

Press release

IMCD reports EBITA of EUR 515 million in 2023

Rotterdam, The Netherlands (1 March 2024) - IMCD N.V. ("IMCD" or "Company"), a global leading distribution partner, and formulator of speciality chemicals and ingredients, today announces its full year 2023 results.

HIGHLIGHTS

- Gross profit of EUR 1,123 million (+2% on a constant currency basis)
- Operating EBITA decline of 7% to EUR 515 million (-3% on a constant currency basis)
- Net result for the year decline of 7% to EUR 292 million (-3% on a constant currency basis)
- Free cash flow increase by 28% to EUR 554 million (2022: EUR 434 million)
- Cash earnings per share decline of 6% to EUR 6.41 (2022: EUR 6.78)
- Dividend proposal of EUR 2.24 in cash per share (2022: EUR 2.37)

Valerie Diele-Braun, CEO: *"Following a year of exceptional growth, 2023 was a year characterised by challenging market conditions and reduced demand. Despite these challenges, IMCD continued to be resilient and delivered healthy cash flows whilst progressing strongly on our omnichannel digital solutions, geographic expansion and M&A. Revenues reached EUR 4.4 billion, with an operating EBITA of EUR 515 million. Free cash flow was EUR 554 million, an increase of 28% compared with last year. Our dedicated teams remain focused on strategic business opportunities, fortifying our foundation for sustainable future growth."*

KEY FIGURES 2023

All financial information in this section is presented in millions of euros, unless stated differently. Rounding differences may occur because the underlying figures retrieved from the consolidated financial statements are rounded to the nearest thousand.

Key performance indicators¹ for 2023

EUR MILLION	2023	2022	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	4,443	4,601	(159)	(3%)	0%
Gross profit	1,123	1,147	(25)	(2%)	2%
Gross profit as a % of revenue	25.3%	24.9%	0.4%		
Operating EBITA	515	554	(40)	(7%)	(3%)
Operating EBITA as a % of revenue	11.6%	12.0%	(0.4%)		
Conversion margin	45.8%	48.3%	(2.5%)		
Net result	292	313	(21)	(7%)	(3%)
Free cash flow	554	434	120	28%	
Cash conversion margin	105.3%	76.9%	28.4%		
Adjusted leverage ratio	2.3	1.7	0.6		
Earnings per share (EUR)	5.13	5.50	(0.37)	(7%)	(3%)
Cash earnings per share (EUR)	6.41	6.78	(0.37)	(6%)	(2%)
(Proposed) dividend per share (EUR)	2.24	2.37	(0.13)	(5%)	
Number of full time employees end of period	4,736	4,323	413	10%	

¹ For the definitions of the alternative performance measures, reference is made to page 9.

Non-financial performance

As a leading global distribution partner and formulator of speciality chemicals and ingredients we take our responsibility in shaping a sustainable future for all seriously. IMCD creates value for our stakeholders through pursuing sustainable long-term growth of its revenues and results, driven by organic growth and strategic acquisitions. Through product stewardship, we build a resilient and diversified product portfolio that supports sustainable applications and innovation. IMCD's contributions to the environment and society begin with our own operations and people, and expands throughout the value chain. We want to grow our business, while reducing our environmental footprint. With the products and solutions offered in our portfolio we strive to have a positive impact on health and well-being of consumers, the environment and society.

In 2023, we made good progress on our ESG material topics, related to People and Culture, Environment, Product as well as to Ethics and Compliance. For further details on our ESG performance in 2023, reference is made to our Integrated Report 2023, available on our website (www.imcdgroup.com).

Revenue

Compared with 2022, revenue declined by EUR 158.9 million to EUR 4,442.6 million in 2023. The revenue decline is the result of organic decline (-6%), the impact of first-time inclusion of acquisitions (+6%) and a negative impact of foreign currency exchange developments (-4%).

Gross profit

Gross profit, defined as revenue less cost of materials and inbound logistics, declined by 2% from EUR 1,147.1 million in 2022 to EUR 1,122.6 million in 2023. The decline in gross profit was the result of organic developments (-3%), the impact of the first-time inclusion of acquisitions (+5%) and the negative impact of foreign currency exchange rate developments (-4%).

