



Our path to Horizon 3

Brenntag SE Media Call at Capital Markets Day, December 5, 2023

Our path to Horizon 3

 **CMD 2022**
Strategy to win: Horizon 2

-  Accelerate growth through differentiated steering
-  Implement DiDEX¹⁾
-  Lead the sustainability agenda
-  Drive market consolidation through successful M&A

Easiest to do business with

 **CMD 2023**
Our path to Horizon 3

- 1 Fostering divisional independence and autonomy
- 2 Align divisional portfolios with business drivers and market requirements
- 3 Brenntag Essentials
Unleashing the true potential of the platform
- 4 Brenntag Specialties
Power to perform
- 5 Creating future optionality

Leader across all dimensions

Distinct, high performing businesses aligned with business drivers and market requirements



Ewout van Jarwaarde
Chief Executive Officer
Brenntag Essentials



Dr. Christian Kohlpaintner
Chief Executive Officer



Dr. Kristin Neumann
Chief Financial Officer



Michael Friede
Chief Executive Officer
Brenntag Specialties

Announced in July 2023 / Go-live in January 2024

Brenntag Essentials ExCo¹⁾

Brenntag Essentials

- Cost efficiency
- Secure and safe handling of supply chains
- Global reach and last mile delivery

Business steered by **Regions**

Reduced Board size and new reporting structure

Brenntag Specialties ExCo¹⁾

Brenntag Specialties

- Customized solutions and expertise
- Deep industry and product knowledge
- Innovation and application center capabilities

Business steered by **Global End Markets**

More **autonomous and independent decision-making** through divisional CEOs supported by ExCos

Shift of specific support functions to divisions (including DiDEX)



Portfolio sharpening to increase business model coherence

Brenntag Essentials



Unleash **true potential** through **superior last mile delivery** supported by **efficient regional operations and global sourcing**

- Water treatment
- Finished lubricants
- Selected semi-specialty products
- Consolidating Pharma ecosystem

Brenntag Specialties



Global leader for innovative specialty and ingredients distribution in Life Science and Material Science



Transfer of businesses according to market drivers to improve value creation potential

Product shift to align with industry segment demands and foster business model coherence

Supporting ecosystem concept to reduce complexity in commercial execution



Brenntag Essentials: Unleashing the true potential of the platform

Executing our 'Triple' strategy to unleash the potential of BES's unrivalled platform



Resilient and structurally growing



Unleashing Brenntag Essentials' true potential



Targeted M&A as an accelerator

Last Mile Service Operations



Regional Sourcing and Supply Chain Services



Global Sourcing and Interregional Optimization



Customer reach, proximity, cost efficient network and service excellence



Supply chain optimization, regional product management, tollgate access and supplier relationships



Leverage global scale, global optimization and product trade flows

Brenntag Specialties: Power to perform

Clear and comprehensive strategy to accelerate BSP's financial performance and close the performance gap



