

# ***FASCINATING VARIETY***

ANNUAL 2019

# FACTS & FIGURES

**640**

SITES GLOBALLY

PRESENT IN

**77**

COUNTRIES

MORE THAN

**>10,000**

PRODUCTS

**SEVERAL  
THOUSAND**

SUPPLIERS

**~3,000,000**

DELIVERIES P.A.

ALMOST

**17,500**

EMPLOYEES

AROUND

**195,000**

CUSTOMERS

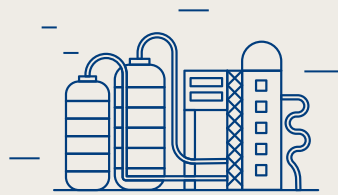
# **FASCINATING VARIETY**

What has Brenntag got to do with a family's everyday life? Not very much, you might think. But Brenntag encounters a great many people in day-to-day life. We use a diverse array of products that make our lives more pleasant, more comfortable and safer.

From shampoo and face creams, lipsticks and shower gel to our car tyres, from drinks and delicious, easy-to-prepare foods to household paints, varnishes, paper bags and cleaning products that dissolve into our clean drinking water.

In almost every area of day-to-day life, you will find products and ingredients that are distributed by Brenntag. This broad presence in particular makes Brenntag independent and resilient. Brenntag offers diversity – for us all, every day!

OUR  
**SUCCESSFUL  
BUSINESS MODEL**



MANAGED INVENTORY

TECHNICAL SUPPORT

DISTRIBUTION



STORAGE

BRENTA

MIXING & BLENDING

SALES



TRANS

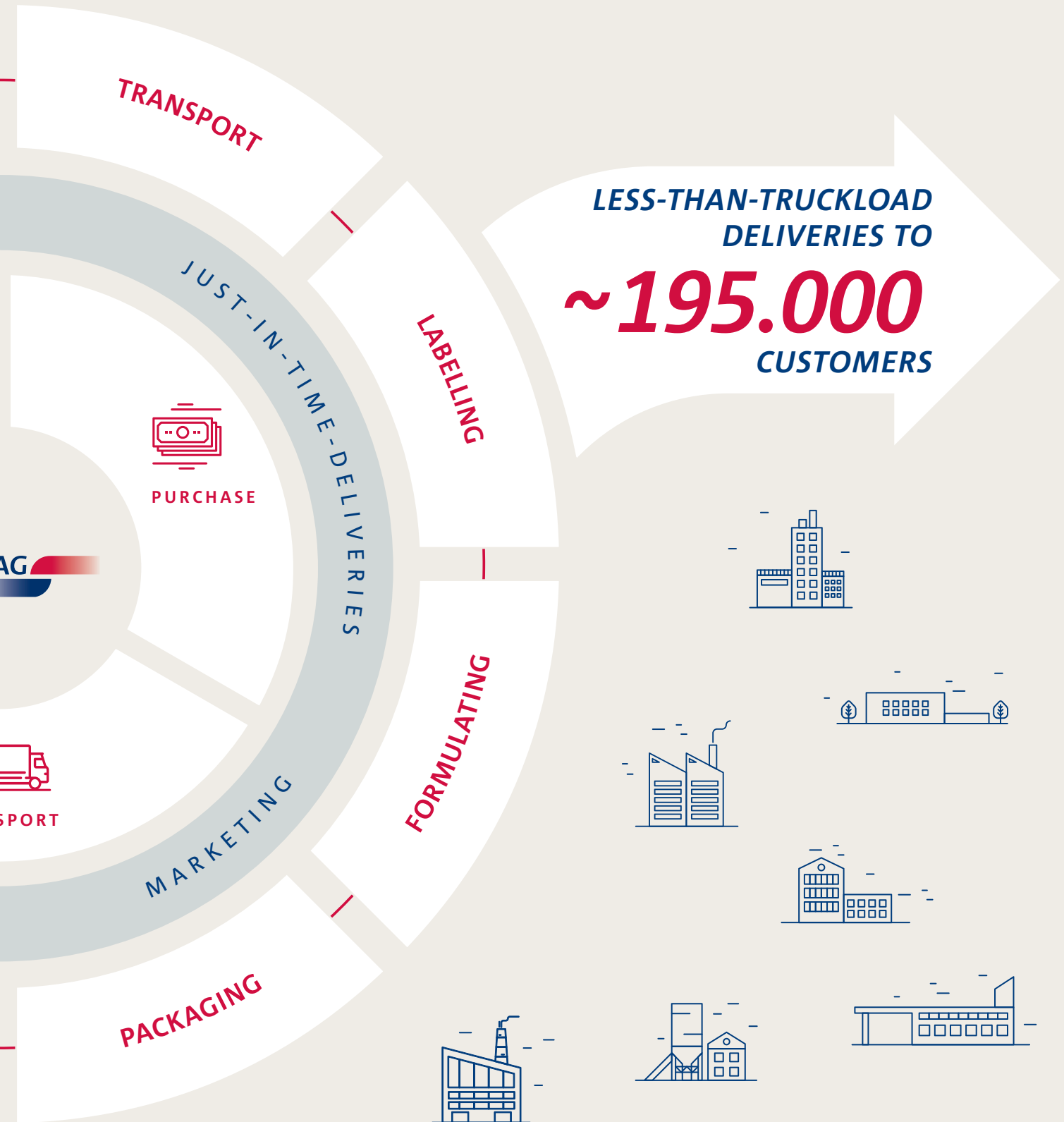
ONE-STOP-SHOP

FILLING



FULL LINE PRODUCT  
PORTFOLIO FROM  
**SEVERAL THOUSAND**  
SUPPLIERS

Brenntag plays a central role in the chemical and ingredients distribution value chain. By bringing together supply and demand, Brenntag connects the needs of chemical manufacturers, our suppliers, at the one end and chemical end users from the processing industry at the other end of the value chain in a value-adding partnership.



**AUTOMOTIVE**



**COATINGS**



**MINING**



FASCINATING VARIETY

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# **VARIETY** *WITHIN OUR* **INDUSTRIES**

**COSMETICS**



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**PLASTICS**



**AGRICULTURE**



**PHARMACEUTICALS**



**PAGE 12**

**CLEANING**



**PAGE 20**

## CHEMICAL PROCESSING



## RUBBER



Brenntag is the preferred partner of a variety of customer industries that produce many of the products that we use on a daily basis. Each industry has its own operating environment and particular characteristics. In some industries, there are global trends; other sectors differ in terms of the dynamism of local markets and country-specific trends.

Brenntag is able to address the different requirements of its suppliers and customers flexibly and with the focus on providing the right solution because we have experts and specialists for all the customer industries in which we operate. Our experts share their knowledge of local conditions and the specific potential applications of our products, thereby creating real added value for our partners. In this magazine, we showcase the diversity of Brenntag and present our approach in some of these industries in greater detail.

## FOOD & NUTRITION



PAGE 6

## OIL & GAS



## LUBRICANTS



## ANIMAL NUTRITION



## WATER TREATMENT



PAGE 36

# MEET THE NEW CEO

## Dear Ladies and Gentlemen,

I have been Chief Executive Officer of Brenntag AG since January 2020 and would like to introduce myself to you today in the Annual.

I studied chemistry in Munich and have spent most of my career so far in various management positions at companies in the chemical industry. Among other roles, I have worked in research and development, production, sales, marketing and executive management.

