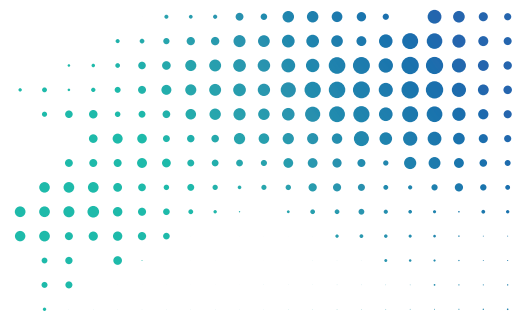


Azelis Press Release

Antwerp, Belgium, October 24th, 2024 - 07.00am CET



Azelis reports improving performance in 9M 2024

9M 2024 Highlights

- Revenue of EUR 3.2bn, representing year-on-year growth of 0.6% (2.3% in constant currency). In Q3, Group revenue increased by 1.5% year-on-year (4.0% in constant currency) to EUR 1.1bn, largely driven by organic growth of 2.8%.
- Gross profit of EUR 783.7m, represents a gross profit margin of 24.5%. In Q3, gross profit increased by 5.9% compared to the prior year to EUR 257.3m, representing gross profit margin of 24.4%. The 100 bp margin expansion during the quarter reflects the positive mix effect across Azelis' business.
- Adjusted EBITA of EUR 369.3m, representing Adjusted EBITA margin of 11.5%. In Q3, Adjusted EBITA increased by 3.1% versus the prior year to EUR 115.2m, driving a 16 bp margin expansion to 10.9%.
- Conversion margin in the first 9M was 47.1%, versus 49.4% in the prior year.
- Azelis generated a free cash flow of EUR 218.4m, representing a 58.5% cash conversion ratio, driven by higher investments in working capital in line with the volume recovery across some of the businesses.
- Leverage ratio was 2.9x at the end of September 2024, compared to 2.7x at the end of June 2024 and 2.5x at the end of December 2023.
- Five acquisitions were completed during the period. Two further acquisitions have been announced year to date. The combined annual revenue of these seven companies was over EUR 100m in the prior year.
- Although trends are improving and Azelis is well-positioned for a recovery, the Group remains focused on balancing growth and prudent cost management while uncertainty persists.

(in millions of €)	9M 2024	9M 2023	Reported Change	Constant Currency
Life Sciences	2,009.5	1,965.4	2.2%	4.0%
Industrial Chemicals	1,190.3	1,214.2	-2.0%	-0.4%
Revenue	3,199.9	3,179.6	0.6%	2.3%
Gross Profit	783.7	760.1	3.1%	4.8%
Gross Profit Margin	24.5%	23.9%	59 bp	60 bp
Adjusted EBITDA ¹	400.1	400.0	0.0%	2.3%
Adjusted EBITDA Margin	12.5%	12.6%	-8 bp	0 bp
Adjusted EBITA ¹	369.3	375.2	-1.6%	0.6%
Adjusted EBITA Margin	11.5%	11.8%	-26 bp	-19 bp
Conversion Margin ¹	47.1%	49.4%	-225 bp	-200 bp
Free Cash Flow ¹	218.4	389.4	-43.9%	
FCF Conversion ratio ¹	58.6%	102.7%	-4404 bp	
Net Working Capital / Revenue normalized for acquisitions ¹	16.0%	15.3%	76 bp	
Leverage Ratio ¹	2.9x	2.6x	+ 0.3x	

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

Comment from Anna Bertona, Group CEO: "Our results for the first nine months of 2024 reflect our focus on consistently delivering strong performance. While general industry conditions continue to be volatile, we are observing trend stabilization in some markets, as reflected in our positive organic growth in Q3.

As presented during our investor day on September 17th, the market for specialty chemical and food ingredient distribution remains highly attractive. We are confident that we have the right strategy to navigate the challenges, and benefit from the opportunities generated by the trends shaping our industry.

While we expect uncertainty to persist in the near-term, we believe Azelis is well-positioned to benefit from a market recovery."

