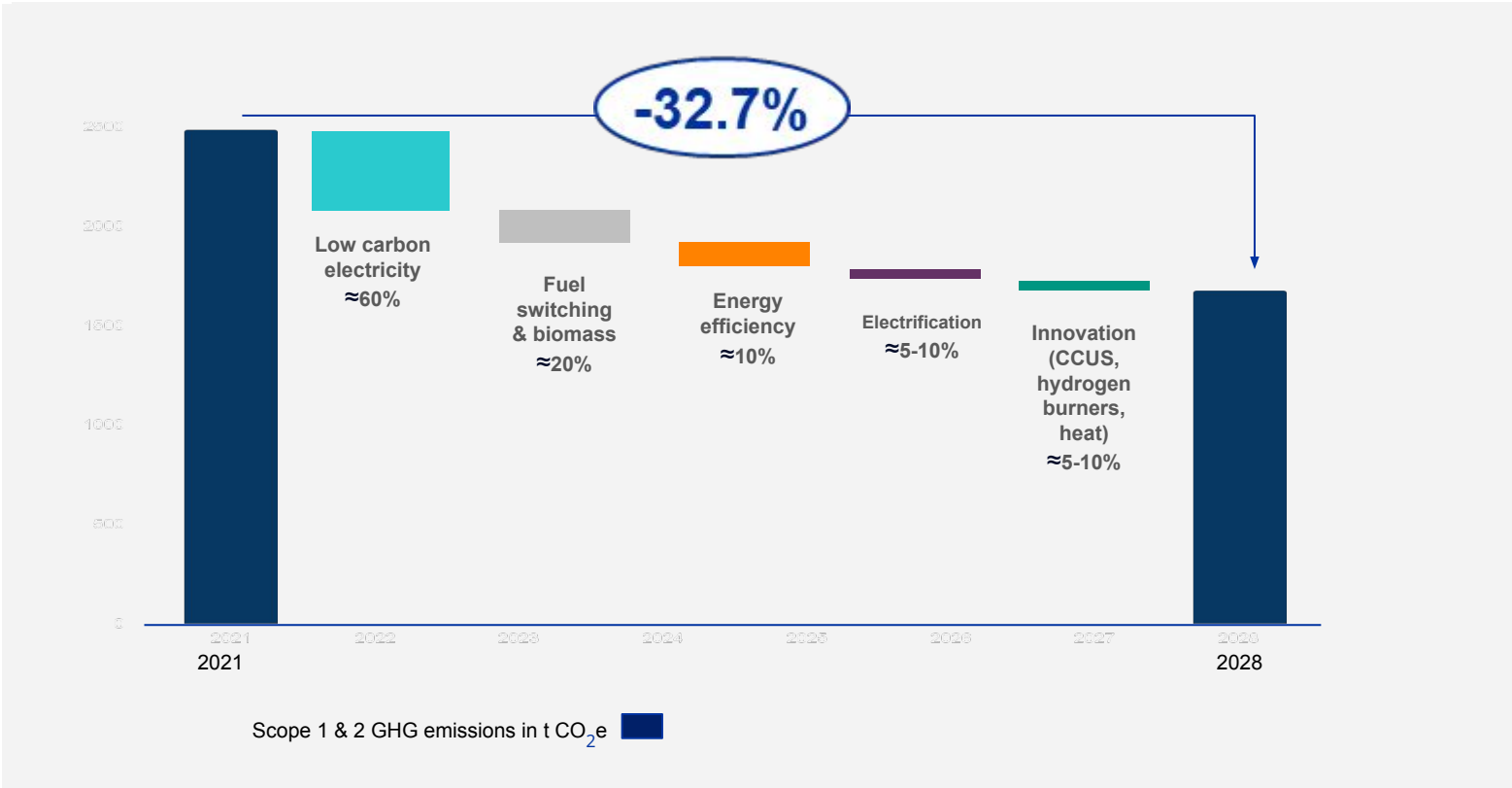
Science Based Target



Second Party Opinion by


S&P Global
Ratings

SPT 1: Reduction in Scope 1 & 2 GHG emissions by 2028 vs 2021 in absolute value




S&P Second Party Opinion: Assessment of Imerys' SLB framework

Selection of key performance indicators (KPIs)

Alignment  Imerys' sustainability-linked bond framework is aligned with this component of the SLBP.

