

Imerys delivers solid growth in adjusted EBITDA in H1 2024, supported by good business momentum in second quarter

- Third quarter of sequential growth leading to H1 2024 revenue of €1,919 million, driven by volume growth
- H1 2024 adjusted EBITDA at €384 million (+11% vs H1 2023), with second quarter up 14% vs prior year; H1 2024 adjusted EBITDA margin at 20% (+260 bps vs previous year)
- Current net income from continuing operations, Group share, in H1 2024 at €173 million up 25% vs last year
- Solid cash generation, with net current free cash flow at €120 million before strategic capital expenditures
- Completion of the disposal of the assets serving the paper market on July 5
- First Climate Transition Plan published, demonstrating Imerys' commitment to climate change

Alessandro Dazza, Chief Executive Officer, said:

"Demand was strong for Imerys' specialty minerals solutions in the second quarter of 2024, resulting in revenue and volume growth. While the US is holding up well, Europe is improving gradually, particularly in consumer goods and industrial end-markets. Strict cost controls and this positive momentum led to a significant profitability increase. Today, we have a streamlined portfolio that is well positioned to serve growing markets with significant potential for expansion. Our financial strength and an improving environment allow us to move forward on our strategic journey with renewed confidence."

Consolidated results ¹² (in € millions)	Q2 2023	Q2 2024	Change Q2	H1 2023	H1 2024	Change H1
Revenue	985	992	+0.7%	1,982	1,919	-3.2%
Organic growth	-	+2.1%	-	-	-1.6%	-
Adjusted EBITDA ³	173	197	+13.6%	345	384	+11.4%
Adjusted EBITDA margin ⁴	17.6%	19.8%	-	17.4%	20.0%	-
Current operating income	113	129	+14.4%	218	253	+15.9%
Current operating margin	11.5%	13.0%	-	11.0%	13.2%	-
Operating income	77	112	+45.4%	174	220	+25.9%
Current net income from continuing operations, Group share	72	90	+25.9%	139	173	+24.6%
Net income, Group share	44	73	+66.2%	145 ⁵	142	-2.5%
Net current free operating cash flow (incl. discontinued ope.)	-	-	-	96	88	-8.7%
Current net income from continuing op. per share, Group share	-	-	-	€1.64	€2.05	+24.6%

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

² 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), linked to the divestiture of the High Temperature Solutions business in January 2023

³ Until December 31, 2023, the Group communicated on current EBITDA. Thereafter, the definition of adjusted EBITDA no longer takes into account dividends received from joint ventures and associates, but includes their share in net income, which is specified in the Glossary. Comparative information was restated.

⁴ Share of net income from joint ventures contributes 2.9 and 4.4 percentage points to Q2 2024 and H1 2024 adjusted EBITDA margin, respectively (2.4 pp in Q2 2023, 2.2 pp in H1 2023)

⁵ Including €44 million of contribution of discontinued operations (High Temperature Solutions disposed of in January 2023)

HIGHLIGHTS

As part of the Group's **portfolio management**, Imerys completed on July 5, 2024, the disposal of its assets serving the paper market⁶, for a transaction price close to €150 million. The payment of the purchase price is staged over time and based on the future performance of the business.

The **EMILI** project, the Group's lithium project in Allier, France, has been recognized as being of "major national interest" by the French Government. It is the recognition of the importance of this project for national sovereignty and the energy transition. In parallel, the national public debate conducted by the CNDP ("Commission Nationale du Débat Public") has progressed constructively and should conclude by the end of July. Its conclusions will be disclosed by the end of September 2024.

