

## Press Release

Essen, August 6, 2020

### Brenntag reports solid results for the second quarter of 2020

- Operating EBITDA\* reaches 276.2 million EUR (+4.0%)\*\*
- Operating gross profit\*\*\* with 715.9 million EUR (-0.6%) stable compared to prior-year quarter\*\*
- Free cash flow amounts to 213.7 million EUR and is clearly higher compared to the same period last year
- Second half of the year influenced by high uncertainty due to the COVID-19 pandemic

Brenntag (ISIN DE000A1DAHH0), the global market leader in chemical and ingredients distribution, reports another resilient quarter with positive operating EBITDA development and still limited impact from the COVID-19 pandemic.

Christian Kohlpaintner, Chief Executive Officer of Brenntag Group, said: “Although we reported solid results in the second quarter with the COVID-19 pandemic still having limited effects on our business performance, we have noticed declining demand in various customer industries, and uncertainty with regard to further developments remains high in the markets. The positive performance in the first six months gives us a sound foundation for the second half of the year, which we expect to be even more challenging.”

<b>Consolidated income statement (in EUR m)</b>	<b>Q2 2020</b>	Q2 2019	Δ as reported	Δ fx adjusted
Sales	2,817.2	3,254.3	-13.4%	-12.9%
Operating gross profit***	715.9	722.9	-1.0%	-0.6%
Operating EBITDA*	276.2	266.3	3.7%	4.0%
Operating EBITDA*/operating gross profit*** [%]	38.6	36.8		
Profit before tax	167.0	168.3	-0.8%	
Profit after tax	123.0	125.4	-1.9%	
Earnings per share	0.80	0.81	-1.2%	

At 2,817.2 million EUR, **sales** in the second quarter of 2020 were below the prior-year figure on a constant currency basis by -12.9%, mainly attributable to declining demand due to the COVID-19 pandemic. **Operating gross profit** of 715.9 million EUR was on par with the previous year (-0.6%). **Operating EBITDA** rose to 276.2 million EUR, a year-on-year increase of 4.0%.

**Profit after tax** was slightly down on the prior-year figure of 125.4 million EUR to 123.0 million EUR in the second quarter of 2020. This translated to 0.80 EUR in earnings per share attributable to Brenntag shareholders.

<b>Free Cash flow (in EUR m)</b>	<b>Q2 2020</b>	Q2 2019	Δ abs.	Δ in %
Operating EBITDA	276.2	266.3	9.9	3.7
Investments in non-current assets (Capex)	-44.1	-39.6	-4.5	11.4
Δ Working Capital	12.1	-18.3	30.4	-166.1
Principal and interest payments on lease liabilities	-30.5	-29.3	-1,2	4,1
<b>Free cash flow</b>	<b>213.7</b>	<b>179.1</b>	<b>34.6</b>	<b>19.3</b>

Free cash flow reached 213.7 million EUR compared to 179.1 million EUR in the second quarter 2019. This reflects an increase of 19.3% and is the highest second-quarter free cash flow the company has generated since its IPO in 2010.

<b>Consolidated balance sheet (in EUR m)</b>	<b>June 30, 2020</b>	Dec 31, 2019
Total assets	8,419.2	8,564.2
Equity	3,533.9	3,579.0
Working capital	1,729.0	1,767.7
Net financial liabilities	2,002.0	2,060.5

The consolidated balance sheet reflects the continued sound financial profile of the company.

### EMEA again with strong performance

EMEA (in EUR m)	Q2 2020	Q2 2019	Δ as reported	Δ fx adjusted
Sales	1,210.3	1,339.8	-9.7%	-8.4%
Operating gross profit***	314.6	292.8	7.4%	8.6%
Operating EBITDA*	130.1	108.7	19.7%	21.5%

The EMEA (Europe, Middle East and Africa) region again posted a very good quarter, mainly driven by customer industries such as Cleaning, Pharmaceuticals, and Personal Care. EMEA generated operating gross profit above the prior-year figure at 314.6 million EUR (8.6%). Operating EBITDA came to 130.1 million EUR, a significant year-on-year increase of 21.5%.

