

## Press release

# IMCD reports EBITA of EUR 280 million in the first half of 2023

Rotterdam, The Netherlands (4 August 2023) - IMCD N.V. ("IMCD" or "Company"), a global leading distribution partner, formulator of speciality chemicals and ingredients, and solutions provider, today announces its first half year 2023 results.

## HIGHLIGHTS

- Gross profit of EUR 583 million (+2% on a constant currency basis) showed resilience of IMCD's business model
- Operating EBITA decrease of 6% to EUR 280 million (-3% on a constant currency basis)
- Net result decrease of 14% to EUR 153 million (-12% on a constant currency basis)
- Free cash flow increased by 105% to EUR 241 million (first half of 2022: EUR 118 million)
- Successful completion of acquisitions in the UK, Sweden, Israel, South Africa, Puerto Rico, Colombia and India, and agreements signed to acquire entities in Chile, Singapore and Malaysia

Piet van der Slikke, CEO: "After an exceptional performance in 2022 and despite current challenging macroeconomic conditions, IMCD showed its resilience in the first six months of the year by achieving a gross profit of EUR 583 million (+2% forex adjusted) and an operating EBITA of EUR 280 million (-3% forex adjusted). IMCD delivered a healthy cash flow of over EUR 240 million (+105%), and a strong cash conversion margin of 84%. We remain confident about our diversified business model and continue to execute our growth strategy with diligence. With thirteen acquisitions this year, of which seven acquisitions in Latin America and Asia, we further expanded our global market presence and are well-positioned to deliver future business growth."

## KEY FIGURES

EUR MILLION	JAN. 1 - JUNE 30, 2023	JAN. 1 - JUNE 30, 2022	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	2,287	2,318	(31)	(1%)	1%
Gross profit	583	584	(2)	0%	2%
Gross profit as a % of revenue	25.5%	25.2%	0.3%		
Operating EBITA <sup>1</sup>	280	297	(17)	(6%)	(3%)
Operating EBITA as a % of revenue	12.2%	12.8%	(0.6%)		
Conversion margin <sup>2</sup>	48.1%	50.8%	(2.7%)		
Net result	153	177	(24)	(14%)	(12%)
Free cash flow <sup>3</sup>	241	118	123	105%	
Cash conversion margin <sup>4</sup>	84.4%	38.9%	45.5%		
Earnings per share (weighted)	2.68	3.11	(0.43)	(14%)	(12%)
Cash earnings per share (weighted) <sup>5</sup>	3.28	3.68	(0.40)	(11%)	(9%)
Number of full time employees end of period	4,549	4,013	536	13%	

<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 2023, revenue decreased by 1% to EUR 2,287.2 million, compared with the same period of 2022. On a constant currency basis, revenue increased by 1%, consisting of an organic decline of 6% and the impact of the first-time inclusion of companies acquired in 2022 and 2023 of 7%.

## Gross profit

Gross profit, defined as revenue less costs of materials and inbound logistics, was EUR 582.5 million in the first half of 2023, compared with EUR 584.2 million in the same period of 2022. On a constant currency basis, the gross profit growth was 2%, consisting of an organic decrease of 3% and the impact of the first-time inclusion of businesses acquired in 2022 and 2023 of 5%.

Gross profit as a % of revenue increased by 0.3%-point from 25.2% in the first half of 2022 to 25.5% in 2023. The gross profit margin increase is the result of changes in local market conditions, gross margin improvement initiatives, fluctuations in the product mix and currency exchange rate movements.

## Operating EBITA

Operating EBITA decreased by 6% from EUR 296.7 million in the first half of 2022 to EUR 280.1 million in the same period of 2023. On a constant currency basis operating EBITA decreased by 3%. The decline in operating EBITA, on a constant currency basis, is a combination of organic decline (-8%) and the impact of the first-time inclusion of companies acquired in 2022 and 2023 (+5%).

Operating EBITA as a % of revenue decreased by 0.6%-point from 12.8% in the first half of 2022 to 12.2% in 2023.

The conversion margin, defined as operating EBITA as a percentage of gross profit, decreased by 2.7%-point from 50.8% in the first half of 2022 to 48.1% in 2023. The decrease in conversion margin is the result of higher gross profit being more than offset by the growth of the operating expenses. Organic increase of operating expenses is mainly driven by the impact of higher than usual cost inflation in most of the regions.

## Cash flow and capital expenditure

In the first half of 2023, free cash flow was EUR 240.9 million compared with EUR 117.6 million in the first half of 2022 (+EUR 123.3 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 84.4% compared with 38.9% in the first half of 2022. The increase of the cash conversion margin in 2023 is the result of lower operating EBITDA more than offset by lower investments in net working capital.

The investment in net working capital (sum of inventories, trade and other receivables minus trade and other payables) in the first half of 2023 was EUR 40.0 million compared with EUR 179.9 million in the first half of 2022. The reduced working capital investments were primarily driven by the lower level of business activities in the first half of 2023. As at the end of June 2023, net working capital in days of revenue was 65 days (June 2022: 65 days).

Capital expenditure was EUR 4.6 million in the first half of 2023 compared with EUR 5.1 million in the same period of 2022 and mainly relates to investments in the ICT infrastructure, office improvements and technical equipment.

