

First Quarter 2017 Results

Conference Call

April 28, 2017

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Disclaimer

More comprehensive information about Imerys may be obtained on its website (www.imerys.com), under Regulated Information, including its Registration Document filed under D.17-0190. Imerys draws the attention of investors to the “Risk factors and Internal control” set forth in section 4 of the Registration Document.

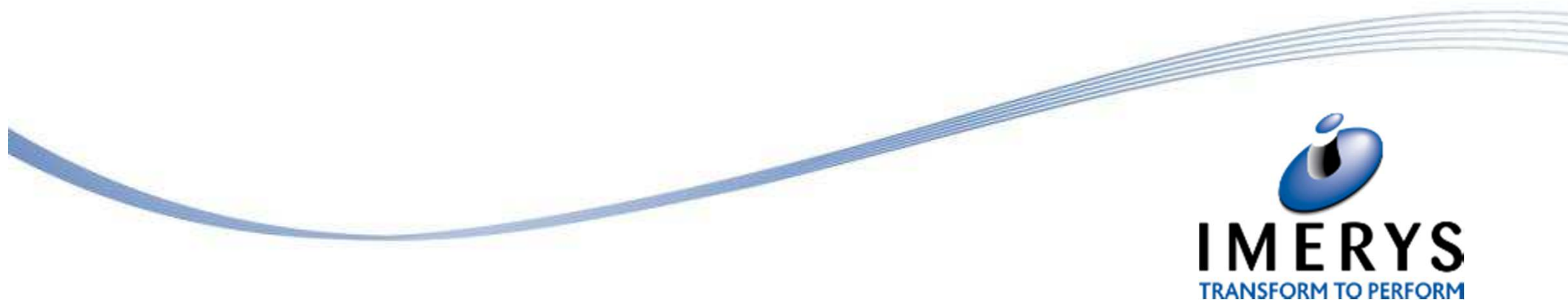
This document contains projections and other forward-looking statements. Investors are cautioned that such projections and forward-looking statements are subject to various risks and uncertainties (many of which are difficult to predict and generally beyond the control of Imerys) that could cause actual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

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First Quarter 2017 Results

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Results



First Quarter 2017 Highlights

■ Improved economic environment

- ◆ Organic growth⁽¹⁾ **+ 2.4 %**: confirmation of upward trend since Q4 2016

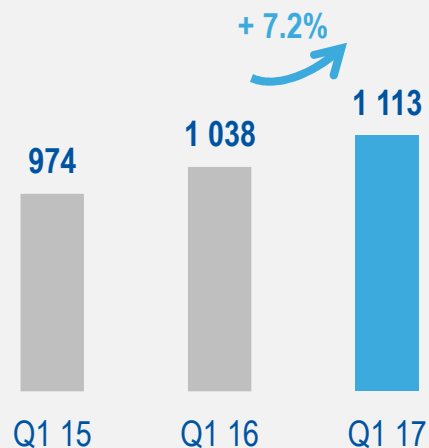
■ Good operating performance

- ◆ Current operating income up **+ 8.7 %** ⁽²⁾
- ◆ Operating margin at **13.2 %** (**+ 20 bps**)

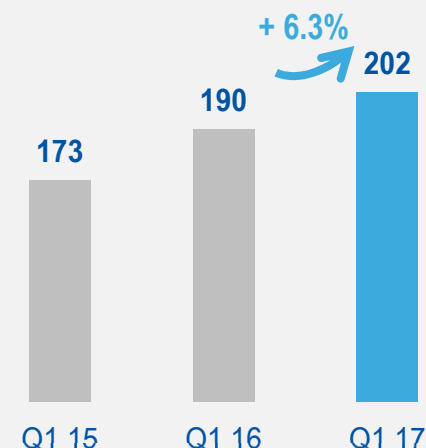
■ Net income from current operations up **+ 3.1 %**

- ◆ Increase in financial expenses reflecting March 2016 and January 2017 bond issues

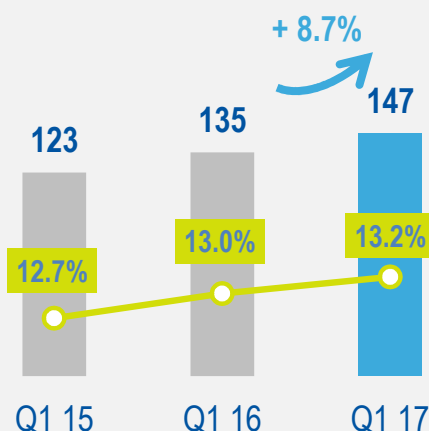
Revenue (€m)



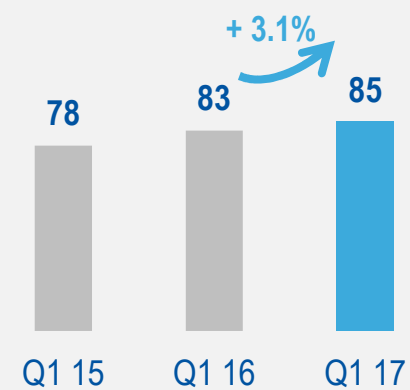
Current EBITDA (€m)



Current Operating Income (€m)



Net Income from current operations (€m)



Throughout the presentation

(2) Organic growth or "LFL" (like-for-like) means "at comparable Group's structure and exchange rates"

(1) "Current" means "before other operating revenue and expenses"

Market environment

	Weight in the Group*	
Construction and renovation	~20%	<ul style="list-style-type: none"> Sustained growth of individual and collective housing starts in the US (+ 8.1% Q1 2017 ⁽¹⁾ vs Q1 2016) Broad-based growth in Europe
Current Consumption	~15%	<ul style="list-style-type: none"> Firm current consumption (food and beverage, consumer electronics, cosmetics, etc.)
Paper	~16%	<ul style="list-style-type: none"> Decrease in printing and writing paper production in mature economies⁽²⁾ (- 3.0% 2016 vs 2015) Increase in emerging countries (+ 1.0% 2016 vs 2015)
Iron & Steel	~10%	<ul style="list-style-type: none"> Improved steel production in the US⁽³⁾ + 3.8% end March (3M 17 vs 3M 16) and in Europe :+ 3.8% (3M 17 vs 3M 16)
Automotive	~10%	<ul style="list-style-type: none"> Slight decline in passenger cars in the USA in Q1 2017 (- 1.5%)⁽⁴⁾ to historically high levels Car sales in Europe up + 8.4% in Q1 2017⁽⁵⁾
Roofing in France	~7%	<ul style="list-style-type: none"> increase in new individual housing starts + 10.9% 2M17 vs 2M16⁽⁶⁾, renovation down Decline in sales of roof clay tiles: - 3.4% 3M17⁽⁷⁾ vs 3M16
US non conventionnal oil exploration	~1%	<ul style="list-style-type: none"> Stabilisation of oil prices around 50\$ Restart of oil production in basins essentially using sand

(*) 2016 estimates

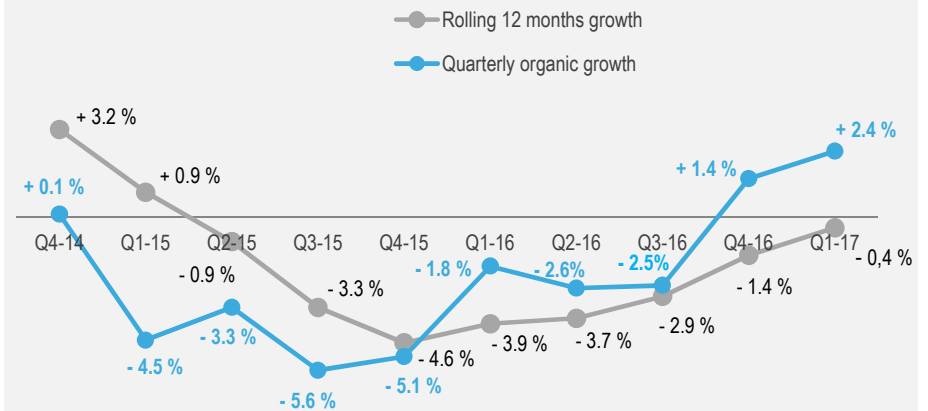
(1) Census (2) RISI (3) Worldsteel (4) IHS automotive, Wards (5) ACEA (6) Commissariat Général au Développement Durable

