

# Q1 2024 Results

Brenntag SE  
May 14, 2024

# Q1 2024 Results Presentation

1. Highlights Q1 2024
2. Financial performance Q1 2024
3. Outlook
4. Appendix



# Highlights Q1 2024

## SALES

EUR 4.0 bn

- 10.9% vs. PY (fx adj.)

## OPERATING GROSS PROFIT

EUR 984 m

- 5.1% vs. PY (fx adj.)

## OPERATING EBITA

EUR 260 m

- 24.0% vs. PY (fx adj.)

## FREE CASH FLOW

EUR 175 m

- 61.0% vs. Q1 2023

## EPS

EUR 0.97

Q1 2023: EUR 1.40

## BUSINESS ENVIRONMENT

Challenging

Higher volumes not able to compensate lower sales prices

## BOND PLACEMENT APRIL 2024

EUR 1 bn

Two EUR bonds with a total amount of one billion EUR

## OUTLOOK FY 2024

At the lower end

of the Guidance provided in March 2024 (op. EBITA of EUR 1.23-1.43 bn)

# Update on our strategic initiatives



## Portfolio Shift

- **Reallocation of selected businesses** started in January 2024 to further **strengthen coherence of business models**
- **Water treatment** and **finished lubricants** transferred to BES
- All **Pharma** activities transferred to BSP
- **Operating activities from ‘All other segments’** (now Group and Regional Services) allocated to BES



## Strategy


- Legal and **operational disentanglement started** beginning of 2024
- Internal **responsibilities defined** and **selected advisors** for external support
- **Design phase started** to create transparency at local level
- **Ongoing analysis** of cost-out measures



## M&A



**3 acquisitions<sup>1)</sup>** (YTD May 10, 2024):

BES		BSP
		



EUR ~280 million EV spent<sup>1)</sup>

<sup>1)</sup> The RSS and Lawrence acquisitions have been closed in Q1 2024. Quimica Delta acquisition signed in May 2024



