

Connecting**Chemistry**



# Company Presentation



■ May 2020

Corporate Finance & Investor Relations

## AGENDA

# Company Presentation

- Introduction to Brenntag**
- Key investment highlights
- Financials Q1 2020
- Appendix

**INTRODUCTION**

**Brenntag is ConnectingChemistry globally**



**Global market leader in chemical / ingredients distribution with 5.9%\*) market share**



**Network of 640+ locations in 77 countries worldwide**



**~195,000 customers**



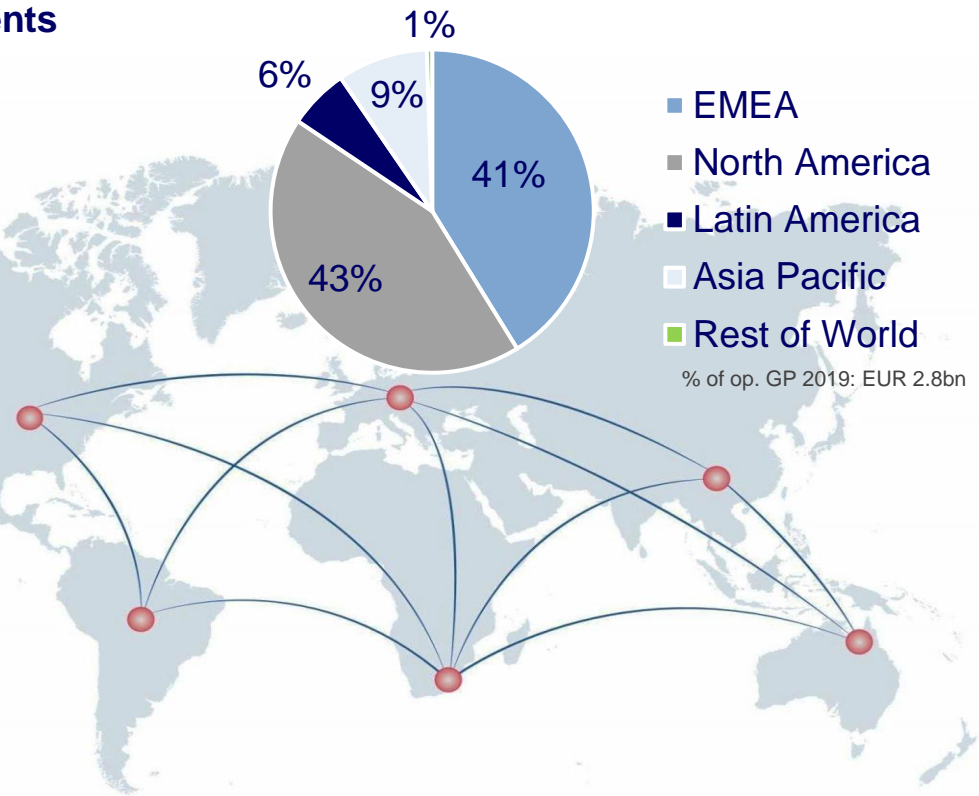
**Full-line product portfolio with more than 10,000 products**



**Almost 17,500 employees thereof 1/3 dedicated local sales and marketing employees**



**Usually less-than-truckload deliveries with average value of c. EUR 3,000**



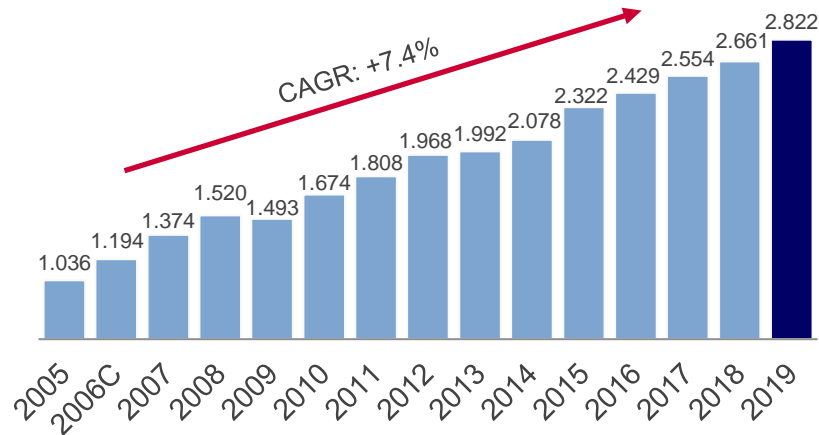
**We connect our customers and suppliers in a winning partnership globally and locally.**

\*) As per end 2012: BCG Market Report (July 2013)

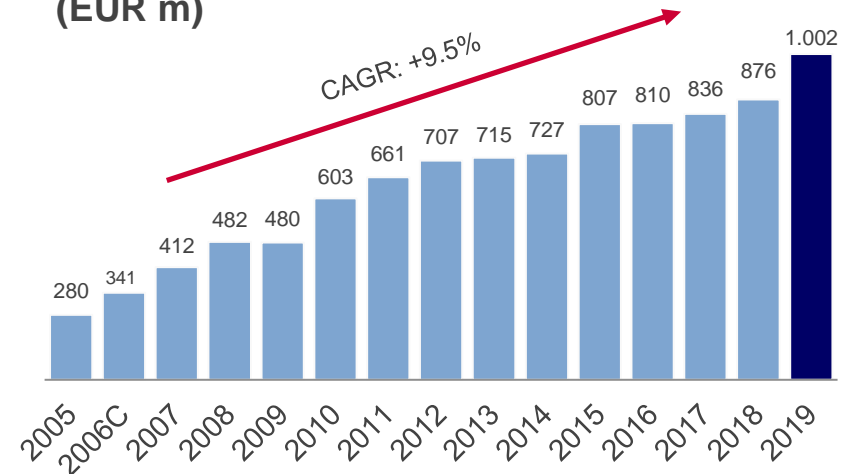
**INTRODUCTION**

**Global market leader with successful track record since IPO**

**Operating Gross Profit  
(EUR m)**



**Operating EBITDA  
(EUR m)**



**BUSINESS MODEL**

**Chemical distributors fulfil a value-adding function in the supply chain**



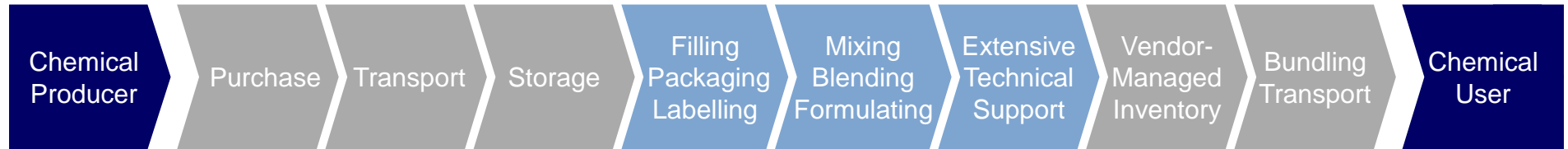
**Purchase, transport and storage of large-scale quantities of diverse chemicals**

- Several thousand suppliers globally
- Full-line product portfolio of 10,000+ industrial and specialty chemicals
- Network of 640+ locations worldwide



**BUSINESS MODEL**

**Chemical distributors fulfil a value-adding function in the supply chain**



- Repackaging from large into smaller quantities
- Filling, labelling, bar-coding and palletizing
- Marketed by more than 6,000 dedicated local sales and marketing employees
- Mixing and blending according to customer specific requirements
- Formulating and technical support from dedicated application laboratories



**BUSINESS MODEL**

**Chemical distributors fulfil a value-adding function in the supply chain**




- Leveraging high route density based on local scale
- Providing just-in-time delivery and vendor-managed inventory service
- Utilizing transportation for drum return service
- Offering one-stop-shop solution



## DISTRIBUTOR VS. PRODUCER

# Chemical distribution differs substantially from chemical production

	“What we are”	“What we are not”
	<b>BRENNTAG</b> 	<b>Chemical Producer</b>
Business model	B2B Services / Solutions	Manufacturing
Product portfolio	Full-line	Narrow
Customer base	Broad in diverse end-markets	Narrow
Customer order size	Small	Large
Delivery method	Less-than-truckload	Truckload and larger
Fixed assets	Low intensity	High intensity
Fixed asset flexibility	Multi-purpose	Narrow purpose
Cost base	Variable	Fixed
Raw material prices	Market	Contract
Input / Output pricing	Connected	Disconnected

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## INVESTMENT HIGHLIGHTS

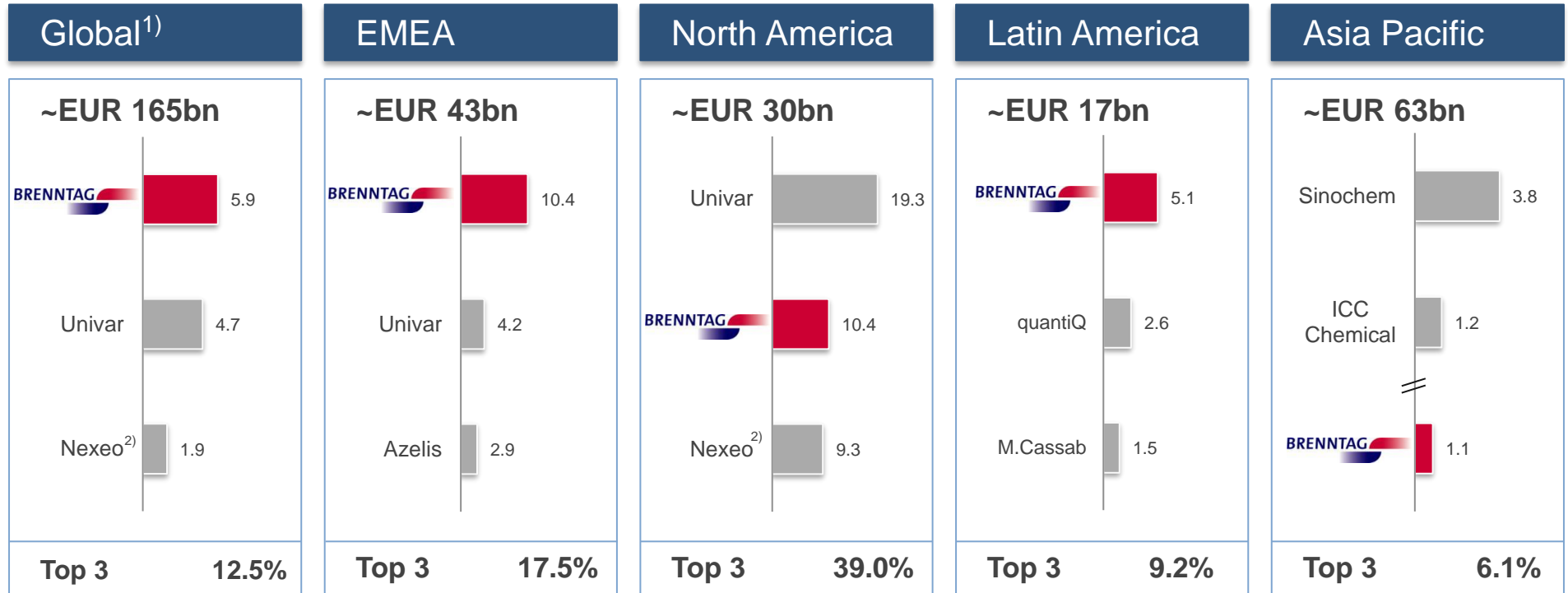
### **Brenntag is a highly attractive investment case**

