



---

## Q2 2013



---

7 August 2013

Conference call on Q2 2013 results  
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.

AGENDA

**Q2 2013 Presentation**

**■ Highlights Q2 2013**

**■ Financials Q2 2013**

**■ Outlook**

**■ Appendix**



## HIGHLIGHTS Q2 2013

### Introductory remarks to Q2 2013 earnings

Macro Economy	Growth of the global economy continued to slow in all regions; Europe is still in recession.
Gross profit	Gross profit of EUR 502.2m with a growth of 4.6% on a constant FX basis.
Non-recurring effect	French Competition Authority imposed a fine of EUR 47.8m on our subsidiary Brenntag S.A. and a further party for infringements from 1998 to 2005: one-off impact in Q2 of EUR 16.8m as a provision was increased accordingly.
EBITDA	Adj. EBITDA of EUR 185.9m (adjusting for one-off impact) with a growth of 2.4% on a constant FX basis.

## HIGHLIGHTS Q2 2013

### Operating highlights Q2 2013

	Q2 2013	Comments	Change
Gross profit	<b>EUR 502.2m</b>	<ul style="list-style-type: none"> <li>FX adjusted increase of 4.6% y-o-y (as reported increase of 3.1% y-o-y)</li> </ul>	
Operating EBITDA	<b>EUR 185.9m (adjusted)</b>	<ul style="list-style-type: none"> <li>Increase of 2.4% on a constant FX basis (0.8% growth, if not FX adjusted)</li> <li>Reported operating EBITDA of EUR 169.1m (including the one-off effect in segment Europe of EUR 16.8m)</li> </ul>	
Operating EBITDA/ Gross profit	<b>37.0% (adjusted)</b>	<ul style="list-style-type: none"> <li>Against 37.9% in Q2 2012</li> <li>As reported 33.7% in Q2 2013</li> </ul>	
Free cash flow	<b>EUR 100.0m</b>	<ul style="list-style-type: none"> <li>Against EUR 101.3m in Q2 2012</li> </ul>	

---

## HIGHLIGHTS 2013

### **Update on investigation by French Competition Authority**

For several years French Competition Authority investigated compliance with competition law in the chemical distribution industry.

Fines imposed against several chemical distributors for infringements in the period 1998 – 2005, thereof EUR 47.8m against Brenntag and a further party.

Increase of provision by EUR 16.8m in Q2; now fully provisioned.

Joined a leniency program in 2006 and fully cooperated with the authorities.

Brenntag does not agree with the determination of the fine and appealed the ruling.

Regarding a further pending investigation in France the current status does not permit a reliable assessment of the outcome.

**Brenntag will maintain an unrelenting focus on meeting all legal requirements.**

AGENDA

**Q2 2013 Presentation**

■ Highlights Q2 2013

■ **Financials Q2 2013**

■ Outlook

■ Appendix

## FINANCIALS Q2 2013

### Income statement

in EUR m	Q2 2013	Q2 2012	Δ	Δ FX adjusted	2012
Sales	2,544.7	2,490.9	2.2%	3.4%	9,689.9
Cost of goods sold	-2,042.5	-2,003.8	1.9%		-7,764.2
<b>Gross profit</b>	<b>502.2</b>	<b>487.1</b>	<b>3.1%</b>	<b>4.6%</b>	<b>1,925.7</b>
Expenses	-333.1	-302.6	10.1%		-1,218.7
<b>EBITDA</b>	<b>169.1</b>	<b>184.5</b>	<b>-8.3%</b>	<b>-6.9%</b>	<b>707.0</b>
Add back transaction costs <sup>1)</sup>	-	-			-
<b>Operating EBITDA</b>	<b>169.1</b>	<b>184.5</b>	<b>-8.3%</b>	<b>-6.9%</b>	<b>707.0</b>
Adj. operating EBITDA <sup>2)</sup>	185.9	184.5	0.8%	2.4%	707.0
Adj. operating EBITDA / Gross profit <sup>3)</sup>	37.0%	37.9%			36.7%

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

2) The adjustment refers to an increase of a provision by EUR 16.8m following a decision by the French Competition Authority.

