



**CONFERENCE CALL**  
**First nine months 2020 results**

**IMCD N.V.**

11 November 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 nine months 2020
- Financials first nine months 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 nine months 2020

## GROSS PROFIT

- Gross profit growth of 6% to EUR 486 million (+9% on a constant currency basis)

## OPERATING EBITA

- Operating EBITA increase of 8% to EUR 190 million (+11% on a constant currency basis)

## NET RESULT

- Net result before amortisation and non-recurring items of EUR 131 million (+11% on a constant currency basis)

## CASH EPS

- Cash earnings per share increased by 8% to EUR 2.46 (first 9 months 2019: EUR 2.26)

# Highlights first nine months 2020

## M&A Q3 2020

- Acquisition of the pharmaceutical business of Develing International Trade (Shanghai) Co. Ltd in July
- Strengthening of Brazilian Food & Nutrition business with the acquisition of VitaQualy in August
- Acquisition of 70% of the outstanding shares of Signet Excipients Private Limited, one of the leading distributors of excipients in India signed on September 15 and closed on November 4
- Acquisition of Kokko – Fiber (Finland) in September, strengthening the Nordic Advance Material business
- Signing of an agreement to acquire 100% of the shares of Siyeza Fine Chem Propriety Limited (South Africa)

## Financing Q3 2020

- On 15 September, IMCD successfully raised EUR 400 million share capital by issuing 4.395.604 shares at an offer price of EUR 91 per ordinary share



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# Financials first nine months 2020

## Key figures

EUR million	Jan. 1 - Sept. 30 2020	Jan. 1 - Sept. 30 2019	Change	Change	Fx adj. Change
Revenue	2,082	2,061	21	1%	3%
Gross profit	486	457	28	6%	9%
Gross profit in % of revenue	23.3%	22.2%	1.1%		
Operating EBITA	190	176	14	8%	11%
Operating EBITA in % of revenue	9.1%	8.5%	0.6%		
Conversion margin	39.1%	38.4%	0.7%		
Net result before amortisation / non-recurring items	131	120	11	9%	11%
Free cash flow	168	140	29	21%	
Cash conversion margin	87.5%	78.3%	9.2%		
Earnings per share (weighted)	1.74	1.69	0.06	3%	6%
Cash earnings per share (weighted)	2.46	2.26	0.19	8%	11%
Number of full time employees end of period	3,095	2,840	255	9%	

# Financials first nine months 2020

## Income statement

EUR million		EMEA	Americas	Asia Pacific	Holding companies	Total
<b>Gross profit</b>	<b>YTD Q3 2020</b>	<b>256</b>	<b>159</b>	<b>71</b>		<b>486</b>
	YTD Q3 2019	<b>250</b>	<b>148</b>	<b>59</b>		457
	Δ reported	2%	7%	21%		6%
	Δ constant currency	4%	11%	25%		9%
<b>Operating EBITA</b>	<b>YTD Q3 2020</b>	<b>100</b>	<b>70</b>	<b>32</b>	<b>(12)</b>	<b>190</b>
	YTD Q3 2019	<b>98</b>	<b>62</b>	<b>26</b>	<b>(11)</b>	176
	Δ reported	1%	12%	25%	14%	8%
	Δ constant currency	3%	16%	29%	15%	11%
<b>Operating EBITA in % of revenue</b>	<b>YTD Q3 2020</b>	<b>9.9%</b>	<b>9.6%</b>	<b>9.2%</b>		<b>9.1%</b>
	YTD Q3 2019	9.7%	8.2%	8.9%		8.5%
	Δ margin %	0.2%	1.4%	0.3%		0.6%
<b>Conversion margin</b>	<b>YTD Q3 2020</b>	<b>38.9%</b>	<b>44.1%</b>	<b>45.6%</b>		<b>39.1%</b>
operating EBITA in % of gross profit	YTD Q3 2019	39.2%	42.0%	44.0%		38.4%
	Δ margin %	(0.3%)	2.1%	1.6%		0.7%

# Financials first nine months 2020

## Free cash flow

EUR million	Jan.1 - Sept 30 2020	Jan.1 - Sept 30 2019	change	change
<b>Operating EBITA</b>	<b>190</b>	<b>176</b>	<b>14</b>	<b>8%</b>
Depreciation	18	16	2	
<b>Operating EBITDA</b>	<b>208</b>	<b>192</b>	<b>17</b>	<b>9%</b>
Share based payments	3	2	1	
IAS 17 lease payments	(19)	(16)	(4)	
<b>Adjusted operating EBITDA</b>	<b>192</b>	<b>178</b>	<b>14</b>	<b>8%</b>
Capex	(5)	(4)	(2)	
Δ Working capital <sup>1</sup>	(19)	(35)	17	
<b>Free cash flow</b>	<b>168</b>	<b>140</b>	<b>29</b>	<b>21%</b>
<i>Cash conversion ratio<sup>2</sup></i>	<i>87.5%</i>	<i>78.3%</i>	<i>9.2%</i>	

<sup>1</sup> Inventories, Trade and other receivables and Trade and other payables

<sup>2</sup> Free cash flow in percentage of Adjusted Operating EBITDA

# Financials first nine months 2020

<b>Net debt/leverage</b>	30 September 2020	31 December 2019	30 September 2019
<b>Reported Net Debt</b> (incl. new share capital/ IFRS 16 debt)	<b>319</b>	<b>735</b>	<b>672</b>
<b>Reported leverage ratio:</b>			
Reported (incl. full year impact of acquisitions)	1.2	2.8	2.8
Pro forma excluding proceeds new shares	2.6		
<b>Leverage ratio based on loan documentation:</b>			
Actual based on loan documentation	0.9	2.6	2.6
Pro forma excluding proceeds new shares	2.5		

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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, the first nine months of 2020 were satisfactory. Unfortunately, with numbers of COVID-19 infections increasing again in multiple regions in recent weeks, the uncertainty about the duration of the COVID-19 crisis and its impact on the global economy continues. However, IMCD is a strong, resilient and well diversified business with a robust liquidity position and capital structure. Based on its performance in the first nine months of 2020, IMCD expects operating EBITA growth for the full year.

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