

## Press release

# IMCD reports 46% EBITA growth in the first half of 2021

Rotterdam, The Netherlands (4 August 2021) - IMCD N.V. ("IMCD" or "Company"), a leading distributor of speciality chemicals and ingredients, today announces its first half year 2021 results.

## HIGHLIGHTS

- Gross profit growth of 23% to EUR 410.9 million (+28% on a constant currency basis)
- Operating EBITA increase of 46% to EUR 192.3 million (+52% on a constant currency basis)
- Net result before amortisation and non-recurring items increase of 52% to EUR 137.5 million (+57% on a constant currency basis)
- Cash earnings per share increased by 44% to EUR 2.43 (first half of 2020: EUR 1.69)
- In the second quarter of 2021, IMCD completed the acquisitions of Siliconas in Colombia, Andes Chemical in the US, Colombia and Peru and Yuanhe Chemicals in China

Piet van der Slikke, CEO: "We are reporting very strong results for the first six months of the year. After a promising start of the year, the positive momentum continued into the second quarter and our teams across all regions were able to benefit optimally from the strong product demand. This has resulted in double digit growth numbers, with gross profit being up 23% (+28% on a constant currency basis), and operating EBITA being up 46% (+52% on a constant currency basis). All regions achieved substantial organic growth and contributed to the overall positive results. It remains to be seen how the pandemic will influence the current economic conditions, but we are optimistic that we can further execute our growth strategy successfully in the remainder of the year."

## KEY FIGURES

EUR MILLION	JAN. 1 - JUNE 30, 2021	JAN. 1 - JUNE 30, 2020	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	1,673.9	1,411.2	262.7	19%	23%
Gross profit	410.9	332.7	78.2	23%	28%
Gross profit in % of revenue	24.5%	23.6%	0.9%		
Operating EBITA <sup>1</sup>	192.3	131.4	60.9	46%	52%
Operating EBITA in % of revenue	11.5%	9.3%	2.2%		
Conversion margin <sup>2</sup>	46.8%	39.5%	7.3%		
Net result before amortisation/non-recurring items	137.5	90.2	47.3	52%	57%
Free cash flow <sup>3</sup>	118.1	76.3	41.8	55%	
Cash conversion margin <sup>4</sup>	61.0%	57.4%	3.6%		
Earnings per share (weighted)	1.85	1.22	0.63	52%	56%
Cash earnings per share (weighted) <sup>5</sup>	2.43	1.69	0.74	44%	48%
Number of full time employees end of period	3,516	3,049	467	15%	

<sup>1</sup> Result from operating activities before amortisation of intangibles and non-recurring items

<sup>2</sup> Operating EBITA in percentage of gross profit

<sup>3</sup> Operating EBITDA excluding non-cash share-based payment expenses, less lease payments, plus/less changes in working capital, less capital expenditures

<sup>4</sup> Free cash flow in percentage of adjusted operating EBITDA (operating EBITDA plus non-cash share-based payment costs minus lease payments)

<sup>5</sup> Result for the year before amortisation (net of tax) divided by the weighted average number of outstanding shares

## Revenue

In the first half of 2021, revenue increased by 19% to EUR 1,673.9 million, compared to the same period of 2020. On a constant currency basis, the increase in revenue is 23%, consisting of organic growth of 15% and the impact of the first-time inclusion of companies acquired in 2020 and 2021 of 8%.

## Gross profit

Gross profit, defined as revenue less costs of materials and inbound logistics, increased by 23% from EUR 332.7 million in the first half of 2020 to EUR 410.9 million in the same period of 2021. On a constant currency basis, the gross profit growth was 28%, consisting of organic growth of 19% and the impact of the first time inclusion of businesses acquired in 2020 and 2021 of 9%.

Gross profit in % of revenue increased by 0.9%-point from 23.6% in the first half of 2020 to 24.5% in 2021. The gross profit margin increase is the result of changes in local market conditions, gross margin improvement initiatives, the impact of newly acquired businesses, currency exchange rate movements and fluctuations in the product mix.

## Operating EBITA

Operating EBITA increased by 46% from EUR 131.4 million in the first half of 2020 to EUR 192.3 million in the same period of 2021. On a constant currency basis operating EBITA increased by 52%. The growth in operating EBITA, on a constant currency basis, is a combination of organic growth and the first time inclusion of companies acquired in 2020 and 2021.

The operating EBITA in % of revenue increased by 2.2%-point from 9.3% in the first half of 2020 to 11.5% in 2021.

The conversion margin, defined as operating EBITA as a percentage of gross profit, increased by 7.3%-point from 39.5% in the first half of 2020 to 46.8% in 2021. The increase in conversion margin is the result of substantial organic EBITA growth, whereby organic gross profit growth more than compensated organic own cost growth, combined with a positive impact of acquisitions made.

## Cash flow and capital expenditure

In the first half of 2021, free cash flow was EUR 118.1 million compared with EUR 76.3 million in the first half of 2020 (+55%).