3) Reported conversion ratio of 33.7% in Q2 2013



## FINANCIALS Q2 2013

### Income statement (continued)

in EUR m	Q2 2013	Q2 2012	Δ	2012
EBITDA	169.1	184.5	-8.3%	707.0
Depreciation	-26.9	-23.7	13.5%	-96.2
<b>EBITA</b>	<b>142.2</b>	<b>160.8</b>	<b>11.6%</b>	<b>610.8</b>
Amortization <sup>1)</sup>	-9.6	-9.0	6.7%	-36.9
<b>EBIT</b>	<b>132.6</b>	<b>151.8</b>	<b>-12.6%</b>	<b>573.9</b>
Financial result <sup>2)</sup>	-23.2	-27.4	15.3%	-95.6
EBT	109.4	124.3	-12.0%	478.3
<b>Profit after tax</b>	<b>68.9</b>	<b>81.3</b>	<b>-15.3%</b>	<b>337.8</b>
EPS	1.33	1.57	-15.3%	6.52
EPS excl. Amortization and Zhong Yung liability <sup>3)</sup>	1.48	1.77	-14.1%	6.95

1) This figure includes for the period April to June 2013 scheduled amortization of customer relationships totalling (Q2 2013: EUR 7.7m; Q2 2012: EUR 6.8m). FY 2012 EUR 29.1m.

2) Thereof EUR +4.3m in FY 2012, EUR -0.9m in Q2 2013 and EUR -3.9m in Q2 2012 are related to change in purchase price obligation Zhong Yung (International) Chemical Ltd., which has to be recorded in the income statement according to IFRS.

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 Q2 2013

### Cash flow statement

in EUR m	Q2 2013	Q2 2012	2012
Profit after tax	68.9	81.3	337.8
Depreciation & amortization	36.5	32.7	133.1
Income taxes	40.5	42.9	140.5
Income tax payments	-39.9	-48.1	-121.2
Interest result	18.4	20.8	83.2
Interest payments (net)	-10.9	-10.0	-80.4
Changes in current assets and liabilities	-57.1	-76.7	-43.2
Change in purchase price obligation/IAS 32	1.2	4.1	-2.8
Other	21.4	-9.7	-14.0
<b>Cash provided by operating activities</b>	<b>79.0</b>	<b>37.3</b>	<b>433.0</b>

## FINANCIALS Q2 2013

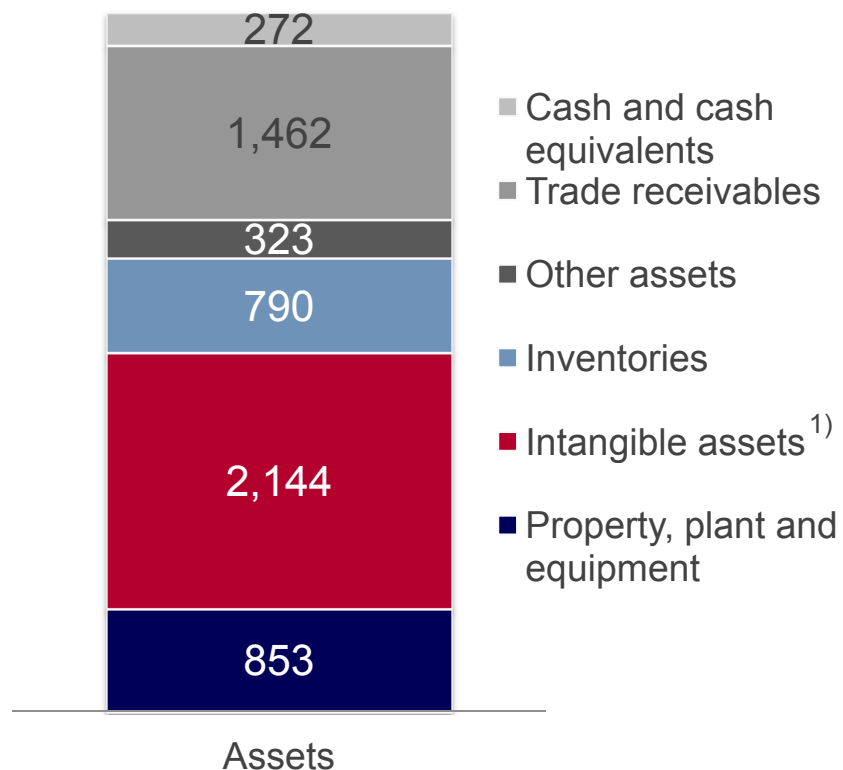
### Cash flow statement (continued)