### **Net debt**

As at 30 June 2023, net debt was EUR 1,268.0 million compared with EUR 1,026.9 million as of 31 December 2022.

The leverage ratio (net debt/operating EBITDA ratio including full year impact of acquisitions) as at the end of June 2023, was 2.1 times EBITDA (31 December 2022: 1.7). Calculated on the basis of the definitions used in the IMCD loan documents, the leverage ratio as at the end of June 2023 was 1.6 times EBITDA (31 December 2022: 1.3), which is well below the maximum of 4.25 as allowed under the loan documents.

The leverage development in the first half of 2023 is, among other things, influenced by a dividend payment of EUR 135.1 million in May and by considerations paid for acquired business of EUR 166.7 million.

## DEVELOPMENTS BY OPERATING SEGMENT

The reporting segments are defined as follows:

- EMEA: all operating companies in Europe, Turkey, 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, Ecuador, Mexico, Peru, Guatemala, Costa Rica and Dominican Republic
- 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 the USA

The developments by operating segment in the first half of 2023 are as follows.

### EMEA

EUR MILLION	JAN. 1 - JUNE 30, 2023	JAN. 1 - JUNE 30, 2022	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	1,009.2	1,052.3	(43.1)	(4%)	(1%)
Gross profit	275.3	280.0	(4.7)	(2%)	1%
Gross profit as a % of revenue	27.3%	26.6%	0.7%		
Operating EBITA	130.6	140.4	(9.8)	(7%)	(4%)
Operating EBITA as a % of revenue	12.9%	13.3%	(0.4%)		
Conversion margin	47.4%	50.1%	(2.7%)		

Revenue decreased by 4% from EUR 1,052.3 million in the first half of 2022 to EUR 1,009.2 million in 2023. On a constant currency basis, revenue decrease was 1%. Gross profit decreased by 2% to EUR 275.3 million in the first half of 2023 (+1% on a constant currency basis). Gross profit margin increased by 0.7%-point to 27.3%.

Operating EBITA decreased by 7% from EUR 140.4 million in the first half of 2022 to EUR 130.6 million in 2023. On a constant currency basis the decrease in operating EBITA was 4%. Compared with the same period in 2022, operating EBITA as a % of revenue decreased by 0.4%-point to 12.9% in the first half of 2023.

On 20 April 2023, IMCD acquired 100% of the share capital of ACM AB ("ACM"), a distributor of minerals and chemicals. Based in Sweden, ACM is mostly active within the coatings, adhesives, paper, plastics, rubber, and construction industries. With six employees, ACM generated revenues of approximately EUR 13 million in 2022.

On 1 May 2023, IMCD acquired the import and distribution business of Tagra Biotechnologies Ltd. ("Tagra Distribution Division"), a distributor and supplier of cosmetic raw materials and ingredients for the beauty and personal care industry in Israel. In 2022, Tagra Distribution Division generated revenues of approximately EUR 7 million and adds seven employees to the IMCD Israel team.

On 7 June 2023, IMCD acquired 100% of the shares of KOI Products Solutions and Engineering Ltd ("KOI Products Solutions"). KOI Products Solutions has partnerships with some of the world's leading suppliers of speciality products and predominantly serves the composite, paint, cosmetics, coatings, and ink markets. The company, based in Petach Tikva, Israel, generated revenues of approximately EUR 8 million in the financial year 2022 and adds 13 employees to the IMCD Israel team.

The first half of 2023 results include, in addition to the aforementioned acquisitions, the impact of the acquisition of Polychem (South Eastern Europe) in February 2022, Evenlode (UK and Ireland) in March 2022 and Orange Chemicals (UK) in February 2023.

On 3 July 2023, IMCD acquired 100% of the shares in CPS Chemical Oil-Tech (Pty) Ltd (“CPS Oil-Tech”), a distributor of raw materials to the petroleum, additive, grease manufacturing and other industry related segments in South Africa. With 8 employees, CPS Oil-Tech generated revenues of approximately EUR 12 million in the financial year that ended on February 28, 2022.

On 13 July 2023, IMCD acquired 90% of the shares of O&3 Limited, (“O&3”), an industry leading supplier of speciality natural ingredients to the global beauty and personal care markets. With 69 employees, across its offices and facilities in Ripon (UK), Warka (Poland) and New York (USA), O&3 generated revenues of approximately EUR 37 million in the financial year that ended on March 31, 2023.

## Americas

EUR MILLION	JAN. 1 - JUNE 30, 2023	JAN. 1 - JUNE 30, 2022	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	738.4	773.1	(34.7)	(4%)	(5%)
Gross profit	178.8	183.7	(4.9)	(3%)	(3%)
Gross profit as a % of revenue	24.2%	23.8%	0.4%		
Operating EBITA	87.7	93.1	(5.4)	(6%)	(6%)
Operating EBITA as a % of revenue	11.9%	12.0%	(0.1%)		
Conversion margin	49.0%	50.7%	(1.7%)		

In the first half of 2023, revenue decreased by 4% compared to the same period of 2022. On a constant currency basis, revenue decrease was 5%. Gross profit decline was 3% to EUR 178.8 million in 2023, compared with EUR 183.7 million in the first half of 2022 (-3% on a constant currency basis). Gross profit margin increased by 0.4%-point from 23.8% in the first half of 2022 to 24.2% in 2023.

