Azelis Press Release

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Azelis H1 2022: Strong momentum drives 91% adjusted EBITA growth

H1 2022 Highlights

- Revenue of EUR 2.0bn, representing year-on-year growth of 54.2%, of which 27.6% was organic. In Q2, revenue growth was 49.6%, with trends remaining strong across all regions.
- Five acquisitions completed in H1, representing total full year revenue of over EUR 190m[1]. Five more acquisitions representing additional total full year revenue of EUR 270m have been signed and expected to close in H2 2022.
- Gross profit of EUR 488.6m represents year-on-year growth of 64.9%, of which 37.7% was organic.
- Adjusted EBITA of EUR 242.6m represents a 90.7% increase and a 230 bp margin step-up. Conversion margin expanded by 673 bp compared to H1 2021, at 49.7%.
- Net profit of EUR 141.7m represents a year-on-year increase of 198.0%, driven by the strong topline growth, positive margin developments and lower financial costs.
- Free cash flow of EUR 139.2m shows an increase of 74.1%, despite continued investments in working capital to support strong growth.
- Leverage ratio was reduced to 2.3x at the end of June 2022, compared to 5.4x at the end of June 2021, and 2.7x at the end of December 2021.
- The Group expects to achieve full year 2022 adjusted EBITA in the range of EUR 410m-425m, versus the recently-upgraded consensus estimate of EUR 370m[2].
- Tom Hallam has been appointed to the Board of Directors, and Chairman of the Audit and Risk Committee, succeeding Jürgen Buchsteiner, who is retiring from the Board after 4 years of service.

Azelis Group (EUR m)	H1 2022	H1 2021	Reported Change	Constant Currency
Revenue	**2,019.0**	**1,309.5**	**54.2%**	**49.9%**
Gross Profit	488.6	296.4	64.9%	60.9%
Gross Profit Margin	24.2%	22.6%	157 bp	162 bp
Adjusted EBITDA(1)	255.0	136.4	86.9%	82.9%
Adjusted EBITDA Margin	12.6%	10.4%	221 bp	224 bp
Adjusted EBITA(2)	**242.6**	**127.2**	**90.7%**	**86.7%**
Adjusted EBITA Margin	**12.0%**	**9.7%**	**230 bp**	**232 bp**
Conversion Margin(3)	49.7%	42.9%	673 bp	672 bp
Net Profit	141.7	47.5	198.0%	193.5%
Earnings per share (EPS€)(4)	0.59	0.20	200.8%	193.1%
Operating Cash Flow	151.5	90.2		
Free Cash Flow(5)	139.2	80.0		
FCF Conversion ratio(6)	56.9%	62.4%		
Net Working Capital / Revenue normalized for acquisitions(7)	15.4%	12.5%		
Leverage Ratio	2.3	5.4		

(1) Adjusted EBITA before depreciation of property, plant and equipment
(2) Operating profit or loss before amortization and impairment of intangible assets and excluding adjustments
(3) Adjusted EBITA / Gross profit
(4) Prior year adjusted for current number of shares
(5) Adjusted EBITDA less lease payments, plus changes in Net Working Capital, plus changes in other assets, liabilities and provisions, less net capital expenditures
(6) Free Cash Flow divided by Adjusted EBITDA less lease payments
(7) Net Working Capital/Revenue including those from acquisitions for the full period

1 Combined annual revenue in 2021
2 Company compiled average consensus estimate as of July 20, 2022 (includes estimates of 9 sell-side analysts)

Comment from Dr. Hans Joachim Müller, CEO: "I am pleased to present a strong set of H1 2022 results. In-line with our communication earlier in the year, the positive momentum in Q1 carried on to Q2, leading to revenue growth of 54% for the first half of the year. We delivered another set of record results, generating almost 28% organic growth and a trebling in net profit, whilst reducing our leverage. Despite the lingering macroeconomic uncertainty, we remain focused on strengthening our business with new or expanded principal mandates, value-enhancing acquisitions and investments in our digital and laboratory network. Based on the strong performance in H1 2022, as well as our confidence in the resilience of our business, we expect to exceed current consensus expectation and deliver adjusted EBITA in the range of EUR 410m-425m for the full year.

I would like to take this opportunity to welcome Tom Hallam, who has joined the Azelis Board of Directors, and will be chairing our Audit & Risk Committee. Tom's track record in finance leadership and his breadth of industry experience will be invaluable to Azelis as we continue to grow our business and strengthen our global footprint. We thank Jürgen Buchsteiner for his service to the Board and the wider Azelis family and seeing the Group through its various growth milestones culminating in the IPO in 2021. The entire Azelis leadership team is excited for the opportunities and challenges ahead, and we remain committed to achieving our mission to become the reference innovation service provider in the specialty chemicals distribution industry."

