

Connecting**Chemistry**



Annual Media Call Full Year 2018 Results



■ March 6, 2019

Brenntag AG, Essen, Germany

AGENDA

FY 2018 results presentation

- Review 2018 – Steven Holland**
- Financials 2018 – Georg Müller
- Outlook 2019 – Steven Holland
- Q&A

REVIEW 2018

Highlights 2018

**Operating
Gross Profit**

+7.5% (fx adj.)

EUR 2,660.9m

**Operating
EBITDA**

+8.4% (fx adj.)

EUR 875.5m

**Free cashflow
generation**

+19.3%

EUR 525.2m

EPS

+27.4%

EUR 2.98

**Growth driven
organically**

Local execution and
implementation of
initiatives

**M&A strategy
executed**

EUR ~265m
(acquired EV in 2018)

**Non-core
business sold**

EUR ~72m
(EV of Biosector
business)

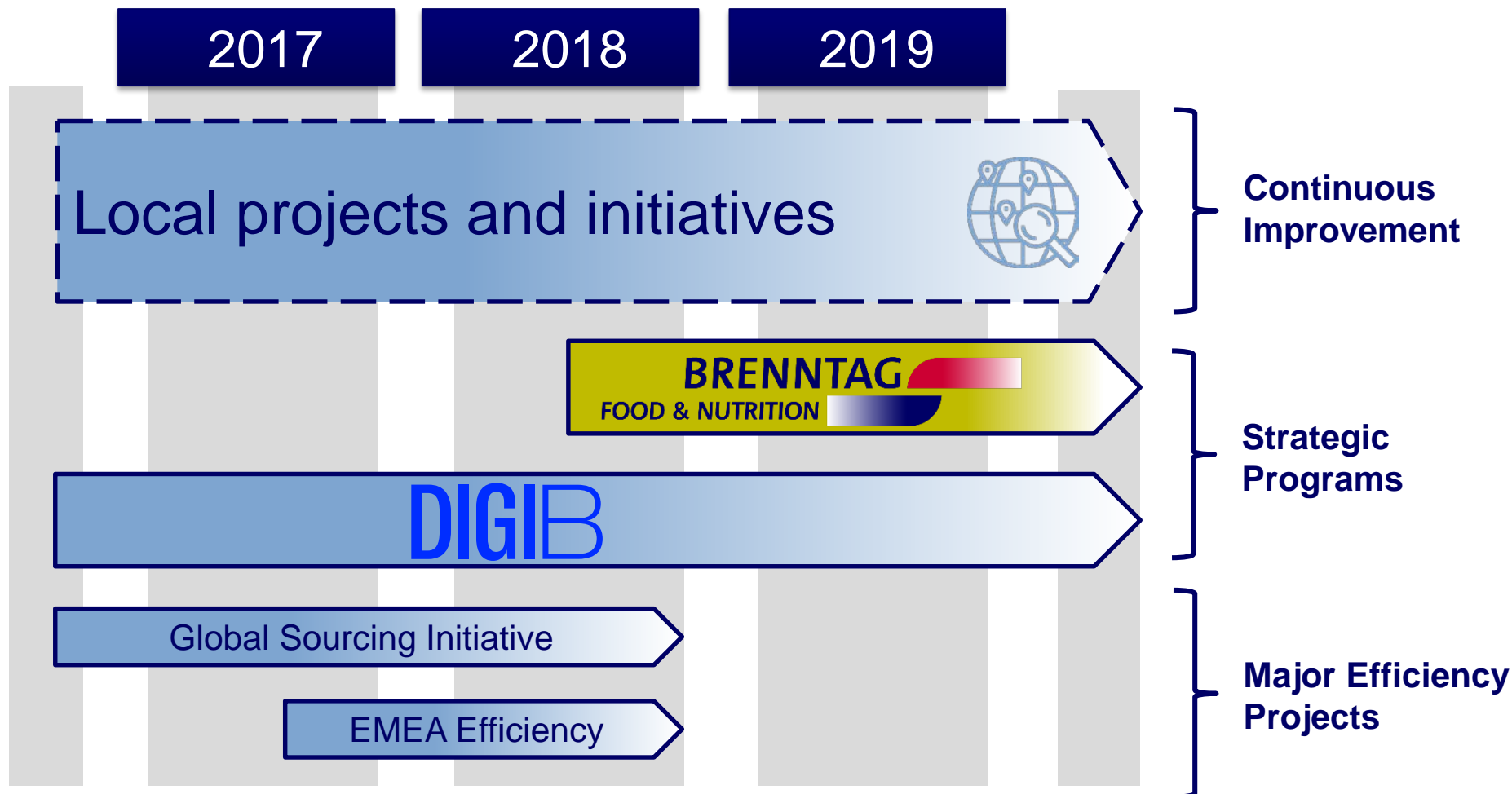
**Dividend
proposal**

EUR 1.20 DPS

**+9.1%: 8th consecutive
increase**

REVIEW 2018

We are continuously shaping the future of Brenntag



FOOD & NUTRITION REPOSITIONING**Driving growth in the Food & Nutrition industry****Food & Nutrition market is highly attractive****Societal
mega trends**