During my career, I have been lucky enough to live in the USA, Switzerland and China as well as in Germany and therefore work with many different people of different nationalities and cultures. And that is a good fit with Brenntag! For although our Group headquarters are in Germany, around 90% of the workforce work outside Germany. Our more than 17,000 employees represent almost 100 different nationalities.

And that brings us full circle to the banner title of our 2019 annual report, "Fascinating Variety". Brenntag is varied in a number of respects. The different nationalities of our employees, our full-line range of chemicals and ingredients, our broad portfolio of services and the diverse array of industries we serve with our

products and services demonstrate how varied our company is. In this Annual, we would like to give you a closer insight into this variety by presenting several examples from around the Brenntag world.

I am excited about the new tasks that we as a team at Brenntag will tackle. Brenntag is an outstanding company with a strong business model in a growing market and great potential for the future! Over the past few weeks, I have already interacted with a number of colleagues, employees and customers in our regions and gained some valuable impressions. Our aim is to continue Brenntag's successful journey in chemical distribution!

I am looking forward to working together with our business partners around the globe. Equally, I am looking forward to working together with my colleagues on the Board of Management and our employees and to engaging in dialogue with our investors. Together, we will open a new chapter for Brenntag!



**DR CHRISTIAN KOHLPAINTNER**  
CHIEF EXECUTIVE OFFICER



**NAME** Dr Christian Kohlpaintner

**DOCTORATE** “Water-soluble catalysts and ligands: synthesis, purification, decomposition and application in industrial-scale hydroformylation”

**CHINA IS ...** fascinating and unique in its variety

**GERMANY IS ...** home and stability

**BRENTAG IS ...** full of opportunities and harbours enormous potential for the future

**FIRST ACTION** Taking part in the onboarding programme for newcomers to Brenntag, not as CEO, but as a new employee



*»I am looking forward to working together with our business partners around the globe. Equally, I am looking forward to working together with my colleagues on the Board of Management and our employees and to engaging in dialogue with our investors.«*

**DR CHRISTIAN KOHLPAINTNER**  
CHIEF EXECUTIVE OFFICER

FOOD & NUTRITION

# FOOD AND NUTRITION WITH ADDED EXPERTISE

Brenntag Food & Nutrition is the leading distributor and service provider for food ingredients. Every day, the more than 900 experts at work in our global Food & Nutrition organization help to deliver the best possible result in terms of taste, texture, nutritional composition and shelf life for our customers' products by applying their expertise and market knowledge.

Brenntag offers its customers raw materials and ingredients in superior quality





The food and nutrition industry is just as diverse as people's tastes and we at Brenntag Food & Nutrition divide it into different market segments.



Meat, poultry and fish processing



Bakery and bread



Dairy products and ice cream



Beverages



Chocolate and confectionery



Convenience foods



Fruit and vegetable processing

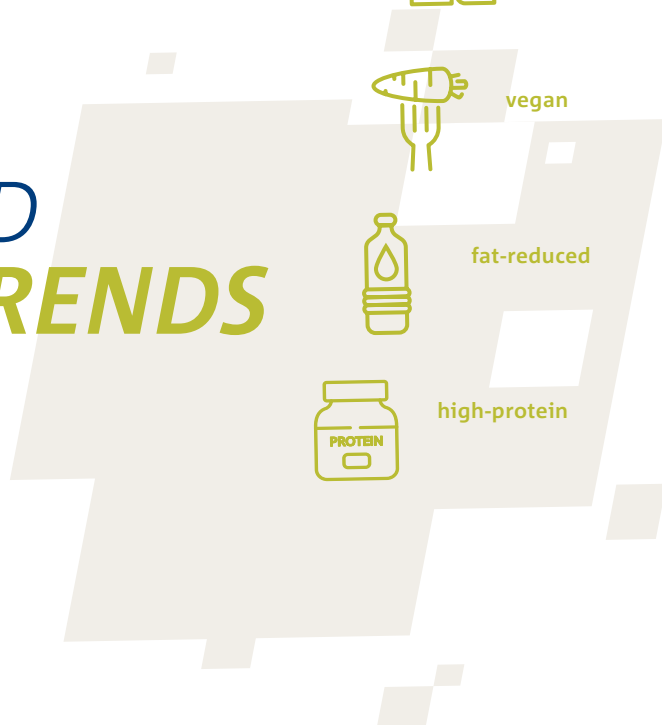


Functional foods, dietary supplements, diet products

The working relationship we have with our customers and suppliers in the food and nutrition industry involves constant dialogue. We are in close contact with our partners on a day-to-day basis and at the leading trade fairs around the globe. Our regional teams offer our products and extensive advice around application and development options and assist with questions about food design and food technology. Besides selecting alternative ingredients and developing innovative flavour profiles, the aim is also to improve entire production processes at the customer's end.

The dynamics of the food and nutrition industry are particularly diverse. While we see global trends such as consumer demand for reduced-sugar, plant-based or vegan foods, there are also some quite specific developments that vary depending on the region or country. Our Food & Nutrition organization combines both elements: we have a local presence in many countries and our customers also benefit from our global network. We are thus ideally placed to serve this industry's diverse requirements.

# FOOD TRENDS







### REFRESHING FRUIT TEA

No added sugar fruit tea; reduces stress and relaxes.



### HIGH-PROTEIN ROLLS

A tasty, healthy choice; high-protein rolls for anyone who simply wants to increase their protein intake.

### COCONUT YOGHURT

Creamy, plant-based yoghurt made from coconut milk and lactose-free yoghurt cultures. Suitable for vegans and food allergy sufferers.



## Leading in applications and development

The Brenntag Food & Nutrition experts offer a variety of services to address the different trends in the market segments and, not least of all, to develop the right products for our customers. The food and nutrition industry is also very innovative and what counts is speed. People ask for clean label products, reduced-sugar foods or gluten-free alternatives. Our experts prepare individual formulations for all these needs, in each case focusing on the relevant target group. Some people are vegetarian or vegan, others have to worry about allergies, while still others are active in sports or are looking for food to go. When it comes to food and nutrition, requirements and wishes are wide-ranging and constantly changing. The mission of Brenntag Food & Nutrition is not only to meet these requirements, but also to anticipate trends and stay one step ahead of the market.



### TEA WITH LACTOSE-FREE MILK

Tea with lactose-free milk popular in Asia; enriched with collagen to promote the skin's firmness and elasticity.

# PEOPLE AT BRENNTAG



**TOM CORCORAN**  
VICE PRESIDENT FOOD & NUTRITION

Tom Corcoran has been in charge of our global Food & Nutrition organization since the end of 2018. He talks about the repositioning of this business unit and the successes already chalked up by the team.

## **About one year ago, Brenntag launched Brenntag Food & Nutrition as a separate entity. What was the rationale behind this step?**

**TOM** Brenntag was still widely perceived as primarily a commodity chemical distributor. It was the natural step to take to address this perception. We are the world's largest distributor of ingredients and chemicals to the global food industry, so the creation of Brenntag Food & Nutrition brings more recognition of the value we offer our customers and suppliers and of the significant size of the business.

## **How does your resumé look after one year of having Brenntag Food & Nutrition in the market?**

**TOM** I'm very satisfied with how everything has developed. Taking this step is unparalleled in our industry! And it is a challenge because it requires local execution with a global presence. We have local people that now specialize only in the food and nutrition business and they are engrained in the local cultures and businesses. We are continuously harmonizing best practices across geographies. The organization we have put in place will improve our agility and market responsiveness.

