



# Azelis Press Release

Antwerp, Belgium, August 3<sup>rd</sup>, 2023 - 07.00am CET

## Azelis reports strong margins and cash generation for H1 2023

### H1 2023 Highlights

- Revenue of EUR 2.1bn, representing year-on-year growth of 6.1% (8.0% on a constant currency basis). In Q2, total group revenue was stable relative to the prior year, as organic revenue decline was offset by M&A revenue contribution.
- Gross profit of EUR 517.1m represents year-on-year growth of 5.8%, supported by positive mix effects across our businesses. Gross profit margin was broadly stable relative to the prior year at 24.1%.
- Adjusted EBITA of EUR 263.4m represents an 8.6% year-on-year increase and a 29 bp margin step-up. Conversion margin expanded by 129 bp compared to H1 2022 to 50.9%, demonstrating the defensiveness of our business model.
- Net profit of EUR 109.2m represents a year-on-year decline of 22.9%, driven by higher interest expense due to increased debt level and higher interest rates. In addition, the Group had EUR 17.8m in non-cash charges related to FX volatility and hyperinflation accounting.
- Free cash flow of EUR 245.2m increased by 76.1% year-on-year, with FCF conversion ratio expanding by 35 p.p. over the period.
- Leverage ratio was 2.6x at the end of June 2023, versus 2.2x at the end of December 2022 and 2.3x at the end of June 2022.
- Six acquisitions were completed in H1, representing combined prior year revenue of over EUR 370m.
- Industry-leading ESG ranking confirmed in latest Sustainalytics assessment<sup>1</sup> reflecting our commitment to Sustainability.
- At present, the Group remains on track to achieve its midterm annual revenue growth guidance of 8-10%, subject to currency fluctuation, and is confident of delivering 10-15 bps adjusted EBITA margin expansion for the full year 2023.
- The Board of Directors has appointed Anna Bertona, current President & CEO of Azelis EMEA, to succeed Dr. Hans Joachim Müller as Group CEO, starting the 1st of January, 2024.

(in millions of €)	H1 2023	H1 2022	Reported Change	Constant Currency
Life Sciences	1,316.9	1,208.6	9.0%	10.8%
Industrial Chemicals	824.4	810.4	1.7%	3.7%
<b>Revenue</b>	<b>2,141.2</b>	<b>2,019.0</b>	<b>6.1%</b>	<b>8.0%</b>
Gross Profit	517.1	488.6	5.8%	7.6%
Gross Profit Margin	24.1%	24.2%	-5 bp	-9 bp
Adjusted EBITDA <sup>(1)</sup>	279.2	255.0	9.5%	11.8%
Adjusted EBITDA Margin	13.0%	12.6%	41 bp	45 bp
<b>Adjusted EBITA<sup>(1)</sup></b>	<b>263.4</b>	<b>242.6</b>	<b>8.6%</b>	<b>10.9%</b>
<b>Adjusted EBITA Margin</b>	<b>12.3%</b>	<b>12.0%</b>	<b>29 bp</b>	<b>33 bp</b>
Conversion Margin <sup>(1)</sup>	50.9%	49.7%	129 bp	156 bp
Net Profit	109.2	141.7	-22.9%	-20.7%
Cash earnings per share <sup>(1)</sup>	0.60	0.73	-17.2%	-15.0%
Earnings per share	0.44	0.59	-26.2%	-26.0%
Operating Cash Flow	250.2	151.5	65.2%	
Free Cash Flow <sup>(1)</sup>	245.2	139.2	76.1%	
FCF Conversion ratio <sup>(1)</sup>	92.2%	56.9%	3524 bp	
Net Working Capital / Revenue normalized for acquisitions <sup>(1)</sup>	15.4%	15.4%	4 bp	
Leverage Ratio <sup>(1)</sup>	2.6	2.3	9.5%	

(1) Refer to the definitions of Alternative Performance Measures in the 2022 Annual Report

<sup>1</sup> Morningstar Sustainalytics Assessment June 2023 ESG Risk Score of 11.9

**Comment from Dr. Hans Joachim Müller, CEO:** "Our results for H1 2023 reflect the current trends in the industry, which is undergoing a normalization following very strong growth in 2021-2022. The group's diverse footprint allows us to mitigate the weaker demand in some of our markets, notably in the Americas. Furthermore, our asset-light, defensive business model allows us to generate strong cashflows despite the pressure on our top line.

