

Press release

IMCD reports EBITA of EUR 270 million in the first half of 2024

Rotterdam, The Netherlands (2 August 2024) - IMCD N.V. ("IMCD" or "Company"), a global leading distribution partner, and formulator of speciality chemicals and ingredients, today announces its first half year 2024 results.

HIGHLIGHTS

- Gross profit increase of 4% to EUR 607 million (+5% on a constant currency basis)
- Operating EBITA decline of 4% to EUR 270 million (-2% on a constant currency basis)
- Free cash flow of EUR 221 million (first half of 2023: EUR 241 million)
- Cash earnings per share decline of 2% to EUR 3.23 (first half of 2023: EUR 3.28)
- Strengthening our presence in various markets through 11 acquisitions year to date (India, Colombia, China, Malaysia, Australia/New Zealand, Latin America, Benelux, Italy, UK and Spain)

Valerie Diele-Braun, CEO: *"In the second quarter of the year, we delivered moderate organic EBITA growth based on a forex adjusted gross profit growth of 11%. This second quarter gross profit growth was a combination of organic growth and a positive contribution from recent acquisitions. 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."*

KEY FIGURES

Key Performance indicator¹ for 2024

EUR MILLION	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	2,385	2,287	98	4%	5%
Gross profit	607	583	24	4%	5%
Gross profit as a % of revenue	25.4%	25.5%	(0.1%)		
Operating EBITA	270	280	(10)	(4%)	(2%)
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%)
Free cash flow	221	241	(20)	(8%)	
Cash conversion margin	79.8%	84.4%	(4.6%)		
Earnings per share (weighted)	2.48	2.68	(0.20)	(8%)	(6%)
Cash earnings per share (weighted)	3.23	3.28	(0.05)	(2%)	(1%)
Number of full time employees end of period	5,014	4,549	465	10%	

¹ For the definitions of the alternative performance measures, reference is made to page 27

Revenue

In the first half of 2024, revenue increased by 4% to EUR 2,384.6 million, compared with the same period of 2023 (+5% on a constant currency basis). The revenue increase is the result of an organic decline of 4%, the positive impact of the first-time inclusion of companies acquired in 2023 and 2024 of 9%, and foreign currency exchange rate results (-1%).

Gross profit

Gross profit, defined as revenue less costs of materials and inbound logistics, increased by 4% to EUR 606.5 million in the first half of 2024, compared with EUR 582.5 million in the same period of 2023 (+5% on a constant currency basis). The increase in gross profit of 4% was the result of organic developments (-2%), the impact of the first-time inclusion of acquisitions (+7%) and foreign currency exchange rate results (-1%). In the second quarter of 2024, gross profit increased by 10% (11% on a constant currency basis) compared with same period of 2023.

In the first half of 2024 gross profit as a % of revenue was 25.4%, compared with 25.5% in the same period of 2023. The development of the gross profit margin is the result of changes in local market conditions, gross margin improvement initiatives, fluctuations in the product mix, currency exchange rate movements and the impact of newly acquired businesses.

Operating EBITA

Following a relatively soft first quarter of 2024 (-15% compared with a strong first quarter in 2023), operating EBITA increased by 9% (11% on a constant currency basis) in the second quarter of 2024 compared to the same period in 2023. This increase was the result of modest organic growth (+1%), the impact of the first-time inclusion of acquisitions (+9) and foreign currency impacts (-1%).

In the first half of 2024 operating EBITA was EUR 269.8 million compared with EUR 280.1 million in the same period of 2023. The decline in operating EBITA of 4%, is the result of a combination of an organic decline (-11%), the impact of the first-time inclusion of companies acquired in 2023 and 2024 (+9%) and foreign currency impacts of (-2%).

Operating EBITA as a % of revenue declined by 0.9%-point from 12.2% in the first half of 2023 to 11.3% in 2024.

The conversion margin, defined as operating EBITA as a percentage of gross profit, declined by 3.6%-point from 48.1% in the first half of 2023 to 44.5% in 2024. The decline in conversion margin is the result of higher gross profit being more than offset by inflation-driven organic own cost growth.

Cash flow and capital expenditure

In the first half of 2024, free cash flow was EUR 220.5 million compared with EUR 240.9 million in the same period of 2023 (EUR -20.4 million).

The cash conversion margin, defined as free cash flow as a percentage of adjusted operating EBITDA (Operating EBITDA adjusted for non-cash share-based payments and lease payments), was 79.8% compared with 84.4% in the first half of 2023. The decline of the cash conversion margin in 2024 is the result of lower operating EBITDA and higher investments in net working capital, compared with the same period in 2023.

The investment in net working capital (sum of inventories, trade and other receivables minus trade and other payables) in the first half of 2024 was EUR 49.7 million compared with EUR 40.0 million in the first half of 2023. As at the end of June 2024, net working capital in days of revenue was 63 days (June 2023: 65 days).

Capital expenditure was EUR 6.2 million in the first half of 2024 compared with EUR 4.6 million in the same period of 2023 and mainly relates to investments in the ICT infrastructure, office improvements and technical equipment.

Net debt

As at 30 June 2024, net debt was EUR 1,589.4 million compared with EUR 1,285.6 million as of 31 December 2023.

The leverage ratio (net debt/operating EBITDA ratio including full year impact of acquisitions) as at the end of June 2024, was 2.9 times EBITDA (31 December 2023: 2.3). Calculated on the basis of the definitions used in the IMCD loan documents, the leverage ratio as at the end of June 2024 was 2.7 times EBITDA (31 December 2023: 1.7), which is well below the maximum of 4.25 as allowed under the loan documents.

The leverage development in the first half of 2024 is, among other things, influenced by a dividend payment of EUR 127.7 million in May and by considerations paid for acquired businesses of EUR 251.8 million.