(7) Fédération Française de Tuiles et Briques

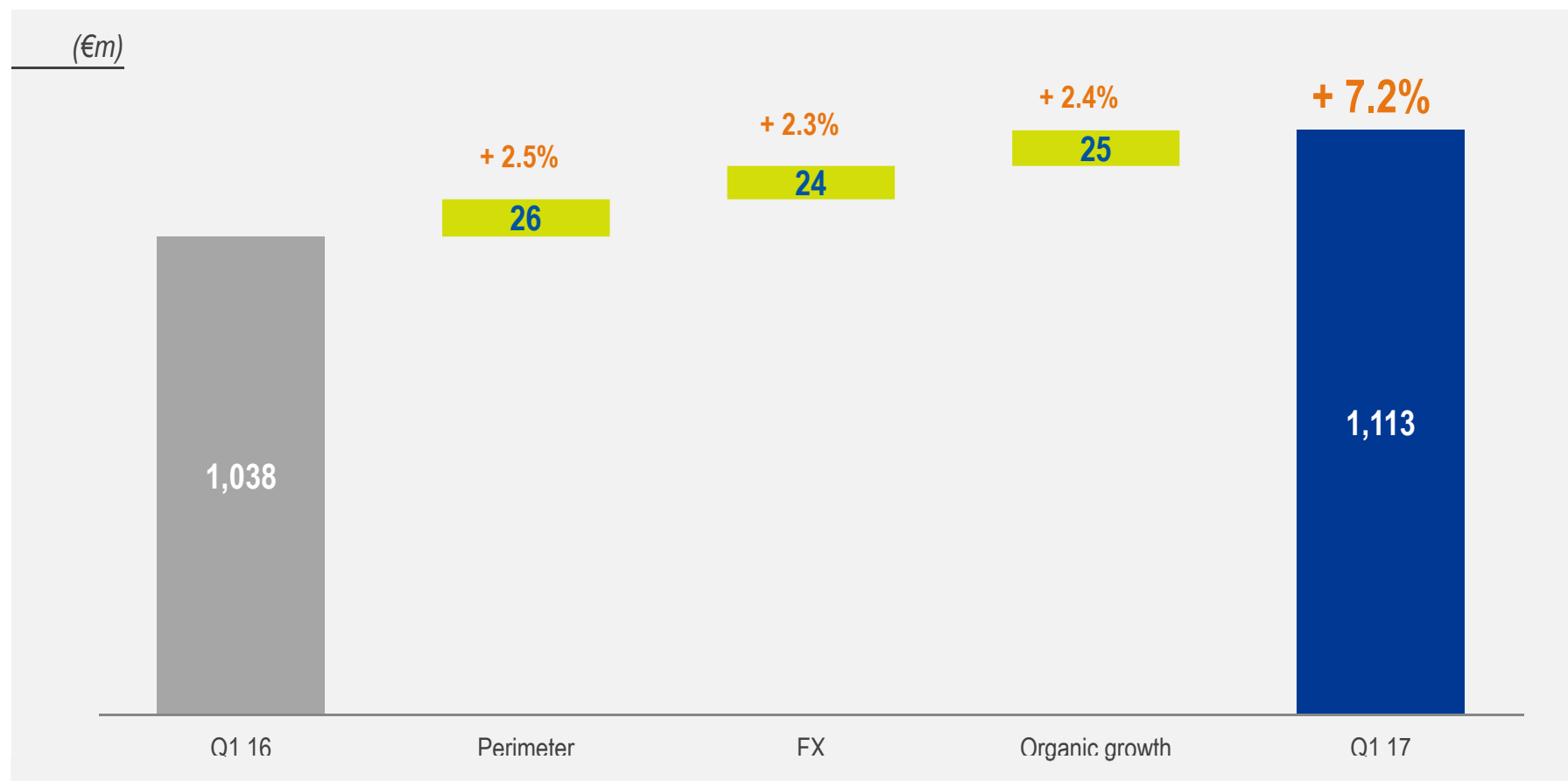
■ Quarterly organic growth up + 2.4% in Q1 2017

- ◆ Continued turnaround in certain markets and regions

■ Quarterly organic growth

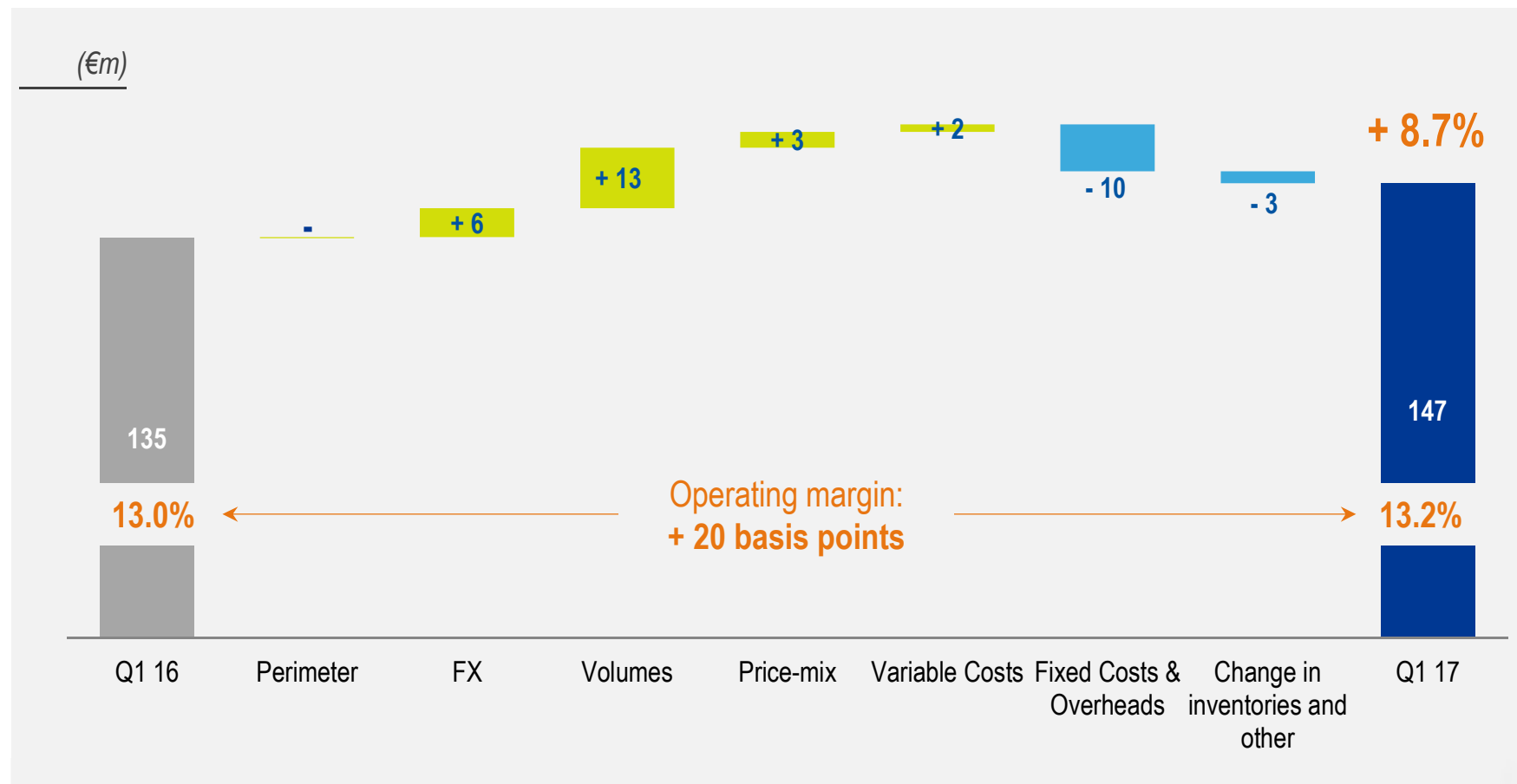


+ 7.2% revenue increase



- Contribution from the acquisitions completed in 2016 and early 2017
- Q1 2017 organic growth: + 2.4 %
 - ◆ Improving trends since Q4 2016 (+ 1.4 %)
 - ◆ Growth coming from volumes, neutral price-mix effect

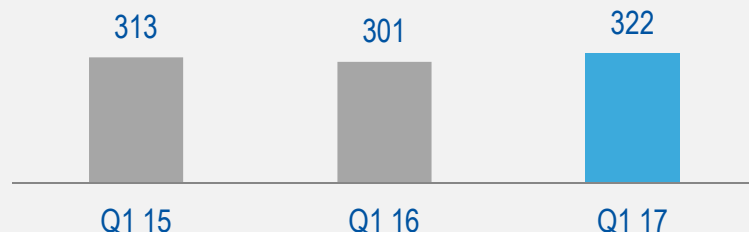
Current Operating Income up + 8.7%



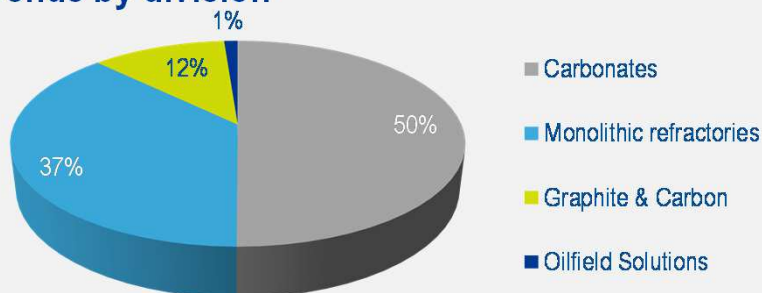
- More supportive environment: positive contribution from sales volumes of + €13m
- + €3m positive contribution from price-mix
- Variable costs down + €2m, thanks to operational excellence and procurement efficiency
- Increase in fixed and overhead costs limited to + €10m, in a context of growing capacities