## **What does Brenntag Food & Nutrition offer its customers and suppliers?**

**TOM** For our customers, Brenntag Food & Nutrition is the perfect combination of individual support and our distribution network. Our suppliers, on the other hand, want more specialization, and this is also what we can offer them – we support them in their projects and present their products to customers. This is true added value for our partners! Our biggest asset, however, are our people, who share a common passion for the food and nutrition industry. We aspire to be a living network, sharing best practices, knowledge and insights.

## **How do you think your customers benefit from this collective attitude of Brenntag Food & Nutrition?**

**TOM** We will always strive to be the very best at everything we do, whether that is creating innovative formulations at our application and development centres, devising effective sales and commercial processes, or creating the most efficient supply chains possible. And we will make sure that we are easy to do business with.



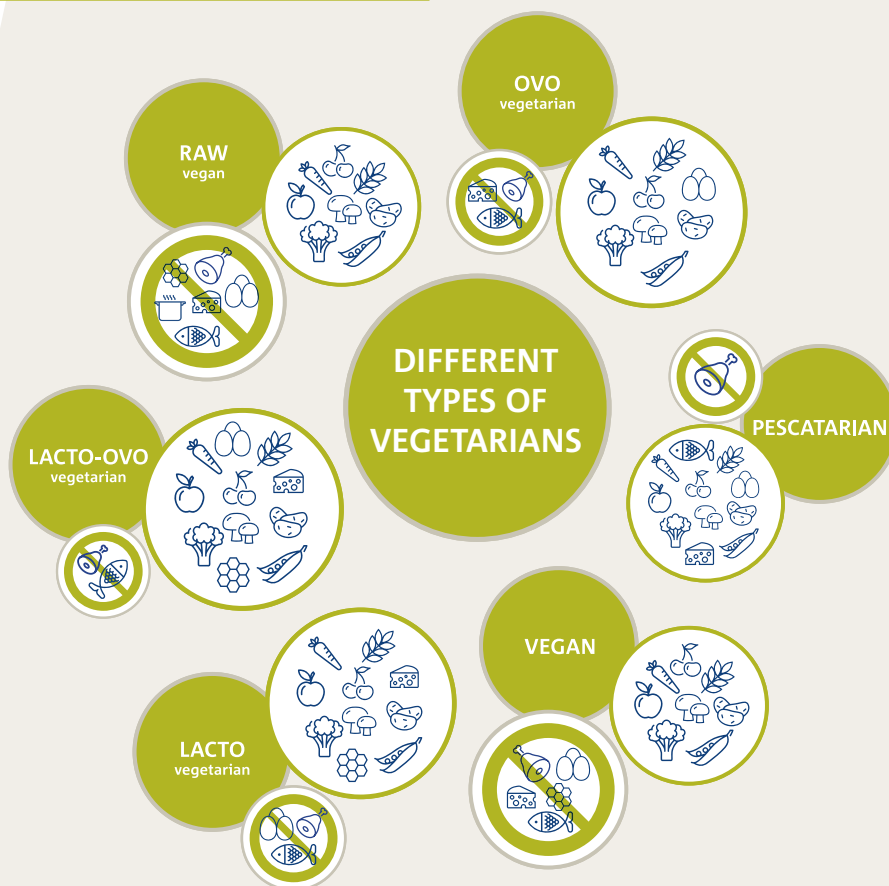
### MEAT-FREE BURGER

This burger is suitable for consumers who want to eat less meat and instead opt for plant-based proteins.

## Diverse trends

One current trend in the food and nutrition industry is vegetarianism. Greater awareness of environmental, personal health and animal welfare issues is driving demand for vegetarian products. But even within this trend, there are various sub-trends, such as flexitarian, plant protein-enriched, low-carbohydrate, carbohydrate-free, dairy-free and organic foods. This is yet another example of the multitude of requirements and the diversity to which Brenntag has to adapt as a preferred service partner in this industry. In this case too, Brenntag Food & Nutrition makes a noticeable difference for its business partners – true to its slogan “Sense the difference”.

## Sense the difference





Microscopic image of a paracetamol crystal

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## PHARMA PRODUCTION CHAIN

CHEMISTRY DESIGN



Raw Material



Intermediates



API (Active Pharmaceutical Ingredient)



Excipients



Drug

FORMULATION TECHNOLOGY



PHARMACEUTICALS

# PROMOTING HEALTH

Health is an essential ingredient for a good life! And we humans are living ever healthier and ever longer lives. Health is a central aim in life and shapes many aspects of it. The general public now lead a more aware lifestyle and do a lot for themselves to promote their own health.

This trend is due not least of all to advances in medicine and achievements in the pharmaceutical industry. Whether we have a headache, a graze or the flu, pharmaceutical products keep us healthy and ensure our well-being!



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## Value-added services – Expertise – Certifications

The pharmaceutical industry is highly complex in a number of respects, one reason being that it is not enough to simply find the ideal active ingredient for a pharmaceutical. To manufacture any pharmaceutical, an active ingredient is processed together with a variety of excipients and intermediates in myriad dosage forms. As a distributor that also operates in the pharmaceutical industry, Brenntag not only has to offer a broad range of value-added services, such as filling and transferring or mixing raw chemicals under controlled conditions, storing products in a temperature-controlled environment and taking on customers' supply chain management. We also have to hold GMP certification\* and meet extensive and steadily increasing regulatory requirements.

Brenntag Pharma provides individual solutions and innovative ideas for pharmaceuticals, medical products and dietary supplements in liquid, semi-solid and solid dosage forms. This also includes the Brenntag site in Guntramsdorf, Austria, a holder of several certifications whose pharmaceutical department specializes in filling and transferring active ingredients and excipients for both the healthcare and the veterinary industry. It can also fill a number of different active ingredients and excipients into the smallest of containers from one gram upwards.

\* GMP: Good Manufacturing Practice



Ursula Baumgartner-Durchschlag has been working at Brenntag for almost five years and is in charge of quality control in Guntramsdorf. She talks about the particular requirements in the pharmaceutical industry, the filling we carry out for pharmaceutical wholesalers and what it is that Brenntag customers in this segment particularly value.

“Pharmaceutical products are a sensitive issue, as it is ultimately a matter of manufacturing an effective medication or dietary supplement for us to consume. That is why there are a number of laws and we have to work with a great deal of care, precision and integrity. When filling products for our customers, we have to both accommodate their wishes and meet numerous statutory and operational requirements. We are helped in this by the certifications that we have acquired for the site and by our product portfolio here in Guntramsdorf, which is very extensive and diverse. Our customers are always able to select from several hundred products, ranging from active ingredients such as paracetamol or menthol through to various excipients such as almond oil, St John’s wort oil or dietary supplements such as cod liver oil.”

The customers appreciate this diverse range of products and usually expect delivery within a short time of placing an order. The specialist team in Guntramsdorf can deliver products in myriad types of packaging – from plastic containers such as bags, jars or tubs through coated canisters to various glass containers that meet both quality and safety standards in the pharmaceutical industry. The focus here is on small containers in units of 1 kilogram, 500 grams, 250 grams down to 1 gram, as these sizes work well in pharmacies.



