

Azelis press release

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Azelis reports 34% increase in free cash flow for 9M 2025

Highlights 9M 2025

- Revenue of EUR 3.2bn in 9M 2025, representing a 0.8% decline over the prior year (+2.1% on a constant currency basis), driven by a 0.6% organic decline and a 3.0% FX headwind, offset by a 2.7% revenue growth contribution from acquisitions.
- Gross profit of EUR 751.9m resulting in gross profit margin of 23.7%. The 80 bp gross margin contraction reflects the negative mix effect from the Group's less mature businesses.
- Adjusted EBITA of EUR 332.6m results in adjusted EBITA margin of 10.5%, and conversion margin of 44.2%. The EBITA and conversion margins in the first nine months reflect the slower revenue development across the three regions, and only a partial benefit of the ongoing cost-saving measures, which will ramp-up in Q4.
- Free cash flow increased by 34.3% year-on-year to EUR 293.2m, driven by lower investments in working capital as Azelis focuses on cash generation while demand trends remain uncertain.
- The 29 percentage point expansion in cash conversion ratio to 87.1% reaffirms the Group's strong cash discipline and resilient cash generation.
- Leverage ratio was 3.4x at the end of September 2025, compared to 3.1x at the end of June and 2.9x at the end of December 2024.
- Four acquisitions were completed in 9M 2025. The combined annual revenue of these companies was over EUR 110m in the prior year.
- Azelis remains focused on executing on its strategy to benefit from attractive long-term industry fundamentals, and managing its costs while uncertainty persists.
- After nearly a decade of dedicated service, Thijs Bakker has decided to step down as Group CFO to pursue new professional opportunities outside the Group. He remains focused on driving the business until then, and on delivering on the financial results for 2025. Thijs is committed to ensuring a seamless transition, laying strong foundations for his successor, who will be announced shortly, as Azelis moves confidently into its next phase of growth.

(in millions of €)	9M 2025	9M 2024	Change	Constant currency
Life Sciences	2,001.3	2,009.5	-0.4%	2.4%
Industrial Chemicals	1,172.2	1,190.3	-1.5%	1.7%
Revenue	3,173.5	3,199.9	-0.8%	2.1%
Gross profit	751.9	783.7	-4.1%	-1.3%
Gross profit margin	23.7%	24.5%	-80 bp	-85 bp
Adjusted EBITDA ¹	366.0	400.1	-8.5%	-5.7%
Adjusted EBITDA margin	11.5%	12.5%	-97 bp	-99 bp
Adjusted EBITA¹	332.6	369.3	-9.9%	-7.1%
Adjusted EBITA margin	10.5%	11.5%	-106 bp	-108 bp
Conversion margin ¹	44.2%	47.1%	-287 bp	-286 bp
Free cash flow ¹	293.2	218.4	34.3%	
FCF conversion ratio ¹	87.1%	58.6%	2853 bp	
Net working capital / revenue normalised for acquisitions ¹	15.3%	16.0%	-75 bp	
Leverage ratio ¹	3.4x	2.9x	+ 0.4x	

¹ Refer to the definitions of alternative performance measures in the Group's Integrated Report

Comment from Anna Bertona, Group CEO: "I am proud of the dedication our Azelis team continues to show in supporting customers and principals through a challenging and fast-changing market environment. Our performance over the first nine months of 2025 reflects both the current headwinds in our industry and the decisive actions we are taking to adapt our organisation for long-term success.

Despite ongoing global trade uncertainties, we are making steady progress in realigning our resources with end-market demand and expect additional cost efficiencies to materialise in the coming months. We also remain firmly focused on disciplined working capital management, as demonstrated by the 34% increase in free cash flow during the period — further proof of the strength and resilience of our asset-light business model. Whilst near-term visibility remains limited, we are confident that Azelis is strongly positioned to capture growth opportunities as market conditions improve.

I would like to take this opportunity to sincerely thank Thijs Bakker for his leadership and outstanding contribution over nearly 10 years of service as Group CFO. Since joining Azelis, Thijs has been a driving force behind its transformation — building the company's IT and digital platform, developing a robust finance organisation, and setting up a leading M&A and post-merger integration engine that has underpinned Azelis's global growth. He successfully led the largest capital-raising exercises, culminating in the Group's IPO in 2021, as well as several debt and equity capital market transactions since. But his enduring legacy will be the strong sense of camaraderie that he has fostered among the teams that he has led. On a personal note, I am also deeply grateful for his partnership and friendship over the years. While he will be greatly missed, he leaves our finance organisation and the company in an excellent position for continued growth, and we wish him every success in his future endeavours.

