

Imerys 2020 results: Strengthening recovery in the fourth quarter; Resilience in profitability and strong cash flow generation amid Covid-19 challenges

- Full year revenue at €3.8 billion (-12.8% vs FY 2019)
- Recovery in most end markets gaining pace towards the end of the year: Q4 organic growth of +1.7%
- Current EBITDA margin in Q3 and Q4 (18.0%), above last year level
- Significant savings on fixed costs and overheads: €131 million
- Net current free operating cash flow of €373 million (+7.4% vs. 2019), allowing for a net financial debt reduction of €177 million
- Net income impacted by non-recurring charges of €137 million, mostly from asset impairments
- Proposal of a cash dividend of €1.15 per share

Alessandro Dazza, Chief Executive Officer, said:

"Imerys results in 2020 confirm its sound fundamentals and the resilience of its business model in the context of an unprecedented sanitary and economic crisis following the Covid-19 pandemic. We effectively delivered on our cost-savings action plan and completed the Connect & Shape transformation program, which allowed us to bring our operating margin in the second half of the year back to pre-Covid 19 crisis levels and generate a strong cash flow. Imerys made great progress in sustainable development, overachieving on its ambitious targets. Innovation supported the business through the launch of 70 new minerals solutions for our customers. I want to thank all my teams for the fantastic work done throughout this difficult year.

Though we see the economic recovery strengthening overall, we shall remain focused on optimizing our operating performance and market reach. Meanwhile, supported by robust cash generation and a solid financial position, Imerys will continue to invest in targeted capacity expansions and bolt-on acquisitions to sustain future growth and value creation."

Audit procedures on consolidated financial statements have been finalized. The audit report will be issued after completion of required procedures for Universal Registration Document filing and Annual Financial Report publication.

| Consolidated results ¹ (€ millions) | Q4 2019 | Q4 2020 | Change (%) | FY 2019 | FY 2020 | Change (%) |
|--|---------|---------|---------------|---------|---------|---------------|
| Revenue | 1,010 | 986 | -2.3% | 4,354 | 3,799 | -12.8% |
| Organic change (like-for-like) | - | +1.7% | - | -3.8% | -10.7% | - |
| Current EBITDA | 179 | 177 | -0.9% | 765 | 631 | -17.4% |
| Current EBITDA margin | 17.7% | 18.0% | +0.3 bp | 17.6% | 16.6% | -0.9 bp |
| Current operating income | 81 | 89 | +10.0% | 439 | 299 | -32.0% |
| Current operating margin | 8.0% | 9.0% | +1.0 bp | 10.1% | 7.9% | -2.2 bps |
| Operating income | (46) | (42) | - | 229 | 138 | -39.6% |
| Net income from current operations, Group share | 49 | 50 | +1.9% | 277 | 167 | -39.7% |
| Net income, Group share | (38) | (65) | - | 121 | 30 | -75.1% |
| Net current free operating cash flow | - | - | - | 348 | 373 | +7.4% |
| Net financial debt | - | - | - | 1,685 | 1,508 | -10.5% |
| Net income from current operations per share ² | €0.62 | €0.59 | -5.1% | €3.50 | €2.03 | -42.0% |

¹ The definition of alternative performance measures can be found in the glossary at the end of the press release.

² Weighted average number of outstanding shares: 82,168,061 in 2020 compared with 79,089,697 in 2019.

Capacity expansions and bolt-on acquisitions to support future growth

The Group is pursuing its growth strategy through expansions of production capacities to meet increasing demand for its products and services:

- In the Performance Minerals segment, an investment of €35 million in Switzerland to double production capacity for high-purity synthetic graphite used in Lithium-ion batteries. This investment is the first of a series of capacity expansion projects dedicated to the fast-growing electric vehicles market worldwide.
- In the High Temperature Materials & Solutions segment, an investment of €37 million for the commissioning of a greenfield plant in India, to serve growing demand of the domestic refractory market for high performance solutions. India is the second largest steel producer in the world.

In 2020, Imerys completed several bolt-on acquisitions in fast-growing geographies and markets:

- In October, Imerys announced the acquisition of Sunward Refractories (expected revenue of USD 15 million in 2021), a Taiwanese producer of high temperature refractory solutions which complements the existing product portfolio of the Group in the region and extends its market reach in Asia.
- In December, Imerys completed the acquisition of a majority stake of 60%, with options to purchase the remainder, of the Haznedar group, a Turkish-based, high-grade refractory monolithics and bricks manufacturer, serving the iron & steel, cement and petrochemical industries. This business generated USD 64 million in revenue (of which 40% from exports) and USD 17 million in EBITDA in 2019. With this deal, Imerys, World #1 in alumino-silicate monolithic refractories present in 30 countries, complements its current products offer and extends its industrial footprint with a competitive production base in Turkey, strategically located between Europe, Middle-East and Africa. The Group strengthens its position within the attractive and growing Turkish market, where Haznedar has leadership positions, a strong brand name and superior products. This business is consolidated in the High Temperature Solutions business area, part of the High Temperature Materials & Solutions segment.
- In the first part of the year, the Group also acquired Cornerstone Industrial Minerals Corp. (April 2020), a producer of high-quality perlite in North America (annual revenue of USD 12 million), and Hysil (July 2020), an Indian producer of calcium silicate boards used for thermal insulation projects for industries such as cement, metallurgical, oil refinery petrochemical and power plants (€5 million in annual revenue).