Operating EBITA decreased by 6% from EUR 93.1 million in the first half of 2022 to EUR 87.7 million in 2023 (-6% on a constant currency basis). Operating EBITA as a % of revenue decreased by 0.1%-point to 11.9%.

On 19 May 2023, IMCD acquired 100% of the shares of Allianz Group International S.A.S. (“Allianz”). Allianz is a distributor of active pharmaceutical ingredients (API) and serves the Colombian market. Headquartered in Bogotá, Colombia, Allianz has 25 employees and generated revenues of approximately EUR 7 million in 2022.

The first half of 2023 results include, in addition to the acquisition of Allianz, the impact of the acquisitions of Polyorganic (Brazil) and Quelaris (Colombia, Costa Rica and Peru) in March 2022, and Promaplast (Mexico) in September 2022.

On 18 July 2023, IMCD signed an agreement to acquire 100% of the shares of Representaciones de Materias Primas Industriales Limitada (“MAPRIN”). MAPRIN is a raw materials distributor for the beauty and personal care industry, headquartered in Santiago, Chile. MAPRIN has 20 employees and generated revenues to its LATAM organisation of approximately EUR 8 million in 2022. The closing of the transaction is subject to customary closing conditions and is expected to take place in August 2023.

On 2 August 2023, IMCD acquired 100% of the shares of Sachs Chemical, Inc. (“Sachs”). Headquartered in San Juan, Puerto Rico, Sachs is a speciality chemicals distributor, providing customised solutions for the pharmaceutical industry. With 38 employees, Sachs generated revenues of approximately EUR 48 million in 2022.

## Asia Pacific

EUR MILLION	JAN. 1- JUNE 30, 2023	JAN. 1- JUNE 30, 2022	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	539.6	492.5	47.1	10%	16%
Gross profit	128.4	120.4	8.0	7%	13%
Gross profit as a % of revenue	23.8%	24.4%	(0.6%)		
Operating EBITA	78.8	79.1	(0.3)	(0%)	5%
Operating EBITA as a % of revenue	14.6%	16.1%	(1.5%)		
Conversion margin	61.4%	65.7%	(4.3%)		

In the first half of 2023, revenue increased by 10% to EUR 539.6 million (+16% on a constant currency basis). Gross profit increased by 7% to EUR 128.4 million in the first half of 2023, compared with EUR 120.4 million in the same period in 2022 (+13% on a constant currency basis). Gross profit as a % of revenue was 23.8% in the first half of 2023, compared with 24.4% in the same period of 2022.

Operating EBITA remained relatively stable at EUR 78.8 million in the first half of 2023. On a constant currency basis operating EBITA increased by 5%. In the first half of 2023, operating EBITA as a % of revenue was 14.6% compared with 16.1% in the same period of last year.

On 20 April 2023, IMCD acquired 100% of the shares in Tradeimpex Polymers (India) Private Limited ("Tradeimpex"), a distributor of high-performance polymers and engineering plastics. With 24 employees, Tradeimpex generated revenues of approximately EUR 39 million in the financial year that ended on March 31, 2022.

On 18 May 2023, IMCD signed an agreement to acquire 100% of the shares of the speciality distribution company, Euro Chemo-Pharma Sdn Bhd ("Euro Chemo-Pharma") and its wholly owned subsidiary, Biofresh Green Sdn Bhd ("Biofresh") in Malaysia. Together with 124 employees, Euro Chemo-Pharma and Biofresh are offering a wide range of products, mainly food, pharmaceutical and personal care applications and generated revenues of approximately EUR 55 million in the financial year ended on June 30, 2022. The closing of the transaction is subject to customary closing conditions and is expected to take place in the last quarter of 2023.

On 15 June 2023, IMCD signed an agreement to acquire 100% of the shares of the speciality distribution company Brylchem Pte Ltd and the business of Chemipac Pte Ltd. in Singapore, and the business of CMS Marketing Trading Co., Ltd in Vietnam ("jointly Brylchem Group"). Brylchem Group offers a wide range of products in the coatings, construction, advanced materials, agrochemical, home care and industrial cleaning, feed and veterinary, and lubricants industries, for the Singapore and Vietnam markets. With approximately 50 employees, Brylchem Group generated revenues of approximately EUR 58 million in 2022. The closing of the transaction is subject to customary closing conditions and is expected to take place in the last quarter of 2023.

The first half of 2023 results include, in addition to the acquisition of Tradeimpex, the impact of the acquisitions of RPL Trading (Australia and New Zealand) and Syntec (China) in January 2022, Aquatech (China) in February 2022, Kuni Chemical (Japan) in September 2022, and Welex (China) and Parkash DyeChem (India) in December 2022, and Sanrise (China) in March 2023.

## Holding companies

EUR MILLION	JAN. 1 - JUNE 30, 2023	JAN. 1 - JUNE 30, 2022	CHANGE	CHANGE	FX ADJ. CHANGE
Operating EBITA	(17.1)	(15.9)	(1.2)	(8%)	(7%)
Operating EBITA as a % of total revenue	(0.7%)	(0.7%)	- %		

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

Operating expenses increased by EUR 1.2 million from EUR 15.9 million in the first half of 2022 to EUR 17.1 million in 2023. Operating expenses as a percentage of the consolidated revenue was 0.7% in the first half of 2023, in line with the same period of last year. 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.

