



# Q3 2021 RESULTS

NOVEMBER 4, 2021

Conference Call  
Corporate Investor Relations

Connecting**Chemistry**



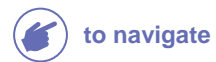
# Agenda

HIGHLIGHTS Q3 2021

FINANCIALS Q3 2021

OUTLOOK

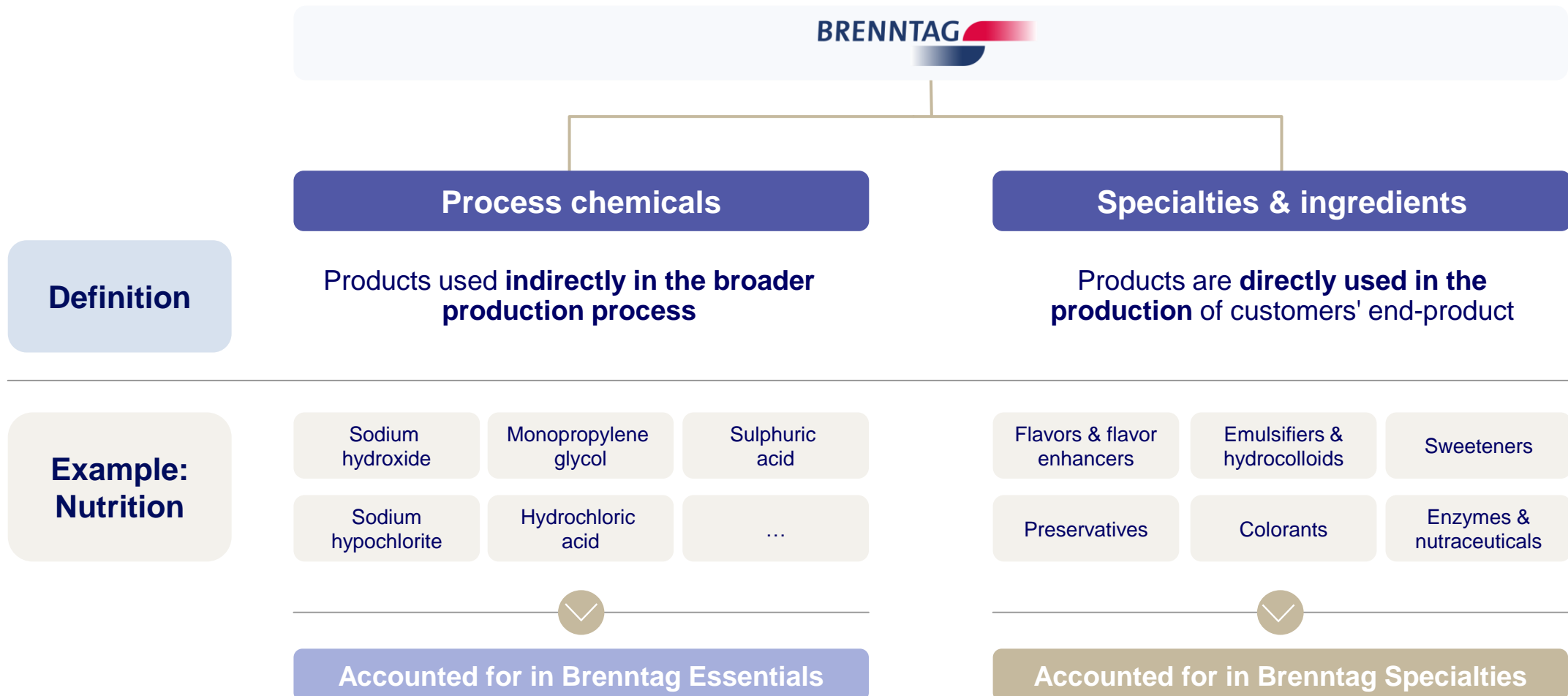
APPENDIX



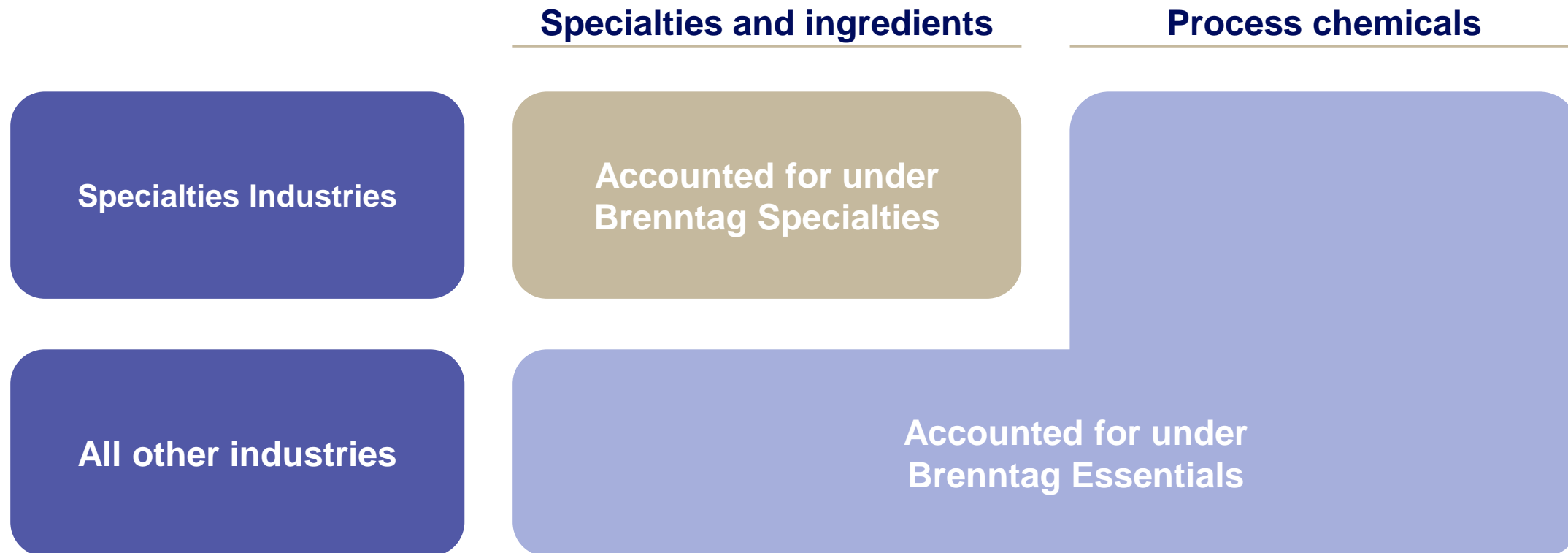
# Highlights Q3 2021: Outstanding quarterly results

