



# 9M 2022 Update

November 2022

**Innovation  
through  
formulation**

# Agenda

- 1 Key developments & business update
- 2 Financial performance
- 3 Outlook
- 4 Q&A



# Disclaimer



This document 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](http://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.



A large circular graphic on the left side of the slide. Inside the circle, a hand is shown holding a glowing globe against a sunset cityscape background. The colors transition from warm oranges and yellows at the top to cooler blues and purples at the bottom. The hand is in silhouette, and the globe has a grid pattern and a bright light source.

# Key developments & business update 9M 2022



# Key developments 9M 2022



## Sustained momentum

- 52.5% total revenue growth
- 25.8% organic growth
- Demand-driven growth in Life Sciences; sustained price trends in Industrial Chemicals
- 8 acquisitions with combined annual revenues of over €361m

## Resilient margins

- 57.6% increase in gross profit
- 79.6% increase in adjusted EBITA
- 598 bp expansion in conversion margin:
  - Scale benefits
  - Mix effect from growing portfolio and acquisitions

## Progress on initiatives

- Continued investments in digital strategy
  - 96 portals\*
  - 14 e-Labs\*
- Top industry ranking in 2022 from Sustainalytics with score of 12.4
- Opening of Regional Innovation Center for Meat & Meat Alternatives in Poland

*\*As of end of September 2022*

## Balance Sheet

- 81.4% increase in Free Cash Flow (€ 275.1m) despite elevated WC investments to support growth
- Leverage ratio reduced to 2.3x (2.7x end-September 2021)



# Business update: Robust performance YTD



## Organic growth: 25.8% in 9M 2022

- Life Sciences: Strong demand in Agri & Environmental Services in Q3; sustained momentum in Food & Nutrition and Personal Care
- Industrial Chemicals: Continued pricing tailwinds support growth

## M&A: 8 acquisitions in 9M 2022

- 3 acquisitions completed in Q3, bringing total completed acquisitions in 9M 2022 to 8, representing total full year annual revenue of €361m
  - **ROCSA** provides a platform for strategic expansion in South America
  - **Chemical Solutions** reinforces our footprint in the Personal Care market in Malaysia
  - **Ashapura Aromas** provides platform for flavors & fragrance (F&F) in APAC, creating a global F&F network
- 4 more transactions representing total annual revenue of EUR 140m signed, and expected to close in Q4 2022



A large circular graphic on the left side of the slide. It features a globe with a network of glowing blue lines and dots overlaid on it, suggesting global connectivity and technology. The globe is held by a hand at the bottom. To the left of the globe are several colored circles (purple, yellow, teal, blue) and a thin grey arc that curves around the globe.

# Financial performance 9M 2022



# Headline P&L 9M 2022



Azelis Group Highlights (EUR m)	Q3 2022	Q3 2021	Reported Change	9M 2022	9M 2021	Reported Change	Constant Currency
<i>Life Sciences</i>	652.1	457.6	42.5%	1860.8	1260.3	47.6%	42.7%
<i>Industrial Chemicals</i>	436.6	270.7	61.3%	1247	777.4	60.4%	54.1%
<b>Group Revenue</b>	<b>1088.7</b>	<b>728.2</b>	<b>49.5%</b>	<b>3107.7</b>	<b>2037.7</b>	<b>52.5%</b>	<b>47.1%</b>
<b>Gross Profit</b>	<b>247.5</b>	<b>170.6</b>	<b>45.1%</b>	<b>736.1</b>	<b>467.0</b>	<b>57.6%</b>	<b>52.3%</b>
Gross Profit Margin	22.73%	23.43%	-70 bp	23.7%	22.9%	77 bp	80 bp
<b>Adjusted EBITDA</b>	<b>124.8</b>	<b>78.4</b>	<b>59.2%</b>	<b>379.8</b>	<b>214.8</b>	<b>76.8%</b>	<b>71.2%</b>
Adjusted EBITDA Margin	11.5%	10.8%	70 bp	12.2%	10.5%	168 bp	167 bp
<b>Adjusted EBITA<sup>1</sup></b>	<b>117.4</b>	<b>73.3</b>	<b>60.2%</b>	<b>360.1</b>	<b>200.5</b>	<b>79.6%</b>	<b>73.9%</b>
Adjusted EBITA Margin	10.8%	10.1%	72 bp	11.6%	9.8%	175 bp	173 bp
Conversion Margin <sup>2</sup>	47.5%	43.0%	449 bp	48.9%	42.9%	598 bp	583 bp