DEVELOPMENTS BY OPERATING SEGMENT

The reporting segments are defined as follows:

- EMEA: all operating companies in Europe, Türkiye, Israel, United Arab Emirates, Saudi Arabia and Africa
- Americas: all operating companies in the United States of America, Canada, Brazil, Puerto Rico, Chile, Argentina, Uruguay, Colombia, Mexico, Peru, Costa Rica and Dominican Republic, Ecuador, Guatemala and El Salvador
- Asia-Pacific: all operating companies in Australia, New Zealand, India, Bangladesh, China, Malaysia, Indonesia, Philippines, Thailand, Singapore, Vietnam, Japan and South Korea
- Holding companies: all non-operating companies, including the head office in Rotterdam and the regional offices in Singapore and in the USA

The developments by operating segment in the first half of 2024 are as follows.

EMEA

EUR MILLION	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	1,024.1	1,009.2	14.9	1%	3%
Gross profit	286.0	275.3	10.7	4%	6%
Gross profit as a % of revenue	27.9%	27.3%	0.6%		
Operating EBITA	128.8	130.6	(1.8)	(1%)	1%
Operating EBITA as a % of revenue	12.6%	12.9%	(0.3%)		
Conversion margin	45.0%	47.4%	(2.4%)		

Revenue increased by 1% to EUR 1,024.1 million in the first half of 2024, compared with EUR 1,009.2 million in the same period of 2023 (+3% on a constant currency basis). The organic development of the revenue was -3%, the positive impact of the first-time inclusion of acquisitions completed in 2023 and 2024 was 5% and the impact of foreign currency exchange rate developments was -1%.

Gross profit of EUR 286.0 million in the first half of 2024 was 4% higher compared with EUR 275.3 million in the same period of 2023 (+6% on a constant currency basis). This was the result of an organic increase of 1%, acquisition growth of 5% and negative currency exchange rate impacts of 2%. Gross profit margin increased by 0.6%- point from 27.3% in the first half of 2023, to 27.9% in 2024.

Operating EBITA declined by 1%, from EUR 130.6 million in the first half of 2023 to EUR 128.8 million in 2024. Organic EBITA development was -3%, growth as a result of acquisitions completed in 2023 and 2024 was 5% and negative foreign currency impacts were -3% in the first half of 2024.

Compared with the same period of 2023, operating EBITA as a % of revenue declined by 0.3%-point to 12.6% in the first half of 2024.

The first half of 2024 include the impact of the acquisitions of Orange Chemicals (UK and Ireland) in February 2023, ACM (Sweden) in April 2023, Tagra Distribution Division (Israel) in May 2023, KOI Products Solutions (Israel) in June 2023, CPS Oil-Tech (South Africa) and O&3 (UK, Poland, USA) in July 2023, Gova (Benelux) in March 2024 and Selechimica (Italy) in June 2024.

Acquisitions:

On 17 July 2024, IMCD acquired 100% of the shares of Cobapharma, S.L.U (“Cobapharma”), a Spanish distributor in the pharmaceutical and nutraceutical industry. With 20 employees, Cobapharma generated revenues of approximately EUR 19 million in 2023.

Additionally, in June, respectively 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. The two transactions generated revenues of approximately EUR 12 million with 6 employees in 2023.

Americas

EUR MILLION	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	728.6	738.4	(9.8)	(1%)	(2%)
Gross profit	180.1	178.8	1.3	1%	0%
Gross profit as a % of revenue	24.7%	24.2%	0.5%		
Operating EBITA	78.0	87.7	(9.7)	(11%)	(12%)
Operating EBITA as a % of revenue	10.7%	11.9%	(1.2%)		
Conversion margin	43.3%	49.0%	(5.7%)		

Revenue declined by 1% from EUR 738.4 million in the first half of 2023 to EUR 728.6 million in the same period of 2024. The organic revenue development was -7%, the positive impact of the first-time inclusion of acquisitions completed in 2023 and 2024 was 5% and the positive impact of foreign currency exchange rate developments was 1%.

In the first half of 2024, the America segment reported a gross profit increase of EUR 1.3 million (+1%) to EUR 180.1 million, compared with EUR 178.8 million in the same period of 2023. The increase in gross profit was the result of organic developments (-6%), the impact of the first-time inclusion of acquired businesses (+6%) and positive foreign currency exchange results (+1%).

Gross profit as a percentage of revenue increased by 0.5%-point from 24.2% in the first half of 2023 to 24.7% in 2024.

In the first half of 2024, operating EBITA declined by EUR 9.7 million (-11%) to EUR 78.0 million, compared with EUR 87.7 million in the same period of 2023. The decline in operating EBITA was the result of organic developments (-19%), the impact of the first time inclusion of acquisitions completed in 2023 and 2024 (+7%) and a positive impact of foreign currency exchange rate developments (+1%).

Compared with the same period of 2023, operating EBITA as a % of revenue decreased by 1.2%-point to 10.7% in the first half of 2024. The conversion margin was 43.3% compared with 49.0% in the first half of 2023.

The first half of 2024 results include the impact of the acquisition of Allianz (Colombia) in May 2023, Sachs (Puerto Rico) and MAPRIN (Chile) in August 2023, Joli foods (Colombia) in February 2024 and Bretano (Costa Rica, El Salvador, Mexico and Guatemala) in May 2024.

Acquisitions:

On 13 May 2024, IMCD acquired 100% of the shares of Bretano Costa Rica, S.A., Bretano El Salvador, S.A de C.V., Bretano Guatemala, S.A., and Grupo Bretano México, S. de R.L. de C.V. (jointly "Bretano"). Bretano is a speciality ingredients distributor for the food industry and supplies chemicals to construction and other industrial markets in Latin America. With 101 employees, Bretano generated revenues of approximately USD 48 million in 2023.

Asia Pacific

EUR MILLION	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	631.9	539.6	92.3	17%	21%
Gross profit	140.4	128.4	12.0	9%	13%
Gross profit as a % of revenue	22.2%	23.8%	(1.6%)		
Operating EBITA	82.4	78.8	3.6	5%	7%
Operating EBITA as a % of revenue	13.0%	14.6%	(1.6%)		
Conversion margin	58.7%	61.4%	(2.7%)		

In Asia-Pacific, revenue increased by 17% from EUR 539.6 million in the first half of 2023 to EUR 631.9 million in 2024. Revenue growth in 2024 is the result of a combination of an organic decline of EUR 3 million (-1%), growth as a result of acquisitions completed in 2023 and 2024 (+21%) and foreign currency impacts of (-3%).