#### Key investment highlights

- Global market leader
- Significant growth potential in an attractive industry
- Superior business model with resilience
- Excellence in execution
- Highly experienced management team
- Sound financial profile

**GLOBAL MARKET LEADER**

**Third party chemical distribution estimated market size and market shares**



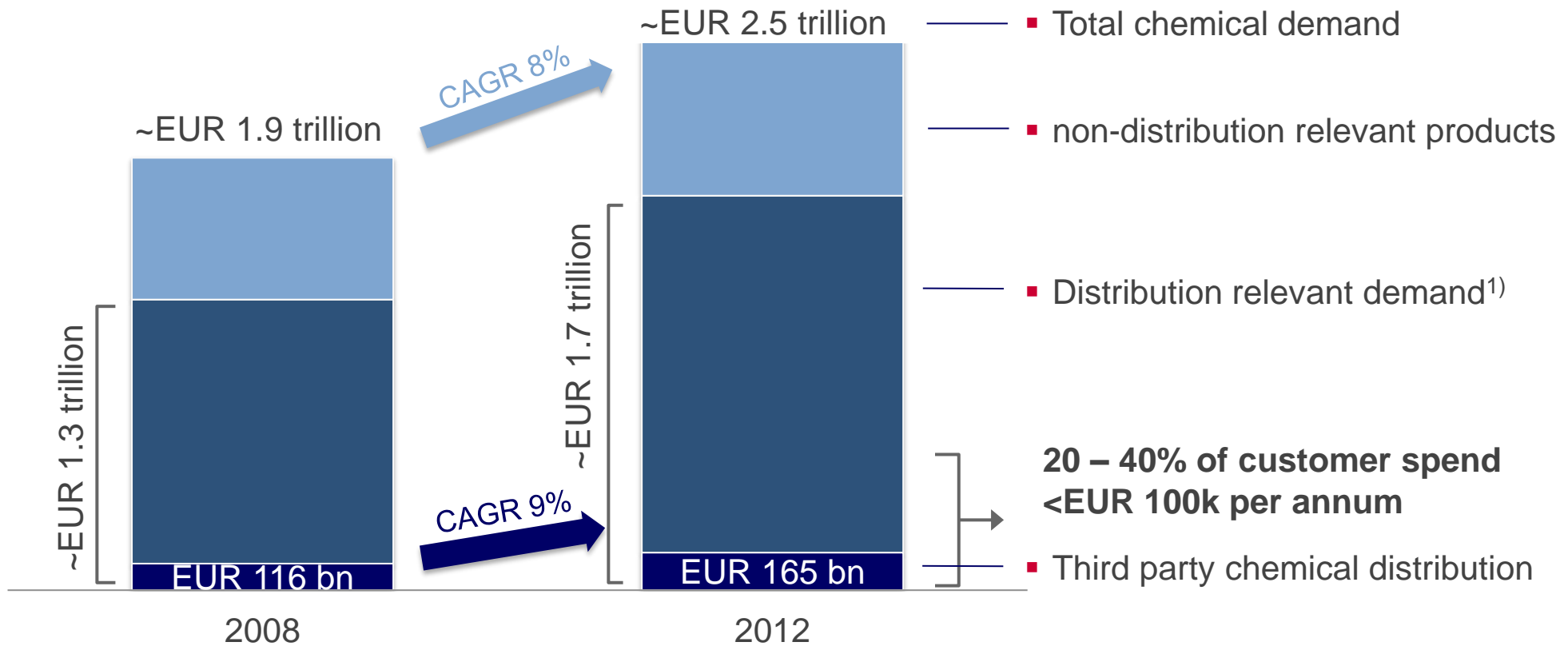
**Still highly fragmented market with more than 10,000 chemical distributors globally**

As per end 2012: BCG Market Report (July 2013)  
 1) Global includes not only the four regions shown above, but also RoW  
 2) Former Ashland Distribution.

MARKET GROWTH

Third party chemical distribution outgrew total chemical demand

THIRD PARTY CHEMICAL DISTRIBUTION OPPORTUNITY

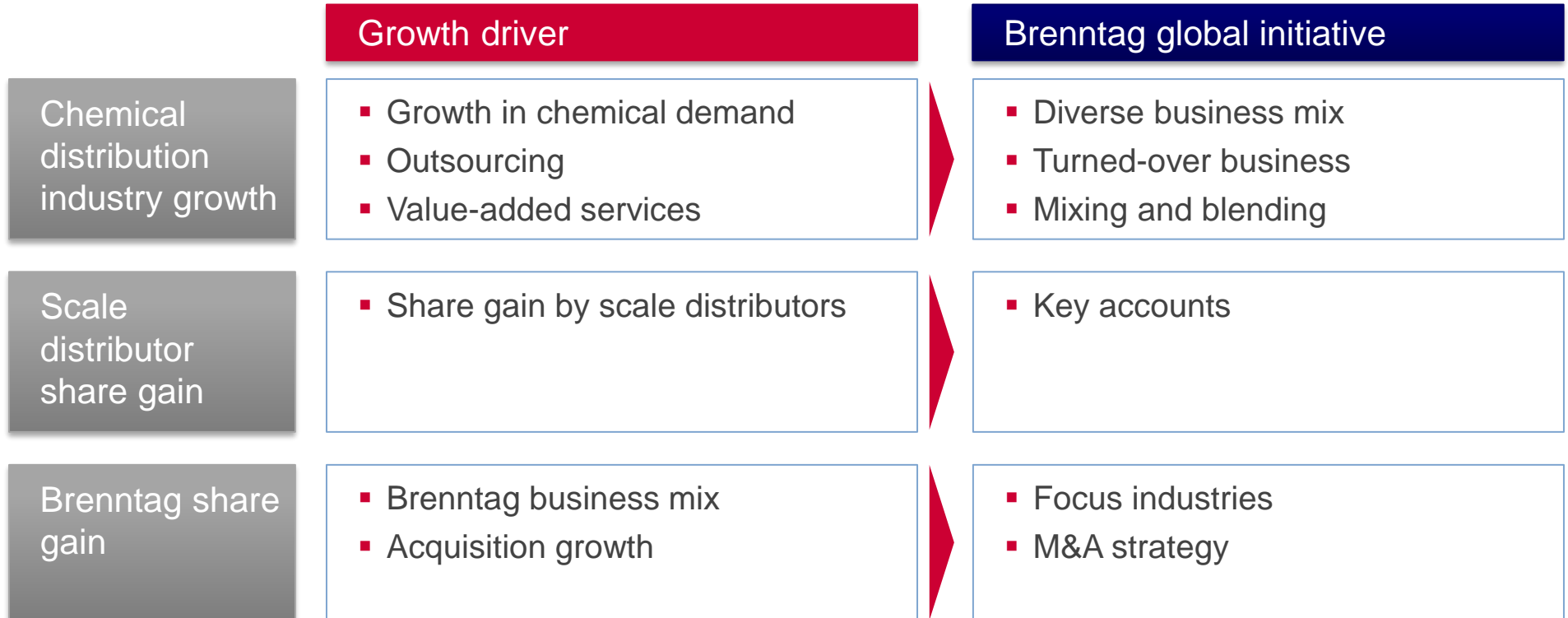


BCG Market Report (July 2013)

1) Excluding non-distribution relevant products like ethylene

**GROWTH DRIVERS**

**Multiple levers of organic growth and acquisition potential**



**Significant organic and acquisition growth potential**

## ACQUISITION OBJECTIVES

### Significant potential for consolidation and external growth

Building up  
scale and  
efficiencies

Expanding  
geographic  
coverage

Improving full-  
line portfolio

#### Brenntag's acquisition track record

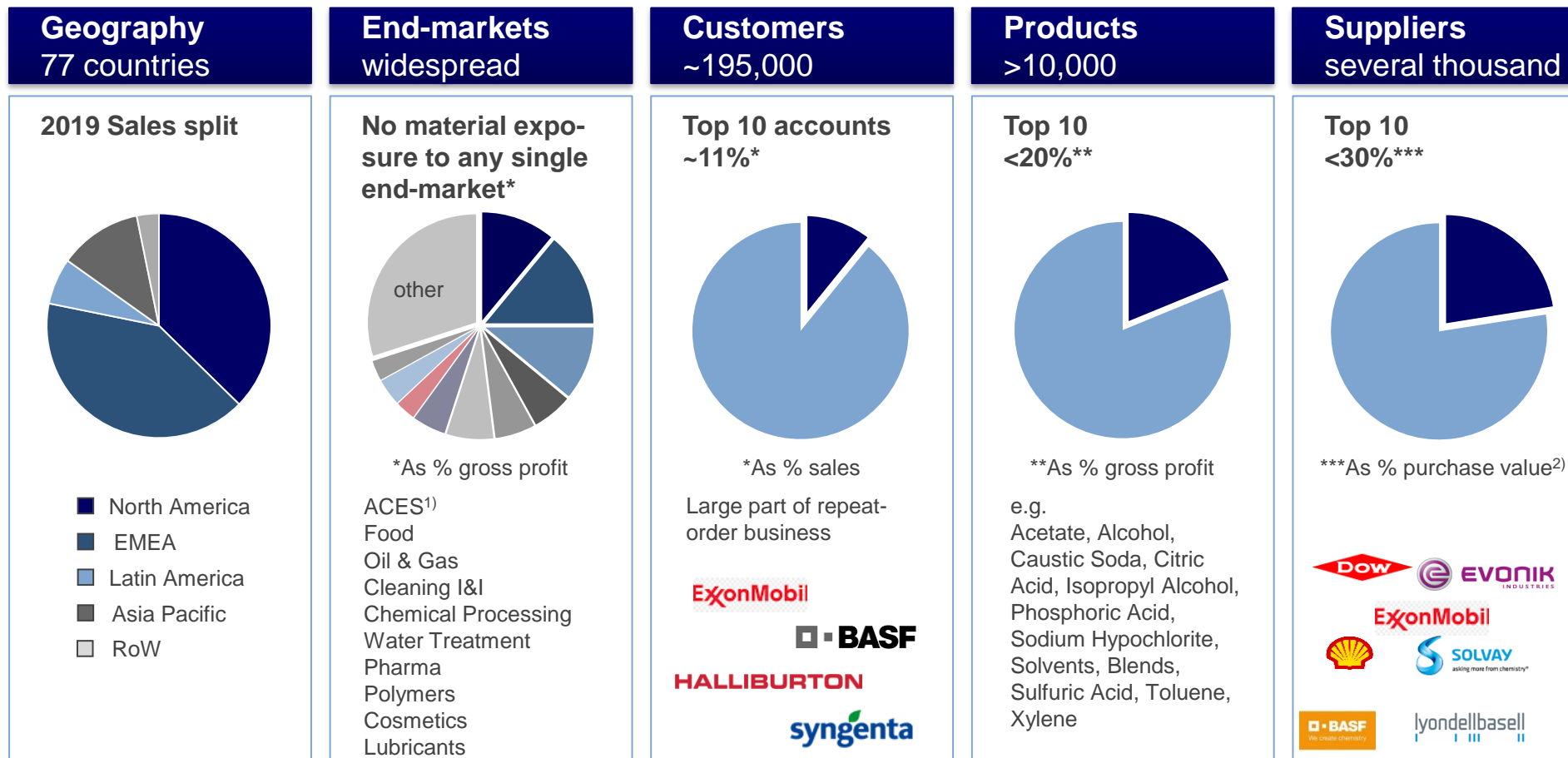
- 170 transactions since 1991, thereof 99 since 2007<sup>1)</sup>
- Total cost of acquisitions<sup>2)</sup> of EUR 2.2bn from 2007 to December 2019
- Average investment amount of EUR 22.6m per transaction from 2007 to December 2019
- Synergy potential from cross-selling and cost saving opportunities mainly due to building up of scale and improved efficiency of acquisitions
- Market remains highly fragmented facilitating significant further consolidation potential

