

# LETTER TO SHAREHOLDERS 91



## RESULTS

- Third quarter and nine months 2022 results **PAGE 2**



## NEWS

- Emili project: Imerys plans to become a major player in the European lithium market
- New members to the Imerys Executive Committee
- Divestitures of Imerys' High Temperature Solutions business area and assets serving the paper markets
- Imerys, 2022 Capital Markets Day "Unlocking Better Futures"

**PAGE 3**



## NOTEBOOK

- Share price evolution
- Capital Structure
- Contacts

**PAGE 4**

## MESSAGE

Patrick KRON

Chairman of the Board of Directors



Dear Shareholders,

In a softening economic environment, especially in Europe, the financial performance of Imerys was solid in the third quarter of the year. The contribution of pricing efforts and tight cost management should continue over the fourth quarter to mitigate the impact of high input costs and decelerating volumes. In this context, Imerys confirmed its current EBITDA guidance for the full year 2022 and is confident for 2023.

The business model of the Group has proven to be resilient and profitable through various crises in recent years. Imerys has successfully completed its organizational transformation and launched important strategic moves with the ongoing disposals of non-core businesses in order to focus on attractive markets which will improve the growth profile of the Group.

Imerys will continue to look for development opportunities and create long term value with its sustainable development strategy, continuing to set the bar high for its environmental and social standards.

Please be assured, dear Shareholders, of our commitment to further successes for the Group. Thank you again for your loyalty and trust.

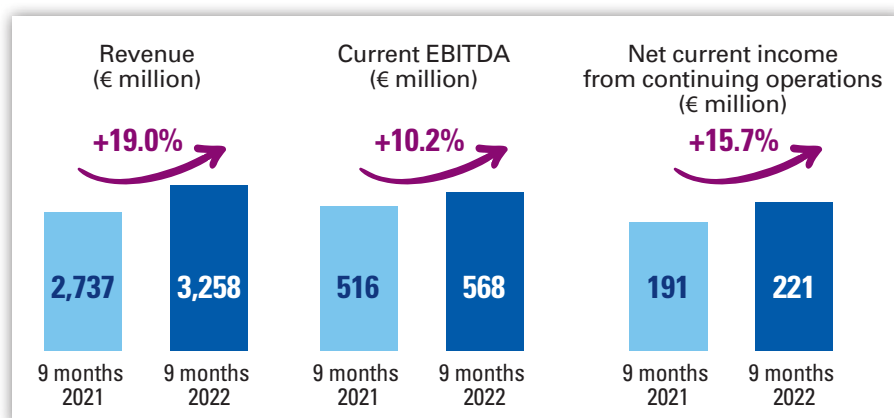
Patrick Kron



**IMERYS**

# Third quarter and nine months 2022 results: **confirmation of guidance for full year 2022 current EBITDA\***

**In a worsening economic environment, especially in Europe, the contribution of pricing efforts and tight cost management should continue over the fourth quarter to mitigate the impact of higher input costs and decelerating volumes. In this context, Imerys confirms its current EBITDA guidance for the full year 2022. Restated from the IFRS 5 impact, this objective stands at €690-710 million.**



## REVENUE

Revenue was up 14.0% year-on-year at constant scope and exchange rates in the first nine months of 2022. Group sales volumes were down 4.3%, reflecting the impact of the Ukrainian crisis and the international economic sanctions against Russia, local lockdowns in China and the weakness of the automotive industry over the entire year. In the third quarter, volumes declined further (-8.7%) as certain European markets continued to slow down.

In a context of high inflation, Imerys' pricing actions accelerated in the third quarter (+22.1% of price

effect), averaging +18.3% for the first nine months versus the prior year. Revenue included a significantly positive currency effect of €170 million (+6.2%), primarily as a result of the appreciation of the U.S. dollar against the euro. The scope effect was €49 million negative, related to recent divestitures.

