

One Company. Endless Possibilities

CONFERENCE CALL
First three months 2024 results

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Presenting team



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- 1 Company profile
- 2 Highlights first three months 2024
- 3 Financials first three months 2024
- 4 Outlook
- 5 Q&A



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



Company
profile

Highlights first
three months
2024

Financials first
three months
2024

Outlook

Q&A

Highlights first three months 2024

Gross profit

- Gross profit of EUR 295 million (on a constant currency basis, equal to the first three months of 2023)

Operating EBITA

- Operating EBITA decline to EUR 127 million (-13% on a constant currency basis)

Free cash flow

- Free cash flow of EUR 106 million (first three months of 2023: EUR 147 million)

Cash earnings per share

- Cash earnings per share of EUR 1.41 (first three months of 2023: EUR 1.74)

Acquisitions

- 6 acquisitions closed and 3 acquisitions signed adding EUR 235 million revenues¹ and about 355 employees¹

Highlights first three months 2024 – M&A

EMEA

- On 26 March 2024, IMCD acquired 100% of the shares of Gova Ingredients, a distributor for the beauty and personal care market in the Benelux.
- On 23 April 2024, IMCD signed an agreement to acquire 100% of the shares of in Cobapharma, a European distributor in the pharmaceutical and nutraceutical industry.

AMERICAS

- On 14 February 2024, IMCD acquired the distribution business of Joli Foods to expand its food and nutrition business and product portfolio in Colombia.
- On 19 March 2024, IMCD signed an agreement to acquire 100% of the shares of Bretano, a speciality ingredients distributor in Costa Rica, El Salvador, Guatemala and Mexico for the food industry and distributor of chemicals to construction and other industrial markets.

Highlights first three months 2024 – M&A (continued)

APAC

- On 9 January 2024, IMCD acquired 70% of the shares of Valuetree to expand its beauty and personal care footprint in India.
- On 1 February 2024, IMCD acquired the lubricant additives distribution business of RBD in China.
- On 16 February 2024 IMCD signed an agreement to acquire the coatings and construction distribution business of ResChem in Australia and New Zealand.
- On 22 February 2024, IMCD acquired two business lines from CJ Shah & Company with chemicals primarily for paints, coatings, adhesives and life science applications.
- On 29 February 2024, IMCD acquired 100% of the shares of the speciality distribution company Euro Chemo-Pharma in Malaysia, and its wholly owned subsidiary Biofresh. They offer a wide range of products mainly for food, pharmaceutical and personal care applications.

Company
profile

Highlights first
three months
2024

Financials first
three months
2024

Outlook

Q&A

Financials first three months 2024

Key figures

EUR million	Jan.1 - Mar. 31 2024	Jan.1 - Mar. 31 2023	Change	Change %	Fx adj. Change
Revenue	1,160	1,160	(0)	(0%)	1%
Gross profit	295	300	(5)	(2%)	0%
Gross profit as a % of revenue	25.4%	25.9%	(0.5%)		
Operating EBITA	127	149	(22)	(15%)	(13%)
Operating EBITA as a % of revenue	10.9%	12.8%	(1.9%)		
Conversion margin	42.9%	49.5%	(6.6%)		
Net Result	60	83	(23)	(27%)	(26%)
Free cash flow	106	147	(41)		
Cash conversion margin	82.0%	97.4%	(15.4%)		
Earnings per share (weighted)	1.05	1.45	(0.40)		
Cash earnings per share (weighted)	1.41	1.74	(0.33)		
Number of full time employees end of period	4,948	4,507	441	10%	

Financials first three months 2024

Income statement

EUR million		EMEA	Americas	Asia Pacific	Holding companies	Total
Gross profit	YTD Q1 2024	144	86	66		295
	YTD Q1 2023	144	93	63		300
	organic growth	(3%)	(14%)	(6%)		(8%)
	acquisition growth	5%	5%	14%		7%
	currency impact	(2%)	1%	(4%)		(1%)
Operating EBITA	YTD Q1 2024	65	35	36	(10)	127
	YTD Q1 2023	71	46	39	(8)	148
	organic growth	(13%)	(31%)	(17%)	21%	(21%)
	acquisition growth	6%	5%	13%		8%
	currency impact	(2%)	1%	(3%)	0%	(2%)
Operating EBITA as a % of revenue	YTD Q1 2024	12.7%	10.0%	12.1%	(0.8%)	10.9%
	YTD Q1 2023	13.6%	12.4%	14.9%	(0.7%)	12.8%
	Δ margin %	(0.9%)	(2.4%)	(2.8%)	(0.1%)	(1.9%)
Conversion margin	YTD Q1 2024	45.4%	40.7%	55.2%		42.9%
<i>operating EBITA as a % of gross profit</i>	YTD Q1 2023	49.6%	50.0%	61.2%		49.5%
	Δ margin %	(4.2%)	(9.3%)	(6.0%)		(6.6%)

Financials first three months 2024

Free cash flow

EUR million	Jan.1 - Mar. 31 2024	Jan.1 - Mar. 31 2023	Change	Change %
Operating EBITA	127	149	(22)	(15%)
Depreciation	10	7	2	
Operating EBITDA	136	156	(20)	(13%)
Share based payments	1	1	0	
IAS 17 lease payments	(8)	(6)	(1)	
Adjusted operating EBITDA	130	151	(21)	(14%)
Capex	(4)	(2)	(2)	
Δ Working capital ¹	(20)	(2)	(18)	
Free cash flow	106	147	(41)	(28%)
<i>Cash conversion ratio²</i>	<i>82.0%</i>	<i>97.4%</i>	<i>(15.4%)</i>	

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

² Free cash flow in percentage of Adjusted Operating EBITDA

Financials first three months 2024

Net debt/leverage

EUR million	31 March 2024	31 December 2023	31 March 2023
Reported Net Debt	1,443	1,286	1,112
Reported leverage ratio:			
Reported (incl. full year impact of acquisitions)	2.7	2.3	1.8
Leverage ratio based on loan documentation:			
Actual based on loan documentation	2.5	1.7	1.3

Company
profile

Highlights first
three months
2024

Financials first
three months
2024

Outlook

Q&A

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

Whilst our acquisition pipeline and projects with principals and customers remain healthy in all regions, current market dynamics continue to make future customer demand difficult to predict. Our strong commercial teams, digital and logistics infrastructure, combined with further driving operational excellence and cost control, will deliver future growth and efficiencies.

Company
profile

Highlights first
three months
2024

Financials first
three months
2024

Outlook

Q&A

Disclaimer

This presentation 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 presentation to reflect subsequent events or circumstances, except as required by law.

This presentation does not provide any form of (commercial, investment or financial service) advice, nor does it contain recommendations regarding any decision, and should not be treated as such.

More information on IMCD's 2023 FY performance can be found in the 2023 FY results press release. In addition, an overview of the risk categories and risk factors that could adversely affect IMCD's business and financial performance can be found in its Integrated Report 2023, which is available on its corporate website: www.imcdgroup.com.

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