As part of its portfolio management, Imerys divested its Kaolin operations located in Pittong, Australia (December 2020, annual revenue of AUD 12 million).

Dividend

At the Shareholders' General Meeting of May 10, 2021, the Board of Directors will propose a cash dividend of €1.15 per share, representing a total estimated payout of €97 million equal to 57% of net income from current operations, Group's share. This proposal reflects the Board's confidence in the Group's fundamentals and development prospects.

COMMENTARY ON THE FOURTH QUARTER AND ANNUAL 2020 RESULTS

Revenue

| Unaudited quarterly data (€ millions) | 2019 | 2020 | Change | Like-for-like change | Volumes | Price mix |
|--|----------------|----------------|---------------|-------------------------|---------------|--------------|
| First quarter | 1,124.0 | 1,028.5 | -8.5% | -7.5% | -8.5% | +1.0% |
| Second quarter | 1,139.4 | 871.6 | -23.5% | -24.1% | -24.6% | +0.5% |
| Third quarter | 1,081.4 | 912.0 | -15.7% | -11.4% | -11.7% | +0.3% |
| Fourth quarter | 1,009.7 | 986.3 | -2.3% | +1.7% | +0.7% | +1.0% |
| Total | 4,354.5 | 3,798.5 | -12.8% | -10.7% | -11.4% | +0.7% |

Revenue for the full year 2020 was €3,798.5 million, down 10.7% year-on-year at constant scope and exchange rates. Group sales volumes were up 0.7% in the fourth quarter of 2020, showing a continued improvement since the second quarter, which was negatively impacted by the peak of the Covid-19 pandemic. Recovery strengthened across all underlying markets in the fourth quarter.

In this context, Imerys maintained a positive 0.7% price-mix versus the prior year, with 1.0% (+€10.4 million) in the fourth quarter.

Revenue included a significant negative currency effect of €91.4 million (-2.1%), primarily as a result of the depreciation of the U.S. dollar against the euro in the second half of the year.

The scope effect was €0.7 million for the full year 2020, the positive contribution of recent bolt-on acquisitions being offset by the divestment of some non-core operations and the deconsolidation of the North American talc subsidiaries in February 2019.

Current EBITDA

| Unaudited quarterly data (€ millions) | 2019 | 2020 | Change |
|--|--------------|--------------|----------------|
| First quarter | 168.3 | 164.8 | -2.1% |
| Margin | 15.0% | 16.0% | +1.0 bp |
| Second quarter | 223.0 | 124.8 | -44.0% |
| Margin | 19.6% | 14.3% | -5.3 bps |
| Third quarter | 194.4 | 164.8 | -15.2% |
| Margin | 18.0% | 18.1% | +0.1 bp |
| Fourth quarter | 178.8 | 177.1 | -0.9% |
| Margin | 17.7% | 18.0% | +0.3 bp |
| Year | 764.6 | 631.5 | -17.4% |
| Margin | 17.6% | 16.6% | -0.9 bp |

Current EBITDA reached €631.5 million for 2020 full year. In the fourth quarter, current EBITDA margin improved to 18.0%, above 2019 level (17.7%).

In 2020, the negative volume contribution (€244 million) was partly offset by a positive price mix (€33 million) and the extensive cost reduction measures implemented by the Group. Variable costs benefited from €71 million of savings related to the Connect & Shape (purchasing centralization) and the I-Cube industrial excellence programs. Fixed costs and overheads were positively impacted by specific actions delivering €131 million in savings: €86 million in relation to Covid-19 measures and €45 million to the Connect & Shape

program. The Group transformation plan has delivered on its targets (€100m gross savings on a run-rate base) ahead of plan.

The currency effect was negative at €18.3 million.

Current operating income at €298.5 million shows a 32.0% decrease against 2019.

Net income from current operations

Net income from current operations, Group share, totaled €167.0 million, down 39.7% vs. 2019. Net financial result is negative at -€61.4 million in 2020, €17.7 million lower than in 2019, which benefited from the repayment in March 2019 of the private placement denominated in Japanese yen. The income tax expense of €44.3 million corresponds to an effective tax rate of 27.8%, compared with 28.8% in 2019. **Net income from current operations, Group share, per share** was down 42.0% to €2.03.

Net income

Other income and expenses, after tax, represent an overall charge of €136.8 million in 2020, mostly coming from asset impairments and targeted business reorganizations. Consequently, **net income, Group share**, totaled €30.1 million in 2020.

