

One company. Endless possibilities

CONFERENCE CALL
First HY 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 half year 2022

GROSS PROFIT

Gross profit growth of 42% to EUR 584 million (+36% on a constant currency basis)

OPERATING EBITA

Operating EBITA increase of 58% to EUR 297 million (+52% on a constant currency basis)

NET RESULT

Net result increase of 68% to EUR 177 million (+60% on a constant currency basis)

CASH EPS

Cash earnings per share increased by 57% to EUR 3.68 (first half year of 2021: EUR 2.34)

Highlights first half year 2022 – M&A

EMEA

- Acquisition of Polychem Handelsges.m.b.H. (“POLYchem”), a leading provider of chemical raw materials and additives in Austria and Southeast Europe (8 February 2022)
- Acquisition of Evenlode Foods Ltd (“Evenlode”). Evenlode is active in speciality food and beverage ingredients throughout the UK and Ireland (2 March 2022)

Americas

- Acquisition of Polyorganic® Tecnologia Ltda (“Polyorganic”). Polyorganic is active in the household, industrial and institutional (HI&I), water treatment industry and other industrial markets segment in Brazil (4 March 2022)
- Acquisition of the business and the subsidiaries of Quelaris Internacional S.A. (“Quelaris”). Quelaris is a LATAM regional raw material distributor with offices in throughout the region and has a strong presence in the polyurethane, coatings, adhesives, rubber and other industrial markets (22 March 2022)

APAC

- Acquisition of Shanghai Syntec Additive Limited and Shanghai Weike Additive Limited (jointly “Syntec”). Syntec provides market, technical and formulation expertise in China’s personal care, cosmetics, and home care industries (18 January 2022)
- Acquisition of RPL Trading, a speciality chemicals distributor focused on services and formulation expertise for customers and partners in the home care and water treatment markets in Australia and New Zealand (31 January 2022)
- Acquisition of the shares in Aquatech Speciality (Shanghai) International Trading Co., Ltd. and Aquatech Speciality (Guangzhou) Trading Co., Ltd. (“Aquatech”) in China. Aquatech is active in waterborne solutions in coatings, ink, and textile industries (28 February 2022)
- On 21 June 2022, IMCD signed an agreement to acquire 100% of the shares of Welex S.A. Holdings Limited and certain related business (“Welex”), based in China. The transaction is expected to close in October 2022.

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Financials first half year 2022

Income statement

EUR million	Jan.1 - June. 30 2022	Jan.1 - June. 30 2021 ¹	change	change	fx adj. change
Revenue	2,318	1,674	644	38%	33%
Gross profit	584	411	173	42%	36%
<i>Gross profit as a % of revenue</i>	<i>25.2%</i>	<i>24.5%</i>	<i>0.7%</i>		
Operating EBITDA	312	200	111	55%	49%
<i>Operating EBITDA as a % of revenue</i>	<i>13.4%</i>	<i>12.0%</i>	<i>1.5%</i>		
Operating EBITA¹	297	187	109	58%	52%
<i>Operating EBITA as a % of revenue</i>	<i>12.8%</i>	<i>11.2%</i>	<i>1.6%</i>		
<i>Conversion margin ²</i>	<i>50.8%</i>	<i>45.6%</i>	<i>5.2%</i>		

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

² Operating EBITA in % of Gross profit

Financials first half year 2022

Income statement

EUR million		EMEA	Americas	Asia Pacific	Holding companies	Total
Gross profit	2022	280	184	120		584
	2021	207	119	85		411
	Δ reported	35%	55%	41%		42%
	Δ constant currency	36%	39%	34%		36%
Gross profit as a % of revenue	2022	26.6%	23.8%	24.4%		25.2%
	2021	25.8%	22.4%	24.9%		24.5%
	Δ margin %	0.8%	1.4%	(0.5%)		0.7%
Operating EBITA	2022	140	93	79	(16)	297
	2021 ¹	93	54	54	(14)	187
	Δ reported	52%	71%	46%	15%	58%
	Δ constant currency	54%	53%	38%	13%	52%
Operating EBITA as a % of revenue	2022	13.3%	12.0%	16.1%		12.8%
	2021 ¹	11.6%	10.3%	15.8%		11.2%
	Δ margin %	1.7%	1.7%	0.3%		1.6%
Conversion margin	2022	50.1%	50.7%	65.7%		50.8%
<i>operating EBITA as a % of gross profit</i>	2021 ¹	44.8%	45.8%	63.6%		45.6%
	Δ margin %	5.3%	4.9%	2.1%		5.2%

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Financials first half year 2022

Income statement (continued)

EUR million	Jan.1 - June. 30 2022	Jan.1 - June. 30 2021 ¹	change	change	fx adj. change
Operating EBITA	297	187	109	58%	52%
Net finance costs	(8)	(8)			
Income tax expenses	(72)	(47)			
Net result before amortisation/non recurring items	216	133	84	63%	57%
Amortisation of intangible assets	(37)	(32)			
Tax credits related to amortisation	4	3			
Non recurring items	(7)	2			
Result for the period	177	106	71	68%	60%
Earnings per share (weighted)	3.11	1.86	1.25	68%	60%
Cash Earnings per share (weighted)	3.68	2.34	1.34	57%	50%