As part of the **Group's sustainability roadmap**:

- Imerys disclosed its comprehensive **Climate Transition Plan**⁷ on May 14, 2024, demonstrating its commitments, progress and plans to address climate change. Imerys' Climate Transition Plan lays out a clear implementation roadmap showing how climate considerations are integrated into its core business and how it will meet its Greenhouse Gas (GHG) emissions reduction targets - i.e. to reduce absolute scope 1 and 2 GHG emissions by 42% (tCO₂eq) and scope 3 by 25% by 2030 from a 2021 base year - validated by the Science Based Targets initiative (SBTi) last year.
- Imerys renewed on June 13, 2024, for another 5 years, its **partnership with PatriNat**, a French national public organization under the joint supervision of the *Office Français de la Biodiversité* (OFB), the *Muséum National d'Histoire Naturelle* (MNHN), the *Centre National de la Recherche Scientifique* (CNRS) and the *Institut de Recherche pour le Développement* (IRD), reaffirming its commitment to biodiversity protection. This successful collaboration embodies the Group's determination to take concrete actions to protect and restore ecosystems across all operating sites.

OUTLOOK

The Group expects to continue benefiting from a positive business momentum in H2 2024, supported by its well diversified geographical footprint, broad applications offering, and improved economic conditions.

Assuming no material change in the current macroeconomic environment and a significantly lower contribution of joint ventures in the second half, Imerys targets a full year 2024 adjusted EBITDA in a range of €670 to €690 million. This compares with €668 million in the full year 2023 which included the contribution of the assets serving the paper market, divested in July 2024.

With a streamlined portfolio, Imerys continues to progress on its strategic roadmap, serving end-markets with significant growth potential.

⁶ Please refer to the [press release](#) on Imerys website

⁷ Please refer to the [Climate Transition Plan](#) on Imerys website

COMMENTARY ON THE RESULTS

Revenue

Consolidated results (€ millions)	2023	2024	Change 2024 / 2023			
			Reported change	Like-for-like change	Volumes	Price mix
First quarter	997	926	-7.1%	-5.3%	-3.4%	-1.9%
Second quarter	985	992	+0.7%	+2.2%	+2.7%	-0.6%
Total	1,982	1,919	-3.2%	-1.6%	-0.4%	-1.2%

Revenue in the second quarter of 2024 was €992 million, a 2.2% year-on-year increase at constant scope and exchange rates. Group sales volumes were up 2.7%, reflecting the progressive recovery of European end-markets, especially consumer goods and industrial applications, and a good momentum and market share gains in the US. Prices stabilized in the second quarter of 2024, after two years of high inflation.

In the first semester 2024, volumes were flat compared to prior year, and revenue reached €1,919 million, marginally below previous year.

Adjusted EBITDA

Consolidated results (€ millions)	2023	2024	Change 2024 / 2023
First quarter	172	188	+9.2%
Second quarter	173	197	+13.6%
Total adjusted EBITDA	345	384	+11.4%
<i>of which share in net income from joint ventures</i>	<i>44</i>	<i>84</i>	
Margin ⁸	17.4%	20.0%	+260 bps

Adjusted EBITDA increased by 13.6% in the second quarter of 2024 thanks to growing revenues, a positive price/cost balance and cost reductions.

For the first six months of 2024, the adjusted EBITDA margin reached 20%, a significant improvement of 260 bps compared to H1 2023, driven by a stronger operating leverage and by the contribution of joint ventures.

Current net income

Current net income, Group share, totaled €90 million, up 25.9% vs. Q2 2023. Net financial result was negative at €12 million.

In the first semester, current net income, Group share was €173 million, an improvement of 24.8% compared to last year.

⁸ Share of net income from joint ventures contributes 2.2 and 4.4 percentage points to H1 2023 and H1 2024 adjusted EBITDA margin, respectively

Net income

Net income, Group share, totaled €73 million in the second quarter of 2024, after other income and expenses of -€17 million.

For the first six months of 2024, net income, Group share totaled €142 million vs €145 million in the first semester of 2023, which had benefited from the contribution of discontinued operations for €44 million (High Temperature Solutions, disposed of in January 2023).

