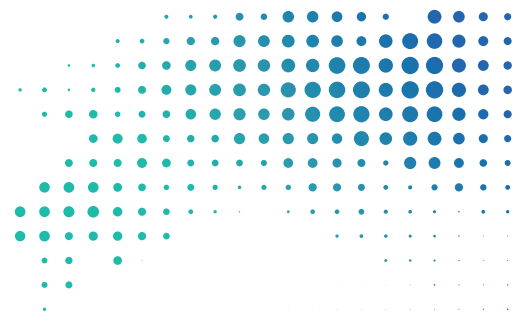


Azelis Press Release

Antwerp, Belgium, November 15th, 2022 - 07.00am CET



Sustained positive trends supportive of strong full year 2022

9M 2022 Highlights

- Revenue of EUR 3.1bn, representing year-on-year growth of 52.5% driven by organic growth of 25.8%, M&A growth contribution of 21.3% and F/X uplift of 5.5% during the period. In Q3, revenue growth was 49.5%, with trends remaining strong across all regions.
- Eight acquisitions completed in the first nine months, representing total full year revenue of over EUR 361m¹. Four more acquisitions signed during the period, with combined 2021 revenue of around EUR 140m, are expected to close in Q4.
- Gross profit of EUR 736.1m represents year-on-year growth of 57.6%, of which 32.1% was organic. Gross profit margin of 23.7% reflects a 77 bp step-up compared to the previous year.
- Adjusted EBITA of EUR 360.1m, representing growth of 79.6% and a 175 bp margin expansion compared to the prior year. Conversion margin of 48.9%, implying a 598 bp expansion despite supply chain and inflationary pressures, underscores the resilience of our business model.
- Azelis generated free cash flow of EUR 275.1m, an 81.4% increase over the prior year, despite continued investments in working capital to support strong performance.
- Leverage ratio was 2.3x at the end of September 2022, compared to 2.7x in September 2021.
- Highest industry ranking among a peer list of 178 international traders and distributors, obtained from Sustainalytics with a score of 12.4% (lowest risk), underscoring our commitment to lead our industry in sustainability.
- Despite increasingly challenging macroeconomic conditions, management remains confident of delivering a strong set of results for the full year 2022.
- Changes in management: Laurent Nataf, member of the Executive Committee, will be leaving the group at the end of February, 2023 for family reasons.

Azelis Group (EUR m)	9M 2022	9M 2021	Reported Change	Constant Currency
Life Sciences	1,860.8	1,260.3	47.6%	42.7%
Industrial Chemicals	1,247.0	777.4	60.4%	54.1%
Revenue	3,107.7	2,037.7	52.5%	47.1%
Gross Profit	736.1	467.0	57.6%	52.3%
Gross Profit Margin	23.7%	22.9%	77 bp	80 bp
Adjusted EBITDA ⁽¹⁾	379.8	214.8	76.8%	71.2%
Adjusted EBITDA Margin	12.2%	10.5%	168 bp	167 bp
Adjusted EBITA⁽²⁾	360.1	200.5	79.6%	73.9%
Adjusted EBITA Margin	11.6%	9.8%	175 bp	173 bp
Conversion Margin ⁽³⁾	48.9%	42.9%	598 bp	583 bp
Free Cash Flow ⁽⁴⁾	275.1	151.6		
FCF Conversion ratio ⁽⁵⁾	75.7%	74.9%		
Net Working Capital / Revenue normalized for acquisitions ⁽⁶⁾	15.9%	13.6%		
Leverage Ratio	2.3	2.7		

(1) Adjusted EBITA before depreciation of property, plant and equipment

(2) Operating profit or loss before amortization and impairment of intangible assets and excluding adjustments

(3) Adjusted EBITA / Gross profit

(4) Adjusted EBITDA less lease payments, plus changes in Net Working Capital, plus changes in other assets, liabilities and provisions, less net capital expenditures

(5) Free Cash Flow divided by Adjusted EBITDA less lease payments

(6) Net Working Capital/Revenue including those from acquisitions for the full period

¹ Combined annual revenue in 2021

Comment from Dr. Hans Joachim Müller, Group CEO: "Azelis continues to deliver strong performance despite the continued inflationary pressures and supply chain disruptions across the world. The 25.8% organic growth that we generated in the first nine months of 2022 demonstrates the benefits of our diversified portfolio and the strength of our lateral value chain. In addition, the 598 bp expansion in our conversion margin as well as the 81.4% increase in our free cash flow reflect the resilience of our business model. Equally important, we remain active in the consolidation of our industry, with twelve acquisitions announced so far this year. These acquisitions further strengthen our lateral value chain and expand our network capabilities.