Results presentation by management

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

Azelis Headline Results (EUR m)	H1 2022	H1 2021	F/X Translation	M&A Growth Contribution	Organic Growth	Total Growth
EMEA	916.4	598.6	-1.3%	22.0%	32.3%	53.1%
Americas	762.9	528.5	9.8%	11.5%	23.0%	44.3%
Asia Pacific	339.7	182.4	6.3%	54.4%	25.6%	86.3%
Group Revenue	**2,019.0**	**1,309.5**	**4.2%**	**22.3%**	**27.6%**	**54.2%**
EMEA	224.6	144.4	-1.0%	17.3%	39.4%	55.6%
Americas	196.9	114.5	9.8%	24.3%	37.8%	71.9%
Asia Pacific	67.1	37.6	5.6%	42.2%	30.5%	78.4%
Group Gross Profit	**488.6**	**296.4**	**4.0%**	**23.2%**	**37.7%**	**64.9%**

Azelis delivered total revenue of EUR 2.0bn, representing growth of 54.2% compared to H1 2021 (+49.9% in constant currency), driven by continued strength in end market demand and benefits from the Group's increasing scale. The positive trends in our business are reflected in organic growth of 27.6% generated by the Group's businesses during the period. Revenue growth contribution from acquisitions was 22.3%, whilst FX represented a 4.2% revenue tailwind.

Demand remains strong in life sciences, with revenue growing 50.6% year-on-year, driven by continued growth in Food & Nutrition and Personal Care, as well as the ongoing recovery trends in Pharma. Likewise, positive demand and pricing trends supported a 59.9% revenue growth in industrial chemicals.

Azelis EMEA (EUR m)	Q2 2022	Q2 2021	Reported Change	H1 2022	H1 2021	Reported Change	Constant Currency
Revenue	465.9	301.4	54.6%	916.4	598.6	53.1%	54.4%
Gross Profit	113.0	73.2	54.3%	224.6	144.4	55.6%	56.6%
Gross Profit Margin	24.3%	24.3%	-4 bp	24.5%	24.1%	39 bp	33 bp
Adjusted EBITDA	62.6	35.2	77.8%	125.2	71.3	75.5%	77.3%
Adjusted EBITDA Margin	13.4%	11.7%	176 bp	13.7%	11.9%	174 bp	181 bp
Adjusted EBITA	59.9	33.0	81.3%	120.0	67.1	78.9%	80.8%
Adjusted EBITA Margin	12.9%	11.0%	190 bp	13.1%	11.2%	189 bp	196 bp
Conversion Margin	53.0%	45.1%	790 bp	53.4%	46.5%	697 bp	736 bp

EMEA revenue increased by 53.1% to EUR 916.4m in H1 2022, on organic growth of 32.3%, supported by sustained positive momentum in life sciences, as well as growth acceleration in industrial chemicals due to recent mandate gains. Revenue growth contribution from acquisitions was 22.0%, whilst FX translation was a 1.3% headwind during the period.

In January, Azelis completed the acquisition of Umongo, a leading specialty distributor active in L&MWF in South Africa. In March, the acquisition of WhitChem, a specialty distributor in CASE and R&PA in the UK was completed. In May, we closed the acquisition of Tunçkaya, a leading distributor of specialty food ingredients and additives in Turkey. These companies generated combined annual revenue of over EUR 125m in 2021.

Gross profit increased 55.6% year-on-year to EUR 224.6m in H1 2022, representing a 39 bp margin uplift, as we continue to successfully manage the ongoing price inflation in the industry with our price-through policy. Adjusted EBITA grew 78.9% to EUR 120.0m, resulting in a 189 bp margin expansion to 13.1%, and a 697 bp increase in conversion margin, reflecting the benefit of our scale in the region as well as continuous efficiency improvements.

