

PARIS, APRIL 27, 2018



Imerys announces increase in first quarter 2018 earnings

- + 4.2% organic growth ⁽¹⁾
 - Revenue growth of + 8.5% to €1.2 billion euros, supported by external growth (Kerneos in particular)
- + 4.8% increase in current operating income to €154 million
 - + 15.1% rise, excluding exchange rate impact
 - Robust price-mix
 - Continued investments to ensure Group's growth and strengthen competitiveness
- + 11.8% increase in net income from current operations to €95 million

Chairman & CEO Gilles Michel commented:

"During the first quarter, Imerys continued to benefit from improving markets, like in the second half of 2017, its development strategy and innovation policy. Our results grew despite unfavorable currencies and adverse weather conditions. In the coming quarters, the Group will further invest in its growth, strengthen its competitiveness and will benefit from the contribution of recent acquisitions, notably Kerneos. 2018 should therefore be another year of progress in net income from current operations at current market conditions."

Unaudited consolidated results (€ millions)	1er quarter 2017	1er quarter 2018	Change
Revenue	1,113.2	1,207.6	+ 8.5%
Current operating income ⁽²⁾	147.2	154.2	+ 4.8%
Operating margin	13.2%	12.8%	- 0.4 pt
Net income from current operations, Group's share ⁽²⁾	85.3	95.4	+ 11.8%
Net income, Group's share	78,8	91.7	+ 16.3%
Net income from current operations, Group's share, per share (€) ⁽²⁾⁽³⁾	1.08	1.21	+ 11.5%

(1) Organic growth: growth at comparable scope and exchange rates, or "like-for-like"

(2) Throughout this press release, "current" means "before other operating revenue and expenses", as defined in the notes to the financial statements relating to the consolidated income statement

(3) The weighted average number of shares was 79,047,023 in the 1st quarter of 2018 vs. 78,849,404 in the 1st quarter 2017

FIRST QUARTER 2018 FINANCIAL REVIEW

+8.5% REVENUE GROWTH

Unaudited quarterly data (€ millions)	2017 Revenue	2018 Revenue	Reported change	Like-for-like change	of which volumes	of which price-mix
First quarter	1,113.2	1,207.6	+ 8.5%	+ 4.2%	+ 1.2%	+ 3.0%

Revenue for the first quarter ended 31 March 2018 amounts to €1,207.6 million, up + 8.5% compared to the same period of 2017. This increase reflects the organic growth of + 4.2%, thanks in particular to a robust price-mix effect in all business groups, up + 3.0%. In markets that continue to be positive, volumes rose by + 1.2%. The activity has been impacted by adverse weather conditions in Europe and the United States.

Revenue also includes a positive perimeter effect of + €129.0 million (+ 11.6%), of which €108.0 million from Kerneos in particular, as well as the impact of significant adverse exchange rates for - €80.9 million euros (- 7.3%).

+4.8 % INCREASE IN CURRENT OPERATING INCOME

First quarter 2018 **current operating income** totaled €154.2 million, up + 4.8% compared to the first quarter of 2017. Excluding the impact of exchange rate fluctuations (- €13.2 million), it is up + 15.1% thanks, in particular, to a positive price-mix effect of + €31.3 million, which is offsetting the increase in variable costs (+ €19.3 million, notably raw materials and energy) which remain under control, and a gradual improvement in the contribution from recent acquisitions (+ €14.1 million), Kerneos, notably. Sales volumes contribute more than €6.7 million.

Moreover, the + €16.8 million increase in fixed costs and overheads includes further investments in new production capacity, innovation, human resources and programmes designed to strengthen the Group's competitiveness and support its growth.

Thus, the Group's **operating margin** remains firm at 12.8% for the first quarter of 2018, despite a - 0.2 point unfavorable exchange rate impact and taking into account a different business mix in the first quarter.

NET INCOME FROM CURRENT OPERATIONS UP + 11.8%

Net income from current operations rose + 11.8% to €95.4 million (Q1 2017: €85.3 million). It includes a financial result that goes from - €25.8 million in the first quarter 2017 to - €19.6 million in the first quarter 2018, due to the decrease of - €6.2 million in financial costs. The tax charge of - €39.0 million (Q1 2017: - € 35.8 million) reflects an effective tax rate of 29.0 % (Q1 2017: 29.5%).

Net income from current operations, Group share, per share is up + 11.5% to €1.21.

+16.3 % RISE IN NET INCOME

First quarter 2018 **net income, Group share**, increased by + 16.3% to €91.7 million after taking into account other income and operating expenses, net of taxes of - €3.7 million in the first quarter of 2018, lower than in the first quarter of 2017.

