



**CONFERENCE CALL**  
**Full Year 2020 results**

**IMCD N.V.**  
26 February 2021





# Disclaimer

This presentation may contain forward looking statements. These statements are based on current expectations, estimates and projections of IMCD's management and information currently available to the company. IMCD cautions that such statements contain elements of risk and uncertainties that are difficult to predict and that could cause actual performance and position to differ materially from these statements. IMCD disclaims any obligation to update or revise any statements made in this presentation to reflect subsequent events or circumstances, except as required by law.

In the annual report of IMCD N.V. the relevant risk categories and risk factors that could adversely affect the company's business and financial performance have been described. They are deemed to be incorporated in this presentation.



# Presenting team



**Piet van der Slikke, CEO**

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



**Hans Kooijmans, CFO**

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

# Agenda

- **Company profile**
- Highlights 2020
- Financials 2020
- 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 € 2,775 million in 2020 with nearly 3,300 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 50,000 customers and a diverse range of world class suppliers.



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# Highlights 2020

## GROSS PROFIT

- Gross profit growth of 8% to EUR 647 million (+11% on a constant currency basis)

## OPERATING EBITA

- Operating EBITA increase of 13% to EUR 254 million (+16% on a constant currency basis)

## NET RESULT

- Net result before amortisation and non-recurring items of EUR 178 million (+19% on a constant currency basis)

## CASH EPS

- Cash earnings per share increased by 13% to EUR 3.22 (2019: EUR 2.85)

## Dividend proposal

- Dividend proposal of EUR 1.02 in cash per share (2019: EUR0.90)

# Highlights first nine months 2020

## M&A 2020

- Acquisition of 100% of the shares of Zifroni Chemical Suppliers Ltd. (Israel) in January
- Acquisition of the pharmaceutical business of Develing International Trade (Shanghai) Co. Ltd in July
- Strengthening of Brazilian Food & Nutrition business with the acquisition of VitaQualy in August
- Acquisition of 70% of the shares of Signet, one of the leading distributors of excipients in India signed on 15 September and closed on 4 November
- Acquisition of Kokko – Fiber (Finland) in September, strengthening the Nordic advance material business
- Acquisition of 100% of the shares of Millikan and Banner Quimica (Mexico) in December
- Acquisitions of 100% of the shares of Siyeza Fine Chem Propriety Limited (South Africa) signed in September and closed 8 January 2021
- Acquisition of the pharmaceutical business of Peak International Products B.V (Netherlands) signed in November and closed 7 January 2021
- Acquisition of the personal care business of Ejder Kimya (Turkey) signed in November and closed 6 January 2021

## Financing 2020

- On 15 September, IMCD successfully raised EUR 400 million share capital by issuing 4.395.604 shares at an offer price of EUR 91 per ordinary share



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# Financials 2020

## Income statement

EUR million	2020	2019	change	change	fx adj. change
Revenue	2.775	2.690	85	3%	6%
<b>Gross profit</b>	<b>647</b>	<b>599</b>	<b>48</b>	<b>8%</b>	<b>11%</b>
<i>Gross profit in % of revenue</i>	<b>23,3%</b>	<b>22,3%</b>	<b>1,0%</b>		
Operating EBITDA	279	247	32	13%	16%
<i>Operating EBITDA in % of revenue</i>	10,1%	9,2%			
<b>Operating EBITA<sup>1</sup></b>	<b>254</b>	<b>225</b>	<b>29</b>	<b>13%</b>	<b>16%</b>
<i>Operating EBITA in % of revenue</i>	<b>9,1%</b>	<b>8,4%</b>	<b>0,7%</b>		
<i>Conversion ratio<sup>2</sup></i>	39,2%	37,5%	1,7%		

<sup>1</sup> Result from operating activities before amortisation of intangibles and non-recurring items