In the first half of 2024, gross profit increased by 9%, which is the result of a combination of an organic decline of 2%, the impact of the first time inclusion of businesses acquired in 2023 and 2024 of +14% and a foreign currency impact of -3%. The gross profit margin was 22.2% in 2024, compared with 23.8% in the first half of 2023. The decline of the gross profit margin was mainly the result of acquisitions with on average lower gross margins.

Compared with the same period of 2023, operating EBITA increased by 5% to EUR 82.4 million in the first half of 2024. The organic development of operating EBITA was -6%, growth as a result of acquisitions completed in 2023 and 2024 was 14% and negative foreign currency impacts were -3%. Operating EBITA as a % of revenue decreased by 1.6%-point to 13.0%.

The first half of 2024 results include the impact of the acquisition of Sanrise (China) in March 2023, Tradeimpex (India) in April 2023, Needfill (South Korea) in October 2023, Brylchem Group (Singapore/Vietnam) in November 2023, Valuetree Ingredients Private Limited (India) in January 2024, CJ Shah (India), Euro-Chemo-Pharma and Biofresh (Malaysia) and Guangzhou RBD Chemical Co., Ltd. (China) in February 2024, and Reschem (Australia/New Zealand) in May 2024.

Acquisitions:

On 1 May 2024, IMCD acquired 100% of the shares of speciality distribution company ResChem Technologies Pty Ltd in Australia and the business of ResChem Trust and ResChem Technologies NZ Ltd in New Zealand ("ResChem"). ResChem specialises in resins, additives and pigments for use in inks, coatings, adhesives and construction applications. ResChem headquartered in Sydney, Australia, generated revenues of approximately AUD 25 million (ca. EUR 15 million) with 15 employees in 2023.

Holding companies

EUR MILLION	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023	CHANGE	CHANGE	FX ADJ. CHANGE
Operating EBITA	(19.5)	(17.1)	(2.4)	(14%)	(14%)
Operating EBITA as a % of total revenue	(0.8%)	(0.7%)	(0.1%)		

Operating EBITA of Holding companies represents costs related to the central head office in Rotterdam as well as the regional head offices in Singapore and the USA.

Operating costs increased by EUR 2.4 million from EUR 17.1 million in the first half of 2023 to EUR 19.5 million in 2024. The cost increase reflects the growth of IMCD and the corresponding need to further strengthen the support functions in both Rotterdam and the regional head offices.

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.

FINANCIAL CALENDAR

24 September 2024	Investor Day & Lab Experience in Milan
8 November 2024	First nine months 2024 results
5 March 2025	Full year 2024 results
25 April 2025	First three months 2025 results
25 April 2025	Annual General Meeting
For further information:	Investor Relations
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FURTHER INFORMATION

Today's analysts conference call and webcast will start at 10:00 am CET. A recording of the call and webcast will be made available on the IMCD website (www.imcdgroup.com).

ABOUT IMCD N.V.

IMCD N.V. based in Rotterdam, The Netherlands, is a leading global distribution partner and formulator of speciality chemicals and ingredients. IMCD is an expert solutions provider and adds sustainable value to the supply chain. Every day professionals focus on providing the best service through commercial and operational excellence. The company is mindful of the role they play in creating a better planet for all and formulates with consciousness and executes with care, to address business challenges of tomorrow, in partnership and transparency.

In 2023, with over 4,700 employees, IMCD realised revenues of EUR 4,443 million. IMCD N.V.'s shares are traded at Euronext, Amsterdam (symbol: IMCD) and included in the Dutch ESG AEX index, as one of 25 companies within the AEX and AMX indices demonstrating best ESG practices.

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 integrated 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 and was issued on 2 August 2024, 07:00 am CET.

IMCD N.V.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR 2024

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1,000	NOTE	30 JUNE 2024	31 DECEMBER 2023
Assets			
Property, plant and equipment		41,988	36,160
Right-of-use assets		109,378	100,123
Tangible assets		151,366	136,283
Goodwill		1,778,105	1,612,350
Other intangible assets		726,299	648,007
Intangible assets		2,504,404	2,260,357
Equity-accounted investees		53	53
Other financial assets		9,623	8,396
Deferred tax assets		39,218	41,530
Non-current assets		2,704,664	2,446,619
Inventories		642,455	581,485
Trade and other receivables		914,999	732,008
Cash and cash equivalents		223,789	394,462
Current assets		1,781,243	1,707,955
Total assets		4,485,907	4,154,574

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1,000	NOTE	30 JUNE 2024	31 DECEMBER 2023
Equity	11		
Share capital		9,118	9,118
Share premium		1,051,438	1,051,438
Reserves		(86,832)	(100,308)
Retained earnings		634,647	472,262
Unappropriated result		141,262	292,271
Total shareholders' equity		1,749,634	1,724,781
Non-controlling interests		1,395	1,404
Total equity		1,751,029	1,726,185
Liabilities			
Loans and borrowings	12	1,240,037	1,250,467
Employee benefits		20,835	21,012
Provisions		22,984	24,790
Deferred tax liabilities		163,622	153,469
Total non-current liabilities		1,447,478	1,449,738
Other short term financial liabilities	12	573,186	429,552
Trade payables		553,693	391,230
Other payables		160,521	157,869
Total current liabilities		1,287,400	978,651
Total liabilities		2,734,878	2,428,389
Total equity and liabilities		4,485,907	4,154,574