While the current volatility in our markets has raised the risk in our outlook, at present, the Group remains on track to achieve its midterm annual revenue growth guidance of 8-10%, subject to currency fluctuation, and is confident of delivering 10-15 bps adjusted EBITA margin expansion for the full year 2023.

Notwithstanding the current challenges in our industry, we continue to execute on our growth strategy. In H1, we expanded our footprint with the acquisition of six companies that significantly strengthen our lateral value chain. We are also more determined than ever to strengthen the relationships with our principals, as reflected in multiple mandate wins during the period. Overall, we remain focused on achieving our long-term strategy to become the reference innovation solutions provider in specialty chemicals and food ingredients distribution.

Consistent with this long-term strategy, we are delighted to announce that Anna Bertona, current President & CEO of Azelis EMEA, will be succeeding as Group CEO when I retire at the end of the year. Anna brings a wealth of experience, and equally important, represents continuity in our journey as a company. Having successfully led our EMEA business since 2016, she not only embodies our mission, but also drives our values as Executive Committee sponsor for our Sustainability agenda. I have every confidence that Anna will successfully lead the Group to the next stage of its growth journey."

## Conference call

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.

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## Operational Review

### Headline results

(in millions of €)	H1 2023	H1 2022	F/X Translation	M&A Growth Contribution	Organic Growth	Total Growth
EMEA	944.4	916.4	-3.2%	8.4%	-2.2%	3.1%
Americas	734.9	762.9	0.6%	8.9%	-13.1%	-3.7%
Asia Pacific	461.9	339.7	-4.3%	33.4%	6.9%	36.0%
<b>Group Revenue</b>	<b>2,141.2</b>	<b>2,019.0</b>	<b>-1.9%</b>	<b>12.8%</b>	<b>-4.8%</b>	<b>6.1%</b>
EMEA	252.5	224.6	-3.0%	9.8%	5.7%	12.4%
Americas	176.2	196.9	0.6%	5.4%	-16.4%	-10.5%
Asia Pacific	88.3	67.1	-4.2%	29.1%	6.7%	31.7%
<b>Group Gross Profit</b>	<b>517.1</b>	<b>488.6</b>	<b>-1.7%</b>	<b>10.7%</b>	<b>-3.1%</b>	<b>5.8%</b>
EMEA	140.2	120.0	-3.6%	9.4%	11.1%	16.8%
Americas	100.0	107.9	0.3%	4.4%	-12.0%	-7.3%
Asia Pacific	41.2	28.6	-4.8%	35.4%	13.4%	44.0%
<b>Adjusted EBITA<sup>(1)</sup></b>	<b>263.4</b>	<b>242.6</b>	<b>-2.3%</b>	<b>10.8%</b>	<b>0.1%</b>	<b>8.6%</b>

(1) Total Adjusted EBITA includes Holding companies

Azelis delivered total revenue of EUR 2.1bn, representing growth of 6.1% compared to H1 2022, as the continued weakness in the Americas was mitigated by robust performance in EMEA and Asia Pacific. On a constant currency basis, revenue growth was 8.0% during the period. Weaker demand compared to the exceptionally strong growth in H1 2022 is reflected in the 4.8% organic revenue contraction for the Group. Revenue growth contribution from acquisitions was 12.8% during the period, while FX translation represented a 1.9% headwind.

Demand continued to hold up well in Life Sciences, with revenue increasing 9.0% year-on-year (10.8% in constant currency), supported by robust performance in Pharma across all regions, stable demand in Food & Nutrition in EMEA and Asia Pacific, and revenue contribution from recent mandate gains. Industrial Chemicals increased by 1.7% year-on-year (3.7% in constant currency), with contribution from recent acquisitions mitigating the continued weakness in Industrial Chemicals, especially in the Americas.

