

Presentation of 2017 Results

February 15, 2018

Gilles MICHEL - Chairman & CEO

Olivier PIROTTE - CFO



Disclaimer

More comprehensive information about Imerys may be obtained on its website (www.imerys.com), under Regulated Information, including its Registration Document filed under No. D.17-0190 March 21, 2017 with Autorité des Marchés Financiers. Imerys draws the attention of investors to the “Risk factors and Internal control” set forth in section 4 of the Registration Document.

This document contains projections and other forward-looking statements. Investors are cautioned 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.

Photo credits: Imerys Photo Library, Reserved Rights, xxx.



Presentation of 2017 Results

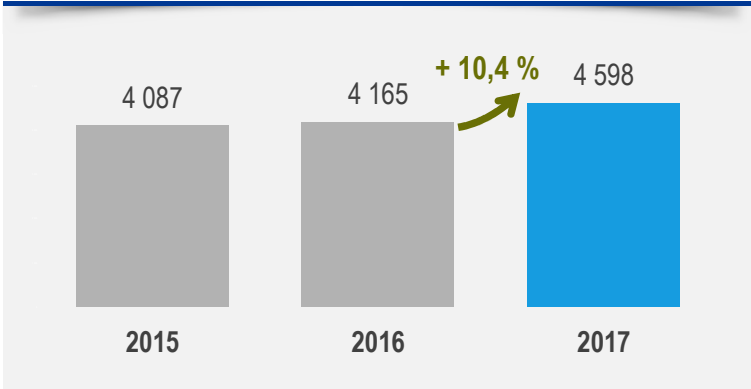
1 Highlights	4
2 Results	13
3 Outlook	25
4 Appendix	28



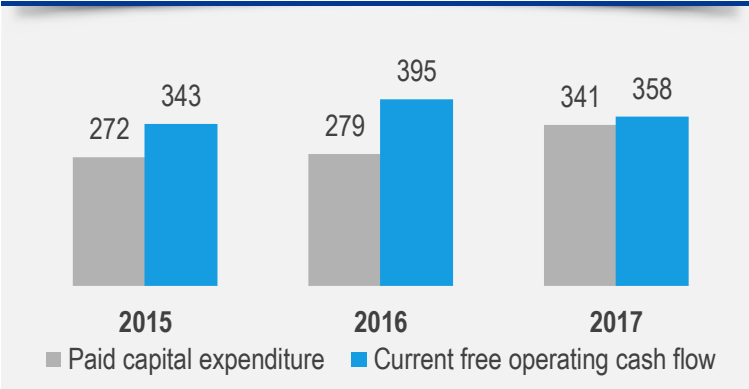
1 Highlights

2017: marked increase in results

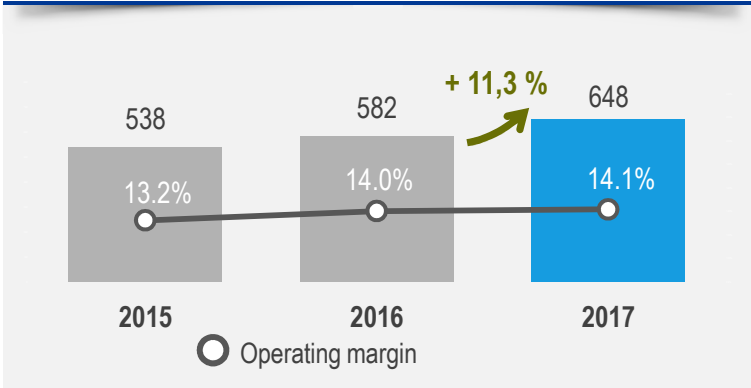
Revenue (€m)



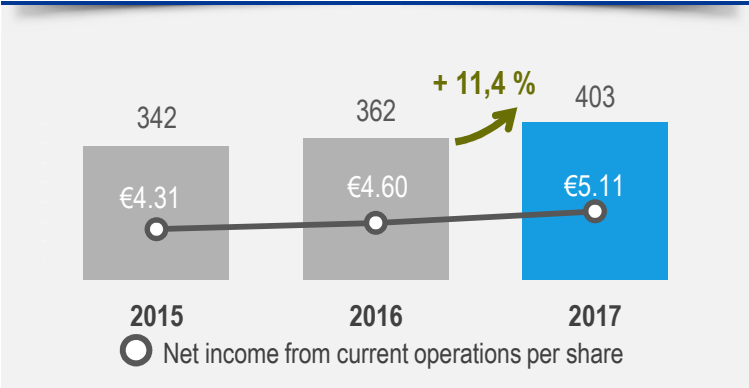
Current free operating cash flow (€m)



Current operating income (€m)



Net income from current operations (€m)



2017: a milestone year in strategy deployment

New markets: acquisition of Kerneos, world leader in calcium aluminate-based specialties on rapidly expanding building chemicals market

Strengthening: several bolt-on acquisitions (Damolin, Alteo...)

Geographical expansion: China, Japan, Brazil, India

Sustained level of capital expenditure: production capacity, innovation, human resources, excellence programs

2017 Imerys

Contribution of acquisitions **~330 €m**

Emerging markets as a % of sales **28%**
(China proforma⁽¹⁾ **7%**, 4th country of the Group)

Organic growth **+ 3.3%**

New products as a % of sales **12.5%**



Profitable, value-creating growth ROCE⁽²⁾ at **12.2%**

Dividend **+ 11.0%** to **2.075€** ⁽³⁾

1. Proforma assuming full year consolidation of Kerneos

2. Return on Capital Employed before tax (ROCE) = Current Operating Income / total average capital employed

3. Subject to the approval by the annual general meeting of shareholders on May 4, 2018

The acquisition of Kerneos has broadened Imerys' product and market base

- World leader in calcium aluminate-based high-performance binders
- **New, fast-growing market segments**
 - ◆ **Building chemicals:** significant growth in additives for self-leveling and quick-drying cements
 - ◆ **Monolithic Refractories:** strong pick up in steel and industrial production-related demand
 - ◆ **Specialty markets:** new markets with robust growth (sewage systems, fire insulation...)
- Innovation capabilities strengthened with **world-class technology platform** (new technologies and applications)
- **Imerys' footprint expansion accelerated in China** and in India (development project)
- Confirmation of **synergies and value-creation prospects** in Year 3
- **"Aluminates"**, a new division within High resistance Minerals, grouping the activities of Kerneos and of Refractory Minerals

Kerneos 2017 key figures

Organic growth
+ 9.0 %













Specialty markets as
a % of sales **15 %**

2 R&D centers
(France, China)









China as a % of sales
20 %

Synergies in Year 3
23 €m

Several bolt-on acquisitions: contribution of ~130 €m to 2017 consolidated revenue

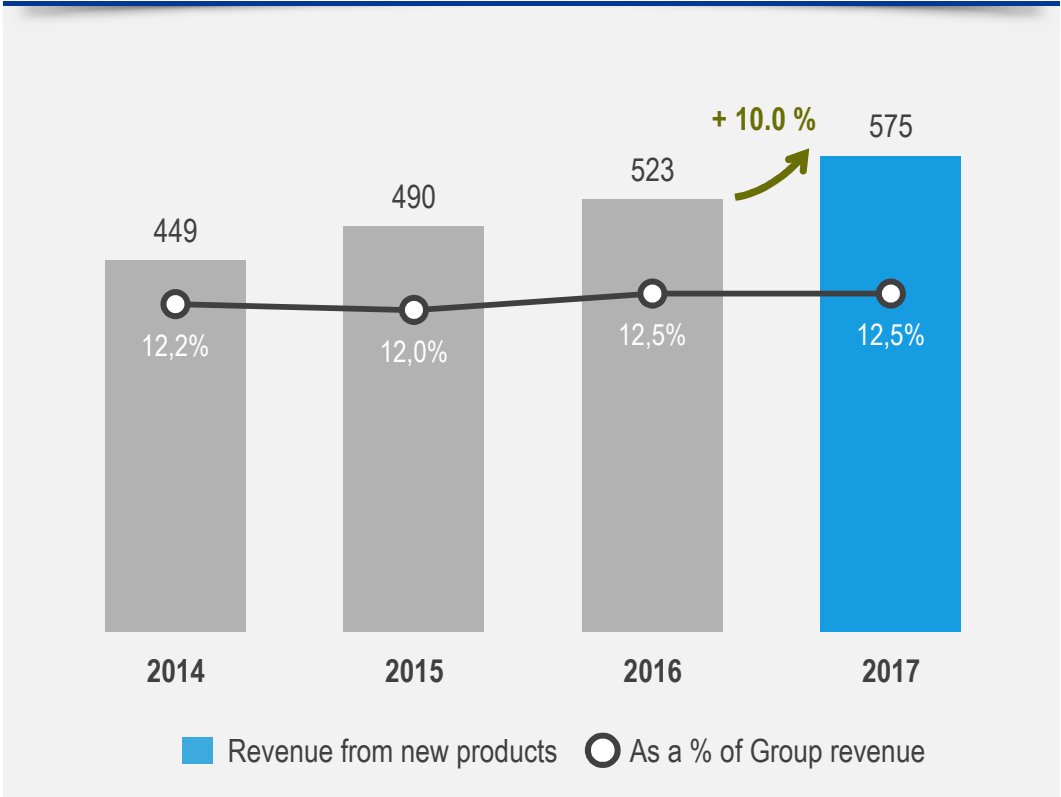
Bolt-on acquisitions	Full year revenue	Activity	Country	Division	Portfolio expansion	Geographical expansion
Damolin	~ 50 €m	■ Absorbants for industrial use	Denmark 	Metallurgy	✓	
Alteo	~ 50 €m	■ Specialty aluminates for abrasives	France Germany  	Fused Minerals	✓	
Regain Polymers	~ 30 €m	■ Plastics recycling	U. K. 	Performance additives	✓	
Zhejiang Zr-Valley	~ 30 €m	■ Zirconia derivatives for various specialty applications	China 	Fused Minerals	✓	✓
SPAR	~ 20 €m	■ Monolithic Refractories	U.S.A. 	Monolithic Refractories		✓
Micron-Ita Vimal Microns	~ 15 €m	■ Micronized ground calcium carbonates for polymer applications	Brazil India  	Carbonates		✓
NG Johnson Set Linings Fagersta Eldfasta	~ 10 €m	■ Installation of monolithic refractories	U. K. Germany Sweden   	Monolithic Refractories		✓
Nippon Power Graphite	ns	■ Pilot production line for graphite anodes for Lithium-ion batteries	Japan 	Graphite & Carbon	✓	✓

Development capital expenditure to support future growth: ~120 €m in 2017

End-markets	Project description	Country	Division	Capacity increase	New products/ technologies	Geographical expansion
Automotive	■ Talc production capacity for polymers	U.S.A. France	 Performance Additives	✓	✓	
	■ Carbon black production capacity	Belgium		✓	✓	
Mobile energy	■ Opening of new natural graphite mine	Namibia	 Graphite & Carbon			✓
	■ New synthetic graphite production unit	Switzerland		✓	✓	
Healthcare	■ Diatomite production capacity for blood plasma fractionation	U.S.A.	 Filtration	✓	✓	
Paper	■ New Fiberlean plants: new micro-fibrillated cellulose-based technology	U.S.A. India	 Carbonates		✓	
Agri-food and hygiene	■ Carbonates production capacity for plastic films	China	 Carbonates	✓		
Cosmetics	■ Expanded perlite production capacity	Spain	 Filtration		✓	

Innovation, a major organic growth engine for the Group

Revenue from new products (€m) ⁽¹⁾



R&D costs:
70 €m
(1.5% of 2017)

