



# Investor Presentation

March 2023

# Investor Presentation

- 1. Introduction to Brenntag**
2. Horizon 2: Strategy to win
3. Key investment highlights
4. Financials FY 2022
5. Outlook
6. Appendix



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



## Our unique platform ...

Global market leader with superior offering

Unparalleled product portfolio, application know-how and innovation capability

Unique integrator combining global reach with ownership of last mile delivery

Trusted partner with differentiated access to global supply chains



## ... is outperforming<sup>1)</sup>

~3x Op. EBITA since IPO equivalent to ~9% CAGR

Asset light business model with attractive ROCE of ~22%<sup>2)</sup>

EUR 7.2bn cumulative Free Cash Flow

EUR ~2.7bn M&A spend

Consecutive dividend increase since IPO



<sup>1)</sup> Since IPO in 2010  
<sup>2)</sup> ROCE as per FY 2022

# Two global divisions: Brenntag Specialties and Brenntag Essentials

## Brenntag Specialties

**EUR 1.7bn**  
FY 2022 Op. Gross Profit

**1,000's**  
Suppliers

**81**  
Application labs

**EUR 738m**  
FY 2022 Operating EBITA

**~100k**  
Customers

**>400**  
Sites

### Highly specialized performance chemicals & ingredients



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

## Brenntag Essentials

**EUR 2.6bn**  
FY 2022 Op. Gross Profit

**1,000's**  
Suppliers

**>70**  
Countries

**EUR 911m**  
FY 2022 Operating EBITA

**~150k**  
Customers

**~600**  
Sites

### Process chemicals

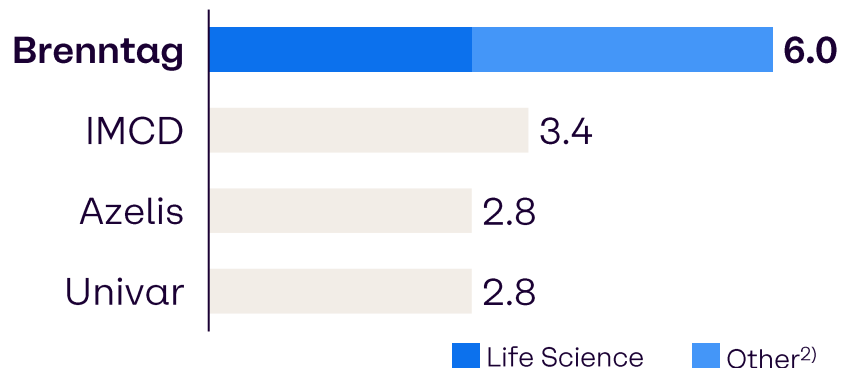


- Cross-industry products
- Global product & market intelligence
- Local market know how & Last mile excellence
- High barriers to entry with a broad global asset base
- Broad and in-depth regional supply chain network with Inter-regional connectivity
- Strong service excellence mindset
- Regulatory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

# Brenntag is the only true global player in both Specialties and Industrial markets in 2021

Sales FY21<sup>1)</sup>  
in EUR bn

Specialties



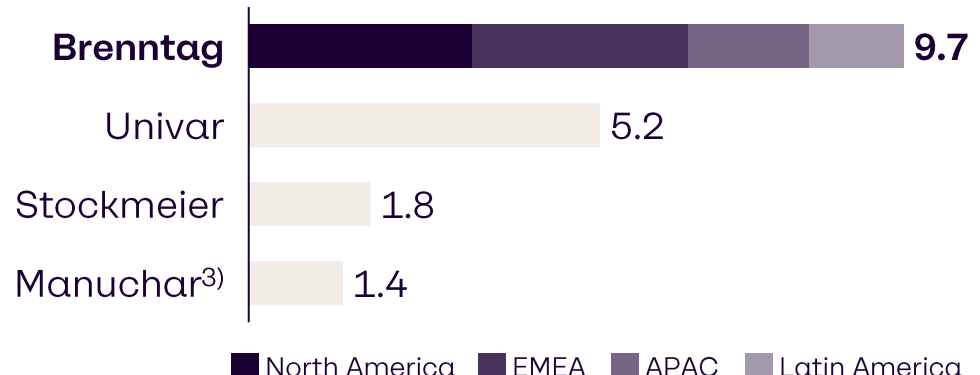
## Brenntag's differentiators

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

Technical expertise delivered via 81 application laboratories

Leadership position in attractive Life Science end markets

Industrial



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

Superior last mile excellence delivered via >600 regional sites

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

Sources: Company information, ICIS Top 100 Chemical Distributors (2022)

Notes: Univar split into Chemicals and Services (i.e. Industrials) and Ingredients and Specialties (i.e. Specialties). Some specialties are considered 100% despite missing properties, implying that definitions are different across the board. Data excluding Helm, Tricon, and Nagase & Co (traders)

<sup>1)</sup> Figures based on FY21 Sales numbers as not all peers reported their numbers accordantly (as of 06 March 2023)

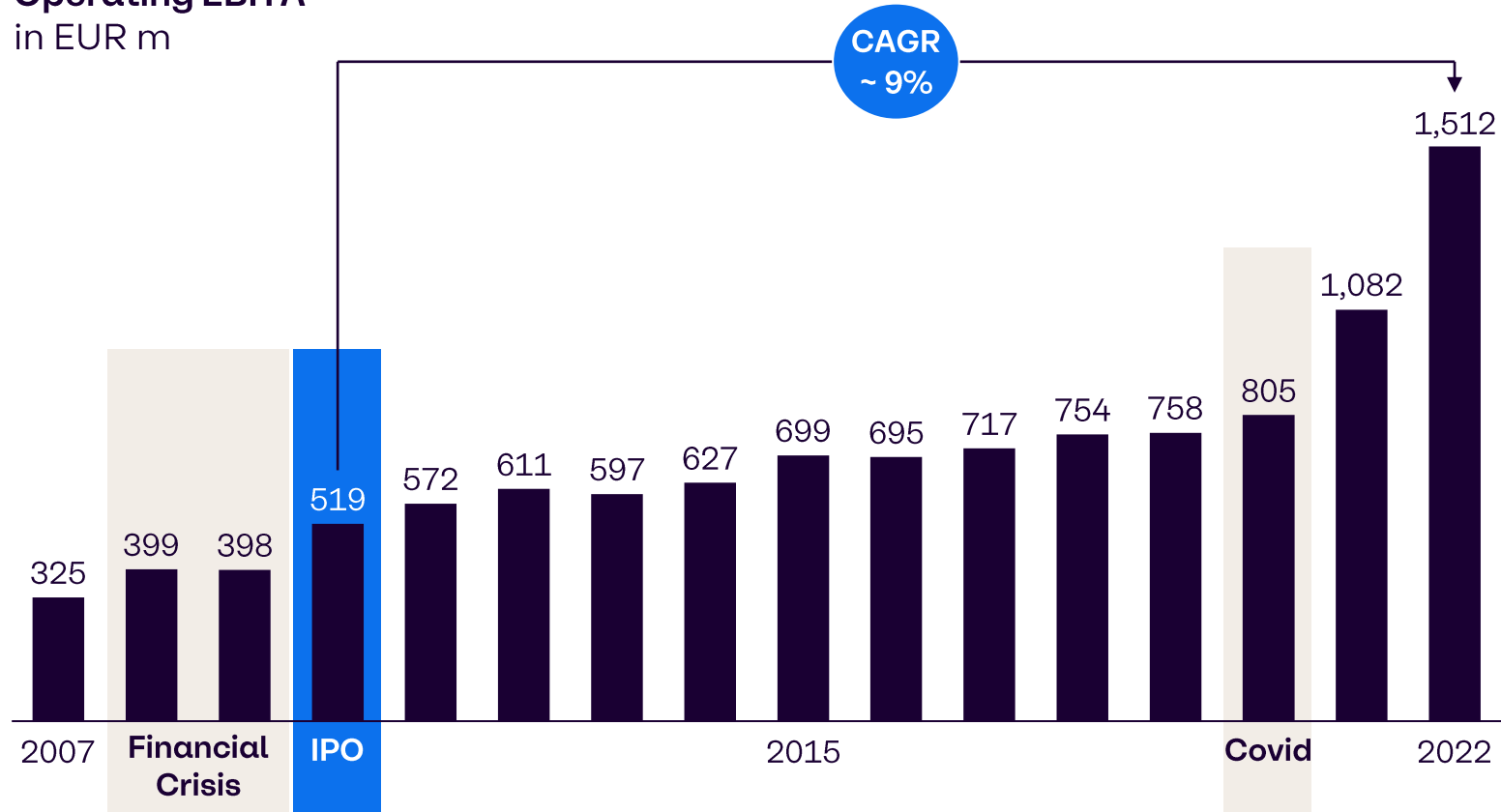
<sup>2)</sup> Other includes Material Science, Lubricants, Water treatment and others

<sup>3)</sup> Manuchar sales were calculated using 1 USD = 1.0001 EUR



# Sustainable track record of compounding growth

Operating EBITA  
in EUR m



Profit growth consistently above chemicals manufacturing growth

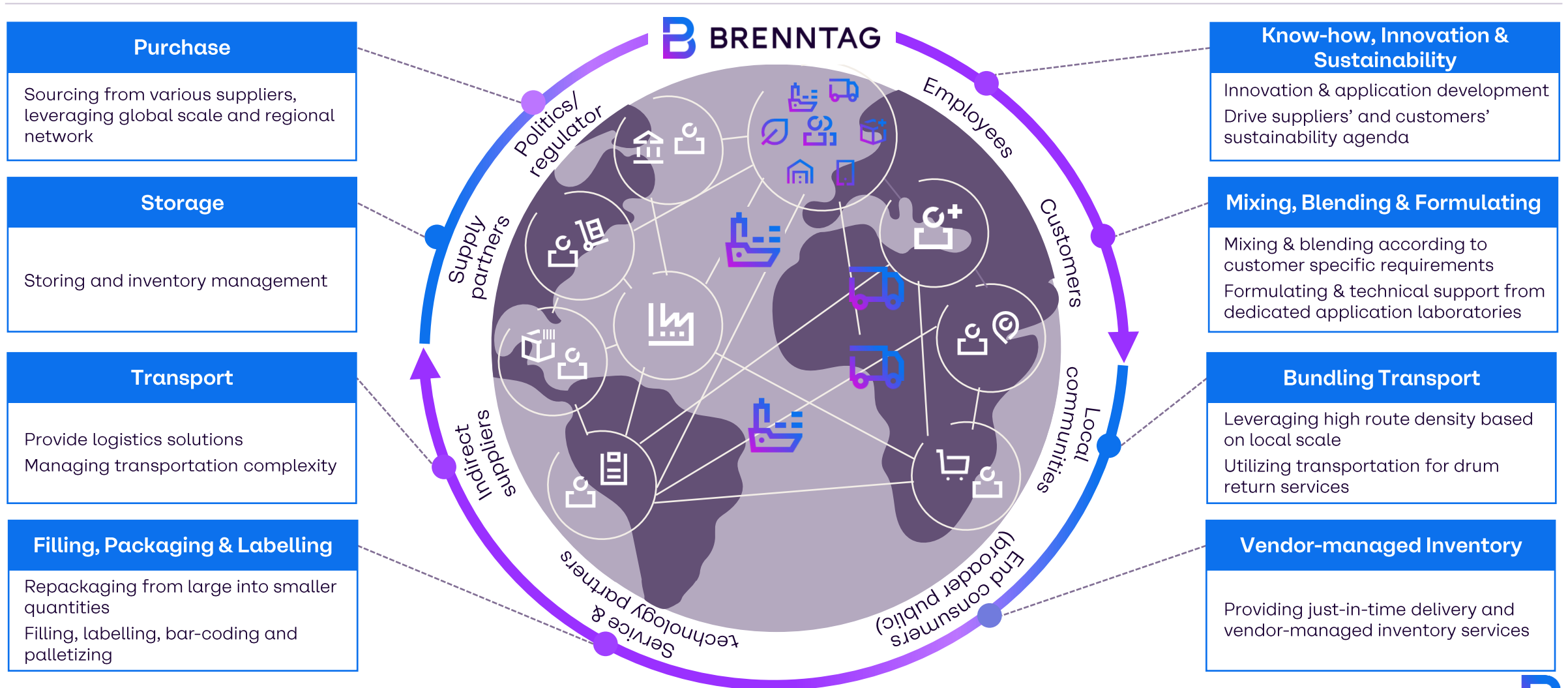
Ability to protect margins even in macro downturns

Operating EBITA margin remains stable across cycle


Countercyclical cash flow profile

Recurring and synergistic bolt-on M&A a key opportunity to compound earnings

# Distributors perform a value-added function with economies of scale



# Comparison of different ecosystem key constituents

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

**Chemical distribution differs substantially from chemical production**



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

## **Purpose**

Connecting with products,  
knowledge and innovation

Fostering a sustainable future

Caring for human needs

## **Vision 2030**

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



# Board of Management: Highly experienced management team



**Christian Kohlpaintner**  
Chief Executive Officer

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



**Kristin Neumann**  
Chief Financial Officer

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



**Michael Friede**  
Chief Operating Officer  
Brenntag Specialties  
*Joining 1st April 2023*

- Brenntag Specialties
- Controlling Brenntag Specialties
- Global Industry Development



**Henri Nejade**  
Chief Operating Officer  
Brenntag Specialties



**Steven Terwindt**  
Chief Operating Officer  
Brenntag Essentials

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



**Ewout van Jarwaarde**  
Chief Transformation  
Officer

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

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# Increasing specialisation of suppliers requires an evolution in distributors' capabilities



**Specialties chemicals distributors**



**Industrial chemicals distributors**

Suppliers increasingly focusing portfolio towards specific specialties or commodity propositions

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

Distributors are required to have unique capabilities resulting in exclusive relationships

# Leadership in both markets requires two tailored strategies

## Key industry requirements

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







**Specialties**

TAM <sup>1)</sup> 2021	EUR 124bn
<hr/>	
Growth outlook 2021-26 <sup>2)</sup>	4-6%

**Industrial**

TAM <sup>1)</sup> 2021	EUR 165bn
<hr/>	
Growth outlook 2021-26 <sup>2)</sup>	2-4%

## Distinct segment trends

- Application expertise 
- Customized solutions 
- Innovation capability 
- Cost efficiency 
- Security and safe handling of supply 
- Global reach 