Azelis Americas (EUR m)	Q2 2022	Q2 2021	Reported Change	H1 2022	H1 2021	Reported Change	Constant Currency
Revenue	396.4	284.8	39.2%	762.9	528.5	44.3%	34.6%
Gross Profit	104.0	62.5	66.2%	196.9	114.5	71.9%	62.1%
Gross Profit Margin	26.2%	22.0%	427 bp	25.8%	21.7%	414 bp	414 bp
Adjusted EBITDA	60.3	33.2	81.7%	111.8	60.1	85.9%	76.2%
Adjusted EBITDA Margin	15.2%	11.6%	355 bp	14.7%	11.4%	328 bp	378 bp
Adjusted EBITA	58.2	31.8	82.8%	107.9	57.5	87.6%	77.9%
Adjusted EBITA Margin	14.7%	11.2%	350 bp	14.1%	10.9%	326 bp	327 bp
Conversion Margin	56.0%	50.9%	508 bp	54.8%	50.2%	457 bp	461 bp

Revenue in the **Americas** was EUR 762.9m, representing year-on-year growth of 44.3%, of which 23.0% was organic. Our life science business continued to be driven by strong end-market demand, whilst industrial chemicals was supported by both demand and positive pricing trends. In the Americas, revenue growth contribution from acquisitions was 11.5%, while the recent strengthening of the USD resulted in a 9.8% FX translation growth contribution.

In June, Azelis signed an agreement to acquire ROCSA, a leading specialty chemical distributor in South America. The acquisition represents the Group's entry into South America, and is an important milestone in its expansion strategy in the region. In 2021, ROCSA generated revenue of EUR 98m.

Gross profit in the region grew by 71.9% to EUR 196.9m, resulting in a 414 bp gross margin expansion versus H1 2021. During the period, adjusted EBITA increased 87.6% to EUR 107.9m, translating to a 326 bp margin uplift driven largely by the strong growth in topline and gross profit. Our businesses in the Americas delivered a 54.8% conversion margin in H1 2022, representing a 457 bp improvement over the previous year.

Azelis Asia Pacific (EUR m)	Q2 2022	Q2 2021	Reported Change	H1 2022	H1 2021	Reported Change	Constant Currency
Revenue	181.4	111.5	62.7%	339.7	182.4	86.3%	80.0%
Gross Profit	35.6	22.8	56.1%	67.1	37.6	78.4%	72.8%
Gross Profit Margin	19.6%	20.5%	-83 bp	19.7%	20.6%	-88 bp	-74 bp
Adjusted EBITDA	16.5	9.9	66.8%	31.5	15.8	99.7%	94.2%
Adjusted EBITDA Margin	9.1%	8.9%	22 bp	9.3%	8.6%	62 bp	68 bp
Adjusted EBITA	15.1	8.9	69.8%	28.6	13.9	105.7%	100.1%
Adjusted EBITA Margin	8.3%	8.0%	35 bp	8.4%	7.6%	79 bp	85 bp
Conversion Margin	42.3%	38.9%	340 bp	42.7%	37.0%	567 bp	568 bp

APAC remains the fastest-growing region in the Group, with revenue increasing by 86.3% to EUR 339.7m in H1 2022. The growth was driven by continued strength in life sciences, as well as a significant expansion in the Group’s footprint in industrial chemicals in the region from recent acquisitions. Organic growth in the region remained strong at 25.6% as the impact of lockdowns in China was offset by the strong performance in the rest of the region. Acquisitions contributed 54.4% of revenue growth, whilst FX translation represented a 6.3% tailwind in H1 2022.

In February, we completed the acquisition of Catalite, a specialty distributor in the Personal and Home Care market segments, in Thailand. In May, we closed the acquisition of Chemo India, a local specialty distributor active in CASE and R&PA market segments. These companies generated combined annual revenue of EUR 65m in 2021.

Gross profit in the region grew 78.4% to EUR 67.1m in H1 2022, implying an 88bp margin contraction due mostly to negative mix effect from recent acquisitions, which are expected to deliver continuous margin improvement following integration into the Azelis network. The temporary gross margin dilution was offset by scale efficiencies, as reflected in adjusted EBITA growth of 105.7%, resulting in a 567 bp expansion in conversion margin to 42.7%.

Holding companies	Q2 2022	Q2 2021	Reported Change	H1 2022	H1 2021	Reported Change	Constant Currency
Adjusted EBITA (EURm)	-6.6	-6.1	6.8%	-13.9	-11.3	23.3%	23.3%
As % of Group Revenues	-0.6%	-0.9%	25 bp	-0.7%	-0.9%	17 bp	-4 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 13.9m in H1 2022, compared to EUR 11.3m in the previous year. Relative to revenue, operating costs at the Group's holding companies show a marginal improvement at constant currency.

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.