1. New products = less-than-five-years-old products into Imerys' product range



Innovation as a means to strengthen the specialty mineral offering

	Market	Applications	Division	Product	Service
New applications	Electric vehicles	Increased performance of lithium ion batteries for electrical cars → Lower CO2 emissions	Graphite & Carbon		✓
	Health & Beauty	Natural mineral solution in cosmetics → Respect of the environment	Performance Additives		✓
	Renovation and new construction	Solar tiles → More energy efficient constructions	Roofing		✓
	Industrial equipment	Ultra-fine alumina for high-performance abrasives → Improved resistance of abrasives	Fused Minerals		✓
	Recycling	Compatibilization of used plastics → Recycling	Performance Additives		✓ ✓
	Industry	Additives for cryogenic insulation for liquefied gaz storage → Energy efficiency	Filtration		✓ ✓
Incremental innovations	Automotive	Performance of automotive plastics → Lighter cars	Performance Additives		✓
	Refractories for high temperature industries	High-purity andalousite → Thermal and mechanical resistance	Aluminates		✓
	Foundry	Bentonite-based binder → Improvement in molding precision and yield	Metallurgy		✓

Excellence and continuous improvement programs

Industrial excellence

- Control over industrial costs
- Process quality, traceability, and reliability strengthened
- Safety improvement
- Optimization of production capacities

Commercial excellence

- Improved customer offering
- Optimization of sales & marketing processes

Internal efficiency

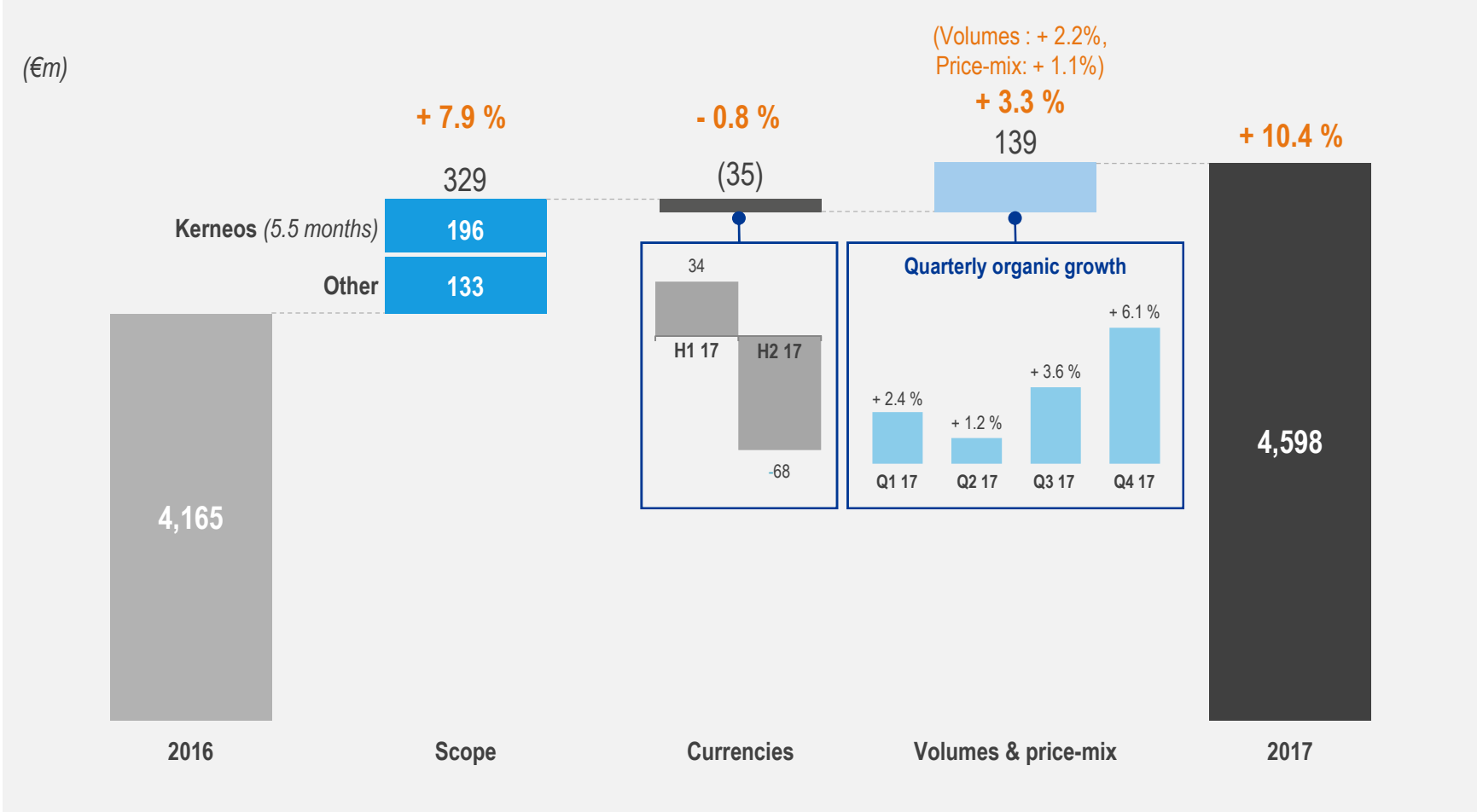
- Systems convergence
- Resource sharing
- Controls

Strengthening the Group's competitiveness and transform to support Group growth

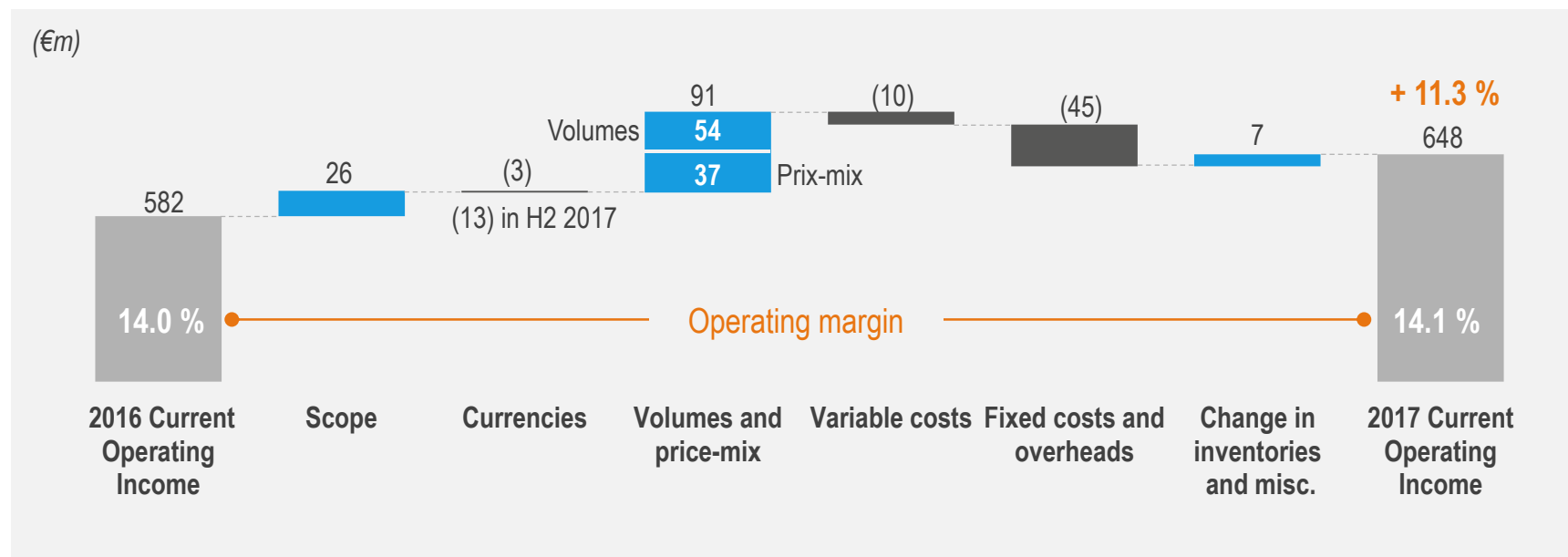


2 Results

Revenue up + 10.4%

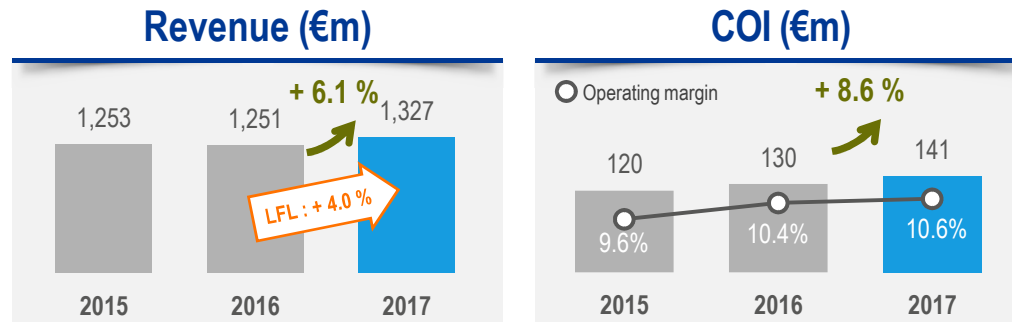


+ 11.3% increase in current operating income

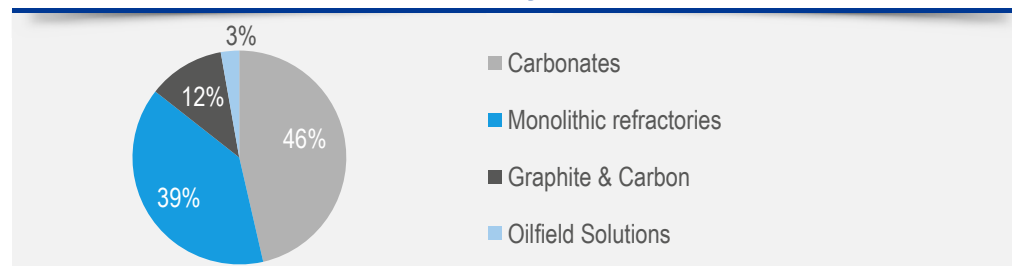


- Operating margin at high level, taking into account negative currency impact in H2 and the integration of recent acquisitions
- Good control over variable costs
 - ◆ Improvement in price-mix
 - ◆ Efficiency of operational excellence programs
- Higher procurement costs
- Increase in fixed costs and overheads reflecting increased activity and investments in Group transformation programs

Energy Solutions & Specialties (29% of revenue)



Revenue by division



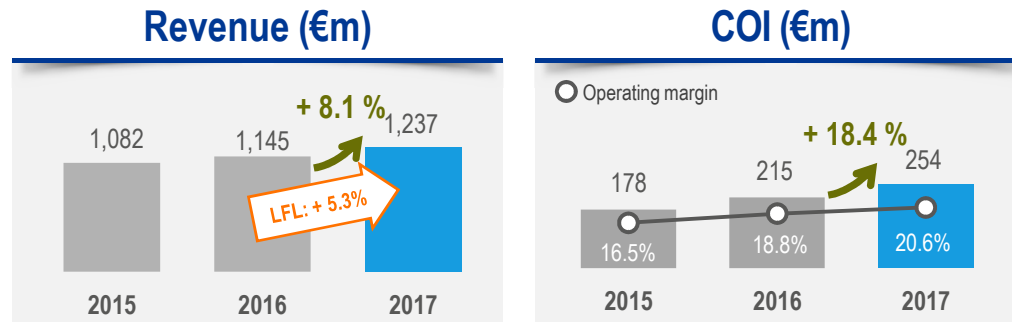
Revenue by market*



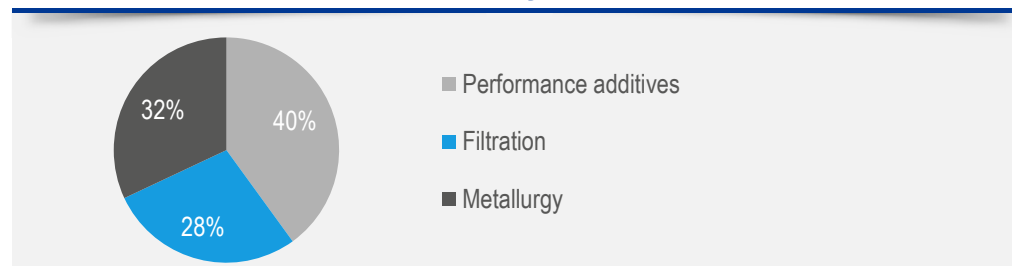
* 2017 data

- Globally improving markets
- Sustained demand for specialty applications (**Carbonates**) and on industrial markets (**Monolithic Refractories**)
- **Graphite & Carbon**: positive dynamics in traditional applications (conductive polymers) and acceleration in mobile energy market
 - ◆ Significant investments in capacity increase and in technology
- Oilfield Solutions: no material pick-up in activity
 - ◆ Negative impact on Group current operating income below **20 €m**

