

PARIS, JULY 27, 2023

## Imerys reports resilient profitability and strong cash generation in first half 2023

- First half revenue at €1,982 million<sup>1</sup>, down 5.6% like-for-like<sup>2</sup> vs. last year, impacted by continued customer destocking, macro-economic weakness in most end-markets and high comparatives
- Resilient current EBITDA<sup>2</sup> margin at 16.7%, as a result in particular of cost discipline and positive price-cost balance
- Strong cash generation with net current free operating cash flow at €135 million before strategic capital expenditures versus €48 million in first half 2022, benefitting from working capital actions
- Significant progress on lithium roadmap with the joint venture with British Lithium. Further advance in decarbonation agenda with new greenhouse emission reduction objectives

Alessandro Dazza, Chief Executive Officer, said:

*"In the first half of 2023, Imerys delivered a solid performance with a current EBITDA margin close to 17% and a strong cash generation. This performance was achieved thanks to the excellent cost management work of our teams, which effectively mitigated the impact of tough market conditions and continued customer destocking. As we enter the second half of the year with limited visibility into our end-markets, we expect to benefit from additional savings and lower input costs such as energy and transportation. Building on this solid basis, the Group will continue to seize long-term growth opportunities by investing in mineral solutions for green energy, sustainable construction and consumer goods."*

Unaudited consolidated results <sup>1</sup> (€ millions)	H1 2022	H2 2022	H1 2023	Change year-on-year
Revenue	2,142	2,140	1,982	-7.4%
Organic growth <sup>2</sup>	-	-	-5.6%	-
Current EBITDA <sup>2</sup>	375	345	331	-11.8%
Current EBITDA margin	17.5%	16.1%	16.7%	-
Current operating income	227	211	218	-4.2%
Current operating margin	10.6%	9.9%	11.0%	-
Operating income	226	92	174	-23.0%
Current net income from continuing operations, Group share	149	128	139	-7.1%
Net income from continuing operations, Group share <sup>2</sup>	148	25	101	-31.6%
Net income from discontinued activities, Group share	45	20	44	-0.6%
Net income, Group share <sup>2</sup>	192	45	145	-24.5%
Net current free operating cash flow (incl. discontinued act.)	16	8	96	-
Current net income from continuing op. per share, Group share	€1.76	€1.52	€1.64	-6.9%

<sup>1</sup> 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 detailed in the consolidated income statement).

<sup>2</sup> The definition of alternative performance measures can be found in the glossary at the end of the press release.

## First half 2023 highlights

### Imerys and British Lithium announce a strategic partnership to accelerate development of UK's largest lithium deposit

On June 29, 2023, Imerys and British Lithium formed a joint venture with the objective of creating the United Kingdom's first integrated producer of battery-grade lithium carbonate. Imerys contributes its lithium mineral resources, land and infrastructure for an 80% stake in the joint venture, whilst British Lithium brings its bespoke lithium processing technology, its technical team and its lithium pilot plant for the remaining 20%. As part of the agreement, Imerys will provide a large lithium deposit: 161 million tonnes of inferred resources at 0.54% lithium oxide content, indicating a life of mine exceeding 30 years. Drilling programme and pre feasibility study (PFS) are in progress. Cornwall would become the leading lithium hub in the UK, with target annual production of 20,000 tonnes of lithium carbonate equivalent, enough to equip 500,000 electric cars per year, by the end of the decade. The mine will adhere to the highest social and environmental standards and follow the Initiative for Responsible Mining Assurance (IRMA) Standard – the most demanding global benchmark for responsible mining.

This joint venture will reduce the UK's and Europe's dependence on critical raw materials imports, thus contributing to the achievement of the European and British climate change targets and the creation of the first fully integrated regional electrical vehicle value chain. The combination of this and the EMILI project in France would make Imerys the largest integrated lithium producer in Europe, representing more than 20% of the announced European lithium output by 2030.

### Successful laboratory production of lithium for EMILI in France

The scoping study for the EMILI project in France has been completed, confirming its economic viability. The pre-feasibility study is currently in progress along with the permitting process for the construction of the pilot plant. Imerys has applied to the CNDP (Commission Nationale du Débat Public) to hold a public consultation before summer 2024.

Imerys managed to produce at laboratory scale the first battery-grade lithium hydroxide from the Beauvoir granite. Imerys' technology and process are validated by these encouraging results, which pave the way for the next steps in this key project.

### Capacity expansion and new energy recovery plant to turn syngas into electricity at Willebroek, Belgium

As per plan, Willebroek third production line of carbon black for mobile energy was commissioned in the first semester. The construction of a fourth line is well underway at the same location.