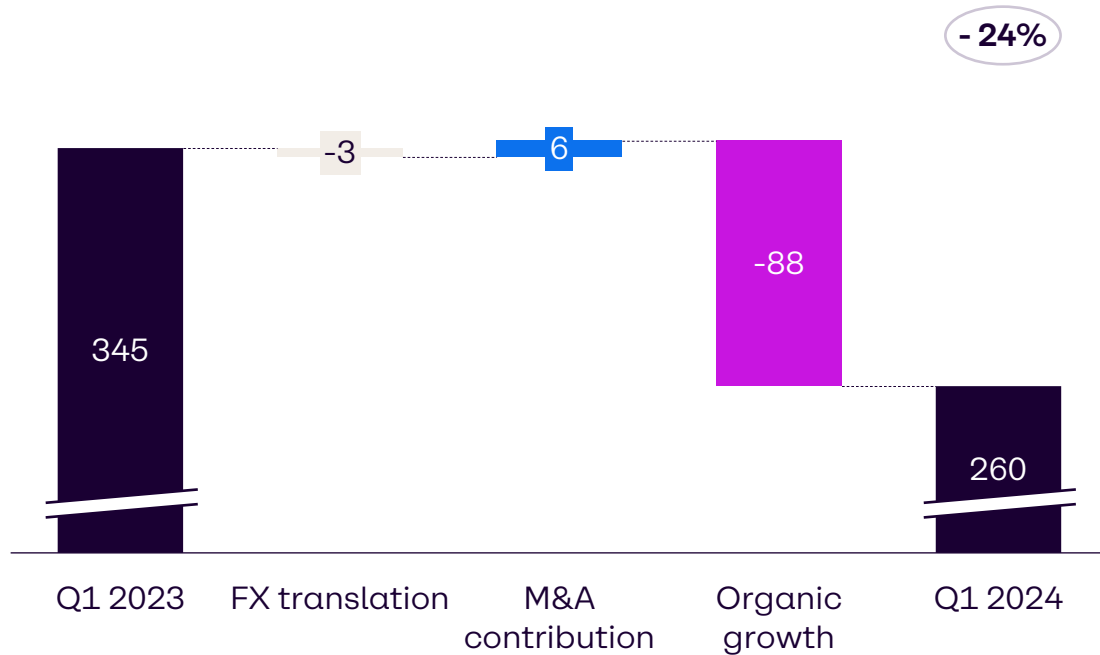
# Q1 2024 Results Presentation

1. Highlights Q1 2024
2. Financial performance Q1 2024
3. Outlook
4. Appendix

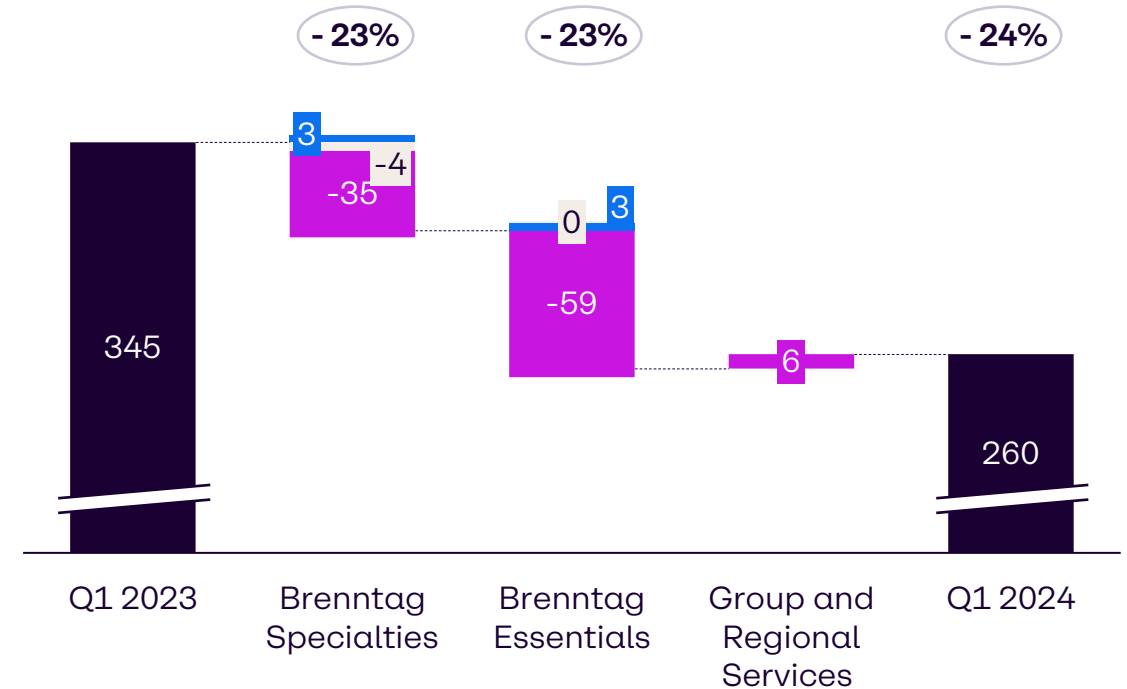


# Financials Q1 2024: Operating EBITA bridges<sup>1)</sup>

Operating EBITA growth  
in EUR m



Operating EBITA growth by division  
in EUR m



FX translation

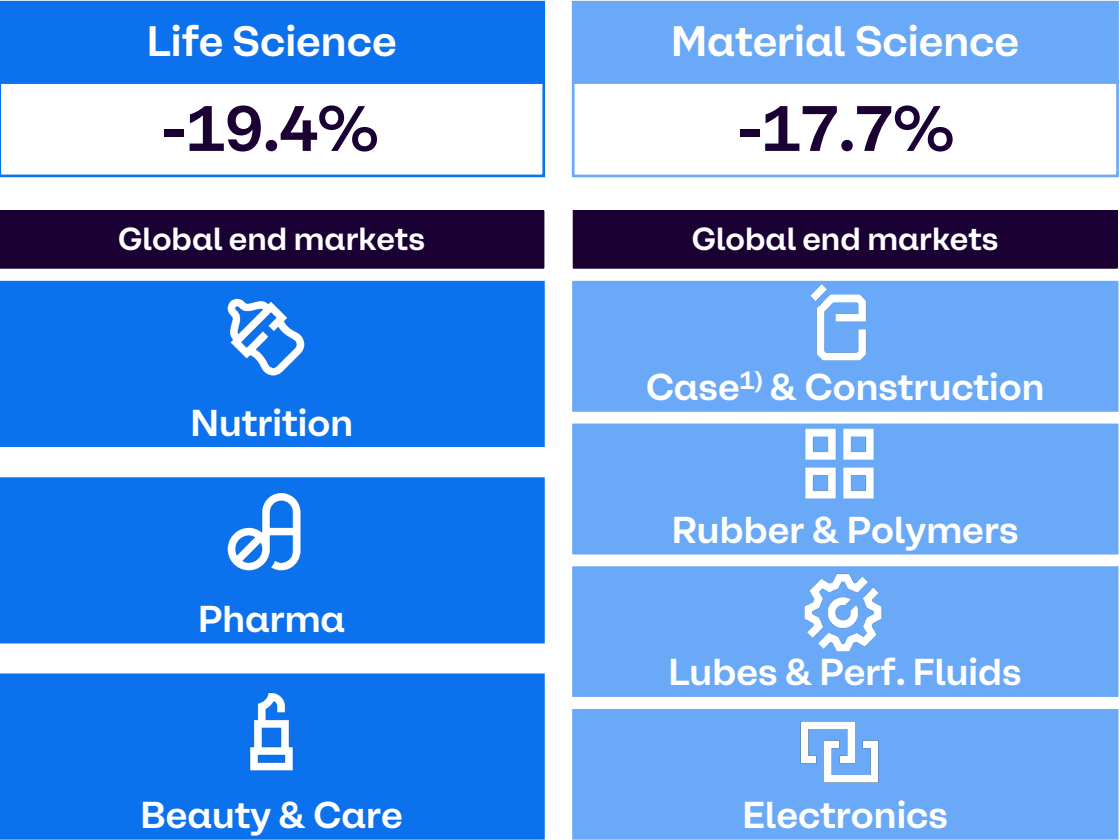
M&A contribution

Organic Growth

FX-adj. growth rates

# Financials Q1 2024: Brenntag Specialties

## Operating EBITA growth vs. PY



Results affected by negative gross profit per unit development while volumes almost reached prior-year level

Op. Gross Profit of EUR 286 million, a decrease of 8.3% vs. PY

Op. EBITA of EUR 108 million, a decline of 22.8% vs. PY

All business units in Life Science except Beauty & Care saw negative operating gross profit development year-over-year

Strong Pharma performance with third best quarter ever for the Business Unit but still below exceptionally strong prior-year results

Material Science in line with expectations but still below prior-year level. Slight improvements in construction, particularly in EMEA

Additional costs in connection with DiDEX allocated to the division when various products went into operation