Conference call

The management of Azelis invites you to a conference call and live webcast at 09:00 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

Q3 2024	Q3 2023	Organic Growth	Total Growth	(in millions of €)	9M 2024	9M 2023	F/X Trans-lation	M&A Growth Contri-bution	Organic Growth	Total Growth
438.3	434.3	3.2%	0.9%	EMEA	1,355.5	1,378.7	-2.5%	3.2%	-2.4%	-1.7%
392.7	380.7	4.6%	3.2%	Americas	1,179.4	1,115.6	0.0%	6.8%	-1.1%	5.7%
223.2	223.4	-1.3%	-0.1%	Asia Pacific	665.0	685.3	-2.7%	2.7%	-2.9%	-3.0%
1,054.2	1,038.3	2.8%	1.5%	Group Revenue	3,199.9	3,179.6	-1.7%	4.3%	-2.0%	0.6%
111.6	114.8	-0.1%	-2.8%	EMEA	352.1	367.3	-2.5%	3.3%	-4.9%	-4.1%
99.0	85.9	16.2%	15.1%	Americas	292.6	262.2	-0.2%	7.7%	4.1%	11.6%
46.7	42.3	5.2%	10.4%	Asia Pacific	138.9	130.6	-2.5%	4.8%	4.1%	6.4%
257.3	243.0	6.6%	5.9%	Group Gross Profit	783.7	760.1	-1.7%	5.1%	-0.3%	3.1%
52.5	55.1	0.0%	-4.6%	EMEA	180.6	195.3	-3.1%	2.6%	-7.0%	-7.5%
50.8	46.6	9.7%	9.1%	Americas	149.3	146.6	-0.2%	7.2%	-5.2%	1.9%
21.2	18.6	5.8%	14.3%	Asia Pacific	66.0	59.8	-2.7%	5.7%	7.3%	10.4%
115.2	111.8	3.9%	3.1%	Group Adjusted EBITA ¹	369.3	375.2	-2.2%	5.1%	-4.5%	-1.6%

¹ Total Adjusted EBITA includes Holding companies.

EMEA

Q3 2024	Q3 2023	Reported Change	(in millions of €)	9M 2024	9M 2023	Reported Change	Constant Currency
438.3	434.3	0.9%	Revenue	1,355.5	1,378.7	-1.7%	0.8%
111.6	114.8	-2.8%	Gross Profit	352.1	367.3	-4.1%	-1.6%
25.5%	26.4%	-97 bp	Gross Profit Margin	26.0%	26.6%	-66 bp	-66 bp
56.8	58.8	-3.5%	Adjusted EBITDA	193.4	205.4	-5.9%	-2.7%
13.0%	13.5%	-59 bp	Adjusted EBITDA Margin	14.3%	14.9%	-63 bp	-53 bp
52.5	55.1	-4.6%	Adjusted EBITA	180.6	195.3	-7.5%	-4.4%
12.0%	12.7%	-70 bp	Adjusted EBITA Margin	13.3%	14.2%	-84 bp	-75 bp
47.1%	48.0%	-93 bp	Conversion Margin	51.3%	53.2%	-187 bp	-155 bp

EMEA revenue in 9M 2024 was EUR 1.4bn, representing a year-on-year decline of 1.7% (up 0.8% in constant currency), with revenue growth contribution from M&A offset by continuing FX headwinds and weaker organic growth earlier in the year. In Q3, Azelis' business in EMEA delivered revenue of EUR 438.3m, an increase of 0.9% versus the prior year, as the FX headwind was offset by M&A revenue growth contribution, as well as a 3.2% organic revenue growth. The organic growth during the quarter was driven by a recovery in Agricultural & Environmental Solutions (A&ES) and Food & Nutrition, as well as a continued broad-based recovery in Industrial Chemicals.

In 9M 2024, Azelis completed the acquisitions of DBH and Oktrade in EMEA. The acquisition of CPS in South Africa was completed in October and Hortimex in Poland is expected to close before the end of the year.

Gross profit in EMEA declined by 4.1% year-on-year (-1.6% in constant currency) to EUR 352.1m in 9M 2024, translating to a 66bp contraction in gross profit margin to 26.0%, driven by the mix shift

towards Industrial Chemicals during the period. Adjusted EBITA decreased by 7.5% to EUR 180.6m, largely due to the negative mix effect from the shift towards Industrial Chemicals, as well as the margin-dilutive impact of higher contribution from emerging countries in the region. The conversion margin for the period was 51.3%, representing a 187 bp contraction versus the prior year.

