



# Company Presentation

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■ November 2014

Corporate Finance & Investor Relations

## 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.

## IN A NUTSHELL

### **Brenntag – The global market leader in chemical distribution**

Brenntag is the global market leader in chemical distribution.

Linking chemical manufacturers and chemical users, Brenntag provides business-to-business distribution solutions for industrial and specialty chemicals globally.

With over 10,000 products and a world-class supplier base, Brenntag offers one-stop-shop solutions to around 170,000 customers.



**AGENDA**

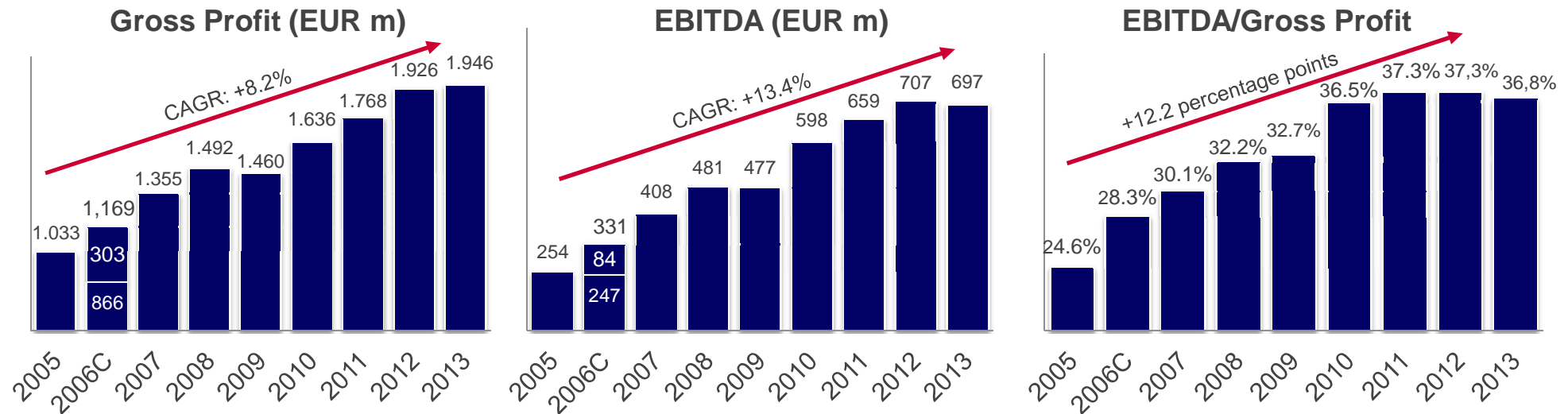
**Company Presentation**

- Introduction to Brenntag**
- Key investment highlights**
- Financials Q3 2014**
- Outlook**
- Appendix**

## BRENNTAG OVERVIEW

### Global market leader with strong financial profile

- Global leader with 5.9%\*) market share and sales of EUR 9.8bn in 2013
- c. 13,000 employees, thereof more than 4,900 dedicated local sales and marketing employees
- Full-line portfolio of over 10,000 products to around 170,000 customers globally
- Network of 480+ locations across more than 70 countries worldwide
- Usually less-than-truckload deliveries with average value of c. EUR 2,000



\*) As per end 2012: BCG Market Report (July 2013)

Notes: 2005: Brenntag Predecessor; 2006: Brenntag and Brenntag Predecessor Combined;  
EBITDA / Gross Profit adjusted for non-recurring effects: 2012 = 11m, 2013 = 17m

## BUSINESS MODEL

### Chemical distributors fulfil a value-adding function in the supply chain



#### Purchase, transport and storage of large-scale quantities of diverse chemicals

- Several thousand suppliers globally
- Full-line product portfolio of 10,000+ industrial and specialty chemicals
- Network of 480+ locations worldwide



**BUSINESS MODEL**

**Chemical distributors fulfil a value-adding function in the supply chain**



- Repackaging from large into smaller quantities
- Filling, labelling, bar-coding and palletizing
- Marketed by more than 4,900 dedicated local sales and marketing employees
- Mixing and blending according to customer specific requirements
- Formulating and technical support from dedicated application laboratories



**BUSINESS MODEL**

**Chemical distributors fulfil a value-adding function in the supply chain**



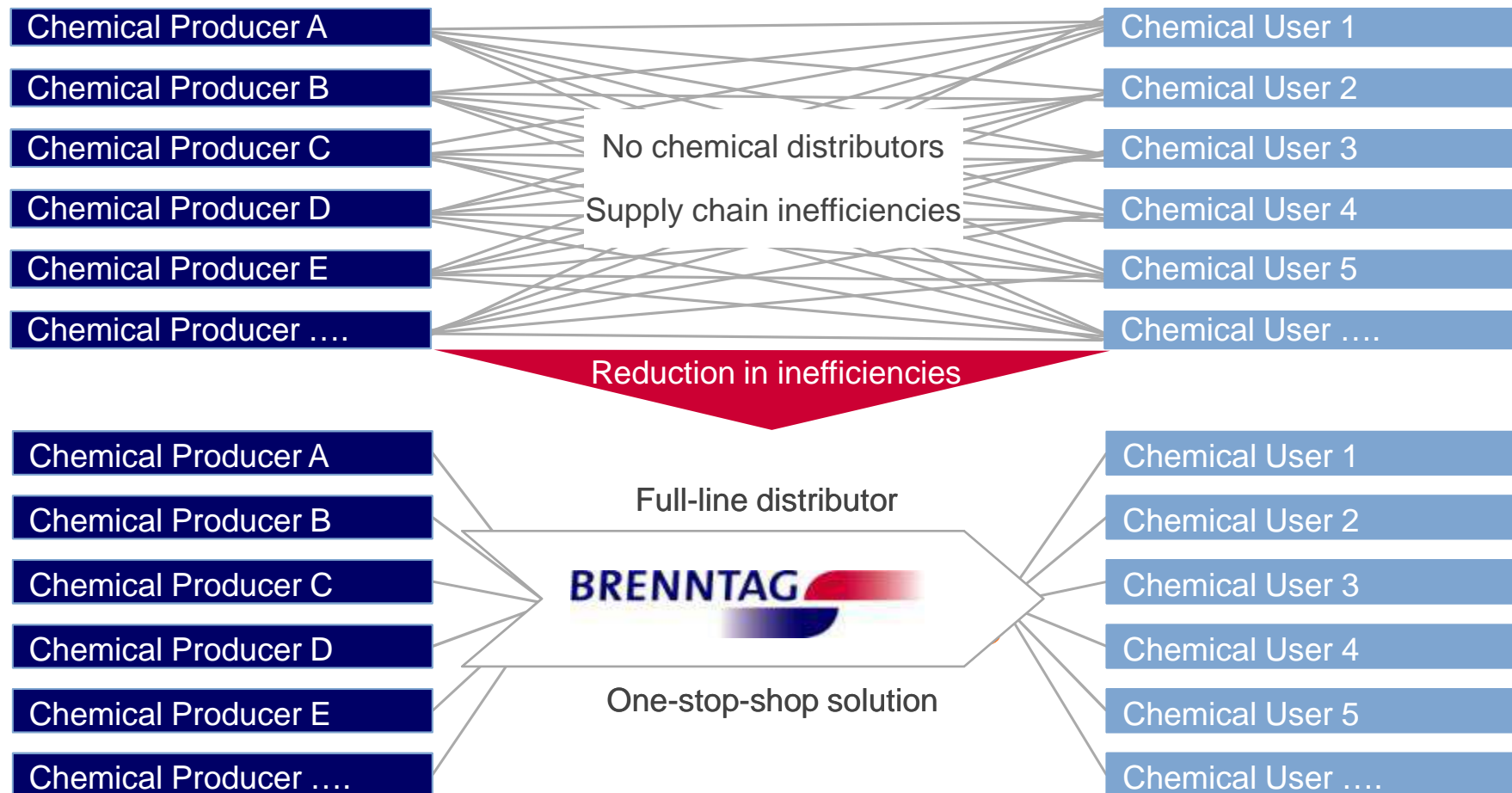
- Leveraging high route density based on local scale
- Providing just-in-time delivery and vendor-managed inventory service
- Utilizing transportation for drum return service
- Offering one-stop-shop solution







**DISTRIBUTION MODEL**

**As a full-line distributor, Brenntag can add significant value**



## DISTRIBUTOR VS. PRODUCER

# Chemical distribution differs substantially from chemical production

	 “What we are”	“What we are not”
	 BRENNTAG	Chemical Producer
Business model	B2B Services / Solutions	Manufacturing
Product portfolio	Full-line	Narrow
Customer base	Broad in diverse end-markets	Narrow
Customer order size	Small	Large
Delivery method	Less-than-truckload	Truckload and larger
Fixed assets	Low intensity	High intensity
Fixed asset flexibility	Multi-purpose	Narrow purpose
Cost base	Variable	Fixed
Raw material prices	Market	Contract
Input / Output pricing	Connected	Disconnected

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## INVESTMENT HIGHLIGHTS

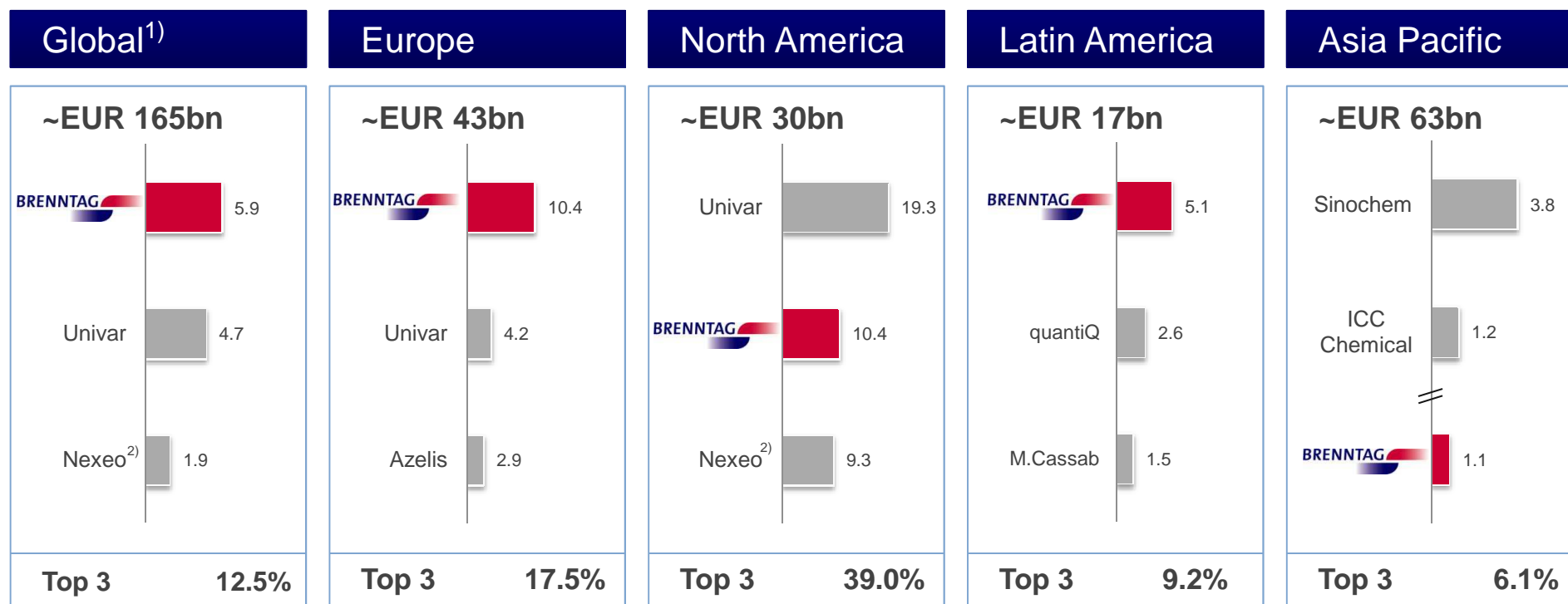
### Brenntag is a highly attractive investment case