Energy Solutions and Specialties (29% of revenue)

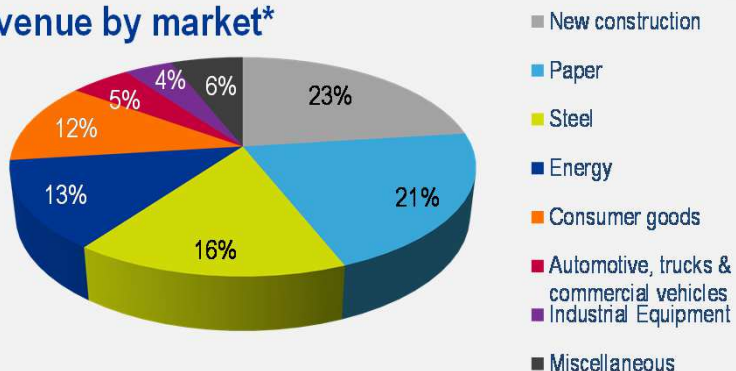
Revenue (€m)



Revenue by division



Revenue by market*

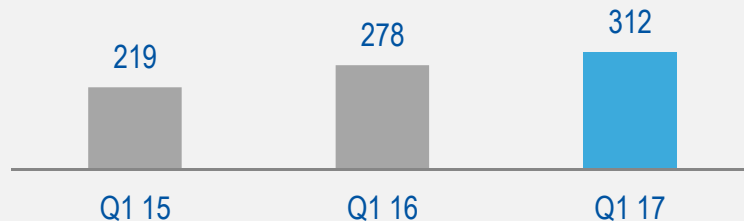


* 2016 data

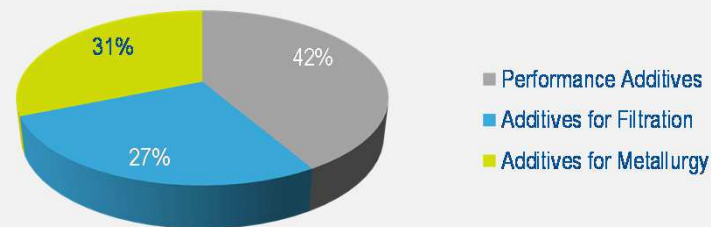
- Q1 2017 revenue: **+ 6.9%** (reported), **+ 1.0%** (LFL)
- Carbonates: slight increase driven by industrial and construction markets, in the US in particular
- Monolithic refractories: activity stabilizing, after several negative quarters
 - ◆ Stronger positioning with the acquisitions of NG Johnson (UK) and Set Linings (Germany)
- Graphite & Carbon: strong activity
 - ◆ Continuation of a pluri-annual investment program
 - ◆ Acquisition of NPG, a technological development company
- Ceramic proppants
 - ◆ Industrial and sales organization maintained

Filtration & Performance Additives (28% of revenue)

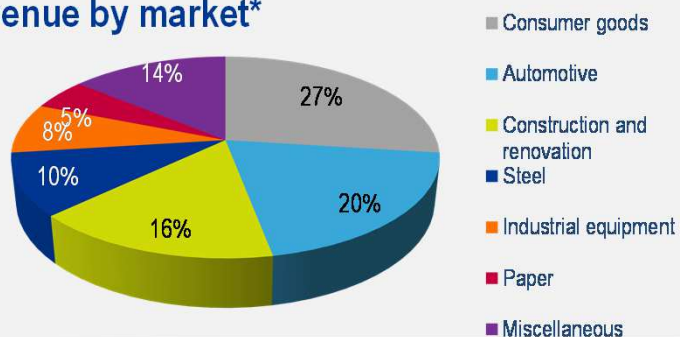
Revenue (€m)



Revenue by division



Revenue by market*

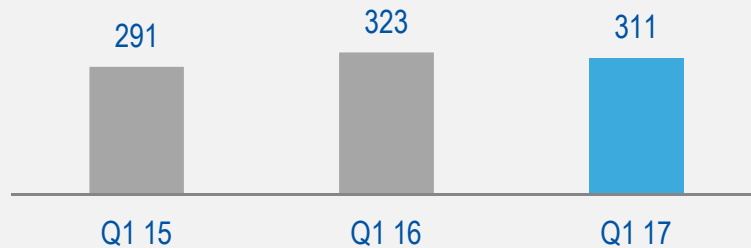


* 2016 data

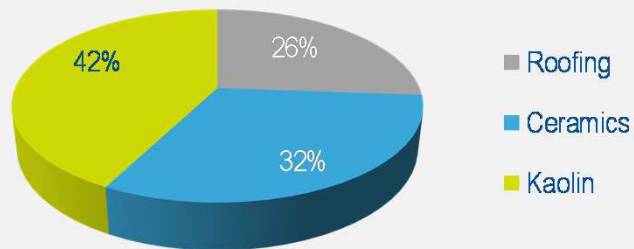
- Q1 2017 revenue: + 12.3% (reported), + 6.5% (LFL)
- Good sales momentum of Performance Additives
 - ◆ Sustained business activity across all segments (polymers for the automotive industry in particular) and regions
 - ◆ Contribution from new products
- Upward trend in Filtration markets
 - ◆ Further expansion into new segments
- Metallurgy
 - ◆ Integration of Damolin's specialty products

Ceramic Materials (27% of revenue)

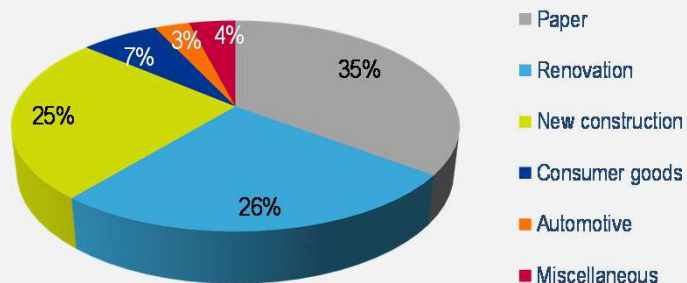
Revenue (€m)



Revenue by division



Revenue by market*



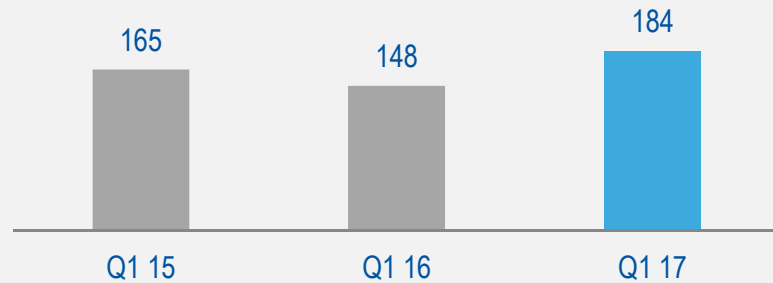
* 2016 data

(1) Source: Fédération Française de Tuiles et Briques

- Q1 2017 revenue down - **3.8%** (reported), - **4.7%** (LFL)
- Roofing: further decline in clay tile market (- **3.4%** in Q1 17 yoy ⁽¹⁾)
 - ◆ New housing continues to gain traction, but renovation market still down
- Kaolin
 - ◆ Q1 2016 benefited from transition volumes following BASF's paper hydrous kaolin acquisition
 - ◆ Development of specialty applications
- Ceramics: firm trend across markets, including developed countries

High Resistance Minerals (16% of revenue)

Revenue (€M)

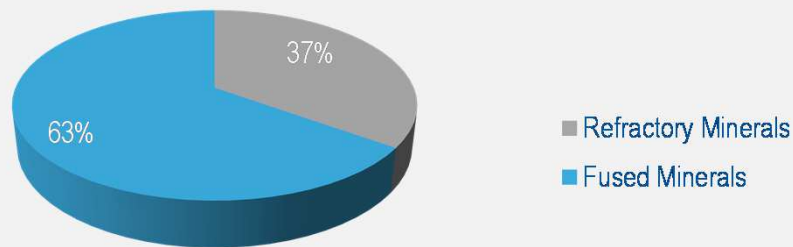


- Q1 2017 revenue: + 24.2% (reported), + 14.6% (LFL)