FINANCIAL STRUCTURE

The Group's net financial debt was €2.3 billion as at 31 March 2018, and did not significantly change compared to 31 December 2017. The long-term credit ratings of Imerys attributed by rating agency Moody's ("BAA-2" with a stable outlook) and by Standard & Poors ("BBB", also with a stable outlook) have been confirmed during the quarter.

BUSINESS GROUPS' ACTIVITY IN FIRST QUARTER 2018

Energy Solutions & Specialties

(27% of consolidated revenue)

Unaudited quarterly data (€ millions)	1er quarter 2017	1er quarter 2018	Reported change	Like-for-like change
Revenue	321.6	319.7	- 0.6%	+ 4.9%

The **Energy Solutions & Specialties** business group's revenue totaled €319.7 million in the 1st quarter of 2018 (stable on a reported basis). This change takes into account a significant - €23.8 million exchange rate effect (- 7.4%) and a perimeter effect of + €6.2 million (+ 1.9%) due in particular to the acquisitions completed in the Carbonates division (Micronita in Brazil, in November 2017, and Vimal Microns in India, in February 2018) and the Monolithic Refractories division (Set Linings end of March 2017). On a like-for-like basis, revenue increased + 4.9% from the same period in 2017.

The **Carbonates** division recorded a good level of activity in Asia, while its operating conditions were affected by weather conditions in the United States. The **Monolithic Refractories** division's demand has been sustained in most of the European and Asian industrial markets. The **Graphite & Carbon** division's sales growth was driven by the mobile energy markets. In the **Oilfield Solutions** division, the ceramic proppant market remained at a low level.

Filtration & Performance Additives

(26% of consolidated revenue)

Unaudited quarterly data (€ millions)	1er quarter 2017	1er quarter 2018	Reported change	Like-for-like change
Revenue	312.4	322.6	+ 3.3%	+ 5.8%

The **Filtration & Performance Additives** business group's revenue totaled €322.6 million in the 1st quarter of 2018, a + 3.3% year-on-year increase. It includes a strong - 23.4 million exchange rate impact (- 7.5%) and a + €15.7 perimeter effect (+ 5.0%) relating to the acquisition of Regain Polymers (September 2017). On a like-for-like basis, the business group's revenue was up + 5.8%.

In markets which continued to be supportive, the **Performance Additives** division business was impacted by weather conditions in the United States, the **Filtration** division continued its diversification developments (healthcare, cosmetics, agriculture ...) and the **Metallurgy** division revenue has been supported by dynamic industrial markets.

Ceramic Materials

(23% of consolidated revenue)

Unaudited quarterly data (€ millions)	1er quarter 2017	1er quarter 2018	Reported change	Like-for-like change
Revenue	310.9	286.6	- 7.8%	- 1.2%

The **Ceramic Materials** business group's **revenue** totaled €286.6 million in the 1st quarter of 2018. The - 7.8% year-on-year reported change factors in a significant - €20.7 million negative exchange rate effect (- 6.7%). Revenue is down - 1.2% on a like-for-like basis in a still challenging market for paper.

The **Kaolin** division recorded negative volumes despite the development in specialty applications (paint, rubber, plastics, inks, etc.). It also suffered from an unfavorable impact of the evolution of the Brazilian real. The activity of the **Roofing** division was contrasted because of weather conditions in France, in a market that shows signs of recovery. The **Ceramics** division demand was robust, particularly in emerging countries.

High Resistance Minerals

(24% of consolidated revenue)

Unaudited quarterly data (€ millions)	1er quarter 2017	1er quarter 2018	Reported change	Like-for-like change
Revenue	184.2	304.2	+ 65.1%	+ 10.3%

The **High Resistance Minerals** business group's **revenue** totaled €304.2 million in the 1st quarter of 2018. The + 65.1% year-on-year reported change in revenue factors in a + €114.4 million significant perimeter effect (+ 62.1%) relating to the integration of Kerneos in the Aluminates division, and to a lesser extent to Zhejiang in China in the Fused Minerals division and a strong - €13.6 million exchange rate impact (- 7.4%). On a like-for-like basis, revenue increased + 10.3%, supported by buoyant markets.

The **Aluminates** division, which includes Kerneos, continued to grow in the sectors of the construction and civil engineering (building chemistry) and benefited from a firm level of activity in refractories. The revenue of the **Fused Minerals** division were sustained in all geographies and markets, industrial production in particular. The two divisions faced strong pressure on certain raw materials.

Financial agenda 2018

May 4 (11.00 am)	Shareholders' General Meeting
July 27 (after market close)	1 st half 2018 results
October 30 (after market close)	3 rd quarter 2018 results

These dates are tentative and may be updated on the Group's website at www.imerys.com, in the *Investors & Analysts / Financial Agenda* section.