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.

Given the macro-economic uncertainties it is prudent not to give a near-term trading outlook.

## FINANCIAL CALENDAR

10 November 2023	First nine months 2023 results
1 March 2024	Full year 2023 results
26 April 2024	First quarter 2024 results
14 May 2024	Annual General Meeting
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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](http://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 2022, with over 4,300 employees, IMCD realised revenues of EUR 4,601 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](http://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 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 2023, 07:00 am CET.

IMCD N.V.

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR 2023

Condensed consolidated statement of financial position	11
Condensed consolidated statement of profit or loss and comprehensive income	13
Condensed consolidated statement of changes in equity	15
Condensed consolidated statement of cash flows	16
Notes to the condensed consolidated interim financial statements	17

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1,000	NOTE	30 JUNE 2023	31 DECEMBER 2022
<b>Assets</b>			
Property, plant and equipment		117,401	113,327
Goodwill		1,502,408	1,386,552
Other intangible assets		608,771	554,552
<b>Intangible assets</b>		<b>2,111,179</b>	<b>1,941,104</b>
Equity-accounted investees		17	71
Other financial assets		6,789	7,016
Deferred tax assets		38,801	35,614
<b>Non-current assets</b>		<b>2,274,187</b>	<b>2,097,132</b>
Inventories		632,748	622,098
Trade and other receivables		824,610	702,275
Cash and cash equivalents		219,785	222,005
<b>Current assets</b>		<b>1,677,143</b>	<b>1,546,378</b>
<b>Total assets</b>		<b>3,951,330</b>	<b>3,643,510</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1,000	NOTE	30 JUNE 2023	31 DECEMBER 2022
<b>Equity</b>	9		
Share capital		9,118	9,118
Share premium		1,051,438	1,051,438
Reserves		(98,295)	(69,511)
Retained earnings		542,092	367,839
Unappropriated result		152,695	313,081
<b>Total shareholders' equity</b>		<b>1,657,048</b>	<b>1,671,965</b>
Non-controlling interests		1,417	1,451
<b>Total equity</b>		<b>1,658,465</b>	<b>1,673,416</b>
<b>Liabilities</b>			
Loans and borrowings	10	777,154	912,889
Employee benefits		18,302	22,254
Provisions		15,536	13,814
Deferred tax liabilities		147,003	130,819
<b>Total non-current liabilities</b>		<b>957,995</b>	<b>1,079,776</b>
Loans and borrowings	10	40,000	40,000
Other short term financial liabilities	10	670,602	296,042
Trade payables		467,394	389,021
Other payables		156,874	165,255
<b>Total current liabilities</b>		<b>1,334,870</b>	<b>890,318</b>
<b>Total liabilities</b>		<b>2,292,865</b>	<b>1,970,094</b>
<b>Total equity and liabilities</b>		<b>3,951,330</b>	<b>3,643,510</b>

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

EUR 1,000	NOTE	JAN. 1 - JUNE 30, 2023	JAN. 1 - JUNE 30, 2022
Revenue	6	2,287,154	2,317,927
Other income		10,986	11,021
<b>Operating income</b>		<b>2,298,140</b>	<b>2,328,948</b>
Cost of materials and inbound logistics		(1,704,643)	(1,733,760)
Cost of warehousing, outbound logistics and other services		(61,834)	(67,753)
Wages and salaries		(142,494)	(133,195)
Social security and other charges		(38,884)	(36,279)
Depreciation of property, plant and equipment		(15,469)	(14,827)
Amortisation of intangible assets		(38,381)	(36,904)
Other operating expenses		(57,415)	(53,376)
<b>Operating expenses</b>		<b>(2,059,120)</b>	<b>(2,076,094)</b>
<b>Result from operating activities</b>		<b>239,020</b>	<b>252,854</b>
Finance income		1,724	993
Finance costs		(27,543)	(8,792)
<b>Net finance costs</b>	7	<b>(25,819)</b>	<b>(7,799)</b>
Share of profit of equity-accounted investees, net of tax		(54)	(12)
<b>Result before income tax</b>		<b>213,147</b>	<b>245,043</b>
Income tax expense		(60,486)	(68,023)
<b>Result for the year</b>		<b>152,661</b>	<b>177,020</b>
Result for the year attributable to the shareholders of the Company		152,695	177,051
Result for the year attributable to non-controlling interest		(34)	(31)
<b>Result for the year</b>		<b>152,661</b>	<b>177,020</b>
Gross profit <sup>1</sup>		582,511	584,167
Gross profit as a % of revenue		25.5%	25.2%
Operating EBITA <sup>2</sup>	4	280,090	296,714
Operating EBITA as a % of revenue		12.2%	12.8%