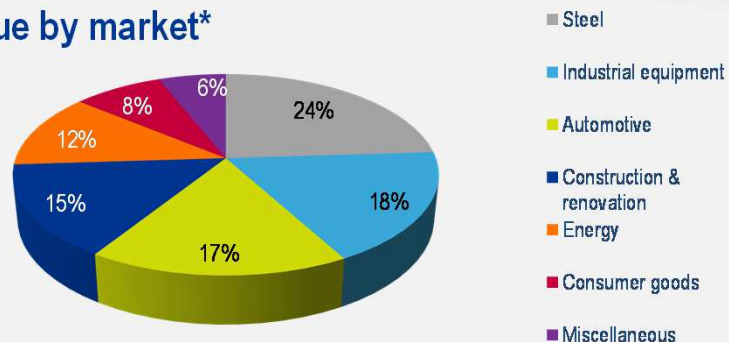
■ Fused and Refractory Minerals

- ◆ Ongoing market recovery and marked restocking effect

Revenue by division



Revenue by market*



* 2016 data

Increase in net income from current operations: + 3.1%

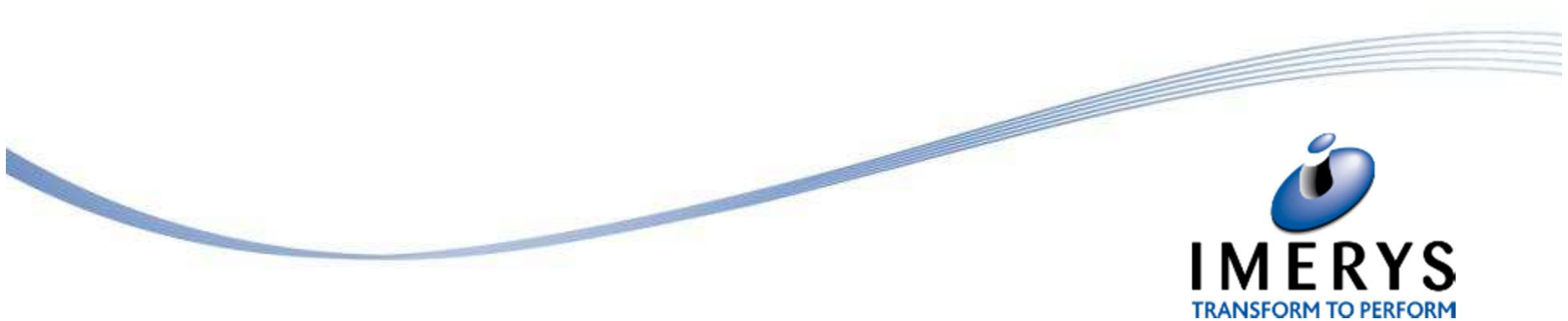
(€m)	Q1 2016	Q1 2017	Change
Current operating income	135.4	147.2	+ 8.7 %
Current financial expense	-17.3	-25.8	+ 49.1 %
<i>of which: Interest expense, net</i>	-11.9	-16.5	+ 38.7 %
<i>Average net financial debt for the period</i>	1541.7	1478.3	- 4.1 %
<i>Average cost of debt</i>	2.6 %	2.5 %	- 0,1 point
Current income tax	-34.2	-35.8	
<i>Current tax rate</i>	29.0 %	29.5 %	+ 0,5 point
Minority Interests	-1.1	-0.2	n.s.
Net income from current operations, Group's share	82.7	85.3	+ 3.1 %
Net income from current operations, Group's share (in euros) ⁽¹⁾	1.04	1.08	+ 3.6 %
Other operating income and expenses, net and net income of assets held for sale	-10.3	-6.5	
Net income, Group share	72.4	78.8	+ 8.8 %

■ Current financial expenses

- ◆ Increase reflects financial costs due to finance the Group's financing needs, including the proposed acquisition of Kerneos

(1) Average weighted number of outstanding shares: 78 849 404 as at Q1 2017 against 79 218 628 as at Q1 2016

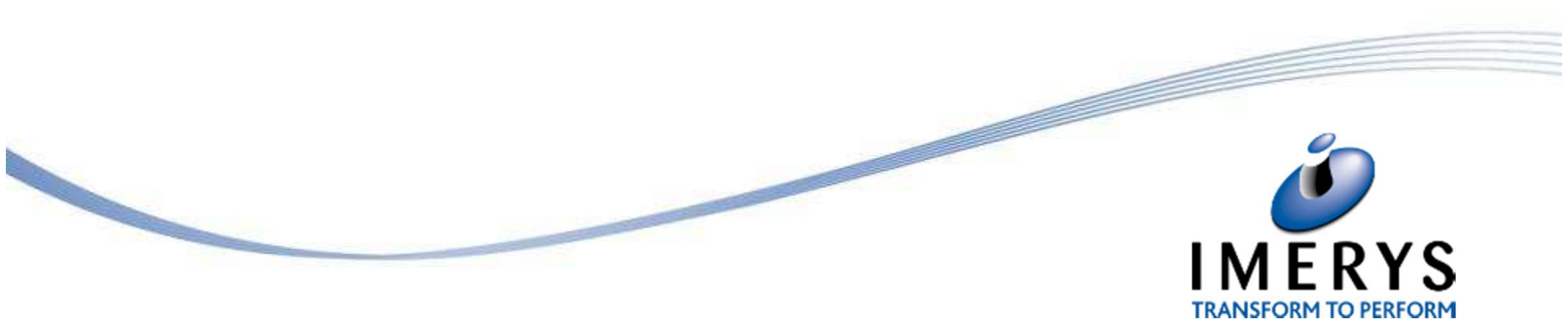
Conclusions



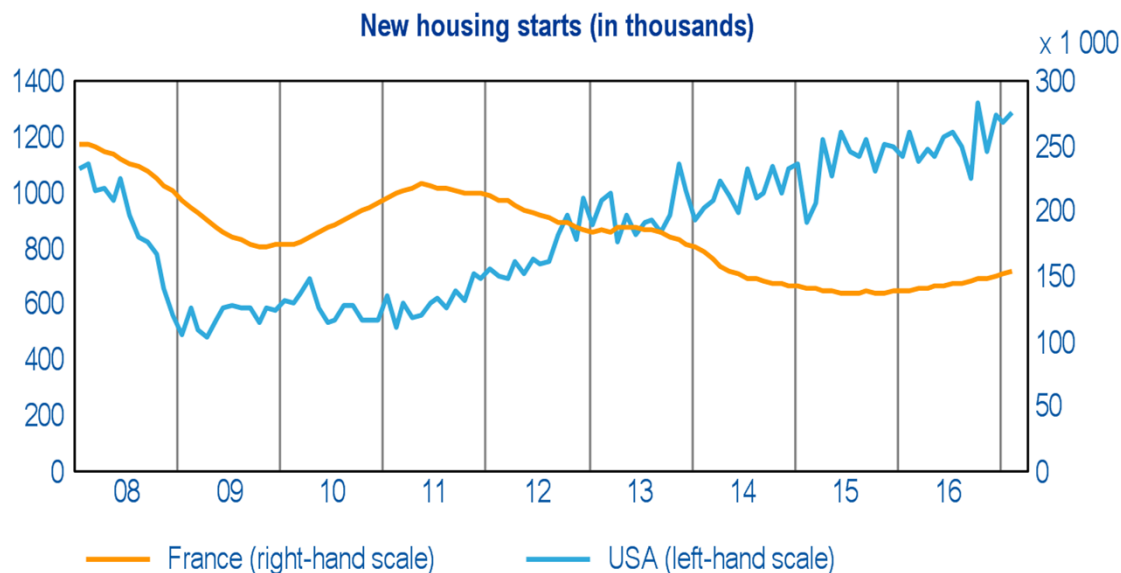
Outlook for 2017

- Progressive contribution from synergies related to recent acquisitions
- Unrelenting focus on operational performance
(innovation, industrial excellence, cost control, cash flow generation)
- Continuation of development strategy, with the completion of the acquisition of Kerneos in particular, expected mid-2017