Source: BCG analysis

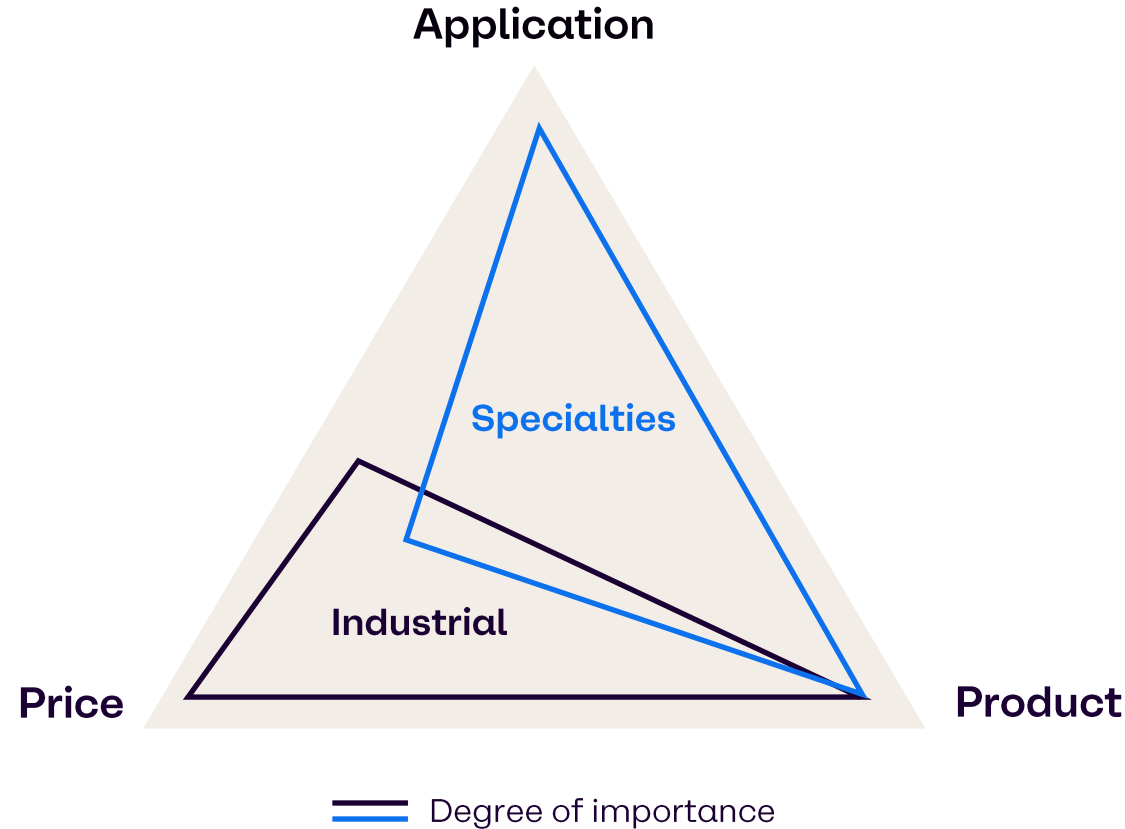
<sup>1)</sup>Total addressable market

<sup>2)</sup>Forward looking growth rates are real growth rates

# Customer needs are becoming more differentiated, requiring tailored propositions

**Specialties customers**

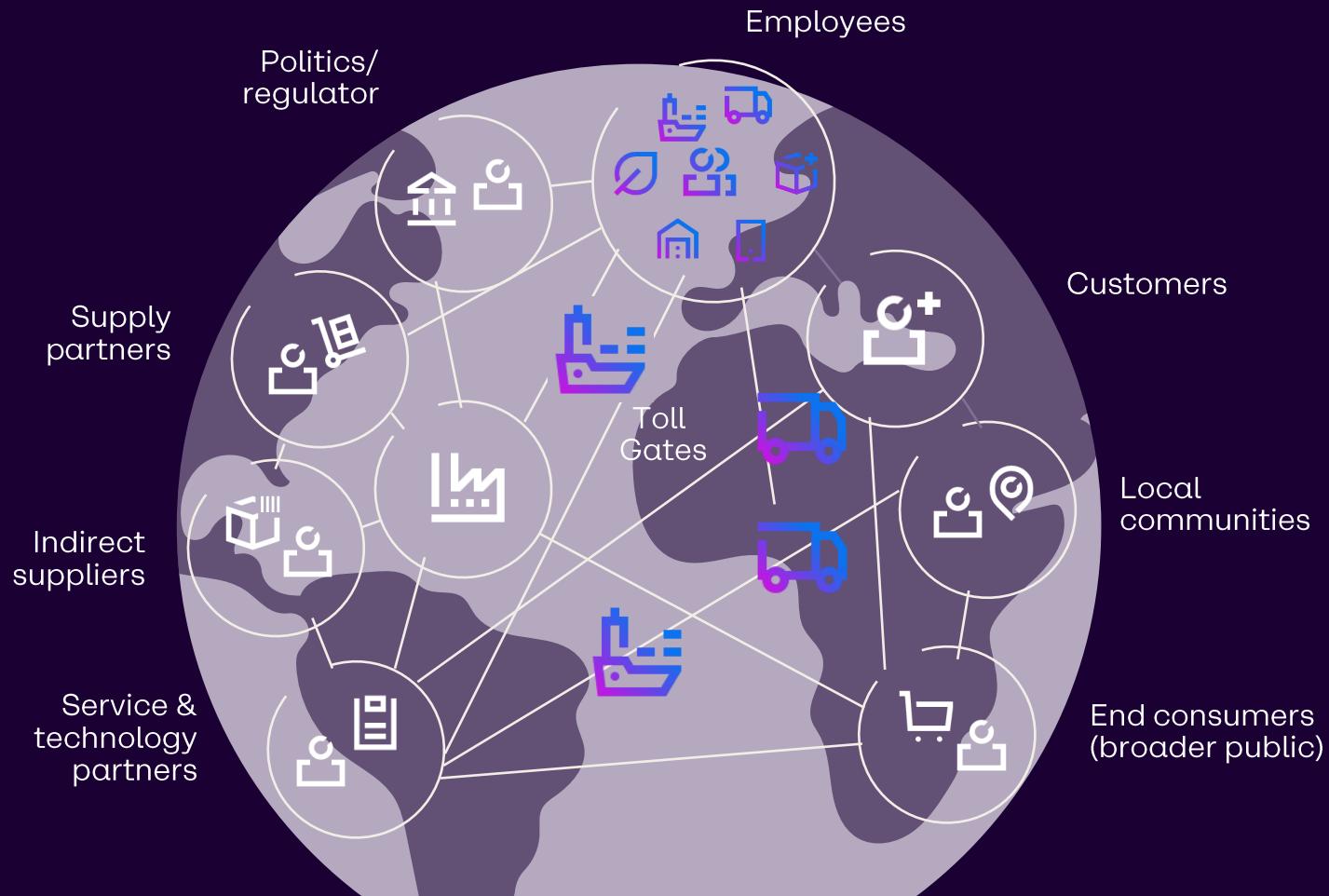
- Focus on technical expertise and innovation
- Comprehensive product portfolio
- Value-added services
- Managing complexity



**Industrial customers**

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

# Brenntag connects key stakeholders across the distribution ecosystem

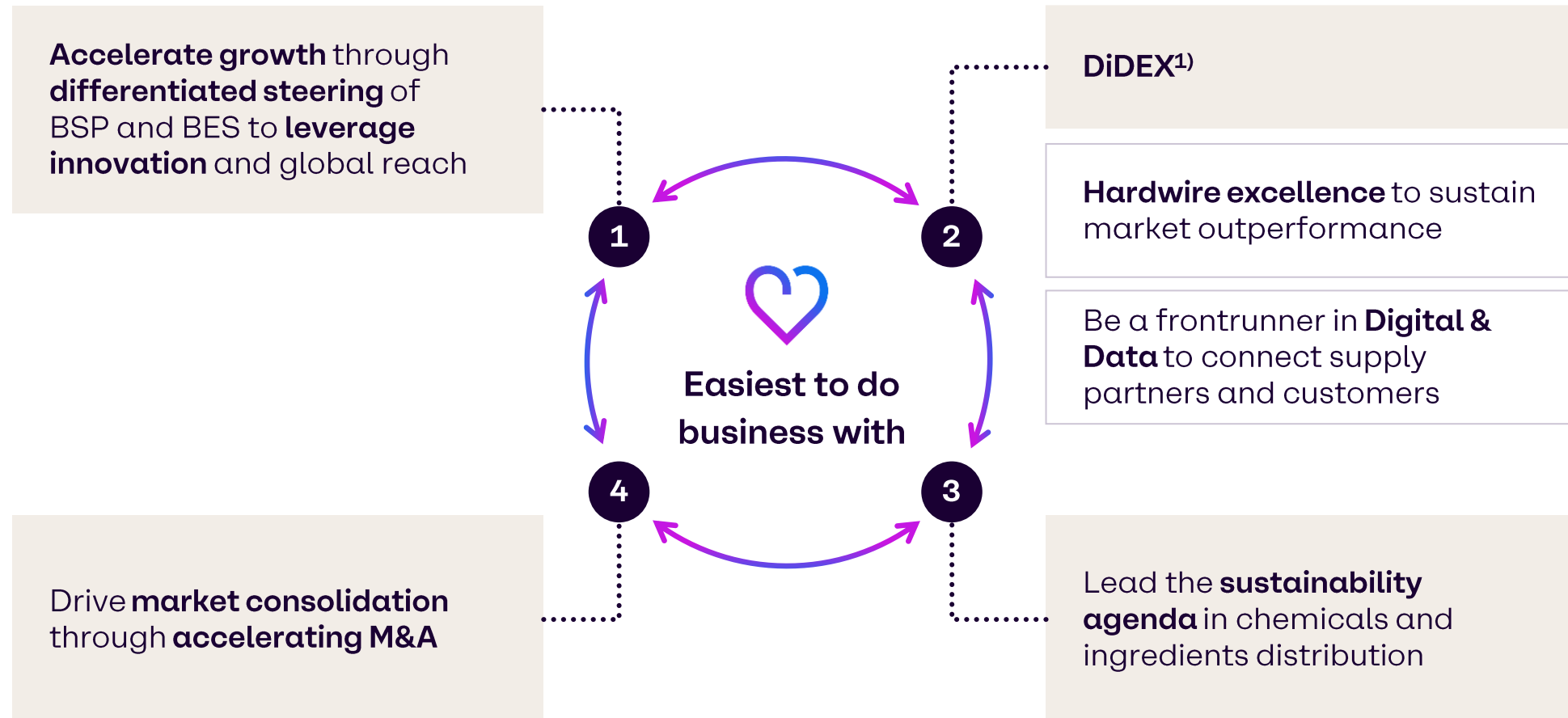


**Product-, knowledge- and innovation-driven interconnected ecosystem of partners**

## Characteristics of successful ecosystems

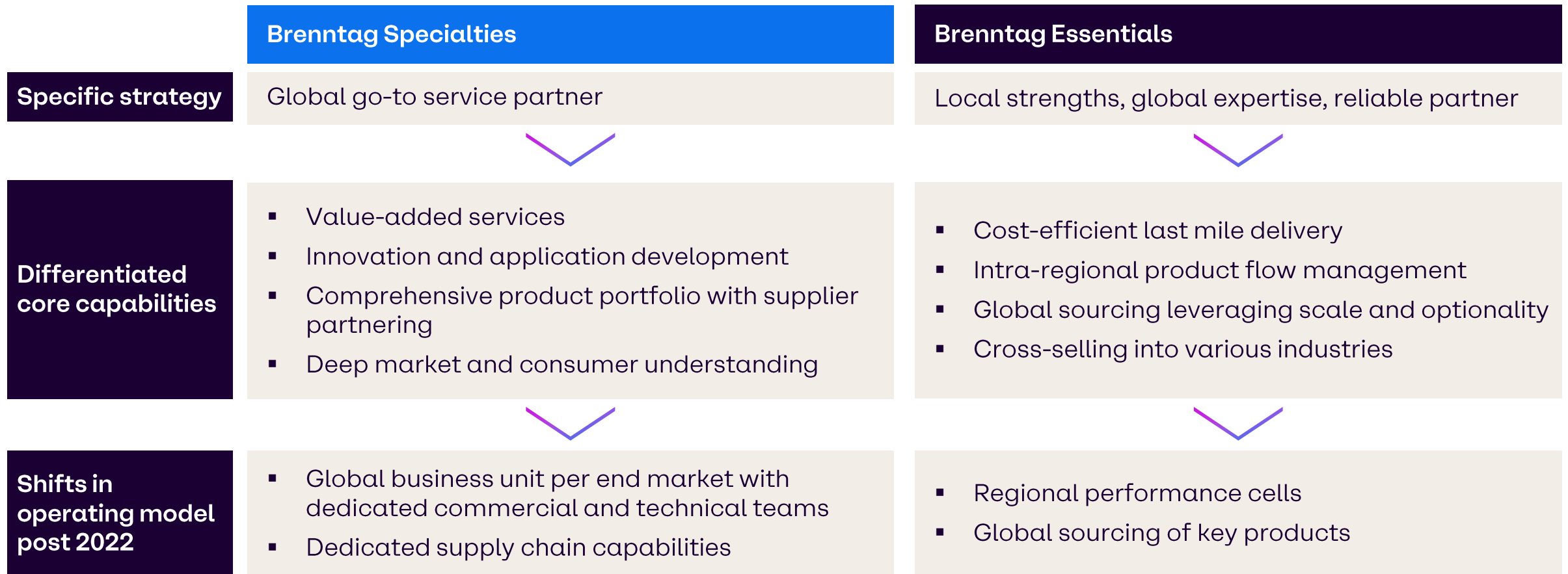
- ✓ Collaboration
- ✓ Shared benefits
- ✓ Human needs
- ✓ Empowerment
- ✓ Multiple dimensions
- ✓ Sustainability

# “Strategy to win” - shaping the future of sustainable chemical & ingredients distribution





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



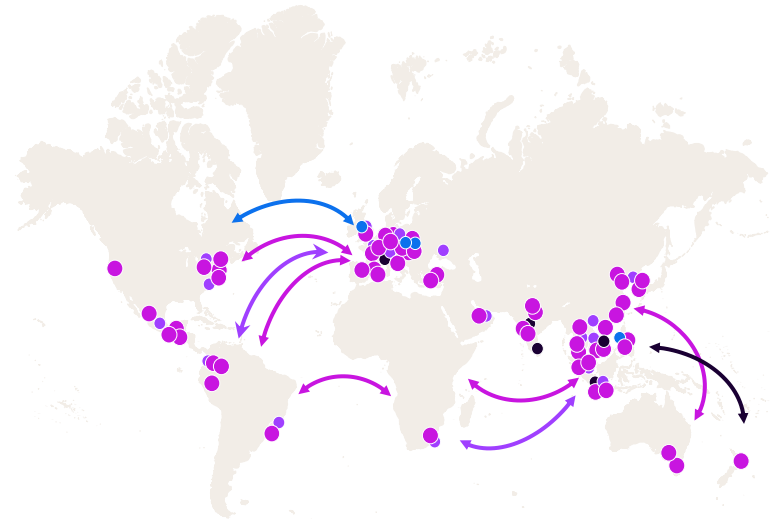
# Brenntag Specialties: Be the global specialties go-to-service partner for innovative and sustainable solutions



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



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



- Life Science
- Environmental Science
- Material Science
- Lubricants



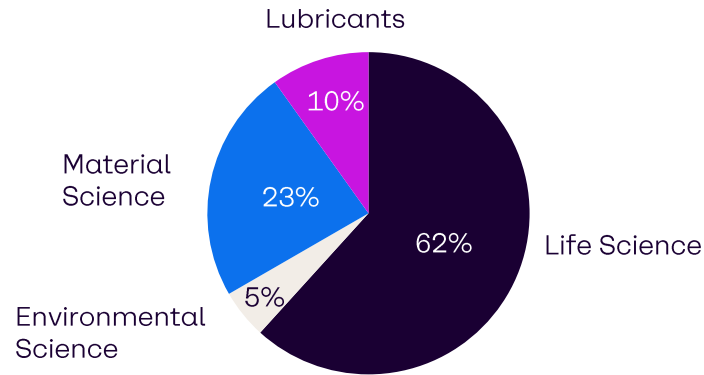
# Operating in highly attractive end markets with a well diversified portfolio

	Segment	Attractiveness <sup>1)</sup>	Growth potential	% Op. Gross Profit FY22
Market leading Specialties portfolio diversified across key end markets	<b>Life Science</b>	Food	} GDP +++	60%
		Personal Care		
		Pharma		
		HI&I		
		Animal Nutrition		
High growth and resilient Life Science represents 55% of BSP portfolio	<b>Material Science</b>	CASE	} GDP++	18%
		Construction		
		Polymers		
		Rubber		
Strong demand for value-added services in BSP focus end markets	<b>Environmental Science</b>	Water Treatment	} GDP+	6%
	<b>Lubricants</b>	Lubricants (raw)		
		Lubricants (fin)		



