

Q¹

INTERIM REPORT

JAN – MAR 2022

KEY FINANCIAL FIGURES AT A GLANCE

CONSOLIDATED INCOME STATEMENT

		Q1 2022	Q1 2021
Sales	EUR m	4,533.1	3,132.5
Operating gross profit	EUR m	1,037.9	764.5
Operating EBITDA	EUR m	463.0	300.3
Operating EBITDA/operating gross profit	%	44.6	39.3
Profit after tax	EUR m	254.0	100.2
Basic earnings per share	EUR	1.61	0.63
Diluted earnings per share	EUR	1.61	0.63

CONSOLIDATED BALANCE SHEET

		Mar. 31, 2022	Dec. 31, 2021
Total assets	EUR m	11,006.1	10,195.5
Equity	EUR m	4,345.5	3,995.3
Working capital	EUR m	2,495.3	2,109.8
Net financial liabilities	EUR m	2,167.5	2,070.3

CONSOLIDATED CASH FLOW

		Q1 2022	Q1 2021
Net cash provided by operating activities	EUR m	35.4	77.6
Payments to acquire intangible assets and property, plant and equipment	EUR m	-50.5	-38.0
Free cash flow	EUR m	48.7	70.6

KEY DATA ON THE BRENNTAG SHARES

		Mar. 31, 2022	Dec. 31, 2021
Share price	EUR	73.34	79.58
No. of shares (unweighted)		154,500,000	154,500,000
Market capitalization	EUR m	11,331	12,295
Free float	%	100.00	100.00

COMPANY PROFILE

Brenntag is the global market leader in chemical and ingredients distribution. The company plays a central role in connecting the chemical industry's customers and suppliers. Through its two global divisions, Brenntag Specialties and Brenntag Essentials, the company provides a full-line portfolio of industrial and specialty chemicals and ingredients as well as tailor-made application, marketing and supply chain solutions, technical and formulation support, comprehensive regulatory expertise and digital solutions for a wide range of industries.

Brenntag operates a global network spanning around 700 locations in 78 countries. With its workforce of over 17,200 employees, Brenntag generated sales of around EUR 14.4 billion in 2021.

CONTENTS

2	TO OUR SHAREHOLDERS	34	INTERIM CONSOLIDATED FINANCIAL STATEMENTS
2	CEO Letter	36	Consolidated Income Statement
6	Brenntag on the Stock Market	37	Consolidated Statement of Comprehensive Income
10	GROUP INTERIM MANAGEMENT REPORT	38	Consolidated Balance Sheet
12	Group Overview	40	Consolidated Statement of Changes in Equity
16	Report on Economic Position	42	Consolidated Cash Flow Statement
31	Employees	43	Condensed Notes
32	Report on Expected Developments	59	FURTHER INFORMATION
33	Report on Opportunities and Risks		

LETTER FROM THE CEO



●●
BRENNTAG MADE A VERY SUCCESSFUL START TO 2022. THANKS TO OUR GLOBAL MARKET LEAD AND PRESENCE AS WELL AS THE OUTSTANDING RELATIONSHIPS WITH CHEMICAL MANUFACTURERS, WE WERE AGAIN ABLE TO MAINTAIN OUR DELIVERY CAPABILITY AND SUPPLY OUR CUSTOMERS WITH THE PRODUCTS THEY REQUIRE.

*Dear ladies and gentlemen,
dear shareholders,*

Brenntag made a very successful start to 2022. We achieved strong results in a market environment that remains exceptionally challenging.

The macroeconomic conditions that we had already observed at the end of last year deteriorated yet further in many areas during the first quarter of 2022. The market environment continued to be shaped by considerable pressure on global supply chains, product shortages, logistical challenges and rising energy prices. Moreover, the start of the war in Ukraine – which we strongly condemn – led to considerable geopolitical uncertainty that impacted on global markets. At the beginning of March, we took the decision to terminate our business operations in and with Russia and Belarus and to wind them down in a controlled manner. In addition, further lockdowns and restrictions as a result of the COVID-19 pandemic had an adverse effect on the Asia Pacific region and, within that region, on China in particular.

Against this background, the Brenntag Group for the first time generated quarterly operating gross profit in excess of EUR 1 billion, an increase of 31% on the previous year. Operating EBITDA rose by an outstanding 49% to EUR 463 million.

In the first quarter of 2022, it became especially clear that our strategic decision to create the two global divisions, Brenntag Specialties and Brenntag Essentials, was the right one. Both divisions achieved strong results. However, Brenntag Specialties grew at a much stronger rate – in line with our expectations and our strategy.

The Brenntag Specialties division reported operating gross profit of EUR 426 million. Operating EBITDA grew at a very high rate of 77% to just over EUR 215 million. Within this division, Life Science was particularly successful in the focus industries Nutrition, Personal Care/HI&I and Pharma.

The Brenntag Essentials division generated operating gross profit of EUR 603 million and operating EBITDA of EUR 272 million. This represents growth of 34%. All segments contributed to this growth, with the North America and EMEA regions performing particularly well.

Thanks to its global market lead and presence as well as its outstanding relationships with chemical manufacturers, Brenntag was once again able to maintain its delivery capability and supply its customers with the products they require.

We generated free cash flow of EUR 49 million in the first quarter of 2022. Both free cash flow and working capital were impacted significantly by increased chemicals prices. However, we were able to keep working capital turnover at a good level.

Profit after tax came to EUR 254 million and earnings per share to an outstanding EUR 1.61. These very good results are also attributable to our outstanding business performance and strong profit growth.

We have made good progress and are ahead of schedule in implementing the measures under our transformation programme, “Project Brenntag”. Through the programme, we are laying solid foundations for sustainable organic earnings growth in the coming years and will durably reinforce our global market lead.

In March this year, we entered the chemical and ingredients distribution market in Israel by acquiring Y.S. Ashkenazi. The company is one of the largest distributors of specialty chemicals in the country and offers a broad product portfolio, particularly for our focus industries Nutrition and Personal Care/HI&I. Our acquisitions last year in the USA – Matrix and JM Swank – and Zhongbai Xingye in China are performing better than expected. We will continue to pursue our proven M&A approach going forward.

At the end of April, Brenntag published its new Sustainability Report 2021 and therefore our new ESG (environmental, social and governance) strategy. As the global market leader in chemical and ingredients distribution, Brenntag plays a key role in the chemical industry value chain. Brenntag takes responsibility! We aim to contribute to all dimensions of ESG – for our industry, for our partners and for society! Our new ESG strategy establishes a comprehensive strategic framework for sustainability that is being embedded in our corporate strategy. It contains diverse and ambitious medium- and long-term goals for our divisions, regions and functions.

Over the long term, our vision of a “Future Sustainable Brenntag” sees our company as a strong global market leader in a responsible distribution industry for chemicals and ingredients. We will accelerate our efforts and ESG initiatives. I warmly invite you to read our Sustainability Report 2021, which you can find at www.brenntag.com/sustainability.

We have reported a successful first quarter of 2022 and expect further strong results in the first half of the year. We confirm our March forecast for Group operating EBITDA of between EUR 1,450 million and EUR 1,550 million for 2022 as a whole. This includes the potential efficiency improvement anticipated in the course of the measures under “Project Brenntag”. The forecast takes into account the contribution from acquisitions and is based on the assumption at the date of its publication that exchange rates will remain stable.

Due to the currently very tense geopolitical situation and its effects on the global economy, it is almost impossible at present to reliably forecast further performance over the course of this year. We are therefore planning for various strategic scenarios and pursuing a proactive and prudent approach so as to be best prepared for new and changing conditions.

We have been very successful over the past two exceptionally challenging years. We have worked hard on our goals and so far achieved everything that we had set out to achieve. Brenntag has frequently demonstrated its resilience – especially in a difficult environment. This motivates us and fills us with confidence that we will master the coming challenges, too. In particular, I would like to thank our employees for their untiring efforts and you, dear shareholders, for your confidence and continuous support for our company!

Best wishes



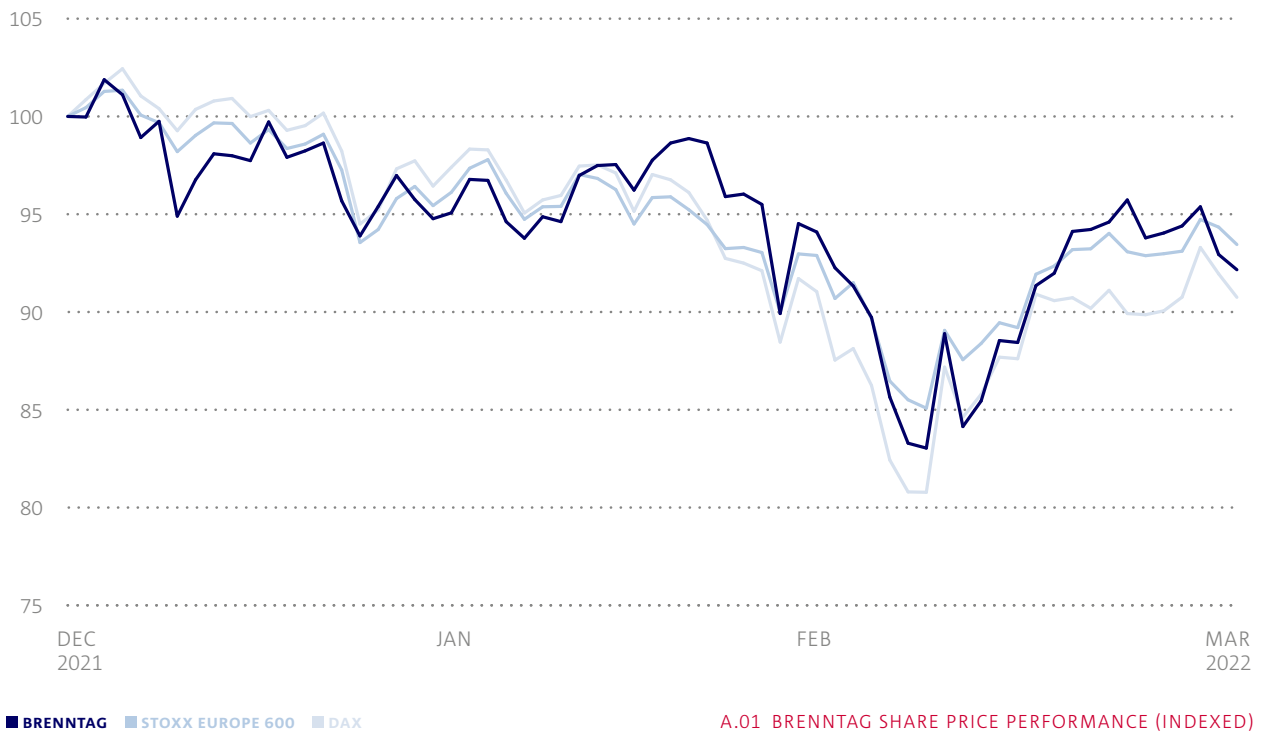
Dr Christian Kohlpaintner
Chief Executive Officer

Essen, May 10, 2022

BRENNTAG ON THE STOCK MARKET

In the first quarter of 2022, global equity markets were highly volatile due to the worldwide rise in inflation, continuing pressure on global supply chains and sharp increases in energy prices – a trend already apparent in the fourth quarter of 2021. From the end of February 2022, the dominant theme on global equity markets was the war between Russia and Ukraine, which led to considerable uncertainty on the markets. Moreover, in March 2022, the US Federal Reserve announced an increase in its benchmark interest rate. Fears of global stagflation rose overall.

Germany’s leading index, the DAX, and the STOXX Europe 600 performed in line with this environment. The DAX marked its year-to-date low of 12,832 points on March 8, 2022 and reached its high of 16,272 points on January 5, 2022. At the end of the first quarter of 2022, the DAX stood at 14,415 points, down 9.3% compared with the end of 2021. The STOXX Europe 600 marked its year-to-date high and low on the same dates, dropping to 415 points on March 8, 2022 and climbing to 494 points on January 5, 2022. At quarter-end, it closed at 456 points, leading to a loss of 6.5% compared with the 2021 closing level.



BRENNTAG SHARE PRICE PERFORMANCE

Brenntag shares performed better than the DAX and weaker than the STOXX Europe 600 in the first quarter of 2022. The share price reached its high of EUR 81.08 on January 4, 2022. Brenntag shares likewise recorded their year-to-date low of EUR 66.08 on March 8, 2022. On March 31, 2022, they closed at EUR 73.34, down 7.8% compared with the prior-year closing price. Brenntag's share price performance was therefore above that of the benchmark index the DAX, which lost 9.3%, and below that of the STOXX Europe 600, which was down 6.5%.

REFERENCE DATA ON THE BRENNTAG SHARES

As at March 31, 2022, the subscribed capital of Brenntag SE totalled EUR 154.5 million. The share capital is divided into 154,500,000 no-par value registered shares, each with a notional value of EUR 1.00.

Since going public in 2010, Brenntag shares have been listed in Deutsche Börse AG's Prime Standard segment. Since June 2010, Brenntag shares had been part of the MDAX, the second-largest German share index. Since September 2021, Brenntag SE has been a member of the DAX.

With a market capitalization of EUR 11.113 billion as at March 31, 2022, Brenntag shares ranked 29th among all listed companies in Germany, according to the Deutsche Börse AG criteria. Brenntag shares are also included in major international indices such as selected MSCI indices and the STOXX Europe 600, which tracks the performance of the 600 largest companies from 17 European countries. In addition, Brenntag shares are included in various sustainability indices such as the DAX 50 ESG and the DAX ESG Target Index as well as the STOXX Europe 600 ESG and the MSCI Europe ESG Leaders Index.