Our continued commitment to reliably provide essential products and innovative solutions to our customers, in addition to our diversified portfolio and growth investments further strengthen our confidence in delivering on our medium-term objectives despite increasing macroeconomic uncertainty.

I would like to take this opportunity to thank Laurent Nataf, who has led our Asia Pacific business since 2016. Laurent has been instrumental in developing our footprint in Asia Pacific, growing the business from just EUR 98m to over EUR 430m of revenue at the end of 2021. Under his leadership, Azelis significantly expanded the group's lateral value chain in different end-markets, acquired and integrated multiple businesses, and developed our organization from 100 FTEs to well over 700 FTEs in the region. Laurent has decided to leave the group to concentrate on his family. Management and the rest of the Azelis organization wish him and his family well for the future. As previously announced, Sertaç Sürür has assumed the role of CEO and President, Azelis Asia Pacific in succession of Laurent Nataf."

Results presentation by management

The management of Azelis invites you to a conference call and live webcast at 10:00 CET to discuss the operating trends and outlook for the remainder of the year. Please [click here](#) to view the webcast.

Contact information

Azelis Investor Relations
T: +32 3 613 01 27
E: investor-relations@azelis.com

Operational Review

Azelis Headline Results (EUR m)	9M 2022	9M 2021	F/X Translation	M&A Growth Contribution	Organic Growth	Total Growth
EMEA	1,371.0	894.3	-0.9%	21.9%	32.3%	53.3%
Americas	1,198.9	855.5	11.8%	11.0%	17.3%	40.1%
Asia Pacific	537.8	286.4	6.8%	49.9%	31.1%	87.8%
Group Revenue	3,107.7	2,037.7	5.5%	21.3%	25.8%	52.5%
EMEA	330.7	213.4	-0.9%	17.6%	38.2%	54.9%
Americas	300.7	194.5	11.8%	17.9%	24.9%	54.6%
Asia Pacific	104.6	58.9	6.2%	37.3%	34.2%	77.7%
Group Gross Profit	736.1	467.0	5.3%	20.2%	32.1%	57.6%

Azelis EMEA (EUR m)	Q3 2022	Q3 2021	Reported Change	9M 2022	9M 2021 ⁽¹⁾	Reported Change	Constant Currency
Revenue	454.6	295.7	53.7%	1,371.0	894.3	53.3%	54.2%
Gross Profit	106.1	69.1	53.6%	330.7	213.4	54.9%	55.8%
Gross Profit Margin	23.3%	23.4%	-2 bp	24.1%	23.8%	30 bp	25 bp
Adjusted EBITDA	53.6	29.8	79.6%	178.8	101.2	76.7%	78.4%
Adjusted EBITDA Margin	11.8%	10.1%	169 bp	13.0%	11.3%	174 bp	182 bp
Adjusted EBITA	50.9	27.7	84.2%	170.9	94.7	80.5%	82.1%
Adjusted EBITA Margin	11.2%	9.4%	185 bp	12.5%	10.6%	189 bp	196 bp
Conversion Margin	48.0%	40.0%	798 bp	51.7%	44.4%	731 bp	767 bp

(1) Includes reclassification in Azelis' income statement since the publication (in March 2022) of Azelis' Annual Report 2021, with no impact on Adjusted EBITDA and Adjusted EBITA. 9M 2021 previously reported Gross Profit, Gross Profit Margin and Conversion Margin were EUR 210.5m, 23.5% and 45.0%, respectively. The difference lies in a reclassification of certain internal production costs between (lowered) Costs of goods and consumables and (increased) External services and other expenses, resulting in increased Gross Profit. Refer to p. 120 of the 2021 Annual Report and p. 24 of the H1 2022 Interim Financial Report.