<sup>2</sup> Operating EBITA in percentage of Gross profit

# Financials 2020

## Income statement

EUR million		EMEA	Americas	Asia Pacific	Holding companies	Total
<b>Gross profit</b>	<b>2020</b>	<b>337</b>	<b>204</b>	<b>106</b>		<b>647</b>
	2019	325	194	80		599
	Δ reported	4%	6%	32%		8%
	Δ constant currency	5%	11%	36%		11%
<b>Gross profit in % of revenue</b>	<b>2020</b>	<b>25,4%</b>	<b>21,6%</b>	<b>21,1%</b>		<b>23,3%</b>
	2019	24,7%	19,7%	20,5%		22,3%
	Δ margin %	0,7%	1,9%	0,6%		1,0%
<b>Operating EBITA</b>	<b>2020</b>	<b>131</b>	<b>86</b>	<b>53</b>	<b>-17</b>	<b>254</b>
	2019	126	78	36	-15	225
	Δ reported	4%	11%	48%	(10%)	13%
	Δ constant currency	6%	16%	53%	(12%)	16%
<b>Operating EBITA in % of revenue</b>	<b>2020</b>	<b>9,9%</b>	<b>9,1%</b>	<b>10,5%</b>	<b>(0,6%)</b>	<b>9,1%</b>
	2019	9,6%	7,9%	9,1%	(0,6%)	8,4%
	Δ margin %	0,3%	1,2%	1,4%	-	0,7%
<b>Conversion margin</b>	<b>2020</b>	<b>38,9%</b>	<b>42,1%</b>	<b>49,9%</b>		<b>39,2%</b>
<i>operating EBITA in % of gross profit</i>	2019	38,8%	40,2%	44,4%		37,5%
	Δ margin %	0,1%	1,9%	5,5%		1,6%

# Financials 2020

## Income statement (continued)

EUR million	2020	2019	change	change	fx adj. change
<b>Operating EBITA</b>	<b>254</b>	<b>225</b>	<b>29</b>	<b>13%</b>	<b>16%</b>
Recurring net finance costs	(26)	(27)	1		
Recurring income tax expenses	(49)	(42)	(7)		
<b>Net result before amortisation and non-recurring items</b>	<b>178</b>	<b>156</b>	<b>22</b>	<b>14%</b>	<b>19%</b>
Amortisation of intangible assets	(57)	(44)	(13)		
Tax credits related to amortisation	5	3	2		
Non-recurring income and expenses	(5)	(5)	(0)		
Non-recurring tax expenses	-	(2)	2		
<b>Result for the period</b>	<b>121</b>	<b>108</b>	<b>13</b>	<b>12%</b>	<b>16%</b>



# Financials 2020

## Net finance costs

EUR million

	2020	2019	change
Interest costs financing structure	(16,9)	(19,7)	2,8
Interest exp. Lease liabilities (IFRS 16)	(2,7)	(2,7)	-
Amortisation of finance costs	(0,6)	(0,6)	-
Changes deferred considerations	2,0	(0,4)	2,4
Interest costs re employee benefits	(0,4)	(0,6)	0,2
Currency exchange results	(7,5)	(2,8)	(4,7)
<b>Net finance costs</b>	<b>(26,1)</b>	<b>(26,8)</b>	<b>0,7</b>

# Financials 2020

## Income tax expenses

EUR million

	2020	2019	change
Regular income tax expenses	(48,0)	(43,0)	(5,0)
Adjustments for prior years	(1,5)	0,2	(1,7)
Reduction in tax rates	(0,2)	0,4	(0,6)
(De-) recognition tax losses	0,3	0,6	(0,3)
Tax credits related to amortisation	4,6	2,6	2,0
Non-recurring tax expenses	-	(2,1)	2,1
<b>Income tax expenses</b>	<b>(44,8)</b>	<b>(41,3)</b>	<b>(3,5)</b>

# Financials 2020

## Cash EPS - proposed dividend

EUR million

	2020	2019	change	change
<b>Result for the year</b>	<b>121</b>	<b>108</b>	<b>13</b>	<b>12%</b>
Amortisation of intangible assets	57	44		
Tax credits related to amortisation	(5)	(3)		
<b>Cash earnings</b>	<b>173</b>	<b>149</b>	<b>23</b>	<b>16%</b>
Weighted average number of share (x milion)	53,7	52,4		
<b>Cash earnings per share (weighted) in EUR</b>	<b>3,22</b>	<b>2,85</b>	<b>0,37</b>	<b>13%</b>
<b>Proposed cash dividend per share</b>	<b>1,02</b>	<b>0,90</b>	<b>0,12</b>	<b>13%</b>
Proposed dividend payment (x EUR milion)	58	47		
Proposed pay out ratio	34%	32%		

# Financials 2020

## Balance Sheet

EUR million

	31 December 2020	31 December 2019	change
Property, plant and equipment	27	29	(2)
Right-of-use assets	68	61	7
Intangible assets	1.567	1.141	426
Other fin. assets/def tax assets	44	40	4
Working capital	443	436	7
Provisions/employee benefits	(34)	(28)	(6)
Deferred tax liabilities	(118)	(77)	(40)
<b>Capital employed</b>	<b>1.997</b>	<b>1.602</b>	<b>395</b>
Equity	1.258	867	391
<i>Equity in % of capital employed</i>	63%	54%	
Loans and borrowings minus cash	739	735	4
<b>Total financing</b>	<b>1.997</b>	<b>1.602</b>	<b>395</b>



