

Press Release

Essen, March 10, 2021

Brenntag shows strong performance in the extraordinary year 2020 that underlines the resilience of its business model

- **Operating gross profit* rises to 2.850 billion EUR (+3.3%)****
- **Operating EBITDA*** reaches 1.058 billion EUR (+8.3%)**
- **Free cash flow amounts to 1.055 billion EUR**
- **Dividend proposal of 1.35 EUR per share (+8.0%)**
- **Implementation of Project Brenntag already contributed to the positive results 2020**
- **Outlook: For 2021, Brenntag expects an operating EBITDA between 1.080 and 1.180 billion EUR**

Brenntag (ISIN DE000A1DAHH0), the global market leader in chemical and ingredients distribution, reports very good results for the year 2020 despite extraordinary economic conditions due to the global COVID-19 pandemic. The company implemented a global crisis management and managed to maintain supply chains uninterrupted throughout the year. In addition, Brenntag initiated a comprehensive transformation program to strengthen and expand its leading position in the industry. The implementation of “Project Brenntag” already contributed to the positive results 2020.

Christian Kohlpaintner, Chief Executive Officer of Brenntag SE, said: “Brenntag’s performance has been strong despite very challenging macro-economic and operational conditions in 2020. Our high diversification by countries and by industry segments helped us in mitigating the impacts caused by the COVID-19 pandemic. In addition, our excellent, stable, and reliable supplier base as well as our longstanding customer relationships were a decisive factor to navigate well through the past year. Especially, we owe a big thank you to our employees for their great dedication in 2020. In summary, we are very satisfied with the financial results 2020. The strong earnings performance and the free cash flow of more than one billion EUR, the highest the company has ever achieved, allow us to propose an increase of our dividend to 1.35 EUR per share.”

Consolidated income statement (in EUR m)	2020	2019	Δ as reported	Δ fx adjusted
Sales	11,775.8	12,821.8	-8.2%	-6.0%
Operating gross profit*	2,850.4	2,821.7	1.0%	3.3%
Operating EBITDA***	1,057.7	1,001.5	5.6%	8.3%
Operating EBITDA*** / Operating gross profit* (in %)	37.1	35.5		
Profit before tax	633.3	633.4	0.0%	
Profit after tax	473.8	469.2	1.0%	
<i>Attributable to Brenntag shareholders</i>	466.5	466.7		
Earnings per share (in EUR)	3.02	3.02		

In 2020, Brenntag generated **sales** of 11,775.8 million EUR. **Operating gross profit*** rose by 3.3%** to 2,850.4 million EUR compared to 2,821.7 million in the previous year. **Operating EBITDA***** grew even more and reached 1,057.7 million EUR, a year-on-year increase of 8.3%.

With a total of 473.8 million EUR in the financial year 2020, **profit after tax** slightly increased compared to the prior-year figure (469.2 million EUR). Earnings per share stand at 3.02 EUR. At the General Shareholders' Meeting on June 10, 2021, the Board of Management and the Supervisory Board will propose a dividend of 1.35 EUR per share (2019: 1.25 EUR). Thus, Brenntag has increased the dividend every year since its initial public offering (IPO) in 2010.

Again, very positive development of the free cash flow

Consolidated cash flow (in EUR m)	Dec 31, 2020	Dec. 31, 2019
Cash provided by operating activities	1,219.0	879.3
Investments in non-current assets (Capex)	-201.9	-205.2
Free cash flow	1,054.6	837.3

At 1,054.6 million EUR, free cash flow was again well above the figure for the already high prior-year period (837.3 million EUR).

Georg Müller, Chief Financial Officer of Brenntag SE, said: “The development of the free cash flow was particularly positive. The increase can be attributed to different factors: we were able to grow our operating EBITDA. We tightly controlled our capex spending. In addition, we had cash inflows from the reduction of working capital on which we put increased focus since the beginning of 2020. The very positive free cash flow shows that we are able to deliver a strong liquidity performance, particularly in times of crisis.”

Consolidated balance sheet (in EUR m)	Dec 31, 2020	Dec 31, 2019
Total assets	8,143.5	8,564.2
Equity	3,611.6	3,579.0
Working capital	1,346.6	1,767.7
Net financial liabilities	1,339.9	2,060.5

The consolidated balance sheet reflects the company's sound financial profile.

EMEA with strong results throughout the financial year

EMEA (in EUR m)	2020	2019	Δ as reported	Δ fx adjusted
Sales	5,027.5	5,237.7	-4.0%	-2.7%
Operating gross profit*	1,235.7	1,141.6	8.2%	9.4%
Operating EBITDA***	475.9	406.3	17.1%	19.0%

Many industries in the EMEA (Europe, Middle East, and Africa) region showed strong results with Personal Care, Cleaning, Pharma, and Coatings & Construction performing particularly well. Brenntag EMEA generated operating gross profit of 1,235.7 million EUR, being 9.4% above the results of the previous year. Operating EBITDA reached 475.9 million EUR, a significant increase of 19.0%.

