



CONFERENCE CALL
Q1 2020 results

IMCD N.V.
20 April 2020

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
- 24 years of industry experience

Hans Kooijmans, CFO



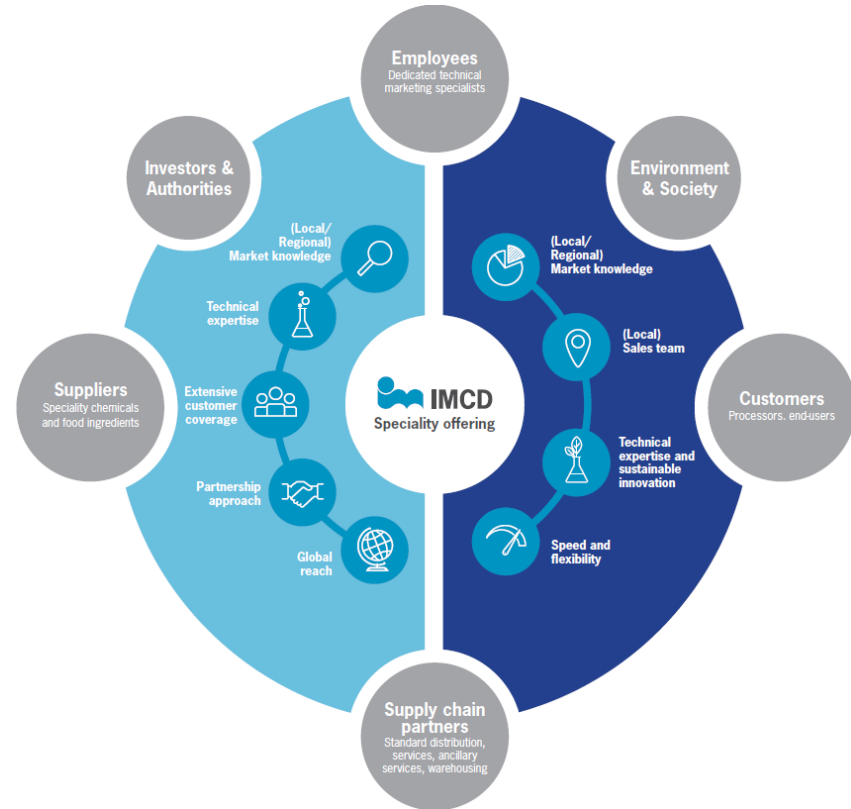
- Joined IMCD in 1996
- Co-led formation of IMCD
- 23 years of industry experience

Agenda

- Company profile
- Highlights Q1 2020
- Financials Q1 2020
- Outlook
- Q&A

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 € 2,690 million in 2019 with nearly 3,000 employees in over 50 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 49,000 customers and a diverse range of world class suppliers.



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Gross profit

Gross profit growth of 12% to EUR 176.4 million (+12% on a constant currency basis)

Operating EBITA

Operating EBITA increase of 11% to EUR 70.9 million (+11% on a constant currency basis)

Net result

Net result before amortisation and non-recurring items of EUR 50.2 million (+13% on a constant currency basis)

Cash EPS

Cash earnings per share increased by 13% to EUR 0.94 (first 3 months 2019: EUR 0.83)

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Key figures

| EUR million | Jan. 1 - March 31 2020 | Jan. 1 - March 31 2019 | Change | Change | Fx adj. change |
|--|---------------------------|---------------------------|---------|--------|-------------------|
| Revenue | 748.8 | 704.8 | 44.0 | 6% | 6% |
| Gross profit | 176.4 | 157.9 | 18.5 | 12% | 12% |
| Gross profit in % of revenue | 23.6% | 22.4% | 1.2% | | |
| Operating EBITA | 70.9 | 63.7 | 7.2 | 11% | 11% |
| Operating EBITA in % of revenue | 9.5% | 9.0% | 0.5% | | |
| Conversion margin | 40.2% | 40.4% | (0.2%) | | |
| Net result before amortisation / non-recurring items | 50.2 | 44.5 | 5.7 | 13% | 13% |
| Free cash flow | 33.3 | 45.0 | (11.7) | (26%) | |
| Cash conversion margin | 46.2% | 69.5% | (23.3%) | | |
| Earnings per share (EUR) | 0.71 | 0.64 | 0.07 | 11% | 11% |
| Cash earnings per share (EUR) | 0.94 | 0.83 | 0.11 | 13% | 13% |
| Number of full time employees end of period | 3,064 | 2,801 | 263 | 9% | |