<p><b>OPERATING GROSS PROFIT</b> (fx adj.)</p> <p><b>+23.7%</b></p> <p>EUR 862.3m</p>	<p><b>OPERATING EBITDA</b> (fx adj.)</p> <p><b>+29.7%</b></p> <p>EUR 342.9m</p>	<p><b>FREE CASHFLOW</b></p> <p><b>EUR 155m</b></p> <p>Working Capital turn still high at 8.4x</p>	<p><b>EPS</b></p> <p><b>EUR 1.02</b></p> <p>+34% compared to Q3 2020</p>
<p><b>OUTSTANDING QUARTERLY RESULTS</b></p> <p>in still persisting exceptional market environment</p>	<p><b>FY 2021 GUIDANCE RAISED IN Q3</b></p> <p>FY 2021 OP. EBITDA: EUR 1,260m - 1,320m</p>	<p><b>M&amp;A TARGETS CONTRIBUTED ACCORDING TO PLAN</b></p>	<p><b>PROJECT BRENNTAG FULLY ON TRACK</b></p> <p>Implementation of various measures according to plan</p>

# Clear assignment and accounting for products according to industry needs



# Stringent definition of Brenntag Essentials and Brenntag Specialties





## Continued challenging market conditions in Q3 2021

**Continued disruptions in some countries  
due to COVID-19 lockdowns**

**Global supply chains persistently under pressure**

**Spiking energy prices**

**„Dual-Control“ regulatory program in China**

# Agenda

HIGHLIGHTS Q3 2021

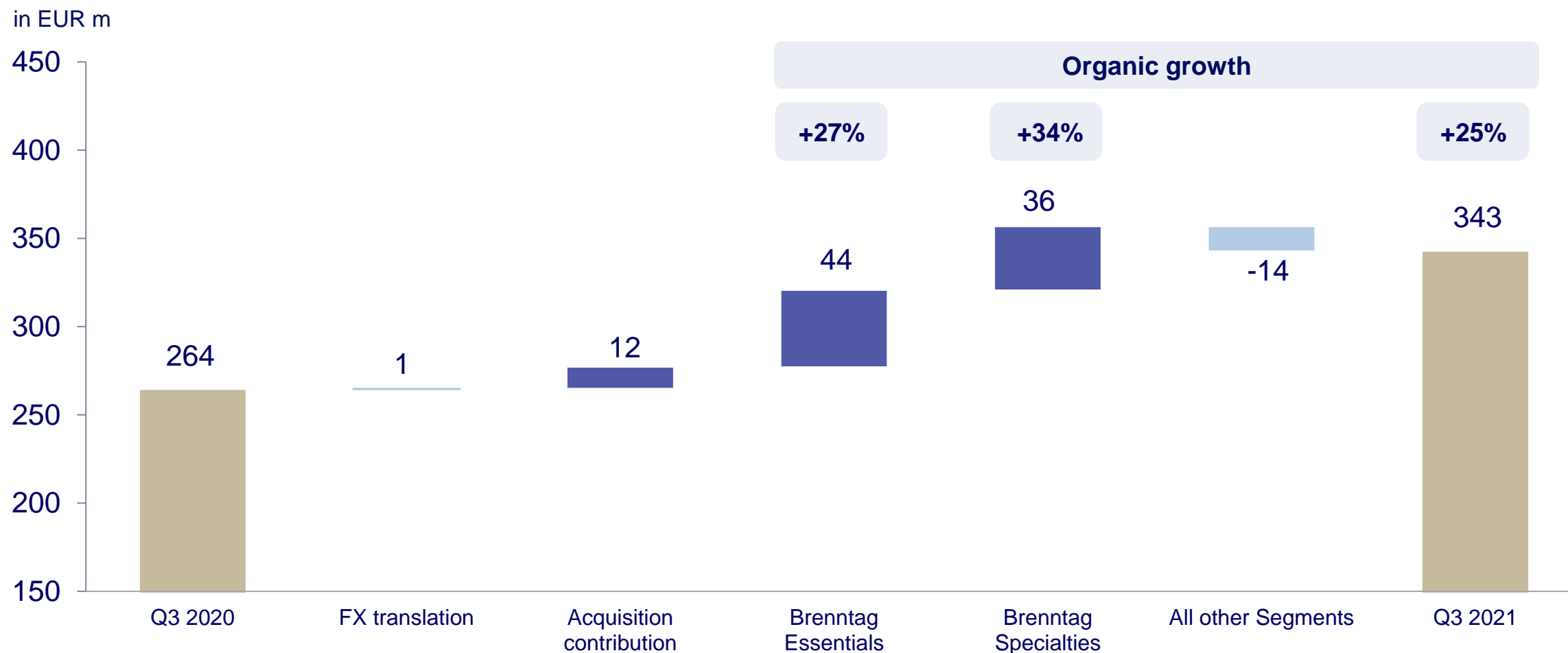
FINANCIALS Q3 2021

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# Financials Q3 2021: Operating EBITDA bridge\*

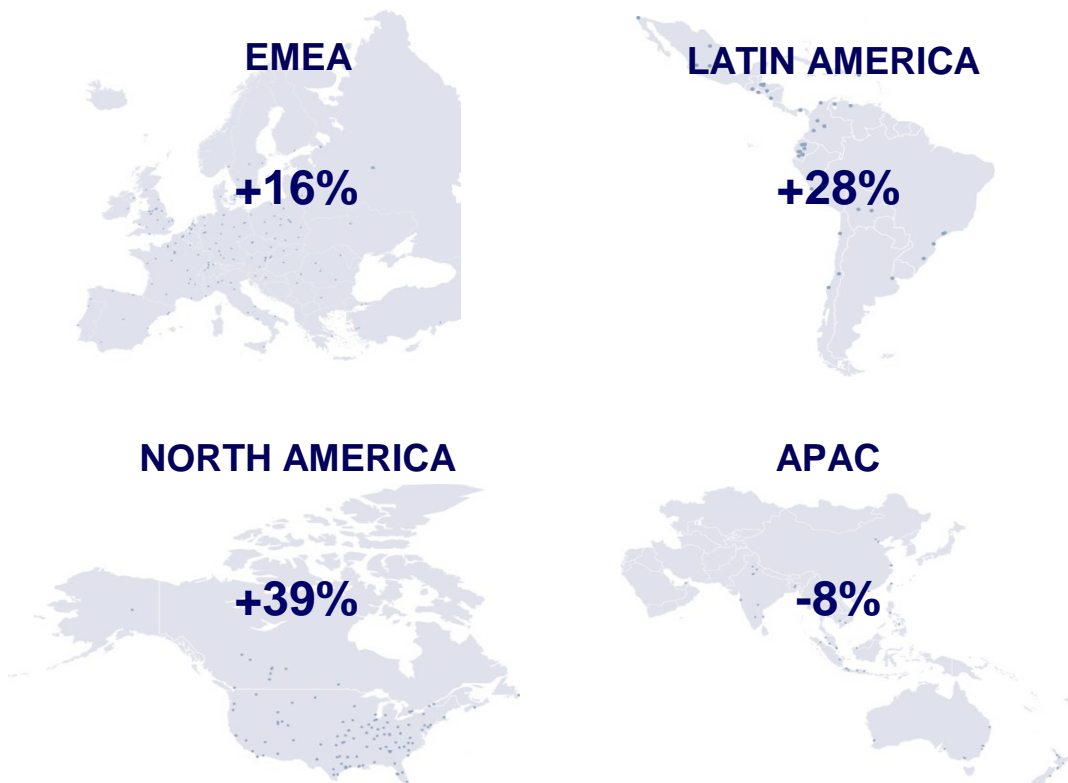


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# Financials Q3 2021: Brenntag Essentials

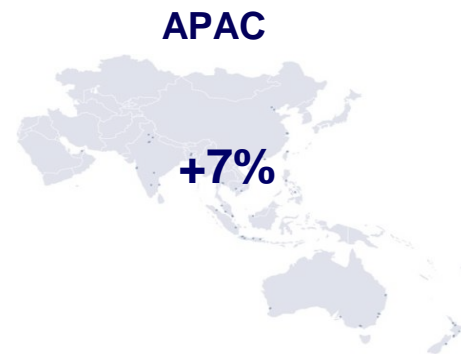
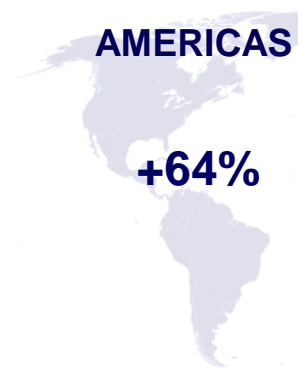
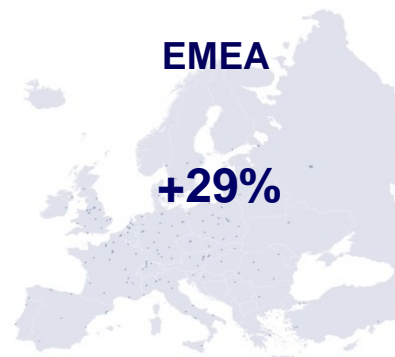
## Organic op. EBITDA growth



