

IMCD reports 15% EBITA growth in 2016

Rotterdam, The Netherlands (8 March 2017) - IMCD N.V. ("IMCD" or "Company"), a leading distributor of speciality chemicals and food ingredients, today announces its full year 2016 results.

Highlights

- Revenue growth of 12% to EUR 1,714.5 million (+14% on a constant currency basis)
- Gross profit growth of 15% to EUR 381.6 million (+18% on a constant currency basis)
- Operating EBITA increased by 15% to EUR 147.8 million (+18% on a constant currency basis)
- Net result before amortisation and non-recurring items of EUR 102.6 million (2015: EUR 87.2 million)
- Cash earnings per share increased by 12% to EUR 2.01 (2015: EUR 1.79)
- Dividend proposal of EUR 0.55 in cash per share (2015: EUR 0.44)

Piet van der Slikke, CEO: "We achieved another year of growth by consistently executing our long term strategy of developing the business by organic growth and by selected acquisitions. Our focus on technical expertise and operational excellence and the diversity of our product, market and geographical coverage, contributed to a continued growth of gross profit, EBITA and cash flow in 2016. We believe that our strong business model is well positioned to benefit from mega trends which favour the use of speciality chemicals and innovative food ingredients. For 2017, we are optimistic about our opportunities to further increase value for our business partners and shareholders."

Key figures

EUR million	2016	2015	Change	Change	Fx adj. change
Revenue	1,714.5	1,529.8	184.7	12%	14%
Gross profit	381.6	332.8	48.8	15%	18%
Gross profit in % of revenue	22.3%	21.8%	0.5%		
Operating EBITA ¹	147.8	128.3	19.5	15%	18%
Operating EBITA in % of revenue	8.6%	8.4%	0.2%		
Conversion margin ²	38.7%	38.5%	0.2%		
Net result before amortisation / non recurring items	102.6	87.2	15.5	18%	20%
Free cash flow ³	140.4	119.3	21.1	18%	
Cash conversion margin ⁴	92.3%	90.5%	1.8%		
Net debt / Operating EBITDA ratio ⁵	2.6	2.9	(0.3)	(10%)	
Earnings per share (weighted)	1.39	1.20	0.19	16%	23%
Cash earnings per share (weighted) ⁶	2.01	1.79	0.21	12%	14%
Proposed dividend per share	0.55	0.44	0.11	25%	
Number of full time employees end of period	1,863	1,746	117	7%	

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

² Operating EBITA in percentage of Gross profit

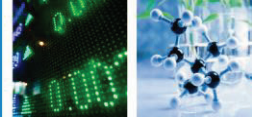
³ Operating EBITDA plus/less changes in working capital less capital expenditures

⁴ Free cash flow in percentage of Operating EBITDA

⁵ Including full year impact of acquisitions

⁶ Result for the year before amortisation (net of tax)





Revenue

Revenue increased from EUR 1,529.8 million to EUR 1,714.5 million, an increase of 12% compared to 2015. This increase was the balance of organic growth (3%), the first time inclusion of acquisitions (11%) and a negative contribution of foreign exchange differences (-2%).

Organic revenue growth of 3% was the balance of modest macroeconomic circumstances, a further strengthening of the product portfolio by adding new supplier relationships, expanding relations with existing suppliers and an increase of customer penetration by adding new products and selling more products to existing customers.

Acquisitions completed in 2015 and 2016 had a positive impact of EUR 170.7 million on 2016 revenue.

Gross profit

Gross profit, defined as revenue less cost of materials and inbound logistics, increased from EUR 332.8 million in 2015 to EUR 381.6 million in 2016, an increase of 15%. This increase was the balance of organic growth (6%), the first time inclusion of acquisitions (11%) and a negative contribution of foreign exchange differences (-2%).

Gross profit in % of revenue increased from 21.8% in 2015 to 22.3% in 2016. The gross profit in % of revenue improved in all regions. Gross profit margins showed the normal level of differences in margins per region, margins per product and margins per product market combination. Differences between regions are caused by local market circumstances, product mix, product availability and the impact of newly acquired businesses.

The increase of the gross profit % is the result of further optimisation of the product portfolio, the first time inclusion of acquired companies, local market circumstances, currency exchange rate impacts and the usual fluctuations in the product mix.

Operating EBITA

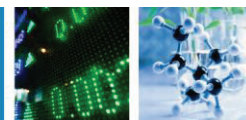
Operating EBITA increased by 15% to EUR 147.8 million compared to EUR 128.3 million in 2015 (+18% on a constant currency basis). The growth in operating EBITA of EUR 19.5 million was a combination of organic growth, the first time inclusion of acquisitions and a negative impact of exchange differences (EUR -3.3 million).