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

EUR 1,000	NOTE	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Revenue	6	2,384,586	2,287,154
Other income		9,737	10,986
Operating income		2,394,323	2,298,140
Cost of materials and inbound logistics		(1,778,074)	(1,704,643)
Cost of warehousing, outbound logistics and other services		(68,814)	(61,834)
Wages and salaries		(156,181)	(142,494)
Social security and other charges		(42,841)	(38,884)
Depreciation of property, plant and equipment		(19,779)	(15,469)
Amortisation of intangible assets		(47,094)	(38,381)
Other operating expenses		(61,411)	(57,415)
Operating expenses		(2,174,194)	(2,059,120)
Result from operating activities		220,129	239,020
Finance income		18,943	1,724
Finance costs		(45,640)	(27,543)
Net finance costs	8	(26,697)	(25,819)
Share of profit of equity-accounted investees, net of tax		-	(54)
Result before income tax		193,432	213,147
Income tax expense		(52,179)	(60,486)
Result for the year		141,253	152,661
Result for the year attributable to the shareholders of the Company		141,262	152,695
Result for the year attributable to non-controlling interest		(9)	(34)
Result for the year		141,253	152,661
Gross profit ¹	7	606,512	582,511
Gross profit as a % of revenue		25.4%	25.5%
Operating EBITA ¹	4	269,808	280,090
Operating EBITA as a % of revenue		11.3%	12.2%

¹ For the definitions of the alternative performance measures, reference is made to page 27

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME (CONTINUED)

EUR 1,000	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Result for the year	141,253	152,661
Defined benefit plan actuarial gains/(losses)	(555)	(767)
Related tax	127	193
Items that will never be reclassified to profit or loss	(428)	(574)
Foreign currency translation differences re foreign operations	14,504	(31,466)
Related tax	(699)	825
Items that are or may be reclassified to profit or loss	13,805	(30,641)
Other comprehensive income for the period, net of income tax	13,377	(31,215)
Total comprehensive income for the period	154,630	121,446
Total comprehensive income attributable to:		
Shareholders of the Company	154,639	121,446
Non-controlling interests	(9)	-
Total comprehensive income for the period	154,630	121,446
Weighted average number of shares	56,945,954	56,916,267
Basic earnings per share	2.48	2.68
Diluted earnings per share	2.52	2.72

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1,000	NOTE	SHARE CAPITAL	SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	RESERVE OWN SHARES	OTHER RESERVES	RETAINED EARNINGS	UNAPPROPRIATED RESULT	TOTAL SHAREHOLDERS' EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
Balance as at 1 January 2024		9,118	1,051,438	(110,808)	(149)	(9,345)	19,995	472,262	292,271	1,724,781	1,404	1,726,185
Appropriation of prior year's result		-	-	-	-	-	-	164,618	(164,618)	-	-	-
		9,118	1,051,438	(110,808)	(149)	(9,345)	19,995	636,880	127,653	1,724,781	1,404	1,726,185
Result for the year		-	-	-	-	-	-	-	141,262	141,262	(9)	141,253
Total other comprehensive income		-	-	13,805	-	-	(428)	-	-	13,377	-	13,377
Total comprehensive income for the year		-	-	13,805	-	-	(428)	-	141,262	154,639	(9)	154,630
Cash dividend	11	-	-	-	-	-	-	-	(127,653)	(127,653)	-	(127,653)
Share based payments		-	-	-	-	-	(4,183)	(2,388)	-	(6,571)	-	(6,571)
Purchase and transfer own shares		-	-	-	-	4,282	-	156	-	4,438	-	4,438
Total contributions by and distributions to owners of the Company		-	-	-	-	4,282	(4,183)	(2,232)	(127,653)	(129,786)	-	(129,786)
Balance as at 30 June 2024		9,118	1,051,438	(97,003)	(149)	(5,064)	15,384	634,647	141,262	1,749,634	1,395	1,751,029

EUR 1,000	NOTE	SHARE CAPITAL	SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	RESERVE OWN SHARES	OTHER RESERVES	RETAINED EARNINGS	UNAPPROPRIATED RESULT	TOTAL SHAREHOLDERS' EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
Balance as at 1 January 2023		9,118	1,051,438	(58,761)	(210)	(13,580)	3,041	367,839	313,081	1,671,965	1,451	1,673,416
Appropriation of prior year's result		-	-	-	-	-	-	178,020	(178,020)	-	-	-
		9,118	1,051,438	(58,761)	(210)	(13,580)	3,041	545,858	135,061	1,671,965	1,451	1,673,416
Result for the year		-	-	-	-	-	-	-	152,695	152,695	(34)	152,661
Total other comprehensive income		-	-	(30,641)	-	-	(574)	-	-	(31,215)	-	(31,215)
Total comprehensive income for the year		-	-	(30,641)	-	-	(574)	-	152,695	121,480	(34)	121,446
Cash dividend	11	-	-	-	-	-	-	-	(135,061)	(135,061)	-	(135,061)
Share based payments		-	-	-	-	-	(1,805)	(4,160)	-	(5,965)	-	(5,965)
Purchase and transfer own shares		-	-	-	-	4,235	-	394	-	4,629	-	4,629
Total contributions by and distributions to owners of the Company		-	-	-	-	4,235	(1,805)	(3,766)	(135,061)	(136,397)	-	(136,397)
Balance as at 30 June 2023		9,118	1,051,438	(89,402)	(210)	(9,345)	662	542,092	152,695	1,657,048	1,417	1,658,465