Imerys signed a multi-year contract with E.On, one of Europe's largest operators of energy networks and energy infrastructure, in May 2023 to valorize waste syngas and generate electricity in Willebroek, Belgium. The majority of the energy produced will be supplied to the local grid to satisfy the yearly consumption of approximately 40,000 households. The installation of this energy recovery plant will represent a major milestone in Imerys roadmap to reduce its GHG emissions by 42% by 2030, and to enable a more sustainable carbon black production.

### Long-term partnership with TotalEnergies for renewable power

Imerys has partnered with TotalEnergies to bring renewable energy to one of its major US production sites, in Lompoc, California. As part of a long-term energy service contract, TotalEnergies will install and operate solar panels and energy storage systems for Imerys under a 25-year power purchase and storage service agreement.

The solar-plus-storage system is expected to meet 50% of the Lompoc industrial site's current electrical energy needs and reduce CO<sub>2</sub> emissions by 7,000 metric tons annually.

### New GHG emission reduction targets approved by the SBTi

In line with the commitments of the Paris Agreement, Imerys has set transparent objectives and concrete actions to significantly reduce the carbon emissions of its operations and within its value chain and develop low carbon products for its customers.

The Group disclosed new emission targets in absolute value, with a reduction of 42% of scope 1 and Scope 2, and 25% of scope 3<sup>3</sup> by 2030 with 2021 as a base year. These new targets have been approved by the SBTi.

## Outlook

The macroeconomic environment remains challenging in all main regions. The recovery in China is proceeding slowly and the weakness in the construction market continues to weigh on the industry. With limited visibility into customer demand, still impacted by ongoing destocking, the Group will focus on cost reduction measures and cash generation. Pricing is likely to remain stable at present levels. Based on current trading, current EBITDA is expected to be in the range of €630 to 650 million for the full year 2023 at current perimeter<sup>4</sup>.

The Group remains confident that it should achieve its medium term objectives announced during its Capital Markets Day in November 2022 as a result of the Group's global geographic footprint and diversified market exposure, as well as ongoing strategic capital expenditures.

## DETAILED COMMENTS

### Revenue

Unaudited consolidated results (€ millions)	2022	2023	Change			
			Reported Change	Like-for-like change	Volumes	Price mix
First quarter	1,013	997	-1.6%	-0.9%	-11.9%	+11.0%
Second quarter	1,129	985	-12.7%	-10.0%	-13.7%	+3.8%
<b>Total</b>	<b>2,142</b>	<b>1,982</b>	<b>-7.4%</b>	<b>-5.6%</b>	<b>-12.9%</b>	<b>+7.3%</b>

Revenue was €985 million, down -10.0% year-on-year at constant scope and exchange rates in the second quarter of 2023. Group sales volumes were down 13.7%, reflecting the destocking impact, especially in Europe and weaker construction and industrial markets.

In the second quarter, Imerys' price effect was positive thanks to the carry-over effect of price increases implemented last year.

In the first semester, revenue included a negative currency effect of €13 million (-0.6%), primarily as a result of the depreciation of the U.S. dollar against the euro. Recent divestitures had a negative scope effect of €28 million.

<sup>3</sup> Scope 3 emissions covered by this target include: purchased goods and services, capital goods, fuel and energy related activities, upstream and downstream transportation and distribution, waste generated in operations, business travel, employee commuting, and investments

<sup>4</sup> including 12 months of the current EBITDA of the assets serving the paper markets expected to be disposed of by the end of the year

## Current EBITDA

Unaudited quarterly data (€ millions)	2022	2023	Change
First quarter	156	151	-3.4%
Second quarter	219	180	-17.8%
<b>Total current EBITDA</b>	<b>375</b>	<b>331</b>	<b>-11.8%</b>
<i>Margin</i>	<i>17.5%</i>	<i>16.7%</i>	<i>-0.8 bps</i>

In spite of volume shortfalls, **current EBITDA<sup>5</sup>** was resilient in the second quarter of 2023. The price effect compensated for the increase in variable and fixed costs (+€22 million), and current EBITDA generation was supported by the dividend contribution of joint ventures and associates.

**Current operating income** reached €113 million for the second quarter of 2023, a 16.9% decrease compared with last year.

### Current net income from continuing operations

In the second quarter, **current net income from continuing operations** amounted to €72 million, down 20.6% vs. last year.

In the first semester, net financial result was negative at €-26 million, current net income from continuing operations reached €139 million, down 7.1% vs. last year, i.e. €1.64 per share.