### EMEA

(in millions of €)	Q2 2023	Q2 2022	Reported Change	H1 2023	H1 2022	Reported Change	Constant Currency
Revenue	443.5	465.9	-4.8%	944.4	916.4	3.1%	6.2%
Gross Profit	122.8	113.0	8.6%	252.5	224.6	12.4%	15.5%
Gross Profit Margin	27.7%	24.3%	343 bp	26.7%	24.5%	223 bp	220 bp
Adjusted EBITDA	70.8	62.6	13.0%	146.6	125.2	17.1%	20.7%
Adjusted EBITDA Margin	16.0%	13.4%	252 bp	15.5%	13.7%	186 bp	192 bp
Adjusted EBITA	67.6	59.9	13.0%	140.2	120.0	16.8%	20.5%
Adjusted EBITA Margin	15.3%	12.9%	240 bp	14.8%	13.1%	175 bp	181 bp
Conversion Margin	55.1%	53.0%	211 bp	55.5%	53.4%	208 bp	242 bp

EMEA revenue increased 3.1% (6.2% in constant currency) to EUR 944.4m in H1 2023, with organic revenue declining slightly by 2.2%, due largely to slower demand in Industrial Chemicals compared

to the prior year. Revenue growth contribution from acquisitions was 8.4%, while FX translation was a 3.2% headwind during the period.

In January 2023, Azelis completed the acquisition of Smoky Light, a distributor of specialty smoke ingredients in the Benelux. In April, the acquisition of Lidorr Elements, a leading specialty chemical distributor for crop-protection, industrial materials, and care & nutrition in Israel was completed. In May, we closed the acquisition of Sirius International, a specialty chemicals distributor active in sustainable cleaning products in the Benelux market. These companies generated combined annual revenue of over EUR 60m in 2022.

Gross profit increased by 12.4% year-on-year (15.5% in constant currency) to EUR 252.5m in H1 2023, representing a 223 bp expansion in gross profit margin to 26.7%, supported by a shift in the mix to Life Sciences, as well as continued focus on managing prices across our portfolio as demand slows in some of our end markets. Adjusted EBITA grew 16.8% to EUR 140.2m, resulting in a 175 bp margin expansion to 14.8%, and a 208 bp increase in conversion margin, reflecting the benefit of our growing scale in the region as well as continuous efficiency improvements.

## Americas

(in millions of €)	Q2 2023	Q2 2022	Reported Change	H1 2023	H1 2022	Reported Change	Constant Currency
Revenue	376.5	396.4	-5.0%	734.9	762.9	-3.7%	-4.3%
Gross Profit	85.3	104.0	-17.9%	176.2	196.9	-10.5%	-11.1%
Gross Profit Margin	22.7%	26.2%	-357 bp	24.0%	25.8%	-182 bp	-182 bp
Adjusted EBITDA	53.9	60.3	-10.5%	105.3	111.8	-5.8%	-6.2%
Adjusted EBITDA Margin	14.3%	15.2%	-87 bp	14.3%	14.7%	-33 bp	-29 bp
Adjusted EBITA	51.2	58.2	-12.0%	100.0	107.9	-7.3%	-7.6%
Adjusted EBITA Margin	13.6%	14.7%	-108 bp	13.6%	14.1%	-53 bp	-49 bp
Conversion Margin	60.0%	56.0%	405 bp	56.7%	54.8%	195 bp	210 bp

Revenue in the **Americas** was EUR 734.9m, representing a year-on-year decline of 3.7% (-4.3% in constant currency). The group's activities in the Americas reported a 13.1% organic revenue decline, largely driven by further deterioration in Industrial Chemicals, as well as softer demand in the broader market. The organic revenue decline was partially offset by the 8.9% revenue growth contribution from acquisitions, and a modest uplift of 0.6% from FX translation.

In June, Azelis completed the transactions to acquire Vogler Ingredients and Gillco Ingredients, leading distributors of specialty food ingredients in Brazil and the USA respectively. The acquisition of Vogler represents a significant development in the group's expansion strategy in Latin America, while the acquisition of Gillco provides the Group an entry platform into the Food & Nutrition market in the US. These companies generated combined annual revenue of over EUR 150m in 2022.