in EUR m	Q2 2013	Q2 2012	2012
Purchases of intangible assets and property, plant & equipment (PPE)	-18.2	-15.3	-86.3
Purchases of consolidated subsidiaries and other business units	-33.0	-2.1	-234.5
Other	1.2	2.2	8.1
<b>Cash used for investing activities</b>	<b>-50.0</b>	<b>-15.2</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	-1.0	-1.0	-1.6
Dividends paid to Brenntag shareholders	-123.6	-103.0	-103.0
Repayment of (-)/proceeds from (+) borrowings (net)	19.9	19.6	-123.4
<b>Cash used for financing activities</b>	<b>-104.7</b>	<b>-84.4</b>	<b>-228.0</b>
<b>Change in cash &amp; cash equivalents</b>	<b>-75.7</b>	<b>-62.3</b>	<b>-107.7</b>

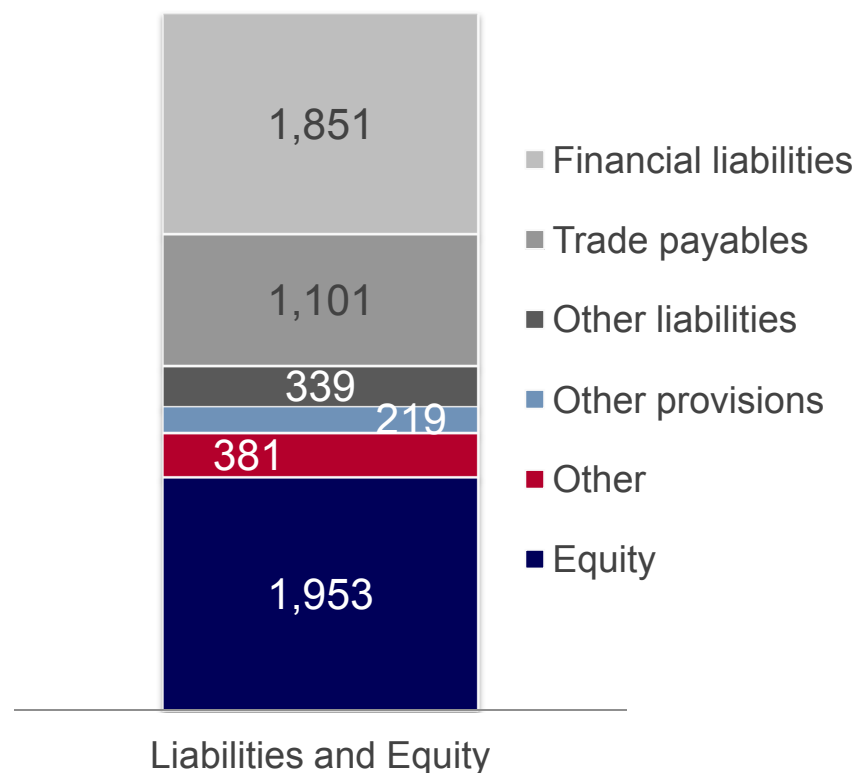
## FINANCIALS Q2 2013

### Balance Sheet as of 30 June 2013

in EUR m **5,844**



**5,844**



1) Of the intangible assets as of June 30, 2013, some EUR 1,184 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 Q2 2013