*»Pharmaceutical products are a sensitive issue, as it is ultimately a matter of manufacturing an effective medication or dietary supplement for us to consume.«*

**URSULA BAUMGARTNER-DURCHSCHLAG**  
HEAD OF LABORATORY & QUALIFIED PERSON

# The journey taken by active ingredients and excipients filled and transferred under GMP conditions



## SUPPLIERS



### SUPPLIER EVALUATION

- Supplier evaluation questionnaire
- Audit

### ORDER



### FILLING

- Filling by hand into different container types and sizes
- Sampling using special equipment
- Labelling
- Packaging into suitable secondary packaging

### CLEAN ROOM

- Separate area for pharmaceuticals with
- dedicated hygiene specifications
  - Room monitoring (temperature, microbiology)
  - Access control
  - Visual internal inspection of container

### INWARD TRANSFER OF CONTAINER



### OUTWARD TRANSFER OF PACKAGED GOODS

- Quality status storage in quarantine

### ANALYSIS OF PARAMETERS IN ACCORDANCE WITH EUROPEAN PHARMACOPEIA AND IDENTITY

- Confirmation of identity, among other procedures
- Use of a qualified, external lab for individual parameters

### BATCH RECORD

- Logging, testing and approval of batch
- Preparation of certificate of analysis



### SAMPLING

- Delivery of raw materials
- Sampling in quality control lab



### INSPECTION OF INCOMING GOODS

- Analytical procedures in accordance with defined test protocols
- Approval of incoming goods batch record by qualified person
- Preparation of certificate of analysis



### PRIMARY CONTAINER

- Inspection and approval of container



### STORAGE OF EMPTY CONTAINER



### PREPARATION FOR FILLING AD PACKAGING



### PLACEMENT IN STORAGE IN GMP WAREHOUSE



### WAREHOUSING

- Separate, access-controlled GMP warehouse
- Single batches
- Temperature monitoring



### CONSIGNMENT



### DISPATCH

- Preparation of delivery documents
- Automated dispatch of Brenntag certificate of analysis following shipment to consignee



## CUSTOMERS



## Regular product controls

Before a product can be delivered, however, it has to go through various different checks: this process starts back at the manufacturer from which Brenntag purchases the product. Brenntag audits the manufacturer and checks whether it meets statutory and qualitative requirements – a process known as supplier qualification. Once the goods arrive at Brenntag, a laborious and well-documented process gets under way locally. Quality control and assurance plays a central role in the manufacture of pharmaceutical products. In our quality control lab, we carry out all the necessary analyses to check the identity, purity and effectiveness of an ingredient, for example. For this, we need in-depth chemical expertise and appropriate equipment to perform the measurements.

“So, behind the pure delivery of the products, there is a laborious process where we ultimately produce a certificate of analysis, thereby assuring the customer that its product meets all requirements laid down by European and national law makers. Because of our GMP certification and other requirements, we are obliged to carry out different analyses. In this case, Brenntag must be able to ensure high standards of quality and a flawless process, essentially meaning transparency across the entire supply chain, while at the same time operating in a flexible, reliable and swift manner. These processes are absolutely essential in the processing of our products and something our customers can rely on!”



### PRODUCTS PROCESSED AT BRENNTAG PHARMA IN GUNTRAMSDORF, AUSTRIA:

**ACETYLSALICYLIC** acid reduces pain, inflammation and fever.

**ASCORBIC ACID / VITAMIN C** is an important vitamin that acts as an antioxidant and boosts the immune system.

**QUININE** has anti-parasitic properties and is used as an anti-malarial medication.

**MENTHOL** is an essential oil with cooling, anti-pruritic and analgesic properties; it is used for skin ailments, chills and colds.

**PANTHENOL/VITAMIN B5** is needed in the body for the metabolism of carbohydrates, lipids and proteins.

**TETRACAINE** is a local anaesthetic used in eye drops, for example.

**THEOPHYLLINE** is an anti-asthmatic with anti-inflammatory and bronchodilatory properties.



**URSULA BAUMGARTNER-DURCHSCHLAG**  
HEAD OF LABORATORY & QUALIFIED PERSON

**You are responsible for the lab and quality control at the site. What are your main tasks?**

**URSULA** The lab is an internal service department for many other departments and colleagues. My main tasks are to check analyses and approve products that have to meet certain requirements or specifications. I am also responsible for ensuring that the lab is compliant with all statutory GMP requirements. This includes regularly maintaining and calibrating the equipment, good documentation practice, preparing reports and providing experts for the development of new formulations. And I represent the department during audits and inspections.

**At the site in Guntramsdorf, you are the “qualified person” under section 7 of the 2009 Austrian Pharmaceuticals Regulation (AMBO). Most people who use pharmaceutical products will never have heard of it. What does it mean in the context of pharmaceuticals?**

**URSULA** Under the applicable EU legislation, every single batch of a pharmaceutical or an active ingredient that is produced at a pharmaceuticals manufacturing site must be checked before it is sold to determine whether it conforms to the laws and

internal requirements. In Austria, the Pharmaceuticals Regulation (AMBO) specifies who is authorized to check and approve pharmaceuticals, their manufacture and quality control. This requires training in pharmaceuticals and natural sciences and several years’ experience in the pharmaceutical industry.

**What makes your work at Brenntag so special?**

**URSULA** I find it interesting to see which products are manufactured from individual ingredients and inspiring that they can be used to cure diseases and even save lives. The requirements are very diverse and pose a challenge for companies aiming to remain competitive. So, as a team and together with our customers, we are continually developing. There is no standing still.



*CLEANING*

# *SPICK* *AND SPAN*

From car polish to window cleaner. From colour detergents to odour neutralizers. From household cleaning products to highly efficient disinfectants. Whether for an operating table or for the kitchen worktop at home.

We all use cleaning products for different purposes and in various forms on a daily basis. For all these different requirements, the Brenntag team for the cleaning product industry has exactly the right solution to make our lives easier!

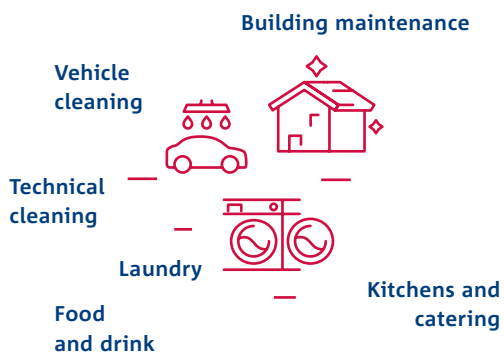


## APPLICATIONS

### HOUSEHOLD



### PRODUCTS FOR INDUSTRY AND PUBLIC FACILITIES





In our lab in Barcelona, we conduct extensive performance tests, which we present to the customer.



## Diverse needs

Brenntag's cleaning product experts are familiar with our customers' different needs and adapt to the current and changing trends in this industry. The requirements are diverse: manufacturers of cleaning products ask for green, sustainable products, for example, or for skin-friendly detergents and cleaning products that deliver excellent results even at low temperatures. Our experts have extensive specialist knowledge and work with the customer to develop tailored solutions.

To enable us to best serve the customers' different wishes, we at Brenntag distinguish between one part of the business that covers household requirements and another part that supplies products for industrial and institutional purposes such as hospitals. After all, not every dishwasher is the same. Whilst a wash cycle on a domestic appliance lasts around 90 minutes, an industrial dishwasher cannot take more than around 90 seconds.