The operating EBITA in % of revenue increased from 8.4% in 2015 to 8.6% in 2016. The segments EMEA and Americas increased their EBITA margin in 2016 compared to 2015. In Asia-Pacific there was a little margin erosion amongst other things due to start-up costs of new activities in Thailand, Vietnam and Japan. The conversion margin, operating EBITA as a percentage of gross profit, further improved by 0.2% from 38.5% in 2015 to 38.7% in 2016.

Cash flow and capital expenditure

Free cash flow increased by 18% from EUR 119.3 million in 2015 to EUR 140.4 million in 2016. The cash conversion margin, defined as free cash flow as a percentage of operating EBITDA, improved by 1.8% to 92.3% in 2016, driven by further growth of operating EBITDA combined with lower investment in working capital.

IMCD's asset light business model resulted in relatively low capital expenditure compared to the size of the overall operations, amounting to EUR 5.2 million in 2016 compared to EUR 3.2 million in 2015. Capital



expenditure mainly related to investments in the ICT infrastructure, office furniture and technical, warehouse and office equipment.

Working capital

Working capital is defined as inventories, trade and other receivables less trade and other payables. As at the end of 2016 the absolute amount of working capital was EUR 248.4 million compared to EUR 227.8 million as at year end 2015. The increase of EUR 20.6 million is the result of a combination of increased business activity leading to higher working capital levels (EUR 4.8 million), impact of exchange rate differences on year end balance sheet positions (EUR 6.2 million), acquisitions (EUR 9.9 million) and other working capital movements (EUR -0.3 million). Monitoring working capital positions is a permanent focus of management attention and there are various processes and tools in place to optimise working capital requirements.

Net debt and equity

Net debt amounted to EUR 397.6 million at year end 2016, compared to EUR 437.5 million as at year end 2015. The decrease in net debt is predominantly the result of positive and healthy cash flows from operating activities, set off by cash outflows as a result of acquisition related payments and a dividend payment of EUR 23.1 million. Furthermore, net debt includes approximately EUR 61.5 million deferred contingent considerations related to acquisitions made, of which the majority was paid 1 March 2017.

In October 2016 an amendment to IMCD's EUR 500 million syndicated banking facilities was agreed. The amendment comprises an extension of the term of the existing credit facility by one year to 2021. Further, the amendment resulted in a reallocation of part of the term facilities into revolving facilities, resulting in a term facility of EUR 200 million (previously EUR 350 million) and a revolving facility of EUR 300 million (previously EUR 150 million). In addition, the amended terms include a fixed leverage covenant of 3.5 with an acquisition spike, whereby the leverage may be increased twice to 4.0 during the remaining life of the facilities.

Following the amendment of the syndicated banking facilities, a debt capital market issuance of EUR 100 million and USD 90 million with a tenor of 5 and 7 years was closed. The proceeds of this debt capital market issuance were used to repay revolving facilities.

The reported leverage ratio (net debt/operating EBITDA ratio including full year impact of acquisitions) as at the end of December 2016 was 2.6 times EBITDA (31 December 2015: 2.9). The leverage ratio calculated on the basis of the definitions used in the loan documentation was 2.3 times EBITDA (31 December 2015: 2.5) which is well below the defined maximum of 3.5 times EBITDA.

The equity attributable to the holders of ordinary shares increased by EUR 68.3 million to 722.1 million (31 December 2015: EUR 653.8 million). This increase mainly resulted from the addition of the net profit for the year of EUR 73.0 million and total other comprehensive income for the year of EUR 19.0 million, partially offset by dividend payments in cash of EUR 23.1 million in May 2016. The increase of equity resulted in a solid equity-to-assets ratio of 48.7% as at the end of 2016 (31 December 2015: 45.6%).

Result for the year

Result for the year increased by 18% to EUR 73.0 million (2015: EUR 61.8 million). The weighted earnings per share increased from EUR 1.20 in 2015 to EUR 1.39 in 2016 (+16%).

The net result before amortisation and non-recurring items increased from EUR 87.2 million in 2015 to EUR 102.6 million in 2016, mainly driven by the growth of the operational result. Weighted cash earnings per share,



calculated as net result before amortisation (net of tax), increased from EUR 1.79 in 2015 to EUR 2.01 in 2016 (+12%).

Dividend proposal

For 2016, a dividend of EUR 0.55 per share (2015: EUR 0.44) in cash will be proposed to the Annual General Meeting. Approval at the Annual General Meeting would result in IMCD paying EUR 28.9 million or 28% of the net 2016 result adjusted for (non-cash) amortisation charges, net of tax.