#### Key investment highlights

- Global market leader
- Significant growth potential in an attractive industry
- Superior business model with resilience
- Excellence in execution
- Highly experienced management team
- Strong financial profile

## GLOBAL MARKET LEADER

# Third party chemical distribution estimated market size and market shares



**Still highly fragmented market with more than 10,000 chemical distributors globally**

As per end 2012: BCG Market Report (July 2013)

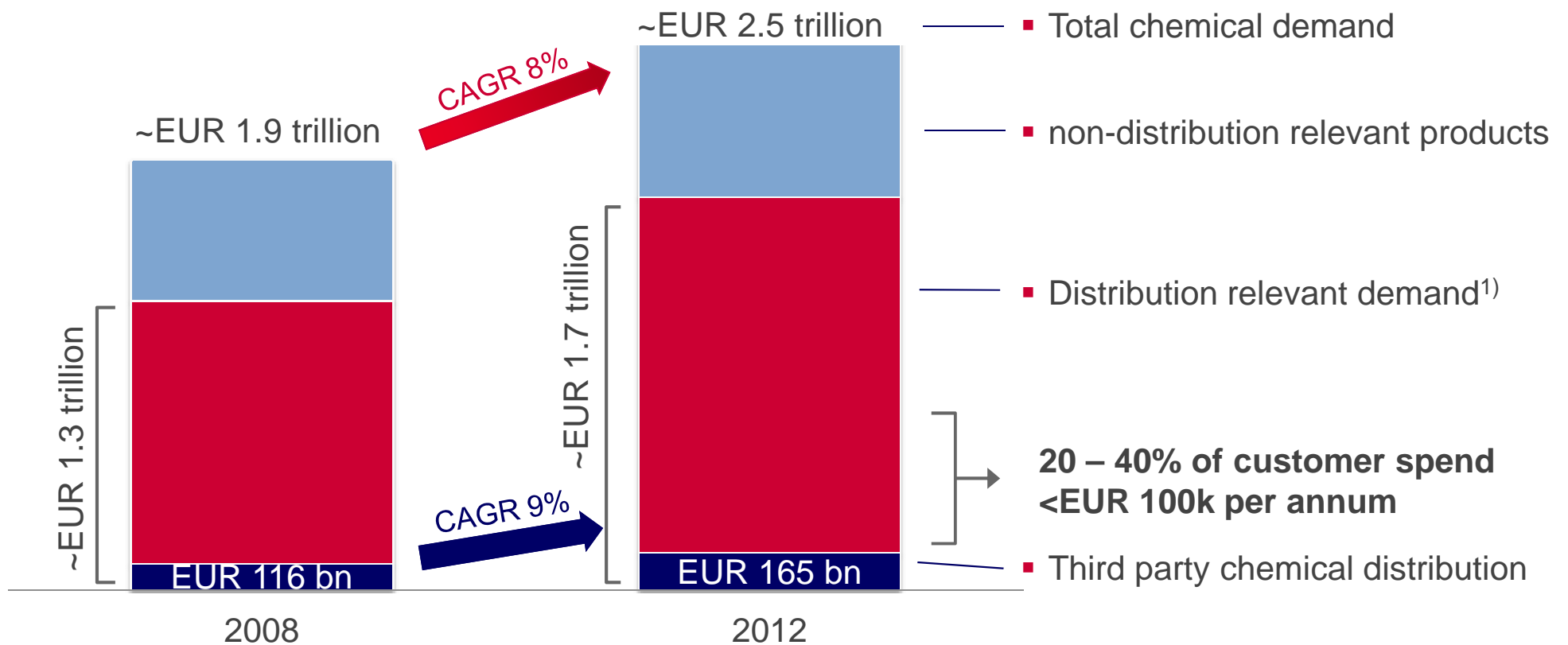
1) Global includes not only the four regions shown above, but also RoW

2) Former Ashland Distribution.

**MARKET GROWTH**

**Third party chemical distribution outgrew total chemical demand**

THIRD PARTY CHEMICAL DISTRIBUTION OPPORTUNITY

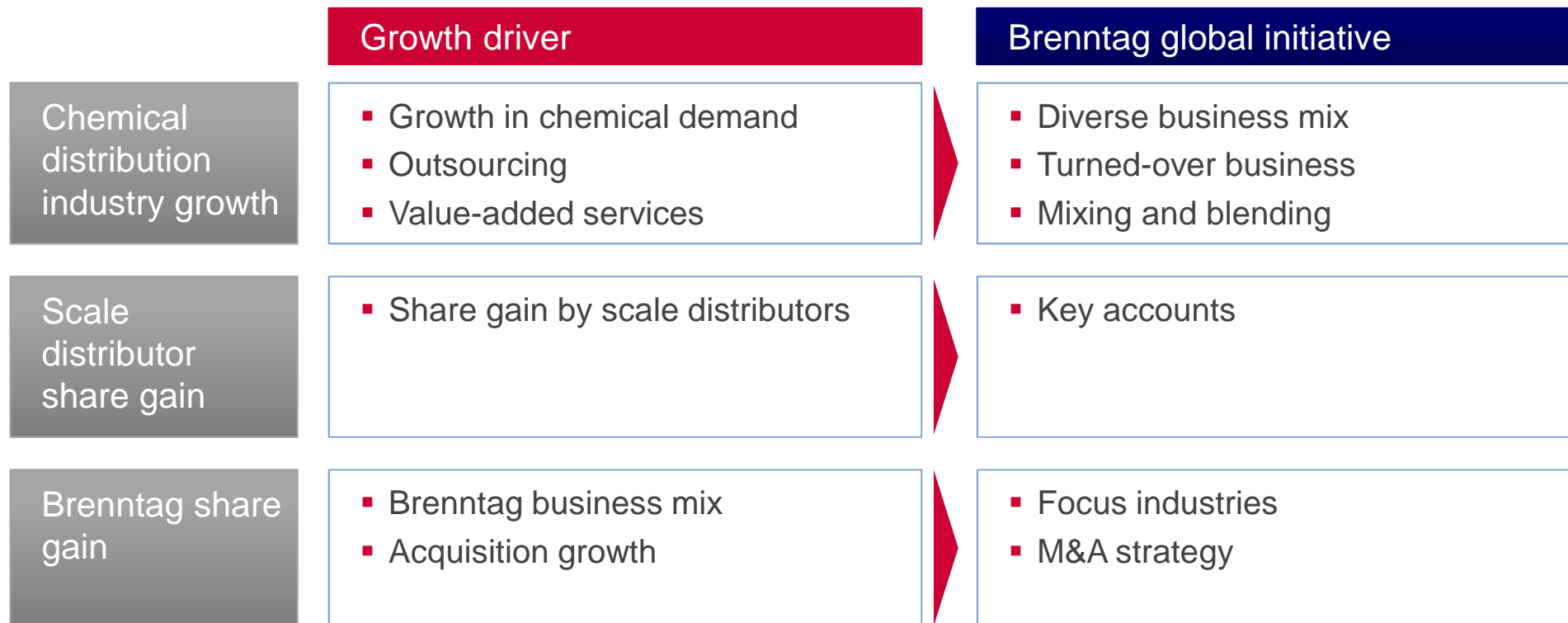


BCG Market Report (July 2013)

1) Excluding non-distribution relevant products like ethylene

**GROWTH DRIVERS**

**Multiple levers of organic growth and acquisition potential**



**Significant organic and acquisition growth potential**

## ACQUISITION OBJECTIVES

### Significant potential for consolidation and external growth

Building up  
scale and  
efficiencies

Expand  
geographic  
coverage

Improving full-  
line portfolio

#### Brenntag's acquisition track record

- 124 transactions since 1991, thereof 53 since 2007<sup>1)</sup>
- Total cost of acquisitions<sup>2)</sup> of EUR 922m from 2007 to November 2014
- Average investment amount of EUR 17m per transaction from 2007 to November 2014
- Synergy potential from cross-selling and cost saving opportunities mainly due to building up of scale and improved efficiency of acquisitions
- Market remains highly fragmented facilitating significant further consolidation potential