*»The wishes and inquiries we receive from our customers in the cleaning product industry are highly individual. There are, of course, trends that apply across a number of market segments, but more specifically, we always have to adapt to a customer and their particular needs. That makes our work very interesting, but at the same time you have to be flexible and offer efficient solutions!«*

**FRANZ FISCHER**  
MARKETING MANAGER  
CLEANING, EMEA

In particular by opening our detergent research and application centre in Barcelona, Brenntag has expanded its extensive portfolio of products and services for the different segments of this industry yet further. Equipped with state-of-the-art technology, the lab now also offers research and development for customers and suppliers in the cleaning product industry in our EMEA (Europe, Middle East & Africa) region. The lab is affiliated to the materials science research centre at the University of Barcelona, enabling intensive interaction with university experts from different countries and access to labs offering further services.

The aim of our activities is to reduce the consumption of raw materials and improve product performance, thereby creating real added value for our customers!



For a large European manufacturer of cleaning products that, among other things, makes detergents in the form of liquid detergents, washing powders and detergent capsules for household use, the Brenntag experts developed a formulation to better adapt the product to customer requirements. The Brenntag experts were able to develop a more environmentally-friendly formula that even delivers better cleaning results in some areas.

This is just one example of the many tasks and challenges we face in this industry. "We want to continue to evolve, share our know-how with our partners and offer the best possible solutions for our customers and suppliers," says Franz Fischer.

**90 MIN**  
Domestic  
dishwasher

VS.

**90 SEC**  
commercial  
pass through  
dishwasher


Success requires teamwork: concepts and solutions are discussed with colleagues.



# DIFFERENT YET CONNECTED

Diversity not only plays an important role in Brenntag's business model. Internally as well, we are always endeavouring to raise awareness of diversity and inclusion within our workforce.

It might now be considered only natural to remain open to other cultures, religions, nationalities and behaviours and act completely free of bias in an environment of diversity. But almost everyone is guilty of being unconsciously guided by preconceived views or influences from their upbringing in their everyday behaviour and decision-making.

## Diversity & Inclusion

Brenntag has therefore initiated a Diversity & Inclusion Committee. This is made up of eight colleagues from different fields and all Brenntag regions. Their mission is to promote the topic of diversity and inclusion in their respective functions and raise awareness among their employees and colleagues. It is about looking at things from different perspectives and in some cases stepping back from old thought patterns. Brenntag wishes to foster collaboration between people from different backgrounds.



*» Promoting diversity at Brenntag is an opportunity to make a difference, by allowing employees to feel respected and included so that they maximize their contributions to the company. This is also a way of having a positive impact on society.«*

**ERICA TAKEDA**  
PRESIDENT, BRAZIL



*» Scientific evidence shows that diverse teams deliver far better results, for example by reducing blind spots in decision-making. Therefore, improving diversity will help us to become more successful.«*

**AXEL PAIX**  
CFO, ASIA PACIFIC



*» We at Brenntag have a very large and diverse workforce: many countries, many different life and work experiences, many different ways of thinking and perspectives on the world. We have the opportunity to transform this great richness into a competitive advantage by fostering a D&I culture.«*

**GUILLERMO LABORATO**  
REGIONAL PRESIDENT,  
LATIN AMERICA SOUTH



*» Diversity is about recognizing, respecting and valuing differences. It will stimulate a dynamic working environment where people can learn from one another.«*

**MARION MESTROM**  
CHIEF HUMAN RESOURCES OFFICER AND  
CHAIRMAN OF THE D&I COMMITTEE

This is easier in mixed groups made up of employees of any gender with different experiences and cultural backgrounds, different qualifications and different ways of communicating.

As a first step, Brenntag plans to introduce training offerings designed to help break down subliminal and unconscious biases as well as a mentoring programme intended to sharpen the focus on continuous interaction and openness in a multicultural working environment. This will allow the company to develop a number of new specialists and fuel their enthusiasm for Brenntag.



*» Life is about celebrating uniqueness, diversity, and then bringing it all together like the varied colours of a rainbow. Different yet connected. Just like we are at Brenntag.«*

**FERDA EFE**  
PRESIDENT, TURKEY & MIDDLE EAST



*» Diversity and inclusion is an important key to our success. It gives us the ability to look at our business model from different perspectives.«*

**OLIVER RECHTSPRECHER**  
REGIONAL PRESIDENT, DACH



*» There is no doubt that diversity and inclusion will bring positive engagement, creativity and strength to our organization.«*

**STEVEN TERWINDT**  
COO, NORTH AMERICA



*» Creating and maintaining an environment where people of different cultures, experiences and perspectives can do their best work is paramount to the continued success of our organization.«*

**GERALD DENSON**  
VICE PRESIDENT VALUE ADDED  
SERVICES, NORTH AMERICA



*» The more diverse perspectives teams can generate, the more likely they are to find creative solutions, drive innovation and provide best-in-class service to our customers.«*

**DANI CAO**  
VICE PRESIDENT COMMERCIAL  
SUPPORT SERVICES, NORTH AMERICA

COSMETICS

# FEELING *AND* SEEING CARE

Hardly any other industry is as multifaceted as the cosmetics sector! Cosmetic products cover a wide range of needs that are familiar to all of us.

Sun creams protect our skin from harmful UV rays; toothpastes and mouthwash keep our teeth healthy and our breath fresh. Anti-ageing products make us look fresher and younger. Fragrant shower gels make our body feel good. And on dull days, that new lipstick lifts our mood!

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The cosmetics industry has many attributes that make it so special: innovation, creativity, consumer-centricity and speed! And it is precisely these attributes that companies active in the cosmetics sector have to deliver.

Global market with a trading value of USD

**450-500**

bn in 2019!



**71%**

of European consumers see cosmetics as important or very important in their daily lives!

Manufacturers reformulate

**25%**

of their products every year!



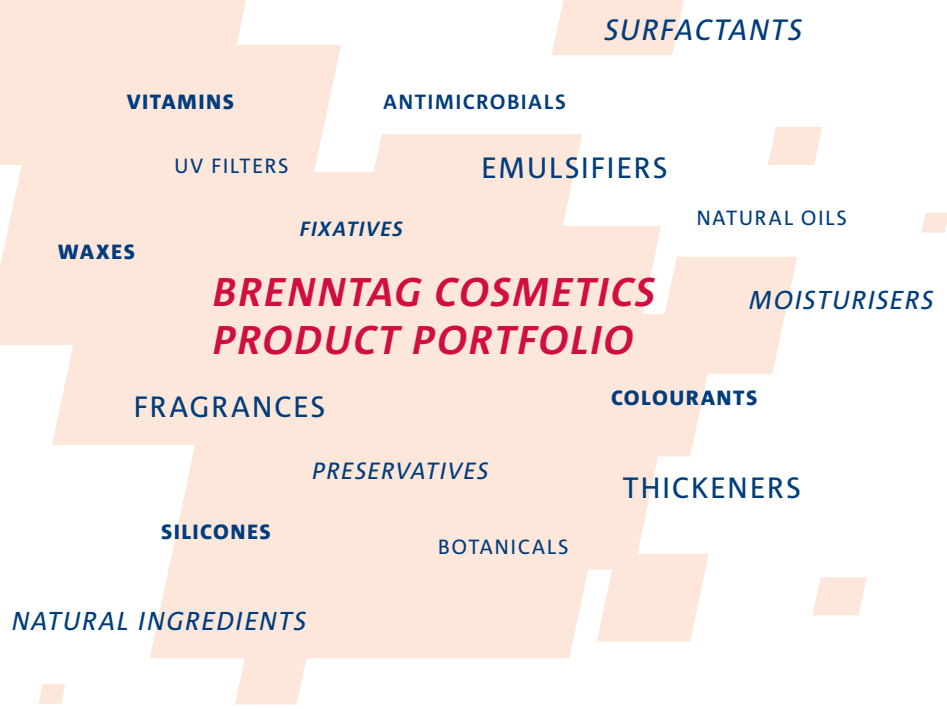


## Innovation, creativity and speed

Our experts at Brenntag Cosmetics do this every day! In the EMEA (Europe, Middle East & Africa) region alone, we serve more than 2,800 customers in the cosmetics industry. Through their contact and collaboration with our customers, our colleagues working in this field also learn a great deal about consumer wishes and market potential. This knowledge and ideas about current trends are shared with our suppliers and translated into innovative, forward-looking concepts

and solutions, which we develop in our application centres specializing in cosmetics. We thus enable our suppliers to market their raw materials in the cosmetics industry successfully.