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, US

The developments in 2016 by operating segments are as follows.

EMEA

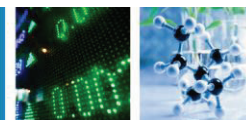
EUR million	2016	2015	Change	Change	Fx adj. change
Revenue	1,053.6	1,036.1	17.5	2%	4%
Gross profit	248.8	239.6	9.2	4%	7%
Gross profit in % of revenue	23.6%	23.1%	0.5%		
Operating EBITA	100.8	94.6	6.3	7%	10%
Operating EBITA in % of revenue	9.6%	9.1%	0.5%		
Conversion margin	40.5%	39.5%			

The operations in EMEA showed a fairly strong performance in 2016 despite modest macroeconomic market circumstances, uncertainty as a result of the upcoming Brexit and industry specific challenges. The steep depreciation of the Pound Sterling against the Euro created some additional headwinds.

Revenue grew by 2%, a combination of organic growth of 4% and the negative impact of exchange rate differences of minus 2%. In 2016 the impact of acquisitions was negligible as a result of size and timing of the 2016 acquisition in EMEA.

On 1 September 2016, IMCD acquired the business and certain assets of Chemicals and Solvents (EA) Ltd. (C&S) in Kenya. In 2015 C&S generated revenue of about EUR 5 million with 26 staff. Feza Kimya in Turkey was acquired in the second half of December 2016 and as a consequence contributed negligibly to the results in 2016. In 2015 Feza Kimya generated about EUR 8 million revenue with 23 staff.

Gross profit increased from EUR 239.6 million in 2015 to EUR 248.8 million in 2016, an increase of 4%. This increase was the balance of organic growth (7%) and a negative contribution of foreign exchange differences (-3%). Organic gross profit growth was a combination of adding new suppliers, further expansion of relationships with existing suppliers and the usual changes in the product and customer mix. Gross profit margin improved from 23.1% in 2015 to 23.6% in 2016, primarily as a result of changes in the product mix.



The operating EBITA increased by 7% to EUR 100.8 million. This growth is a combination of 10% organic growth and the negative impact of exchange rate differences of minus 3%. Operating EBITA in % of revenue rose from 9.1% in 2015 to 9.6% in 2016. The conversion margin further improved from 39.5% in 2015 to 40.5% in 2016. Gross profit margin improvement, combined with strict cost control were the main drivers of the increased conversion margin.

Asia Pacific

EUR million	2016	2015	Change	Change	Fx adj. change
Revenue	316.9	310.5	6.4	2%	3%
Gross profit	63.9	58.1	5.7	10%	11%
Gross profit in % of revenue	20.1%	18.7%	1.4%		
Operating EBITA	28.3	27.9	0.4	2%	3%
Operating EBITA in % of revenue	8.9%	9.0%	-0.1%		
Conversion margin	44.4%	48.0%			

In Asia-Pacific, market circumstances were characterised by volatile macroeconomic developments and substantial differences between the countries. Australia and New Zealand showed continued contraction of the manufacturing industry and modest GDP growth. The economies of Asia, in particularly China where IMCD has a relatively small position, continued to see slower growth momentum, nevertheless Asia remained the fastest growing region globally.

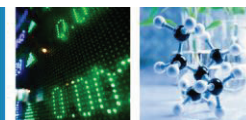
Notwithstanding the fact that more than 50% of its revenue in this region comes from Australia and New Zealand, IMCD realised a healthy gross profit growth of 10%. This growth was a combination of organic growth (10%), acquisition growth (1%) and the negative impact of exchange rate differences (-1%). The 1% acquisition growth was the full year impact of Kushalchand, India, acquired in April 2015.

Gross profit margin increased from 18.7% in 2015 to 20.1% in 2016. This increase was primarily due to a strong focus on margin improvement, a further rationalisation of the product portfolio and adding new supplier relationships.

In 2016 IMCD opened an office in Tokyo, Japan. This opening marks, after recent startups in Vietnam and Thailand, the latest of a succession of steps that IMCD has taken to invest and build up presence in Asia-Pacific.

The growth of operating EBITA of 2% from EUR 27.9 million in 2015 to EUR 28.3 million in 2016 was a combination of organic growth of 3% and a negative impact of exchange rate differences of minus 1%. More or less all growth was organic as the full year impact of the small acquisition of Kushalchand in 2015 was negligible on the total.