<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, 2023	JAN. 1 - JUNE 30, 2022
<b>Result for the year</b>	<b>152,661</b>	<b>177,020</b>
Defined benefit plan actuarial gains/(losses)	(767)	1,614
Related tax	193	(443)
<b>Items that will never be reclassified to profit or loss</b>	<b>(574)</b>	<b>1,171</b>
Foreign currency translation differences re foreign operations	(31,466)	68,626
Related tax	825	(857)
<b>Items that are or may be reclassified to profit or loss</b>	<b>(30,641)</b>	<b>67,769</b>
<b>Other comprehensive income for the period, net of income tax</b>	<b>(31,215)</b>	<b>68,940</b>
<b>Total comprehensive income for the period</b>	<b>121,446</b>	<b>245,960</b>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	121,446	245,837
Non-controlling interests	-	123
<b>Total comprehensive income for the period</b>	<b>121,446</b>	<b>245,960</b>
Weighted average number of shares	56,916,267	56,947,309
Basic earnings per share	2.68	3.11
Diluted earnings per share	2.72	3.15

## 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
<b>Balance as at 1 January 2023</b>		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)
<b>Total comprehensive income for the year</b>		-	-	(30,641)	-	-	(574)	-	152,695	121,480	(34)	121,446
Cash dividend		-	-	-	-	-	-	-	(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
<b>Total contributions by and distributions to owners of the Company</b>		-	-	-	-	4,235	(1,805)	(3,766)	(135,061)	(136,397)	-	(136,397)
<b>Balance as at 30 June 2023</b>	9	9,118	1,051,438	(89,402)	(210)	(9,345)	662	542,092	152,695	1,657,048	1,417	1,658,465

EUR 1,000		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
<b>Balance as at 31 December 2021</b>		9,118	1,051,438	(58,285)	(100)	(2,172)	(3,337)	255,888	207,276	1,459,825	1,529	1,461,354
Adjustment for IAS 29 - Turkey		-	-	-	-	-	-	4,953	-	4,953	-	4,953
<b>Balance as at 1 January 2022</b>		9,118	1,051,438	(58,285)	(100)	(2,172)	(3,337)	260,841	207,276	1,464,778	1,529	1,466,307
Appropriation of prior year's result		-	-	-	-	-	-	115,047	(115,047)	-	-	-
		9,118	1,051,438	(58,285)	(100)	(2,172)	(3,337)	375,887	92,229	1,464,778	1,529	1,466,307
Result for the year		-	-	-	-	-	-	-	177,051	177,051	(31)	177,020
Total other comprehensive income		-	-	67,646	-	-	1,171	-	-	68,817	123	68,940
<b>Total comprehensive income for the year</b>		-	-	67,646	-	-	1,171	-	177,051	245,868	92	245,960
Cash dividend		-	-	-	-	-	-	-	(92,229)	(92,229)	-	(92,229)
Share based payments		-	-	-	-	-	(1,674)	(7,789)	-	(9,463)	-	(9,463)
Purchase and transfer own shares		-	-	-	-	(5,517)	-	4,681	-	(836)	-	(836)
<b>Total contributions by and distributions to owners of the Company</b>		-	-	-	-	(5,517)	(1,674)	(3,108)	(92,229)	(102,528)	-	(102,528)
<b>Balance as at 30 June 2022</b>		9,118	1,051,438	9,361	(100)	(7,689)	(3,840)	372,779	177,051	1,608,118	1,621	1,609,739

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	NOTE	JAN. 1 - JUNE 30, 2023	JAN. 1 - JUNE 30, 2022
<b>Cash flows from operating activities</b>			
Result for the period		152,661	177,020
Adjustments for:			
• Depreciation of property, plant and equipment		15,469	14,827
• Amortisation of intangible assets		38,381	36,904
• Net finance costs excluding currency exchange results		22,509	12,005
• Currency exchange results		3,310	(4,206)
• Cost of share based payments		2,451	2,538
• Share of profit of equity-accounted investees, net of tax		54	12
• Income tax expense		60,486	68,023
		<b>295,321</b>	<b>307,123</b>
Change in:			
• Inventories		5,779	(81,695)
• Trade and other receivables		(101,841)	(184,867)
• Trade and other payables		56,105	86,650
• Provisions and employee benefits		(3,615)	(1,547)
<b>Cash generated from operating activities</b>		<b>251,750</b>	<b>125,665</b>
Interest paid		(23,498)	(14,026)
Income tax paid		(56,351)	(57,079)
<b>Net cash from operating activities</b>		<b>171,900</b>	<b>54,559</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiary, net of cash acquired and divestures	5	(166,680)	(92,575)
Acquisition of intangible assets		(8,616)	(3,448)
Acquisition of property, plant and equipment		(4,570)	(5,077)
Acquisition of other financial assets		383	152
<b>Net cash used in investing activities</b>		<b>(179,482)</b>	<b>(100,947)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	9	(135,061)	(92,229)
Purchase of and transfer own shares		0	(7,369)
Share based payments		(3,787)	(5,465)
Payment of transaction costs related to loans and borrowings		(1,920)	(2,346)
Movements in bank loans and other short term financial liabilities	10, 11	19,338	32,992
Proceeds from issue of current and non-current loans and borrowings		240,000	504,161
Repayment of loans and borrowings	10, 11	(94,916)	(375,174)
Redemption of lease liabilities		(11,894)	(10,746)
<b>Net cash from financing activities</b>		<b>11,761</b>	<b>43,824</b>
<b>Net increase in cash and cash equivalents</b>		<b>4,179</b>	<b>(2,564)</b>
Cash and cash equivalents as at 1 January		222,005	177,879
Effect of exchange rate fluctuations		(6,399)	7,380
<b>Cash and cash equivalents as at 30 June</b>		<b>219,785</b>	<b>182,695</b>



## 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 2023, 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 2022. 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 2022.