## CURRENT EBITDA

Current EBITDA benefited from higher selling prices, which were gradually implemented over the recent quarters. The price effect in the first nine months of 2022 compensated for the significant

increase in variable costs, fixed costs and overheads, resulting from high inflation on all input factors. The currency effect was positive at €44 million.

Current operating income reached €346 million for the first nine months of 2022, a 16.9% increase compared to the first nine months of last year.

## CURRENT NET INCOME FROM CONTINUING OPERATIONS

Current net income from continuing operations was up 15.7% vs. last year. Net financial result was negative at €-36 million. The income tax expense of €-84 million corresponds to an effective tax rate of 27.0%. Current net income from continuing operations, per share, was up 15.8% to €2.61.

## NET INCOME

Net income, Group share, totaled €193 million in the first nine months of 2022. Net income from continuing operations, Group share reached €124 million after other income and expenses, of €-97 million in the first nine months of 2022, mostly related to goodwill impairment on the assets for the paper markets expected to be sold.

The net income also includes €69 million of net income from discontinued activities.

(\*) Results for the 9 months periods ended 30 September 2021 and 2022 have been restated to reflect the results from continuing operations excluding the High Temperature Solutions business area (HTS) whose contemplated disposal was announced on July 28, 2022. According to IFRS 5, HTS is accounted for as a discontinued operation and reported under 'Net income from discontinued activities' (its revenue, expenses and pre-tax profits are not presented in the consolidated income statement). The assets serving the paper markets whose contemplated disposal was announced on September 9, 2022, are accounted for as non current assets held for sale and therefore included in the consolidated income statement.

The full press release of the third quarter 2022 results presentation is available online in the Finance section of the [imerys.com](https://www.imerys.com) website.



## EMILI Project: Imerys plans to become a major player in the European lithium market

On October 24, Imerys announced the launch of a landmark lithium exploitation project “the EMILI Project” at its Beauvoir site in France.



The site has been producing kaolin for ceramics since the late 19th century. Upon successful completion, the project would contribute to the French and European Union’s energy transition ambitions. Imerys aims to produce 34,000 tonnes of lithium hydroxide per year from 2028, making the Group a leading supplier to the European battery market and a key player in the global lithium industry.

### CHALLENGE FOR ENERGY TRANSITION AND INDUSTRIAL SOVEREIGNTY

This project is a response to the challenges introduced by the energy transition: it offers a long-term solution that addresses Europe’s decarbonization ambitions while also increasing French

and European sovereignty by reducing dependency on imports. Lithium - a key raw material and component for Li-ion batteries - was identified as critical by the European Commission in 2020. Its consumption is expected to grow exponentially in the coming years.

### A RESPONSIBLE PROJECT

Building on its experience and knowledge of local biodiversity, Imerys intends to put forward a responsible project that respects the environment and local communities, in accordance with its code of conduct and international standards. In particular, Imerys commits to developing the project in line with the Initiative for Responsible Mining Assurance (IRMA) Standard, which is the benchmark for responsible mining.

### IMERYS OF TOMORROW: “A STRATEGIC FIT”

The project will complete Imerys’ specialty minerals solutions focusing on sustainable energy, which includes carbon black and synthetic graphite at its production sites in Willebroek (Belgium) and Bodio (Switzerland).

## NEW MEMBERS TO THE IMERYS EXECUTIVE COMMITTEE



**Leah Wilson**, 45, has been appointed Group Chief Sustainability Officer and

member of the Executive Committee. Leah joined Imerys in 2017 where she has been responsible for leading the definition of the Group sustainability ambitions, steering the sustainability roadmap development and deployment throughout the organization and monitoring performance and implementation progress. Leah is a Canadian citizen.

