Investor Presentation

December 2022

BRENNTAG

Investor Presentation

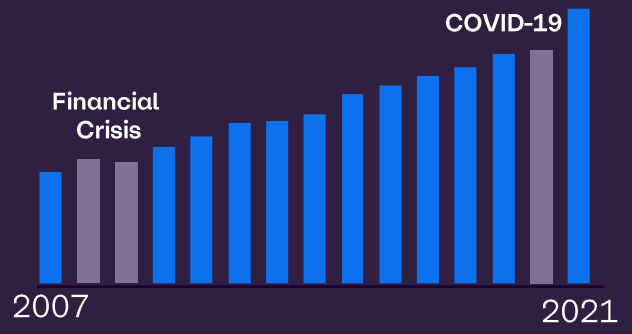
1. Introduction to Brenntag
2. Strategy to win
3. Key investment highlights
4. Financials Q3 2022
5. Outlook
6. Appendix

Brenntag is the undisputed and resilient leader in chemicals and ingredients distribution delivering consistent growth

Our unique platform ...

- Global market leader with superior offering
- Unparalleled product portfolio, application know-how and innovation capability
- Unique integrator combining global reach with ownership of last mile delivery
- Trusted partner with differentiated access to global supply chains

Operating Gross Profit



Grown every year since the Financial Crisis

... is outperforming[1)]

- >2x Op. EBITA equivalent to ~7% CAGR
- Asset light business model with attractive ROCE of ~23%[2)]
- EUR 7.2bn cumulative Free Cash Flow
- EUR 2.5bn M&A spend
- Progressive dividends totalling EUR 1.9bn

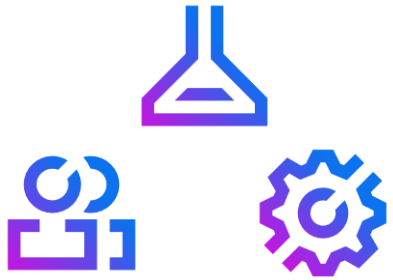
[1)] Since IPO in 2010
[2)] Adj. ROCE as per Q3 2022 LTM

Two global divisions: Brenntag Specialties and Brenntag Essentials

Brenntag Specialties

EUR 1.3bn FY 2021 Op. Gross Profit	**EUR 535m** FY 2021 Operating EBITA
1,000's Suppliers	**~100k** Customers
81 Application labs	**>400** Sites

Highly specialized performance chemicals & ingredients



- Industry focus
- Attractive supplier portfolio
- Strong customer relationships
- Innovation capabilities
- Application and formulation expertise
- Regulatory expertise
- Brand awareness

Brenntag Essentials

EUR 2.1bn FY 2021 Op. Gross Profit	**EUR 620m** FY 2021 Operating EBITA
1,000's Suppliers	**~150k** Customers
>70 Countries	**~600** Sites

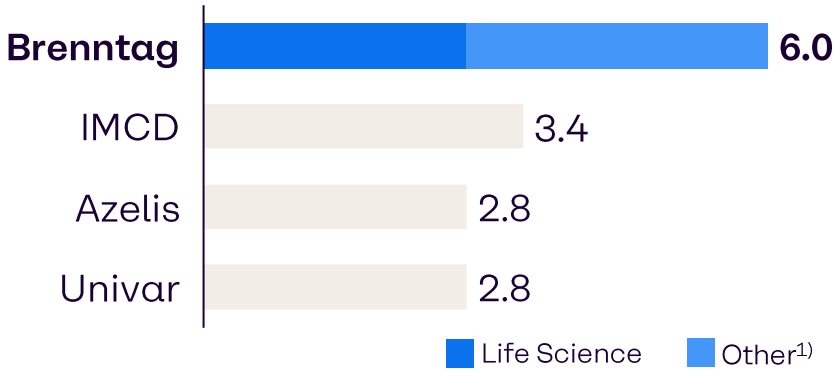
Process chemicals

- Cross-industry products
- Global product & market intelligence
- Local market know how & Last mile excellence
- High barriers to entry with a broad global asset base
- Broad and in-depth regional supply chain network with Inter-regional connectivity
- Strong service excellence mindset
- Regulatory expertise

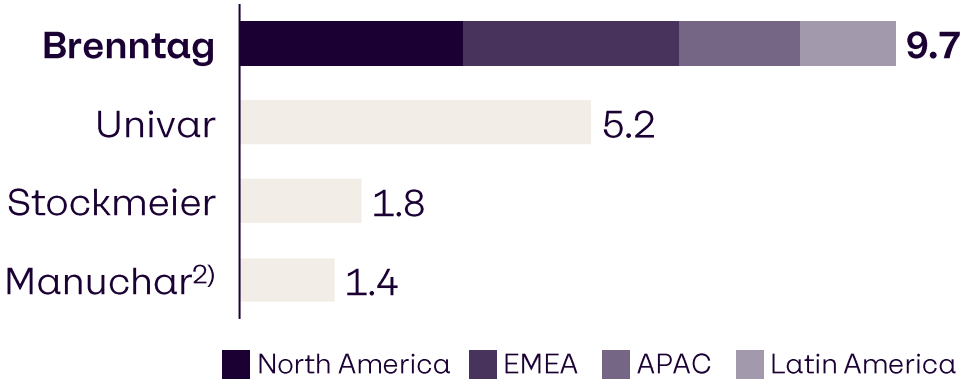
Brenntag is the only true global player in both Specialties and Industrial markets

Sales FY21
in EUR bn

Specialties



Industrial



Brenntag's differentiators

We are the **largest specialties player** leveraging our global setup

Technical expertise delivered via 81 application laboratories

Leadership position in attractive Life Science end markets

The most successful distributor at combining **local strength with global reach**

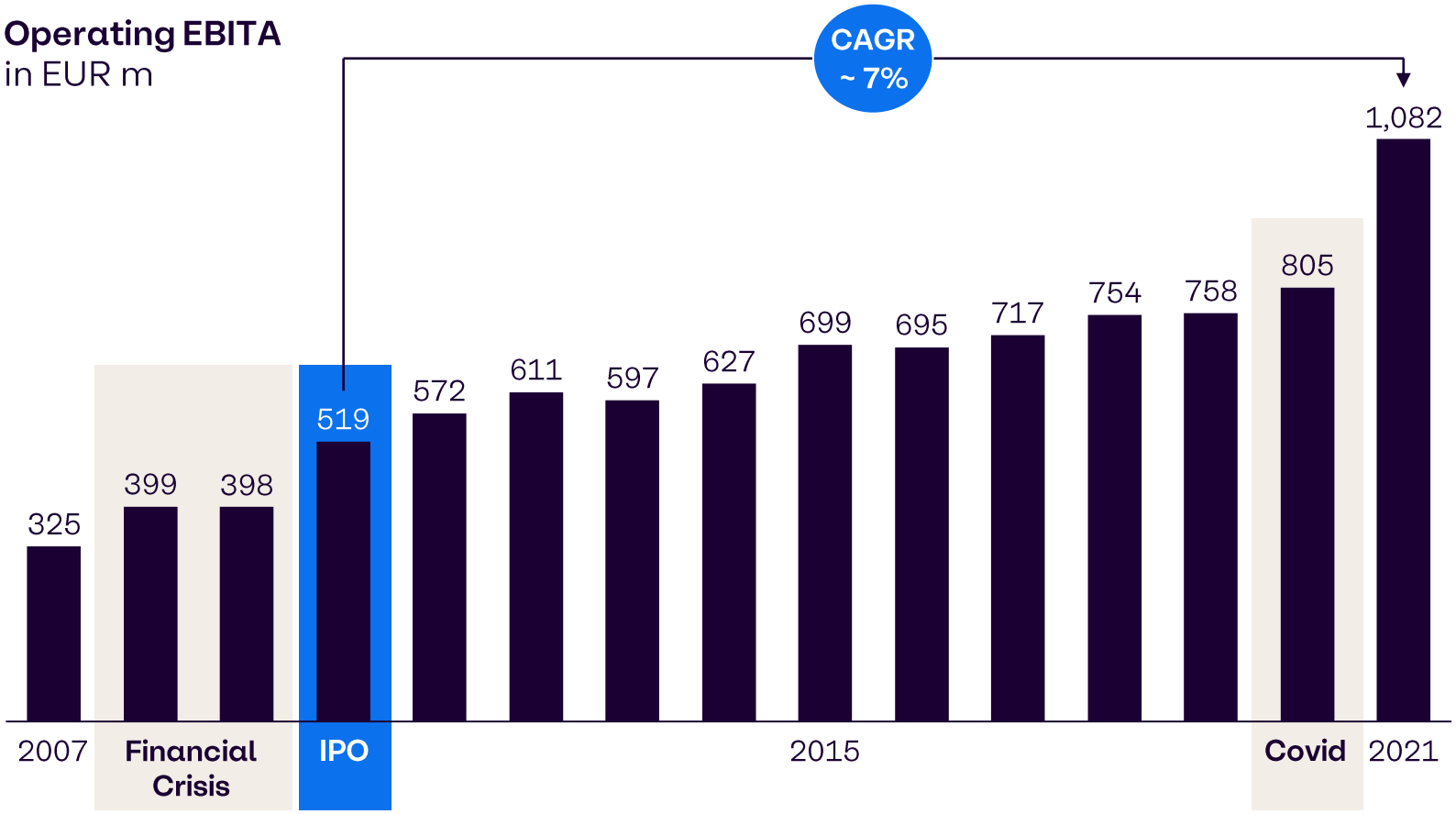
Superior last mile excellence delivered via >600 regional sites

Global sourcing of products from 1,000's of high-quality suppliers

Sources: Company information, ICIS Top 100 Chemical Distributors (2022)
Notes: Univar split into Chemicals and Services (i.e. Industrials) and Ingredients and Specialties (i.e. Specialties). Some specialties are considered 100% despite missing properties, implying that definitions are different across the board. Data excluding Helm, Tricon, and Nagase & Co (traders)
[1)] Other includes Material Science, Lubricants, Water treatment and others
[2)] Manuchar sales were calculated using 1 USD = 1.0001 EUR

Sustainable track record of compounding growth

Operating EBITA
in EUR m



- Profit growth consistently above chemicals manufacturing growth
- Ability to protect margins even in macro downturns
- Operating EBITA margin remains stable across cycle
- Countercyclical cash flow profile
- Recurring and synergistic bolt-on M&A a key opportunity to compound earnings

Distributors perform a value-added function with economies of scale

Purchase

Sourcing from various suppliers, leveraging global scale and regional network

Storage

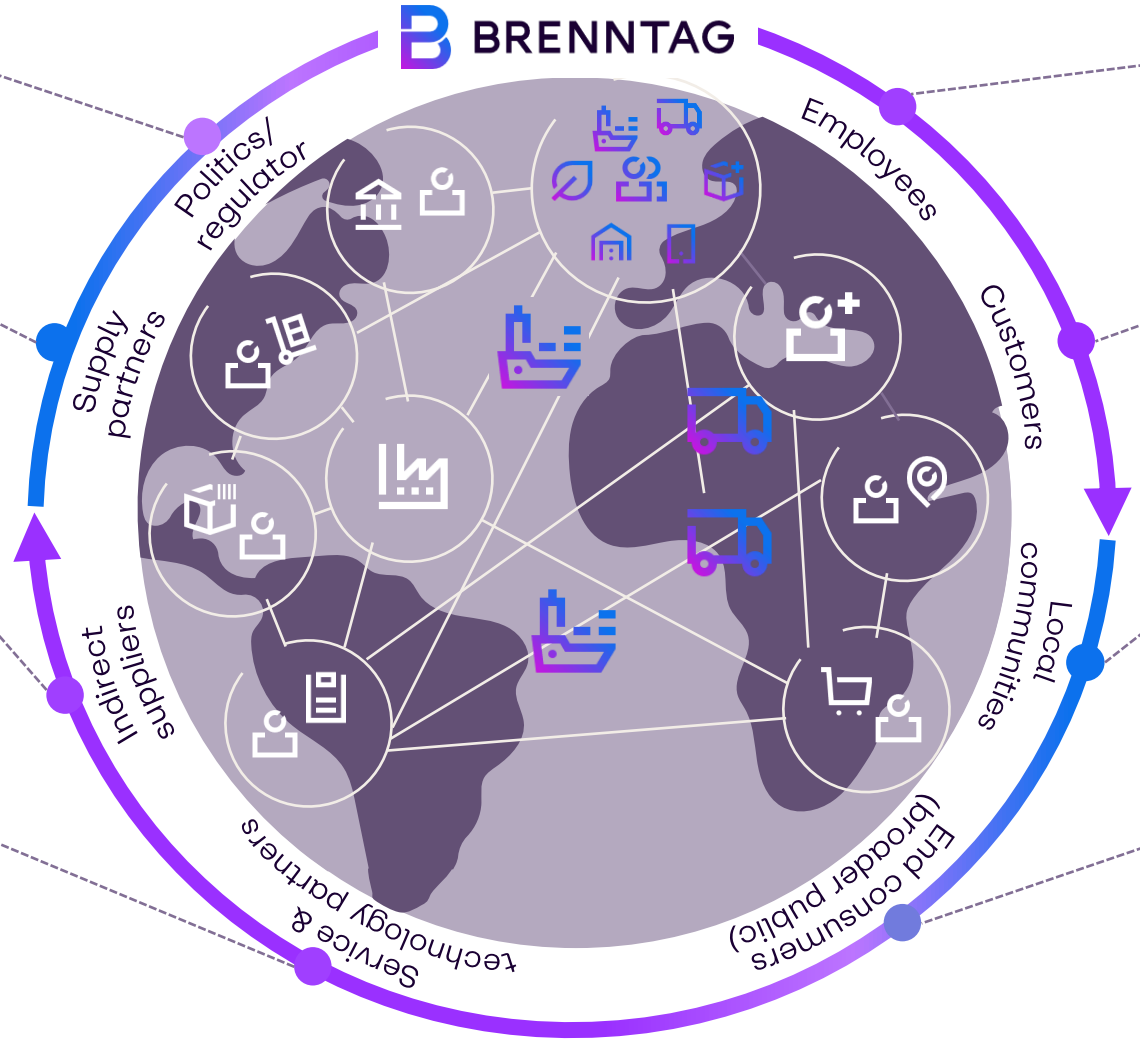
Storing and inventory management

Transport

Provide logistics solutions
Managing transportation complexity

Filling, Packaging & Labelling

Repackaging from large into smaller quantities
Filling, labelling, bar-coding and palletizing



Know-how, Innovation & Sustainability

Innovation & application development
Drive suppliers' and customers' sustainability agenda

Mixing, Blending & Formulating

Mixing & blending according to customer specific requirements
Formulating & technical support from dedicated application laboratories

Bundling Transport

Leveraging high route density based on local scale
Utilizing transportation for drum return services

Vendor-managed Inventory

Providing just-in-time delivery and vendor-managed inventory services

Comparison of different ecosystem key constituents

	"What we are" BRENNTAG	"What we are not" Chemical Producer
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

Chemical distribution differs substantially from chemical production

Purpose

Connecting with products, knowledge and innovation

Fostering a sustainable future

Caring for human needs

Vision 2030

We shape the future of our industry by empowering our partners within networks driving collaboration, excellence and shared success

We are guided by our purpose and vision based on our cultural pillars

Board of Management: Highly experienced management team

Christian Kohlpaintner
Chief Executive Officer

- Corp. Board Office
- Global HR
- Corp. Planning & Strategy
- M&A Brenntag Group
- Global Communications
- Global Marketing
- Compliance & Audit Brenntag Group
- QSHE Brenntag Group
- Sustainability Brenntag Group
- Corp. Relations & Government Affairs

Kristin Neumann
Chief Financial Officer

- Corp. Controlling
- Accounting Brenntag Group
- Legal Brenntag Group
- Tax Brenntag Group
- Treasury Brenntag Group
- Corp. Investor Relations
- Corp. Insurance Management
- Shared Services Brenntag Group
- Finance EMEA, Americas, APAC, China & Hong Kong

Henri Nejade
Chief Operating Officer Brenntag Specialties

- Brenntag Specialties
- Controlling Brenntag Specialties
- Global Industry Development

Steven Terwindt
Chief Operating Officer Brenntag Essentials

- Brenntag Essentials
- Controlling Brenntag Essentials
- Global Key Account Management
- Global Sourcing & Supply Brenntag Essentials
- Brenntag International Chemicals

Ewout van Jarwaarde
Chief Transformation Officer

- Digital Transformation
- Data & Analytics
- Core IT Platforms
- Digital Business Architecture
- Information Security
- Brenntag Excellence
- Transformation Office (incl. Project Brenntag)
- Indirect Procurement & Procurement Excellence
- E2E Deployment
- Controlling CTO Domain

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Increasing specialisation of suppliers requires an evolution in distributors' capabilities

Specialties chemicals distributors

Industrial chemicals distributors

Suppliers increasingly focusing portfolio towards specific specialties or commodity propositions

Distributors need to anticipate and reinforce suppliers' strategy to remain value-added partners

Distributors are required to have unique capabilities resulting in exclusive relationships

Leadership in both markets requires two tailored strategies

Key industry requirements

- Reinforce supplier strategies to drive growth
- Offer specific customized solutions
- Master Digital & Data driven business models
- Foster sustainability trends
- Drive market consolidation and efficiency gains