Net current free operating cash flow

(€ millions)	H1 2023	H1 2024
Adjusted EBITDA (including discontinued operations)	352	384
Increase (-) / decrease (+) in operating working capital	16	(15)
Notional tax on current operating income	(61)	(56)
Others	(8)	(30)
Net current operating cash flow (before capital expenditure)	299	283
Right of use assets (IFRS 16)	(25)	(24)
Capital expenditure	(178)	(171)
<i>of which strategic capital expenditures</i>	<i>(39)</i>	<i>(32)</i>
Net current free operating cash flow (before strategic capex)	135	120
Net current free operating cash flow	96	88
<i>of which discontinued operations</i>	<i>6</i>	<i>-</i>

The net current free operating cash flow in the first half of 2024 reflects the results of several actions started in 2023 aiming at improving operating working capital. The increase in "Others" at -€30 million is mainly due to the difference between joint ventures' share in net income and dividends effectively received.

The Group maintained its level of strategic capital expenditures, in particular in lithium and other key minerals for the energy transition.

(€ millions)	H1 2023	H1 2024
Net current free operating cash flow	96	88
Acquisitions and disposals	673	30
Dividend	(330)	(116)
Change in equity	(10)	(13)
Change in non-operating working capital	6	(0)
Other non-recurring income and expenses	(28)	(32)
Debt servicing costs	(19)	(30)
Exchange rates and other	(5)	(13)
Change in net financial debt	384	(88)
Discontinued operations	84	-

(€ millions)	H1 2024
Opening net financial debt (Dec 31, 2023)	-1,118
Change in net financial debt	(88)
Assets held for sale	(25)
Closing net financial debt (June 30, 2024)	-1,232

Financial structure

(€ millions)	Dec 31, 2023	June 30, 2024
Net financial debt	1,118	1,232
Shareholders' equity	3,157	3,222
Net financial debt / shareholders' equity	35.4%	38.2%
Net financial debt / adjusted EBITDA⁹	1.7x	1.7x

As of June 30, 2024, net financial debt totaled €1,232 million, which corresponds to a net financial debt to adjusted EBITDA ratio of 1.7x, in line with December 31, 2023 (€1,198 million on June 30, 2023).

The Group's financial strength is demonstrated by the "Investment Grade" ratings confirmed by Standard and Poor's (November 24, 2023, BBB-, stable outlook) and Moody's (March 6, 2024, Baa3, stable outlook).

PERFORMANCE BY ACTIVITY

Performance Minerals

Q2 2023	Q2 2024	Like-for-like change	Consolidated amount (€ millions)	H1 2023	H1 2024	Like-for-like change
267	284	+7.1%	Revenue Americas	533	543	+3.0%
361	375	+4.5%	Revenue Europe, Middle East and Africa and Asia-Pacific	747	727	-1.7%
-32	-38	-	Eliminations	-62	-71	-
597	620	+4.7%	Total revenue	1,218	1,200	-0.5%
-	-	-	Adjusted EBITDA	189	224	+18.6% *
-	-	-	Adjusted EBITDA margin	15.5%	18.7%	-

* Reported variation

First semester 2024 revenue generated by **Performance Minerals** reached €1,200 million, in line with last year.

Revenue in the **Americas** was up 3.0% at constant scope and exchange rates, reaching €543 million in H1 2024. Sales were supported by volumes (+1.4% vs H1 2023), mainly driven by consumer goods and construction end-markets, as well as price increases. Revenue in the second quarter 2024 at €284 million (+7.1% vs prior year like-for-like) confirmed this good business momentum, notably benefiting from some market share gains.

⁹ Based on the last twelve months adjusted EBITDA

Revenue in **Europe, Middle East, Africa and Asia-Pacific** decreased by 1.7% at constant scope and exchange rates in H1 2024 compared to prior year. After a weak first quarter, Performance Minerals EMEA & APAC enjoyed a significant rebound in Q2, driven by dynamic sales into plastics, paints and filtration activities, with volumes up 4.7% and flat prices vs Q2 2023.