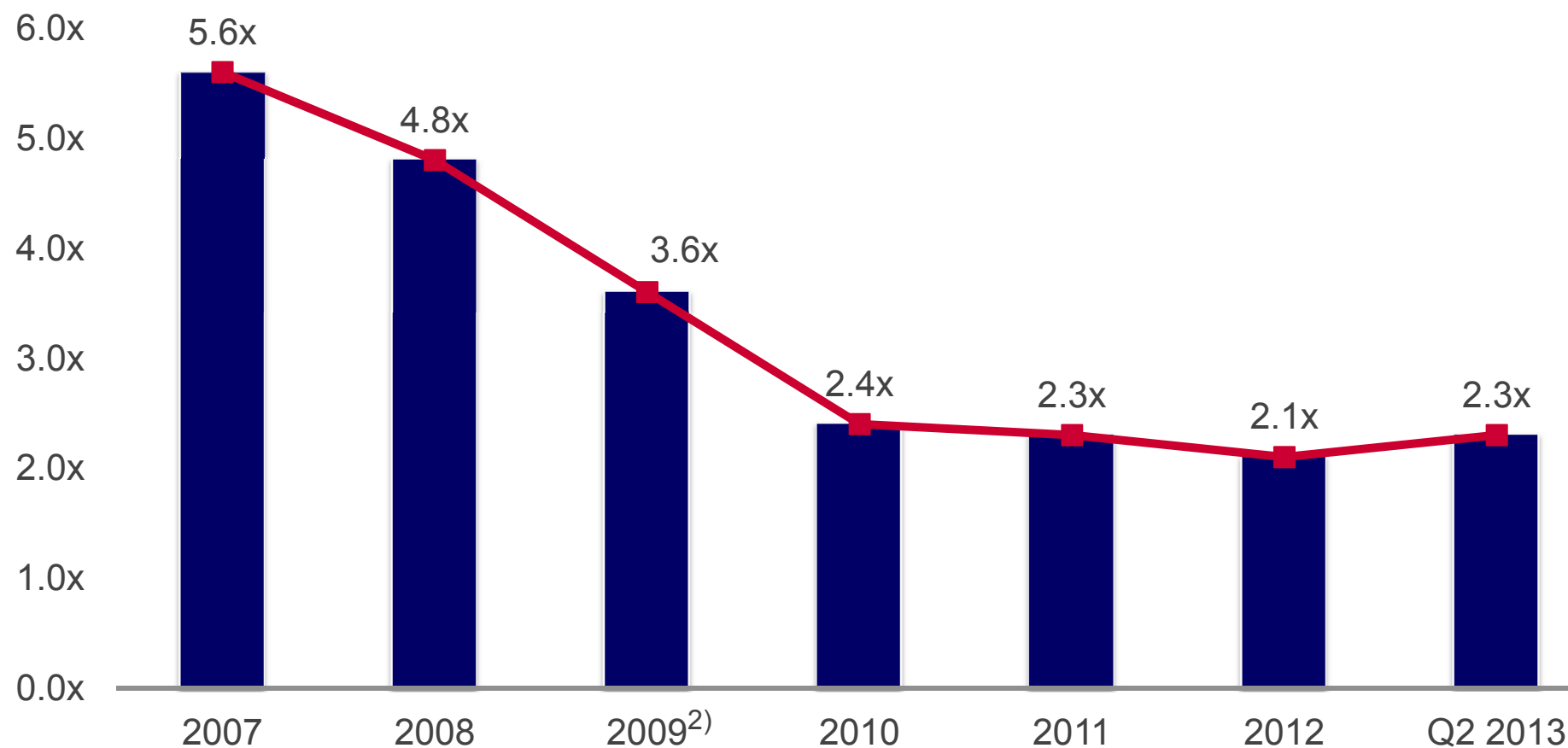
### Balance Sheet and leverage

in EUR m	30 June 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 June 2012	31 Mar 2012	31 Dec 2011
Financial liabilities	1,851.1	1,848.7	1,829.5	1,839.6	1,902.3	1,819.5	1,952.4
./. Cash and cash equivalents	272.3	352.9	346.6	302.8	308.5	364.5	458.8
Net Debt	1,578.8	1,495.8	1,482.9	1,536.8	1,593.8	1,455.0	1,493.6
<b>Net Debt/Operating EBITDA <sup>1)</sup></b>	<b>2.3x</b>	<b>2.1x</b>	<b>2.1x</b>	<b>2.2x</b>	<b>2.3x</b>	<b>2.2x</b>	<b>2.3x</b>
Equity	1,952.7	2,044.3	1,944.2	1,872.8	1,811.3	1,806.2	1,761.3

1) Operating EBITDA for the quarters on LTM basis.