# Financials 2020

## Working capital

EUR million

	31 December 2020	31 December 2019	change
Inventories	371	377	(6)
<i>in days of revenue *</i>	46	49	(3)
Trade and other receivables	464	435	30
<i>in days of revenue *</i>	58	56	1
Trade payables	(292)	(280)	(12)
<i>in days of revenue *</i>	(36)	(36)	0
Other payables	(100)	(96)	(4)
<i>in days of revenue *</i>	(13)	(12)	(0)
<b>Total working capital</b>	<b>443</b>	<b>436</b>	<b>7</b>
<i>in days of revenue *</i>	55	56	1

\* revenue normalised for full year impact acquisitions

# Financials 2020

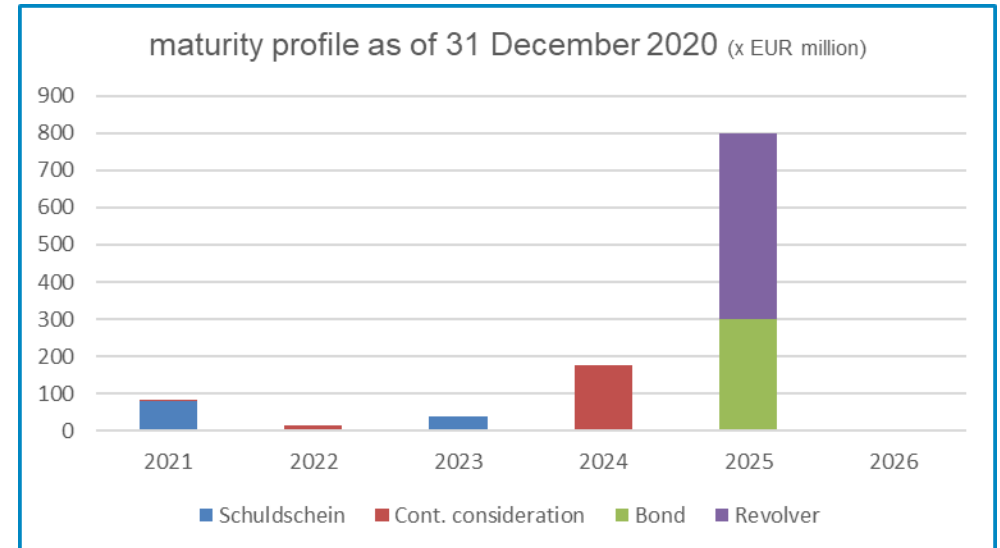
## Net debt

EUR million	2020	2019	change
Loans and borrowings long term	587	566	22
Loans and borrowings short term	80		80
Short term financial liabilities	241	274	(33)
Cash and cash equivalents	(169)	(104)	(65)
<b>Net Debt</b>	<b>739</b>	<b>735</b>	<b>4</b>
<b>Net Debt / Operating EBITDA ratio<sup>1</sup></b>	<b>2,3</b>	<b>2,8</b>	<b>(0,5)</b>

## Covenants

	December 2020	Bank condition	December 2019
Leverage	1,6		2,6
- Schuldschein		< 3.50	
- revolving credit facility		< 3.75	
Interest cover	17,3	> 4.0	12,1

<sup>1</sup>Including full year impact of acquisitions



# Financials 2020

## Free cash flow

EUR million	2020	2019	change
<b>Operating EBITA</b>	<b>254</b>	<b>225</b>	<b>29</b>
Depreciation	26	22	4
<b>Operating EBITDA</b>	<b>279</b>	<b>247</b>	<b>32</b>
Lease payments	(26)	(22)	(4)
Share based payments	5	3	2
<b>Adjusted Operating EBITDA</b>	<b>258</b>	<b>228</b>	<b>30</b>
Capex	(7)	(5)	(1)
Δ Working capital <sup>1</sup>	31	(1)	31
<b>Free cash flow</b>	<b>282</b>	<b>222</b>	<b>60</b>
<i>Cash conversion ratio<sup>2</sup></i>	<i>109,3%</i>	<i>97,4%</i>	<i>11,9%</i>

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

<sup>2</sup> 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 relationships and the timing, scope and impact of acquisitions. MCD'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.

Despite the impact of the COVID-19 pandemic on current economic situation, IMCD delivered strong results in 2020. Unfortunately, with the large global numbers of COVID-19 infections, the uncertainty about the duration of the COVID-19 crisis and its impact on the global economy continues. Nevertheless, IMCD is a strong, resilient and well diversified business with a robust liquidity position and capital structure.

IMCD sees interesting opportunities to further increase its global footprint and expand its product portfolio both organically and by acquisitions in 2021.

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