

One Company. Endless Possibilities

CONFERENCE CALL
First nine months 2023 results

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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 nine months 2023

Gross profit:

Gross profit of EUR 856 million (+EUR 3 million on a constant currency basis)

Operating EBITA

Operating EBITA decline of 10% to EUR 400 million (-6% on a constant currency basis)

Net Result

Net result decline of 19% to EUR 214 million (-16% on a constant currency basis)

Free cash flow

Free cash flow increase by 46% to EUR 364 million (first nine months of 2022: EUR 249 million)

Acquisitions

Since the end of Q2 2023, IMCD successfully completed acquisitions in South Africa, UK, Puerto Rico, Chile, South Korea and Singapore/Vietnam



Highlights first nine months 2023 – acquisitions since June 2023

EMEA

- On 3 July 2023, IMCD acquired 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.
- On 13 July 2023, IMCD acquired 90% of the shares of O&3 Limited, ("O&3"), an industry leading supplier of speciality natural ingredients to the global beauty and personal care markets.

Americas

- On 2 August 2023, IMCD acquired 100% of the shares of Sachs Chemical, Inc. ("Sachs"). Sachs is a speciality chemicals distributor, providing customised solutions for the pharmaceutical industry in Puerto Rico.
- On 3 August 2023, IMCD acquired 100% of the shares of Representaciones de Materias Primas Industriales Limitada ("MAPRIN"). MAPRIN is a raw materials distributor for the beauty and personal care industry, headquartered in Santiago, Chile.

APAC

- On 19 October 2023, IMCD acquired 100% of the shares in Needfill Co., Ltd. ("Needfill") in South Korea, Needfill based in Seoul serves the paint, coatings, inks, textiles, electronics, and polymer markets.
- On 6 November 2023, IMCD acquired 100% of the shares of the speciality distribution company Brylchem Pte Ltd and the business of Chemipac Pte Ltd. in Singapore, and the business of CMS Marketing Trading Co., Ltd in Vietnam ("jointly Brylchem Group"). Brylchem Group offers a wide range of products for the Singapore and Vietnam markets.

Total annual revenue

The 14 acquisitions closed or signed ytd 2023 will add about 470 employees and have a combined annual revenue of over EUR 400 million

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Key figures

EUR million	Jan.1 - Sept. 30 2023	Jan.1 - Sept. 30 2022	Change	Change %	Fx adj. Change
Revenue	3.379	3.512	(133)	(4)%	(1)%
Gross profit	856	883	(27)	(3)%	0%
Gross profit as a % of revenue	25,3%	25,1%	0,2%		
Operating EBITA	400	443	(43)	(10)%	(6)%
Operating EBITA as a % of revenue	11,8%	12,6%	(0,8)%		
Conversion margin	46,8%	50,2%	(3,4)%		
Net Result	214	264	(50)	(19)%	(16)%
Free cash flow	364	249	115		
Cash conversion margin	89,1%	55,1%	34,0%		
Earnings per share (weighted)	3,76	4,64	(0,88)	(19)%	(16)%
Cash earnings per share (weighted)	4,68	5,34	(0,66)	(12)%	(9)%
Number of full time employees end of period	4.700	4.202	498	12%	

Financials first nine months 2023

Income statement

EUR million		EMEA	Americas	Asia Pacific	Holding companies	Total
Gross profit	YTD Q3 2023	406	261	189		856
	YTD Q3 2022	409	291	183		883
	Δ reported	(1)%	(10)%	3%		(3)%
	Δ constant currency	2%	(8)%	11%		0%
Gross profit as a % of revenue	YTD Q3 2023	27,4%	24,1%	23,3%		25,3%
	YTD Q3 2022	26,4%	24,1%	24,2%		25,1%
	Δ margin %	1,0%	0,0%	(0,9)%		0,2%
Operating EBITA	YTD Q3 2023	188	124	113	(24)	400
	YTD Q3 2022	199	151	117	(24)	443
	Δ reported	(6)%	(18)%	(3)%	2%	(10)%
	Δ constant currency	(2)%	(17)%	4%	2%	(6)%
Operating EBITA as a % of revenue	YTD Q3 2023	12,7%	11,4%	13,9%		11,8%
	YTD Q3 2022	12,9%	12,5%	15,4%		12,6%
	Δ margin %	(0,2)%	(1,1)%	(1,5)%		(0,8)%
Conversion margin	YTD Q3 2023	46,4%	47,3%	59,7%		46,8%
<i>operating EBITA as a % of gross profit</i>	YTD Q3 2022	48,7%	51,9%	63,7%		50,2%
	Δ margin %	(2,3)%	(4,6)%	(4,0)%		(3,4)%

Financials first nine months 2023

Free cash flow

EUR million	Jan.1 - Sept. 30 2023	Jan.1 - Sept. 30 2022	Change	Change %
Operating EBITA	400	443	(43)	(10)%
Depreciation	24	22	2	
Operating EBITDA	424	466	(42)	(9)%
Share based payments	4	4	0	
IAS 17 lease payments	(19)	(17)	(2)	
Adjusted operating EBITDA	408	452	(44)	(10)%
Capex	(8)	(6)	(2)	
Δ Working capital ¹	(37)	(197)	160	
Free cash flow	364	249	115	46%
<i>Cash conversion ratio²</i>	<i>89.1%</i>	<i>55.1%</i>	<i>34.0%</i>	

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

² Free cash flow in percentage of Adjusted Operating EBITDA

Financials first nine months 2023

Net debt/leverage

EUR million	30 September 2023	31 December 2022	30 September 2022
Reported Net Debt (incl. new share capital/ IFRS 16 debt)	1,352	1,027	1,122
Reported leverage ratio: Reported (incl. full year impact of acquisitions)	2.4	1.7	1.9
Leverage ratio based on loan documentation: Actual based on loan documentation	1.8	1.3	1.4

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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.

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

Due to current macro-economic circumstances, and considering the exceptional results realised in 2022, IMCD expects the outcome of this year to be below last year. However, IMCD foresees its performance to improve in the fourth quarter, relative to the prior two quarters.

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