### Net income

The **net income** in the second quarter includes €5 million of net income from discontinued activities, and €36 million of net operating expenses related to disposal and reorganization activities.

In the first half of 2023, **net income from continuing operations, Group share** reached €101 million, and **net income, Group share**, totaled €145 million.

### Net current free operating cash flow

(€ millions)	H1 2022	H1 2023
Current EBITDA (including discontinued operations)	445	338
Increase (-) / decrease (+) in operating working capital	(160)	16
Notional tax on current operating income	(79)	(61)
Other	6	6
<b>Net current operating cash flow (before capital expenditure)</b>	<b>213</b>	<b>299</b>
Capital expenditure	(181)	(178)
Right of use assets (IFRS 16)	(15)	(25)
<b>Net current free operating cash flow</b>	<b>16</b>	<b>96</b>
of which discontinued operations	(6)	6
<b>Net current free operating cash flow before strategic capex</b>	<b>48</b>	<b>135</b>

<sup>5</sup> The definition of alternative performance measures can be found in the glossary at the end of the press release.

The strong net current free operating cash flow in the first half of 2023 reflects several actions implemented to improve operating working capital. The Group pursued its strategic capital expenditures efforts.

(€ millions)	H1 2022	H1 2023
<b>Net current free operating cash flow</b>	<b>16</b>	<b>96</b>
Acquisitions and disposals	71	673
Dividend	(131)	(330)
Change in equity	(2)	(10)
Change in non-operating working capital	7	6
Other non-recurring income and expenses	(23)	(28)
Debt servicing costs	(11)	(19)
Exchange rates and other	(7)	(5)
<b>Change in net financial debt</b>	<b>(80)</b>	<b>384</b>
Discontinued operations	-	84

## Financial structure

(€ millions)	Dec 31, 2022	June 30, 2023
Net financial debt	1,666	1,198
Shareholders' equity	3,385	3,293
<b>Net financial debt / shareholders' equity</b>	<b>49%</b>	<b>36%</b>
<b>Net financial debt/current EBITDA*</b>	<b>2.3x</b>	<b>1.7x</b>

\*Based on the last twelve months current EBITDA

As of June 30, 2023, net financial debt totaled €1,198 million, which corresponds to a net financial debt to current EBITDA ratio of 1.7 x, significantly lower than at December 31, 2022, thanks to the disposal of HTS at the end of January.

The Group's financial strength is demonstrated by the "investment grade" ratings confirmed by Standard and Poor's (November 29, 2022, BBB-, stable outlook) and Moody's (March 13, 2023, Baa3, stable outlook).

## COMMENTARY BY BUSINESS ACTIVITY

### Performance Minerals (67% of consolidated revenue)

Q2 2022 (€ millions)	Q2 2023 (€ millions)	Like for like change on Q2 2022	Unaudited quarterly data	H1 2022 (€ millions)	H1 2023 (€ millions)	Like for like change on H1 2022
297	258	-11.0%	Revenue Americas	558	514	-6.4%
348	304	-11.0%	Revenue Europe, Middle East and Africa (EMEA)	659	632	-2.8%
150	134	-6.0%	Revenue Asia-Pacific (APAC)	291	266	-3.5%
(53)	(37)	-	Eliminations	(108)	(76)	-
<b>742</b>	<b>659</b>	<b>-8.7%</b>	<b>Total revenue</b>	<b>1,400</b>	<b>1,336</b>	<b>-2.5%</b>
-	-	-	<b>Current EBITDA</b>	<b>276</b>	<b>215</b>	<b>-21.9% *</b>
-	-	-	Current EBITDA margin	19.7%	16.1%	-

\* Reported variation

Revenue generated by the **Performance Minerals** segment was down 8.7% like-for-like in the second quarter of 2023. On a reported basis, revenue was down 11.2% and includes a negative currency effect of €-12 million (-1.6%).

Revenue in the **Americas** was down 11.0% at constant scope and exchange rates in the second quarter of 2023. In the second quarter of 2023, the decline in the paper market and construction industry accelerated. Prices, however, have been largely maintained.

Revenue in **Europe, Middle East and Africa** decreased by 11.0% at constant scope and exchange rates in the second quarter of 2023. Automotive followed a positive trend, while ceramics and paper were still impacted by destocking and mill downtimes.

Revenue in **Asia-Pacific** was down 6.0% at constant scope and exchange rates in the second quarter of the year. Volumes were impacted by a slow recovery in China and the downturn in the construction sector, both locally and for export markets, and by the decline in the paper sector.