Specialties

TAM[1] 2021	EUR 124bn
Growth outlook 2021-26[2]	4-6%

Industrial

TAM[1] 2021	EUR 165bn
Growth outlook 2021-26[2]	2-4%

Distinct segment trends

- Application expertise
- Customized solutions
- Innovation capability

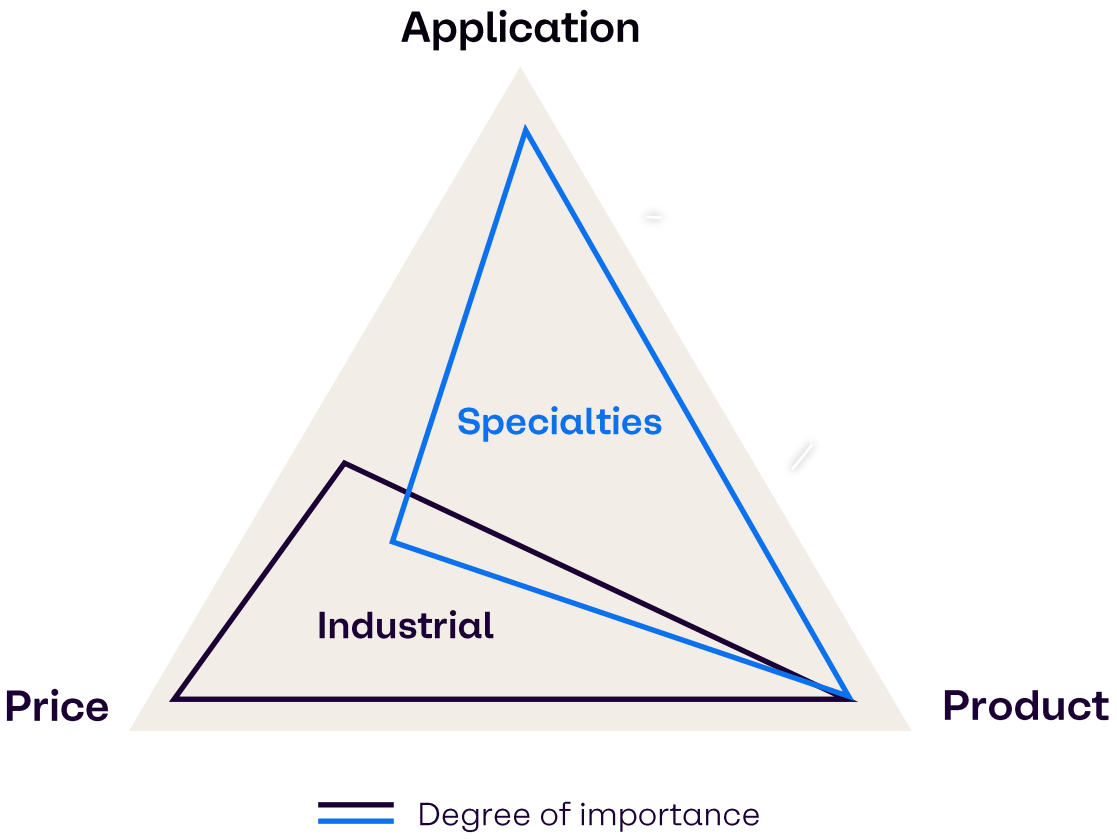
- Cost efficiency
- Security and safe handling of supply
- Global reach

Source: BCG analysis
[1] Total addressable market
[2] Forward looking growth rates are real growth rates

Customer needs are becoming more differentiated, requiring tailored propositions

Specialties customers

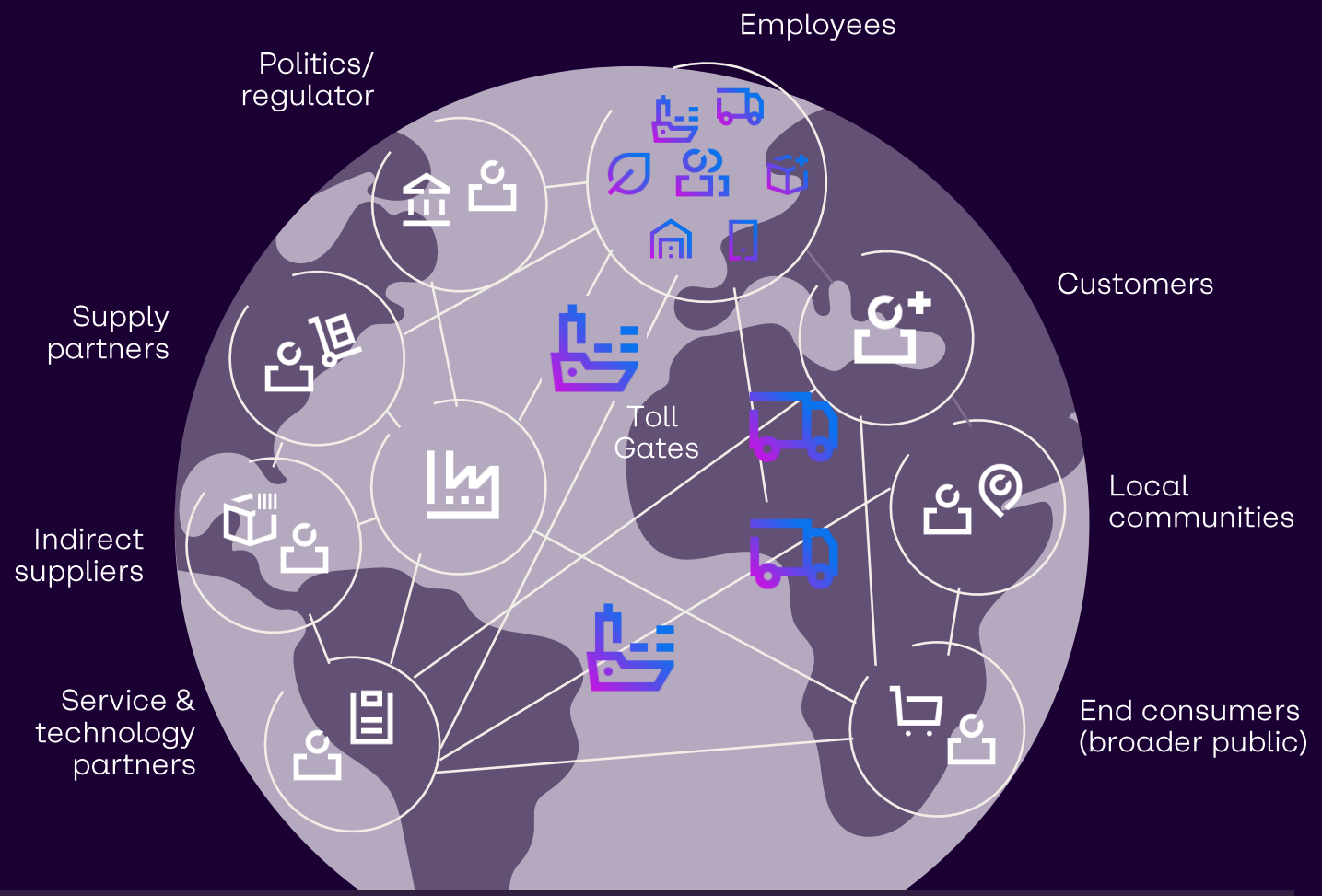
- Focus on technical expertise and innovation
- Comprehensive product portfolio
- Value-added services
- Managing complexity



Industrial customers

- Focus on “no frills”
- Delivery with seamless operational integration
- Competitive pricing
- Safest delivery

Brenntag connects key stakeholders across the distribution ecosystem



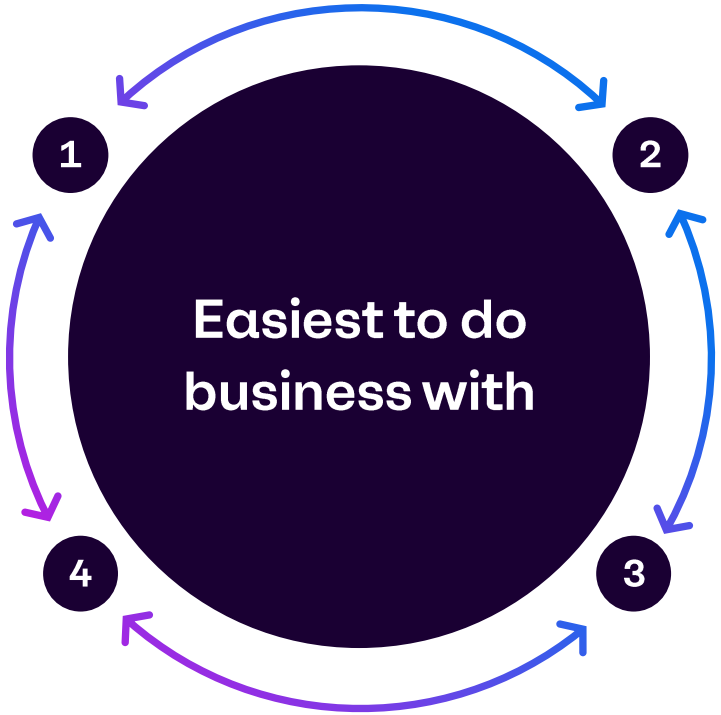
Product-, knowledge- and innovation-driven interconnected ecosystem of partners

Characteristics of successful ecosystems

- ✓ Collaboration
- ✓ Shared benefits
- ✓ Human needs
- ✓ Empowerment
- ✓ Multiple dimensions
- ✓ Sustainability

Delivering our strategy to win

Accelerate growth
through
differentiated steering
of BSP and BES to
leverage innovation
and global reach



DiDEX[1)]

Hardwire excellence to sustain market outperformance

Be a frontrunner in **Digital & Data** to connect supply partners and customers

Drive
market consolidation
through
accelerating M&A

Lead the
sustainability agenda
in chemicals and ingredients distribution

[1)] Digital.Data.Excellence

Horizon 2 leads to BSP and BES with specific strategies, differentiated core capabilities and shifting operating models

	Brenntag Specialties	Brenntag Essentials
Specific strategy	Global go-to service partner	Local strengths, global expertise, reliable partner
Differentiated core capabilities	▪ Value-added services ▪ Innovation and application development ▪ Comprehensive product portfolio with supplier partnering ▪ Deep market and consumer understanding	▪ Cost-efficient last mile delivery ▪ Intra-regional product flow management ▪ Global sourcing leveraging scale and optionality ▪ Cross-selling into various industries
Shifts in operating model post 2022	▪ Global business unit per end market with dedicated commercial and technical teams ▪ Dedicated supply chain capabilities	▪ Regional performance cells ▪ Global sourcing of key products

Brenntag Specialties: Be the global specialties go-to-service partner for innovative and sustainable solutions

BRENNTAG

From a leader in food and strong local positions...

Increase value-added service offering

Offer the most comprehensive and sustainable portfolio

1

2

Global go-to service partner

Expand global footprint

5

3

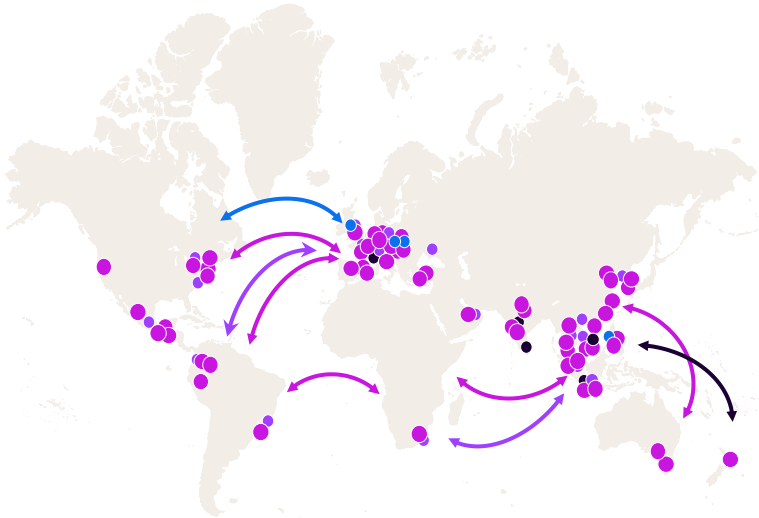
Accelerate M&A

4

Develop with high-growth customers and industries

BRENNTAG

...to a global specialties partner leading in Life and Material Sciences



Life Science

Environmental Science

Material Science

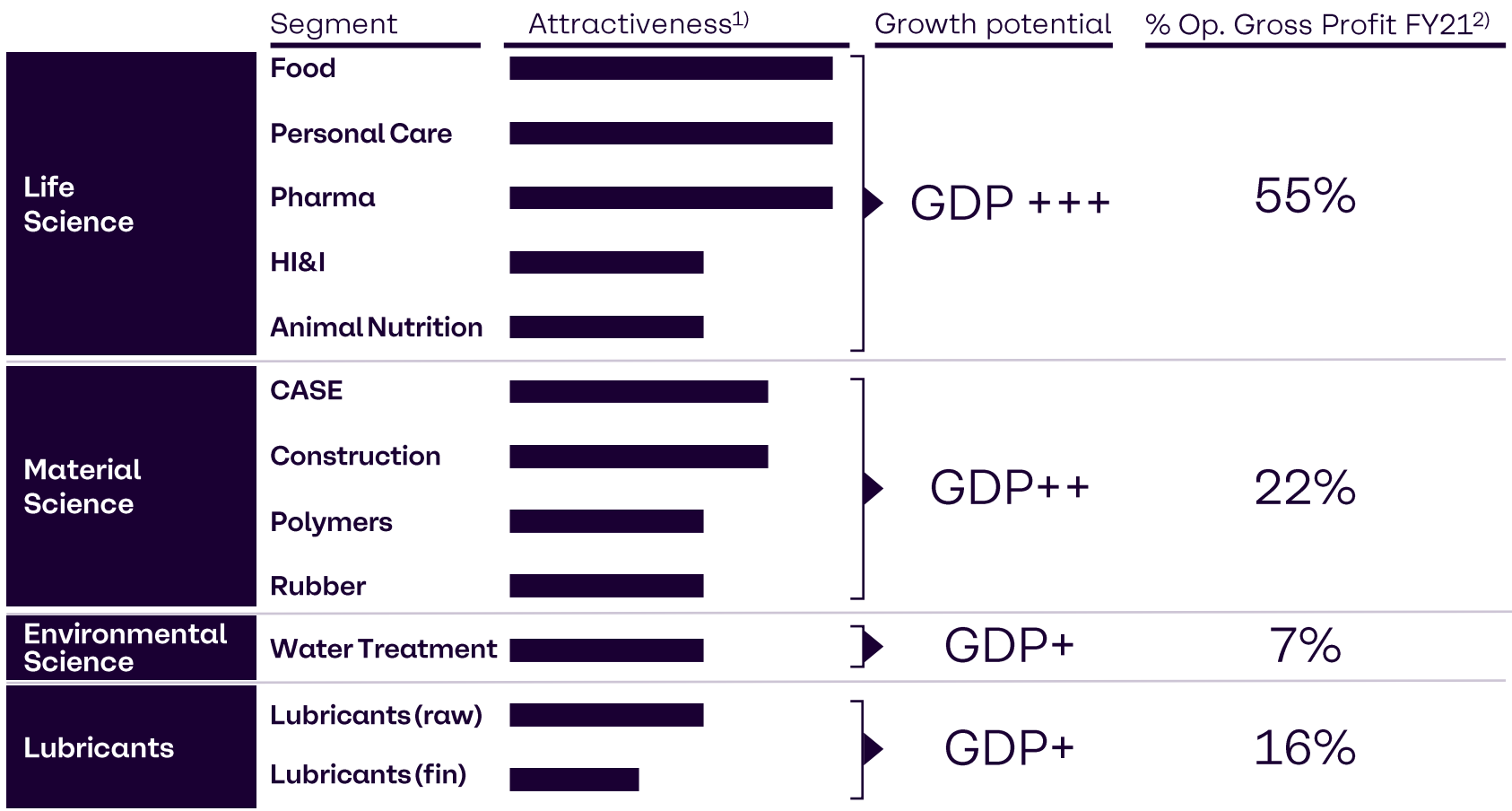
Lubricants

Operating in highly attractive end markets with a well diversified portfolio

Market leading Specialties portfolio diversified across key end markets

High growth and resilient Life Science represents 55% of BSP portfolio

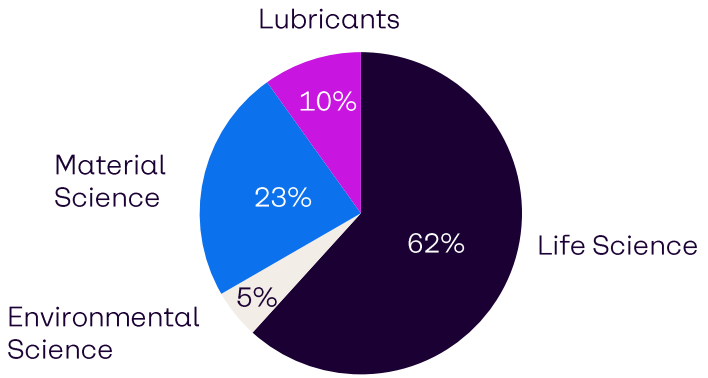
Strong demand for value-added services in BSP focus end markets



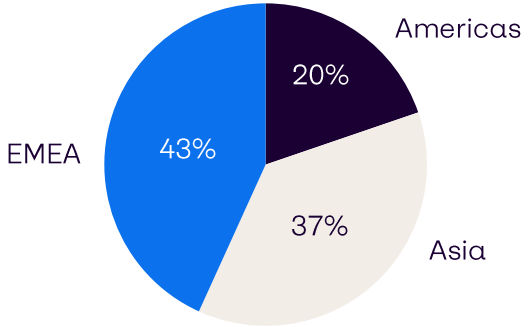
[1)] Based on market size, market growth, market profitability, market risk, competitive intensity and potential for value-added services
[2)] Including acquisitions JM Swank and Zhongbai Xingye for a full year, not including other specialty markets

