Press release

IMCD reports 17% EBITA growth in the first nine months of 2016

Rotterdam, The Netherlands (16 November 2016) - IMCD N.V. ("IMCD" or "Company"), a leading distributor of speciality chemicals and food ingredients, today announces its first nine months 2016 results.

Highlights

- Gross profit growth of 15% to EUR 286.9 million (+19% on a constant currency basis)
- Operating EBITA increase of 17% to EUR 112.8 million (+21% on a constant currency basis)
- Net result before amortisation and non-recurring items increase of 25% to EUR 79.2 million (+28% on a constant currency basis)
- Cash earnings per share increased by 23% to EUR 1.48
- Acquisition of the business of Chemicals and Solvents (EA) Ltd. in Kenya, completed on 1 September 2016, expanding the existing operations in Africa

Piet van der Slikke, CEO: *"We are pleased with the results in the first nine months of 2016. Overall we were able to show solid growth, despite challenging macro-economic circumstances and a considerable negative Fx impact."*

Key figures

EUR million	Jan. 1 - Sept. 30 2016	Jan. 1 - Sept. 30 2015	Change	Change	Fx adj. change
Revenue	1,305.8	1,139.4	166.4	15%	18%
Gross profit	286.9	249.4	37.4	15%	19%
Gross profit in % of revenue	22.0%	21.9%	0.1%		
Operating EBITA[1]	112.8	96.3	16.5	17%	21%
Operating EBITA in % of revenue	8.6%	8.5%	0.1%		
Conversion margin[2]	39.3%	38.6%	0.7%		
Net result before amortisation / non recurring items	79.2	63.6	15.7	25%	28%
Free cash flow[3]	104.0	80.8	23.2	29%	
Cash conversion margin[4]	89.7%	81.8%	7.9%		
Earnings per share (weighted)	1.08	0.90	0.18	20%	25%
Cash earnings per share (weighted)[5]	1.48	1.20	0.28	23%	27%
Number of full time employees end of period	1,848	1,685	163	10%	

[1] Result from operating activities before amortisation of intangibles and non-recurring items
[2] Operating EBITA in percentage of Gross profit
[3] Operating EBITDA excluding non cash share based payment expenses, plus/less changes in working capital less capital expenditures
[4] Free cash flow in percentage of Operating EBITDA
[5] Result for the year before amortisation (net of tax)

Revenue

In the first nine months of 2016, revenue was EUR 1,305.8 million, an increase of 15% compared to the same period in 2015. All regions contributed to the increase. On a constant currency basis, the increase in revenue was 18%, consisting of organic growth (4%) and the first time inclusion of acquired companies (14%).

Gross profit

Gross profit, defined as revenue less cost of materials and inbound logistics, increased from EUR 249.4 million to EUR 286.9 million, an increase of 15% compared to the first nine months of 2015. On a constant currency basis, the gross profit growth was 19%, consisting of organic growth of 5% and the first time inclusion of acquisitions of 14%.

Gross profit in % of revenue increased from 21.9% in the first nine months of 2015 to 22.0% in 2016. This increase is the result of the first time inclusion of acquired companies, local market circumstances, currency changes and the usual fluctuations in the product mix.

Operating EBITA

In the first nine months of 2016 operating EBITA amounted to EUR 112.8 million, an increase of 17% compared to the first nine months of 2015. On a constant currency basis the increase is 21%.

The growth in operating EBITA was a combination of organic growth, the first time inclusion of acquired companies and a negative impact of exchange differences. The operating EBITA in % of revenue increased from 8.5% in the first nine months of 2015 to 8.6% in 2016.

The conversion margin, defined as operating EBITA as a percentage of gross profit, improved by 0.7% from 38.6% in the first nine months of 2015 to 39.3% in 2016.

Cash flow and capital expenditure

Compared to the first nine months of 2015, free cash flow increased by 29%, from EUR 80.8 million to EUR 104.0 million. The cash conversion margin, defined as free cash flow as a percentage of operating EBITDA, was 89.7% compared to 81.8% in the first nine months of 2015. The improvement of the free cash flow and cash conversion margin in 2016 were driven by a combination of higher operating EBITDA and lower working capital investments.

