

Connecting**Chemistry**

BRENNTAG 

Annual Press Conference 2015



18 March 2015

AGENDA**Annual Press Conference 2015**

Topic	Speaker	Time
1. Welcome	Hubertus Spethmann	10.00 am
2. 2014 at a glance		
2.1. Highlights	Steven Holland	10.05 am
2.2. Financial performance	Georg Müller	10.10 am
3. Outlook and summary	Georg Müller	10.30 am
4. Core elements of our business	Steven Holland	10.40 am
5. Questions and answers	all	11.00 am
<i>Get together with light lunch</i>		11.30 am

WELCOME

Management Board



**Steven Holland,
CEO**

- With Brenntag since 2006
- +30 years of dedicated experience
- Corp. Communications, Development, HR, HSE, Internal Audit, M&A, regions Europe and Asia Pacific



**Georg Müller,
CFO**

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



**William Fidler,
Board Member**

- With Brenntag since 1970
- +40 years of experience in chemicals distribution
- Regions North and Latin America, Global Sourcing

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HIGHLIGHTS 2014
Important events

January 2014

Opening of dedicated Rubber service facility in Italy

March 2014

Extention of the terms of existing financing ahead of schedule

August 2014

Implementation of 1:3 stock split

October 2014

Joining UN Global Compact

HIGHLIGHTS 2014**Successful acquisitions**

Acquired company	Strategic rationale
Gafor Distribuidora Ltd, Sao Paulo, Brazil	Expanding market presence and achieving critical mass in Brazil as the most important market in Latin America.
Philchem, Inc., Houston, Texas, USA	Benefit from an excellent know-how in selected product groups. Philchem has long-term relationships with key suppliers and is specialized on managing supply and demand situations.
Chimab SPA, Padua, Italy	Improving position in the interesting and large Italian food industry.
SurtiQuímicos S.A., Bogotá, Colombia	Increase specialty chemicals market penetration in Latin America.
Fred Holmberg & Co AB, Malmö, Sweden (closed in March 2015)	Strengthening and expanding infrastructure and industrial chemicals product portfolio in the Nordic region.

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HIGHLIGHTS 2014**Introductory remarks to 2014 figures****Macro
Economy**

Moderate macro economic recovery in our main markets

Gross profit

Gross profit of EUR 2,027.5m with a growth of 4.8% on a constant FX basis

EBITDA

Operating EBITDA of EUR 726.7m is above guidance range of EUR 700m to 720m (growth of 4.3% on a constant FX basis)

**Free Cash
Flow**

Strong free cash flow of EUR 521.6m

EPS

Earnings per share remain stable at EUR 2.20

Dividend

Proposed dividend payment of EUR 0.90 per share means increase of 3.8% (payout ratio of 41.0%)

FINANCIAL PERFORMANCE

Income statement

in EUR m	2014	2013	Δ	Δ FX adjusted
Sales	10,015.6	9,769.5	2.5%	3.2%
Gross profit	2,027.5	1,945.5	4.2%	4.8%
Operating EBITDA	726.7	698.3	4.1%	4.3%
Operating EBITDA/Gross profit	35.8%	35.9%		
EBIT	591.6	555.9	6.4%	
Profit after tax	339.7	338.9	0.2%	