	Mar. 31, 2022	Dec. 31, 2021
Number of shares	154,500,000	154,500,000
WKN	A1DAHH	A1DAHH
ISIN	DE000A1DAHH0	DE000A1DAHH0
Trading symbol	BNR	BNR
Market segments	Regulated Market/ Prime Standard	Regulated Market/ Prime Standard
Trading venues	Xetra and all German regional exchanges	Xetra and all German regional exchanges
Selected indices	DAX, MSCI, STOXX Europe 600, DAX 50 ESG, DAX ESG Target Index, STOXX Europe 600 ESG, MSCI Europe ESG Leaders	DAX, MSCI, STOXX Europe 600, DAX 50 ESG, DAX ESG Target Index, STOXX Europe 600 ESG, MSCI Europe ESG Leaders

A.02 REFERENCE DATA ON THE BRENNTAG SHARES

SHAREHOLDER STRUCTURE

As at May 1, 2022, notification had been received from the following shareholders under Section 33 of the German Securities Trading Act (WpHG) that their share of the voting rights exceeded the 3% or 5% threshold:

Shareholder	Interest in %	Date of notification
BlackRock	> 5	Apr. 23, 2021
Wellington Management Group	> 5	Jul. 10, 2020
Burgundy Asset Management	> 3	Oct. 16, 2018
Fidelity Management & Research Company LLC	> 3	Feb. 9, 2022
The Capital Group Companies, Inc.	> 3	Feb. 17, 2022

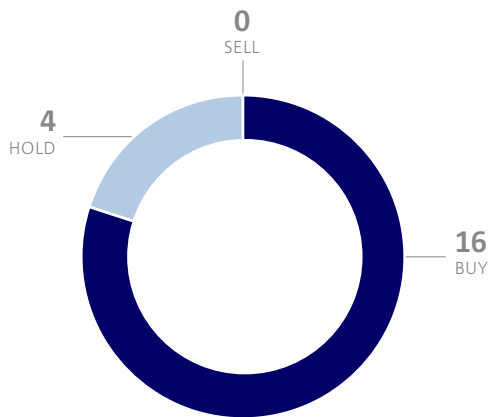
A.03 SHAREHOLDER STRUCTURE

All voting rights notifications are published on the company's website at www.brenntag.com/voting_rights_announcements.

At the time of reporting, 100% of Brenntag shares were in free float as defined by Deutsche Börse.

ANALYSTS' OPINIONS

Brenntag is continuously monitored and rated by a large number of international financial analysts. Currently (as at May 1, 2022), 20 banks regularly publish research reports on our company's latest performance and issue recommendations. Sixteen analysts have a buy recommendation and four have a hold recommendation on the Brenntag shares. There is no sell recommendation at the present time. Many analysts value Brenntag as a growth stock with strong cash flow generation. Furthermore, they see additional upside as a result of the measures under the transformation programme "Project Brenntag". At the beginning of May 2022, the average share price target was EUR 92.13.



A.04 ANALYSTS' OPINIONS

- Baader Helvea
- Bank of America
- Bankhaus Metzler
- Barclays
- Berenberg Bank
- Citigroup
- Credit Suisse
- Deutsche Bank
- DZ Bank
- Exane BNP Paribas
- Goldman Sachs
- HSBC
- J.P. Morgan Cazenove
- Kepler Cheuvreux
- LBBW
- Oddo BHF
- Societe Generale
- Stifel
- UBS
- Warburg Research

A.05 ANALYSTS COVERING BRENNTAG SE

Up-to-date information can be found in the Investor Relations section of our website at www.brenntag.com/analysts_opinions.

CREDITOR RELATIONS

Brenntag's strong credit profile is reflected in investment grade ratings from international rating agencies Standard & Poor's and Moody's. Standard & Poor's assigns Brenntag a "BBB" rating (outlook: positive) and Moody's assigns it a "Baa2" rating (outlook: stable).

		Bond (with Warrants) 2022		Bond 2025		Bond 2029	
Issuer		Brenntag Finance B.V.		Brenntag Finance B.V.		Brenntag Finance B.V.	
Listing		Frankfurt Open Market (Freiverkehr)		Luxembourg stock exchange		Luxembourg stock exchange	
ISIN		DE000A1Z3XQ6		XS1689523840		XS2394063437	
Aggregate principal amount	USD m	500	EUR m	600	500		
Denomination	USD	250,000	EUR	1,000	100,000		
Minimum transferrable amount	USD	250,000	EUR	100,000	100,000		
Coupon	%	1.875	%	1.125	0.500		
Interest payment	semi-annual	Jun. 2/Dec. 2	annual	Sep. 27	Oct. 6		
Maturity		Dec. 2, 2022		Sep. 27, 2025	Oct. 6, 2029		

A.06 KEY DATA ON THE BONDS OF THE BRENNTAG GROUP

	Mar. 31, 2022	Dec. 31, 2021
No. of shares	154,500,000	154,500,000
Basic earnings per share (in EUR) ¹⁾	1.61	2.90
Diluted earnings per share (in EUR) ¹⁾	1.61	2.89
Book value per share (in EUR) ²⁾	27.6	25.3
Xetra closing price (in EUR)	73.34	79.58
Xetra high (in EUR)	81.08	86.80
Xetra low (in EUR)	66.08	64.26
Xetra average price (in EUR)	75.35	76.83
Average daily trading volumes XETRA and Frankfurt		
Shares k	493,212	314,019
EUR k	36,746,893	24,087,647
Market capitalization (in EUR m) ³⁾	11,331	12,295

A.07 KEY DATA ON THE BRENNTAG SHARES

¹⁾ Profit attributable to shareholders of Brenntag SE/number of shares.

²⁾ Equity attributable to shareholders of Brenntag SE/number of shares.

³⁾ Market capitalization at the end of the reporting period.

SERVICE FOR SHAREHOLDERS

You can find comprehensive information on Brenntag SE and the Brenntag shares on the Corporate Investor Relations website. In addition to financial reports and presentations, it also contains all the key dates on the financial calendar. The conference calls on the publication of the quarterly and annual results are recorded and offered in audio format. Shareholders and interested parties can register to be placed on the investor mailing list by visiting the Corporate Investor Relations website. The Investor Relations team would also be happy to help you in person.

Telephone: +49 201 6496 2100

Fax: +49 201 6496 2003

E-mail: IR@brenntag.de

Web: www.brenntag.com/investor_relations



GROUP INTERIM MANAGEMENT REPORT

FOR THE PERIOD FROM
JANUARY 1 TO MARCH 31, 2022

10 — 33

12	GROUP OVERVIEW
12	Business Activities and Group Structure
12	Business Activities
13	Group Structure and Segments
13	Objectives and Strategy
13	Connecting Chemistry
14	Vision, Objectives and Strategy
14	Sustainability
15	Transformation Programme “Project Brenntag”
16	REPORT ON ECONOMIC POSITION
16	Economic Environment
16	Business Performance
16	Major Events Impacting on Business in Q1 2022
17	Statement by the Board of Management on Business Performance
18	Results of Operations
18	Business Performance of the Brenntag Group
20	Business Performance in the Divisions
25	Financial Position
25	Capital Structure
26	Investments
27	Liquidity
28	Free Cash Flow
29	Financial and Assets Position
31	EMPLOYEES
32	REPORT ON EXPECTED DEVELOPMENTS
33	REPORT ON OPPORTUNITIES AND RISKS

GROUP OVERVIEW

Business Activities and Group Structure

BUSINESS ACTIVITIES

Brenntag's growth opportunities along with its resilient business model are based not only on complete geographic coverage, a wide product portfolio and a comprehensive offering of value-added services, but especially on high diversity across our suppliers, customers and industries and our targeted use of the potential offered by outsourcing.

We connect chemical manufacturers (our suppliers) and chemical users (our customers) and offer a full-line portfolio of industrial and specialty chemicals and ingredients as well as tailor-made application, marketing and supply chain solutions, technical and formulation support, comprehensive regulatory expertise and digital solutions. Brenntag purchases large-scale quantities of industrial and specialty chemicals and ingredients from a large number of suppliers, enabling us to achieve economies of scale and offer our roughly 180,000 customers a full-line range of products and value-added services. We store the products we purchase in distribution facilities, pack them into quantities the customers require and deliver them, typically in less-than-truckloads. Brenntag is the strategic partner and service provider for manufacturers of industrial and specialty chemicals and ingredients at the one end and chemical and ingredients users at the other end of the value chain. Brenntag's role is appropriately expressed in our brand identity "ConnectingChemistry".

To enable us to best respond to our customers' and suppliers' diverse and changing requirements, we have since January 1, 2021 been managing our business through two global divisions: Brenntag Specialties and Brenntag Essentials. Brenntag Specialties focuses on selling ingredients and value-added services to the selected industries, Nutrition, Pharma, Personal Care/HI&I (Home, Industrial & Institutional), Material Science (Coatings & Construction, Polymers, Rubber), Water Treatment and Lubricants. Brenntag Essentials markets a broad portfolio of process chemicals across a wide range of industries and applications. Overall, Brenntag offers a broad product range comprising more than 10,000 chemicals and ingredients as well as extensive value-added services such as just-in-time delivery, product mixing, blending, repackaging, inventory management, drum return handling as well as technical and laboratory services for specialty chemicals.

Brenntag is the global market leader in chemical and ingredients distribution. We define market leadership not just by business volume; rather, we combine our philosophy "Connecting-Chemistry" with constant improvements in the safety standards at our sites. As a responsible service provider, we continually strive to achieve further improvements in the value chain as a whole and to contribute to greater sustainability.

GROUP STRUCTURE AND SEGMENTS

As the ultimate parent company, Brenntag SE is responsible for the strategy of the Group. The central functions of Brenntag SE are:

- Corporate Controlling, Corporate Accounting, Tax Brenntag Group, Treasury Brenntag Group, Shared Services Brenntag Group
- Core IT, Digital Business Architecture, Digital Transformation, Data & Analytics
- Corporate Investor Relations, Global Communications, Global Marketing, Corporate Relations & Government Affairs
- QSHE (Quality, Safety, Health and Environment), Sustainability Brenntag Group
- Mergers & Acquisitions Brenntag Group, Corporate Planning & Strategy, Corporate Insurance Management
- General Counsel Brenntag Group, Internal Audit Brenntag Group, Compliance Brenntag Group
- Global Human Resources
- Indirect Procurement, Transformation Office, Functional Excellence, E2E Deployment

The Brenntag Group is managed through two global divisions, Brenntag Specialties and Brenntag Essentials. Brenntag Specialties comprises the EMEA, Americas and APAC segments. Brenntag Essentials is managed through the geographical segments EMEA, North America, Latin America and APAC. Brenntag Business Services were introduced to support the two divisions, harmonize internal processes and intensify global collaboration. They have been allocated to “All other Segments”. In addition, “All other Segments” combine the central functions for the entire Group and the activities with regard to the digitalization of our business. The international operations of BRENNTAG International Chemicals GmbH, which buys and sells chemicals in bulk on an international scale without regional boundaries, are also included here.

For details of the scope of consolidation, please refer to the notes to the consolidated financial statements for the period ended March 31, 2022.

Objectives and Strategy

ConnectingChemistry

Our philosophy “ConnectingChemistry” describes our company’s value creation, purpose and commitment to all our partners within the supply chain:

■ Success

We support our partners in developing and growing their businesses, and enable them to expand their market reach. Equally, we are committed to creating value for our shareholders, developing our employees throughout all stages of their careers and making a positive contribution to the sustainable development of the countries in which we operate.

■ Expertise

We provide our partners with in-depth product, application and industry expertise, and sophisticated market intelligence. We set ourselves apart, drawing on our extensive product and service portfolio as well as our comprehensive industry coverage on a global level and our ability to develop tailor-made solutions.

■ Customer orientation and service excellence

We offer powerful channels to market and provide the best customer service in the industry. Only when our partners are fully satisfied do we consider our service to be delivered.

VISION, OBJECTIVES AND STRATEGY

Our vision illustrates how we aim to position ourselves in the markets and industries we serve and is summarized by the following five commitments to our current and future development:

- We aim to be the safest chemical distributor and strive for zero accidents and incidents.
- Throughout the world, we connect chemistry by providing the most effective industry channel for our customers and suppliers.
- We are the global leader and strive to attain leading positions in all our chosen markets and industries. We aim to offer the most professional sales and marketing organization in the industry and ensure consistently high standards every day, everywhere.
- We strive to provide a working environment where the best people want to work.
- We aim to generate high returns for our shareholders and sustainable value for all stakeholders.

Our goal is to further expand our position as global market leader in an agilely changing global market environment and lead our industry as the preferred partner for customers and suppliers.

We strive to extend our market leadership through sustainable organic growth and by continuously and systematically increasing profitability.

In addition, we continue to seek acquisition opportunities that support our strategy. Our strategic focus here is on expanding our presence in emerging markets in the Asia Pacific region in particular so as to capture the expected strong growth in demand for chemicals and ingredients in these countries. In the established markets of Western Europe and North America, our acquisition strategy focuses on steadily optimizing our product and service portfolio.

SUSTAINABILITY

We base our sustainability management on ESG (environmental, social and governance) criteria. Our focus here is on the aspects that can be derived from our daily operations and service portfolio and have been identified as particularly relevant on the basis of our materiality matrix:

- Safety and environmental protection
- Climate protection
- Responsibility within the supply chain
- Compliance
- Employees
- Sustainable products and investments

We are committed to the principles of responsible care and responsible distribution as well as the principles of the UN Global Compact. We are also a member of “Together for Sustainability” (Tfs), an industry initiative that aims to enhance sustainability across the chemical industry’s entire supply chain. Detailed information on our sustainability management is provided in our latest sustainability report and in the “Health, Safety and Environmental Protection, Quality Management” section of the 2021 Annual Report.