Op. EBITA conversion ratio of 38%

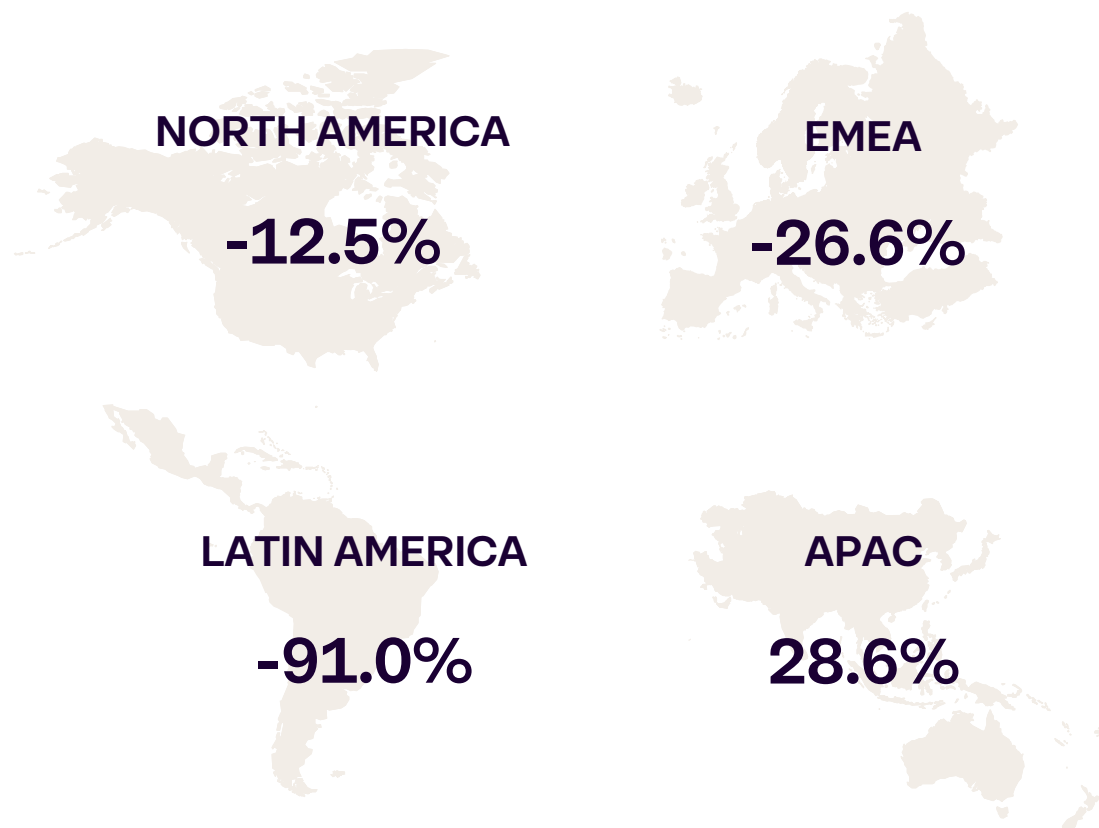
Note: All growth rates are adjusted for translational FX-effects

<sup>1)</sup> Coatings, Adhesives, Sealants and Elastomers



# Financials Q1 2024: Brenntag Essentials

## Operating EBITA growth vs. PY



Brenntag Essentials with positive volume developments offset by lower gross profit per unit

Op. Gross Profit of EUR 698 million, a decline of 3.8 % vs. PY

Op. EBITA of EUR 186 million, a decrease of 23.2% vs. PY

Operating EBITA declined in all segments except in APAC where the volume increases fully offset pressure from lower gross profit per unit

LATAM driven by regional economic conditions in combination with higher costs and additionally impacted by non-recurring other income in PY

All segments were negatively impacted by volume driven increases in transport costs

Additional costs in connection with DiDEX allocated to the division when various products went into operation