- Brenntag Essentials again with strong performance
- EMEA, North America and Latin America contributed to results
- Asia Pacific impacted by strict COVID-19 lockdowns
- Maintaining supply chains was key
- Growth almost entirely organic
- Op. EBITDA result positively impacted by strong growth in North America
- Conversion ratio of ~41%

# Financials Q3 2021: Brenntag Specialties

## Organic op. EBITDA growth



## Focus industries (Org. GP dev.)

Nutrition

Pharma

Personal Care /HI&I

Water treatment

Material Science

Lubricants

- Benefitting from good margin management
- Growth across all segments and industries
- Asia Pacific impacted by strict COVID-19 lockdowns
- Nutrition, Material Science and Lubricants with particularly strong performance
- Pharma and Personal Care/Hi&I a bit weaker
- Conversion ratio of ~46%

# Financials Q3 2021: Segments (1/2)

in EUR m	Operating gross profit <sup>1)</sup>				Operating EBITDA <sup>2)</sup>				
	Q3 2021	Q3 2020	Δ	Δ FX adjusted	Q3 2021	Q3 2020	Δ	Δ FX adjusted	Δ organic
Brenntag Essentials	520.2	433.0	20.1%	19.5%	210.3	162.9	29.1%	28.7%	26.9%
Brenntag Specialties	334.3	257.3	29.9%	30.1%	152.9	108.0	41.6%	42.3%	33.7%
All other Segments	7.8	4.9	59.2%	59.2%	-20.3	-6.5	212.3%	209.1%	
<b>Brenntag Group</b>	<b>862.3</b>	<b>695.2</b>	<b>24.0%</b>	<b>23.7%</b>	<b>342.9</b>	<b>264.4</b>	<b>29.7%</b>	<b>29.7%</b>	<b>25.0%</b>

in EUR m	Operating EBITA			
	Q3 2021	Q3 2020	Δ	Δ FX adjusted
Brenntag Essentials	155.2	109.9	41.2%	40.9%
Brenntag Specialties	144.5	101.0	43.1%	44.0%
All other Segments	-21.9	-8.0	173.8%	175.0%
<b>Brenntag Group</b>	<b>277.8</b>	<b>202.9</b>	<b>36.9%</b>	<b>37.1%</b>

1) External sales less cost of materials.

2) Segment operating EBITDA is calculated as EBITDA adjusted for holding charges and special items.

# Financials Q3 2021: Segments (2/2)

in EUR m	Operating gross profit <sup>1)</sup>				Operating EBITDA <sup>2)</sup>				
	Q3 2021	Q3 2020	Δ	Δ FX adjusted	Q3 2021	Q3 2020	Δ	Δ FX adjusted	Δ organic
Essentials EMEA	188.3	172.5	9.2%	8.1%	70.9	60.1	18.0%	17.2%	16.4%
Essentials North America	268.1	203.7	31.6%	31.7%	118.0	83.2	41.8%	42.5%	39.5%
Essentials Latin America	37.5	30.9	21.4%	21.3%	12.1	9.5	27.4%	28.0%	28.0%
Essentials APAC	26.3	25.9	1.5%	-1.1%	9.7	10.4	-6.7%	-8.5%	-8.5%
<b>Brenntag Essentials</b>	<b>520.2</b>	<b>433.0</b>	<b>20.1%</b>	<b>19.5%</b>	<b>210.3</b>	<b>162.9</b>	<b>29.1%</b>	<b>28.7%</b>	<b>26.9%</b>
Specialties EMEA	148.2	122.3	21.2%	21.2%	69.1	53.2	29.9%	30.8%	28.6%
Specialties Americas	128.6	88.4	45.5%	45.8%	56.3	32.4	73.8%	75.3%	64.2%
Specialties APAC	57.5	46.6	23.4%	24.1%	28.5	22.6	26.1%	26.8%	6.7%
<b>Brenntag Specialties</b>	<b>334.5</b>	<b>257.3</b>	<b>29.9%</b>	<b>30.1%</b>	<b>152.9</b>	<b>108.0</b>	<b>41.6%</b>	<b>42.3%</b>	<b>33.7%</b>

1) External sales less cost of materials.

2) Segment operating EBITDA is calculated as EBITDA adjusted for holding charges and special items.

The difference between the sum total of the reportable segments (EMEA, Americas and APAC) and the Brenntag divisions is the result of central activities which are part of Brenntag divisions but not directly attributable to any one segment.