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

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





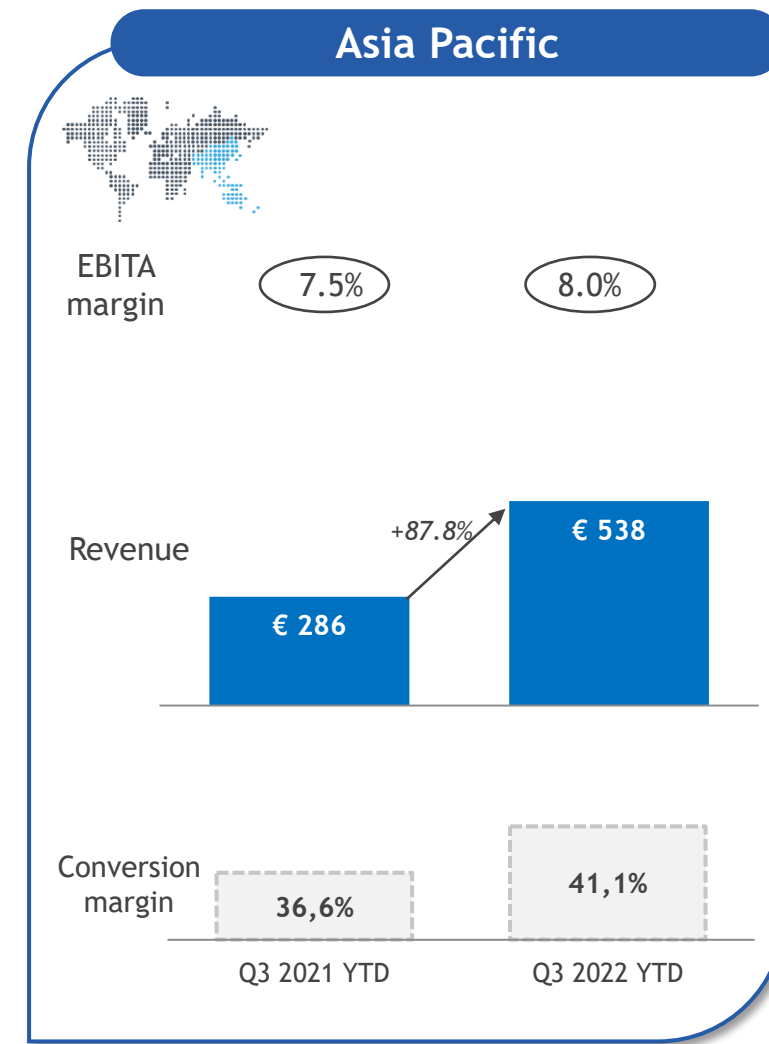
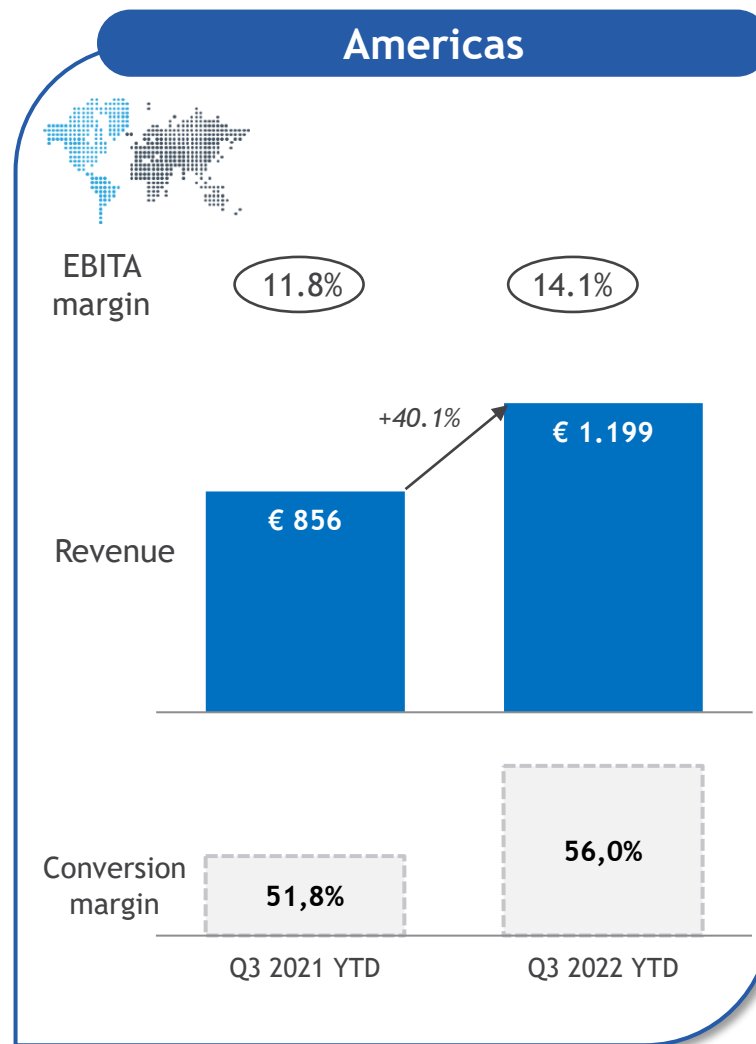
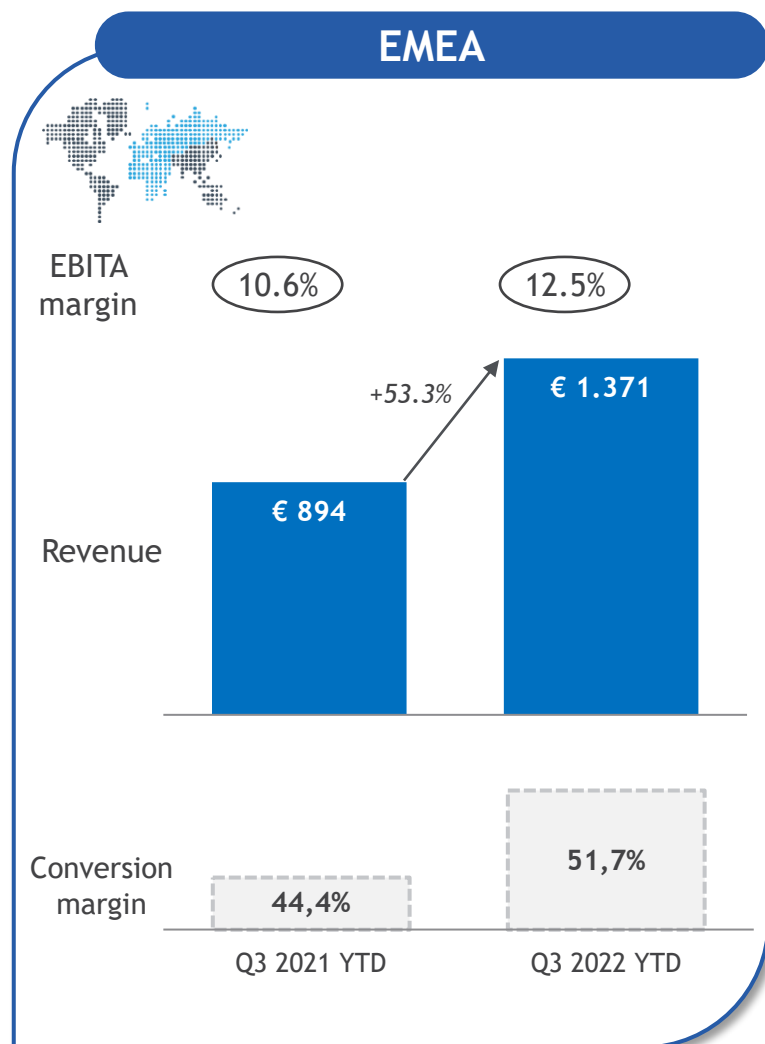
# Headline growth 9M 2022



