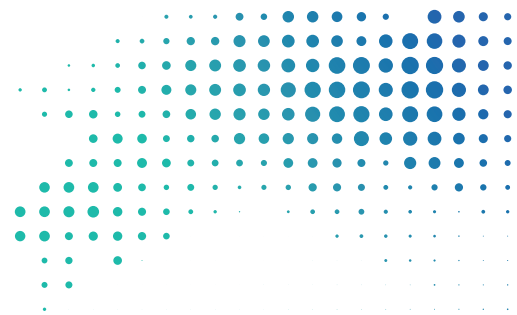


Azelis Press Release

Antwerp, Belgium, April 25th, 2024 - 07.00am CET



Azelis maintains strong margins through the cycle

Q1 2024 Highlights

- Revenue of EUR 1.1bn, representing year-on-year decrease of 3.8% (decrease of 1.2% on a constant currency basis), with volume recovery offset by ongoing price discovery in some of our end markets.
- Gross profit of EUR 260.6m reflects a 47 bp gross margin expansion to 24.8%, supported by positive mix effects across our business.
- Adjusted EBITA was EUR 124.3m, implying adjusted EBITA margin of 11.8%, and conversion margin of 47.7%, reflecting the Group's continuous focus on maintaining margin levels achieved in recent years.
- Azelis generated free cash flow of EUR 114.5m, representing a cash conversion ratio of 91%.
- Leverage ratio was 2.7x at the end of March 2024, compared to 2.3x in the prior year, and 2.5x at the end of December 2023.
- Three acquisitions completed during the quarter, reflecting the Group's commitment to its expansion strategy. Together with the two additional transactions announced year to date, the combined annual revenues of these five companies were over EUR 50m in the prior year.
- The management remains positive that the Group will return to organic growth during 2024, although the timing of the recovery remains uncertain.
- Kåre Schultz and Melanie Maas-Brunner appointed as independent, non-executive directors to the Azelis Board. Kåre and Melanie succeed Antonio Trius and Alexandra Brand, respectively.

(in millions of €)	Q1 2024	Q1 2023	Reported Change	Constant Currency
Life Sciences	668.8	669.0	0.0%	2.5%
Industrial Chemicals	382.3	423.8	-9.8%	-7.0%
Revenue	1,051.0	1,092.8	-3.8%	-1.2%
Gross Profit	260.6	265.8	-2.0%	0.7%
Gross Profit Margin	24.8%	24.3%	47 bp	48 bp
Adjusted EBITDA ¹	134.3	141.7	-5.2%	-1.6%
Adjusted EBITDA Margin	12.8%	13.0%	-19 bp	-6 bp
Adjusted EBITA ¹	124.3	134.0	-7.2%	-3.6%
Adjusted EBITA Margin	11.8%	12.3%	-43 bp	-31 bp
Conversion Margin ¹	47.7%	50.4%	-270 bp	-222 bp
Free Cash Flow ¹	114.5	136.1	-15.9%	
FCF Conversion ratio ¹	91.0%	100.7%	-976 bp	
Net Working Capital / Revenue normalized for acquisitions ¹	13.9%	14.7%	-83 bp	
Leverage Ratio ¹	2.7	2.3	+ 0.4x	

¹ Refer to the definitions of Alternative Performance Measures in the 2023 Integrated Report

Comment from Anna Bertona, CEO: "Our performance during the first quarter demonstrates our commitment to managing our costs while the industry recalibrates. The results achieved during the period reflect the current challenges in our industry, and follow a strong performance in the comparable period last year.

We will continue to control our costs while the markets remain volatile. We are executing on various commercial programs and our overall strategy to ensure that Azelis is strongly positioned for market recovery and remain positive that growth will return during the year.

I would like to take this opportunity to welcome Kåre Schultz and Melanie Maas-Brunner, who will be joining the Azelis Board of Directors. Kåre will succeed Antonio Trius, who is retiring after our AGM in June after 10 years as Chair of our Board of Directors. We are immensely grateful to Antonio for his service, mentorship, and commitment to Azelis over the last decade, helping to guide the company from revenue of €815m to €4.2bn in 2023. Melanie will succeed Alexandra Brand, who is also stepping down after five years on our Board, and to whom we are thankful for her dedication and service. Kåre and Melanie each bring a wealth of experience in corporate governance, specialty chemical and food ingredients sector knowledge, and industrial stewardship, and we are excited to have them both on board."

Results presentation by management

The management of Azelis invites you to a webcast at 09:00 CET to discuss our Q1 2024 results and current operating trends. Please [click here](#) to view the webcast.