The investment in working capital (sum of inventories, trade and other receivables minus trade and other payables) in the first nine months of 2016 was EUR 8.9 million compared to EUR 16.1 million in the first nine months of 2015.

Capital expenditure was EUR 4.1 million in 2016 compared to EUR 2.4 million in the first nine months of 2015 and mainly relates to improvements of the ICT infrastructure and office furniture and equipment.

Net debt

As at 30 September 2016, net debt was EUR 404.3 million compared to EUR 437.5 million at year end 2015. The leverage ratio (net debt/operating EBITDA ratio including full year impact of acquisitions) at the end of September 2016 was 2.7 (31 December 2015: 2.9). Calculated on the basis of the definitions used in the IMCD loan documentation, the leverage ratio at the end of September 2016 was 2.4 times EBITDA (31 December 2015: 2.5).

By the end of October 2016 an amendment to IMCD's EUR 500 million syndicated banking facilities was agreed. The amendment comprises an extension of the term of the existing credit facilities by one year and a reallocation of part of the term facilities and incremental facilities into revolving facilities, resulting in a term facility of EUR 200 million (previously EUR 350 million) and a revolving facility of EUR 300 million (previously EUR 150 million). In addition, the amended terms include a fixed leverage covenant of 3.5 with an acquisition spike, whereby the leverage may be increased to 4.0 (two times) during the remaining life of the facilities.

Following the amendment of the banking facilities, a debt capital market issuance ("Schuldscheindarlehen") of EUR 100 million and USD 90 million with a tenor of 5 and 7 years was closed. The proceeds of this debt capital market issuance are used to repay revolving facilities.

The renewed debt structure provides further flexibility with appropriate leverage ratio's.

Developments by operating segment

The reporting segments are defined as follows:

- EMEA: all operating companies in Europe, Turkey and Africa
- Asia Pacific: all operating companies in Australia, New Zealand, India, China, Malaysia, Indonesia, Philippines, Thailand, Singapore, Vietnam and Japan
- Americas: all operating companies in the United States of America, Brazil and Puerto Rico
- Holding companies: all non-operating companies, including the head office in Rotterdam and the regional offices in Singapore and New Jersey, USA

The developments in the first nine months of 2016 by operating segments are as follows.

EMEA

EUR million	Jan. 1 - Sept. 30 2016	Jan. 1 - Sept. 30 2015	Change	Fx adj. change
Revenue	805.5	798.6	1%	3%
Gross profit	190.2	185.5	3%	6%
Gross profit in % of revenue	23.6%	23.2%	0.4%	
Operating EBITA	77.6	75.1	3%	7%
Operating EBITA in % of revenue	9.6%	9.4%	0.2%	

Revenue growth of 1% to EUR 805.5 million in the first nine months of 2016 (+3% on a constant currency basis). Gross profit increased by 3% (+6% on a constant currency basis). In the first nine months of 2016, gross profit margin was 23.6%, an improvement of 0.4% compared to the same period of 2015.

Operating EBITA growth of 3% from EUR 75.1 million in the first nine months of 2015 to EUR 77.6 million in 2016. On a constant currency basis, the organic growth of the operating EBITA was 7%. Operating EBITA in % of revenue increased by 0.2% in the first nine months of 2016 compared to the same period in 2015.

On 1 September 2016, IMCD acquired the business and certain assets of Chemicals and Solvents (EA) Ltd. (C&S), based in Nairobi, Kenya. C&S' activities focus on the distribution of ingredients to the food, cosmetics, detergents and pharmaceutical industries. In 2015 C&S generated revenue of about EUR 5 million with 26 staff.