Net current free operating cash flow

| (€ millions) | 2019 | 2020 |
|--|--------------|--------------|
| Current EBITDA | 764.6 | 631.5 |
| Change in operating working capital requirement (WCR) | 52.1 | 74.9 |
| Notional tax on current operating income | (126.4) | (83.0) |
| Other | 8.3 | 35.7 |
| Net current operating cash flow (before capital expenditure) | 698.6 | 659.1 |
| Capital expenditure | (291.7) | (262.1) |
| Right-of-use assets (IFRS 16) | (59.0) | (23.5) |
| Net current free operating cash flow | 347.9 | 373.5 |

Imerys generated solid net current free operating cash flow of €373.5 million in 2020, up 7.4%. This figure includes €262.1 million in capital expenditure (representing 6.9% of revenue), down €29.6 million year-on-year, and a significant improvement in operating working capital (positive contribution of €74.9 million) compared to last year, in particular thanks to better inventory management.

In addition, the limited cash out for the dividend distribution (€17.6 million in 2020 versus €172.7 million in 2019) and a positive change in non-operating working capital requirement contributed to the reduction of the net financial debt by €177.0 million in 2020.

| (€ millions) | 2019 | 2020 |
|--|----------------|--------------|
| Net current free operating cash flow | 347.9 | 373.5 |
| Acquisitions and disposals | (68.3) | (97.8) |
| Dividend | (172.7) | (17.6) |
| Change in equity | (31.1) | (0.5) |
| Change in non-operating working capital requirement (WCR) ³ | (77.1) | 25.2 |
| Other non-recurring income and expenses | (75.4) | (69.0) |
| Debt servicing costs | (24.5) | (40.3) |
| Exchange rates and other | (8.2) | 3.5 |
| Change in net financial debt | (109.4) | 177.0 |

Financial structure

| (€ millions) | 2019 | 2020 |
|--|--------------|--------------|
| Net financial debt at January 1 | 1,575.5 | 1,685.0 |
| Net financial debt at December 31 | 1,685.0 | 1,508.0 |
| Equity at December 31 | 3,162.0 | 2,955.6 |
| Current EBITDA | 764.6 | 631.5 |
| Net financial debt/Equity | 53.3% | 51.0% |
| Net financial debt/current EBITDA | 2.2x | 2.4x |

At December 31, 2020, net financial debt totaled €1,508.0 million, which represents 2.4x current EBITDA.

Imerys "investment grade" ratings were confirmed by Standard and Poor's (June 2, 2020, BBB-, stable outlook) and Moody's (April 2, 2020, Baa3, negative outlook).

At December 31, 2020, Imerys' bond financing amounted to €1,700 million with an average maturity of 4.8 years. The Group also has €1,110 million available in bilateral credit lines.

³ Change in income taxes liabilities and receivables

COMMENTARY BY SEGMENT

Performance Minerals (57% of consolidated revenue)

| Q4 2019 restated from Kaolin | Q4 2020 | LFL change on Q4 2019 restated ⁴ | Unaudited quarterly data (€ millions) | 2019 restated from Kaolin | 2020 | LFL change on 2019 restated |
|------------------------------|--------------|---|---|---------------------------|----------------|-----------------------------|
| 240.9 | 204.5 | -6.3% | Revenue Americas | 1,007.3 | 885.7 | -7.1% |
| 259.9 | 264.3 | -0.2% | Revenue Europe, Middle East and Africa (EMEA) | 1,109.9 | 1,008.9 | -10.1% |
| 116.6 | 120.0 | +7.9% | Revenue Asia-Pacific (APAC) | 479.5 | 440.3 | -6.5% |
| (42.4) | (24.6) | - | Eliminations | (181.5) | (157.3) | - |
| 575.0 | 564.2 | +4.7% | Total revenue | 2,415.2 | 2,177.6 | -7.7% |
| - | - | - | Current EBITDA | 490.5 | 429.8 | -12.4% |
| - | - | - | Current EBITDA margin | 20.3% | 19.7% | -0.6 bp |

Revenue generated by the **Performance Minerals** segment fell 7.7% like-for-like in 2020, though showing a sequential positive trend in the second part of the year (+4.7% in the fourth quarter). On a reported basis, revenue was down 9.8% after a negative currency effect of €67.5 million (-2.8%). This decline was partly offset by a net positive scope effect of €16.7 million (+0.7%), resulting from the deconsolidation of the North American talc subsidiaries and additional revenues from the acquisition of EDK (November 2019), a calcium carbonate producer in Brazil and Cornerstone Industrial Minerals Corp. (April 2020), a producer of high-quality perlite in North America.

Revenue in the **Americas** was down 7.1% at constant scope and exchange rates in 2020. During the fourth quarter, revenue was down 6.3% like-for-like. Paints, rubber, polymers and ceramic markets continued to recover in the fourth quarter, driven by construction and automotive. Good performance of filtration and life science markets were supported by strong activity in pharma and agriculture. Certain paper mills closures and a decline in demand negatively impacted paper in the fourth quarter.