### Market environment in North America remains difficult

North America (in EUR m)	Q2 2020	Q2 2019	Δ as reported	Δ fx adjusted
Sales	1,037.2	1,220.2	-15.0%	16.4%
Operating gross profit***	289.3	313.0	-7.6%	-9.0%
Operating EBITDA*	117.1	127.8	-8.4%	-10.1%

In the second quarter of 2020, earnings in North America continued to be impacted by clear declines in the business with customers of the Oil and Gas industry, as well as by the COVID-19 pandemic. In this environment, the operating gross profit generated by Brenntag North America was down by 9.0% to 289.3 million EUR. Operating EBITDA reached 117.1 million EUR, a 10.1% decrease.

### Latin America with strong operating results in a still volatile environment

Latin America (in EUR m)	Q2 2020	Q2 2019	Δ as reported	Δ fx adjusted
Sales	184.7	211.5	-12.7%	-4.6%
Operating gross profit***	44.6	44.8	-0.4%	8.3%
Operating EBITDA*	15.3	13.4	14.2%	26.0%

The Latin America region also reported strong second-quarter operating results in a macroeconomic environment that remained difficult and volatile. In the region, Brenntag generated operating gross profit of 44.6 million EUR in the second quarter of 2020, an increase of 8.3%. Operating EBITDA grew significantly by 26.0% to 15.3 million EUR.

### Impact from COVID-19 pandemic noticeable in Asia Pacific results

Asia Pacific (in EUR m)	Q2 2020	Q2 2019	Δ as reported	Δ fx adjusted
Sales	339.4	380.0	-10.7%	-9.7%
Operating gross profit***	62.1	67.6	-8.1%	-7.1%
Operating EBITDA*	24.3	25.5	-4.7%	-4.3%

The decrease in sales in Asia Pacific is mainly related to the COVID-19 pandemic, with some countries being in restrictive shutdown. Operating gross profit reached 62.1 million EUR (-7.1%). With operating EBITDA of 24.3 million EUR, Brenntag Asia Pacific is below the previous year's level (-4.3%).

### “Project Brenntag” enters next phase

Based on the holistic analysis of the company initiated at the beginning of 2020, “Project Brenntag” was developed as a comprehensive transformation program to set the base for sustainable organic earnings growth. Core elements of the project are Brenntag’s operating model, market approach, global site network, and people’s potential and leadership. The project has entered the next phase, which consists of validating conclusions and initiatives that have been developed within the past months. Details on “Project Brenntag” will be provided at a Capital

Markets Update when the results for the third quarter of 2020 are published in early November this year.

### **Outlook for 2020**

In early April, the company suspended the forecast for the financial year 2020 due to the considerable uncertainty over the future effects of the COVID-19 pandemic. Uncertainty in the global economy remains high and Brenntag cannot rule out a larger impact on its business development. The forecast will be updated as soon as the effects on Brenntag's further business performance in 2020 can be reliably determined.

### **About Brenntag:**

Brenntag is the global market leader in chemical and ingredients distribution. We connect our suppliers and customers in value-adding partnerships. Our almost 17,500 employees provide tailor-made application, marketing and supply chain solutions. Technical and formulation support, market, industry and regulatory expertise as well as advanced digital tools are just some examples of our services that are aiming to create an excellent customer experience. Our full-line portfolio comprises specialty and industrial chemicals and ingredients of a world-class supplier base. Building on its long-standing experience, unmatched global reach and local excellence, Brenntag works closely alongside its partners to make their business more successful. We are committed to contribute towards greater sustainability in our own business and the industries we serve, and to achieve sustainable profitable growth. Headquartered in Essen (Germany) and with regional headquarters in Philadelphia, Houston and Singapore, Brenntag operates a unique global network with more than 640 locations in 77 countries. The company generated sales of EUR 12.8 billion (USD 14.4 billion) in 2019. Brenntag shares are traded at the Frankfurt Stock Exchange (BMR).

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*\*Brenntag presents operating EBITDA before holding charges and special items. Holding charges are certain costs charged between holding companies and operating companies. At Group level, these effects net to zero. Brenntag is also adjusting operating EBITDA for income and expenses arising from special items so as to improve comparability in presenting the performance of its business operations over multiple reporting periods and explain it more appropriately. Special items are income and expenses outside ordinary activities that have a special and material effect on the results of operations, such as restructurings.*

*\*\*Unless indicated otherwise, growth rates are on a constant currency basis.*

*\*\*\*Operating gross profit is defined as sales less cost of goods sold.*