FINANCIAL PERFORMANCE

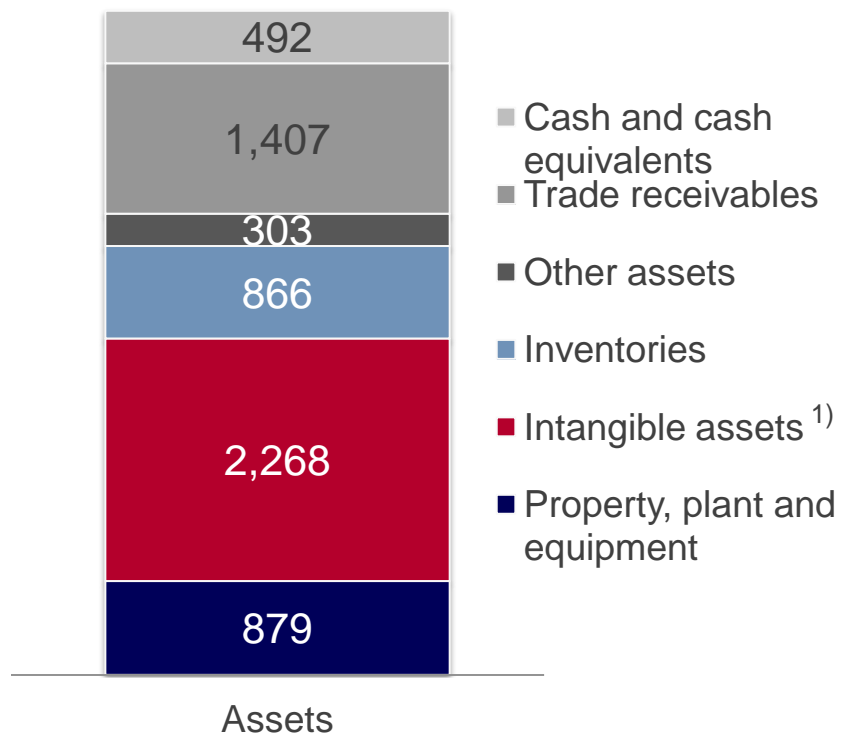
Segments

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
Operating gross profit	2014	972.0	802.2	169.5	120.7	13.8	2,078.2
	2013	930.0	763.1	163.6	121.7	13.9	1,992.3
	Δ	4.5%	5.1%	3.6%	-0.8%	-0.7%	4.3%
	Δ FX adjusted	4.3%	6.0%	6.1%	1.9%	-0.7%	4.9%
Operating EBITDA	2014	335.9	323.6	46.8	41.2	-20.8	726.7
	2013	297.4	325.7	47.0	47.5	-19.3	698.3
	Δ	12.9%	-0.6%	-0.4%	-13.3%	-7.8%	4.1%
	Δ FX adjusted	12.4%	-0.2%	2.9%	-13.1%	-7.8%	4.3%