Operating EBITA in % of revenue slightly decreased from 9.0% in 2015 to 8.9% in 2016. The conversion margin decreased from 48.0% in 2015 to 44.4% in 2016. The decrease in both ratios was mainly the result of additional own costs to further strengthen the existing organisations and start-up costs of new operations in the region.



Americas

EUR million	2016	2015	Change	Change	Fx adj. change
Revenue	344.0	183.2	160.8	88%	89%
Gross profit	68.9	35.0	33.9	97%	98%
Gross profit in % of revenue	20.0%	19.1%	0.9%		
Operating EBITA	31.6	16.6	15.0	91%	89%
Operating EBITA in % of revenue	9.2%	9.0%	0.2%		
Conversion margin	45.8%	47.3%			

Revenue in Americas grew by 88%, a combination of organic growth (-3%), the first time inclusion of acquired companies (91%) and the positive impact of exchange rate differences (1%).

In July 2016 IMCD acquired Mutchler Inc. and Mutchler of Puerto Rico Inc. Mutchler is a leading speciality pharmaceutical ingredient distributor in the US and Puerto Rico. In 2015 Mutchler generated revenues of USD 28 million with approximately 30 employees.

The US market started 2016 rather weak with little or no industrial production growth. Since the dust settled following the presidential election, economic data in the last part of 2016 have been broadly more positive, whereby US manufacturing activity and GDP growth seem to improve again.

The 2016 Brazilian market continued with a consistently overall weak economic environment resulting in falling demand from customers and a contracting industrial production. Especially, IMCD's industrial activities in Brazil had a difficult year. As a consequence of the economic slowdown, IMCD Brasil adapted its organisation to this new situation. Further, a re-assessment of expected future cash flows of the industrial activities of IMCD Brasil resulted in a (non-cash) impairment loss of other intangible assets to an amount of EUR 5.7 million. The pharmaceutical activities of IMCD Brasil performed in line with expectations.

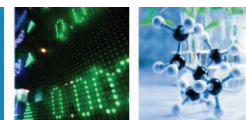
Gross profit of operating segment Americas increased from EUR 35.0 million in 2015 to EUR 68.9 million in 2016, an increase of 97%. This increase was the balance of organic growth (-4%), the first time inclusion of acquired companies (102%) and a negative contribution of foreign exchange differences (-1%). Despite difficult market circumstances in 2016, IMCD US realised positive organic gross profit growth. The gross profit margin of segment Americas improved from 19.1% in 2015 to 20.0% in 2016, as a result of focus on margin improvement, changes in the product mix and the first time inclusion of recent acquisitions.

Operating EBITA increased by 91% to EUR 31.6 million compared to EUR 16.6 million in 2015. The operating EBITA margin improved to 9.2% (9.0% in 2015). The conversion margin slightly reduced from 47.3% in 2015 to 45.8% in 2016 mainly due to the poor performance of IMCD Brasil.

Holding companies

EUR million	2016	2015	Change	Change	Fx adj. change
Operating EBITA	(13.0)	(10.7)	(2.2)	(21%)	(22%)

Operating EBITA of Holding Companies represents costs related to the central head office in Rotterdam and the regional head offices in Singapore and New Jersey, US. On 1 January 2016 IMCD opened a regional support office in New Jersey, US. Its purpose is to strengthen corporate infrastructure in the US and to affirm IMCD's focus on the Americas region and its strategic objective to expand the business there.



Operating costs increased by EUR 2.3 million to EUR 13.0 million in 2016, including a cost saving of EUR 1.0 million related to an amendment of the Dutch employee benefit plan. The increase in operating costs reflects the growth of IMCD and as a consequence the need to strengthen the support functions in both Rotterdam and the regional offices.

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 the product portfolio organically and by acquisitions.

Financial calendar

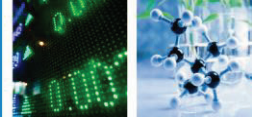
8 March 2017	Full year 2016 results
10 May 2017	First quarter 2017 trading update Annual General Meeting Dividend announcement
12 May 2017	Ex-dividend date
15 May 2017	Record date
16 May 2017	Payment date
25 August 2017	First half year 2017 results
8 November 2017	Third quarter 2017 trading update

For further information:

Investor Relations
T: +31 (0)10 290 86 84
ir@imcdgroup.com

Further information

Today's analysts call will start at 10 am CET. A recording of this call will be made available on the IMCD website (www.imcdgroup.com). The download for the Annual Report 2016 and the convocation and other documentation for IMCD's Annual General Meeting on 10 May 2017 are published and available on IMCD's website as well.



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 € 1,714.5 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.