We are in the final stages of the appointment process and look forward to announcing Thijs's successor in the coming weeks."

Conference call

The management of Azelis invites you to a conference call and live webcast at 09:00 CET to discuss our 9M 2025 results and current operating trends. Please [click here](#) to view the webcast.

Contact information

Azelis Investor Relations

T: +32 3 613 01 27

E: investor-relations@azelis.com

Operational review

Headline results

Q3 2025	Q3 2024	Organic	Total	(in millions of €)	9M 2025	9M 2024	F/X	M&A	Organic	Total
456.8	438.3	-5.6%	4.2%	EMEA	1,435.9	1,355.5	-1.3%	5.8%	1.4%	5.9%
360.7	392.7	-2.2%	-8.1%	Americas	1,120.4	1,179.4	-4.1%	0.1%	-1.0%	-5.0%
197.0	223.2	-4.6%	-11.7%	Asia Pacific	617.1	665.0	-4.4%	1.1%	-4.0%	-7.2%
1,014.6	1,054.2	-4.1%	-3.8%	Group revenue	3,173.5	3,199.9	-3.0%	2.7%	-0.6%	-0.8%
116.2	111.6	-5.3%	4.2%	EMEA	365.0	352.1	-1.1%	4.9%	-0.2%	3.6%
83.8	99.0	-9.3%	-15.3%	Americas	265.7	292.6	-4.1%	0.1%	-5.2%	-9.2%
36.8	46.7	-14.7%	-21.2%	Asia Pacific	121.1	138.9	-4.3%	2.7%	-11.2%	-12.8%
236.8	257.3	-8.6%	-8.0%	Group gross profit	751.9	783.7	-2.8%	2.7%	-4.0%	-4.1%
52.0	52.5	-10.2%	-1.0%	EMEA	175.2	180.6	-1.2%	4.5%	-6.3%	-3.0%
38.9	50.8	-17.3%	-23.4%	Americas	127.0	149.3	-4.0%	0.1%	-11.1%	-15.0%
16.5	21.2	-15.7%	-22.1%	Asia Pacific	59.1	66.0	-4.2%	4.8%	-11.0%	-10.4%
98.2	115.2	-15.4%	-14.8%	Group adjusted EBITA ¹	332.6	369.3	-2.8%	3.1%	-10.2%	-9.9%

¹ Total adjusted EBITA includes holding companies.

Azelis delivered revenue of EUR 3.2bn in 9M 2025, representing a year-on-year decline of 0.8% (+2.1% in constant currency). Revenue during the period was driven by a 0.6% organic revenue decline and a 3.0% negative impact from F/X translation, offset by a 2.7% growth contribution from acquisitions. In Q3, revenue declined by 3.8% versus the prior year, as the 4.1% organic decline and 3.5% F/X headwind offset a 3.9% revenue growth contribution from acquisitions.

In 9M 2025, revenue in Life Sciences was EUR 2.0bn, broadly stable compared to the prior year (+2.4% in constant currency), and revenue in Industrial Chemicals declined by 1.5% to EUR 1.2bn (+1.7% in constant currency). During the period, we completed four acquisitions that generated combined annual revenue of over EUR 110m in 2024.

EMEA

Q3 2025	Q3 2024	Change	(in millions of €)	9M 2025	9M 2024	Change	Constant currency
456.8	438.3	4.2%	Revenue	1,435.9	1,355.5	5.9%	7.2%
116.2	111.6	4.2%	Gross profit	365.0	352.1	3.6%	4.7%
25.4%	25.5%	-2 bp	Gross profit margin	25.4%	26.0%	-56 bp	-61 bp
57.5	56.8	1.3%	Adjusted EBITDA	190.9	193.4	-1.3%	0.0%
12.6%	13.0%	-37 bp	Adjusted EBITDA margin	13.3%	14.3%	-97 bp	-97 bp
52.0	52.5	-1.0%	Adjusted EBITA	175.2	180.6	-3.0%	-1.8%
11.4%	12.0%	-60 bp	Adjusted EBITA margin	12.2%	13.3%	-112 bp	-113 bp
44.8%	47.1%	-231 bp	Conversion margin	48.0%	51.3%	-329 bp	-320 bp