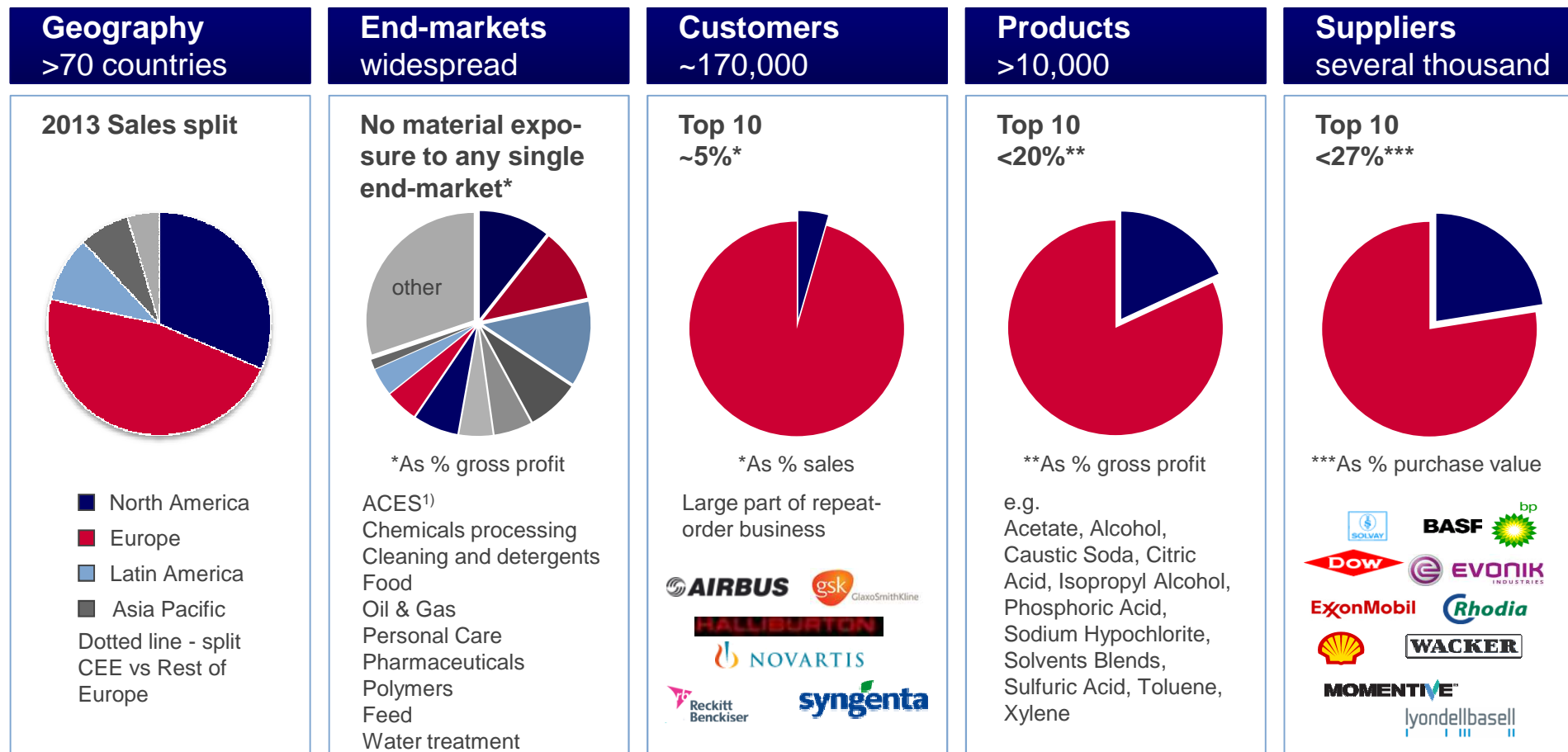
1) Without acquisitions performed by JV-Crest; including acquisitions performed until November 2014

2) Purchase price paid excluding debt assumed



## HIGH DIVERSIFICATION

# Diversity provides resilience and growth potential



Data for end-markets, customers, products and suppliers as per Management estimates

1) Adhesives, coatings, elastomers, sealants

**BARRIERS TO ENTRY**

**High barriers to entry due to critical scale and scope**

**Permits and licences**

**Infrastructure availability**

**Regulatory standards**

**Know-how**

**Rationalization of distribution relationships**

**Global reach**

**Significant capital resources and time required to create a global full-line distributor**

**MARKET-DRIVEN**

**Excellence in execution due to balance of global scale and local reach**

Global platform	Local reach
<p><b>Core management functions</b></p> <ul style="list-style-type: none"> <li>▪ Strategic direction</li> <li>▪ Controlling and Treasury</li> <li>▪ Information Technology</li> <li>▪ Quality, Health, Safety, Environment</li> </ul> <p><b>Strategic growth initiatives</b></p> <ul style="list-style-type: none"> <li>▪ Strategic supplier relationships</li> <li>▪ Turned-over business</li> <li>▪ Focus industries</li> <li>▪ Key accounts</li> <li>▪ Mergers &amp; Acquisitions</li> </ul> <p><b>Best practice transfer</b></p>	<ul style="list-style-type: none"> <li>▪ Better local understanding of market trends and adaptation to respective customer needs</li> <li>▪ Entrepreneurial culture</li> <li>▪ Clear accountability</li> <li>▪ Strong incentivization with high proportion of variable compensation of management</li> </ul>

## HIGHLY EXPERIENCED MANAGEMENT TEAM

**Brenntag's board alone has more than 80 years of collective experience**

### Brenntag Board of Management



**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



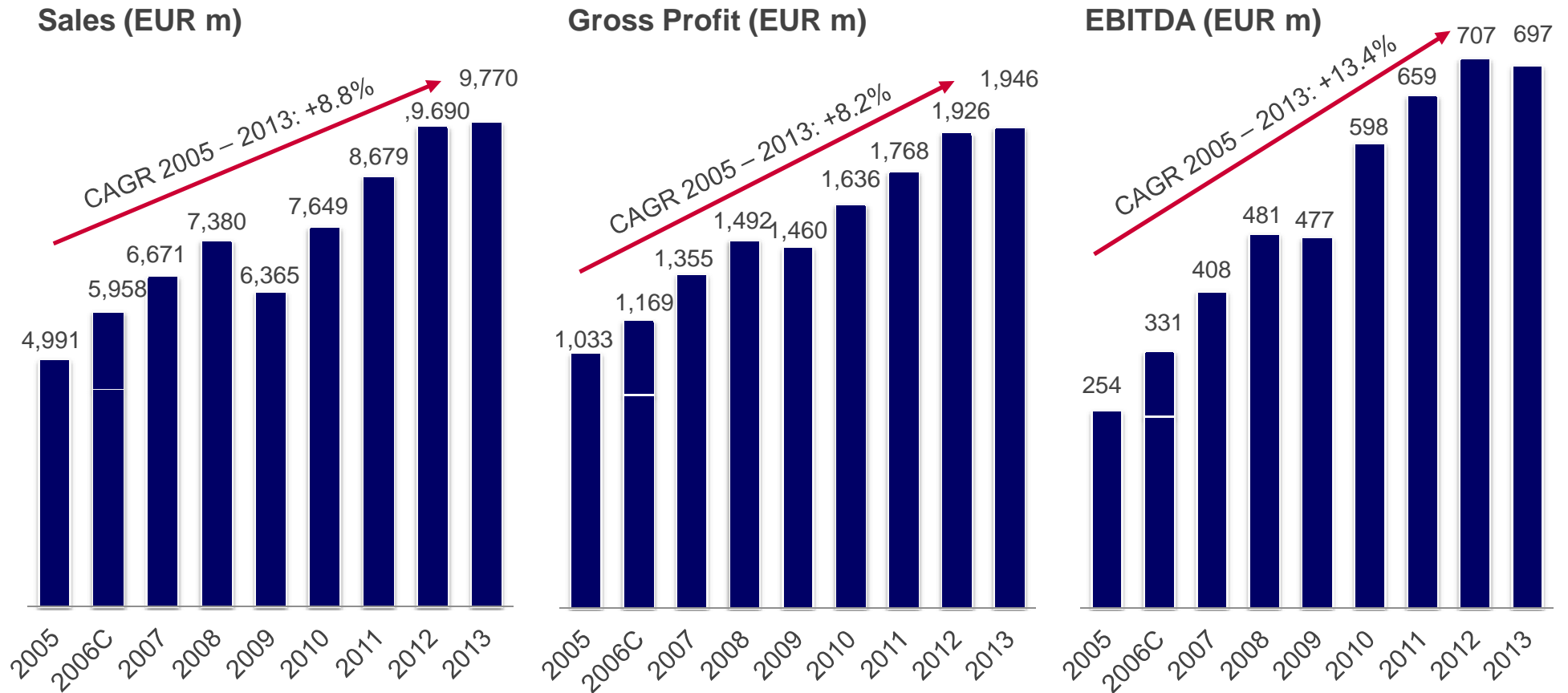
**William Fidler,  
Board Member**

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

**Brenntag's top management comprises nearly 120 executive and senior managers**

## STRONG FINANCIAL PROFILE

### Growth track record and resilience through the downturn



Notes: 2005: Brenntag Predecessor; 2006: Brenntag and Brenntag Predecessor Combined and does not constitute pro forma financial information.

## INVESTMENT HIGHLIGHTS

### **Brenntag is a highly attractive investment case**

#### Key investment highlights

- Global market leader
- Significant growth potential in an attractive industry
- Superior business model with resilience
- Excellence in execution
- Highly experienced management team
- Strong financial profile

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**HIGHLIGHTS Q3 2014****Introductory remarks to Q3 2014 earnings**

<b>Macro Economy</b>	Softening growth trends in Europe. North America shows continued positive environment. Latin America remains weak and mixed picture in Asia Pacific.
<b>Gross profit</b>	Gross profit of EUR 520.3m growing at 4.5% (fx adjusted)
<b>Operating EBITDA</b>	Operating EBITDA of EUR 189.1m growing at 3.1% (fx adjusted)
<b>EPS</b>	Earnings per Share of EUR 0.56 growing at 7.7%
<b>Acquisitions</b>	Acquisitions in India and Italy were signed in Q3 which will strengthen our position in the respective markets



## HIGHLIGHTS Q3 2014

### Operating highlights Q3 2014

	Q3 2014	Comments	Change
Gross profit	EUR 520.3m	<ul style="list-style-type: none"> <li>▪ Increase of 4.5% (fx adjusted)</li> <li>▪ Increase of 4.6% (as reported)</li> </ul>	
Operating EBITDA	EUR 189.1m	<ul style="list-style-type: none"> <li>▪ Increase of 3.1% (fx adjusted)</li> <li>▪ Increase of 3.2% (as reported)</li> </ul>	
Operating EBITDA/ Gross profit	36.3%	<ul style="list-style-type: none"> <li>▪ Q3 2013 = 36.8%</li> </ul>	
Free cash flow	EUR 137.7m	<ul style="list-style-type: none"> <li>▪ Against EUR 168.0m in Q3 2013</li> </ul>	

**HIGHLIGHTS Q3 2014****Acquisitions in Asia and Europe****Chimab SPA,  
Padua, Italy**

- Estimated sales of approx. EUR 32m in 2014 and an EBITDA of EUR 3.6m
- Investment amount of EUR 22.8m
- Acquisition was closed end of Oct. 2014
- Chimab is a supplier of food ingredients and semi finished products for several food subsectors
- With Chimab Brenntag improves the position in the interesting and large Italian food industry

**Pioma Chemicals Pvt. Ltd.,  
Mumbai, India**

- Estimated sales of approx. EUR 17.2m in 2014 and an EBITDA of EUR 3.8m
- Investment amount of around EUR 23m
- Pioma is a leading distributor of specialty chemicals for the pharmaceutical, personal care and food industries across India.
- With the acquisition we expand our market position in India and improve our product portfolio
- Not yet closed subject to conditions precedent

## FINANCIALS Q3 2014

### Income statement

in EUR m	Q3 2014	Q3 2013	Δ	Δ FX adjusted	2013
Sales	2,587.2	2,489.8	3.9%	3.9%	9,769.5
Cost of goods sold	-2,066.9	-1,992.6	3.7%		-7,824.0
<b>Gross profit</b>	<b>520.3</b>	<b>497.2</b>	<b>4.6%</b>	<b>4.5%</b>	<b>1,945.5</b>
Expenses	-331.2	-314.0	5.5%		-1,248.7
<b>EBITDA</b>	<b>189.1</b>	<b>183.2</b>	<b>3.2%</b>	<b>3.1%</b>	<b>696.8</b>
Add back transaction costs <sup>1)</sup>	-	-			+1.5
<b>Operating EBITDA</b>	<b>189.1</b>	<b>183.2</b>	<b>3.2%</b>	<b>3.1%</b>	<b>698.3</b>
Adj. operating EBITDA	189.1	183.2	3.2%	3.1%	715.1 <sup>2)</sup>
Op. EBITDA / Gross profit	36.3%	36.8%			35.9% <sup>3)</sup>

1) Transaction costs are costs related to restructuring and refinancing under company law

2) 2013 is adjusted for non-recurring cost items in Europe in relation to an antitrust case (EUR 16.8m).