Global network of application labs to deliver value-added solutions

Application labs by end market



Application labs by geographical coverage

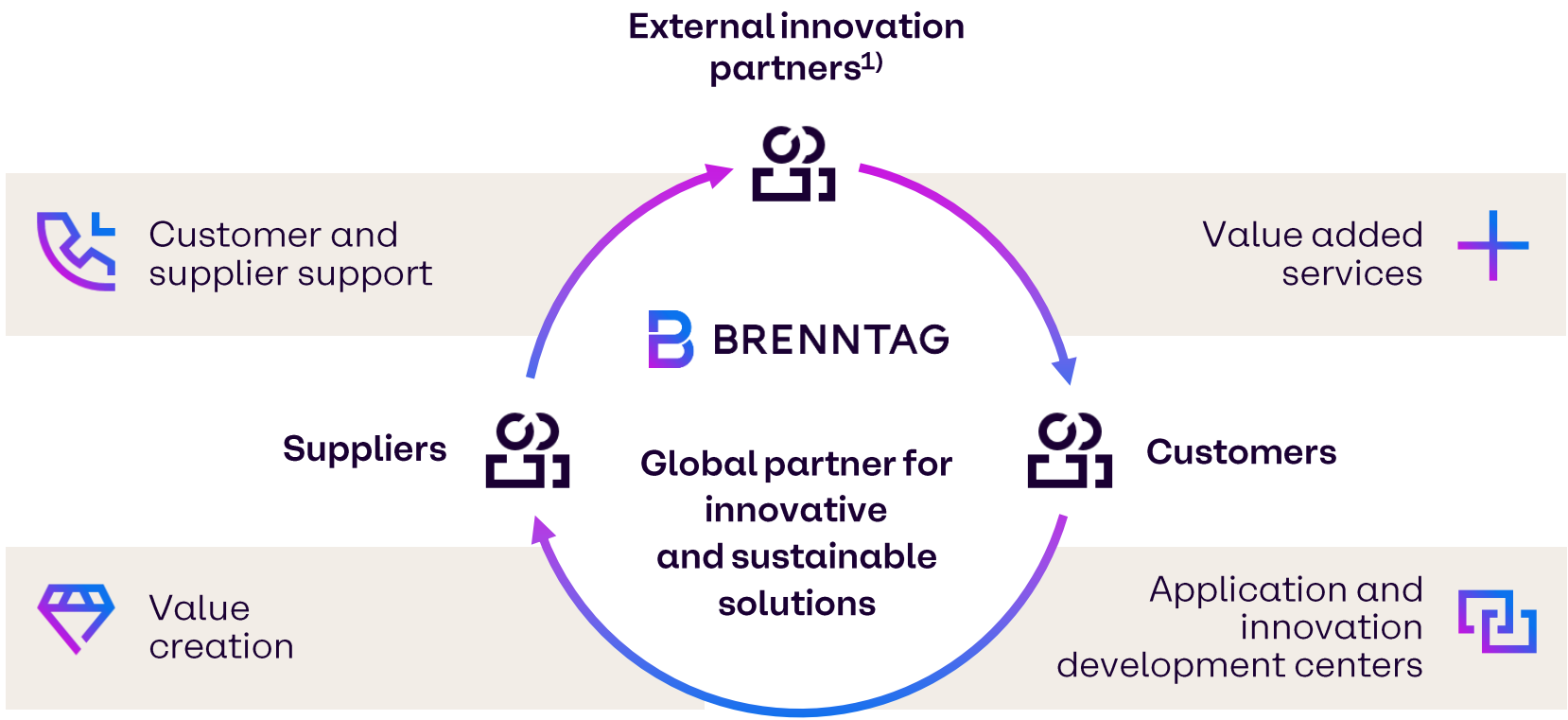


81 laboratories
Diversified across BSP end industries

Global collaboration and expertise
Advanced knowledge exchange networks and centers of excellence

State-of-the-art equipment and technical experts
Across strategic locations to elevate our solutions offering

Strategically partnering with suppliers and customers in a solutions ecosystem



Comprehensive portfolio of >35k products from leading suppliers

Deep understanding of markets, products and consumer trends

Enabling best-in-class solutions for customers based on industry-specific supplier product portfolios

1) For instance universities

Brenntag Specialties strategic priorities to achieve our ambition

Strategic ambition	**Be the global go-to-service partner for innovative and sustainable products**	
Strategic priorities	1 Increase value-added service offering 2 Offer the most comprehensive and sustainable portfolio 3 Expand global footprint 4 Develop with high-growth customers and industries 5 Accelerate M&A	
End market approach	**Life Science**	Grow food and replicate success to scale pharma and personal care segments
	Material Science	Increase position as innovative and solution-oriented player
	Environmental Science	Become leading provider of sustainable solutions
	Lubricants	Reinforce position as leading distributor of sustainable and low carbon brands

Brenntag Specialties: Sustainably delivering above market growth

Expanding into high growth regions and optimizing our portfolio and solutions capabilities

Above market growth in Gross Profit is complemented by further selective acquisitions

Streamlined industry focus and deep understanding of customer requirements to increase margins

Medium term targets	
Organic Operating Gross Profit CAGR[1)]	6% - 8%
Organic Operating EBITA CAGR[1)]	7% - 9%
Operating EBITA Conversion Ratio[2)] 2026	40% - 42%

Note: Base year for targets is 2021
[1)] Excluding benefits from DiDEX
[2)] Calculated as EBITA / Op. Gross Profit. Excludes DiDEX

Brenntag Essentials:
Connecting local strengths with global scale and expertise

BRENNTAG

From a regional leader in the Americas and EMEA ...

Local

Efficient inland supply networks and service excellence

Global

Interregional product flows and tollgates

Global sourcing and supplier management

1 2 3

Achieving accelerated growth

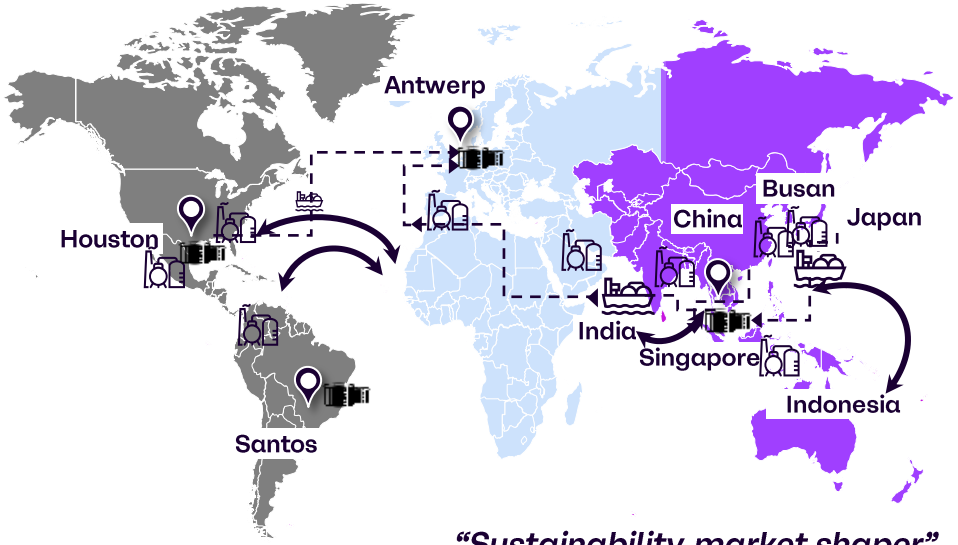
Market maker for sustainable products

Growth markets

M&A; Aligning resources to market potential

BRENNTAG

...to strengthened global capabilities *with regional excellence and targeted growth*



"Sustainability market shaper"

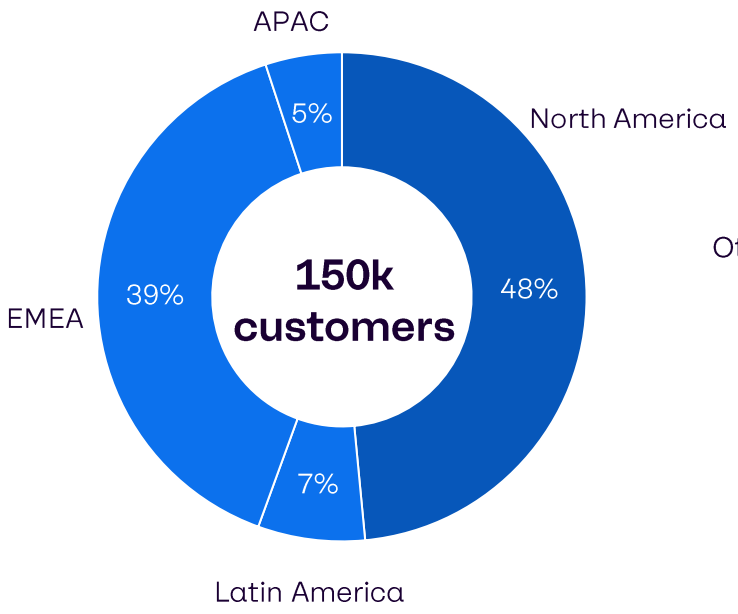
"Interconnected and integrated network with service and value mindset"

High growth — Medium growth

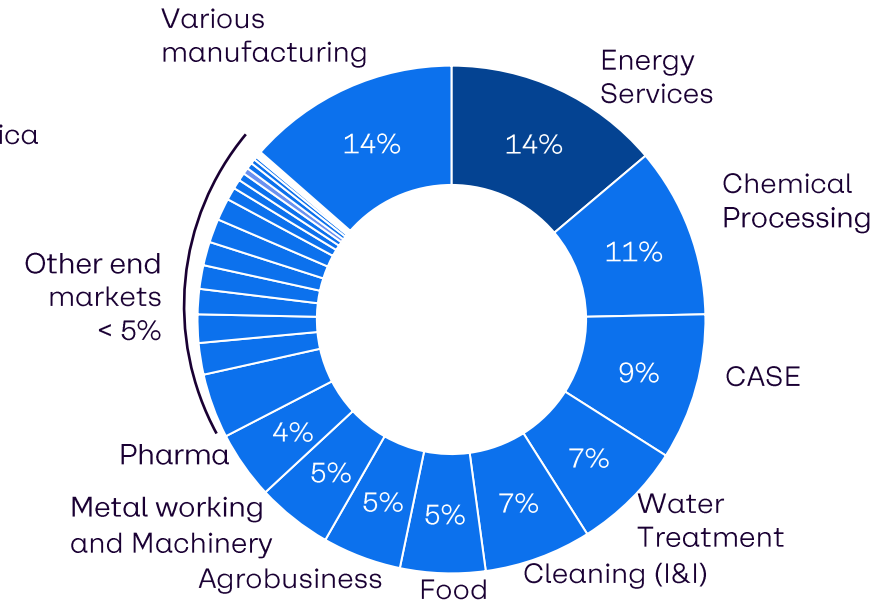
Highly diversified geographic, industry and product spread make the Essentials business resilient

Geographies

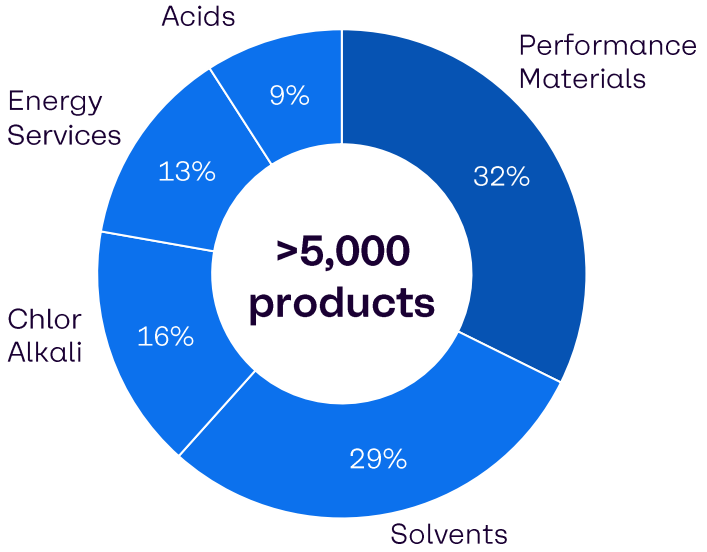
Op. Gross Profit (EUR m, 2021)



End Markets



Products



Brenntag Essentials has unrivalled foundational strengths resulting in a clear competitive advantage

Unique local and regional distribution network, deeply embedded in high demand centers around the world

150k customers

Superior "last mile" service excellence, own logistics resources and customer proximity makes us indispensable in local markets

>600 sites

Professional and experienced **workforce with local market expertise who truly understand local customer needs**

>10,000 employees

Global sourcing of products across regions using scale, leverage and optionality plus intra-regional supply chain to provide **security of supply**

1,000+ suppliers

Strong geographic, product, industry, application and customer **diversification provides breadth**

70 countries

Industry leading safety, regulatory and sustainability standards

Leading ESG standards

Key strategic priorities to achieve accelerated, above market growth and strong cash conversion

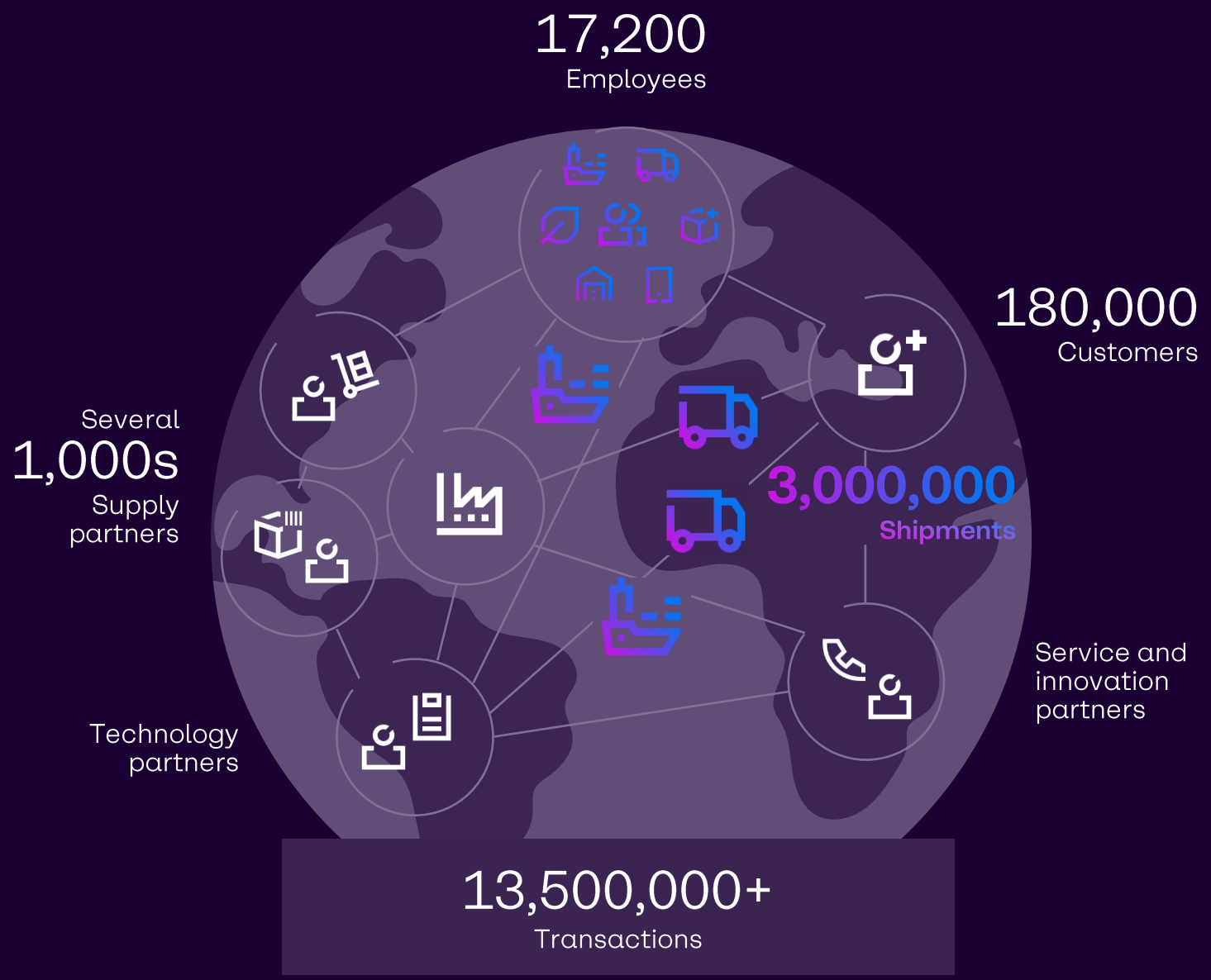
Strategic ambition	**Be the undisputed global market leader shaping the future of Essentials distribution, achieving accelerated above market growth with strong cash conversion**		
Strategic priorities	**1** Local strength	**2** Global expertise	**3** Growth markets
	Strengthen local and regional distribution networks in under-represented areas (i.e. NA, LA, APAC)	**Reinforce global sourcing and market intel capabilities** to improve **security of supply** and capture competitive product streams	Capture new market potential and strengthen our market position through **M&A**
	Optimize last mile delivery capabilities driving down cost-to-serve while **enhancing service excellence** and value-added services	**Expand our global terminal capabilities at strategic ports** to enhance intra-regional product flows and connectivity to our regional networks	Be the market leader for **sustainable products and sustainable supply chain solutions**

Brenntag Essentials: Industry leading growth, profitability and cash generation

- Sustainable Gross Profit and EBITA growth
- Product portfolio optimization focusing on profitability
- Improved inland supply chain efficiency and ease of doing business reduces costs
- Strong balance sheet with industry leading cash-generation that can support M&A