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	NOTE	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Cash flows from operating activities			
Result for the period		141,253	152,661
Adjustments for:			
• Depreciation of property, plant and equipment		19,779	15,469
• Amortisation of intangible assets		47,094	38,381
• Net finance costs excluding currency exchange results		17,995	22,509
• Currency exchange results		8,702	3,310
• Cost of share based payments		1,821	2,451
• Share of profit of equity-accounted investees, net of tax		-	54
• Income tax expense		52,179	60,486
		288,823	295,320
Change in:			
• Inventories		(31,767)	5,779
• Trade and other receivables		(163,518)	(101,841)
• Trade and other payables		145,649	56,105
• Provisions and employee benefits		(3,152)	(3,615)
Cash generated from operating activities		236,035	251,749
Interest paid		(25,517)	(23,498)
Income tax paid		(63,832)	(56,351)
Net cash from operating activities		146,687	171,900
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired and divestures	5	(251,764)	(166,680)
Acquisition of intangible assets		(3,088)	(8,616)
Acquisition of property, plant and equipment		(6,233)	(4,570)
Acquisition of other financial assets		250	383
Net cash used in investing activities		(260,835)	(179,482)
Cash flows from financing activities			
Dividends paid	11	(127,653)	(135,061)
Share based payments		(3,960)	(3,787)
Payment of transaction costs related to loans and borrowings		-	(1,920)
Movements in bank loans and other short term financial liabilities	12, 13	32,902	19,338
Proceeds from issue of current and non-current loans and borrowings		358,186	240,000
Repayment of loans and borrowings	12, 13	(297,164)	(94,916)
Redemption of lease liabilities		(13,154)	(11,894)
Net cash from financing activities		(50,843)	11,761
Net increase in cash and cash equivalents		(164,990)	4,179
Cash and cash equivalents as at 1 January		394,462	222,005
Effect of exchange rate fluctuations		(5,682)	(6,399)
Cash and cash equivalents as at 30 June		223,789	219,785

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Reporting entity

IMCD N.V. (the 'Company') is a public limited company domiciled in The Netherlands and registered in The Netherlands Chamber of Commerce Commercial register under number 21740070. The address of the Company's registered office is Wilhelminaplein 32, Rotterdam. The condensed consolidated interim financial statements of the Company as at and for the first half year ended 30 June 2024, comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The Company is acting as the parent company of the IMCD Group, a group of companies leading in sales, marketing and distribution of speciality chemicals, pharmaceutical and food ingredients. The Group has offices in Europe, Africa, North and Latin America and Asia Pacific.

2. Basis of preparation

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC) as adopted by the European Union (EU). They do not include all the information as required for a complete set of IFRS annual financial statements and should be read in conjunction with the audited consolidated financial statements as at and for the year ended 31 December 2023. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last audited consolidated financial statements as at and for the year ended 31 December 2023.

The condensed consolidated interim financial statements were prepared by the Management Board and were authorised for issue by the Supervisory Board on 1 August 2024.

Functional and presentation currency

The condensed consolidated interim financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest thousand, unless mentioned differently.

Use of estimates and judgements

In preparing the condensed consolidated interim financial statements, management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the Group's audited consolidated financial statements as at and for the year ended 31 December 2023.

Going Concern

The condensed interim consolidated financial statements have been prepared on a going concern basis.

3. Changes in accounting policies and methods of computation

The accounting policies and methods of computation applied in these interim financial statements are the same as those applied in the Group's audited consolidated financial statements as at and for the year ended 31 December 2023.

A number of new and amended standards are effective from 1 January 2024 and did not have a material effect on the Company's condensed consolidated financial statements. The Company has not early-adopted any standard, interpretation or amendment that has been issued but is not yet effective and endorsed.

4. Operating segments

In presenting information on the basis of operating segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets with the exception of assets related to holding companies, which are presented in a separate reporting unit.

The reporting segments used are defined as follows:

- EMEA: all operating companies in Europe, Türkiye, Israel, United Arab Emirates, Saudi Arabia and Africa
- Americas: all operating companies in the United States of America, Canada, Brazil, Puerto Rico, Chile, Argentina, Uruguay, Colombia, Mexico, Peru, Costa Rica and Dominican Republic, Ecuador, Guatemala and El Salvador
- Asia Pacific: all operating companies in Australia, New Zealand, India, Bangladesh, China, Singapore, Malaysia, Indonesia, Philippines, Thailand, Vietnam, Japan and South Korea
- Holding companies: all non-operating companies, including the head office in Rotterdam and the regional offices in Singapore and in the USA.

EMEA

EUR 1,000	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Revenue	1,024,083	1,009,167
Gross profit	285,980	275,340
Operating EBITA	128,803	130,647
Result from operating activities	114,465	119,770
Total Assets	1,259,296	1,149,764
Total Liabilities	431,063	399,692

Americas

EUR 1,000	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Revenue	728,596	738,354
Gross profit	180,111	178,810
Operating EBITA	78,037	87,691
Result from operating activities	66,140	78,987
Total Assets	900,399	805,638
Total Liabilities	277,920	252,745

Asia Pacific

EUR 1,000	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Revenue	631,907	539,632
Gross profit	140,421	128,361
Operating EBITA	82,422	78,843
Result from operating activities	59,012	61,233
Total Assets	1,835,608	1,575,138
Total Liabilities	385,636	559,546

Holding Companies

EUR 1,000	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Operating EBITA	(19,454)	(17,091)
Result from operating activities	(19,488)	(20,970)
Total Assets	490,604	420,789
Total Liabilities	1,640,259	1,080,882

Consolidated

EUR 1,000	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Revenue	2,384,586	2,287,154
Gross profit	606,512	582,511
Operating EBITA	269,808	280,090
Result from operating activities	220,129	239,020
Total Assets	4,485,907	3,951,330
Total Liabilities	2,734,878	2,292,865

Results from operating activities

Operating EBITA is defined as result from operating activities before amortisation of intangible assets and excluding acquisition costs and results related to one-off adjustments to the organisation, and excluding central cost allocation charges.

EUR 1,000	NOTE	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Result from operating activities		220,129	239,020
Amortisation of intangible assets		47,094	38,381
Acquisition costs and results related to one-off adjustments to the organisation	9	2,585	2,690
Operating EBITA		269,808	280,090

5. Business combinations

On 9 January 2024, IMCD acquired 70% of the shares of Valuetree Ingredients Private Limited ("Valuetree") to expand its beauty and personal care footprint in India. Valuetree employs a team of 44 employees and generated revenues of approximately INR 4.4 billion (ca. EUR 48 million) in the financial year that ended on March 31, 2023. The remaining 30% will be acquired in 2025.

On 14 February 2024, IMCD acquired the distribution business of Joli Foods S.A.S. ("Joli Foods") to expand its food and nutrition business and product portfolio in Colombia. Joli Foods is based in Bogota and generated revenues of approximately USD 14 million in 2023 and added eleven employees to the IMCD Colombian team.