Adjusted EBITDA of the Performance Minerals activity increased by 19% in H1 2024 compared to prior year, sustained by a solid second quarter, confirming the recovery of demand for specialty minerals and significant cost savings.

Solutions for Refractory, Abrasives and Construction

Q2 2023	Q2 2024	Like-for-like change	Consolidated amount (€ millions)	H1 2023	H1 2024	Like-for-like change
328	320	0.0%	Revenue Refractory, Abrasives & Construction	647	620	-1.7%
-	-	-	Adjusted EBITDA	76	81	+6.6% *
-	-	-	Adjusted EBITDA margin	11.7%	13.0%	-

* Reported variation

First semester 2024 revenue generated by **Solutions for Refractory, Abrasives and Construction** reached €620 million, benefiting from a rebound in the refractory business worldwide (+4% vs H1 2023) and an overall good level of activity in the US. Prices have decreased by 2.2% as energy surcharges were discontinued at the beginning of 2024.

Adjusted EBITDA in absolute value and as a percentage of sales has improved significantly, supported by a positive price/cost balance and cost saving actions.

Solutions for Energy Transition

H1 2023			Solutions for Energy Transition (€ millions)	H1 2024			Reported change
Graphite & Carbon	TQC (50%)	SET		Graphite & Carbon	TQC (50%)	SET	
117		117	Revenue	102		102	-
29		29	Adjusted EBITDA	20		20	-
	39	39	Share in net income from JVs		78	78	-
		67	Adjusted EBITDA			98	+46.4%

The **Graphite and Carbon** business posted a 13% revenue decrease in H1 2024 vs last year. Nevertheless, carbon black revenue is progressively recovering, as demand rebounds in Asia after a prolonged destocking period. Adjusted EBITDA for the first semester 2024 reached €20 million, a decrease of 29% vs last year, reflecting lower volumes and some price concessions, partially offset by cost savings.

The **Quartz Corporation** (high purity quartz joint venture, 50% owned by Imerys) posted an increase in revenue of 64% compared to the first semester 2023. It reflects a very robust H1 performance supported by well oriented underlying end-markets. However, photovoltaic overproduction and consequent high inventories in the value chain are currently heavily affecting TQC sales.

Q2 2023	Q2 2024	Like-for-like change	Graphite & Carbon (€ millions)	H1 2023	H1 2024	Like-for-like change
62	53	-15.3%	Revenue	117	102	-12.7%
-	-	-	Adjusted EBITDA	29	20	-28.9% *
-	-	-	Adjusted EBITDA margin	24.5%	20.0%	-

* Reported variation

The Quartz Corporation (100%) (€ millions)	H1 2023	H1 2024	Reported change
Revenue	161	264	+64.2%
EBITDA**	99	199	+100.7%
Net income	77	156	+102.7%

**For the definition of TQC's EBITDA, see Imerys 2023 Universal Registration Document

2024 first semester 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 first semester 2024 results at 9.30 AM (CET) on July 30, 2024, which can be accessed [via this link](#).

Financial Calendar

October 30, 2024	Third quarter 2024 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>.

Imerys is the world's leading supplier of mineral-based specialty solutions for the industry with €3.8 billion in revenue and 13,700 employees in 54 countries in 2023. The Group offers high value-added and functional solutions to a wide range of industries and fast-growing markets such as solutions for the energy transition and sustainable construction, as well as natural solutions for consumer goods. Imerys draws on its understanding of applications, technological knowledge, and expertise in material science to deliver solutions which contribute essential properties to customers' products and their performance. As part of its commitment to responsible development, Imerys promotes environmentally friendly products and processes in addition to supporting its customers in their decarbonization efforts.

Imerys is listed on Euronext Paris (France) with the ticker symbol NK.PA.