Revenue in **Europe, Middle-East and Africa** decreased by 10.1% at constant scope and exchange rates in 2020. During the fourth quarter (-0.2%), Imerys benefitted from a strong rebound in construction (paints and coatings), automotive (plastics, absorbents) and board & packaging, while demand for paper was low. Consumer goods market trends were contrasted, with decreasing food & beverage filtration markets but growing pharmaceutical and agriculture applications.

Revenue in **Asia-Pacific** was down 6.5% at constant scope and exchange rates in 2020. The strong rebound in the fourth quarter (+7.9%) was due to healthy growth of Graphite & Carbon for mobile energy and strengthening recovery in specialty minerals for plastics, paints & coatings and ceramics.

Current EBITDA for the segment totaled €429.8 million in 2020, with margin at 19.7%.

⁴ The Kaolin business revenue which was entirely recognized within the Performance Minerals Americas business area has been allocated to the Performance Minerals Americas, EMEA and APAC business areas based on the destination of sales since January 1, 2020. Historical data has been restated accordingly.

High Temperature Materials & Solutions (43% of consolidated revenue)

| Q4 2019 | Q4 2020 | LFL change on Q4 2019 | Unaudited quarterly data (€ millions) | 2019 | 2020 | LFL change on 2019 |
|--------------|--------------|-----------------------|--|----------------|----------------|--------------------|
| 180.7 | 171.0 | -0.2% | Revenue High Temperature Solutions | 794.5 | 632.1 | -15.1% |
| 269.5 | 264.4 | +0.5% | Revenue Refractory, Abrasives & Construction | 1,222.5 | 1,049.8 | -13.6% |
| (6.8) | (7.7) | - | Eliminations | (41.0) | (33.8) | - |
| 443.5 | 427.7 | -0.9% | Total revenue | 1,976.0 | 1,648.1 | -14.3% |
| - | - | - | Current EBITDA | 251.5 | 188.4 | -25.1% |
| - | - | - | Current EBITDA margin | 12.7% | 11.4% | -1.3 bps |

Revenue generated by the **High Temperature Materials and Solutions** segment fell 14.3% in 2020, but showed clear improvement in the fourth quarter at constant scope and exchange rates (-0.9%). On a reported basis, revenue was down 16.6% in 2020 due to a negative currency effect of €30.0 million (-1.5%) and scope effect of €14.8 million (-0.7%). The scope effect combines the disposal of non-strategic assets (fused magnesia, March 2019), with the acquisition of new businesses: Shandong Luxin Mount Tai Co., a Chinese producer of minerals for abrasives (December 2019), Hysil in India (July 2020), Sunward Refractories in Taiwan (November 2020) and Haznedar in Turkey (December 2020), three producers of refractory solutions.

Revenue in **High Temperature Solutions** decreased by 15.1% at constant scope and exchange rates in 2020, though the business started to benefit from underlying markets recovery (iron & steel, foundry for automotive) in the fourth quarter (-0.2% vs. 2019).

Revenue in the **Refractory, Abrasives & Construction** business area was down 13.6% at constant scope and exchange rates in 2020. During the fourth quarter (+0.5%), the refractory and abrasives markets recovered progressively, particularly in Europe, driven by iron & steel and automotive; the building and infrastructure segment (specialty binders) remained at a high level.

Current EBITDA for the segment totaled €188.4 million, or 11.4% of revenue in 2020.

Update on the potential resolution of historic US talc-related liabilities

The relevant U.S. Court in the District of Delaware approved on January 27, 2021 the Disclosure Statement and authorized the submission of the North American Talc Entities proposed Plan of Reorganization to the vote of their creditors and claimants in the U.S. talc-related litigation (vote due by the end of March).

Subject to the vote of the creditors at the required majority, the final approval process of the Plan and confirmation hearing by the relevant competent U.S. Court is currently scheduled to start on June 21, 2021, with potential emergence from the Chapter 11 to follow during summer 2021.

In parallel, the sale of the North American Talc Entities' assets and business to Magris (a Canadian Private Equity fund), for a purchase price of US \$223 million, was completed on February 17.

The provision set aside in the consolidated accounts of Imerys is considered as adequate to cover the expected financial impact of the Plan and the resolution of Group's historic liabilities relating to the North American talc operations.

Update on key targets for 2022

Imerys confirms that it is broadly on track to achieve its key objectives for 2022 set at the 2019 Capital Market Day. Current EBITDA margin is expected to continue to improve in 2021 and 2022.

| | | |
|---|--|---|
| Improved growth and profitability profile | Ambition to gradual ramp up of organic growth to reach underlying markets level by 2022 | ☑ |
| | €100 million expected cost savings in full in 2022 | ☑ |
| | 2022 current EBITDA margin up by +200 bp versus 2018 | Gradual current EBITDA margin improvement expected in 2021 and 2022 (*) |
| Disciplined capital allocation | €300 million - €350 million annual total capital expenditures | ☑ |
| | Development capital expenditures with target IRR of 15% and acquisitions with ROCE > WACC within 3 full years of integration | ☑ |
| Sound balance sheet | Solid investment grade rating | ☑ |
| Commitment to attractive shareholder returns | Consistent dividend growth in line with growth in net income from current operations per share, with flexible payout ratio | ☑ |

☑ Financial target confirmed

(*) No quantitative target for 2022 due to the uncertainty on the global economy following the Covid-19 pandemic

2020 Annual 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 2020 results at 11.00 am (CET) on February 18, 2021, which can be accessed on the Group's website www.imerys.com.