Growing life expectancy



Global population growth



Sustainability

**Nutritional
mega trends**

Nutritional functionality



Personalization



All natural



Responsibility expectations

Our Food & Nutrition Approach

Global management of strategy, marketing procurement and technology



Dedicated sales, marketing and technical support



Fast and agile decision making



Food-specific branding



Dedicated M&A strategy and further investments in infrastructure



Focus on profitability

REVIEW 2018

Segments – EMEA

in EUR m	FY 2018	FY 2017	Δ in %	in % (fx adj.)
Operating gross profit	1,141.2	1,094.8	4.2	5.5
Operating EBITDA	385.5	365.6	5.4	7.2

Update

- Macroeconomic environment softening in the course of the year
- Organic growth in operating gross profit and operating EBITDA (+3%)
- Initiatives: implemented and contributed

REVIEW 2018

Segments – North America

in EUR m	FY 2018	FY 2017	Δ in %	in % (fx adj.)
Operating gross profit	1,118.3	1,073.9	4.1	8.9
Operating EBITDA	409.6	385.0	6.4	11.2

Update

- Generally good macroeconomic environment
- Growth is almost entirely organic
- Operating EBITDA increased by 11% organically
- Growth is broad based across all main customer industries
- Inflation in cost base noticeable and “pass through” is managed effectively

REVIEW 2018

Segments – Latin America

in EUR m	FY 2018	FY 2017	Δ in %	in % (fx adj.)
Operating gross profit	163.1	172.5	-5.4	1.9
Operating EBITDA	39.9	42.4	-5.9	2.3

Update

- Volatile macroeconomic conditions with a declining industrial production
- Organic growth of op. gross profit and operating EBITDA despite macro headwinds
- Situation in the countries differs
- Brazil and Colombia with above average positive contribution
- Overall the region remains to be volatile
- Brenntag as market leader is well positioned in given environment

REVIEW 2018

Segments – Asia Pacific

in EUR m	FY 2018	FY 2017	Δ in %	in % (fx adj.)
Operating gross profit	224.2	198.7	12.8	17.2
Operating EBITDA	77.9	73.7	5.7	9.4

Update

- Weakening trends in the macroeconomic indicators
- Growth in operating gross profit and operating EBITDA
- First half of the year stronger than second half
- Organic op. EBITDA flattish / positive contribution from M&A
- Mixed picture in the countries
- Region with the highest long-term growth potential

REVIEW 2018

Successful execution of acquisition strategy in all four regions**EMEA**

- Quimitécnica, Portugal¹⁾
- Alphamin S.A., Belgium
- Desbro Group, Kenya²⁾

- Disposal of Biosector business

North America

- Canada Colors and Chemicals Ltd., Canada
- Pachem Distribution Inc., Canada

Latin America

- Conquimica S.A., Colombia¹⁾

Asia Pacific

- Raj Petro Specialities Pvt Ltd, India¹⁾

M&A 2018: Enterprise Values of ~EUR 265m closed

1) Acquisition was signed in 2017
2) Acquisition signed but not yet closed

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FINANCIALS 2018

Income statement

in EUR m	FY 2018	FY 2017	Δ	Δ FX adjusted
Sales	12,550.0	11,743.3	6.9%	10.2%
Operating gross profit	2,660.9	2,554.1	4.2%	7.5%
Operating EBITDA	875.5	836.0	4.7%	8.4%
Op. EBITDA/Op. gross profit	32.9%	32.7%		
Profit after tax	462.3	362.0	27.7%	