Asia Pacific

EUR million	Jan. 1 - Sept. 30 2016	Jan. 1 - Sept. 30 2015	Change	Fx adj. change
Revenue	237.6	227.7	4%	7%
Gross profit	44.5	43.0	4%	6%
Gross profit in % of revenue	18.7%	18.9%	(0.2%)	
Operating EBITA	20.8	20.5	1%	4%
Operating EBITA in % of revenue	8.7%	9.0%	(0.3%)	

Revenue growth of 4% to EUR 237.6 million (+7% on a constant currency basis). Gross profit increased by 4% to EUR 44.5 million (+6% on a constant currency basis) with a gross profit in % of revenue of 18.7% compared to 18.9% in the first nine months of 2015.

Operating EBITA increased by 1% to EUR 20.8 million (+4% on a constant currency basis).

Americas

EUR million	Jan. 1 - Sept. 30 2016	Jan. 1 - Sept. 30 2015	Change	Fx adj. change
Revenue	262.7	113.1	132%	141%
Gross profit	52.1	20.9	150%	161%
Gross profit in % of revenue	19.8%	18.5%	1.3%	
Operating EBITA	24.9	9.1	174%	179%
Operating EBITA in % of revenue	9.5%	8.0%	1.5%	

The first nine months 2016 figures include the impact of acquisitions completed in 2015 and 2016. These acquisitions are:

- MF Cachat (USA) completed in June 2015
- Selectchemie (Brazil) completed in December 2015
- Mutchler (USA/Puerto Rico) completed in July 2016

Mutchler Inc. and Mutchler of Puerto Rico Inc. were acquired by IMCD on 1 July 2016. Mutchler is an important speciality pharmaceutical ingredients supplier in the USA and Puerto Rico with offices in Harrington Park, New Jersey and Puerto Rico. In 2015, Mutchler generated revenue of USD 28 million with approximately 30 employees.

Holding companies

EUR million	Jan. 1 - Sept. 30 2016	Jan. 1 - Sept. 30 2015	Change	Fx adj. change
Operating EBITA	(10.4)	(8.4)	(24%)	(26%)

The increase in operating costs reflects the growth of IMCD and as a consequence the strengthened support functions in both the central head office in Rotterdam as well as in the regional head offices in Singapore and in New Jersey, USA.

In the course of the third quarter of 2016, the Company purchased 55,000 IMCD shares to hedge its potential obligations arising from conditionally awarded performance shares under IMCD's long term incentive plan.

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 others, the ability to maintain and expand commercial relationships, the ability to introduce new products and start new customer and supplier relations 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 through acquisitions.

Based on the performance in the first nine months and the strong fundamentals of the business, IMCD expects operating EBITA growth in 2016.

Financial calendar

8 March 2017	Full year 2016 results
10 May 2017	First quarter 2017 trading update
10 May 2017	Annual General Meeting
25 August 2017	First half year 2017 results
8 November 2017	Third quarter 2017 trading update
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Further information

Today's analysts call will start at 10 am CET. A recording of this call will be made available on the IMCD website (www.imcdgroup.com).

About IMCD

IMCD is a market-leader in the sales, marketing and distribution of speciality chemicals and food ingredients. Its dedicated experts provide market-focused solutions to suppliers and customers across Europe, Africa, Asia-Pacific and Americas, offering a range of comprehensive product portfolios, including innovative formulations that embrace industry trends.
Listed at Euronext, Amsterdam (IMCD.AS), IMCD realised revenues of EUR 1,530 million in 2015. In over 40 countries on 6 continents its dedicated team of more than 1,700 technical and commercial experts work in close partnership to tailor best in class solutions for around 32,000 customers and a diverse range of world class suppliers.

For further information, please visit www.imcdgroup.com

Disclaimer forward looking statements

This press release may contain forward looking statements. These statements are based on current expectations, estimates and projections of IMCD's management and information currently available to the company. IMCD cautions that such statements contain elements of risk and uncertainties that are difficult to predict and that could cause actual performance and position to differ materially from these statements. IMCD disclaims any obligation to update or revise any statements made in this press release to reflect subsequent events or circumstances, except as required by law.
In the annual report of IMCD N.V, the relevant risk categories and risk factors that could adversely affect the company's business and financial performance have been described. They are deemed to be incorporated in this release.

This press release contains inside information as meant in clause 7 of the Market Abuse Regulation.