North America with weak performance in 2020

North America (in EUR m)	2020	2019	Δ as reported	Δ fx adjusted
Sales	4,191.0	4,787.1	-12.5%	-10.6%
Operating gross profit*	1,124.8	1,216.8	-7.6%	-5.6%
Operating EBITDA***	434.4	474.8	-8.5%	-6.6%

In 2020, Brenntag showed a weak performance in the North American region mainly caused by the continued soft demand in the Oil & Gas and Lubricants industries. Many other parts of the business developed positively. The North American companies generated operating gross profit of 1,124.8 million EUR, a decrease of 5.6% compared to the prior-year figures. Operating EBITDA sank to 434.4 million EUR, a drop of 6.6%.

Many industries contribute to strong results in Latin America

Latin America (in EUR m)	2020	2019	Δ as reported	Δ fx adjusted
Sales	819.4	854.2	-4.1%	6.0%
Operating gross profit*	186.6	177.0	5.4%	16.6%
Operating EBITDA***	63.5	55.9	13.5%	26.9%

The Latin American region showed strong results in the financial year 2020 with a variety of industries like Cleaning, Personal Care, and Pharma contributing to the results. Operating gross profit rose by 16.6% to 186.6 million EUR compared to the previous year. Operating EBITDA came to 63.5 million EUR, a significant increase of 26.9%.

Asia Pacific with very successful year

Asia Pacific (in EUR m)	2020	2019	Δ as reported	Δ fx adjusted
Sales	1,434.0	1,534.4	-6.5%	-3.9%
Operating gross profit*	282.5	266.8	5.9%	8.9%
Operating EBITDA***	123.8	101.1	22.5%	25.9%

After being hit by the pandemic early in the year, the Asia Pacific region recovered sequentially, with particularly China seeing a quick and strong recovery. Almost all countries and many industries contributed to the very good results. Brenntag generated operating gross profit of 282.5 million EUR, an increase of 8.9% compared to prior-year results. Operating EBITDA came to 123.8 million EUR, a substantial increase of 25.9%.

Successful go-live of transformation program “Project Brenntag”

The company’s comprehensive transformation program Project Brenntag went ahead as planned with the successful implementation of the new operating model and the two global divisions Brenntag Essentials and Brenntag Specialties beginning of 2021. The program received very positive feedback from the different stakeholders such as suppliers, customers, and investors. The various

Project Brenntag driven efficiency measures are expected to deliver an additional operating EBITDA of 220 million EUR in total in the financial year 2023, ramping up year by year. In 2020, Project Brenntag has already contributed to the positive results with an operating EBITDA impact of approximately 15 million EUR. Furthermore, 30 sites globally of the 100 earmarked for closing have been effectively shut down. Headcount has been reduced by almost 200 employees in a socially responsible manner.

Outlook for financial year 2021

Christian Kohlpaintner, Chief Executive Officer of Brenntag SE, said: “We still have to cope with the impacts of the pandemic around the globe and we expect a continued high level of uncertainty regarding the macro-economic development, in particular for the first half of 2021. Against this background, for the full year 2021, Brenntag expects an operating EBITDA between 1,080 and 1,180 million EUR.”

This range between 1,080 and 1,180 million EUR includes the potential efficiency improvement anticipated in the course of implementing the measures under Project Brenntag as well as the contributions from our acquisitions already closed and assumes that exchange rates will remain stable.

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

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

****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.*

About Brenntag:

Brenntag is the global market leader in chemicals and ingredients distribution. The company holds a central role in connecting customers and suppliers of the chemical industry. Headquartered in Essen, Germany, Brenntag has more than 17,000 employees worldwide and operates a network of more than 670 sites in 77 countries. In 2020, Brenntag generated sales of around 11.8 billion EUR. The two global divisions, Brenntag Essentials and Brenntag Specialties, provide 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 know-how, and digital solutions for a wide range of industries. In the field of sustainability, Brenntag pursues specific goals and is committed to sustainable solutions in its own sector and the industries served. Brenntag shares are listed at the Frankfurt Stock Exchange and are included in the MDAX and DAX 50 ESG. For more information, visit www.brenntag.com.

Press contact:

Verena Blaschke
Brenntag SE
Global Communications
Messeallee 11
45131 Essen
Germany
Telephone: +49 (201) 6496-1213
E-Mail: verena.blaschke@brenntag.de

Investor contact:

Thomas Altmann
Brenntag SE
Corporate Investor Relations
Messeallee 11
45131 Essen
Germany
Telephone: +49 (201) 6496-2102
E-Mail: IR@brenntag.de