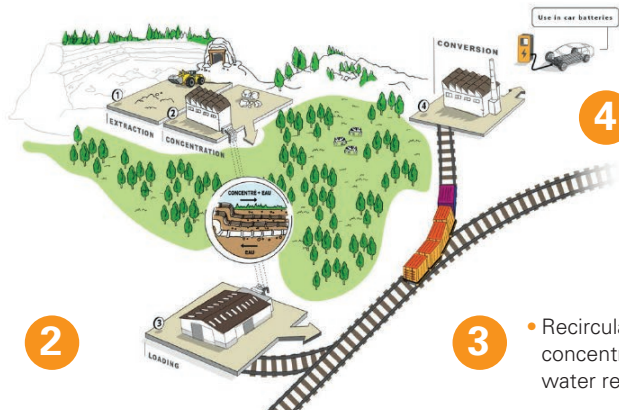


**Anastasia Amvrosiadou**, 50, has been appointed Group Chief Human

Resources Officer and member of the Executive Committee. Anastasia joined Imerys in 2015 through the acquisition of S&B. She has since held various roles of increasing responsibilities and was appointed HR Vice President EMEA, in 2019. Anastasia is a Greek citizen.

### RESPONSIBLE MINING BY DESIGN

- Underground mine with tailings largely backfilled underground to minimize the environmental impact as well as noise and dust
- Electrical fleet to minimize emissions, save on energy and improve health & safety
- Recovery of by-products during concentration (feldspar, tin, tantalum) to maximize the return on footprint
- Transport of concentrate via underground pipes to reduce CO<sub>2</sub> emissions and noise impact of truck transport



- Targeting an existing industrial zone
- Maximize use of rail to avoid truck transport and reduce environmental & noise impact

- Recirculation of water back to the concentration plant to maximise water recycling



## Divestitures of Imerys' High Temperature Solutions business area and assets serving the paper markets

On July 28, 2022 and September 9, 2022 respectively, Imerys has entered into exclusive negotiations to sell its High Temperature Solution business (HTS), a leading global provider of refractory solutions serving the iron & steel, thermal and foundry markets as well as most of its assets producing kaolin, calcium carbonate and talc, primarily serving the paper markets.

These activities represented in total approximately €1.2 billion of revenue in 2021 and 3,750 employees.

These sales would mark another important milestone in the Group's efforts to focus on its core high-growth specialty minerals business.

The closing of the HTS transaction is expected in the coming weeks and the closing of the disposal of assets serving the paper markets in the course of 2023.

# Imerys, 2022 Capital Markets Day “Unlocking Better Futures”

On November 7, Imerys hosted its Capital Markets Day in Paris during which the Group presented its 2023-2025 strategic ambitions.

## THE NEW IMERYS: AN ATTRACTIVE INVESTMENT PROPOSITION

<b>1</b>	<b>Resilient business model</b>	<ul style="list-style-type: none"> <li>• Strong track record of execution</li> <li>• Market leader, favorable price / cost balance</li> <li>• Diverse applications and geographies</li> </ul>
<b>2</b>	<b>Focus on long term growth</b>	<ul style="list-style-type: none"> <li>• Contemplated divestiture of declining and cyclical activities</li> <li>• Positioned on growing underlying markets benefitting from megatrends</li> <li>• Specialty minerals pure play</li> </ul>
<b>3</b>	<b>Strong cash generation</b>	<ul style="list-style-type: none"> <li>• Solid cash generation from operating activities</li> <li>• Proceeds from divestitures to support new developments</li> <li>• Investment grade rating</li> </ul>
<b>4</b>	<b>Leadership in sustainability</b>	<ul style="list-style-type: none"> <li>• Maintain superior ESG track record</li> <li>• Reference in the industry</li> <li>• Enabler of ecological transition</li> </ul>
<b>5</b>	<b>Attractive return to shareholders</b>	<ul style="list-style-type: none"> <li>• Continued focus on dividends</li> <li>• Share buyback when appropriate</li> </ul>
<b>6</b>	<b>Further growth potential</b>	<ul style="list-style-type: none"> <li>• Lithium project</li> <li>• Growing demand for “green” minerals</li> <li>• Opportunistic M&amp;A</li> </ul>

The business model of the Group has proven to be resilient and profitable through various crises in recent years. Imerys has successfully completed its organizational transformation and launched important strategic moves with its portfolio realignment with our society's megatrends.