Filtration & Performance Additives (27% of revenue)



Revenue by division



Revenue by market*

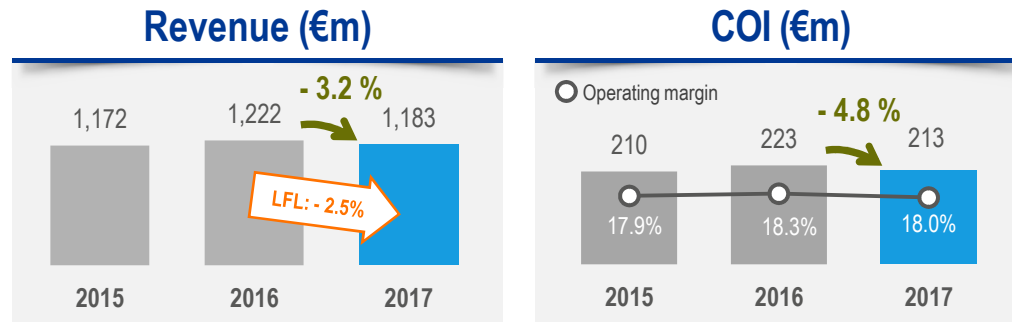


* 2017 data

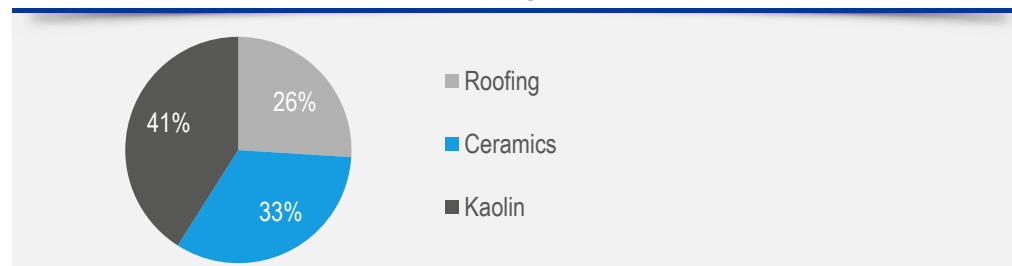
- Robust organic growth in supportive markets
 - ◆ Investments in production capacities and innovation
- Investments in new applications
 - ◆ Automotive (**Performance Additives**)
 - ◆ Healthcare, cosmetics and agriculture (**Filtration**)
- Positive sales momentum in **Metallurgy** division
- Double-digit increase in current operating income
 - ◆ Volume increase
 - ◆ Favorable mix effect thanks to new products



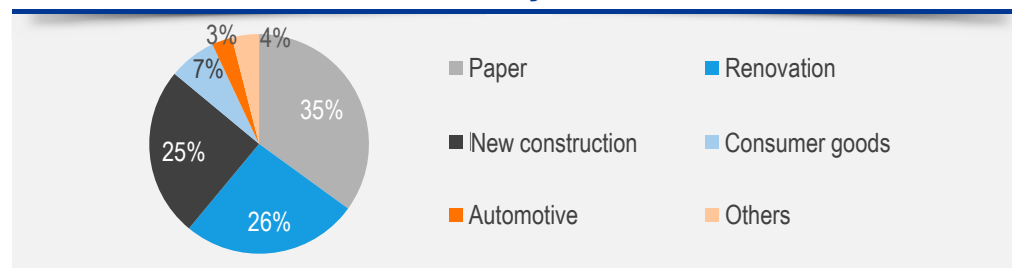
Ceramic Materials (25% of revenue)



Revenue by division



Revenue by market*

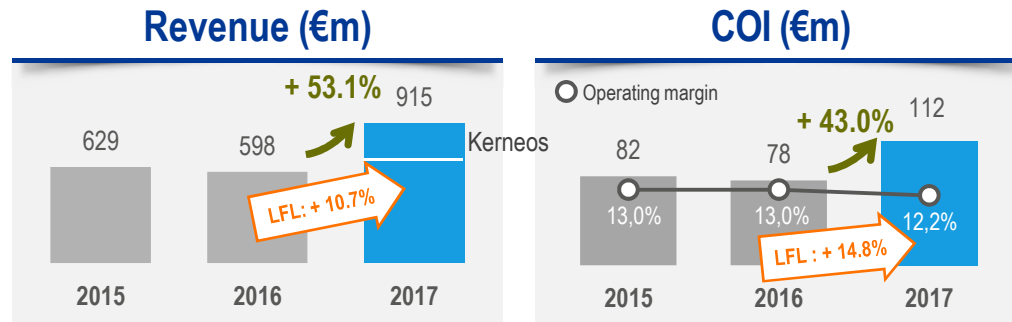


* 2017 data

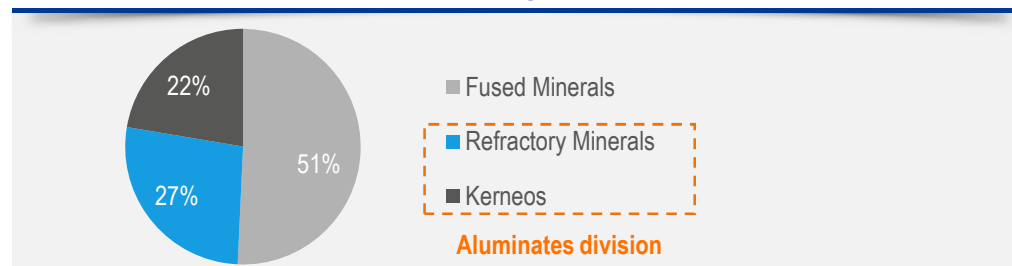
- **Kaolin:** development of specialty applications
 - ◆ Paper market still challenging
- **Roofing:** stabilization of clay tile market in Q4
 - ◆ Sharp increase in single-family housing starts
 - ◆ Weak renovation markets
- **Ceramics:** positive markets (tiles, houseware and technical ceramics); robust demand from emerging markets
 - ◆ Solid momentum in emerging markets
- Good control over operating expenses



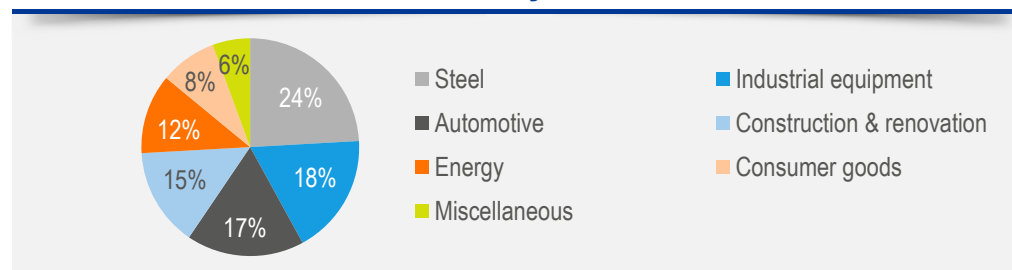
High Resistance Minerals (19% of revenue)



Revenue by division



Revenue by market*



* 2017 data

- Good business and innovation momentum in supportive markets: refractories, abrasives and high-performance binders for the construction market
- Good operating profitability maintained, taking into account exchange rate and raw materials price effect
 - ◆ Favorable price-mix effect
- Acquisition
 - ◆ Kerneos
 - ◆ Alteo, Zhejiang

Net income from current operations up by +11.4%

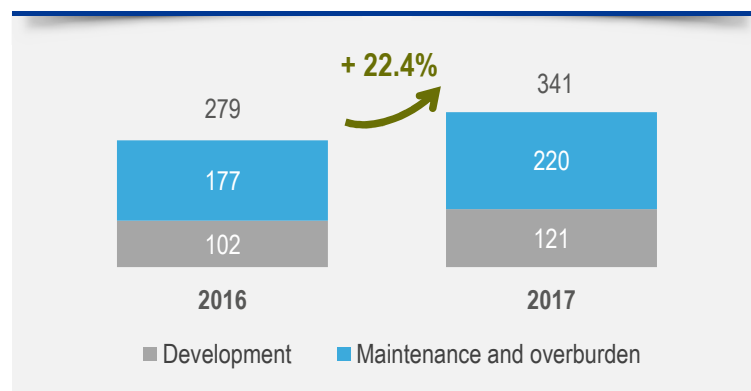
(€m)	2016	2017	Variation
■ Current operating income	582.1	648.1	+ 11.3%
■ Current financial expense	(63.9)	(79.2)	+ 24.0%
◆ Average financial debt of the period	1,516.5	1,873.2	+ 23.5%
◆ Average cost of debt	2.4%	1.8%	- 0.6 point
■ Current income tax	(154.1)	(164.6)	+ 6.8%
◆ Current tax rate	29.7%	28.9%	- 0.8 point
■ Minority interests	(2.0)	(0.9)	- 56.2%
Net income from current operations, Group's share	362.1	403.4	+ 11.4%
■ Net income from current operations, Group's share (in euros) (1)	4.60	5.11	+ 11,0%
■ Other operating income and expenses, net, and net income of assets held for sale	(69.3)	(35.2)	-
Net income, Group's share	292.8	368.2	+ 25.8%

1. Average weighted number of outstanding shares: 79 015 367 in 2017 against 78 714 966 in 2016

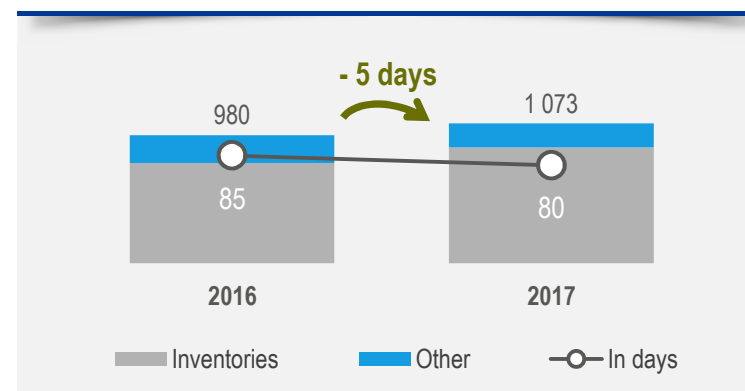
Robust cash flow generation at 358 €m

(€m)	2016	2017
■ EBITDA	818.9	889.6
■ Change in operating WCR	14.4	(11.7)
■ Paid capital expenditure	(278.5)	(340.9)
■ Current notional tax	(173.1)	(187.5)
■ Other	13.0	8.9
Current free operating cash flow	394.6	358.4

Paid capital expenditure (€m)

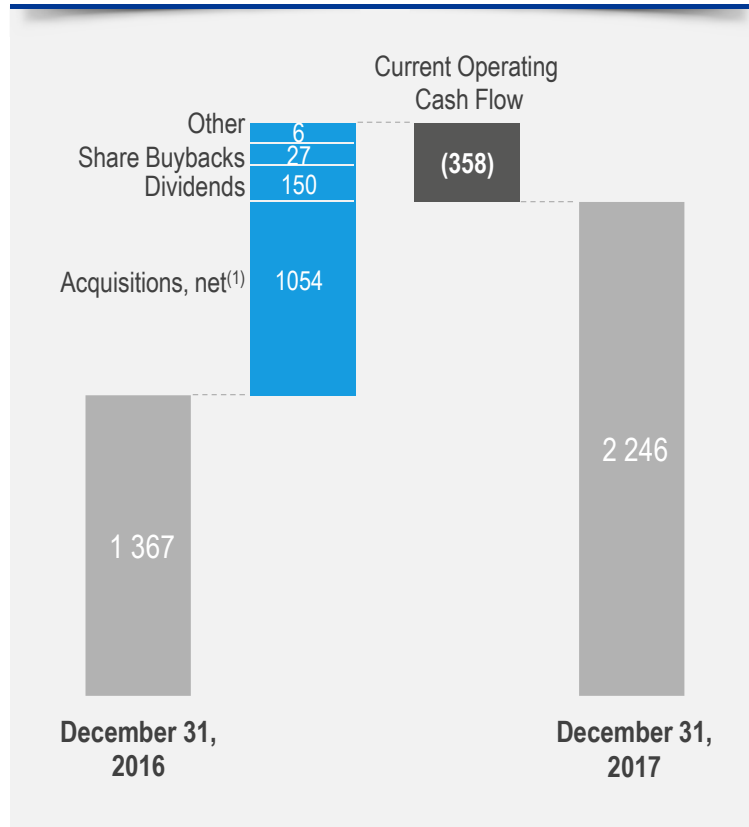


WCR (€m and in days)