Op. EBITA conversion ratio of 27%

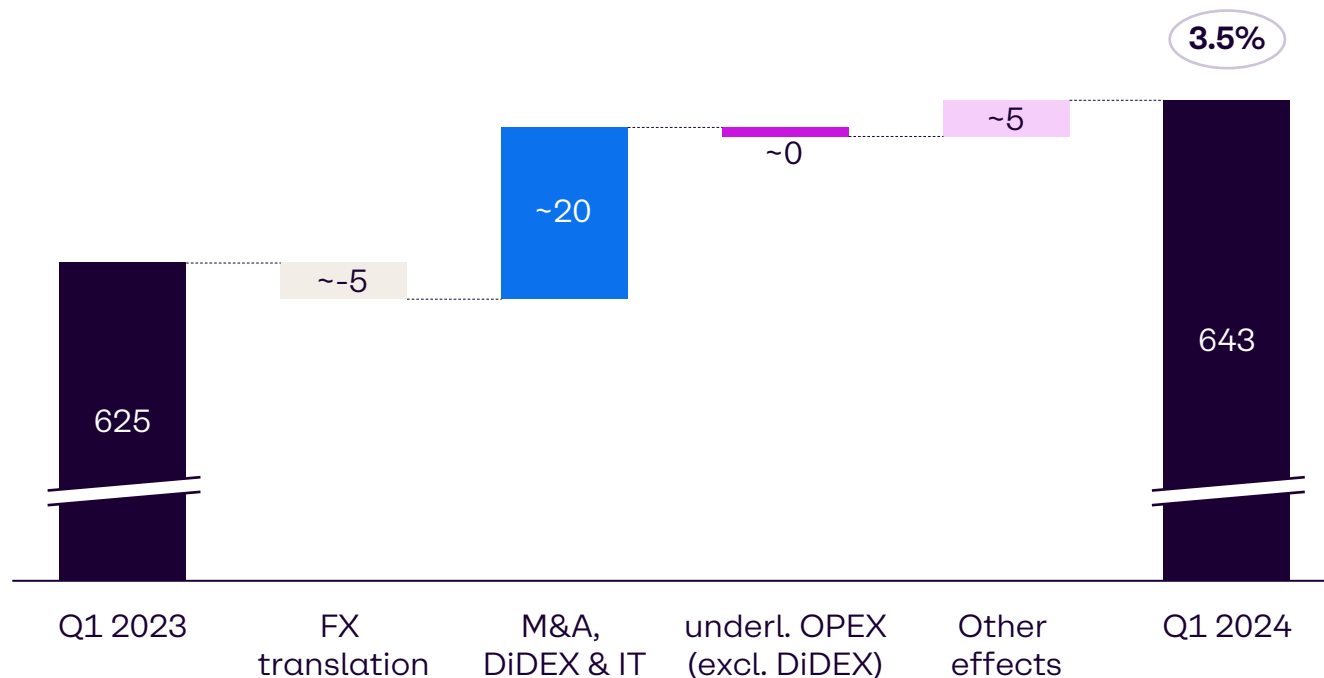


# Financials Q1 2024: Income statement

in EUR m	Q1 2024	Q1 2023	Δ	Δ FX adjusted
Sales	4,002.6	4,527.1	-11.6%	-10.9%
Cost of materials	-3,017.9	-3,481.5	-13.3%	-
<b>Operating Gross Profit</b>	<b>984.4</b>	<b>1,045.6</b>	<b>-5.9%</b>	<b>-5.1%</b>
Operating expenses	-642.8	-625.2	2.8%	3.5%
<b>Operating EBITDA</b>	<b>341.6</b>	<b>420.4</b>	<b>-18.7%</b>	<b>-18.0%</b>
Depreciation	-81.9	-75.3	8.8%	9.5%
<b>Operating EBITA</b>	<b>259.7</b>	<b>345.1</b>	<b>-24.7%</b>	<b>-24.0%</b>
Net income / expense from sp. items	-8.2	4.7	-	-
<b>EBITA</b>	<b>251.5</b>	349.8	-	-
Amortization	-12.4	-17.7	-	-
<b>EBIT</b>	<b>239.1</b>	<b>332.1</b>	-	-
Financial result	-34.1	-35.2	-	-
EBT	205.0	296.9	-	-
<b>Profit after tax</b>	<b>143.7</b>	<b>217.1</b>	-	-
EPS	0.97	1.40	-	-

# Financials Q1 2024: OPEX bridge<sup>1)</sup>

## Operating expense development in EUR m



Positive translational FX effect in Q1 2024

M&A related increase combined with DiDEX & IT investments leading to cost increase against prior-year

Underlying OPEX flat despite cost inflation, particularly in wages as well as higher volumes

Cost-out measures announced at our CMD on track

Additionally, consideration of postponing discretionary spend and stretching IT and DiDEX investments

