



# Nine Months 2021 Update

November 2021

**Innovation  
through  
formulation**

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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.

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A decorative graphic on the left side of the slide features a central circular image of a hand holding a globe against a sunset cityscape. This central image is surrounded by several other circles of different colors (purple, yellow, teal, blue) and a thin grey arc that passes through the center of the main image.

# Key developments Nine Months 2021



# Key developments 9M 2021



## Strong momentum YTD

- 20.7% total revenue growth
- 13.6% organic
- 10 acquisitions completed



## Solid cash generation

- 43.7% FCF increase despite ongoing pressures on the supply chain
- 96.6% LTM FCF conversion ratio confirms asset-light, cash-generative business model



## Progress on initiatives

- Accelerated investments in digital strategy
- Progress on Sustainability Strategy
  - Launch of Action 2025
  - EcoVadis Platinum Rating achieved



## Successful IPO

- Paid-down debt with €823m net proceeds from IPO
- Leverage reduced in-line with 2.5x-3.0x objective



# Business update: Strong momentum in 9M 2021



## Organic growth: 13.6% in 9M 2021

- Strong end-market demand
  - Industrial chemicals: Benefits from rebound in building & construction sector, in particular CASE
  - Life Sciences: Food & health starting to normalise to pre-Covid levels; Personal Care remains strong

## M&A: 10 acquisitions in 9M 2021

- Representing total full year revenues of ca. €425m
- Growth acceleration through expansion of market segment and geographical footprint, further strengthening our Lateral Value Chain
  - Strong foothold in Flavors & Fragrances following the acquisition of Vigon and Quimdis
  - CAME acquisition in Italy reinforces EMEA network
  - APAC growth acceleration with 7 acquisitions across industrial chemicals and life sciences markets



# Financial performance Nine Months 2021



# Group P&L highlights 9M 2021



Azelis Group Highlights	9M 2021	9M 2020	Change	CC <sup>1</sup> Change
<b>Revenue</b>	<b>2,038</b>	<b>1,689</b>	<b>21%</b>	<b>23%</b>
Life Sciences	1,260	1,049	20%	23%
Industrial Chemicals	777	640	22%	24%
<b>Gross Profit</b>	<b>467</b>	<b>371</b>	<b>26%</b>	<b>30%</b>
Gross Profit Margin	22.9%	22.0%	93 bps	
<b>Adjusted EBITA<sup>2</sup></b>	<b>201</b>	<b>150</b>	<b>34%</b>	<b>37%</b>
Adjusted EBITA Margin	9.8%	8.9%	98 bps	
Conversion Margin <sup>3</sup>	43%	40%	265 bps	

(1) Constant currency

(2) Adjusted EBITA represents operating profit or loss before amortization and impairment of intangible assets and excluding adjustments

(3) Conversion margin defined as Adjusted EBITA / Gross profit

## Revenue growth

- 13.6% organic growth
- 9.3% growth contribution from acquisitions
- 2.3% FX headwind

## Margin expansion

- +98 bps EBITA Margin despite pressures on the supply chain → scale + operational efficiencies
- 265 bps conversion margin expansion





# Group Cash Flow and Balance Sheet highlights 9M 2021



Azelis Group Highlights	9M 2021	9M 2020	Change
Operating profit	160	120	33%
Amortization	28	25	
Adjustments	13	5	
<b>Adjusted EBITA</b>	<b>201</b>	<b>150</b>	<b>34%</b>
Depreciation	14	12	
<b>Adjusted EBITDA</b>	<b>215</b>	<b>162</b>	
Change in working capital	-33	-38	
Lease payments & other	-20	-12	
Capex	-11	-7	
<b>Free Cash Flow</b>	<b>152</b>	<b>106</b>	<b>44%</b>
FCF Conversion Ratio <sup>1</sup>	74.9%	69.8%	510 bps
<b>Net Working Capital/Sales</b>	<b>14.8%</b>	<b>12.7%</b>	<b>210 bps</b>
Net debt	830	1,167	-29%
<b>Leverage ratio</b>	<b>2.7x</b>	<b>5.7x</b>	<b>-3.0x</b>

## Cashflows & Balance Sheet

- Operational efficiencies reflected in higher profits
- Working capital management maintained
- 74.9% FCF conversion ratio (96.6% LTM)
- Reduced leverage from 5.7x in the prior year and 5.4x at end-June 2021, to 2.7x at end-September 2021