# Global network of application labs to deliver value-added and innovative solutions

Application labs by end market



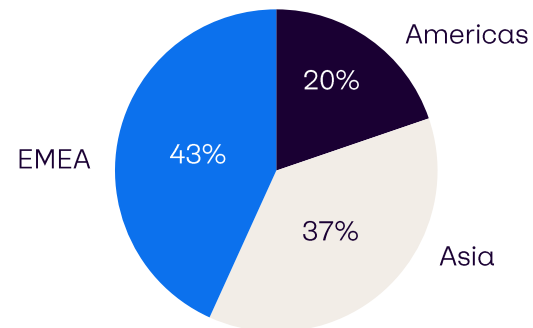
**81 laboratories**

Diversified across BSP end industries

**Global collaboration and expertise**

Advanced knowledge exchange networks and centers of excellence

Application labs by geographical coverage

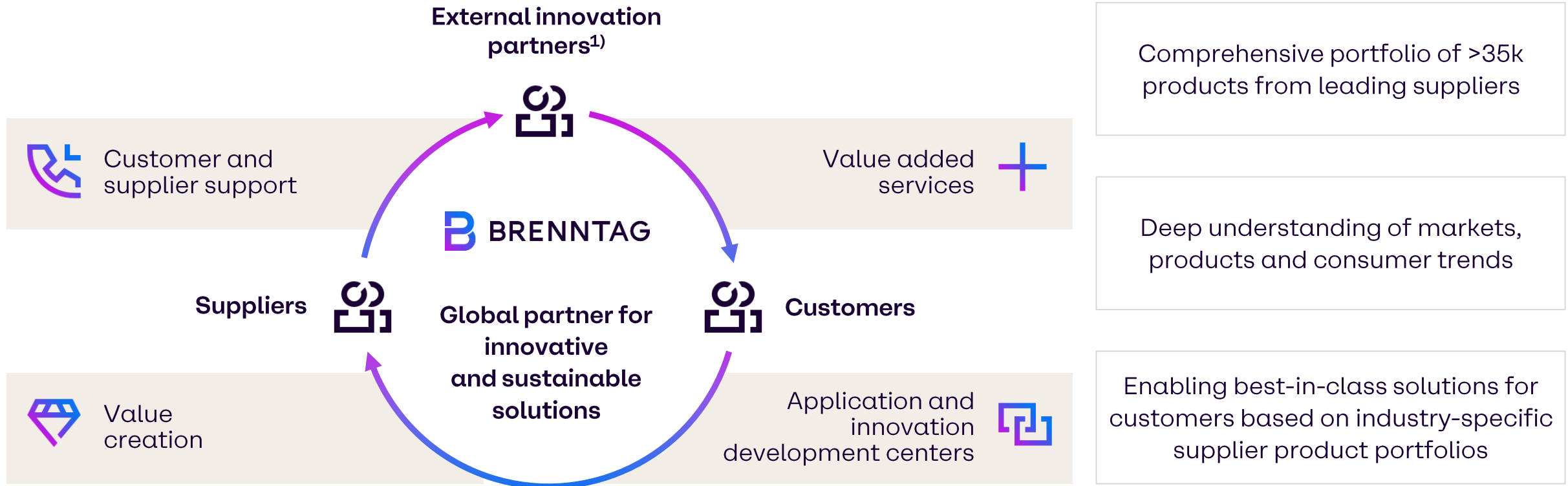


**State-of-the-art equipment and technical experts**

Across strategic locations to elevate our solutions offering



# Strategically partnering with suppliers and customers in a solutions ecosystem



# Brenntag Specialties strategic priorities to achieve our ambition

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

# Brenntag Specialties: Sustainably delivering above market growth



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



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



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

## Medium term targets

Organic Operating  
Gross Profit CAGR<sup>1)</sup>

**6% - 8%**

Organic Operating  
EBITA CAGR<sup>1)</sup>

**7% - 9%**

Operating EBITA  
Conversion  
Ratio<sup>2)</sup> 2026

**40% - 42%**

Note: Base year for targets is 2021

<sup>1)</sup> Excluding benefits from DiDEX

<sup>2)</sup> Calculated as EBITA / Op. Gross Profit. Excludes DiDEX

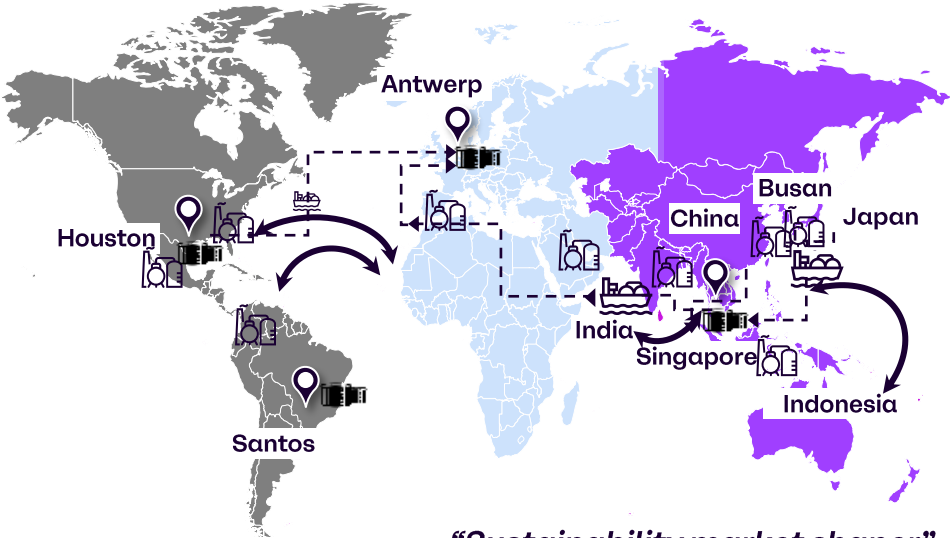
# Brenntag Essentials: Connecting local strengths with global scale and expertise



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



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



“Sustainability market shaper”

“Interconnected and integrated network with service and value mindset”

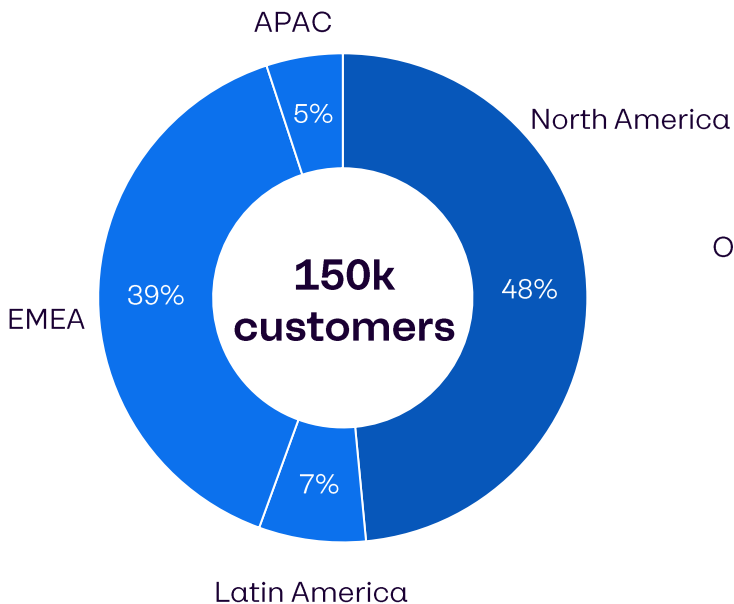




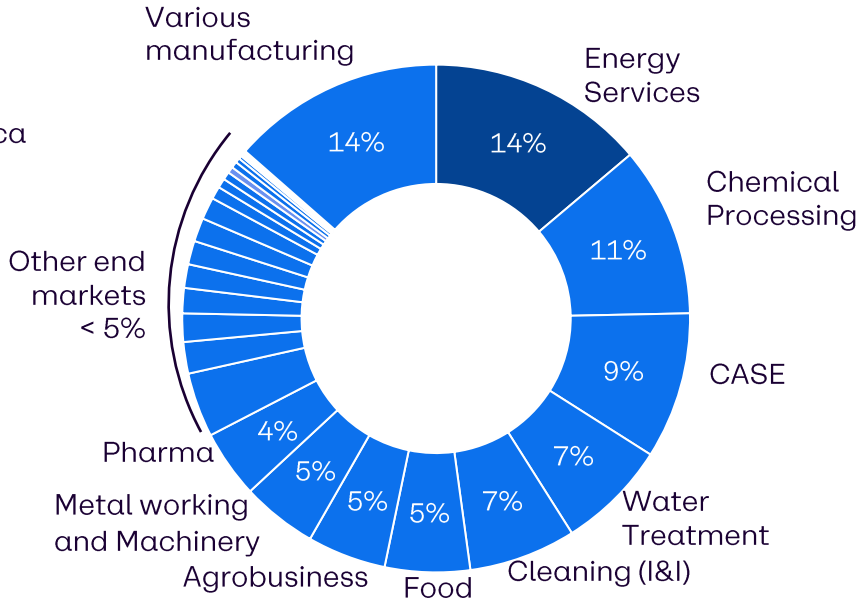
# Highly diversified geographic, industry and product spread make the Essentials business resilient

## Geographies

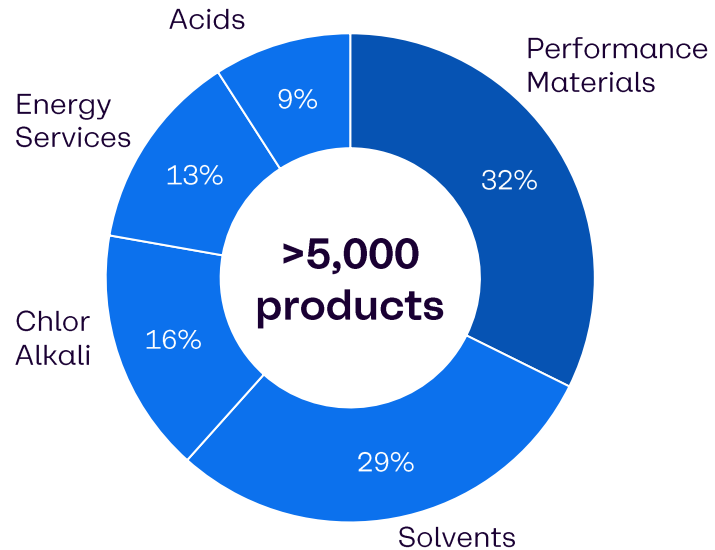
Op. Gross Profit  
(EUR m, 2022)



## End Markets



## Products



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



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

**150k customers**



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

**>600 sites**



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

**>10,000 employees**



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

**1,000+ suppliers**



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

**>70 countries**



**Industry leading safety, regulatory and sustainability standards**

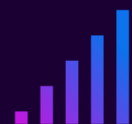
**Leading ESG standards**



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

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

# Brenntag Essentials: Industry leading growth, profitability and cash generation



Sustainable Gross Profit and EBITA growth



Product portfolio optimization focusing on profitability



Improved inland supply chain efficiency and ease of doing business reduces costs



Strong balance sheet with industry leading cash-generation that can support M&A

## Medium term targets

Organic Operating Gross Profit CAGR<sup>1)</sup>

**3% - 4%**

Organic Operating EBITA CAGR<sup>1)</sup>

**4% - 5%**

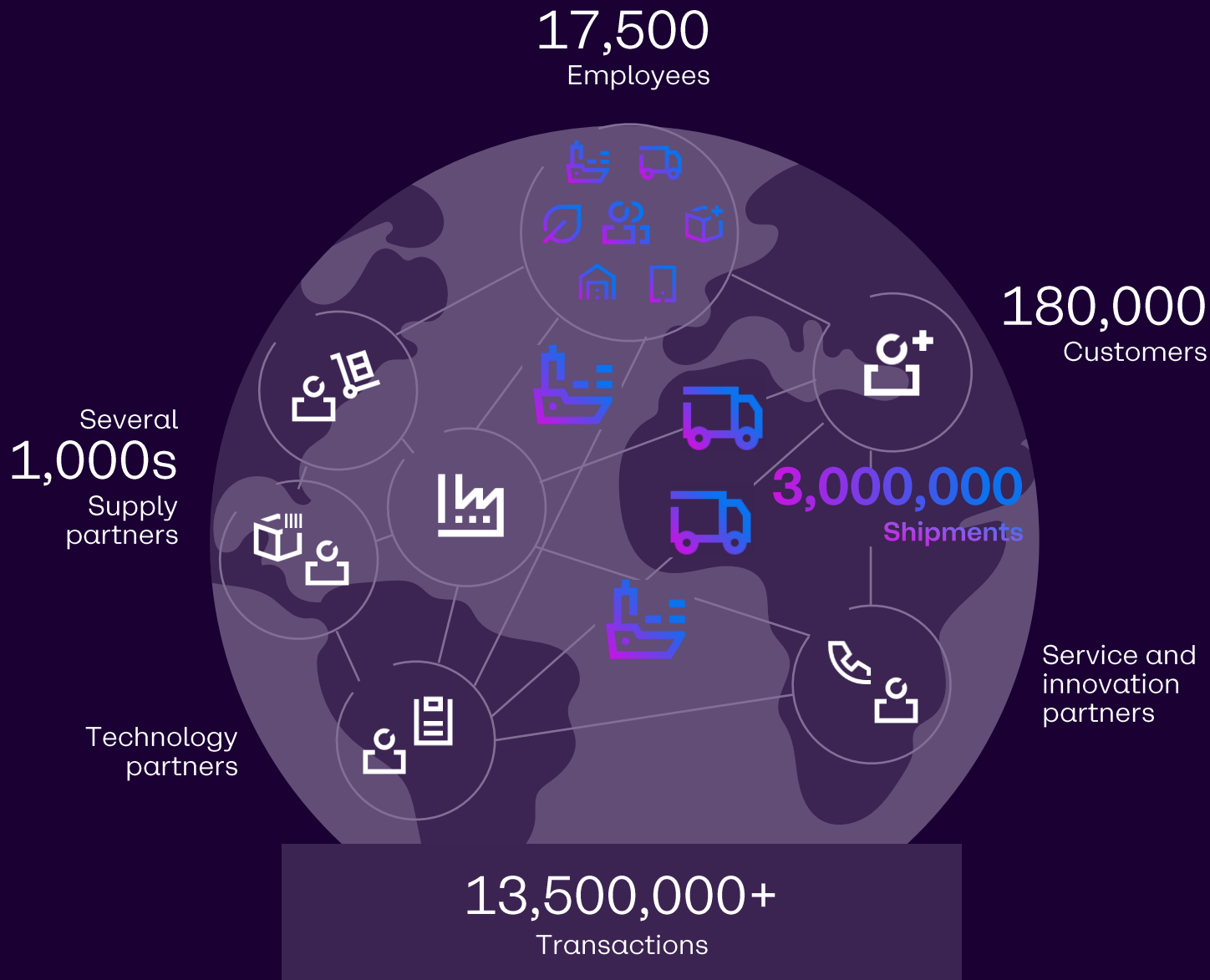
Operating EBITA Conversion Ratio<sup>2)</sup> 2026

**28% - 30%**

Note: Base year for targets is 2021

<sup>1)</sup> Excluding benefits from DiDEX

<sup>2)</sup> Calculated as EBITA / Op. Gross Profit. Excludes DiDEX



## Brenntag digitally connects the industry ecosystem

### Key connectors

Unrivalled access to transactional data

Most extensive supply chain connecting for sustainability

Insights on market developments and innovation





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

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Becoming easiest to do business with



Unlocking the value from our data



Creating a scalable technology platform



Building capabilities to attract and retain talent



Driving value delivery and embed change



Net annual EBITA uplift of EUR 200m by 2026

# Digital.Data.Excellence.

## Becoming easiest to do business with

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



## Unlocking value from our data

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



## Creating a scalable technology platform

**Modular** architecture, **cloud first**, **API first**, and security-embedded  
Leading technology **partnerships**



## Digital, data and process capabilities and talent

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



## Value delivery and change

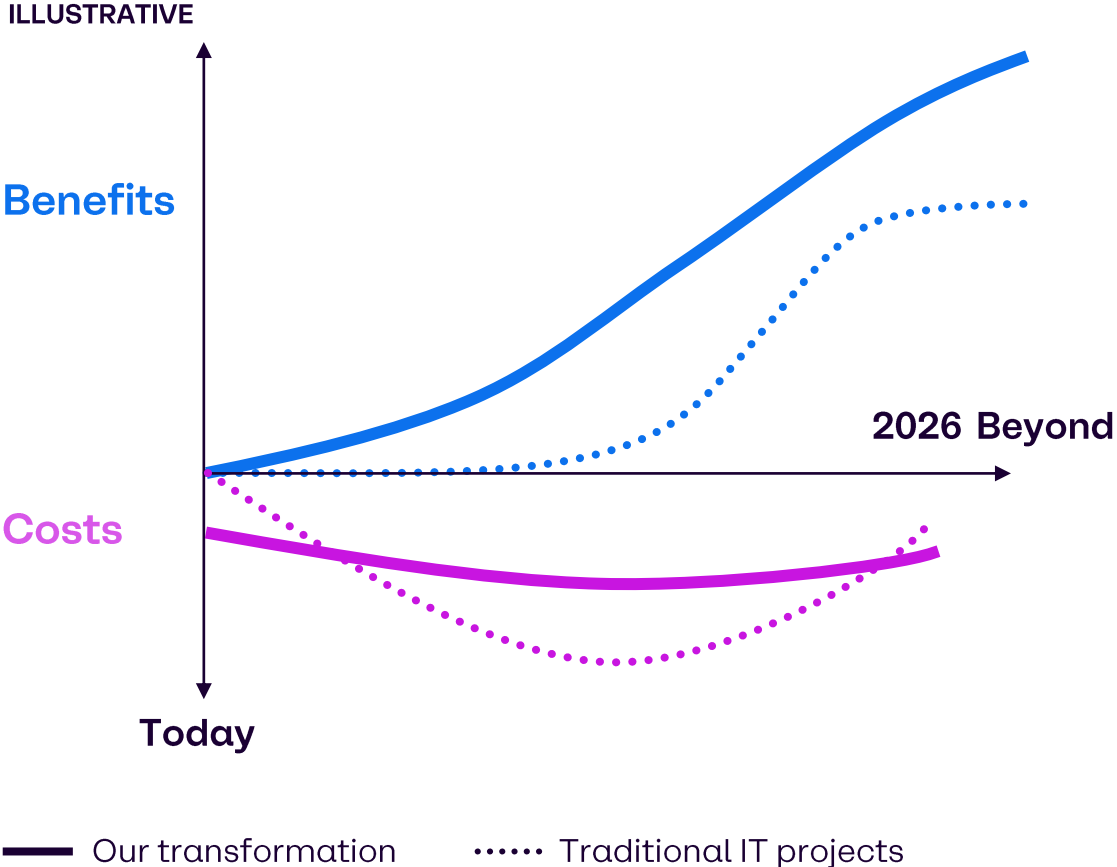
**Transformation** experience from Project Brenntag  
**Agile best practices** (start small, scale rapidly)