3) 36.8% if adjusted for the non-recurring cost items in Europe

## FINANCIALS Q3 2014

### Income statement (continued)

in EUR m	Q3 2014	Q3 2013	Δ	2013
EBITDA	189.1	183.2	3.2%	696.8
Depreciation	-25.2	-25.1	0.4%	-101.2
<b>EBITA</b>	<b>163.9</b>	<b>158.1</b>	<b>3.7%</b>	<b>595.6</b>
Amortization <sup>1)</sup>	-9.4	-10.2	-7.8%	-39.7
<b>EBIT</b>	<b>154.5</b>	<b>147.9</b>	<b>4.5%</b>	<b>555.9</b>
Financial result <sup>2)</sup>	-21.8	-23.3	-6.4%	-60.7
EBT	132.7	124.6	6.5%	495.2
<b>Profit after tax</b>	<b>86.3</b>	<b>81.0</b>	<b>6.5%</b>	<b>338.9</b>
EPS	0.56	0.52	7.7%	2.20
EPS excl. Amortization and Zhong Yung liability <sup>3)</sup>	0.60	0.58	3.4%	2.21

1) Includes scheduled amortization of customer relationships amounting to EUR 7.6m in Q3 2014 (EUR 8.4m in Q3 2013 and EUR 32.8 million in 2013).

2) Thereof EUR -0.6m in Q3 2014 (EUR -0.7m in Q3 2013) are related to a change of the purchase price obligation for Zhong Yung (International) Chemical Ltd., which has to be recorded in the income statement according to IFRS (EUR 26.8m in 2013).

3) Adjusted for the net effect of amortizations and changes in the purchase price obligation for the outstanding 49% in Zhong Yung (International) Chemical Ltd.

## FINANCIALS Q3 2014

### Cash flow statement

in EUR m	Q3 2014	Q3 2013	2013
Profit after tax	86.3	81.0	338.9
Depreciation & amortization	34.6	35.3	140.9
Income taxes	46.4	43.6	156.3
Income tax payments	-29.0	-35.7	-159.9
Interest result	17.6	18.8	73.8
Interest payments (net)	-32.8	-36.7	-73.2
Changes in current assets and liabilities	-10.5	16.2	-63.2
Change in purchase price obligation/IAS 32	1.1	0.9	-25.3
Other	-6.6	-38.5	-30.5
<b>Cash provided by operating activities</b>	<b>107.1</b>	<b>84.9</b>	<b>357.8</b>

## FINANCIALS Q3 2014

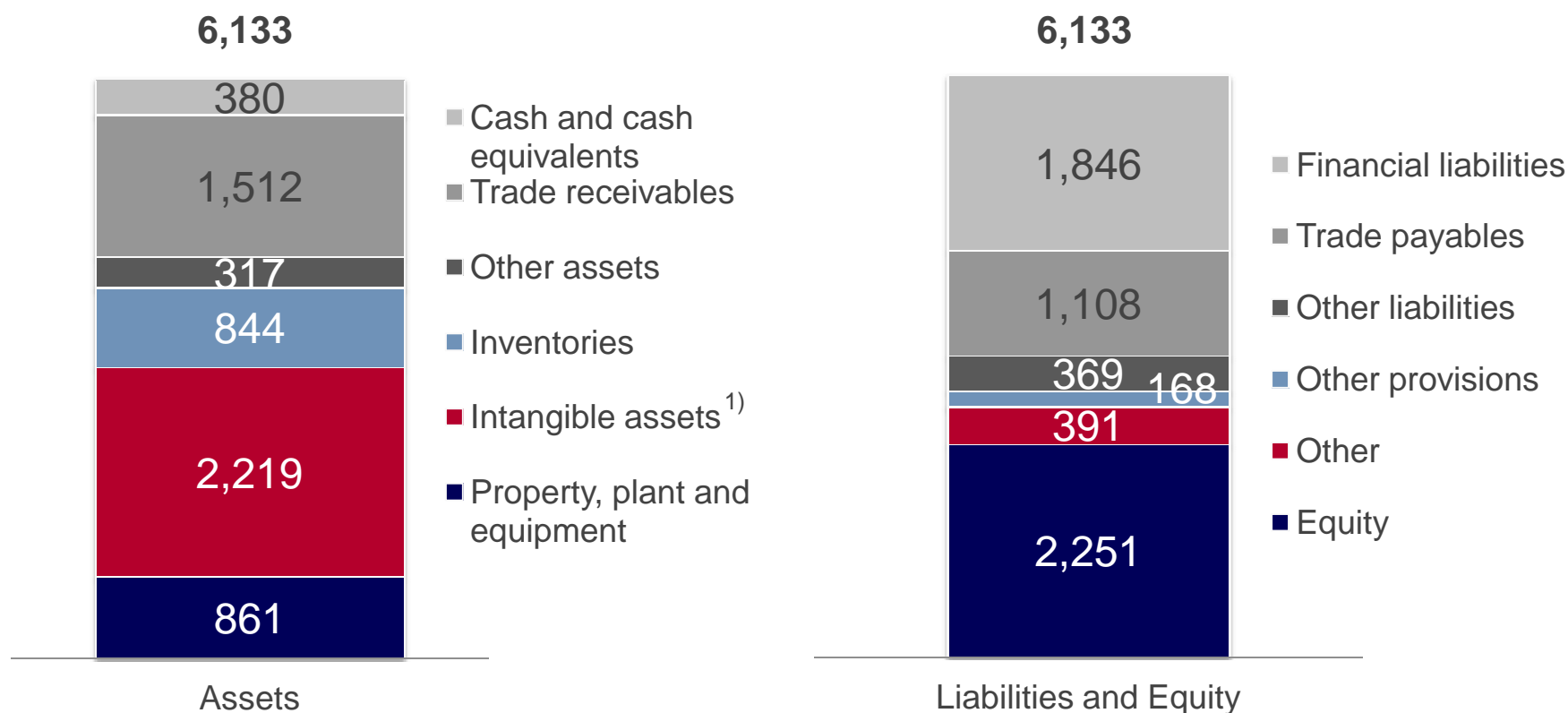
### Cash flow statement (continued)

in EUR m	Q3 2014	Q3 2013	2013
Purchases of intangible assets and property, plant & equipment (PPE)	-23.1	-22.3	-98.2
Purchases of consolidated subsidiaries, other business units and financial assets	0.1	-	-43.9
Other	1.0	0.8	6.9
<b>Cash used for investing activities</b>	<b>-22.0</b>	<b>-21.5</b>	<b>-135.2</b>
Capital increase	-	-	-
Payments in connection with the capital increase	-	-	-
Purchases of shares in companies already consolidated	-	-	-
Dividends paid to minority shareholders	-	-	-1.5
Dividends paid to Brenntag shareholders	-	-	-123.6
Repayment of (-)/proceeds from (+) borrowings (net)	-38.7	-9.6	9.2
<b>Cash used for financing activities</b>	<b>-38.7</b>	<b>-9.6</b>	<b>-115.9</b>
<b>Change in cash &amp; cash equivalents</b>	<b>46.4</b>	<b>53.8</b>	<b>-106.7</b>

## FINANCIALS Q3 2014

# Balance Sheet as of September 30, 2014

in EUR m



1) Of the intangible assets as of September 30, 2014, some EUR 1,199 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.

## FINANCIALS Q3 2014

### Balance Sheet and leverage

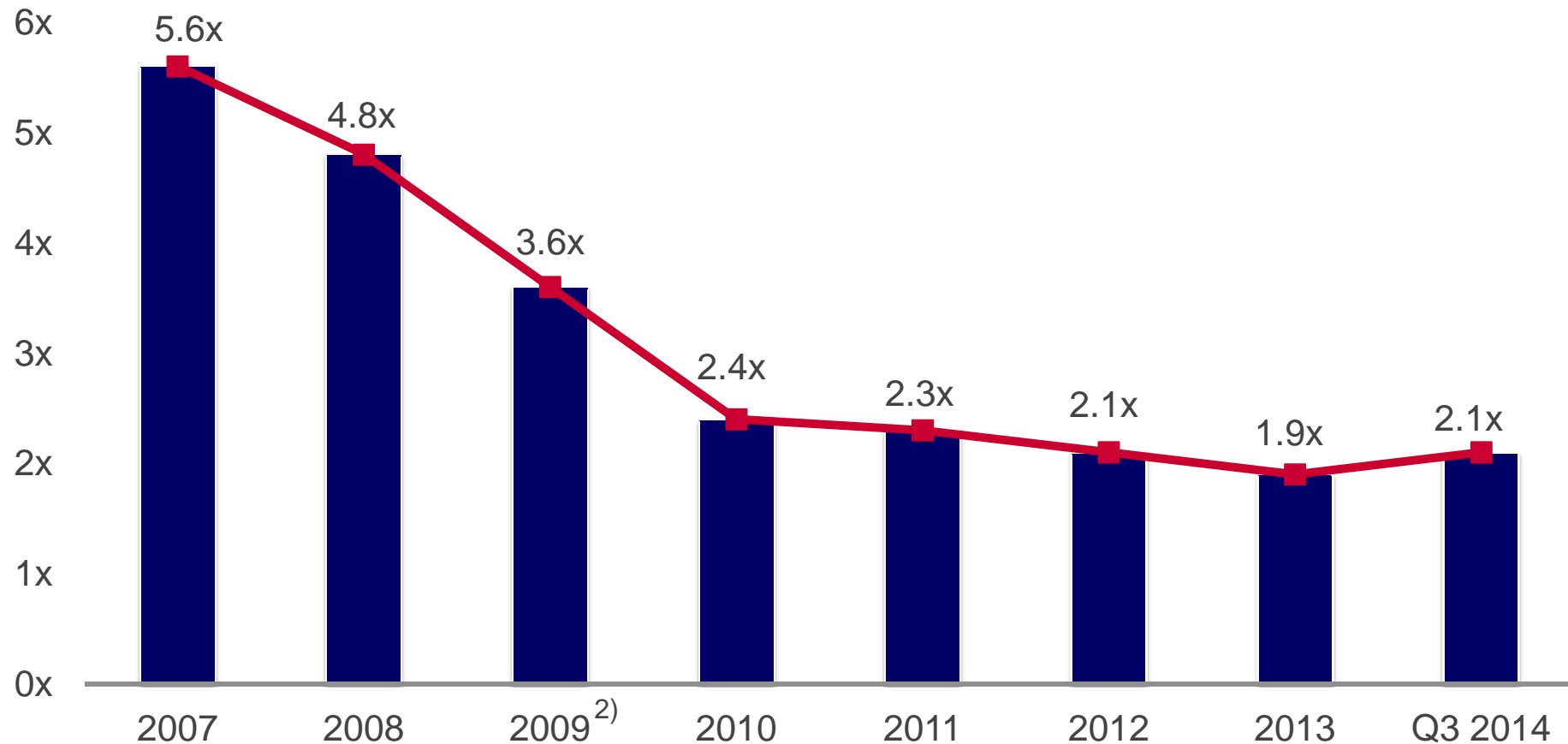
in EUR m	30 September 2014	30 June 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013
Financial liabilities	1,845.6	1,828.4	1,771.5	1,768.5	1,789.7
./. Cash and cash equivalents	379.5	318.7	448.8	426.8	318.6
Net Debt	1,466.1	1,509.7	1,322.7	1,341.7	1,471.1
<b>Net Debt/Operating EBITDA <sup>1)</sup></b>	<b>2.1x</b>	<b>2.1x</b>	<b>1.9x</b>	<b>1.9x</b>	<b>2.1x</b>
Equity	2,250.7	2,101.8	2,147.3	2,093.7	2,006.9

1) Operating EBITDA for the quarters on LTM basis.