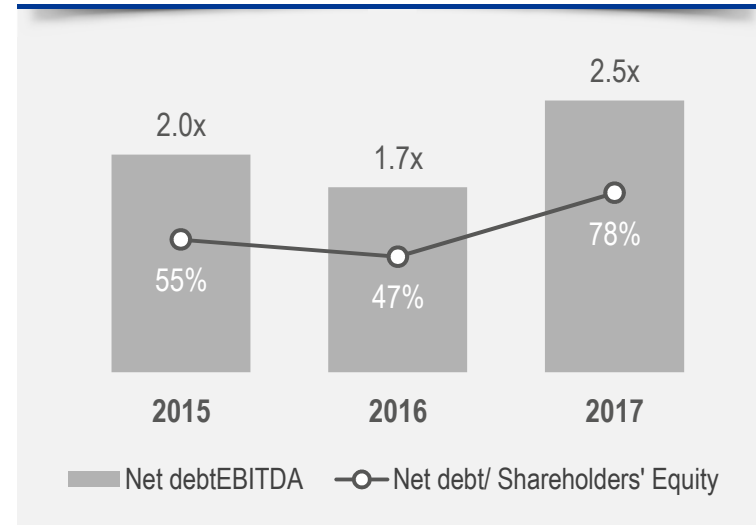


Disciplined financial structure

Change in net financial debt (€m)



Financial ratios as at December 31



- Long-term debt rating
 - ◆ Moody's : **Baa2**, stable outlook
 - ◆ S&P : **BBB**, stable outlook

1. Acquisitions net of disposals

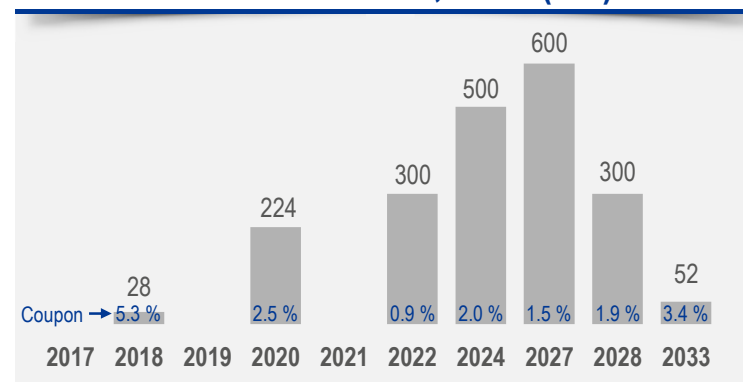
Financial flexibility increased

(€m)	As at Dec. 31, 2017
■ Bonds	2,003
■ Other indebtedness	631
■ Gross indebtedness	2,634
■ Cash	388
Net debt	2,246

(€m)	31/12/2017	Maturity
■ Bonds	2,003	7.4 years
■ Credit facilities	1,330	3.5 years
Financial resources	3,333	5.8 years

- 10-year bond issue for **600 €m** in January 2017 (1.5% coupon)
- Repayment of the **500 €m** bond maturing in April 2017 (5.0% coupon)
- Partial repayment of the 2020 maturing bond for **177 €m** on December 5, 2017

Maturities and coupons as at December 31, 2017 (€m)

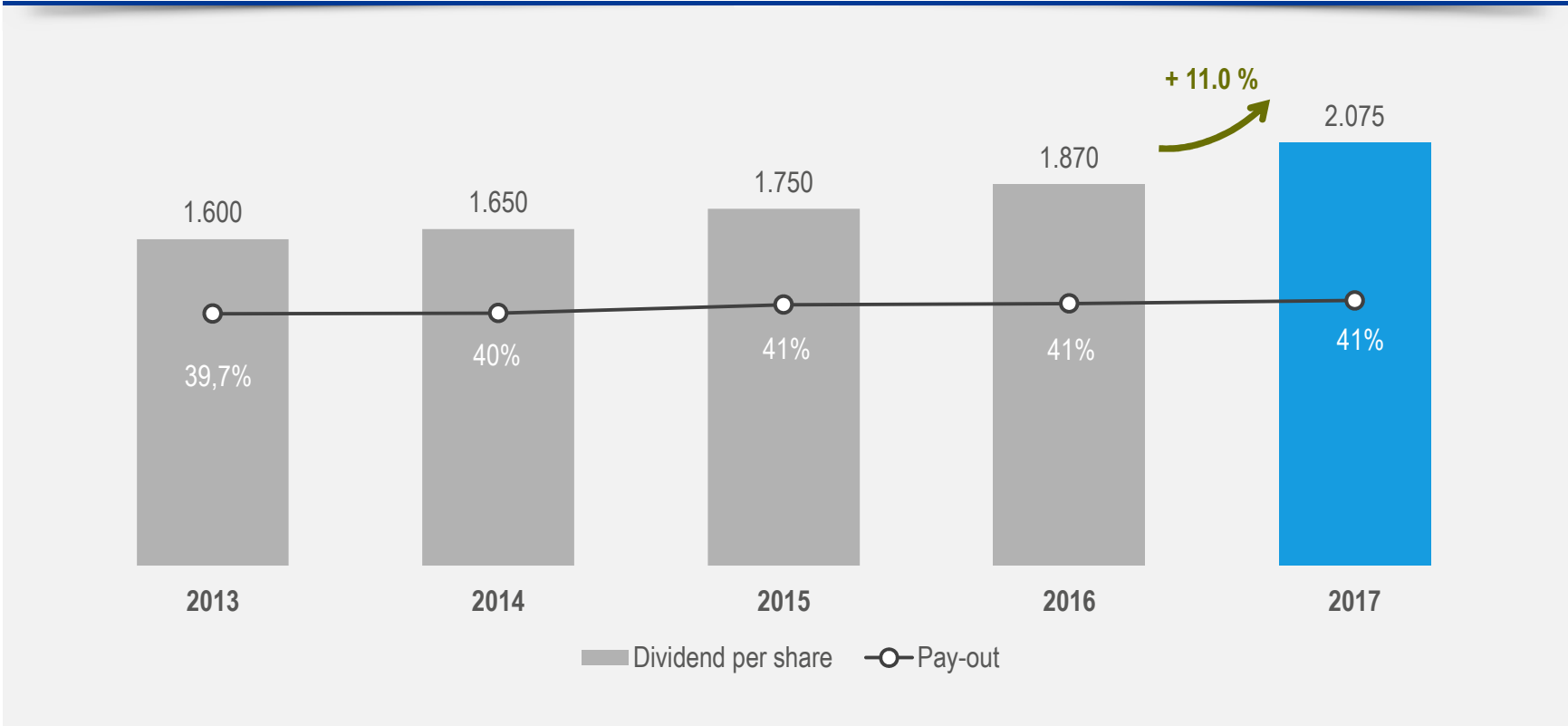


Credit lines available as at December 31, 2017 (€m)



Proposed dividend increase of + 11.0%

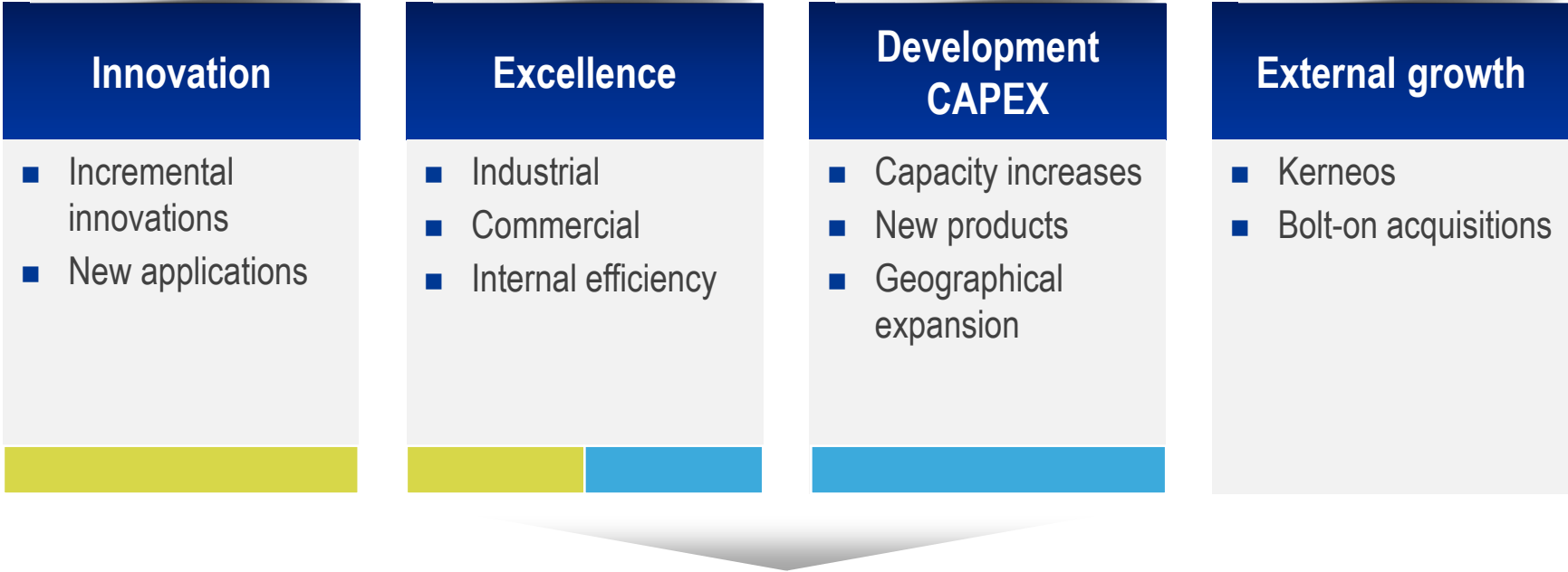
Dividend per share in € and pay-out





3 Outlook

Group development lever



Value Creation in Year 3 ⁽¹⁾

Operating expenses
 Capital expenditure

1. Value creation = ROCE before normalized tax – WACC
 Return on Capital Employed(ROCE) = operating income over the average of capital employed



2018 outlook: another year of increase in net income from current operations

Macroeconomic environment

- Supportive markets
- Uncertainties: currencies, raw materials, interest rates

Strategy execution

- Full year contribution of recent acquisitions, Kerneos in particular
- Benefits from investments in production capacities, innovation, excellence programs and internal efficiencies

Appendix

1	Revenue and Current Operating Income by quarter	29
2	Price-mix and variable costs	31
3	Breakdown of revenue and description of divisions	32
4	Value Creation	37
5	Sustainable Development	38
6	Executive Committee and components of variable pay	39
7	Economic environment & market indicators	41
8	Kerneos	45

Revenue and Current Operating Income by quarter

Revenue (€m)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Energy Solutions & Specialties	312.5	323.5	314.1	303.0	300.8	316.2	319.6	314.0	321.6	332.0	338.7	334.3
Filtration & Performance Additives	218.9	306.2	284.5	271.9	278.2	292.1	282.0	292.2	312.4	317.0	302.2	305.5
Ceramic Materials	291.0	301.4	285.8	294.2	323.2	311.4	293.8	293.6	310.9	300.9	285.9	285.3
High Resistance Minerals	165.3	165.0	156.0	143.1	148.3	151.5	146.5	151.4	184.2	171.5	263.1	296.2
Holding & Eliminations	(14.1)	(12.4)	(13.2)	(10.2)	(12.4)	(12.6)	(12.1)	(12.5)	(15.9)	(14.3)	(16.7)	(16.4)
Consolidated revenue	973.6	1,083.7	1,027.2	1,002.2	1,038.1	1,058.6	1,029.8	1,038.7	1,113.2	1,107.1	1,173.2	1,204.9