Although uncertainty from ongoing supply chain disruptions as well as sustained inflation persist, the outlook for the remainder of 2022 remains positive for Azelis. Given the strong performance in the first half, the management expects to achieve adjusted EBITA in the range of EUR 410m-425m for the full year 2022.

Financial Review

Azelis Group (EUR m)	H1 2022	H1 2021	F/X Translation	M&A Growth Contribution	Organic Growth	Total Growth
Revenue	**2,019.0**	**1,309.5**	**4.2%**	**22.3%**	**27.6%**	**54.2%**
Gross Profit	488.6	296.4	4.0%	23.2%	37.7%	64.9%

Azelis Group (EUR m)	Q2 2022	Q2 2021	Reported Change	H1 2022	H1 2021	Reported Change	Constant Currency
Life Sciences	615.8	430.1	43.2%	1,208.7	802.8	50.6%	46.8%
Industrial Chemicals	427.9	267.6	59.9%	810.4	506.7	59.9%	54.9%
Group Revenue	**1,043.7**	**697.8**	**49.6%**	**2,019.0**	**1,309.5**	**54.2%**	**49.9%**
Gross Profit	252.7	158.6	59.3%	488.6	296.4	64.9%	60.9%
Gross Profit Margin	24.2%	22.7%	147 bp	24.2%	22.6%	157 bp	162 bp
Adjusted EBITDA	133.0	72.4	83.8%	255.0	136.4	86.9%	82.9%
Adjusted EBITDA Margin	12.7%	10.4%	237 bp	12.6%	10.4%	221 bp	224 bp
Adjusted EBITA	**126.6**	**67.6**	**87.3%**	**242.6**	**127.2**	**90.7%**	**86.7%**
Adjusted EBITA Margin	**12.1%**	**9.7%**	**244 bp**	**12.0%**	**9.7%**	**230 bp**	**232 bp**
Conversion Margin	50.1%	42.6%	749 bp	49.7%	42.9%	673 bp	672 bp
Operating Profit	109.1	55.1	98.1%	211.8	104.7	102.2%	99.0%
Net Profit	70.4	23.4	201.1%	141.7	47.5	198.0%	193.5%

Revenue

Revenue increased 54.2% to EUR 2.0bn in H1 2022, supported by continued strong momentum across our businesses in all regions. Organic growth in Q2 was 23.3%, bringing organic growth for H1 2022 to 27.6%. Revenue growth from acquisitions was EUR 292m, representing topline growth contribution of 22.3% for the period. In addition, the Group benefitted from 4.2% of FX translation tailwind during the period.

Revenue in life sciences grew 50.6% in H1 2022 as demand remains strong in Food and Personal Care across all regions, and the recovery in Pharma has accelerated. Revenue in industrial chemicals increased 59.9%, driven by the Group's expanding footprint in the segment through recent acquisitions, in addition to supportive demand especially in CASE and R&PA, and continued positive pricing environment.

Across our geographic markets, organic growth remained strong, with EMEA, Americas and APAC delivering 32.3%, 23.0% and 25.6% organic growth respectively.

Profitability

In H1 2022, gross profit increased by 64.9% to EUR 488.6m. The 157 bp gross margin expansion to 24.2% was supported by our continuing price management initiatives to offset the impact from the ongoing price inflation across the industry, as well as a net positive mix effect from recent acquisitions.

Adjusted EBITA grew 90.7% to EUR 242.6m. The 230 bp margin expansion was largely driven by strong topline growth and scale benefits, mitigating the impact from continuing supply chain pressures. The strong profit expansion drove a 673 bp expansion in the Group's conversion margin to 49.7% in H1 2022.

Net financial expense in H1 2022 was EUR 21.1m, a 29.4% reduction compared to the previous year, due largely to a 34.3% reduction in interest expense from lower debt. Tax expense in H1 2022 was EUR 49m, implying an effective tax rate (ETR) of 25.7%, versus 37% in the previous year, as we progress towards a structure reflecting the Group's actual tax exposure in geographies where we generate our profits.

Adjusted net profit for H1 2022 was EUR 141.7m, an increase of 194.8% compared to H1 2021. Earnings per share for the period is EUR 0.59, representing a year-on-year increase of 200.8%.