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

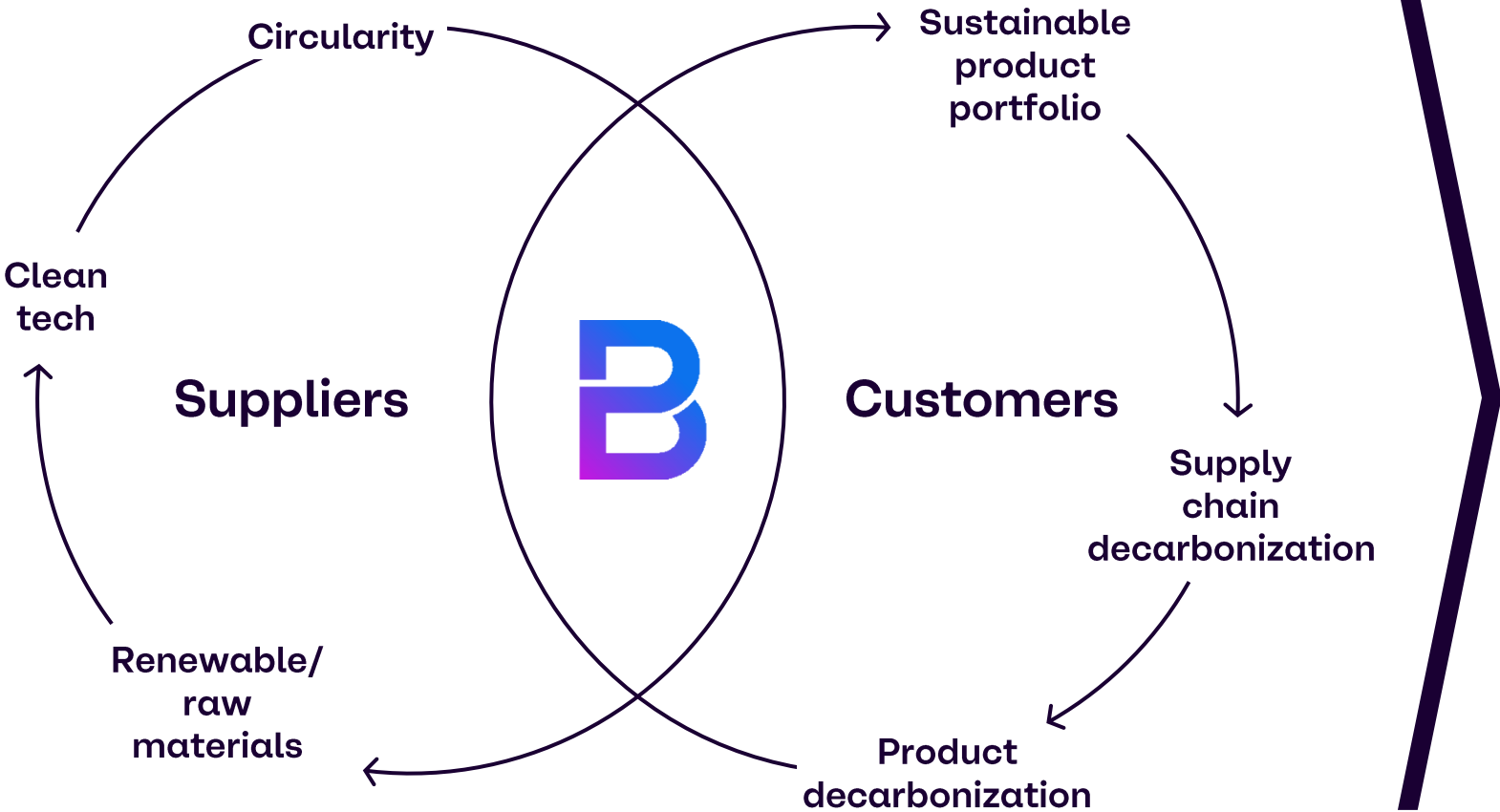
<b>EUR 200m</b> Net annual EBITA uplift by 2026	<b>80%</b> From bottom line measures
<b>EUR ~350m</b> Total investment until 2026 to develop Digital & Data capabilities <sup>1)</sup>	<b>~65%</b> OPEX
	<b>~35%</b> CAPEX

**Program is already delivering benefits**





# Leading the creation of a sustainable ecosystem across the industry



## Selected mid- to long-term targets

**100% green energy** by 2025 and net zero by 2045

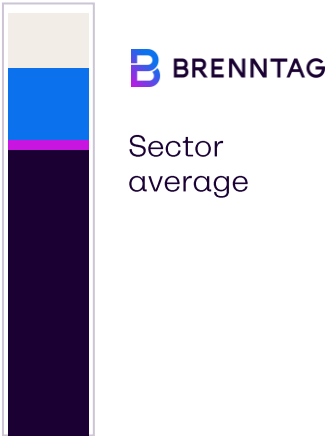
**100% portfolio steering** towards sustainability by 2025

**TRIR<sup>1)</sup> < 2.0** and no severe accidents by 2030

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

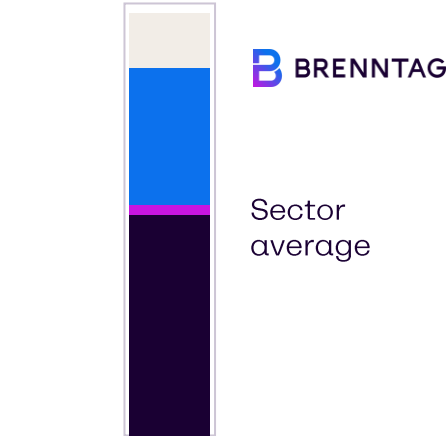
# We are on track to become also the leader in ESG

## Memberships and initiatives



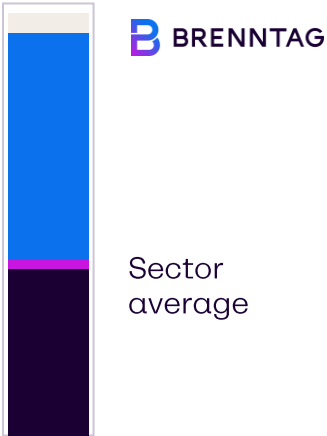
MSCI

Rating<sup>1)</sup>:  
AA



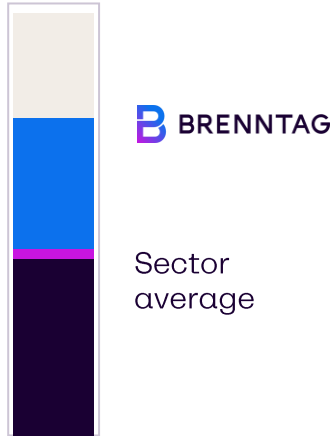
SUSTAINALYTICS

Risk Rating<sup>2)</sup>:  
16.1 (low risk)



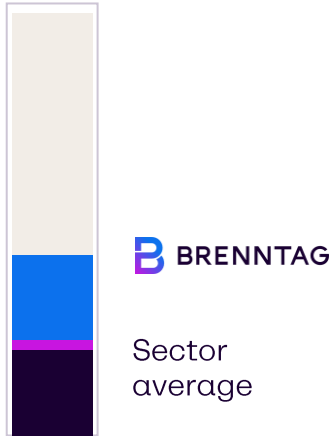
ecovadis

Rating<sup>3)</sup>:  
Platinum (Top 1%)



CDP

Score<sup>4)</sup>:  
B



ISS ESG

Rating<sup>5)</sup>:  
C

<sup>1)</sup> Rating scale: AAA to CCC, as of May 3, 2022; <sup>2)</sup> Rating scale: Negligible to Severe, as of November 10, 2022; <sup>3)</sup> Rating scale: Insufficient to Outstanding, as of December 19, 2022; <sup>4)</sup> Rating scale: A to D-, as of December 13, 2022; <sup>5)</sup> Rating scale: A+ to D-, as of February 12, 2022



# Clear M&A strategy as an enabler of future growth

## Key pillars of growth ...

Accelerate **growth in Life Science** globally

Enhance **strategic capabilities and market positions**

Expand position in **emerging markets** in Specialties and Essentials

Selectively **fill white spots** to complement our portfolio

Improve **tech capabilities** and realize **efficiency gains**

## ... translating into strategic plans

Continued **financial and integration** discipline

Extensive pipeline of **>300 targets**

Additive to **sustainability goals**

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

# Group financial 2026 targets at a glance

## Growth and profitability

**4% - 6%**

Organic Operating Gross Profit CAGR

**6% - 8%**

Organic Operating EBITA CAGR

**35% - 37%**

Operating EBITA Conversion Ratio<sup>1)</sup>

## Digital.Data.Excellence / Self-help program

**EUR 200m**

Net annual EBITA uplift by 2026

## Planned investments

**EUR 400-500m**

Annual M&A spend

**EUR 300-350m**

Annual Capex<sup>2)</sup>

Note: Base year for targets is 2021

<sup>1)</sup> Calculated as Op. EBITA / Gross Profit. Includes DiDEX

<sup>2)</sup> Excluding Capex for DiDEX

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# Investment highlights

## Brenntag is the undisputed and resilient leader



Two global market leaders with superior offering: Brenntag Specialties & Brenntag Essentials



Significant growth potential in an attractive industry



Unparalleled product portfolio, application know-how and innovation capability



Leading consolidator in a highly fragmented market



Trusted partner with access to global supply chains and ownership of last mile delivery



Superior business model with resilience through the downturn



Frontrunner in Digital & Data and sustainability to connect supply partners and customers



Sound financial profile with consistent growth and strong dividend track record



# Resilient service and distribution platform with high geographical and operational diversification



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



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

## Distributors are an indispensable channel...

### Chemical suppliers

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



### Chemical distributors

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

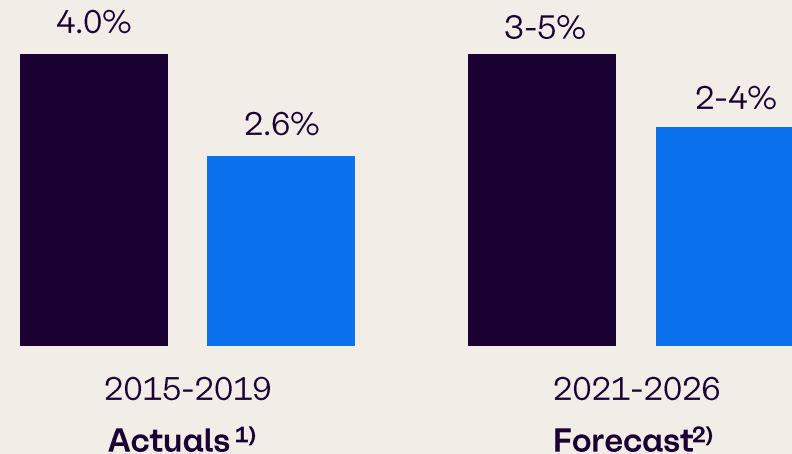


### OEMs and customers

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

## ...and are outpacing manufacturing growth

### Sales CAGR %



Chemical manufacturing ~14x larger than chemical distribution

■ Global Chemical Distribution      ■ Global Chemical Manufacturing<sup>3)</sup>

Source: 2021 BCG market analysis

<sup>1)</sup> Year 2020 is excluded to avoid one-off Covid-19 impact

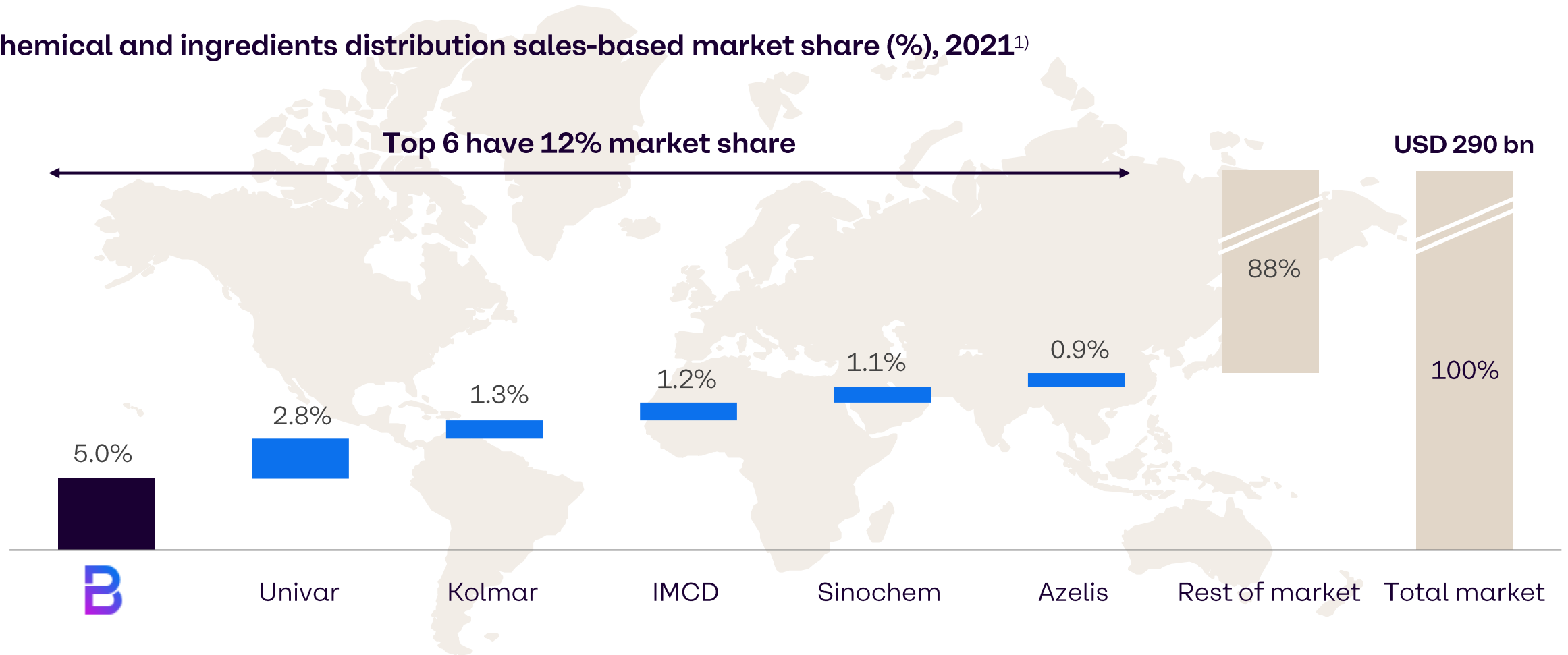
<sup>2)</sup> Forward looking growth rates are real growth rates

<sup>3)</sup> Global Chemical Manufacturing is defined as global sales minus global exports plus global imports, implying that Global Chemical Manufacturing equals global sales



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

Chemical and ingredients distribution sales-based market share (%), 2021<sup>1)</sup>