1) Including acquisitions performed until December 2019

2) Purchase price paid excluding debt assumed

## HIGH DIVERSIFICATION

# Diversity provides resilience and growth potential



Data for end-markets, customers, products and suppliers as per Management estimates

1) Adhesives, coatings, elastomers, sealants    2) excl. Latin America

## BARRIERS TO ENTRY

### High barriers to entry due to critical scale and scope

**Permits and licences**

**Infrastructure availability**

**Regulatory standards**

**Know-how**

**Rationalization of distribution relationships**

**Global reach**

**Significant  
capital  
resources and  
time required to  
create a global  
full-line  
distributor**

**MARKET DRIVEN****Excellence in execution due to balance of global scale and local reach****Global platform****Core management functions**

- Strategic direction
- Controlling and Treasury
- Information Technology
- Quality, Health, Safety, Environment

**Strategic growth initiatives**

- Strategic supplier relationships
- Turned-over business
- Focus industries
- Key accounts
- Mergers & Acquisitions

**Best practice transfer****Local reach**

- Better local understanding of market trends and adaptation to respective customer needs
- Entrepreneurial culture
- Clear accountability
- Strong incentivization with high proportion of variable compensation of management

**SUSTAINABILITY**

**Brenntag’s commitment to sustainability and external reporting/ratings**

**Memberships/Signatures:**



Participation in the **Responsible Care/Distribution** program for more than 20 years



2014: Signing of the **UN Global Compact** and commitment to its 10 principles



2016: Member of the chemical industry’s **“Together for Sustainability”** initiative

**Ratings and Reporting:**



Gold Status **EcoVadis** Sustainability Assessment since 2016



**CDP: C level** (“Awareness”) Climate Change 2019 rating



Annual **Sustainability Report** since 2015 (GRI Standards)  
 Dedicated website:  
[www.brenntag.com/sustainability](http://www.brenntag.com/sustainability)

## BOARD OF MANAGEMENT

### Highly experienced management team



**Christian Kohlpaintner**  
**CEO**

Global Communications,  
Corp. Development, Global HR,  
Corp. HSE, Internal Audit & Compliance,  
Global Marketing, Global M&A, Sustainability



**Georg Müller**  
**CFO**

Corp. Controlling, Finance & IR, Group  
Accounting, Legal, Risk Management, Tax,  
Brenntag International Chemicals



**Karsten Beckmann**

Region EMEA (Europe, Middle East & Africa),  
Corporate IT, Digitalization



**Steven Terwindt**

Region North America,  
Region Latin America,  
Global Key Accounts



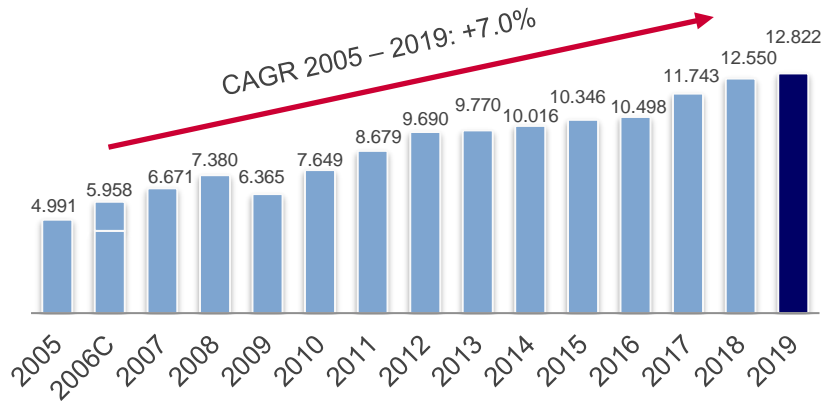
**Henri Nejade**

Region Asia Pacific,  
Global Food & Nutrition,  
Global Sourcing

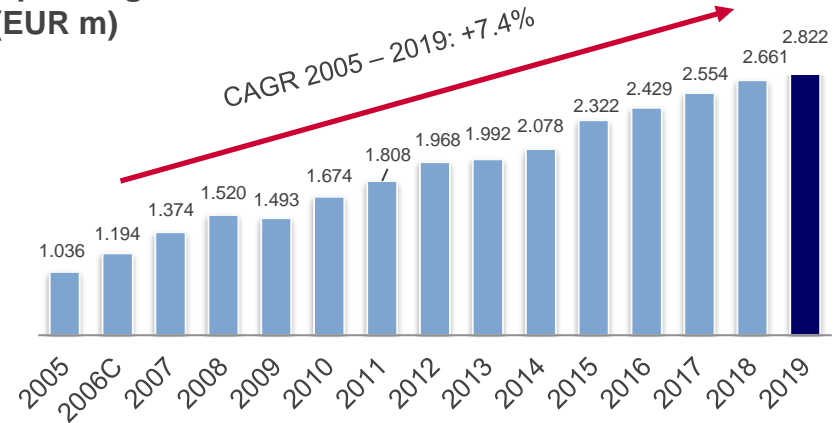
## SOUND FINANCIAL PROFILE

### Growth track record and resilience through the downturn

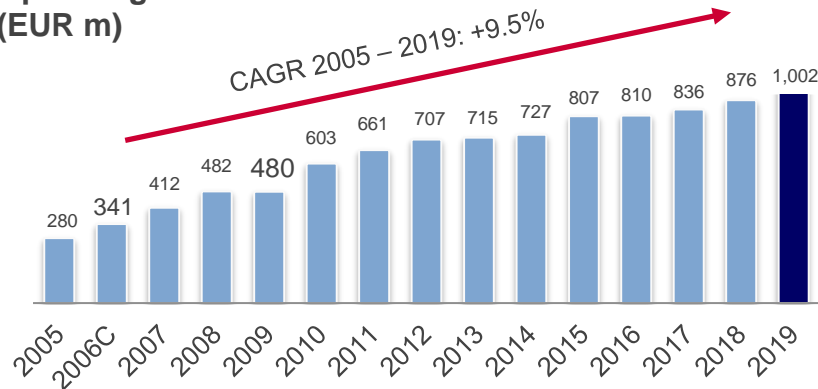
Sales (EUR m)



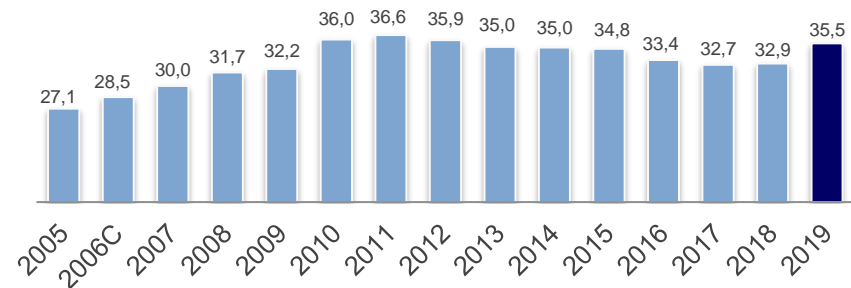
Operating Gross Profit (EUR m)



Operating EBITDA (EUR m)



Op. EBITDA/ Op. Gross Profit (in %)



Notes: 2005: Brenntag predecessor; 2006: Brenntag and Brenntag predecessor combined and does not constitute pro forma financial information.  
 EBITDA / Gross Profit adjusted for non-recurring effects: 2012 = 11m, 2013 = 17m

## INVESTMENT HIGHLIGHTS

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## AGENDA

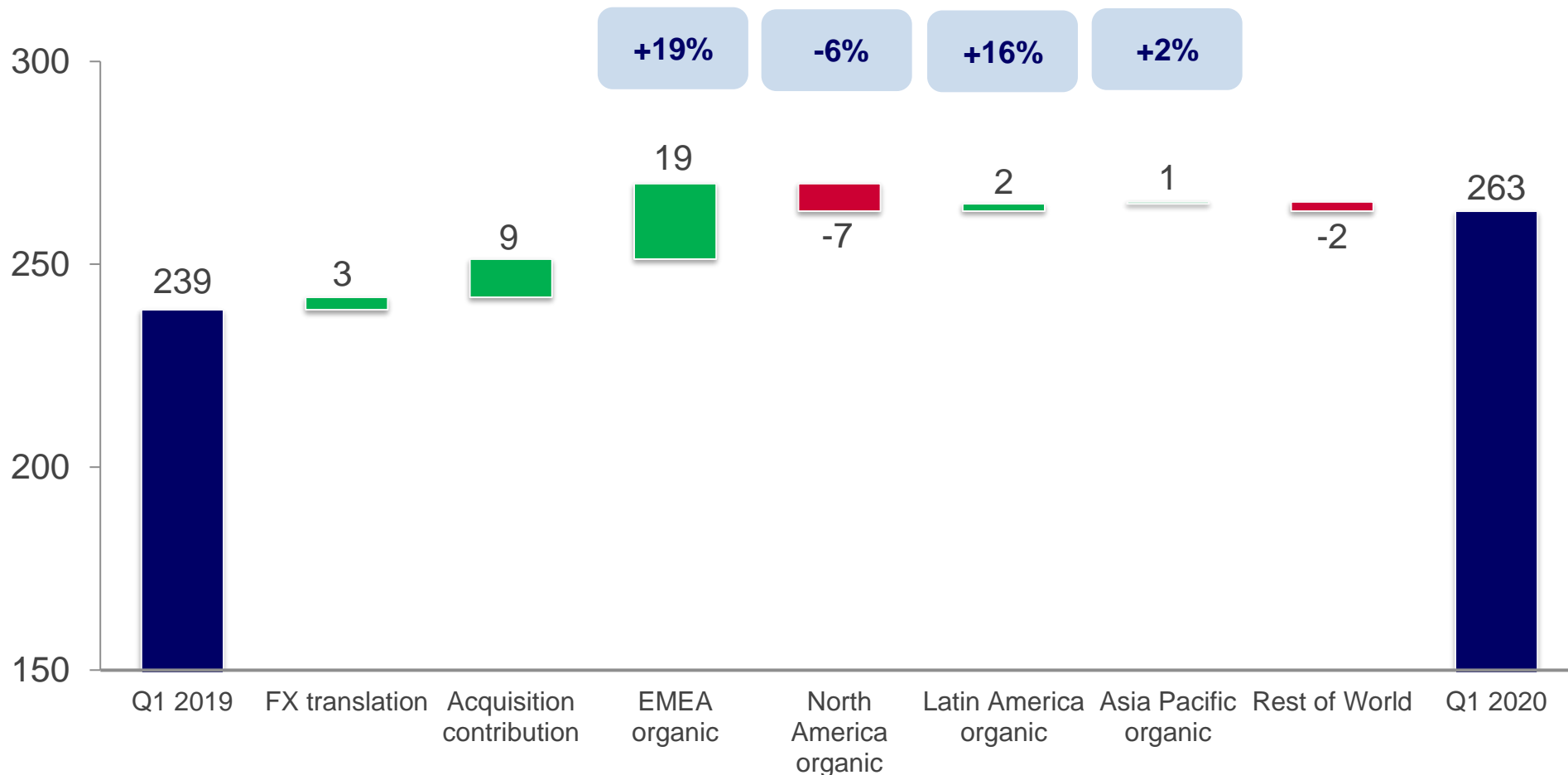
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FINANCIALS Q1 2020

