

## Press Release

Mülheim/Ruhr, May 10, 2017

### **Brenntag continues its growth trajectory in the first quarter of 2017 and lifts key performance indicators**

- **Gross profit\* rose to 631.8 million EUR (+7.7% as reported)**
- **Operating EBITDA\*\* up by 4.9% on the previous year to 201.6 million EUR**
- **Positive business performance marked by strong growth in the EMEA and Asia Pacific regions and a stabilizing trend in North America**
- **Profit after tax stood at 94.7 million EUR and earnings per share rose to 0.61 EUR**

Brenntag (WKN A1DAH), the global market leader in chemical distribution, continued to grow in the first quarter of 2017, achieving a strong increase in its key performance indicator gross profit\* in particular. The successful performance was due to further solid growth in the Europe, Middle East and Africa (EMEA) and Asia Pacific regions, plus the fact that demand in North America stabilized as expected. These positive developments more than offset the declines in earnings in Latin America, where the situation in several countries remained difficult.

Brenntag generated **sales** of 2,973.3 million EUR in the first quarter of 2017, an increase of 15.2% on the prior-year period (+12.8% on a constant currency basis). The Group's key performance indicator **gross profit** showed strong growth, rising by 7.7% year on year (5.5% on a constant currency basis) to 631.8 million EUR. **Operating EBITDA** reached 201.6 million EUR, a rise of 4.9% compared with the prior-year quarter (+2.5% on a constant currency basis).

**Profit after tax** was up on the prior-year figure of 66.0 million EUR to 94.7 million EUR in the first quarter of 2017. This translates into earnings per share attributable to Brenntag shareholders of 0.61 EUR.

At 25.7 million EUR in the first quarter of 2017, free cash flow was below prior-year period (131.2 million EUR). This is due mainly to the increase in working capital normally seen as prices increase on the chemical market in particular. Actually, at the same time we were able to improve working capital turnover slightly.

Steven Holland, Chief Executive Officer of Brenntag AG, said, "Brenntag had a good start to 2017. We saw encouraging trends in the first quarter, with further growth in our EMEA and Asia Pacific regions. In addition, demand in North America improved slightly as expected and Brenntag therefore posted a rise in operating gross profit here, too. In our smallest region, Latin America, the situation in several countries remained difficult, but this was only of limited significance for the Group."

#### **EMEA posts further earnings growth**

In a macroeconomic environment still marked by only moderate expansion, Brenntag EMEA continued to grow in the first quarter of 2017. Operating gross profit was up by 4.3% on the prior-year figure (+5.1% on a constant currency basis) to 279.0 million EUR. Operating EBITDA climbed to 95.8 million EUR, a rise of 8.5% (+9.1% on a constant currency basis). This encouraging earnings growth is due in particular to a very positive, broad-based trend in a number of European countries.

#### **Improved macroeconomic environment in North America as expected**

The macroeconomic environment in North America was more benign in the first quarter of 2017, with industrial production showing slight growth for the first time in five quarters. As expected, demand from customers in the oil and gas industry also stabilized. These slightly improved conditions were reflected in operating gross profit: this rose by 11.6% (+7.5% on a constant currency basis) to 272.5 million EUR. Operating EBITDA was up by 4.7% on the prior-year quarter (+1.0% on a constant currency basis) to 88.6 million EUR.

### **Situation in Latin America remains volatile**

The smallest Brenntag region faced a persistently difficult economic environment, with demand still weak in several Latin American markets. This had a corresponding impact on the results of Brenntag Latin America: operating gross profit was up by 0.2% on the prior-year figure (-9.0% on a constant currency basis) to 43.7 million EUR. The region posted operating EBITDA of 9.2 million EUR, a decline of 25.8% on the previous year (-34.3% on a constant currency basis).

### **Asia Pacific makes a good start to the year**

Brenntag Asia Pacific sustained its encouraging performance into the first quarter of 2017, posting further earnings growth. Operating gross profit rose by 15.3% (+12.1% on a constant currency basis) to 48.3 million EUR. Operating EBITDA amounted to 17.0 million EUR, a rise of 14.1% (11.1% on a constant currency basis). Both the existing operations and the businesses acquired in 2016 contributed to the growth.

### **Growth still forecast for 2017 as a whole**

In light of the first-quarter results and macroeconomic developments in the regions, Brenntag continues to expect growth in its key performance indicators operating gross profit and operating EBITDA.

