

IMCD reports 9% EBITA growth in the first three months of 2017

Rotterdam, The Netherlands (10 May 2017) - IMCD N.V. ("IMCD" or "Company"), a leading distributor of speciality chemicals and food ingredients, today announces its first three months 2017 results.

Highlights

- Gross profit growth of 11% to EUR 106.4 million (+9% on a constant currency basis)
- Operating EBITA increase of 9% to EUR 42.7 million (+8% on a constant currency basis)
- Net result before amortisation and non-recurring items increase of 11% to EUR 29.4 million (+8% on a constant currency basis)
- Cash earnings per share increased by 12% to EUR 0.56

Piet van der Slikke, CEO: *"The year started very well with an EBITA growth of 9%, strong free cash flow and an increase of cash earnings per share of 12%. In particular EMEA outperformed with 14% EBITA growth. The results in Asia-Pacific were in line with expectations whereas the Americas were disappointing, mainly because Brazil underperformed versus a strong Q1 2016. Overall, we are optimistic and expect another year of growth of our results."*

Key figures

EUR million	Jan. 1 - March 31 2017	Jan. 1 - March 31 2016	Change	Change	Fx adj. Change
Revenue	469.7	436.0	33.7	8%	5%
Gross profit	106.4	96.0	10.4	11%	9%
Gross profit in % of revenue	22.7%	22.0%	0.7%		
Operating EBITA ¹	42.7	39.1	3.6	9%	8%
Operating EBITA in % of revenue	9.1%	9.0%	0.1%		
Conversion margin ²	40.1%	40.8%	(0.7%)		
Net result before amortisation / non-recurring items	29.4	26.5	2.9	11%	8%
Free cash flow ³	43.3	32.7	10.6	33%	
Cash conversion margin ⁴	98.6%	81.5%	17.1%		
Earnings per share (weighted)	0.42	0.37	0.05	14%	12%
Cash earnings per share (weighted) ⁵	0.56	0.50	0.06	12%	9%
Number of full time employees end of period	1,874	1,772	102	6%	

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

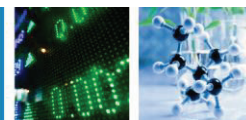
² Operating EBITA in percentage of Gross profit

³ Operating EBITDA excluding non cash share based payment expenses, plus/less changes in working capital less capital expenditures

⁴ Free cash flow in percentage of Operating EBITDA

⁵ Result for the year before amortisation (net of tax)





Revenue

In the first three months of 2017, revenue was EUR 469.7 million, an increase of 8% compared to the same period in 2016. All regions contributed to the increase. On a constant currency basis, the increase in revenue was 5%, consisting of organic growth (3%) and the first time inclusion of acquired companies (2%).

Gross profit

Gross profit, defined as revenue less cost of materials and inbound logistics, increased from EUR 96.0 million to EUR 106.4 million in 2017, an increase of 11% compared to the first three months of 2016. On a constant currency basis, the gross profit growth was 9%, consisting of organic growth of 6% and growth as a result of the first time inclusion of acquisitions of 3%.

Gross profit in % of revenue increased from 22.0% in the first three months of 2016 to 22.7% in 2017. This increase is the result of the first time inclusion of acquired companies, local market circumstances, currency exchange rate movements and the usual fluctuations in the product mix.

Operating EBITA

In the first three months of 2017 operating EBITA was EUR 42.7 million, an increase of 9% compared to the first three months of 2016. On a constant currency basis the increase is 8%.

The growth in operating EBITA was a combination of organic growth, the first time inclusion of acquired companies and a positive impact of currency exchange differences. The operating EBITA in % of revenue increased from 9.0% in the first three months of 2016 to 9.1% in 2017.

The conversion margin, defined as operating EBITA as a percentage of gross profit, decreased by 0.7%-point from 40.8% in the first three months of 2016 to 40.1% in 2017.

Cash flow and capital expenditure

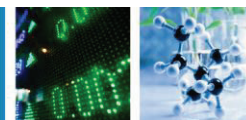
Compared to the first three months of 2016, free cash flow increased by 33%, from EUR 32.7 million to EUR 43.3 million. The cash conversion margin, defined as free cash flow as a percentage of operating EBITDA, was 98.6% compared to 81.5% in the first three months of 2016. The improvement of the free cash flow and cash conversion margin in 2017 were driven by a combination of higher operating EBITDA and lower working capital investments.

The investment in working capital (sum of inventories, trade and other receivables minus trade and other payables) in the first three months of 2017 was EUR 0.5 million compared to EUR 7.0 million in the first three months of 2016.

Capital expenditure was EUR 0.6 million in 2017 compared to EUR 0.8 million in the first three months of 2016 and mainly relates to investments in the ICT infrastructure, office furniture and equipment.

Net debt

As at 31 March 2017, net debt was EUR 361.1 million compared to EUR 397.6 million at year end 2016. The leverage ratio (net debt/operating EBITDA ratio including full year impact of acquisitions) as at the end of March 2017 was 2.3 (31 December 2016: 2.6). Calculated on the basis of the definitions used in the IMCD loan documentation, the leverage ratio at the end of March 2017 was 2.3 (31 December 2016: 2.3) which is well below the required maximum of 3.5.