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Operational Review

Headline results

(in millions of €)	Q1 2024	Q1 2023	F/X Translation	M&A Growth Contribution	Organic Growth	Total Growth
EMEA	460.1	501.0	-4.3%	4.8%	-8.6%	-8.2%
Americas	371.3	358.4	0.9%	11.4%	-8.6%	3.6%
Asia Pacific	219.6	233.5	-4.5%	4.7%	-6.2%	-6.0%
Group Revenue	1,051.0	1,092.8	-2.7%	6.9%	-8.1%	-3.8%
EMEA	121.1	129.7	-4.1%	6.3%	-8.8%	-6.6%
Americas	92.3	90.9	0.0%	11.7%	-10.2%	1.5%
Asia Pacific	47.2	45.1	-4.1%	5.8%	2.9%	4.6%
Group Gross Profit	260.6	265.8	-2.7%	8.1%	-7.3%	-2.0%
EMEA	65.8	72.5	-4.6%	4.7%	-9.4%	-9.3%
Americas	45.2	48.8	-0.4%	10.7%	-17.6%	-7.4%
Asia Pacific	22.2	21.5	-3.9%	4.9%	2.2%	3.3%
Adjusted EBITA ¹	124.3	134.0	-3.6%	7.2%	-10.8%	-7.2%

¹ Total Adjusted EBITA includes Holding companies

EMEA

(in millions of €)	Q1 2024	Q1 2023	Reported Change	Constant Currency
Revenue	460.1	501.0	-8.2%	-3.8%
Gross Profit	121.1	129.7	-6.6%	-2.5%
Gross Profit Margin	26.3%	25.9%	43 bp	37 bp
Adjusted EBITDA	69.7	75.8	-8.0%	-3.3%
Adjusted EBITDA Margin	15.1%	15.1%	2 bp	8 bp
Adjusted EBITA	65.8	72.5	-9.3%	-4.7%
Adjusted EBITA Margin	14.3%	14.5%	-17 bp	-14 bp
Conversion Margin	54.3%	55.9%	-157 bp	-132 bp

EMEA revenue was EUR 460.1m Q1 2024, a decline of 8.2% compared to the prior year. The Group's activities in the region reported an 8.6% organic revenue contraction compared to the strong performance achieved in the comparable period last year, partly due to the impact of pricing pressure in some of our end markets as well as shipment delays related to the ongoing Red Sea tensions, which have pushed business by a few weeks in some countries. In Life Sciences, we continue to see stable demand overall, while Industrial Chemicals continue to be driven by slower volume recovery. M&A revenue growth contribution of 4.8% was offset by the negative impact of FX translation during the quarter.

In March, we completed the acquisition of Oktrade, strengthening our lateral value chain to become a leader in the attractive personal care market in Turkey.

Gross profit for the period was EUR 121.1m, implying gross profit margin of 26.3%, an expansion of 43 bps compared to the prior year, supported by positive mix effects across our businesses in the region. Adjusted EBITA was EUR 65.8m, representing 14.3% adjusted EBITA margin and driving a 157 bp contraction in conversion margin to 54.3%.

Americas

(in millions of €)	Q1 2024	Q1 2023	Reported Change	Constant Currency
Revenue	371.3	358.4	3.6%	2.8%
Gross Profit	92.3	90.9	1.5%	1.4%
Gross Profit Margin	24.9%	25.4%	-53 bp	-32 bp
Adjusted EBITDA	49.1	51.3	-4.3%	-4.0%
Adjusted EBITDA Margin	13.2%	14.3%	-110 bp	-93 bp
Adjusted EBITA	45.2	48.8	-7.4%	-6.9%
Adjusted EBITA Margin	12.2%	13.6%	-145 bp	-127 bp
Conversion Margin	49.0%	53.7%	-468 bp	-443 bp

Revenue in the Americas was EUR 371.3m in Q1 2024, representing 3.6% year-on-year growth. Revenue growth contribution from recent acquisitions of 11.4%, as well as modest growth contribution from FX tailwinds, offset the 8.6% organic revenue contraction during the period. The organic revenue reflects continued stabilization in the US offset by weakness in Canada and Mexico. Overall, Life Sciences is seeing modest recovery in demand, whilst volume recovery in Industrial Chemicals is offset by the impact of price pressure in the segment.

In February, Azelis completed the acquisition of Localpack, reinforcing our footprint in Colombia.

Gross profit in the region was EUR 92.3m during the quarter, with a 53 bp contraction in gross profit margin to 24.9% partly due to negative mix effect and the impact of pricing pressure as Industrial Chemicals stabilize. During the period, adjusted EBITA declined by 7.4% to EUR 45.2m, resulting in a 145 bp contraction in adjusted EBITA margin to 12.2%, due to dilution from our new businesses in Latin America and lower impact of cost measures compared to the prior year, given that we started implementing cost controls in the region in Q4 2022. Consequently, conversion margin in the region contracted by 468 bps to 49.0%.