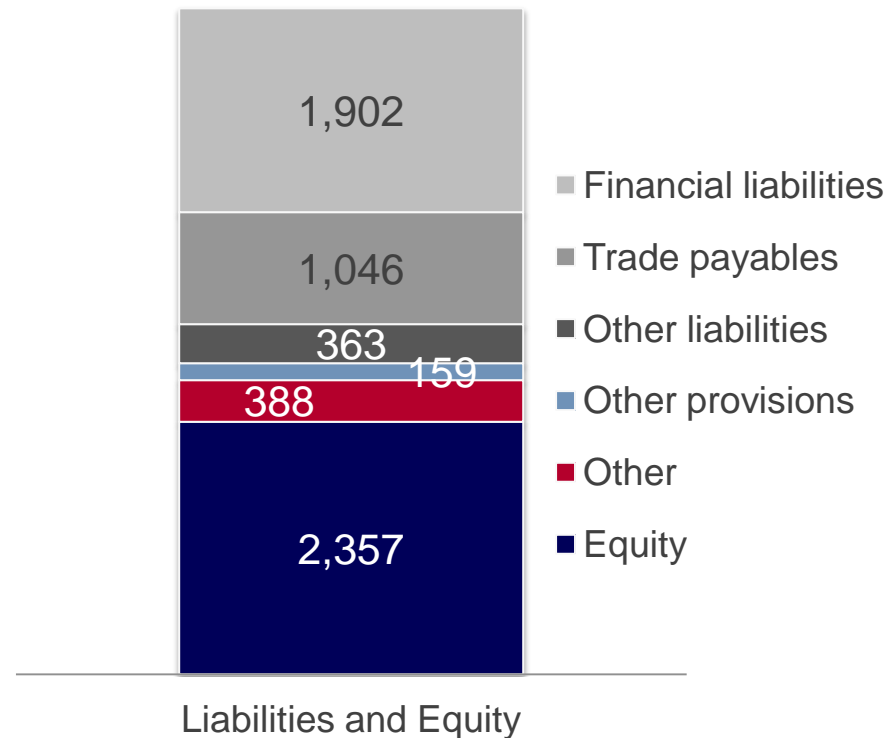
FINANCIAL PERFORMANCE

Balance Sheet as of 31 December 2014

in EUR m **6,215**



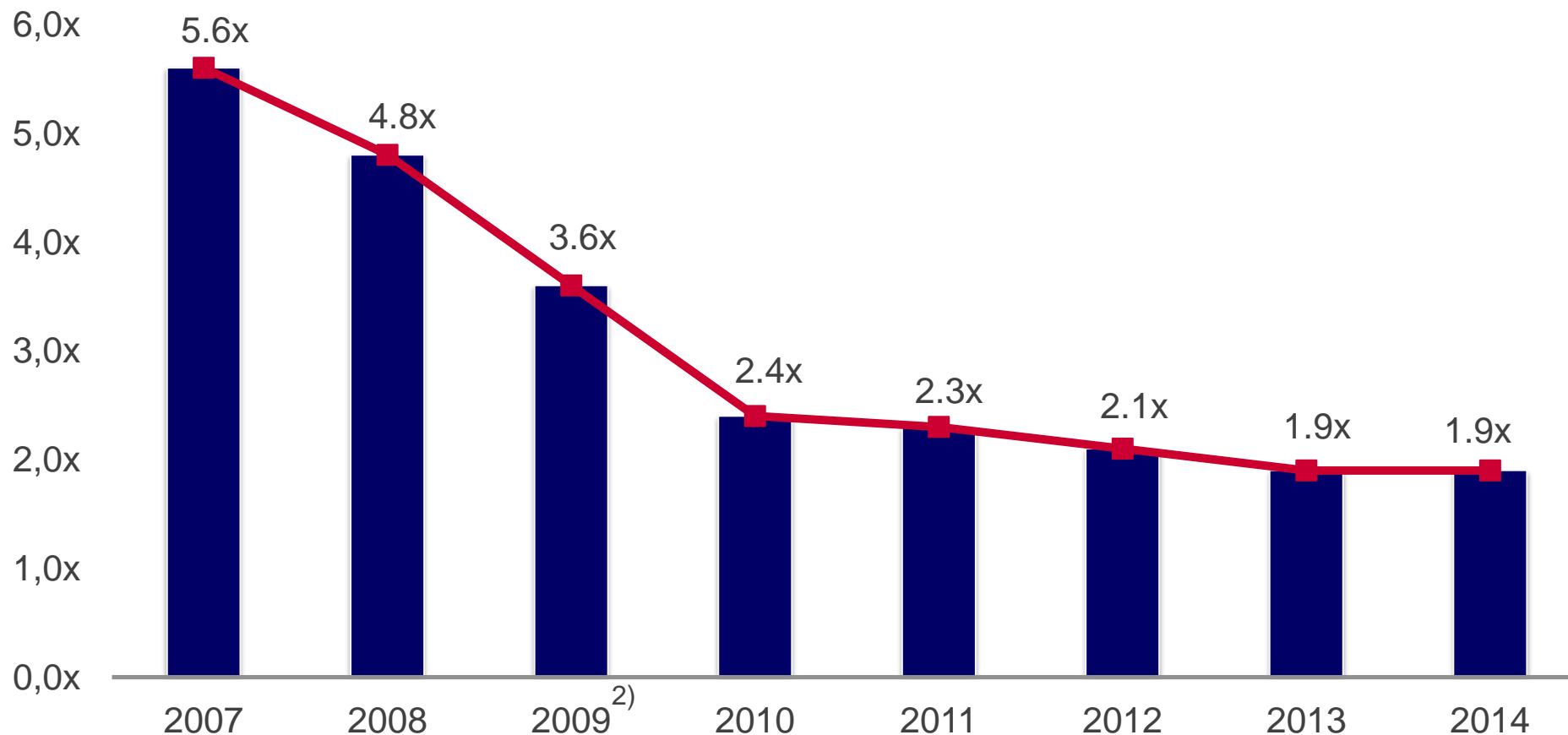
6,215



1) Of the intangible assets as of December 31, 2014, some EUR 1,217 million relate to goodwill and trademarks that were capitalized as part of the purchase price allocation performed on the acquisition of the Brenntag Group by funds advised by BC Partners Limited, Bain Capital, Ltd. and subsidiaries of Goldman Sachs International at the end of the third quarter of 2006 in addition to the relevant intangible assets already existing in the previous Group structure.