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 26, 2024 under number D.24-0183 (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

KEY INCOME STATEMENT INDICATORS

(€ millions)	Q2 2023	Q2 2024	Change
Revenue	985	992	+0.7%
Adjusted EBITDA	173	197	+13.6%
<i>of which share of net income from JVs</i>	23	28	
Current operating income	113	129	+14.4%
Current financial expense	(14)	(12)	-
Current income tax	(27)	(26)	-
Minority interests	(1)	(2)	-
Current net income from continuing operations, Group share	72	90	+25.9%
Other operating income and expenses, net, Group share	(33)	(17)	-
Net income, discontinued operations, Group share	5	-	-
Net income, Group share	44	73	+66.2%

CONSOLIDATED INCOME STATEMENT

(€ millions)	06.30.2024	06.30.2023
Revenue	1 918,6	1 982,4
Raw materials and consumables used	(637,7)	(716,7)
External expenses	(504,5)	(518,7)
Staff expenses	(459,3)	(440,4)
Taxes and duties	(19,4)	(18,3)
Amortization, depreciation and impairment	(139,7)	(132,6)
Other current income and expenses	10,6	18,1
Share in net income of joint ventures and associates	83,7	44,1
Current operating income	252,5	217,9
Gain (loss) from obtaining or losing control	(13,5)	(13,2)
Other non-recurring items	(19,3)	(30,2)
Operating income	219,7	174,5
Net financial debt expense	(14,8)	(13,1)
Income from securities	18,8	7,2
Gross financial debt expense	(33,6)	(20,3)
Other financial income (expenses)	(12,4)	(12,7)
Other financial income	166,1	129,5
Other financial expenses	(178,6)	(142,2)
Financial income (loss)	(27,2)	(25,8)
Income taxes	(49,3)	(47,0)
Net income from continuing operations(1)	143,1	101,7
<i>Net income from continuing operations, Group share</i>	<i>141,7</i>	<i>101,1</i>
<i>Net income from continuing operations attributable to non-controlling interests</i>	<i>1,4</i>	<i>0,6</i>
Net income from discontinued operations(2)	-	45,3

Net income from discontinued operations, Group share	-	44,2
Net income from discontinued operations attributable to non-controlling interests	-	1,1
NET INCOME	143,1	147,0
Net income, Group share(1)	141,7	145,3
Net income attributable to non-controlling interests	1,4	1,7

(1) Net income per share

Basic net income per share, Group share (in €)	1,67	1,72
Diluted net income per share, Group share (in €)	1,65	1,70
Basic net income from continuing operations per share, Group share (in €)	1,67	1,20
Diluted net income from continuing operations per share, Group share (in €)	1,65	1,18

(2) High Temperature Solutions line of business.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	06.30.2024	12.31.2023
Non-current assets	4 493,5	4 469,8
Goodwill	1 848,1	1 839,1
Intangible assets	354,3	333,3
Right-of-use assets	141,1	151,4
Mining assets	407,2	391,1
Property, plant and equipment	1 454,1	1 475,9
Joint ventures and associates	160,7	122,7
Other financial assets	22,3	5,6
Other receivables	16,9	36,0
Derivative financial assets	2,5	0,2
Deferred tax assets	86,2	114,5
Current assets	2 466,8	2 643,6
Inventories	692,3	734,6
Trade receivables	407,0	398,5
Other receivables	187,5	237,1
Derivative financial assets	12,7	14,8
Other financial assets	561,3	673,6
Cash and cash equivalents	605,9	585,0
Assets held for sale(1)	226,7	38,5
Consolidated assets	7 187,0	7 151,9
Equity, Group share	3 186,5	3 124,0
Share capital	169,9	169,9
Share premium	614,4	614,4
Treasury shares	(16,8)	(16,5)
Reserves	2 277,3	2 304,9
Net income, Group share	141,7	51,3
Equity attributable to non-controlling interests	35,9	33,3
Equity	3 222,4	3 157,3