EMEA revenue in 9M 2025 was EUR 1.4bn, representing a 5.9% year-on-year growth (+7.2% in constant currency), driven by 1.4% organic growth and 5.8% revenue growth contribution from recent acquisitions, offsetting a 1.3% F/X headwind. In Q3, Azelis's business in EMEA delivered revenue of EUR 456.8m, an increase of 4.2% versus the prior year, as the organic decline of 5.6% was offset by a small F/X tailwind of 0.8% and a 9.0% revenue growth contribution from M&A. During the quarter, our activities in Life Sciences were broadly stable compared to the prior year, with weakness in Food & Nutrition offset by continued strength in Agricultural & Environmental Solutions (A&ES), as well as robust performance in Personal Care. Industrial Chemicals delivered weak performance, as demand slowed in the largest markets, and our businesses in less mature markets seeing only modest volume growth.

In 9M 2025, Azelis completed the acquisition of Solchem in Spain, Azienda Chimica e Farmaceutica ('ACEF') in Italy and Distona in Switzerland.

Gross profit in EMEA increased by 3.6% year-on-year (+4.7% in constant currency), resulting in a gross profit margin of 25.4%, representing a 56 bp contraction versus the prior year. Adjusted EBITA declined by 3.0% to EUR 175.2m driving a 112 bp contraction in adjusted EBITA margin given only partial benefit from ongoing cost-savings program during the period. Conversion margin for the period was 48.0%, representing a 329 bp step-down from the prior year.

Americas

Q3 2025	Q3 2024	Change	(in millions of €)	9M 2025	9M 2024	Change	Constant currency
360.7	392.7	-8.1%	Revenue	1,120.4	1,179.4	-5.0%	-0.9%
83.8	99.0	-15.3%	Gross profit	265.7	292.6	-9.2%	-5.1%
23.2%	25.2%	-198 bp	Gross profit margin	23.7%	24.8%	-109 bp	-111 bp
42.5	54.3	-21.8%	Adjusted EBITDA	137.9	160.5	-14.1%	-10.0%
11.8%	13.8%	-205 bp	Adjusted EBITDA margin	12.3%	13.6%	-130 bp	-131 bp
38.9	50.8	-23.4%	Adjusted EBITA	127.0	149.3	-15.0%	-10.9%
10.8%	12.9%	-215 bp	Adjusted EBITA margin	11.3%	12.7%	-133 bp	-134 bp
46.5%	51.4%	-491 bp	Conversion margin	47.8%	51.0%	-325 bp	-328 bp

In 9M 2025 revenue in the Americas was EUR 1.1bn, representing a 5.0% decrease from the prior year (-0.9% in constant currency), due largely to a 4.1% F/X headwind as well as 1.0% organic revenue decline during the period. In Q3, Azelis's business in the Americas delivered revenue of EUR 360.7m, an 8.1% decrease over the prior year, driven by organic decline of 2.2% and a 6.0% negative impact from F/X translation. In Life Sciences, our Food & Nutrition business in the region delivered strong performance as growth accelerated during the quarter, partially offsetting the broad-based demand softness in other end markets in the segment. Performance in Industrial Chemicals remained weak, with slow volume growth notably in CASE.

Gross profit in the region decreased by 9.2% to EUR 265.7m, resulting in a gross profit margin of 23.7%. The 109 bp contraction was driven by a negative mix effect from greater contribution from Industrial Chemicals, as well as the impact from margin pressure in Latin America. During the period, the region generated adjusted EBITA of EUR 127m, resulting in a 133 bp margin contraction to 11.3%, mainly due to lower revenue as well as dilution from lower EBITA margin in Latin America. Conversion margin was 47.8%, representing a 325 bp contraction from the prior year.