Financial Calendar

| | |
|------------------|---------------------------------|
| April 29, 2021 | 1st quarter 2021 results |
| May 10, 2021 | General Meeting of Shareholders |
| July 27, 2021 | 1st half 2021 results |
| November 2, 2021 | 3rd quarter 2021 results |

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 €3.8 billion in revenue and 16,400 employees in 2020. 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 24, 2020 under number D.20-0175 (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 business areas

| Q4 2019 restated from Kaolin | Q4 2020 | Reported change on Q4 2019 restated | Unaudited quarterly data (€ millions) | 2019 restated from Kaolin | 2020 | Reported change on 2019 restated |
|------------------------------------|--------------|--|---|---------------------------------|----------------|---|
| 240.9 | 204.5 | -15.1% | Revenue Americas | 1,007.3 | 885.7 | -12.1% |
| 259.9 | 264.3 | +1.7% | Revenue Europe, Middle East and Africa (EMEA) | 1,109.9 | 1,008.9 | -9.1% |
| 116.6 | 120.0 | +2.9% | Revenue Asia-Pacific (APAC) | 479.5 | 440.3 | -8.2% |
| (42.4) | (24.6) | - | Eliminations | (181.5) | (157.3) | - |
| 575.0 | 564.2 | -1.9% | Total Performance Minerals revenue | 2,415.2 | 2,177.6 | -9.8% |
| 180.7 | 171.0 | -5.4% | Revenue High Temperature Solutions | 794.5 | 632.1 | -20.4% |
| 269.5 | 264.4 | -1.9% | Revenue Refractory, Abrasives & Construction | 1,222.5 | 1,049.8 | -14.1% |
| (6.8) | (7.7) | - | Eliminations | (41.0) | (33.8) | - |
| 443.5 | 427.7 | -3.6% | Total High Temperature Materials & Solutions revenue | 1,976.0 | 1,648.1 | -16.6% |

Revenue by regions

| (€ millions) | 2019 | 2020 | Change |
|--------------|--------------|--------------|---------------|
| Americas | 1,265 | 1,108 | -12.5% |
| EMEA | 2,108 | 1,825 | -13.5% |
| APAC | 981 | 866 | -11.7% |
| Total | 4,354 | 3,799 | -12.8% |

Key income indicators

| (€ millions) | Q4 2019 | Q4 2020 | Change | 2019 | 2020 | Change |
|--|--------------|-------------|---------------|--------------|--------------|---------------|
| Revenue | 1,010 | 986 | -2.3% | 4,354 | 3,799 | -12.8% |
| Current EBITDA | 179 | 177 | -0.9% | 765 | 631 | -17.4% |
| Current operating income | 81 | 89 | +10.0% | 439 | 299 | -32.0% |
| Current financial expense | (11) | (17) | - | (44) | (61) | - |
| Current taxes | (20) | (20) | - | (114) | (66) | - |
| Minority interests | (1) | (2) | - | (4) | (4) | - |
| Net income from current operations, Group share | 49 | 50 | +1.9% | 277 | 167 | -39.7% |
| Other operating income and expenses, net | (88) | (115) | - | (156) | (137) | - |
| Net income, Group share | (38) | (65) | - | 121 | 30 | -75.1% |