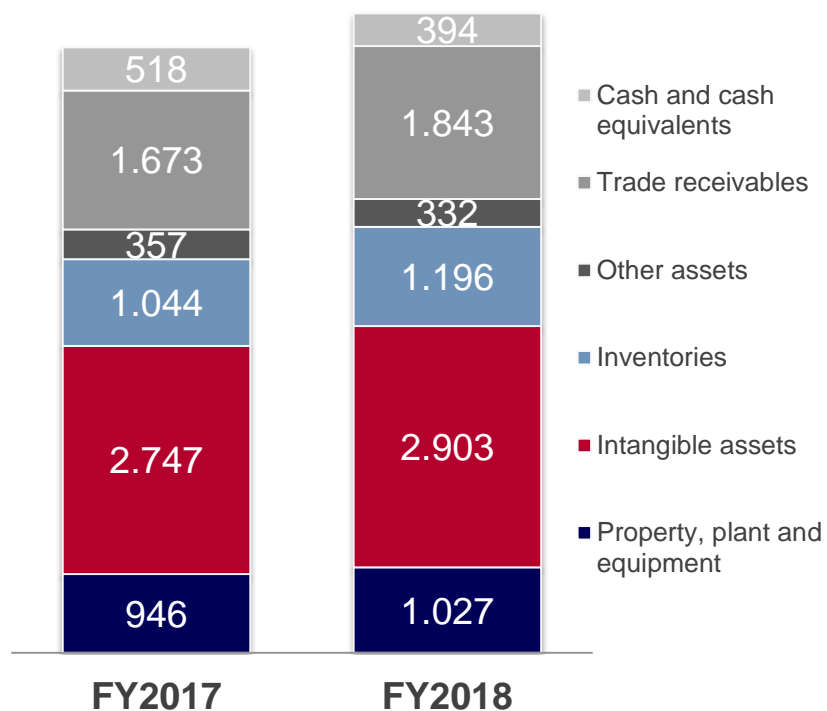
FINANCIALS 2018

Balance Sheet as of December 31, 2018

Assets (in EUR m)

7,285

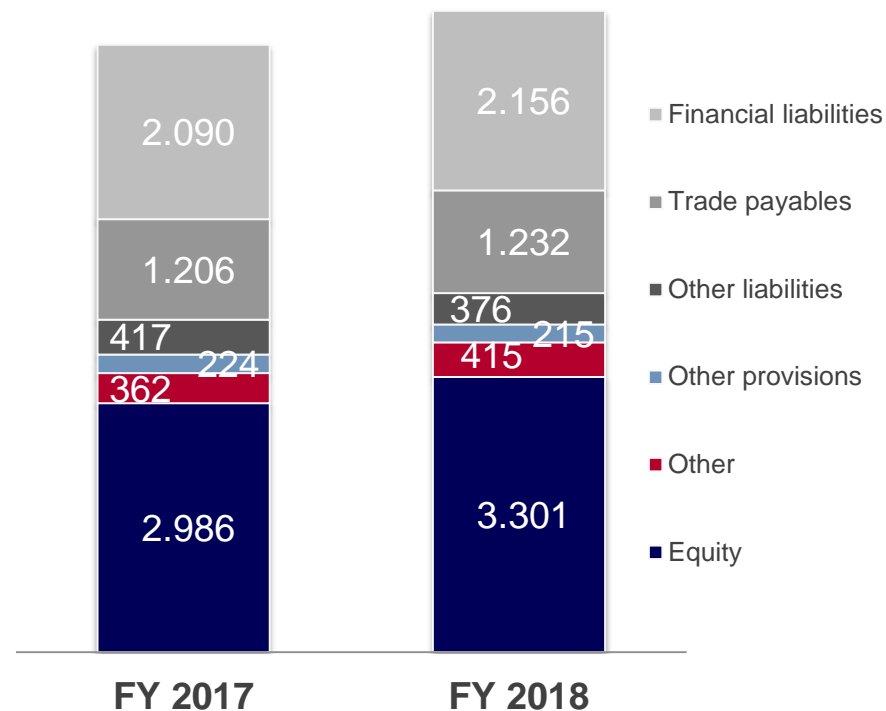
7,695



Liabilities and Equity (in EUR m)

7,285

7,695



FINANCIALS 2018

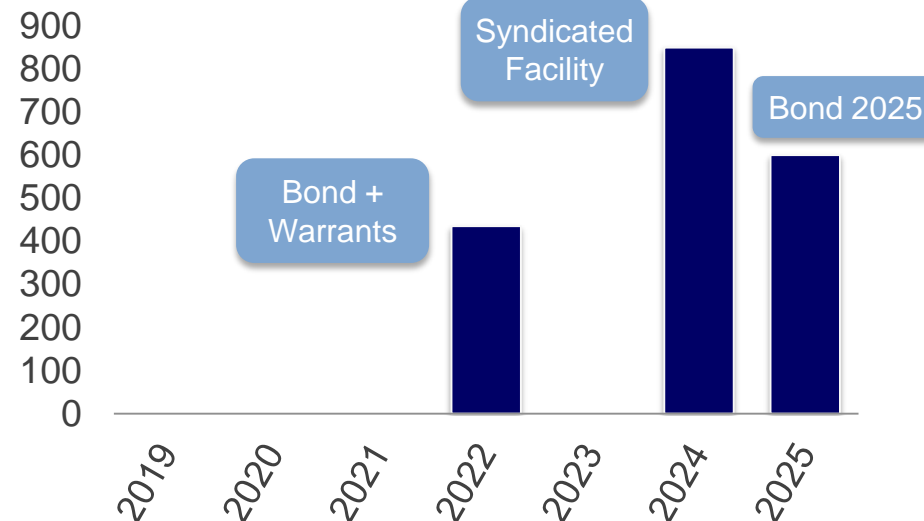
Financial stability of Brenntag Group

Leverage: Net debt/Operating EBITDA ¹⁾

- Constant leverage levels over period with M&A activity
- Investment-grade ratings from Standard & Poor's ("BBB") and Moody's ("Baa3")