Asia Pacific

Q3 2025	Q3 2024	Change	(in millions of €)	9M 2025	9M 2024	Change	Constant currency
197.0	223.2	-11.7%	Revenue	617.1	665.0	-7.2%	-2.8%
36.8	46.7	-21.2%	Gross profit	121.1	138.9	-12.8%	-8.5%
18.7%	20.9%	-225 bp	Gross profit margin	19.6%	20.9%	-126 bp	-128 bp
18.4	23.2	-20.8%	Adjusted EBITDA	64.9	72.2	-10.1%	-5.9%
9.3%	10.4%	-107 bp	Adjusted EBITDA margin	10.5%	10.9%	-34 bp	-36 bp
16.5	21.2	-22.1%	Adjusted EBITA	59.1	66.0	-10.4%	-6.2%
8.4%	9.5%	-112 bp	Adjusted EBITA margin	9.6%	9.9%	-35 bp	-36 bp
44.9%	45.4%	-52 bp	Conversion margin	48.8%	47.5%	129 bp	125 bp

Revenue in APAC decreased by 7.2% (-2.8% in constant currency), driven by organic revenue contraction of 4.0% and a 4.4% F/X headwind, slightly mitigated by a 1.1% revenue growth contribution from recent acquisitions. In Q3, revenue in the region declined by 11.7% to EUR 197.0m mainly due to a 7.6% negative F/X translation impact as well as a 4.6% organic revenue decline. The Group's business in the region continues to see pressure across most end markets in both Life Sciences and Industrial Chemicals, as tariff-related uncertainty continues to weigh on demand and pricing remains under pressure due to excess supply, especially in Southeast Asia.

During the period, Azelis completed the acquisition of S.Amit, reinforcing its footprint in Industrial Chemicals in India.

Gross profit in the region decreased by 12.8% year-on-year (-8.5% in constant currency) to EUR 121.1m, representing a gross profit margin of 19.6%. The 126 bp gross margin contraction reflects negative mix effects, as well as competitive pressure, especially in Southeast Asia. Adjusted EBITA declined by 10.4% year-on-year (-6.2% in constant currency), resulting in a 35 bp margin step-down. Conversion margin during the period expanded by 129 bp to 48.8% reflecting cost-savings measures to mitigate the ongoing demand pressure.

Holding companies

Q3 2025	Q3 2024	Change		9M 2025	9M 2024	Change	Constant currency
-9.3	-9.3	-0.2%	Adjusted EBITA (<i>in millions of €</i>)	-28.6	-26.7	7.4%	7.4%
-0.9%	-0.9%	-3 bp	As % of Group revenue	-0.9%	-0.8%	-7 bp	-4 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, rose by 7.4% to EUR 28.6m, or 0.9% of Group revenues. The increase was due mostly to general cost inflation in services, partially offset by the impact of ongoing cost-saving measures.

Outlook

The market for speciality 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.

Financial review

Q3 2025	Q3 2024	Change	(in millions of €)	9M 2025	9M 2024	F/X	M&A	Organic	Total
1,014.6	1,054.2	-3.8%	Revenue	3,173.5	3,199.9	-3.0%	2.7%	-0.6%	-0.8%
236.8	257.3	-8.0%	Gross profit	751.9	783.7	-2.8%	2.7%	-4.0%	-4.1%
98.2	115.2	-14.8%	Adjusted EBITA	332.6	369.3	-2.8%	3.1%	-10.2%	-9.9%

Q3 2025	Q3 2024	Change	(in millions of €)	9M 2025	9M 2024	Change	Constant currency
651.5	661.2	-1.5%	Life Sciences	2,001.3	2,009.5	-0.4%	2.4%
363.0	393.0	-7.6%	Industrial Chemicals	1,172.2	1,190.3	-1.5%	1.7%
1,014.6	1,054.2	-3.8%	Group revenue	3,173.5	3,199.9	-0.8%	2.1%
236.8	257.3	-8.0%	Gross profit	751.9	783.7	-4.1%	-1.3%
23.3%	24.4%	-107 bp	Gross profit margin	23.7%	24.5%	-80 bp	-85 bp
109.4	125.3	-12.7%	Adjusted EBITDA	366.0	400.1	-8.5%	-5.7%
10.8%	11.9%	-110 bp	Adjusted EBITDA margin	11.5%	12.5%	-97 bp	-99 bp
98.2	115.2	-14.8%	Adjusted EBITA	332.6	369.3	-9.9%	-7.1%
9.7%	10.9%	-126 bp	Adjusted EBITA margin	10.5%	11.5%	-106 bp	-108 bp
41.5%	44.8%	-333 bp	Conversion margin	44.2%	47.1%	-287 bp	-286 bp

Revenue

In 9M 2025, Group revenue was EUR 3.2bn, representing a 0.8% year-on-year decline (+2.1% in constant currency) driven by a 2.7% revenue growth contribution from acquisitions, offset by a 3.0% negative impact from F/X translation as well as a 0.6% organic revenue decline.