But the sector never stands still! In order to keep its finger on the pulse and fulfil its own mission to be an innovation partner to our customers in the cosmetics industry, Brenntag Cosmetics is constantly developing its portfolio. We carry out



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our own market research so that trends can be spotted at an early stage and translated into innovative formulation concepts. In addition, we are continuously expanding our offering of new and unique raw materials and so are able to offer a wide variety of innovative products.

In this fast-moving sector, Brenntag operates in a position between raw material suppliers and cosmetics manufacturers. While consumer demands, the product portfolio and product functionality are becoming increasingly complex, the specialist knowledge offered by Brenntag's experts and its extensive value-added services provide an ideal platform for bringing new products to consumer markets.

*»In recent years, we have realigned our strategy for the cosmetics sector and raised our profile. We see ourselves as a sales and marketing partner to our suppliers and as a provider of individual solutions for our customers.«*

**MICHAEL WILKOP**  
DIRECTOR MARKETING  
PHARMA & COSMETICS, EMEA



The team develops concepts for customer solutions, product lines and trade fair appearances.







The employees in our application centre in Amiens work with colleagues from all over Europe.

FASCINATING VARIETY

# CURRENT COSMETICS TRENDS



## SUSTAINABLE AND NATURAL COSMETICS

Sustainability in the cosmetics industry supports ethical and environmental standards in the supply chain.



## CUSTOMIZED COSMETICS

Products and services are customized exactly to suit an individual end consumer with very specific needs.



## LOW-WATER-CONTENT COSMETICS

Products with a low water content also require fewer preservatives to achieve the same shelf life.



## MICROBIOME COSMETICS

Our skin is a complex ecosystem containing various microorganisms. Environmental pollution places a strain on this system. Microbiome cosmetics help to keep this complicated system in balance.

# PEOPLE AT BRENNTAG



**AMÉLIE DORMOY**  
LABORATORY MANAGER  
COSMETICS

**NICOLAS ENTREMONT**  
FORMULATION ENGINEER  
COSMETICS

**CLAUDIA COSSA**  
BUSINESS DEVELOPMENT  
MANAGER COSMETICS, EMEA

**MICHAEL WILKOP**  
DIRECTOR MARKETING  
PHARMA & COSMETICS, EMEA

**DR FRANCOIS BOUTON**  
BUSINESS DEVELOPMENT MANAGER  
COSMETICS, EMEA

## What is important to being successful in the cosmetics industry?

**CLAUDIA** The capacity for innovation and the creativity to fulfil consumer expectations are the main drivers in the beauty industry. Formulators continue to seek optimized ingredients that deliver exceptional performance in order to meet growing consumer expectations. The challenge is to offer solutions that fit the diverse needs of global consumers while at the same time engaging with constantly increasing performance expectations.

## Who are your customers and how do you support them?

**NICOLAS** Our customers are manufacturers of consumer products that are used for beauty and personal care, including mainly skin care, hair care, deodorants, makeup and colour cosmetics. We help our customers to improve their products by offering an extensive range of top-performing ingredients. We work together with them to identify and select the best ingredients to meet their needs and offer comprehensive formulations guidance and advice.

**AMÉLIE** In our application centres, we support customers in creating safe product formulations that deliver superior performance and unique sensory effects. Sensory is the main characteristic for customers looking for a new cosmetic product.

**Every year, Brenntag Cosmetics adopts a new motto, such as “Clean, pure & simple” or “SenSense”. What are you aiming to achieve here and how do your customers react?**

**FRANCOIS** Our claims should reflect our vision and understanding of the market; how we capture new trends and translate them into product concepts for our customers. Our main goal is to be able to provide solutions for our customers and anticipate their future needs and requirements.

**AMÉLIE** We get very positive feedback from our customers. They approach us and ask for our support and expertise to transfer our concepts into their products. Our customers recognize us as a reliable and innovative partner; we are clearly seen as a solution provider.

**Teamwork is also very important in the cosmetics industry. How is your team made up and how do you achieve success together?**

**FRANCOIS** Our team consists of Account Managers, Business Development Managers, Product Managers and Application Engineers. Everybody has their unique tasks. While our Business Development Managers focus on developing the customer project pipeline, our Account Managers are closest to our customers when it comes to converting business opportunities into sales. Once we are working on a project, our Application Engineers support us when it comes to technical know-how regarding different applications or the specific use and performance of raw materials. We have to cover a wide range of skills – and are most successful when we all work together!





WATER TREATMENT

# THE ELIXIR OF LIFE

Plants need water to grow. Animals drink water, and water is essential to human life too! Among other things, it regulates our blood circulation and body temperature. But water is a scarce, unevenly distributed resource.

Whilst, in industrialized nations, constant access to clean running water is a given, people in third world countries walk for hours to the only water source in order to meet their daily needs. Whilst, in some regions of the globe, the soil dries out, other countries have to battle with floods. All this shows how important access to clean water is for our society!

How does Brenntag contribute to clean water?

Water ist the source  
of all life



## DID YOU KNOW THAT....

**the United Nations**  
has declared access  
to clean water to  
be a human right?



**71 %**

**of the Earth's surface**  
is covered in water?



just **0.3 %**

**of the world's water**

is available as drinking water?



**70 %**

**of the human body**  
is water?





Companies that treat water in order to ensure a safe and reliable supply make a vital contribution worldwide. Brenntag, too, is there to assist wherever clean, pure water is essential!

The Brenntag Water Treatment team provides products and solutions for drinking water treatment, municipal and industrial purification plants, and for process water and cooling water treatment systems in industrial operations. The tasks and challenges that need to be addressed here are wide-ranging. They include:

### Odour formation

We are all familiar with unpleasant odours in drains and sewers. Among other things, Brenntag provides various metallic salt mixtures and the innovative product Clorious2® for eliminating odours.

\* **Flotation** is a physico-chemical separation technique for fine particles that uses differences in the particles' wettability. It takes place in a liquid, often water, and is enabled by injecting gas, often air.

**Filtration** is a technique used to separate or purify substances, usually a suspension or an aerosol. Filtration is one of the mechanical separation techniques based solely on physical properties.

**Sedimentation** is the process whereby particles from liquids or gases are deposited under the force of gravity or a centrifugal force. The layer of suspended solids that forms is called sediment. | Source: Wikipedia

### Solids-liquid separation

Separating solids in suspension in the water by means of flotation, filtration and sedimentation\* is central to industrial and municipal wastewater treatment. Brenntag provides various metallic salts and flocculants to support these physico-chemical processes – including for coagulation and dewatering of the sludge produced in wastewater treatment.