KPI 1 Absolute GHG Emissions (Scope 1 and 2) expressed in tonnes of CO₂ equivalent emissions


Calibration of sustainability performance targets (KPIs)

Alignment  Imerys' sustainability-linked bond framework is aligned with this component of the SLBP.

SPT 1 Reduce GHG emissions (scope 1 and 2) by 32.7% in tCO₂eq by 2028 - from a 2021 base year


SPT 2 Reduce GHG emissions (scope 1 and 2) by 42% in tCO₂eq by 2030 - from a 2021 base year

Instrument characteristics

Alignment  Imerys' sustainability-linked


bond framework is aligned with this component of the SLBP.

Reporting

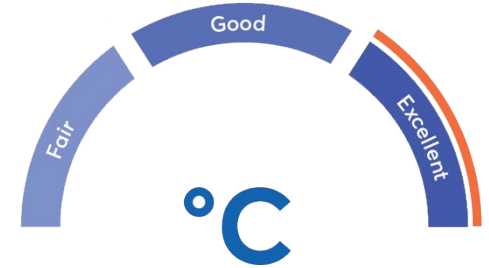
Alignment  Imerys' sustainability-linked

bond framework is aligned with this component of the SLBP.

External review

Alignment  Imerys' sustainability-linked

bond framework is aligned with this component of the SLBP.



Governance procedures in
Imerys' framework

S&P Global
Ratings

Powered by legacy **Shades of Green**

Conclusion: Imerys with strong fundamentals for sustainable future



Revenue growth to exceed rebound expected in underlying markets, thanks to strategic roadmap focused on green mobility and sustainable energy, natural solutions for consumer goods and sustainable construction as well as strong market positions



Stable share ownership structure, solid balance sheet, strong liquidity position and cash flow generation to sustain disciplined investments for **future growth and value creation**



A responsible operator with externally recognized **leading sustainability practices unlocking better futures** for our people, our customers and our planet



A reinforced commitment to **align our financial resources with our sustainability targets**, in particular with our updated GHG emissions reduction targets validated by the SBTi

Transaction Overview

Issuer	Imerys
Format	Fixed rate, RegS, Bearer, Senior Unsecured
Issuer Rating	Baa3 (Stable) by Moody's and BBB- (Stable) by S&P
Expected Issue Rating	[Baa3] / [BBB-] by Moody's / S&P
Currency / Expected Size	EUR [500]mn
Tenor / Maturity	[6] years
Sustainability Performance Targets (SPT)	SPT: reduce GHG emissions (scope 1 and 2) by 32.7% in 2028 versus 2021 baseline consistent with the 2030 SBTi validated pathway
Premium	+75 bps paid at redemption (if target not reached)
Documentation	Stand Alone / CoC / MWC / 3m par-call / Clean-Up Call (80%)
Denomination	€100,000 + €100,000
Use of Proceeds	General Corporate Purposes
Governing Law	French law
Listing	Luxembourg (Regulated Market)
ESG Structuring Advisor	BNPP
Active Bookrunners	BNPP, Commerzbank, HSBC, MUFG, Natixis, Société Generale
Target Market	Manufacturer target market (EU MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). UK MiFIR product governance: professional investors and eligible counterparties only target market. No PRIIPs key information document (KID) is required. Not available to retail into EEA or in the UK

Thank you for your attention

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 [@imerys](https://twitter.com/imerys)

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	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.
OWC	Operating Working Capital
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.
Notional income tax rate	Income tax rate on current income