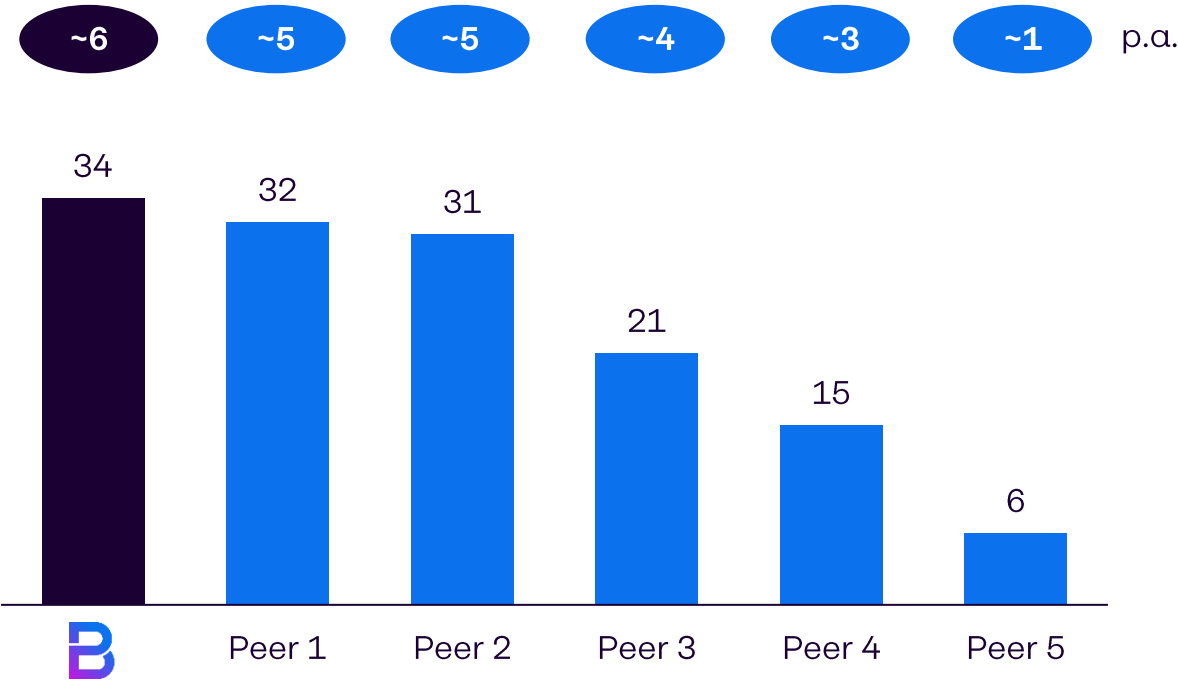
Source: ICIS Top 100 Chemical Distributors (2022), BCG chemical distribution market model

<sup>1)</sup> Excluding Helm, Tricon, and Nagase & Co (traders)

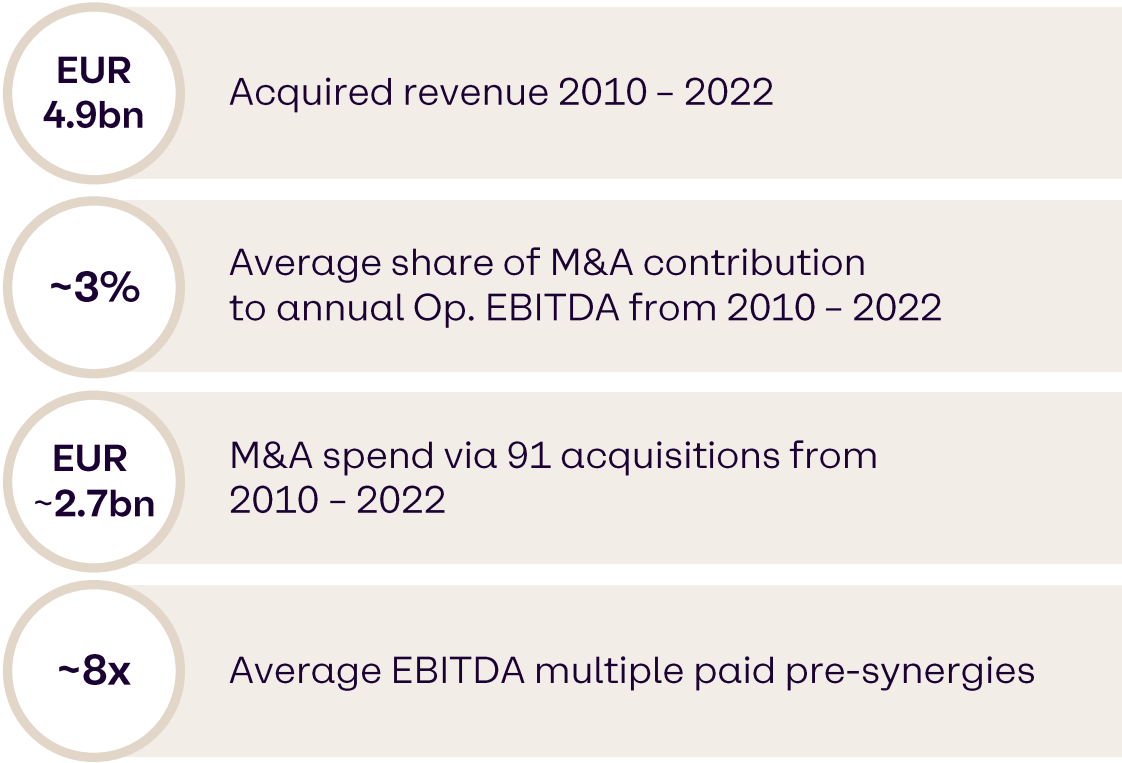
# Brenntag is the leading consolidator in the industry

## M&A activity 2017-2022...

Number of deals



## ... with compounding value creation over time



# Our capital allocation framework

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

## Capital allocation priorities



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



Deployment into value-generative M&A where strategically attractive



Additional shareholder returns if value-maximizing for our shareholders

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# Highlights FY 2022

**SALES**  
(fx adj.)

**+28%**

EUR 19.4 bn

**OPERATING GROSS  
PROFIT** (fx adj.)

**+20%**

EUR 4.3 bn

**OPERATING EBITDA**  
(fx adj.)

**+27%**

EUR 1.8 bn

**EPS**  
**EUR 5.74**

Significantly  
higher than  
in 2021

**DPS**  
**EUR 2.00**

DPS proposal to GSM

**FREE CASH FLOW**

**> EUR 1 bn**

+129% vs. 2021

**PROJECT BRENNTAG  
OVERACHIEVED**

**~EUR 250m  
Op. EBITDA**

One year ahead of plan

**SHARE BUYBACK**

**EUR 750m**

- Program to start in March with duration up to 12 months
- Including dividend more than EUR 1bn shareholder return


**OUTLOOK FY 2023**

**EUR 1.3-1.5bn**

Operating EBITA  
(new lead KPI as of 2023)

# FY 2022 recap

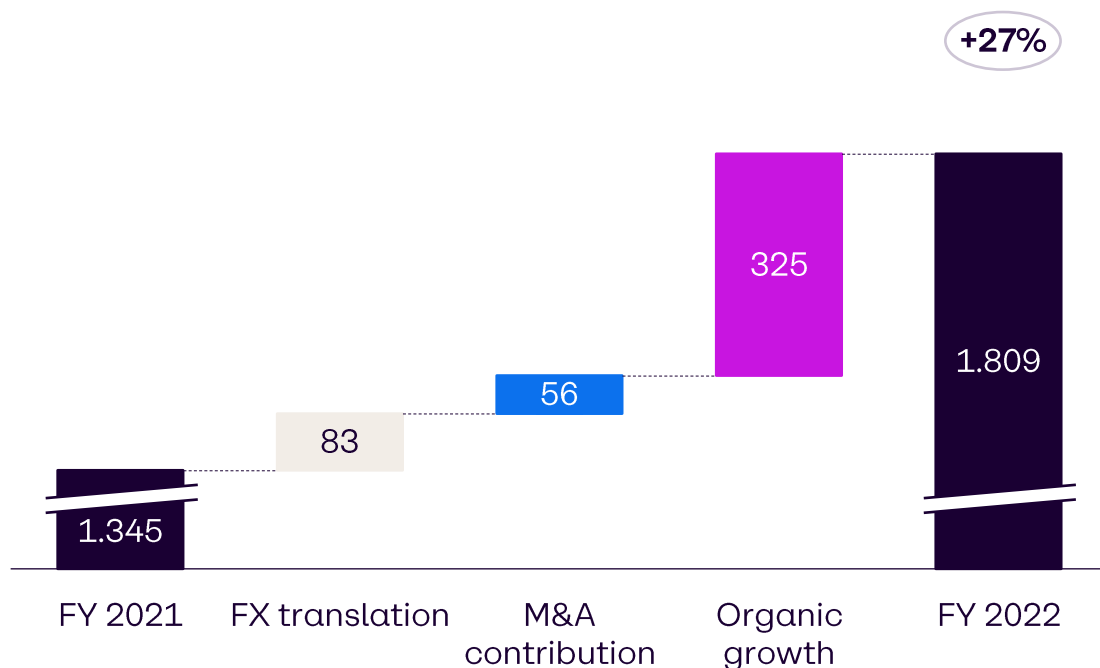
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- 
- 2022 was dominated by a highly challenging macroeconomic environment
  - Geopolitical uncertainties and various cumulating regional factors impacted global supply chains
  - The COVID-19 pandemic continued to pose major challenges to the global economy and society, especially in China
  - Development in Europe characterized by the ongoing war in Ukraine and the related increase in energy costs
  - Highly volatile price environment due to supply issues and decreased production output in certain value chains
- Brenntag managed to maintain flawless operations and largely uninterrupted supply
  - Long-standing, well-established and trustful relationships with our supply partners
  - Exceptional commitment and expertise of Brenntag employees
  - Proven business model with global reach and broad portfolio of products and services
  - Resilience by drawing on multiple supply chains on a global basis

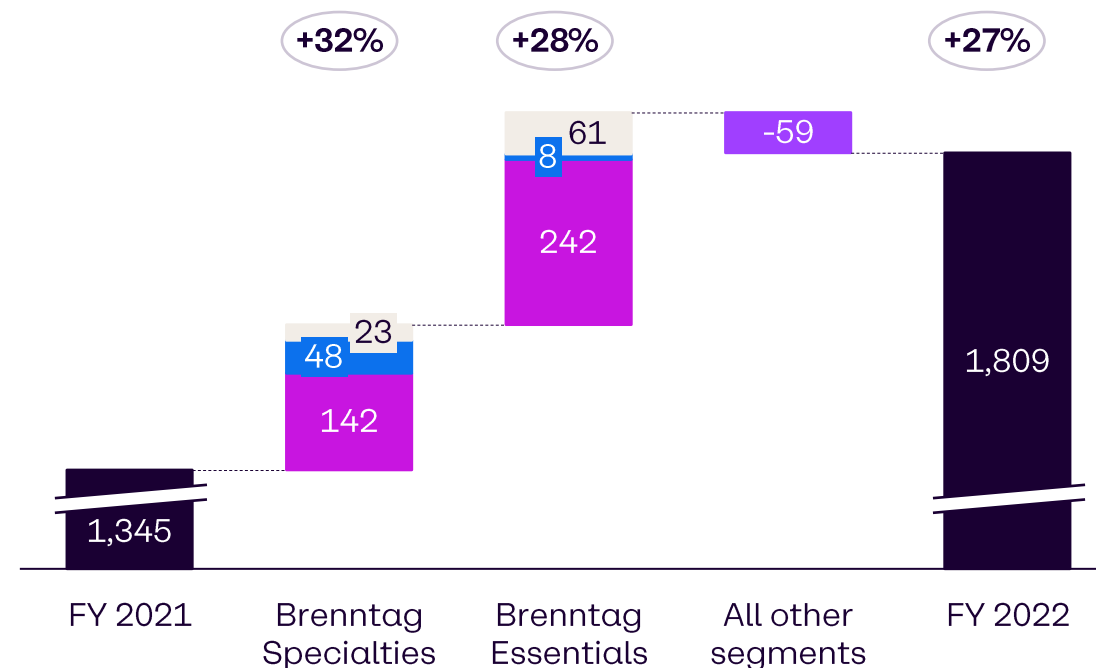
**Building on its important role in the ecosystem of the global chemical distribution industry, Brenntag is able to successfully capture business opportunities even in particularly difficult economic times**

# Financials FY 2022: Operating EBITDA bridges<sup>1)</sup>

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



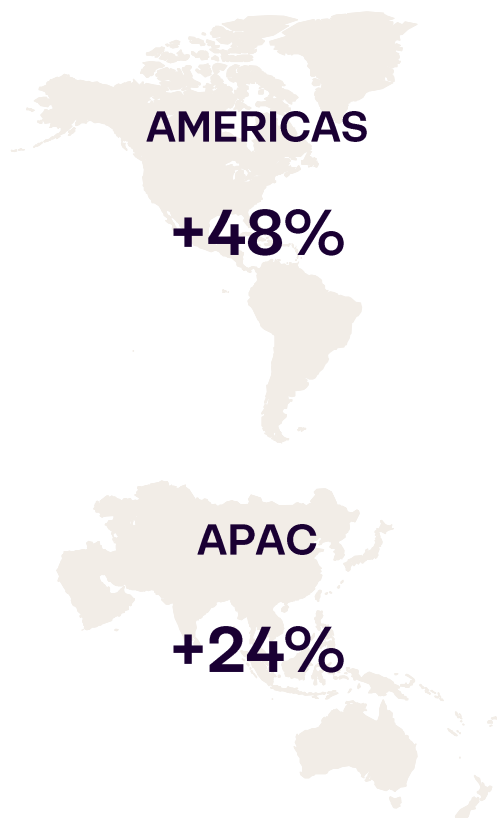
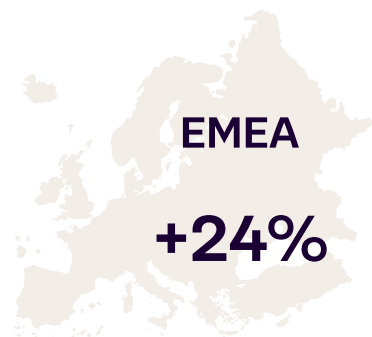
Segment – Operating EBITDA growth (FX-adj.)  
in EUR m



FX translation      M&A contribution      Organic Growth

# Financials FY 2022: Brenntag Specialties

## Operating EBITDA growth<sup>1)</sup>



### Focus industries (GP dev.)

Nutrition	↑
Pharma	↑
Personal Care/Hi&I	↑
Water treatment	↑
Material Science	→
Lubricants	↑

Brenntag Specialties delivered excellent results and considerable earnings growth in FY 2022

Strong Op. Gross Profit of EUR 1.7 billion, an increase of 25%

Op. EBITDA of EUR 780 million, an increase of 32%

Op. EBITA growth of 33%

Almost all focus industries with double digit growth rates and Life Science industries particularly strong

Weaker Material Science business due to limited activity in construction. Inventory control measures on customer side towards the end of 2022

APAC impacted by COVID-19 lockdowns in China and drop in Chinese domestic demand - particularly in H2 2022

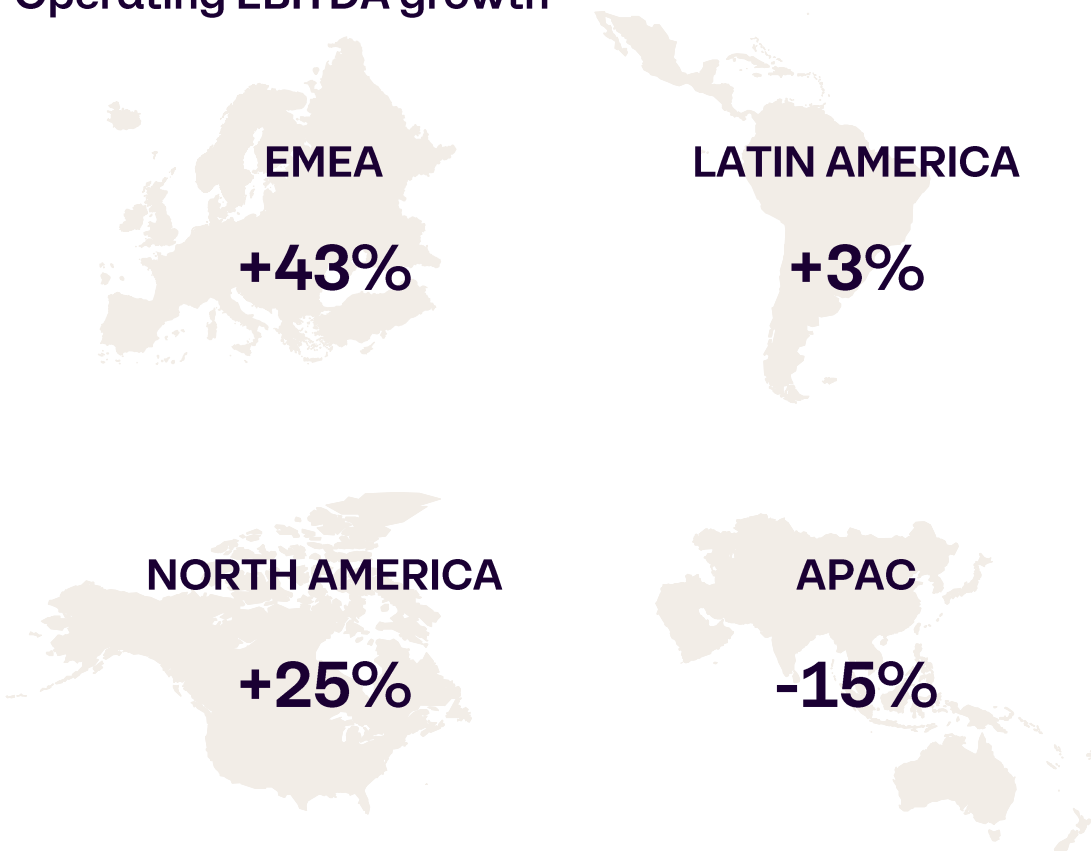
Macroeconomic environment characterized by inflationary cost development & supply shortages