Non-current liabilities	2 413,9	2 497,6
Provisions for employee benefits	124,7	160,6
Other provisions	376,1	426,6
Borrowings and financial debt	1 693,5	1 691,3
Lease liabilities	107,0	119,2
Other debts	22,7	18,4
Derivative financial liabilities	2,5	0,3
Deferred tax liabilities	87,5	81,2
Current liabilities	1 419,9	1 471,0
Other provisions	25,4	43,5
Trade payables	414,9	377,9
Income tax payable	97,1	86,1
Other debts	267,5	364,6
Derivative financial liabilities	15,5	32,1
Borrowings and financial debt	530,6	520,2
Lease liabilities	39,0	41,3
Bank overdrafts	30,0	5,3
Liabilities related to assets held for sale(2)	130,8	26,0
Consolidated equity and liabilities	7 187,0	7 151,9

(1) At June 30, 2024, the business serving the paper market for €226.7 million and, at December 31, 2023, the bauxite production business for €38.5 million.

(2) At June 30, 2024, the business serving the paper market for €130.8 million and, at December 31, 2023, the bauxite production business for €26.0 million.

ADJUSTED EBITDA

At June 30, 2024

(€ millions)	PM Americas	PM EMEA & APAC	Other PM	PM
Revenue	543,1	727,5	(70,9)	1 199,7
Current operating income	68,4	77,3	(1,1)	144,6
Adjustments				
Amortization, depreciation and impairment	38,6	43,9	0,0	82,5
Change in current operating write-downs and provisions	(1,2)	(1,7)	0,0	(2,9)
ADJUSTED EBITDA	105,7	119,4	(0,9)	224,2

(€ millions)	PM	RAC	IG&C	TQC (1)	Other	Total
Revenue	1 199,7	620,1	102,0	-	(3,2)	1 918,6
Current operating income	144,6	50,1	8,4	78,0	(28,6)	252,5
Adjustments						
Amortization, depreciation and impairment	82,5	36,4	10,9	-	9,9	139,7
Change in current operating write-downs and provisions	(2,9)	(6,0)	1,1	-	(0,3)	(8,1)
ADJUSTED EBITDA	224,2	80,6	20,4	78,0	(19,2)	384,0

(1) Contribution of TQC to the consolidated income

statement.

At June 30, 2023

(€ millions)	PM Americas	PM EMEA & APAC	Other PM	PM
Revenue	532,9	747,1	(61,5)	1 218,5
Current operating income	41,1	63,1	15,0	119,2
Adjustments				
Amortization, depreciation and impairment	42,2	42,3	(12,7)	71,8
Change in current operating write-downs and provisions	(0,1)	(2,0)	-	(2,1)
ADJUSTED EBITDA	83,2	103,4	2,3	188,9

(€ millions)	PM	RAC	IG&C	TQC (1)	Other	Total
Revenue	1 218,5	647,1	117,4	-	(0,6)	1 982,4
Current operating income	119,2	30,5	21,5	38,6	8,1	217,9
Adjustments	-	-	-	-	-	-
Amortization, depreciation and impairment	71,8	43,5	8,9	-	8,4	132,6
Change in current operating write-downs and provisions	(2,1)	1,6	(1,7)	-	(3,6)	(5,8)
ADJUSTED EBITDA	188,9	75,6	28,7	38,6	12,9	344,7

(1) Contribution of TQC to the consolidated income statement.

FREE OPERATING CASH FLOW

(€ millions)	06.30.2024	06.30.2023
Items from the Consolidated Income Statement		
Revenue	1 918,6	1 982,4
Raw materials and consumables used	(637,7)	(716,7)
External expenses	(504,5)	(518,7)
Staff expenses	(459,3)	(440,4)
Taxes and duties(1)	(19,4)	(18,3)
Other current income and expenses	10,7	18,1
Share in net income of joint ventures and associates	83,7	44,1
Adjustments		
Change in provisions for employee benefits	(0,2)	(0,8)
Change in current operating write-downs and provisions	(7,9)	(5,0)
Adjusted EBITDA continuing operations	384,0	344,7
Adjusted EBITDA discontinued operations(2)	-	7,5
Adjusted EBITDA	384,0	352,2
Income taxes		
Notional income tax on current operating income	(55,5)	(60,8)
Adjustments		
Elimination of share in net income of joint ventures and associates	(83,7)	(44,5)
Dividends received from associates	48,6	30,3
Change in operating working capital requirement(3)	(15,2)	16,1