FX translation

M&A, DiDEX & IT

underl. OPEX

Other effects

FX-adj. growth rates

# Financials Q1 2024:

## Free cash flow

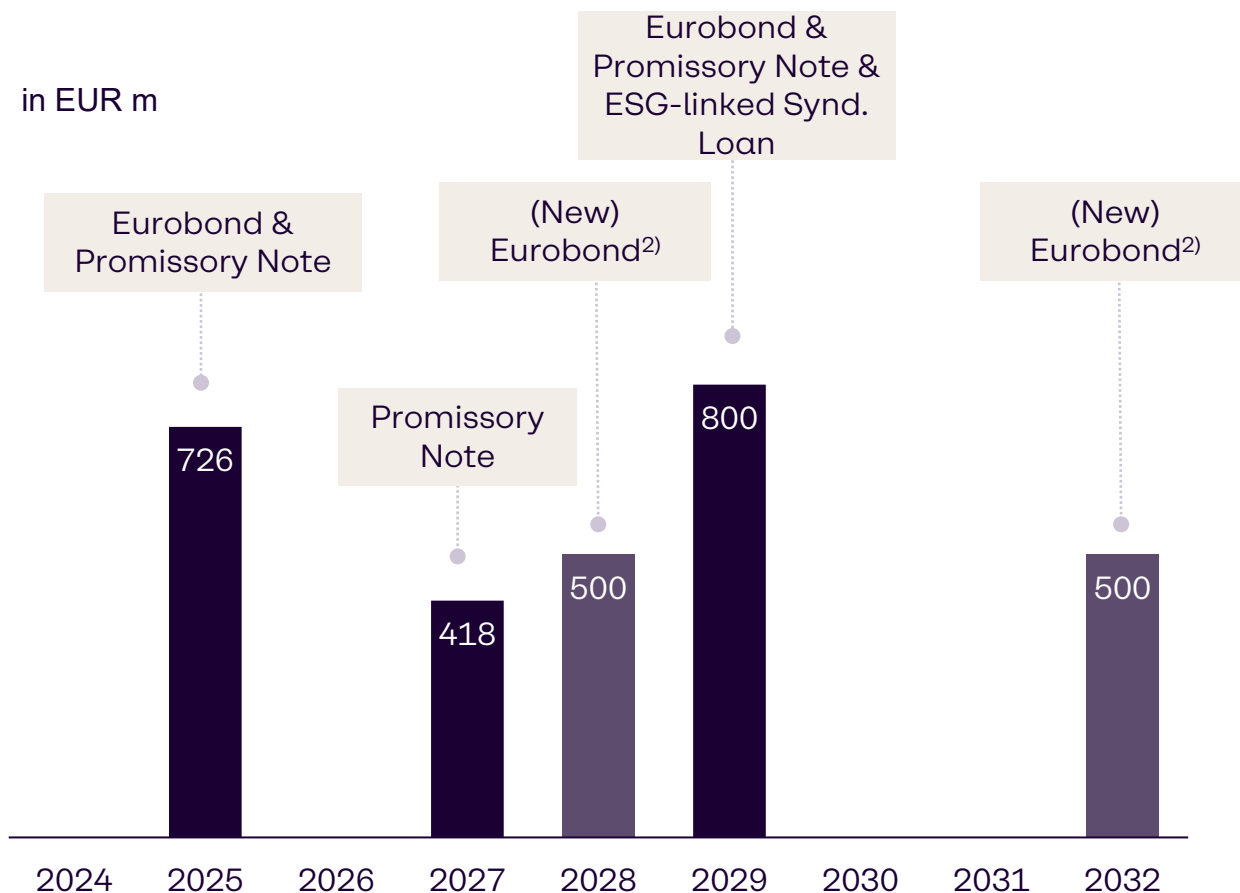
in EUR m	Q1 2024	Q1 2023	Δ	Δ
<b>Operating EBITDA</b>	<b>341.6</b>	<b>420.4</b>	<b>-78.8</b>	<b>-18.7%</b>
Payments to acquire intangible assets and property, plant and equipment	-71.7	-49.7	-22.0	44.3%
Δ Working capital <sup>1)</sup>	-52.7	116.7	-169.4	-145.2%
Principal and interest payments on lease liabilities	-41.9	-38.2	-3.7	9.7%
<b>Free cash flow</b>	<b>175.3</b>	<b>449.2</b>	<b>-273.9</b>	<b>-61.0%</b>
Working capital turnover (annualized) <sup>2)</sup>	7.9x	7.2x	-	-

<sup>1)</sup> Based on average fx. rate excl. M&A

<sup>2)</sup> 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

# Financials Q1 2024: Balance sheet and maturity profile

in EUR m	31 Mar 2024	31 Dec 2023
Financial liabilities	2,270.6	2,313.9
Lease liabilities	468.0	449.8
./. Cash and cash equivalents	511.7	576.9
Net Debt	2,226.9	2,186.8
<b>Net Debt/Operating EBITDA<sup>1)</sup></b>	<b>1.5x</b>	<b>1.4x</b>
Equity	4,542.6	4,356.7



<sup>1)</sup> Operating EBITDA for the quarters calculated on LTM basis

<sup>2)</sup> The illustration shows the maturity profile as at the issue date (24 April 2024) of the two new Eurobonds (Bond 2028 and Bond 2032) of EUR 500m each.

