

# One Company. Endless Possibilities

CONFERENCE CALL  
First half 2024 results

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# Presenting team



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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 half 2024

## Gross profit

- Gross profit increase of 4% to EUR 607 million (+5% on a constant currency basis)

## Operating EBITA

- Operating EBITA decline of 4% to EUR 270 million (-2% on a constant currency basis)

## Free cash flow

- Free cash flow of EUR 221 million (first half of 2023: EUR 241 million)

## Cash earnings per share

- Cash earnings per share of EUR 3.23 (first half of 2023: EUR 3.28)

## Acquisitions

- 11 acquisitions closed adding about EUR 250 million revenues<sup>1</sup> and about 360 employees<sup>1</sup>

# Highlights YTD 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 17 July 2024, IMCD acquired 100% of the shares of Cobapharma”), a Spanish distributor in the pharmaceutical and nutraceutical industry.
- Respectively in July 2024, IMCD acquired 100% of the shares of Selechimica S.R.L. an Italian distributor in the pharmaceutical industry and 100% of the shares of Arena Pharmaceuticals Ltd., an UK distributor of APIs for the pharmaceutical, veterinary and health food markets.

## 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 13 May 2024, IMCD acquired 100% of the shares of Bretano, a speciality ingredients distributor for the food industry and distributor of chemicals to construction and other industrial markets in Costa Rica, El Salvador, Guatemala and Mexico.

# Highlights YTD 2024 – M&A

## ASIA PACIFIC

- 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 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.
- On 1 May 2024, IMCD acquired 100% of the shares of speciality distribution company ResChem in Australia and New Zealand . ResChem specialises in resins, additives and pigments for use in inks, coatings, adhesives and construction applications.



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# Financials first half 2024

## Key figures

EUR million	Jan.1 - June. 30 2024	Jan.1 - June. 30 2023	Change	Change %	Fx adj. Change
<b>Revenue</b>	<b>2,385</b>	<b>2,287</b>	<b>98</b>	<b>4%</b>	<b>5%</b>
Gross profit	607	583	24	4%	5%
Gross profit as a % of revenue	25.4%	25.5%	(0.1%)		
<b>Operating EBITA</b>	<b>270</b>	<b>280</b>	<b>(10)</b>	<b>(4%)</b>	<b>(2%)</b>
Operating EBITA as a % of revenue	11.3%	12.2%	(0.9%)		
Conversion margin	44.5%	48.1%	(3.6%)		
Net Result	141	153	(12)	(7%)	(6%)
<b>Free cash flow</b>	<b>221</b>	<b>241</b>	<b>(20)</b>		
<b>Cash conversion margin</b>	<b>79.8%</b>	<b>84.4%</b>	<b>(4.6%)</b>		
Earnings per share (weighted)	2.48	2.68	(0.20)		
Cash earnings per share (weighted)	3.23	3.28	(0.05)		
Number of full time employees end of period	5,014	4,549	465	10%	

# Financials first half 2024

## Income statement

EUR million		EMEA	Americas	Asia Pacific	Holding companies	Total
<b>Gross profit</b>	<b>YTD Q2 2024</b>	<b>286</b>	<b>180</b>	<b>140</b>		<b>607</b>
	YTD Q2 2023	275	179	128		583
	organic growth	1%	(6%)	(2%)		(2%)
	acquisition growth	5%	6%	14%		7%
	currency impact	(2%)	1%	(3%)		(1%)
<b>Operating EBITA</b>	<b>YTD Q2 2024</b>	<b>129</b>	<b>78</b>	<b>82</b>	<b>(19)</b>	<b>270</b>
	YTD Q2 2023	131	88	79	(17)	280
	organic growth	(3%)	(19%)	(6%)	14%	(11%)
	acquisition growth	5%	7%	14%		9%
	currency impact	(3%)	1%	(3%)	0%	(2%)
<b>Operating EBITA as a % of revenue</b>	<b>YTD Q2 2024</b>	<b>12.6%</b>	<b>10.7%</b>	<b>13.0%</b>	<b>(0.8%)</b>	<b>11.3%</b>
	YTD Q2 2023	12.9%	11.9%	14.6%	(0.7%)	12.2%
	Δ margin %	(0.3%)	(1.2%)	(1.6%)	(0.1%)	(0.9%)
<b>Conversion margin</b>	<b>YTD Q2 2024</b>	<b>45.0%</b>	<b>43.3%</b>	<b>58.7%</b>		<b>44.5%</b>
	<i>operating EBITA as a % of gross profit</i>	YTD Q2 2023	47.4%	49.0%	61.4%	48.1%
	Δ margin %	(2.4%)	(5.7%)	(2.7%)		(3.6%)

# Financials first half 2024

## Income statement (continued)

EUR million	Jan.1 - June. 30 2024	Jan.1 - June. 30 2023	change	change	fx adj. change
<b>Operating EBITA</b>	<b>270</b>	<b>280</b>	<b>(10)</b>	<b>(4%)</b>	<b>(2%)</b>
Net finance costs	(27)	(26)			
Income tax expenses	(57)	(66)			
<b>Net result before amortisation/non recurring items</b>	<b>186</b>	<b>189</b>	<b>(3)</b>	<b>(1%)</b>	<b>(0%)</b>
Amortisation of intangible assets	(47)	(38)			
Tax credits related to amortisation	5	5			
Acquisition costs and results related to one-off adjustments to the organisation	(3)	(3)			
<b>Result for the period</b>	<b>141</b>	<b>153</b>	<b>(12)</b>	<b>(7%)</b>	<b>(6%)</b>
Earnings per share (weighted)	2.48	2.68	(0.20)	(8%)	(6%)
<b>Cash Earnings per share (weighted)</b>	<b>3.23</b>	<b>3.28</b>	<b>(0.04)</b>	<b>(2%)</b>	<b>(1%)</b>