Carrying amount of intangible assets and property, plant and equipment disposed of	4,3	6,1
Net current operating cash flow	282,5	299,3
<i>of which discontinued operations(2)</i>	0,0	7,9
Investing activities		
Acquisitions of intangible assets and property, plant and equipment(4)	(171,1)	(178,2)
Additions to right-of-use assets	(23,5)	(24,9)
Net current free operating cash flow	87,8	96,2
<i>of which discontinued operations(2)</i>	0,0	5,6
<i>(1) Consolidated Income Statement</i>		
<i>(2) High Temperature Solutions line of business.</i>		
<i>(3) Change in operating working capital requirement (Consolidated Statement of Cash Flows)</i>	(15,2)	16,1
<i>Adjustments for decrease (increase) in inventories</i>	(35,7)	60,1
<i>Adjustments for decrease (increase) in trade receivables</i>	(44,4)	37,7
<i>Adjustments for increase (decrease) in trade payables</i>	64,9	(81,7)
<i>(4) Acquisitions of intangible assets and property, plant and equipment (Consolidated Statement of Cash Flows)</i>	(171,1)	(178,2)
<i>Acquisitions of intangible assets</i>	(39,9)	(14,5)
<i>Acquisitions of property, plant and equipment</i>	(92,0)	(125,6)
<i>Change in payables on acquisitions of intangible assets and property, plant and equipment</i>	(39,2)	(38,1)

CHANGE IN FINANCIAL NET DEBT

(€ millions)	06.30.2024	06.30.2023
Net current free operating cash flow	87,8	96,2
<i>of which discontinued operations (1)</i>	0,0	5,6
Income taxes		
Notional income tax on financial income (loss)	6,0	5,5
Change in current and deferred tax assets and liabilities	1,5	7,0
Change in income tax payables and receivables	4,2	(2,9)
Income taxes paid on non-recurring income and expenses	1,8	10,5
Items from the Consolidated Income Statement		
Financial income (loss)	(27,2)	(24,3)
Other operating income and expenses	(32,8)	(10,6)
Adjustments		
Change in non-operating working capital requirement	(12,5)	(8,1)
Change in financial write-downs and provisions	(9,2)	2,3
Change in fair value of hedging instruments	1,1	2,6
Non-recurring impairment losses	-	2,0
Change in non-recurring write-downs and provisions	1,7	24,0
Share in net income of joint-ventures and associates	-	-
Gain (loss) on businesses disposed of	(3,1)	(54,8)
Gain (loss) on intangible assets and property, plant and equipment disposed of	0,1	1,3
Gain (Loss) on net monetary position	-	-

Investing activities		
Acquisition of businesses	(0,4)	(3,3)
Disposal of businesses	30,1	667,9
Disposal of intangible assets and property, plant and equipment	-	-
Loans and advances in cash received from (granted to) third parties	(0,3)	4,9
Equity		
Share capital increases (decreases)	-	3,6
Disposals (acquisitions) of treasury shares	(13,0)	(10,4)
Share-based payments	5,9	4,7
Dividends	(116,1)	(329,7)
Change in net financial debt excl. exchange rate effects	(74,4)	388,4

(1) High Temperature Solutions line of business.