Like-for-like revenue growth	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Energy Solutions & Specialties	-4.7 %	-3.5 %	-9.7 %	-8.1 %	-6.8 %	-2.9 %	-3.2 %	+1.2 %	+1.0 %	+0.7 %	+5.3 %	+9.0 %
Filtration & Performance Additives	+2.8 %	+3.6 %	-0.1 %	+2.7 %	+2.3 %	-1.7 %	-0.5 %	+6.0 %	+6.5 %	+4.0 %	+4.8 %	+6.1 %
Ceramic Materials	-6.3 %	-1.7 %	-4.4 %	-4.7 %	+2.8 %	-2.3 %	-2.1 %	-3.8 %	-4.7 %	-2.9 %	-1.8 %	-0.2 %
High Resistance Minerals	-7.4 %	-10.4 %	-3.4 %	-10.5 %	-6.4 %	-4.4 %	-5.5 %	+4.9 %	+14.6 %	+4.4 %	+10.7 %	+13.2 %
Like-for-like revenue growth	-4.5 %	-3.3 %	-5.6 %	-5.1 %	-1.8 %	-2.6 %	-2.5 %	+1.4 %	+2.4 %	+1.2 %	+3.6 %	+6.1 %

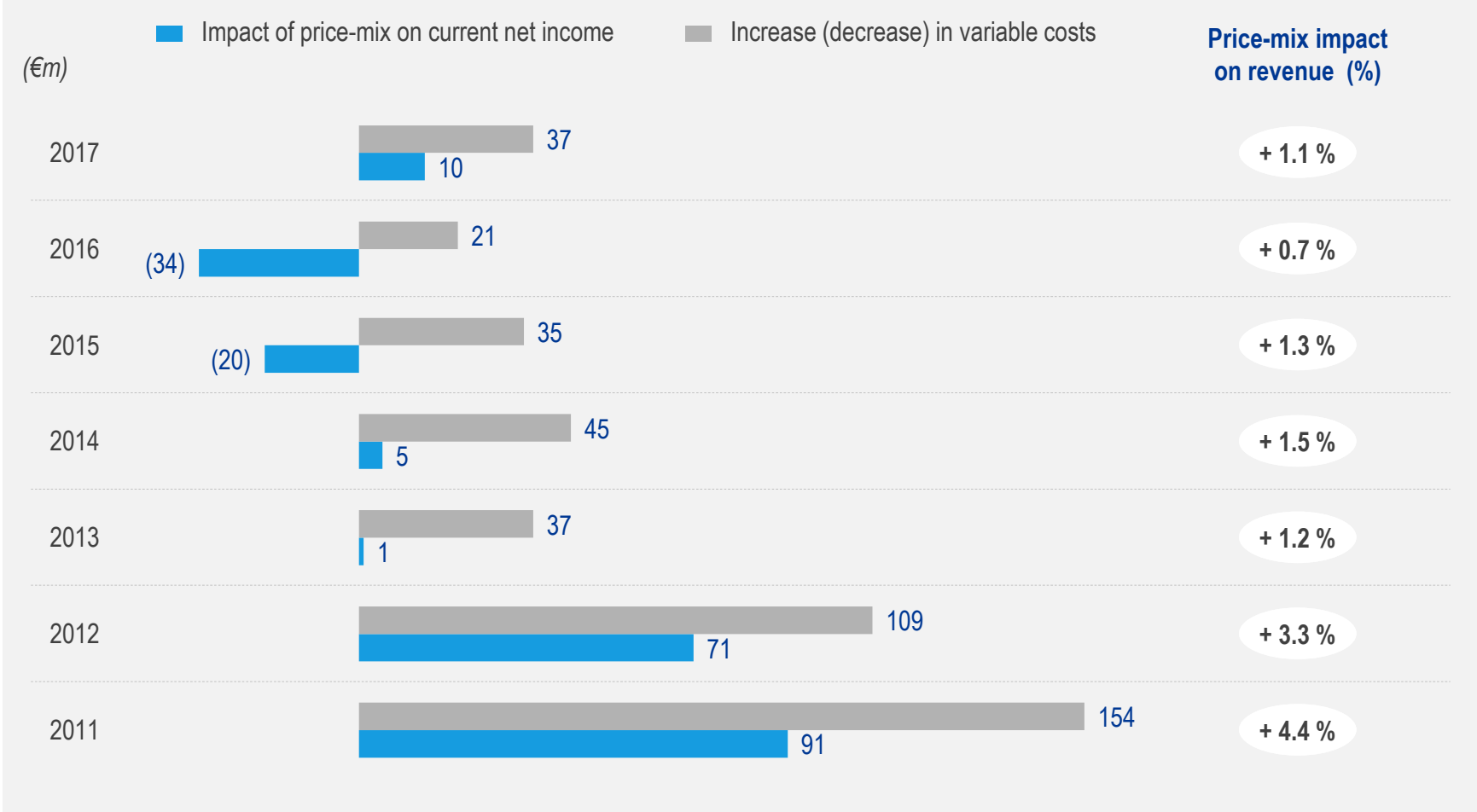
Current Operating Income (€m)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Current Operating Income	123.2	150.8	135.0	129.1	135.4	157.7	148.5	140.6	147.2	165.4	166.9	168.6
Operating margin	12.7 %	13.9 %	13.1 %	12.9 %	13.0 %	14.9 %	14.4 %	13.5 %	13.2 %	14.9 %	14.2 %	14.0 %

Revenue and Current Operating Income by semester

Current Operating Income (€m)	H1 2012	H2 2012	H1 2013	H2 2013	H1 2014	H2 2014	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017	H2 2017
Energy Solutions & Specialties	77.5	65.7	67,9	60,2	72,1	77,5	64,4	55,3	67,0	62,9	68,8	72,3
Filtration & Performance Additives	45.4	44.9	51.3	49.6	58.0	55.4	88,0	90.1	105.0	109.7	125.0	129.2
Ceramic Materials	112.5	97.0	108,5	111.2	104.4	106.7	106.8	103.3	113.7	109.7	107,0	105.7
High Resistance Minerals	53.6	41.6	37.4	32.7	36.5	36.3	41.4	40.2	40,0	38.0	47.5	64.0
Holding & Eliminations	(23.6)	(26.6)	(21.0)	(20.7)	(23.2)	(29.0)	(26.5)	(24.8)	(32,7)	(31.2)	(35.7)	(35.7)
Current Operating Income	265.4	222.7	244.0	233.0	247.7	246.9	274,0	264.1	293.0	289.1	312.6	335.5

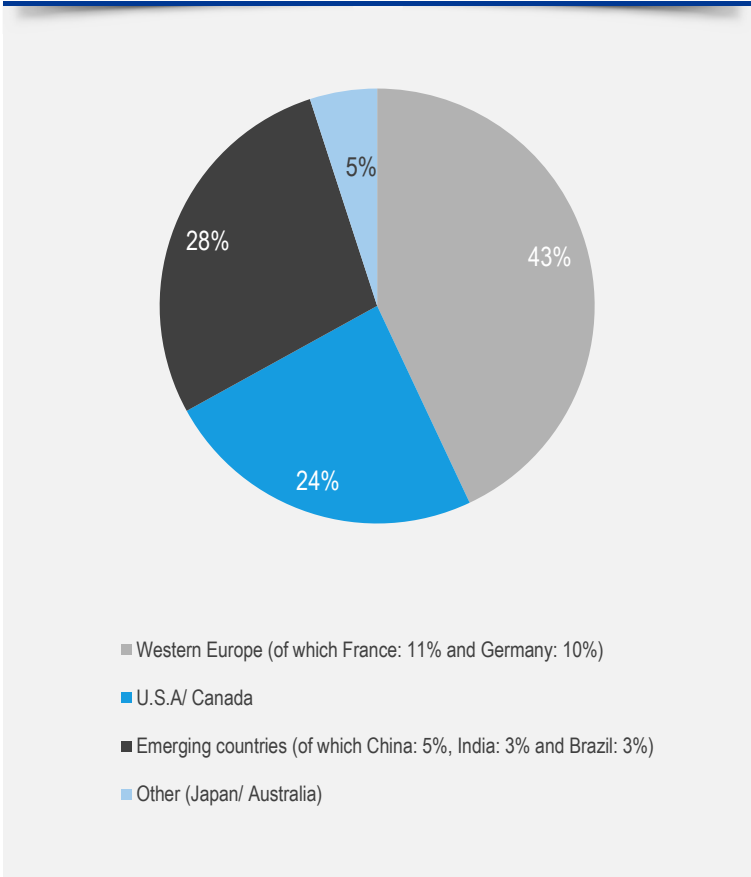
Operating Margin	H1 2012	H2 2012	H1 2013	H2 2013	H1 2014	H2 2014	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017	H2 2017
Energy Solutions & Specialties	11.8 %	10.4 %	10.9 %	9.6 %	11.5 %	11.8 %	10.1 %	9.0 %	10.9 %	9.9 %	10.5 %	10.7 %
Filtration & Performance Additives	14.3 %	14.2 %	15.9 %	15.9 %	17.9 %	16.6 %	16.8 %	16.2 %	18.4 %	19.1 %	19.9 %	21.3 %
Ceramic Materials	17.3 %	15.7 %	17.4 %	19.1 %	17.9 %	18.6 %	18.0 %	17.8 %	17.9 %	18.7 %	17,5 %	18.5 %
High Resistance Minerals	13.9 %	11.7 %	11.1 %	10.3 %	11.1 %	11.6 %	12.5 %	13.4 %	13.3 %	12.8 %	13.4 %	11.4 %
Operating Margin	13.4 %	11.7 %	13.0 %	12.8 %	13.5 %	13.3 %	13.3 %	13.0 %	14.0 %	14.0 %	14.1 %	14.1 %