Azelis Performance (EUR m)	9M 2022	9M 2021	F/X Translation	M&A Growth Contribution	Organic Growth	Total Growth
EMEA	1371.0	894.3	-0.9%	21.9%	32.3%	53.3%
Americas	1198.9	855.5	11.8%	11.0%	17.3%	40.1%
Asia Pacific	537.8	286.4	6.8%	49.9%	31.1%	87.8%
<b>Group Revenue</b>	<b>3107.7</b>	<b>2037.7</b>	<b>5.5%</b>	<b>21.3%</b>	<b>25.8%</b>	<b>52.5%</b>
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%
<b>Group Gross Profit</b>	<b>736.1</b>	<b>467.0</b>	<b>5.3%</b>	<b>20.2%</b>	<b>32.1%</b>	<b>57.6%</b>



# Regional financial update



€

Revenue

%

Adjusted EBITA Margin: Operating profit or loss before amortization and impairment of intangible assets and excluding adjustments, divided by Revenue.

%

Conversion margin: Adjusted EBITA / Gross profit



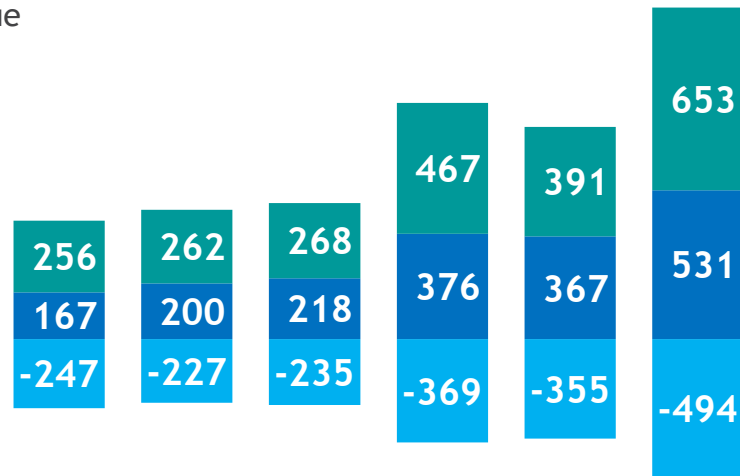
# Working Capital



## Working Capital

■ Receivables ■ Inventory ■ Payables

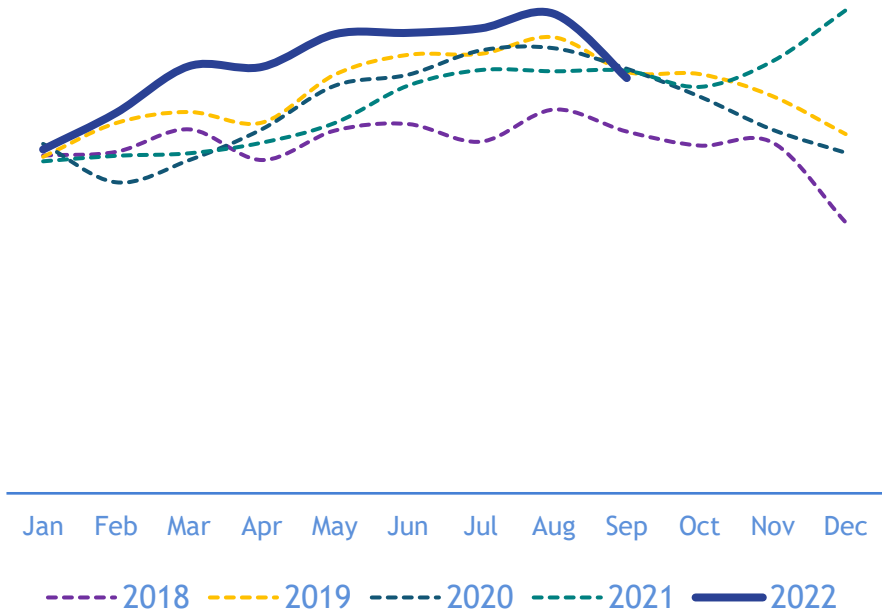
NWC/ Revenue 9.2% 10.9% 11.1% 15.3% 13.6% 15.9%



	2018	2019	2020	2021	9M 2021	9M 2022
<b>DSO</b>	32	34	35	44	45	45
<b>DIO</b>	49	44	43	55	48	55
<b>DPO</b>	47	38	38	44	44	42

\* Net working capital normalized for acquisitions for the period

## Evolution of NWC\*



\* Including stub periods of M&A and at constant currency rate.





# Outlook



# Outlook



Our strategy of driving growth is underpinned by a constantly 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.

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.



A large circular graphic containing several 3D-rendered blue question marks of various sizes, some overlapping. To the left of this circle is a yellow circle, and below it are a teal circle and a blue circle. A thin grey line curves around the top and left sides of the question mark circle.

# 9M 2022 Update Q&A

## Contact

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