(€ millions)	06.30.2024	12.31.2023
Net financial debt at the beginning of the period	(1 118,4)	(1 666,2)
Change in net financial debt excl. exchange rate effects	(74,4)	520,7
Reclassification to/from liabilities related to assets held for sale(1)	(25,1)	35,3
Exchange rate effect	(13,9)	(8,2)
Change in net financial debt	(113,4)	547,8
NET FINANCIAL DEBT AT THE END OF THE PERIOD	(1 231,8)	(1 118,4)

(1) At June 30, 2024, the business serving the paper market for -€28.0 million (+€38.2 million at December 31, 2023), and the bauxite production business for +€2.9 million (-€2.9 million at December 31, 2023).

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	30.06.2024	30.06.2023
Net income	143,1	147,0
Adjustments		
Net increase in amortization, depreciation and impairment	146,0	145,6
Change in provisions	(22,0)	9,4
Gains (losses) on disposal of non-current assets	0,0	(50,5)
Share in net income of joint ventures and associates	(83,7)	(44,5)
Tax expense on income statement	49,3	43,3
Other adjustments	20,6	20,6
Other adjustments for which cash effects are investing or financing cash flow	0,0	17,4
Change in working capital requirement	(27,7)	8,0
Net cash flow from (used in) operations	225,5	296,3
Income taxes refund (paid)	(42,0)	(40,7)
Dividends received from joint ventures and associates	48,6	30,2
Net cash flows from (used in) operating activities	232,1	285,8
<i>of which discontinued operations(1)</i>	<i>0,0</i>	<i>11,4</i>
Acquisitions of intangible and tangible assets, net of change in payables on acquisitions	(171,1)	(178,2)
Cash flows used in (from gaining) control of subsidiaries or other businesses	(0,4)	0,1

Other cash payments related to the acquisition of equity and debt instruments of other entities	0,0	(0,1)
Proceeds from disposals of intangible and tangible assets	1,3	3,2
Cash flows from losing control of subsidiaries or other businesses(2)	30,0	552,9
Other cash payments related to the disposal of equity and debt instruments of other entities	0,2	0,0
Cash advances and loans granted to third parties	(4,7)	0,5
Cash receipts from repayment of advances and loans granted to third parties	2,7	2,6
Interest received	16,9	4,3
Net cash flows from (used in) investing activities	(125,1)	385,3
<i>of which discontinued operations(1)</i>	0,0	(60,7)
Proceeds from issuing shares	0,0	3,6
Payments to acquire or redeem treasury shares	(13,0)	(10,4)
Dividends paid	(116,1)	(329,6)
Proceeds from borrowings	0,0	0,7
Repayments of borrowings	0,0	0,0
Repayments of lease liabilities	(23,5)	(23,4)
Interest paid(3)	(20,1)	(11,9)
Other cash inflows (outflows)(4)	108,6	(358,4)
Net cash flows from (used in) financing activities	(64,2)	(729,4)
<i>of which discontinued operations(1)</i>	0,0	(58,4)
CHANGE IN CASH AND CASH EQUIVALENTS	42,8	(58,3)

(1) High Temperature Solutions line of business in 2023.

(2) Of which in the first half of 2023, €552.0 million received with respect to the disposal of the High Temperature Solutions line of business.

(3) Reclassification in 2024 from net cash flows related to operating activities to net cash flows related to financing activities. Comparative information was restated.

(4) At June 30, 2024, the cash inflows were mainly made-up of the sale of investment securities; at June 30, 2023, the cash outflows were 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 2023 Universal Registration Document).

Alternative Performance Measures	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"> 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. <p>Restatement of entities leaving the consolidation scope consists of:</p> <ul style="list-style-type: none"> 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.
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.
Adjusted EBITDA	Effective January 1, 2024 adjusted EBITDA is calculated from current operating income before operating amortization, depreciation, impairment losses and adjusted for changes in operating provisions and write-downs. It includes the share in net income of joint ventures (instead of dividends received, in the prior definition) to better reflect their contribution to the Imerys Group.
Net current free operating cash flow	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, adjusted for notional income tax on current operating income, 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 operating income