Transformation Programme “Project Brenntag”

“Project Brenntag” was set up with a view to laying strong foundations for future organic earnings growth. Through this broad transformation programme, we aim to adopt a more focused approach to our market activities, build stronger partnerships with our customers and suppliers, and reduce complexity. The core element is the operating model comprising two global divisions: “Brenntag Specialties” and “Brenntag Essentials”.

The operating model is complemented by a distinct go-to-market approach with globally harmonized and advanced customer segmentation and a focused sales organization geared to customer requirements. In order to enable us to operate and manage even faster and more efficiently worldwide, we have also combined all business support functions in central, global units.

We see further potential in optimizing our global site network and improving capacity utilization. While maintaining our global reach as well as a high level of service quality and reliability, we are consolidating our site network and strengthening regional hubs; we are establishing new sites and thus providing better, simpler and more efficient customer support. This network optimization also envisages the closure of approximately 100 sites worldwide. By March 2022, a total of 76 sites had been closed, three of them in the first quarter of 2022. By optimizing both the distance to the customer and transport requirements, we will not only achieve efficiency gains, but also lower CO₂ emissions and improve our environmental footprint.

Our people measures are centred around our employees’ further development and extensive skills enhancement in alignment with the company’s transformation and on targeted succession planning. Through “Project Brenntag”, we are promoting global collaboration, establishing a new management culture and enabling our employees to take on new roles. We will best position the Brenntag brand in the employment market so as to recruit and retain highly qualified employees.

The comprehensive transformation programme is expected to deliver a sustainable additional contribution to operating EBITDA, reaching the full annual potential of EUR 220 million in total in 2023. Including the measures already implemented, the total net cash outflow associated with “Project Brenntag” is expected to amount to around EUR 370 million. The programme’s implementation will lead to a reduction of about 1,300 jobs in total worldwide. By the end of March 2022, more than 960 jobs in total had been structurally reduced, around 30 of them in the first quarter of 2022.

We monitor project progress and determine the effects using a project management and controlling system tailored to these requirements.

REPORT ON ECONOMIC POSITION

Economic Environment

The COVID-19 pandemic and the war in Ukraine placed immense pressure on the global economy in the first quarter of 2022. Although the direct impact of the Omicron wave was limited, the effects of the coronavirus crisis, such as strained global supply chains, growing inflationary pressures and record debt levels, continued to weigh on the global economy and are holding the economic recovery in check. Fears that Russian commodities would not be delivered resulted in further price pressures and the sanctions imposed by the western community of states depressed export activity in the sanctioning countries. Overall, global industrial production rose by around 5.4% year on year in the first two months of the first quarter of 2022. Based on the difficult environment at the end of the first quarter of 2022, the Global Manufacturing Purchasing Managers' Index (PMI) remained above the 50.0 neutral mark, but fell to an 18-month low of 53.0 in March.

In Europe, industrial production grew by just 1.0% year on year in the first two months of the first quarter of 2022. Driven by the war in Ukraine and harsh coronavirus measures in China, inflation reached a record high. Supported by increased retail spending and services, the US economy grew at a moderate pace from mid-February onwards. Industrial production rose by around 5.4% compared with the first quarter of the previous year. In the USA too, inflation continued to accelerate in the first quarter and in March reached its highest rate for more than 40 years. In Latin America, economic performance was mixed. Overall, the Latin American economy expanded at only a weak rate of around 1.1% year on year in the first two months of the first quarter of 2022. In the emerging economies of Asia (excluding China), production grew by approximately 8.2% compared with the prior-year figure in the first two months of the first quarter of 2022. In China, industrial production expanded by 7.3% year on year in the first two months of the first quarter of 2022, despite restrictions aimed at overcoming the COVID-19 pandemic.

Business Performance

MAJOR EVENTS IMPACTING ON BUSINESS IN Q1 2022

Brenntag strongly condemns Russia's attack on Ukraine and the war. The resulting economic sanctions and the geopolitical uncertainty are having direct and indirect effects on international trade. Against this background, the Board of Management of Brenntag SE took the decision at the beginning of March 2022 to suspend all imports to and exports from Russia and Belarus. The Board of Management also decided to halt the business operations of all Brenntag companies in Russia and Belarus. The decisions are valid until further notice and will be implemented in a controlled manner. Due to the continuing uncertain situation, business operations in Ukraine are largely at a standstill. Our employees' safety is always our top priority. We are in regular contact with our team in Ukraine so as to stay abreast of their current situation and the situation locally and provide them with the best possible support. In these exceptional circumstances, the Brenntag family is showing considerable compassion and solidarity: Brenntag employees from the neighbouring countries have taken in Ukrainian employees, their families and other refugees, are standing by them and are assisting by providing food, clothing and everyday essentials. As at April 2022, Brenntag employees around the globe have donated approximately EUR 60k in total to aid organizations UNICEF and UNHCR. Brenntag will double this amount, having already donated a total of EUR 500k to these two organizations as emergency relief for Ukraine at the start of the war.

Brenntag continues to closely monitor the situation and developments in the region, as well as international measures, so that it can take further considered measures if necessary.

In March 2022, Brenntag acquired Y.S. Ashkenazi Agencies Ltd. located at kibbutz Netzer Sereni, Israel and its subsidiary Biochem Trading 2011 Ltd. The acquirees generated sales of around EUR 39 million in financial year 2021. Brenntag is thus continuing to expand its offering of specialty products and services for suppliers and customers in the high-growth Food & Nutrition and Personal Care markets and breaking into the Israeli market.

STATEMENT BY THE BOARD OF MANAGEMENT ON BUSINESS PERFORMANCE

The first quarter of 2022 was a very encouraging one for the Brenntag Group. Brenntag achieved operating EBITDA of EUR 463.0 million, an increase of 54.2% compared with the prior-year period. On a constant currency basis, this represents earnings growth of 48.8%.

Once again, the past quarter was shaped by macroeconomic and geopolitical developments that had a notable direct impact not only on Brenntag's business environment, but also on its business operations. The economic sanctions resulting from Russia's attack on Ukraine and the geopolitical uncertainty are having direct and indirect effects on international trade. Against this background, the Board of Management of Brenntag SE decided to halt the business operations of all Brenntag companies in Russia and Belarus until further notice. Primarily in China, the COVID-19 pandemic has once again led to restrictions, adding to the pressure on already-strained global supply chains. As a result of these developments, we have seen sharp increases in inflation rates worldwide, particularly in energy prices. In this market environment, we were able overall to maintain our trade and distribution channels and supply our customers with the required products in the first quarter of 2022. This is reflected in the excellent financial results for the past quarter, which show that, especially in times of major uncertainty, Brenntag as market leader plays an important role in global distribution markets and enjoys a high level of trust. In particular, Brenntag's broad product portfolio, our close relationship with our suppliers and our reliable delivery capability paid off again.

Our Brenntag Specialties division grew very strongly again in the first quarter of 2022. The Brenntag Specialties EMEA and Brenntag Specialties Americas segments in particular made substantial absolute contributions to the division's growth. We recorded both a meaningful increase in volumes compared with the prior-year period and further significant growth in operating gross profit per unit.

As in recent quarters, our Brenntag Essentials division was able to increase earnings significantly year on year in the first quarter of 2022, with the Brenntag Essentials EMEA and Brenntag Essentials North America segments in particular making substantial absolute contributions to the division's growth. The results posted by the division are attributable to higher operating gross profit per unit.

We experienced substantial price increases in our procurement markets in the first quarter of 2022. This led to a rise in both trade receivables and the value of our inventories. In light of the considerable uncertainty in supply chains, we also built up our inventories in order to ensure our delivery capability. As a result, we recorded an increase in working capital and a decline in annualized working capital turnover compared with the prior-year period.

Capital expenditure in the first quarter of 2022 was up meaningfully on the prior-year figure. Some major projects, particularly in relation to IT infrastructure, are still at the preparatory stage and will therefore be implemented at a later date.

Although the free cash flow achieved in the first quarter of 2022 is down significantly on the prior-year period due to the increase in working capital, its absolute level continues to support our financial flexibility.

Due to our lasting relationships with our suppliers and customers, our broad range of products and services and the adaptability of our organization, we are very well positioned for current and future success. We expect the exceptional and challenging market conditions to continue.

Again, we were able to convincingly demonstrate our capabilities in the past quarter. We are very satisfied with the results achieved. Overall, we closed the first quarter of 2022 with an excellent operating result.

Results of Operations

BUSINESS PERFORMANCE OF THE BRENNTAG GROUP

in EUR m	Q1 2022	Q1 2021	Change	
			in %	in % (fx adj.) ¹⁾
Sales	4,533.1	3,132.5	44.7	39.8
Operating gross profit	1,037.9	764.5	35.8	30.8
Operating expenses	-574.9	-464.2	23.8	19.2
Operating EBITDA	463.0	300.3	54.2	48.8
Depreciation of property, plant and equipment and right-of-use assets	-68.7	-61.3	12.1	7.8
Operating EBITA	394.3	239.0	65.0	59.3
Net expense from special items	-3.0	-70.8	-	-
EBITA	391.3	168.2	-	-
Amortization of intangible assets	-18.2	-11.3	-	-
Net finance costs	-24.4	-17.6	-	-
Profit before tax	348.7	139.3	-	-
Income tax expense	-94.7	-39.1	-	-
Profit after tax	254.0	100.2	-	-

B.01 BUSINESS PERFORMANCE OF THE BRENNTAG GROUP

¹⁾ Change in % (fx adj.) is the percentage change on a constant currency basis.

The Brenntag Group generated **sales** of EUR 4,533.1 million in the first quarter of 2022, an increase of 44.7% compared with the prior-year period. On a constant currency basis, sales were up by 39.8% on the prior-year figure. The rise is due in particular to significantly higher sales prices per unit, whilst volumes remained roughly in line with the prior-year figure.

For us as a chemical distributor, operating gross profit is an important factor for increasing our enterprise value over the long term.

The Brenntag Group generated **operating gross profit** of EUR 1,037.9 million in the first quarter of 2022, an increase of 35.8% compared with the prior-year period. On a constant currency basis, this represents a significant rise of 30.8%. Both divisions contributed to this positive performance at operating gross profit level. The increase in operating gross profit is due mostly to organic growth in our business and was supported by the acquisitions closed in 2021.

The Brenntag Group's **operating expenses** amounted to EUR 574.9 million in the first quarter of 2022, a rise of 23.8% year on year. On a constant currency basis, operating expenses were up by 19.2% on the prior-year figure. The rise in costs is due in part to higher variable personnel expenses as well as increased transport and energy costs.

The Brenntag Group achieved **operating EBITDA** of EUR 463.0 million overall in the first quarter of 2022, an increase of 54.2% on the prior-year figure. On a constant currency basis, we achieved extremely encouraging earnings growth of 48.8%. The rise in operating EBITDA is predominantly organic. The Brenntag Group's growth is due to strong increases in earnings in both of the divisions. Both Brenntag Specialties and Brenntag Essentials benefited from the removal of numerous restrictions as a result of successes in tackling the COVID-19 pandemic in most industrialized nations. Only China was once again affected by lockdowns due to recent waves of infection. The pressure on supply chains and the trend in European energy prices, further

exacerbated by factors such as Russia's war of aggression in Ukraine, posed a challenge for international trade. In a market environment that remained very difficult, our close relationships with our customers and suppliers, our broad product portfolio and our global logistics expertise paid off again.

Depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of intangible assets amounted to EUR 86.9 million in the first quarter of 2022, with **depreciation** of property, plant and equipment and right-of-use assets accounting for EUR 68.7 million and **amortization** of intangible assets for EUR 18.2 million.

Net expense from special items breaks down as follows:

in EUR m	Q1 2022	Q1 2021
Expenses in connection with "Project Brenntag" / programmes to increase efficiency	-3.0	-7.7
Expenses from excise duties	-	-63.1
Net expense from special items	-3.0	-70.8

B.02 NET EXPENSE FROM SPECIAL ITEMS

The expenses in connection with "Project Brenntag" consist mainly of advisory and one-time expenses necessary in order to achieve the desired target structure, such as expenses in connection with site closures and severance payments.

Net finance costs came to EUR 24.4 million in the first quarter of 2022 (Q1 2021: EUR 17.6 million), with the year-on-year change attributable mainly to two effects. Firstly, net interest expense widened year on year to EUR 18.2 million (Q1 2021: EUR 13.1 million) due to the generally higher level of interest rates and increased debt. In addition, expenses arising on the translation of foreign currency receivables and liabilities showed an increase on the prior-year period due mainly to generally higher currency fluctuations.

In line with the positive business performance, **income tax expense** rose by EUR 55.6 million year on year to EUR 94.7 million in the first quarter of 2022.

Profit after tax stood at EUR 254.0 million in the first quarter of 2022 (Q1 2021: EUR 100.2 million).

BUSINESS PERFORMANCE IN THE DIVISIONS

in EUR m	Operating gross profit			Operating EBITDA		
	Q1 2022	Change versus Q1 2021		Q1 2022	Change versus Q1 2021	
		in %	in % (fx adj.)		in %	in % (fx adj.)
Brenntag Specialties	426.2	49.9	46.2	215.4	79.8	76.8
Brenntag Essentials	602.9	27.6	21.9	271.9	40.1	33.9
All other Segments	8.8	14.3	14.3	-24.3	78.7	77.4
Brenntag Group	1,037.9	35.8	30.8	463.0	54.2	48.8

B.03 BUSINESS PERFORMANCE IN THE DIVISIONS

Operating gross profit in the **Brenntag Specialties division** was up by 49.9% on the prior-year figure to EUR 426.2 million in the first quarter of 2022. On a constant currency basis, it showed a rise of 46.2%. We benefited primarily from substantially higher operating gross profit per unit in the EMEA and Americas segments. In addition, significantly higher volumes were achieved in the APAC segment. The positive performance in the Americas segment was also supported by the acquisitions closed in the previous year.