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 61.0% compared with 57.4% in the first half of 2020. The increase in free cash flow and cash conversion margin in 2021 is the balance of higher operating EBITDA, higher investments in net working capital and less capital expenditures.

The investment in net working capital (sum of inventories, trade and other receivables minus trade and other payables) in the first half of 2021 was EUR 73.3 million compared with EUR 53.1 million in the first half of 2020. Working capital investments were primarily driven by increased business activities. As at the end of June 2021, net working capital in days of revenue was 56 days (June 2020: 60 days).

Capital expenditure was EUR 2.3 million in the first half of 2021 compared with EUR 3.6 million in the same period of 2020 and mainly relates to investments in the ICT infrastructure, office improvements and technical and office equipment.

### **Net debt**

As at 30 June 2021, net debt was EUR 816.8 million compared with EUR 739.3 million as at 31 December 2020.

The leverage ratio (net debt/operating EBITDA ratio including full year impact of acquisitions) as at the end of June 2021, was 2.3 times EBITDA (31 December 2020: 2.3). Calculated on the basis of the definitions used in the IMCD loan documentation, the leverage ratio at the end of June 2021 was 1.6 times EBITDA (31 December 2020: 1.6), which is well below the maximum of 3.5 as allowed under the loan documentation.

The leverage development in the second quarter of 2021 is, among other things, influenced by a dividend payment of EUR 58.1 million in June.

## DEVELOPMENTS BY OPERATING SEGMENT

The reporting segments are defined as follows:

- EMEA: all operating companies in Europe, Turkey, Russia, 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 and Mexico
- 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 New Jersey, USA

The developments by operating segment in the first half of 2021 are as follows.

### EMEA

EUR MILLION	JAN. 1 - JUNE 30, 2021	JAN. 1 - JUNE 30, 2020	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	800.6	686.0	114.6	17%	18%
Gross profit	206.7	176.0	30.7	17%	19%
Gross profit in % of revenue	25.8%	25.7%	0.1%		
Operating EBITA	92.5	69.8	22.7	33%	35%
Operating EBITA in % of revenue	11.6%	10.2%	1.4%		
Conversion margin	44.8%	39.6%	5.2%		

Revenue increased by 17% from EUR 686.0 million in the first half of 2020 to EUR 800.6 million in 2021. On a constant currency basis, revenue growth was 18%. Gross profit increased by 17% to EUR 206.7 million in the first half of 2021 (+19% on a constant currency basis). Gross profit margin increased by 0.1%-point to 25.8%.

Operating EBITA increased by 33% from EUR 69.8 million in the first half of 2020 to EUR 92.5 million in 2021. On a constant currency basis the increase in operating EBITA was 35%. Compared with the same period in 2020, operating EBITA in % of revenue increased by 1.4%-point to 11.6% in the first half of 2021.

The first half of 2021 figures include the impact the acquisition of Oy Kokko-Fiber Ab, completed in September 2020, Ejder Kimya İlaç Danışmanlık Sanayi ve Ticaret A.Ş., Peak International Products B.V. and Siyeza Fine Chem Propriety Limited, completed in January 2021.

### Americas

EUR MILLION	JAN. 1 - JUNE 30, 2021	JAN. 1 - JUNE 30, 2020	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	530.6	493.0	37.6	8%	17%
Gross profit	118.9	109.3	9.5	9%	18%
Gross profit in % of revenue	22.4%	22.2%	0.2%		
Operating EBITA	54.4	47.6	6.9	14%	24%
Operating EBITA in % of revenue	10.3%	9.7%	0.6%		
Conversion margin	45.8%	43.5%	2.3%		

In the first half of 2021, revenue increased by 8% compared to the same period of 2020. On a constant currency basis, revenue growth was 17%. Gross profit increased by 9% to EUR 118.9 million in 2021, compared with EUR 109.3 million in the first half of 2020 (+ 18% on a constant currency basis). Gross profit margin increased by 0.2%-point from 22.2% in the first half of 2020 to 22.4% in 2021.

Operating EBITA increased by 14% from EUR 47.6 million in the first half of 2020 to EUR 54.4 million in 2021. On a constant currency basis operating EBITA increased by 24%. Operating EBITA in % of revenue increased by 0.6%-point to 10.3%.

In April 2021, IMCD divested its Nutri Granulations manufacturing assets and associated business, which was acquired by IMCD as part of the ET-Horn acquisition in 2018. Located in La Mirada, CA, with 22 employees, Nutri Granulations manufactures food grade and USP grade calcium carbonate granulations for the nutraceuticals, food and pharmaceuticals markets. Nutri Granulations realised a revenue of USD 11 million in 2020. The divestment aligns with IMCD's strategy to focus on the sales, marketing and distribution of speciality chemicals and ingredients.