### High Temperature Materials & Solutions (33% of consolidated revenue)

Q2 2022 (€ millions)	Q2 2023 (€ millions)	Like for like change on Q2 2022	Unaudited quarterly data	H1 2022 (€ millions)	H1 2023 (€ millions)	Like for like change on H1 2022
387	328	-13.6%	Revenue Refractory, Abrasives & Construction	743	647	-12.3%
0	0	-	Eliminations	0	1	-
<b>387</b>	<b>328</b>	<b>-13.6%</b>	<b>Total revenue</b>	<b>743</b>	<b>648</b>	<b>-12.2%</b>
-	-	-	<b>Current EBITDA</b>	<b>126</b>	<b>77</b>	<b>-38.9% *</b>
-	-	-	Current EBITDA margin	17.0%	11.9%	-

\* Reported variation

Revenue in the **Refractory, Abrasives & Construction** business area was down 13.6% at constant scope and exchange rates in the second quarter of 2023. The sharp drop was largely due to Europe and a consequence of

customer destocking, weak industrial activity and increased competition from Asia for energy-intensive businesses. The Indian market performed well and above expectations. The lower level of profitability for the segment relates to lower volumes.

### First semester 2023 results webcast

The press release is available on the Group's website [www.imerys.com](http://www.imerys.com). The Group will hold a live webcast to discuss the first semester 2023 results at 18.30 am (CET) on July 27, 2023, which can be accessed on the Group's website [www.imerys.com](http://www.imerys.com).

### Financial Calendar

October 30, 2023	3rd quarter 2023 results
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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 €4.3 billion in revenue and 14,000 employees in 2022. 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 benefiting 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](http://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 22, 2023 under number D.23-0127 (also available from the AMF website, [www.amf-france.org](http://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.*

#### Analyst/Investor Relations:

Cyrille Arhanchiague : +33 (0)1 49 55 64 84  
[finance@imerys.com](mailto:finance@imerys.com)

#### Press contacts:

Claire Garnier : +33 (0)1 49 55 64 27  
Mathieu Gratiot : +33 (0)7 87 53 46 60  
Hugues Schmitt (Primatice) : + 33(0) 6 71 99 74 58  
Olivier Labesse (Primatice) : + 33 6(0) 79 11 49 71

## APPENDIX

### Revenue

Revenue by business group (€ millions)	Q2 2022	Q2 2023	Reported change	Group structure	Exchange rates	Like for like change
Performance Minerals	742	659	-11.2%	-2.0%	-0.2%	-8.7%
High Temperature Materials & Solutions	387	328	-15.4%	0.0%	-0.7%	-13.6%
Holding & Eliminations	(1)	(1)	n.s.	n.s.	n.s.	n.s.
<b>Total</b>	<b>1,129</b>	<b>985</b>	<b>-12.7%</b>	<b>-1.3%</b>	<b>-0.6%</b>	<b>-10.0%</b>

### Key income indicators

(€ millions)	Q1 2022	Q1 2023	Change	Q2 2022	Q2 2023	Change
<b>Revenue</b>	<b>1,013</b>	<b>997</b>	<b>-1.6%</b>	<b>1,129</b>	<b>985</b>	<b>-12.7%</b>
<b>Current EBITDA</b>	<b>156</b>	<b>151</b>	<b>-3.4%</b>	<b>219</b>	<b>180</b>	<b>-17.8%</b>
<b>Current operating income</b>	<b>92</b>	<b>105</b>	<b>+14.6%</b>	<b>136</b>	<b>113</b>	<b>-16.9%</b>
Current financial expense	(9)	(12)	-	(10)	(14)	-
Current taxes	(22)	(25)	-	(34)	(27)	-
Minority interests	(1)	(1)	-	(2)	(1)	-
<b>Current net income from continuing operations, Group share</b>	<b>59</b>	<b>67</b>	<b>+13.3%</b>	<b>90</b>	<b>72</b>	<b>-20.6%</b>
Other operating income and expenses, net, Group share	0	(6)	-	0	(33)	-
<b>Net income from continuing operations, Group share</b>	<b>58</b>	<b>62</b>	<b>-</b>	<b>90</b>	<b>39</b>	<b>-57.0%</b>
Net income from discontinued activities, Group share	15	39	-	29	5	-
<b>Net income, Group share</b>	<b>73</b>	<b>101</b>	<b>-</b>	<b>119</b>	<b>44</b>	<b>-63.2%</b>