The condensed consolidated interim financial statements were prepared by the Management Board and were authorised for issue by the Supervisory Board on 3 August 2023.

#### 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 2022.

### 3. Changes in 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 2022.

A number of new and amended standards are effective from 1 January 2023 but do 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, Turkey, 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, Ecuador, Mexico, Peru, Guatemala, Costa Rica and Dominican Republic
- 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, 2023	JAN. 1 - JUNE 30, 2022
Revenue	1,009,167	1,052,307
Gross profit	275,340	280,019
Operating EBITA	130,647	140,413
Result from operating activities	119,770	122,768
Total Assets	1,149,764	1,208,289
Total Liabilities	399,692	426,969

#### Americas

EUR 1,000	JAN. 1 - JUNE 30, 2023	JAN. 1 - JUNE 30, 2022
Revenue	738,354	773,131
Gross profit	178,810	183,734
Operating EBITA	87,691	93,084
Result from operating activities	78,987	83,941
Total Assets	805,638	819,324
Total Liabilities	252,745	269,168

## Asia Pacific

EUR 1,000	JAN. 1 - JUNE 30, 2023	JAN. 1 - JUNE 30, 2022
Revenue	539,632	492,489
Gross profit	128,361	120,414
Operating EBITA	78,843	79,114
Result from operating activities	61,233	62,339
Total Assets	1,575,138	1,364,929
Total Liabilities	559,546	512,035

## Holding Companies

EUR 1,000	JAN. 1 - JUNE 30, 2023	JAN. 1 - JUNE 30, 2022
Operating EBITA	(17,091)	(15,897)
Result from operating activities	(20,970)	(16,194)
Total Assets	420,789	376,051
Total Liabilities	1,080,882	952,379

## 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 restructuring and reorganisations, cost related to realised and non-realised acquisitions and other non-recurring income and expenses.

EUR 1,000	JAN. 1 - JUNE 30, 2023	JAN. 1 - JUNE 30, 2022
<b>Result from operating activities</b>	239,020	252,854
Amortisation of intangible assets	38,381	36,904
Non-recurring items in result from operating activities	2,690	6,956
<b>Operating EBITA</b>	<b>280,090</b>	<b>296,714</b>

The non-recurring expenses in 2023 and 2022 relate to acquisitions and divestment of businesses and one-off adjustments to the organisation. The non-recurring expenses in 2022 include the estimated financial impact of the winding down of the operations in Russia.

## 5. Business combinations

On 28 February 2023, IMCD acquired 100% of the shares in Orange Chemicals Ltd (“Orange Chemicals”), a distributor of performance chemicals throughout the UK and Ireland. Orange Chemicals, headquartered in Winchester, generated revenues of approximately EUR 30 million in the financial year 2022 and adds seven employees to the IMCD UK team.

On 15 March 2023, IMCD completed the acquisition of Shanghai Sanrise Industries & Development Co., Ltd. (“Sanrise”), one of the leading distributors in the personal care markets in China. Sanrise offers a wide range of personal care and industrial solutions with a key focus on personal care applications. With approximately 60 employees, Sanrise generated revenues of approximately EUR 90 million in 2021. The transaction will take place in two tranches, with first 70% of Sanrise’s share capital acquired in March 2023, and the remaining 30% to be acquired in 2025.

On 20 April 2023, IMCD acquired 100% of the shares in Tradeimpex Polymers (India) Private Limited (“Tradeimpex”), a distributor of high-performance polymers and engineering plastics. With 24 employees, Tradeimpex generated revenues of approximately EUR 39 million in the financial year that ended on March 31, 2022.

On 20 April 2023, IMCD acquired 100% of the share capital of ACM AB (“ACM”), a distributor of minerals and chemicals. Based in Sweden, ACM is mostly active within the coatings, adhesives, paper, plastics, rubber, and construction industries. With six employees ACM generated revenues of approximately EUR 13 million in 2022.

On 1 May 2023, IMCD acquired the import and distribution business of Tagra Biotechnologies Ltd. (“Tagra Distribution Division”), a distributor and supplier of cosmetic raw materials and ingredients for the beauty and personal care industry in Israel. In 2022, Tagra Distribution Division generated revenues of approximately EUR 7 million and adds seven employees to the IMCD Israel team.

On 19 May 2023, IMCD acquired 100% of the shares of Allianz Group International S.A.S. (“Allianz”). Allianz is a distributor of active pharmaceutical ingredients (API) and serves the Colombian market. Headquartered in Bogotá, Colombia, Allianz has 25 employees and generated revenues of approximately EUR 7 million in 2022.

On 7 June 2023, IMCD acquired 100% of the shares of KOI Products Solutions and Engineering Ltd (“KOI Products Solutions”). KOI Products Solutions has partnerships with some of the world’s leading suppliers of speciality products and predominantly serves the composite, paint, cosmetics, coatings, and ink markets. The company, based in Petach Tikva, Israel, generated revenues of approximately EUR 8 million in the financial year 2022, and adds 13 employees to the IMCD Israel team.

In addition to the aforementioned closed transactions, IMCD signed two agreements in the first half of 2023.