FINANCIALS Q3 2014

**Leverage: Net debt/Operating EBITDA<sup>1)</sup>**

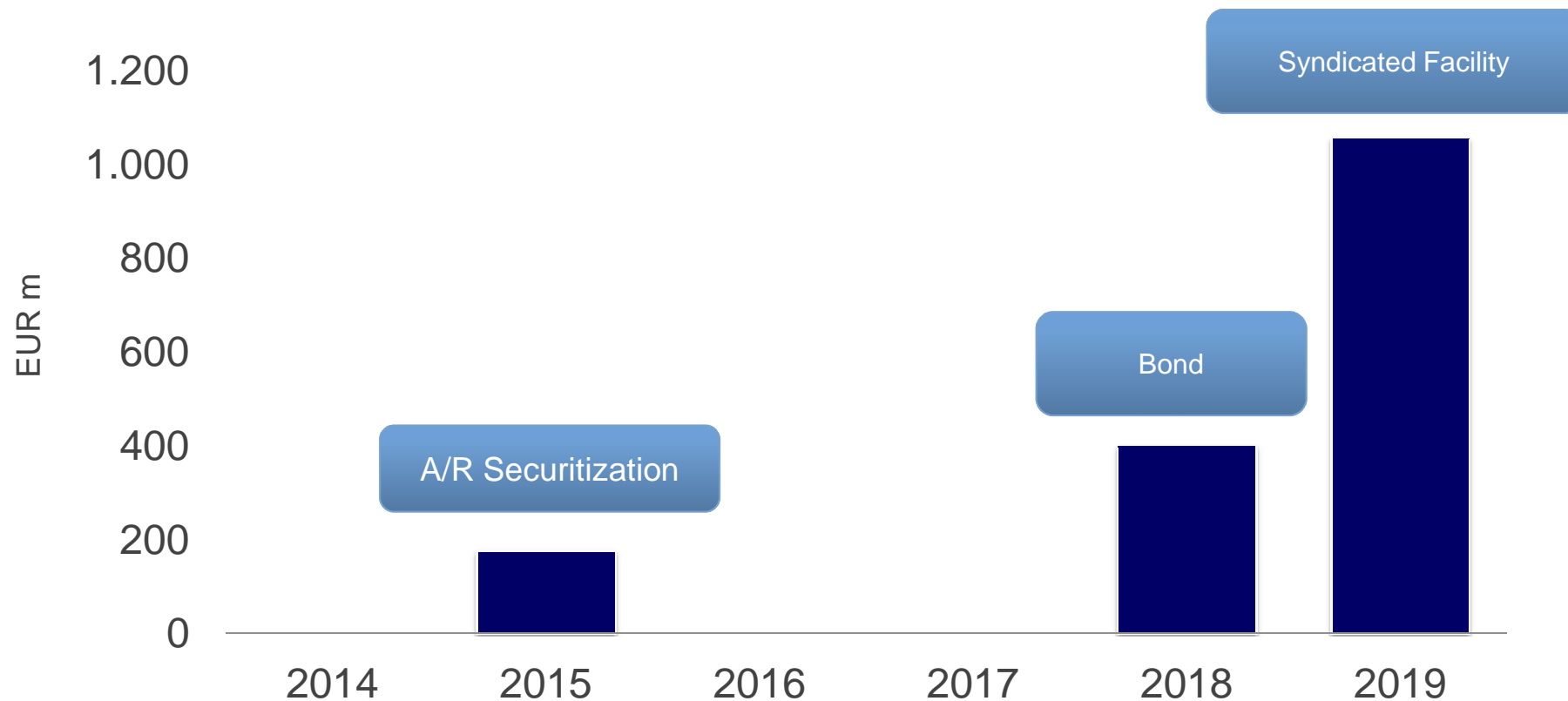


1) Net debt defined as current financial liabilities plus non-current financial liabilities less (cash and cash equivalents).

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

**FINANCIALS Q3 2014**

**Maturities profile as of 30 September 2014<sup>1)</sup>**



1) Syndicated loan, bond and liabilities under the international accounts receivable securitization program excluding accrued interest and transaction costs on the basis of end of period exchange rates.

## FINANCIALS Q3 2014

### Working capital

in EUR m	30 September 2014	30 June 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013
Inventories	844.2	810.5	760.5	757.1	774.2
+ Trade receivables	1,512.2	1,488.3	1,424.2	1,248.8	1,384.5
./. Trade payables	1,107.5	1,122.4	1,072.3	961.5	1,033.8
<b>Working capital (end of period)</b>	<b>1,248.9</b>	<b>1,176.4</b>	<b>1,112.4</b>	<b>1,044.4</b>	<b>1,124.9</b>
Working capital turnover (year-to-date) <sup>1)</sup>	8.7x	8.9x	9.0x	9.0x	9.0x
Working capital turnover (last twelve months) <sup>2)</sup>	8.6x	8.7x	8.8x	9.0x	8.9x

1) Using sales on year-to-date basis and average working capital year-to-date.

2) Using sales on LTM basis and average LTM working capital.

## FINANCIALS Q3 2014

### Free cash flow

in EUR m	Q3 2014	Q3 2013	Δ	Δ	2013
EBITDA	189.1	183.2	5.9	3.2%	696.8
Capex	-23.5	-23.1	-0.4	1.7%	-97.2
Δ Working capital	-27.9	7.9	-35.8	-453.2%	-56.2
<b>Free cash flow</b>	<b>137.7</b>	<b>168.0</b>	<b>-30.3</b>	<b>-18.0%</b>	<b>543.4</b>

## FINANCIALS Q3 2014

### Segments





in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
<b>Operating gross profit</b>	<b>Q3 2014</b>	<b>242.9</b>	<b>211.6</b>	<b>43.9</b>	<b>30.5</b>	<b>3.7</b>	<b>532.6</b>
	Q3 2013	233.5	200.9	40.8	29.8	3.9	508.9
	Δ	4.0%	5.3%	7.6%	2.3%	-5.1%	4.7%
	Δ FX adjusted	3.2%	6.0%	7.5%	2.1%	-5.1%	4.5%
<b>Operating EBITDA</b>	<b>Q3 2014</b>	<b>83.4</b>	<b>88.7</b>	<b>12.3</b>	<b>10.1</b>	<b>-5.4</b>	<b>189.1</b>
	Q3 2013	79.1	84.9	11.5	12.1	-4.4	183.2
	Δ	5.4%	4.5%	7.0%	-16.5%	22.7%	3.2%
	Δ FX adjusted	4.4%	5.2%	8.0%	-16.8%	22.7%	3.1%

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## OUTLOOK

	2013 9M 2014	Comments	Trend 2014
Sales	<b>EUR 9,770m</b> <b>EUR 7,505m</b>	<ul style="list-style-type: none"> <li>▪ Ongoing macroeconomic recovery at a moderate pace with challenges in emerging markets.</li> </ul>	
Gross profit	<b>EUR 1,946m</b> <b>EUR 1,506m</b>	<ul style="list-style-type: none"> <li>▪ Positive development of gross profit is supported by structural growth trends.</li> </ul>	
Operating EBITDA	<b>EUR 698m</b> <b>EUR 530m</b>	<ul style="list-style-type: none"> <li>▪ Op. EBITDA is expected between EUR 700m – 720m for full year 2014.</li> <li>▪ Guidance range is to be understood before extraordinary effects and no major FX rate changes.</li> <li>▪ Expected growth driven by segments Europe and North America.</li> </ul>	
Profit after tax	<b>EUR 339m</b> <b>EUR 239m</b>	<ul style="list-style-type: none"> <li>▪ Developing broadly in line with operating EBITDA (when not taking into account the positive one-off effect in the financial result in 2013)</li> </ul>	

## OUTLOOK

	2013 9M 2014	Comments	Trend 2014
Working capital	<b>EUR 1,044m</b> <b>EUR 1,249m</b>	<ul style="list-style-type: none"> <li>To a large extent a function of sales growth.</li> <li>Expected to grow in 2014 (compared to year end 2013).</li> </ul>	
Capex	<b>EUR 97m</b> <b>EUR 64m</b>	<ul style="list-style-type: none"> <li>Increase of Capex spending to support future growth.</li> <li>Capex sufficient to support organic growth.</li> </ul>	
Free Cash Flow	<b>EUR 543m</b> <b>EUR 324m</b>	<ul style="list-style-type: none"> <li>Free cash flow is expected to remain strong.</li> </ul>	



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**BRENNTAG HISTORY****Longstanding history of more than 140 years**

<b>Year</b>	<b>Event</b>
<b>1874</b>	<b>Philipp Mühsam founds the business in Berlin</b>
<b>1912</b>	<b>Entry into chemical distribution business</b>
<b>1966</b>	<b>Brenntag becomes international, acquiring Balder in Belgium</b>
<b>1970 – 1979</b>	<b>US business established; continued acquisitions in European and North American chemicals distribution business</b>
<b>1980 – 1989</b>	<b>Further expansion in North America</b>
<b>1990 – 2000</b>	<b>Expansion in Europe via acquisitions; takeover of Neuber Group in Austria establishes foothold in Central and Eastern Europe</b>
<b>2000</b>	<b>Acquisition of Holland Chemical International, at the time the fifth largest chemical distributor worldwide, providing global scale and a leading position in Latin America</b>

## BRENNTAG HISTORY (CONT.)

### Longstanding history of more than 140 years

Year	Event
2000 – 2008	Becoming global market leader; acquisition of LA Chemicals (US, 2006), Schweizerhall (Switzerland, 2006) and Albion (UK and Ireland, 2006)
2008	Acquisition of Rhodia's distribution activities in 8 countries, establishing Asia Pacific platform
2010	IPO; acquisition of EAC Industrial Ingredients, substantially strengthening presence in Asia Pacific
2011	Market entry in China
2012	The free float of the Brenntag AG share reached 100% of the share capital, after final placement of Brachem Acquisition S.C.A.