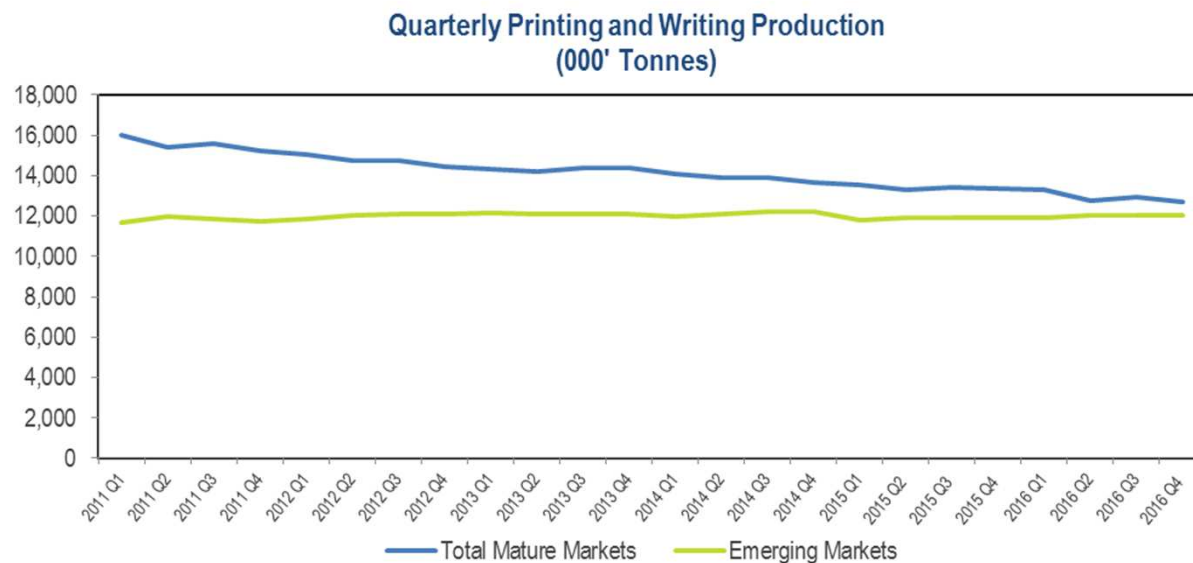
Appendix



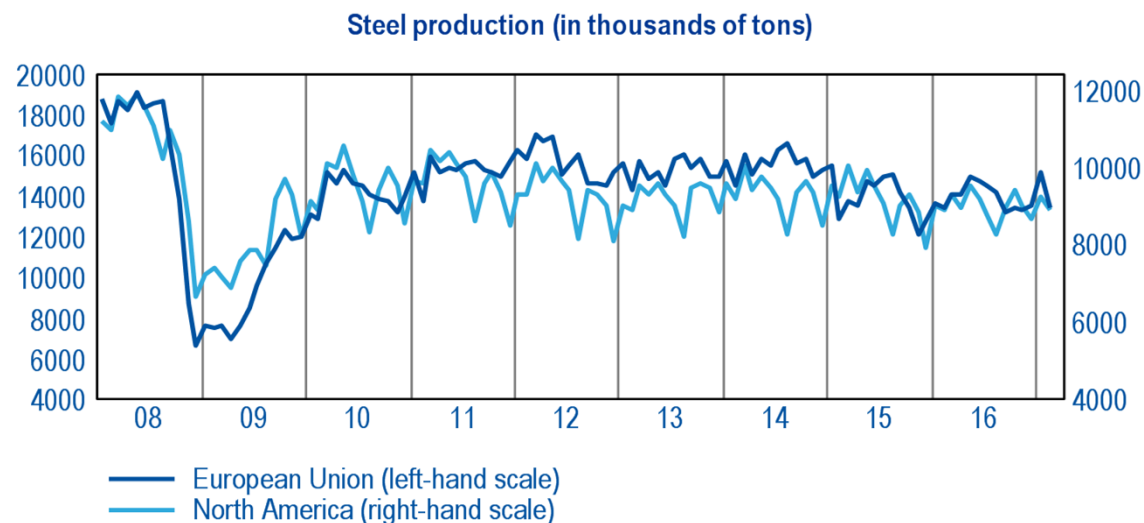
Market indicators for construction, printing & writing paper



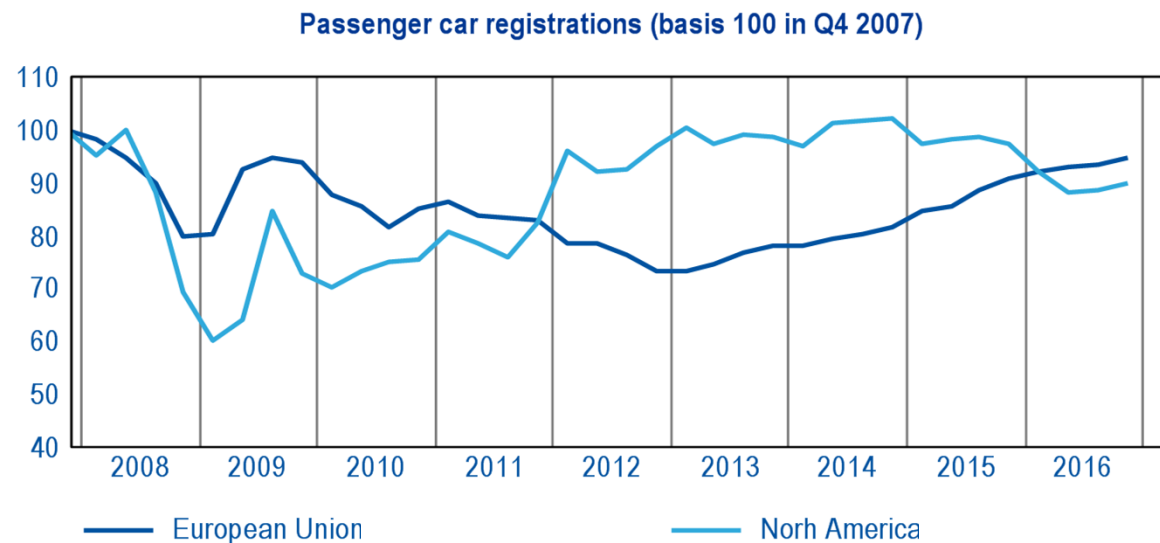
Source: Thomson Reuters Datastream



Indicators for steel production and passenger car registrations



Source: Thomson Reuters Datastream

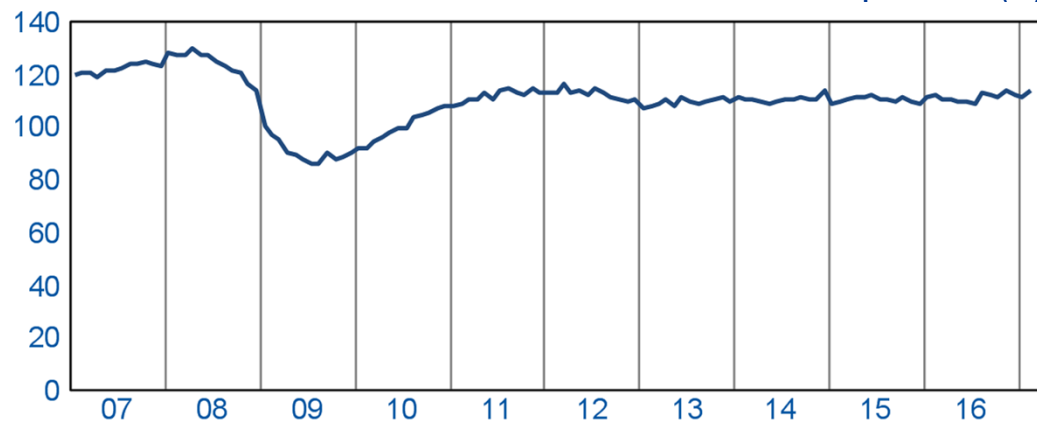


Source: Thomson Reuters Datastream

Industrial production indicator: industrial equipment

New orders index (machine and industrial equipment manufacturing)

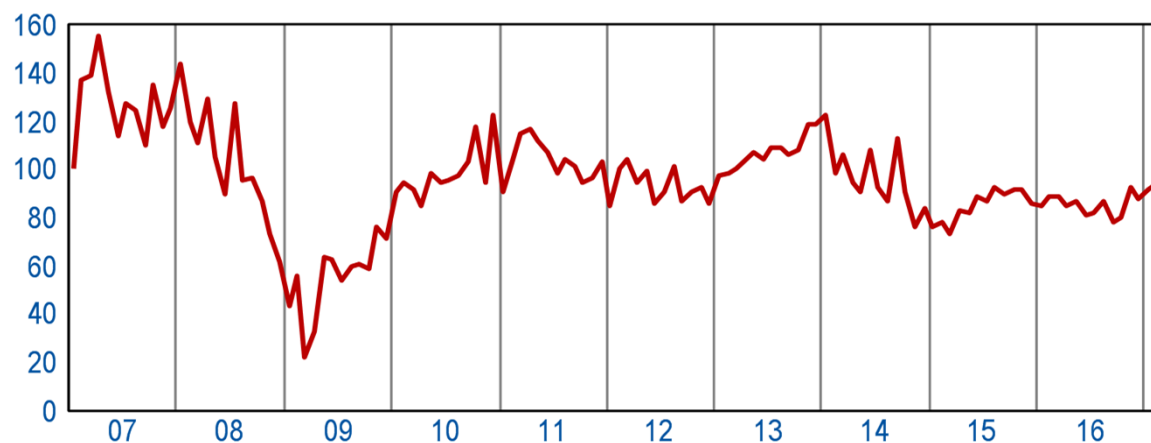
(adjusted for seasonal effects and working days) European Union (28)