EMEA revenue increased by 53.7% to EUR 454.6m in Q3, bringing revenue in 9M 2022 to EUR 1.4bn, representing year-on-year growth of 53.3%. Azelis continued to see strong performance in Life Sciences, where volume growth remained strong across most end segments. Growth in Industrial Chemicals also remained strong, supported by continued pricing tailwinds. In the first nine months, the group's EMEA business generated organic growth of 32.3%, whilst revenue growth contribution from acquisitions was 21.9% and F/X translation represented a 0.9% headwind.

In 9M 2022, Azelis completed three acquisitions in EMEA. In January, the group closed the acquisition of Umongo in South Africa. The transaction to acquire Whitfield in the UK was completed in March, and Tunçkaya in Turkey was closed in May. These companies had combined annual revenue of over EUR 125m in 2021. Four more acquisitions signed during the period, with total annual revenue of around EUR 140m, are expected to close in Q4.

Gross profit increased 54.9% to EUR 330.7m in 9M 2022, implying gross profit margin of 24.1%, a 30 bp expansion compared to the previous year, due mostly to positive mix effects. Adjusted EBITA was up 80.5% to EUR 170.9m, with adjusted EBITA margin expanding by 189 bps to 12.5%, as conversion margin expanded by 731 bps to 51.7% driven by scale effects and continuous margin optimization initiatives.

Azelis Americas (EUR m)	Q3 2022	Q3 2021	Reported Change	9M 2022	9M 2021 ⁽¹⁾	Reported Change	Constant Currency
Revenue	436.0	327.0	33.3%	1,198.9	855.5	40.1%	28.3%
Gross Profit	103.8	80.0	29.8%	300.7	194.5	54.6%	42.8%
Gross Profit Margin	23.8%	24.5%	-64 bp	25.1%	22.7%	235 bp	235 bp
Adjusted EBITDA	63.3	44.9	41.1%	175.1	105.0	66.8%	55.1%
Adjusted EBITDA Margin	14.5%	13.7%	80 bp	14.6%	12.3%	233 bp	285 bp
Adjusted EBITA	60.6	43.2	40.5%	168.5	100.7	67.4%	55.7%
Adjusted EBITA Margin	13.9%	13.2%	71 bp	14.1%	11.8%	229 bp	230 bp
Conversion Margin	58.4%	54.0%	441 bp	56.0%	51.8%	427 bp	432 bp

(1) Includes reclassification in Azelis' income statement since the publication (in March 2022) of Azelis' Annual Report 2021, with no impact on Adjusted EBITDA and Adjusted EBITA. 9M 2021 previously reported Gross Profit, Gross Profit Margin and Conversion Margin were EUR 191.4m, 22.4% and 52.6%, respectively. The difference lies in a reclassification of certain internal production costs between (lowered) Costs of goods and consumables and (increased) External services and other expenses, resulting in increased Gross Profit. Refer to p. 120 of the 2021 Annual Report and p. 24 of the H1 2022 Interim Financial Report.

Revenue in the **Americas** increased 33.3% to EUR 436m in Q3, bringing revenue in 9M 2022 to EUR 1.2bn, representing year-on-year growth of 40.1%. The group's activities in the Americas generated 17.3% organic growth, supported by demand in Life Sciences, and continued strength in pricing in Industrial Chemicals. Revenue growth contribution from acquisitions was EUR 94.5m, contributing 11.0% of revenue growth, and F/X translation represented an 11.8% tailwind in 9M 2022.

In July, Azelis completed the acquisition of Rocsa, a specialty chemical distributor active in both Life Sciences and Industrial Chemical markets in South America. Rocsa generated revenue of EUR 98m in 2021.

Gross profit in the region increased by 54.6% to EUR 300.7m in 9M 2022, as gross profit margin expanded by 235 bps compared to the previous year to 25.1%. During the period, adjusted EBITA grew by 67.4% to EUR 168.5m, reflecting a 229 bp EBITA margin step-up driven by gains from margin optimization initiatives. The strong EBITA margin improvement resulted in a 427 bp uplift in conversion margin to 56.0%.