On 22 February 2024, IMCD acquired two business lines from CJ Shah & Company ("CJ Shah") with chemicals primarily for paints, coatings, adhesives and lifescience applications. With 20 employees, the two business lines generated revenues of approximately EUR 27 million in 2023.

On 29 February 2024, IMCD acquired 100% of the shares of speciality distribution company Euro Chemo-Pharma Sdn Bhd ("Euro Chemo-Pharma") and its wholly owned subsidiary, Biofresh Green Sdn Bhd ("Biofresh") in Malaysia. With 124 employees, Euro Chemo-Pharma and Biofresh are offering a wide range of products, mainly for food,

pharmaceutical and personal care applications, and generated revenues of approximately EUR 58 million in the financial year ended on June 30, 2023.

On 1 May 2024, IMCD acquired the 100% of the shares of the speciality distribution company ResChem Technologies Pty Ltd and ResChem Trust in Australia and New Zealand ("ResChem"). ResChem specialises in products for use in inks, coatings, adhesives and construction applications. ResChem headquartered in Sydney, Australia, generated revenues of approximately AUD 25 million (ca. EUR 15 million) in 2023 with 15 employees.

On 13 May 2024, IMCD acquired 100% of the shares of Bretano Costa Rica, S.A., Bretano El Salvador, S.A de C.V., Bretano Guatemala, S.A., and Grupo Bretano México, S. de R.L. de C.V. (jointly "Bretano"). Bretano is a speciality ingredients distributor for the food industry and supplies chemicals to construction and other industrial markets in Latin America. With 101 employees, Bretano generated revenues of approximately USD 48 million in 2023.

In the first half year of 2024, IMCD completed three additional acquisition transactions, extending its growth in the beauty and personal care, pharmaceuticals, and lubricants and energy markets. These acquisitions relate to Gova B.V. (The Netherlands), Selechimica S.R.L. (Italy) and Guangzhou RBD Chemical Col Ltd. (China) and generated total revenues of approximately EUR 20 million with 25 employees in 2023.

After 30 June 2024 and before publication of the condensed financial statements for the first half of 2024, IMCD closed two acquisitions transactions.

On 1 July 2024, IMCD acquired 100% of the shares of Arena Pharmaceuticals Ltd. ("Arena"), an UK distributor of APIs for the pharmaceutical, veterinary and health food markets. With 3 employees, Arena generated revenues of approximately EUR 7 million in 2023.

On 17 July 2024, IMCD acquired 100% of the shares of Cobapharma, S.L.U ("Cobapharma"), a Spanish distributor in the pharmaceutical and nutraceutical industry. With 20 employees, Cobapharma generated revenues of approximately EUR 19 million in 2023.

The nine transactions completed in the first half of 2024, added EUR 75.1 million of revenue and EUR 4.5 million of result for the year to the Group's results in 2024. If the acquisitions had occurred on 1 January 2024, management estimates that the consolidated revenue would have been EUR 2,425 million and the consolidated result for the year would have been EUR 145 million in the first half of 2024. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisitions had occurred on 1 January 2024.

Identifiable assets recognised and liabilities assumed

The recognised amounts of assets acquired and liabilities assumed on the basis of provisional purchase price allocation at the acquisition dates of the acquisitions completed in the first half of 2024, are as follows:

EUR 1,000	TOTAL
Property, plant and equipment	7,203
Intangible assets	113,626
Deferred tax assets	2,498
Other financial assets	1,455
Inventories	31,209
Trade and other receivables	23,170
Cash and cash equivalents	13,865
Loans and borrowings	(3,998)
Other short term financial liabilities	(5,969)
Employee benefits and other provisions	(1,418)
Deferred tax liabilities	(21,108)
Trade and other payables	(21,270)
Total net identifiable assets	139,262

Goodwill

The goodwill recognised as a result of the acquisitions is as follows:

EUR 1,000	TOTAL
Total consideration, including deferred and contingent considerations	288,131
Less: Fair value of identifiable net assets	139,262
Goodwill	148,868

The goodwill is mainly attributable to the skills and technical talent of the work force, the international network and the synergies expected to be achieved from integration of acquired companies into the Group's existing distribution business.

6. Revenue

The Group generates revenue primarily from the sale and distribution of speciality chemicals and ingredients. Other sources of revenue include revenue from commission where the Group acts as agent in the sale and distribution of speciality chemicals and ingredients.

EUR 1,000	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Sales of goods	2,379,006	2,280,799
Commissions	5,580	6,355
Total revenue	2,384,586	2,287,154

In the following tables, revenue from contracts with customers is disaggregated by primary geographical market and their market segments, being Life Science and Industrial.

Geographical Market

The breakdown of revenue by geographical market is as follows:

EUR 1,000	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Netherlands	37,394	38,591
Rest of EMEA	986,689	970,577
EMEA	1,024,083	1,009,167
North America	492,764	521,461
Latin America	235,832	216,893
Americas	728,596	738,354
Asia-Pacific	631,907	539,632
Total revenue	2,384,586	2,287,154

Market segments

IMCD's business model is based on long lasting relationships with suppliers of speciality chemicals and ingredients. In order to provide more insight into the market segments served, IMCD breaks down the sales into the market segments Life Science and Industrial.

Life Science consists of the following lines of business: Pharmaceuticals, Beauty & Personal Care, Food & Nutrition, and Home Care and I&I. In general, the lines of business within Life Science historically have been less sensitive to economic fluctuations. Furthermore, the Life Science segment generally shows lower order volumes and higher margins than the Industrial market segment.

The Industrial segment contains the lines of business of Coatings & Construction, Advanced Materials, Lubricants & Energy, and Industrial Solutions. This segment has a more cyclical nature as the performance is dependent on, amongst other things, the developments of the housing and real estate, automotive and oil & gas markets.

