

Imerys delivers a robust performance in the first nine months of 2024 and confirms its Adjusted EBITDA guidance for the full year

- Solid third quarter revenue at €855 million (+4.1% at constant scope and exchange rate); Adjusted EBITDA at 148M€ reflecting the disposal of the assets serving the paper market in July 2024 and a lower contribution from joint-ventures compared to last year
- Sales for the first nine months 2024 at €2,773 million (+0.1% organic growth vs last year), sustained by continued volume recovery both in the second and third quarter 2024 (+2.7% and +3.8% respectively)
- Adjusted EBITDA year-to-date at €532 million (+3% vs last year, +7% at constant perimeter), reaching 19.2% on sales, +140 bps vs last year
- Current net income from continuing operations, Group share, in the first nine months of 2024 at €214 million up 11% vs last year
- Guidance for full year 2024 confirmed: adjusted EBITDA between €670 and €690 million

Alessandro Dazza, Chief Executive Officer, said:

“With volume recovery across our markets, Imerys achieved a robust performance in the US and a light rebound in Europe during the third quarter. By combining this increase in sales with rigorous cost control, we were able to achieve improved profitability in both absolute value and margins. In a context of weakening end markets in Europe, especially automotive, we will continue to pursue these efforts to strengthen our financial performance.”

Consolidated results ^{1,2} (in € millions)	Q3 2023	Q3 2024	Change Q3	9 months 2023	9 months 2024	Change 9 months
Revenue	918	855	-6.9%	2,900	2,773	-4.4%
Organic growth	-	-	+4.1%	-	-	+0.1%
Adjusted EBITDA ³	172	148	-13.9%	517	532	+3.0%
Adjusted EBITDA margin ⁴	18.8%	17.4%	-	17.8%	19.2%	-
Current operating income	82	77	-6.2%	300	330	+9.8%
Current operating margin	9.0%	9.0%	-	10.3%	11.9%	-
Operating income ⁵	57	(250)	-	231	(31)	-
Current net income from continuing operations, Group share	53	41	-23.8%	192	214	+11.3%
Net income, Group share ⁵	38	(285)	-	184 ⁶	(143)	-

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 has been 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 0.6 and 3.2 percentage points to Q3 2024 and first nine months of 2024 adjusted EBITDA margin, respectively 2.5 pp in Q3 2023, 2.3 pp in first nine months of 2023

⁵ As a reminder, the translation reserve associated with the assets serving the paper market disposed of (mainly relating to the devaluation of the Brazilian Real) has been recycled to the income statement in accordance with applicable IFRS standards. The Group's shareholders' equity is not affected by this non-cash loss of €302 million that is accounted for in the financial statements of the third quarter ending September 30, 2024.

⁶ Including €44 million of contribution of discontinued operations (High Temperature Solutions disposed of in January 2023)

OUTLOOK

With a proven track record of resilience in challenging environments, a diversified portfolio of specialty minerals and a global geographical footprint, Imerys is able to confirm its adjusted EBITDA target of between €670 to 690 million for 2024. .

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%
Third quarter	918	855	-6.9%	+4.1%	+3.8%	+0.3%
Total	2,900	2,773	-4.4%	+0.1%	+0.9%	-0.8%

Revenue in the third quarter of 2024 was €855 million, a 4.1% year-on-year increase at constant scope and exchange rates. Group sales volumes were up 3.8%. This good performance is coming from the US market, holding up well, European activities enjoying a light rebound, particularly in consumer goods, and Asia performing well. Automotive and industrial markets in Europe were lagging behind in Q3. Prices reverted to a positive trend in the third quarter of 2024.

In the first nine months of 2024, volumes were slightly positive compared to the prior year at 0.9%, and revenue reached €2,773 million, slightly above the prior year at constant scope and exchange rates. First nine months revenue included a negative currency effect of €36 million (-1.2%), as a result of the strengthening of the euro against most currencies. The scope effect was negative €94 million, mainly attributable to the divestiture of the assets serving the paper market.

Adjusted EBITDA

Consolidated results (€ millions)	2023	2024	Change 2024 / 2023
First quarter	172	188	+9.2%
Second quarter	173	197	+13.6%
Third quarter	172	148	-13.9%
Total adjusted EBITDA	517	532	+3.0%
<i>of which share in net income from joint ventures</i>	<i>67</i>	<i>89</i>	
Margin ⁷	17.8%	19.2%	+140 bps

Adjusted EBITDA decreased by €24 million in the third quarter of 2024, principally due to perimeter effect (-€17 million) and the lower contribution from our joint-ventures (-€17 million compared to 2023). Imerys Performance Minerals performed strongly, driven by volume recovery and a positive price/cost balance.

⁷ Share of net income from joint ventures contributes 2.3 and 3.2 percentage points to the first nine months of 2023 and the first nine months of 2024 adjusted EBITDA margin, respectively

For the first nine months of 2024, adjusted EBITDA increased by 3.0% (+6.8% at constant perimeter) and reached a 19.2% margin on sales, with a significant progress of 140 bps compared to 2023, driven by a stronger operating leverage and an improved year-to-date joint ventures contribution more than offsetting the negative perimeter effect.