### Foam formation

Unwanted foam can form both in industrial production processes and in wastewater treatment. Brenntag offers defoamers and deaerators that combat or prevent this build-up of foam.





### Scale inhibition

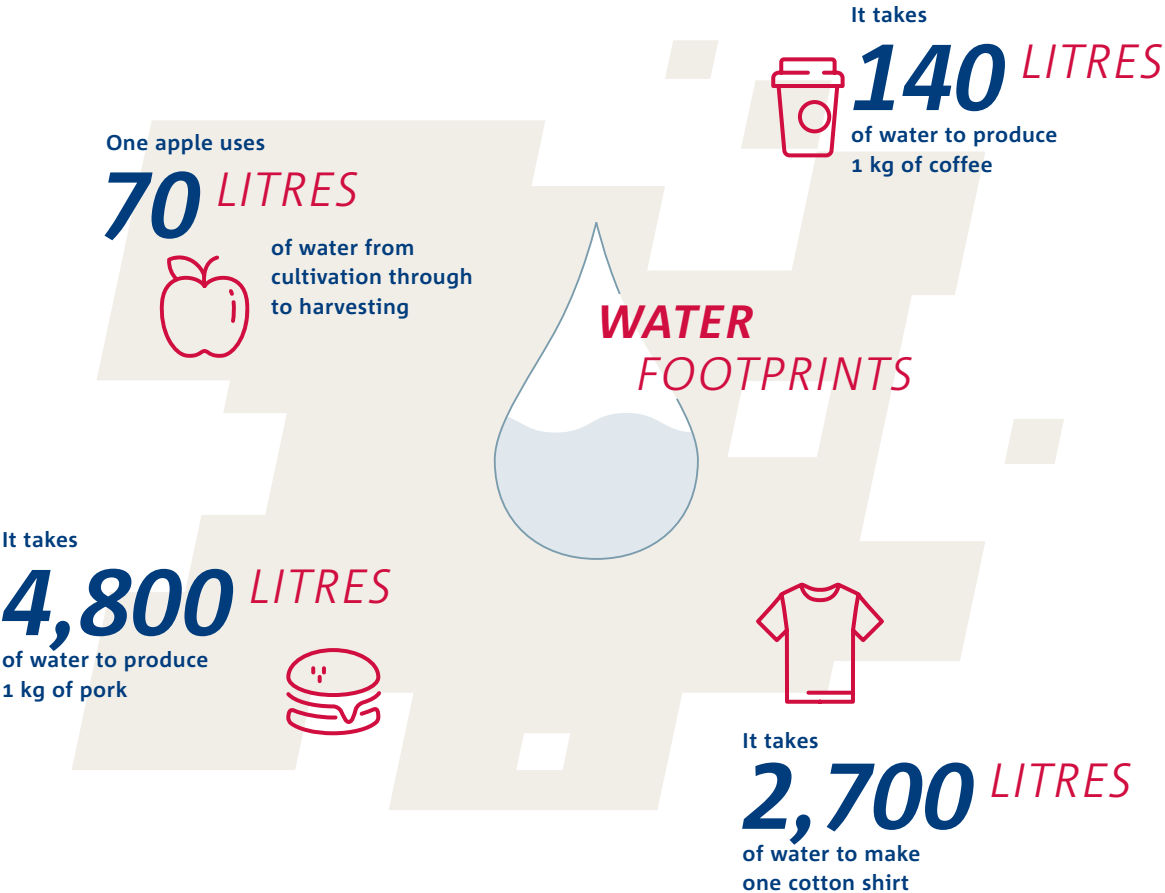
Unwanted scale and deposits can form both in cooling water and in other industrial process water circuits. Scale inhibitors influence and prevent the build-up of scale by disrupting crystal growth, inhibiting, chelating and dispersing.

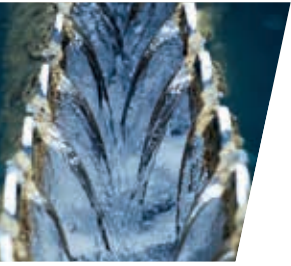
### Cooling water and boiler water treatment

In the case of cooling and boiler water, the top priority is to inhibit scale and corrosion; in cooling water, controlling microbiological activity is also paramount. Our extensive product portfolio covers the full range of water treatment solutions in open and closed cooling systems.

### Dissolved contaminants

Complexed contaminants also have to be removed during water treatment. For this, Brenntag offers a broad range of specialty products that can be used across a wide pH spectrum.





## PEOPLE AT BRENNTAG



**UWE WEBERS**  
DIRECTOR WATER TREATMENT  
EMEA

**Clean water is something many of us take for granted, whether it be from the tap, bottled as mineral water in the supermarket, in the swimming pool or at the car wash. But clean water is by no means a given. What are the particular challenges in water treatment?**

**UWE** Water is an extremely important resource, in my opinion the most important of all, for without water there would be no life! The biggest challenge over the coming years will be to ensure the quantities of water required to cope with the advance of global industrialization and strong population growth. This can only work if further water treatment measures can be deployed to make our existing water available as drinking water. Water reuse also plays a decisive role. In addition, systematic wastewater treatment helps to protect groundwater and surface water, which serve as a drinking water reservoir.

Our water treatment experts work closely together with customers. They analyze the specific task in hand, as they need to understand the on-site processes in order to build a 360-degree view of the technical plant and equipment available on the customer's premises. In water chemistry, for example, there are various different product groups and therefore hundreds of products. Our experts need to find out which products suit the customer's individual needs and requirements, how they might be combined with other products and how they can be used with the customer's on-site technology. The entire Brenntag team in charge of water treatment is made up of specialists with specific expertise and years of experience in this field.

"Besides a broad portfolio of water treatment products, Brenntag also offers application- and process engineering-related advice. We help customers make optimum use of their plant and equipment and advise them on how to use products as efficiently as possible. The aim in working together with our customers is clean water in combination with an effective use of the product tailored to their specific requirements. Our rule is to ensure successful and sustainable water treatment," says Uwe Webers, Director Water Treatment, EMEA.



### **What are Brenntag Water Treatment's main areas of business and how does Brenntag contribute to clean water?**

**UWE** Basically, we are active in all drinking water, wastewater and process water treatment applications. Proven and innovative products in combination with an experienced team enable us to offer our customers attractive solutions. Our customers also benefit from the fact that we are present throughout Europe; this is so that we are able to offer existing and potential customers that operate transnationally within Europe standardized concepts. One key advantage for Brenntag as a distributor in this large and important sector is that we offer solutions spanning multiple product groups and can therefore continuously adapt our portfolio in line with market requirements.

### **Brenntag sells a product called Clorious2®. What sort of product is it, where is it used and what are the benefits?**

**UWE** Clorious2® is a safe, versatile and highly efficient disinfectant manufactured and marketed by Brenntag. Whereas conventionally manufactured chlorine dioxide cannot be stored or transported and has to be produced on the customer's site, Clorious2® is ready to use and always transportable.