Gross profit in the region declined by 10.5% to EUR 176.2m, pushing gross profit margin to 24.0%. The contraction was driven by the time lag in pricing, mostly in the Industrial Chemicals business, weak demand in South America, and the slower than anticipated recovery in the Flavors & Fragrances business.

During the period, adjusted EBITA declined by 7.3% to EUR 100.0m, with adjusted EBITA margin of 13.6%. Consequently, conversion margin improved by 195 bps to 56.7% despite the significant headwinds in the region, demonstrating prudent cost management and the resilience of the business model.

## Asia Pacific

(in millions of €)	Q2 2023	Q2 2022	Reported Change	H1 2023	H1 2022	Reported Change	Constant Currency
Revenue	228.4	181.4	25.9%	461.9	339.7	36.0%	40.2%
Gross Profit	43.2	35.6	21.2%	88.3	67.1	31.7%	35.8%
Gross Profit Margin	18.9%	19.6%	-73 bp	19.1%	19.7%	-62 bp	-64 bp
Adjusted EBITDA	21.7	16.5	31.7%	45.0	31.5	42.7%	47.4%
Adjusted EBITDA Margin	9.5%	9.1%	42 bp	9.7%	9.3%	46 bp	50 bp
Adjusted EBITA	19.8	15.1	31.3%	41.2	28.6	44.0%	48.8%
Adjusted EBITA Margin	8.7%	8.3%	36 bp	8.9%	8.4%	50 bp	55 bp
Conversion Margin	45.8%	42.3%	350 bp	46.7%	42.7%	399 bp	427 bp

Revenue in **APAC** increased by 36.0% to EUR 461.9m in H1 2023. The growth was driven by continued strength in Life Sciences, as well as expansion in the Group's footprint in the region from recent acquisitions. APAC generated organic revenue growth of 6.9%, with the slower recovery in China offset by continued growth in the rest of the region. Acquisitions contributed 33.4% of revenue growth, and FX translation represented a 4.3% revenue growth headwind during the period.

In January 2023, we strengthened our regional footprint with the acquisition of Chemiplas Agencies, a distributor of specialty chemicals, plastic raw materials and ingredients in Australia, New Zealand and the Pacific Islands. The company generated annual revenue of over EUR 160m in 2022.

Gross profit in the region grew 31.7% to EUR 88.3m, representing gross profit margin of 19.1%, a slight decline of 62 bps, due to negative mix effects from recent acquisitions. The gross margin dilution was offset by scale efficiencies and continuous margin improvement initiatives, as reflected in adjusted EBITA growth of 44.0%, resulting in a 399 bps expansion in conversion margin to 46.7%.

## Holding companies

	Q2 2023	Q2 2022	Reported Change	H1 2023	H1 2022	Reported Change	Constant Currency
Adjusted EBITA (in millions of €)	-9.2	-6.6	40.1%	-18.0	-13.9	29.4%	29.4%
As % of Group Revenues	-0.9%	-0.6%	-25 bp	-0.8%	-0.7%	-15 bp	-14 bp

Operating costs at the Group's holding companies, relating to the Group's non-operating entities as well as the head office in Belgium, were EUR 18.0m in H1 2023, compared to EUR 13.9m in the previous year. Relative to revenue, operating costs at the Group's holding companies show a slight uptick to 0.8% largely due to the Group's ongoing investments to support its digitalization strategy.

## 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. Management is confident that it will deliver 8-10% of revenue growth and 10-15 bps adjusted EBITA margin expansion annually in the medium-term.

While the current volatility in our markets has raised the risk in our outlook, at present, the Group remains on track to achieve its midterm annual guidance for the full year 2023, subject to currency fluctuation.