(€ millions)	H1 2022	H1 2023	Change
<b>Revenue</b>	<b>2,142</b>	<b>1,982</b>	<b>-7.4%</b>
<b>Current EBITDA</b>	<b>375</b>	<b>331</b>	<b>-11.8%</b>
<b>Current operating income</b>	<b>227</b>	<b>218</b>	<b>-4.2%</b>
Current financial expense	(19)	(26)	-
Current taxes	(56)	(52)	-
Minority interests	(3)	(2)	-
<b>Current net income from continuing operations, Group share</b>	<b>149</b>	<b>139</b>	<b>-7.1%</b>
Other operating income and expenses, net, Group share	(1)	(38)	-
<b>Net income from continuing operations, Group share</b>	<b>148</b>	<b>101</b>	<b>-31.6%</b>
Net income from discontinued activities, Group share	45	44	-0.6%
<b>Net income, Group share</b>	<b>192</b>	<b>145</b>	<b>-24.5%</b>



## CONSOLIDATED INCOME STATEMENT

(€ millions)	06.30.2023	06.30.2022 <sup>(1)</sup>
<b>Revenue</b>	<b>1,982.4</b>	<b>2,141.8</b>
Raw materials and consumables used	(716.7)	(723.5)
External expenses	(518.7)	(603.9)
Staff expenses	(440.4)	(435.1)
Taxes and duties	(18.3)	(21.3)
Amortization, depreciation and impairment	(132.6)	(149.7)
Intangible assets, mining assets and property, plant and equipment	(113.4)	(129.4)
Right-of-use assets	(19.2)	(20.3)
Other current income and expenses	18.1	7.6
Share in net income of joint ventures and associates	44.1	11.4
<b>Current operating income</b>	<b>217.9</b>	<b>227.3</b>
Gain (loss) from changes in control	1.3	21.0
Other non-recurring items	(44.7)	(21.9)
<b>Operating income</b>	<b>174.5</b>	<b>226.4</b>
<b>Net financial debt expense</b>	<b>(13.1)</b>	<b>(14.2)</b>
Income from securities	7.2	1.9
Gross financial debt expense	(20.3)	(16.1)
Interest expense on borrowings and financial debt	(18.5)	(14.6)
Interest expense on lease liabilities	(1.8)	(1.5)
<b>Other financial income (expenses)</b>	<b>(12.7)</b>	<b>(4.5)</b>
Other financial income	129.5	131.1
Other financial expenses	(142.2)	(135.6)
<b>Financial income (loss)</b>	<b>(25.8)</b>	<b>(18.7)</b>
Income taxes	(47.0)	(57.4)
<b>Net income from continuing operations</b>	<b>101.7</b>	<b>150.3</b>
Net income from continuing operations, Group share <sup>(3)</sup>	101.1	148.1
Net income from continuing operations attributable to non-controlling interests	0.6	2.2
<b>Net income from discontinued operations<sup>(2)</sup></b>	<b>45.3</b>	<b>58.5</b>
Net income from discontinued operations, Group share <sup>(3)</sup>	44.2	44.4
Net income from discontinued operations attributable to non-controlling interests	1.1	14.1
<b>Net income</b>	<b>147.0</b>	<b>208.8</b>
Net income, Group share <sup>(3)</sup>	145.3	192.5
Net income attributable to non-controlling interests	1.7	16.3
(1) First half 2022 flows were restated following the designation of the High Temperature Solutions line of business as a discontinued operation (Note 20).		
(2) High Temperature Solutions line of business (Note 20).		
(3) Net income per share		
Basic net income per share, Group share (in €)	1.72	2.27
Diluted income per share, Group share (in €)	1.70	2.24
Basic net income from continuing operations per share, Group share (in €)	1.20	1.75
Diluted net income from continuing operations per share, Group share (in €)	1.18	1.72

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	06.30.2023	12.31.2022
<b>Non-current assets</b>	<b>4,336.5</b>	<b>4,357.4</b>
Goodwill	1,848.5	1,852.2
Intangible assets	294.5	287.5
Right-of-use assets	137.3	133.1
Mining assets	412.2	415.5
Property, plant and equipment	1,402.8	1,410.7
Joint ventures and associates	98.9	90.5
Other financial assets	13.5	25.4
Other receivables	26.6	31.8
Derivative financial assets	2.0	-

