

One company. Endless possibilities

CONFERENCE CALL
Full Year 2022 results
24 February 2023

Presenting team



Piet van der Slikke

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



Hans Kooijmans

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

Company
profile

Highlights
2022

Financials
2022

Outlook

Q&A

Profile

IMCD is a market leader in the sales, marketing and distribution of speciality chemicals and ingredients.

Highlights:

- Formulatory and solutions provider
- Comprehensive and complementary product portfolio
- Multi-territory distribution management in EMEA, Asia-Pacific and Americas
- Headquartered in Rotterdam, The Netherlands



Company
profile

Highlights
2022

Financials
2022

Outlook

Q&A

Highlights 2022

GROSS PROFIT

Gross profit growth of 37% to EUR 1,147 million (+31% on a constant currency basis)

OPERATING EBITA

Operating EBITA increase of 48% to EUR 555 million (+42% on a constant currency basis)

NET RESULT

Net result increase of 51% to EUR 313 million (+44% on a constant currency basis)

CASH EPS

Cash earnings per share increased by 46% to EUR 6.78 (2021: EUR 4.64)

DIVIDEND PROPOSAL

Dividend proposal of EUR 2.37 in cash per share (+46% compared to 2021: EUR 1.62)

Highlights 2022 – continued

M&A in 2022

- 11 acquisitions completed adding EUR 284 million revenues¹ and about 450 employees
- 1 acquisition signed in 2022 and expected to close in Q1 2023
- Acquisitions EMEA :
 - Polychem (Austria/Southeast Europe) – Coatings, construction and composites (February 2022)
 - Evenlode Foods (UK) – Food and beverage ingredients (March 2022)
- Acquisitions America's:
 - Polyorganic (Brazil) – HI&I water treatment and other industrial (March 2022)
 - Quelaris (LATAM) – Polyurethane, coatings, adhesives and rubber (March 2022)
 - Promaplast (Mexico/US) – resins and compounds (September 2022)

¹revenue based on last full year before acquisition

Highlights 2022 – continued

M&A in 2022 - continued

- Acquisitions Asia Pacific:
 - Syntec (China) – Personal care, cosmetics and home care (January 2022)
 - RPL (Australia/NZ) – Home care and water treatment (January 2022)
 - Aquatech (China) – Coatings, ink and textile (February 2022)
 - Kuni (Japan) – Coatings, construction, automotive and packaging (September 2022)
 - Welex (China) – Coatings, ink, textile, additives and agrochemicals (December 2022)
 - Parkash (India) – Coatings, construction, personal care and advanced materials (December 2022)
- Sanrise (China) – Personal care (signed October 2022, closing expected in Q1 2023)

Company
profile

Highlights
2022

Financials
2022

Outlook

Q&A

Financials 2022

Income statement

EUR million	2022	2021	change	change	fx adj. change
Revenue	4.602	3.435	1.166	34%	28%
Gross profit	1.147	836	311	37%	31%
<i>Gross profit in % of revenue</i>	24,9%	24,3%	0,6%		
Operating EBITDA	585	401	184	46%	40%
<i>Operating EBITDA in % of revenue</i>	12,7%	11,7%			
Operating EBITA¹	555	374	181	48%	42%
<i>Operating EBITA in % of revenue</i>	12,0%	10,9%	1,1%		
<i>Conversion ratio²</i>	48,3%	44,7%	3,6%		

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

² Operating EBITA in percentage of Gross profit

Financials 2022

Income statement

EUR million		EMEA	Americas	Asia Pacific	Holding companies	Total
Gross profit	2022	530	383	235		1.147
	2021	412	250	174		836
	Δ reported	29%	53%	35%		37%
	Δ constant currency	30%	35%	29%		31%
Operating EBITA	2022	247	195	145	(32)	555
	2021	180	113	110	(29)	374
	Δ reported	37%	73%	32%	(9%)	48%
	Δ constant currency	39%	52%	26%	(7%)	42%
Operating EBITA in % of revenue	2022	12,3%	12,2%	14,5%	(0,7%)	12,0%
	2021	11,3%	10,1%	15,4%	(0,9%)	10,9%
	Δ margin %	1,0%	2,1%	(0,9%)	0,2%	1,1%
Conversion margin	2022	46,5%	50,9%	61,8%		48,3%
<i>operating EBITA in % of gross profit</i>	2021	43,8%	45,1%	63,0%		44,7%
	Δ margin %	2,7%	5,8%	(1,2%)		3,6%

Financials 2022

Income statement (continued)

EUR million	2022	2021	change	change	fx adj. change
Operating EBITA	555	374	181	48%	42%
Net finance costs	(26)	(22)	(4)		
Recurring income tax expenses	(133)	(86)	(47)		
Net result before amortisation and non-recurring items	395	266	129	49%	43%
Amortisation of intangible assets	(82)	(65)	(16)		
Tax credits related to amortisation	9	9	-		
Non-recurring income and expenses	(11)	(3)	(8)		
Non-recurring tax expenses	2	1	1		
Result for the period	313	207	106	51%	44%