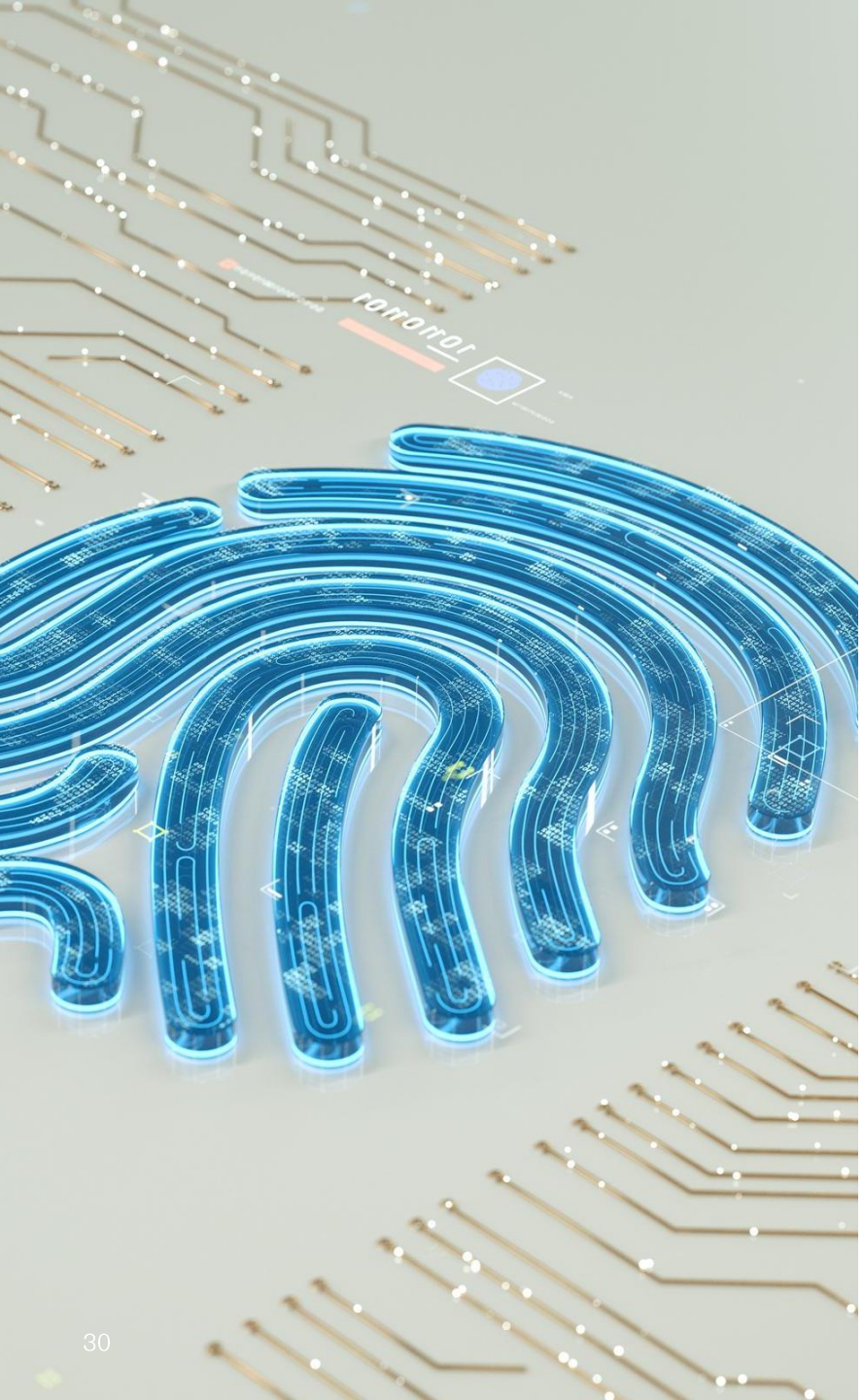
Medium term targets	
Organic Operating Gross Profit CAGR[1)]	3% - 4%
Organic Operating EBITA CAGR[1)]	4% - 5%
Operating EBITA Conversion Ratio[2)] 2026	28% - 30%

Note: Base year for targets is 2021
[1)] Excluding benefits from DiDEX
[2)] Calculated as EBITA / Op. Gross Profit. Excludes DiDEX



Brenntag digitally connects the industry ecosystem

Key connectors
Unrivalled access to transactional data
Most extensive supply chain connecting for sustainability
Insights on market developments and innovation



Brenntag to become the data- and tech-driven industry leader with strong focus on operational excellence

- Becoming easiest to do business with
- Unlocking the value from our data
- Creating a scalable technology platform
- Building capabilities to attract and retain talent
- Driving value delivery and embed change
- Net annual EBITA uplift of EUR 200m by 2026

Digital.Data.Excellence.

Becoming easiest to do business with

Excellence through harmonized, industry-leading processes and **omnichannel partner** engagement

Unlocking value from our data

Data- and AI-driven real-time **insights** and decisions

Creating a scalable technology platform

Modular architecture**, cloud** first**, API** first, and security-embedded

Leading technology **partnerships**

Digital, data and process capabilities and talent

New **Digital & Data** talents and digital up-skilling of Brenntag employees

Value delivery and change

Transformation experience from Project Brenntag

Agile best practices (start small, scale rapidly)

Benefit of DiDEX will result in net annual EBITA uplift of EUR 200m by 2026

EUR 200m
Net annual EBITA uplift by 2026

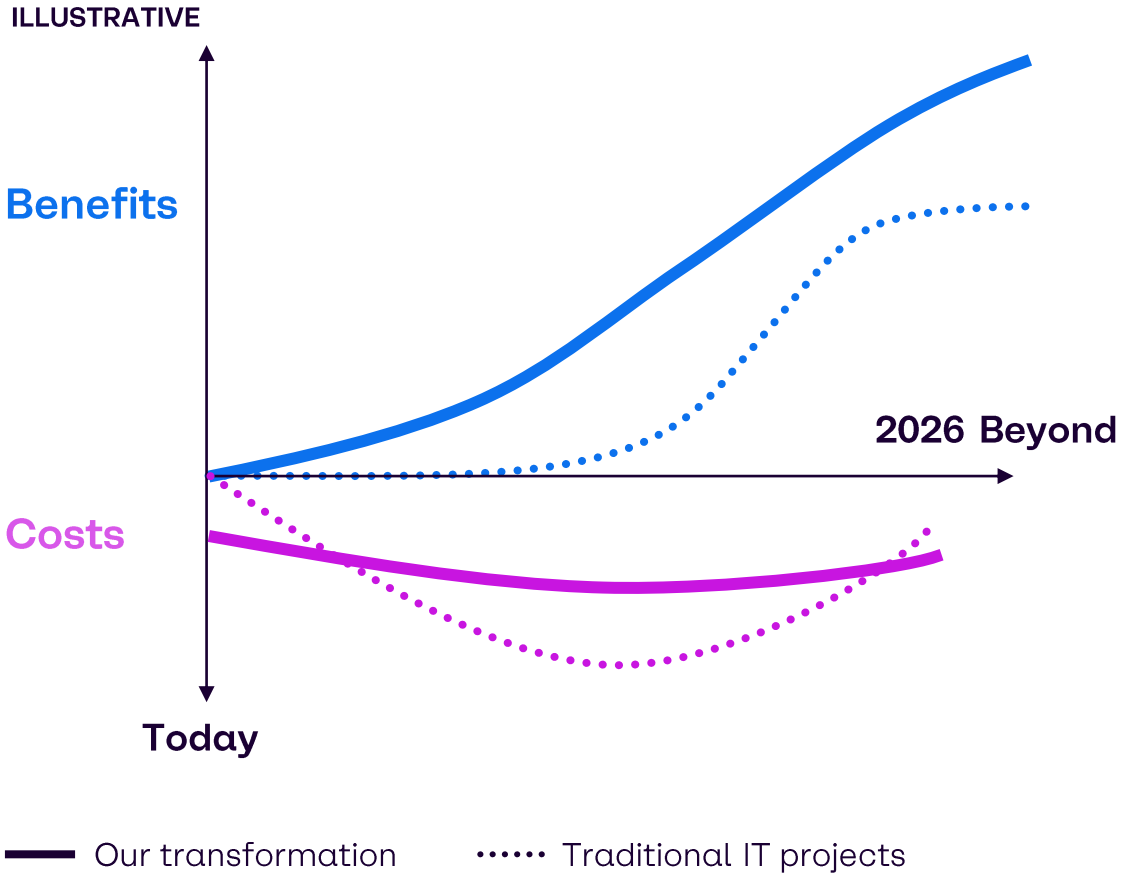
80%
From bottom line measures

EUR ~350m
Total investment until 2026 to develop Digital & Data capabilities[1)]

~65%
OPEX

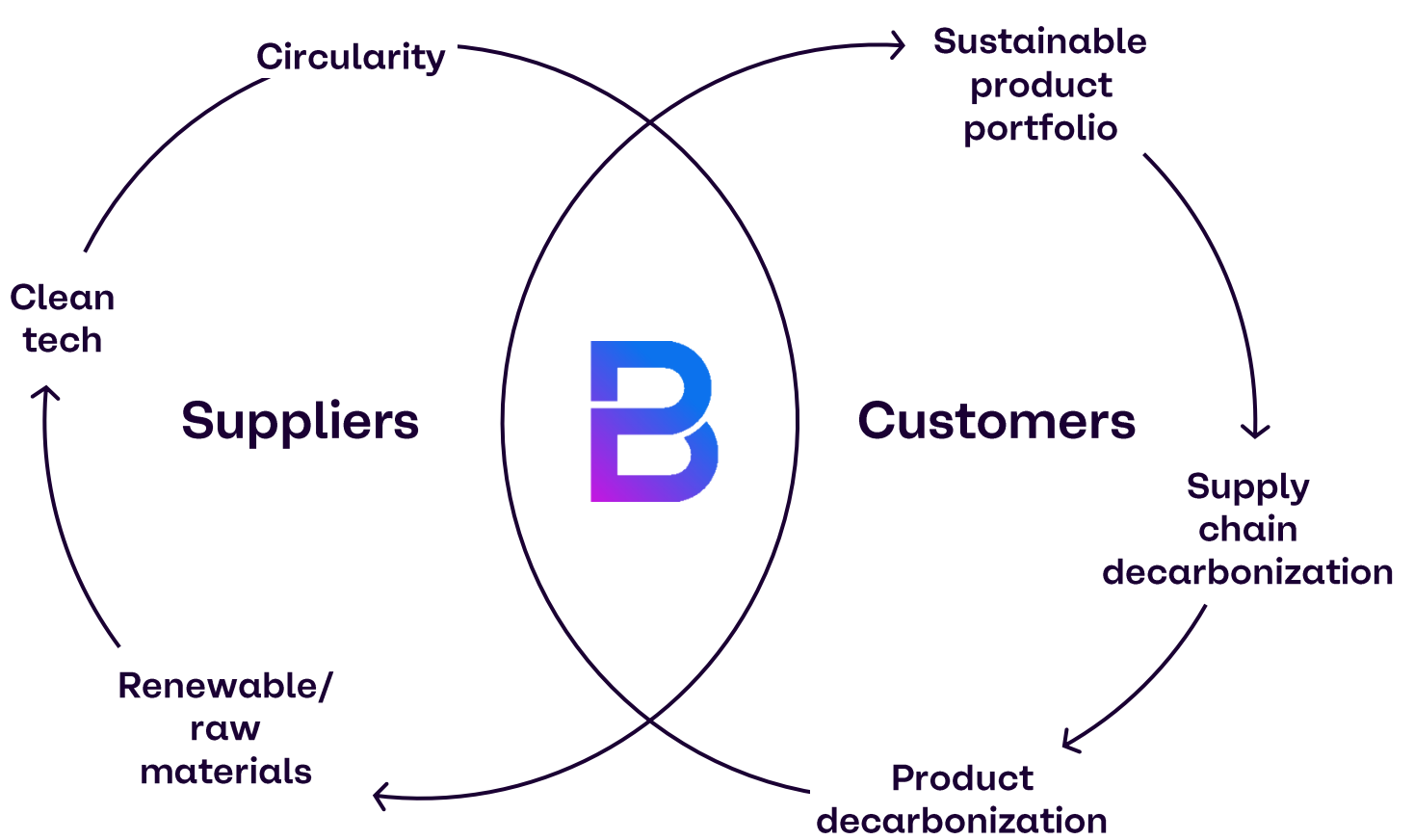
~35%
CAPEX

Program is already delivering benefits



[1)] One-off spend over next 4 years

Leading the creation of a sustainable ecosystem across the industry



Selected mid- to long-term targets

100% green energy by 2025 and net zero by 2045

100% portfolio steering towards sustainability by 2025

TRIR[1)] < 2.0 and no severe accidents by 2030

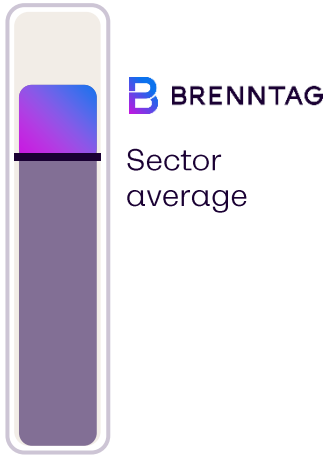
Global organizational **diversity, equity and inclusion** structure by 2023

[1)] Total Recordable Incident Rate with no severe accidents implying an Actual Hurt Level of 4–5

Brenntag achieves industry leading sustainability ratings

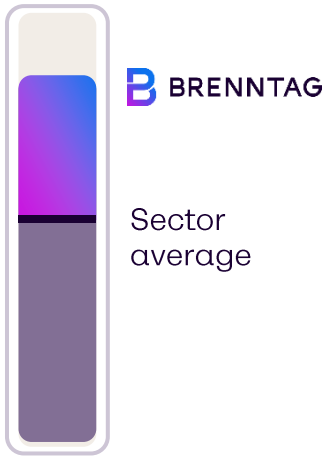
Memberships and initiatives

- **UN Global Compact**
- Responsible **Care/Distribution** program
- **"Together for Sustainability"** initiative
- Global inclusion initiative **The Valuable 500**
- **DAX 50 ESG**
- **DAX ESG Target**
- **Reporting according to GRI**
- **Reporting according to SASB**
- **Joined in 2022**



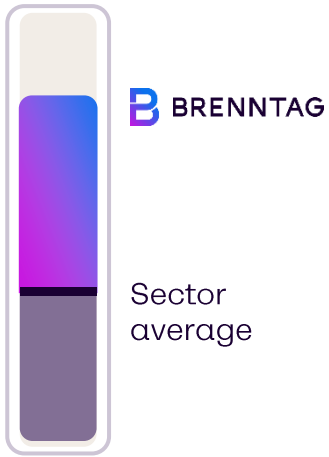
MSCI

Rating[1]: **AA**



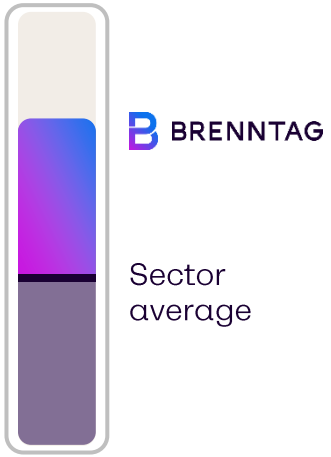
SUSTAINALYTICS

Risk Rating[2]: **16.1 (Low Risk)**



ecovadis

Rating[3]: **Gold (Advanced)**



CDP

Score[4]: **B**

ISS ESG

Rating[5]: **C**

[1] Rating scale: AAA to CCC, as of May 3, 2022; [2] Rating scale: Negligible to Severe, as of November 10, 2022;
[3] Rating scale: Insufficient to Outstanding, as of January 12, 2022;
[4] Rating scale: A to D-, as of December 7, 2021; [5] Rating scale: A+ to D-, as of February 12, 2022

Clear M&A strategy as an enabler of future growth

Key pillars of growth ...	... translating into strategic plans
Accelerate **growth in Life Science** globally	Continued **financial and integration** discipline
Enhance **strategic capabilities and market positions**	Extensive pipeline of **>300 targets**
Expand position in **emerging markets** in Specialties and Essentials	
Selectively **fill white spots** to complement our portfolio	Additive to **sustainability goals**
Improve **tech capabilities** and realize **efficiency gains**	

Annual M&A spend of ~EUR 400-500m

Group financial 2026 targets at a glance

Growth and profitability	Digital.Data.Excellence / Self-help program	Planned investments
4% - 6% Organic Operating Gross Profit CAGR		**EUR 400-500m** Annual M&A spend
6% - 8% Organic Operating EBITA CAGR	**EUR 200m** Net annual EBITA uplift by 2026	**EUR 300-350m** Annual Capex[2)]
35% - 37% Operating EBITA Conversion Ratio[1)]		

Note: Base year for targets is 2021
[1)] Calculated as Op. EBITA / Gross Profit. Includes DiDEX
[2)] Excluding Capex for DiDEX

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Investment highlights

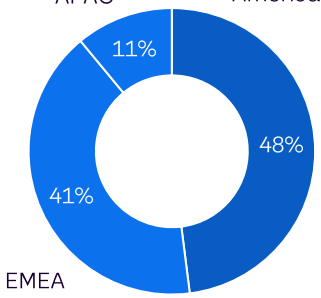
Brenntag is the undisputed and resilient leader

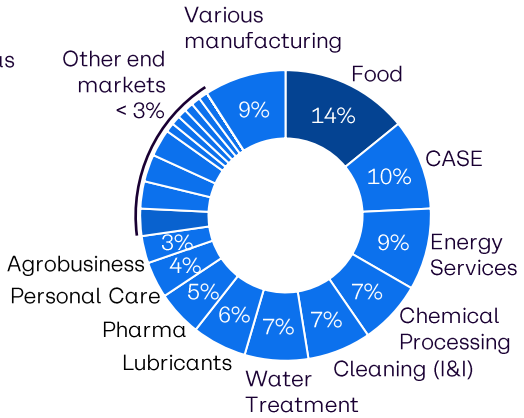
- Two global market leaders with superior offering: Brenntag Specialties & Brenntag Essentials
- Significant growth potential in an attractive industry
- Unparalleled product portfolio, application know-how and innovation capability
- Leading consolidator in a highly fragmented market
- Trusted partner with access to global supply chains and ownership of last mile delivery
- Superior business model with resilience through the downturn
- Frontrunner in Digital & Data and sustainability to connect supply partners and customers
- Sound financial profile with consistent growth and strong dividend track record

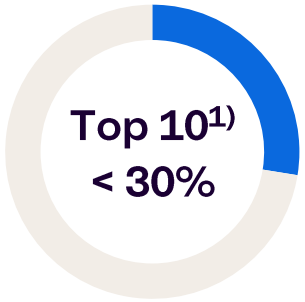
Resilient service and distribution platform with high geographical and operational diversification

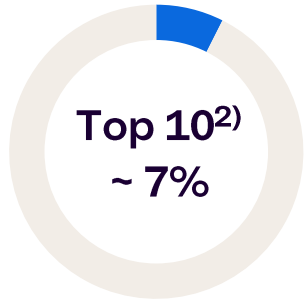
Locations	Geographies	End markets	Suppliers	Customers	Products
~ 700	**Brenntag Group** Operating Gross Profit 2021	**Brenntag Group** Operating Gross Profit 2021	Several thousands	~ 180,000	> 10,000

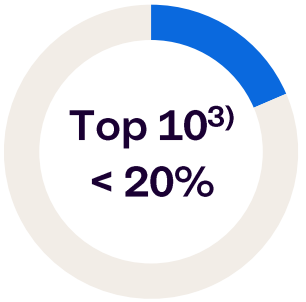
78 countries











With >17,000 employees in total	>50% outside EMEA and <10% in Germany	Highly diversified end markets	Multi-supplier approach	Very diversified client portfolio	LTL[4)] deliveries with ~EUR 4,000 Ø order size

[1)] As % of purchase value
[2)] As % of Sales
[3)] As % of Op. Gross Profit
[4)] Less than truckload

Distribution is an attractive and indispensable market, growing faster than chemical manufacturing

Distributors are an indispensable channel...