Operating EBITDA bridge\*: Q1 2019 to Q1 2020

in EUR m



\* Calculations are partly based on assumptions made by management; Effects based on rounded figures

FINANCIALS Q1 2020

**Mostly positive business development in the regions**

EMEA	North America	Latin America	Asia Pacific
 <ul style="list-style-type: none"> <li>▪ Strong performance in almost all countries despite COVID-19</li> <li>▪ Specific industries with particularly good performance, e. g. Food &amp; Nutrition</li> <li>▪ Organic EBITDA growth: +19%</li> </ul>	 <ul style="list-style-type: none"> <li>▪ Particular weakness in O&amp;G customer industry as a result of the falling oil price</li> <li>▪ Positive development in many other customer industries could not fully compensate this weakness</li> <li>▪ Organic EBITDA growth -6%</li> </ul>	 <ul style="list-style-type: none"> <li>▪ Good operational performance in Q1</li> <li>▪ Volatility remains high in the region</li> <li>▪ Organic EBITDA growth: +16%</li> </ul>	 <ul style="list-style-type: none"> <li>▪ Solid results despite COVID-19 impact</li> <li>▪ China specifically impacted in January and February</li> <li>▪ Organic EBITDA growth: +2%</li> </ul>

**Brenntag demonstrated its resilience in these difficult times!**

## FINANCIALS Q1 2020

### Segments Q1

in EUR m		EMEA	North America	Latin America	Asia Pacific	All other segments	Group
<b>Operating gross profit</b>	<b>Q1 2020</b>	<b>325.2</b>	<b>299.7</b>	<b>48.0</b>	<b>67.0</b>	<b>5.3</b>	<b>745.2</b>
	Q1 2019	287.7	292.8	42.6	60.4	4.7	688.2
	Δ	13.0%	2.4%	12.7%	10.9%	12.8%	8.3%
	Δ FX adjusted	13.0%	-0.5%	16.5%	9.5%	12.8%	7.1%
<b>Operating EBITDA</b>	<b>Q1 2020</b>	<b>123.1</b>	<b>110.1</b>	<b>13.8</b>	<b>26.3</b>	<b>-10.3</b>	<b>263.0</b>
	Q1 2019	101.8	112.0	11.5	21.5	-8.0	238.8
	Δ	20.9%	-1.7%	20.0%	22.3%	-28.8%	10.1%
	Δ FX adjusted	21.2%	-4.6%	25.1%	20.1%	-28.8%	8.7%

## FINANCIALS Q1 2020

## Income statement below operating EBITDA

in EUR m	Q1 2020	Q1 2019	Δ	2019
<b>Operating EBITDA</b>	<b>263.0</b>	<b>238.8</b>	<b>10.1%</b>	<b>1,001.5</b>
Special items	-6.9	-0.4		8.6
Depreciation	-64.4	-57.7	11.6%	-243.6
<b>EBITA</b>	<b>191.7</b>	<b>180.7</b>	<b>6.1%</b>	<b>766.5</b>
Amortization <sup>1)</sup>	-11.5	-11.9	-3.4%	-49.6
<b>EBIT</b>	<b>180.2</b>	<b>168.8</b>	<b>6.8%</b>	<b>716.9</b>
Financial result	-24.0	-25.4	-5.5%	-83.5
EBT	156.2	143.4	8.9%	633.4
<b>Profit after tax</b>	<b>115.0</b>	<b>105.2</b>	<b>9.3%</b>	<b>469.2</b>
EPS	0.74	0.68	8.8%	3.02

1) Includes scheduled amortization of customer relationships amounting to EUR 7.8m in Q1 2020 (EUR 9.3m in Q1 2019 and EUR 34.9 million in 2019).

## FINANCIALS Q1 2020

**Free cash flow**

in EUR m	Q1 2020	Q1 2019	Δ	Δ	2019
Operating EBITDA	263.0	238.8	24.2	10.1%	1,001.5
Capex	-44.5	-31.0	-13.5	43.5%	-205.2
Δ Working capital	-24.4	-13.4	-11.0	82.1%	161.7
Principal and interest payments on lease liabilities	-32.6	-28.1	-4.5	16.0%	-120.7
<b>Free cash flow</b>	<b>161.5</b>	<b>166.3</b>	<b>-4.8</b>	<b>-2.9%</b>	<b>837.3</b>

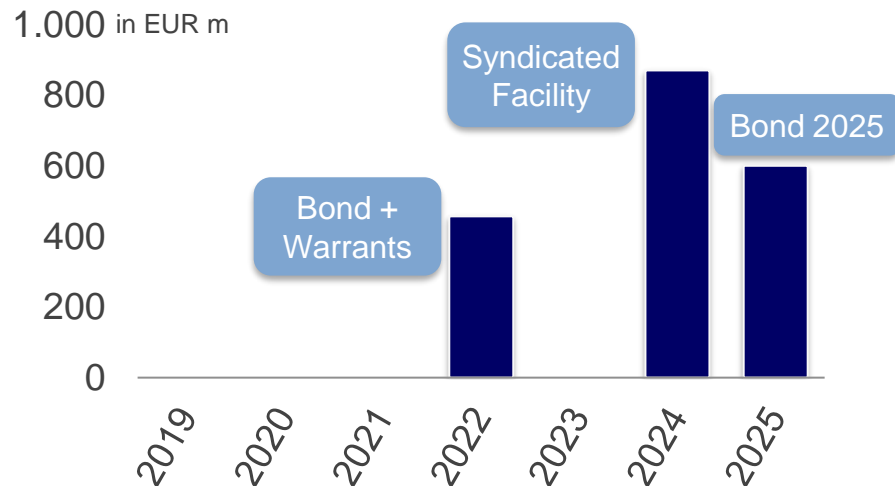
FINANCIALS Q1 2020

**Balance Sheet and maturity profile**

in EUR m	31 Mar 2020	31 Dec 2019
Financial liabilities	2,161.6	2,160.6
Lease liabilities	435.9	420.2
./. Cash and cash equivalents	593.7	520.3
Net Debt	2,003.8	2,060.5
<b>Net Debt/Operating EBITDA <sup>1)</sup></b>	<b>2.0x</b>	<b>2.1x</b>
Equity	3,641.3	3,579.0

FY 2019 leverage

- 1.9x (excl. IFRS 16)
- 2.1x (incl. IFRS 16)



- Stable and long-term funding structure
- No major debt maturity before end of 2022
- Financial covenant only for Syndicated Facility: leverage of 3.46x
- Undrawn committed credit lines of ca. 600m EUR
- Investment-grade ratings from Standard & Poor's ("BBB") and Moody's ("Baa3")

1) Operating EBITDA on LTM basis calculated with IFRS 16 effect.

## FINANCIALS Q1 2020

### Working capital

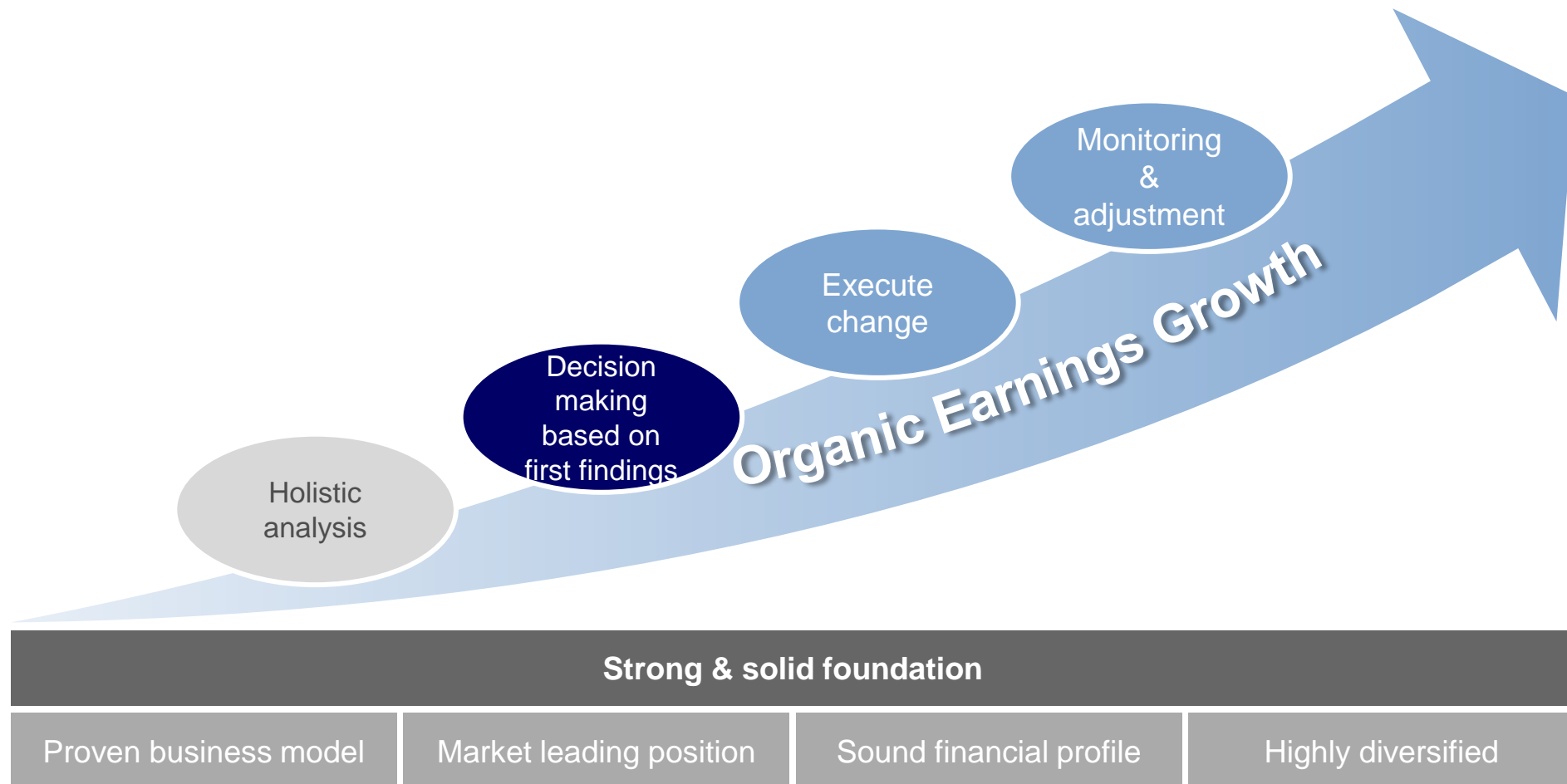
in EUR m	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 June 2019	31 Mar 2019
Inventories	1,169.9	1,176.5	1,280.6	1,250.5	1,214.3
+ Trade receivables	1,979.0	1,820.3	1,935.9	1,975.0	2,003.9
./. Trade payables	1,396.1	1,229.1	1,334.9	1,328.2	1,360.0
<b>Working capital (end of period)</b>	<b>1,752.8</b>	<b>1,767.7</b>	<b>1,881.6</b>	<b>1,897.3</b>	<b>1,858.2</b>
Working capital turnover (year-to-date) <sup>1)</sup>	7.3x	7.0x	6.9x	6.9x	6.9x
Working capital turnover (last twelve months) <sup>2)</sup>	7.3x	7.0x	6.9x	6.9x	7.1x

1) Using sales on year-to-date basis and average working capital year-to-date.