Conference call

The press release is available on the Group's website www.imerys.com from the homepage in the News section. The 1st quarter 2018 results will be discussed in a **conference call today at 18:00 pm** (Paris time). The conference call will be streamed live on the Group's website www.imerys.com.

The world leader in mineral-based specialty solutions for industry, with €4.6 billion revenue and 18,000 employees, Imerys delivers high value-added, functional solutions to a great number of sectors, from processing industries to consumer goods. The Group draws on its knowledge of applications, technological expertise and its material science know-how to deliver resources based on beneficiation of its mineral resources, synthetic minerals and formulations. These contribute essential properties to customers' products and performance, including refractoriness, hardness, conductivity, opacity, durability, purity, lightness, filtration, absorption and 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) under Regulated Information, particularly in its Registration Document filed with Autorité des marchés financiers on March 20, 2018 under number D.18-0150 (also available from the Autorité des marchés financiers website, www.amf-france.org). Imerys draws the attention of investors to chapter 4, "Risk Factors and Internal Control", of its Registration Document.

Disclaimer: *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.*

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APPENDIX: FIRST QUARTER 2018 RESULTS (UNAUDITED)

1. CONSOLIDATED REVENUE BREAKDOWN

Revenue by business group (€ millions)	Q1 2017	Q1 2018	Reported change	Group structure	Exchange rates	Comp. change
Energy Solutions & Specialties	321.6	319.7	- 0.6%	+ 1.9%	- 7.4%	+ 4.9%
Filtration & Performance Additives	312.4	322.6	+ 3.3%	+ 5.0%	- 7.5%	+ 5.8%
Ceramic Materials	310.9	286.6	- 7.8%	+ 0,1%	- 6.7%	- 1.2%
High Resistance Minerals	184.9	304.2	+ 65.1%	+ 62.1%	- 7.4%	+ 10.3%
Holding & Eliminations	(16.6)	(25.5)	n.s.	n.s.	n.s.	n.s.
Total	1,113.2	1,207.6	+ 8.5%	+ 11.6%	- 7.3%	+ 4.2%

Revenue by geographic destination (€ millions)	Q1 2018 revenue	Change vs. Q1 2017	% total Q1 2017 revenue	% total Q1 2018 revenue
Western Europe	536.2	+ 10.2 %	44 %	44 %
of which France	137.5	+ 6.3 %	12 %	11 %
USA / Canada	269.9	- 3.3 %	25 %	22 %
Emerging countries	343.6	+ 15.9 %	27 %	29 %
Japan / Australia	57.9	+ 13.3 %	4 %	5 %
Total	1 207.6	+ 8.5 %	100 %	100 %

2. KEY INCOME INDICATORS

(€ millions)	1er quarter 2017	1er quarter 2018	Change
Revenue	1,113.2	1,207.6	+ 8.5%
Current operating income	147.2	154.2	+ 4.8%
Current financial expense	(25.8)	(19.6)	
Current taxes	(35.8)	(39.0)	
Minority interests	(0.2)	(0.3)	
Net income from current operations, Group's share	85.3	95.4	+ 11.8%
Other operating income and expenses, net	(6.5)	(3.7)	
Net income, Group's share	78.8	91.7	+ 16.3%

3. GLOSSARY

- The term **"on a comparable basis" or "like for like"** means: "at comparable Group structure and exchange rates";
 - Restatement of the foreign exchange effect consists of calculating aggregates for the current year at the exchange rate of the previous year. The impact of exchange rate instruments qualifying as hedging instruments is taken into account in current data.
 - Restatement of Group structure effect of newly consolidated entities consists of:
 - for entities entering the consolidation scope in the current year, subtracting the contribution of the acquisition from the aggregates of the current year,
 - for entities entering the consolidation scope in the previous 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 previous year;
 - Restatement of entities leaving the consolidation scope consists of:
 - for entities leaving the consolidation scope in the current year, subtracting the departing entity's contributions from the aggregates of the previous year as from the first day of the month of divestment,
 - for entities leaving the consolidation scope in the previous year, subtracting the departing entity's contributions from the aggregates of the previous year.
- the term « **volume effect** » corresponds to the sum of the change in sales volumes of each division between the current year and the previous one, valued at the average sales price of the previous year.
- the term « **price-mix effect** » corresponds to the sum of the change in average prices by product family of each division between the current year and the previous one, applied to volumes of the current year.
- the term **"Current operating income"** means operating income before other operating income and expenses;
- the term **"Net income from current operations"** means the Group's share of income before other operating revenue and expenses, net.