## Financial Review

<i>(in millions of €)</i>	H1 2023	H1 2022	Reported Change	Constant Currency
Life Sciences	1,316.9	1,208.6	9.0%	10.8%
Industrial Chemicals	824.4	810.4	1.7%	3.7%
<b>Revenue</b>	<b>2,141.2</b>	<b>2,019.0</b>	<b>6.1%</b>	<b>8.0%</b>
Gross Profit	517.1	488.6	5.8%	7.6%
Gross Profit Margin	24.1%	24.2%	-5 bp	-9 bp
Adjusted EBITDA	279.2	255.0	9.5%	11.8%
Adjusted EBITDA Margin	13.0%	12.6%	41 bp	45 bp
Adjusted EBITA	263.4	242.6	8.6%	10.9%
Adjusted EBITA Margin	12.3%	12.0%	29 bp	33 bp
Conversion Margin	50.9%	49.7%	129 bp	156 bp
Free Cash Flow	245.2	139.2	76.1%	
FCF Conversion ratio	92.2%	56.9%	3524 bp	
Net Working Capital / Revenue normalized for acquisitions	15.4%	15.4%	4 bp	
Leverage Ratio	2.6	2.3	9.5%	

### Revenue

Revenue increased 6.1% to EUR 2.1bn in H1 2023, with revenue growth contribution from acquisitions offsetting the slower organic revenue development in some of the Group's markets. During the period, Group organic revenue declined 4.8%, with continued organic growth in APAC mitigating the pressure from the ongoing weakness in the Americas, as well as a slowdown in Industrial Chemicals in EMEA. Revenue from acquisitions represented topline growth contribution of 12.8%, while FX translation weighed down revenue growth by 1.9%.

Revenue in Life Sciences increased by 9.0% to EUR 1.3bn, supported by stable trends across most end markets in EMEA and APAC, offsetting the weaker environment in the Americas. In Industrial Chemicals, revenue increased by 1.7% to EUR 824.4m, driven by weak demand across most end markets.

In EMEA, organic revenue declined by 2.2%, with the growth in Life Sciences partially mitigating the weaker demand in Industrial Chemicals. In Americas, further deterioration in Industrial Chemicals, in addition to weaker demand across some end markets in Life Sciences, notably Flavors & Fragrances and Personal Care, resulted in organic revenue decline of 13.1%. In Asia Pacific, organic revenue grew 6.9% as continued growth in South-East Asia and India offset the ongoing weakness in China.

### Profitability

In H1 2023, gross profit increased by 5.8% to EUR 517.1m. Gross profit margin remained broadly stable at 24.1% despite the significant topline pressure on some of our largest end markets, as well as negative mix effect from recent acquisitions.

Adjusted EBITA was EUR 263.4m, representing an 8.6% year-on-year increase, with organic EBITA remaining stable over the period. Scale benefits, as well as the diversity of our portfolio and variability of our cost base, allowed us to drive a 29 bp expansion in Adjusted EBITA margin despite

the topline pressure, reflecting the strength of Azelis' business model and ongoing margin improvement initiatives.

Net financial expense in H1 2023 was EUR 71.2m, driven largely by the full impact of higher interest costs due to increased gross debt and higher interest rates, as well as non-cash charges of EUR 8.3m due to volatility of currencies across the Group and EUR 9.5m from the impact of hyperinflation accounting in Turkey. Tax expense during the period was EUR 44.6m, implying an effective tax rate (ETR) of 29.0%, versus 25.7% in the prior year, due to significant FX-related costs, which are non-tax deductible, as well as the impact of the changes in our footprint and the territories where profits are generated.

Net profit was EUR 109.2m, and cash earnings per share was EUR 0.60 for H1 2023.

<i>(in millions of €)</i>	H1 2023	H1 2022
<b>Operating profit</b>	<b>225.0</b>	<b>211.8</b>
<b>Net Financial Expense</b>	<b>-71.2</b>	<b>-21.1</b>
Financial Income	3.4	0.3
Financial Expense	-74.6	-21.4
Interest Expense on Bank Loans and Overdrafts	-40.2	-12.2
Interest Lease Commitments	-2.0	-1.6
Other Financial Cost	-32.4	-7.5
<b>Profit Before Tax</b>	<b>153.8</b>	<b>190.7</b>
Tax Expense	-44.6	-49.0
<b>Net Profit</b>	<b>109.2</b>	<b>141.7</b>
Earnings per share	0.44	0.59
Cash earnings per share	0.60	0.73

## Cash Flow and Financing

Net working capital to revenue normalized for acquisitions was 15.4% at the end of June 2023, versus 13.8% in December 2022, and 15.4% in June 2022. The higher working capital intensity is due to the impact of new acquisitions, and is seasonally in-line with prior years.