Op. EBITDA Conversion ratio of ~47%



# Financials FY 2022: Brenntag Essentials

## Operating EBITDA growth<sup>1)</sup>



Brenntag Essentials showed a strong performance and achieved substantial growth in FY 2022

Strong Op. Gross Profit of EUR 2.6 billion, an increase of 18%

Op. EBITDA of EUR 1.2 billion, an increase of 28%

Op. EBITA growth of 37%

EMEA and North America particularly strong

EMEA characterized by war in Ukraine and escalating energy costs which resulted in decreased production volumes in certain value chains

North America with positive demand and pricing environment despite macro-economic uncertainty

APAC impacted by COVID-19 lockdowns and lower demand in all APAC regions, particularly China

Op. EBITDA Conversion ratio of ~44%

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# Outlook 2023: Well positioned in an exceptionally challenging environment



## Operating EBITA Guidance

- FY 2023 operating EBITA guidance of EUR 1.3-1.5bn
- This is equivalent to an operating EBITDA of EUR 1.6-1.8bn



## Comments

- Guidance includes the potential efficiency improvement anticipated in implementing the measures of our “Strategy to Win”
- Forecast takes into account the contributions to earnings from acquisitions already closed and assumes stable fx-rates



## Macro environment

- Overall geo-political and macro-economic conditions will remain challenging
- Inflationary pressure expected to persist
- Inventory control measures on the customer side likely to continue



## Additional information

- EUR/USD: ~1.06 (2022: 1.05)
- Sensitivity (FY basis): Delta of EUR/USD +/- 1 cent = EUR ~ -/+ 10m op. EBITA
- Tax rate: 26-28%
- Capex 2023: EUR ~350m

# Our mid-term targets will deliver industry outperformance

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

Note: Base year for targets is 2021

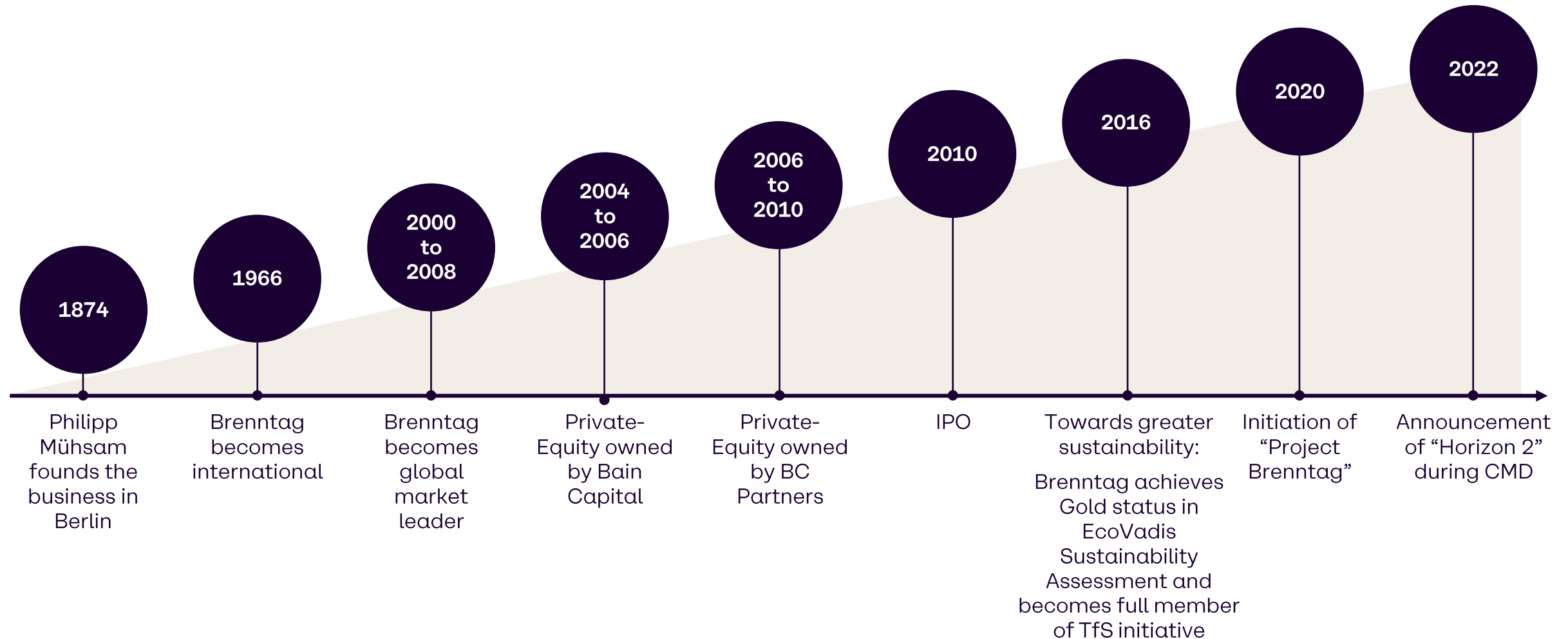
<sup>1)</sup>Excluding benefits from DiDEX

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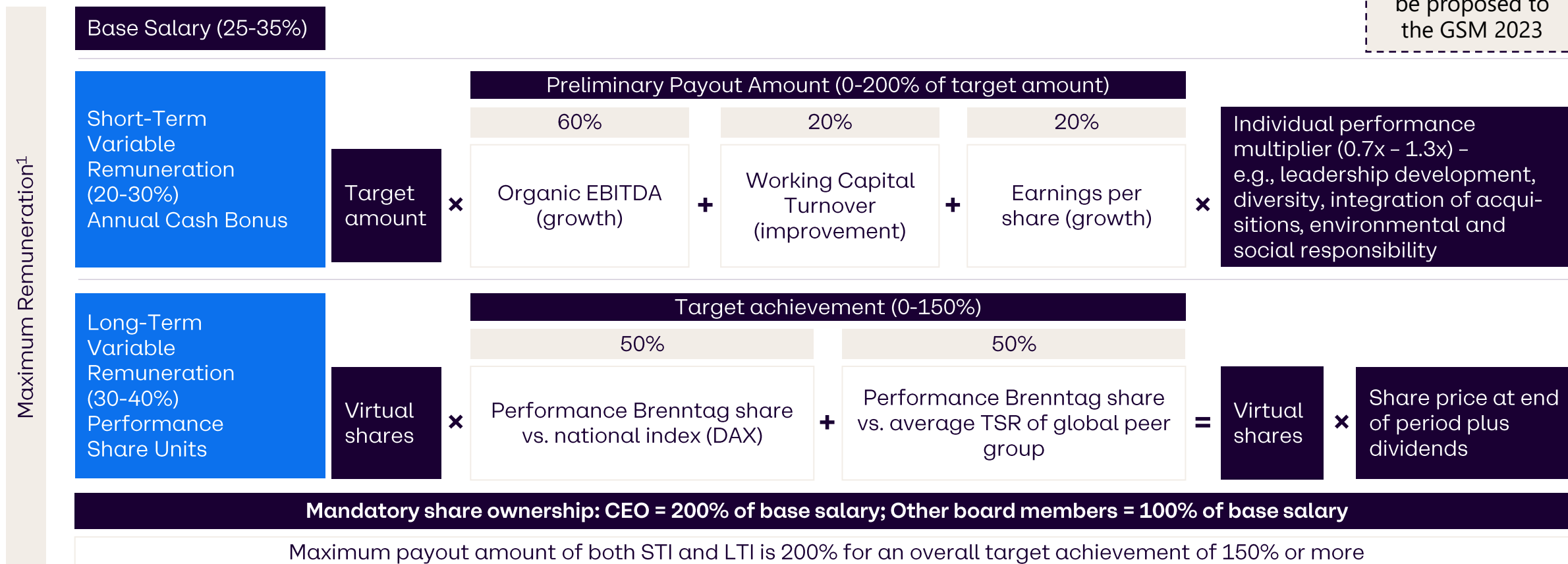
# Brenntag history: Longstanding history of more than 140 years



# Remuneration System: Current remuneration of the Board of Management

ILLUSTRATIVE

Revised System to be proposed to the GSM 2023



<sup>1)</sup> Maximum remuneration CEO = EUR 6m; Maximum remuneration other board members = EUR 4m

Note: Simplified illustration; Please see Remuneration Report or Corporate Website for more details

The new remuneration system was resolved by the Supervisory Board on December 23, 2020 and approved by the shareholders at the General Shareholders' Meeting 2021.

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

## Responsible distribution ...

### Brenntag’s operations & suppliers



#### Climate protection

Strive for zero CO<sub>2</sub> emissions

Certified sites according to sustainability standards

#### Safety performance

Ambition for zero accidents and releases

#### Human rights

Our supply chain is fulfilling human rights and paying living wages

#### Governance

Reliable governance structures

#### Employees

Diverse and engaged employees

## ... of sustainable chemicals and ingredients

### Brenntag’s products & services



#### Circular economy

Significant value-added services with circularity

All packaging recycled/reused

#### Sustainable and safe products

Majority of products are sustainable

Less products with concern<sup>1)</sup>

#### Emerging technology shifts

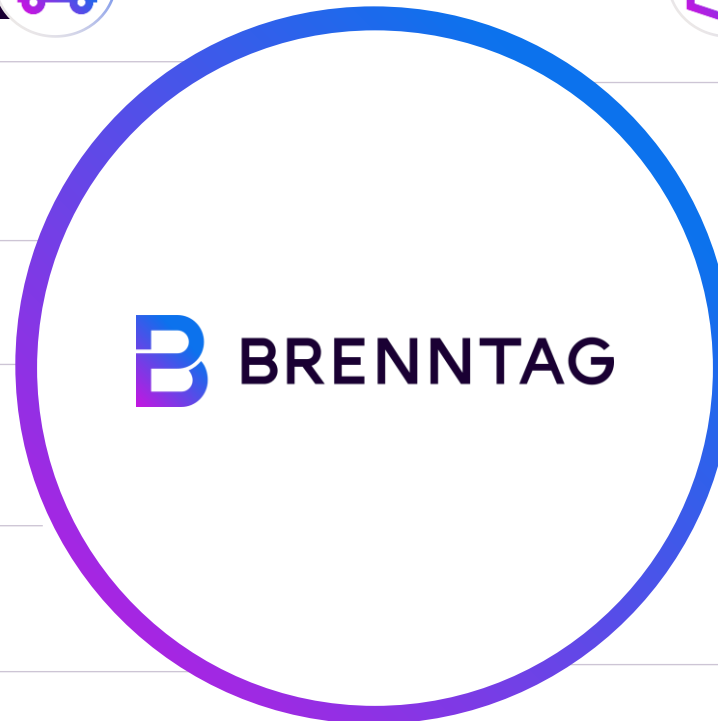
Reduced business for internal combustion engine

New business with battery chemicals and alternative fuels

#### Increased information need

Product carbon footprints for all customers

Product carbon footprints from all suppliers



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



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

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

<sup>1</sup>) MMH = Million Man-Hours

<sup>2</sup>) BoM = Board of Management

<sup>3</sup>) TRIR = Total Recordable Incident Rate

# 2023 ESG Scorecard

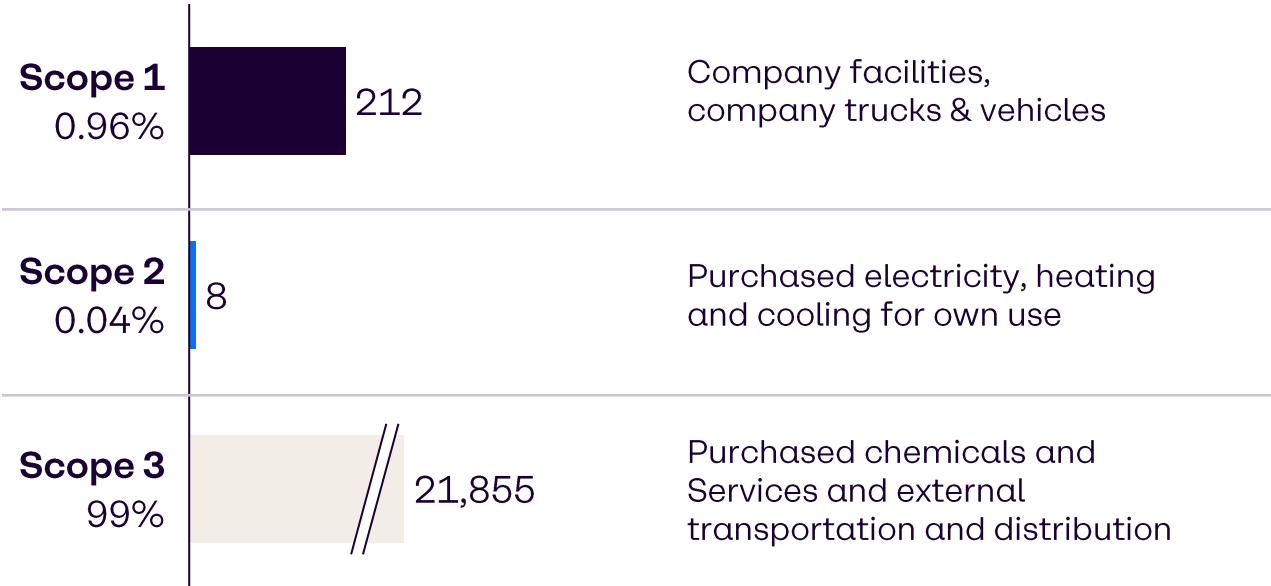
	Objective	KPI	Target
Governance	Significantly decrease risks on human rights in the whole supply chain	Responsibility assigned for 80% of high-risk suppliers	80%
	Transition towards circular economy by constituting a pipeline for circular business models	Each Regional President develop three business cases for circular business models including implementation plan – in total 24	24
	Increase share of sustainable solutions to support customer needs	Map ≥ 30% of global product GP against sustainability criteria with structured workshops and business responsibilities assigned  Develop group-wide 2025 quantitative target	≥ 30%
Social	Ensure a dynamic and diverse organization by increasing diversity and inclusion in the leadership team	Women in leadership positions according to management level in percent: L-1 ≥ 22.2%; L-2 ≥ 26.6%; L-3 ≥ 30.0%; L-4 ≥ 30.0%; L-5+ ≥ 26.9%	L-1 ≥ 22.2% L-2 ≥ 26.6% L-3 ≥ 30.0% L-4 ≥ 30.0% L-5+ ≥ 26.9%
	Ensure engaged employees	Develop and set up an engagement survey	done
	Set a high bar across working conditions and strive safe operations and zero accidents	Total Recordable Incident Rate (TRIR) < 2.65	< 2.65
Environmental	Become carbon net zero	12.6% reduction of CO2e emissions (Scope 1+2) <sup>1</sup> in comparison to base year 2020 <sup>2</sup>	-12.6%
	Ensure zero spills and releases with emissions to the environment	Total spills < 0.80 events/MMH <sup>3</sup>	< 0.80
	Keep product in the process and avoid serious process related incidents (e.g., spills, fires/explosions and toxic releases)	PSE1 <sup>4</sup> < 12	< 12

<sup>1)</sup> Emissions from direct operations calculated with marked-based method; <sup>2)</sup> Only sites, which have been included in the base year 2020 are covered by the target; <sup>3)</sup> MMH = Million Man-Hours;