Revenue in Life Sciences was broadly stable compared to the prior year at EUR 2.0bn (+2.4% in constant currency) as revenue growth contribution from acquisitions offset the organic decline and F/X headwind during the period. Revenue in Industrial Chemicals declined by 1.5% to EUR 1.2bn (+1.7% in constant currency), mainly due to the negative impact from F/X translation.

Profitability

For 9M 2025, gross profit was EUR 751.9m, down 4.1% compared to the prior year (-1.3% in constant currency), resulting in a gross profit margin of 23.7%, and an 80 bp gross margin contraction, reflecting the negative mix effect across our businesses.

During the period, adjusted EBITA declined by 9.9% to EUR 332.6m (-7.1% in constant currency). The 106 bp adjusted EBITA margin step-down to 10.5% was driven by lower gross profit and margin dilution from the Group's businesses in newer markets, as well as partial benefit from ongoing cost-saving measures, which will ramp-up in Q4.

Cash flow and financing

Net working capital to revenue normalised for acquisitions was 15.3% at the end of September 2025, versus 15.9% in December 2024, and 16.0% in September 2024. The improvement is in line with the Group's commitment to managing its working capital while the demand environment remains uncertain, and expects to further reduce working capital investments for the remainder of the year.

Free cash flow increased by 34.3% year-on-year to EUR 293.2m despite lower EBITDA, driven by lower investment in working capital compared to the same period in 2024. This resulted in a 29 percentage point uplift in FCF conversion ratio to 87.1% for 9M 2025, compared to 58.6% in 9M 2024.

Net debt was EUR 1.7bn and leverage ratio stood at 3.4x at the end of September 2025, reflecting the slower EBITDA evolution, M&A investments during the period, as well as payments of deferred considerations and put options. The Group remains committed to its leverage policy and is focused on managing leverage below 3.0x. At the end of the period, the Group had liquidity of EUR 605.2m in cash and unused revolving credit facility (RCF).

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' (APMs) 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 Azelis Group [Integrated reports](#).

Notes to the editor

About Azelis

Azelis is the reference global innovation service provider in the speciality chemical and food ingredients industry present in 65 countries across the globe with over 4,300 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 62,000 customers, supported by +2,800 principal relationships, creating a turnover of €4.2 billion (2024). Azelis Group NV is listed on Euronext Brussels under ticker AZE and is included in the BEL20 and BEL[®] ESG indices.

Across our extensive network of more than 70 application laboratories, our award-winning teams 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 press release 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, contain wording like 'potential', 'believes', 'anticipates', 'expects', 'intends', 'plans', 'seeks', 'estimates', 'may', 'will', 'continue' and similar expressions, 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 Board of Directors and the Company's management as of the date of this press release. They are subject to a number of known and unknown risks, uncertainties, assumptions and other factors that could cause actual results, financial condition, performance or achievements, or industry results 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 global spread and impact of military conflicts and pandemics, changes in economic, and business cycles, the terms and conditions of Azelis's financing arrangements, foreign currency rate fluctuations, competition in Azelis's key markets, acquisitions or disposals of businesses or assets, potential or actual data security breaches, changes in laws and regulations, changes or uncertainties in tax laws or the administration thereof, hiring and retention of employees, and trends in Azelis's principal industries or economies. Azelis's efforts to acquire and integrate businesses may not be as successful as Azelis may have believed at the moment of acquisition. Last but not least, a breakdown, cyberattack or information security breach could compromise the confidentiality, integrity and availability of Azelis's data and systems.

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 from time to time. No undue reliance should be placed on such forward-looking statements, which are relevant only as of the date of this publication and do not reflect any potential impacts from the evolving military conflicts, pandemics or other adversity, unless indicated otherwise. Except as required by the FSMA, Euronext, or otherwise in accordance with applicable law, the Company disclaims any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Certain financial information in this press release has been rounded according to established commercial standards. As a result, this press release may show minor rounding differences versus comparable periods as presented earlier. Pursuant to Belgian Law, Azelis is required to prepare this press release in Dutch. Azelis has also made this report available in English.