



CONFERENCE CALL
First HY 2020 results

IMCD N.V.

18 August 2020

Disclaimer

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Presenting team



Piet van der Slikke, CEO

Led the formation of IMCD since 1995

Designed and executed IMCD's strategy

25 years of industry experience



Hans Kooijmans, CFO

Joined IMCD in 1996

Co-led formation of IMCD

24 years of industry experience

Agenda

- **Company profile**
- Highlights first half year 2020
- Financials first half year 2020
- Outlook
- Q&A



Company profile

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 € 2,690 million in 2019 with nearly 3,000 employees in over 50 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 49,000 customers and a diverse range of world class suppliers.



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Highlights first half year 2020

GROSS PROFIT

- Gross profit growth of 7% to EUR 333 million (+8% on a constant currency basis)

OPERATING EBITA

- Operating EBITA increase of 7% to EUR 131 million (+8% on a constant currency basis)

NET RESULT

- Net result before amortisation and non-recurring items of EUR 90 million (+7% on a constant currency basis)

CASH EPS

- Cash earnings per share increased by 6% to EUR 1.69 (first 6 months 2019: EUR 1.60)

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Financials first half year 2020

Income statement

EUR million	Jan.1 - June 30 2020	Jan.1 - June 30 2019	change	change	fx adj. change
Revenue	1,411	1,398	13	1%	2%
Gross profit	333	312	21	7%	8%
<i>Gross profit in % of revenue</i>	23.6%	22.3%	1.3%		
Operating EBITDA	144	134	10	7%	8%
<i>Operating EBITDA in % of revenue</i>	10.2%	9.6%	0.6%		
Operating EBITA¹	131	123	8	7%	8%
<i>Operating EBITA in % of revenue</i>	9.3%	8.8%	0.5%		
<i>Conversion margin²</i>	39.5%	39.5%	0.0%		

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

² Operating EBITA in percentage of Gross profit

Financials first half year 2020

Income statement

EUR million		EMEA	Americas	Asia Pacific	Holding companies	Total
Gross profit	H1 2020	176	109	47		333
	H1 2019	173	99	39		312
	Δ reported	2%	10%	21%		7%
	Δ constant currency	3%	11%	24%		8%
Operating EBITA	H1 2020	70	48	22	(8)	131
	H1 2019	71	42	17	(7)	123
	Δ reported	(2%)	13%	26%	8%	7%
	Δ constant currency	(1%)	14%	29%	7%	8%
Operating EBITA in % of revenue	H1 2020	10.2%	9.7%	9.4%		9.3%
	H1 2019	10.2%	8.2%	9.0%		8.8%
	Δ margin %	-	1.5%	0.4%		0.5%
Conversion margin	H1 2020	39.6%	43.5%	46.1%		39.5%
operating EBITA in % of gross profit	H1 2019	41.0%	42.2%	44.4%		39.5%
	Δ margin %	(1.4%)	1.3%	1.7%		-

Financials first half year 2020

Income statement (continued)

EUR million	Jan.1 - June 30 2020	Jan.1 - June 30 2019	change	change	fx adj. change
Operating EBITA	131	123	8	7%	8%
Net finance costs	(15)	(13)			
Income tax expenses	(26)	(26)			
Net result before amortisation/non recurring items	90	85	6	6%	7%
Amortisation of intangible assets	(26)	(21)			
Tax credits related to amortisation	2	1			
Non recurring items	(1)	(1)			
Result for the period	64	64	-	0%	1%
Earnings per share (weighted)	1.22	1.23	(0.01)	(1)%	1%
Cash Earnings per share (weighted)	1.69	1.60	0.09	5%	6%

Financials first half year 2020

Net Finance costs

EUR million	Jan.1 - June 30 2020	Jan.1 - June 30 2019	change
Interest expenses financial liabilities	(9.1)	(10.9)	1.8
Interest expenses lease liabilities	(1.3)	(1.2)	(0.1)
Currency Exchange results	(3.2)	(0.2)	(3.0)
Changes deferred considerations	(1.4)	(0.1)	(1.3)
Other	(0.1)	(0.3)	0.2
Net finance costs	(15.2)	(12.7)	(2.4)

Financials first half year 2020

Balance Sheet

EUR million	30 June 2020	31 December 2019	30 June 2019
Property, plant and equipment	91	90	79
Intangible assets	1,117	1,141	1,042
Other fin. assets/def tax assets	41	40	44
Working capital	470	436	446
Provisions/employee benefits	(31)	(28)	(30)
Deferred tax liabilities	(72)	(77)	(82)
Capital employed	1,615	1,602	1,497
Equity	847	867	814
<i>Equity in % of capital employed</i>	<i>52%</i>	<i>54%</i>	<i>54%</i>
Loans and borrowings minus cash	768	735	684
Total financing	1,615	1,602	1,497
Leverage ratio*			
Reported	2.9	2.8	2.9
Based on loan documentation	2.5	2.6	2.7

* Net Debt/Operating EBITDA (incl. full year impact acquisitions)

Financials first half year 2020

Working capital

EUR million	30 June 2020	31 December 2019	30 June 2019
Inventories <i>in days of revenue*</i>	383 49	377 49	348 45
Trade and other receivables <i>in days of revenue*</i>	457 59	435 56	467 60
Trade payables <i>in days of revenue*</i>	(280) (36)	(280) (36)	(288) (37)
Other payables <i>in days of revenue*</i>	(91) (12)	(96) (12)	(81) (10)
Total working capital <i>in days of revenue</i>	470 60	436 56	446 58

* normalised for impact acquisitions

Financials first half year 2020

Free cash flow

EUR million	Jan.1 - June 30 2020	Jan.1 - June 30 2019	change	change
Operating EBITA	131	123	8	7%
Depreciation	12	11	2	
Operating EBITDA	144	134	10	7%
Share based payments	2	1	1	
IAS 17 lease payments	(13)	(9)	(3)	
Adjusted operating EBITDA	133	126	7	6%
Capex	(4)	(2)	(1)	
Δ Working capital ¹	(53)	(42)	(11)	
Free cash flow	76	81	(5)	-6%
<i>Cash conversion ratio²</i>	57.4%	64.4%	(7.0%)	

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

² Free cash flow in percentage of Adjusted Operating EBITDA

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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 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. IMCD sees interesting opportunities to increase its global footprint and expand its product portfolio both organically and by acquisitions

Despite the impact of the Covid-19 pandemic on current economic situation, we had a satisfactory first half year. The uncertainty around the duration of the COVID-19 crisis and its impact on the global economy makes it impossible to give a near-term trading outlook. However, IMCD is a strong, resilient and well diversified business with a robust liquidity position and capital structure. These qualities will allow the company to absorb an extended period of uncertainty.

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