

One Company. Endless Possibilities

CONFERENCE CALL
First three months 2023 results

26 April 2023

Presenting team



Piet van der Slikke

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



Hans Kooijmans

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



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Profile

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 2023

Gross profit:

Gross profit growth of 8% to EUR 300 million (+9% on a constant currency basis)

Operating EBITA

Operating EBITA increase of 6% to EUR 149 million (+8% on a constant currency basis)

Net Result

Net result increase of 5% to EUR 83 million (+6% on a constant currency basis)

Cash EPS

Cash earnings per share increased by 5% to EUR 1.74 (first three months of 2022: EUR 1.65)



Highlights first three months 2023 – M&A

EMEA

- On 16 February 2023, IMCD signed an agreement to acquire 100% of the shares in CPS Chemical Oil-Tech (Pty) Ltd (“CPS Oil-Tech”), a distributor of raw materials to the petroleum, additive, grease manufacturing and other industry related segments in South Africa. Closing expected to take place in the second quarter of 2023
- Acquisition of Orange Chemicals Ltd (“Orange Chemicals”), a distributor of performance Chemicals throughout the UK and Ireland (28 February 2023)
- On 20 April 2023, IMCD acquired ACM AB (“ACM”), a distributor of minerals and chemicals based in Sweden.

APAC

- On 15 March 2023, IMCD acquired 70% of the shares of Shanghai Sanrise Industries & Development Co., Ltd. (“Sanrise”), one of the leading distributors in the personal care markets in China. The remaining 30% to be acquired in 2025.
- On 20 April 2023, IMCD acquired 100% of the shares in Tradeimpex Polymers (India) Private Limited (“Tradeimpex”), a distributor of high-performance polymers and engineering plastics.

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Financials first three months 2023

Key figures

EUR million	Jan. 1 - Mar. 31 2023	Jan. 1 - Mar. 31 2022	Change	Change %	Fx adj. Change
Revenue	1,160	1,107	54	5%	5%
Gross profit	300	277	23	8%	9%
Gross profit as a % of revenue	25.9%	25.1%	0.8%		
Operating EBITA	149	140	9	6%	8%
Operating EBITA as a % of revenue	12.8%	12.6%	0.2%		
Conversion margin	49.5%	50.3%	(0.9%)		
Net Result	83	79	4	5%	6%
Free cash flow	147	66	81	123%	
Cash conversion margin	97.4%	46.3%	51.1%		
Earnings per share (weighted)	1.45	1.38	0.07	5%	6%
Cash earnings per share (weighted)	1.74	1.65	0.09	5%	6%
Number of full time employees end of period	4,507	3,950	557	14%	

Financials first three months 2023

Income statement

EUR million		EMEA	Americas	Asia Pacific	Holding companies	Total
Gross profit	YTD Q1 2023	144	93	63		300
	YTD Q1 2022	136	85	57		277
	Δ reported	6%	10%	11%		8%
	Δ constant currency	9%	6%	14%		9%
Gross profit as a % of revenue	YTD Q1 2023	27.4%	24.8%	24.3%		25.9%
	YTD Q1 2022	26.5%	23.6%	24.3%		25.1%
	Δ margin %	0.9%	1.2%	0.0%		0.8%
Operating EBITA	YTD Q1 2023	71	46	39	(8)	149
	YTD Q1 2022	68	42	37	(7)	140
	Δ reported	4%	11%	4%	(10%)	6%
	Δ constant currency	7%	8%	8%	(8%)	8%
Operating EBITA as a % of revenue	YTD Q1 2023	13.6%	12.4%	14.9%		12.8%
	YTD Q1 2022	13.3%	11.6%	15.8%		12.6%
	Δ margin %	0.3%	0.8%	(0.9%)		0.2%
Conversion margin	YTD Q1 2023	49.6%	50.0%	61.2%		49.5%
<i>operating EBITA as a % of gross profit</i>	YTD Q1 2022	50.3%	49.3%	65.1%		50.3%
	Δ margin %	(0.7%)	0.7%	(3.9%)		(0.8%)

Financials first three months 2023

Free cash flow

EUR million	Jan. 1 - Mar. 31 2023	Jan. 1 - Mar. 31 2022	Change	Change %
Operating EBITA	149	140	9	6%
Depreciation	7	7	0	
Operating EBITDA	156	147	9	6%
Share based payments	1	1	0	
IAS 17 lease payments	(6)	(6)	(0)	
Adjusted operating EBITDA	151	143	8	5%
Capex	(2)	(2)	(0)	
Δ Working capital ¹	(2)	(75)	72	
Free cash flow	147	66	81	123%
Cash Conversion ratio ²	97.4%	46.3%	51.1%	

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

² Free cash flow in percentage of Adjusted Operating EBITDA

Financials first three months 2023

Net debt/leverage

EUR million	31 March 2023	31 December 2022 ¹	31 March 2022 ¹
Reported Net Debt	1,112	1,027	1,039
Reported leverage ratio:			
Reported (incl. full year impact of acquisitions)	1.8	1.7	2.2
Leverage ratio based on loan documentation:			
Actual based on loan documentation	1.3	1.3	1.6

¹ The figures for 2022 for the Leverage ratio have been restated on the basis of the definitions used in the IMCD loan documents of the new revolving facility

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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.

Given the macro-economic uncertainties it is prudent not to give a near-term trading outlook.

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