CONSOLIDATED INCOME STATEMENT

| (€ MILLIONS) | 2020 | 2019 |
|--|-----------|-----------|
| REVENUE | 3,798.5 | 4,354.5 |
| RAW MATERIALS AND CONSUMABLES USED | (1,292.9) | (1,488.0) |
| EXTERNAL EXPENSES | (968.4) | (1,126.5) |
| STAFF EXPENSES | (875.2) | (947.3) |
| TAXES AND DUTIES | (41.7) | (42.0) |
| AMORTIZATION, DEPRECIATION AND IMPAIRMENT | (342.3) | (353.6) |
| INTANGIBLE ASSETS, MINING ASSETS AND PROPERTY, PLANT AND EQUIPMENT | (268.9) | (269.8) |
| RIGHT-OF-USE ASSETS | (73.4) | (83.8) |
| OTHER CURRENT INCOME AND EXPENSES | 20.5 | 41.7 |
| CURRENT OPERATING INCOME | 298.5 | 438.8 |
| GAIN (LOSS) FROM CHANGES IN CONTROL | (5.0) | (23.0) |
| OTHER NON-RECURRING ITEMS | (155.5) | (187.3) |
| OPERATING INCOME | 138.0 | 228.5 |
| NET FINANCIAL DEBT EXPENSE | (44.4) | (50.3) |
| INCOME FROM SECURITIES | 2.7 | 5.9 |
| GROSS FINANCIAL DEBT EXPENSE | (47.1) | (56.2) |
| INTEREST EXPENSE ON BORROWINGS AND FINANCIAL DEBT | (42.2) | (49.8) |
| INTEREST EXPENSE ON LEASE LIABILITIES | (4.9) | (6.4) |
| OTHER FINANCIAL INCOME (EXPENSE) | (17.0) | 6.6 |
| OTHER FINANCIAL INCOME | 270.8 | 334.5 |
| OTHER FINANCIAL EXPENSES | (287.8) | (327.9) |
| FINANCIAL INCOME (LOSS) | (61.4) | (43.7) |
| INCOME TAX | (44.3) | (65.4) |
| NET INCOME | 32.3 | 119.4 |
| NET INCOME, GROUP SHARE ⁽¹⁾ | 30.1 | 121.2 |
| NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS | 2.2 | (1.8) |
| (1) NET INCOME PER SHARE | | |
| BASIC NET INCOME PER SHARE (IN €) | 0.37 | 1.53 |
| DILUTED NET INCOME PER SHARE (IN €) | 0.36 | 1.52 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (€ MILLIONS) | 2020 | 2019 |
|-------------------------------|---------|---------|
| NON-CURRENT ASSETS | 4,862.4 | 5,129.0 |
| GOODWILL | 2,149.1 | 2,153.1 |
| INTANGIBLE ASSETS | 287.6 | 281.8 |
| RIGHT-OF-USE ASSETS | 192.5 | 245.2 |
| MINING ASSETS | 425.6 | 502.9 |
| PROPERTY, PLANT AND EQUIPMENT | 1,506.9 | 1,632.2 |
| JOINT VENTURES AND ASSOCIATES | 87.3 | 105.3 |
| OTHER FINANCIAL ASSETS | 49.1 | 45.8 |
| OTHER RECEIVABLES | 29.8 | 37.6 |
| DERIVATIVE FINANCIAL ASSETS | 4.1 | 4.5 |

| | | |
|--|---------|---------|
| DEFERRED TAX ASSETS | 130.4 | 120.6 |
| CURRENT ASSETS | 2,128.7 | 2,345.7 |
| INVENTORIES | 691.8 | 812.6 |
| TRADE RECEIVABLES | 568.0 | 623.9 |
| OTHER RECEIVABLES | 196.3 | 231.5 |
| DERIVATIVE FINANCIAL ASSETS | 14.2 | 6.1 |
| OTHER FINANCIAL ASSETS | 9.9 | 11.2 |
| CASH AND CASH EQUIVALENTS | 648.5 | 660.4 |
| CONSOLIDATED ASSETS | 6,991.1 | 7,474.7 |
| EQUITY, GROUP SHARE | 2,896.6 | 3,113.7 |
| SHARE CAPITAL | 169.9 | 159.0 |
| PREMIUMS | 614.4 | 520.9 |
| TREASURY SHARES | (6.7) | (27.4) |
| RESERVES | 2,088.9 | 2 340.0 |
| NET INCOME, GROUP SHARE | 30.1 | 121.2 |
| EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS | 59.0 | 48.3 |
| EQUITY | 2,955.6 | 3,162.0 |
| NON-CURRENT LIABILITIES | 2,740.1 | 2,834.9 |
| PROVISIONS FOR EMPLOYEE BENEFITS | 352.3 | 375.7 |
| OTHER PROVISIONS | 394.9 | 446.0 |
| BORROWINGS AND FINANCIAL DEBT | 1,698.3 | 1,689.0 |
| LEASE LIABILITIES | 167.8 | 194.6 |
| OTHER DEBTS | 34.3 | 22.0 |
| DERIVATIVE FINANCIAL LIABILITIES | 0.5 | 0.7 |
| DEFERRED TAX LIABILITIES | 92.0 | 106.9 |
| CURRENT LIABILITIES | 1,295.4 | 1,477.8 |
| OTHER PROVISIONS | 58.8 | 21.0 |
| TRADE PAYABLES | 475.6 | 542.6 |
| INCOME TAX PAYABLE | 79.2 | 83.1 |
| OTHER DEBTS | 371.6 | 343.5 |
| DERIVATIVE FINANCIAL LIABILITIES | 6.0 | 11.9 |
| BORROWINGS AND FINANCIAL DEBT | 260.9 | 397.5 |
| LEASE LIABILITIES | 42.6 | 70.9 |
| BANK OVERDRAFTS | 0.7 | 7.3 |
| CONSOLIDATED EQUITY AND LIABILITIES | 6,991.1 | 7,474.7 |