Current net income

Current net income, Group share, totaled €41 million in the third quarter of 2024, (Q3 2023: €53 million).

In the first nine months, current net income, Group share was €214 million, a significant improvement of 11.3% compared to last year.

Net income

Net income, Group share was -€285 million in the third quarter of 2024, after booking €326 million of net expenses, mostly originating from the translation reserve associated with the assets serving the paper market divested in July. As a reminder, this translation reserve is largely related to the devaluation of the Brazilian Real since the acquisition of the assets three decades ago. At closing, this translation reserve has been recycled to the income statement as "other income and expenses" in accordance with applicable IFRS standards. This non-cash loss has no impact on the Group shareholders equity.

For the first nine months of 2024, net income, Group share totaled -€143 million vs €184 million of prior year. This decline is linked to the accounting entry mentioned above and last year's contribution of discontinued operations for €44 million (High Temperature Solutions, disposed of in January 2023). These two negative impacts are partly offset by a year-on-year improved current net income.

PERFORMANCE BY ACTIVITY

Performance Minerals

Q3 2023	Q3 2024	Like-for-like change	Consolidated amount (€ millions)	9M 2023	9M 2024	Like-for-like change
255	224	+11.6%	Revenue Americas	788	768	+5.4%
339	308	+5.7%	Revenue Europe, Middle East and Africa and Asia-Pacific	1,086	1,035	+0.4%
-30	-18	-	Eliminations	-92	-89	-
564	514	+8.2%	Total revenue	1,783	1,714	+2.0%

Third quarter 2024 revenue generated by **Performance Minerals** reached €514 million, reflecting an organic growth of 8.2% compared to last year.

Revenue in the **Americas** was up 11.6% at constant scope and exchange rates, reaching €224 million in the third quarter of 2024. Sales were supported by volumes (+9.8% vs Q3 2023), mainly driven by a good dynamic in consumer goods end-market, market share gains, as well as sustained prices.

Revenue in **Europe, Middle East, Africa and Asia-Pacific** increased by 5.7% at constant scope and exchange rates in the third quarter of 2024 compared to last year. Sales benefit from a good business momentum in plastics, with some market share gains and the ramp up of the Group's new plant in China. Filtration and life sciences business is holding well, while pricing is back to a positive trend.

In the first nine months of 2024, revenue for Performance Minerals increased by 2% at constant scope and exchange rates to reach €1 714 million. In comparison with last year, growth was mainly driven by Performance Minerals America, while Europe, Middle East, Africa and Asia-Pacific have returned to positive growth after a low Q1 2024.

Solutions for Refractory, Abrasives and Construction

Q3 2023	Q3 2024	Like-for-like change	Consolidated amount (€ millions)	9M 2023	9M 2024	Like-for-like change
297	284	-1.4%	Revenue Refractory, Abrasives & Construction	944	904	-1.6%

Third quarter 2024 revenue generated by Solutions for Refractory, Abrasives and Construction reached €284 million, a decrease of 1.4% compared to prior year at constant scope and exchange rates. Volumes reflect low industrial activity in Europe, the weakness of the automotive sector impacting especially abrasive demand, partially offset by a good momentum in the US and resilient prices in a deflationary environment.

Sales in the first nine months 2024 for Solutions for Refractory, Abrasives and Construction business reached €904 million (-1.6% at constant scope and exchange rates vs last year) and benefited from a good momentum in the US, but low industrial activity in Europe.

Solutions for Energy Transition

Q3 2023	Q3 2024	Like-for-like change	Consolidated amount (€ millions)	9M 2023	9M 2024	Like-for-like change
58	57	-1.1%	Revenue Graphite & Carbon	175	159	-8.9%

The Graphite and Carbon business generated €57 million in revenue in the third quarter of 2024, in line with prior year. It benefited from the lithium-ion batteries market growth and market share gains partially compensated by some price adjustments. In the first nine months of 2024, revenue was behind last year, adversely affected by Asian destocking and price concessions during the first semester.

The US operations of The Quartz Corporation (high purity quartz joint venture, 50% owned by Imerys) suffered limited disruptions from Hurricane Helene. Careful safety stock management ensured no supply interruption occurred and production is gradually returning to normal. The outlook for photovoltaic installations for the remainder of the year remains positive, though the business is still negatively impacted by high inventories in the value chain.

2024 first nine months 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 nine months of 2024 results at 6.30 PM (CET) on October 30, 2024, which can be accessed [via this link](#).

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)	Q3 2023	Q3 2024
Revenue	918	855
<i>of which perimeter⁸</i>	94	-
Adjusted EBITDA	172	148
<i>of which share of net income from JVs</i>	23	5
<i>of which perimeter⁸</i>	17	-
Current operating income	82	77
Current financial expense	(8)	(12)
Current income tax	(20)	(23)
Minority interests	(1)	(2)
Current net income from continuing operations, Group share	53	41
Other operating income and expenses, net, Group share	(15)	(326)
Net income, discontinued operations, Group share	(0)	-
Net income, Group share	38	(285)

⁸ Perimeter includes the effect on revenue and adjusted EBITDA of acquisitions and disposals closed since last year, mainly attributable to assets serving the paper market and the bauxite business disposals

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