The breakdown of sales of goods per market segment is as follows:

EUR 1,000	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Life Science	1,236,125	1,188,061
Industrial	1,142,881	1,092,738
Total sales of goods	2,379,006	2,280,799

7. Gross Profit

The breakdown of gross profit is as follows:

EUR 1,000	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Revenue	2,384.6	2,287.2
Cost of materials and inbound logistics	(1,778.1)	(1,704.6)
Gross profit recognised in profit or loss	606.512	582.511

8. Net finance costs

The net finance costs in the first half of 2024 consist of the following items:

EUR 1,000	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Interest income on loans and receivables	3,104	1,724
Changes in deferred considerations	15,839	-
Finance income	18,943	1,724
Interest expenses on financial liabilities	(31,946)	(17,775)
Changes in deferred considerations	(1,602)	(3,851)
Amortisation of finance costs	(831)	(1,023)
Interest expenses related to employee benefits	(237)	(125)
Interest expenses on lease liabilities	(2,321)	(1,459)
Currency exchange results	(8,702)	(3,310)
Finance costs	(45,640)	(27,543)
Net finance costs recognised in profit or loss	(26,697)	(25,819)

In the first half of 2024, net finance costs were EUR 26.7 million compared with EUR 25.8 million in the same period of 2023. The main drivers of the increase in net finance costs are the increased interest expenses related to additional credit facilities drawn and higher negative foreign currency rate results, partly offset by positive results related to adjustments to the fair value of the contingent consideration of Sanrise.

9. Acquisition costs and results related to one-off adjustments to the organisation

Acquisition costs and results related to one-off adjustments to the organisation are recognised in profit or loss and are summarised as follows:

EUR 1,000	JAN. 1 - JUNE 30, 2024	JAN. 1 - JUNE 30, 2023
Other income	604	721
Personnel expenses and other operating expenses	(3,189)	(3,411)
Impact on result from operating activities	2,585	2,690
Income tax expenses	(122)	(782)
Impact on result for the year	2,463	1,908

The other income in 2024 mainly relates to a refund associated with a historical sale of real estate.

The personnel expenses and other operating expenses in 2024 include severance costs of EUR 0.9 million (2023: nil) and other operating expenses of EUR 2.2 million (2023: EUR 3.4 million). The other operating expenses mainly relate to professional services fees incurred during acquisition projects and subsequent integration processes.

10. Seasonality of operations

The Group is not strongly subject to seasonal fluctuations throughout the year except for a slight decline of sales during the normal holiday seasons in the different regions.

11. Equity

Following the decision about the appropriation of the financial result 2024 by the Annual General Meeting of May 14, 2024, the Company distributed a dividend in cash of EUR 127.7 million (EUR 2.24 per share). In 2023, the Company distributed a dividend in cash of EUR 135.1 million (EUR 2.37 per share).

In January and March 2024, IMCD transferred 20,211 respectively 8,910 own shares to settle its annual obligations under its long-term incentive plan. As at 30 June 2024, the number of own shares held by IMCD was 38,653 (31 December 2023: 67,774).

12. Loans and borrowings

As at 30 June 2024, net debt was EUR 1,589.4 million (31 December 2023: EUR 1,285.6 million).

The leverage ratio (net debt/operating EBITDA ratio including full year impact of acquisitions) as at the end of June 2024, was 2.9 times EBITDA (31 December 2023: 2.3). The actual leverage, calculated on the basis of the definitions used in the IMCD loan documents, was 2.7 times EBITDA as at 30 June 2024 (31 December 2023: 1.7), which is well below the maximum of 4.25 as allowed under the loan documents.

13. Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 JUNE 2024		CARRYING AMOUNT				FAIR VALUE				
EUR 1,000	NOTE	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	AMORTISED COST	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	OTHER FINANCIAL LIABILITIES	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Forward exchange contracts used for hedging		295	-	-	-	295	-	295	-	295
Forward exchange contracts used for hedging		-	-	306	-	306	-	306	-	306
Contingent consideration	13	-	-	111,869	-	111,869	-	-	111,869	111,869

31 DECEMBER 2023		CARRYING AMOUNT				FAIR VALUE				
EUR 1,000	NOTE	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	AMORTISED COST	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	OTHER FINANCIAL LIABILITIES	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Forward exchange contracts used for hedging		122	-	-	-	122	-	122	-	122
Forward exchange contracts used for hedging		-	-	1,627	-	1,627	-	1,627	-	1,627
Contingent consideration	13	-	-	102,872	-	102,872	-	-	102,872	102,872

Measurement of fair values

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast EBITDA, the amount to be paid under each scenario and the probability of each scenario.	<ul style="list-style-type: none"> Forecast EBITDA margin Risk-adjusted discount rate 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> the EBITDA margins were higher/(lower); or the risk-adjusted discount rates were lower/(higher).
Forward exchange contracts and interest rate swaps	Market comparison technique: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable	Not applicable

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Financial assets ¹	Discounted cash flows	Not applicable
Financial liabilities ²	Discounted cash flows	Not applicable

¹ Financial assets include trade and other receivables and cash and cash equivalents.

² Financial liabilities include syndicated senior bank loans, other loans and borrowings, other short term financial liabilities, trade payables and other payables.

Level 3 fair values

The following table shows the reconciliation from the opening balances to the closing balances for level 3 values.

Contingent consideration

EUR 1,000	CONTINGENT CONSIDERATION
Balance as at 1 January 2024	102,872
Assumed in a business combination	32,673
Paid contingent consideration	(10,285)
Result included in profit or loss	(14,237)
Effect of movement in exchange rates	846
Balance as at 30 June 2024	111,869

14. Related parties

The Group has related party relationships with its shareholders, subsidiaries, associates, Management Board, Supervisory Board and post-employment benefit plans. The financial transactions between the Company and its subsidiaries comprise financing related transactions and operational transactions in the normal course of business and are eliminated in the consolidated financial statements. The related party transactions in the first half of 2024 do not substantially deviate from the transactions as reflected in the financial statements as at and for the year ended 31 December 2023.

15. Subsequent events

On 1 July 2024, IMCD acquired 100% of the shares of Arena Pharmaceuticals Ltd. (“Arena”), an UK distributor of APIs for the pharmaceutical, veterinary and health food markets, With 3 employees, Arena generated revenues of approximately EUR 7 million in 2023.