Financials 2022

Net finance costs

EUR million

	2022	2021	change
Interest costs financing structure	(21)	(13)	(8)
Interest exp. Lease liabilities (IFRS 16)	(3)	(3)	-
Amortisation of finance costs	(1)	(1)	(0)
Changes deferred considerations	7	(1)	8
Interest costs re employee benefits	(0)	(0)	0
Currency exchange results	(8)	(4)	(4)
Net finance costs	(26)	(22)	(4)

Financials 2022

Income tax expenses

EUR million	2022	2021	change
Regular income tax expenses	(130)	(85)	(45)
Adjustments for prior years	(4)	(1)	(3)
Reduction in tax rates	0	0	0
(De-) recognition tax losses	0	(0)	1
Tax credits related to amortisation	9	9	-
Non-recurring tax income	2	1	1
Income tax expenses	(123)	(77)	(46)

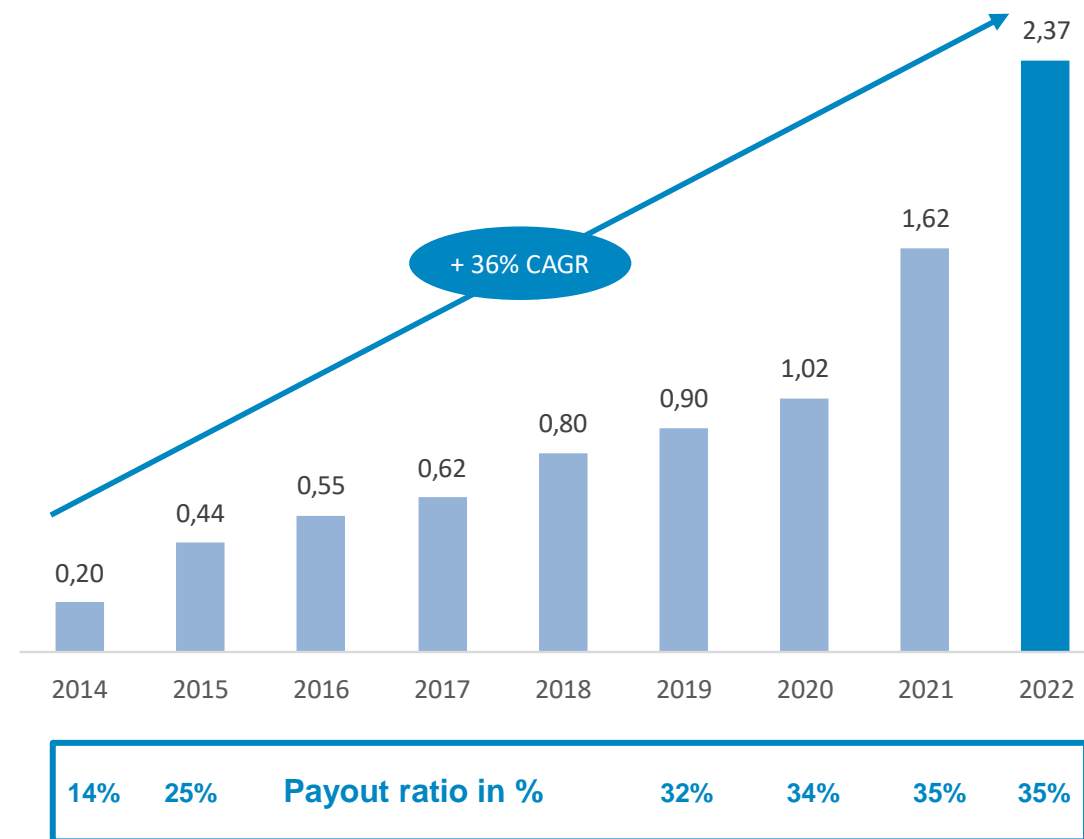
Income tax %

EUR million	2022	2021	change
Operating EBITA minus non recurring and finance costs	517	349	
Regular income tax expenses	130	85	
Regular income tax %	25,2%	24,3%	0,9%

Financials 2022

Cash EPS - proposed dividend

EUR million	2022	2021	change
Result for the year	313	207	51%
Amortisation of intangible assets	82	65	
Tax credits related to amortisation	(9)	(9)	
Cash earnings	386	264	46%
Weighted average number of share (x million)	56,9	56,9	
Cash earnings per share in EUR	6.78	4.64	46%
Proposed cash dividend per share in EUR	2.37	1.62	46%
Pay out ratio	35%	35%	