Gross profit as a % of revenue increased by 0.4%-point from 24.9% in 2022 to 25.3% in 2023. The EMEA and Americas regions contributed to the improved gross profit margin in 2023. Differences between and within the regions are caused by local market circumstances, product mix variances, product availability, foreign currency fluctuations and the impact of newly acquired businesses.

Operating EBITA

Operating EBITA declined by EUR 40 million (-7%) from EUR 554.5 million in 2022 to EUR 514.5 million in 2023. On a constant currency basis, the decline in operating EBITA is 3%, consisting of organic decline of 7% and the impact of the first-time inclusion of acquisitions completed in 2022 and 2023 of 4%.

Operating EBITA as a % of revenue declined by 0.4%-point from 12.0% in 2022 to 11.6% in 2023.

The conversion margin, defined as operating EBITA in percentage of gross profit, declined from 48.3% in 2022 to 45.8% in 2023. The decline in conversion margin is mainly the result of less gross profit and the impact of the first time inclusion of acquisitions with on average lower conversion margins. Organic increase in own cost was modest (+2%) given the impact of higher than usual cost inflation in most of the regions IMCD operates in.

Cash flow and capital expenditure

Free cash flow increased by EUR 119.8 million from EUR 434.4 million in 2022 to EUR 554.2 million in 2023.

The cash conversion margin is defined as free cash flow as a percentage of adjusted operating EBITDA (operating EBITDA adjusted for non-cash share-based payments and lease premiums). The cash conversion margin increased by 28.4%-point from 76.9% in 2022 to 105.3% in 2023.

Net working capital, defined as inventories, trade and other receivables less trade payables and other payables, declined by EUR 5.7 million (-1%) from EUR 770.1 million as at the end of 2022 to EUR 764.4 million as at 31 December 2023. The decline in net working capital of EUR 5.7 million is the result of the lower level of business activities in 2023 compared with last year, the normalisation impact of the relatively high stock levels in 2022, the impact of exchange rate differences on year-end balance sheet positions (EUR -18.8 million) and the impact of acquisitions completed in 2023 (EUR +57.0 million).

At the end of December 2023, net working capital in days of revenue was 61, compared with 59 as at the end of 2022. The increase in net working capital days as at year end 2023 is partly driven by the impact of the acquisition of companies with higher than IMCD's average working capital days, particularly in the Asia-Pacific region.

Net investments in property plant and equipment increased by EUR 2.0 million to EUR 9.7 million, compared with EUR 7.7 million in 2022. The increase is driven by the increased size of the overall operations. IMCD continues to maintain an asset-light business model.

Net debt and equity

IMCD aims to maintain a capital structure that offers flexibility, enables IMCD to cover its potential financial requirements and to execute its organic growth and acquisition strategy.

At the end of 2023, net debt was EUR 1,285.6 million compared with EUR 1,026.9 million as of 31 December 2022. The increase in net debt is predominantly the balance of positive and healthy cash flows from operating activities, more than offset by cash outflows as a result of acquisition-related payments of EUR 367.6 million and a dividend payment of EUR 135.1 million in 2023. Furthermore, net debt includes EUR 102.9 million (31 December 2022: EUR 273.6 million) deferred and contingent considerations and EUR 243.8 million short term liability related to acquisitions completed in 2023 and prior years.

On 8 February 2023, IMCD completed the refinancing of its multi-currency revolving credit facility. The new facility, with a maturity date of 8 February 2029, amounts to EUR 600 million and can be drawn in EUR and USD, as well as to an agreed sub-limit, in AUD and GBP. The revolving credit 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.

On 18 September 2023, IMCD issued an EUR 500 million rated corporate bond loan with institutional investors. This five-year senior unsecured bond loan matures on 18 September 2028 and has a fixed coupon of 4.875%. The bond loan is traded on the EURO MTF market of the Luxembourg Stock Exchange. The proceeds of the bond loan issue is used for general corporate purposes, including the refinancing of existing indebtedness.

