



IMCD reports 13% higher EBITA in the first nine months of 2014

ROTTERDAM, The Netherlands (13 November 2014) - IMCD N.V. ("IMCD" or "Company"), a leading international speciality chemicals-focused distributor, today announces the first nine months results.

Highlights

- Revenue increase of 12% to EUR 1,041.4 million (+14% on a constant currency basis)
- Gross profit growth of 11% to EUR 219.7 (+13% on a constant currency basis)
- Operating EBITA increase of 13% to EUR 82.5 million (+15% on a constant currency basis)
- Net debt at EUR 278 million after refinancing with proceeds of IPO and healthy cash flow growth (+22% compared to same period 2013)
- Acquisition of Danasia, Inc. in the Philippines as per September 29, 2014
- IMCD shares listed on the Amsterdam Stock Exchange as per June 27, 2014

Outlook

- Full year 2014 EBITA growth of approximately 10%

Piet van der Slikke, CEO, commented: *"I am pleased with the year to date results. They underline our strategy of achieving organic growth through expanding our supplier base and product portfolio on a continuous basis. And the acquisition of Danasia will provide a platform to expand our activities in the Philippines. I am confident that overall 2014 will be a strong year for IMCD."*

Key figures

EUR million	Jan. 1 - Sept. 30 2014	Jan. 1 - Sept. 30 2013	Change
Revenue	1,041.4	929.8	12%
Gross profit	219.7	197.4	11%
Gross profit in % of revenue	21.1%	21.2%	
Operating EBITA ¹	82.5	73.2	13%
Operating EBITA margin ²	7.9%	7.9%	
Conversion ratio ³	37.6%	37.1%	
Free cash flow ⁴	55.4	45.2	22%
Cash conversion ratio ⁵	65.5%	60.4%	
Net Profit before amortisation / non recurring items	35.1	16.8	109%
Number of full time employees end of period	1,521	1,438	6%

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

² Operating EBITA in percentage of Revenue

³ Operating EBITA in percentage of Gross profit

⁴ Operating EBITDA plus/less changes in working capital less capital expenditures, adjusted for payables related to IPO cost

⁵ Free cash flow in percentage of Operating EBITDA





First nine months results 2014

Revenue

Revenue increased by EUR 111.5 million to EUR 1,041.4 million, an increase of 12%. On a constant currency basis revenue increase was 14% (EUR 128.8 million). The full year impact of all acquisitions concluded in 2013 is reflected in the first nine months 2014 figures. All regions contributed to the growth.

Gross profit

Gross profit increased by EUR 22.3 million to EUR 219.7 million, an increase of 11%. On a constant currency basis, gross profit increased by 13%. The gross profit margin remained relatively stable at 21.1% compared to 21.2% in 2013. Gross profit margins were positively impacted by product mix changes and the expansion of the supplier base. Furthermore there was an impact of the acquisitions that were done in 2013 and by the depreciation of certain non-Euro currencies resulting in competitive pressure in local markets.

Operating EBITA

Operating EBITA increased by 13% to EUR 82.5 million. On a constant currency basis, EBITA increased by EUR 11.0 million or 15%. The operating EBITA margin remained at 7.9%.

Cash flow and capital expenditure

Free cash flow was EUR 55.4 compared to EUR 45.2 million in the first nine months of 2013. The cash conversion ratio improved from 60.4% to 65.5%, mainly driven by the growth in operating EBITA and relatively stable working capital positions despite the 12% increase in revenues.

The investment in working capital (sum of inventories, trade and other receivables minus trade and other payables excluding IPO related cost accruals and M&A) in the first nine months of 2014 was EUR 27.5 million compared to EUR 27.1 million in the first nine months of 2013. Continuous focus on working capital management resulted in a slight reduction of the average working capital days at the end of this quarter.

As a consequence of the asset light business model, the relatively low capital expenditure hardly influenced the cash conversion ratio. Capital expenditure in the first nine months of 2014 was EUR 1.7 million compared to EUR 2.6 million in the same period of 2013.

Net debt

Net debt was EUR 278.0 million at the end of September 2014, compared to EUR 823.5 million as per year-end 2013. The movement in net debt mainly relates to the contribution of shareholder loans to the company's paid-in capital, the refinancing of the senior loan facilities with the proceeds of the IPO and the cash flow generated in the first nine months of the year.