Chemical suppliers
Reinforce suppliers' strategy, e.g., brand proposition, value versus volume strategies, new product introduction, sustainability
Complexity reduction

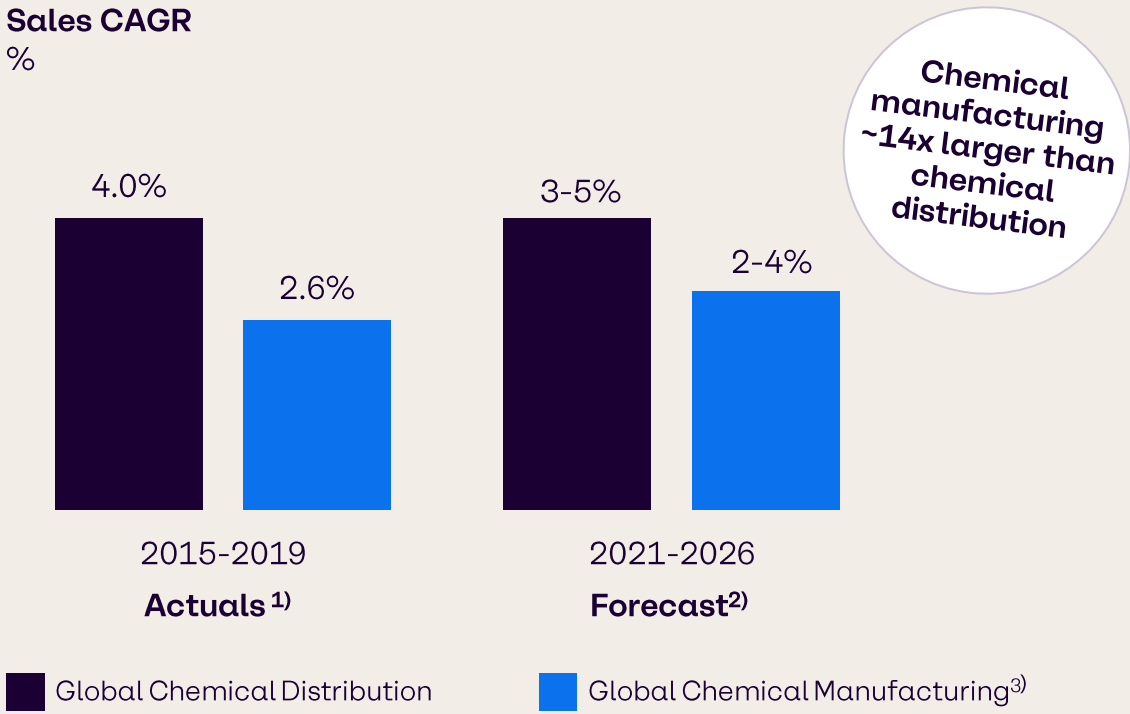
↕

Chemical distributors
Connect 1,000s of suppliers and customers
Extensive technical and application know-how
Highest safety and compliance standards
Capability to manage complexity

↕

OEMs and customers
Value-added and cost-efficient service provider
Reduced complexity for small volume purchases

...and are outpacing manufacturing growth

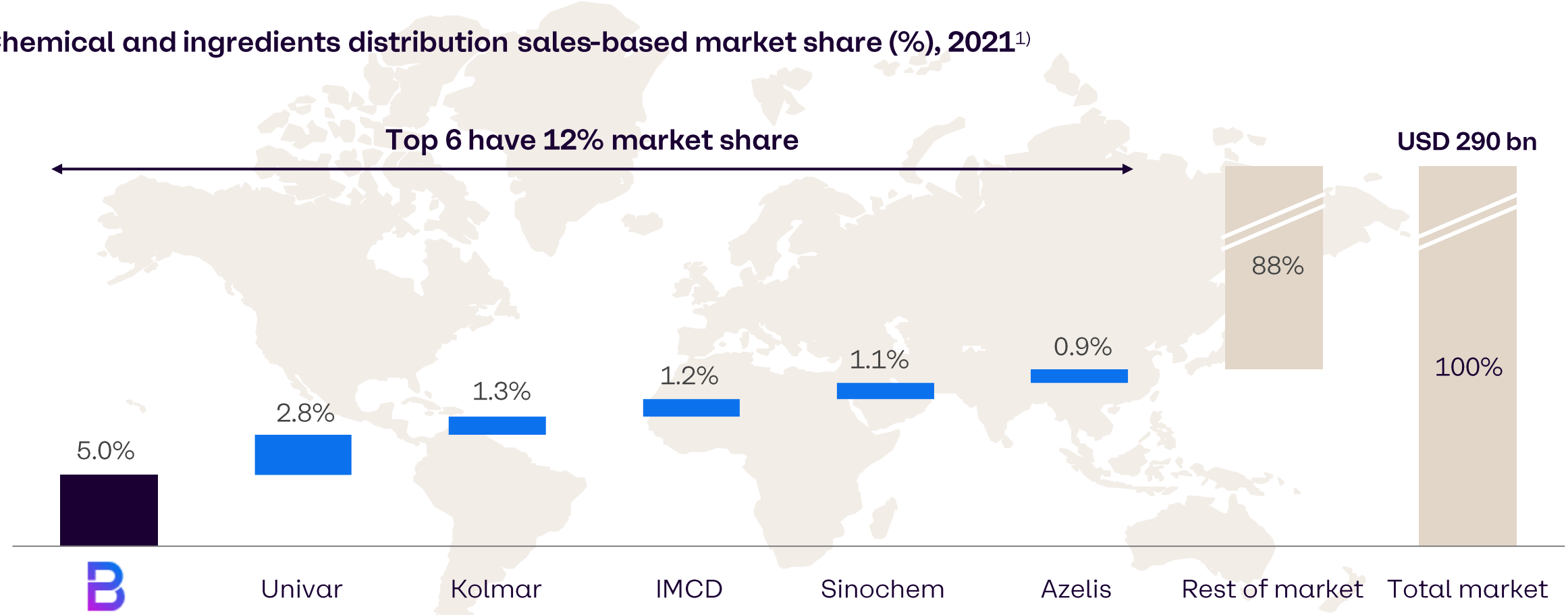


Source: 2021 BCG market analysis

1) Year 2020 is excluded to avoid one-off Covid-19 impact
2) Forward looking growth rates are real growth rates
3) Global Chemical Manufacturing is defined as global sales minus global exports plus global imports, implying that Global Chemical Manufacturing equals global sales

Brenntag is the undisputed global leader in a highly fragmented chemical and ingredients distribution market

Chemical and ingredients distribution sales-based market share (%), 2021[1)]

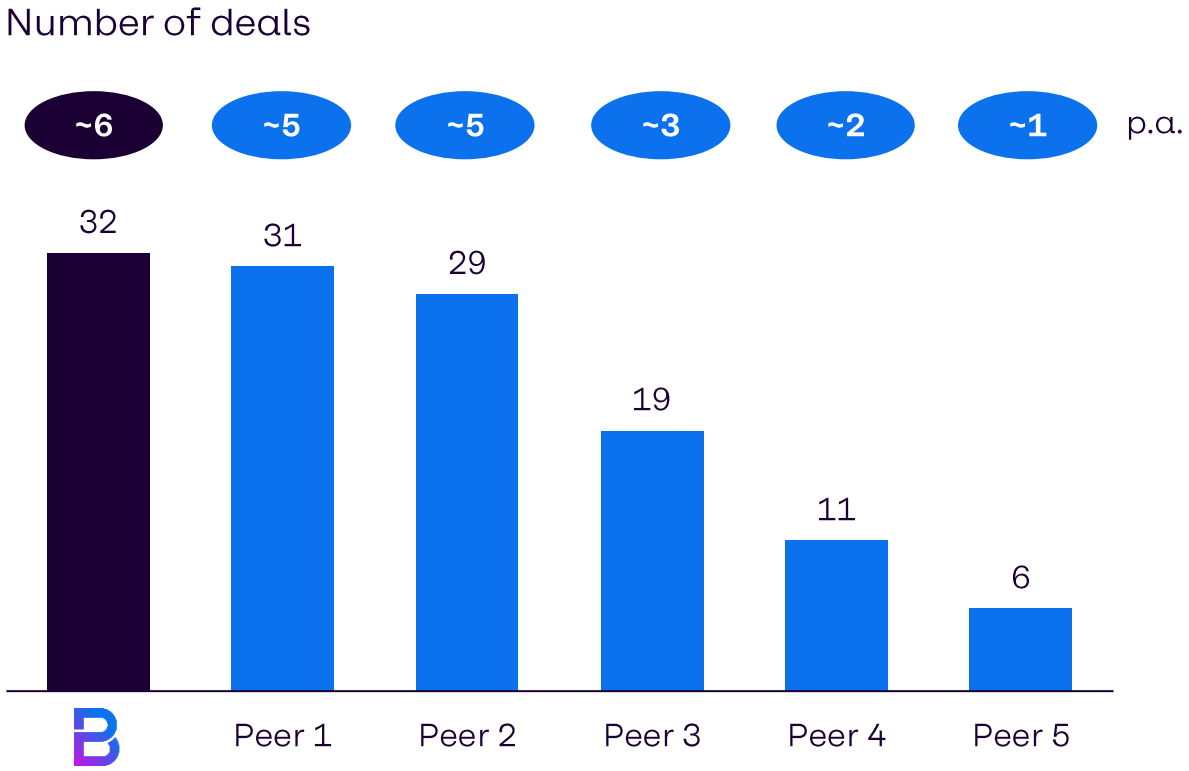


Source: ICIS Top 100 Chemical Distributors (2022), BCG chemical distribution market model

[1)] Excluding Helm, Tricon, and Nagase & Co (traders)

Brenntag is the leading consolidator in the industry

M&A activity 2017-2022 YTD[1] ...



... with compounding value creation over time

EUR 4.7bn	Acquired revenue 2010 – 2022 YTD[1]
~3%	Average share of M&A contribution to annual Op. EBITDA from 2010 – 2022 YTD[1]
EUR 2.5bn	M&A spend via 89 acquisitions from 2010 – 2022 YTD[1]
~8x	Average EBITDA multiple paid pre-synergies

[1] Q3 2022; based on closing date

Our capital allocation framework

- Brenntag's capital structure and targeted **investment grade credit rating** define the boundaries of discretionary capital spending
- We maintain a target leverage of ~2.0x
- 35% – 50% of consolidated profit after tax is paid to shareholders as a **dividend** on an annual basis

Capital allocation priorities

Reinvest in the business to support the strategy and long-term growth

Deployment into value-generative M&A where strategically attractive

Additional shareholder returns if value-maximizing for our shareholders

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Highlights Q3 2022

SALES (fx adj.)

+26.1%

EUR 5,100.5m

OPERATING GROSS PROFIT (fx adj.)

+17.6%

EUR 1,106.1m

OPERATING EBITDA (fx adj.)

+22.1%

EUR 459.7m

EPS

EUR 1.60

Significantly higher than in Q3 2021

PROJECT BRENNTAG IS OVERACHIEVING

~EUR 230m Op. EBITDA

Target over achievement by FY2022 - One year ahead of plan

FREE CASH FLOW

EUR 347.6m

+121.0% vs. Q3 2021
Working Capital turn stood at 7.5x

FY 2022 GUIDANCE CONFIRMED

EUR 1,750 – 1,850m

Expect to achieve the upper range of our guidance

CAPITAL MARKETS DAY 2022 IN LONDON

November 10, 2022

Horizon 2: Management Board has presented our next strategic phase

Brenntag continued to manage exceptionally challenging macroeconomic conditions well in Q3 2022

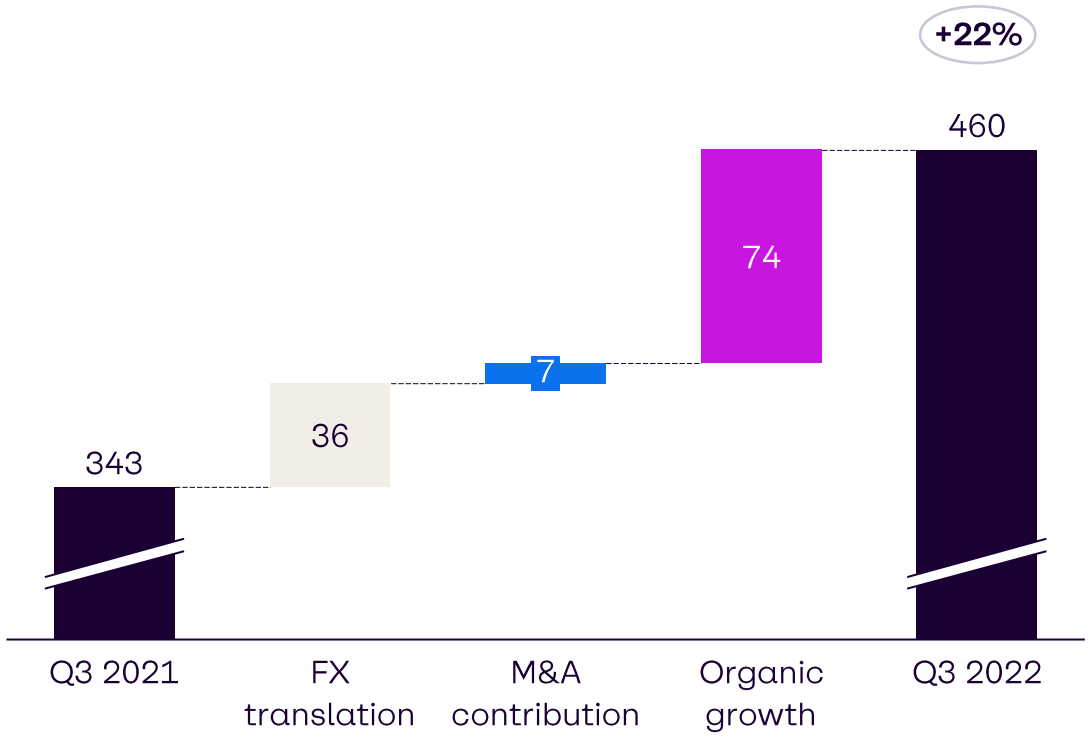
- Besides the geopolitical uncertainties, we are still experiencing pressure from a multitude of regional factors impacting global logistics and supply chains
- APAC impacted by lower domestic demand due to concerns about Chinese COVID lock-down measures, drought and real estate market
- Development in Europe is closely tied to the ongoing war in Ukraine
- Highly volatile price environment due to supply issues and decreased production output in certain value chains

- Resilience by drawing on multiple supply chains on a global basis
- Brenntag benefitting from high diversification in product portfolio and supplier base
- Maintaining supply and continued deliveries to customers' prime focus
- Well positioned to maneuver the challenging environment

