

CONFERENCE CALL

First nine months 2019 results

IMCD N.V. 12 November 2019



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Presenting team

Piet van der Slikke, CEO



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

Hans Kooijmans, CFO



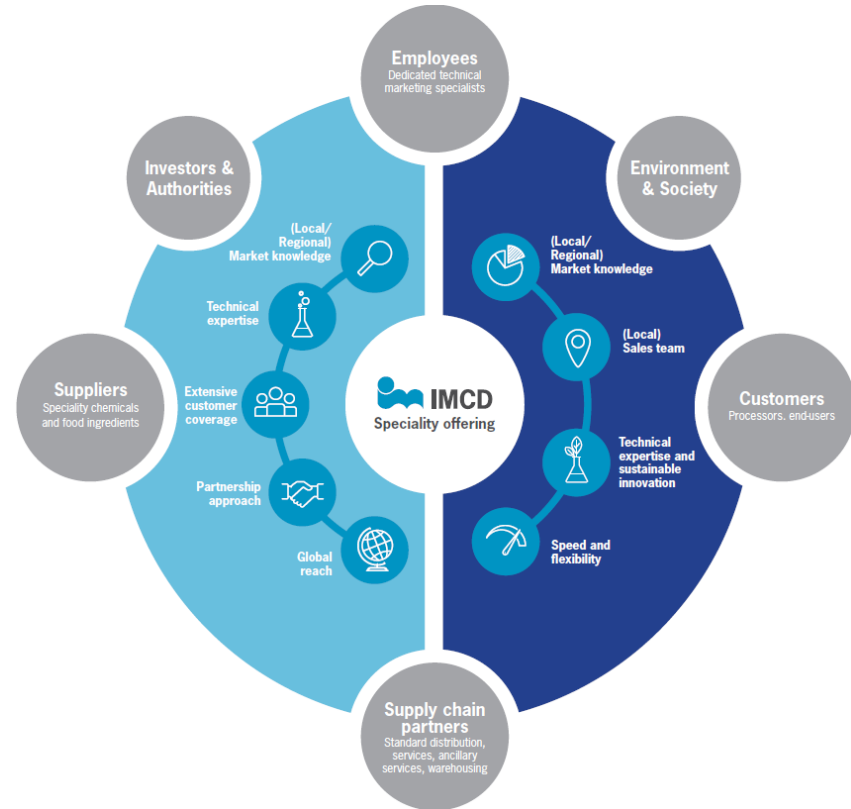
- Joined IMCD in 1996
- Co-led formation of IMCD
- 23 years of industry experience

Agenda

- Company profile
- Highlights first nine months 2019
- Financials first nine months 2019
- Outlook
- Q&A

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 € 2,379 million in 2018 with nearly 2,800 employees in over 47 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 43,000 customers and a diverse range of world class suppliers.



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Gross profit

Gross profit growth of 15% to EUR 457.3 million (+14% on a constant currency basis)

Operating EBITA

Operating EBITA increase of 12% to EUR 175.7 million (+11% on a constant currency basis)

Net result

Net result before amortisation and non-recurring items increase of 10% to EUR 120.1 million (+9% on a constant currency basis)

Cash EPS

Cash earnings per share increased by 15% to EUR 2.26



M&A

Acquisition of the food ingredients business of Matrix (Singapore & Malaysia) on 30 August 2019

Acquisition of Monachem and Addpol on 18 September 2019, expanding IMCD's position in the Advanced Materials industry in India

Strengthening of Pharma activities by signing agreements to acquire the shares of DCS Pharma AG (Switzerland)

Strengthening of Pharma activities by signing agreements to acquire 57% of the shares of Whawon Pharm Co. Ltd. (South Korea)



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Key figures

EUR million	Jan. 1 - Sept. 30 2019	Jan. 1 - Sept. 30 2018	Change	Change	Fx adj. Change
Revenue	2,061.0	1,754.6	306.4	17%	16%
Gross profit	457.3	398.7	58.6	15%	14%
Gross profit in % of revenue	22.2%	22.7%	(0.5%)		
Operating EBITA	175.7	156.6	19.1	12%	11%
Operating EBITA in % of revenue	8.5%	8.9%	(0.4%)		
Conversion margin	38.4%	39.3%	(0.9%)		
Net result before amortisation / non-recurring items	120.1	109.2	10.9	10%	9%
Free cash flow	139.6	109.0	30.6	28%	
Cash conversion margin	72.8%	68.0%	4.8%		
Earnings per share (weighted)	1.69	1.53	0.16	10%	10%
Cash earnings per share (weighted)	2.26	1.97	0.30	15%	14%
Number of full time employees end of period	2,840	2,507	333	13%	

Income statement

EUR million		EMEA	Americas	Asia Pacific	Holding companies	Total
Gross profit	YTD Q3 2019	250	148	59		457
	YTD Q3 2018	232	115	52		399
	Δ reported	8%	29%	13%		15%
	Δ constant currency	9%	24%	12%		14%
Operating EBITA	YTD Q3 2019	98	62	26	(11)	176
	YTD Q3 2018	100	46	23	(13)	157
	Δ reported	(2%)	35%	10%	(21%)	12%
	Δ constant currency	(1%)	29%	10%	(22%)	11%
Operating EBITA in % of revenue	YTD Q3 2019	9.7%	8.2%	8.9%		8.5%
	YTD Q3 2018	10.8%	8.0%	9.4%		8.9%
	Δ margin %	(1.1%)	0.2%	(0.5%)		(0.4%)
Conversion margin	YTD Q3 2019	39.2%	42.0%	44.0%		38.4%
operating EBITA in % of gross profit	YTD Q3 2018	43.4%	40.1%	45.0%		39.3%
	Δ margin %	(4.2%)	1.9%	(1.0%)		(0.9%)

Income statement

EUR million	EMEA	Americas	Asia Pacific	Holding companies	Total
Impact IFRS 16 operating EBITA					
YTD Q3 2019 excluding IFRS 16 impact	97.9	62.1	25.6	(13.6)	172.0
Impact IFRS 16	0.2	0.2	0.2	3.1	3.7
YTD Q3 2019 including IFRS 16 impact	98.1	62.3	25.8	(10.5)	175.7

Free cash flow

EUR million	Jan.1 - Sep. 30 2019	Jan.1 - Sep. 30 2018	change	change
Operating EBITA	175.7	156.6	19.1	12%
Depreciation	16.0	3.6	12.4	
Operating EBITDA	191.8	160.3	31.5	20%
Share based payments	2.0	1.6	0.4	
IAS 17 lease payments	(15.5)		(15.5)	
Capex	(3.5)	(2.5)	(1.0)	
Δ Working capital ¹	(35.2)	(50.4)	15.3	
Free cash flow	139.6	109.0	30.7	28%
<i>Cash conversion ratio²</i>	<i>72.8%</i>	<i>68.0%</i>	<i>4.8%</i>	

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

² Free cash flow in percentage of Operating EBITDA

Net debt/leverage

	30 September 2019	31 December 2018	30 September 2018
Net Debt (EUR million)			
Net Debt excluding impact IFRS 16	601	611	620
IFRS 16 Net Debt	71	NA	NA
Reported Net Debt	672	611	620
Leverage ratio			
Reported (incl. full year impact of acquisitions)	2.8	2.8	2.9
Based on loan documentation	2.6	2.8	2.9

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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 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.

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 nine months of 2019 and the strong fundamentals of the business, IMCD expects operating EBITA growth in 2019.

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