**STRATEGY**

**Strategic focus on continued profitable growth**



**Focus on organic growth and acquisitions**

- Intense customer orientation
- Full-line product portfolio focused on value-added services
- Complete geographic coverage
- Accelerated growth in target markets
- Commercial and technical competence
- Continued commitment to Responsible Care/Distribution

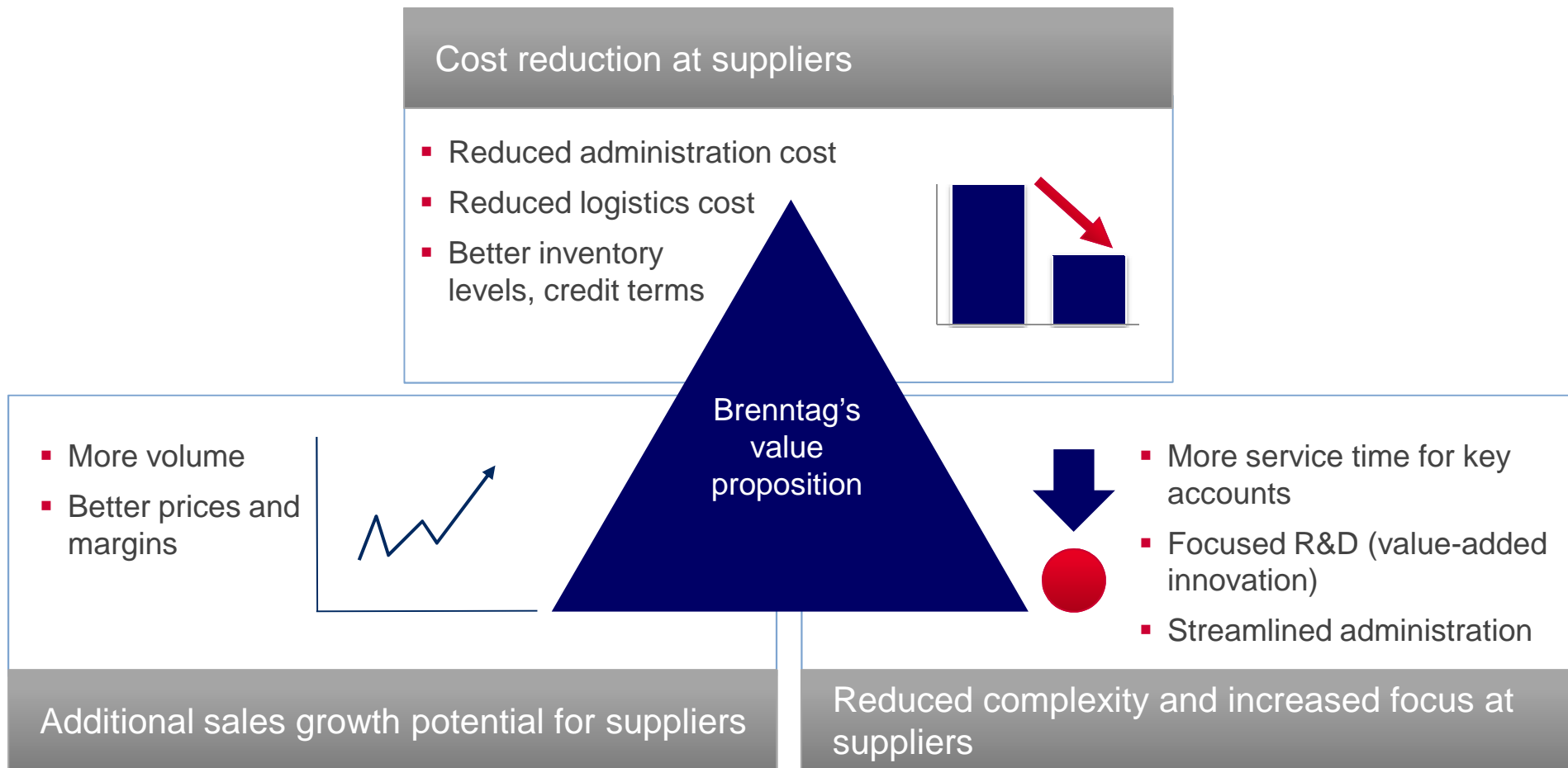
**Maintain focus on profitability and returns**

**Global top initiatives and regional strategies**

**Be the safest, fastest growing, most profitable, global chemical distributor and preferred channel for both specialty and industrial chemicals**

**TOP INITIATIVE – TURNED-OVER BUSINESS**

**Substantially increase supplier penetration by proactively taking over smaller customers from suppliers**



**TOP INITIATIVE – FOCUSED SEGMENT GROWTH**

**Significantly increase share in customer industries where Brenntag can achieve above average growth**



**Growth drivers**

- Capturing cross-selling opportunities
- Optimization of portfolio, leveraging of know-how across regions
- Improvement of value proposition
- Supported by M&A

1) Adhesives, coatings, elastomers, sealants



## TOP INITIATIVE – KEY ACCOUNTS

### **Increase business with pan-regional/global key customers based on increased demand**

#### **Concept**

- Management believes amount spent by customers on chemical distribution may be 15% to 25% of their total chemical spending
- Partnering with an international distributor can greatly reduce the cost and time of supplier management, allowing customer procurement to focus on strategic materials
- International distribution can bundle customers' global usage to simplify the interaction with producers
- Knowledge gain at one customer site can be rapidly transferred to all other sites, thus lessening project development time, approval of alternate sources, or implementing best-in-class logistics
- One contract or working document applies to all business interactions leading to quicker implementation, reduced misunderstandings and elimination of regional differences
- An international distributor can grow with the customer as the customer enters new geographical and business markets

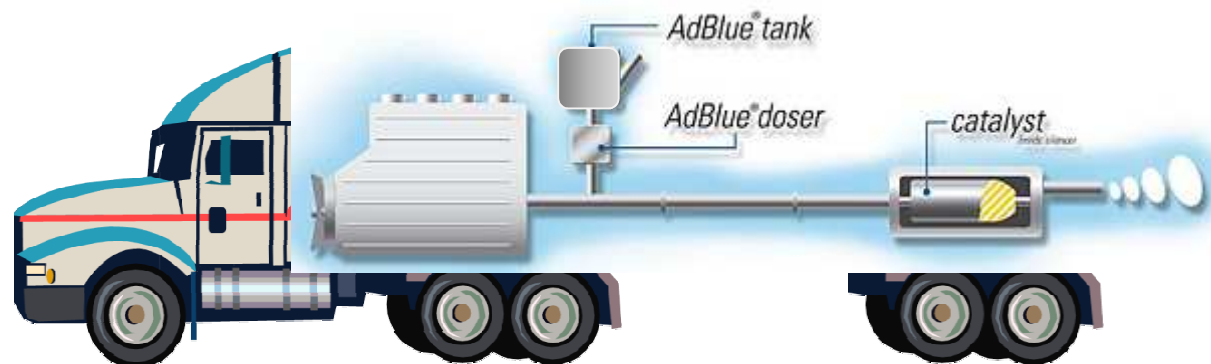
**Customers who take advantage of Brenntag's truly global network contributed EUR 1,120m of sales in 2013**

**TOP INITIATIVE – ADBLUE/DEF<sup>1)</sup>**

**High volume growth of high quality urea solution needed for catalytic reaction in trucks to fulfill regulatory requirements in Europe and NA**

**Concept**

- In Europe and North America new trucks have to meet specific norms for reduced emissions.
- High quality urea solution is needed for catalyst reaction to fulfill those norms.
- Brenntag has developed special logistics and consultancy concepts to facilitate supply of our customers with AdBlue/ DEF. This concept focuses on guaranteeing a consistently high quality standard throughout the supply chain from production and all logistics services to the arrival of the product at the customer's premises.
- For 30 liters of truck diesel 1 liter of AdBlue is required.

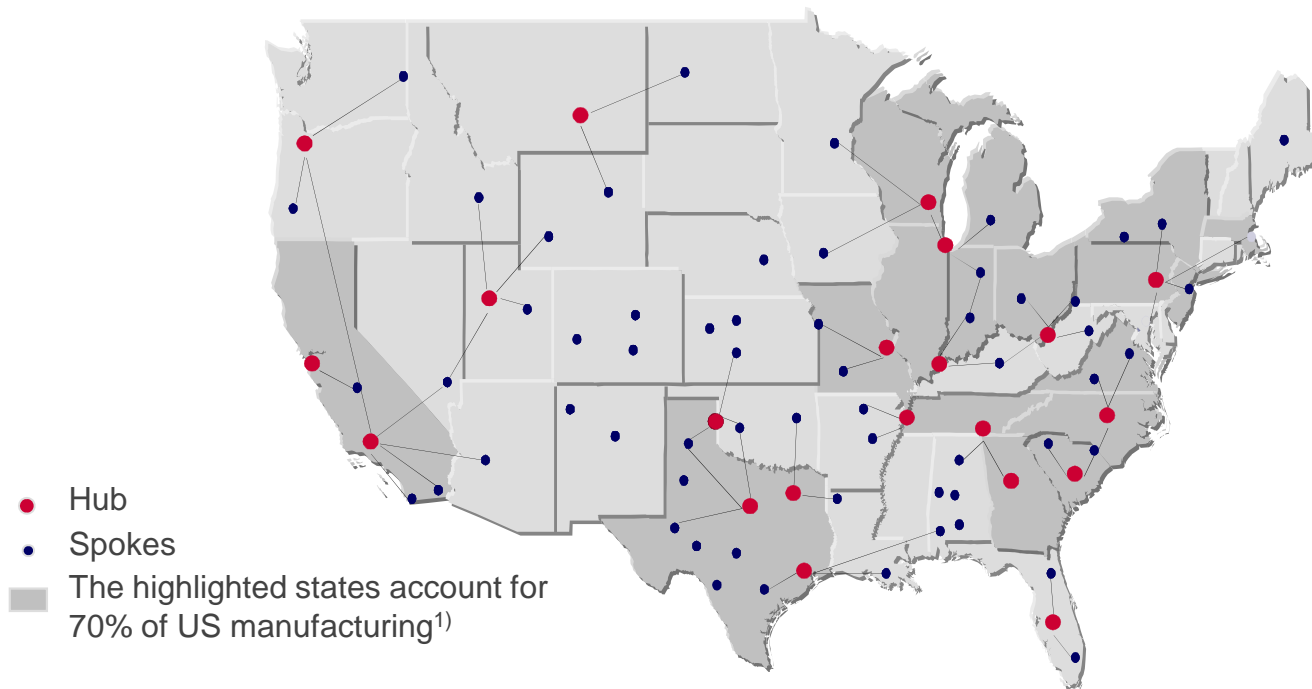


- Reduction of NOx
- Reduction of particles

1) Diesel Exhaust Fuel

NORTH AMERICA – EFFICIENT HUB & SPOKE SYSTEM

Efficient management of stock and storage utilization



- **Larger distribution sites (“hubs”)** are fully equipped with tanks, filling stations, mixing and blending facilities and storage facilities for packaged products
- **Smaller distribution sites (“spokes”)** represent warehouse facilities for packaged products that are supplied from the larger sites