Evolution of price-mix and variable costs

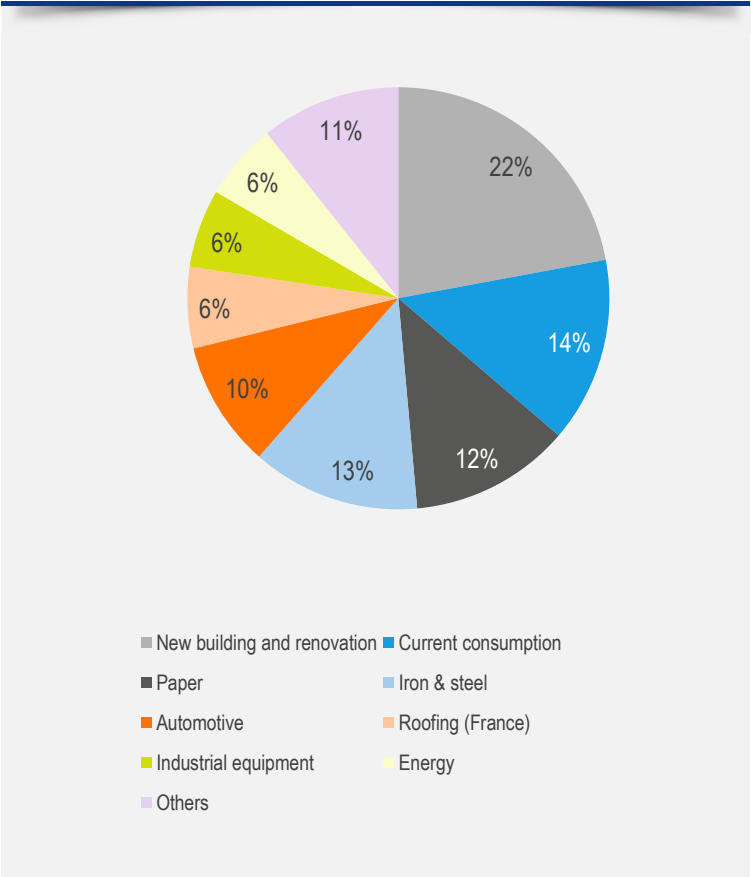


Revenue breakdown in 2017

Revenue by geography



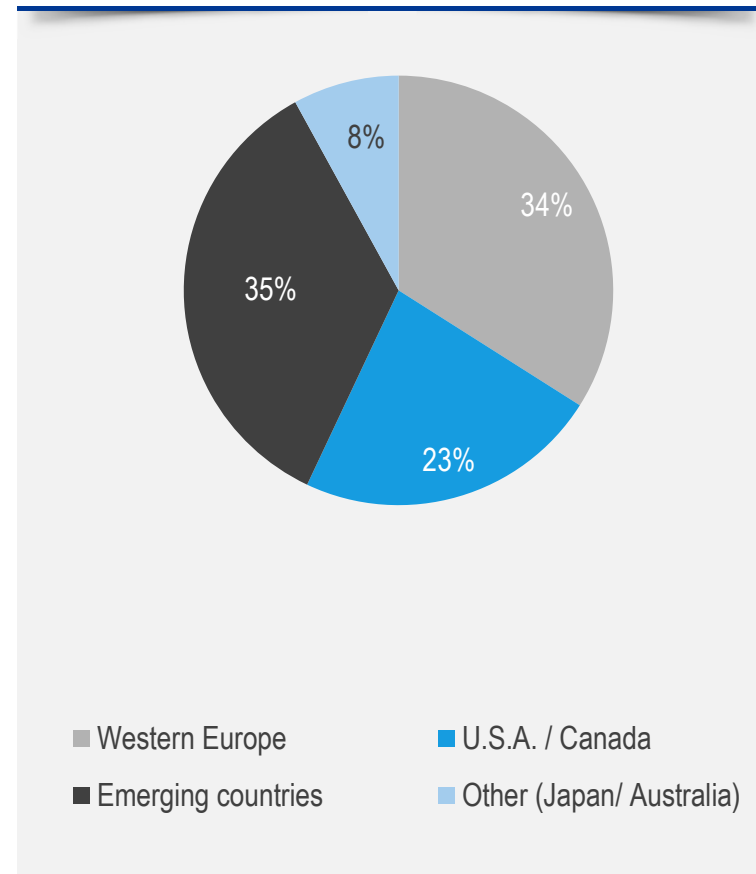
Revenue by end-market



Energy Solutions & Specialties

- Carbonates
 - ◆ Natural (GCC) and Precipitated (PCC) Calcium Carbonates used as filling or coating pigment for paper production and functional additives for paints, plastics, etc..
- Monolithic Refractories
 - ◆ Unshaped refractory materials used to protect industrial equipment from high temperatures in heavy industries (steel, cement, power generation, petro-chemicals, etc.)
 - ◆ Protection for furnaces, kilns, crucibles and incinerators
- Graphite & Carbon
 - ◆ High performance graphite powder for mobile energy, electronics and engineering, refractories for the transport and automotive markets
- Oilfield Solutions
 - ◆ Production of ceramic proppants for non-conventional oil and gas exploration

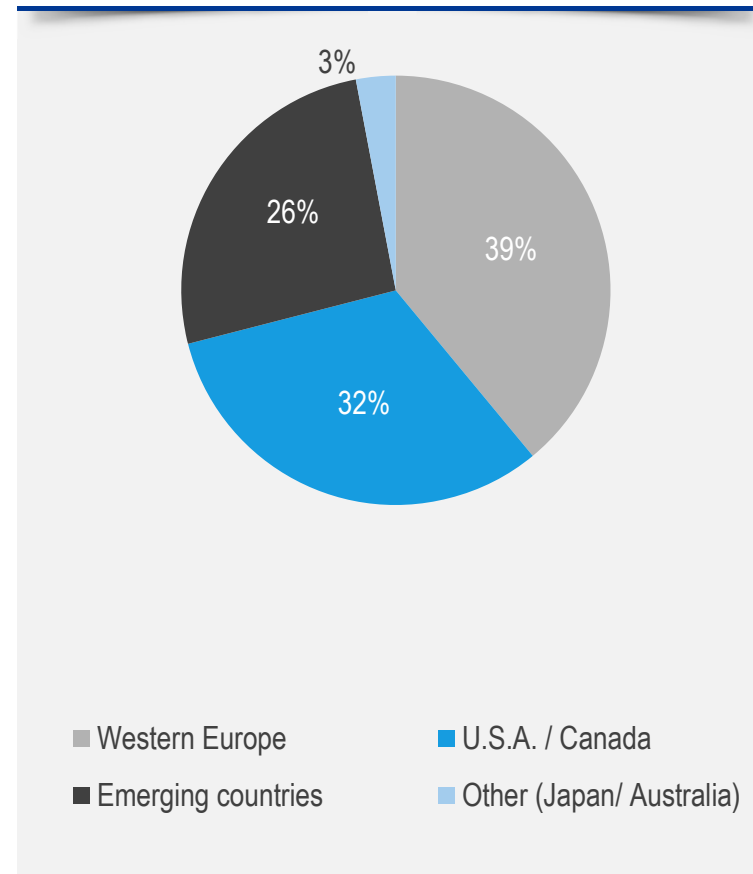
2017 Revenue by geography



Filtration & Performance Additives

- Performance Additives
 - ◆ Additives for paints, plastics, polymers, rubbers, adhesives, sealants, pharma & personal care (mainly talc, mica and wollastonite, etc.)
 - ◆ Perlite based solutions used in building materials and horticulture
- Filtration
 - ◆ Filtration minerals providing filter aid for edible liquids such as beer, wine, oil, fruit juice, etc. (mainly diatomite and perlite)
- Metallurgy
 - ◆ Bentonite (binders for foundry, sealing solutions, additives for drilling and for consumer products) and continuous casting fluxes for the steel industry

2017 Revenue by geography



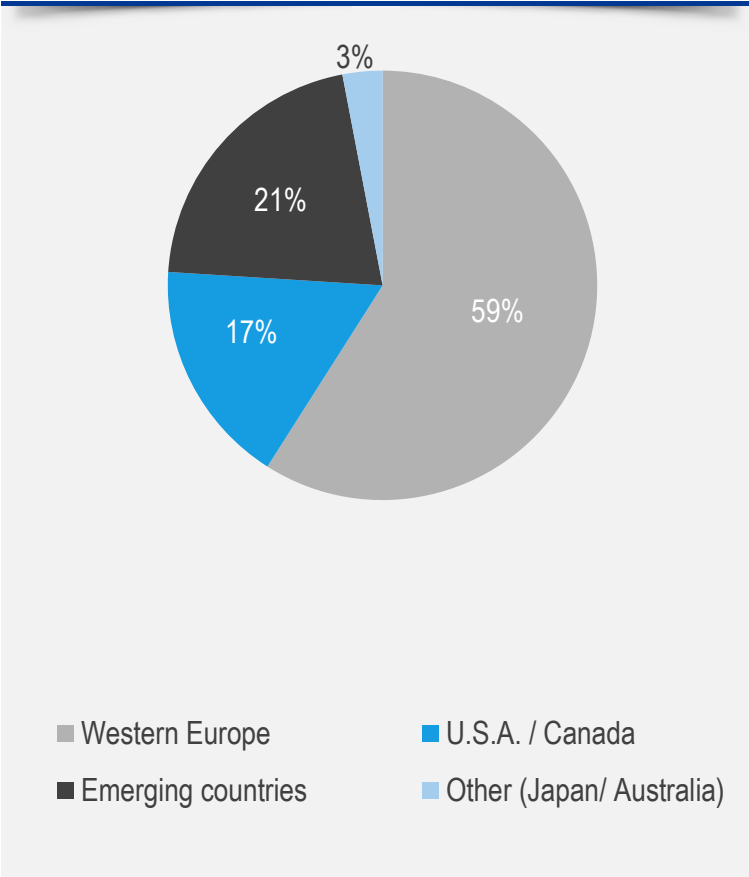
Ceramic Materials

- Roofing
 - ◆ Clay roof tiles in France

- Ceramics
 - ◆ Raw materials and bodies for tableware, sanitary and floor tiles, quartz, technical ceramics

- Kaolin
 - ◆ Kaolin for applications in the paper, paints, plastics, ceramics and refractories markets, etc.

2017 Revenue by geography

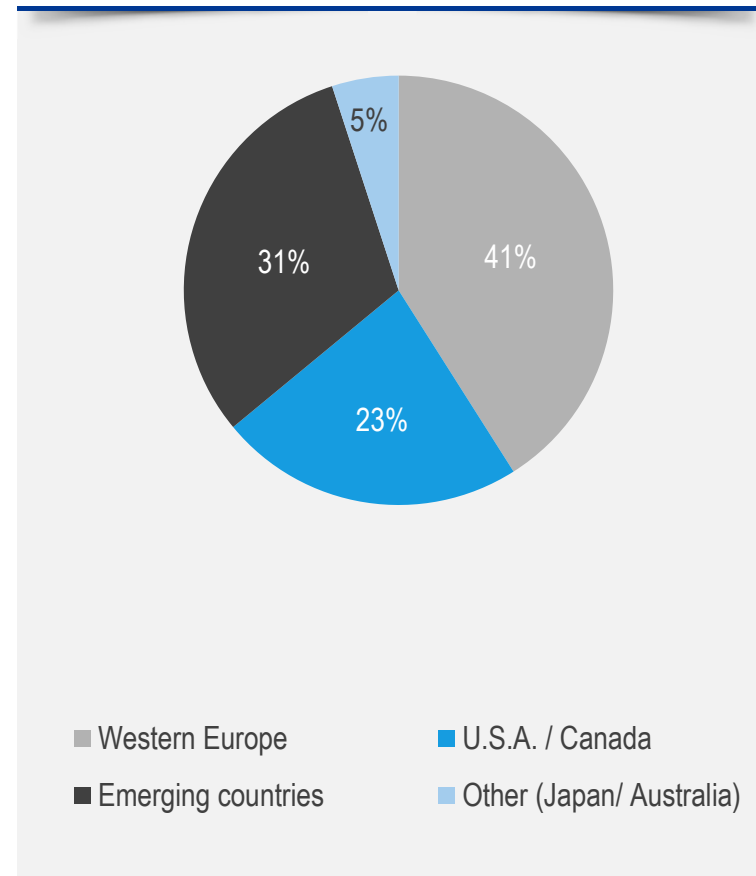


High Resistance Minerals

- Fused Minerals
 - ◆ Fused alumina and bauxite for abrasives (cutting, grinding and polishing mills, sandpapers), zirconium for refractories, oxygen sensor



- Aluminates
 - ◆ Binders and additives for soil preparation mortars, self-leveling screeds, glues and mortars, tile joints, technical mortars
 - ◆ Special hydraulic binders for monolithic refractory concretes, protective mortars and repair of sanitation networks
 - ◆ Production of acidic refractory minerals including andalusite, chamottes

2017 Revenue by geography



Value Creation at Imerys

Positioning

-  Specialty solutions offering key properties to industrial clients' products
-  Numerous applications, diversity of end-markets


Key Assets

-  Quality mining and industrial assets
 - 267 industrial sites
 - ◆ More than 30 minerals
 - ◆ 20 years of reserves on average
-  Leadership positions
 - ◆ # 1 or #2 on most markets
-  An agile organization
 - ◆ 12 divisions close to their markets
 - ◆ 18,300 employees in 50 countries
-  An operational excellence driven culture
 - ◆ Deployment of I-Cube program in 55% of industrial facilities

Development Strategy

-  Innovation
 - ◆ 400 employees
 - ◆ 1,800 patents
-  Development capital expenditures
 - ◆ 341 M€ of capital expenditure, o/w 121 M€ development capex in 2017
-  Selective acquisitions
 - ◆ 10 acquisitions integrated in 2017

Market environment

-  Opportunities offered by markets undergoing significant changes
 - ◆ Durability (green mobility, recycling, emission reductions, etc.)
 - ◆ Health, well-being and lifestyle (electrification, digitalization, bioethics, natural extraction, etc.)
 - ◆ Demography and urbanization (more efficient construction technologies, electricity storage, etc.)