Income statement

| EUR million | | EMEA | Americas | Asia Pacific | Holding companies | Total |
|---|---------------------|--------------|--------------|--------------|-------------------|--------------|
| Gross profit | Q1 2020 | 94 | 58 | 24 | | 176 |
| | Q1 2019 | 89 | 50 | 20 | | 158 |
| | Δ reported | 6% | 16% | 24% | | 12% |
| | Δ constant currency | 7% | 15% | 26% | | 12% |
| Gross profit in % of revenue | Q1 2020 | 25.7% | 22.1% | 20.1% | | 23.6% |
| | Q1 2019 | 24.7% | 19.9% | 20.4% | | 22.4% |
| | Δ margin % | 1.0% | 2.2% | (0.3%) | | 1.2% |
| Operating EBITA | Q1 2020 | 38 | 25 | 11 | (4) | 71 |
| | Q1 2019 | 37 | 22 | 9 | (4) | 64 |
| | Δ reported | 5% | 17% | 25% | (17%) | 11% |
| | Δ constant currency | 6% | 15% | 27% | (16%) | 11% |
| Operating EBITA in % of revenue | Q1 2020 | 10.5% | 9.7% | 9.2% | (0.5%) | 9.5% |
| | Q1 2019 | 10.2% | 8.7% | 9.3% | (0.5%) | 9.0% |
| | Δ margin % | 0.3% | 1.0% | (0.1%) | - | 0.5% |
| Conversion margin | Q1 2020 | 40.7% | 44.0% | 45.9% | | 40.2% |
| <i>operating EBITA in % of gross profit</i> | Q1 2019 | 41.2% | 43.8% | 45.7% | | 40.4% |
| | Δ margin % | (0.5%) | 0.2% | 0.2% | | (0.2%) |

Free cash flow

| EUR million | Q1 2020 | Q1 2019 | change |
|--|-----------|-----------|-------------|
| Operating EBITA | 71 | 64 | 7 |
| Depreciation | 6 | 5 | 1 |
| Operating EBITDA | 77 | 69 | 8 |
| Lease payments | (6) | (5) | (1) |
| Share based payments | 1 | 1 | 1 |
| Adjusted Operating EBITDA | 72 | 65 | 8 |
| Capex | (3) | (1) | (2) |
| Δ Working capital ¹ | (36) | (19) | (17) |
| Free cash flow | 33 | 45 | (12) |
| <i>Cash conversion ratio²</i> | 46.2% | 69.5% | (23.3%) |

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

² Free cash flow in percentage of Adjusted Operating EBITDA



Net debt / leverage

| EUR million | 31 March 2020 | 31 December 2019 | 31 March 2019 |
|-----------------------------------|------------------|---------------------|------------------|
| Net debt excluding impact IFRS 16 | 672 | 660 | 590 |
| IFRS 16 net debt | 69 | 75 | 63 |
| Reported Net Debt | 742 | 735 | 653 |
| Leverage ratio¹ | | | |
| Reported | 2.8 | 2.8 | 2.8 |
| Based on loan documentation | 2.6 | 2.6 | 2.6 |

¹ Net Debt / Operating EBITDA including full year impact of acquisitions

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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 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.

While we had a strong first quarter, the uncertainty around the duration of the COVID-19 crisis and its impact on the global economy makes it impossible to give a near-term trading outlook. However, IMCD is a strong, resilient and well diversified business with a robust liquidity position and capital structure. These qualities will allow the company to absorb an extended period of uncertainty.

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