Overall, the Brenntag Specialties division posted operating EBITDA of EUR 215.4 million in the first quarter of 2022, an increase of 79.8% on the prior-year figure. On a constant currency basis, operating EBITDA rose by 76.8%. This very encouraging result is due to a broad-based, extremely positive performance across all segments. It was driven mostly by strong organic growth and also supported by the acquisitions closed. In all Specialties segments, operating EBITDA increased at a faster rate than operating gross profit. All segments had to contend with rising energy and transport costs. Nevertheless, they all achieved significant rates of growth. The Americas segment, which reached triple-digit rates of growth in operating EBITDA, is particularly worthy of note here.

Operating gross profit in the **Brenntag Essentials division** rose by 27.6% year on year to EUR 602.9 million in the first quarter of 2022. On a constant currency basis, operating gross profit

was up by 21.9% on the prior-year figure. This performance is due to significantly higher operating gross profit per unit in all segments of the Brenntag Essentials division. All segments achieved strong growth in operating gross profit in the first quarter of 2022. Overall, we faced substantial difficulties in global supply chains, which were reflected in logistics, for example, more specifically in container shortages and driver availability.

The Brenntag Essentials division achieved operating EBITDA of EUR 271.9 million in the first quarter of 2022, a rise of 40.1% compared with the prior-year period. On a constant currency basis, this represents growth of 33.9%. Operating EBITDA therefore increased at an even faster rate than operating gross profit despite extremely high transport and energy costs and the aforementioned conditions in supply chains. The positive operating EBITDA performance in the EMEA, North America and Latin America segments is due almost entirely to organic growth. Despite further lockdowns in the course of the COVID-19 pandemic, particularly in China, APAC generated operating EBITDA slightly above the prior-year figure.

In **All other Segments** in the first quarter of 2022, we recorded a rise in costs that was exceptionally high compared with the prior-year period. This is due in part to higher advisory expenses and higher provisions for performance-related remuneration components.

Brenntag Specialties

in EUR m	Operating gross profit			Operating EBITDA ¹⁾		
	Q1 2022	Change versus Q1 2021		Q1 2022	Change versus Q1 2021	
		in %	in % (fx adj.)		in %	in % (fx adj.)
Specialties EMEA	195.0	40.0	41.6	103.1	68.2	72.4
Specialties Americas	157.5	73.6	62.0	69.3	136.5	120.7
Specialties APAC	73.7	35.7	30.2	42.7	50.9	43.8
Brenntag Specialties	426.2	49.9	46.2	215.4	79.8	76.8

B.04 BUSINESS PERFORMANCE IN THE BRENNTAG SPECIALTIES SEGMENTS

¹⁾ The difference between the sum total of the reportable segments (EMEA, Americas and APAC) and the Brenntag Specialties division is the result of central activities which are part of Brenntag Specialties but not directly attributable to any one segment.

The **Brenntag Specialties EMEA segment** achieved operating gross profit of EUR 195.0 million in the first quarter of 2022, an increase of 40.0% on the strong prior-year figure. On a constant currency basis, operating gross profit was up by 41.6% due in particular to a considerable rise in operating gross profit per unit. In the past quarter, the general situation in connection with COVID-19 was better overall than in the prior-year period. Despite the product shortages on European markets, we achieved broad-based growth in operating gross profit in all focus industries in the EMEA segment in the past quarter. This was particularly true in Nutrition and Lubricants.

The Brenntag Specialties EMEA segment generated operating EBITDA of EUR 103.1 million in the first quarter of 2022, thereby exceeding earnings in the prior-year period by 68.2%. This represents a strong rise of 72.4% on a constant currency basis and is due predominantly to the aforementioned positive performance at operating gross profit level as well as relatively small increases in costs. The financial results reflect our ability to supply our customers reliably and at short notice in a difficult market environment, combined with supply bottlenecks and the trend in prices on the European markets. The growth is almost entirely organic.

Operating gross profit in the **Brenntag Specialties Americas segment** rose by 73.6% year on year to EUR 157.5 million in the first quarter of 2022. On a constant currency basis, this represents significant growth of 62.0% compared with the prior-year period. This performance is due to a comparatively substantial rise in operating gross profit per unit. The strong organic growth was also supported by the acquisition closed in the previous year. Much like in the EMEA segment, the relaxing of COVID-19 policy had a positive impact on earnings here. In addition, earnings in the prior-year period were depressed somewhat by winter storms in the region, as a result of which we are seeing a positive year-on-year effect. Supply bottlenecks presented certain challenges in this region. We were able to counter this through very good price management and nevertheless achieve extremely strong results. Nutrition, Pharma and Personal Care & HI/I were particularly successful.

The Brenntag Specialties Americas segment achieved operating EBITDA of EUR 69.3 million in the first quarter of 2022, an increase of 136.5% on the prior-year figure. On a constant currency basis, this represents a substantial rise of 120.7% in the first quarter of 2022. The acquisition of JM Swank closed in the previous year made an additional positive contribution

to the extremely strong organic growth. Here too, we benefited from our excellent supplier relationships against the background of the prevailing supply bottlenecks. Immensely high transport and energy costs in particular pushed up operating expenses in this segment. Overall, however, costs grew at a softer rate than operating gross profit, enabling us to achieve a higher increase in operating EBITDA.

Brenntag Specialties APAC achieved operating gross profit of EUR 73.7 million in the first quarter of 2022, an increase of 35.7% on the prior-year figure. On a constant currency basis, operating gross profit was up by 30.2%. The growth was the result of significantly higher volumes. Our good customer relationships enabled us to minimize the effects of further lockdowns in China as a result of new waves of COVID-19 infections. Strong growth rates were thus achieved in almost all focus industries. We therefore once again demonstrated the resilience of our business model.

The Brenntag Specialties APAC segment generated operating EBITDA of EUR 42.7 million in the first quarter of 2022, thereby exceeding earnings in the prior-year period by 50.9%. This represents significant growth of 43.8% on a constant currency basis and is due to a positive performance in almost all focus industries and a comparatively softer increase in the cost base. The growth achieved was equally organic and driven by the acquisition of Zhongbai Xingye closed in the previous year.

Brenntag Essentials

in EUR m	Operating gross profit			Operating EBITDA ¹⁾		
	Q1 2022	Change versus Q1 2021		Q1 2022	Change versus Q1 2021	
		in %	in % (fx adj.)		in %	in % (fx adj.)
Essentials EMEA	229.9	16.5	15.4	110.5	34.6	33.3
Essentials North America	296.1	40.4	30.8	129.7	54.4	43.8
Essentials Latin America	44.9	21.0	13.1	18.7	21.4	13.3
Essentials APAC	32.0	17.6	9.6	13.3	8.1	0.8
Brenntag Essentials	602.9	27.6	21.9	271.9	40.1	33.9

B.05 BUSINESS PERFORMANCE IN THE BRENNTAG ESSENTIALS SEGMENTS

¹⁾ The difference between the sum total of the reportable segments (EMEA, North America, Latin America and APAC) and the Brenntag Essentials division is the result of central activities which are part of the Brenntag Essentials division but not directly attributable to any one segment.

The **Brenntag Essentials EMEA segment** achieved operating gross profit of EUR 229.9 million in the first quarter of 2022, an increase of 16.5% on the prior-year figure. On a constant currency basis, operating gross profit climbed by 15.4% despite supply bottlenecks. Maintaining global trade and distribution channels remains a major challenge for all players. Nevertheless, we were always able to supply our customers reliably. In the first quarter of 2022, the segment once again generated high operating gross profit per unit that was up significantly on the prior-year period.

Brenntag Essentials EMEA generated operating EBITDA of EUR 110.5 million in the first quarter of 2022, thereby exceeding earnings in the prior-year period by 34.6%. This represents a rise of 33.3% on a constant currency basis and is due predominantly to the considerable increase in operating gross profit and comparatively moderate rises in costs thanks to very good cost management. The broad-based increase in operating EBITDA is entirely organic.

Operating gross profit in the **Brenntag Essentials North America segment** rose by 40.4% year on year to EUR 296.1 million in the first quarter of 2022. On a constant currency basis, operating gross profit showed significant growth of 30.8% compared with the first quarter of the previous year. This is due to a general rise in demand in the first quarter of 2022,

which was reflected in higher volumes, and very good price management. Operating gross profit per unit increased significantly. Furthermore, earnings in the prior-year period were impacted by winter storms in North America, as a result of which there was a certain catch-up effect this year.

The North America segment in the Brenntag Essentials division achieved operating EBITDA of EUR 129.7 million in the first quarter of 2022. We achieved extremely strong, broad-based growth throughout the segment, even though we faced very high increases in costs, particularly transport and energy costs. Earnings in the prior-year period were exceeded by 54.4% overall. On a constant currency basis, this represents a significant rise in operating EBITDA of 43.8% in the first quarter of 2022. Operating EBITDA therefore increased at a faster rate than operating gross profit. The extremely strong rise in this segment is due almost entirely to organic growth.

The **Brenntag Essentials Latin America segment** achieved operating gross profit of EUR 44.9 million in the first quarter of 2022, thereby exceeding the prior-year figure by 21.0%. On a constant currency basis, operating gross profit was up by 13.1%. This encouraging rise is due to significantly higher operating gross profit per unit. This segment stood out, among other things, for its extremely good price management.

The Brenntag Essentials Latin America segment generated operating EBITDA of EUR 18.7 million in the first quarter of 2022, an increase of 21.4% on earnings in the prior-year period. This represents a rise of 13.3% on a constant currency basis and is due predominantly to an exceptionally positive performance at operating gross profit level in almost all countries. The growth achieved is almost entirely organic.

The **Brenntag Essentials APAC segment** achieved operating gross profit of EUR 32.0 million in the first quarter of 2022, an increase of 17.6% on the prior-year figure. On a constant currency basis, operating gross profit was up by 9.6%. The strong rise in operating gross profit per unit more than offset the fall in volumes.

The Brenntag Essentials APAC segment generated operating EBITDA of EUR 13.3 million in the first quarter of 2022, an increase of 8.1% on earnings in the prior-year period. On a constant currency basis, operating EBITDA was up slightly on the prior-year figure. However, this positive result was impacted, among other factors, by further harsh lockdowns against the background of recent waves of COVID-19 infections in China and the Winter Olympics, which added to the pressure on supply chains. Furthermore, operating costs increased due in part to a rise in variable personnel expenses.

All other Segments

BRENNTAG International Chemicals GmbH, the only operating company within “All other Segments”, significantly exceeded prior-year operating EBITDA in the first quarter of 2022.

The operating expenses posted by the holding companies in the same period were up on the figure for the first quarter of 2021. This is due in part to higher advisory expenses, primarily in IT, Shared Services and other strategic projects, as well as personnel expenses in connection with higher provisions for performance-related remuneration components.

Overall, the operating EBITDA of “All other Segments” was down by EUR 10.7 million on the prior-year figure to EUR –24.3 million in the first quarter of 2022.

Financial Position

CAPITAL STRUCTURE

The primary objective of capital structure management is to maintain the Group's financial strength. Brenntag concentrates on a capital structure which enables the Group to cover its potential financing requirements at all times. This gives Brenntag a high degree of independence, security and flexibility. Our liquidity, interest rate and currency risks are largely managed on a Group-wide basis. Derivative financial instruments are only used to hedge the above-mentioned risks from underlying transactions and not for speculative purposes. A Group-wide Finance Guideline ensures the implementation of these policies and standard processes throughout the Group.

The most important component in the financing structure of Brenntag SE is the Group-wide syndicated loan agreement. The syndicated loan totalling the equivalent of EUR 1.5 billion has a term ending in January 2024. It is based on variable interest rates with margins depending on leverage, and is divided into different tranches with different currencies. Total liabilities (excluding accrued interest and before offsetting of transaction costs) under the syndicated loan amounted to EUR 530.5 million as at March 31, 2022. In addition to fully drawn tranches, the loan agreement also contains two revolving credit facilities totalling EUR 940.0 million. These credit facilities were mostly unused as at March 31, 2022 and are available for further drawdowns at any time. While some of our subsidiaries are direct borrowers under the loan, others obtain their financing from intra-Group loans. The syndicated loan is guaranteed by Brenntag SE.

In November 2015, Brenntag Finance B.V. issued a bond with warrant units in the amount of USD 500.0 million maturing in December 2022. The bond (Bond (with Warrants) 2022) was issued at 92.7% of par and bears a coupon of 1.875% p.a. with interest payable semi-annually. The interest expense from the Bond (with Warrants) 2022 comprises the aforementioned interest payments and the ongoing amortization of the discount. The discount (7.3% or USD 36.5 million) is the warrant premium on the warrants issued together with the Bond (with Warrants) 2022 to purchase Brenntag SE shares. The holders of the warrants have the right to purchase new Brenntag shares at the prevailing strike price (currently EUR 72.2474 per share). As at March 31, 2022, the Brenntag share price was higher than the strike price, meaning that the warrants had a positive intrinsic value at that date.

In addition, in September 2017, Brenntag Finance B.V. issued a EUR 600 million bond (Bond 2025) maturing in 2025 and bearing a coupon of 1.125% with interest paid annually.