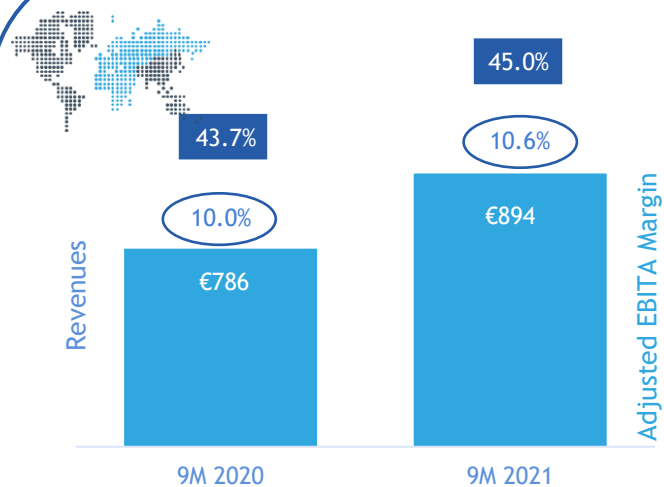
(1) FCF conversion ratio represents Free Cash Flow divided by Adjusted EBITDA less lease payments



# Regional financial update 9M 2021

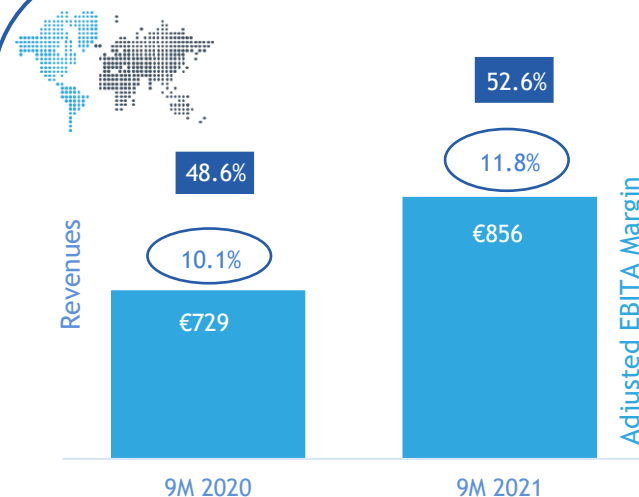


## EMEA



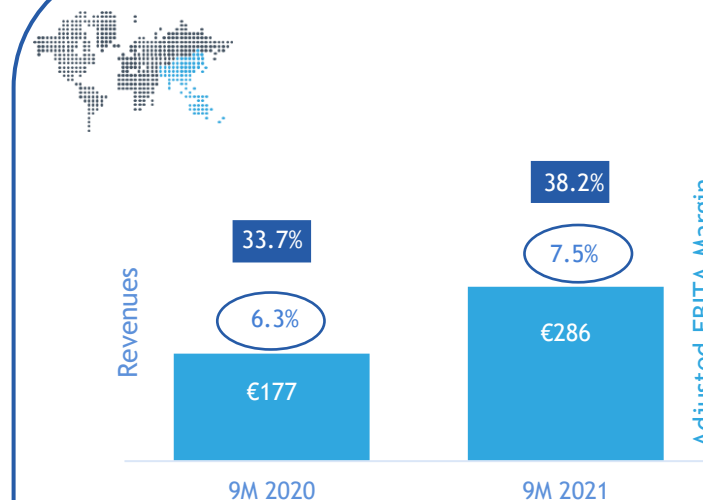
- 13.8% revenue growth, o/w 11.1% organic
- Strong performance across the board, in particular CASE
- Quimdis acquisition provides local F&F foothold; CAME acquisition further reinforces regional footprint

## Americas



- 17.4% revenue growth, o/w 15.8% organic
- Outstanding results driven by outperformance in Personal Care and rebound in Industrial Chemicals
- Vigon acquisition provides strong local foothold in F&F

## Asia Pacific



- 62.0% revenue growth, o/w 14.9% organic
- Strong growth acceleration driven by end-market demand and M&A
- 7 acquisitions in 9M 2021 strengthen footprint in fast-growing markets in the region

■ Revenue  
○ Adjusted EBITA  
% Conversion margin





# Outlook



# Outlook



Our 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, we are positive that we 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.

Although we expect the impact from current price increases and ongoing pressures on the supply chain to persist for the remainder of the year, based on our performance year to date, we are confident that we will deliver results in-line with or slightly above current consensus expectations<sup>1</sup>. We continue to see solid strength in the end markets we serve and our pipeline of acquisitions remains robust.

<sup>1</sup>Company compiled consensus as of 12 November, 2021: Revenue 2021E of EUR 2.7bn; Adjusted EBITA 2021E of EUR 252m.



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# Q&A

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