## FINANCIALS Q2 2013

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

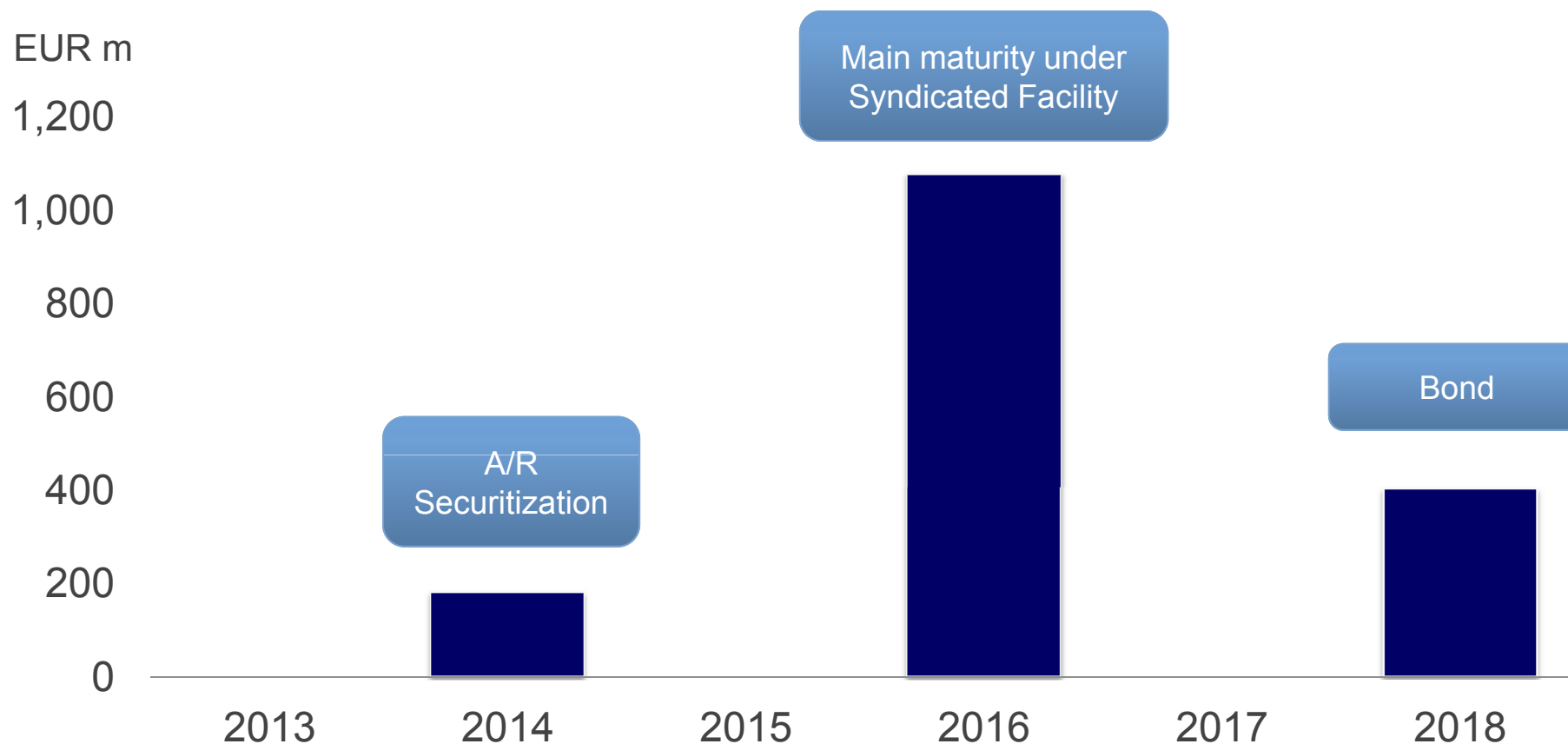


1) Net debt defined as current financial liabilities plus non-current financial liabilities less (cash and cash equivalents)