On 14 May 2021, IMCD acquired Siliconas y Químicos ("Siliconas"), based in Bogotá, Colombia. Siliconas is a speciality chemicals distributor and serves the personal care, coatings, silicones and other speciality industrial markets and perfectly complements IMCD's existing pharmaceuticals, food and nutrition business in Colombia. The company, based in Bogotá has 25 employees and generated a revenue of USD 9 million in 2020. IMCD acquired 80% of the shares of Siliconas; the remaining 20% will be acquired in 2022.

On 19 May 2021, IMCD acquired Andes Chemical Corp. ("Andes Chemical"). Headquartered in the Miami metropolitan area, Andes Chemical is active in Caribbean and Central American countries, Colombia and Peru. Andes Chemical serves the coatings, adhesives, sealants, and elastomers (CASE), construction, cosmetics, personal care, plastics, pharmaceuticals, and HI&I industries. Andes Chemical has 43 employees and generated a revenue of USD 46 million in 2020.

The first half of 2021 figures include the impact the acquisition of VitaQualy (Brazil) in August 2020 and Millikan S.A. de C.V. and Banner Química S.A. de C.V. (Mexico) in December 2020.

## Asia Pacific

EUR MILLION	JAN. 1 - JUNE 30, 2021	JAN. 1 - JUNE 30, 2020	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	342.7	232.2	110.6	48%	48%
Gross profit	85.3	47.4	37.9	80%	80%
Gross profit in % of revenue	24.9%	20.4%	4.5%		
Operating EBITA	54.2	21.9	32.4	148%	147%
Operating EBITA in % of revenue	15.8%	9.4%	6.4%		
Conversion margin	63.6%	46.1%	17.5%		

In the first half of 2021, revenue increased by 48% to EUR 342.7 million (+48% on a constant currency basis). Gross profit increased by 80% to EUR 85.3 million in the first half of 2021, compared with EUR 47.4 million in the same period in 2020 (+80% on a constant currency basis). Gross profit in % of revenue increased by 4.5%-point from 20.4% in the first half of 2020 to 24.9% in 2021.

Operating EBITA increased by 148% from EUR 21.9 million in the first half of 2020 to EUR 54.2 million in 2021 (+147% on a constant currency basis). In the first half of 2021, operating EBITA in % of revenue was 15.8% compared with 9.4% in the same period of last year.

On 2 June 2021, IMCD acquired 100% of the shares in Yuanhe HK Limited ("Yuanhe Chemicals"), which holds a 100% interest in Shanghai Yuanhe Chemicals Co Ltd and the Yuanhe Guangzhou branch. Yuanhe, based in Shanghai, is a speciality coatings, textile and ink solution distributor for the China market. It generated a revenue of EUR 13.2 million in 2020 and has 20 employees.

The first half year of 2021 results include the impact of the acquisition of the pharmaceutical business in China of Develing International Trade (Shanghai) Co. Ltd. completed in July 2020 and the impact of the acquisition of Signet Excipients Private Limited, completed in November 2020.

## Holding companies

EUR MILLION	JAN. 1 - JUNE 30, 2021	JAN. 1 - JUNE 30, 2020	CHANGE	CHANGE	FX ADJ. CHANGE
Operating EBITA	(8.9)	(7.9)	(1.1)	(14%)	(19%)
Operating EBITA in % of total revenue	(0.5%)	(0.6%)	0.1%		

Operating EBITA of Holding companies represents the central head office in Rotterdam as well as the regional offices in Singapore and in New Jersey, US.

Operating expenses increased by EUR 1.1 million from EUR 7.9 million in the first half of 2020 to EUR 8.9 million in 2021. The cost increase reflects the growth of IMCD and as a consequence the 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. Furthermore, results can be influenced from period to period by, amongst 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.

Based on the performance in the first half of 2021 and the strong fundamentals of its business, IMCD expects operating EBITA growth in 2021.

## FINANCIAL CALENDAR

9 November 2021	First nine months 2021 results
25 February 2022	Full year 2021 results
22 April 2022	Annual General Meeting
22 April 2022	First quarter 2022 results
For further information:	Investor Relations
	T: +31 (0)102908684
	ir@imcdgroup.com

## FURTHER INFORMATION

Today's analysts call will start at 10:00 am CET. A recording of this call will be made available on the IMCD website ([www.imcdgroup.com](http://www.imcdgroup.com)).

## ABOUT IMCD

IMCD is a market-leader in the sales, marketing, and distribution of speciality chemicals and ingredients. Its result-driven professionals provide market-focused solutions to suppliers and customers across EMEA, Americas and Asia-Pacific, offering a range of comprehensive product portfolios, including innovative formulations that embrace industry trends.

Listed at Euronext, Amsterdam (IMCD), IMCD realised revenues of EUR 2,775 million in 2020 with nearly 3,300 employees in over 50 countries on 6 continents. IMCD's dedicated team of technical and commercial experts work in close partnership to tailor best-in-class solutions and provide value through expertise for around 50,000 customers and a diverse range of world class suppliers. For further information, please visit [www.imcdgroup.com](http://www.imcdgroup.com)

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### **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 and was issued on 4 August 2021, 07:00 am CET.