Maturity profile as of January 31, 2019

in EUR m



- Long term balanced maturity profile
- Bond 2018 repayment in July 2018

¹⁾ Net debt defined as current financial liabilities plus non-current financial liabilities less (cash and cash equivalents)

FINANCIALS 2018

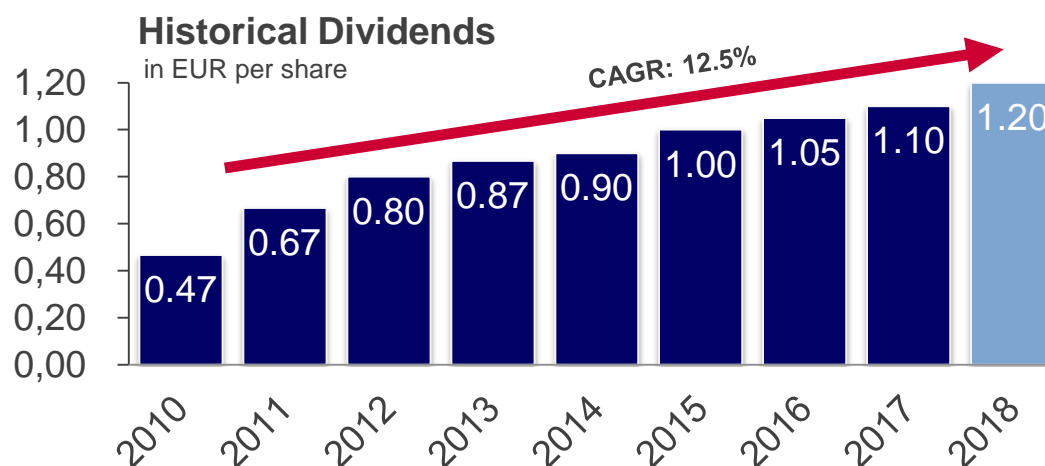
Free cash flow

in EUR m	2018	2017	Δ	Δ
Operating EBITDA	875.5	836.0	39.5	4.7%
CAPEX	-172.2	-148.1	-24.1	16.3%
Δ Working capital	-178.1	-247.6	69.5	-28.1%
Free cash flow	525.2	440.3	84.9	19.3%

FINANCIALS 2018

Further dividend increase proposed

in EUR m	2018	2017	Δ
Profit after tax	462.3	362.0	27.7%
Less minority interest	1.4	1.2	
Profit after tax (consolidated) attributable to shareholders of Brenntag AG	460.9	360.8	27.7%
Proposed dividend payment	185.4	169.9	
Proposed Dividend per share in EUR	1.20	1.10	9.1%
Payout ratio	40.2%	47.1%	



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OUTLOOK

Brenntag expects growth in softer environment

	2019	Mid term
Macro	Softening of macroeconomic indicators	2-3% p.a. IP growth (assumption)
EBITDA	3-7% growth (fx adj., incl. M&A and frozen GAAP)	4-6% p.a. growth (fx adj., organic)
CAPEX	EUR ~220m less EUR ~25m compensation	
Comments	<ul style="list-style-type: none">▪ Macro outlook softened in recent months▪ Weaker start into the year, mainly in EMEA▪ Phasing of growth: Stronger growth in H2 2019▪ Based on Frozen GAAP (i.e. IFRS 16 impacts not included)	

THANK YOU FOR YOUR ATTENTION



**Steven Holland,
CEO**

- With Brenntag since 2006
- +30 years of dedicated experience
- Region Latin America, Corp. Communications, Development, HR, HSE, Internal Audit + Compliance, M&A, Sustainability



**Georg Müller,
CFO**

- With Brenntag since 2003
- +10 years of experience in chemicals distribution
- Corp. Accounting, Controlling, Finance & IR, Legal, Tax, Risk Management, Brenntag International Chemicals

We are ready to answer your questions!

DISCLAIMER

This presentation may contain forward-looking statements based on current assumptions and forecasts made by Brenntag AG 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 AG does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to conform them to future events or developments.

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