NET CURRENT FREE OPERATING CASH FLOW

| (€ MILLIONS) | 2020 | 2019 |
|--------------------------------------|-----------|-----------|
| CONSOLIDATED INCOME STATEMENT | | |
| REVENUE | 3,798.5 | 4,354.5 |
| RAW MATERIALS AND CONSUMABLES USED | (1,292.9) | (1,488.0) |
| EXTERNAL EXPENSES | (968.4) | (1,126.5) |
| STAFF EXPENSES | (875.2) | (947.3) |
| TAXES AND DUTIES ⁽¹⁾ | (41.7) | (42.0) |

| | | |
|---|--------------|--------------|
| OTHER CURRENT INCOME AND EXPENSES | 20.5 | 41.7 |
| ADJUSTMENTS | | - |
| CHANGE IN PROVISIONS FOR EMPLOYEE BENEFITS | (2.5) | (16.0) |
| CHANGE IN WRITE-DOWNS AND CURRENT OPERATING PROVISIONS | (10.0) | (13.5) |
| INCOME FROM JOINT VENTURES AND ASSOCIATES | (1.2) | (4.5) |
| DIVIDENDS RECEIVED FROM ASSOCIATES | 4.4 | 6.2 |
| CURRENT EBITDA | 631.5 | 764.6 |
| INCOME TAX | | - |
| NOTIONAL TAX ON CURRENT OPERATING INCOME | (83.0) | (126.4) |
| ADJUSTMENTS | | - |
| CHANGE IN OPERATING WORKING CAPITAL REQUIREMENT ⁽²⁾ | 74.9 | 52.1 |
| CARRYING AMOUNT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT SOLD ⁽²⁾ | 35.7 | 8.3 |
| NET CURRENT OPERATING CASH FLOW | 659.1 | 698.6 |
| INVESTING ACTIVITIES | | - |
| ACQUISITIONS OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT | (262.1) | (291.7) |
| INCREASE IN RIGHTS OF USE | (23.5) | (59.0) |
| NET CURRENT FREE OPERATING CASH FLOW | 373.5 | 347.9 |
| <i>(1) CONSOLIDATED INCOME STATEMENT</i> | | |
| <i>(2) CHANGE IN OPERATING WORKING CAPITAL REQUIREMENT (CONSOLIDATED STATEMENT OF CASH FLOWS)</i> | 74.9 | 52.1 |
| <i>ADJUSTMENTS FOR DECREASE (INCREASE) IN INVENTORIES</i> | 86.3 | 35.4 |
| <i>ADJUSTMENTS FOR DECREASE (INCREASE) IN TRADE RECEIVABLES</i> | 34.9 | 30.1 |
| <i>ADJUSTMENTS FOR DECREASE (INCREASE) IN TRADE PAYABLES</i> | (46.3) | (13.4) |

The following table presents the cash flow from non-recurring operations, i.e. non-recurring operating transactions, changes in the scope of consolidation, financing transactions and transactions with shareholders. These cash flows, added to the net current free operating cash flow from the previous table, give the total change in net financial debt.

| | | |
|--|--------------|--------------|
| <i>(€ MILLIONS)</i> | 2020 | 2019 |
| NET CURRENT FREE OPERATING CASH FLOW | 373.5 | 347.9 |
| INCOME TAX | | - |
| NOTIONAL INCOME TAX ON FINANCIAL INCOME (LOSS) | 17.1 | 12.6 |
| CHANGE IN CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES | (16.4) | 0.8 |
| CHANGE IN INCOME TAX DEBT AND RECEIVABLES | 0.8 | (38.2) |
| INCOME TAX PAID ON NON-RECURRING INCOME AND EXPENSES | 17.7 | 28.4 |
| CONSOLIDATED INCOME STATEMENT | | |
| FINANCIAL INCOME (LOSS) | (61.4) | (43.7) |
| OTHER OPERATING INCOME AND EXPENSES | (160.5) | (210.2) |
| ADJUSTMENTS | | |
| CHANGE IN NON-OPERATING WORKING CAPITAL REQUIREMENT | 34.7 | (49.3) |
| CHANGE IN FINANCIAL WRITE-DOWNS AND PROVISIONS | 4.1 | 6.6 |
| CHANGE IN FAIR VALUE OF HEDGE INSTRUMENTS | 0.4 | - |
| NON-RECURRING IMPAIRMENT | 12.7 | (0.4) |
| CHANGE IN NON-RECURRING WRITE-DOWNS AND PROVISIONS | 48.2 | 87.0 |
| INCOME FROM JOINT VENTURES AND ASSOCIATES | 8.9 | 10.0 |
| GAINS (LOSSES) ON DISPOSALS OF BUSINESSES | 2.7 | 14.0 |
| GAINS (LOSSES) ON DISPOSALS OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT | 1.3 | (4.2) |
| INVESTING ACTIVITIES | | |

| | | |
|---|---------|---------|
| ACQUISITIONS OF BUSINESSES | (99.0) | (43.1) |
| DISPOSALS OF BUSINESSES | 0.8 | (23.1) |
| DISPOSALS OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT | 0.5 | 5.5 |
| LOANS AND ADVANCES IN CASH RECEIVED FROM (GRANTED TO) THIRD PARTIES | (0.1) | (7.7) |
| Equity | | |
| CAPITAL INCREASE (DECREASE) | 119.8 | 0.5 |
| DISPOSALS (ACQUISITIONS) OF TREASURY SHARES | (0.5) | (31.7) |
| SHARE-BASED PAYMENTS | 5.8 | 9.6 |
| DIVIDENDS | (137.4) | (172.7) |
| CHANGE IN NET FINANCIAL DEBT EXCL. CURRENCY FLUCTUATIONS | 173.5 | (103.9) |