IMCD N.V.

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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1,000	NOTE	30 JUNE 2021	31 DECEMBER 2020
<b>Assets</b>			
Property, plant and equipment		96,220	94,950
Goodwill		1,088,574	1,022,593
Other intangible assets		551,235	544,243
<b>Intangible assets</b>		<b>1,639,809</b>	<b>1,566,836</b>
Equity-accounted investees		50	39
Other financial assets		5,563	5,290
Deferred tax assets		34,179	38,356
<b>Non-current assets</b>		<b>1,775,821</b>	<b>1,705,471</b>
Inventories		416,460	371,239
Trade and other receivables		615,829	464,432
Cash and cash equivalents		138,384	169,008
<b>Current assets</b>		<b>1,170,673</b>	<b>1,004,679</b>
<b>Total assets</b>		<b>2,946,494</b>	<b>2,710,150</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1,000	NOTE	30 JUNE 2021	31 DECEMBER 2020
<b>Equity</b>	9		
Share capital		9,118	9,118
Share premium		1,051,438	1,051,438
Reserves		(100,287)	(123,203)
Retained earnings		262,746	199,574
Unappropriated result		105,361	120,924
<b>Equity attributable to owners of the Company</b>		<b>1,328,376</b>	<b>1,257,851</b>
<b>Total equity</b>		<b>1,328,376</b>	<b>1,257,851</b>
<b>Liabilities</b>			
Loans and borrowings	10	510,599	587,169
Employee benefits		29,600	29,535
Provisions		6,934	4,449
Deferred tax liabilities		121,908	117,674
<b>Total non-current liabilities</b>		<b>669,041</b>	<b>738,827</b>
Loans and borrowings	10	81,037	80,373
Other short term financial liabilities	10	363,505	240,810
Trade payables		370,433	291,844
Other payables		134,102	100,445
<b>Total current liabilities</b>		<b>949,077</b>	<b>713,472</b>
<b>Total liabilities</b>		<b>1,618,118</b>	<b>1,452,299</b>
<b>Total equity and liabilities</b>		<b>2,946,494</b>	<b>2,710,150</b>

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

EUR 1,000	NOTE	JAN. 1 - JUNE 30, 2021	JAN. 1 - JUNE 30, 2020
Revenue	6	1,673,895	1,411,175
Other income		16,728	6,420
<b>Operating income</b>		<b>1,690,623</b>	<b>1,417,595</b>
Cost of materials and inbound logistics		(1,263,028)	(1,078,449)
Cost of warehousing, outbound logistics and other services		(48,672)	(41,910)
Wages and salaries		(110,190)	(98,736)
Social security and other charges		(29,258)	(26,727)
Depreciation of property, plant and equipment		(13,129)	(12,267)
Amortisation of intangible assets		(36,869)	(26,404)
Other operating expenses		(32,467)	(29,579)
<b>Operating expenses</b>		<b>(1,533,613)</b>	<b>(1,314,072)</b>
<b>Result from operating activities</b>		<b>157,010</b>	<b>103,523</b>
Finance income		738	281
Finance costs		(8,678)	(15,490)
<b>Net finance costs</b>	7	<b>(7,940)</b>	<b>(15,209)</b>
Share of profit of equity-accounted investees, net of tax		11	(2)
<b>Result before income tax</b>		<b>149,081</b>	<b>88,312</b>
Income tax expense		(43,720)	(24,196)
<b>Result for the year</b>		<b>105,361</b>	<b>64,116</b>
Gross profit <sup>1</sup>		410,867	332,726
Gross profit in % of revenue		24.5%	23.6%
Operating EBITA <sup>2</sup>	4	192,257	131,362
Operating EBITA in % of revenue		11.5%	9.3%

<sup>1</sup> Revenue minus cost of materials and inbound logistics

<sup>2</sup> Result from operating activities before amortisation of intangibles and non-recurring items

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

EUR 1,000	JAN. 1 - JUNE 30, 2021	JAN. 1 - JUNE 30, 2020
<b>Result for the year</b>	<b>105,361</b>	<b>64,116</b>
Defined benefit plan actuarial gains/(losses)	253	(1,543)
Related tax	(101)	401
<b>Items that will never be reclassified to profit or loss</b>	<b>152</b>	<b>(1,142)</b>
Foreign currency translation differences re foreign operations	24,090	(37,972)
Effective portion of changes in fair value of cash flow hedges	-	32
Related tax	(824)	3,675
<b>Items that are or may be reclassified to profit or loss</b>	<b>23,266</b>	<b>(34,265)</b>
<b>Other comprehensive income for the period, net of income tax</b>	<b>23,418</b>	<b>(35,407)</b>
<b>Total comprehensive income for the period</b>	<b>128,779</b>	<b>28,709</b>
<b>Result attributable to:</b>		
Owners of the Company	105,361	64,116
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	128,779	28,709
Weighted average number of shares	56,936,176	52,499,307
Basic earnings per share	1.85	1.22
Diluted earnings per share	1.89	1.26

