

One company. Endless possibilities

CONFERENCE CALL

First nine months 2022 results

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Presenting team



Piet van der Slikke

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



Hans Kooijmans

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

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IMCD is a market leader in the sales, marketing and distribution of speciality chemicals and ingredients.

Highlights:

- Formulatory and solutions provider
- Comprehensive and complementary product portfolio
- Multi-territory distribution management in EMEA, Asia-Pacific and Americas
- Headquartered in Rotterdam, The Netherlands



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Highlights first nine months 2022

GROSS PROFIT

Gross profit growth of 42% to EUR 883 million (+35% on a constant currency basis)

OPERATING EBITA

Operating EBITA increase of 59% to EUR 444 million (+51% on a constant currency basis)

NET RESULT

Net result increase of 74% to EUR 264 million (+65% on a constant currency basis)

CASH EPS

Cash earnings per share increased by 57% to EUR 5.34 (first nine months of 2021: EUR 3.40)

Highlights first nine months 2022 – continued

M&A Q3 2022

- Acquisition of speciality distribution company, Kuni Chemical Co., Ltd ("Kuni Chemical"). Kuni Chemical specialises in industrial applications, ranging from coatings and construction to automotive and packaging materials. (7 September 2022)
- Acquisition of PromaPlast Resinas, S.A. de C.V., Proveedor de Materiales Plásticos, S.A. de C.V. and PromaPlast USA Inc. (jointly "PromaPlast"). PromaPlast has a highly diversified product portfolio of resins and compounds to serve the Mexican and U.S. Markets. (15 September 2022)
- On 31 October 2022, IMCD signed an agreement to acquire 100% of the shares in Shanghai Sanrise Industries & Development Co., Ltd. ("Sanrise"), one of the leading distributors in the personal care markets in China.

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Financials first nine months 2022

Key figures

EUR million	Jan.1 - Sep. 30 2022	Jan.1 - Sept. 30 2021 ¹	Change	Change %	Fx adj. Change
Revenue	3,512	2,537	975	38%	31%
Gross profit	883	621	262	42%	35%
Gross profit as a % of revenue	25.1%	24.5%	0.6%		
Operating EBITA	443	279	164	59%	51%
Operating EBITA as a % of revenue	12.6%	11.0%	1.6%		
Conversion margin	50.2%	45.0%	5.2%		
Net Result	264	152	112	74%	65%
Free cash flow	249	201	48	24%	
Cash conversion margin	55.1%	70.2%	(15.1)%		
Earnings per share (weighted)	4.64	2.67	1.97	74%	65%
Cash earnings per share (weighted)	5.34	3.40	1.94	57%	49%
Number of full time employees end of period	4,202	3,579	623	17%	

¹ The figures for 2021 have been restated as a result of a change in accounting policy following the IFRIC agenda decision on cloud computing arrangements published in March 2021

Financials first nine months 2022

Income statement

EUR million		EMEA	Americas	Asia Pacific	Holding companies	Total
Gross profit	YTD Q3 2022	409	291	183		883
	YTD Q3 2021	308	184	129		621
	Δ reported	33%	58%	43%		42%
	Δ constant currency	34%	39%	34%		35%
Operating EBITA	YTD Q3 2022	199	151	117	(24)	443
	YTD Q3 2021 ¹	135	85	81	(21)	279
	Δ reported	48%	79%	44%	11%	59%
	Δ constant currency	50%	57%	36%	9%	51%
Operating EBITA as a % of revenue	YTD Q3 2022	12.9%	12.5%	15.4%		12.6%
	YTD Q3 2021 ¹	11.3%	10.3%	15.5%		11.0%
	Δ margin %	1.6%	2.2%	(0.1%)		1.6%
Conversion margin	YTD Q3 2022	48.7%	51.9%	63.7%		50.2%
<i>operating EBITA as a % of gross profit</i>	YTD Q3 2021 ¹	43.8%	45.9%	62.9%		45.0%
	Δ margin %	4.9%	6.0%	0.8%		5.2%

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Financials first nine months 2022

Free cash flow

EUR million	Jan.1 - Sept. 30 2022	Jan.1 - Sept. 30 2021 ¹	Change	Change %
Operating EBITA	443	279	164	59%
Depreciation	22	20	2	
Operating EBITDA	466	299	167	56%
Share based payments	4	4	0	
IAS 17 lease payments	(17)	(16)	(1)	
Adjusted operating EBITDA	452	286	166	58%
Capex	(6)	(3)	(3)	
Δ Working capital ²	(197)	(82)	(115)	
Free cash flow	249	201	48	24%
<i>Cash conversion ratio³</i>	<i>55.1%</i>	<i>70.2%</i>	<i>(15.1%)</i>	

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² Inventories, Trade and other receivables and Trade and other payables

³ Free cash flow in percentage of Adjusted Operating EBITDA

Financials first nine months 2022

Net debt/leverage

EUR million	30 September 2022	31 December 2021 ¹	30 September 2021 ¹
Reported Net Debt (incl. new share capital/ IFRS 16 debt)	1,122	940	783
Reported leverage ratio: Reported (incl. full year impact of acquisitions)	1.9	2.3	2.1
Leverage ratio based on loan documentation: Actual based on loan documentation	1.4	1.5	1.5

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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.

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.

Based on the performance in the first nine months of 2022 and the strong fundamentals of its business, IMCD expects operating EBITA growth in 2022.

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