As of 31 December 2023, the adjusted leverage ratio (net debt/operating EBITDA ratio including the full-year impact of acquisitions) was 2.3 times EBITDA (31 December 2022: 1.7). Actual leverage, calculated on the basis of the definitions used in the IMCD loan documents as of 31 December 2023, was 1.7 times EBITDA (31 December 2022: 1.2).

Total equity increased by EUR 52.8 million from EUR 1,673.4 million as at 31 December 2022 to EUR 1,726.2 million as at 31 December 2023. The increase in total equity is the balance of the addition of the net profit for the year of EUR 292.2 million, other comprehensive income of EUR -53.8 million, dividend payments in cash of EUR -135.1 million, results related to the acquisition of the minority shares of Signet Excipients Pvt. Ltd of EUR -51.6 million, transactions related to the group's share-based payment programme of EUR 1.0 million. The increase in equity resulted in a solid ratio at year-end, with total equity covering 41.5% of the balance sheet total (31 December 2022: 45.9%).

Net result for the year

The net result for the year declined by EUR 20.8 million (-7%) from EUR 313.0 million in 2022 to EUR 292.2 million in 2023. The main drivers of this decline were lower operating EBITA partly offset by lower non-recurring items and lower corporate income tax expenses.

In 2023, earnings per share were EUR 5.13 compared with EUR 5.50 in 2022.

Cash earnings per share, calculated as earnings per share before amortisation of intangible assets (net of tax), divided by the weighted average number of outstanding shares, amounted to EUR 6.41 in 2023, compared with EUR 6.78 in 2022 (-6%).

Dividend proposal

For the financial year 2023 a dividend of EUR 2.24 in cash per share will be proposed to the Annual General Meeting. Approval of the dividend proposal by the Annual General Meeting will lead to a dividend distribution of EUR 127.7 million in cash (2022: EUR 135.1 million), which is 35% of the net result 2023 adjusted for non-cash amortisation charges, net of tax (2022: 35%).

DEVELOPMENTS BY OPERATING SEGMENT

The reporting segments are defined as follows:

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

The developments by operating segments in 2023 are as follows.

EMEA

EUR MILLION	2023	2022	CHANGE	CHANGE	ORGANIC	ACQUISITION	FOREIGN EXCHANGE
Revenue	1,942.6	2,006.4	(63.8)	(3%)	(4%)	3%	(3%)
Gross profit	529.7	529.7	(0.0)	(0%)	0%	3%	(3%)
Gross profit as a % of revenue	27.3%	26.4%	0.9%				
Operating EBITA	242.0	246.6	(4.6)	(2%)	(1%)	3%	(4%)
Operating EBITA as a % of revenue	12.5%	12.3%	0.2%				
Conversion margin	45.7%	46.5%	(0.8%)				

In 2023, the revenue in the EMEA region declined by 3% compared with 2022. The organic development of the revenue was -4%, the impact of the first-time inclusion of acquisitions completed in 2022 and 2023 was 3% and the impact of foreign currency rate developments was -3%. The acquisition impact of 3% relates to Polychem (South Eastern Europe) and Evenlode (UK and Ireland) in 2022 and Orange Chemicals (UK), ACM (Sweden), Tagra Distribution Division (Israel), KOI Products Solutions (Israel), CPS Oil-Tech (South Africa), and O&3 (UK) in 2023. The unfavourable developments of foreign currency exchange rates in the EMEA region, mainly relates to Türkiye.

Gross profit remained stable at EUR 529.7 million in 2023, and is the balance of acquisition growth of 3% and a negative currency exchange rate impact of 3%. Despite the challenging market conditions, including the

macroeconomic and geopolitical impacts, IMCD successfully gained new suppliers relationships and further expanded its relationships with existing suppliers in new territories and with additional business lines. Organic gross profit development further included the usual variations in the product and customer mix.

Gross profit margin increased by 0.9%-points, from 26.4% in 2022 to 27.3% in 2023. The gross profit margin improvements are predominantly the result of margin improvement initiatives, changes in the product mix and the negative impact of acquisitions, with on average lower gross profit margins, completed in 2022 and 2023.