Imerys is now entering the next phase of its development with the ambition to achieve an organic profitable growth of 3-5% per year on average between 2023 and 2025,

thanks to strategic investments in fast-growing markets aligned with three key megatrends: green mobility and energy, sustainable construction and natural solutions for consumer goods. Imerys confirms its 2022 current EBITDA guidance.

The Group expects to improve its current EBITDA margin from 16.5% in 2022 to 18-20% in 2025 thanks to higher organic growth, the increasing contribution of strategic investments and continuous savings

and operational efficiencies through industrial and purchasing optimization programs.

The Group will create long-term value with its sustainable development strategy and is committed to submitting updated Science-based Target Initiative (SBTi) targets aligned to the 1.5°C trajectory. In line with this, the Group will strive to reduce its CO<sub>2</sub> emissions by 42% in absolute terms (tCO<sub>2</sub>) by 2030 with 2021 as a base year.

Furthermore the Group is committed to remain Investment Grade rating and offer attractive shareholder return in the coming years.



## Three markets will drive future growth of Imerys:

### GREEN MOBILITY

- Carbon conductive additives to Lithium-ion batteries
- Solutions of lightweighting of polymers in the automotive sector
- Cost-effective filter aids for the purification of fats, oils and greases used in bio-diesel and aviation fuel plants



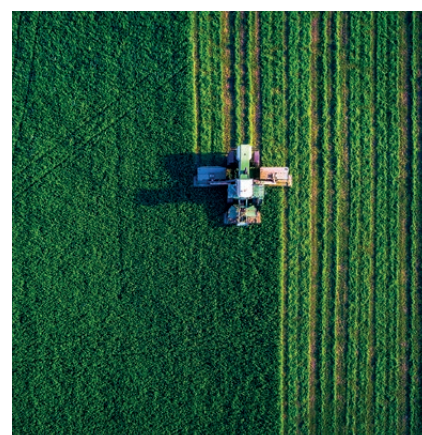
### SUSTAINABLE CONSTRUCTION

- Specialty binders for drymix mortars
- Long-lasting protection in wastewater infrastructure
- Mineral foams materials replacing plastic insulation materials
- Green cement through clinker substitution
- Recycled calcium carbonate providing 100% pre-consumer post-industrial recycled content