Free cash flow increased 76.1% to EUR 245.2m, as the Group has recalibrated its investments in working capital to align with the weaker overall demand and slower revenue development. This resulted in a 35 percentage point increase in FCF conversion ratio to 92.2% for H1 2023 compared to 56.9% in the prior year.

Following the issuance of a EUR 400m bond in March and the EUR 200m equity issuance in May, net debt was EUR 1.4bn and leverage ratio stood at 2.6x at the end of June 2023, versus 2.2x in December 2022, and 2.3x in June 2022. At the end of the period, the Group had liquidity of EUR 766.2m in cash and unused revolving credit facility (RCF).

<i>(in millions of €)</i>	H1 2023	H1 2022
Operating Cash Flow	250.2	151.5
Free Cash Flow	245.2	139.2
FCF Conversion	92.2%	56.9%
Net Working Capital / Revenue normalized for acquisitions	15.4%	15.4%
Net Indebtedness	1,430.2	990.8
Leverage Ratio	2.6	2.3

## 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 2022](#).

## Appendix

All figures and tables contained in this appendix have been extracted from Azelis' unaudited condensed consolidated interim financial statements for the first six months of 2023, which have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union.

The statutory auditor, PwC Bedrijfsrevisoren BV / Reviseurs d'Entreprises SRL, represented by Peter Van den Eynde, has reviewed these condensed consolidated interim financial statements and concluded that based on the review, nothing has come to the attention that causes them to believe that the condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

For the condensed consolidated interim financial statements for the first six months of 2023 and the review report of the statutory auditor we refer to Azelis' [website](#).

### Consolidated income statement for the period ended 30 June

<i>(in thousands of €)</i>	Jan-June 2023	Jan-June 2022
Revenue	2,141,225	2,019,049
Other operating income	12,559	8,734
<b>Total income</b>	<b>2,153,784</b>	<b>2,027,783</b>
Costs for goods and consumables	-1,636,681	-1,539,192
<b>Gross profit</b>	<b>517,103</b>	<b>488,591</b>
Employee benefits expenses	-149,709	-143,122
External services and other expenses	-94,002	-93,246
Depreciation of property, plant and equipment	-15,796	-12,363
Amortization of intangible assets	-32,637	-28,087
<b>Operating profit / loss (-)</b>	<b>224,959</b>	<b>211,773</b>
Financial income	3,404	316
Financial expenses	-74,603	-21,395
<b>Net financial expense</b>	<b>-71,199</b>	<b>-21,079</b>
<b>Profit / loss (-) before tax</b>	<b>153,760</b>	<b>190,694</b>
Income tax income / expense (-)	-44,579	-48,999
<b>Net profit / loss (-) for the period from continuing operations</b>	<b>109,181</b>	<b>141,695</b>
<b>Attributable to:</b>		
Equity holders of the parent	103,458	138,814
Non-controlling interests	5,723	2,881
<b>Net profit / loss (-) for the period</b>	<b>109,181</b>	<b>141,695</b>
	in €	in €
<b>Basic earnings per share</b>	<b>0.44</b>	<b>0.59</b>
<b>Diluted earnings per share</b>	<b>0.44</b>	<b>0.59</b>

