



CONFERENCE CALL ANNUAL RESULTS 2016

IMCD N.V. 8 MARCH 2017

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Piet van der Slikke, CEO



- Led the formation of IMCD since 1995
- Designed and executed IMCD's strategy
- 21 years of industry experience

Hans Kooijmans, CFO



- Joined IMCD in 1996
- Co-led formation of IMCD
- 20 years of industry experience



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IMCD is a market-leader in the sales, marketing and distribution of speciality chemicals and food ingredients. Its result-driven professionals provide market-focused solutions to suppliers and customers across EMEA, Asia-Pacific and Americas, offering a range of comprehensive product portfolios, including innovative formulations that embrace industry trends.

Listed at Euronext, Amsterdam (IMCD), IMCD realised revenues of € 1,715 million in 2016 with more than 1,800 employees in over 40 countries on 6 continents. IMCD's dedicated team of technical and commercial experts work in close partnership to tailor best in class solutions and provide value through expertise for around 34,000 customers and a diverse range of world class suppliers.



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Highlights 2016

Revenue	Revenue growth of 12% to EUR 1,715 million (+14% on a constant currency basis)
Gross profit	Gross profit growth of 15% to EUR 381.6 million (+18% on a constant currency basis)
Operating EBITA	Operating EBITA increased by 15% to EUR 147.8 million (+18% on a constant currency basis)
Net result	Net result before amortisation and non-recurring items of EUR 102.6 million (2015: EUR 87.2 million)
Cash EPS Dividend	Cash EPS increased by 12% to EUR 2.01 (2015: EUR 1.79) Dividend proposal of EUR 0.55 in cash per share (2015: EUR 0.44)



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Income statement

EUR million	2016	2015	change	change	fx adj. change
Revenue	1,714.5	1,529.8	184.7	12%	14%
Gross profit	381.6	332.8	48.8	15%	18%
<i>Gross profit in % of revenue</i>	22.3%	21.8%	0.5%		
Operating EBITDA	152.1	131.8			
<i>Operating EBITDA in % of revenue</i>	8.9%	8.6%			
Operating EBITA¹	147.8	128.3	19.5	15%	18%
<i>Operating EBITA in % of revenue</i>	8.6%	8.4%	0.2%		
<i>Conversion ratio²</i>	38.7%	38.5%			

¹ Result from operating activities before amortization of intangibles and non-recurring items

² Operating EBITA in percentage of Gross profit



Income statement

EUR million		EMEA	Asia Pacific	Americas	Holding companies	Total
Revenue	2016	1,053.6	316.9	344.0		1,714.5
	2015	1,036.1	310.5	183.2		1,529.8
	Δ reported	2%	2%	88%		12%
	Δ constant currency	4%	3%	89%		14%
Gross profit	2016	248.8	63.9	68.9		381.6
	2015	239.6	58.1	35.0		332.8
	Δ constant currency	7%	11%	98%		18%
Gross profit in % of revenue	2016	23.6%	20.1%	20.0%		22.3%
	2015	23.1%	18.7%	19.1%		21.8%
	Δ margin %	0.5%	1.4%	0.9%		0.5%
Operating EBITA	2016	100.8	28.3	31.6	(13.0)	147.8
	2015	94.6	27.9	16.6	(10.7)	128.3
	Δ reported	7%	2%	91%	(21%)	15%
	Δ constant currency	10%	3%	89%	(22%)	18%
Operating EBITA in % of revenue	2016	9.6%	8.9%	9.2%		8.6%
	2015	9.1%	9.0%	9.0%		8.4%
	Δ margin %	0.5%	(0.1%)	0.2%		0.2%



EUR million	2016	2015	change	change
Operating EBITA	147.8	128.3	19.5	15%
Net finance costs	(12.8)	(13.3)		
Income tax expenses	(32.4)	(27.8)		
Net result before amortisation/non recurring items	102.6	87.2	15.4	18%
Amortisation of intangible assets	(32.0)	(26.4)		
Impairment loss	(6.2)	(8.4)		
Tax credits related to amortisation	5.9	4.0		
Non recurring items	(2.1)	(2.3)		
Recognition of deferred tax assets	4.7	7.8		
Result for the period	73.0	61.8	11.1	18%
Earnings per share (weighted)	1.39	1.20		
Cash Earnings per share (weighted)	2.01	1.79	0.21	12%