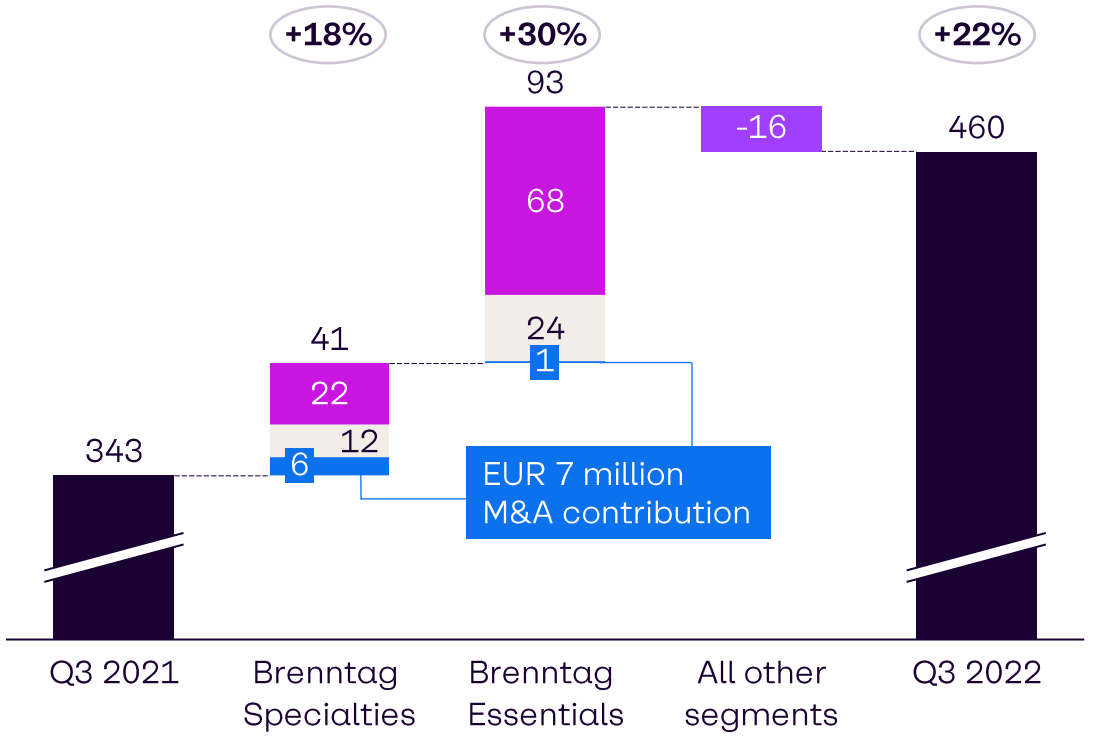
Against a challenging environment, Brenntag continued to demonstrate very strong EBITDA growth by supply capability, price pass-through and margin efficiencies

Financials Q3 2022: Operating EBITDA bridges[1)]

Reconciliation – Operating EBITDA growth (FX-adj.)
in EUR m



Segment – Operating EBITDA growth (FX-adj.)
in EUR m

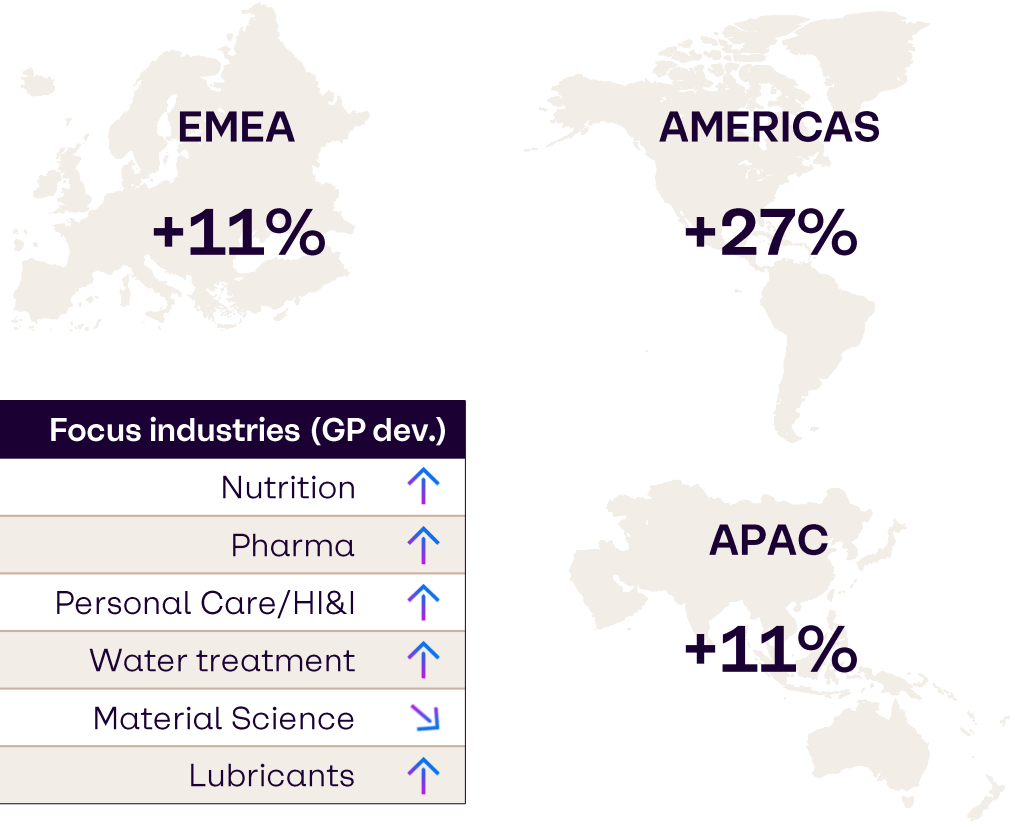


Organic growth FX translation M&A contribution

[1)] Calculations are partly based on assumptions made by management; effects based on rounded figures

Financials Q3 2022: Brenntag Specialties

Operating EBITDA growth[1)]



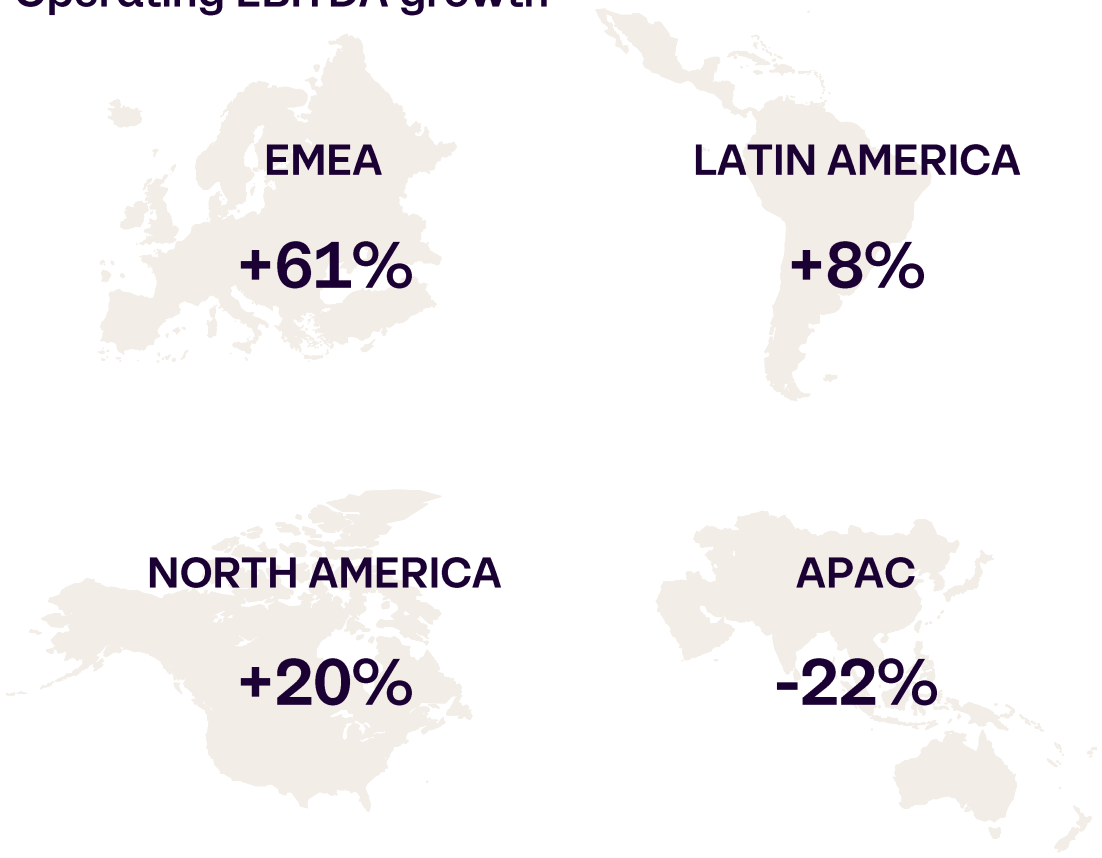
Focus industries (GP dev.)	
Nutrition	↑
Pharma	↑
Personal Care/HI&I	↑
Water treatment	↑
Material Science	↘
Lubricants	↑

- Brenntag Specialties showed another broad-based positive performance vs. already strong Q3 2021
- Strong Op. Gross Profit increase* of 16.8%
- Op. EBITDA* of EUR 193 million, an increase of 17.8%
- Op. EBITA growth* of 17.4%
- Almost all focus industries with double digit growth rates and Life Science industries particularly strong
- As expected in current market conditions, Material Science showed a lower performance
- Macroeconomic environment characterized by inflationary cost development & supply shortages
- Conversion ratio of ~46%

1) Growth rates are adjusted for translational FX-effects

Financials Q3 2022: Brenntag Essentials

Operating EBITDA growth[1)]



- Unique positioning of Brenntag Essentials led to exceptional performance and substantial growth in Q3
- Strong Op. Gross Profit increase* of 18.6%
- Op. EBITDA* of EUR 303 million, an increase of 30.4%
- Op. EBITA growth* of 40.0%
- EMEA and North America particularly strong
- Highly volatile price environment in EMEA due to escalating energy costs and decreased production volumes in certain value chains
- APAC impacted by ongoing COVID-19 lockdowns and drop in Chinese domestic demand
- Accelerated energy price development – particularly in Europe – and continued inflationary cost development, esp. for transport
- Conversion ratio of ~45%

[1)] Growth rates are adjusted for translational FX-effects

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Outlook 2022:
Well positioned in an exceptionally challenging environment

Operating EBITDA Guidance	▪ FY 2022 Operating EBITDA guidance of EUR 1,750 – 1,850m confirmed ▪ **Based on current business momentum, we continue to expect to deliver results at the upper range of our guidance**
Comments	▪ Some level of normalization in pricing and slowing demand patterns in certain end markets were expected for H2 2022 and is reflected in our guidance ▪ Guidance incl. efficiency improvements of Project Brenntag initiatives and the contribution from acquisitions already closed and is based on stable exchange rates at the date of the forecast's publication
Macro environment	▪ We expect the overall geopolitical, macroeconomic, and operational conditions to remain highly challenging ▪ For remainder of 2022, we expect inflationary pressures to persist. Impacts on global, regional, and local supply and demand and on the macroeconomic development are hard to predict
Additional information	▪ EUR/USD: ~1.06 (2021: ~1.18) ▪ Sensitivity (FY basis): Delta of EUR/USD +/- 1 cent = EUR ~ -/+ 5m Op. EBITDA ▪ Tax rate: ~26% - 27% ▪ Capex 2022: EUR ~270m

Our mid-term targets will deliver industry outperformance

Organic Gross Profit growth	Group Organic **Operating Gross Profit CAGR[1)]**	4 - 6%
	BSP	6 - 8%
	BES	3 - 4%
Organic Operating EBITA growth	Group Organic **Operating EBITA CAGR[1)]**	6 - 8%
	BSP	7 - 9%
	BES	4 - 5%
DiDEX improvement program	Net annual EBITA uplift by 2026	EUR 200m
Planned M&A investments	Annual M&A spend	EUR 400 - 500m

Note: Base year for targets is 2021
[1)] Excluding benefits from DiDEX

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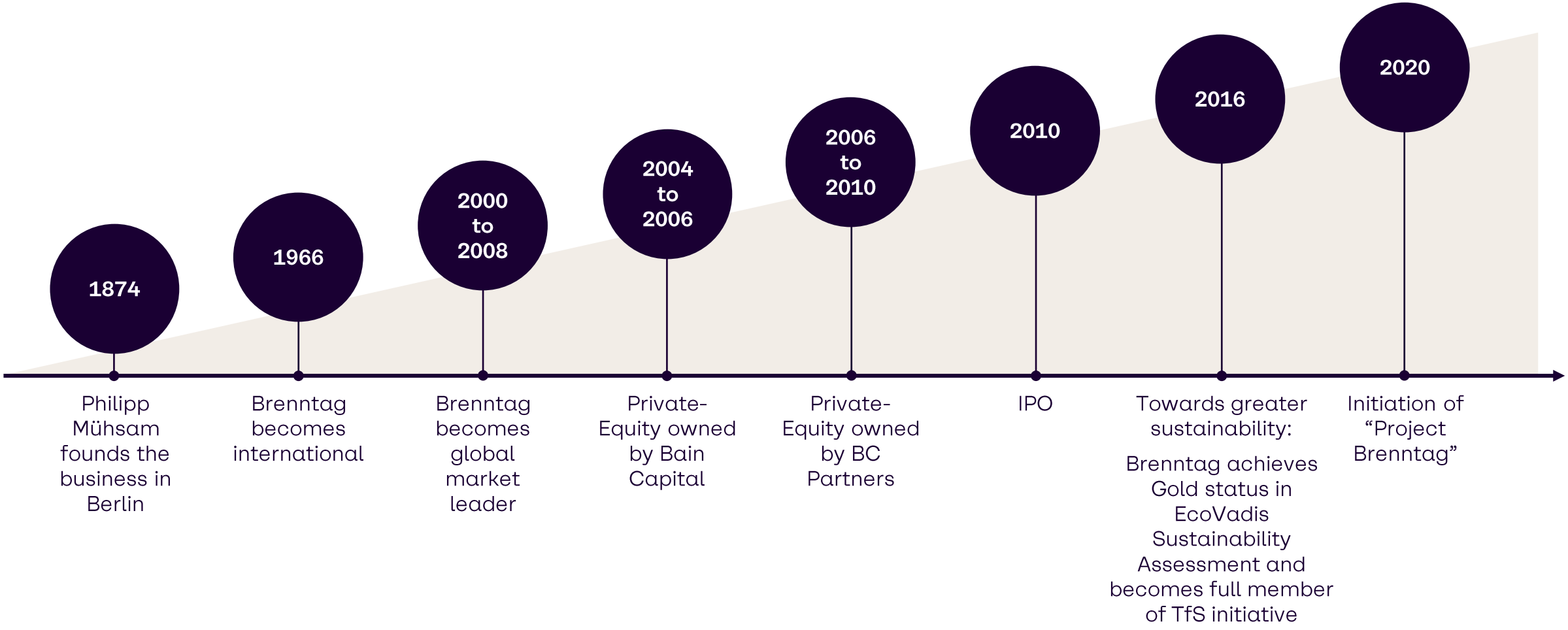
Brenntag history:
Longstanding history of more than 140 years



Remuneration System: Remuneration of the Board of Management

ILLUSTRATIVE

Maximum Remuneration[1]

Base Salary (25-35%)

Short-Term Variable Remuneration (20-30%) Annual Cash Bonus

Target amount × Preliminary Payout Amount (0-200% of target amount)

60%	20%	20%
Organic EBITDA (growth)	+ Working Capital Turnover (improvement)	+ Earnings per share (growth)

× Individual performance multiplier (0.7x – 1.3x) – e.g., leadership development, diversity, integration of acquisitions, environmental and social responsibility

Long-Term Variable Remuneration (30-40%) Performance Share Units

Virtual shares × Target achievement (0-150%)

50%	50%
Performance Brenntag share vs. national index (DAX)	+ Performance Brenntag share vs. average TSR of global peer group

= Virtual shares × Share price at end of period plus dividends

Mandatory share ownership: CEO = 200% of base salary; Other board members = 100% of base salary

Maximum payout amount of both STI and LTI is 200% for an overall target achievement of 150% or more

[1] Maximum remuneration CEO = EUR 6m; Maximum remuneration other board members = EUR 4m
Note: Simplified illustration; Please see Remuneration Report or Corporate Website for more details
The new remuneration system was resolved by the Supervisory Board on December 23, 2020 and approved by the shareholders at the General Shareholders' Meeting 2021

Based on our strengths and high ambitions, we developed a “Future Sustainable Brenntag” picture

Responsible distribution …

Brenntag’s operations & suppliers

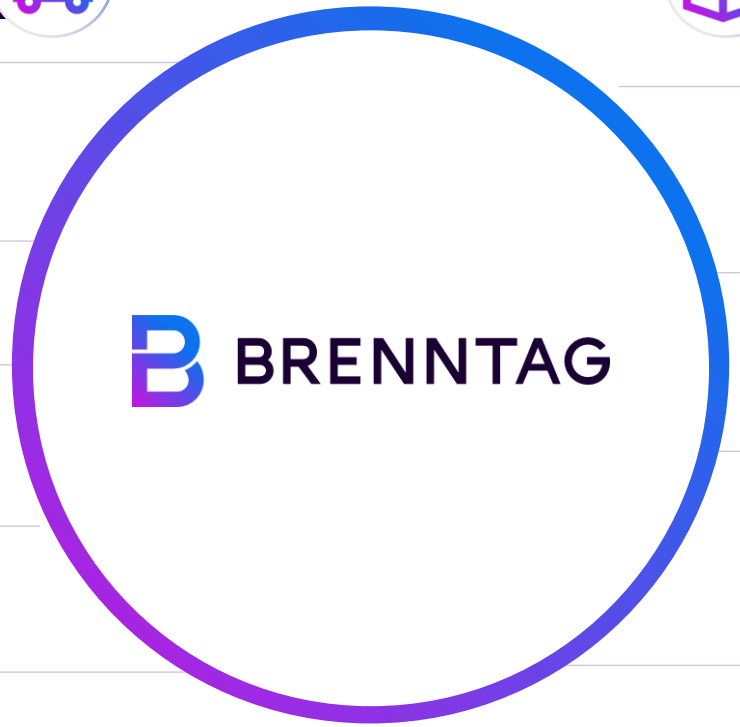
Climate protection
Strive for zero CO_2 emissions
Certified sites according to sustainability standards

Safety performance
Ambition for zero accidents and releases

Human rights
Our supply chain is fulfilling human rights and paying living wages

Governance
Reliable governance structures

Employees
Diverse and engaged employees



… of sustainable chemicals and ingredients

Brenntag’s products & services

Circular economy
Significant value-added services with circularity
All packaging recycled/reused

Sustainable and safe products
Majority of products are sustainable
Less products with concern[1)]