Source: Thomson Reuters Datastream

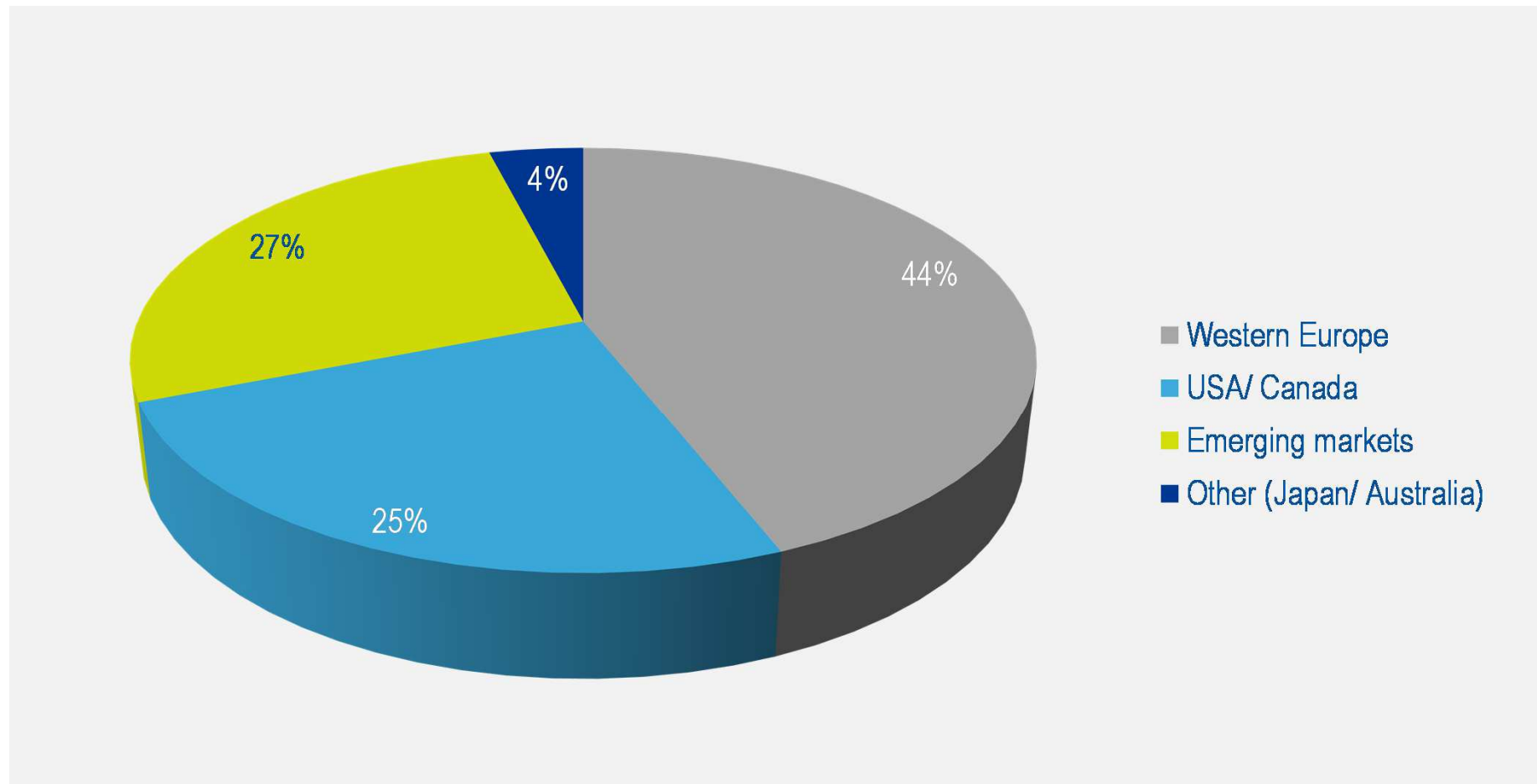
New orders index (machine and industrial equipment manufacturing) – US

(adjusted for seasonal effects)



Source: Thomson Reuters Datastream

Breakdown of revenue by geography in Q1 2017



Revenue and Current Operating Income by quarter

Revenue (€m)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Energy Solutions & Specialties	312.5	323.5	314.1	303.0	300.8	316.2	319.6	314.0	321.6
Filtration & Performance Additives	218.9	306.2	284.5	271.9	278.2	292.1	282.0	292.2	312.4
Ceramic Materials	291.0	301.4	285.8	294.2	323.2	311.4	293.8	293.6	310.9
High Resistance Minerals	165.3	165.0	156.0	143.1	148.3	151.5	146.5	151.4	184.2
Eliminations & Holding companies	-14.1	-12.4	-13.2	-10.2	-12.4	-12.6	-12.1	-12.5	-15.9
Total revenue	973.6	1,083.7	1,027.2	1,002.2	1,038.1	1,058.6	1,029.8	1,038.7	1,113.2

LFL growth	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Energy Solutions & Specialties	- 4.7 %	- 3.5 %	- 9.7 %	- 8.1 %	- 6.8 %	- 2.9 %	- 3.2 %	+ 1.2 %	+ 1.0 %
Filtration & Performance Additives	+ 2.8 %	+ 3.6 %	- 0.1 %	+ 2.7 %	+ 2.3 %	- 1.7 %	- 0.5 %	+ 6.0 %	+ 6.5 %
Ceramic Materials	- 6.3 %	- 1.7 %	- 4.4 %	- 4.7 %	+ 2.8 %	- 2.3 %	- 2.1 %	- 3.8 %	- 4.7 %
High Resistance Minerals	- 7.4 %	- 10.4 %	- 3.4 %	- 10.5 %	- 6.4 %	- 4.4 %	- 5.5 %	+ 4.9 %	+ 14.6 %
Total LFL growth	- 4.5 %	- 3.3 %	- 5.6 %	- 5.1 %	- 1.8 %	- 2.6 %	- 2.5 %	+ 1.4 %	+ 2.4 %

Current operating income (€m)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Group current operating income	123.2	150.8	135.0	129.1	135.4	157.7	148.5	140.6	147.2
Operating margin (%)	12.7 %	13.9 %	13.1 %	12.9 %	13.0 %	14.9 %	14.4 %	13.5 %	13.2 %

Current financial expense

M€	Q1 2016	Q1 2017
Interest expense, net	-11.9	-16.5
Unwinding of long-term provisions and change in other provisions	-0.8	0.5
Net interest expense on pensions	-2.2	-2.1
Currency translation, other financial income and expense and financial instruments	-2.4	-7.7
Current financial expense	-17.3	-25.8

Energy Solutions & Specialties

■ Carbonates

- ◆ Natural (GCC) and Precipitated (PCC) Calcium Carbonates used as filling or coating pigment for paper production and functional additives for paints, plastics etc.

■ Monolithic Refractories

- ◆ Unshaped refractory materials used to protect industrial equipment from high temperatures in heavy industries (steel, cement, power generation, petro-chemicals, etc.)
- ◆ Protection for furnaces, kilns, crucibles and incinerators

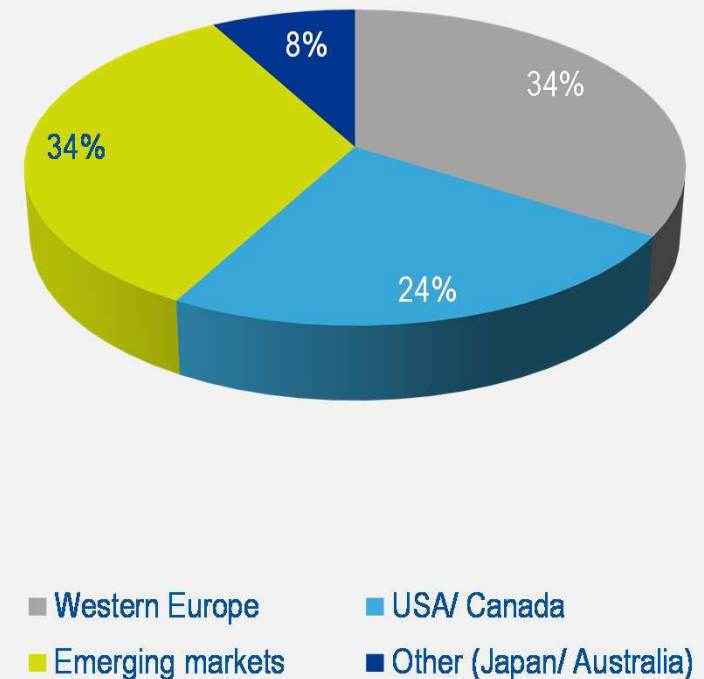
■ Graphite & Carbon

- ◆ High performance graphite powder for mobile energy, electronics and engineering, refractories for the transport and automotive markets

■ Oilfield Solutions

- ◆ Production of ceramic proppants for non-conventional oil and gas exploration

Q1 2017 revenue by geography



Filtration & Performance Additives

■ Performance Minerals

- ◆ Additives for paints, plastics, polymers, rubbers, adhesives, sealants, pharma & personal care (mainly talc, mica and wollastonite, etc.)