**Consolidated statement of financial position**

(in thousands of €)	June 30, 2023	December 31, 2022
<b>Assets</b>		
Goodwill	2,421,403	2,174,256
Intangible assets	1,343,591	1,170,486
Property, plant and equipment	67,242	57,884
Right of Use assets	106,743	96,982
Investments in associates	235	235
Other financial assets	13,638	11,758
Deferred tax assets	7,813	20,605
<b>Total non-current assets</b>	<b>3,960,665</b>	<b>3,532,206</b>
Inventories	650,048	627,735
Trade and other receivables	624,156	538,381
Income tax receivables	12,333	9,963
Other financial assets	93	280
Cash and cash equivalents	416,240	268,160
<b>Total current assets</b>	<b>1,702,870</b>	<b>1,444,519</b>
<b>Total assets</b>	<b>5,663,535</b>	<b>4,976,725</b>
<b>Equity</b>		
Share capital	5,880,000	5,680,000
Reserves	-3,903,036	-3,701,231
Retained earnings	430,675	192,570
Unappropriated result	103,458	213,193
<b>Issued capital and reserves attributable to owners of the parent</b>	<b>2,511,097</b>	<b>2,384,532</b>
<b>Non-controlling interests</b>	<b>82,360</b>	<b>55,145</b>
<b>Total equity</b>	<b>2,593,457</b>	<b>2,439,677</b>
Loans and borrowings	1,565,160	1,178,394
Lease obligations	90,162	81,168
Employee benefit obligations	12,242	8,525
Provisions	3,310	4,597
Other non-current liabilities	102,499	98,264
Deferred tax liabilities	224,362	190,755
<b>Total non-current liabilities</b>	<b>1,997,735</b>	<b>1,561,703</b>
Bank overdrafts	26,201	30,412
Loans and borrowings	153,503	125,323
Lease obligations	22,131	20,390
Provisions	3,940	3,544
Income tax payables	25,510	23,989
Trade and other payables	841,058	771,687
<b>Total current liabilities</b>	<b>1,072,343</b>	<b>975,345</b>
<b>Total liabilities</b>	<b>3,070,078</b>	<b>2,537,048</b>
<b>Total equity and liabilities</b>	<b>5,663,535</b>	<b>4,976,725</b>

**Consolidated statement of cash flows**

<i>(in thousands of €)</i>	Jan-June 2023	Jan-June 2022
<b>Cash flows from operating activities</b>		
Net profit / loss (-) for the period	109,181	141,695
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment expenses	48,432	40,450
Net financial expense	71,199	21,079
Cost of share-based payment	861	248
Income tax income / expense	44,579	48,999
Change in inventories	37,147	-82,286
Change in trade and other receivables and other investments	-35,814	-79,737
Change in trade and other payables	-28,030	59,294
Change in provisions	2,676	1,752
<b>Cash flow from operating activities</b>	<b>250,231</b>	<b>151,494</b>
Income tax paid	-47,666	-38,807
<b>Net cash flow from operating activities</b>	<b>202,565</b>	<b>112,687</b>
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment and intangible assets	-5,771	-8,463
Acquisition of subsidiaries, net of cash acquired	-557,640	-171,841
<b>Net cash flow from investing activities</b>	<b>-563,411</b>	<b>-180,304</b>
<b>Cash flows from financing activities</b>		
Payments of lease obligation	-13,168	-10,403
Dividend payment to shareholders of the group	-47,690	-5,686
Purchase of treasury shares	-3,408	-2,999
Capital increase	200,000	-
Expenses related to capital increase (part through equity)	-2,223	-
Interest paid	-36,663	-16,647
Interest received	2,243	221
Proceeds from loans and borrowings	623,864	403,285
Repayments of loans and borrowings	-204,810	-39,332
Transaction costs related to loans and borrowings	-7,715	-1,750
Other cash flows from financing activities	2,126	-1,609
<b>Net cash flow from financing activities</b>	<b>512,556</b>	<b>325,079</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>151,710</b>	<b>257,462</b>
Effect of exchange rate fluctuations on cash held	581	32
Cash and cash equivalents minus Bank overdraft at beginning of the period	237,748	100,769
<b>Cash and cash equivalents minus Bank overdraft at June 30</b>	<b>390,039</b>	<b>358,263</b>

## Notes to the editor

### About Azelis:

Azelis is a leading global innovation service provider in the specialty chemical and food ingredients industry present in 63 countries across the globe with over 3,800 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 59,000 customers, supported by +2,700 principal relationships, creating a turnover of €4.1 billion (2022). Azelis Group NV is listed on Euronext Brussels under ticker AZE.

Across our extensive network of more than 65 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. Top industry-rated by Sustainalytics, 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](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.