**Optimizing
BSP's platform**



**Closing BSP's
performance gap**



**Delivering
consistent growth**

Initiatives

Expand margins by value-based pricing

Prioritize cost base adjustment

Drive product portfolio management

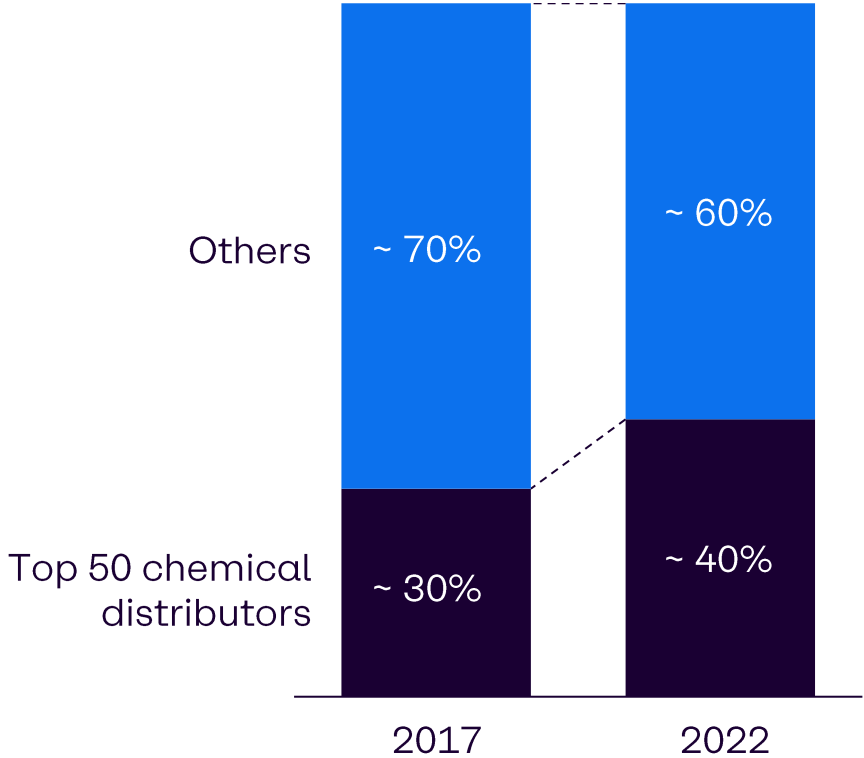
Leverage value added services

Focused M&A to shift portfolio towards Life Science

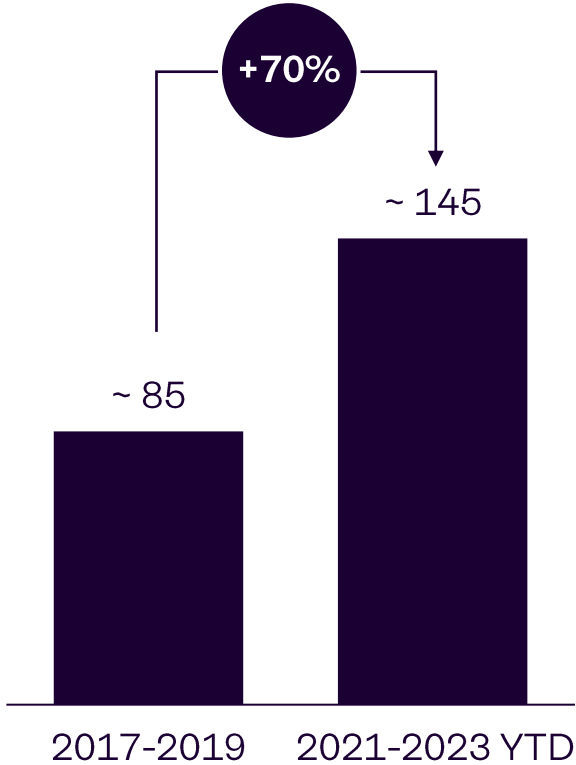


Consolidation in chemical distribution has accelerated

Global chemical distribution market sales



Number of deals executed by Top 50 chemical distributors

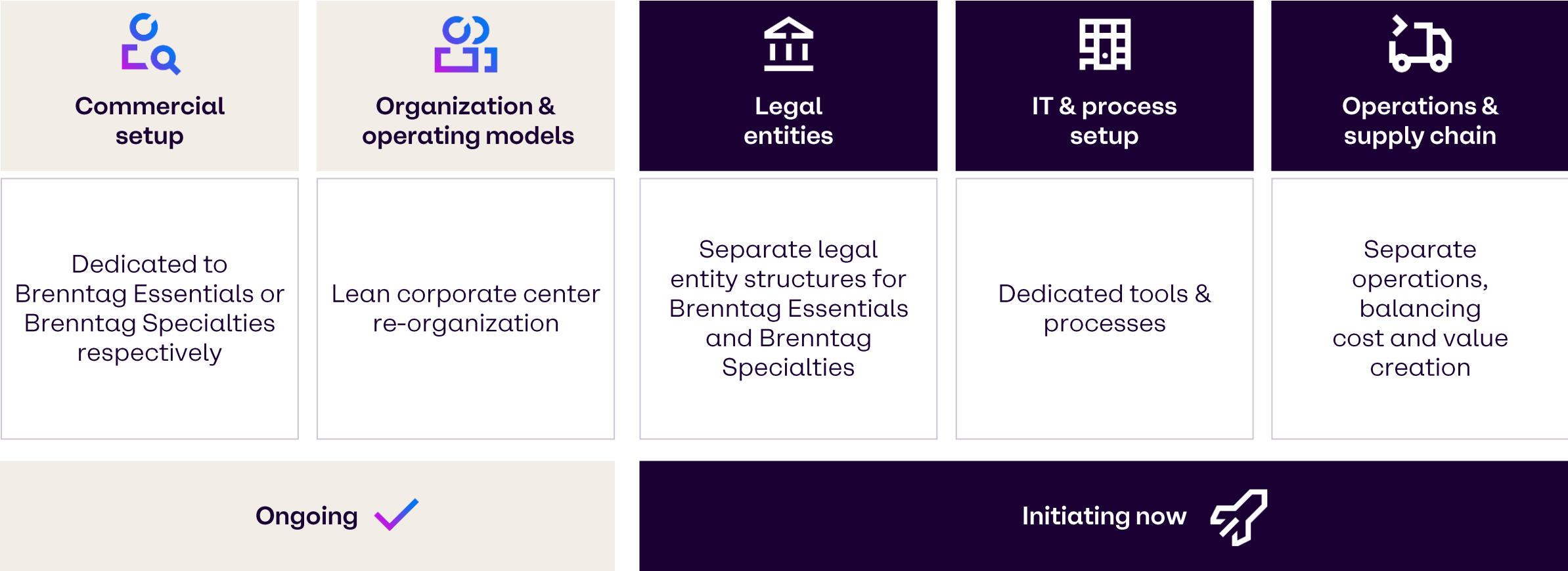


Top 50 players have gained 10%-points market share over last 5 years

Trend supported by 70% more M&A activity



Further increasing internal re-organization efforts to foster agility and efficiency



Our path towards Horizon 3



Portfolio sharpening

- Aligning Brenntag Essentials and Brenntag Specialties propositions with market trends