2) Using sales on LTM basis and average LTM working capital.

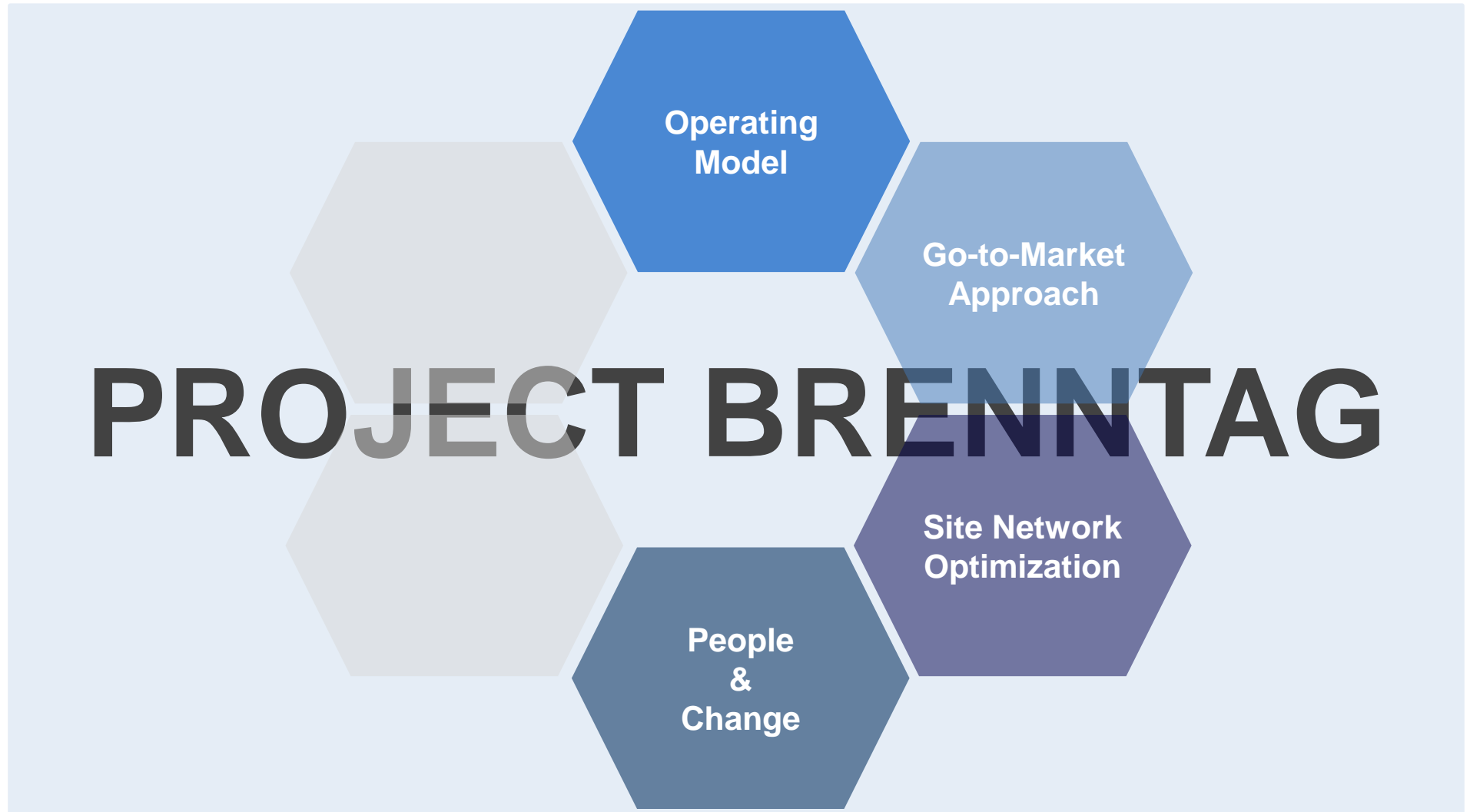
## PROJECT BRENNTAG

**Our ambition is to bring Brenntag back to organic earnings growth by building on our strong foundation**



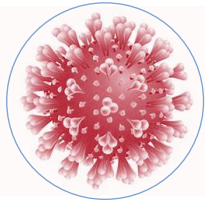
**PROJECT BRENNTAG**

**„Project Brenntag“ – with four workstreams for the time being**



## OUTLOOK

### Outlook for 2020



- Outlook for FY 2020 highly influenced by the uncertainty about the impacts of the Covid-19 pandemic
- Challenging economic conditions expected in Q2 and H2 of 2020



- Health and safety of our employees remains top priority



- We continue to secure product supply for our customers



- Forecast to be updated once the effects on Brenntag's further business performance in 2020 can be reliably determined

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## APPENDIX

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**BRENNTAG HISTORY****Longstanding history of more than 140 years**

Year	Event
1874	Philipp Mühsam founds the business in Berlin
1912	Entry into chemical distribution business
1966	Brenntag becomes international, acquiring Balder in Belgium
1970 – 1979	US business established; continued acquisitions in European and North American chemicals distribution business
1980 – 1989	Further expansion in North America
1990 – 2000	Expansion in Europe via acquisitions; takeover of Neuber Group in Austria establishes foothold in Central and Eastern Europe
2000	Acquisition of Holland Chemical International, at the time the fifth largest chemical distributor worldwide, providing global scale and a leading position in Latin America
2000 – 2008	Becoming global market leader; acquisition of LA Chemicals (US, 2006), Schweizerhall (Switzerland, 2006) and Albion (UK and Ireland, 2006)
2008	Acquisition of Rhodia's distribution activities in 8 countries, establishing Asia Pacific platform

**BRENNTAG HISTORY****Longstanding history of more than 140 years**

Year	Event
<b>2010</b>	IPO; acquisition of EAC Industrial Ingredients, substantially strengthening presence in Asia Pacific
<b>2011</b>	Market entry in China
<b>2012</b>	The free float of the Brenntag AG share reached 100% of the share capital, after final placement of Brachem Acquisition S.C.A.
<b>2015</b>	Acquisition of J.A.M. (USA) and G.H. Berlin Windward (USA): Strategic expansion of lubricants business in USA
<b>2015</b>	Continued international growth through targeted acquisitions in EMEA and Asia Pacific
<b>2016</b>	Towards greater sustainability: Brenntag achieves Gold status in EcoVadis Sustainability Assessment and becomes full member of TfS initiative.
<b>2017</b>	Brenntag moves into the new headquarter – the ‚House of Elements‘ in Essen, Germany
<b>2018</b>	Brenntag launches Food & Nutrition brand
<b>2019</b>	Expansion of global footprint through strategic acquisitions across all segments

**ALIGNING OUR BUSINESS TO THE FUTURE**

**Brenntag has successfully established the Food&Nutrition business and is managing this industry-focused approach on a global basis**

**Above average growth**

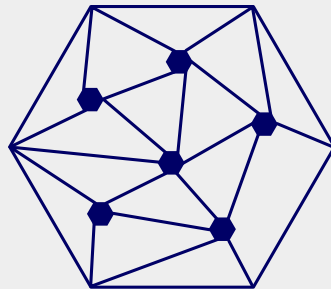


**~1.6bn EUR Sales in 2019**

**Application Centers**



**Supply chain excellence**



**Development expertise**



**Food & Nutrition sales force**



**TOP INITIATIVE – KEY ACCOUNTS****Increase business with pan-regional/global key customers based on increased demand****Concept**

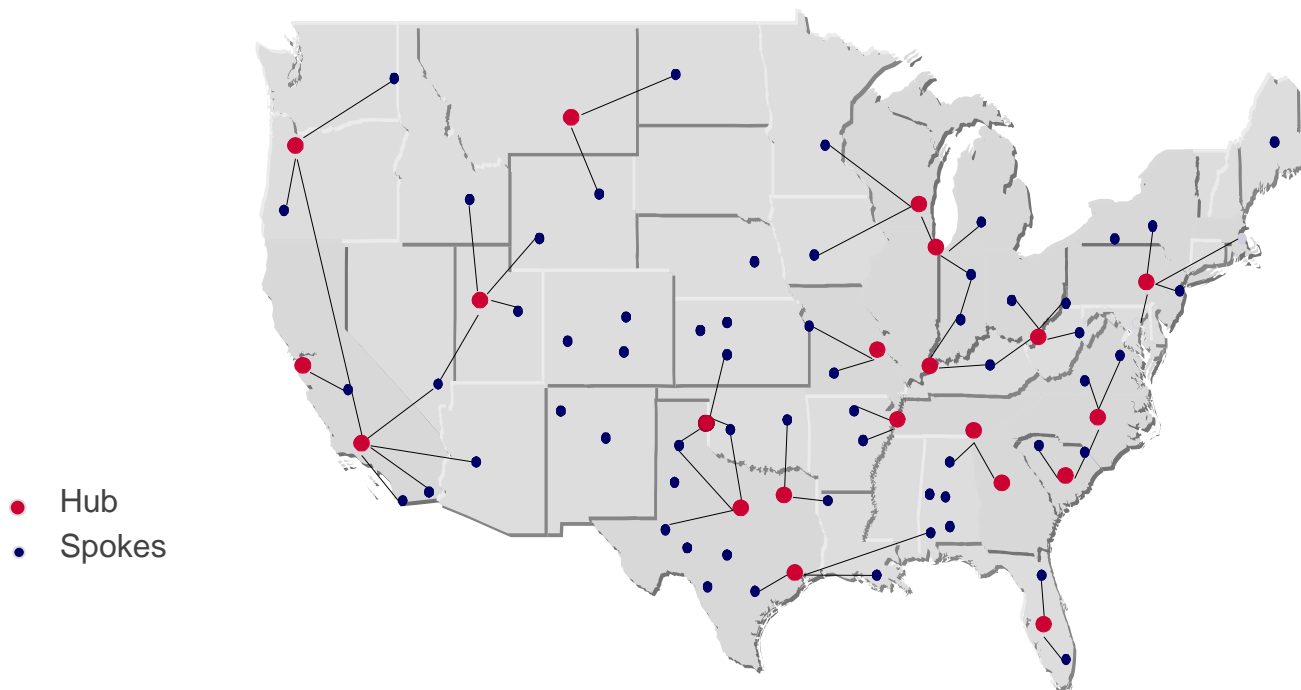
- Management believes amount spent by customers on chemical distribution may be 15% to 25% of their total chemical spending
- Partnering with an international distributor can greatly reduce the cost and time of supplier management, allowing customer procurement to focus on strategic materials
- International distribution can bundle customers' global usage to simplify the interaction with producers
- Knowledge gain at one customer site can be rapidly transferred to all other sites, thus lessening project development time, approval of alternate sources, or implementing best-in-class logistics
- One contract or working document applies to all business interactions leading to quicker implementation, reduced misunderstandings and elimination of regional differences
- An international distributor can grow with the customer as the customer enters new geographical and business markets
- Global corporations want to partner with a supplier that provides the security of a robust and uniform Sustainability Program, and Ethical work processes

**Customers who take advantage of Brenntag's truly global network contributed EUR 1,820m of sales in 2019**

## NORTH AMERICA – EFFICIENT HUB &amp; SPOKE SYSTEM

## Efficient management of stock and storage utilization

Illustrative example of hub and spoke system:



- **Larger distribution sites (“hubs”)** are fully equipped with tanks, filling stations, mixing and blending facilities and storage facilities for packaged products
- **Smaller distribution sites (“spokes”)** represent warehouse facilities for packaged products that are supplied from the larger sites

Note: illustrative example

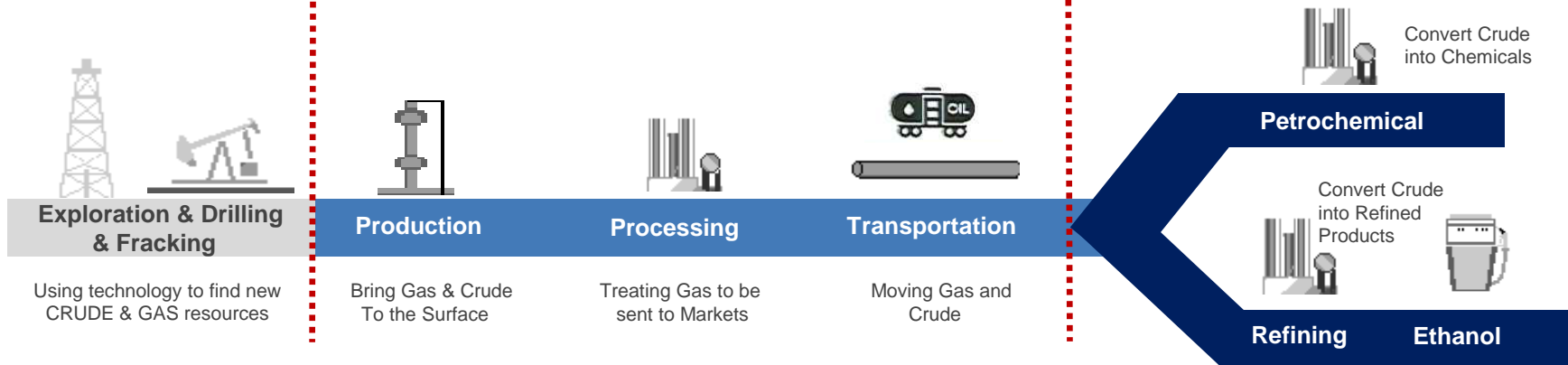
# NORTH AMERICA Oil and Gas Value Chain



## Upstream

## Midstream

## Downstream



HSE

## Committed to health, safety and the environment

### Committed to the principles of Responsible Care/Responsible Distribution<sup>1)</sup>

- Product responsibility
- Plant safety
- Occupational safety and health
- Comprehensive environment protection (air, water, soil, raw materials, waste)
- Transport safety

### Brenntag Approach

**Programs and regular training**

**Clear guidelines and procedures**

**Appropriate equipment**

**Behaviour-based safety**

**Regular reporting to Board**

1) Program of the International Council of Chemical Trade Associations

**ACQUISITION HISTORY****Acquisitions have achieved three main objectives****Building up scale & efficiencies**

- Biesterfeld, Germany, 2002
- Albion, UK and Ireland, 2006
- Schweizerhall, Switzerland, 2006
- Quadra and LA Chemicals, USA, 2006
- Ulrich Chemicals, Mid-South USA, 2007
- Houghton Chemicals, USA, 2010
- G.S. Robins, Northern US, 2011
- The Treat-Em-Rite Corporation, USA, 2012
- Kemira Water Denmark A/S, Denmark, 2014
- Philchem, Inc., Texas, USA, 2014
- NOCO Inc., NY, USA, 2016
- MCP Inc., Pryor, Oklahoma, USA, 2016
- Canada Colors & Chemicals, Canada, 2018
- Reeder Distributors Inc., USA, 2019
- B&M Oil Company, USA, 2019

**Expanding geographic coverage**

- Neuber, CEE, 2000
- Holland Chemical Intl., Canada/LA/Nordic, 2000
- Group Alliance, North Africa, 2005
- Dipol, Ukraine & Russia, 2008
- Rhodia, Asia, 2008
- EAC Industrial Ingredients, Asia, 2010
- Zhong Yung (International) Chemical, China, 2011
- ISM/Salkat Group, Asia, 2012
- Quimicas Merono, Spain, 2015
- TAT Group, Singapore, Asia, 2015
- Trychem FZC, Dubai, UAE, 2015
- Whanee Corporation, South Korea, 2016
- Raj Petro Specialities, India, 2017
- Conquimica, Columbia, 2017
- Quimitécnica, Portugal, 2018
- Desbro, Kenya, 2018
- Crest Chemicals Ltd., South Africa, 2019
- Neuto Chemical Corp., Taiwan, 2019<sup>2)</sup>
- Quimisa S.A., Brazil, 2019

**Improving full-line portfolio**

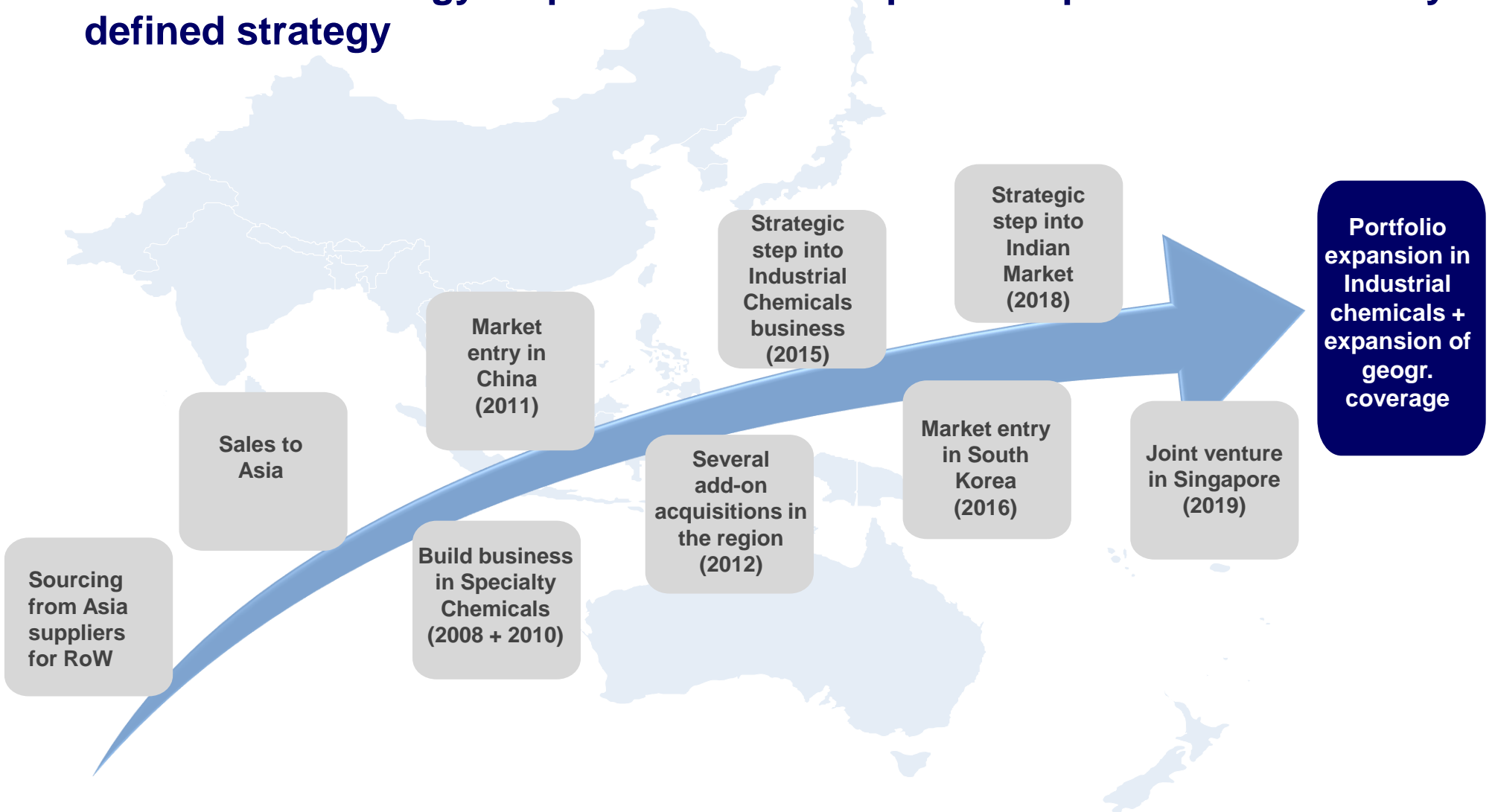
- ACES<sup>1),2</sup> distributors UK + Canada, 2004, 2007
- 6 distributors in EU & LA, 2005-09
- Oil & Gas, 3 distributors in NA, 2005-08
- Riba (Spain), Amco (Mexico), 2010 & 2011
- Multisol (UK), 2011
- Delanta, LA, 2012
- Water treatment, Altivia Corp., NA, 2012
- Lubrication Serv., NA, 2013
- Zytex, India, 2013
- Gafor, Brazil, 2014
- Chimab, Italy, 2014
- SurtiQuímicos, Colombia 2014
- Fred Holmberg & Co AB, Sweden, 2014
- Food, Lionheart, South Africa, 2015
- Cosmetics, Parkoteks Kimya, Turkey, 2015
- Lubricants, J.A.M.+ Berlin-Windward USA, 2015
- Leis Polytechnik + ACU, Germany, 2016
- Platichem + Warren Chem, South Africa, 2016
- Waxes, EPChem. Group, Singapore, 2016
- Petra Industries, Inc., USA, 2017
- Greene's Energy Group, USA, 2017
- Wellstar, China, 2017
- Kluman and Balter + A1 Cake Mixes, UK, 2017
- Alphamin S. A., Belgium, 2018
- Pachem Distribution Inc., 2018
- NERP Inc., USA, 2019
- Tee Hai Chem Pte. Ltd., Singapore, 2019
- Marlin Company Inc., USA, 2019
- Tan International, UK, 2019