In October 2021, Brenntag Finance B.V. issued a further bond for EUR 500.0 million (Bond 2029). The bond has a maturity of eight years and carries an annual coupon of 0.50%. It is the first bond issue to take place under a EUR 3 billion debt issuance programme newly established in 2021. The Bond 2029 was issued primarily for the purpose of refinancing the Bond (with Warrants) 2022 early, ahead of its maturity in December 2022. Most of the proceeds from the Bond 2029 were therefore swapped for US dollars by way of a long-dated derivative (cross-currency interest rate swap) in 2021. These proceeds can now be used to repay the Bond (with Warrants) 2022.

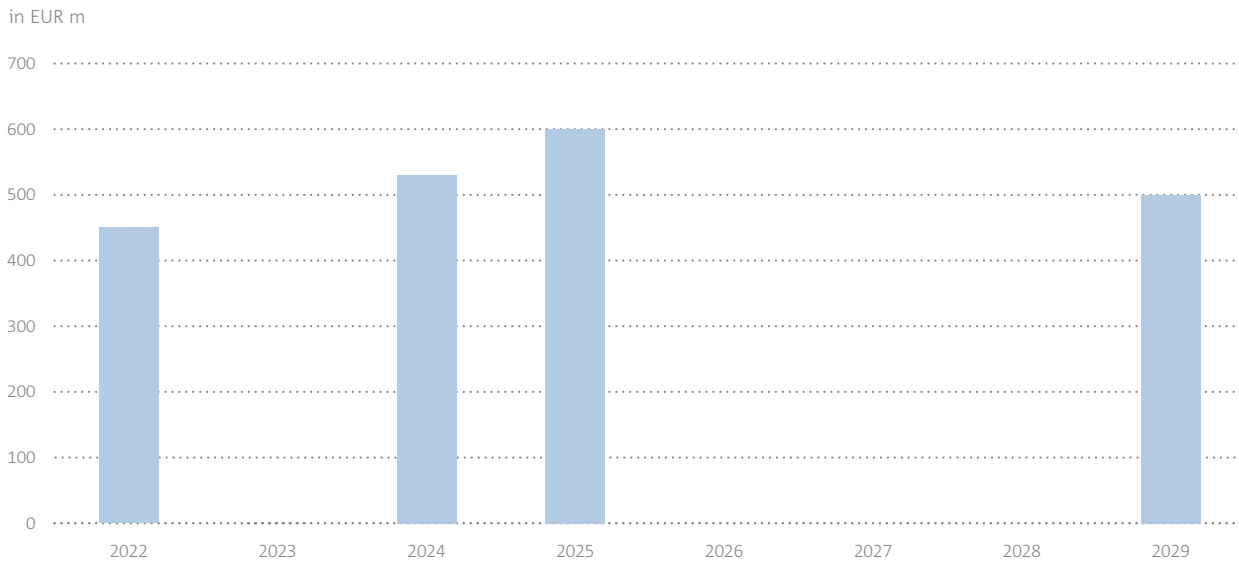
Each of the bonds issued by Brenntag Finance B.V. is guaranteed by Brenntag SE.

In addition to the four above-mentioned refinancing instruments, some of our companies make use of credit lines with local banks in consultation with the Group management.

Due to the three fixed-rate bonds, just under 70% of the Brenntag Group's financial liabilities are currently hedged against the risk of interest rate increases.

According to our short- and mid-term financial planning, the capital requirements for operating activities, investments in property, plant and equipment, outflows in connection with "Project Brenntag", and dividends and acquisitions in the size of past practice are expected to be covered by the cash provided by operating activities and the aforementioned existing credit facilities. To cover short-term liquidity requirements and for general corporate purposes, we likewise have the aforementioned credit facilities under the syndicated loan.

Maturity profile of our credit portfolio¹⁾ as at March 31, 2022
in EUR m:



B.06 MATURITY PROFILE OF OUR CREDIT PORTFOLIO

¹⁾ Syndicated loan, Bond (with Warrants) 2022, Bond 2025 and Bond 2029 excluding accrued interest and transaction costs.

INVESTMENTS

In the first quarter of 2022, investments in property, plant and equipment and intangible assets (excluding additions from acquisitions) led to a total cash outflow of EUR 50.5 million.

We regularly invest in the maintenance, replacement and extension of the infrastructure necessary to perform our services, such as warehouses, offices, trucks and vehicles of our field service. Further investments relate to IT hardware for various systems, digitalization and the expansion of our IT infrastructure. As the market leader and a responsible chemical distributor, we attach importance to ensuring that our property, plant and equipment meet comprehensive health, safety and environmental requirements.

LIQUIDITY

Cash Flow

in EUR m	Q1 2022	Q1 2021
Net cash provided by operating activities	35.4	77.6
Net cash used in investing activities	-44.1	-91.1
of which payments to acquire consolidated subsidiaries, other business units and other financial assets	-0.7	-55.8
of which payments to acquire intangible assets and property, plant and equipment	-50.5	-38.0
of which proceeds from divestments	7.1	2.7
Net cash provided by/used in financing activities	1.3	-38.6
of which repayments of/proceeds from borrowings	1.3	-38.6
Change in cash and cash equivalents	-7.4	-52.1

B.07 CASH FLOW

Net cash provided by operating activities of EUR 35.4 million was influenced by the rise in working capital of EUR 329.6 million. In the first quarter of 2021, working capital rose by EUR 160.5 million.

Of the net cash of EUR 44.1 million used in investing activities, EUR 50.5 million comprised payments to acquire intangible assets and property, plant and equipment. In addition to the payment to acquire Y.S. Ashkenazi Agencies Ltd. located at kibbutz Netzer Sereni, Israel and its subsidiary Biochem Trading 2011 Ltd., payments to acquire consolidated subsidiaries and other business units also included cash inflows from repayments in connection with prior-year acquisitions.

Net cash provided by financing activities of EUR 1.3 million mainly included bank loans taken out and repaid as well as lease liabilities repaid.

FREE CASH FLOW

in EUR m	Q1 2022	Q1 2021	Change	
			abs.	in %
Operating EBITDA	463.0	300.3	162.7	54.2
Payments to acquire intangible assets and property, plant and equipment	-50.5	-38.0	-12.5	32.9
Change in working capital	-329.6	-160.5	-169.1	105.4
Principal and interest payments on lease liabilities	-34.2	-31.2	-3.0	9.6
Free cash flow	48.7	70.6	-21.9	-31.0

B.08 FREE CASH FLOW

The Brenntag Group's free cash flow amounted to EUR 48.7 million in the first quarter of 2022, a decrease of 31.0% on the same period of 2021.

Operating EBITDA exceeded the prior-year figure by a significant margin, but failed to offset the decline in free cash flow from working capital. Capital expenditure to expand our infrastructure was meaningfully higher year on year.

Financial and Assets Position

in EUR m	Mar. 31, 2022		Dec. 31, 2021	
	abs.	in %	abs.	in %
Assets				
Current assets	5,697.2	51.8	4,958.1	48.6
Cash and cash equivalents	706.6	6.4	705.0	6.9
Trade receivables	2,796.9	25.4	2,290.2	22.5
Other receivables and assets	385.9	3.6	341.0	3.3
Inventories	1,807.8	16.4	1,621.9	15.9
Non-current assets	5,308.9	48.2	5,237.4	51.4
Intangible assets	3,417.1	31.0	3,358.8	32.9
Other non-current assets	1,684.7	15.3	1,677.0	16.5
Receivables and other assets	207.1	1.9	201.6	2.0
Total assets	11,006.1	100.0	10,195.5	100.0
Liabilities and equity				
Current liabilities	3,965.7	36.1	3,526.1	34.5
Provisions	184.8	1.7	187.3	1.8
Trade payables	2,109.4	19.2	1,802.3	17.7
Financial liabilities	869.5	7.9	789.4	7.7
Miscellaneous liabilities	802.0	7.3	747.1	7.3
Equity and non-current liabilities	7,040.4	63.9	6,669.4	65.5
Equity	4,345.5	39.4	3,995.3	39.3
Non-current liabilities	2,694.9	24.5	2,674.1	26.2
Provisions	318.0	2.9	329.9	3.2
Financial liabilities	2,004.6	18.2	1,985.9	19.5
Miscellaneous liabilities	372.3	3.4	358.3	3.5
Total liabilities and equity	11,006.1	100.0	10,195.5	100.0

B.09 FINANCIAL AND ASSETS POSITION

As at March 31, 2022, total assets had increased by EUR 810.6 million compared with the end of the previous year to EUR 11,006.1 million (Dec. 31, 2021: EUR 10,195.5 million).

Cash and cash equivalents were almost unchanged compared with the 2021 year-end figure at EUR 706.6 million (Dec. 31, 2021: EUR 705.0 million).

Working capital changed as follows in the reporting period:

- Trade receivables rose by 22.1% to EUR 2,796.9 million (Dec. 31, 2021: EUR 2,290.2 million).
- Inventories rose by 11.5% to EUR 1,807.8 million (Dec. 31, 2021: EUR 1,621.9 million).
- With the opposite effect on working capital, trade payables rose by 17.0% to EUR 2,109.4 million (Dec. 31, 2021: EUR 1,802.3 million).
- Overall, reported working capital rose to EUR 2,495.3 million (Dec. 31, 2021: EUR 2,109.8 million).

The cash portion of the change in working capital amounted to an outflow of EUR 329.6 million. At 7.9, annualized working capital turnover was lower than at the end of 2021 (8.3).

The Brenntag Group's intangible and other non-current assets rose by EUR 66.0 million compared with the end of the previous year to EUR 5,101.8 million (Dec. 31, 2021: EUR 5,035.8 million). The change is due mainly to exchange rate effects (EUR 82.8 million), acquisitions (EUR 18.1 million), additions to non-current assets (EUR 36.4 million), changes in right-of-use assets (EUR 5.7 million) and depreciation and amortization (EUR 86.0 million).

Current financial liabilities rose by EUR 80.1 million to EUR 869.5 million in total (Dec. 31, 2021: EUR 789.4 million). Non-current financial liabilities increased by EUR 18.7 million compared with the end of the previous year to EUR 2,004.6 million (Dec. 31, 2021: EUR 1,985.9 million).

Current and non-current provisions amounted to a total of EUR 502.8 million (Dec. 31, 2021: EUR 517.2 million) and included pension provisions in the amount of EUR 165.9 million (Dec. 31, 2021: EUR 183.3 million).

EMPLOYEES

As at March 31, 2022, Brenntag had a total of 17,206 employees worldwide. The total number of employees is determined on the basis of headcount, i.e. part-time employees are fully included. By March 31, 2022, 42 employees had joined through companies newly acquired in 2022.

Headcount	Mar. 31, 2022		Dec. 31, 2021	
	abs.	in %	abs.	in %
Brenntag Specialties	4,334	25.2	4,534	26.3
Brenntag Essentials	10,620	61.7	10,329	59.9
All other Segments	2,252	13.1	2,373	13.8
Brenntag Group	17,206	100.0	17,236	100.0

B.10 EMPLOYEES PER DIVISION

All logistics functions are part of the Brenntag Essentials division in all regions except Asia Pacific (in the Asia Pacific region, they are part of the Brenntag Specialties division). To take account of this in the segment results, the other divisions are charged at the amount of the logistics services they use. The same applies to the services provided to Specialties or Essentials by Business Services. It is also important to bear in mind that not all employees have yet been allocated to a division as part of "Project Brenntag". In such cases, employee allocation was either simplified or decided based on expectations.

REPORT ON EXPECTED DEVELOPMENTS

The outcome of the geopolitical uncertainty resulting from Russia's attack on Ukraine and the ongoing restrictions due to the COVID-19 pandemic is a macroeconomic environment that continues to be shaped by strained supply chains and considerable uncertainty over future developments. Against this background, all forecasts for the course of the global economy remain subject to higher-than-usual uncertainty. Oxford Economics currently predicts that the global economy, measured in terms of industrial production (IP), will deliver a positive performance in 2022. Weighted by the sales generated by Brenntag in the individual countries, this results in a forecast average real IP growth rate of 3.5% in 2022. In recent quarters, Brenntag has demonstrated the strength and robustness of its business model in uncertain times by delivering very good financial results.

In an environment currently marked by major uncertainty and volatility, the Board of Management is holding to its forecast that Brenntag will generate operating EBITDA of between EUR 1,450 million and EUR 1,550 million in financial year 2022. The forecast takes into account the efficiency improvement anticipated in the course of implementing the measures resulting from "Project Brenntag" as well as the contributions to earnings from acquisitions already closed. It is based on the assumption at the date of the forecast's publication that exchange rates will remain stable. We confirm the forecast range.

We expect both our Brenntag Specialties division and our Brenntag Essentials division to contribute to the growth in operating EBITDA. Generally, we expect the growth rates in the Brenntag Specialties division to be above the growth rates in the Brenntag Essentials division.

The forecast increase in operating EBITDA is meaningfully higher than the expected growth in operating gross profit due primarily to broad-based price increases and efficiency improvements to be achieved through "Project Brenntag". We anticipate that both of the new divisions will contribute to the increase in the Group's operating gross profit, with the growth rate at Brenntag Specialties expected to be above the growth rate of Brenntag Essentials.

The necessary expenses for "Project Brenntag" are eliminated from operating EBITDA and reported separately.

After we were able to establish our working capital turnover at a very high level in the past financial year, we expect to achieve a slight improvement in working capital turnover compared with the reported averages for the past financial year. In 2022, we expect a further increase in working capital due to the planned business activity.

We are planning capital expenditure of around EUR 290 million in financial year 2022. Among other things on "Project Brenntag" for example, we are optimizing our global site network in order to close gaps in our network, leverage economies of scale, establish new central hubs as growth drivers and make improvements at existing sites.