Full business autonomy

- Focus and performance for both divisions
- Accelerate ongoing cost initiatives to reset cost base



Creating optionality

- Legal disentanglement
- Operational disentanglement
- Flexibility to proactively shape the industry

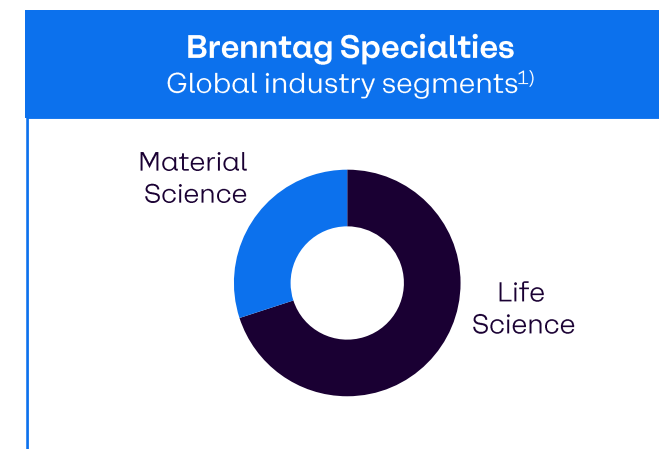
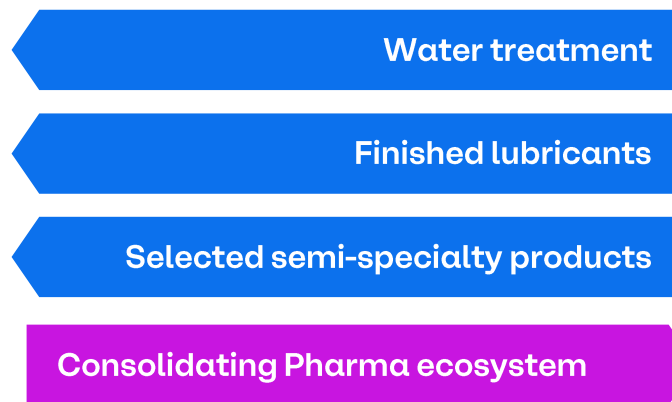
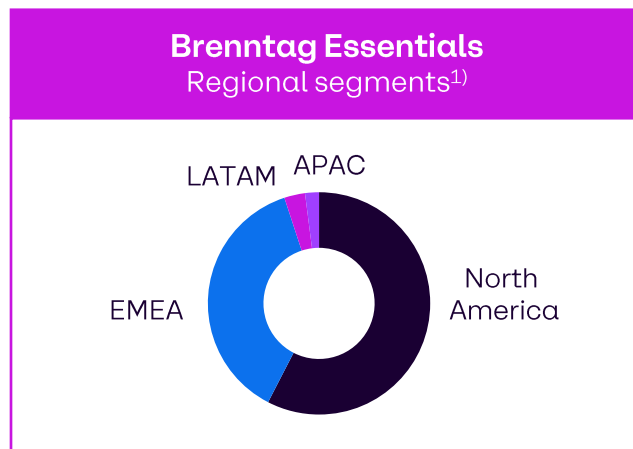


Leader across all dimensions 2026+

Two fully autonomous and high performing businesses prepared to shape the industry

New divisional setup will be reflected in updated reporting structure from Q1 2024 onwards

Revenue-generating parts of 'All other Segments' will be included in Brenntag Essentials going forward



Indicative Split

FY23E Op. Gross Profit	60%	Pre portfolio shift	40%
	70%	Post portfolio shift	30%
FY23E Conversion Ratio ²⁾	31-33%	Pre portfolio shift	37-39%
	31-33%	Post portfolio shift	38-40%