Azelis Group (EUR m)	H1 2022	H1 2021
Operating Profit	**211.8**	**104.7**
Net Financial Expense	**-21.1**	**-29.8**
Financial Income	0.3	2.7
Interest Income	0.2	0.2
Other Financial Gains	0.1	0.0
Financial Expense	-21.4	-32.5
Interest Expense on Bank Loans and Overdrafts	-12.2	-26.3
Interest Lease Commitments	-1.6	-1.4
Accelerated Amortization of Transaction Costs due to IPO	0.0	0.0
Other Financial Cost	-7.5	-4.8
Profit Before Tax	**190.7**	**74.9**
Tax Expense	-49.0	-27.3
Net Profit	**141.7**	**47.5**
One-off Cash and Non-cash Charges due to IPO:		
IPO Cost	0.0	0.5
Accelerated Amortization of Transaction Costs due to IPO	0.0	0.0
Adjusted Net Profit	**141.7**	**48.1**

Cash Flow and Financing

Net working capital to revenue normalized for acquisitions was 15.4% at the end of June 2022, compared to 15.3% at the end of December 2021 and 12.5% in the prior year. The elevated working capital intensity is due largely to the impact of new acquisitions that are not yet at Group level, as well as higher inventory to support the strong demand across our businesses. On our organic scope, NWC was 13.4% of revenue.

Despite the increase in working capital investments, the strong topline growth resulted in operating cash flow of EUR 151.5m in H1 2022, a 68.0% increase compared to the prior year. Capital expenditure increased 34.0% to EUR 8.5m, as the Group accelerated its investments in digital and IT infrastructure, and our laboratory network.

Free cash flow increased by 74.1% to EUR 139.2m, representing free cash flow conversion ratio of 56.9%, versus 62.4% in prior year. The decline in free cash flow conversion ratio was driven by the temporary increase in working capital investments to support the strong demand across our businesses.

At the end of June 2022, net debt was at EUR 990.8m and leverage ratio stood at 2.3x, versus 2.7x in December 2021, and 5.4x in June 2021. At the end of the period, the Group had liquidity of EUR 615.7m in both cash and unused revolving credit facility (RCF).

Azelis Group (EUR m)	H1 2022	H1 2021
Operating Cash Flow	151.5	90.2
Free Cash Flow	139.2	80.0
FCF Conversion	56.9%	62.4%
Net Working Capital / Revenue normalized for acquisitions	15.4%	12.5%
Net Indebtedness	990.8	1,531.7
Net Leverage	2.3	5.4

Board appointment

Azelis has appointed Tom Hallam to the group's board of directors effective August 2, 2022. Mr. Hallam will serve as a non-executive and independent director and chair of the audit and risk committee. He succeeds Jürgen Buchsteiner, who will be retiring from the Azelis board after four years of valuable contributions as a board member and particularly steering the audit and risk committee.

Mr. Hallam's career spans over 30 years of experience in finance leadership roles. He is currently Chief Financial Officer at Givaudan, a global leader in Fragrance & Beauty and Taste & Wellbeing. He joined Givaudan in 2008 as Group Controller, with responsibility for financial reporting and compliance, strategic planning and management of Givaudan's business development process. He was appointed Chief Financial Officer effective January 1, 2017. Mr. Hallam began his career in the UK working in various industries and positions. He moved to Switzerland in 1996 to join Serono in Geneva, where he held a number of positions of increasing responsibility including Financial Director for Manufacturing Operations, and in 2001 he was appointed Vice President, Corporate Finance. A UK and Swiss national, Mr. Hallam holds a degree in Accounting and Finance from the University of Manchester and is a member of the Chartered Institute of Management Accountants (CIMA).

Including Mr. Hallam, Azelis' board of directors is comprised of eight directors, four of whom are non-executive and independent.

Post closing event

The Group completed the acquisition of ROCSA Colombia SA on the 1st of July, 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 2022, 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 2022 and the review report of the statutory auditor we refer to Azelis' website.

Consolidated income statement for the period ended 31 December

	Jan-June 2022	*Jan-June 2021*
(in thousands of €)		
Revenue	2,019,049	1,309,459
Other operating income	8,734	4,390
Total income	***2,027,783***	***1,313,849***
Costs for goods and consumables	-1,539,192	-1,017,468
Gross profit	***488,591***	***296,381***
Employee benefits expenses	-143,122	-104,951
External services and other expenses	-93,246	-60,250
Depreciation of property, plant and equipment	-12,363	-9,217
Amortization & impairment of intangible assets	-28,087	-17,222
Operating profit / loss (-)	***211,773***	***104,741***
Financial income	316	2,697
Financial expenses	-21,395	-32,542
Net financial expense	***-21,079***	***-29,845***
Profit / loss (-) before tax	***190,694***	***74,896***
Income tax income / expense (-)	-48,999	-27,349
Net profit / loss (-) for the period from continuing operations	***141,695***	***47,547***
Attributable to:		
Equity holders of the parent	138,814	46,157
Non-controlling interests	2,881	1,390
Net profit / loss (-) for the period	***141,695***	***47,547***
	in Euro's	in Euro's
Basic earnings per share	**0.59**	**0.20**
Diluted earnings per share	**0.59**	**0.20**