## 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 EQUITY
<b>Balance as at 1 January 2021</b>		<b>9,118</b>	<b>1,051,438</b>	<b>(114,329)</b>	<b>(206)</b>	<b>(3,893)</b>	<b>(4,774)</b>	<b>199,573</b>	<b>120,924</b>	<b>1,257,851</b>
Appropriation of prior year's result		-	-	-	-	-	-	62,796	(62,796)	-
		<b>9,118</b>	<b>1,051,438</b>	<b>(114,329)</b>	<b>(206)</b>	<b>(3,893)</b>	<b>(4,774)</b>	<b>262,369</b>	<b>58,128</b>	<b>1,257,851</b>
Result for the year		-	-	-	-	-	-	-	105,361	<b>105,361</b>
Total other comprehensive income		-	-	23,266	-	-	152	-	-	<b>23,418</b>
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>23,266</b>	<b>-</b>	<b>-</b>	<b>152</b>	<b>-</b>	<b>105,361</b>	<b>128,779</b>
Cash dividend		-	-	-	-	-	-	-	(58,128)	<b>(58,128)</b>
Share based payments		-	-	-	-	-	(2,191)	(4,323)	-	<b>(6,514)</b>
Purchase and transfer own shares		-	-	-	-	1,688	-	4,700	-	<b>6,388</b>
<b>Total contributions by and distributions to owners of the Company</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,688</b>	<b>(2,191)</b>	<b>377</b>	<b>(58,128)</b>	<b>(58,254)</b>
<b>Balance as at 30 June 2021</b>	<b>9</b>	<b>9,118</b>	<b>1,051,438</b>	<b>(91,063)</b>	<b>(206)</b>	<b>(2,205)</b>	<b>(6,813)</b>	<b>262,746</b>	<b>105,361</b>	<b>1,328,376</b>

EUR 1,000		SHARE CAPITAL	SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	RESERVE OWN SHARES	OTHER RESERVES	RETAINED EARNINGS	UNAPPROPRIATED RESULT	TOTAL EQUITY
<b>Balance as at 1 January 2020</b>		<b>8,415</b>	<b>657,514</b>	<b>(36,169)</b>	<b>(96)</b>	<b>(4,686)</b>	<b>(5,774)</b>	<b>139,315</b>	<b>108,006</b>	<b>866,525</b>
Appropriation of prior year's result		-	-	-	-	-	-	60,673	(60,673)	-
		<b>8,415</b>	<b>657,514</b>	<b>(36,169)</b>	<b>(96)</b>	<b>(4,686)</b>	<b>(5,774)</b>	<b>199,988</b>	<b>47,333</b>	<b>866,525</b>
Result for the year		-	-	-	-	-	-	-	64,116	<b>64,116</b>
Total other comprehensive income		-	-	(34,297)	32	-	(1,142)	-	-	<b>(35,407)</b>
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>(34,297)</b>	<b>32</b>	<b>-</b>	<b>(1,142)</b>	<b>-</b>	<b>64,116</b>	<b>28,709</b>
Cash dividend		-	-	-	-	-	-	-	(47,333)	<b>(47,333)</b>
Share based payments		-	-	-	-	-	(1,279)	(1,548)	-	<b>(2,827)</b>
Purchase and transfer own shares		-	-	-	-	792	-	1,281	-	<b>2,073</b>
<b>Total contributions by and distributions to owners of the Company</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>792</b>	<b>(1,279)</b>	<b>(267)</b>	<b>(47,333)</b>	<b>(48,087)</b>
<b>Balance as at 30 June 2020</b>		<b>8,415</b>	<b>657,514</b>	<b>(70,466)</b>	<b>(64)</b>	<b>(3,894)</b>	<b>(8,195)</b>	<b>199,721</b>	<b>64,116</b>	<b>847,147</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	NOTE	JAN. 1 - JUNE 30, 2021	JAN. 1 - JUNE 30, 2020
<b>Cash flows from operating activities</b>			
Result for the period		105,360	64,116
Adjustments for:			
• Depreciation of property, plant and equipment		13,129	12,267
• Amortisation of intangible assets		36,869	26,404
• Net finance costs excluding currency exchange results		9,651	11,972
• Currency exchange results		(1,711)	3,237
• One-off other operating income	5	(6,224)	-
• Cost of share based payments		2,150	2,204
• Share of profit of equity-accounted investees, net of tax		(11)	2
• Income tax expense		43,720	24,196
		<b>202,934</b>	<b>144,398</b>
Change in:			
• Inventories		(27,822)	(20,540)
• Trade and other receivables		(116,796)	(39,046)
• Trade and other payables		71,334	6,466
• Provisions and employee benefits		(93)	(1,425)
<b>Cash generated from operating activities</b>		<b>129,557</b>	<b>89,852</b>
Interest paid		(11,805)	(14,544)
Income tax paid		(24,796)	(19,994)
<b>Net cash from operating activities</b>		<b>92,956</b>	<b>55,314</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiary, net of cash acquired and divestures	5	(70,140)	(9,866)
Acquisition of intangible assets		(10,116)	(6,752)
Acquisition of property, plant and equipment		(2,290)	(3,633)
Acquisition of other financial assets		(1,892)	(105)
<b>Net cash used in investing activities</b>		<b>(84,439)</b>	<b>(20,356)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	9	(58,082)	-
Share based payments		(3,964)	-
Movements in bank loans and other short term financial liabilities	10.11	2,565	(13,336)
Proceeds from issue of current and non-current loans and borrowings		136,257	-
Repayment of loans and borrowings	10.11	(105,686)	38
Redemption of lease liabilities		(15,919)	(14,582)
<b>Net cash from financing activities</b>		<b>(44,829)</b>	<b>(27,879)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(36,312)</b>	<b>7,079</b>
Cash and cash equivalents as at 1 January		169,008	104,357
Effect of exchange rate fluctuations		5,688	(5,947)
<b>Cash and cash equivalents as at 30 June</b>		<b>138,384</b>	<b>105,489</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. Reporting entity