Americas

Q3 2024	Q3 2023	Reported Change	(in millions of €)	9M 2024	9M 2023	Reported Change	Constant Currency
392.7	380.7	3.2%	Revenue	1,179.4	1,115.6	5.7%	5.7%
99.0	85.9	15.1%	Gross Profit	292.6	262.2	11.6%	11.8%
25.2%	22.6%	262 bp	Gross Profit Margin	24.8%	23.5%	131 bp	137 bp
54.3	49.5	9.8%	Adjusted EBITDA	160.5	154.8	3.7%	3.9%
13.8%	13.0%	84 bp	Adjusted EBITDA Margin	13.6%	13.9%	-26 bp	-23 bp
50.8	46.6	9.1%	Adjusted EBITA	149.3	146.6	1.9%	2.1%
12.9%	12.2%	71 bp	Adjusted EBITA Margin	12.7%	13.1%	-48 bp	-44 bp
51.4%	54.2%	-283 bp	Conversion Margin	51.0%	55.9%	-487 bp	-487 bp

In 9M 2024 revenue in the **Americas** was EUR 1.2bn, representing an increase of 5.7% in both reported and constant currency basis, as revenue growth contribution from M&A offset weaker organic revenue earlier in the year. In Q3 Azelis' business in the Americas delivered a revenue of EUR 392.7m, an increase of 3.2% versus the prior year, as the negative FX translation impact was offset by M&A revenue growth contribution, as well as a 4.6% organic revenue growth. The organic growth during the quarter was largely driven by a robust recovery in Life Sciences in the US, supported by price stabilization and continued volume uptick, as well as broad-based recovery in Latin America.

During the period, Azelis completed the acquisition of Localpack, reinforcing its footprint in Colombia.

Gross profit in the region increased by 11.6% to EUR 292.6m, resulting in a gross profit margin of 24.8%. The 131 bp expansion was driven by the positive mix shift towards Life Sciences in the US. During the period, Adjusted EBITA increased by 1.9% to EUR 149.3m, resulting in a slight contraction in Adjusted EBITA margin to 12.7%, mainly due to dilution from lower EBITA margin in Latin America. The conversion margin was 51.0% for the period, representing a 487 bp contraction from the prior year.

Asia Pacific

Q3 2024	Q3 2023	Reported Change	(in millions of €)	9M 2024	9M 2023	Reported Change	Constant Currency
223.2	223.4	-0.1%	Revenue	665.0	685.3	-3.0%	-0.2%
46.7	42.3	10.4%	Gross Profit	138.9	130.6	6.4%	8.9%
20.9%	18.9%	199 bp	Gross Profit Margin	20.9%	19.1%	183 bp	179 bp
23.2	20.7	12.2%	Adjusted EBITDA	72.2	65.6	10.0%	12.7%
10.4%	9.3%	114 bp	Adjusted EBITDA Margin	10.9%	9.6%	128 bp	128 bp
21.2	18.6	14.3%	Adjusted EBITA	66.0	59.8	10.4%	13.1%
9.5%	8.3%	119 bp	Adjusted EBITA Margin	9.9%	8.7%	120 bp	120 bp
45.4%	43.9%	153 bp	Conversion Margin	47.5%	45.8%	172 bp	181 bp

Revenue in **APAC** decreased by 3.0% to EUR 665.0m in 9M 2024, driven by organic revenue contraction of 2.9% and a negative impact from FX translation of 2.7%, partly mitigated by a 2.7% revenue growth contribution from acquisitions. In Q3, revenue in the region was flat compared to the prior year, with the revenue growth contribution from M&A offsetting the organic revenue decline of 1.3% and FX headwind. The smaller decline in organic revenue compared to previous quarters was supported by a good performance in Southeast Asia and a recovery in the Flavors & Fragrances end-market, offsetting continued weakness in China.

During the first nine months, Azelis completed the acquisitions of Agspec and MDK, reinforcing its footprint in Australia and Indonesia, respectively.

Gross profit in the region grew 6.4% to EUR 138.9m, representing a gross profit margin of 20.9%, reflecting a 183 bp expansion due to positive mix effects in Azelis' business across the region. Adjusted EBITA increased by 10.4% to EUR 66.0m, representing a 120 bp margin expansion to 9.9%, driven by the benefits of its growing scale, as well as the positive mix effect from recent acquisitions. This resulted in a 172 bp expansion in conversion margin to 47.5%.

Holding companies

Q3 2024	Q3 2023	Reported Change		9M 2024	9M 2023	Reported Change	Constant Currency
-9.3	-8.4	10.6%	Adjusted EBITA (in millions of €)	-26.7	-26.4	1.1%	1.1%
-0.9%	-0.8%	-7 bp	As % of Group Revenue	-0.8%	-0.8%	0 bp	1 bp

Operating costs at Azelis' holding companies, which include the Group's non-operating entities and the head office in Belgium, were EUR 26.7m in 9M 2024. Relative to revenue, operating costs at the holding companies were stable at 0.8%.

Outlook

The market for specialty chemical and food ingredient distribution remains highly attractive. Azelis is confident that it has the right strategy to navigate the challenges, and benefit from the opportunities generated by the trends shaping its industry. While it expects uncertainty to persist in the near-term, Azelis' management believes the company is well-positioned to benefit from a market recovery.

