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**3 June 2014**

## IMCD Group announces Intention to Proceed with Initial Public Offering

Rotterdam, The Netherlands - IMCD Group ("IMCD" or "Company"), a leading international speciality chemicals-focused distributor, today announces its intention to proceed with an Initial Public Offering (the "IPO" or the "Offering") on Euronext Amsterdam. The Offering will consist of newly issued shares (the "New Offer Shares") and a secondary sale of existing shares (the "Existing Offer Shares" and together with the New Offer Shares, the "Offer Shares") held by its current shareholders. The listing is envisaged to take place in the coming months, subject to market conditions.

### Offering highlights

- Offering to consist of New Offer Shares in the amount of approximately € 270 million along with the sale of existing shares leading to a post-IPO free-float of between € 350 – € 500 million
- Proceeds of the primary offering of the New Offer Shares will be used to repay current debt and increase financial flexibility. Target leverage after listing of around 2.5x LTM EBITDA
- Offering to institutional and retail investors in the Netherlands and to certain institutional investors internationally



**IMCD**

Value through expertise





## Company highlights

- Diversified and resilient business model and clear strategy for future profitable growth
- Strong track record outperforming market growth and playing a leading role as an industry consolidator through numerous successful acquisitions
- Marketing and sales-oriented approach combined with asset light business model enable IMCD to realise attractive conversion margins and cash generation
- Attractive investment proposition based on strong growth story with target annual dividend of 25 – 35% of adjusted net income

IMCD, a specialty chemicals-focused provider of marketing, sales and distribution services, employs over 1,400 people worldwide and is active in over 30 countries across Europe, Africa, Asia Pacific and in Brazil. Approximately 70% of IMCD's employees are part of the specialised and experienced sales force, the vast majority of which has a technical or commercial background from a related industry. This sales force is a key asset, and critical to IMCD's ability to maintain and expand its relationships with suppliers and customers. The Company has a diversified and resilient business model, operating in each of the life science end markets, including food and nutrition, pharmaceutical, and personal care, as well as the industrial end markets, including coatings, lubricants, plastics and rubber, and synthesis. It markets, sells and distributes a broad range of products, sourced from approximately 1,580 suppliers to approximately 27,000 customers.

Piet van der Slikke, IMCD's CEO: *"We see the intended IPO as a logical next step in the development of our Company. Since our establishment in 1995 we have been able to show significant growth. We have developed an international footprint through expanding our pan-European network and developing a strong emerging markets footprint. Our current main shareholder Bain Capital has supported us in our clear strategy for profitable growth, which we achieve through market growth, through expanding market share and through acquisitions. In the past three years we realised over 15 acquisitions and see many more exciting opportunities ahead."*

*Full access to both debt and equity capital markets will support the pursuit of these opportunities. I believe IMCD, as a market leader in a growing industry, is ideally suited to further build on its international growth strategy and we look forward to this next step in our development. We will continue to further build on our strengths and work hard to remain a trusted business partner providing industry-leading specialist products and services."*

## Offering description

The Offering will comprise of a public offering to institutional and retail investors in the Netherlands and a private placement to certain institutional investors internationally. The Offering will consist of New Offer Shares in the amount of approximately € 270 million and Existing Offer Shares held by its current shareholders. The Offering will lead to a post-IPO free-float of between € 350 – € 500 million.

Emma (BC) Holding S.C.A., an entity indirectly controlled by the investment funds managed by Bain Capital Investors, LLC ("Bain Capital") and the current major shareholder in the Company, will remain an important shareholder after the Offering. The Offering of New Offer Shares is intended to enable the company to strengthen its financial position by enabling it to repay current outstanding debt, and provide the Company with increased financial flexibility, suitable for the Company's current profile and maturity. Furthermore, IMCD expects that a listing will enable it to continue to pursue attractive acquisitions consistent with its growth strategy, providing access to the capital markets and a quoted, liquid acquisition currency which may be used as consideration for future acquisitions.

The Company has appointed Deutsche Bank AG, London Branch and Goldman Sachs International as Joint Global Coordinators and Joint Bookrunners, and HSBC Bank plc and Rabobank International



as Joint Bookrunners. Rothschild is acting as financial adviser to the Company. Further details of the intended Offering are expected to be announced in due course. The listing is envisaged to take place during the coming months, subject to market conditions.