1) Adhesives, coatings, elastomers, sealants

2) not yet closed

**ASIA PACIFIC**

**Asia Pacific Strategy: Implementation of a powerful platform with clearly defined strategy**



**FINANCIALS FY 2019**  
**Highlights 2019**

**Operating  
Gross Profit**

**+3.4% (fx adj.)**

EUR 2,821.7m

**Operating  
EBITDA**

**+11.3% (fx adj.)**

Supported by IFRS 16

EUR 1,001.5m

**Free cashflow  
generation**

**+59.4%**

EUR 837.3m

**EPS**

**EUR 3.02**

Following EUR 2.98 on  
year ago

**Resilient  
business  
model**

Strong cash flow  
generation in difficult  
market environment

**New approach  
for Food &  
Nutrition**

Business delivered above  
average growth

**M&A strategy  
executed**

**EUR ~260m**  
(acquired EV in 2019)

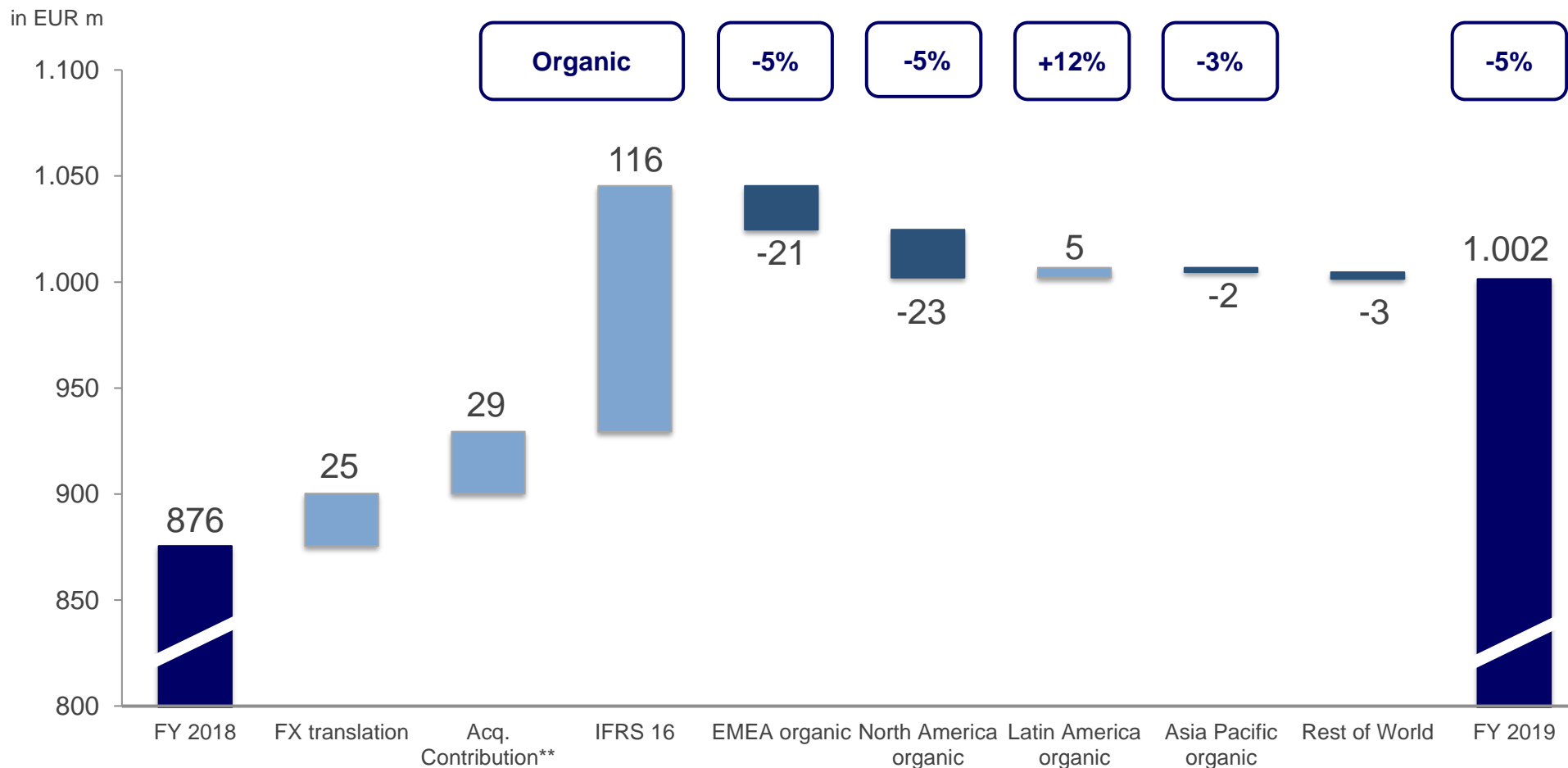
**Dividend  
proposal**

**EUR 1.25 DPS**

9th consecutive increase

FINANCIALS FY 2019

Operating EBITDA bridge\*: FY 2018 to FY 2019



\* Calculations are partly based on assumptions made by management; effects based on rounded figures

\*\* 2018 adjusted for Biosector (sale 12/2018)

## FINANCIALS FY 2019

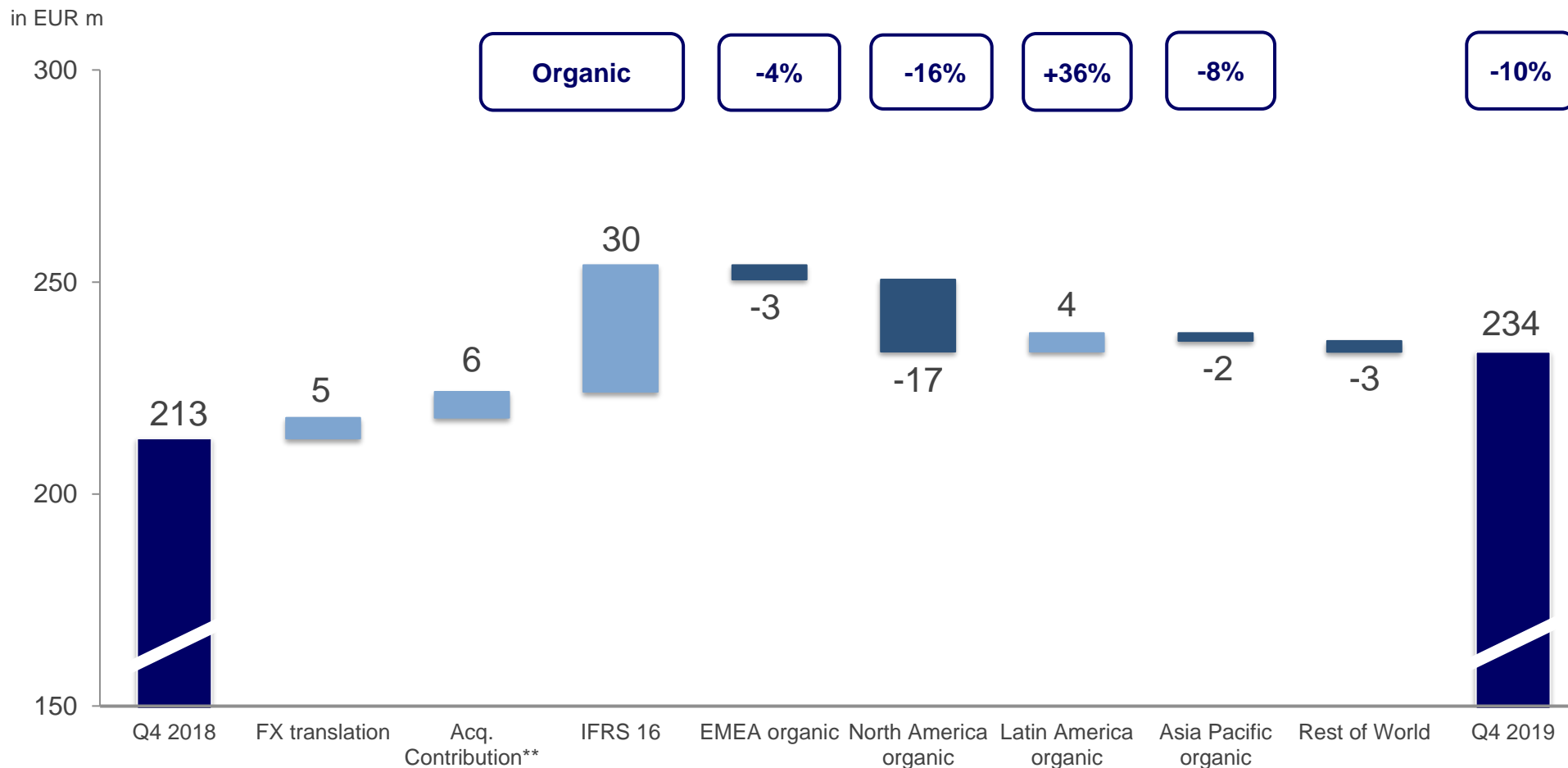
### Segments FY 2019

in EUR m		EMEA	North America	Latin America	Asia Pacific	All other segments	Group
<b>Operating gross profit</b>	<b>FY 2019</b>	<b>1,141.6</b>	<b>1,216.8</b>	<b>177.0</b>	<b>266.8</b>	<b>19.5</b>	<b>2,821.7</b>
	FY 2018	1,141.2	1,118.3	163.1	224.2	14.1	2,660.9
	Δ	0.0%	8.8%	8.5%	19.0%	38.3%	6.0%
	Δ FX adjusted	0.1%	3.4%	6.5%	14.7%	38.3%	3.4%
<b>Operating EBITDA</b>	<b>FY 2019</b>	<b>406.3</b>	<b>474.8</b>	<b>55.9</b>	<b>101.1</b>	<b>-36.6</b>	<b>1,001.5</b>
	FY 2018	385.5	409.6	39.9	77.9	-37.4	875.5
	Δ	5.4%	15.9%	40.1%	29.8%	-2.1%	14.4%
	Δ FX adjusted	5.6%	10.1%	38.0%	24.7%	-2.1%	11.3%
	IFRS 16 effect	41.6	53.0	8.8	8.7	3.9	116.0
	Δ ex. IFRS 16*	-5.2%	-2.2%	16.3%	13.9%	8.3%	-1.6%

\* Growth rates are unaudited

FINANCIALS FY 2019

Operating EBITDA bridge\*: Q4 2018 to Q4 2019



\* Calculations are partly based on assumptions made by management; effects based on rounded figures

\*\* 2018 adjusted for Biosector (sale 12/2018)

## FINANCIALS 2019

### Income statement

in EUR m	FY 2019	FY 2018	Δ	Δ FX adjusted
Sales	12,821.8	12,550.0	2.2%	-0.3%
Cost of materials	-10,000.1	-9,889.1	1.1%	
<b>Operating gross profit</b>	<b>2,821.7</b>	<b>2,660.9</b>	<b>6.0%</b>	<b>3.4%</b>
Operating expenses	-1,820.2	-1,785.4	1.9%	
<b>Operating EBITDA</b>	<b>1,001.5</b>	<b>875.5</b>	<b>14.4%</b>	<b>11.3%</b>
Op. EBITDA/Op. gross profit	35.5%	32.9%		

## FINANCIALS FY 2019

## Income statement below operating EBITDA

in EUR m	FY 2019	FY 2018	Δ
Operating EBITDA	1,001.5	875.5	14.4%
Special items	8.6	17.4	
Depreciation	-243.6	-122.0	99.7%
<b>EBITA</b>	<b>766.5</b>	<b>770.9</b>	<b>-0.6%</b>
Amortization <sup>1)</sup>	-49.6	-49.9	-0.6%
<b>EBIT</b>	<b>716.9</b>	<b>721.0</b>	<b>-0.6%</b>
Financial result	-83.5	-97.5	-14.4%
EBT	633.4	623.5	1.6%
<b>Profit after tax</b>	<b>469.2</b>	<b>462.3</b>	<b>1.5%</b>
EPS	3.02	2.98	1.3%

1) Includes scheduled amortization of customer relationships amounting to EUR 34.9 in 2019 (EUR 40.7m in 2018).

## FINANCIALS FY 2019

### Working capital

in EUR m	31 Dec 2019	30 Sep 2019	30 June 2019	31 Mar 2019	31 Dec 2018
Inventories	1,176.5	1,280.6	1,250.5	1,214.3	1,195.8
+ Trade receivables	1,820.3	1,935.9	1,975.0	2,003.9	1,843.0
./. Trade payables	1,229.1	1,334.9	1,328.2	1,360.0	1,231.8
<b>Working capital (end of period)</b>	<b>1,767.7</b>	<b>1,881.6</b>	<b>1,897.3</b>	<b>1,858.2</b>	<b>1,807.0</b>
Working capital turnover (year-to-date) <sup>1)</sup>	7.0x	6.9x	6.9x	6.9x	7.3x
Working capital turnover (last twelve months) <sup>2)</sup>	7.0x	6.9x	6.9x	7.1x	7.3x

1) Using sales on year-to-date basis and average working capital year-to-date.