# Financials first half 2024

## Balance Sheet

EUR million	30 June 2024	31 December 2023	30 June 2023
Property, plant and equipment	42	36	31
Right-of-use assets	109	100	86
Intangible assets	2,504	2,260	2,111
Other fin. assets/def tax assets	50	50	46
Working capital	843	764	833
Provisions/employee benefits	(44)	(46)	(34)
Deferred tax liabilities	(164)	(154)	(147)
<b>Capital employed</b>	<b>3,341</b>	<b>3,012</b>	<b>2,926</b>
Equity	1,751	1,726	1,657
<i>Equity as a % of capital employed</i>	<i>52%</i>	<i>57%</i>	<i>57%</i>
Loans and borrowings minus cash	1,589	1,286	1,268
<b>Total financing</b>	<b>3,341</b>	<b>3,012</b>	<b>2,926</b>

# Financials first half 2024

## Working capital

EUR million	30 June 2024	31 December 2023	30 June 2023
Inventories	642	581	633
<i>in days of revenue*</i>	48	46	49
Trade and other receivables	915	732	825
<i>in days of revenue*</i>	69	58	64
Trade payables	(554)	(391)	(467)
<i>in days of revenue*</i>	(42)	(31)	(36)
Other payables	(161)	(158)	(157)
<i>in days of revenue*</i>	(12)	(12)	(12)
<b>Total working capital</b>	<b>841</b>	<b>764</b>	<b>833</b>
<i>in days of revenue *</i>	63	61	65

\* normalised for impact acquisitions

# Financials first half 2024

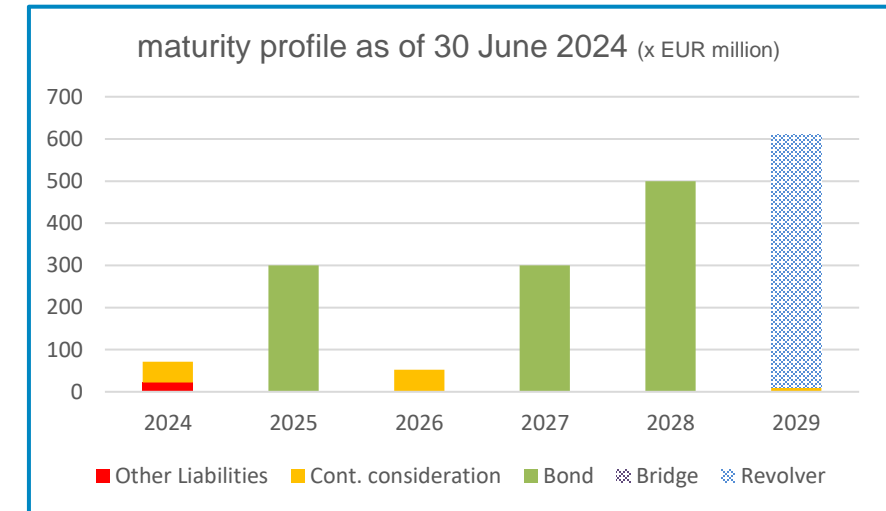
## Net debt 30 June

EUR million	30 June 2024	31 December 2023	change
Loans and borrowings long term	1.240	1.250	(10)
Loans and borrowings short term	0	0	0
Short term financial liabilities	573	430	143
Cash and cash equivalents	(224)	(394)	171
<b>Net Debt</b>	<b>1.589</b>	<b>1.286</b>	<b>304</b>
<b>Net Debt / Operating EBITDA ratio<sup>1</sup></b>	<b>2,9</b>	<b>2.3</b>	<b>0,6</b>

## Covenants

	June 2024	Bank condition	December 2023
Leverage	2,7		1.7
Revolving credit facility		< 4.25	

<sup>1</sup> Including full year impact of acquisitions



# Financials first half 2024

## Free cash flow

EUR million	Jan.1 - June. 30 2024	Jan.1 - June. 30 2023	Change	Change %
<b>Operating EBITA</b>	<b>270</b>	<b>280</b>	<b>(10)</b>	<b>(4%)</b>
Depreciation	20	15	5	
<b>Operating EBITDA</b>	<b>290</b>	<b>296</b>	<b>(6)</b>	<b>(2%)</b>
Share based payments	2	2	0	
IAS 17 lease payments	(15)	(13)	(2)	
<b>Adjusted operating EBITDA</b>	<b>276</b>	<b>286</b>	<b>(10)</b>	<b>(3%)</b>
Capex	(6)	(5)	(1)	
Δ Working capital <sup>1</sup>	(50)	(40)	(10)	
<b>Free cash flow</b>	<b>221</b>	<b>241</b>	<b>(20)</b>	<b>(8%)</b>
<i>Cash conversion ratio<sup>2</sup></i>	<i>79.8%</i>	<i>84.4%</i>	<i>(4.6%)</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



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

Macro-economic and political uncertainty make future developments and demand difficult to predict. However we remain confident that our strong commercial teams, digital and logistic infrastructure and the resilience of our business model, will continue to contribute value to our stakeholders and sustain our growth trajectory.

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# 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](http://www.imcdgroup.com).



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