Overall, and assuming that exchange rates remain stable, we anticipate that free cash flow in 2022 will be significantly higher year on year. This will enable us to continue to ensure our acquisition strategy and dividend policy and, at the same time, maintain liquidity at an adequate level.

REPORT ON OPPORTUNITIES AND RISKS

Our strategy is geared to steadily improving the efficiency and underlying profitability of our business. The Brenntag Group companies are exposed to a number of risks arising from their business activities in the field of chemical distribution and related areas. At the same time, these business activities also give rise to numerous opportunities to safeguard and nurture the company's competitiveness and growth.

We monitor the risks as part of our risk management. The planning, controlling and reporting processes of the Brenntag Group are integral parts of the risk management systems of all operational and legal units as well as the central functions.

We expect the general geopolitical, macroeconomic and operating environment to remain challenging. Supply chains are still under severe pressure and this continues to impact on production and delivery. The significant factors influencing the outlook include further developments and effects attributable to rising energy and supply costs in Europe due to the

Russia-Ukraine conflict, the trend in US inflation, and lockdowns and the pandemic situation in China. Brenntag is currently working on countermeasures in order to keep the rise in operating costs under control and is planning for various scenarios, depending on possible political and economic decisions by government agencies. We continue to very carefully monitor the situation and developments in the Russia-Ukraine conflict as well as international measures and are in close contact and communication with our industry partners and associations as well as with the authorities.

Apart from that in the first quarter of 2022, there were no further significant changes in the opportunities and risks for the Brenntag Group described in detail in the 2021 Annual Report. Other risks that we are currently unaware of or that we currently consider immaterial might also negatively impact our business operations. Currently, there are no indications of risks that may jeopardize the continued existence of the company.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2022

34 — 58

36	CONSOLIDATED INCOME STATEMENT
37	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
38	CONSOLIDATED BALANCE SHEET
40	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
42	CONSOLIDATED CASH FLOW STATEMENT
43	CONDENSED NOTES
43	Key Financial Figures by Segment
46	Group Key Financial Figures
47	General Information
47	Consolidation Policies and Methods
47	Standards applied
48	Scope of consolidation
48	Business combinations in accordance with IFRS 3
49	Currency translation
50	Consolidated Income Statement, Consolidated Balance Sheet and Consolidated Cash Flow Statement Disclosures
50	Interest expense
50	Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss
50	Income tax expense
51	Earnings per share
52	Assets held for sale
52	Financial liabilities
52	Other provisions
52	Provisions for pensions and other post-employment benefits
52	Liabilities relating to acquisition of non-controlling interests
53	Equity
54	Consolidated cash flow statement disclosures
55	Reporting of financial instruments
58	Events after the reporting period
59	FURTHER INFORMATION

CONSOLIDATED INCOME STATEMENT

in EUR m	Note	Jan. 1– Mar. 31, 2022	Jan. 1– Mar. 31, 2021
Sales		4,533.1	3,132.5
Cost of materials		–3,495.2	–2,368.0
Operating gross profit		1,037.9	764.5
Other operating income		15.2	5.7
Personnel expenses		–312.7	–269.7
Depreciation and amortization		–86.9	–72.6
Impairment losses on trade receivables and other receivables		–6.0	–1.7
Other operating expenses		–274.4	–269.3
Operating profit		373.1	156.9
Share of profit or loss of equity-accounted investments		0.9	0.2
Interest income		1.6	1.0
Interest expense	1.)	–19.8	–14.0
Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss	2.)	–3.0	–3.0
Other net finance costs		–4.1	–1.8
Net finance costs		–24.4	–17.6
Profit before tax		348.7	139.3
Income tax expense	3.)	–94.7	–39.1
Profit after tax		254.0	100.2
Attributable to:			
Shareholders of Brenntag SE		249.3	97.5
Non-controlling interests		4.7	2.7
Basic earnings per share in euro	4.)	1.61	0.63
Diluted earnings per share in euro	4.)	1.61	0.63

C.01 CONSOLIDATED INCOME STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	Note	Jan. 1– Mar. 31, 2022	Jan. 1– Mar. 31, 2021
Profit after tax		254.0	100.2
Remeasurements of defined benefit pension plans	8.)	17.1	9.4
Deferred tax relating to remeasurements of defined benefit pension plans	8.)	–5.4	–2.9
Items that will not be reclassified to profit or loss		11.7	6.5
Change in exchange rate differences on translation of consolidated companies		84.3	94.1
Change in net investment hedge reserve		–2.7	–3.1
Remeasurement of cross-currency interest rate swaps		–9.9	–
Reclassification to profit or loss of hedging losses		10.8	–
Remeasurement of costs of hedging		2.5	–
Reclassification to profit or loss of costs of hedging		–0.2	–
Deferred tax relating to those items		–0.3	–
Items that may be reclassified subsequently to profit or loss		84.5	91.0
Other comprehensive income, net of tax		96.2	97.5
Total comprehensive income		350.2	197.7
Attributable to:			
Shareholders of Brenntag SE		343.7	192.3
Non-controlling interests		6.5	5.4

C.02 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED BALANCE SHEET

ASSETS

in EUR m	Note	Mar. 31, 2022	Dec. 31, 2021
Current assets			
Cash and cash equivalents		706.6	705.0
Trade receivables		2,796.9	2,290.2
Other receivables		277.3	230.1
Other financial assets		11.7	22.8
Current tax assets		93.2	84.0
Inventories		1,807.8	1,621.9
		5,693.5	4,954.0
Non-current assets held for sale	5.)	3.7	4.1
		5,697.2	4,958.1
Non-current assets			
Property, plant and equipment		1,249.3	1,236.4
Intangible assets		3,417.1	3,358.8
Right-of-use assets		430.4	436.5
Equity-accounted investments		5.0	4.1
Other receivables		48.5	44.5
Other financial assets		27.6	26.1
Deferred tax assets		131.0	131.0
		5,308.9	5,237.4
Total assets		11,006.1	10,195.5

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET

LIABILITIES AND EQUITY

in EUR m	Note	Mar. 31, 2022	Dec. 31, 2021
Current liabilities			
Trade payables		2,109.4	1,802.3
Financial liabilities	6.)	756.8	677.7
Lease liabilities		112.7	111.7
Other liabilities		569.2	573.1
Other provisions	7.)	184.8	187.3
Liabilities relating to acquisition of non-controlling interests		91.9	89.7
Current tax liabilities		140.9	84.3
		3,965.7	3,526.1
Non-current liabilities			
Financial liabilities	6.)	1,678.2	1,652.0
Lease liabilities		326.4	333.9
Other liabilities		7.2	6.5
Other provisions	7.)	152.1	146.6
Provisions for pensions and other post-employment benefits	8.)	165.9	183.3
Liabilities relating to acquisition of non-controlling interests	9.)	130.1	126.5
Deferred tax liabilities		235.0	225.3
		2,694.9	2,674.1
Equity			
Subscribed capital		154.5	154.5
Additional paid-in capital		1,491.4	1,491.4
Retained earnings		2,544.3	2,283.3
Accumulated other comprehensive income		67.7	-15.0
Equity attributable to shareholders of Brenntag SE		4,257.9	3,914.2
Equity attributable to non-controlling interests	10.)	87.6	81.1
		4,345.5	3,995.3
Total liabilities and equity		11,006.1	10,195.5

C.03 CONSOLIDATED BALANCE SHEET

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR m	Subscribed capital	Additional paid-in capital	Retained earnings	Exchange rate differences
Dec. 31, 2020	154.5	1,491.4	2,080.6	-182.4
Profit after tax	-	-	97.5	-
Other comprehensive income, net of tax	-	-	6.5	91.4
Total comprehensive income for the period	-	-	104.0	91.4
Mar. 31, 2021	154.5	1,491.4	2,184.6	-91.0

Dec. 31, 2021	154.5	1,491.4	2,283.3	-10.2
Profit after tax	-	-	249.3	-
Other comprehensive income, net of tax	-	-	11.7	82.5
Total comprehensive income for the period	-	-	261.0	82.5
Mar. 31, 2022	154.5	1,491.4	2,544.3	72.3

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Net investment hedge reserve	Cash flow hedge reserve	Deferred tax relating to cash flow hedge reserve	Equity attributable to shareholders of Brenntag SE	Equity attributable to non-controlling interests	Equity
5.6	–	–	3,549.7	61.9	3,611.6
–	–	–	97.5	2.7	100.2
–3.1	–	–	94.8	2.7	97.5
–3.1	–	–	192.3	5.4	197.7
2.5	–	–	3,742.0	67.3	3,809.3

C.04 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / MAR. 31, 2021

–4.0	–1.1	0.3	3,914.2	81.1	3,995.3
–	–	–	249.3	4.7	254.0
–2.7	3.2	–0.3	94.4	1.8	96.2
–2.7	3.2	–0.3	343.7	6.5	350.2
–6.7	2.1	–	4,257.9	87.6	4,345.5

C.05 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / MAR. 31, 2022

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	Note	Jan. 1– Mar. 31, 2022	Jan. 1– Mar. 31, 2021
	11.)		
Profit after tax		254.0	100.2
Depreciation and amortization		86.9	72.6
Income tax expense		94.7	39.1
Income taxes paid		–47.7	–37.8
Net interest expense		18.2	13.0
Interest paid (netted against interest received)		–8.0	–6.6
<i>(of which interest paid for leases)</i>		<i>(–2.6)</i>	<i>(–1.9)</i>
Inventories		–149.8	–85.4
Trade receivables		–453.7	–294.7
Trade payables		273.9	219.6
<i>Changes in working capital</i>		<i>–329.6</i>	<i>–160.5</i>
Changes in other operating assets and liabilities		–38.5	–0.3
Changes in provisions		–2.3	66.2
Non-cash change in liabilities relating to acquisition of non-controlling interests		3.0	3.0
Other non-cash items and reclassifications		4.7	–11.3
Net cash provided by operating activities		35.4	77.6
Proceeds from the disposal of other financial assets		0.1	1.3
Proceeds from the disposal of intangible assets and property, plant and equipment		7.0	1.4
Payments to acquire consolidated subsidiaries and other business units		–0.7	–55.8
Payments to acquire intangible assets and property, plant and equipment		–50.5	–38.0
Net cash used in investing activities		–44.1	–91.1
Proceeds from borrowings		51.0	8.4
Repayments of lease liabilities		–31.6	–29.3
Repayments of borrowings		–18.1	–17.7
Net cash provided by/used in financing activities		1.3	–38.6
Change in cash and cash equivalents		–7.4	–52.1
Effect of exchange rate changes on cash and cash equivalents		9.0	16.4
Cash and cash equivalents at beginning of period		705.0	726.3
Cash and cash equivalents at end of period		706.6	690.6

C.06 CONSOLIDATED CASH FLOW STATEMENT

CONDENSED NOTES

Key Financial Figures by Segment

The Brenntag Group is managed through two global divisions, Brenntag Specialties and Brenntag Essentials, which are each managed through geographically structured segments. Brenntag Specialties focuses on selling ingredients and value-added services to the selected industries, Nutrition, Pharma, Personal Care/HI&I (Home, Industrial & Institutional), Material Science (Coatings & Construction, Polymers, Rubber), Water Treatment and Lubricants. Brenntag Essentials markets a broad portfolio of process chemicals across a wide range of industries and applications. The global Brenntag Specialties division comprises the geographical segments EMEA, Americas and

APAC. The global Brenntag Essentials division comprises the geographical segments EMEA, North America, Latin America and APAC. In addition, "All other Segments" combine the central functions for the entire Group and the activities with regard to the digitalization of our business (DigiB). The international operations of BRENNTAG International Chemicals GmbH, which buys and sells chemicals in bulk on an international scale without regional boundaries, are also included here.

The following table shows the reconciliation of the reportable segments to the Group:

Period from January 1 to March 31 in EUR m	Brenntag Specialties	Brenntag Essentials	All other Segments	Group
External sales				
2022	1,905.5	2,442.7	184.9	4,533.1
2021	1,315.7	1,703.7	113.1	3,132.5
fx adj. change in %	41.4	37.1	63.5	39.8
Operating gross profit				
2022	426.2	602.9	8.8	1,037.9
2021	284.3	472.5	7.7	764.5
fx adj. change in %	46.2	21.9	14.3	30.8
Operating EBITDA (segment result)				
2022	215.4	271.9	-24.3	463.0
2021	119.8	194.1	-13.6	300.3
fx adj. change in %	76.8	33.9	77.4	48.8
Operating EBITA				
2022	207.3	214.3	-27.3	394.3
2021	112.2	142.0	-15.2	239.0
fx adj. change in %	81.8	44.0	78.4	59.3

C.07 RECONCILIATION OF THE REPORTABLE SEGMENTS TO THE GROUP Q1 2022/2021

The following table shows the segment information for the geographical segments of the global Brenntag Specialties division:

Period from January 1 to March 31 in EUR m	EMEA ¹⁾	Americas ²⁾	APAC	Central activities ³⁾	Brenntag Specialties
External sales					
2022	848.1	722.0	335.4	–	1,905.5
2021	648.2	428.9	238.6	–	1,315.7
fx adj. change in %	32.7	57.0	34.7	–	41.4
Operating gross profit					
2022	195.0	157.5	73.7	–	426.2
2021	139.3	90.7	54.3	–	284.3
fx adj. change in %	41.6	62.0	30.2	–	46.2
Operating EBITDA (segment result)⁴⁾					
2022	103.1	69.3	42.7	0.3	215.4
2021	61.3	29.3	28.3	0.9	119.8
fx adj. change in %	72.4	120.7	43.8	–66.7	76.8

C.08 SEGMENT REPORTING ON THE GLOBAL SPECIALTIES DIVISION Q1 2022/2021

¹⁾ Europe, Middle East & Africa.