Deferred tax assets	100.2	110.7
<b>Current assets</b>	<b>2,167.3</b>	<b>2,137.4</b>
Inventories	728.1	789.9
Trade receivables	467.9	489.9
Other receivables	262.7	208.4
Derivative financial assets	20.7	27.0
Other financial assets	3.7	2.0
Cash and cash equivalents	684.2	620.2
<b>Assets held for sale<sup>(1)</sup></b>	<b>433.0</b>	<b>1,376.2</b>
<b>Consolidated assets</b>	<b>6,936.8</b>	<b>7,871.0</b>
<b>Equity, Group share</b>	<b>3,249.8</b>	<b>3,337.9</b>
Share capital	169.9	169.9
Share premium	614.4	614.4
Treasury shares	(13.2)	(18.7)
Reserves	2,333.4	2,335.1
Net income, Group share	145.3	237.2
<b>Equity attributable to non-controlling interests</b>	<b>43.6</b>	<b>47.5</b>
<b>Equity</b>	<b>3,293.4</b>	<b>3,385.4</b>
<b>Non-current liabilities</b>	<b>2,457.6</b>	<b>2,465.6</b>
Provisions for employee benefits	156.2	160.2
Other provisions	391.9	388.8
Borrowings and financial debt	1,694.7	1,694.5
Lease liabilities	100.2	98.1
Other debts	23.6	20.0
Derivative financial liabilities	0.9	4.1
Deferred tax liabilities	90.1	99.9
<b>Current liabilities</b>	<b>1,053.0</b>	<b>1,551.1</b>
Other provisions	41.5	34.3
Trade payables	449.9	540.1
Income tax payable	105.7	104.9
Other debts	322.3	344.3
Derivative financial liabilities	44.6	29.0
Borrowings and financial debt	17.1	452.7
Lease liabilities	42.0	42.1
Bank overdrafts	29.9	3.7
<b>Liabilities related to assets held for sale<sup>(2)</sup></b>	<b>132.8</b>	<b>468.9</b>
<b>Consolidated equity and liabilities</b>	<b>6,936.8</b>	<b>7,871.0</b>

(1) Of which, at June 30, 2023, the High Temperature Solutions line of business for €2.4 million and the business serving the paper market for €430.6 million. At December 31, 2022, the High Temperature Solutions line of business for €942.8 million and the business serving the paper market for €432.4 million (Note 20).

(2) Of which, at June 30, 2023, the High Temperature Solutions line of business for €0.8 million and the business serving the paper market for €132 million (Note 20). At December 31, 2022, the High Temperature Solutions line of business for €335.5 million and the business serving the paper market for €133.5 million (Note 20).

## CURRENT EBITDA

At June 30, 2023

(€ millions)	PM	HTMS	IS&H	Total
Revenue	1,335.9	648.0	(1.5)	1,982.4
Current operating income	141.3	37.9	38.7	217.9
<b>Adjustments</b>				
Amortization, depreciation and impairment	80.6	43.5	8.5	132.6
Change in current operating write-downs and provisions	(3.8)	(4.1)	2.1	(5.8)
Share in net income of joint ventures and associates	(5.4)	(0.2)	(38.5)	(44.1)
Dividends received from joint ventures and associates	2.7	0.1	27.5	30.3
<b>Current EBITDA</b>	<b>215.5</b>	<b>77.1</b>	<b>38.3</b>	<b>330.9</b>

At June 30, 2022

(€ millions)	PM	HTMS	IS&H	Total
Revenue	1,400.4	743.0	(1.6)	2,141.8
Current operating income	175.0	79.1	(26.8)	227.3
<b>Adjustments</b>				
Amortization, depreciation and impairment	96.4	44.7	8.7	149.7
Change in current operating write-downs and provisions	5.8	2.8	(1.5)	7.1
Share in net income of joint ventures and associates	(3.7)	(0.2)	(7.5)	(11.4)
Dividends received from joint ventures and associates	2.3	0.1	(0.1)	2.3
<b>Current EBITDA</b>	<b>275.9</b>	<b>126.5</b>	<b>(27.1)</b>	<b>375.3</b>

## Net current free operating cash flow

Net current free operating cash flow corresponds to the residual cash flow from recurring operations after current operating income taxes and operating capital expenditure, taking into account proceeds from operating asset disposals and cash changes in operating working capital requirement. In comparison with the cash flow presented in the *Consolidated Statement of Cash Flows*, net current free operating cash flow corresponds to the recurring portion of "Net cash flows from (used in) operating activities" adjusted for acquisitions and disposals of intangible assets and property, plant and equipment in "Cash flow from investing activities" after income taxes.