IMCD N.V. (the 'Company') is a 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 2021, 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. They do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of IMCD as at and for the year ended 31 December 2020. However, 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 annual consolidated financial statements as at and for the year ended 31 December 2020.

The condensed consolidated interim financial statements were prepared by the Management Board and were authorised for issue by the Supervisory Board on 3 August 2021.

#### 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 amounts 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 consolidated financial statements as at and for the year ended 31 December 2020.

### 3. Changes in significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2020.

A number of new standards are effective from 1 January 2021 but do not have a material effect on the Group's financial statements.

## 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, Turkey, Russia, 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 and Mexico
- 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 New Jersey, US.

### EMEA

EUR 1,000	JAN. 1 - JUNE 30, 2021	JAN. 1 - JUNE 30, 2020
Revenue	800,595	686,041
Gross profit	206,685	176,008
Operating EBITA	92,506	69,767
Result from operating activities	78,303	59,492
Total Assets	1,010,220	932,896
Total Liabilities	343,157	284,716

### Americas

EUR 1,000	JAN. 1 - JUNE 30, 2021	JAN. 1 - JUNE 30, 2020
Revenue	530,565	492,957
Gross profit	118,856	109,318
Operating EBITA	54,445	47,589
Result from operating activities	53,493	40,710
Total Assets	589,101	534,101
Total Liabilities	201,654	153,237

### Asia Pacific

EUR 1,000	JAN. 1 - JUNE 30, 2021	JAN. 1 - JUNE 30, 2020
Revenue	342,735	232,177
Gross profit	85,326	47,401
Operating EBITA	54,237	21,869
Result from operating activities	38,968	18,581
Total Assets	993,915	371,778
Total Liabilities	338,645	91,888

## Holding Companies

EUR 1,000	JAN. 1 - JUNE 30, 2021	JAN. 1 - JUNE 30, 2020
Operating EBITA	(8,931)	(7,863)
Result from operating activities	(13,754)	(15,260)
Total Assets	353,258	355,708
Total Liabilities	734,658	817,495

## Results from operating activities

Operating EBITA is defined as the sum of the result from operating activities, amortisation of intangible assets and non-recurring items. Non-recurring items include costs related to corporate restructurings and reorganisations, cost related to realised and non-realised acquisitions and other non-recurring income and expenses.

EUR 1,000	JAN. 1 - JUNE 30, 2021	JAN. 1 - JUNE 30, 2020
<b>Result from operating activities</b>	157,010	103,523
Amortisation of intangible assets	36,869	26,404
Non-recurring items in result from operating activities	(1,622)	1,435
<b>Operating EBITA</b>	<b>192,257</b>	<b>131,362</b>

The non-recurring expenses in 2021 and 2020 relate to acquisitions and divestment of businesses and one-off adjustments to the organisation.

## 5. Business combinations

On 6 January 2021, IMCD acquired 100% of the shares in Ejder Kimya İlaç Danışmanlık Sanayi ve Ticaret A.Ş. ("Ejder Kimya"). Ejder Kimya is a Turkish chemicals distributor of raw materials for personal care and pharmaceutical products and food additives. It has a strong and solid position in the personal care market in Turkey. Ejder Kimya's personal care business generated a revenue of approximately EUR 6 million in 2020.

On 7 January 2021, IMCD acquired the pharmaceutical business of Peak International Products B.V. ("Peak International"). Peak International is a Dutch-based distributor in the active pharmaceutical ingredients business for Benelux, Vietnam, Germany and Israel. The Peak pharmaceutical business generated a revenue of approximately EUR 6 million in 2020.