Innovation through formulation

Consolidated statement of financial position

	30 June 2022	*31 December 2021*
(in thousands of €)		
Assets		
Goodwill	1,981,613	1,803,266
Intangible assets	1,085,243	1,004,258
Property, plant and equipment	57,086	53,008
Right of Use assets	81,107	65,582
Investments in associates	176	180
Other financial assets	752	1,355
Deferred tax assets	13,155	10,482
Total non-current assets	***3,219,132***	***2,938,131***
Inventories	610,973	467,473
Trade and other receivables	568,682	428,950
Income tax receivables	8,376	4,432
Other financial assets	4,486	1,522
Cash and cash equivalents	385,679	141,293
Total current assets	***1,578,196***	***1,043,670***
Total assets	***4,797,328***	***3,981,801***
Equity		
Share capital	5,680,000	5,680,000
Reserves	-3,531,291	-3,617,020
Retained earnings	181,354	96,817
Unappropriated result	138,814	67,756
Issued capital and reserves attributable to owners of the parent	***2,468,877***	***2,227,553***
Non-controlling interests	***44,603***	***23,792***
Total equity	***2,513,480***	***2,251,345***
Loans and borrowings	1,173,150	840,030
Lease obligations	66,772	54,078
Employee benefit obligations	9,505	8,822
Provisions	4,990	4,127
Other non-current liabilities	46,151	9,655
Deferred tax liabilities	159,814	135,315
Total non-current liabilities	***1,460,382***	***1,052,027***
Bank overdrafts	27,416	40,524
Loans and borrowings	90,573	62,604
Lease obligations	17,775	15,200
Provisions	2,917	1,981
Income tax payables	28,467	17,046
Trade and other payables	656,318	541,074
Total current liabilities	***823,466***	***678,429***
Total liabilities	***2,283,848***	***1,730,456***
Total equity and liabilities	***4,797,328***	***3,981,801***

Consolidated statement of cash flows

	Jan-June 2022	Jan-June 2021
(in thousands of €)		
Cash flows from operating activities		
Net profit / loss (-) for the period	141,695	47,547
Adjustments for:		
Depreciation, amortisation and impairment expenses	40,450	26,439
Net financial expense	21,079	29,845
Cost of share-based payment	248	-
Income tax income / expense	48,999	27,349
Change in inventories	-82,286	-27,213
Change in trade and other receivables and other investments	-79,737	-74,862
Change in trade and other payables	59,294	60,439
Change in provisions	1,752	608
Cash flow from operating activities	**151,494**	**90,152**
Income tax paid	-38,807	-21,303
Interest paid	-16,647	-29,125
Net cash flow from operating activities	**96,040**	**39,724**
Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	-8,463	-6,315
Acquisition of subsidiaries, net of cash acquired	-171,841	-460,372
Net cash flow from investing activities	**-180,304**	**-466,687**
Cash flows from financing activities		
Payments of lease obligation	-10,403	-8,190
Proceeds from shareholders for issue of equity	-	50,000
Dividend payment to shareholders of the Group	-5,686	-
Purchase of treasury shares	-2,999	-
Proceeds from loans and borrowings	403,285	363,098
Repayments of loans and borrowings	-39,332	-27,213
Other cash flows from financing activities	-3,139	-2,475
Net cash flow from financing activities	**341,726**	**375,220**
Net (decrease) increase in cash and cash equivalents	**257,462**	**-51,743**
Effect of exchange rate fluctuations on cash held	32	-798
Cash and cash equivalents minus Bank overdraft at beginning of the period	100,769	139,693
Cash and cash equivalents minus Bank overdraft at 30 June	**358,263**	**87,152**

Notes to the editor

About Azelis:

Azelis is a leading global innovation service provider in the specialty chemical and food ingredients industry present in 57 countries across the globe with +3,000 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 +51,000 customers, supported by +2,300 principal relationships, creating a turnover of €2.8 billion (2021). Azelis Group NV is listed on Euronext Brussels under ticker AZE.

Across our extensive network of more than 60 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. EcoVadis Platinum rated, 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.