Operating EBITA declined by 2% from EUR 246.6 million in 2022 to EUR 242.0 million in 2023. Operating EBITA as a % of revenue increased by 0.2%-point, from 12.3% in 2022 to 12.5% in 2023. The conversion margin declined by 0.8%-point, from 46.5% in 2022 to 45.7% in 2023.

Americas

EUR MILLION	2023	2022	CHANGE	CHANGE	ORGANIC	ACQUISITION	FOREIGN EXCHANGE
Revenue	1,413.2	1,591.7	(178.6)	(11%)	(14%)	5%	(2%)
Gross profit	340.4	382.7	(42.3)	(11%)	(13%)	4%	(2%)
Gross profit as a % of revenue	24.1%	24.0%	0.1%				
Operating EBITA	155.0	194.9	(39.9)	(20%)	(22%)	4%	(2%)
Operating EBITA as a % of revenue	11.0%	12.2%	(1.2%)				
Conversion margin	45.5%	50.9%	(5.4%)				

The Americas segment, generated revenues of EUR 1,413.2 million in 2023 compared with EUR 1,591.7 million in 2022 (-11%). In 2023, organic revenue decline was 14% and growth as a result of acquisitions completed in 2022 and 2023 was 5%. The acquisition impact of 5% relates to Polyorganic (Brazil), Quelaris (Colombia, Costa Rica and Peru) and Promaplast (USA and Mexico) acquired in 2022 and Allianz (Colombia), Sachs (Puerto Rico) and MAPRIN (Chile) acquired in 2023. The unfavourable developments of foreign currency exchange rates in the Americas region, resulted in a negative currency exchange rate impact of 2% on revenues in 2023.

In 2023, the America segment reported a gross profit decline of EUR 42.3 million (-11%) to EUR 340.4 million, compared with EUR 382.7 million in 2022. The decline in gross profit was the result of organic decline (-13%), the impact of the first-time inclusion of acquired businesses (+4%) and negative foreign currency exchange results (-2%).

Gross profit margin increased by 0.1%-points, from 24.0% in 2022 to 24.1% in 2023. The gross profit margin improvements are predominantly the result of margin improvement initiatives, changes in the product mix and the negative impact of acquisitions completed in 2022 and 2023.

In 2023, operating EBITA declined by EUR 39.9 million (-20%) to EUR 155.0 million, compared with EUR 194.9 million in 2022. The decline in operating EBITA was the result of organic developments (-22%), the impact of the first time inclusion of acquisitions completed in 2022 and 2023 (+4%) and the negative impact of foreign currency exchange rate developments (-2%).

Operating EBITA margin declined by 1.2%-point from 12.2% in 2022 to 11.0% in 2023. The conversion margin was 45.5% in 2023 compared with a relatively high conversion margin of 50.9% in 2022 (2021: 45.1%). The development of the conversion margin is the result of a combination of slightly lower own costs that could not compensate for the decline in gross profit and the negative impact of acquisitions with on average lower conversion margins.

On 22 December 2023, IMCD signed an agreement to acquire the distribution business of Joli Foods S.A.S. ("Joli Foods") to expand its food and nutrition business and product portfolio in Colombia. Joli Foods is based in Bogota and

generated revenues of approximately EUR 15 million in 2022 and added eleven employees to the IMCD Colombia team. The transaction was closed on 14 February 2024.

Asia-Pacific

EUR MILLION	2023	2022	CHANGE	CHANGE	ORGANIC	ACQUISITION	FOREIGN EXCHANGE
Revenue	1,086.9	1,003.4	83.5	8%	1%	14%	(7%)
Gross profit	252.5	234.7	17.8	8%	6%	9%	(7%)
Gross profit as a % of revenue	23.2%	23.4%	(0.2%)				
Operating EBITA	150.6	145.1	5.5	4%	5%	6%	(7%)
Operating EBITA as a % of revenue	13.9%	14.5%	(0.6%)				
Conversion margin	59.6%	61.8%	(2.2%)				

In Asia-Pacific, revenue increased by 8% from EUR 1,003.4 million in 2022 to EUR 1,086.9 million in 2023. Revenue growth in 2023, consists of organic growth of 1%, 14% growth as a result of acquisitions completed in 2022: Syntec (China), RPL Trading (Australia and New Zealand), Aquatech (China), Kuni Chemical (Japan), Welex (China) and Parkash (India) and in 2023: Sanrise (China), Tradeimpex (India), Needfill (South Korea) and Brylchem Group (Singapore and Vietnam), and foreign currency impacts of -7%.

