

Welcome to a world of opportunity

CONFERENCE CALL
First three months 2022 results

29 April 2022

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 three months 2022

GROSS PROFIT

Gross profit growth of 40% to EUR 277 million (+36% on a constant currency basis)

OPERATING EBITA

Operating EBITA increase of 59% to EUR 140 million (+54% on a constant currency basis)

NET RESULT

Net result increase of 68% to EUR 79 million (+62% on a constant currency basis)

CASH EPS

Cash earnings per share increased by 55% to EUR 1.65 (first three months of 2021: EUR 1.06)

Highlights first three months 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 (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)

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Financials first three months 2022

Key figures

EUR million	Jan.1 - Mar. 30 2022	Jan.1 - Mar. 31 2021 ¹	Change	Change %	Fx adj. Change
Revenue	1.107	810	297	37%	32%
Gross profit	277	198	79	40%	36%
Gross profit in % of revenue	25,1%	24,4%	0,7%		
Operating EBITA	140	88	52	59%	54%
Operating EBITA in % of revenue	12,6%	10,9%	1,7%		
Conversion margin	50,4%	44,6%	5,8%		
Net Result	79	47	32	68%	62%
Free cash flow	66	63	3		
Cash conversion margin	46,3%	69,4%	(23,1)%		
Earnings per share (weighted)	1,38	0.82	0,56		
Cash earnings per share (weighted)	1,65	1.06	0,59		
Number of full time employees end of period	3.950	3.360	590	18%	

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 three months 2022

Income statement

EUR million		EMEA	Americas	Asia Pacific	Holding companies	Total
Gross profit	2022	136	85	57		277
	2021	100	57	41		198
	Δ reported	36%	48%	40%		40%
	Δ constant currency	37%	36%	34%		36%
Gross profit as a % of revenue	2022	26.5%	23.6%	24.3%		25.1%
	2021	25.5%	22.8%	24.3%		24.4%
	Δ margin %	1.0%	0.8%	0.0%		0.7%
Operating EBITA	2022	68	42	37	(7)	140
	2021 ¹	44	25	25	(7)	88
	Δ reported	54%	65%	47%	9%	59%
	Δ constant currency	56%	51%	40%	7%	54%
Operating EBITA as a % of revenue	2022	13.3%	11.6%	15.8%		12.6%
	2021 ¹	11.3%	10.1%	15.1%		10.9%
	Δ margin %	2.0%	1.5%	0.7%		1.7%
Conversion margin	2022	50.3%	49.3%	65.1%		50.4%
<i>operating EBITA as a % of gross profit</i>	2021 ¹	44.4%	44.3%	62.1%		44.6%
	Δ margin %	5.9%	5.0%	3.0%		5.8%

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Financials first three months 2022

Free cash flow

EUR million	Jan.1 - Mar. 31 2022	Jan.1 - Mar. 30 2021 ¹	Change	Change %
Operating EBITA	140	88	52	59%
Depreciation	7	7	0	
Operating EBITDA	147	95	52	55%
Share based payments	1	1	0	
IAS 17 lease payments	(6)	(5)	(0)	
Adjusted operating EBITDA	143	90	53	58%
Capex	(2)	(1)	(1)	
Δ Working capital ²	(75)	(27)	(48)	
Free cash flow	66	63	3	5%
<i>Cash conversion ratio³</i>	<i>46.3%</i>	<i>69.4%</i>	<i>(23.1%)</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 three months 2022

Net debt/leverage

EUR million	31 March 2022	31 December 2021 ¹	31 March 2021 ¹
Reported Net Debt	1.039	940	745
Reported leverage ratio:			
Reported (incl. full year impact of acquisitions)	2,2	2,3	2,3
Leverage ratio based on loan documentation:			
Actual based on loan documentation	1,5	1,5	1,6

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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 three months of 2022 and the strong fundamentals of its business, IMCD expects operating EBITA growth in 2022.

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