

Azelis Q3 2022: Sustained positive trends supportive of strong full year 2022

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Revenue of EUR 3.1bn, representing year-on-year growth of 52.5% driven by organic growth of 25.8%, M&A growth contribution of 21.3% and F/X uplift of 5.5% during the period. In Q3, revenue growth was 49.5%, with trends remaining strong across all regions.

Adjusted EBITA of EUR 360.1m, representing growth of 79.6% and a 175 bp margin expansion compared to the prior year. Conversion margin of 48.9%, implying a 598 bp expansion despite supply chain and inflationary pressures, underscores the resilience of our business model.

Leverage ratio was 2.3x at the end of September 2022, compared to 2.7x in September 2021. Highest industry ranking among a peer list of 178 international traders and distributors, obtained from Sustainalytics with a score of 12.4% (lowest risk), underscoring our commitment to lead our industry in sustainability.

Despite increasingly challenging macroeconomic conditions, management remains confident of delivering a strong set of results for the full year 2022. Changes in management: Laurent Nataf, member of the Executive Committee, will be leaving the group at the end of February 2023 for family reasons.

Comment from Dr. Hans Joachim Märler, Group CEO: "Azelis continues to deliver strong performance despite the continued inflationary pressures and supply chain disruptions across the world. The 25.8% organic growth that we generated in the first nine months of 2022 demonstrates the benefits of our diversified portfolio and the strength of our lateral value chain. In addition, the 598 bp expansion in our conversion margin as well as the 81.4% increase in our free cash flow reflect the resilience of our business model. Equally important, we remain active in the consolidation of our industry, with twelve acquisitions announced so far this year. These acquisitions further strengthen our lateral value chain and expand our network capabilities.

Adjusted EBITA before depreciation of property, plant and equipment Operating profit or loss before amortization and impairment of intangible assets and excluding adjustments Adjusted EBITA / Gross profit Adjusted EBITDA less lease

payments, plus changes in Net Working Capital, plus changes in other assets, liabilities and provisions, less net capital expenditures Free Cash Flow divided by Adjusted EBITDA less lease payments Net Working Capital/Revenue including those from acquisitions for the full period.