New applications for this broadband product are emerging almost every day. Several years

ago, for example, we started marketing this product solely to combat microorganisms that cause unpleasant odours in sewers. To name just a few examples, we now use the products in the Clorious2® range for various sophisticated and sometimes innovative applications in the automotive and food industries and in disinfecting drinking water for human and animal use. Clorious2® has also been shown to be an ideal means of effectively combating legionella bacteria. Illnesses caused by legionella bacteria pose an increasing risk to humans. In this case too, Brenntag can make a significant contribution to society.

# SEGMENTS

# 37.3%

SHARE OF SALES

## NORTH AMERICA

More than 225 sites in the USA  
with more than 5,200 employees

in EUR m	2019	2018
External sales	4,787.1	4,636.9
Operating gross profit	1,216.8	1,118.3
Operating expenses	-742.0	-708.7
<b>Operating EBITDA</b>	<b>474.8</b>	<b>409.6</b>

# 6.7%

SHARE OF SALES

## LATIN AMERICA

About 70 sites in 18 countries  
with more than 1,900 employees

in EUR m	2019	2018
External sales	854.2	807.8
Operating gross profit	177.0	163.1
Operating expenses	-121.1	-123.2
<b>Operating EBITDA</b>	<b>55.9</b>	<b>39.9</b>

Figures exclude all other segments, which combine various holding companies and the activities with regard to the digitalization of Brenntag (DigiB). The international operations of BRENNTAG International Chemicals are also included in all other segments.

# 40.8%

SHARE OF SALES

## EMEA

Over 245 sites with more than 7,500 employees

in EUR m	2019	2018
External sales	5,237.7	5,339.3
Operating gross profit	1,141.6	1,141.2
Operating expenses	-735.3	-755.7
<b>Operating EBITDA</b>	<b>406.3</b>	<b>385.5</b>

ESSEN  
GERMANY

SINGAPORE  
REPUBLIC OF SINGAPORE

# 12.0%

SHARE OF SALES

## ASIA PACIFIC

Around 100 sites in 15 countries with more than 2,500 employees

in EUR m	2019	2018
External sales	1,534.4	1,383.5
Operating gross profit	266.8	224.2
Operating expenses	-165.7	-146.3
<b>Operating EBITDA</b>	<b>101.1</b>	<b>77.9</b>

# KEY FINANCIAL FIGURES AT A GLANCE

## CONSOLIDATED INCOME STATEMENT

		2019	2018	Change in %	Change in % (fx adj.)
Sales	EUR m	12,821.8	12,550.0	2.2	-0.3
Operating gross profit	EUR m	2,821.7	2,660.9	6.0	3.4
Operating EBITDA	EUR m	1,001.5	875.5	14.4	11.3
Operating EBITDA/operating gross profit	%	35.5	32.9		
Profit after tax	EUR m	469.2	462.3	1.5	
Earnings per share	EUR	3.02	2.98	1.3	

## CONSOLIDATED BALANCE SHEET

		Dec. 31, 2019	Dec. 31, 2018
Total assets	EUR m	8,564.2	7,694.5
Equity	EUR m	3,579.0	3,301.2
Working capital	EUR m	1,767.7	1,807.0
Net financial liabilities	EUR m	2,060.5	1,761.9

## CONSOLIDATED CASH FLOW

		2019	2018
Net cash provided by operating activities	EUR m	879.3	375.3
Investments in non-current assets (capex)	EUR m	-205.2	-172.2
Free cash flow	EUR m	837.3	525.2

## KEY DATA ON THE BRENNTAG SHARES

		Dec. 31, 2019	Dec. 31, 2018
Share price	EUR	48.48	37.70
No. of shares (unweighted)		154,500,000	154,500,000
Market capitalization	EUR m	7,490	5,825
Free float	%	100.00	100.00



# FIVE-YEAR OVERVIEW

## CONSOLIDATED INCOME STATEMENT

		2019	2018	2017	2016	2015
Sales	EUR m	12,821.8	12,550.0	11,743.3	10,498.4	10,346.1
Operating gross profit	EUR m	2,821.7	2,660.9	2,554.1	2,428.7	2,321.7
Operating EBITDA	EUR m	1,001.5	875.5	836.0	810.0	807.4
Operating EBITDA/operating gross profit	%	35.5	32.9	32.7	33.4	34.8
Profit after tax	EUR m	469.2	462.3	362.0	361.0	368.1
Earnings per share	EUR	3.02	2.98	2.34	2.33	2.36

## CONSOLIDATED BALANCE SHEET

		Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015
Total assets	EUR m	8,564.2	7,694.5	7,284.8	7,287.0	6,976.2
Equity	EUR m	3,579.0	3,301.2	2,985.7	2,959.2	2,690.5
Working capital	EUR m	1,767.7	1,807.0	1,510.5	1,354.6	1,268.1
Net financial liabilities	EUR m	2,060.5	1,761.9	1,571.9	1,681.9	1,676.1

## CONSOLIDATED CASH FLOW

		2019	2018	2017	2016	2015
Net cash provided by operating activities	EUR m	879.3	375.3	404.5	539.9	593.7
Investments in non-current assets (capex)	EUR m	-205.2	-172.2	-148.1	-141.1	-130.1
Free cash flow <sup>1)</sup>	EUR m	837.3	525.2	440.3	641.4	764.3

## KEY DATA ON BRENNTAG SHARES

		Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015
Share price	EUR	48.48	37.70	52.77	52.80	48.28
No. of shares (unweighted)		154,500,000	154,500,000	154,500,000	154,500,000	154,500,000
Market capitalization	EUR m	7,490	5,825	8,153	8,158	7,459
Free float	%	100.00	100.00	100.00	100.00	100.00

<sup>1)</sup> Calculation based on operating EBITDA.

# IMPRINT AND CONTACT

## ISSUER

Brenntag AG  
Messeallee 11  
45131 Essen, Germany  
Phone: +49 (0) 201 6496 1141  
Fax: +49 (0) 201 6496 2003  
E-mail: [info@brenntag.de](mailto:info@brenntag.de)  
Internet: [www.brenntag.com](http://www.brenntag.com)

## CONTACT

Brenntag AG  
Corporate Finance & Investor Relations  
Thomas Langer, Diana Alester, Bianca Li, Jan Ruhlandt  
Phone: +49 (0) 201 6496 1141  
Fax: +49 (0) 201 6496 2003  
E-mail: [IR@brenntag.de](mailto:IR@brenntag.de)

## CONCEPT AND TEXTS

Brenntag AG  
Corporate Finance & Investor Relations  
Diana Alester

## DESIGN

MPM Corporate Communication Solutions  
Untere Zahlbacher Straße 13  
55131 Mainz, Germany  
Phone: +49 (0) 61 31 95 69 0  
Fax: +49 (0) 61 31 95 69 112  
E-mail: [info@mpm.de](mailto:info@mpm.de)  
Internet: [www.mpm.de](http://www.mpm.de)

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## Information on the annual

This translation is only a convenience translation. In the event of any differences, only the German version is binding.

## Information on rounding

Due to commercial rounding, minor differences may occur when using rounded amounts or rounded percentages.

## Disclaimer

This Annual may contain forward-looking statements based on current assumptions and forecasts made by Brenntag AG and other information currently available to the company. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. Brenntag AG does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to adapt them in line with future events or developments.



**Brenntag AG**

Corporate Finance & Investor Relations

Messeallee 11

45131 Essen

Germany

Phone: +49 (0) 201 6496 1141

Fax: +49 (0) 201 6496 2003

E-mail: [IR@brenntag.de](mailto:IR@brenntag.de)