Value Creation

-  Customers
 - ◆ New products: 12.5% of revenues in 2017
-  Teams
 - ◆ Safety in the workplace: 1.42 lost-time accident per 1,000,000 hours worked
 - ◆ 342,000 hours of raining session
-  Corporate and Social Responsibility
 - ◆ 52 projects pledged to local communities in 2017
 - ◆ 1,173 hectares of mine sites rehabilitated in 2017
-  Shareholders
 - ◆ Return on Invested Capital at 12,2 %
 - ◆ Net Income from Current Operations up + 11,4 %
 - ◆ Dividend payout at 41 %, 2,6 % yield
 - ◆ Total Shareholder Return at 11 % on average over three years

Sustainable development

CO2 emissions as a % of revenue

689 tons CO2 equivalent/€m	- 10% compared to 2014
--------------------------------------	----------------------------------

Energy consumption as a % of revenue

8.01 Mjoules /€m	- 15% compared to 2014
----------------------------	----------------------------------

- Management of natural resources
 - ◆ **61%** of non-hazardous industrial waste recycled
 - ◆ **43%** of Group sites ISO 14001 certified in 2017
- Human resources, health and safety in the workplace
 - ◆ **1,42** lost-time accident per 1,000,000 hours worked in 2017
 - ◆ **342 000** hours of training delivered to Group employees in 2017
- Biodiversity & rehabilitation
 - ◆ **1,173** hectares rehabilitated in Western Europe in 2017

Executive Committee

Name	Title	Nationality	Date of joining the Group	Date of Executive Committee appointment
Gilles Michel	Chairman and Chief Executive Officer	French	2010	2010
Operations directors				
Frédéric Beucher	Vice President, Supervision of the Roofing, Kaolin, Ceramics and Graphite & Carbon divisions	French	2003	2013
Alessandro Dazza	Vice President, Supervision of the Monolithic Refractories, Fused Minerals, Refractory Minerals and Kerneos (Aluminates) divisions	Italian	2000	2013
Olivier Hautin	Vice President, Supervision of the Oilfield Solutions, Mergers & Acquisitions and International Development divisions	French	1995	2008
Daniel Moncino	Vice President, Supervision of the Performance Additives, Filtration, Metallurgy and Carbonates divisions	American	2002	2008
Central services directors				
Jean-François Claver	Chief Industrial Officer	French	2015	2016
Vincent Lecerf	Chief Human Resources Officer	French	2017	2017
Thierry Materne	Chief Innovation Officer	Belgian	2016	2016
Denis Musson	Vice President, Legal Affairs & CSR, Company Secretary	French	1999	2003
Olivier Pirotte	Chief Financial Officer	Belgian	2015	2015

Components of variable pay for the executive committee

Performance-based components of compensation

	Short-term variable component	Long-term variable component
Performance component	Quantitative (economic) <ul style="list-style-type: none"> ■ Current Net Income ■ Operating Free Cash Flow ■ Return on Capital Employed 	Quantitative (economic) <ul style="list-style-type: none"> ■ Net Income from Current Operations per share
	Qualitative <ul style="list-style-type: none"> ■ Individual objectives 	
	Safety <ul style="list-style-type: none"> ■ Occupational accident frequency rate 	<ul style="list-style-type: none"> ■ Return on Capital Employed
Assessment of performance	Annual	Three years
Compensation	Cash	Performance shares

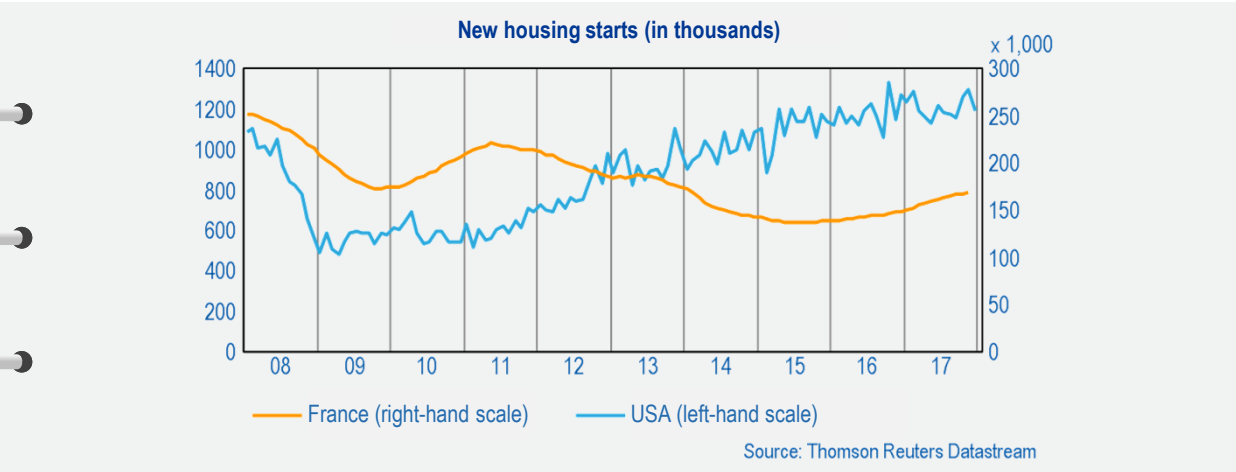
Improvement of the market environment in 2017

End-markets	Europe	North America	Emerging Markets
<ul style="list-style-type: none"> ■ New building and renovation <ul style="list-style-type: none"> ◆ ow Building chemicals ◆ ow Roofing in France 	↑ ↑ ↑ ↑ →	↑ ↑ ↑ -	↑ ↑ ↑ -
<ul style="list-style-type: none"> ■ Current consumption 	↑	↑	↑ ↑
<ul style="list-style-type: none"> ■ Automotive <ul style="list-style-type: none"> ◆ ow Mobile energy 	↑ ↑ ↑	→ ↑ ↑	↑ ↑ ↑
<ul style="list-style-type: none"> ■ Paper <ul style="list-style-type: none"> ◆ ow Board and packaging 	↓ ↑	↓ ↑	→ ↑
<ul style="list-style-type: none"> ■ Iron & Steel 	↑ ↑	↑ ↑	↑ ↑
<ul style="list-style-type: none"> ■ Industrial equipment 	↑	↑	↑

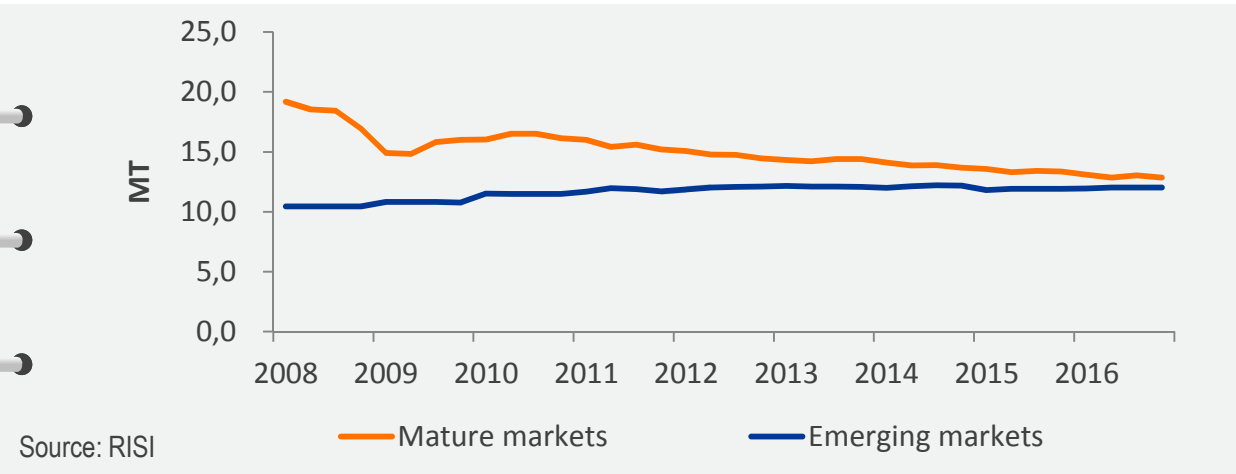


Market indicators for construction, printing & writing paper

New housing starts
(in thousands)

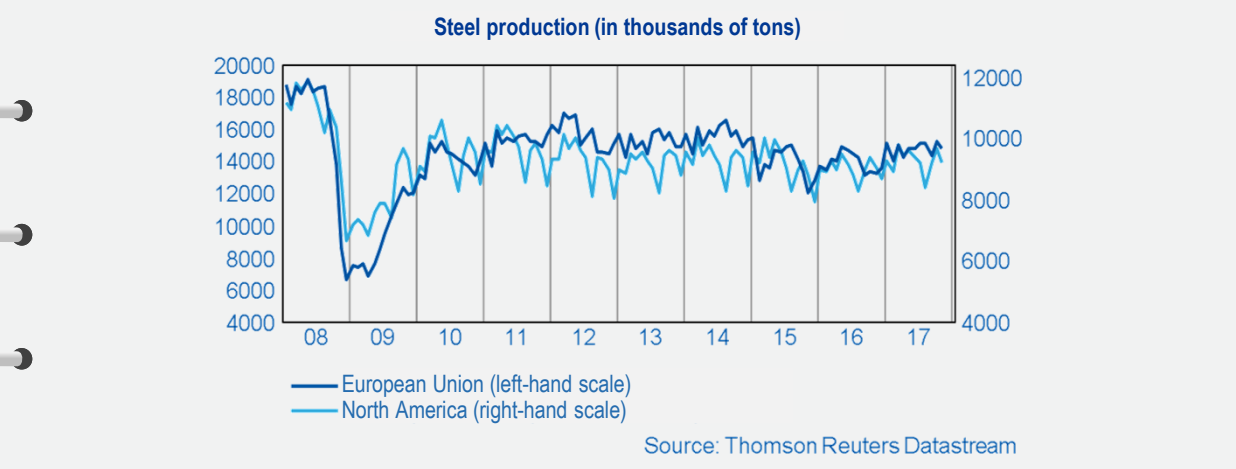


Printing & writing paper
(in millions of tons)



Indicators for steel production and passenger car registrations

Steel production
(in thousands of tons)

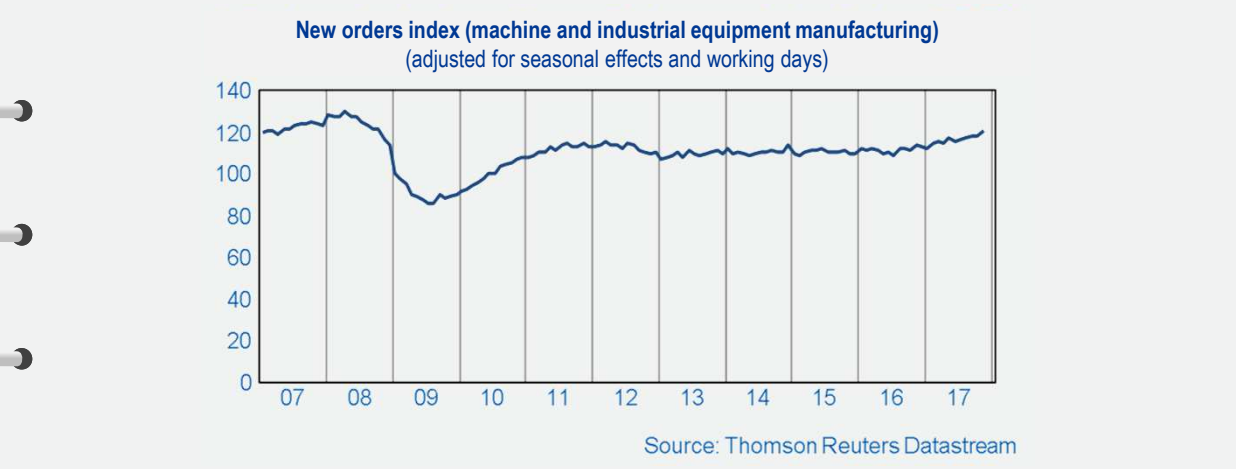


Passenger car registrations
(base 100 in Q4 2007)