# Q1 2024 Results Presentation

1. Highlights Q1 2024
2. Financial performance Q1 2024
- 3. Outlook**
4. Appendix



# Outlook 2024: Well positioned in a continuously challenging environment



## Operating EBITA Guidance

- Brenntag expects operating EBITA for 2024 at the lower end of the guidance provided in March 2024 (op. EBITA of EUR 1.23 billion to 1.43 billion)



## Comments

- Forecast takes into account the contributions to earnings from acquisitions already closed and assumes stable fx-rates at the time of the guidance announcement



## Macro environment

- Brenntag expects a challenging business environment, characterized by ongoing geo-political uncertainty and macroeconomic challenges
- We are cautiously optimistic that market conditions will improve throughout 2024, with the first half of the year likely to be more challenging than the second



## Additional information

- EUR/USD: ~ 1.09 (2023: ~ 1.08)
- Sensitivity (FY basis): Delta of EUR/USD +/- 1 cent = EUR ~ -/+ 10m op. EBITA
- Tax rate: 28-30%
- Capex 2024: EUR ~350m

# Thank you for your attention!

---



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



# Q1 2024 Results Presentation

1. Highlights Q1 2024
2. Financial performance Q1 2024
3. Outlook
4. Appendix





# Financials Q1 2024: Segments

in EUR m	Operating Gross Profit <sup>1)</sup>				Operating EBITA <sup>2)</sup>				Operating EBITA conversion ratio	
	Q1 2024	Q1 2023	Δ	Δ FX adjusted	Q1 2024	Q1 2023	Δ	Δ FX adjusted	Q1 2024	Q1 2023
Specialties Life Science	200.2	219.9	-9.0%	-6.3%	80.3	102.5	-21.7%	-19.4%	40.1%	46.6%
Specialties Material Science	80.2	90.1	-11.0%	-9.6%	30.2	37.2	-18.8%	-17.7%	37.7%	41.3%
Specialties Other	5.9	8.1	-27.2%	-39.8%	-2.3	3.0	-176.7%	-181.4%	-	-
<b>Brenntag Specialties</b>	<b>286.3</b>	318.1	-10.0%	-8.3%	<b>107.5</b>	142.9	-24.8%	-22.8%	<b>37.5%</b>	44.9%
Essentials EMEA	246.9	263.9	-6.4%	-7.3%	70.8	95.2	-25.6%	-26.6%	28.7%	36.1%
Essentials North America	376.1	383.2	-1.9%	-0.7%	111.1	128.3	-13.4%	-12.5%	29.5%	33.5%
Essentials Latin America	37.3	39.6	-5.8%	-9.5%	0.9	9.4	-90.4%	-91.0%	2.4%	23.7%
Essentials APAC	34.4	31.5	9.2%	13.9%	2.7	2.2	22.7%	28.6%	7.8%	7.0%
Essentials Transregional	3.4	9.3	-63.4%	-63.4%	1.9	7.7	-75.2%	-75.0%	-	-
<b>Brenntag Essentials</b>	<b>698.1</b>	727.5	-4.0%	-3.8%	<b>186.2</b>	242.1	-23.1%	-23.2%	<b>26.7%</b>	33.3%
<b>Group and Regional Services</b>	-	-	-	-	<b>-34.0</b>	-39.9	-14.8%	-14.8%	-	-
<b>Brenntag Group</b>	<b>984.4</b>	1,045.6	-5.9%	-5.1%	<b>259.7</b>	345.1	-24.7%	-24.0%	<b>26.4%</b>	33.0%

Note: The difference between the 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 specific segment

<sup>1)</sup> External sales less cost of materials

<sup>2)</sup> Segment operating EBITA is calculated as EBITA adjusted for holding charges and special items

