

Imerys acts to contain impact of Covid-19 pandemic

- Contingency action plan to limit adverse impact of the Covid-19 pandemic
- Strong liquidity position at €1.8 billion
- Proposal to reduce dividend by 20% to €1.72 per share with payment option in shares
- General Meeting of Shareholders to be held as planned on May 4th, 2020, in closed session

Covid-19 contingency action plan on fixed costs and overheads, capital expenditures and working capital

Since the beginning of the Coronavirus pandemic, Imerys has taken all the necessary measures to ensure the health and safety of its employees and stakeholders, as well as to limit the negative effects the pandemic will have on its business. The Group has established a crisis management team to handle the emergency and has set up a strict monitoring process under the supervision of the Executive Committee.

Imerys, a global company with industrial operations in 40 countries and customers across 142 countries, is experiencing some disruptions in its commercial and industrial operations due to a decline in demand in certain end markets (automotive, iron & steel, construction...), legal containment measures ordered by local authorities and/or supply and logistical difficulties. After having negatively impacted the operations in China in the first quarter, where Imerys plants have now resumed operations, the spread of the Covid-19 pandemic is now affecting operations in other parts of the world, particularly in Europe, where the Group has temporarily shut down some of its plants.

In this context, the management has presented to the Board of Directors of Imerys, held on April 6th, 2020, a specific action plan to limit the adverse impact of the volume shortfall on its performance and cash flow and to preserve its current strong balance sheet. This plan, which received full support by the Board, includes:

- Savings on fixed costs and overheads in a range of €70 to €130 million in 2020, depending on the level of activity, in addition to the existing Connect & Shape transformation plan undertaken in 2019, which aims to achieve €100 million gross savings by 2022 (€28 million in 2019);
- Reduction of capital expenditure to €250 million in 2020, significantly below the typical range for the Group of €300-€350 million per year;
- Reduction of working capital requirement in line with the level of activity, notably through a significant decrease of inventories.

The Group has a strong balance sheet and access to significant liquidity of €1.8 billion as of March 31st, 2020, including ca. €0.8 billion of cash and €1.0 billion of undrawn bilateral credit lines with an average maturity of 2 years. The company's bonds with an aggregate principal amount of €1,924 million have a 5 years average maturity, and limited repayments over the coming years (€224 million at the end of 2020, €300 million in 2022 and €500 million in 2024). Imerys has only one covenant with a cap of 160% of net financial debt to shareholders' equity; this ratio was at 53% as of December 31st, 2019.

Imerys will provide an additional business update when it reports first quarter 2020 results on April 29th, 2020.

Dividend reduced by 20% to €1.72 per share, to be paid all or part in form of new shares

In its meeting on April 6th, 2020, the Board of Directors has decided to recommend a 20% decrease in the dividend initially proposed on February 12th, 2020, to €1.72 per share. This decision is in line with the French Association of Private Companies (AFEP) recommendations.

As previously announced, Imerys shareholders will be given the choice between receiving part or all of the dividend payment (i) in cash and/or (ii) in new shares of the Company. The price of new ordinary shares issued as payment for the dividend will be set, in accordance with the provisions of article L. 232-19 of the French Commercial Code (*Code de commerce*), at 95% of the average Imerys share price on the Euronext Paris market over the 20 trading days prior to the Shareholders' General Meeting, minus the amount of the dividend per share.

Groupe Bruxelles Lambert (GBL), the Group's majority shareholder owning a 53.9% interest, has reiterated its intention to opt for a dividend in shares for the totality of its holdings.

General Meeting of Shareholders on May 4th, 2020

In view of the Covid-19 pandemic and related governmental restrictions, the Board of Directors has decided that the Shareholders' General Meeting will be held on May 4th, 2020, at 14:30 Paris time, without the physical presence of its shareholders, in accordance with the applicable regulations issued by the French Government pursuant to the State of Emergency Law of March 23rd, 2020.

In such context, and as indicated in the notice of the meeting (*avis préalable*) published on March 30th, 2020 in the *Bulletin des Annonces Légales Obligatoires* (BALO), the Board of Directors has decided to amend the practical arrangements to participate and vote to such Shareholders' General Meeting.

In order to allow shareholders to exercise their rights under the best possible conditions in the present circumstances, Imerys will make wide use of digital solutions to carry out formalities, to welcome questions in written form and to let shareholders vote on the resolutions proposed. The convening notice to the meeting (*avis de convocation*) to be published in the BALO in the next few days will include the updated information and instructions on how to proceed.

The current proposal, being subject to potential new regulatory provisions or recommendations that may be issued by the *Autorité des Marchés Financiers* in the exceptional context of the fight against the Covid-19 epidemic, might change at short notice.

Updated information and all relevant detail in relation to the General Meeting of Shareholders on May 4th, 2020 will be available on our website (<https://www.imerys.com/finance/finance/shareholders-corner>).

As every year, the General Meeting will be broadcast on the company website (www.imerys.com/finance).

The world leader in mineral-based specialty solutions for industry with €4.4 billion in revenue and 16,300 employees in 2019. 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.

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