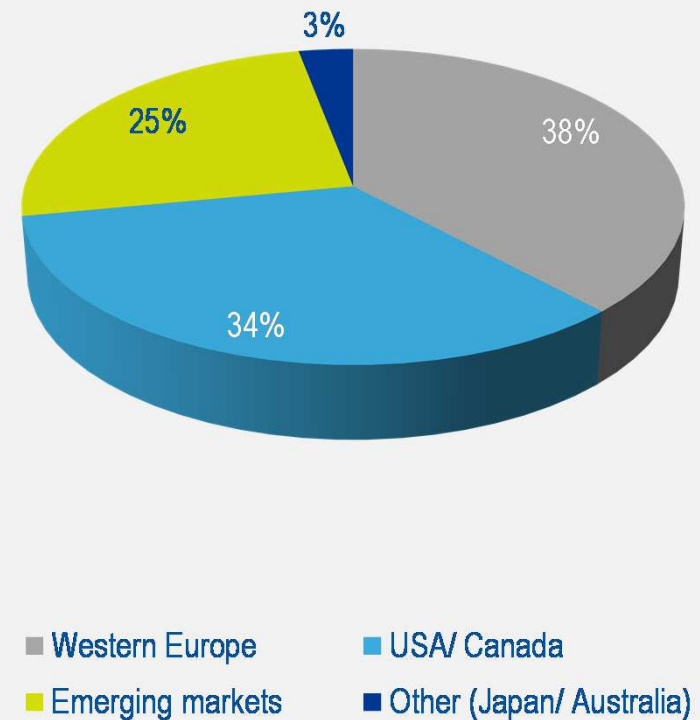
■ Minerals for Filtration

- ◆ Filtration minerals providing filter aid for edible liquids such as beer, wine, oil, fruit juice, etc. (mainly diatomite and perlite)
- ◆ Perlite based solutions used in building materials and horticulture

■ Additives for Metallurgy

- ◆ Bentonite (binders for foundry, sealing solutions, additives for drilling and for consumer products) and continuous casting fluxes for the steel industry

Q1 2017 revenue by geography



Ceramic Materials

■ Roofing

- ◆ Clay roof tiles in France

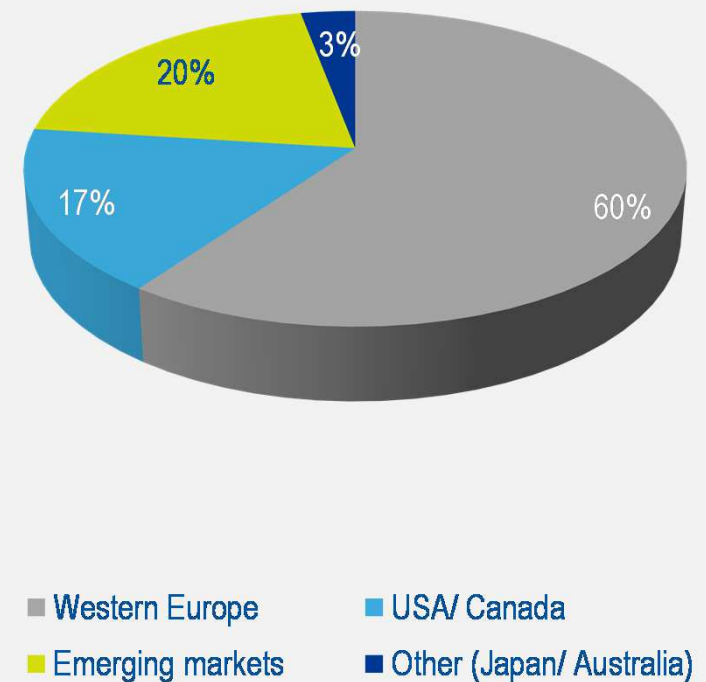
■ Ceramics

- ◆ Raw materials and bodies for tableware, sanitary and floor tiles, quartz, technical ceramics

■ Kaolin

- ◆ Kaolin for applications in the paper, paints, plastics, ceramics and refractories markets, etc.

Q1 revenue by geography



High resistance minerals

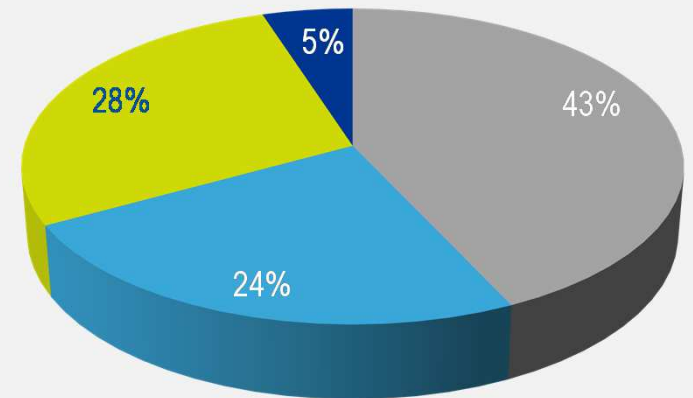
■ Fused Minerals

- ◆ Fused alumina and bauxite for abrasives (cutting, grinding and polishing mills, sandpapers), zirconium for refractories, oxygen sensor

■ Refractory Minerals

- ◆ Production of acidic refractory minerals including andalusite, chamottes

Q1 2017 revenue by geography



■ Western Europe ■ USA/ Canada
■ Emerging markets ■ Other (Japan/ Australia)

Kerneos: a new platform to grow Imerys' minerals-based specialties



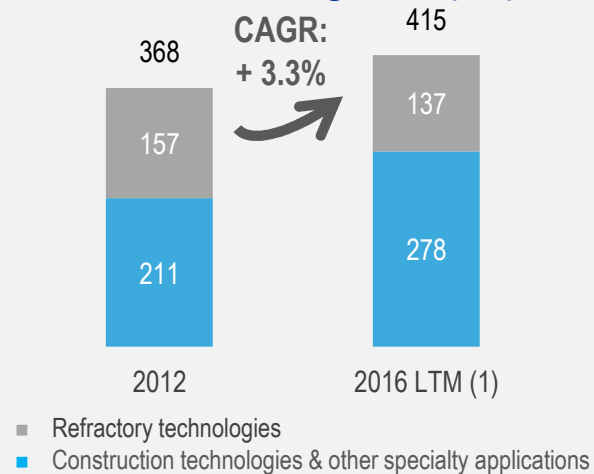
Main strategic rationale for Imerys



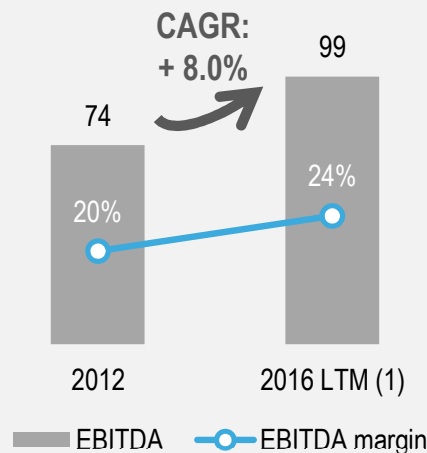
- A world class **technology platform**
- Entering into a **new and growing market segment**
 - ◆ Leveraging growing adoption rate of aluminate technologies in construction
 - ◆ Enhancing Imerys financial performance with above Group-average top line growth, profitability and cash flow generation
- **Close fit with Imerys' business model**
 - ◆ Leading technologies, high quality assets with global footprint, secured access to mineral reserves
 - ◆ Leadership position: worldwide # 1 in calcium aluminates performance binders
 - ◆ High-functional value products with multiple key properties, for a small share of client input costs
 - ◆ Innovation leadership and customer focus
 - ◆ Shared culture of excellence

Kerneos: global leadership positions with proven track record of growth and profitability

Sustained revenue growth (€m)



High profitability (€m)



■ Proven track-record of **growth and resilient profitability** at high level

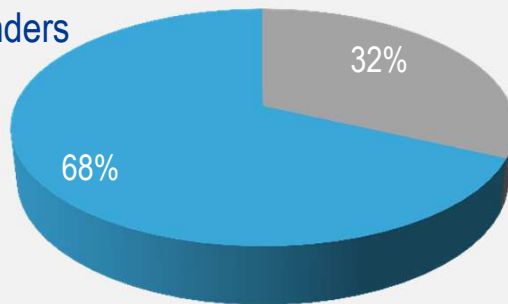
- ◆ Revenue: + 3.3% CAGR 2012-2016⁽¹⁾, of which + 7.1% organic growth p.a. in construction technologies between 2012 and 2015
- ◆ 24% EBITDA margin in 2016

■ Strong **free cash flow**

- ◆ €74m⁽²⁾ in 9 months 2016 LTM vs. €43m in 2012

Revenue by segment

Worldwide #1 in CAC performance binders for construction technologies



Worldwide #1 in CAC performance binders for refractories



■ Refractory technologies
■ Construction technologies & other specialty applications

(1) Last 12 months as of September 30, 2016

(2) Free cash flow before taxes, excluding exceptional and non recurring items, as % of reported EBITDA. Free cash flow excludes financial lease charges

With Kerneos, Imerys would complement its global footprint...