CHANGE IN NET FINANCIAL DEBT

| (€ MILLIONS) | 2020 | 2019 |
|--|-----------|-----------|
| NET FINANCIAL DEBT AT JANUARY 1 | (1,685.0) | (1,575.5) |
| CHANGE IN NET FINANCIAL DEBT EXCL. CURRENCY FLUCTUATIONS | 173.5 | (101.2) |
| IMPACT OF CURRENCY FLUCTUATIONS | 3.5 | (8.2) |
| CHANGE IN NET FINANCIAL DEBT | 177.0 | (109.4) |
| NET FINANCIAL DEBT AT DECEMBER 31 | (1,508.0) | (1,685.0) |

CONSOLIDATED STATEMENT OF CASH FLOWS

| (€ MILLIONS) | 2020 | 2019 |
|---|--------|--------|
| NET INCOME | 32.3 | 119.4 |
| ADJUSTMENTS | | |
| ADJUSTMENTS FOR AMORTIZATION EXPENSE | 407.7 | 391.8 |
| ADJUSTMENTS FOR IMPAIRMENT LOSS ON GOODWILL | 12.7 | - |
| ADJUSTMENTS FOR IMPAIRMENT LOSS (REVERSAL OF IMPAIRMENT LOSS) RECOGNIZED IN PROFIT OR LOSS, TRADE AND OTHER RECEIVABLES | 1.0 | 8.8 |
| ADJUSTMENTS FOR IMPAIRMENT LOSS (REVERSAL OF IMPAIRMENT LOSS) RECOGNIZED IN PROFIT OR LOSS, INVENTORIES | 7.5 | 4.0 |
| ADJUSTMENTS FOR PROVISIONS | (32.7) | 14.4 |
| ADJUSTMENTS FOR SHARE-BASED PAYMENTS | 5.8 | 9.6 |
| ADJUSTMENTS FOR LOSSES (GAINS) ON DISPOSAL OF NON-CURRENT ASSETS | 1.6 | 2.6 |
| ADJUSTMENTS FOR UNDISTRIBUTED PROFITS OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD | 7.7 | 5.5 |
| ADJUSTMENTS FOR NET INTEREST INCOME AND EXPENSE | 42.0 | 47.1 |
| ADJUSTMENTS FOR FAIR VALUE LOSSES (GAINS) | 0.4 | 1.0 |
| OTHER ADJUSTMENTS WITHOUT CASH EFFECTS | 2.2 | 2.3 |
| OTHER ADJUSTMENTS FOR WHICH CASH EFFECTS ARE INVESTING OR FINANCING CASH FLOW | 2.3 | 9.4 |
| CHANGE IN WORKING CAPITAL REQUIREMENT | 109.5 | 2.8 |
| ADJUSTMENTS FOR DECREASE (INCREASE) IN INVENTORIES | 86.3 | 35.4 |
| ADJUSTMENTS FOR DECREASE (INCREASE) IN TRADE RECEIVABLES | 34.9 | 30.1 |
| ADJUSTMENTS FOR INCREASE (DECREASE) IN TRADE PAYABLES | (46.3) | (13.4) |
| ADJUSTMENTS FOR OTHER RECEIVABLES AND DEBTS | 34.6 | (49.3) |
| INCOME TAX ADJUSTMENTS | 44.2 | 65.6 |

| | | |
|---|--------|---------|
| NET CASH FLOW FROM (REQUIRED FOR) OPERATIONS | 644.2 | 684.3 |
| INTEREST PAID | (46.5) | (52.2) |
| INCOME TAX REIMBURSED (PAID) | (63.9) | (122.7) |
| ADJUSTMENTS FOR DIVIDEND INCOME FROM JOINT VENTURES AND INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD | 4.4 | 6.2 |
| NET CASH FLOWS FROM (REQUIRED FOR) OPERATING ACTIVITIES | 538.2 | 515.6 |

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 2019 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 current year at the exchange rate of the prior 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 | 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 dividends received from joint ventures and associates. |
| Net current operating cash flow | Current EBITDA after notional income tax on current operating income, adjusted for changes in operational working capital requirement and proceeds from divested intangible and tangible 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 | Difference between financial liabilities (borrowings, financial debts, and IFRS 16 liabilities) and cash and cash equivalents. |