Emerging technology shifts
Reduced business for internal combustion engine
New business with battery chemicals and alternative fuels

Increased information need
Product carbon footprints for all customers
Product carbon footprints from all suppliers

[1)] Carcinogenic, Mutagenic and Reprotoxic (CMR) with consumer contact and Persistent, Bio-accumulative, and Toxic (PBT), very Persistent and very Bio-accumulative (vPvB) intended to be released in the environment

For each strategic focus area, we defined key mid-/long-term targets directing towards the future sustainable Brenntag picture

Strategic focus areas		Mid- to long-term targets				
		2023 - 2025			2030 - 2045	
Environment	Climate protection & emissions reduction	100% energy consumption from green energy by 2025	Total spills < 0.7 events/ MMH[1] by 2025	100% compensation of remaining Scope 1 & 2 emissions by 2025	40% absolute carbon reduction vs. 2020 by 2030	Net zero by 2045
	Resource efficiency & circular economy	Assess portfolio for sust. (30% covered) & set 2025 quantitative target by 2023	Ten circular businesses each generating > EUR 1 m by 2025			
Social	Fair & safe employer	100% of employees earn at least a living wage by 2023	Set-up of global organizational diversity, equity & inclusion structure by 2023		Female representation of at least 30% across our entire mgmt. below BoM[2] by 2030	TRIR[3] < 2.0 by 2030
	Responsible partner		All suppliers are covered by risk management by 2025			
Governance	Management structures	Further adjustment of Board remuneration based on ESG by 2024				
	Portfolio & investment steering	All new sites green building certified by 2023	100% portfolio steering towards sustainability by 2025	Develop strategies for techn. advance-ment by 2025		

1) MMH = Million Man-Hours
2) BoM = Board of Management
3) TRIR = Total Recordable Incident Rate

2022 targets as starting point on our road to reach the mid-/long-term targets

Environment

Social

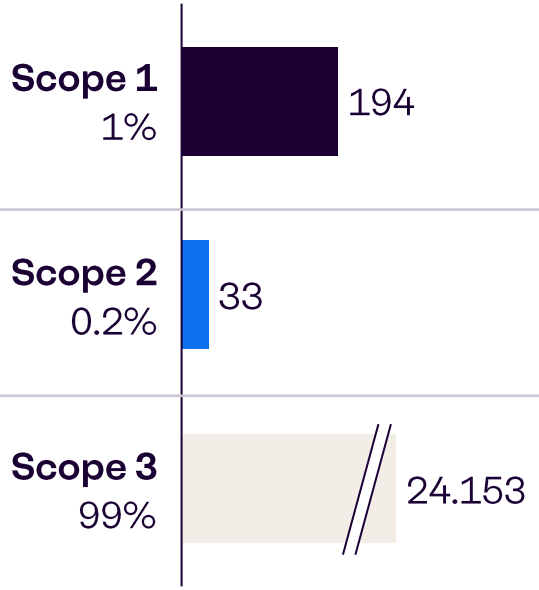
Governance

	Target		Contribution to mid-/ long term targets
8% reduction of CO_2e emissions (Scope 1+2)[1] in comparison to base year 2020[2]	**-8%**	→	40% absolute carbon reduction vs. 2020 by 2030
Implement Carbon Management Program and approval for allocation of 100% of the projected Carbon Fund	**100%**	→	40% absolute carbon reduction vs. 2020 by 2030
Total spills < 0.85 events/MMH[3]	**< 0.85**	→	Total spills < 0.7 events/ MMH[1] by 2025
PSE1[4] < 15	**< 15**	→	Total spills < 0.7 events/ MMH[1] by 2025
Conduct analysis and implement global policy on living wages	**done**	→	100% of employees earn at least a living wage by 2023
Set-up of global organizational DEI structure and definition of regional / country-specific targets for female leadership	**done**	→	Female representation of at least 30% across our entire management by 2030
Improve eNPS globally and follow-up on action plans with Brenntag Leadership team	**improved**		
TRIR[5] < 2.7 (and Zero Severe Events (Actual Hurt Level 4-5))	**< 2.7 / 0**	→	TRIR[5] < 2.0 by 2030
Set-up of Sustainability Council	**done**	→	Further adjustment of Board remuneration based on ESG by 2024
Implement roadmap for sustainable portfolio and map first 30% of global product sales against sustainability criteria	**30%**	→	100% portfolio steering towards sustainability by 2025
Implement supplier risk management program, conduct initial risk assessment of 100% suppliers and internal supply chain	**done**	→	100% of suppliers are risk management covered by 2025

1) Emissions from direct operations calculated with marked-based method; 2) Only sites, which have been included in the base year 2020 are covered by the target
3) MMH = Million Man-Hours; 4) Severe Process Safety Event as per CCPSM norm; 5) TRIR = Total Recordable Incident Rate

ESG: Operating sustainably to minimize energy consumption and CO_2 Emissions

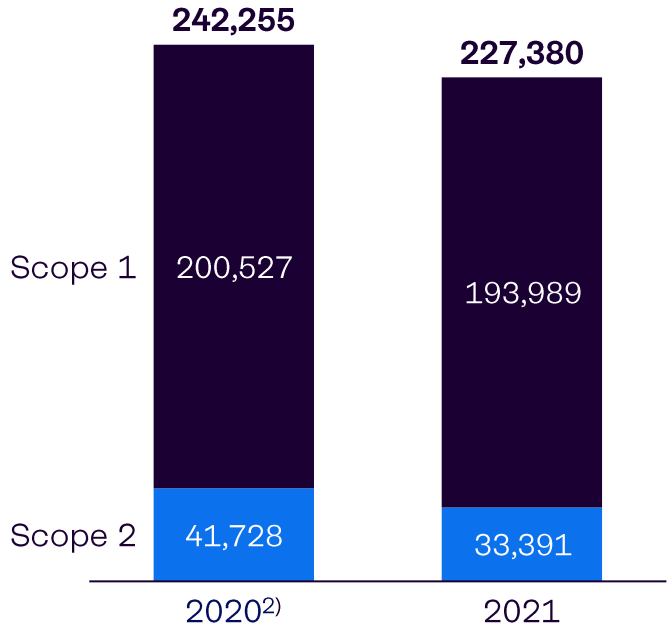
CO_2 Emissions[1)]
in thousand tonnes



Main sources of emissions

Scope 1	Company facilities, company trucks & vehicles
Scope 2	Purchased electricity, heating and cooling for own use
Scope 3	Purchased chemicals and Services and external transportation and distribution

CO_2 Emissions[1)]
in tonnes



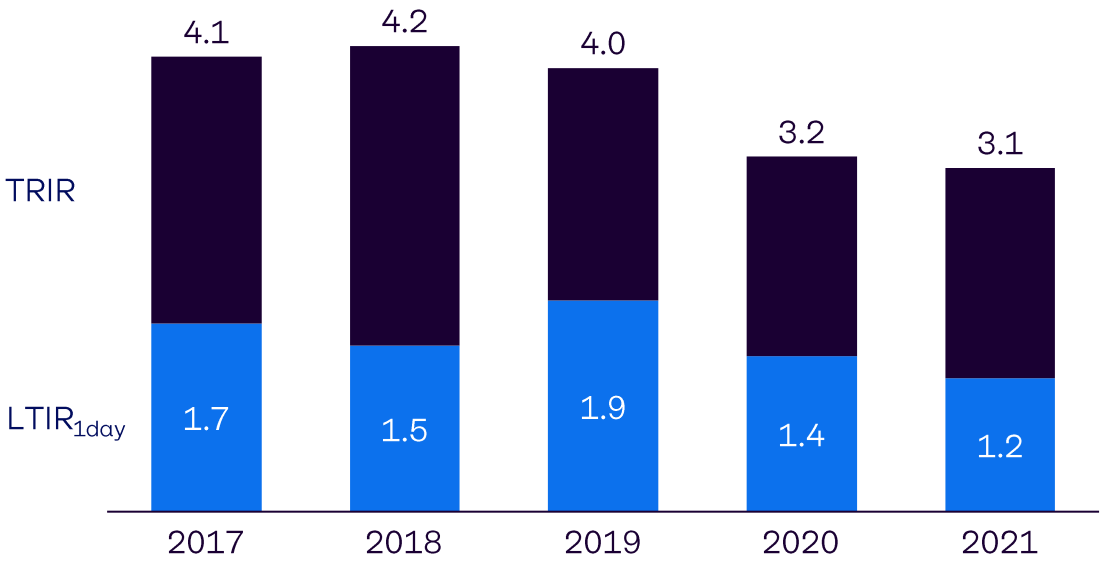
[1)] The data for the reporting year do not include the following operating units: Brenntag Finished Lubricants (Thailand) Ltd. (included as of Q4/2021), Neuto Chemical Corp, the acquired caustic soda business of Suffolk Solutions BGM / MS, Brenntag Sourcing Uruguay S. A., Comelt S.p.a, Aquadepur S.r.l., Storm Chaser Intermediate Holding II Corporation, Lentz Milling Company LLC, JM Swank LL, Zhongbai Xingye Food Technology (Beijing) Co. Ltd (included as of Q4/2021), Zhongbai Food Technology (Shanghai) Co. Ltd (included as of Q4/2021)

[2)] As part of our ongoing improvement process, the energy consumption reported for 2020 was again reviewed and adjusted

ESG:
Safety and Diversity

Group Accident Rate

TRIR[2),3)] / $LTIR_{1day}$[1)]



Diversity – Key figures

	2021	2020
Proportion of women in the Supervisory Board	33.3%	33.3%
Proportion of women in the Board of Management	20.0% ↑ 2022 / 0.0%	0.0%
Proportion of women in management positions[4)]	31.0%	21.0%
Proportion of women in the total workforce	34.5%	34.2%
Different nationalities	>100	~100

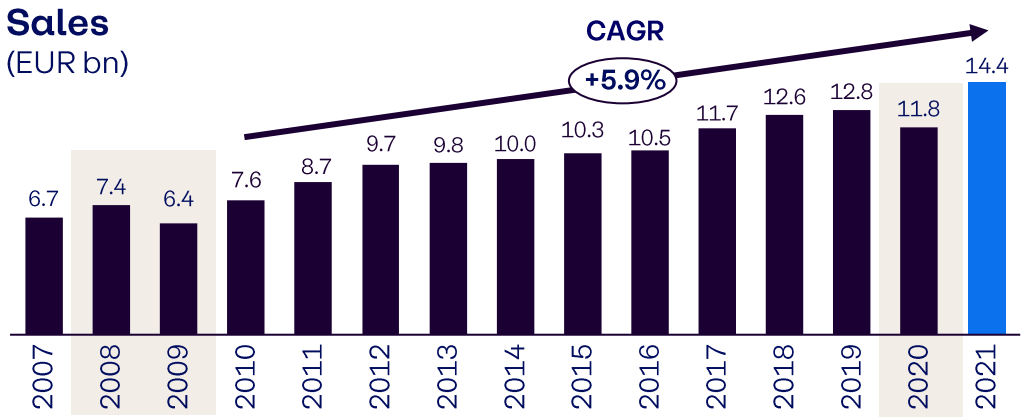
[1)] LTIR1 day (Lost Time Injury Rate): Number of workplace accidents resulting in at least one day's absence from work per one million working hours
[2)] TRIR (Total Recordable Injury Rate): Number of workplace accidents involving injuries that require medical treatment (beyond first aid), per one million work hours
[3)] The values given for TRIR have not been audited by PwC
[4)] Comprises the global executive management and local management groups

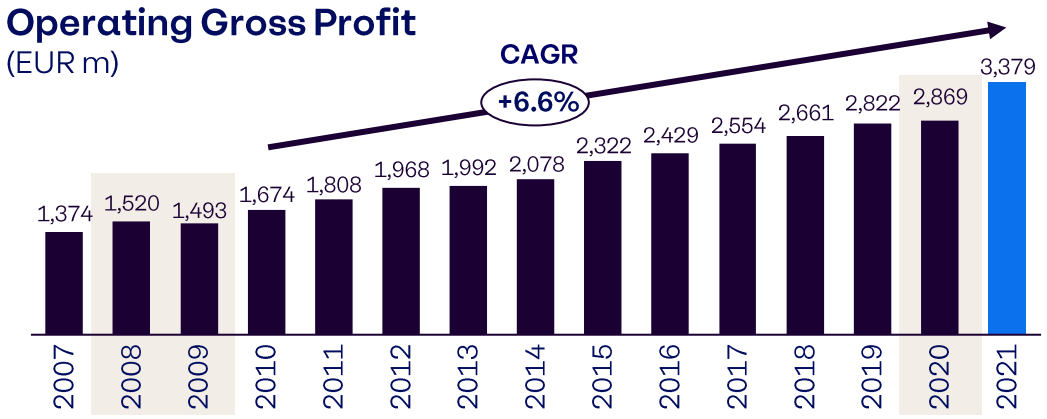
ROCE:
Increasing value added and returns

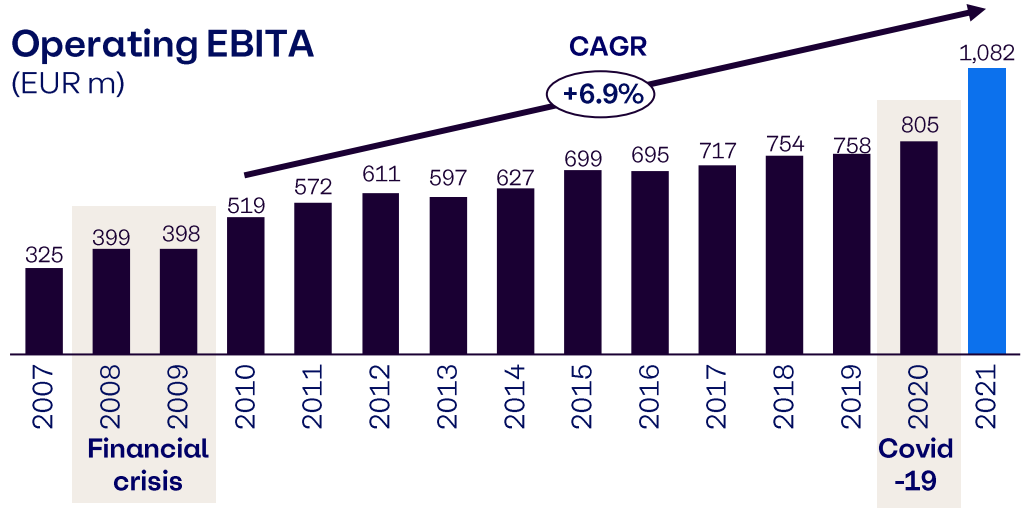
in EUR m	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
EBITA	853.2	758.1	766.5	770.9	663.3	694.5	698.7	627.5	595.6	610.8	569.9	513.6
Average carrying amount of equity	3,802.8	3,582.9	3,427.3	3,111.6	2,969.2	2,753.8	2,534.6	2,190.1	2,008.4	1,860.3	1,660.0	1,265.5
Average carrying amount of financial liabilities	2,363.4	2,453.0	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
Average carrying amount of cash and cash equivalents	-645.7	-654.1	-430.8	-416.2	-612.0	-566.3	-460.9	-413.1	-343.4	-356.2	-382.5	-468.3
ROCE [1,2)	**15.5%**	14.1%	13.7%	15.8%	14.4%	15.7%	17.3%	17.4%	17.1%	18.1%	18.5%	17.6%

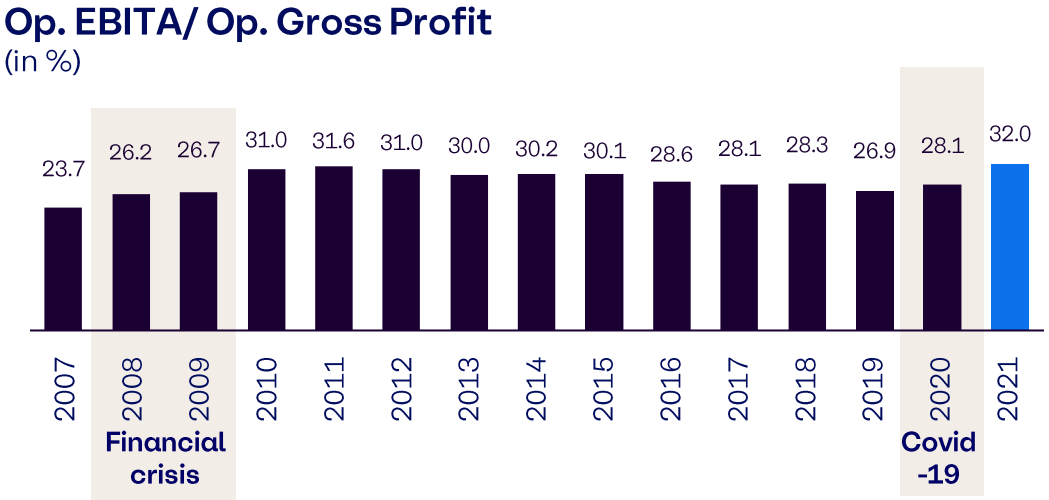
[1)] ROCE is defined as EBITA divided by (the average carrying amount of equity + the average carrying amount of financial liabilities – the average carrying amount of cash and cash equivalents)
[2)] EBITA not adjusted by special items (e.g., 2021 special items EUR 228.7 million. Adjusted for this effect, ROCE was 19.6%