2) Using sales on LTM basis and average LTM working capital.

## FINANCIALS FY 2019

### Cash flow items

in EUR m	2019	2018	Δ	Δ
Operating EBITDA	1,001.5	875.5	126.0	14.4%
CAPEX	-205.2	-172.2	-33.0	19.2%
Δ Working capital	161.7	-178.1	339.8	-190.8%
Principal and interest payments on lease liabilities <sup>1)</sup>	-120.7			
<b>Free cash flow</b>	<b>837.3</b>	<b>525.2</b>	<b>312.1</b>	<b>59.4%</b>

**Free Cash Flow**

**EUR 837m**

**Interest and tax payments**

**EUR -251m**

**Cash out for M&A**

**EUR -195m**

**Dividend paid**

**EUR -185m**

1) On initial application of IFRS 16 at January 1, 2019, cash outflows for principal payments on lease liabilities and interest payments incurred in this context are deducted. In the prior-year figures, lease payments were still included in operating EBITDA through rental and lease expenses.

## FINANCIALS 2019

## Cash flow statement

in EUR m	FY 2019	FY 2018
Profit after tax	469.2	462.3
Depreciation & amortization	293.2	171.9
Income taxes	164.2	161.2
Income tax payments	-175.3	-150.6
Interest result	90.0	82.3
Interest payments (net)	-75.7	-80.0
Changes in current assets and liabilities	136.5	-230.7
Changes in provisions	0.9	-25.7
Other	-23.7	-15.4
<b>Cash provided by operating activities</b>	<b>879.3</b>	<b>375.3</b>

## FINANCIALS 2019

## Cash flow statement (continued)

in EUR m	FY 2019	FY 2018
Purchases of intangible assets and property, plant & equipment (PPE)	-204.0	-178.4
Purchases of consolidated subsidiaries and other business units	-194.9	-199.0
Proceeds from the disposal of consolidated subsidiaries and business units	14.7	68.2
Other	12.0	19.1
<b>Cash used for investing activities</b>	<b>-372.2</b>	<b>-290.1</b>
Purchases of companies already consolidated	-	-
Profits distributed to non-controlling interests	-1.5	-1.6
Dividends paid to Brenntag shareholders	-185.4	-170.0
Repayment of (-)/proceeds from (+) borrowings (net)	-196.5	-39.9
<b>Cash used for financing activities</b>	<b>-383.4</b>	<b>-211.5</b>
<b>Change in cash &amp; cash equivalents</b>	<b>123.7</b>	<b>-126.3</b>

## ROCE

### Increasing value added and returns

in EUR m	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EBITA	766.5	770.9	663.3	694.5	698.7	627.5	595.6	610.8	569.9	513.6	394.3
Average carrying amount of equity	3,427.3	3,111.6	2,969.2	2,753.8	2,534.6	2,190.1	2,008.4	1,860.3	1,660.0	1,265.5	157.7
Average carrying amount of financial liabilities	2,581.3	2,173.1	2,255.0	2,238.3	1,961.8	1,823.1	1,817.5	1,868.7	1,809.6	2,114.7	3,190.0
Average carrying amount of cash and cash equivalents	-430.8	-416.2	-612.0	-566.3	-460.9	-413.1	-343.4	-356.2	-382.5	-468.3	-500.9
<b>ROCE <sup>1,2)</sup></b>	<b>13.7%</b>	<b>15.8%</b>	<b>14.4%</b>	<b>15.7%</b>	<b>17.3%</b>	<b>17.4%</b>	<b>17.1%</b>	<b>18.1%</b>	<b>18.5%</b>	<b>17.6%</b>	<b>13.9%</b>

1) ROCE is defined as EBITA divided by (the average carrying amount of equity + the average carrying amount of financial liabilities – the average carrying amount of cash and cash equivalents)

2) The decline in ROCE in 2019 is mainly attributable to the significant increase in the carrying amount of financial liabilities related to IFRS 16. Adjusted for this effect, ROCE was 14.6%.

## CASH FLOW

### Strong cash generation over the past years

in EUR m	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EBITDA	1,001.5	875.5	836.0	810.0	807.4	726.7	698.3	707.0	660.9	602.6	480.3
CAPEX	-205.2	-172.2	-148.1	-141.1	-130.1	-104.8	-97.2	-94.7	-86.0	-85.1	-71.8
Δ Working capital	161.7	-178.1	-247.6	-27.5	87.0	-100.5	-56.2	-33.0	-61.0	-136.4	242.0
Principal and interest payments on lease liabilities	-120.7										
<b>Free cash flow<sup>1)</sup></b>	<b>837.3</b>	<b>525.2</b>	<b>440.3</b>	<b>641.4</b>	<b>764.3</b>	<b>521.4</b>	<b>544.9</b>	<b>579.3</b>	<b>513.9</b>	<b>381.1</b>	<b>650.5</b>
Average working capital <sup>2)</sup>	1,842.3	1,719.6	1,487.3	1,308.8	1,295.1	1,161.8	1,090.0	1,048.8	928.3	752.4	691.9
<b>Working capital turnover<sup>3)</sup></b>	<b>7.0x</b>	<b>7.3x</b>	<b>7.9x</b>	<b>8.0x</b>	<b>8.0x</b>	<b>8.6x</b>	<b>9.0x</b>	<b>9.2x</b>	<b>9.3x</b>	<b>10.2x</b>	<b>9.2x</b>

1) Free Cash Flow is calculated as operating EBITDA – Capex +/- Δ Working Capital.

2) Average Working Capital is defined for a particular year as the mean average of the values for working capital at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year.

3) Working Capital Turnover is defined as Sales divided by Average Working Capital.

## IFRS 16

## Implementation of IFRS 16: Implications on P&amp;L and balance sheet

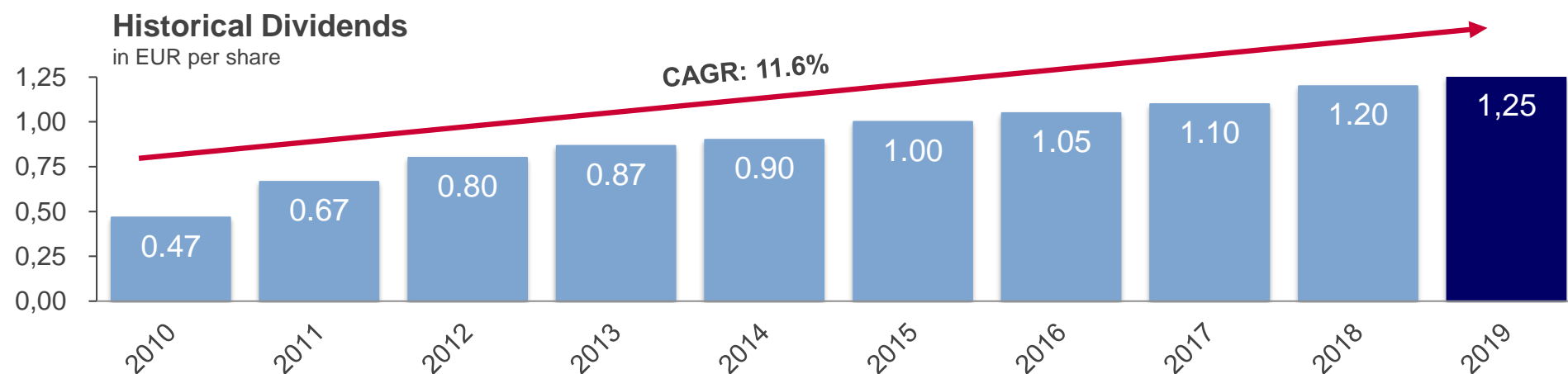
P&L			Balance Sheet		
in EUR m	IFRS 16 impact on FY 2019		in EUR m	IFRS 16 impact on FY 2019	
Sales	→	Unchanged	Lease liabilities	↑ +420 <sup>1)</sup>	Increase
Op. Gross Profit	→	Unchanged	Right-of-use assets	↑ +412 <sup>1)</sup>	Increase
Opex (Rent & Leases)	↓	~ -116 Decrease			
<b>Op. EBITDA</b>	↑	<b>~ +116 Increase</b>			
EPS	→	~ +/-0 Remain about stable			

1) Includes finance leases unrelated to the application of IFRS 16: lease liabilities: EUR 7m; right-of-use-assets: EUR 8m

## DIVIDEND

### Further dividend increase proposed

in EUR m	2019	2018	Δ
Profit after tax	469.2	462.3	1.5%
Less minority interest	2.5	1.4	
Profit after tax (consolidated) attributable to shareholders of Brenntag AG	466.7	460.9	1.3%
Proposed dividend payment	193.1	185.4	
<b>Proposed dividend per share in EUR</b>	<b>1.25</b>	<b>1.20</b>	<b>4.2%</b>
<b>Payout ratio</b>	<b>41.4%</b>	<b>40.2%</b>	



**SHAREHOLDER STRUCTURE****Shareholders exceeding the 3% or 5% threshold**

<b>Shareholder</b>	<b>Proportion in %</b>	<b>Date of notification</b>
BlackRock	>5%	March 11, 2020
MFS Investment Management	>5%	July 3, 2012
Burgundy Asset Management	>3%	October 16, 2018
Columbia Threadneedle	>3%	July 25, 2019
Flossbach von Storch AG	>3%	December 21, 2018
Wellington Management Group	>3%	October 1, 2019
Yacktman Asset Management	>3%	April 27, 2020

## SHARE DATA

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<b>ISIN</b>	DE000A1DAH0
<b>Stock symbol</b>	BNR
<b>Listed since</b>	29 March 2010
<b>Subscribed capital</b>	EUR 154,500,000.00
<b>Outstanding shares</b>	154,500,000
<b>Class of shares</b>	Registered shares
<b>Free float</b>	100%
<b>Official market</b>	Prime Standard XETRA and Frankfurt
<b>Regulated unofficial markets</b>	Berlin, Düsseldorf, Hamburg, Hannover, München, Stuttgart, TradeGate Exchange
<b>Designated sponsors</b>	ICF Kursmakler AG
<b>Indices</b>	MDAX <sup>®</sup> , MSCI, Stoxx Global, Stoxx Europe

## BOND DATA

	<b>Bond (with Warrants) 2022</b>	<b>Bond 2025</b>
<b>Issuer</b>	Brenntag Finance B.V.	Brenntag Finance B.V.
<b>Listing</b>	Frankfurter Freiverkehr	Luxembourg Stock Exchange
<b>ISIN</b>	DE000A1Z3XQ6	XS1689523840
<b>Aggregate principal amount</b>	USD 500,000,000	EUR 600,000,000
<b>Denomination</b>	USD 250,000	EUR 1,000
<b>Minimum transferable amount</b>	USD 250,000	EUR 100,000
<b>Coupon</b>	1.875%	1.125%
<b>Interest payment</b>	Semi annual: Jun. 2 / Dec. 2	Annual: Sep. 27
<b>Maturity</b>	Dec. 2, 2022	Sep. 27, 2025

**FINANCIAL CALENDAR**

<b>Date</b>	<b>Event</b>
June 3, 2020	dbAccess Berlin Conference, Berlin
June 10, 2020	Virtual General Shareholders' Meeting, Essen
August 6, 2020	Interim Report Q2 2020
November 4, 2020	Interim Report Q3 2020

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