¹⁾ Indicative FY23E Op. Gross Profit split

²⁾ Calculated as Op. EBITA / Op. Gross Profit

M&A is a core part of the growth story

Compounding value creation over time¹⁾



EUR ~5.4bn of acquired revenue



EUR ~3.4bn spent on ~100 acquisitions



~8x average EBITDA pre-synergies multiple



~3% annual Op. EBITA growth contribution

M&A since implementation of new operating model²⁾

	Essentials	Life Science	Material Science
EMEA			
North America			
APAC			

>400 potential targets in the M&A pipeline for BES & BSP

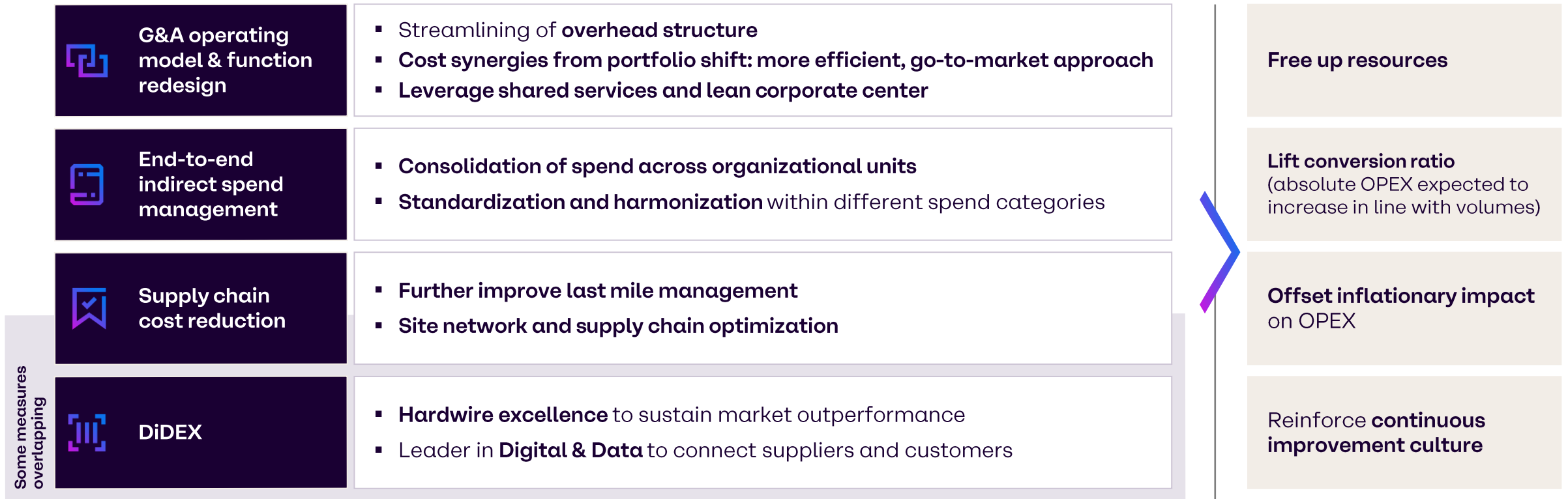
¹⁾ 2010 – 2023 YTD November

²⁾ 2020 – 2023 YTD November

11 ³⁾ Categorized as BES following portfolio shift



Accelerating ongoing initiatives and resetting the cost base



Cost take-out of around EUR 300m p.a. by 2027 included in mid-term guidance

Brenntag Group 2027 organic growth and profitability targets

	Brenntag Group	Brenntag Essentials	Brenntag Specialties
Operating Gross Profit CAGR	4 - 7%	4 - 6%	5 - 7%
Operating EBITA CAGR	7 - 9%	5 - 7%	7 - 9%
Operating EBITA Conversion Ratio	35 - 37%	32 - 34%	43 - 45%

One-off costs:

DiDEX and SAP implementation (included in Operating EBITA & Capex)¹⁾

~EUR 250m

Achievement of cost take-out / legal entity and operations separation incl. tax leakage (special items)

EUR 450 - 650m

Note: Base year FY23E post portfolio shift and including DiDEX-related uplift and cost take-out in CAGR figures and conversion ratio

13 ¹⁾85% included in Opex, 15% included in Capex



Our path to Horizon 3: Becoming the leader across all dimensions

Two **distinct and autonomous businesses**
with **one lean center**

Portfolio sharpening to increase **business
model coherence**

Unleashing the true potential of
Brenntag Essentials' platform



Crystalize **Brenntag Specialties' power to
perform**

Creating **optionality for the future**

Updated growth guidance with organic
Op. EBITA CAGR of 7-9%

Thank you for your attention!



Christian Kohlpaintner
CEO

**We are happy
to answer your
questions!**



Kristin Neumann
CFO