# Financials Q3 2021:

## Income statement below operating EBITDA

in EUR m	Q3 2021	Q3 2020	Δ	FY 2020
<b>Operating EBITDA</b>	<b>342.9</b>	<b>264.4</b>	<b>29.7%</b>	<b>1,057.7</b>
Special items	-15.4	-14.6	-5.5%	-47.2
Depreciation	-65.1	-61.5	5.9%	-252.4
<b>EBITA</b>	<b>262.4</b>	<b>188.3</b>	<b>39.4%</b>	<b>758.1</b>
Amortization	-15.8	-10.7	47.7%	-45.1
<b>EBIT</b>	<b>246.6</b>	<b>177.6</b>	<b>38.9%</b>	<b>713.0</b>
Financial result	-17.3	-15.6	10.9%	-79.7
EBT	229.3	162.0	41.5%	633.3
<b>Profit after tax</b>	<b>161.0</b>	<b>120.6</b>	<b>33.5%</b>	<b>473.8</b>
EPS	1.02	0.76	34.2%	3.02

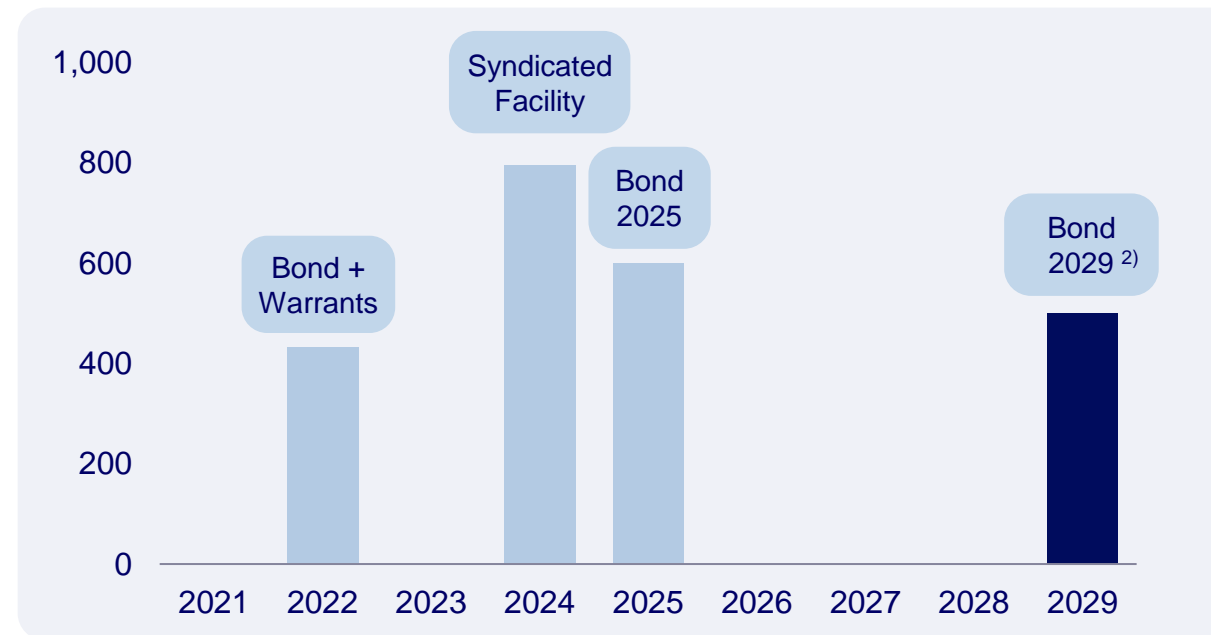


# Financials Q3 2021: Free cash flow

in EUR m	Q3 2021	Q3 2020	Δ	Δ	FY 2020
Operating EBITDA	342.9	264.4	78.5	29.7%	1,057.7
Capex	-38.0	-38.5	0.5	-1.3%	-201.9
Δ Working capital	-114.2	226.5	-340.7	-150.4	325.0
Principal and interest payments on lease liabilities	-35.7	-31.7	-4.0	12.6%	-126.2
<b>Free cash flow</b>	<b>155.0</b>	<b>420.7</b>	<b>-265.7</b>	<b>-63.2%</b>	<b>1,054.6</b>

# Financials Q3 2021: Balance Sheet and maturity profile

in EUR m	30 Sep 2021	31 Dec 2020
Financial liabilities	2,124.1	1,639.4
Lease liabilities	451.4	426.8
./. Cash and cash equivalents	544.0	726.3
Net Debt	2,031.5	1,339.9
<b>Net Debt/Operating EBITDA <sup>1)</sup></b>	<b>1.6x</b>	<b>1.3x</b>
Equity	3,870.9	3,611.6



1) Operating EBITDA for the quarters on LTM basis calculated.

2) Bond 2029 settled on 6 Oct 2021 and therefore not included in Financial liabilities as per 30 Sep 2021.

# Financials Q3 2021: Working capital

in EUR m	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020
Inventories	1,431.1	1,207.8	1,092.8	978.9	1,005.9
+ Trade receivables	2,189.4	2,056.8	1,938.7	1,597.5	1,648.0
./. Trade payables	1,660.1	1,555.2	1,485.7	1,229.8	1,194.2
<b>Working capital (end of period)</b>	<b>1,960.4</b>	<b>1,709.4</b>	<b>1,545.8</b>	<b>1,346.6</b>	<b>1,459.7</b>
Working capital turnover (annualized) <sup>1)</sup>	8.4x	8.6x	8.7x	7.3x	7.1x

1) Sales YTD extrapolated to the full year; average working capital is defined as the average of working capital at the beginning of the year and at the end of each quarter.