Azelis Asia Pacific (EUR m)	Q3 2022	Q3 2021	Reported Change	9M 2022	9M 2021 ⁽¹⁾	Reported Change	Constant Currency
Revenue	198.1	104.0	90.5%	537.8	286.4	87.8%	81.0%
Gross Profit	37.5	21.3	76.6%	104.6	58.9	77.7%	71.5%
Gross Profit Margin	19.0%	20.4%	-149 bp	19.5%	20.6%	-110 bp	-99 bp
Adjusted EBITDA	16.1	8.6	88.8%	47.6	24.3	95.9%	89.9%
Adjusted EBITDA Margin	8.2%	8.2%	-7 bp	8.9%	8.5%	37 bp	43 bp
Adjusted EBITA	14.4	7.6	89.1%	43.0	21.5	99.8%	93.9%
Adjusted EBITA Margin	7.2%	7.3%	-5 bp	8.0%	7.5%	48 bp	55 bp
Conversion Margin	38.2%	35.7%	254 bp	41.1%	36.6%	455 bp	466 bp

(1) Includes reclassification in Azelis' income statement since the publication (in March 2022) of Azelis' Annual Report 2021, with no impact on Adjusted EBITDA and Adjusted EBITA. 9M 2021 previously reported Gross Profit, Gross Profit Margin and Conversion Margin were EUR 56.3m, 19.7% and 38.2%, respectively. The difference lies in a reclassification of certain internal production costs between (lowered) Costs of goods and consumables and (increased) External services and other expenses, resulting in increased Gross Profit. Refer to p. 120 of the 2021 Annual Report and p. 24 of the H1 2022 Interim Financial Report.

APAC revenue increased by 90.5% to EUR 198.1m in Q3, bringing revenue for 9M 2022 to EUR 537.8m, representing year-on-year growth of 87.8%. Organic growth in the region was 31.1%, supported by strong performance across most end segments in India and Southeast Asia, offsetting weaker trends in China from the prolonged Covid restrictions. M&A growth contribution in the region was 49.9%, and F/X translation contributed 6.8% to the revenue growth during the period.

Azelis completed four acquisitions in Asia Pacific in 9M 2022. The group closed the acquisitions of Catalite in Thailand in February, Chemo India in May, and ChemSol in Malaysia in September. Azelis also completed its global platform for flavors and fragrances with the acquisition of Ashapura Aromas in India in September. These companies had a total combined revenue of around EUR 135m in 2021.

Gross profit increased 77.7% to EUR 104.6m in 9M 2022, representing a 110 bp gross profit margin contraction compared to the previous year, due to mix effect as well as dilution from recent acquisitions. Despite this, adjusted EBITA was up 99.8% to EUR 43.0m, reflecting a 48 bp margin uplift, implying a 455 bp expansion in conversion margin to 41.1% in 9M 2022.

Holding companies	Q3 2022	Q3 2021	Reported Change	9M 2022	9M 2021	Reported Change	Constant Currency
Adjusted EBITA (EURm)	-8.5	-5.1	65.9%	-22.4	-16.4	36.6%	36.9%
As % of Group Revenues	-0.8%	-0.7%	-8 bp	-0.7%	-0.8%	8 bp	-4 bp

Operating costs at the Azelis' holding companies, which relate to the Group's non-operating entities as well as the head office in Belgium, were EUR 22.4m in 9M 2022, compared to EUR 16.4m in the previous year. Relative to total revenue, operating costs at the Group's holding companies were lower than in 2021.

Outlook

Azelis' strategy of driving growth is underpinned by a continually strengthening lateral value chain, supported by continuous investments in innovation capabilities and digitalization, as well as a commitment to sustainability to create long-term value. In line with this, the management is positive that Azelis should be able to generate 8-10% of revenue growth and deliver 10-15 bps adjusted EBITA margin expansion per year in the medium-term.

Given the strong performance of the group in the first nine months of the year, management is confident of delivering a strong set of results for the full year 2022 despite the increasing macroeconomic uncertainty.