On 18 May 2023, IMCD signed an agreement to acquire 100% of the shares of the speciality distribution company, Euro Chemo-Pharma Sdn Bhd (“Euro Chemo-Pharma”) and its wholly owned subsidiary, Biofresh Green Sdn Bhd (“Biofresh”), Together with 124 employees, Euro Chemo-Pharma and Biofresh are offering a wide range of products, mainly food, pharmaceutical and personal care applications and generated revenues of approximately EUR 55 million in the financial year ended on June 30, 2022. The closing of the transaction is subject to customary closing conditions and is expected to take place in the last quarter of 2023.

On 15 June 2023, IMCD signed an agreement to acquire 100% of the shares of the speciality distribution company Brylchem Pte Ltd and the business of Chemipac Pte Ltd. in Singapore, and the business of CMS Marketing Trading Co., Ltd in Vietnam (“jointly Brylchem Group”). Brylchem Group offers a wide range of products in the coatings, construction, advanced materials, agrochemical, home care and industrial cleaning, feed and veterinary, and lubricants industries, for the Singapore and Vietnam markets. With approximately 50 employees, Brylchem Group generated revenues of approximately EUR 58 million in 2022. The closing of the transaction is subject to customary closing conditions and is expected to take place in the last quarter of 2023.

After 30 June 2023 and before publication of the condensed financial statements for the first half of 2023, IMCD closed three acquisition transactions and signed an agreement.

On 3 July 2023, IMCD acquired 100% of the shares in CPS Chemical Oil-Tech (Pty) Ltd (“CPS Oil-Tech”), a distributor of raw materials to the petroleum, additive, grease manufacturing and other industry related segments in South Africa. With 8 employees, CPS Oil-Tech generated revenues of approximately EUR 12 million in the financial year that ended on February 28, 2022.

On 13 July 2023, IMCD acquired 90% of the shares of O&3 Limited, (“O&3”), an industry leading supplier of speciality natural ingredients to the global beauty and personal care markets. With 69 employees, across its offices and facilities

in Ripon (UK), Warka (Poland) and New York (USA), O&3 generated revenue of approximately EUR 37 million in the financial year that ended on March 31, 2023.

On 18 July 2023, IMCD signed an agreement to acquire 100% of the shares of Representaciones de Materias Primas Industriales Limitada ("MAPRIN"). MAPRIN is a raw materials distributor for the beauty and personal care industry, headquartered in Santiago, Chile. MAPRIN has 20 employees and generated revenues to its LATAM organisation of approximately EUR 8 million in 2022. The closing of the transaction is subject to customary closing conditions and is expected to take place in August 2023.

On 2 August 2023, IMCD acquired 100% of the shares of Sachs Chemical ("Sachs"). Headquartered in San Juan, Puerto Rico, Sachs is a speciality chemicals distributor, providing customised solutions for the pharmaceutical industry. With 38 employees, Sachs generated revenues of approximately EUR 48 million in 2022.

The seven transactions closed in the first half of 2023, added EUR 35.5 million of revenue and EUR 1.3 million of result for the year to the Group's results in 2023. If the acquisitions had occurred on 1 January 2023, management estimates that the consolidated revenue would have been EUR 2,326.0 million and the consolidated net profit would have been EUR 154.4 million in the first half of 2023. 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 2023.

### 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 2023, are as follows:

EUR 1,000	TOTAL
Property, plant and equipment	471
Intangible assets	93,909
Deferred tax assets	1,591
Other financial assets	713
Inventories	27,461
Trade and other receivables	31,608
Cash and cash equivalents	13,006
Loans and borrowings	(3,203)
Other short term financial liabilities	(11,200)
Employee benefits and other provisions	(1,728)
Deferred tax liabilities	(22,667)
Trade and other payables	(20,120)
<b>Total net identifiable assets</b>	<b>109,841</b>

## Goodwill

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

EUR 1,000	TOTAL
Total consideration, including deferred and contingent considerations	238,619
Less: Fair value of identifiable net assets	109,841
<b>Goodwill</b>	<b>128,779</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.

## 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, 2023	JAN. 1 - JUNE 30, 2022
Sales of goods	2,280,799	2,310,545
Commissions	6,355	7,382
<b>Total revenue</b>	<b>2,287,154</b>	<b>2,317,927</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, 2023	JAN. 1 - JUNE 30, 2022
Netherlands	38,591	46,107
Rest of EMEA	970,577	1,006,200
<b>EMEA</b>	<b>1,009,167</b>	<b>1,052,307</b>
North America	521,461	580,721
Latin America	216,893	192,410
<b>Americas</b>	<b>738,354</b>	<b>773,131</b>
<b>Asia-Pacific</b>	<b>539,632</b>	<b>492,489</b>
<b>Total revenue</b>	<b>2,287,154</b>	<b>2,317,927</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, 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, 2023	JAN. 1 - JUNE 30, 2022
Life Science	1,188,061	1,071,157
Industrial	1,092,738	1,239,388
<b>Total sales of goods</b>	<b>2,280,799</b>	<b>2,310,545</b>

## 7. Net finance costs

The net finance costs in the first half of 2023 consist of the following items:

EUR 1,000	JAN. 1 - JUNE 30, 2023	JAN. 1 - JUNE 30, 2022
Interest income on loans and receivables	1,724	993
Interest expenses on financial liabilities	(17,775)	(9,697)
Changes in deferred considerations	(3,851)	(1,457)
Amortisation of finance costs	(1,023)	(388)
Interest expenses related to employee benefits	(125)	(205)
Interest expenses on lease liabilities	(1,459)	(1,251)
Currency exchange results	(3,310)	4,206
<b>Net finance costs recognised in profit or loss</b>	<b>(25,819)</b>	<b>(7,799)</b>

In the first half of 2023, net finance costs were EUR 25.8 million compared with EUR 7.8 million in the same period of 2022. The increase in interest expenses on financial liabilities mainly relates to additional credit facilities drawn, and to the increases in EURIBOR and term SOFR, applicable to the revolving and other short term bank facilities. In addition, foreign currency rate results and changes in deferred considerations had a negative impact of EUR 9.9 million in the first six months of 2023, compared to the same period in 2022.

## 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 2022 by the Annual General Meeting of April 26, 2023, the Company distributed a dividend in cash of EUR 135.1 million (EUR 2.37 per share). In 2022, the Company distributed a dividend in cash of EUR 92.2 million (EUR 1.62 per share).

## 10. Loans and borrowings

As at 30 June 2023, net debt was EUR 1,268.0 million (31 December 2022: EUR 1,026.9 million).

On 13 February 2023, IMCD completed the refinancing of its multi-currency revolving credit facility. The new facility, with a maturity date of 13 February 2028, amounts to EUR 600 million and can be drawn in EUR and USD as well as, to an agreed sublimit, in AUD and GBP. The credit revolving facility has an interest margin dependent on external credit ratings. For the new revolving credit facility a maximum leverage of 3.75 times EBITDA (with a spike period maximum of 4.25), tested semi-annually is applicable.

As at the end of June 2023, the leverage ratio (net debt/operating EBITDA ratio including full year impact of acquisitions) was 2.1 times EBITDA (31 December 2022: 1.7).

Two leverage covenants are applicable to the Group:

- For the Schuldscheindarlehen of EUR 40 million, a maximum leverage of 3.5 times EBITDA applies (with a spike period maximum of 4.0), tested annually.
- For the revolving credit facilities of EUR 600 million, a maximum leverage of 3.75 times EBITDA applies (with a spike period maximum of 4.25), tested semi-annually.

The actual leverage as at 30 June 2023, calculated on the basis of the definitions used in the IMCD loan documentation, was 1.6 times EBITDA (31 December 2022: 1.3), which is well below the maximum of 4.25 as allowed under the loan documentation.

## 11. 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 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
		693	-	-	-	693	-	693	-	693
		-	-	319	-	319	-	319	-	319
	11	-	-	333,015	-	333,015	-	-	333,015	333,015

31 DECEMBER 2022		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
		180	-	-	-	180	-	180	-	180
		-	-	1,030	-	1,030	-	1,030	-	1,030
	11	-	-	273,610	-	273,610	-	-	273,610	273,610



## 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

EUR1,000	CONTINGENT CONSIDERATION
<b>Balance as at 1 January 2023</b>	<b>273,610</b>
Assumed in a business combination	71,629
Paid contingent consideration	(9,863)
Result included in profit or loss	3,851
Effect of movement in exchange rates	(6,212)
<b>Balance as at 30 June 2023</b>	<b>333,015</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 2023 do not substantially deviate from the transactions as reflected in the financial statements as at and for the year ended 31 December 2022.

## 13. Subsequent events

On 3 July 2023, IMCD acquired 100% of the shares in CPS Chemical Oil-Tech (Pty) Ltd ("CPS Oil-Tech"), a distributor of raw materials to the petroleum, additive, grease manufacturing and other industry related segments in South Africa. With 8 employees, CPS Oil-Tech generated revenues of approximately EUR 12 million in the financial year that ended on February 28, 2022.

On 13 July 2023, IMCD acquired 90% of the shares of O&3 Limited, an industry leading supplier of speciality natural ingredients to the global beauty and personal care markets. With 69 employees, across its offices and facilities in Ripon (UK), Warka (Poland) and New York (USA), O&3 generated revenue of approximately EUR 37 million in the financial year that ended on March 31, 2023.

On 18 July 2023, IMCD signed an agreement to acquire 100% of the shares of Representaciones de Materias Primas Industriales Limitada ("MAPRIN"), a raw materials distributor for the beauty and personal care industry, headquartered in Santiago, Chile. MAPRIN has 20 employees and generated revenues to its LATAM organisation of approximately EUR 8 million in 2022. The closing of the transaction is subject to customary closing conditions and is expected to take place in August 2023.

On 2 August 2023, IMCD acquired 100% of the shares of Sachs Chemical, Inc. ("Sachs"). Headquartered in San Juan, Puerto Rico, Sachs Chemical, Inc. is a speciality chemicals distributor, providing customised solutions for the pharmaceutical industry. With 38 employees, Sachs generated revenues of approximately EUR 48 million in 2022.

## 14. Auditor's review

The consolidated interim financial statements for the first half year of 2023 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 2023, 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 2023

### **Management Board:**

P.C.J. van der Slikke, CEO

H.J.J. Kooijmans, CFO

M.C. Jordan, COO