Financial Review

Q3 2024	Q3 2023	Reported Change	(in millions of €)	9M 2024	9M 2023	F/X Translation	M&A Growth Contribution	Organic Growth	Total Growth
1,054.2	1,038.3	1.5%	Revenue	3,199.9	3,179.6	-1.7%	4.3%	-2.0%	0.6%
257.3	243.0	5.9%	Gross Profit	783.7	760.1	-1.7%	5.1%	-0.3%	3.1%
115.2	111.8	3.1%	Adjusted EBITA	369.3	375.2	-2.2%	5.1%	-4.5%	-1.6%

Q3 2024	Q3 2023	Reported Change	(in millions of €)	9M 2024	9M 2023	Reported Change	Constant Currency
661.2	648.5	2.0%	Life Sciences	2,009.5	1,965.4	2.2%	4.0%
393.0	389.8	0.8%	Industrial Chemicals	1,190.3	1,214.2	-2.0%	-0.4%
1,054.2	1,038.3	1.5%	Group Revenue	3,199.9	3,179.6	0.6%	2.3%
257.3	243.0	5.9%	Gross Profit	783.7	760.1	3.1%	4.8%
24.4%	23.4%	100 bp	Gross Profit Margin	24.5%	23.9%	59 bp	60 bp
125.3	120.8	3.7%	Adjusted EBITDA	400.1	400.0	0.0%	2.3%
11.9%	11.6%	25 bp	Adjusted EBITDA Margin	12.5%	12.6%	-8 bp	0 bp
115.2	111.8	3.1%	Adjusted EBITA	369.3	375.2	-1.6%	0.6%
10.9%	10.8%	16 bp	Adjusted EBITA Margin	11.5%	11.8%	-26 bp	-19 bp
44.8%	46.0%	-122 bp	Conversion Margin	47.1%	49.4%	-225 bp	-200 bp

Revenue

In 9M 2024, revenue grew 0.6% year-on-year to EUR 3.2bn, with the 4.3% revenue growth contribution from acquisitions offsetting the 2.0% decline in organic revenue, as well as the 1.7% negative impact of FX translation. Revenue in Life Sciences was EUR 2.0bn, up 2.2% compared to the prior year, as revenue growth contribution from acquisitions offset the organic decline during the period. Revenue in Industrial Chemicals declined by 2.0% to EUR 1.2bn, driven by weaker organic revenue growth earlier in the year.

In Q3, Group revenue increased by 1.5% compared to the prior year to EUR 1.1bn, driven by revenue growth from acquisitions, as well as organic revenue growth of 2.8%, partially offset by the negative impact from FX translation.

Profitability

Gross profit increased by 3.1% to EUR 783.7m in 9M 2024, implying a gross profit margin of 24.5%. The 59 bp step-up in gross profit margin was due to positive mix effects, notably from the recovery in Life Sciences in the US.

During the period, Adjusted EBITA declined by 1.6% to EUR 369.3m, representing a 26 bp margin step-down to 11.5%. This was due largely to lower benefits from cost control measures compared to the prior year and margin dilution from higher contributions from Azelis' businesses in Latin America, and the Middle East and Africa.

Cash Flow and Financing

Net working capital to revenue normalized for acquisitions was 16.0% at the end of September 2024, versus 13.4% in December 2023 and 15.3% in September 2023. The increase in the Group's working

capital investments was mainly driven by higher inventory levels to support demand recovery and the impact of new acquisitions.

Free cash flow decreased by 43.9% to EUR 218.4m, driven by higher investments in working capital as volumes continue to recover. This drove the FCF conversion ratio to 58.6% for 9M 2024, compared to the exceptional level of 102.7% due to weak demand in 2023.

At the end of September 2024, net debt was EUR 1.5bn, and the leverage ratio was 2.9x, versus EUR 1.4bn and 2.6x, respectively, at the end of September 2023. On the 25th of September, 2024, Azelis issued EUR 600m 4.75% 5Y Senior Unsecured Notes to refinance part of its EUR 1.05bn loan facilities expiring in 2026. As of the end of September, the Group has refinanced the loan facilities expiring in 2026, and has extended the majority of its debt maturity to 2029. At the end of the period, the Group had a liquidity of EUR 868.5m in both cash and unused revolving credit facility (RCF).

Post-closing events

On October 1st, Azelis completed the acquisition of CPS Chemicals, reinforcing its Industrial Chemicals footprint in South Africa.

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 measures' ("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 APMs, 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 over +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 statements 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 judgment 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 the 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 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 September 14, 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.