# Project Brenntag: Status update 9M 2021



## Overall Implementation

- Implementation of transformation program on track
- Ongoing implementation of site network optimization incl. two mega sites in China
- Implementation of Go-to-Market approach nearly completed globally



## Measures

- Implementation of measures according to plan
- Broad portfolio of dedicated trainings for leaders and employees
- Centralization of administrative functions ongoing
- Further progress in indirect procurement initiatives



## Results

- Working Capital turn of 8.4x
- Structural reduction of more than 740 jobs so far
- 68 site closures globally
- Operating EBITDA contribution of around EUR 70m (baseline 2019)

# Project Brenntag: Operating EBITDA contribution



<sup>1)</sup> Based on management estimates



# Digital Sales Channel Development @ Brenntag

## Brenntag Connect

Digital Sales Solutions Channel to over 10,000 chemicals and ingredients globally

- ➔ Buy thousands of products online by industry, supplier and product type
- ➔ Register and start adding chemicals and ingredients to your shopping cart

## Key Features

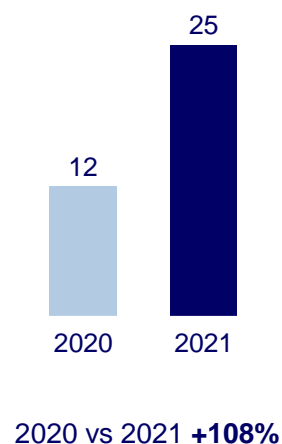
Place Orders and Track Shipments

Search Products and Get Pricing

View and Download Documents



### Countries



### Active Customers



### Orders



# Agenda

HIGHLIGHTS Q3 2021

FINANCIALS Q3 2021

**OUTLOOK**

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# Outlook 2021: Well positioned in challenging environment

## Macro environment

- Exceptional market conditions expected to persist well into 2022
- Continuous pressure on global supply chains, spiking energy prices and developments in China play an important part

## Comments

- Well positioned to keep high level of service excellence for our partners
- Guidance includes uplift of Project Brenntag initiatives, closed M&A and assumes stable FX rates

## Operating EBITDA Guidance

- **FY 2021 operating EBITDA guidance range increased twice in course of 2021 to EUR 1,260m – 1,320m (prev. EUR 1,160m – 1,260m)**
- **Guidance confirmed**

## Additional information

- EUR/USD: ~1.20 (2020: ~1.14)
- EUR/USD sensitivity (FY basis): Delta of EUR/USD +/- 1 cent = EUR ~ +/- 5m op. EBITDA
- Tax rate: ~29%
- Capex 2021: EUR ~210m

**Thank you for your attention!**



**Christian Kohlpaintner**  
*CEO*



**Georg Müller**  
*CFO*

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

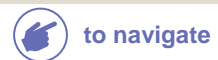
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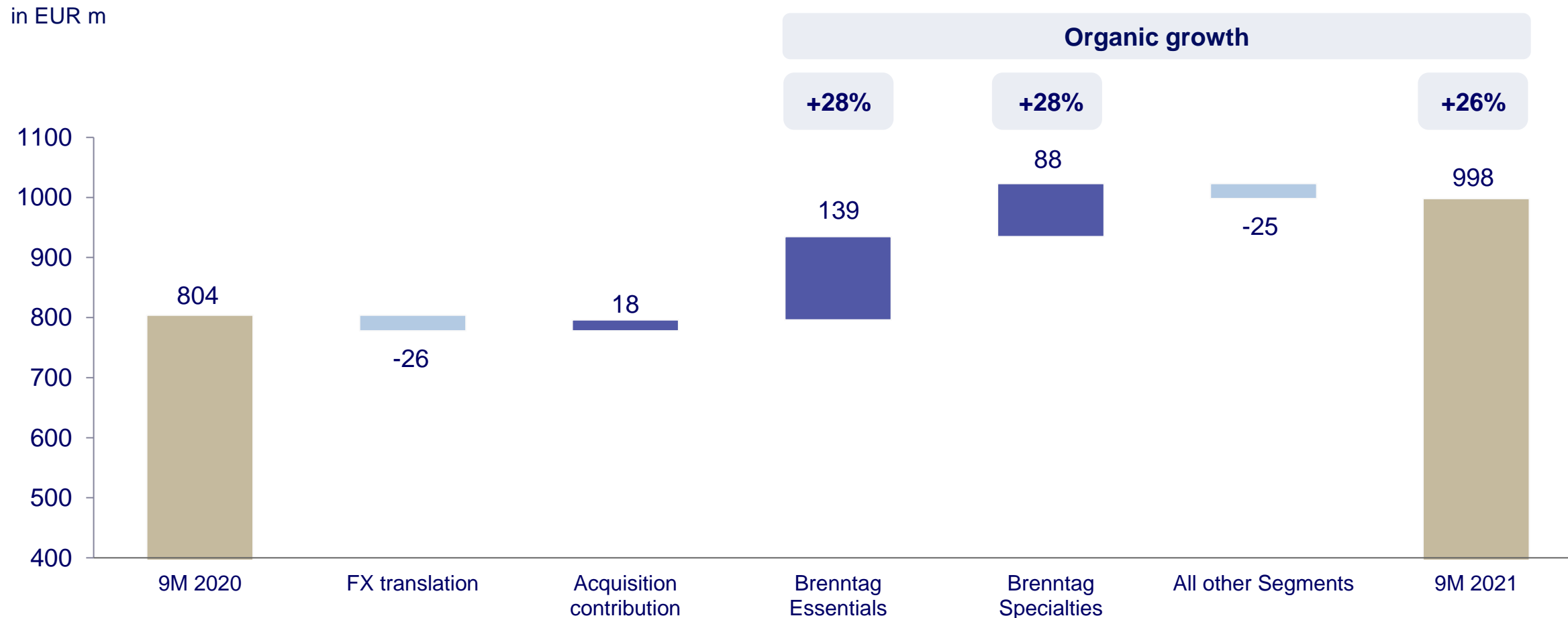
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# Financials 9M 2021: Operating EBITDA bridge\*