Net finance costs

EUR million	2016	2015	change
Interest costs financing structure	(10.4)	(8.9)	(1.5)
Changes in deferred considerations	0.0	2.4	(2.4)
Value changes in interest hedge contracts	0.3	(1.1)	1.4
Amortisation of finance costs	(1.6)	(1.5)	(0.1)
Interest costs re employee benefits	(0.1)	(0.2)	0.1
Currency exchange results	(1.0)	(4.1)	3.1
Net finance costs	(12.8)	(13.3)	0.6



Cash EPS - proposed dividend

EUR million	2016	2015	change	change
Result for the year	73.0	61.8	11.1	18%
Amortisation of intangible assets	38.2	34.8		
Tax credits related to amortisation	(5.9)	(4.0)		
Cash earnings	105.3	92.6	12.6	14%
Weighted average number of share (x mln)	52.5	51.6		
Cash earnings per share (weighted) in EUR	2.01	1.79	0.21	12%
Proposed dividend payment	28.9	23.2		
Pay out ratio	28%	25%		
Proposed dividend per share in EUR	0.55	0.44	0.11	25%



Balance Sheet

EUR million	31 December 2016	31 December 2015	change
Property, plant and equipment	21	18	3
Intangible assets	908	907	0
Other fin. assets/def tax assets	30	26	4
Working capital	248	228	21
Provisions/employee benefits	(11)	(12)	0
Deferred tax liabilities	(76)	(76)	1
Capital employed	1,120	1,091	28
Equity	722	654	68
<i>Equity in % of capital employed</i>	<i>64%</i>	<i>60%</i>	
Loans and borrowings minus cash	398	438	(40)
Total financing	1,120	1,091	28



Working capital

EUR million	31 December 2016	31 December 2015	change
Inventories	204	184	20
<i>in days of revenue *</i>	43	40	3
Trade and other receivables	265	241	23
<i>in days of revenue *</i>	56	52	3
Trade payables	(171)	(147)	(23)
<i>in days of revenue *</i>	(36)	(32)	(4)
Other payables	(50)	(50)	1
<i>in days of revenue *</i>	(10)	(11)	0
Total working capital	248	228	21
<i>in days of revenue *</i>	52	49	3

* 2016 normalised for impact acquisition Mutchler/Feza/C&S; 2015 for impact acquisition MF Cachat/Selectchemie



Net debt

EUR million	2016	2015	change
Loans and borrowings long term	382.7	408.5	(25.8)
Loans and borrowings short term	71.4	85.6	(14.2)
Cash and cash equivalents	(56.5)	(56.6)	0.0
Net Debt	397.6	437.5	(39.9)
Net Debt / Operating EBITDA ratio¹	2.6	2.9	(0.3)

Covenants

	December 2016	Bank condition	December 2015
Leverage	2.3	< 3.5	2.5
Interest cover	13.9	> 4.0	16.5

¹Including full year impact of acquisitions



Free cash flow

EUR million	2016	2015	change
Operating EBITA	147.8	128.3	19.5
Depreciation	4.3	3.5	0.8
Operating EBITDA	152.1	131.8	20.3
Share based payments	1.4	0.7	
Capex	(5.2)	(3.2)	(2.0)
Δ Working capital ¹	(7.9)	(10.0)	2.1
Free cash flow	140.4	119.3	21.1
<i>Cash conversion ratio</i> ²	92.3%	90.5%	1.8%

¹ Inventories, Trade and other receivables and Trade and other payables

² Free cash flow in percentage of Operating EBITDA



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Outlook

IMCD operates in different, often fragmented market segments in multiple geographic regions, connecting many customers and suppliers across a very diverse product range. In general, results are impacted by macroeconomic conditions and developments in specific industries. Furthermore, results can be influenced from period to period by, amongst other things, the ability to maintain and expand commercial relationships, the ability to introduce new products and start new customer and supplier relations and the timing, scope and impact of acquisitions. IMCD's consistent strategy and resilient business model has led to successful expansion over the years and IMCD remains focused on achieving earnings growth by optimising its services and further strengthening its market positions.

IMCD sees interesting opportunities to increase its global footprint and expand the product portfolio organically and by acquisitions.



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