### **Company description and key strengths**

IMCD has been owned by management and private equity led funds since 2001, with Bain Capital as its current major shareholder. In 2013, IMCD generated revenue of € 1,233 million with an average growth rate over the past two years of close to 10%. Based on its marketing and sales-oriented business model as well as low capital intensity, IMCD has been able to realise attractive conversion margins and cash generation. In 2013, gross margin amounted to 21.2% and IMCD achieved an operating EBITA of € 97 million. The Company operates an asset light business model and continues to focus on working capital. The current outstanding debt is expected to be refinanced through new debt facilities and the primary proceeds from the IPO. After completion of the IPO, the refinancing is expected to become effective and the Company targets a leverage of around 2.5x LTM EBITDA. The Company has a target annual dividend of 25 – 35% of adjusted net income, payable in cash or shares. IMCD offers an attractive investment proposition with the following key investment highlights:

- ***A strong sales, marketing and distribution platform offering value through expertise***

The Company has developed a unique business model that is characterised by a focus on specialty chemicals marketing, sales and distribution, a focused approach to attractive end markets with favourable growth dynamics and a matrix-structure sales organisation supported by a flexible, scalable and robust IT system. Its key value proposition is the extension of specialty chemicals suppliers' reach by offering an outsourced yet fully integrated marketing, sales and distribution channel. Although IMCD focuses on its core business of marketing and sales, it generally manages the entire distribution chain between its suppliers and its customers.

- ***Diversified and resilient business model based on strong supplier relations and sales force***

IMCD is diversified across suppliers, customers, products, geographies and end-markets, which provides resilience through economic cycles. IMCD has approximately 1,580 suppliers with which it has built enduring relationships. All of IMCD's 20 largest suppliers, with which the Company enjoys a broad geographic relationship, have been represented in the supplier base for more than five years. The relationships are fostered through the offering of in-depth market and technical expertise, which allows the Company to further build on existing relationships and extend its supplier base. It offers approximately 24,000 products in each of the life science and industrial specialty chemicals markets. Its differentiated product and service offering, including technical advice, formulation support, quality assurance as well as reliable delivery, has enabled the Company to build a large international customer base. IMCD currently has approximately 27,000 customers in end markets in over 30 countries on five continents. The specialist sales and marketing organisation, managed in a matrix structure, the bespoke, flexible and scalable IT systems and the execution excellence of the Company support strong supplier and customer relationships.

- ***Demonstrated ability to deliver organic and M&A-led growth***

After IMCD was established in 1995, it has demonstrated the ability to deliver substantial year-over-year growth. In addition to organic growth, selective acquisitions have been and continue to be a key element of the Company's growth strategy. The underlying specialty chemical distribution market in which IMCD operates has attractive growth rates, coupled with increasing outsourcing by suppliers.





IMCD has consistently delivered growth rates in excess of market growth rates, thereby gaining market share. The market is highly fragmented and IMCD has been playing a leading role in consolidation with a strong track record of acquisitions. Over the last three years, IMCD successfully completed and integrated over 15 acquisitions across 16 countries.

- ***Strong focus on profitability and cash generation***

IMCD has stable margins and superior margin conversion. Over the years 2011 to 2013, IMCD on average realised a margin of 8.1% Operating EBITA/revenue and realised cash conversion of 87% over the same period.

- ***Demonstrated success of management team in building the Company since establishment***

IMCD's senior management team has worked together for approximately 18 years. The Executive Board consists of Piet van der Slikke, CEO and Hans Kooijmans, CFO. Together they have been leading the Company from the start, executing the strategy and building out the business and have been shareholders since 2001. The Executive Board is supported by a management team of four experienced directors who are responsible for key areas of the business.

Upon listing, IMCD plans to expand its Supervisory Board with two independent members, Mr. Jean-Charles Pauze, former CEO and Chairman of Rexel SA, and currently member of the Supervisory Boards of CFAO, Europcar and Bunzl and Mr. Floris Waller, former Chief Financial Officer of Pon Holdings B.V., and currently member of the Supervisory Boards of Klaverblad Verzekeringen and Teylers Museum and member of the Curatorium ESAA Controllers program (Erasmus University Rotterdam). Upon these appointments, which will take effect on or before Settlement, the Supervisory Board will consist of five members. Mr. Jean-Charles Pauze will become the Chairman of the Supervisory Board and Mr. Floris Waller will be the chairman of the audit committee.