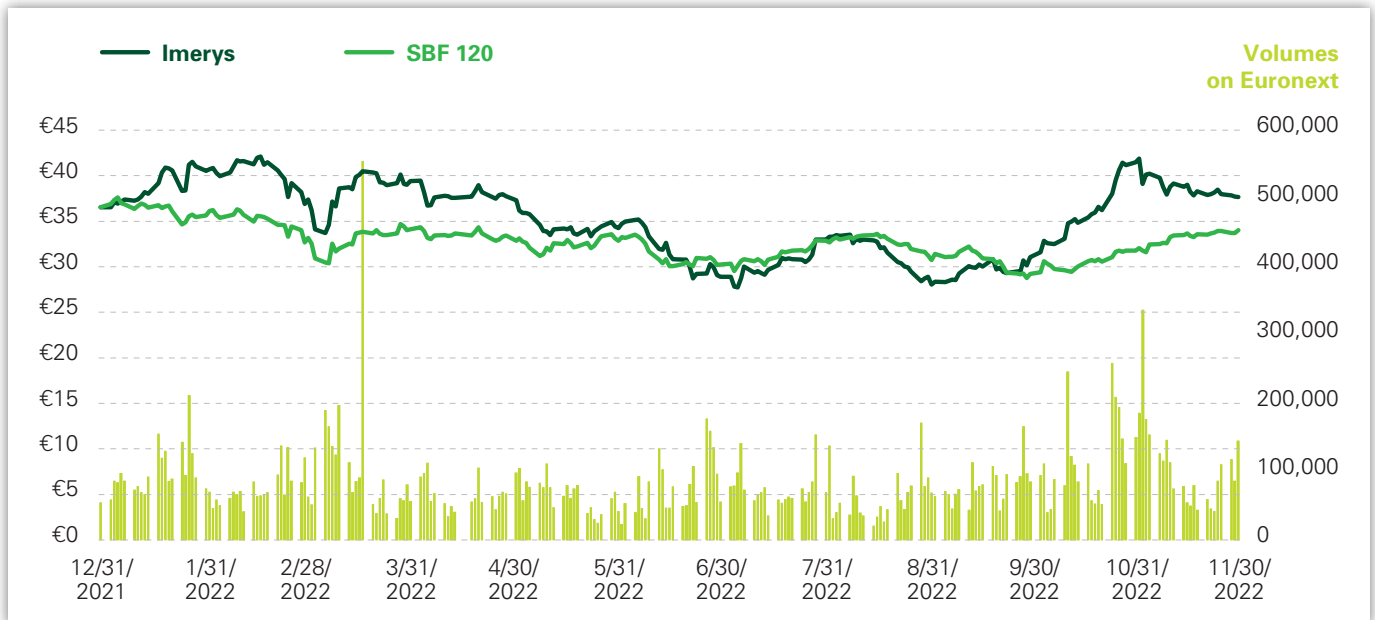


### NATURAL SOLUTIONS FOR CONSUMER GOODS

- Mineral-based solutions to improve productivity of arable land for organic or conventional farming
- Natural mineral solutions for healthy animals
- Ultra-high purity filter aid for blood plasma fractionation
- Natural mineral solutions for replacing microplastics and chemicals in cosmetic formulations

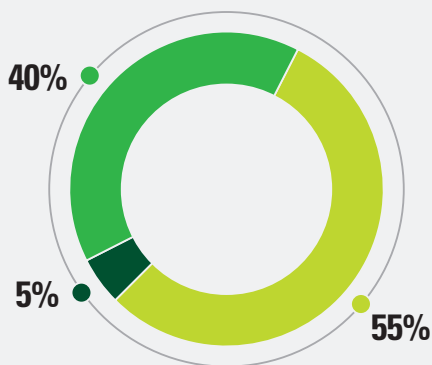


# Share price evolution as of November 30, 2022



## OWNERSHIP STRUCTURE

(November 30, 2022)



- Belgian Securities BV (subsidiary of Group Bruxelles Lambert)
- Blue Crest Holding SA (Kyriacopoulos family)
- Free float

## IMERYS ON THE STOCK MARKET

ISIN: FR0000120859 - NK

Euronext Paris - Eurolist - Local values Compartment A (large caps)

(Eligible for the deferred settlement service)

(Data as of November 30, 2022)

- **Number of shares:** 84,940,955
- **Par value:** €2.0
- **Closing price:** €37.66
- **Market capitalization:** €3.2 billion

## NEXT DATES

- **May 2, 2023** ..... 1st quarter 2023 results
- **May 10, 2023** ..... Shareholders General Meeting
- **July 27, 2023** ..... 1st half 2023 results
- **October 30, 2023** ..... 3rd quarter 2023 results



## FINANCIAL COMMUNICATION CONTACTS

43, Quai de Grenelle - 75015 Paris - France  
Tel: +33 (0) 1 49 55 39 44  
shareholders@imerys.com

For more information: [www.imerys.com](http://www.imerys.com)  
Or on social media:

- @imerys
- [www.linkedin.com/company/imerys/](https://www.linkedin.com/company/imerys/)
- [www.facebook.com/imerysgroup/](https://www.facebook.com/imerysgroup/)