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

**FINANCIALS Q2 2013**

**Maturities profile as of 30 June 2013<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 Q2 2013

### Working capital

in EUR m	30 June 2013	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 June 2012	31 Mar 2012
Inventories	790.3	791.2	760.4	750.7	722.5	723.6
+ Trade receivables	1,462.0	1,440.3	1,266.4	1,405.0	1,445.7	1,373.0
./. Trade payables	1,101.1	1,120.6	1,008.2	1,042.8	1,046.4	1,066.8
<b>Working capital (end of period)</b>	<b>1,151.2</b>	<b>1,110.9</b>	<b>1,018.6</b>	<b>1,112.9</b>	<b>1,121.8</b>	<b>1,029.8</b>
Working capital turnover (year-to-date) <sup>1)</sup>	9.1x	9.1x	9.2x	9.3x	9.4x	9.6x
Working capital turnover (last twelve months) <sup>2)</sup>	8.9x	9.0x	9.2x	9.2x	9.2x	9.2x

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 Q2 2013

### Free cash flow

in EUR m	Q2 2013	Q2 2012	Δ	Δ	2012
EBITDA	169.1	184.5	-15.4	-8.3%	707.0
Capex	-18.9	-17.3	-1.6	9.2%	-94.7
Δ Working capital	-50.2	-65.9	15.7	-23.8%	-33.0
<b>Free cash flow</b>	<b>100.0</b>	<b>101.3</b>	<b>-1.3</b>	<b>-1.3%</b>	<b>579.3</b>

## FINANCIALS Q2 2013

### Segments

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
<b>External sales</b>	<b>Q2 2013</b>	<b>1,184.0</b>	<b>817.2</b>	<b>221.4</b>	<b>186.9</b>	<b>135.2</b>	<b>2,544.7</b>
	Q2 2012	1,176.9	782.5	234.1	170.6	126.8	2,490.9
	Δ	0.6%	4.4%	-5.4%	9.6%	6.6%	2.2%
	Δ FX adjusted	1.2%	6.5%	-2.2%	9.6%	6.6%	3.4%
<b>Operating gross profit</b>	<b>Q2 2013</b>	<b>237.2</b>	<b>198.1</b>	<b>43.4</b>	<b>31.1</b>	<b>4.1</b>	<b>513.9</b>
	Q2 2012	236.7	187.3	42.9	25.8	4.0	496.7
	Δ	0.2%	5.8%	1.2%	20.5%	2.5%	3.5%
	Δ FX adjusted	0.9%	7.9%	4.6%	21.4%	2.5%	4.9%
<b>Operat. EBITDA (adj.)<sup>1)</sup></b>	<b>Q2 2013</b>	<b>84.3</b>	<b>83.1</b>	<b>13.2</b>	<b>12.2</b>	<b>-6.9</b>	<b>185.9</b>
	Q2 2012	84.9	80.0	14.6	10.4	-5.4	184.5
	Δ	-0.7%	3.9%	-9.6%	17.3%	27.8%	0.8%
	Δ FX adjusted	0.2%	6.0%	-6.4%	17.3%	27.8%	2.4%

1) EBITDA in segment Europe adjusted for an increase of a provision by EUR 16.8m following a decision by the French Competition Authority. Reported operating EBITDA: Europe = 67.5m (-20.5%, FX adjusted -19.7%), Group = 169.1m (-8.3%, FX adjusted -6.9%).