Asia Pacific

(in millions of €)	Q1 2024	Q1 2023	Reported Change	Constant Currency
Revenue	219.6	233.5	-6.0%	-1.5%
Gross Profit	47.2	45.1	4.6%	8.7%
Gross Profit Margin	21.5%	19.3%	216 bp	209 bp
Adjusted EBITDA	24.2	23.2	4.0%	8.0%
Adjusted EBITDA Margin	11.0%	9.9%	106 bp	100 bp
Adjusted EBITA	22.2	21.5	3.3%	7.2%
Adjusted EBITA Margin	10.1%	9.2%	90 bp	85 bp
Conversion Margin	47.0%	47.6%	-58 bp	-70 bp

Revenue in APAC was EUR 219.6m in Q1 2024, a decline of 6.0% compared to the very strong performance in Q1 2023, driven by organic revenue contraction of 6.2% and a negative impact from FX translation of 4.5%, partly mitigated by a 4.7% revenue growth contribution from recent acquisitions. The organic revenue contraction in the region follows a strong performance in the comparable period last year, when the region delivered 47.5% revenue growth, of which 11.0% was organic.

At the end of January, we completed the acquisition of Agspec, a leading distributor of crop nutrition, crop protection and specialty agricultural products in Australia.

Gross profit increased 4.6% to EUR 47.2m during the quarter, representing a 216 bp margin expansion to 21.5% due to positive mix effects. Adjusted EBITA grew 3.3% to EUR 22.2m, resulting in a 90 bp adjusted EBITA margin step-up and a decrease in conversion margin of 58 bps to 47.0% during the period.

Holding companies

	Q1 2024	Q1 2023	Reported Change	Constant Currency
Adjusted EBITA (in millions of €)	-8.8	-8.8	0.6%	0.6%
As % of Group Revenues	-0.8%	-0.8%	-4 bp	-1 bp

Operating costs at the Group's holding companies, which relate to the Group's non-operating entities as well as the head office in Belgium, remained stable at EUR 8.8m despite salary cost inflation in 2023.

Outlook

Azelis' strategy of driving growth is underpinned by a consistently 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.

Whilst global political and economic uncertainty persists, we remain committed to controlling costs, generating cash and driving growth. Azelis expects to return to organic growth during 2024, although the timing of the recovery remains uncertain.

The Group has expanded its operational and geographic footprint over the last three years, strengthening its commercial and technical network and developing new competencies within the specialty chemical & food ingredients distribution. Following investments in our future growth drivers, the management will provide an update on our strategy at our annual investor laboratory event in September.

Financial review

(in millions of €)	Q1 2024	Q1 2023	Reported Change	Constant Currency
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Leverage Ratio ¹	2.7	2.3	+ 0.4x	

¹ Refer to the definitions of Alternative Performance Measures in the 2023 Integrated Report

Revenue

Revenue declined by 3.8% to EUR 1.05 bn, driven by organic revenue decline of 8.1% and a negative impact from FX translation of 2.7%, mitigated by 6.9% revenue growth contribution from acquisitions. The organic revenue contraction during the period reflects a slow recovery in the demand environment and pricing pressures in certain end markets.

Revenue in Life Sciences was flat compared to the prior year at EUR 668.8m, with revenue contribution from recent acquisitions offsetting the organic decline compared to a strong performance in the prior year. Revenue in Industrial Chemicals declined by 9.8% to EUR 382.3m, driven by pricing pressure and continuing low volumes.

Profitability

Gross profit declined by 2.0% to EUR 260.2m, with a gross profit margin of 24.8%, representing a 47 bp expansion over the prior year, supported by positive mix effect across our business. Adjusted EBITA was EUR 124.3m in Q1 2024, driving a 43 bp contraction in adjusted EBITA margin to 11.8%, largely driven by lower margin in the Americas during the period.

Cash flow and financing

Net working capital to sales was 13.9% at the end of March 2024 compared to 13.4% at the end of December and 14.7% at the end of March 2023. The reduction in the Group's working capital investments compared to the prior year, despite the impact of acquisitions, reflects the Group's focus on cash generation and aligning its working capital investments to business activity levels.

Free cash flow was EUR 114.5m, representing a cash flow conversion of 91.0% for the period, compared to the cash conversion ratio of 100.7% in Q1 2023, reflecting lower EBITDA compared to the prior year and slightly higher investments in working capital during the quarter, in-line with historical seasonality.

At the end of March 2024, net debt was EUR 1.4bn, and leverage stood at 2.7x, versus 2.5x at the end of December and 2.3x at the end of March 2023. At the end of the period, the Group had liquidity of EUR 771.8m in both cash and unused revolving credit facility.

Financial calendar

Date	Event
June 13 th , 2024	Annual General Meeting 2024
June 28 th , 2024	Ex-dividend date
July 1 st , 2024	Dividend record date
July 2 nd , 2024	Dividend payment date
August 1 st , 2024	Half year 2024 results
October 24 th , 2024	Q3 2024 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 [Integrated Report 2023](#).

Notes to the editor

About Azelis:

Azelis is a leading global innovation service provider in the specialty chemical and food ingredients industry present in 65 countries across the globe with +4,200 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 +63,000 customers, supported by +2,800 principal relationships, creating a turnover of €4.2 billion (2023). Azelis Group NV is listed on Euronext Brussels under ticker AZE.

Across our extensive network of more than 70 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) 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.