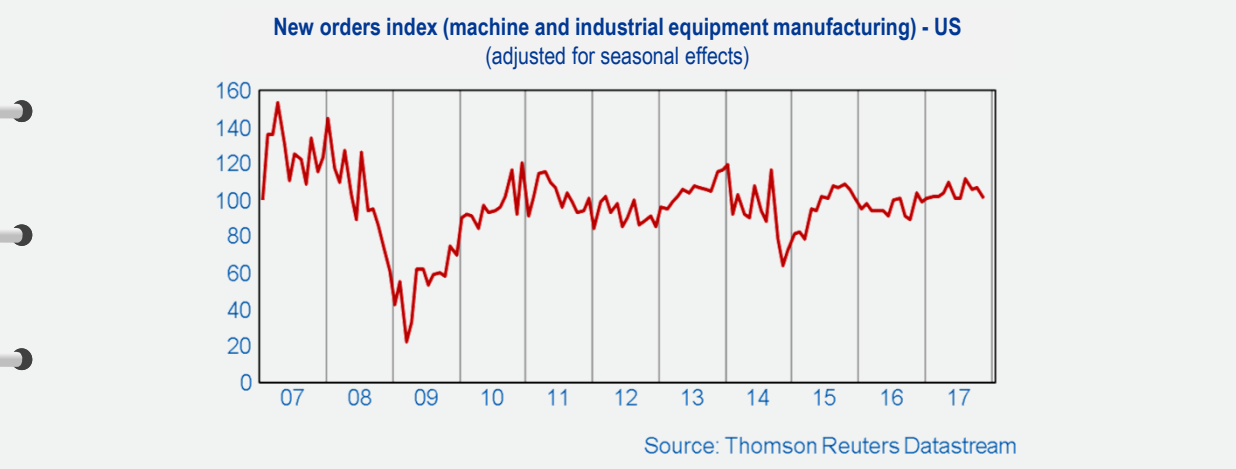


Industrial production indicator: industrial equipment

**New orders index
(machine and industrial
equipment manufacturing
in EU-28
(adjusted for seasonal effect
and working days)**



**New orders index (machine
and industrial equipment
manufacturing in the U.S.A.
(adjusted for
seasonal effect)**



Active acquisition strategy

Kerneos, a major step in external growth strategy

Kerneos: world leader in high-performance calcium aluminate binders
417 €m of revenues, 99 €m of EBITDA in 2016



- Worldwide #1 in aluminate-based (CAC) performance binders for construction:
 - ◆ Additives for adhesives and mortars with self-leveling and quick drying properties
 - ◆ Faster growth than the construction markets

- 9 industrial facilities, 2 red bauxite mines
- Enterprise value: ca. **€880 m**
 - ◆ Enhancing Imerys' operating margin and cash generation
 - ◆ Accretive acquisition to net income from current operations per share in the first full year
 - ◆ Value-creating acquisition with annual synergies estimated at **€23 m**



- Worldwide #1 in aluminate-based performance binders for refractories
 - ◆ Formulation of monolithic refractories
 - ◆ Excellent resistance to heat, mechanical wear and corrosion

- Closing on July 18, 2017

Kerneos: a new platform to grow Imerys' minerals-based specialties



Main strategic rationale for Imerys

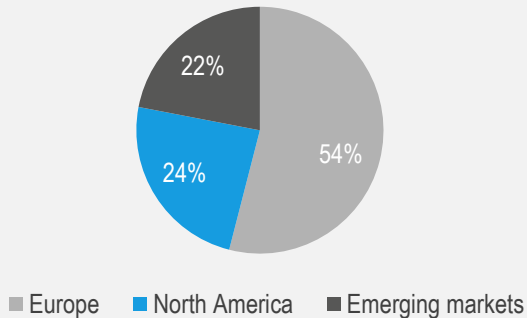
- A world class **technology platform**
- Entering into a **new and growing market segment**
 - ◆ Leveraging growing adoption rate of aluminate technologies in construction
 - ◆ Enhancing Imerys financial performance with above Group-average top line growth, profitability and cash flow generation
- **Close fit** with Imerys' **business model**
 - ◆ Leading technologies, high quality assets with global footprint, secured access to mineral reserves
 - ◆ Leadership position: worldwide # 1 in calcium aluminates performance binders
 - ◆ High-functional value products with multiple key properties, for a small share of client input costs
 - ◆ Innovation leadership and customer focus
 - ◆ Shared culture of excellence



With Kerneos, Imerys complements its global footprint...

- **Global presence:** 1,500 employees in 9 industrial facilities and 17 sales offices
- **Competitive industrial base** located in key markets
- **Secured access to required minerals** (including ownership of red bauxite mines)
- Strong customer focus with **recognized technical support** and expertise
- Significant presence in growing geographies: ca. **50%** of revenue in North America and emerging markets

Revenue by region (9 months 2016)



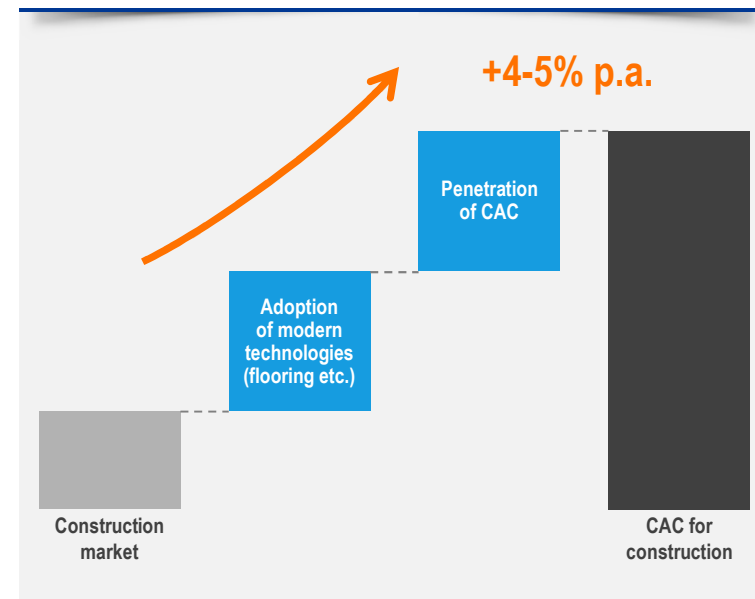
Sole CAC player with global footprint



... and enhances its profile with 2/3 of Kerneos activities offering growth potential

- Construction technologies and specialty applications: long-term growth outperforming construction markets
 - ◆ Self leveling and quick drying properties
 - ◆ Cost effective solution
 - ◆ High penetration potential of mortars using CAC technology in the US
 - ◆ Continuing CAC penetration in all European markets (France, Germany and the UK)
 - ◆ Customer base including premium players (Sika, Bostik, Weber, Mapei, Thomsit, etc.)
- Other specialty applications
 - ◆ CAC products for wastewater treatment, mining industry, metal refinery, engineering jobs and specialized concrete producers
 - ◆ Bauxite mining activities

Leveraging growing adoption rate of aluminate technologies in construction



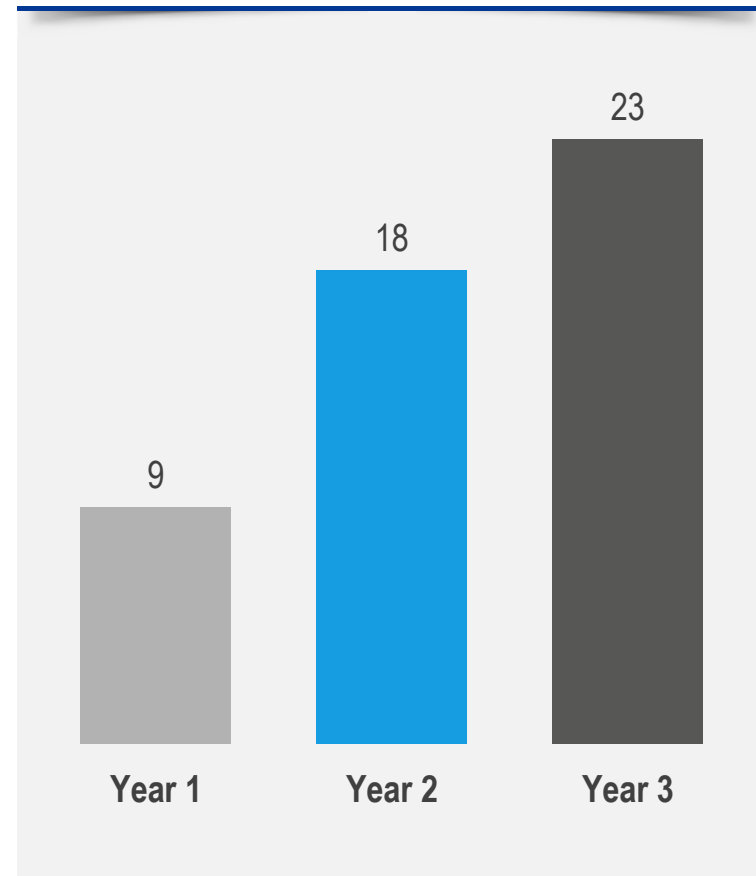
Refractory technologies: high value offering

- Serving primarily as binders for **refractory products (monolithics)**
 - ◆ Performance binders are critical to the performance of client products
 - ◆ Represents a small share of client input cost in refractories
- Benefiting from a **resilient performance**
 - ◆ Selling almost exclusively added value CAC products with high level of technical service
 - ◆ Serving several high temperature industries (steel, cement, glass, petrochemical, incinerators, etc.)
 - ◆ Substitution from bricks to monolithic refractories
- CAC market for **refractories prospect**
 - ◆ Expectations of mature countries recovery, India growth and increasing CAC penetration in emerging markets
 - ◆ Expectation of markets with growing demand of modern standard

€23 m run-rate annual synergies identified

- Leveraging **geographical coverage**
 - ◆ Kerneos stronger in certain geographical areas
- Enhancing **innovation** potential
 - ◆ New technologies/ applications
 - ◆ Cross fertilization opportunities
- **Cost** optimization
 - ◆ Procurement efficiencies
 - ◆ Industrial set up

Pre-tax synergies phasing (€m)



Imerys and Kerneos: a value creative transaction

- Estimated enterprise value of c. **€880 million**
 - ◆ **€23m** annual run rate synergies from third full year of consolidation
 - ◆ **8.9x** 2016 LTM EBITDA¹ and **7.2x** post run-rate annual synergies
- Financed from Imerys' available resources
 - ◆ Available cash and secured financing
 - ◆ Complies with our objective to maintain an investment grade rating
 - ◆ Ensures financing flexibility: deleveraging thanks to solid cash generation
- **Value creative** acquisition
 - ◆ ROCE above WACC within 3 years, in line with Imerys stringent acquisition criteria
 - ◆ High single digit EPS² accretion from first full-year of consolidation
- Closing expected **mid 2017**, subject to relevant workers' council consultations and regulatory approvals



7.2x 2016 EBITDA
post run-rate annual synergies ⁽¹⁾



High single-digit
EPS accretion from Year 1

1. Last 12 months, as of September 30, 2016
2. Net income from current operations per share

Kerneos, a further step in Imerys' development strategy that matches all our value-creation criteria

- ✓ World class technology platform
- ✓ Entry into a new growing market segment
- ✓ Enhancement of Imerys growth and profitability profile
- ✓ Excellent fit with Imerys business model
- ✓ Strong innovation capabilities
- ✓ Significant synergies identified
- ✓ Consistent with investment grade objective



Imerys

43 Quai de Grenelle
75015 PARIS
+ 33 (0)1 49 55 63 00
www.imerys.com

Investor Relations

Vincent GOULEY
+ 33 (0)1 49 55 64 69
vincent.gouley@imerys.com