AGENDA

**Q2 2013 Presentation**

■ Highlights Q2 2013

■ Financials Q2 2013

■ **Outlook**

■ Appendix

## OUTLOOK

	2012 H1 2013	Comments	Trend 2013
Sales	<b>EUR 9,690m</b> <b>EUR 4,964m</b>	<ul style="list-style-type: none"> <li>Global economy currently not expected to recover throughout 2013; in particular Euro zone may stay in recession.</li> <li>Structural growth trends for chemical distributors and Brenntag's strong competitive position in particular are expected to provide growth potential.</li> </ul>	
Gross profit	<b>EUR 1,926m</b> <b>EUR 980m</b>	<ul style="list-style-type: none"> <li>Positive development of gross profit is expected due to structural growth trends.</li> </ul>	
Operating EBITDA	<b>EUR 707m</b> <b>EUR 351m (adjusted)</b>	<ul style="list-style-type: none"> <li>Op. EBITDA is expected between EUR 710m – 735m for full year 2013.</li> <li>Guidance range is to be understood before extraordinary effects (particularly the EUR 16.8m provision increase) and no major FX rate changes.</li> <li>Tight cost control is in place.</li> </ul>	
Profit after tax	<b>EUR 338m</b> <b>EUR 139m</b>	<ul style="list-style-type: none"> <li>Profit after tax is expected to decrease.</li> </ul>	

## OUTLOOK

	2012 H1 2013	Comments	Trend 2013
Working capital	<b>EUR 1,019m</b> <b>EUR 1,151m</b>	<ul style="list-style-type: none"> <li>To a large extent a function of sales growth.</li> <li>Expected to grow in 2013 (compared to year end 2012).</li> </ul>	
Capex	<b>EUR 95m</b> <b>EUR 35m</b>	<ul style="list-style-type: none"> <li>Capex spending will be slightly above depreciation due to increasing business activities.</li> <li>Capex sufficient to support organic growth.</li> </ul>	
Free Cash Flow	<b>EUR 579m</b> <b>EUR 171m</b>	<ul style="list-style-type: none"> <li>Free cash flow is expected to remain strong.</li> </ul>	

THANK YOU FOR YOUR ATTENTION

**Brenntag Board of Management**



**Steven Holland,  
CEO**



**Georg Müller,  
CFO**



**Jürgen Buchsteiner,  
Board Member**



**William Fidler,  
Board Member**

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

AGENDA

**Q2 2013 Presentation**

■ Highlights Q2 2013

■ Financials Q2 2013

■ Outlook

■ **Appendix**

---

**APPENDIX**  
**Contents**

---

	<b>Page</b>
<b>Income Statement H1 2013</b>	25
<b>Cash flow statement H1 2013</b>	27
<b>Free Cash Flow H1 2013</b>	29
<b>Segments H1 2013</b>	30

---



## FINANCIALS H1 2013

### Income statement

	in EUR m	H1 2013	H1 2012	Δ	Δ FX adjusted
Sales		4,963.8	4,875.7	1.8%	2.7%
Cost of goods sold		-3,983.7	-3,913.6	1.8%	
<b>Gross profit</b>		<b>980.1</b>	<b>962.1</b>	<b>1.9%</b>	<b>2.9%</b>
Expenses		-646.3	-605.9	6.7%	
<b>EBITDA</b>		<b>333.8</b>	<b>356.2</b>	<b>-6.3%</b>	<b>-5.2%</b>
Add back transaction costs <sup>1)</sup>		-	-0.1		
<b>Operating EBITDA</b>		<b>333.8<sup>2)</sup></b>	<b>356.1</b>	<b>-6.3%</b>	<b>-5.2%</b>
Operating EBITDA/Gross profit		34.1% <sup>3)</sup>	36.2%		

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

2) Adjusted operating EBITDA is EUR 350.6m. The adjustment refers to an increase of a provision by EUR 16.8m following a decision by the French Competition Authority.

3) Conversion ratio of 35.8% in H1 2013 if adjusted for the increase of a provision

## FINANCIALS H1 2013

### Income statement (continued)

in EUR m	H1 2013	H1 2012	Δ
EBITDA	333.8	356.2	-6.3%
Depreciation	-51.1	-46.5	9.9%
<b>EBITA</b>	<b>282.7</b>	<b>309.7</b>	<b>-8.7%</b>
Amortization <sup>1)</sup>	-19.6	-17.6	11.4%
<b>EBIT</b>	<b>263.1</b>	<b>292.1</b>	<b>-9.9%</b>
Financial result	-47.7 <sup>2)</sup>	-50.4 <sup>2)</sup>	5.4%
EBT	215.4	241.7	-10.9%
<b>Profit after tax</b>	<b>138.7</b>	<b>160.6</b>	<b>-13.6%</b>

1) This figure includes for the period January to June 2013 scheduled amortization of customer relationships totalling EUR 16.0 million (H1 2012: EUR 13.5m).