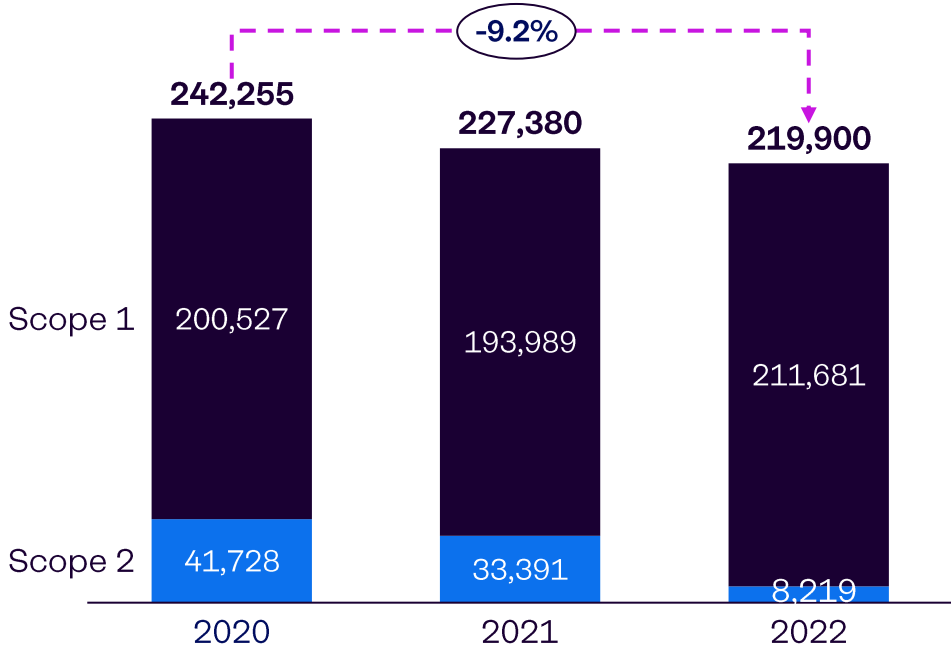
<sup>4)</sup> Severe Process Safety Event as per CCPSM norm

# ESG: Operating sustainably to minimize energy consumption and CO<sub>2</sub> Emissions

**CO<sub>2</sub> Emissions in 2022<sup>1)</sup>**  
in thousand tonnes



**CO<sub>2</sub> Emissions<sup>1)</sup>**  
in tonnes

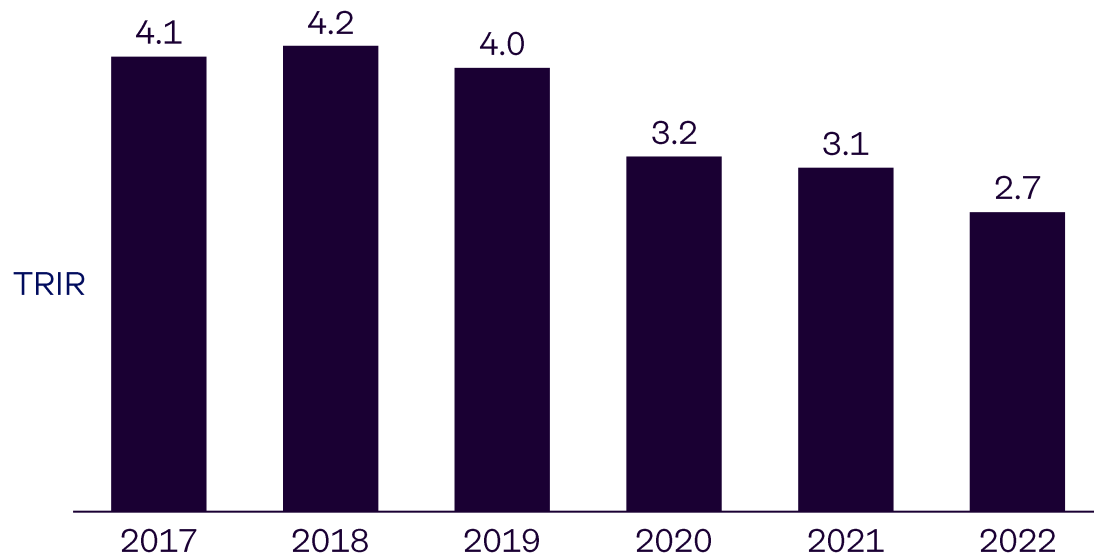


<sup>1)</sup> Calculated according to the marked-based method. The data for the reporting year do not include the following operating units: Y.S. Ashkenazi Agencies Ltd. & Biochem Trading 2011 Ltd. (since Q3); Brenntag Sourcing Uruguay S. A., Brenntag Packed Chemicals Ltd., Prime Surfactants Limited, Prime Example Limited, Alpha Chemical Limited (since Q3).

# ESG: Safety and Diversity

## Group Accident Rate

TRIR<sup>1),2)</sup>



## Diversity – Key figures

	2022	2021
Proportion of women in the Supervisory Board	33.3%	33.3%
Proportion of women in the Board of Management	↑ 20.0%	0.0%
Proportion of women in management positions <sup>3)</sup>	31.0%	31.0%
Proportion of women in the total workforce	34.5%	34.5%
Different nationalities	>100	>100

<sup>1)</sup> TRIR (Total Recordable Injury Rate): Number of workplace accidents involving injuries that require medical treatment (beyond first aid), per one million work hours

<sup>2)</sup> The values given for TRIR have not been audited by PwC

<sup>3)</sup> Due to the increased target female quota of 30% across all management levels by 2030, employees in management positions are shown according to management level. Management level L-1 refers to the first level below the Brenntag SE Board of Management, L-2 refers to the second level, etc. L-5+ refers to the fifth and all other levels.

# ROCE:

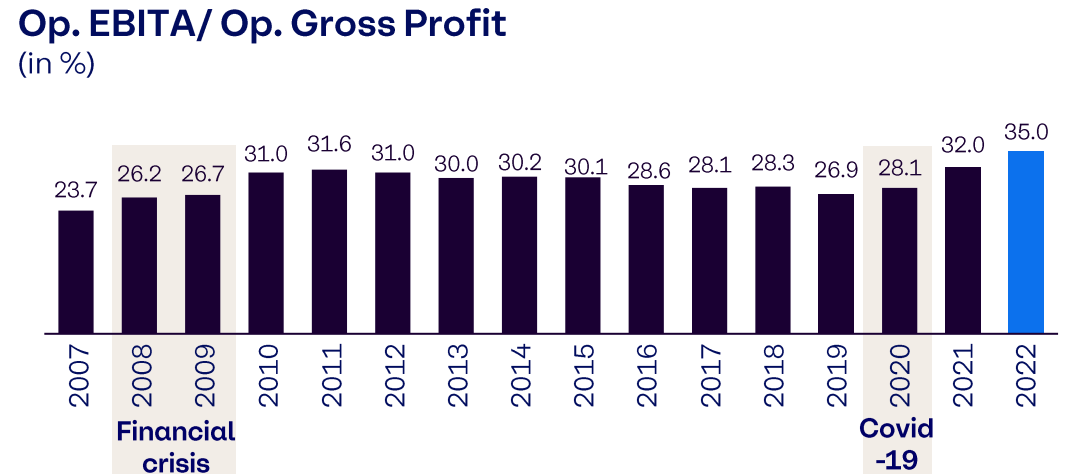
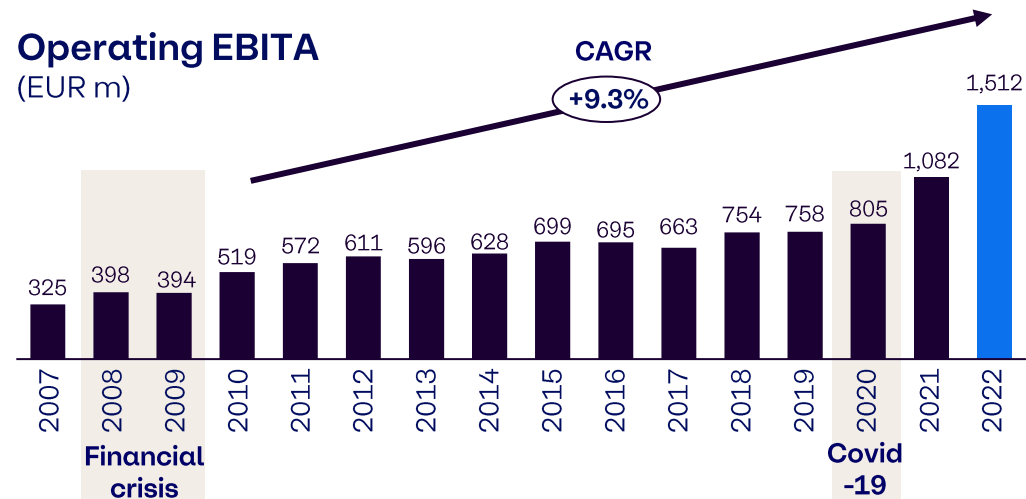
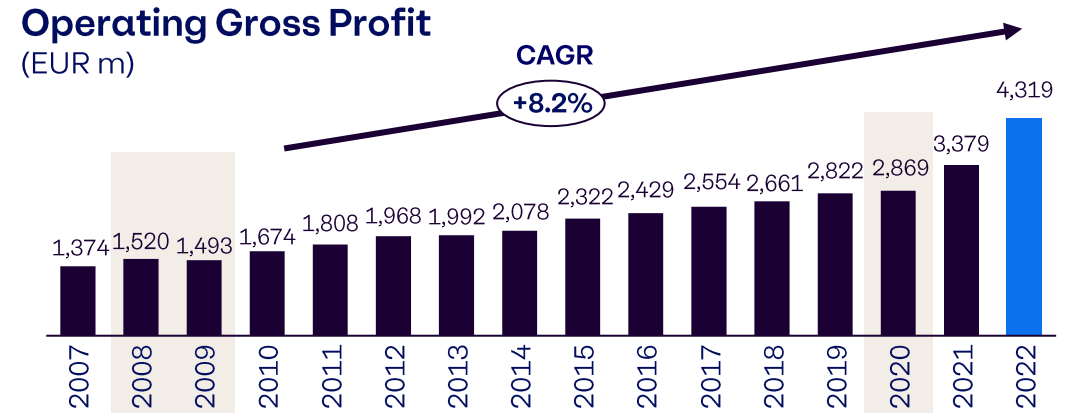
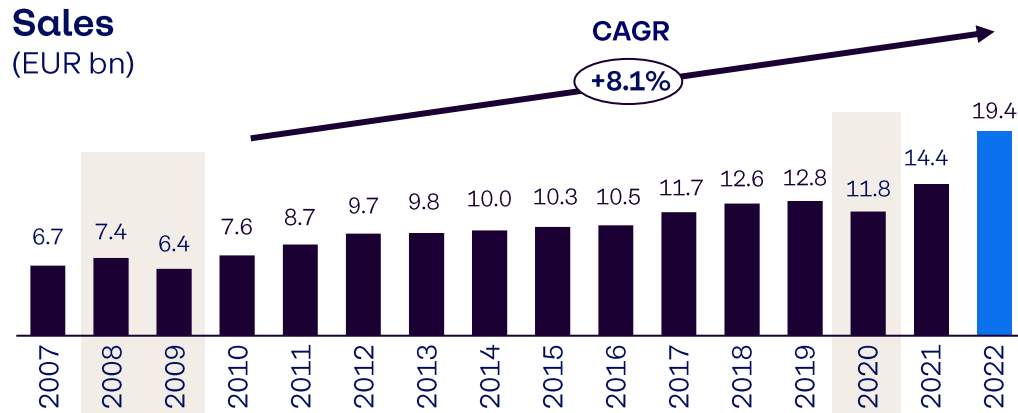
## Increasing value added and returns

in EUR m	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
EBITA	1.491.9	853.2	758.1	766.5	770.9	663.3	694.5	698.7	627.5	595.6	610.8	569.9	513.6
Average carrying amount of equity	4,543.1	3,802.8	3,582.9	3,427.3	3,111.6	2,969.2	2,753.8	2,534.6	2,190.1	2,008.4	1,860.3	1,660.0	1,265.5
Average carrying amount of financial liabilities	3,120.2	2,363.4	2,453.0	2,581.3	2,173.1	2,255.0	2,238.3	1,961.8	1,823.1	1,817.5	1,868.7	1,809.6	2,114.7
Average carrying amount of cash and cash equivalents	-882.2	-645.7	-654.1	-430.8	-416.2	-612.0	-566.3	-460.9	-413.1	-343.4	-356.2	-382.5	-468.3
<b>ROCE <sup>1,2)</sup></b>	<b>22.0%</b>	<b>15.5%</b>	14.1%	13.7%	15.8%	14.4%	15.7%	17.3%	17.4%	17.1%	18.1%	18.5%	17.6%

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

<sup>2)</sup> EBITA not adjusted by special items (e.g., 2022 special items EUR 19.8 million. Adjusted for this effect, ROCE was 22.3%)

# Sound financial profile: Compounding growth track record and resilience



Notes: 2005: Brenntag predecessor; 2006: Brenntag and Brenntag predecessor combined and does not constitute pro forma financial information

EBITA / Gross Profit adjusted for non-recurring effects, i.e. 2012: EUR 11m, 2013: EUR 17m

# Cash flow:

## Strong cash generation over the past years

in EUR m	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Op. EBITDA	1,808.6	1,344.6	1,057.7	1,001.5	875.5	836.0	810.0	807.4	726.7	696.8	707.0	658.8	597.6
CAPEX	-267.2	-199.3	-201.9	-205.2	-172.2	-148.1	-141.1	-130.1	-104.8	-97.2	-94.7	-86.0	-85.1
Δ Working capital	-385.7	-575.3	325.0	161.7	-178.1	-247.6	-27.5	87.0	-100.5	-56.2	-33.0	-61.0	-136.4
Principal and interest payments on lease liabilities	-150.6	-130.5	-126.2	-120.7									
<b>Free cash flow<sup>1)</sup></b>	<b>1,005.1</b>	439.5	1,054.6	837.3	525.2	440.3	641.4	764.3	521.4	543.4	579.3	511.8	376.1
Average working capital <sup>2)</sup>	2,599.9	1,734.4	1,611.2	1,842.3	1,719.6	1,487.3	1,308.8	1,295.1	1,161.8	1,090.0	1,048.8	928.3	752.4
<b>Working capital turnover<sup>3)</sup></b>	<b>7.5x</b>	8.3x	7.3x	7.0x	7.3x	7.9x	8.0x	8.0x	8.6x	9.0x	9.2x	9.3x	10.2x

<sup>1)</sup>Free Cash Flow is calculated as Operating EBITDA – Capex +/- Δ Working Capital

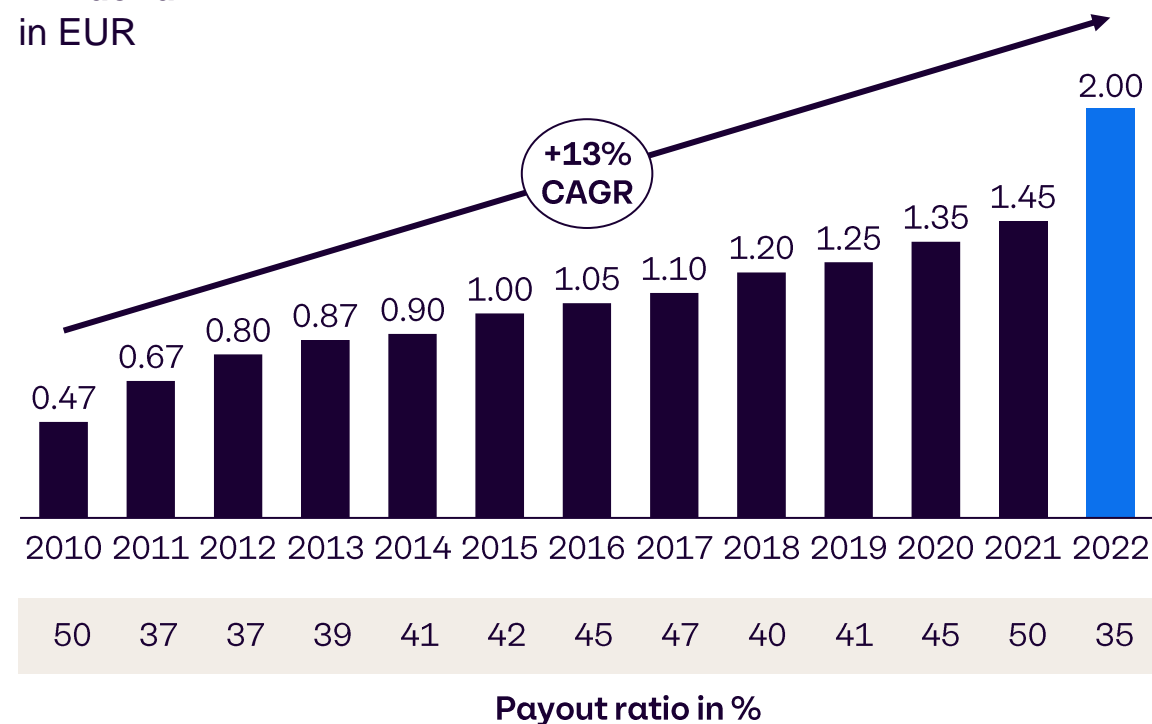
<sup>2)</sup>Average Working Capital is defined for a particular year as the mean average of the values for working capital at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year

<sup>3)</sup>Working Capital Turnover is defined as Sales divided by Average Working Capital