**Notes to the editor: annexes**

- Management and Supervisory Board biographies

**FOR FURTHER INFORMATION**

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## About IMCD Group

*With a passion for excellence, extensive industry knowledge and a commitment to creating value through expertise, IMCD is a market-leader in the sales, marketing and distribution of speciality chemicals and food ingredients.*

*Its dedicated local experts provide market-focused solutions across Europe, Africa, Asia-Pacific and in Brazil with business units offering a range of comprehensive product portfolios, including innovative formulations that embrace industry trends.*

*Currently turning over € 1.2 billion, IMCD has built a dedicated team of more than 1400 technical and commercial experts that work in close partnership to tailor best in class solutions for customers and producers in more than 30 countries on 5 continents.*

*To find out more about IMCD Group, please visit [www.imcdgroup.com](http://www.imcdgroup.com), or contact Communications Manager Marina Kaptein by calling +31 10 290 86 22, or emailing [marina.kaptein@imcdgroup.com](mailto:marina.kaptein@imcdgroup.com)*

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## Biographies Management Board

### ***P.C.J. (Piet) van der Slikke, Chief Executive Officer (CEO)***

Piet van der Slikke (1 September 1956), Dutch national, holds a law degree from the University of Groningen, the Netherlands. He started his career as an attorney at law at the law firm De Brauw Blackstone Westbroek in 1981 and practiced law in The Hague, Amsterdam and New York. In 1988 Mr Van der Slikke became General Counsel of Rotterdam-based Dutch conglomerate Internatio-Müller and in 1993 he was appointed as Group Director. As of 1995, when Internatio-Müller aggregated a number of chemical distribution businesses into a single division, Mr Van der Slikke, joined by Mr Kooijmans in 1996 started to build up the chemical distribution activities inside Internatio-Müller, designed its strategy and executed its business plan, creating the Group as it stands today.

### ***H.J.J. (Hans) Kooijmans, Chief Financial Officer (CFO)***

Hans Kooijmans (8 February 1961), Dutch national, holds a CPA degree from NIVRA Nijenrode, the Netherlands. He started his career as a CPA at KPMG where he worked in their various Dutch offices (Dordrecht, Breda and Rotterdam). In 1991 Mr Kooijmans joined the Technical Division of Rotterdam-based Dutch conglomerate Internatio-Müller, where he held various financial management positions. As of 1996, Mr Kooijmans joined Mr Van der Slikke to build up the chemical distribution activities inside Internatio-Müller, design its strategy and execute its business plan, creating the Group as it stands today.

## Biographies Supervisory Board

### ***J.C. (Jean-Charles) Pauze, (envisaged) Chairman\****

Jean-Charles Pauze (23 July 1947), envisaged chairman of the Supervisory Board and member of the Remuneration Committee, was born in Saint-Etienne, France. Mr Pauze graduated from IDN-EC Lille with an Engineering degree. He holds an M.S. in Economics and an M.B.A. from INSEAD. Mr Pauze began his career with Total in 1971 before joining the Alfa Laval group in France in 1974 where he held several positions and served as Chief Executive Officer of Alfa Laval Industrie from 1981 until 1984 after which he was appointed Managing Director of the group's German subsidiary Bran & Luebbe. In 1986 he joined the Strafor Facom group as chairman and Chief Executive Officer of Clestra-Hausermann. In 1991, he became chairman and Chief Executive Officer of Steelcase Strafor. In 1998, Mr Pauze joined the PPR group and was appointed Chairman of the management board of Guilbert, and then of the Rexel Group. Mr. Pauze served as the Chief Executive Officer of Rexel SA and also served as chairman and member of Rexel SA's management board until 2012.

*Current ancillary positions:* Mr. Pauze has been an independent member of the supervisory board at Compagnie Française de l'Afrique Occidentale (CFAO) since February 2011, and also serves as Chairman since September 2012. He is the chairman of Europcar Groupe S.A., since February 2012 and has been a non-executive director of Bunzl plc since January 2013.

### ***F.F. (Floris) Waller\****

Floris Waller (21 December 1958), envisaged member of the Supervisory Board and chairman of the Audit Committee, was born in Leiden, the Netherlands. Mr Waller holds a Master of Science degree in Business Economics from Erasmus Universiteit of Rotterdam in 1984 and has a Certified Public Accountant degree in 1989. From 1984 to 1999, Mr Waller held various senior finance and operational positions at Unilever N.V./Plc. He was CFO and board member at Corporate Express N.V. (previously Buhrmann) from 1999 until 2008. Most recently, Mr Waller was the Chief Financial Officer of Pon Holdings B.V., which position he held until 2013. He also served among others as member of the supervisory board at Univar N.V. (2005-2007), Crucell N.V. (2008-2010 and Vion Holding N.V. (2011 - 2014).