On 8 January 2021, IMCD acquired 100% of the shares in Siyeza Fine Chem Propriety Limited ("Siyeza"). Siyeza, based in Johannesburg, is a distributor of pharmaceutical, veterinary, food and personal care speciality chemical ingredients in South Africa. The company has 27 employees and generated a revenue of approximately EUR 16 million in 2020 through their representation of world leading producers from Europe and Asia.

In April 2021, IMCD divested its Nutri Granulations manufacturing assets and associated business, which was acquired by IMCD as part of the ET-Horn acquisition in 2018. Located in La Mirada, CA, with 22 employees, Nutri Granulations manufactures food grade and USP grade calcium carbonate granulations for the nutraceuticals, food, over-the-counter and pharmaceuticals markets. Nutri Granulations realised a revenue of USD 11 million (EUR 10 million) in 2020. The divestment aligns with IMCD's strategy to focus on the sales, marketing and distribution of speciality chemicals and ingredients.

On 14 May 2021, IMCD acquired Siliconas y Químicos ("Siliconas"), based in Bogotá, Colombia. Siliconas is a speciality chemicals distributor and serves the personal care, coatings, silicones and other speciality industrial markets

and perfectly complements IMCD's existing pharmaceuticals, food and nutrition business in Colombia. The company, based in Bogotá has 25 employees and generated a revenue of USD 9 million (EUR 8 million) in 2020. IMCD acquired 80% of the shares of Siliconas; the remaining 20% will be acquired in 2022.

On 19 May 2021, IMCD acquired Andes Chemical Corp. ("Andes Chemical"). Headquartered in the Miami metropolitan area, Andes Chemical is active in Caribbean and Central American countries, Colombia, and Peru. Andes Chemical serves the coatings, adhesives, sealants, and elastomers (CASE), construction, cosmetics, personal care, plastics, pharmaceuticals, and HI&I industries. Andes Chemical has 43 employees and generated a revenue of USD 46 million (EUR 40 million) in 2020.

On 2 June 2021, IMCD acquired 100% of the shares in Yuanhe HK Limited ("Yuanhe Chemicals"), which holds a 100% interest in Shanghai Yuanhe Chemicals Co Ltd and the Yuanhe Guangzhou branch. Yuanhe, based in Shanghai, is a speciality coatings, textile and ink solution distributor for the China market. It generated a revenue of EUR 13 million in 2020 and has 20 employees.

The aforementioned transactions added EUR 20.8 million of revenue and EUR 1.3 million of result for the year to the Group's results in 2021. If the acquisitions and divestment had occurred on 1 January 2021, management estimates that the consolidated revenue would have been EUR 1,704.9 million and the consolidated net profit would have been EUR 106.5 million. 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 acquisition had occurred on 1 January 2021.

### 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, are as follows:

EUR 1,000	TOTAL
Property, plant and equipment	1,257
Intangible assets	27,015
Deferred tax assets	499
Other financial assets	5
Inventories	9,854
Trade and other receivables	25,787
Cash and cash equivalents	8,349
Loans and borrowings	(2,611)
Other short term financial liabilities	(420)
Employee benefits and other provisions	(1,950)
Deferred tax liabilities	(5,382)
Trade and other payables	(20,627)
<b>Total net identifiable assets</b>	<b>41,775</b>

### Goodwill and book profit

The goodwill and book profit recognised as a result of the acquisitions and divestments is as follow:

EUR 1,000	TOTAL
Total consideration, including deferred and contingent considerations	<b>86,493</b>
Less: Fair value of identifiable net assets	<b>41,775</b>
<b>Goodwill and book profit</b>	<b>44,718</b>

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. The book profit related to the divested Nutrigranulation business is included in the other income in the consolidated statement of profit or loss and comprehensive income.

## 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, 2021	JAN. 1 - JUNE 30, 2020
Sales of goods	1,668,231	1,406,535
Commissions	5,664	4,640
<b>Total revenue</b>	<b>1,673,895</b>	<b>1,411,175</b>

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, 2021	JAN. 1 - JUNE 30, 2020
Netherlands	34,623	29,798
Rest of EMEA	765,973	656,243
<b>EMEA</b>	<b>800,595</b>	<b>686,041</b>
North America	442,969	432,315
Latin America	87,595	60,642
<b>Americas</b>	<b>530,565</b>	<b>492,957</b>
<b>Asia-Pacific</b>	<b>342,735</b>	<b>232,177</b>
<b>Total revenue</b>	<b>1,673,895</b>	<b>1,411,175</b>

### 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 and Food & Nutrition. 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 & Constructions, Lubricants & Energy, Synthesis, Advanced Materials and Home Care & I&I. This segment has a more cyclical nature as the performance is dependent on 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, 2021	JAN. 1 - JUNE 30, 2020
Life Science	830,390	699,128
Industrial	837,842	707,407
<b>Total sales of goods</b>	<b>1,668,231</b>	<b>1,406,535</b>

## 7. Net finance costs

The net finance costs in the first half of 2021 consist of the following items:

EUR 1,000	JAN. 1 - JUNE 30, 2021	JAN. 1 - JUNE 30, 2020
Interest income on loans and receivables	738	281
Interest expenses on financial liabilities	(7,509)	(9,117)
Changes in deferred considerations	(1,064)	(1,388)
Change in the fair value of derivative financial instruments	-	-
Amortisation of finance costs	(311)	(328)
Non-recurring amortisation of finance costs	-	-
Interest expenses related to employee benefits	(124)	(79)
Interest expenses on lease liabilities	(1,381)	(1,341)
Currency exchange results	1,711	(3,237)
<b>Net finance costs recognised in profit or loss</b>	<b>(7,940)</b>	<b>(15,209)</b>

In the first half of 2021, net finance costs were EUR 7.9 million compared with EUR 15.2 million in the same period of 2020. Main drivers of the decreased net finance costs were positive foreign currency exchange results and lower interest expenses on financial liabilities.

## 8. Seasonality of operations

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

## 9. Equity

Following the decision about the appropriation of the financial result 2020 by the Annual General Meeting of June 22, 2021, the Company distributed a dividend in cash of EUR 58.1 million (EUR 1.02 per share). In 2020, the Company distributed a dividend in cash of EUR 47.3 million (EUR 0.90 per share).

## 10. Loans and borrowings

As at 30 June 2021, net debt was EUR 816.8 million (31 December 2020: EUR 739.3 million).

As at the end of June 2021, the leverage ratio (net debt/operating EBITDA ratio including full year impact of acquisitions) was 2.3 times EBITDA (31 December 2020: 2.3).

The actual leverage as at 30 June 2021, calculated on the basis of the definitions used in the IMCD loan documentation, was 1.6 times EBITDA (31 December 2020: 1.6).

Two leverage covenants are applicable to the Group:

- For the 'Schuldschein Darlehen' of EUR 100 million and USD 25 million, a maximum leverage of 3.5 times EBITDA is applicable (with a spike period maximum of 4.0), tested annually.
- For the revolving credit facilities of EUR 500 million, a maximum leverage of 3.75 times EBITDA is applicable (with a spike period maximum of 4.25), tested semi-annually.

As at 30 June 2021, the actual leverage of 1.6 times EBITDA is well below the applicable maximum leverages.

## 11. Financial instruments

30 JUNE 2021		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		711	-	-	-	711	-	711	-	711
Interest rate swaps used for hedging		-	-	-	-	-	-	-	-	-
Forward exchange contracts used for hedging		-	-	337	-	337	-	337	-	337
Contingent consideration	11	-	-	206,052	-	206,052	-	-	206,052	206,052

31 DECEMBER 2020		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		1	-	-	-	1	-	1	-	1
Interest rate swaps used for hedging		-	-	-	-	-	-	-	-	-
Forward exchange contracts used for hedging		-	-	2,417	-	2,417	-	2,417	-	2,417
Contingent consideration	11	-	-	193,544	-	193,544	-	-	193,544	193,544

## 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	<i>Discounted cash flows:</i> 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"> <li>Forecast EBITDA margin</li> <li>Risk-adjusted discount rate</li> </ul>	The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none"> <li>the EBITDA margins were higher/(lower); or</li> <li>the risk-adjusted discount rates were lower/(higher).</li> </ul>
Forward exchange contracts and interest rate swaps	<i>Market comparison technique:</i> 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 <sup>1</sup>	Discounted cash flows	Not applicable
Financial liabilities <sup>2</sup>	Discounted cash flows	Not applicable

<sup>1</sup> Financial assets include trade and other receivables and cash and cash equivalents.

<sup>2</sup> 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

<b>Balance as at 1 January 2021</b>	<b>193,544</b>
Assumed in a business combination	9,847
Paid contingent consideration	(1,842)
Result included in profit or loss	1,064
Effect of movement in exchange rates	3,439
<b>Balance as at 30 June 2021</b>	<b>206,052</b>

## 12. 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 2021 do not substantially deviate from the transactions as reflected in the financial statements as at and for the year ended 31 December 2020.

### 13. Subsequent events

On 15 July 2021 IMCD signed an agreement to acquire the speciality chemicals distributor Materias Químicas de México S.A. de C.V. (“Maquimex”).

Headquartered in México City, Maquimex’s industrial and life science businesses complement IMCD México’s existing presence in the pharmaceuticals, food, nutrition, beauty, personal care and HI&I markets. Maquimex has 44 employees and generated a revenue of USD 27 million (EUR 24 million) in 2020.

The closing of the transaction is expected to take place in August 2021.

### 14. Auditor's review

The consolidated interim financial statements for the first half year of 2021 have not been audited or reviewed by the external auditor.

### 15. 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 2021, as prepared in accordance with IAS 34 Interim Financial Reporting, 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, 3 August 2021

**Management Board:**

P.C.J. van der Slikke, CEO

H.J.J. Kooijmans, CFO