In 2023, gross profit increased by 8%, of which 6% relates to organic growth, 9% is the result of the first time inclusion of businesses acquired in 2022 and 2023 and the foreign currency impact was -7%. The gross profit margin declined by 0.2%-points from 23.4% in 2022 to 23.2% in 2023. The gross profit margin decline is mainly the result of the impact of the first time inclusion of acquired businesses with gross margins lower than IMCD's average, combined with changes in the product mix and gross margin improvement initiatives.

Compared with 2022, operating EBITA in Asia-Pacific increased by EUR 5.5 million (+4%) to EUR 150.6 million in 2023. Organic growth in operating EBITA was 5%, growth as a result of acquisitions completed in 2022 and 2023 was 6% and negative foreign currency impacts were -7%.

Operating EBITA as a % of revenue declined by 0.6%-points from 14.5% in 2022 to 13.9% in 2023. The conversion margin declined by 2.2%-points to 59.6% in 2023. The decline in both the operating EBITA margin and the conversion margin is mainly the result of acquisitions completed in 2022 and 2023.

On 19 October 2023, IMCD acquired 100% of the shares in Needfill Co., Ltd. ("Needfill") in South Korea, Needfill serves the paint, coatings, inks, textiles, electronics, and polymer markets. Needfill, based in Seoul, generated revenues of approximately EUR 18 million in 2022 and has 18 employees.

On 6 November 2023, IMCD acquired 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.

In addition to the transactions closed in 2023, IMCD closed four acquisition transactions in 2024.

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

in two tranches. On 9 January 2024, IMCD acquired 70% of the share capital from the founders and the remaining 30% will be acquired in 2025.

On 1 February 2024, IMCD acquired the business of the speciality distribution company Guangzhou RBD Chemical Co., Ltd. in China ("RBD"). RBD focuses mainly on the lubricant additives and represents leading global suppliers. RBD is based in Guangzhou, China, and generated revenues of approximately EUR 10 million in 2022 and has 12 employees.

On 22 February 2024, IMCD acquired two business lines from CJ Shah & Company for cellulose acetate butyrate, coalescing agent, polyolefin polymers, and other chemicals primarily for paints, coatings, adhesives and life sciences applications. These two business lines generated revenues of approximately EUR 25 million in the financial year that ended on March 31, 2023 with 20 employees.

On 29 february 2024, IMCD acquired 100% of the shares of the speciality distribution company in Malaysia, Euro Chemo-Pharma Sdn Bhd ("Euro ChemoPharma") 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.

In addition to the aforementioned closed transactions, on 16 February 2024, IMCD signed an agreement to acquire the business of the specialities distribution company ResChem Technologies Pty Ltd and ResChem Trust in Australia and New Zealand ("ResChem"). Established in 2007, ResChem specialises in resins, additives and pigments for use in inks, coatings, adhesives and construction applications. ResChem represents leading global suppliers which are complementary to IMCD's portfolio. ResChem is headquartered in Sydney, Australia, generated revenues of approximately EUR 15 million in 2023 with 15 employees and strengthens IMCD's technical expertise with an application laboratory based in Sydney. The closing of the transaction is subject to customary closing conditions and is expected to take place in the second quarter of 2024.

Holding companies

EUR MILLION	2023	2022	CHANGE	CHANGE	ORGANIC	ACQUISITION	FOREIGN EXCHANGE
Operating EBITA	(33.0)	(32.1)	(0.9)	(3%)	(3%)	0%	0%
Operating EBITA in % 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 the USA.

Operating costs increased by EUR 0.9 million (+3%) from EUR 32.1 million in 2022 to EUR 33.0 million in 2023. On a constant currency basis, the increase is 3%. Operating expenses as a percentage of the consolidated revenue was 0.7% in 2023, in line with 2022. The cost increase reflects the long term 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.

