



**CONFERENCE CALL**  
**First nine months 2017 results**

IMCD N.V. 8 November 2017

## Disclaimer

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## Presenting team

### Piet van der Slikke, CEO



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

### Hans Kooijmans, CFO



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

## Agenda

- Company profile
- Highlights first nine months 2017
- Financials first nine months 2017
- Outlook
- Q&A



## Company profile

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.

For further information, please visit [www.imcdgroup.com](http://www.imcdgroup.com)

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## Highlights first nine months 2017

### Gross profit

Gross profit growth of 11% to EUR 317.9 million (+11% on a constant currency basis)

### Operating EBITA

Operating EBITA increase of 10% to EUR 123.8 million (+10% on a constant currency basis)

### Net result

Net result before amortisation and non-recurring items increase of 8% to EUR 85.5 million (+8% on a constant currency basis)

### Cash EPS

Cash earnings per share increased by 8% to EUR 1.60

## Highlights first nine months 2017 (continued)

### Neuwendis

Acquisition of Neuwendis, completed on 23 June 2017, expanding the Italian operations in the speciality chemicals market

### Bosco

Acquisition of the speciality distribution business of Bosco Industries (July 2017) will further strengthen IMCD US

### L.V. Lomas

Acquisition of L.V. Lomas (August 2017) provides IMCD with a significant presence in Canada and a further enhanced position in the US





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## Key figures

EUR million	Jan. 1 - Sept. 30 2017	Jan. 1 - Sept. 30 2016	Change	Change	Fx adj. Change
Revenue	1,411.3	1,305.8	105.5	8%	8%
Gross profit	317.9	286.9	31.0	11%	11%
Gross profit in % of revenue	22.5%	22.0%	0.5%		
Operating EBITA	123.8	112.8	11.0	10%	10%
Operating EBITA in % of revenue	8.8%	8.6%	0.2%		
Conversion margin	39.0%	39.3%	(0.3%)		
Net result before amortisation / non-recurring items	85.5	79.2	6.3	8%	8%
Free cash flow	115.5	104.0	11.5	11%	
Cash conversion margin	90.7%	89.7%	1.0%		
Earnings per share (weighted)	1.18	1.08	0.10	9%	10%
Cash earnings per share (weighted)	1.60	1.48	0.12	8%	8%
Number of full time employees end of period	2,258	1,848	410	22%	

## Income statement

EUR million		EMEA	Asia Pacific	Americas	Holding companies	Total
<b>Revenue</b>	<b>YTD Q3 2017</b>	<b>871,9</b>	<b>236,7</b>	<b>302,7</b>		<b>1.411,3</b>
	YTD Q3 2016	805,5	237,6	262,7		1.305,8
	Δ reported	8%	(0%)	15%		8%
	Δ constant currency	9%	(1%)	13%		8%
<b>Gross profit</b>	<b>YTD Q3 2017</b>	<b>209,0</b>	<b>48,9</b>	<b>60,1</b>		<b>317,9</b>
	YTD Q3 2016	190,2	44,5	52,1		286,9
	Δ constant currency	11%	9%	12%		11%
<b>Gross profit in % of revenue</b>	<b>YTD Q3 2017</b>	<b>24,0%</b>	<b>20,7%</b>	<b>19,8%</b>		<b>22,5%</b>
	YTD Q3 2016	23,6%	18,7%	19,8%		22,0%
	Δ margin %	0,4%	2,0%	0,0%		0,5%
<b>Operating EBITA</b>	<b>YTD Q3 2017</b>	<b>87,9</b>	<b>21,0</b>	<b>26,0</b>	<b>(11,1)</b>	<b>123,8</b>
	YTD Q3 2016	77,6	20,8	24,9	(10,5)	112,9
	Δ reported	13%	1%	4%	(6%)	10%
	Δ constant currency	15%	0%	3%	(6%)	10%
<b>Operating EBITA in % of revenue</b>	<b>YTD Q3 2017</b>	<b>10,1%</b>	<b>8,9%</b>	<b>8,6%</b>		<b>8,8%</b>
	YTD Q3 2016	9,6%	8,7%	9,5%		8,6%
	Δ margin %	0,5%	0,2%	(0,9%)		0,2%



## Free cash flow

EUR million	Jan.1 - Sept.30 2017	Jan.1 - Sept.30 2016	change
<b>Operating EBITA</b>	<b>123.8</b>	<b>112.8</b>	<b>11.0</b>
Depreciation	3.5	3.2	0.3
<b>Operating EBITDA</b>	<b>127.3</b>	<b>116.0</b>	<b>11.3</b>
Share based payments	1.6	1.1	0.5
Capex	(2.5)	(4.1)	1.6
$\Delta$ Working capital <sup>1</sup>	(10.9)	(8.9)	(2.0)
<b>Free cash flow</b>	<b>115.5</b>	<b>104.0</b>	<b>11.5</b>
<i>Cash conversion ratio</i> <sup>2</sup>	90.7%	89.7%	1.1%

<sup>1</sup> Inventories, Trade and other receivables and Trade and other payables

<sup>2</sup> Free cash flow in percentage of Operating EBITDA

<b>Net debt/leverage</b>	30 September 2017	31 December 2016	30 September 2016
<b>Net Debt</b> (EUR million)	507	398	404
<b>Leverage ratio</b>			
Reported (including full year impact of acquisitions)	2.9	2.6	2.7
Based on IMCD loan documentation	2.9	2.3	2.4

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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 others, the ability to maintain and expand commercial relationships, the ability to introduce new products and start new customer and supplier relationships 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.

Based on its performance in the first nine months of 2017 and the strong fundamentals of the business, IMCD expects operating EBITA growth in 2017.

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