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\* Both appointments are expected to take effect on or before Settlement Date





*Current ancillary positions:* Mr Waller serves as vice-chairman of the supervisory board of Klaverblad Verzekeringen since April 2009. He is also a member of the supervisory board of Teylers Museum, Haarlem, Netherlands and member of the Curatorium of the ESAA Controllers program (Erasmus University Rotterdam).

#### **M.G.P. (Michel) Plantevin**

Michel Plantevin (24 October 1956), member of the Supervisory Board, was born in Marseille, France. Mr Plantevin received an MBA from Harvard Business School and an undergraduate and Masters degree in Engineering from the Ecole Supérieure d' Electricité (Supélec) in France. He joined Bain Capital in 2003 as a Managing Director. Prior to joining Bain Capital, Mr Plantevin was a Managing Director of Goldman Sachs International in London, initially in the Investment Banking division, then in the Merchant Banking division (PIA). Prior to Goldman Sachs International, he was a consultant with Bain & Company in London and later headed the Bain & Company Paris Office as a Managing Director.

*Current ancillary positions:* Mr Plantevin is Managing Director at Bain Capital. He currently holds the following supervisory board or non-executive positions at: NXP Semiconductors N.V., Bavaria (BC) Luxco S.C.A., Bravida AB entities (Bravida Holding AB, Bravissima Holding AB, Bravissima Sweden AB), FCI SA entities (Fidji Luxco (BC) Commandite S.A., Fidji Luxembourg (BC) S.a.r.l., Fidji Luxembourg (BC) S.a.r.l. 2, Fidji Luxembourg (BC3) S.à.r.l., Fidji Luxembourg (BC4) S.à.r.l.), FTE Automotive (Falcon (BC) Manager Sarl), Magnolia (BC) SAS, Maisons du Monde entities (Magnolia (BC) SA, Magnolia (BC) Sarl Magnolia (BC), Holdco Sarl, Magnolia (BC), Midco Sarl), Trinseo entities (Trinseo SA, Styron Luxco Sarl, Bain Capital Everest Manager SARL).

#### **I. (Ivano) Sessa**

Ivano Sessa (2 August 1977), member of the Supervisory Board and the Audit Committee, was born in Naples, Italy. Mr Sessa received a BS magna cum laude in Business Administration from Bocconi University in Milan. He joined Bain Capital in 2004. Prior to joining Bain Capital, Mr Sessa was a consultant with Bain & Company in the New York, Atlanta, and Milan offices where he provided strategic and operational advice to private equity, industrial, and financial services clients.

*Current ancillary positions:* Mr Sessa is Principal at Bain Capital. He currently holds the following supervisory board or non-executive positions at: Bravida AB entities (Bravissima (BC) Sarl, AB Rosmåsen, Bravida AB, Bravida Holding AB, Bravida Installation och Service AB, Bravida Norge Holding AS, Bravissima Holding AB, Bravissima Sweden AB), Teamsystem entities (Titan Luxco 3 Sarl, TeamSystem Srl), Cerved entities (Teamsystem Integral Investors S.a.r.l, Cerved Luxco Participation I, Cerved S.A., Cerved VDC Sarl) and 14 Redcliffe Square Management Company limited.

#### **M.F. (Michael) Siefke**

Michael Siefke (1 July 1967), member of the Supervisory Board and Chairman of the Remuneration Committee, was born in Damme, Germany. Mr Siefke holds a summa cum laude PhD from Westfaelische-Wilhelms-University, where he also received an MBA. He joined Bain Capital in 2001. Prior to joining Bain Capital, Mr Siefke worked for The Carlyle Group in Germany where he focused predominantly on industrial goods and automotive deals. Previously, he worked as an assistant lecturer at Westfaelische-Wilhelms-University specializing in accounting, auditing and finance.

*Current ancillary positions:* Mr Siefke is Managing Director at Bain Capital. He currently holds a supervisory board or non-executive position at FTE Automotive (Falcon (BC) Manager Sarl, FTE Group Holding GmbH).