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Financials first half year 2022

Net finance costs

EUR million	Jan.1 - June. 30 2022	Jan.1 - June. 30 2021	change
Interest costs financing structure	(8.7)	(6.8)	(1.9)
Interest exp. Lease liabilities (IFRS 16)	(1.3)	(1.3)	0.1
Amortisation of finance costs	(0.4)	(0.3)	(0.1)
Changes deferred considerations	(1.5)	(1.1)	(0.4)
Interest costs re employee benefits	(0.2)	(0.1)	(0.1)
Currency exchange results	4.2	1.7	2.5
Net finance costs	(7.8)	(7.9)	0.1

Financials first half year 2022

Balance Sheet

EUR million	30 June 2022	31 December 2021 ¹	30 June 2021 ¹
Property, plant and equipment	32	29	27
Right-of-use assets	78	69	69
Intangible assets	1,936	1,808	1,623
Other fin. assets/def tax assets	36	41	42
Working capital	833	612	530
Provisions/employee benefits	(42)	(36)	(37)
Deferred tax liabilities	(128)	(122)	(122)
Capital employed	2,746	2,401	2,133
Equity	1,608	1,461	1,323
<i>Equity in % of capital employed</i>	59%	61%	62%
Loans and borrowings minus cash	1,138	940	810
Total financing	2,746	2,401	2,133

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Financials first half year 2022

Working capital

EUR million	30 June 2022	31 December 2021	30 June 2021
Inventories	646	526	416
<i>in days of revenue*</i>	50	54	44
Trade and other receivables	857	619	619
<i>in days of revenue*</i>	66	63	66
Trade payables	(509)	(403)	(370)
<i>in days of revenue*</i>	(39)	(41)	(39)
Other payables	(161)	(130)	(135)
<i>in days of revenue*</i>	(12)	(13)	(14)
Total working capital	833	612	530
<i>in days of revenue*</i>	65	63	56

* normalised for impact acquisitions

Financials first half year 2022

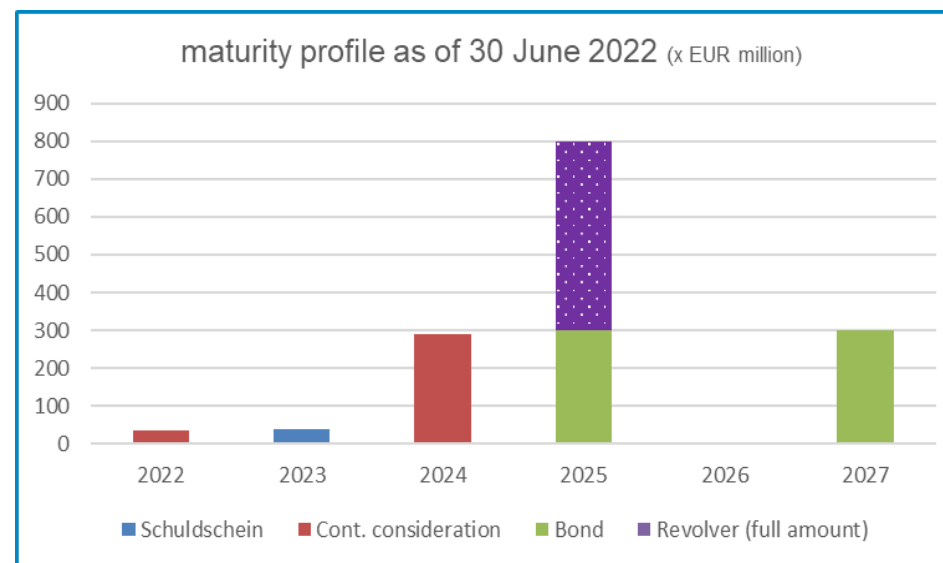
Net debt 30 June 2022

EUR million	30 June 2022	31 December 2021 ²	change
Loans and borrowings long term	986	667	319
Short term financial liabilities	334	451	(117)
Cash and cash equivalents	(183)	(178)	(5)
Net Debt	1,138	940	198
Net Debt / Operating EBITDA ratio¹	2.2	2.3	(0.1)

Covenants	June 2022	Bank condition	December 2021
Leverage	1.5		1.5
- Schuldschein		< 3.50	
- revolving credit facility		< 3.75	

¹ Including full year impact of acquisitions

² Restated as a result of a change in accounting policy following the IFRIC agenda decision on Cloud Computing arrangements



Financials first half year 2022

Free cash flow

EUR million	Jan.1 - June. 30 2022	Jan.1 - June. 30 2021 ¹	Change	Change %
Operating EBITA	297	187	110	58%
Depreciation	15	13	2	
Operating EBITDA	312	200	112	55%
Share based payments	3	2	1	
IAS 17 lease payments	(12)	(11)	(1)	
Adjusted operating EBITDA	303	192	111	58%
Capex	(5)	(2)	(3)	
Δ Working capital ²	(180)	(76)	(104)	
Free cash flow	118	114	4	3%
<i>Cash conversion ratio</i> ³	38.9%	59.2%	(20.3%)	

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

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

³ Free cash flow in percentage of Adjusted Operating EBITDA

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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, among 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 further increase its global footprint and expand its product portfolio both organically and by acquisitions.

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

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