FINANCIAL PERFORMANCE

Leverage: Net debt/Operating EBITDA¹⁾



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

2) 2009 adjusted for expense items relating to the early termination of a multi-year incentive program.

FINANCIAL PERFORMANCE

Free cash flow

in EUR m	2014	2013	Δ	Δ
EBITDA	726.9	696.8	30.1	4.3%
CAPEX	-104.8	-97.2	-7.6	7.8%
Δ Working capital	-100.5	-56.2	-44.3	78.8%
Free cash flow	521.6	543.4	-21.8	-4.0%

FINANCIAL PERFORMANCE

Dividend proposal

in EUR	2014
Proposed dividend payment	139.1
Dividend per share in EUR	0.90
Payout ratio	41.0%

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OUTLOOK

	2014	Comments	Trend 2015
Sales	EUR 10,016m	<ul style="list-style-type: none"> Global economy is expected to improve in the course of 2015 Structural growth trends for chemical distributors and Brenntag's strong competitive position in particular are expected to provide growth potential 	
Gross profit	EUR 2,028m	<ul style="list-style-type: none"> Based on past experience, price changes are expected to have no significant influence on gross profit Positive development of gross profit is expected due to structural growth trends and better macro environment. 	
Operating EBITDA	EUR 727m	<ul style="list-style-type: none"> Operating EBITDA expected to benefit from gross profit development and internal efficiency measures 	
Profit after tax	EUR 340m	<ul style="list-style-type: none"> Profit after tax is expected to grow in-line with EBITDA 	

OUTLOOK

	2014	Comments	Trend 2015
Working capital	EUR 1,227m	<ul style="list-style-type: none"> To a large extent a function of sales growth Expected to grow in 2015 (compared to year end 2014) 	
Capex	EUR 105m	<ul style="list-style-type: none"> Capex spending to increase by ca. EUR 20m driven by projects for expanding our business operations 	
Free Cash Flow	EUR 522m	<ul style="list-style-type: none"> Free cash flow is expected to increase 	

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HIGHLIGHTS 2014

Establishing of Brenntag's first strapline

ConnectingChemistry****

ConnectingChemistry

- New strapline
„ConnectingChemistry“ was introduced in 2014
- Brand identity is supported by unique values across the Group
- External roll-out in 2015 in order to strengthen Brenntag's position as the global market leader in chemical distribution
- “ConnectingChemistry” demonstrates Brenntag's commitment to winning partnerships with customers and suppliers

CORE ELEMENTS OF OUR BUSINESS

Our core values - The foundation of our business



SAFETY FIRST

LEADERSHIP & ACCOUNTABILITY

EMPLOYEE INVOLVEMENT & OWNERSHIP



COMMITMENT TO EXCELLENCE

INTEGRITY & RESPONSIBILITY

VALUE CREATION FOR PARTNERS

CORE ELEMENTS OF OUR BUSINESS

Our proposition - What makes us unique

OUR OFFER



We offer an outstanding product portfolio, true customer service and technical expertise to be the best partner in the industry.

OUR APPROACH



We connect customers and suppliers in a winning partnership to be their preferred channel partner.

OUR PEOPLE



Our talented, dedicated, and motivated employees are the principal source of our competitive advantage.

OUR STRENGTHS



We provide unparalleled knowhow about markets, industries, products and applications as well as best-in-class, tailor-made solutions.

CORE ELEMENTS OF OUR BUSINESS

Our Brand Promise - The ultimate promise to our partners

SUCCESS



We create success for our partners as well as for our shareholders and ourselves.

We support our partners in developing and growing their businesses.

EXPERTISE



We deliver the best expertise the industry has to offer.

We draw on our extensive product and service portfolio, our global industry coverage and our ability to devise tailor-made solutions.

CUSTOMER ORIENTATION & SERVICE EXCELLENCE



We embrace a customer-oriented approach.

Our team has the skills and ambition to deliver the best customer service.

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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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