²⁾ North and Latin America.

³⁾ Central activities which are part of Brenntag Specialties but not directly attributable to any one segment.

⁴⁾ Segment operating EBITDA is calculated as segment EBITDA adjusted for holding charges and special items.

The following table shows the segment information for the geographical segments of the global Brenntag Essentials division:

Period from January 1 to March 31 in EUR m	EMEA ¹⁾	North America	Latin America	APAC ²⁾	Central activities ³⁾	Brenntag Essentials
External sales						
2022	1,009.3	1,042.4	198.7	192.3	–	2,442.7
2021	729.2	674.4	144.6	155.5	–	1,703.7
fx adj. change in %	37.2	44.0	28.9	14.6	–	37.1
Operating gross profit						
2022	229.9	296.1	44.9	32.0	–	602.9
2021	197.3	210.9	37.1	27.2	–	472.5
fx adj. change in %	15.4	30.8	13.1	9.6	–	21.9
Operating EBITDA (segment result)⁴⁾						
2022	110.5	129.7	18.7	13.3	–0.3	271.9
2021	82.1	84.0	15.4	12.3	0.3	194.1
fx adj. change in %	33.3	43.8	13.3	0.8	–200.0	33.9

C.09 SEGMENT REPORTING ON THE GLOBAL ESSENTIALS DIVISION Q1 2022/2021

¹⁾ Europe, Middle East & Africa.

²⁾ Asia Pacific including the China and Hong Kong segment, which is presented separately internally.

³⁾ Central activities which are part of Brenntag Essentials but not directly attributable to any one segment.

⁴⁾ Segment operating EBITDA is calculated as segment EBITDA adjusted for holding charges and special items.

Group Key Financial Figures

in EUR m	Jan. 1– Mar. 31, 2022	Jan. 1– Mar. 31, 2021
Operating EBITDA	463.0	300.3
Payments to acquire intangible assets and property, plant and equipment ¹⁾	–50.5	–38.0
Change in working capital ²⁾³⁾	–329.6	–160.5
Principal and interest payments on lease liabilities	–34.2	–31.2
Free cash flow	48.7	70.6

C.10 FREE CASH FLOW

¹⁾ Prior year: Additions to property, plant and equipment and intangible assets; prior year figures adjusted for comparability.

²⁾ Definition of working capital: trade receivables plus inventories less trade payables.

³⁾ Adjusted for exchange rate effects and acquisitions.

in EUR m	Jan. 1– Mar. 31, 2022	Jan. 1– Mar. 31, 2021
Operating EBITDA (segment result)¹⁾	463.0	300.3
Depreciation of property, plant and equipment and right-of-use assets	–67.8	–61.3
Impairment of property, plant and equipment and right-of-use assets	–0.9	–
Operating EBITA	394.3	239.0
Net expense from special items	–3.0	–70.8
(of which “Project Brenntag” / expenses in connection with the programme to improve efficiency)	(–3.0)	(–7.7)
(of which addition to provision for alcohol tax)	(–)	(–63.1)
EBITA	391.3	168.2
Amortization of intangible assets ²⁾	–18.2	–11.3
EBIT	373.1	156.9
Net finance costs	–24.4	–17.6
Profit before tax	348.7	139.3

C.11 RECONCILIATION OF OPERATING EBITDA TO PROFIT BEFORE TAX

¹⁾ Operating EBITDA of the reportable segments (EMEA, North America, Latin America and Asia Pacific) amounts to EUR 487.3 million (Q1 2021: EUR 313.9 million) and operating EBITDA of All other Segments to EUR –24.3 million (Q1 2021: EUR –13.6 million).

²⁾ This figure includes amortization of customer relationships in the amount EUR 12.1 million (Q1 2021: EUR 7.4 million).

General Information

Brenntag SE has its registered office at Messeallee 11, 45131 Essen, Germany and is entered in the commercial register at the Essen Local Court under commercial register number HRB 31943.

Consolidation Policies and Methods

STANDARDS APPLIED

These interim consolidated financial statements for the period from January 1 to March 31, 2022 have been prepared in accordance with the requirements of IAS 34 (Interim Financial Reporting). The Notes are presented in condensed form compared with the Notes to the financial statements as at December 31, 2021.

With the exception of the standards and interpretations that became effective on January 1, 2022, the same accounting policies have been applied as for the consolidated financial statements as at December 31, 2021.

Due to the war in Ukraine, the Board of Management of Brenntag SE decided to halt the business operations of all Brenntag companies in Russia and Belarus until further notice. Against this background, we tested the carrying amounts of our cash-generating units, especially EMEA (BSP), EMEA (BES) and BRENNTAG International Chemicals GmbH, for impairment. In each case, we did so on the basis of the recoverable amounts from the impairment test as at December 31, 2021, which were considerably higher than the carrying amounts of those cash-generating units. On this basis, we performed sensitivity analyses, taking into account the increased cost of capital, which did not lead to any impairment.

The following revised and new standards issued by the International Accounting Standards Board (IASB) have been applied by the Brenntag Group for the first time:

First-time adoption in 2022

- Amendments to IFRS 3 (Business Combinations) regarding a reference to the Conceptual Framework
- Amendments to IAS 16 (Property, Plant and Equipment) regarding the presentation of proceeds before the intended use of an item of property, plant and equipment
- Amendments to IAS 37 (Provisions) regarding the definition of unavoidable costs of meeting the obligations under an onerous contract
- Annual Improvements to IFRSs (2018-2020 Cycle)

The amendments to IFRS 3 update a reference to the revised IFRS Conceptual Framework (2018) and add to IFRS 3 a requirement that an acquirer apply the requirements of IAS 37 (Provisions) or IFRIC 21 (Levies) in identifying liabilities assumed, with the exception of contingent liabilities acquired, to which the requirements of IFRS 3.23 continue to apply, under which they must be recognized even if it is not probable that there will be an outflow of economic resources. For acquired contingent assets, an explicit prohibition on recognition has been added.

The amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling products produced using that item of property, plant and equipment before its intended use. Proceeds must be shown in profit or loss, as must production expenditures incurred before the intended use of an item of property, plant and equipment, such as during testing for example.

The amendments to IAS 37 regarding the definition of unavoidable costs of meeting the obligations under an onerous contract specify that all costs directly attributable to a contract must be taken into account in determining whether the contract is onerous as defined by IAS 37. Costs that relate directly to a contract may be either incremental costs of fulfilling that contract (e.g. direct labour or materials) or other costs that relate directly to fulfilling the contract (e.g. depreciation charges for items of property, plant and equipment used in fulfilling the contract).

The annual improvements to IFRSs contain a number of minor amendments to various standards that are intended to clarify the content of the standards and eliminate any existing inconsistencies.

Neither the aforementioned revised standards nor the annual improvements to IFRSs have a material impact on the presentation of the Group's net assets, financial position and results of operations.

SCOPE OF CONSOLIDATION

The table below shows the changes in the number of consolidated companies including structured entities:

	Dec. 31, 2021	Additions	Disposals	Mar. 31, 2022
Domestic consolidated companies	29	–	–	29
Foreign consolidated companies	203	2	1	204
Total consolidated companies	232	2	1	233

C.12 CHANGES IN SCOPE OF CONSOLIDATION

The additions relate to entities acquired in a business combination under IFRS 3. The disposal is the result of the merger of a company no longer operating.

Three (Dec. 31, 2021: three) associates are accounted for using the equity method.

BUSINESS COMBINATIONS IN ACCORDANCE WITH IFRS 3

In March 2022, Brenntag acquired Y.S. Ashkenazi Agencies Ltd. located at kibbutz Netzer Sereni, Israel and its subsidiary Bio-chem Trading 2011 Ltd. The company is one of the largest specialty chemical distributors in Israel. The acquisition marks Brenntag's market entry into Israel.

The purchase price, net assets and goodwill break down as follows:

in EUR m	Provisional fair value
Purchase price	24.2
of which consideration contingent on earnings targets	10.0
Assets	
Cash and cash equivalents	3.9
Trade receivables, other financial assets and other receivables	18.0
Other current assets	6.5
Non-current assets	8.1
Liabilities	
Current liabilities	19.3
Non-current liabilities	2.7
Net assets	14.5
of which Brenntag's share	14.5
Goodwill	9.7
of which deductible for tax purposes	–

C.13 NET ASSETS ACQUIRED

Measurement of the assets acquired and liabilities assumed (among others customer relationships, environmental provisions and deferred taxes) has not yet been completed for reasons of time. The main factors determining the goodwill are the above-mentioned reasons for the acquisitions where not included in other assets. There are no material differences between the gross amount and carrying amount of the receivables.

Acquisition-related costs in the amount of EUR 0.4 million were recognized under other operating expenses.

Since its acquisition by Brenntag, the entity acquired in 2022 has generated sales of EUR 4.1 million and profit after tax of EUR 0.3 million.

If the above-mentioned business combination had taken place with effect from January 1, 2022, sales of about EUR 4,543 million would have been reported for the Brenntag Group in the reporting period. Profit after tax would have been about EUR 254 million.

As a result of measurement-period adjustments, goodwill from entities acquired in 2021 increased by a total of EUR 0.5 million.

CURRENCY TRANSLATION

The euro exchange rates of major currencies changed as follows:

EUR 1 = currencies	Closing rate		Average rate	
	Mar. 31, 2022	Dec. 31, 2021	Jan. 1 – Mar. 31, 2022	Jan. 1 – Mar. 31, 2021
Brazilian real (BRL)	5.3009	6.3101	5.8696	6.5990
Canadian dollar (CAD)	1.3896	1.4393	1.4207	1.5258
Swiss franc (CHF)	1.0267	1.0331	1.0364	1.0913
Chinese yuan renminbi (CNY)	7.0403	7.1947	7.1212	7.8080
Danish krone (DKK)	7.4379	7.4364	7.4407	7.4372
Pound sterling (GBP)	0.8460	0.8403	0.8364	0.8739
Polish zloty (PLN)	4.6531	4.5969	4.6230	4.5457
Swedish krona (SEK)	10.3370	10.2503	10.4807	10.1202
US dollar (USD)	1.1101	1.1326	1.1217	1.2049

C.14 EXCHANGE RATES OF MAJOR CURRENCIES

Consolidated Income Statement, Consolidated Balance Sheet and Consolidated Cash Flow Statement Disclosures

1.) INTEREST EXPENSE

in EUR m	Jan. 1– Mar. 31, 2022	Jan. 1– Mar. 31, 2021
Interest expense on liabilities to third parties	–14.6	–10.8
Expense from the fair value measurement of the cross-currency interest rate swap	–1.9	–
Net interest expense on defined benefit pension plans	–0.5	–0.3
Interest expense on other provisions	–0.2	–0.1
Interest expense on leases	–2.6	–2.8
Total	–19.8	–14.0

C.15 INTEREST EXPENSE

2.) CHANGE IN LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS RECOGNIZED IN PROFIT OR LOSS

in EUR m	Jan. 1– Mar. 31, 2022	Jan. 1– Mar. 31, 2021
Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss	–2.7	–2.8
Change in liabilities recognized in profit or loss arising from limited partners' rights to repayment of contributions	–0.3	–0.2
Total	–3.0	–3.0

C.16 CHANGE IN LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS RECOGNIZED IN PROFIT OR LOSS

3.) INCOME TAX EXPENSE

Income tax expense comprises current tax expense of EUR 94.2 million (Q1 2021: current tax expense of EUR 38.9 million) and deferred tax expense of EUR 0.5 million (Q1 2021: deferred tax expense of EUR 0.2 million).

Tax expense for the first quarter of 2022 was calculated using the Group tax rate expected for financial year 2022. Any items of income and expense that cannot be planned with sufficient accuracy are disregarded when determining the expected Group tax rate and calculating tax expense.

For further information, please refer to Note 9.).

in EUR m	Jan. 1–Mar. 31, 2022			Jan. 1–Mar. 31, 2021		
	Profit before tax	Tax rate in %	Income tax expense	Profit before tax	Tax rate in %	Income tax expense
excluding unplannable tax-neutral income/expenses	351.4	27.0	94.7	142.1	27.5	39.1
tax-neutral income/expenses that cannot be planned with sufficient accuracy	-2.7	–	–	-2.8	–	–
including unplannable tax-neutral income/expenses	348.7	27.2	94.7	139.3	28.1	39.1

C.17 PROFIT BEFORE TAX AFTER ELIMINATION OF UNPLANNABLE TAX-NEUTRAL INCOME / EXPENSES

4.) EARNINGS PER SHARE

Basic earnings per share in the amount of EUR 1.61 (Q1 2021: EUR 0.63) are determined by dividing the share of profit after tax of EUR 249.3 million (Q1 2021: EUR 97.5 million) attributable to the shareholders of Brenntag SE by the average weighted number of outstanding shares.

The warrants from the bond (Bond (with Warrants) 2022) issued in November 2015 had a dilutive effect in the first three months of 2022, as the average Brenntag share price was higher than the strike price of the warrants of EUR 72.2474.

Diluted earnings per share are calculated as follows:

in EUR m	Jan. 1 – Mar. 31, 2022	Jan. 1 – Mar. 31, 2022
Share of profit after tax attributable to Brenntag SE shareholders	249.3	97.5
Number of Brenntag SE shares	154.5	154.5
Number of potential shares with a dilutive effect ¹⁾	0.2	–
Number of shares	154.7	154.5
Diluted earnings per share	1.61	0.63

C.18 DILUTED EARNINGS PER SHARE

¹⁾ Maximum number of shares that would be issued if the warrants were exercised less the number of shares that could be bought with the issue proceeds at the average price for the period.