<b>Consolidated Income Statement</b>		<b>Q1 2017</b>	Q1 2016	$\Delta$ as reported	$\Delta$ adjusted for exchange rate effects
Sales	in EUR m	2,973.3	2,580.1	15.2%	12.8%
Gross profit*	in EUR m	631.8	586.6	7.7%	5.5%
Operating EBITDA**	in EUR m	201.6	192.1	4.9%	2.5%
Operating EBITDA** / Gross profit*	%	31.9	32.7		
Profit before tax	in EUR m	138.3	101.4	36.4%	-
Profit after tax	in EUR m	94.7	66.0	43.5%	-
<i>Attributable to Brenntag shareholders</i>		94.5	65.9	43.4%	-
Earnings per share	EUR	0.61	0.43	41.9%	-

<b>Consolidated Balance Sheet</b>		<b>March 31, 2017</b>	Dec. 31, 2016
Total assets	in EUR m	7,472.0	7,287.0
Equity	in EUR m	3,054.6	2,959.2
Working capital	in EUR m	1,511.2	1,354.6
Net financial liabilities	in EUR m	1,657.6	1,681.9

<b>Consolidated Cash Flow</b>		<b>Q1 2017</b>	Q1 2016
Cash provided by operating activities	in EUR m	75.7	99.0
Investments in non-current assets (Capex)	in EUR m	-20.1	-17.6
Free cash flow	in EUR m	25.7	131.2

<b>EMEA</b>		<b>Q1 2017</b>	Q1 2016	$\Delta$ as reported	$\Delta$ adjusted for exchange rate effects
Sales	in EUR m	1,254.7	1,154.2	8.7%	9.4%
Operating gross profit*	in EUR m	279.0	267.6	4.3%	5.1%
Operating EBITDA**	in EUR m	95.8	88.3	8.5%	9.1%

<b>North America</b>		<b>Q1 2017</b>	Q1 2016	$\Delta$ as reported	$\Delta$ adjusted for exchange rate effects
Sales	in EUR m	1,129.8	941.3	20.0%	15.6%
Operating gross profit*	in EUR m	272.5	244.2	11.6%	7.5%
Operating EBITDA**	in EUR m	88.6	84.6	4.7%	1.0%

<b>Latin America</b>		<b>Q1 2017</b>	Q1 2016	$\Delta$ as reported	$\Delta$ adjusted for exchange rate effects
Sales	in EUR m	210.1	191.8	9.5%	-0.8%
Operating gross profit*	in EUR m	43.7	43.6	0.2%	-9.0%
Operating EBITDA**	in EUR m	9.2	12.4	-25.8%	-34.3%

<b>Asia Pacific</b>		<b>Q1 2017</b>	Q1 2016	$\Delta$ as reported	$\Delta$ adjusted for exchange rate effects
Sales	in EUR m	285.5	234.1	22.0%	18.4%
Operating gross profit*	in EUR m	48.3	41.9	15.3%	12.1%
Operating EBITDA**	in EUR m	17.0	14.9	14.1%	11.1%

\* While Brenntag reports operating gross profit on segment level, the company reports gross profit on Group level. Operating gross profit is defined as sales less costs of material for goods purchased and supplies, services purchased, packaging materials, supplier rebates and increase/decrease in finished goods. Gross profit is defined as operating gross profit less production/mixing and blending costs.

\*\*The key earnings metric used at Brenntag for segment management is operating EBITDA. Operating EBITDA is the operating profit as reported in the consolidated income statement plus amortization of intangible assets and depreciation of property, plant and equipment. At Group level, operating EBITDA corresponds to EBITDA. Segment operating EBITDA is calculated as segment EBITDA adjusted for holding charges. These are certain costs charged between holding companies and operating companies. At Group level, they net to zero.

**About Brenntag:**

Brenntag, the global market leader in chemical distribution, covers all major markets with its extensive product and service portfolio. Headquartered in Mülheim an der Ruhr, Germany, the company operates a global network with more than 550 locations in 74 countries. In 2016, the company, which has a global workforce of around 15,000 employees, generated sales of EUR 10.5 billion (USD 11.6 billion). Brenntag connects chemical manufacturers and chemical users. The company supports its customers and suppliers with tailor-made distribution solutions for industrial and specialty chemicals. With over 10,000 products and a world-class supplier base, Brenntag offers one-stop-shop solutions to around 185,000 customers. This includes specific application technology, an extensive technical support and value-added services such as just-in-time delivery, product mixing, formulation, repackaging, inventory management and drum return handling. Long-standing experience and local excellence in the individual countries characterize the global market leader for chemical distribution.

**Press contact:**

Hubertus Spethmann  
Brenntag AG  
Corporate Communications  
Stinnes-Platz 1  
45472 Mülheim an der Ruhr  
Germany  
Telephone: +49 (208) 7828-7701  
Fax: +49 (208) 7828-7220  
E-Mail: [hubertus.spethmann@brenntag.de](mailto:hubertus.spethmann@brenntag.de)  
<http://www.brenntag.com>

**Financial media / Investor contact:**

Thomas Langer, Diana Alester, René Weinberg  
Brenntag AG  
Corporate Finance & Investor Relations  
Stinnes-Platz 1  
45472 Mülheim an der Ruhr  
Germany  
Telephone: +49 (208) 7828-7653  
Fax: +49 (208) 7828-7755  
E-Mail: [IR@brenntag.de](mailto:IR@brenntag.de)  
<http://www.brenntag.com>