On 17 July 2024, IMCD acquired 100% of the shares of Cobapharma, S.L.U (“Cobapharma”), a Spanish distributor in the pharmaceutical and nutraceutical industry. With 20 employees, Cobapharma generated revenues of approximately EUR 19 million in 2023.

16. Auditor's review

The consolidated interim financial statements for the first half year of 2024 have not been audited or reviewed by the external auditor.

17. Responsibility statement

The Management Board of IMCD N.V. hereby declares that, to the best of its knowledge, the Interim Consolidated Financial information for the first half year of 2024, as prepared in accordance with IAS 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC) as adopted by the European Union (EU), gives a true and fair view of the assets, liabilities, financial position and the profit or loss of IMCD N.V. and its jointly consolidated companies included in the consolidation as a whole, and that the semi-annual report gives a fair view of the information required in accordance with Section 5:25d subsection 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

Rotterdam, 1 August 2024

Management Board:

V. Diele-Braun, CEO

H.J.J. Kooijmans, CFO

M.C. Jordan, COO

Alternative performance measures (APMs)

In presenting and discussing the financial position, operating results, net results and cash generation, certain alternative performance measures (APMs) are used. APMs, also known as non-IFRS measures, are financial metrics used by IMCD management to monitor the company's performance and are disclosed to provide additional insights into its performance beyond what is reported using standard accounting principles. The APMs used by IMCD management are described in the below table. Further details on the technical reconciliation of APMs with IFRS figures can be found in chapter 3 (Financial Value) of our Integrated report 2023 (www.imcdgroup.com).

APM	DESCRIPTION	PURPOSE FOR IMCD
Adjusted leverage ratio	Net debt divided by last twelve months EBITDA, whereby EBITDA includes the pre-closing EBITDA for businesses acquired year-to-date	The adjusted leverage ratio measures the net debt relative to EBITDA, including pre-closing EBITDA for acquisitions completed year-to-date. This metric helps to manage debt levels and maintain financial resilience.
Adjusted EBITDA	Operating EBITDA plus non-cash share-based payment costs minus lease payments	IMCD uses adjusted EBITDA to monitor operational performance and for strategic decision making and is also used for calculating the cash conversion margin.
Cash conversion margin	Free cash flow as a percentage of adjusted operating EBITDA	Cash conversion margin measures the ability of converting operational results into cash.
Cash earnings per share	Result for the year before amortisation (net of tax) divided by the weighted average number of outstanding shares	IMCD uses cash earnings per share for monitoring profitability per share, correcting for the impact of the non-cash amortisation expenses and hence providing an indication for the cash generation per share.
Central cost allocation charges	The costs charged out by the head office to operating companies worldwide for costs incurred centrally on behalf of the wider group	Central cost allocation is used to ensure a fair share of head office service costs is allocated to the group entities.
Constant currency basis	Historical results translated at current year's foreign currency exchange rates	IMCD uses constant currency basis to eliminate currency fluctuation effects when comparing current year's results with last year results.
Conversion margin	Operating EBITA as a percentage of gross profit	IMCD uses the conversion margin to manage operational efficiency and cost management.
EBITA	Result from operating activities before amortisation of intangible assets, and before acquisition costs and results related to one-off adjustments to the organisation	EBITA and EBITDA are metrics used by IMCD and its peers in the market to evaluate and manage its operational performance.
EBITDA	Result from operating activities before depreciation of property plant and equipment, amortisation of intangible assets, and before acquisition costs and results related to one-off adjustments to the organisation	
Free cash flow	Operating EBITDA excluding non-cash share-based payment expenses, less lease payments, plus/less changes in working capital, less capital expenditures	IMCD uses free cash flow as a performance indicator for operational cash generation. Free cash flow provides insight into the available funds for financing related payments, tax payments, distribution of dividends and for funding strategic initiatives.

APM	DESCRIPTION	PURPOSE FOR IMCD
Gross profit	Revenue minus costs of materials and inbound logistics	IMCD uses Gross Profit and the Gross Profit % to measure profitability to assess commercial performance and support sustainable growth.
Gross profit %	Gross profit as a percentage of revenue	
Leverage ratio	Net debt divided by last twelve months EBITDA	The leverage ratio is used to assess the financial health and risks of the group, and supports investment and financing decisions.
Net capital expenditure	Acquisition of property, plant and equipment minus proceeds from disposals of property, plant and equipment and intangible assets	Net capital expenditure supports IMCD to effectively manage and optimise capital spending for funding and strategic initiatives.
Net debt	The total of current and non-current loans and borrowings, short term financial liabilities minus cash and cash equivalents	Net debt is used to manage liquidity effectively and assess financial risks accurately, ensuring financial resilience.
Operating EBITA	EBITA excluding central cost allocation charges (on consolidated level equal to EBITA)	Operating EBITA and Operating EBITDA are measures that IMCD uses to evaluate its operational profitability and analyse operational performance. In these metrics the impacts of central cost allocation charges are excluded.
Operating EBITDA	EBITDA excluding central cost allocation charges (on consolidated level equal to EBITDA)	
Operational working capital	Working capital excluding accrued interest expenses and excluding current tax liabilities	Operational working capital is used in managing short-term liquidity, cost optimisation and managing operational risks.
Organic growth/decline	The remaining change in the results as compared with the prior period, after changes in results attributable to acquired businesses and the effect of fluctuations in foreign currency exchange rates	Organic growth/decline, which excludes the impacts of acquisitions and currency fluctuations, provides insight into IMCD's core business performance.
Own Cost	Cost (excluding acquisition costs and results related to one-off adjustments to the organisation) related to wages and salaries, social security and other charges, depreciation of property, plant and equipment, and other operating expenses	Own cost supports in optimising organisational cost structures effectively and enhancing operational efficiency.
Working capital	Inventories, trade and other receivables less trade payables and other payables	IMCD monitors its working capital ensuring effective resource allocation and operational liquidity for sustaining daily operations.