Developments by region

Europe

EUR million	Jan. 1 - Sept. 30 2014	Jan. 1 - Sept. 30 2013	change	change	Fx adj. ¹ change
Revenue	744.6	694.6	50.0	7%	7%
Gross profit	164.8	150.6	14.2	9%	9%
<i>Gross profit in % of Revenue</i>	22.1%	21.7%	0.4%		
Operating EBITA	65.1	54.8	10.3	19%	18%
<i>Operating EBITA in % of revenue</i>	8.7%	7.9%	0.9%		

¹ Change on a constant currency basis

The European activities showed a strong performance in the first nine months of 2014. Generally demand was good, in particular in the industrial market segments. Revenue growth of 7% combined with gross margin improvement of 0.4%, resulted in an EBITA growth of 19% and an EBITA margin of 8.7% (2013: 7.9%). Achieved growth is organic. This growth was realized despite current economic conditions in Europe and is a reflection of the strong position of IMCD in the various countries and markets and the ability to expand the product portfolio and supplier base.

Asia Pacific

EUR million	Jan. 1 - Sept. 30 2014	Jan. 1 - Sept. 30 2013	change	change	Fx adj. change
Revenue	212.0	185.0	27.0	15%	25%
Gross profit	36.6	35.0	1.7	5%	14%
<i>Gross profit in % of Revenue</i>	17.3%	18.9%	-1.6%		
Operating EBITA	17.4	19.1	-1.7	-9%	0%
<i>Operating EBITA in % of revenue</i>	8.2%	10.3%	-2.1%		

Notwithstanding revenue growth in Asia Pacific of 15%, operating EBITA decreased by 9%. On a constant currency basis operating EBITA was in line with last year. The nine months' results include a positive effect from acquisitions in 2013, but were negatively impacted by the strong depreciation of most non-Euro currencies versus the Euro and the US dollar in the first half of 2014. The depreciation also resulted in competitive pressure. Furthermore, the general economic conditions in certain of our key markets, in particular Australia, remain unfavorable.

At the end of September, IMCD acquired the shares of Danasia, Inc., a distributor of leading brands of food and industrial ingredients in the Philippines. In 2013 Danasia generated sales of approximately EUR 7 million with 22 staff.





Other Emerging Markets

EUR million	Jan. 1 - Sept. 30 2014	Jan. 1 - Sept. 30 2013	change	change	Fx adj. change
Revenue	84.8	50.3	34.5	69%	94%
Gross profit	18.2	11.8	6.4	54%	78%
<i>Gross profit in % of Revenue</i>	21.5%	23.5%	-2.0%		
Operating EBITA	6.7	4.6	2.1	46%	69%
<i>Operating EBITA in % of revenue</i>	7.9%	9.1%	-1.2%		

Other Emerging Markets representing operations in Turkey, South Africa and Brazil showed revenue growth of 94% and operating EBITA growth of 69% on a constant currency basis and reflects both organic growth and the impact of acquisitions in Brazil and South Africa in 2013. Next to significant negative currency rate developments, the acquisition of the Brazilian operations had a dilutive impact on the gross margin percentage. In accordance with our strategy we are now focusing on the alignment and optimization of the Brazilian and South African operations.

Holding companies

EUR million	Jan. 1 - Sept. 30 2014	Jan. 1 - Sept. 30 2013	change	change	Fx adj. Change
Operating EBITA	-6.7	-5.2	-1.4	-28%	-28%

Holding companies relate to all non-operating companies, including the head office in Rotterdam and the regional office in Singapore. The increase in operating expenses in the first nine months of 2014 reflects the growth of IMCD and as a consequence the need to strengthen the support functions both in Rotterdam and Singapore.

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 changes in 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 relations and the timing, scope and impact of acquisitions.

Many factors therefore determine future developments and require caution when looking ahead.

Based on the results of the first nine months of 2014, the continuous focus on improving the business proposition to suppliers and customers and based on the assumption that market conditions, including currencies, will not significantly change in the remainder of the year, management expects EBITA growth of approximately 10% for the full year 2014.





Financial Agenda

2015

11 March 2015	Publication of annual 2014 results
29 April 2015	First Quarter 2015 Trading Update
29 April 2015	Annual General Meeting
14 August 2015	Publication of first half year results 2015
11 November 2015	Third Quarter 2015 Trading Update

About IMCD

With a passion for excellence, extensive industry knowledge and a commitment to creating value through expertise, IMCD is a market-leader in the sales, marketing and distribution of specialty chemicals and food ingredients. Its dedicated local experts provide market-focused solutions across Europe, Africa, Asia-Pacific and in Brazil, with business units offering a range of comprehensive product portfolios, including innovative formulations that embrace industry trends.

Listed at Euronext Amsterdam (IMCD.AS), IMCD realized revenues of €1.2 billion in 2013. Its dedicated team of more than 1,400 technical and commercial experts work in close partnership to tailor best in class solutions for around 27,000 customers and suppliers in more than 30 countries on five continents (www.imcdgroup.com).

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Risk assessment

In the prospectus issued by IMCD N.V. on 16 June 2014 in connection with the listing of its shares on Euronext Amsterdam, 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 report. The prospectus is available on IMCD's website.

Disclaimer forward looking statements

This press release contains 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 press release to reflect subsequent events or circumstances, except as required by law.