(€ millions)	06.30.2023	06.30.2022
Current EBITDA continuing operations	330.9	375.3
Current EBITDA discontinued operations <sup>(1)</sup>	7.0	69.8
<b>Current EBITDA</b>	<b>337.9</b>	<b>445.1</b>
<b>Income taxes</b>		
Notional income tax on current operating income	(60.8)	(79.0)
<b>Adjustments</b>		
Change in operating working capital requirement <sup>(2)</sup>	16.1	(159.8)
Carrying amount of intangible assets and property, plant and equipment disposed of	6.1	6.3
<b>Net current operating cash flow</b>	<b>299.3</b>	<b>212.5</b>
<i>of which discontinued operations<sup>(1)</sup></i>	<i>7.9</i>	<i>2.3</i>
<b>Investing activities</b>		
Acquisitions of intangible assets and property, plant and equipment <sup>(3)</sup>	(178.2)	(181.3)
Additions to right-of-use assets	(24.9)	(15.4)
<b>Net current free operating cash flow</b>	<b>96.2</b>	<b>15.8</b>

<i>of which discontinued operations<sup>(1)</sup></i>	5.6	(5.8)
(1) High Temperature Solutions line of business (Note 20).		
(2) Change in operating working capital requirement (Consolidated Statement of Cash Flows)	16.1	(159.8)
Adjustments for decrease (increase) in inventories	60.1	(166.5)
Adjustments for decrease (increase) in trade receivables	37.7	(179.1)
Adjustments for increase (decrease) in trade payables	(81.7)	185.7
(3) Acquisitions of intangible assets and property, plant and equipment (Consolidated Statement of Cash Flows)	(178.2)	(181.3)
Acquisitions of intangible assets	(14.5)	(18.1)
Acquisitions of property, plant and equipment	(125.6)	(125.4)
Change in payables on acquisitions of intangible assets and property, plant and equipment	(38.1)	(37.9)

## CHANGE IN NET FINANCIAL DEBT

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.

(€ millions)	06.30.2023	06.30.2022
<b>Net current free operating cash flow</b>	<b>96.2</b>	<b>15.8</b>
<i>of which discontinued operations<sup>(1)</sup></i>	5.6	(5.8)
<b>Income taxes</b>		
Notional income tax on financial income (loss)	5.5	4.5
Change in current and deferred tax assets and liabilities	7.0	(1.2)
Change in income tax payables and receivables	(2.9)	25.6
Income taxes paid on non-recurring income and expenses	10.5	(0.5)
<b>Items from the Consolidated Income Statement</b>		
Financial income (loss)	(24.3)	(16.8)
Other operating income and expenses	(10.6)	(6.8)
<b>Adjustments</b>		
Change in non-operating working capital requirement	(8.1)	(43.1)
Change in financial write-downs and provisions	2.3	1.5
Change in fair value of hedging instruments	2.6	0.4
Non-recurring impairment losses	2.0	-
Change in non-recurring write-downs and provisions	24.0	17.7
Share in net income of joint ventures and associates	-	(3.0)
Gain (loss) on businesses disposed of	(54.8)	(30.1)
Gain (loss) on intangible assets and property, plant and equipment disposed of	1.3	(0.3)
Gain (loss) on the net monetary position	-	17.7
<b>Investing activities</b>		
Acquisition of businesses	(3.3)	(19.9)
Disposal of businesses	667.9	92.9
Disposal of intangible assets and property, plant and equipment	-	0.4
Loans and advances in cash received from (granted to) third parties	4.9	(2.3)
<b>Equity</b>		
Share capital increases (decreases)	3.6	-

Disposals (acquisitions) of treasury shares	(10.4)	(1.7)
Share-based payments	4.7	7.4
Dividends	(329.7)	(131.3)
<b>Change in net financial debt excl. exchange rate effects</b>	<b>388.4</b>	<b>(73.1)</b>

(1) High Temperature Solutions line of business (Note 20).

(€ millions)	06.30.2023	12.31.2022
<b>Net financial debt at the beginning of the period</b>	<b>(1,666.2)</b>	<b>(1,451.1)</b>
Change in net financial debt excl. exchange rate effects	388.4	(73.9)
Reclassification of discontinued operations <sup>(1)</sup>	83.8	(122.1)
Exchange rate effects	(4.4)	(19.1)
<b>Change in net financial debt</b>	<b>467.8</b>	<b>(215.1)</b>
<b>Net financial debt at the end of the period</b>	<b>(1,198.4)</b>	<b>(1,666.2)</b>

(1) In the first half of 2023, the amount of -€83.8 million reclassified as discontinued operations (-€122.1 million in 2022) corresponds to the disposal of the High Temperature Solutions line of business (Note 20).

## CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	06.30.2023	06.30.2022
<b>Net income</b>	<b>147.0</b>	<b>208.8</b>
<b>Adjustments</b>		
Adjustments for depreciation and amortization	152.0	176.1
Adjustments for impairment loss on goodwill	2.0	-
Adjustments for impairment loss (reversal of impairment loss) recognized in profit or loss, trade and other receivables	(6.1)	(0.9)
Adjustments for impairment loss (reversal of impairment loss) recognized in profit or loss, inventories	(2.3)	1.3
Adjustments for provisions	9.4	7.3
Adjustments for share-based payments	4.7	7.4
Adjustments for losses (gains) on disposal of non-current assets	(50.5)	(29.6)
Adjustments for undistributed profits from joint ventures and associates	(44.5)	(17.4)
Adjustments for net interest income and expense	13.3	16.3
Adjustments for fair value losses (gains)	2.8	1.0
Other adjustments for non-cash items	(0.2)	-
Other adjustments for which cash effects are investing or financing cash flow	17.4	9.4
<b>Change in working capital requirement</b>	<b>8.0</b>	<b>(203.0)</b>
Adjustments for decrease (increase) in inventories	60.1	(166.5)
Adjustments for decrease (increase) in trade receivables	37.7	(179.1)
Adjustments for increase (decrease) in trade payables	(81.7)	185.7
Adjustments for other receivables and debts	(8.1)	(43.1)
<b>Adjustments for income tax expense</b>	<b>43.3</b>	<b>78.1</b>
<b>Net cash flow from (used in) operations</b>	<b>296.3</b>	<b>254.8</b>
Interest paid	(11.9)	(13.3)
Income taxes refund (paid)	(40.7)	(50.4)
Adjustments for dividends received	(0.1)	-
Adjustments for dividends received from joint ventures and associates	30.3	2.3

<b>Net cash flows from (used in) operating activities</b>	<b>273.9</b>	<b>193.4</b>
<i>of which discontinued operations<sup>(1)</sup></i>	<i>11.4</i>	<i>(2.3)</i>

(1) High Temperature Solutions line of business (Note 20).

(€ millions)	<b>06.30.2023</b>	<b>06.30.2022</b>
Acquisitions of intangible assets	(14.5)	(18.1)
Acquisitions of property, plant and equipment	(125.6)	(125.4)
Change in payables on acquisitions of intangible assets and property, plant and equipment	(38.1)	(37.9)
Cash flows used in (from gaining) control of subsidiaries or other businesses	0.1	(19.9)
Other cash payments related to the acquisition of equity and debt instruments of other entities	(0.1)	0.0
Proceeds from disposals of intangible assets and property, plant and equipment	3.2	6.0
Cash flows from losing control of subsidiaries or other businesses <sup>(1)</sup>	552.9	82.8
Cash advances and loans granted to third parties	0.5	(8.0)
Cash receipts from repayment of advances and loans granted to third parties	2.6	5.7
Interest received	4.3	1.8
<b>Cash flow from investing activities</b>	<b>385.3</b>	<b>(113.0)</b>
<i>of which discontinued operations<sup>(2)</sup></i>	<i>(60.7)</i>	<i>(26.0)</i>
Proceeds from issuing shares	3.6	0.0
Payments to acquire or redeem treasury shares	(10.4)	(1.7)
Dividends paid	(329.6)	(131.3)
Proceeds from borrowings	0.7	0.3
Repayments of borrowings	-	(6.1)
Payments of lease liabilities	(23.4)	(24.1)
Other cash inflows (outflows) <sup>(3)</sup>	(358.4)	207.2
<b>Cash flow from financing activities</b>	<b>(717.5)</b>	<b>44.3</b>
<i>of which discontinued operations<sup>(2)</sup></i>	<i>(58.4)</i>	<i>13.8</i>
<b>Change in cash and cash equivalents</b>	<b>(58.3)</b>	<b>124.7</b>

(1) Of which, at June 30, 2023, €552.0 million with respect to the High Temperature Solutions line of business. At December 31, 2022, €49.0 million received with respect to the loss of control of the hydrous kaolin business in the US and €33.4 million with respect to the loss of control of the natural graphite business in Canada and Namibia (Note 20).

(2) High Temperature Solutions line of business. Includes payables and cash outflows on sold entities in connection with disposals (Note 20).

(3) Mainly made-up of short-term negotiable debt securities issued.

## 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 2021 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).</p> <p>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.</p> <p>Restatement of Group structure to take into account newly consolidated entities consists of:</p> <ul style="list-style-type: none"> <li>subtracting the contribution of the acquisition from the aggregates of the current year, for entities entering the consolidation scope in the current year;</li> <li>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.</li> </ul> <p>Restatement of entities leaving the consolidation scope consists of:</p> <ul style="list-style-type: none"> <li>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;</li> <li>subtracting the departing entity's contribution from the aggregates of the prior year, for entities leaving the consolidation scope in the prior year.</li> </ul>
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 including 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.
Notional income tax rate	Income tax rate on current income