Financials 2022

Balance Sheet

EUR million

	31 Dec 2022	31 Dec 2021	change
Property, plant and equipment	30	29	2
Right-of-use assets	83	69	14
Intangible assets	1.941	1.808	133
Other fin. assets/def tax assets	43	41	2
Working capital	770	612	158
Provisions/employee benefits	(36)	(36)	(0)
Deferred tax liabilities	(131)	(122)	(9)
Capital employed	2.700	2.401	299
Equity	1.673	1.461	212
<i>Equity in % of capital employed</i>	62%	61%	
Loans and borrowings minus cash	1.027	940	87
Total financing	2.700	2.401	299

Financials 2022

Working capital

EUR million	31 Dec 2022	31 Dec 2021	change
Inventories	622	526	96
<i>in days of revenue ¹</i>	48	54	(6)
Trade and other receivables	702	619	83
<i>in days of revenue ¹</i>	54	63	(9)
Trade payables	(389)	(403)	14
<i>in days of revenue ¹</i>	30	41	(11)
Other payables	(165)	(130)	(35)
<i>in days of revenue ¹</i>	13	13	0
Total working capital	770	612	158
<i>in days of revenue ²</i>	59	63	(4)

Financials 2022

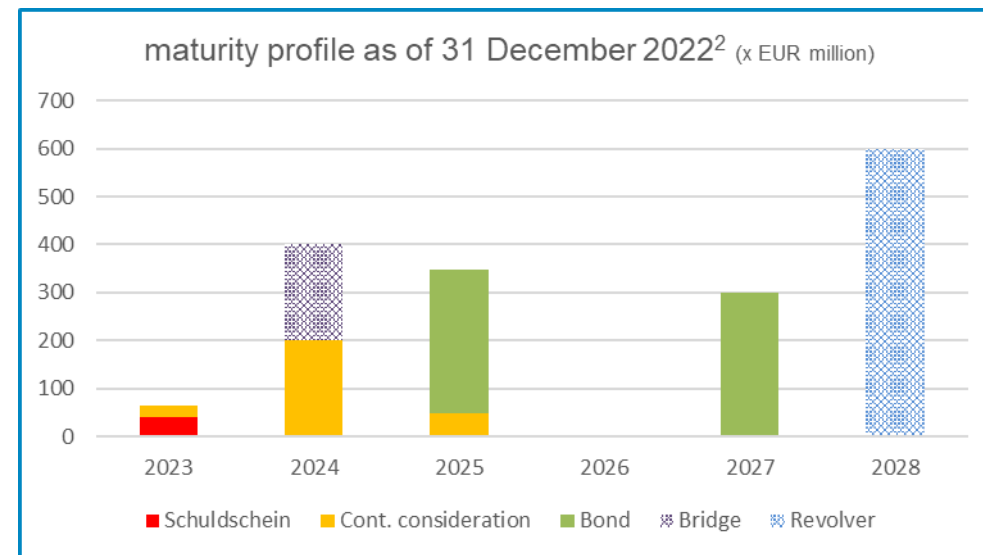
Net debt 31 December

EUR million	2022	2021	change
Loans and borrowings long term	913	667	246
Loans and borrowings short term	40		40
Short term financial liabilities	296	451	(155)
Cash and cash equivalents	(222)	(178)	(44)
Net Debt	1.027	940	87
Net Debt / Operating EBITDA ratio¹	1.7	2.3	(0.6)

Covenants	December 2022	Bank condition	December 2021
Leverage	1.2		1.5
- Schuldschein		< 3.50	
- revolving credit facility		< 3.75	
Interest cover	26.5	> 4.0	29.1

¹ Including full year impact of acquisitions

² Including impact of refinancing of revolving credit facility completed in February 2023



Financials 2022

Free cash flow

EUR million

	2022	2021	change
Operating EBITA	555	374	181
Depreciation	30	27	3
Operating EBITDA	585	401	184
Lease payments	(24)	(22)	(1)
Share based payments	4	5	(1)
Adjusted Operating EBITDA	565	384	181
Capex	(8)	(5)	(3)
Δ Working capital ¹	(123)	(100)	(23)
Free cash flow	435	279	156
<i>Cash conversion ratio²</i>	76,9%	72,6%	4,3%

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

² Free cash flow in percentage of Operating EBITDA

Company
profile

Highlights
2022

Financials
2022

Outlook

Q&A

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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.

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.

Despite the difficult geopolitical and macroeconomic conditions, including increased volatility in the customer demand, supply chain disruptions, shortages of materials and steep price increases, IMCD delivered unprecedented results in 2022. IMCD proves to be 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.

Company
profile

Highlights
2022

Financials
2022

Outlook

Q&A

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.

This presentation does not provide any form of (commercial, investment or financial service) advice, nor does it contain recommendations regarding any decision, and should not be treated as such.

More information on IMCD's 2022 FY performance can be found in the 2022 FY results press release. In addition, an overview of the risk categories and risk factors that could adversely affect IMCD's business and financial performance can be found in its Annual Report 2022, which is available on its corporate website: www.imcdgroup.com.

Our ambition is to exceed your expectations.

We deliver what we promise.

www.imcdgroup.com

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