1) BEA Bureau of Economic Analysis

## HSE

# Committed to health, safety and the environment

### Committed to the principles of Responsible Care/Responsible Distribution<sup>1)</sup>

- Product responsibility
- Plant safety
- Occupational safety and health
- Comprehensive environment protection (air, water, soil, raw materials, waste)
- Transport safety

### Brenntag Approach

<p><b>Programs and regular training</b></p>	<p><b>Clear guidelines and procedures</b></p>	<p><b>Appropriate equipment</b></p>	<p><b>Behaviour-based safety</b></p>	<p><b>Regular reporting to Board</b></p>
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1) Program of the International Council of Chemical Trade Associations

## ACQUISITION HISTORY

### Acquisitions have achieved three main objectives

#### Building up scale & efficiencies

- Biesterfeld, Germany, 2002
- Albion, UK and Ireland, 2006
- Schweizerhall, Switzerland, 2006
- Quadra and LA Chemicals, Western US, 2006
- Ulrich Chemicals, Mid-South US, 2007
- Houghton Chemicals, North-Eastern US, 2010
- G.S. Robins, Northern US, 2011
- The Treat-Em-Rite Corporation, Coastal US, 2012
- Kemira Water Denmark A/S, Copenhagen, 2014
- Philchem, Inc., Houston, Texas, USA

#### Expanding geographic coverage

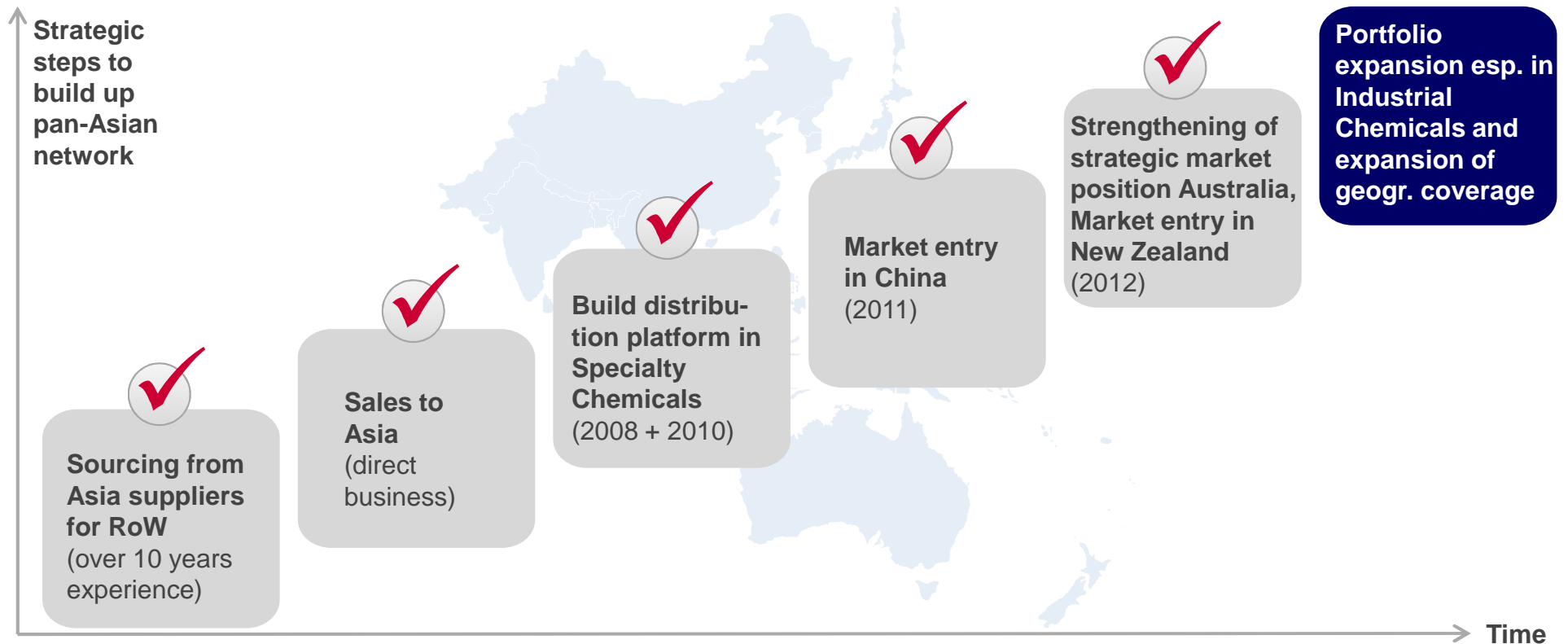
- Neuber, CEE, 2000
- Holland Chemical Intl., Canada/Latin America/Nordic, 2000
- Group Alliance, North Africa, 2005
- Dipol, Ukraine & Russia, 2008
- Rhodia, Asia Pacific, 2008
- EAC Industrial Ingredients, Asia Pacific, 2010
- Zhong Yung (International) Chemical, China, 2011
- ISM/Salkat Group, Asia Pacific, 2012

#### Improving full-line portfolio

- ACES<sup>1)</sup>, Acquacryl/Chemacryl (UK), 2004
- ACES<sup>1)</sup>, St. Lawrence (Canada), 2007
- Food, 6 distrib. in Spain, Italy, Turkey, Mexico and the UK, 2005, 2007-09
- Oil & Gas, 3 distributors in North America, 2005-06, 2008
- Food, Riba (Spain), Amco (Mexico), 2010 + 2011
- Lubricant additives, Multisol (UK), 2011
- Paints & coatings, ceramics, construction, food chemicals, Delanta Group (LA), 2012
- Water treatment, Altivia Corporation USA, 2012
- Lubricants & chemicals, Lubrication Services, L.L.C. (LSi), 2013
- Zytex Group India, 2013
- Gafor Distribuidora Ltd, Sao Paulo, Brazil, 2014

1) Adhesives, coatings, elastomers, sealants

**ASIA PACIFIC**  
**Clearly defined strategy**



**Brenntag's goal: Full-line distribution in Asia Pacific with access to various markets**

**CHINA**

**Strategic market entry in 2011**

- Acquisition of Zhong Yung (International) Chemical Ltd.
- Purchase of the first tranche of 51% end of August 2011 and consolidation since Sept. 1, 2011
- Acquisition of the remaining stake is contracted for 2016
- Enterprise value for the first tranche of 51% of the shares is EUR 66.7m, higher than previously reported due to strong Q4 performance above expectations
- Zhong Yung is focused on the distribution of solvents with established commercial and logistical infrastructure in the key economic regions in China



## HIGHLIGHTS 2013

### Introductory remarks to 2013 earnings

<b>Macro Economy</b>	Challenging macro economy throughout the year with slight recovery towards the end of the year
<b>Gross profit</b>	Gross profit of EUR 1,945.5m with a growth of 3.7% on a constant FX basis
<b>EBITDA</b>	Adjusted operating EBITDA <sup>1)</sup> of EUR 715.1m is in-line with guidance range of EUR 710m to 725m (growth of 2.4% on a constant FX basis)
<b>Acquisitions</b>	Further strengthening of market position through acquisitions in the US, India and Australia
<b>Free Cash Flow</b>	Strong free cash flow of EUR 543.4m
<b>Dividend</b>	Proposed dividend payment of EUR 2.60 per share (payout ratio of 39.5% of net profit after tax attributable to Brenntag shareholders)
<b>Stock Split</b>	Proposed 1:3 share split, where existing shareholders will receive 2 additional shares for each share they own

1) The adjustment refers to a non-recurring expense in Europe in relation to an antitrust case item of EUR 16.8m in Q2 2013.



## HIGHLIGHTS 2013

### Successful acquisitions

Acquired company	Strategic rationale
Lubrication Services, L.L.C. (USA)	Participation in the expected rapid growth related to the shale plays and strengthening of existing distribution relationships with key supply partners and key customers.
Zytex Group (India)	Strengthening our nutrition and health distribution business in India. Expanding strategic relationships with key global suppliers.
Blue Sky (Australia)	Benefit from the growth perspectives in the Australian AdBlue market.

## FINANCIALS 2013

### Income statement

	in EUR m	2013	2012 <sup>1)</sup>	Δ	Δ FX adjusted
Sales		9,769.5	9,689.9	0.8%	3.3%
Cost of goods sold		-7,824.0	-7,764.2	0.8%	
<b>Gross profit</b>		<b>1,945.5</b>	<b>1,925.7</b>	<b>1.0%</b>	<b>3.7%</b>
Expenses		-1,248.7	-1,218.7	2.5%	
<b>EBITDA</b>		<b>696.8</b>	<b>707.0</b>	<b>-1.4%</b>	<b>1.4%</b>
Add back transaction costs <sup>2)</sup>		+1.5	-		
Operating EBITDA		698.3	707.0	-1.2%	1.6%
<b>Adj. operating EBITDA <sup>3)</sup></b>		<b>715.1</b>	<b>718.0</b>	<b>-0.4%</b>	<b>2.4%</b>
Adj. Operating EBITDA/Gross profit <sup>4)</sup>		36.8%	37.3%		

1) 2012 figures IAS 19 restated

2) Transaction costs are costs connected with restructuring and refinancing under company law.

3) Q3 2012 (EUR 11m) and Q2 2013 (EUR 16.8m) are adjusted for non-recurring cost items in Europe in relation to an antitrust case

4) Conversion ratio of 35.9% in 2013 (36.7% in 2012) if not adjusted for the non-recurring cost items

## FINANCIALS 2013

### Income statement (continued)

in EUR m	2013	2012 <sup>1)</sup>	Δ
EBITDA	696.8	707.0	-1.4%
Depreciation	-101.2	-96.2	5.2%
<b>EBITA</b>	<b>595.6</b>	<b>610.8</b>	<b>-2.5%</b>
Amortization <sup>2)</sup>	-39.7	-36.9	7.6%
<b>EBIT</b>	<b>555.9</b>	<b>573.9</b>	<b>-3.1%</b>
Financial result <sup>3)</sup>	-60.7	-95.6	-36.5%
EBT	495.2	478.3	3.5%
<b>Profit after tax</b>	<b>338.9</b>	<b>337.8</b>	<b>0.3%</b>
EPS (after share split)	2.20	2.17	1.4%
EPS excl. Amortization and Zhong Yung liability <sup>4)</sup>	2.21	2.32	-4.7%

1) 2012 figures IAS 19 restated

2) This figure includes for 2013 scheduled amortization of customer relationships totalling EUR 32.8 million (2012: EUR 29.1m).