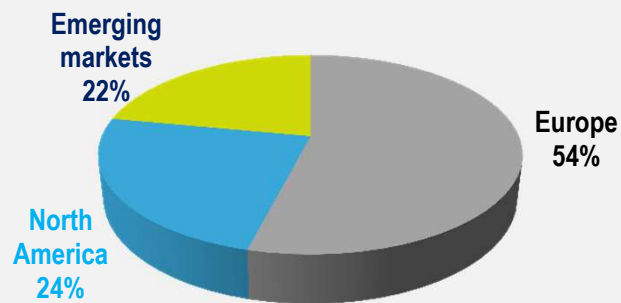
- **Global presence:** 1,500 employees in 9 industrial facilities and 17 sales offices
- **Competitive industrial base** located in key markets
- **Secured access to required minerals** (including ownership of red bauxite mines)
- Strong customer focus with **recognized technical support** and expertise
- Significant presence in growing geographies: ca. **50%** of revenue in North America and emerging markets:

Sole CAC player with global footprint



- Production Plants
- Commercial Offices
- Integrated Bauxite mining sites
- Countries with Industrial Sites

Revenue by region (9 months 2016)

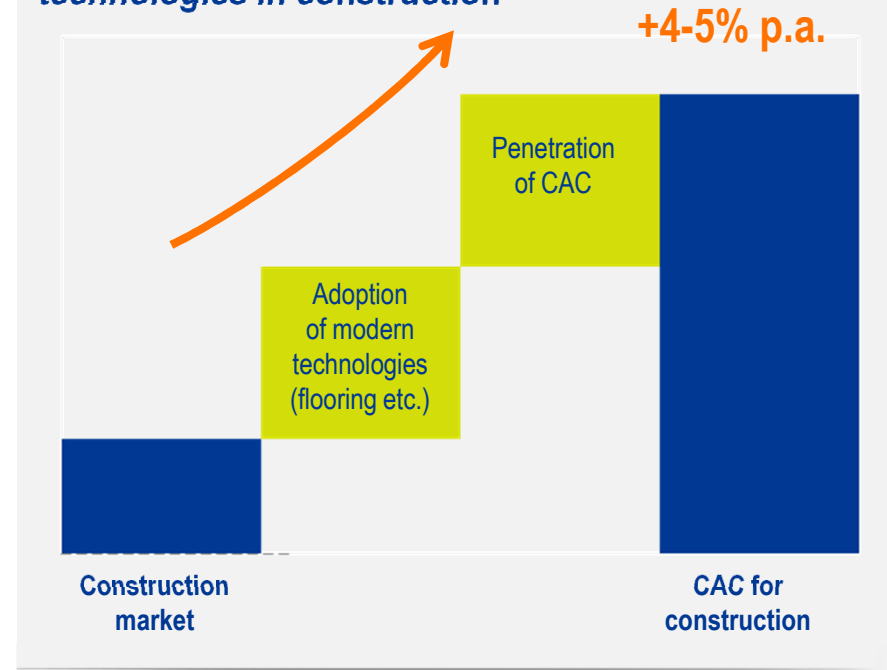


... and enhance its profile with 2/3 of Kerneos activities offering growth potential

■ Construction technologies and specialty applications: long-term growth **outperforming construction** markets

- ◆ Self leveling and quick drying properties
- ◆ Cost effective solution
- ◆ High penetration potential of mortars using CAC technology in the US
- ◆ Continuing CAC penetration in all European markets (France, Germany and the UK)
- ◆ Customer base including premium players (Sika, Bostik, Weber, Mapei, Thomsit, etc.)

Leveraging growing adoption rate of aluminate technologies in construction



■ Other specialty applications

- ◆ CAC products for wastewater treatment, mining industry, metal refinery, engineering jobs and specialized concrete producers
- ◆ Bauxite mining activities

Refractory technologies: high value offering

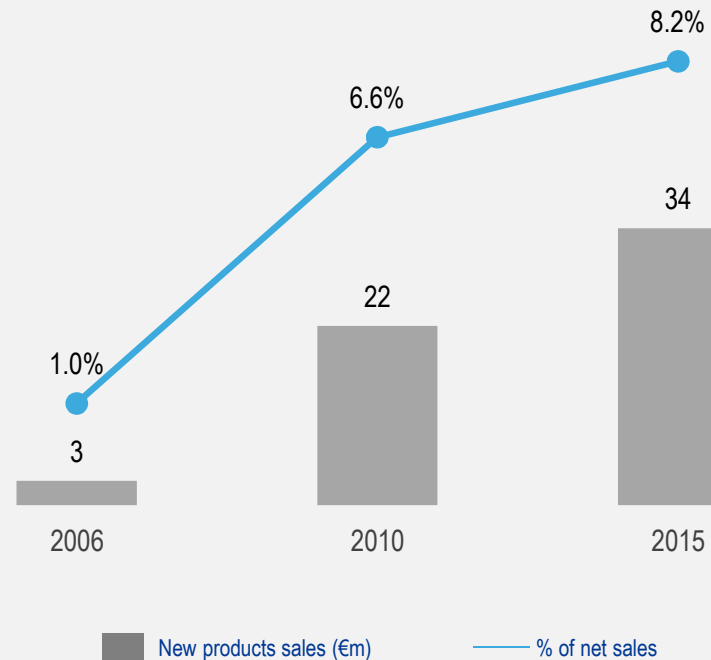
- Serving primarily as binders for **refractory products (monolithics)**
 - ◆ Performance binders are critical to the performance of client products
 - ◆ Represents a small share of client input cost in refractories
- Benefiting from a **resilient performance**
 - ◆ Selling almost exclusively added value CAC products with high level of technical service
 - ◆ Serving several high temperature industries (steel, cement, glass, petrochemical, incinerators, etc.)
 - ◆ Substitution from bricks to monolithic refractories
- CAC market for **refractories prospect**
 - ◆ Expectations of mature countries recovery, India growth and increasing CAC penetration in emerging markets
 - ◆ Expectation of markets with growing demand of modern standard

Innovation leadership supported by strong R&D capabilities

■ High quality R&D strengthening Imerys' innovation capabilities

- ◆ 2 R&D centers dedicated to Construction technologies (France) and Refractories (China)
- ◆ 5 application laboratories worldwide offering customers' support
- ◆ Large cooperation network with universities and institutes

New products sales evolution over last 10 years
€m and % of Net Sales



■ Selected trademarks

TERNAL SECAR ALAG CALCOAT FONDAG CIMENT FONDU SEWPERCOAT LDSF OPTOMET peramin
a Kerneos brand

€23 m run-rate annual synergies identified

■ Leveraging geographical coverage

- ◆ Kerneos stronger presence in some geographies

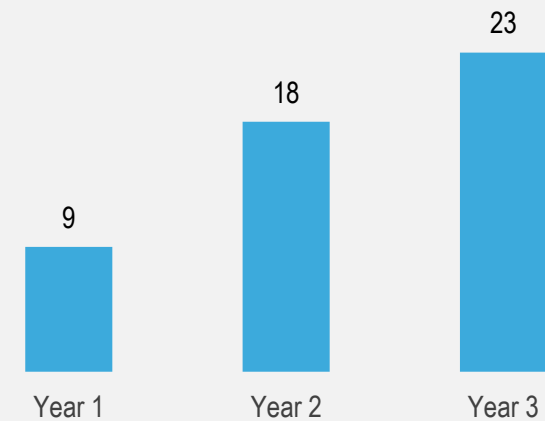
■ Enhancing innovation potential

- ◆ New technologies/ applications
- ◆ Cross fertilization opportunities

■ Cost optimization

- ◆ Procurement efficiencies
- ◆ Industrial set up

Pre-tax synergies phasing (€m)



Imerys and Kerneos: a value creative transaction

- Estimated enterprise value of c. **€880 million**
 - ◆ **€23m** annual run rate synergies from third full year of consolidation
 - ◆ **8.9x** 2016 LTM EBITDA¹ and **7.2x** post run-rate annual synergies
- Financed from Imerys' available resources
 - ◆ Available cash and secured financing
 - ◆ Complies with our objective to maintain an investment grade rating
 - ◆ Ensures financing flexibility: deleveraging thanks to solid cash generation
- **Value creative** acquisition
 - ◆ ROCE above WACC within 3 years, in line with Imerys stringent acquisition criteria
 - ◆ High single digit EPS² accretion from first full-year of consolidation
- Closing expected **mid 2017**, subject to relevant workers' council consultations and regulatory approvals



7.2x 2016 EBITDA
post run-rate annual synergies ⁽¹⁾



High single-digit
EPS accretion from Year 1

1. Last 12 months, as of September 30, 2016
2. Net income from current operations per share

Kerneos, a further step in Imerys' development strategy that matches all our value-creation criteria

- ✓ World class technology platform
- ✓ Entry into a new growing market segment
- ✓ Enhancement of Imerys growth and profitability profile
- ✓ Excellent fit with Imerys business model
- ✓ Strong innovation capabilities
- ✓ Significant synergies identified
- ✓ Consistent with investment grade objective



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