2) Thereof EUR -2.4m in H1 2013 and EUR -4.1m in H1 2012 are related to change in purchase price obligation Zhong Yung (International) Chemical Ltd., which has to be recorded in the income statement according to IFRS.

## FINANCIALS H1 2013

### Cash flow statement

in EUR m	H1 2013	H1 2012
Profit after tax	138.7	160.6
Depreciation & amortization	70.7	64.1
Income taxes	76.7	81.1
Income tax payments	-74.1	-73.7
Interest result	37.1	42.2
Interest payments (net)	-28.2	-31.7
Changes in current assets and liabilities	-137.3	-173.3
Other	29.1	-5.8
<b>Cash provided by operating activities</b>	<b>112.7</b>	<b>63.5</b>

## FINANCIALS H1 2013

### Cash flow statement (continued)

in EUR m	H1 2013	H1 2012
Purchases of intangible assets and property, plant & equipment	-40.1	-31.8
Purchases of consolidated subsidiaries and other business units	-33.0	-2.8
Other	2.6	4.0
<b>Cash used for investing activities</b>	<b>-70.5</b>	<b>-30.6</b>
Capital increase	-	-
Payments in connection with the capital increase	-	-
Purchases of shares in companies already consolidated	-	-
Dividends paid to minority shareholders	-1.0	-1.0
Dividends paid to Brenntag shareholders	-123.6	-103.0
Repayment of (-)/proceeds from (+) borrowings (net)	14.6	-83.5
<b>Cash used for financing activities</b>	<b>-110.0</b>	<b>-187.5</b>
<b>Change in cash &amp; cash equivalents</b>	<b>-67.8</b>	<b>-154.6</b>

## FINANCIALS H1 2013

### Free cash flow

in EUR m	H1 2013	H1 2012	Δ	Δ	2012
EBITDA	333.8	356.2	-22.4	-6.3%	707.0
CAPEX	-34.5	-30.3	-4.2	13.9%	-94.7
Δ Working capital	-128.8	-146.6	-17.8	-12.1%	-33.0
<b>Free cash flow</b>	<b>170.5</b>	<b>179.3</b>	<b>-8.8</b>	<b>-4.9%</b>	<b>579.3</b>

## FINANCIALS H1 2013

### Segments

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
<b>External sales</b>	<b>H1 2013</b>	<b>2,335.9</b>	<b>1,573.0</b>	<b>436.8</b>	<b>364.2</b>	<b>253.9</b>	<b>4,963.8</b>
	H1 2012	2,325.7	1,541.8	455.6	315.0	237.6	4,875.7
	Δ	0.4%	2.0%	-4.1%	15.6%	6.9%	1.8%
	Δ FX adjusted	0.8%	3.5%	-0.9%	15.3%	6.9%	2.7%
<b>Operating gross profit</b>	<b>H1 2013</b>	<b>469.7</b>	<b>377.3</b>	<b>85.8</b>	<b>62.3</b>	<b>7.9</b>	<b>1,003.0</b>
	H1 2012	475.4	365.8	83.5	50.1	8.1	982.9
	Δ	-1.2%	3.1%	2.8%	24.4%	-2.5%	2.0%
	Δ FX adjusted	-0.7%	4.6%	6.2%	24.4%	-2.5%	3.1%
<b>Operating EBITDA</b>	<b>H1 2013</b>	<b>143.2</b>	<b>152.8</b>	<b>25.9</b>	<b>25.5</b>	<b>-13.6</b>	<b>333.8</b>
	H1 2012	165.6	154.0	28.1	20.5	-12.1	356.1
	Δ	-13.5%	-0.8%	-7.8%	24.4%	12.4%	-6.3%
	Δ FX adjusted	-12.9%	0.6%	-4.8%	23.8%	12.4%	-5.2%