Financial Review

Azelis Group (EUR m)	Q3 2022	Q3 2021	Reported Change	9M 2022	9M 2021	Reported Change	Constant Currency
Life Sciences	652.1	457.6	42.5%	1,860.8	1,260.3	47.6%	42.7%
Industrial Chemicals	436.6	270.7	61.3%	1,247.0	777.4	60.4%	54.1%
Revenue	1,088.7	728.2	49.5%	3,107.7	2,037.7	52.5%	47.1%
Gross Profit	247.5	170.6	45.1%	736.1	467.0	57.6%	52.3%
Gross Profit Margin	22.7%	23.4%	-70 bp	23.7%	22.9%	77 bp	80 bp
Adjusted EBITDA ⁽¹⁾	124.8	78.4	59.2%	379.8	214.8	76.8%	71.2%
Adjusted EBITDA Margin	11.5%	10.8%	70 bp	12.2%	10.5%	168 bp	167 bp
Adjusted EBITA⁽²⁾	117.4	73.3	60.2%	360.1	200.5	79.6%	73.9%
Adjusted EBITA Margin	10.8%	10.1%	72 bp	11.6%	9.8%	175 bp	173 bp
Conversion Margin ⁽³⁾	47.5%	43.0%	449 bp	48.9%	42.9%	598 bp	583 bp
Free Cash Flow ⁽⁴⁾				275.1	151.6		
FCF Conversion ratio ⁽⁵⁾				75.7%	74.9%		
Net Working Capital / Revenue normalized for acquisitions ⁽⁶⁾				15.9%	13.6%		
Leverage Ratio				2.3	2.7		

(1) Adjusted EBITA before depreciation of property, plant and equipment

(2) Operating profit or loss before amortization and impairment of intangible assets and excluding adjustments

(3) Adjusted EBITA / Gross profit

(4) Adjusted EBITDA less lease payments, plus changes in Net Working Capital, plus changes in other assets, liabilities and provisions, less net capital expenditures

(5) Free Cash Flow divided by Adjusted EBITDA less lease payments

(6) Net Working Capital/Revenue including those from acquisitions for the full period

Revenue

Revenue increased 49.5% to EUR 1.1bn in Q3, bringing total revenue in 9M 2022 to EUR 3.1bn, representing year-on-year growth of 52.5%. The group generated organic growth of 25.8% driven by market share gains from both new and existing customers, as well as growth from recent mandate wins from principals. M&A growth contribution was 21.3%, whilst F/X translation represented a 5.5% revenue growth uplift during the period.

Revenue in Life Sciences increased 47.6% to EUR 1.9bn, driven by continued strong demand in food & nutrition and personal care, as well as the ongoing recovery in pharma & healthcare to pre-Covid levels. In addition, the group saw an acceleration in demand growth in agricultural & environmental solutions in Q2 and Q3. Revenue in Industrial Chemicals grew 60.4% to EUR 1.2bn, driven by the group's expanding footprint in the segment through recent acquisitions, in addition to supportive demand especially in CASE, and continued positive pricing environment.

Across Azelis' geographic markets, organic growth remained strong, with EMEA, Americas and APAC delivering 32.3%, 17.3% and 31.1% organic growth respectively.

Profitability

Gross profit increased by 57.6% to EUR 736.1m in 9M 2022, implying gross profit margin of 23.7%. The 77 bps improvement in gross profit margin was due to mix effects from recent acquisitions as well as effective price pass-through policy.

During the period, adjusted EBITA increased by 79.6% to EUR 360.1m. The 175 bp margin step-up to 11.6% was driven by the strong organic revenue growth and scale benefits, mitigating the impact

from the ongoing pressures on the supply chain and the temporary dilutive impact of recent acquisitions.

Cash Flow and Financing

Net working capital to revenue was 15.9% at the end of September 2022, compared to 13.6% in the prior year, due mainly to higher inventory levels to support the ongoing strong demand, as well as the impact of new acquisitions. Working capital represented 58 days of revenue at the end of September 2022, compared to 56 days at the end of June 2022, and 50 days at the end of September 2021.

Capital expenditure in 9M 2022 was EUR 12.8m, compared to EUR 10.6m in the prior year, as the group continues to invest in digital and IT infrastructure, as well as laboratory network to support our growth.