Despite the challenging geopolitical and macroeconomic conditions, including increased volatility in the customer demand, IMCD delivered solid results and healthy cash flow in 2023. IMCD proves to be a strong, resilient and well diversified business with a robust liquidity position and capital structure.

IMCD sees interesting opportunities to increase its global footprint and expand its product portfolio both organically and by acquisitions.

FINANCIAL CALENDAR

26 April 2024	First three months 2024 results
14 May 2024	Annual General Meeting of shareholders
14 May 2024	Dividend announcement
16 May 2024	Ex-dividend date
17 May 2024	Dividend record date
21 May 2024	Dividend payment date
2 August 2024	First half-year 2024 results
8 November 2024	First nine months 2024 results
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FURTHER INFORMATION

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

Click [here](#) to download the Integrated Report 2023 from the reports and presentations' section on our website.

Auditor's involvement

This press release is based on the financial statements 2023 of the Company, published in accordance with statutory provisions. The auditor has issued an unqualified auditor's opinion on the Integrated report 2023.

ALTERNATIVE PERFORMANCE MEASURES (APMS)

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

APM	DESCRIPTION
Adjusted leverage ratio	Net debt divided by last twelve months EBITDA, whereby EBITDA includes the pre-closing EBITDA for businesses acquired in current year
Adjusted EBITDA	Operating EBITDA plus non-cash share-based payment costs minus lease payments
Net capital expenditures	Spending on acquiring, maintaining, or improving property, plant and equipment, less divestments in property, plant and equipment
Cash conversion margin	Free cash flow as a percentage of adjusted operating EBITDA
Cash earnings per share	Result for the year before amortisation (net of tax) divided by the weighted average number of outstanding shares
Central cost allocation charges	The costs charged out by the head office to operating companies worldwide for costs incurred centrally on behalf of the wider group
Constant currency basis	Historical results translated at current year's foreign currency exchange rates
Conversion margin	Operating EBITA as a percentage of gross profit
EBITA	Result from operating activities before amortisation of intangibles and non-recurring items
EBITDA	Result from operating activities before depreciation of property, plant and equipment, amortisation of intangibles and non-recurring items
Free cash flow	Operating EBITDA excluding non-cash share-based payment expenses, less lease payments, plus/less changes in working capital, less capital expenditures
Gross profit	Revenue minus costs of materials and inbound logistics
Gross profit %	Gross profit as a percentage of revenue
Leverage ratio	Net debt divided by last twelve months EBITDA
Net capital expenditure	Acquisition of property, plant and equipment minus proceeds from disposals of property, plant and equipment and intangible assets
Net debt	the total of current and non-current loans and borrowings, short term financial liabilities minus cash and cash equivalents
Non-recurring items	Costs related to acquisitions of businesses and income and costs related to one-off adjustments to the organisation
Operating EBITA	EBITA excluding central cost allocation charges (on consolidated level equal to EBITA)
Operating EBITDA	EBITDA excluding central cost allocation charges (on consolidated level equal to EBITDA)
Operational working capital	Working capital excluding accrued interest expenses and excluding current tax liabilities
Organic growth/decline	The remaining change in the results as compared to the prior period, after changes in results attributable to acquired businesses and the effect of fluctuations in foreign currency exchange rates

ABOUT IMCD

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

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

For further information, please visit www.imcdgroup.com

Disclaimer forward looking statements

This press release may contain forward looking statements. These statements are based on current expectations, estimates and projections of IMCD's management and information currently available to the company. IMCD cautions that such statements contain elements of risk and uncertainties that are difficult to predict and that could cause actual performance and position to differ materially from these statements. IMCD disclaims any obligation to update or revise any statements made in this press release to reflect subsequent events or circumstances, except as required by law.

In the Integrated report of IMCD N.V. the relevant risk categories and risk factors that could adversely affect the company's business and financial performance have been described. They are deemed to be incorporated in this release.

This press release contains inside information as meant in clause 7 of the Market Abuse Regulation and was issued on 1 March 2024, 7:00 am CET.