Sound financial profile: Compounding growth track record and resilience









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

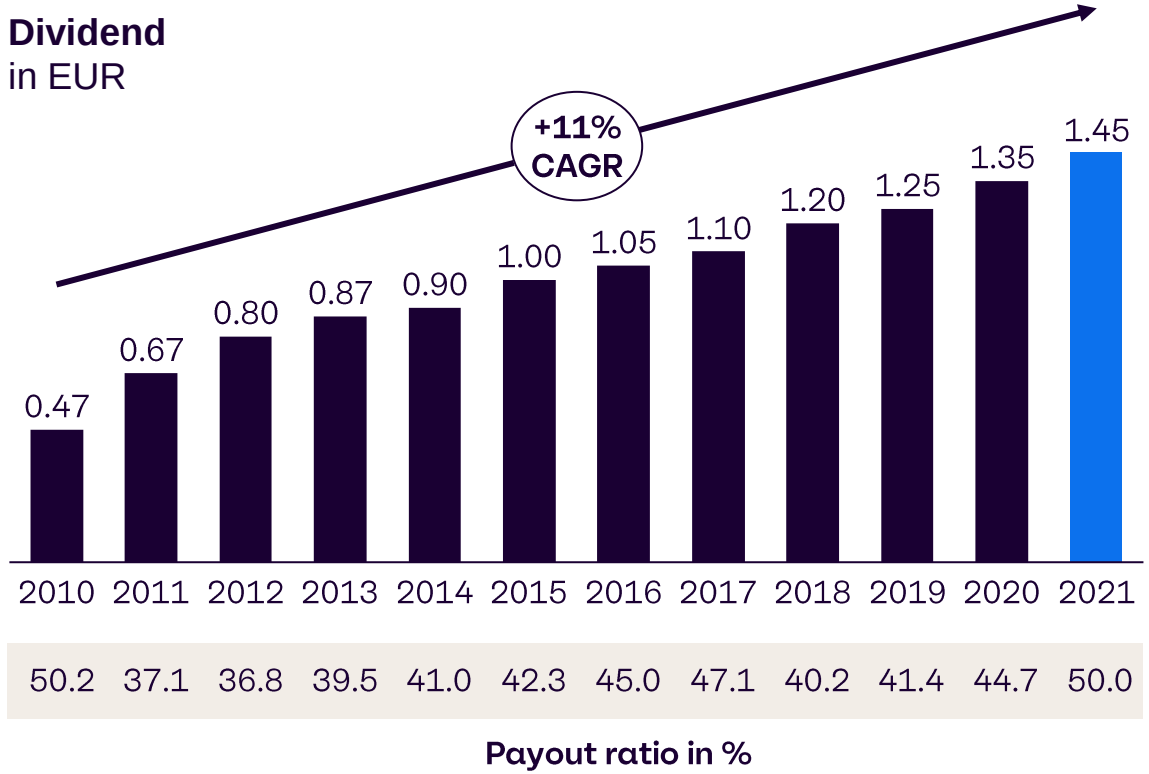
Cash flow:
Strong cash generation over the past years

in EUR m	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Op. EBITDA	1,344.6	1,057.7	1,001.5	875.5	836.0	810.0	807.4	726.7	696.8	707.0	658.8	597.6
CAPEX	-214.2	-201.9	-205.2	-172.2	-148.1	-141.1	-130.1	-104.8	-97.2	-94.7	-86.0	-85.1
Δ Working capital	-575.3	325.0	161.7	-178.1	-247.6	-27.5	87.0	-100.5	-56.2	-33.0	-61.0	-136.4
Principal and interest payments on lease liabilities	-130.5	-126.2	-120.7									
Free cash flow[1)]	**424.6**	1,054.6	837.3	525.2	440.3	641.4	764.3	521.4	543.4	579.3	511.8	376.1
Average working capital[2)]	1,734.4	1,611.2	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
Working capital turnover[3)]	**8.3x**	7.3x	7.0x	7.3x	7.9x	8.0x	8.0x	8.6x	9.0x	9.2x	9.3x	10.2x

[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

Strong dividend track record

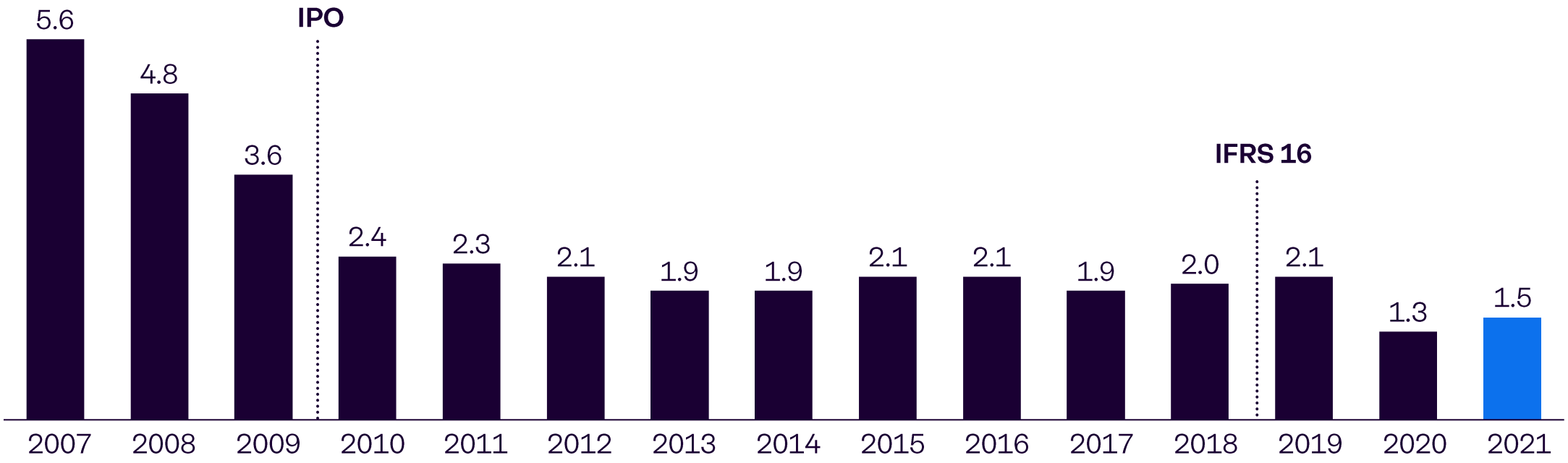
in EUR m	2021	2020	Δ
Profit after tax	461.4	473.8	-2.6%
Less minority interests	13.1	7.3	79.5%
Profit after tax (consolidated) attributable to shareholders of Brenntag SE	448.3	466.5	-3.9%
Proposed dividend payment	224.0	208.6	7.4%
Proposed dividend per share in EUR	**1.45**	1.35	7.4%
Payout ratio	**50.0%**	44.7%	-



Dividend policy: pay an annual dividend of **35% to 50%** of consolidated profit after tax attributable to shareholders of Brenntag SE

Brenntag's Historic Leverage & Credit Rating

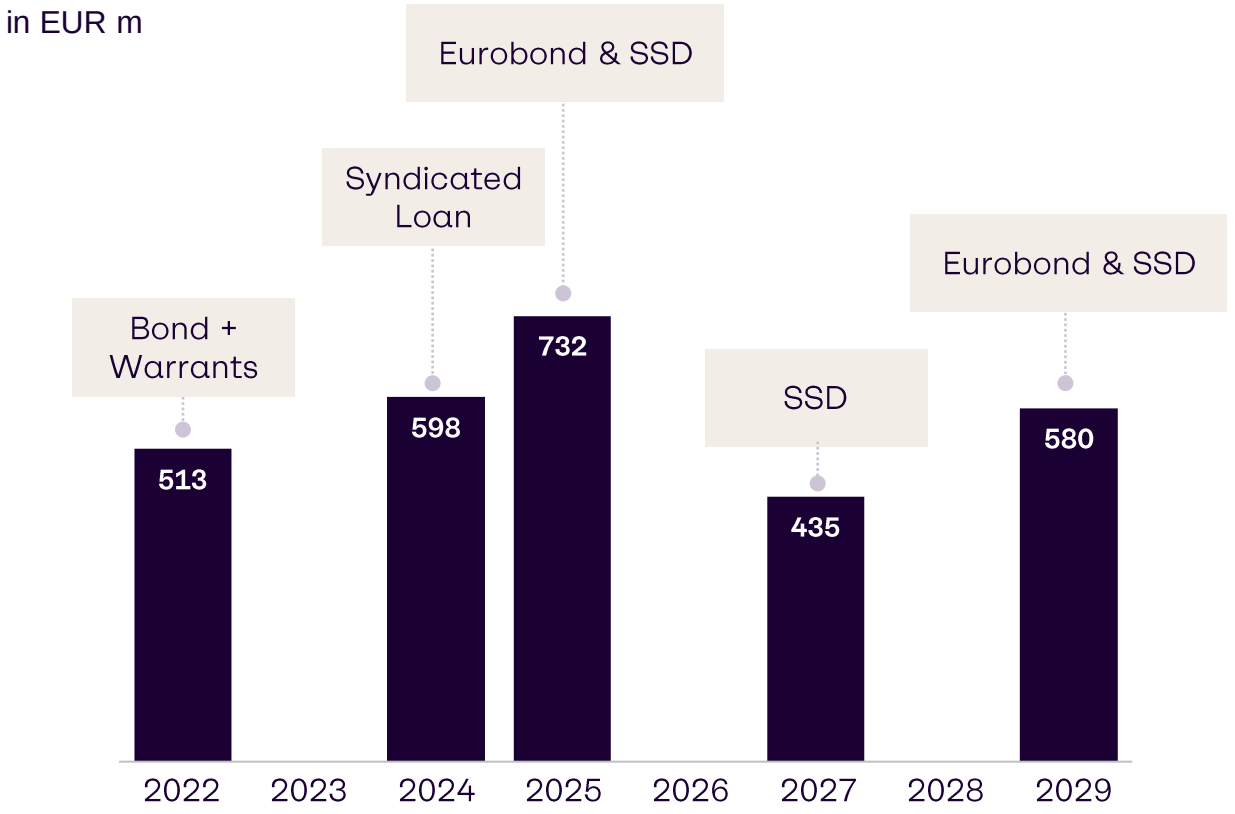
Leverage: Net Debt / Operating EBITDA



S&P	B		B+	BB+	BBB-			BBB							
Moody's	B2				Ba1				Baa3						Baa2

Balance sheet and maturity profile

in EUR m	30 Sep 2022	31 Dec 2021
Financial liabilities	3,335.4	2,329.7
Lease liabilities	443.2	445.6
./. Cash and cash equivalents	1,438.1	705.0
Net Debt	2,340.5	2,070.3
Net Debt/Operating EBITDA[1)]	**1.3x**	1.5x
Equity	4,993.7	3,995.3



As of September 30, 2022

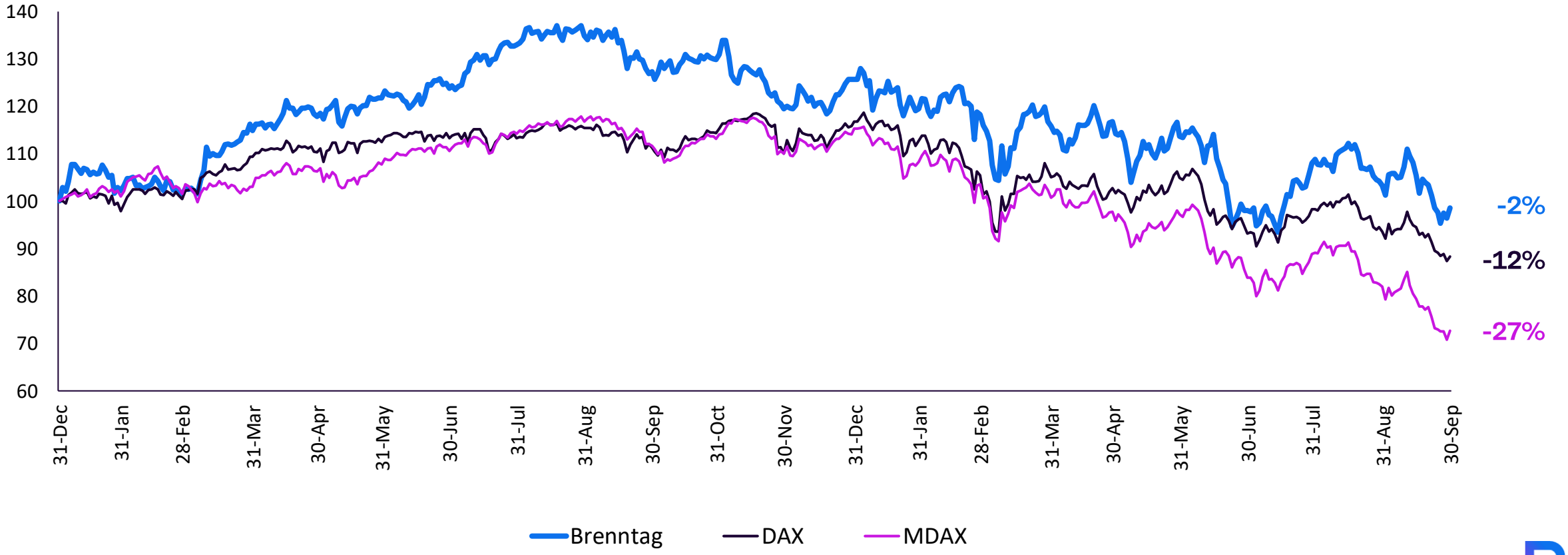
[1)] Operating EBITDA for the quarters calculated on LTM basis

Bond data

	Bond (with Warrants) 2022	Bond 2025	Bond 2029
Issuer	Brenntag Finance B.V.	Brenntag Finance B.V.	Brenntag Finance B.V.
Listing	Frankfurter Freiverkehr	Luxembourg Stock Exchange	Luxembourg Stock Exchange
ISIN	DE000A1Z3XQ6	XS1689523840	XS2394063437
Aggregate principal amount	USD 500,000,000	EUR 600,000,000	EUR 500,000,000
Denomination	USD 250,000	EUR 1,000	EUR 100,000
Minimum transferable amount	USD 250,000	EUR 100,000	EUR 100,000
Coupon	1.875%	1.125%	0.500%
Interest payment	Semi annual: Jun. 02 / Dec. 02	Annual: Sep. 27	Annual: Oct. 06
Maturity	Dec. 2, 2022	Sep. 27, 2025	Oct. 06, 2029

Share price performance versus DAX and MDAX YTD 2022

Performance
in %

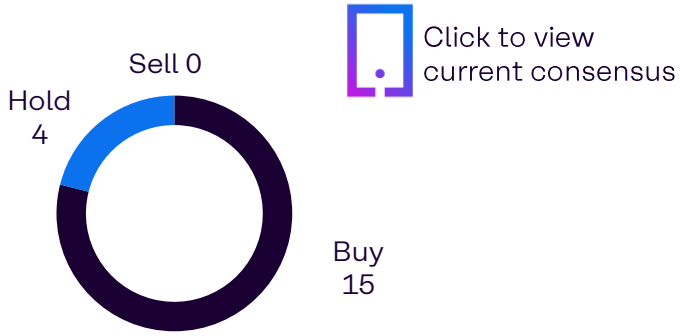


Source: Reuters data as of September 30, 2022

Brenntag Share & Shareholder Structure

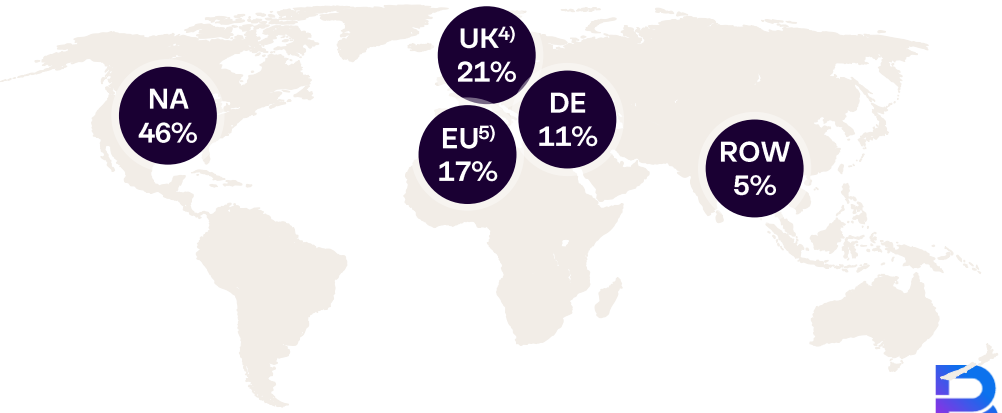
Share data	
ISIN; Stock Symbol; Listed since	DE000A1DAHH0; BNR; 29 March 2010
Subscribed capital; Outstanding Shares	EUR 154,500,000; 154,500,000
Class of shares; Free float	Registered shares; 100%
Official market	Prime Standard XETRA and Frankfurt
Regulated unofficial markets	Berlin, Düsseldorf, Hamburg, Hannover, München, Stuttgart, Tradegate Exchange
Indices	DAX, MSCI, Stoxx Europe 600, DAX 50 ESG, DAX ESG Target, S&P Global 1200 ESG

Analysts' Opinions[2)]



Shareholder[1,2)]	Proportion in %	Date of notification
BlackRock, Inc.	>5%	December 02, 2022
Capital Research and Man. Company	>5%	June 15, 2022
Wellington Management Group LLP	>5%	July 10, 2020
Burgundy Asset Management	>3%	October 16, 2018
Kühne Holding AG	>3%	May 18, 2022

Shareholdings of identified Institutional Investors by Region[3)]



[1)] According to voting rights notifications. All voting rights notifications are published on the Company's **Website**
[2)] As of December 1, 2022; [3)] As of June 30, 2022; [4)] UK and Ireland; [5)] EU: Continental Europe

Relevant links & documents

Financial Publications

Brenntag Share

Current Consensus

Financial News

Click to visit website

Financial calendar / contact

Date	Event
November 10, 2022	Capital Markets Day 2022
March 8, 2023	Annual Report 2022
May 10, 2023	Interim Report Q1 2023
June 15, 2023	General Shareholders' Meeting

The financial calendar is updated regularly.
You can find the latest dates on www.brenntag.com/financial_calendar
Please note that these dates could be subject to change.

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