Free cash flow increased by 81.4% to EUR 275.1m, representing a cash flow conversion of 75.7% for the period, which is stable compared to the prior year, and a marked improvement compared to the cash conversion achieved at the end of June 2022 of 56.9%, and at the end of December 2021 of 67.1%.

At the end of September 2022, net debt was EUR 1.1bn, with the leverage ratio reduced to 2.3x, versus EUR 829.6m and 2.7x respectively at the end of September 2021. At the end of the period, the group had liquidity of EUR 529.1m in both cash and unused revolving credit facility (RCF).

Post-closing events

The Group completed the acquisition of Ak-taş WhiteChem on 3 October, Chemical Partners on 14 October and Eurotrading on 27 October 2022.

Financial calendar

Date	Event
March 2 nd , 2023	Full year 2022 results
May 12 th , 2023	Q1 2023 trading update
June 8 th , 2023	Annual General Meeting 2023
August 3 rd , 2023	Half year 2023 results
November 9 th , 2023	Q3 2023 trading update

Alternative performance measures

Throughout its financial communication (Annual and Interim reports, website, press releases, presentations, etc.), Azelis presents certain financial measures and adjustments that are not in accordance with IFRS, or any other internationally accepted accounting principles. Certain of these measures are termed 'alternative performance measure' ("APM's") because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. For more information regarding these APM's, including definitions and calculation methodology, refer to the section 'Alternative performance measures' in the Annual Report 2021 ([click here](#))(p. 183).

Notes to the editor

About Azelis:

Azelis is a leading global innovation service provider in the specialty chemical and food ingredients industry present in 57 countries across the globe with +3,000 employees. Our knowledgeable teams of industry, market and technical experts are each dedicated to a specific market within Life Sciences and Industrial Chemicals. We offer a lateral value chain of complementary products to more than +51,000 customers, supported by +2,300 principal relationships, creating a turnover of €2.8 billion (2021). Azelis Group NV is listed on Euronext Brussels under ticker AZE.

Across our extensive network of more than 60 application laboratories, our award-winning staff help develop formulations and provide technical guidance throughout the customers' product development process. We combine a global market reach with a local footprint to offer a reliable, integrated and unique digital service to local customers and attractive business opportunities to principals. EcoVadis Platinum rated, Azelis is a leader in sustainability. We believe in building and nurturing solid, honest and transparent relationships with our people and partners.

Impact through ideas. Innovation through formulation.

Important disclaimer:

This announcement may contain statement relevant to Azelis Group NV (the "Company") and/or its affiliated companies (collectively "Azelis" or the "Azelis Group") which are not historical facts and are hereby identified as "forward-looking statements". Such forward looking statements, include, without limitation, those relating to the future business prospects, revenue, working capital, liquidity, capital needs, interest costs and income, in each case relating to the Azelis Group.

The forward-looking statements and estimates contained herein represent the judgement of and are based on the information available to the Company's management as of the date of this announcement. They involve a number of known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by the forward looking statements.

These forward-looking statements should not be considered as guarantees for future performance of the Azelis Group and should, therefore, be considered in light of various important factors that could cause actual results to differ materially from estimates or projections contained in the forward looking statements. These include without limitation economic and business cycles, the terms and conditions of the Azelis' financing arrangements, foreign currency rate fluctuations, competition in Azelis' key markets, acquisitions or disposals of businesses or assets and trends in Azelis' principal industries or economies.

The foregoing list of important factors is not exhaustive. When considering forward looking statements, careful consideration should be given to the foregoing factors and other uncertainties and events, as well as factors described in any other document published by the Company with the Belgian Financial Services and Markets Authority ("FSMA") or on the Azelis website (www.azelis.com/investor-relations) from time to time, including the prospectus related to the admission to trading of the securities of Azelis Group NV on the regulated market of Euronext Brussels dated 14 September 2021. No undue reliance should be placed on such forward looking statements which are relevant only as of the date of this announcement. Except as required by the FSMA, Euronext or otherwise in accordance with applicable law, the Company undertakes no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events or otherwise.