5.) ASSETS HELD FOR SALE

The assets held for sale comprise property, plant and equipment (EUR 3.7 million).

6.) FINANCIAL LIABILITIES

in EUR m	Mar. 31, 2022	Dec. 31, 2021
Liabilities under syndicated loan	530.4	518.6
Other liabilities to banks	212.8	165.2
Bond 2025	600.1	598.2
Bond 2029	497.8	497.1
Bond (with Warrants) 2022	449.4	437.0
Derivative financial instruments	34.6	21.5
Other financial liabilities	109.9	92.1
Total	2,435.0	2,329.7
Lease liabilities	439.1	445.6
Cash and cash equivalents	706.6	705.0
Net financial liabilities	2,167.5	2,070.3

C.19 DETERMINATION OF NET FINANCIAL LIABILITIES

7.) OTHER PROVISIONS

Other provisions break down as follows:

in EUR m	Mar. 31, 2022	Dec. 31, 2021
Environmental provisions	98.2	97.1
Provisions for personnel expenses	54.2	57.9
Miscellaneous provisions	184.5	178.9
Total	336.9	333.9

C.20 OTHER PROVISIONS

8.) PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

In the interim consolidated financial statements as at March 31, 2022, the present value of pension obligations was determined using a discount rate of 1.8% (Dec. 31, 2021: 1.0%) in Germany and the other countries of the euro zone, 1.2% (Dec. 31, 2021: 0.3%) in Switzerland and 4.0% (Dec. 31, 2021: 3.2%) in Canada.

Due to the remeasurement of defined benefit plans, provisions for pensions and other post-employment benefits decreased by an amount of EUR 17.1 million recognized directly in retained earnings. This is mainly the result of the increase in the discount rate in the euro zone. Net of deferred taxes, actuarial losses recognized in other comprehensive income consequently decreased by EUR 11.7 million.

9.) LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS

Liabilities relating to the acquisition of non-controlling interests break down as follows:

in EUR m	Mar. 31, 2022	Dec. 31, 2021
Liabilities relating to acquisition of non-controlling interests	219.9	214.4
Liabilities arising from limited partners' rights to repayment of contributions	2.1	1.8
Total	222.0	216.2

C.21 LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS

Liabilities relating to the acquisition of non-controlling interests have been partly included in net investment hedge accounting. Exchange rate-related changes in the liabilities included in net investment hedge accounting are recognized within equity in the net investment hedge reserve.

10.) EQUITY

Non-controlling interests comprise the shares of non-Group shareholders in the equity of consolidated entities. The non-controlling interests changed as follows:

in EUR m	Subscribed capital, retained earnings and additional paid-in capital	Exchange rate differences	Non-controlling interests
Dec. 31, 2020	67.7	-5.8	61.9
Profit after tax	2.7	-	2.7
Other comprehensive income, net of tax	-	2.7	2.7
Total comprehensive income for the period	2.7	2.7	5.4
Mar. 31, 2021	70.4	-3.1	67.3

C.22 CHANGE IN NON-CONTROLLING INTERESTS / MAR. 31, 2021

in EUR m	Subscribed capital, retained earnings and additional paid-in capital	Exchange rate differences	Non-controlling interests
Dec. 31, 2021	79.7	1.4	81.1
Profit after tax	4.7	-	4.7
Other comprehensive income, net of tax	-	1.8	1.8
Total comprehensive income for the period	4.7	1.8	6.5
Mar. 31, 2022	84.4	3.2	87.6

C.23 CHANGE IN NON-CONTROLLING INTERESTS / MAR. 31, 2022

11.) CONSOLIDATED CASH FLOW STATEMENT DISCLOSURES

Net cash provided by operating activities of EUR 35.4 million was influenced by the rise in working capital of EUR 329.6 million. In the first quarter of 2021, working capital rose by EUR 160.5 million.

Of the net cash of EUR 44.1 million used in investing activities, EUR 50.5 million comprised payments to acquire intangible assets and property, plant and equipment. In addition to the payment to acquire Y.S. Ashkenazi Agencies Ltd. located at kibbutz Netzer Sereni, Israel and its subsidiary Biochem Trading 2011 Ltd, payments to acquire consolidated subsidiaries and other business units also included cash inflows from repayments in connection with prior-year acquisitions.

Net cash provided by financing activities of EUR 1.3 million mainly included bank loans taken out and repaid as well as lease liabilities repaid.

At 7.9 in the reporting period, annualized working capital turnover¹⁾ was lower than at the end of 2021 (8.3).

¹⁾ Ratio of annual sales to average working capital: annual sales are defined as sales for the first quarter extrapolated to the full year (quarterly sales multiplied by four); average working capital for the first quarter is defined as the average of working capital at the beginning of the year and at the end of the first quarter.

12.) Reporting of financial instruments

The classification and measurement of the financial assets recognized in the balance sheet are shown in the table below:

in EUR m	Mar. 31, 2022			
Classification of financial assets:	At amortized cost	FVTPL ¹⁾	Total carrying amount	Fair value
Cash and cash equivalents	706.6	–	706.6	706.6
Trade receivables	2,796.9	–	2,796.9	2,796.9
Other receivables	130.5	–	130.5	130.5
Other financial assets	27.3	12.0	39.3	39.3
Total	3,661.3	12.0	3,673.3	3,673.3

C.25 CLASSIFICATION OF FINANCIAL ASSETS BY MEASUREMENT CATEGORY / MAR. 31, 2022

¹⁾ Financial assets at fair value through profit or loss.

in EUR m	Dec. 31, 2021			
Classification of financial assets:	At amortized cost	FVTPL ¹⁾	Total carrying amount	Fair value
Cash and cash equivalents	705.0	–	705.0	705.0
Trade receivables	2,290.2	–	2,290.2	2,290.2
Other receivables	106.3	–	106.3	106.3
Other financial assets	33.6	15.2	48.8	48.8
Total	3,135.1	15.2	3,150.3	3,150.3

C.26 CLASSIFICATION OF FINANCIAL ASSETS BY MEASUREMENT CATEGORY / DEC. 31, 2021

¹⁾ Financial assets at fair value through profit or loss.

The majority of the financial assets measured at amortized cost have remaining terms of less than one year. Their carrying amounts at the reporting date approximate their fair values.

Of the other receivables recognized in the balance sheet, EUR 195.3 million (Dec. 31, 2021: EUR 168.3 million) are not financial assets as defined by IFRS 7. They are mainly receivables from value-added tax and other taxes, prepaid expenses and prepayments.

The classification and measurement of the financial liabilities recognized in the balance sheet are shown in the table below:

in EUR m		Mar. 31, 2022		
Classification of financial liabilities:	At amortized cost	FVTPL ¹⁾	Total carrying amount	Fair value
Trade payables	2,109.4	–	2,109.4	2,109.4
Other liabilities	251.8	–	251.8	251.8
Liabilities relating to acquisition of non-controlling interests	222.0	–	222.0	222.3
Financial liabilities	2,370.3	64.7	2,435.0	2,451.1
Total	4,953.5	64.7	5,018.2	5,034.6

C.27 CLASSIFICATION OF FINANCIAL LIABILITIES BY MEASUREMENT CATEGORY / MAR. 31, 2022

¹⁾ Financial liabilities at fair value through profit or loss.

in EUR m		Dec. 31, 2021		
Classification of financial liabilities:	At amortized cost	FVTPL ¹⁾	Total carrying amount	Fair value
Trade payables	1,802.3	–	1,802.3	1,802.3
Other liabilities	233.3	–	233.3	233.3
Liabilities relating to acquisition of non-controlling interests	216.2	–	216.2	217.0
Financial liabilities	2,288.6	41.1	2,329.7	2,356.6
Total	4,540.4	41.1	4,581.5	4,609.2

C.28 CLASSIFICATION OF FINANCIAL LIABILITIES BY MEASUREMENT CATEGORY / DEC. 31, 2021

¹⁾ Financial liabilities at fair value through profit or loss.

The majority of the trade payables and other liabilities measured at amortized cost have remaining terms of less than one year. Their carrying amounts at the reporting date therefore approximate their fair values. The fair values of the bonds measured at amortized cost under financial liabilities were determined using quoted or market prices in an active market (Level 1 of the fair value hierarchy). The fair values of the other financial liabilities measured at amortized cost were determined using the discounted cash flow method on the basis of inputs observable on the market (Level 2 of the fair value hierarchy). The liabilities relating to the acquisition of non-controlling interests were determined on the basis of recognized company valuation models. The company valuation models are based on cash flow plans (Level 3 of the fair value hierarchy). The fair values of foreign exchange forwards and foreign

exchange swaps are determined by comparing forward rates and discounted to present value (Level 2 of the fair value hierarchy). The fair values of interest rate swaps are determined by applying the discounted cash flow method on the basis of current interest curves, taking into account the non-performance risk (Level 2 of the fair value hierarchy).

The fair value of the cross-currency interest rate swaps is determined in two steps. First, the expected future cash flows are discounted using maturity-matched market interest rates according to the currency. In the second step, the cash flows discounted in foreign currency (US dollar) are then translated into the reporting currency (EUR) at market exchange rates (Level 2 of the fair value hierarchy).

The value of a call option to acquire non-controlling interests is calculated from the intrinsic value and the time value of the option. The intrinsic value of the call option is calculated as the difference between the enterprise value and the strike price. The time value reflects the optionality of movements in the future strike price and the future enterprise value of the non-controlling interests. This is illustrated by way of a Monte Carlo simulation and the fair value of the option then determined (Level 3 of the fair value hierarchy).

Of the other liabilities recognized in the balance sheet, EUR 324.6 million (Dec. 31, 2021: EUR 346.3 million) are not financial liabilities as defined by IFRS 7. They are mainly liabilities to employees, liabilities from value-added tax and other taxes, as well as deferred income.

The allocation of the financial assets and liabilities recognized in the balance sheet at fair value to the levels of the IFRS 13 fair value hierarchy is shown in the table below:

in EUR m				
Hierarchy level	Level 1	Level 2	Level 3	Mar. 31, 2022
Financial assets at fair value through profit or loss	1.7	6.4	3.9	12.0
Financial liabilities at fair value through profit or loss	–	34.6	30.1	64.7

C.29 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / MAR. 31, 2022

in EUR m				
Hierarchy level	Level 1	Level 2	Level 3	Dec. 31, 2021
Financial assets at fair value through profit or loss	1.7	9.6	3.9	15.2
Financial liabilities at fair value through profit or loss	–	21.5	19.6	41.1

C.30 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / DEC. 31, 2021

Liabilities resulting from contingent consideration arrangements of EUR 30.1 million (Dec. 31, 2021: EUR 19.6 million) relate to liabilities for contingent purchase prices payable in acquisitions. The amount of the contingent purchase price component required to be recognized at fair value is contingent on the earnings achieved by the acquired business and

is limited in both the lower (EUR 0 million) and the upper (EUR 31.6 million) range.

Liabilities resulting from contingent consideration arrangements changed as follows:

in EUR m		2022	2021
Jan. 1		19.6	1.5
Exchange rate differences		0.5	–
Adjustments in the measurement period (increase in goodwill)		0.4	–
Business combinations		10.1	–
Payments		–0.5	–
Mar. 31		30.1	1.5

C.31 CHANGE IN LIABILITIES RESULTING FROM CONTINGENT CONSIDERATION ARRANGEMENTS

13.) Events after the reporting period

At the end of April 2022, Brenntag acquired the remaining shares (49%) in TEE HAI CHEM PTE LTD based in Singapore. The provisional purchase price for the remaining shares was EUR 92.0 million.

Essen, May 10, 2022

Brenntag SE
BOARD OF MANAGEMENT

Dr Christian Kohlpaintner

Henri Nejade

Dr Kristin Neumann

Steven Terwindt

Ewout van Jarwaarde

REVIEW REPORT

To Brenntag SE, Essen

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and selected explanatory notes – and the interim group management report of Brenntag SE for the period from January 1 to March 31, 2022, which are part of the quarterly financial report pursuant to § (Article) 115 WpHG (“Wertpapierhandelsgesetz”: German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company’s Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, May 10, 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Christiane Lawrenz
Wirtschaftsprüferin
(German Public Auditor)

ppa. Daniel Deing
Wirtschaftsprüfer
(German Public Auditor)

FINANCIAL CALENDAR

2022

JUNE

JUN 9

2022

General Shareholders' Meeting

AUGUST

AUG 10

2022

Interim Report Q2

NOVEMBER

NOV 9

2022

Interim Report Q3

The financial calendar is updated regularly. The latest dates can be found on our website at www.brenntag.com/financial_calendar

ISSUER

Brenntag SE
Corporate Investor Relations
Messeallee 11
45131 Essen, Germany
Phone: +49 (0) 201 6496 2100
Fax: +49 (0) 201 6496 2003
E-mail: IR@brenntag.de
Internet: www.brenntag.com

DESIGN

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

CONTACT

Brenntag SE
Corporate Investor Relations
Phone: +49 (0) 201 6496 2100
Fax: +49 (0) 201 6496 2003
E-mail: IR@brenntag.de

INFORMATION ON THE INTERIM REPORT

This translation is only a convenience translation. In the event of any differences, only the German version is binding. As part of our sustainability activities, we do not print the interim report and publish it exclusively in digital form.

INFORMATION ON ROUNDING

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

DISCLAIMER

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

SUSTAINABILITY

Brenntag reports on sustainability and corporate citizenship in its Sustainability Reports. These can be found at: www.brenntag.com/sustainability

Brenntag SE

Corporate Investor Relations

Messeallee 11

45131 Essen

Germany

Phone: +49 (0) 201 6496 2100

Fax: +49 (0) 201 6496 2003

E-mail: IR@brenntag.de