\* Calculations are partly based on assumptions made by management; effects based on rounded figures

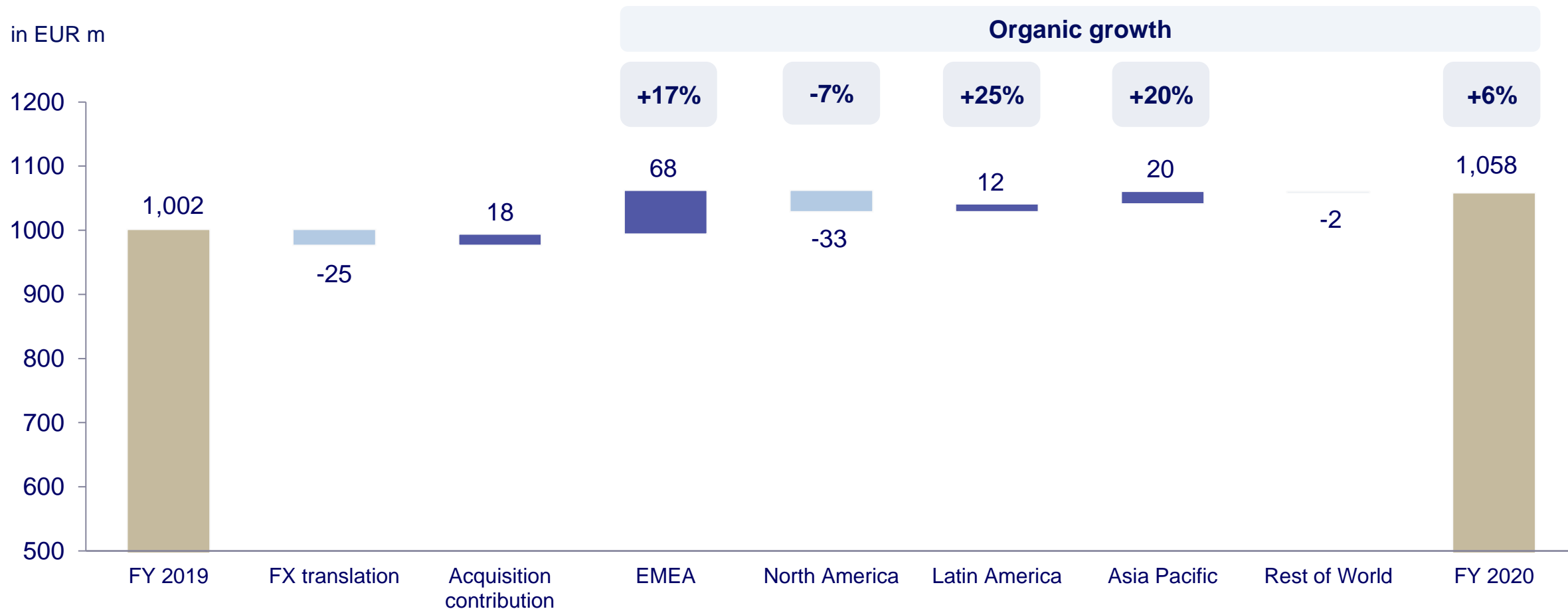
# Financials 9M 2021: Income statement below operating EBITDA

in EUR m	9M 2021	9M 2020	Δ
<b>Operating EBITDA</b>	<b>998.3</b>	<b>803.6</b>	<b>24.2%</b>
Special items	-104.1	-33.4	211.7%
Depreciation	-191.9	-189.6	1.2%
<b>EBITA</b>	<b>702.3</b>	<b>580.6</b>	<b>21.0%</b>
Amortization	-91.7	-33.5	173.7%
<b>EBIT</b>	<b>610.6</b>	<b>547.1</b>	<b>11.6%</b>
Financial result	-49.2	-61.9	-20.5%
EBT	561.4	485.2	15.7%
<b>Profit after tax</b>	<b>398.4</b>	<b>358.6</b>	<b>11.1%</b>
EPS	2.52	2.30	9.6%

# Financials 9M 2021: Cash flow items

in EUR m	9M 2021	9M 2020	Δ	Δ
Operating EBITDA	998.3	803.6	194.7	24.2%
CAPEX	-105.9	-127.1	21.2	-16.7%
Δ Working capital	-443.0	214.2	-657.2	-306.8%
Principal and interest payments on lease liabilities	-97.3	-94.8	-2.5	2.6%
<b>Free cash flow</b>	<b>352.1</b>	<b>795.9</b>	<b>-443.8</b>	<b>-55.8%</b>

# Financials FY 2020: Operating EBITDA bridge\*



\* Calculations are partly based on assumptions made by management; effects based on rounded figures

# Financials FY 2020:

## Income statement below operating EBITDA

in EUR m	FY 2020	FY 2019	Δ
<b>Operating EBITDA</b>	<b>1,057.7</b>	<b>1,001.5</b>	<b>5.6%</b>
Special items	-47.2	8.6	-648,8%
Depreciation	-252.4	-243.6	3.6%
<b>EBITA</b>	<b>758.1</b>	<b>766.5</b>	<b>-1.1%</b>
Amortization <sup>1)</sup>	-45.1	-49.6	-9.1%
<b>EBIT</b>	<b>713.0</b>	<b>716.9</b>	<b>-0.5%</b>
Financial result	-79.7	-83.5	-4.6%
EBT	633.3	633.4	0.0%
<b>Profit after tax</b>	<b>473.8</b>	<b>469.2</b>	<b>1.0%</b>
EPS	3.02	3.02	0.0%

1) Includes scheduled amortization of customer relationships amounting to EUR 28.7m in 2020 (EUR 34.9m in 2019).