3) Thereof EUR 26.8m in 2013 are related to a change of the purchase price obligation for Zhong Yung (International) Chemical Ltd., which has to be recorded in the income statement according to IFRS (EUR 4.3m in 2012 )

4) Adjusted for the net effect of amortizations and changes in the purchase price obligation for the outstanding 49% in Zhong Yung (International) Chemical Ltd

## FINANCIALS 2013

### Cash flow statement

in EUR m	2013	2012 <sup>1)</sup>
Profit after tax	338.9	337.8
Depreciation & amortization	140.9	133.1
Income taxes	156.3	140.5
Income tax payments	-159.9	-121.2
Interest result	73.8	83.2
Interest payments (net)	-73.2	-80.4
Changes in current assets and liabilities	-63.2	-43.2
Change in purchase price obligation/IAS 32	-25.3	-2.8
Other	-30.5	-14.0
<b>Cash provided by operating activities</b>	<b>357.8</b>	<b>433.0</b>

1) 2012 figures IAS 19 restated

## FINANCIALS 2013

### Cash flow statement (continued)

in EUR m	2013	2012
Purchases of intangible assets and property, plant & equipment	-98.2	-86.3
Purchases of consolidated subsidiaries and other business units	-43.9	-234.5
Other	6.9	8.1
<b>Cash used for investing activities</b>	<b>-135.2</b>	<b>-312.7</b>
Capital increase	-	-
Payments in connection with the capital increase	-	-
Purchases of shares in companies already consolidated	-	-
Dividends paid to minority shareholders	-1.5	-1.6
Dividends paid to Brenntag shareholders	-123.6	-103.0
Repayment of (-)/proceeds from (+) borrowings (net)	9.2	-123.4
<b>Cash used for financing activities</b>	<b>-115.9</b>	<b>-228.0</b>
<b>Change in cash &amp; cash equivalents</b>	<b>-106.7</b>	<b>-107.7</b>

## FINANCIALS 2013

### Balance Sheet and leverage

in EUR m	31 Dec 2013	31 Dec 2012	31 Dec 2011	31 Dec 2010	31 Dec 2009
Financial liabilities	1,768.5	1,829.5	1,952.4	1,783.8	2,436.3
./. Cash and cash equivalents	426.8	346.6	458.8	362.9	602.6
Net Debt	1,341.7	1,482.9	1,493.6	1,420.9	1,833.7
<b>Net Debt/Operating EBITDA</b>	<b>1.9x</b>	<b>2.1x</b>	<b>2.3x</b>	<b>2.4x</b>	<b>3.6x</b>
Equity <sup>1)</sup>	2,093.7	1,944.2	1,737.6	1,617.9	172.3

1) The values of 31 December 2012 and 31 December 2011 were revised due to the initial application of the revised version of IAS 19 (Employee Benefits (revised 2011)).

## FINANCIALS 2013

### Working capital

in EUR m	31 Dec 2013	31 Dec 2012	31 Dec 2011	31 Dec 2010	31 Dec 2009
Inventories	757.1	760.4	696.8	606.1	422.3
+ Trade receivables	1,248.8	1,266.4	1,220.9	1,059.7	831.4
./. Trade payables	961.5	1,008.2	956.6	834.1	655.6
<b>Working capital (end of period)</b>	<b>1,044.4</b>	<b>1,018.6</b>	<b>961.1</b>	<b>831.7</b>	<b>598.1</b>
Working capital turnover (year-to-date) <sup>1)</sup>	9.0x	9.2x	9.3x	10.2x	9.2x

1) Using sales on year-to-date basis and average working capital year-to-date.

## FINANCIALS 2013

### Free cash flow

in EUR m	2013	2012	Δ	Δ
EBITDA	696.8	707.0	-10.2	-1.4%
CAPEX	-97.2	-94.7	-2.5	2.6%
Δ Working capital	-56.2	-33.0	-23.2	70.3%
<b>Free cash flow</b>	<b>543.4</b>	<b>579.3</b>	<b>-35.9</b>	<b>-6.2%</b>



## FINANCIALS 2013

### Segments FY 2013

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
<b>Operating gross profit</b>	<b>2013</b>	<b>930.0</b>	<b>763.1</b>	<b>163.6</b>	<b>121.7</b>	<b>13.9</b>	<b>1,992.3</b>
	2012	927.9	742.3	169.9	113.5	15.1	1,968.4
	Δ	0.2%	2.8%	-3.5%	7.2%	-7.9%	1.2%
	Δ FX adjusted	1.3%	6.7%	2.1%	11.3%	-7.9%	3.9%
<b>Adj. Operating EBITDA</b>	<b>2013</b>	<b>314.2</b>	<b>325.7</b>	<b>47.0</b>	<b>47.5</b>	<b>-19.3</b>	<b>715.1</b>
	2012	316.9	321.7	56.9	46.8	-24.3	718.0
	Δ	-0.9%	1.2%	-17.4%	1.5%	-20.6%	-0.4%
	Δ FX adjusted	0.4%	4.9%	-12.3%	4.2%	-20.6%	2.4%

## DIVIDEND 2013

in EUR m	2013
Profit after tax	338.9
Less minority interest	0.3
Profit after tax (consolidated) attributable to shareholders of Brenntag AG	339.2
<b>Proposed dividend payment</b>	<b>133.9</b>
Dividend per share in EUR (after share split) <sup>1)</sup>	0.87
<b>Payout ratio</b>	<b>39.5%</b>

1) Dividend before Share Split EUR 2.60

## RONA

### Increasing value added and returns

	in EUR m	2008	% Δ	2009	% Δ	2010	% Δ	2011	% Δ	2012	% Δ	2013	% CAGR 2008 - 2013
Sales		7,380	-13.8	6,365	20.2	7,649	13.5	8,679	11.6	9,690	0.8	9,770	5.8
Cost of goods sold		5,887	-16.7	4,905	22.6	6,013	14.9	6,911	12.3	7,764	0.8	7,824	5.9
Gross profit		1,492	-2.2	1,460	12.1	1,636	8.0	1,768	8.9	1,926	1.0	1,946	5.4
Expenses		1,011	-2.8	983	5.7	1,039	6.8	1,109	9.9	1,219	2.5	1,249	4.3
<b>EBITDA</b>		<b>481</b>	<b>-0.9</b>	<b>477</b>	<b>25.4</b>	<b>598</b>	<b>10.2</b>	<b>659</b>	<b>7.3</b>	<b>707</b>	<b>-1.4</b>	<b>697</b>	<b>7.7</b>
EBITDA/Gross profit		32%		33%		37%		37%		37%		36%	
<b>EBITA</b>		<b>398</b>	<b>-0.8</b>	<b>394</b>	<b>30.3</b>	<b>514</b>	<b>11.0</b>	<b>570</b>	<b>7.1</b>	<b>610</b>	<b>-2.5</b>	<b>596</b>	<b>8.4</b>
<b>RONA<sup>1)</sup></b>		<b>24.4%</b>		<b>26.8%</b>		<b>33.0%</b>		<b>32.5%</b>		<b>32.0%</b>		<b>30.6%</b>	

1) RONA is defined as EBITA divided by the sum of average PPE plus average working capital.

## CASH FLOW

### Strong cash generation over the past years

in EUR m	2008	2009	2010	2011	2012	2013
EBITDA	480.9	476.6	597.6	658.8	707.0	696.8
CAPEX	-84.3	-71.8	-85.1	-86.0	-94.7	-97.2
Δ Working capital	-53.5	242.0	-136.4	-61.0	-33.0	-56.2
<b>Free cash flow</b> <sup>1)</sup>	<b>343.1</b>	<b>646.8</b>	<b>376.1</b>	<b>511.8</b>	<b>579.3</b>	<b>543.4</b>
Average working capital <sup>2)</sup>	833.1	691.9	752.4	928.3	1,048.8	1,090.0
<b>Working capital turnover</b> <sup>3)</sup>	<b>8.9x</b>	<b>9.2x</b>	<b>10.2x</b>	<b>9.3x</b>	<b>9.2x</b>	<b>9.0</b>

1) Free Cash Flow is calculated as EBITDA – Capex +/- Δ Working Capital.

2) Average Working Capital is defined for a particular year as the mean average of the values for working capital at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year.

3) Working Capital Turnover is defined as Sales divided by Average Working Capital.

## SHAREHOLDER STRUCTURE

### Shareholders exceeding the 3% or 5% threshold as of November 2014

Shareholder	Proportion in %	Date of notification
Threadneedle/Ameriprise	5.27	July 23, 2012
Sun Life/MFS	5.03	July 3, 2012
BlackRock	4.48	September 30, 2014
Newton	3.14	Nov. 6, 2013
Allianz Global Investors	3.00	Feb. 25, 2014

## SHARE DATA

<b>ISIN</b>	DE000A1DAH0
<b>Stock symbol</b>	BNR
<b>Listed since</b>	29 March 2010
<b>Subscribed capital</b>	EUR 154,500,000.00
<b>Outstanding shares</b>	154,500,000
<b>Class of shares</b>	Registered shares
<b>Free float</b>	100%
<b>Official market</b>	Prime Standard XETRA and Frankfurt
<b>Regulated unofficial markets</b>	Berlin, Stuttgart
<b>Designated sponsors</b>	Deutsche Bank AG, ICF Kursmakler AG
<b>Indices</b>	MDAX <sup>®</sup> , MSCI, Stoxx Global, Stoxx Europe

## BOND DATA

<b>ISIN</b>	XS0645941419
<b>Listing</b>	Luxembourg Stock Exchange
<b>Issuer</b>	Brenntag Finance B.V.
<b>Guarantors</b>	Brenntag AG, several Brenntag Group companies
<b>Aggregate principal amount</b>	EUR 400,000,000
<b>Denomination</b>	EUR 1,000
<b>Minimum transferable amount</b>	EUR 50,000
<b>Coupon</b>	5.50%
<b>Coupon payment</b>	19 July
<b>Maturity</b>	19 July 2018
<b>Rating</b>	BBB-/Ba1

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## FINANCIAL CALENDAR

<b>Date</b>	<b>Event</b>
November 19, 2014	Deutsche Bank Business Service & Leisure Conference
December 3, 2014	Credit Suisse Business Services West Coast Conference
December 1-4, 2014	Berenberg Pan European Conference
January 12-13, 2015	Commerzbank German Investment Seminar
March 18, 2015	Annual Report 2014

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