# Financials Q1 2024:

## Cash flow statement

in EUR m	Q1 2024	Q1 2023
<b>Profit after tax</b>	<b>143.7</b>	<b>217.1</b>
Effect from IAS 29 on profit/loss after tax	1.0	2.7
Depreciation & amortization	94.5	93.0
Income tax expense	61.3	79.8
Income taxes paid	-52.6	-36.9
Net interest expense	24.9	27.2
Interest paid (netted against interest received)	-24.8	-33.6
<i>(thereof interest paid for leases)</i>	<span style="border: 1px dashed black;">(-4.7)</span>	<i>(-3.6)</i>
Interest received	3.5	5.4
Dividends received	-	-
Changes in working capital	<span style="border: 1px dashed black;">-52.7</span>	116.7
Changes in other operating assets and liabilities	-31.7	-30.1
Changes in provisions	-14.4	-41.2
Non-cash change in liabilities relating to acquisition of non-controlling interests	2.2	1.2
Other	2.8	-1.0
<b>Net cash provided by operating activities</b>	<b>157.7</b>	<b>400.3</b>

Legend:      Components to calculate FCF derived from op. EBITDA



# Financials Q1 2024:

## Cash flow statement (continued)

in EUR m	Q1 2024	Q1 2023
Proceeds from the disposal of consolidated subsidiaries and other business units less costs to sell	-	-
Proceeds from the disposal of other financial assets	-	-
Proceeds from the disposal of intangible assets and property, plant and equipment	3.9	2.6
Payments to acquire consolidated subsidiaries and other business units	-65.6	-11.3
Payments to acquire intangible assets and property, plant and equipment	-71.7	-49.7
<b>Net cash used in investing activities</b>	<b>-133.4</b>	<b>-58.4</b>
Payments to acquire treasury shares	-250.1	-29.4
Repayments of liabilities relating to acquisition of non-controlling interests	-	-
Proceeds from non-controlling interests	-	-
Dividends paid to Brenntag shareholders	-	-
Dividends paid to non-controlling interests	-	-
Proceeds from borrowings	242.7	146.9
Repayments of lease liabilities	-37.2	-34.6
Repayments of borrowings	-44.8	-617.1
<b>Net cash provided by / used in financing activities</b>	<b>-89.4</b>	<b>-534.2</b>
<b>Change in cash &amp; cash equivalents</b>	<b>-65.1</b>	<b>-192.3</b>

Legend: -71.7 Components to calculate FCF derived from op. EBITDA



# Financials Q1 2024: Working capital

in EUR m	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Inventories	1,422.6	1,376.4	1,459.8	1,547.6	1,661.8
+ Trade receivables	2,480.2	2,263.1	2,481.0	2,519.4	2,693.1
./. Trade payables	1,819.8	1,633.7	1,716.7	1,744.7	1,902.0
<b>Working capital (end of period)<sup>1)</sup></b>	<b>2,083.0</b>	<b>2,005.8</b>	<b>2,224.1</b>	<b>2,322.3</b>	<b>2,452.9</b>
Working capital turnover (annualized) <sup>2)</sup>	7.9x	7.3x	7.2x	7.2x	7.2x

<sup>1)</sup> Based on fx. effects as of end of respective reporting period and incl. M&A

<sup>2)</sup> 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

# Financial calendar / contact

---



## Financial calendar

---

**May 23, 2024**  
Annual General  
Meeting 2024

**August 13, 2024**  
Half-Year Financial  
Report 2024

**November 12, 2024**  
Quarterly Statement  
Q3 2024



## Contact

---

Follow us: 

**Brenntag SE**  
Corporate Investor Relations

Phone: +49 (0) 201 6496 2100  
Fax: +49 (0) 201 6496 2003

E-mail: [ir@brenntag.de](mailto:ir@brenntag.de)  
Web: [www.brenntag.com/investor\\_relations/](http://www.brenntag.com/investor_relations/)

The financial calendar is updated regularly.  
You can find the latest dates on [www.brenntag.com/financial\\_calendar](http://www.brenntag.com/financial_calendar)  
Please note that these dates could be subject to change.

# Disclaimer

---

This presentation may contain forward-looking statements based on current assumptions and forecasts made by Brenntag SE 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 SE 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. Some information contained in this document is based on estimates or assumptions of Brenntag SE and there can be no assurance that these estimates or assumptions are or will prove to be accurate.