# Strong dividend track record with FY22 proposed dividend per share of 2€, a +38%YoY increase

in EUR m	2021	2020	Δ
Profit after tax	902.5	461.4	95.6%
Less minority interests	15.7	13.1	19.8%
Profit after tax (consolidated) attributable to shareholders of Brenntag SE	886.8	448.3	97.8%
Proposed dividend payment	309.0 <sup>1)</sup>	224.0	37.9%
<b>Dividend per share in EUR</b>	<b>2.00<sup>2)</sup></b>	<b>1.45</b>	37.9%
<b>Payout ratio</b>	<b>35%</b>	<b>50%</b>	-

Dividend in EUR



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

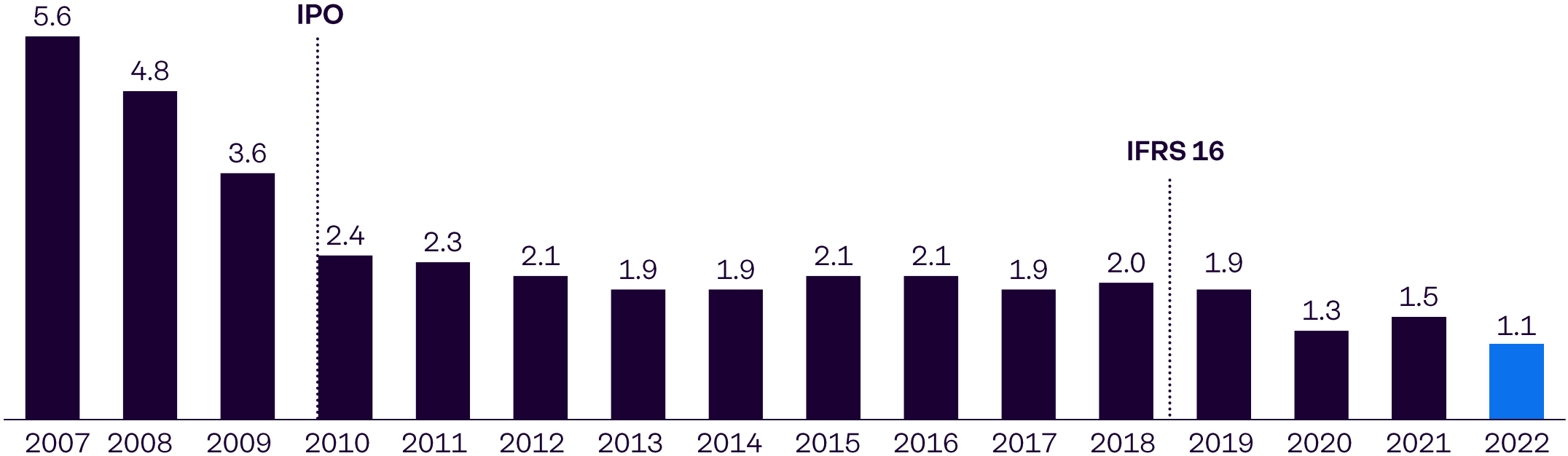
<sup>1)</sup>Based on current outstanding number of shares (as of 31 December 2022)

<sup>2)</sup>As per the proposal for the appropriation of profit presented by the Board of Management and the Supervisory Board, subject to approval at the General Shareholders' Meeting on June 15, 2023.)



# Brenntag's Historic Leverage & Credit Rating

Leverage: Net Debt / Operating EBITDA



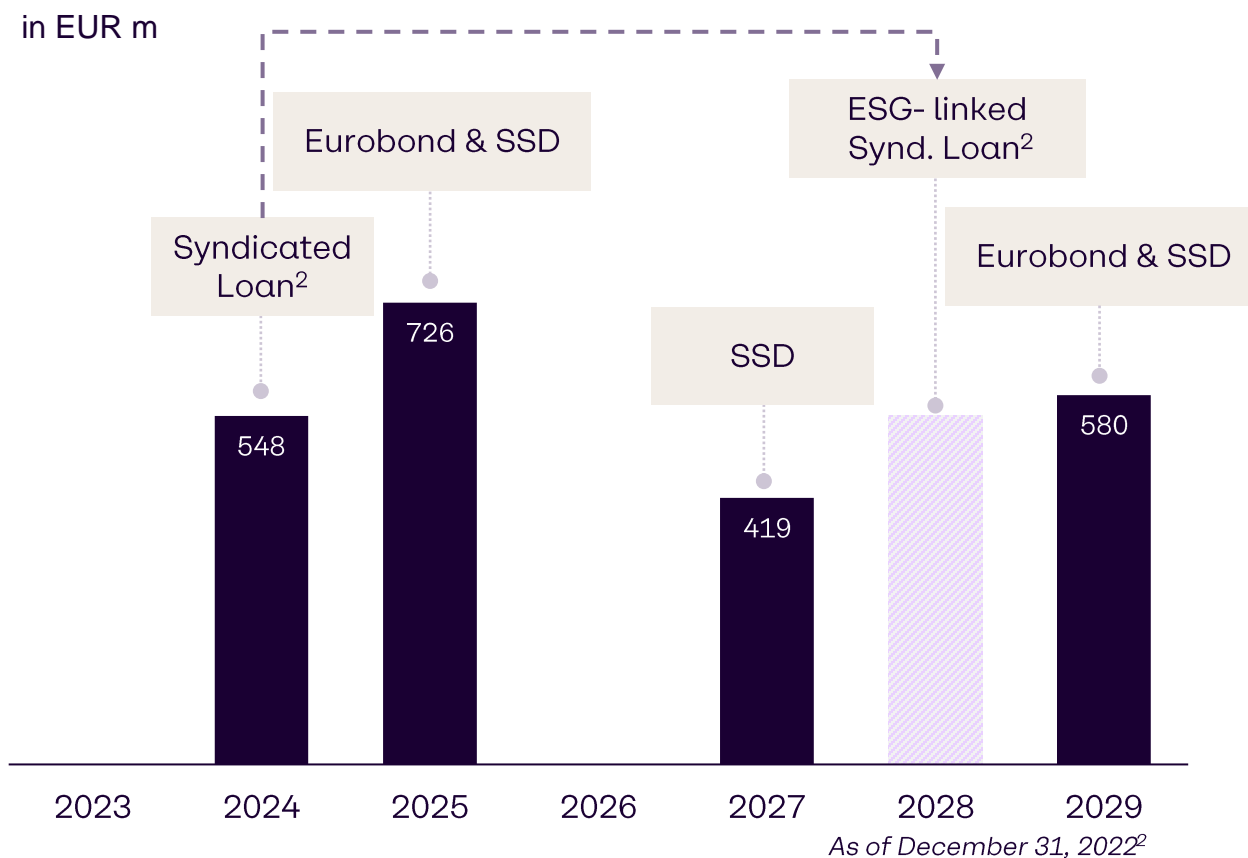
<b>S&amp;P</b>	B	B+	BB+	BBB-	BBB		
<b>Moody's</b>	B2			Ba1		Baa3	Baa2



# Financials FY 2022:

## Balance sheet and maturity profile

in EUR m	31 Dec 2022	31 Dec 2021
Financial liabilities	2,661.5	2,329.7
Lease liabilities	434.3	445.6
./. Cash and cash equivalents	1,046.1	705.0
Net Debt	2,049.7	2,070.3
<b>Net Debt/Operating EBITDA<sup>1)</sup></b>	<b>1.1x</b>	1.5x
Equity	4,802.7	3,995.3



1) Operating EBITDA for the quarters calculated on LTM basis

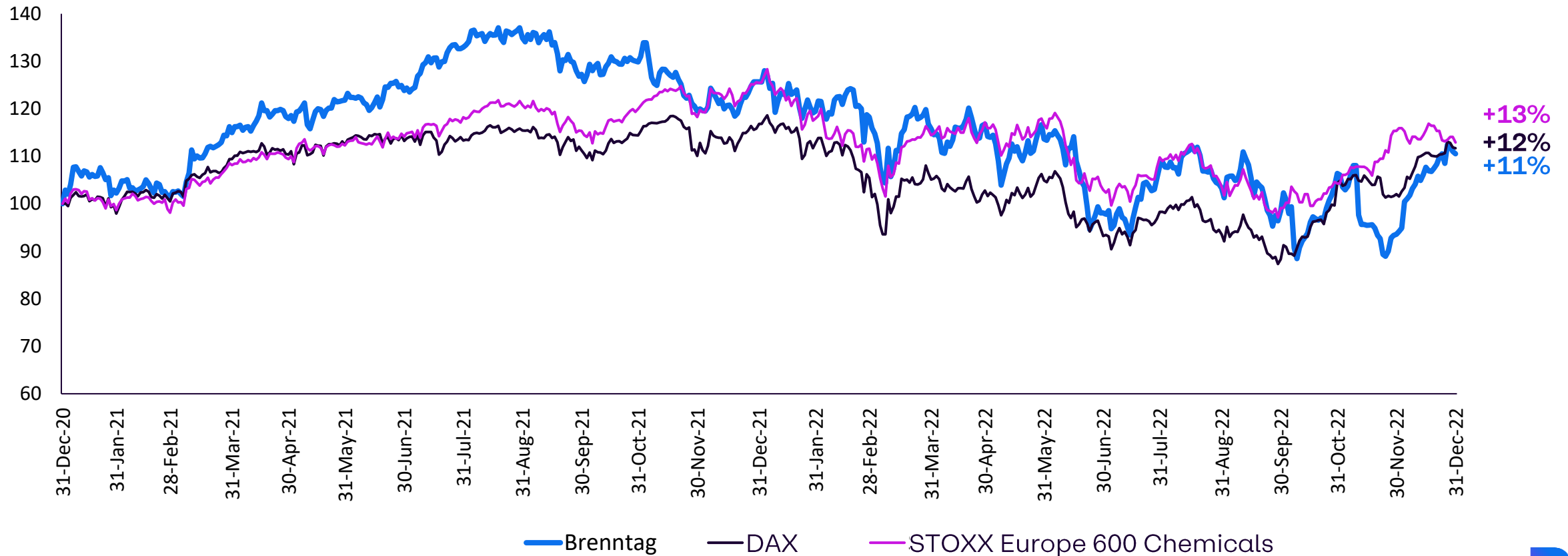
2) As the graph refers to 31 December 2022, the previous syndicated loan (maturing in 2024) is still included here, but has since then already been replaced by a new (sustainability-linked) syndicated loan agreement maturing in 2028. For further details, please refer to our announcement of the 21<sup>st</sup> February 2023 on the new loan agreement. Beginning of 2023, Brenntag repaid a part of the outstanding liabilities under the old syndicated loan (maturity 2024) and as a result, the total balance (excluding accrued interest and transaction costs) under the new syndicated loan (maturity 2028) at the time of refinancing in February 2023 is c. EUR 180m

# Bond data

	Bond 2025	Bond 2029
<b>Issuer</b>	Brenntag Finance B.V.	Brenntag Finance B.V.
<b>Listing</b>	Luxembourg Stock Exchange	Luxembourg Stock Exchange
<b>ISIN</b>	XS1689523840	XS2394063437
<b>Aggregate principal amount</b>	EUR 600,000,000	EUR 500,000,000
<b>Denomination</b>	EUR 1,000	EUR 100,000
<b>Minimum transferable amount</b>	EUR 100,000	EUR 100,000
<b>Coupon</b>	1.125%	0.500%
<b>Interest payment</b>	Annual: Sep. 27	Annual: Oct. 06
<b>Maturity</b>	Sep. 27, 2025	Oct. 06, 2029

# Share price performance versus DAX and STOXX Europe 600 Chemicals YTD 2022

Performance  
in %



# Brenntag Share & Shareholder Structure

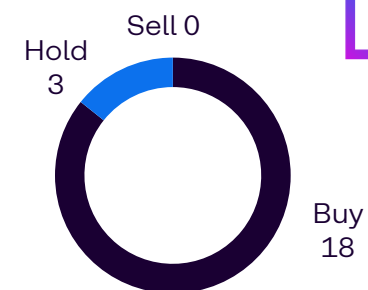
## Share data

ISIN; Stock Symbol; Listed since	DE000A1DAH0; BNR; 29 March 2010
Subscribed capital; Outstanding Shares	EUR 154,500,000; 154,500,000
Class of shares; Free float	Registered shares; 100%
Official market	Prime Standard XETRA and Frankfurt
Regulated unofficial markets	Berlin, Düsseldorf, Hamburg, Hannover, München, Stuttgart, Tradegate Exchange
Indices	DAX, MSCI, Stoxx Europe 600, DAX 50 ESG, DAX ESG Target, S&P Global 1200 ESG

## Shareholder<sup>1)</sup>

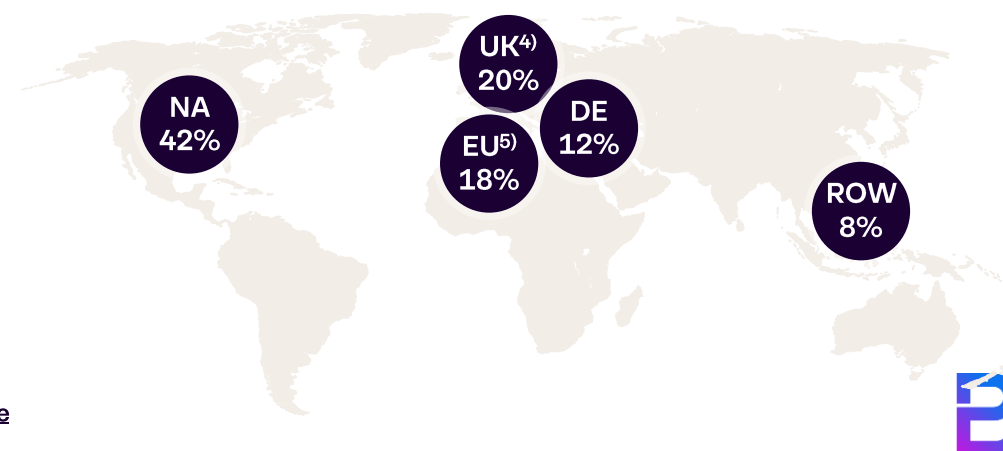
Shareholder <sup>1)</sup>	Proportion in %	Date of notification
BlackRock, Inc.	>5%	February 06, 2022
The Capital Group Companies, Inc.	>5%	June 15, 2022
Ameriprise Financial, Inc.	>3%	February 21, 2023
Flossbach von Storch AG	>3%	December 22, 2022
Wellington Management Group	>3%	December 19, 2022
GIC Private Limited	>3%	December 15, 2022
EuroPacific Growth Fund	>3%	November 29, 2022
Kühne Holding AG	>3%	May 18, 2022
Burgundy Asset Management	>3%	October 16, 2018

## Analysts' Opinions<sup>2)</sup>



Click to view current consensus

## Shareholdings of identified Institutional Investors by Region<sup>3)</sup>



<sup>1)</sup> According to voting rights notifications. All voting rights notifications are published on the Company's [Website](#)

<sup>2)</sup> As of February 28, 2023; <sup>3)</sup> As of December 31, 2022; <sup>4)</sup> UK and Ireland; <sup>5)</sup> EU: Continental Europe



# Relevant links & documents

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**Financial Publications**



**Brenntag Share**



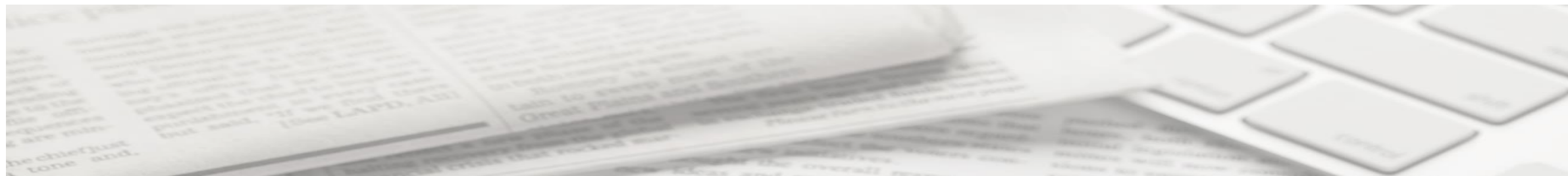
**Current Consensus**



**Financial News**

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# Financial calendar / contact



Date	Event
May 10, 2023	Interim Report Q1 2023
June 15, 2023	General Shareholders' Meeting
August 9, 2023	Interim Report Q3 2023

**Contact**

Brenntag SE  
Corporate Investor Relations

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The financial calendar is updated regularly.  
You can find the latest dates on [www.brenntag.com/financial\\_calendar](http://www.brenntag.com/financial_calendar)  
Please note that these dates could be subject to change.

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