# Financials FY 2020: Cash flow items

in EUR m	2020	2019	Δ	Δ
Operating EBITDA	1,057.7	1,001.5	56.2	5.6%
CAPEX	-201.9	-205.2	3.3	-1.6%
Δ Working capital	325.0	161.7	163.3	-101.0%
Principal and interest payments on lease liabilities	-126.2	-120.7	-5.5	4.6%
<b>Free cash flow</b>	<b>1,054.6</b>	<b>837.3</b>	<b>217.3</b>	<b>26.0%</b>

**FREE CASH  
FLOW**

EUR 1,055m

**INTEREST AND TAX  
PAYMENTS**

EUR -213m

**CASH OUT  
FOR M&A**

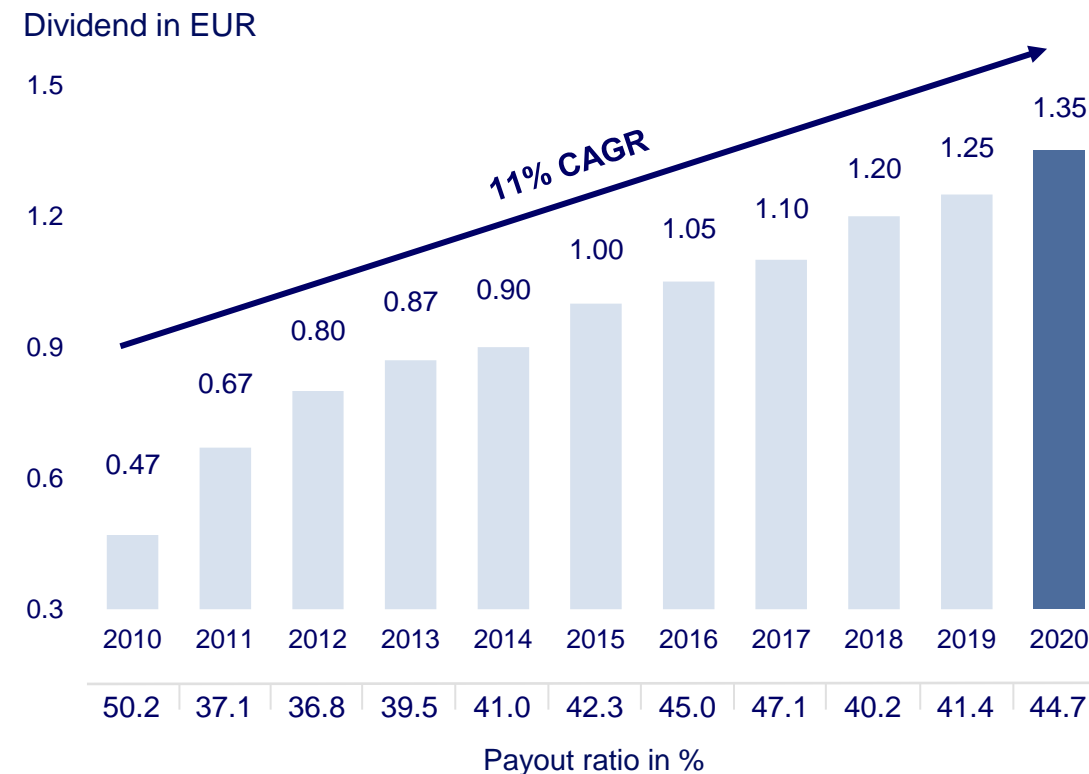
EUR -46m

**DIVIDEND  
PAID**

EUR -193m

# Financials FY 2020: Continuous dividend increase

in EUR m	2020	2019	Δ
Profit after tax	473.8	469.2	1.0%
Less minority interests	7.3	2.5	
Profit after tax (consolidated) attributable to shareholders of Brenntag SE	466.5	466.7	0.0%
Proposed dividend payment	208.6	193.1	
<b>Proposed dividend per share in EUR</b>	<b>1.35</b>	<b>1.25</b>	<b>8.0%</b>
<b>Payout ratio</b>	<b>44.7%</b>	<b>41.4%</b>	



**Dividend policy:** pay an annual dividend of **35% to 50%** of consolidated profit after tax attributable to shareholders of Brenntag SE

# Financial calendar / Contact



Date	Event
March 9, 2022	Annual Report 2021
June 9, 2022	General Shareholders' Meeting 2021

The financial calendar is updated regularly. You can find the latest dates on <https://www.brenntag.com/corporate/en/investor-relations/publications-events/financial-calendar/>. Please note that these dates could be subject to change.



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