Developments by operating segment

The reporting segments are defined as follows:

- EMEA: all operating companies in Europe, Turkey and Africa
- Asia Pacific: all operating companies in Australia, New Zealand, India, China, Malaysia, Indonesia, Philippines, Thailand, Singapore, Vietnam and Japan
- Americas: all operating companies in the United States of America, Brazil and Puerto Rico
- Holding companies: all non-operating companies, including the head office in Rotterdam and the regional offices in Singapore and New Jersey, USA

The developments in the first three months of 2017 by operating segments are as follows.

EMEA

EUR million	Jan. 1 - March 31 2017	Jan. 1 - March 31 2016	Change	Change	Fx adj. change
Revenue	292.4	273.1	19.3	7%	8%
Gross profit	70.9	64.8	6.0	9%	10%
Gross profit in % of revenue	24.2%	23.7%	0.5%		
Operating EBITA	30.7	26.9	3.8	14%	16%
Operating EBITA in % of revenue	10.5%	9.9%	0.6%		

Revenue growth was 7% in the first three months of 2017 compared to the same period of 2016 (+8% on a constant currency basis). Gross profit increased by 9% (+10% on a constant currency basis) whereby gross profit margin improved by 0.5%-point to 24.2%.

Operating EBITA growth of 14% from EUR 26.9 million in the first three months of 2016 to EUR 30.7 million in 2017. On a constant currency basis, the growth of the operating EBITA was 16%. Operating EBITA in % of revenue increased by 0.6%-point in the first three months of 2017 compared to the same period in 2016.

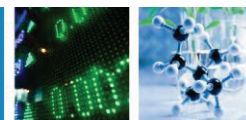
Feza Kemya, acquired in December 2016, has been successfully integrated into the existing IMCD Turkey operations in Q1 2017.

Asia Pacific

EUR million	Jan. 1 - March 31 2017	Jan. 1 - March 31 2016	Change	Change	Fx adj. change
Revenue	82.2	77.2	5.0	7%	1%
Gross profit	16.8	14.3	2.4	17%	12%
Gross profit in % of revenue	20.4%	18.6%	1.8%		
Operating EBITA	7.5	6.8	0.7	10%	5%
Operating EBITA in % of revenue	9.1%	8.8%	0.3%		

In the first three months of 2017 organic revenue growth was 7% (+1% on a constant currency basis). Driven by a 1.8%-point higher gross profit margin, in the first three months of 2017 gross profit increased by 17% to EUR 16.8 million compared to EUR 14.3 million in the same period of 2016 (+12% on a constant currency basis).

Operating EBITA increased by 10% to EUR 7.5 million (+5% on a constant currency basis).



Americas

EUR million	Jan. 1 - March 31 2017	Jan. 1 - March 31 2016	Change	Change	Fx adj. change
Revenue	95.1	85.7	9.4	11%	2%
Gross profit	18.8	16.8	2.0	12%	2%
Gross profit in % of revenue	19.8%	19.6%	0.2%		
Operating EBITA	8.0	8.6	(0.6)	(7%)	(14%)
Operating EBITA in % of revenue	8.4%	10.0%	(1.6%)		

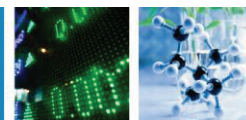
Revenue growth was 11% in the first three months of 2017 compared to the same period of 2016 (+2% on a constant currency basis). Gross profit increased by 12% to EUR 18.8 million in 2017 compared to EUR 16.8 million in the first three months of 2016. Gross profit margin improved by 0.2%-point to 19.8% in 2017.

Operating EBITA decreased by 7% from EUR 8.6 million in the first three months of 2016 to EUR 8.0 million in 2017 (-14% on a constant currency basis).

Holding companies

EUR million	Jan. 1 - March 31 2017	Jan. 1 - March 31 2016	Change	Change	Fx adj. change
Operating EBITA	(3.4)	(3.2)	(0.2)	(7%)	(6%)

Operating EBITA of Holding companies represents the central head office in Rotterdam as well as in the regional head offices in Singapore and in New Jersey, USA.



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 relations 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 its product portfolio both organically and by acquisitions.

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

Financial calendar

10 May 2017	Annual General Meeting Dividend announcement
12 May 2017	Ex-dividend date
15 May 2017	Record date
16 May 2017	Payment date
25 August 2017	First half year 2017 results
8 November 2017	Third quarter 2017 trading update
7 March 2018	Full year 2017 results
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Further information

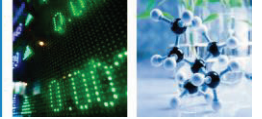
Today's analysts call will start at 9 am CET. A recording of this call will be made available on the IMCD website (www.imcdgroup.com).

About IMCD

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 EUR 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



Disclaimer forward looking statements

This press release 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 press release 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 release.

This press release contains inside information as meant in clause 7 of the Market Abuse Regulation.

