



## Full Year Results 2013



19 March 2014

Conference call on FY Results 2013  
Corporate Finance & Investor Relations

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AGENDA

**FY 2013 results presentation**

**| Highlights 2013**

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## 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 stock 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.

AGENDA

**FY 2013 results presentation**

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## 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	6.59	6.52	1.1%
EPS excl. Amortization and Zhong Yung liability <sup>4)</sup>	6.61	6.95	-4.9%

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

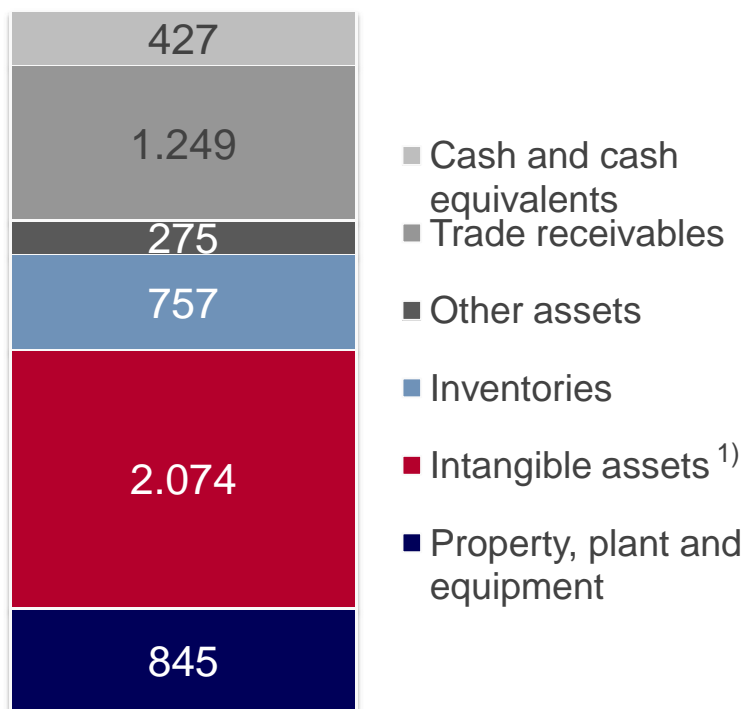
### Cash flow statement (continued)

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

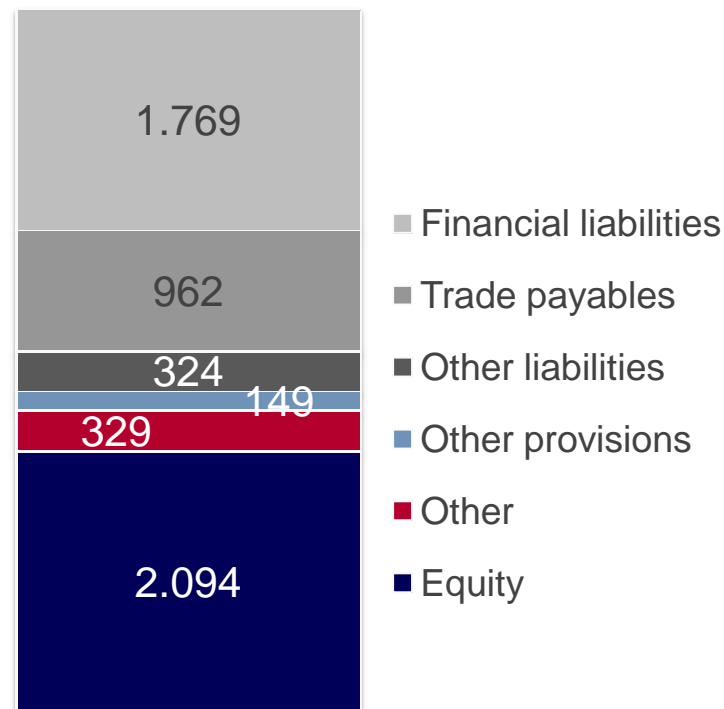
### Balance Sheet as of 31 December 2013

in EUR m **5,627**



Assets

**5,627**



Liabilities and Equity

1) Of the intangible assets as of December 31, 2013, some EUR 1,148 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 2013

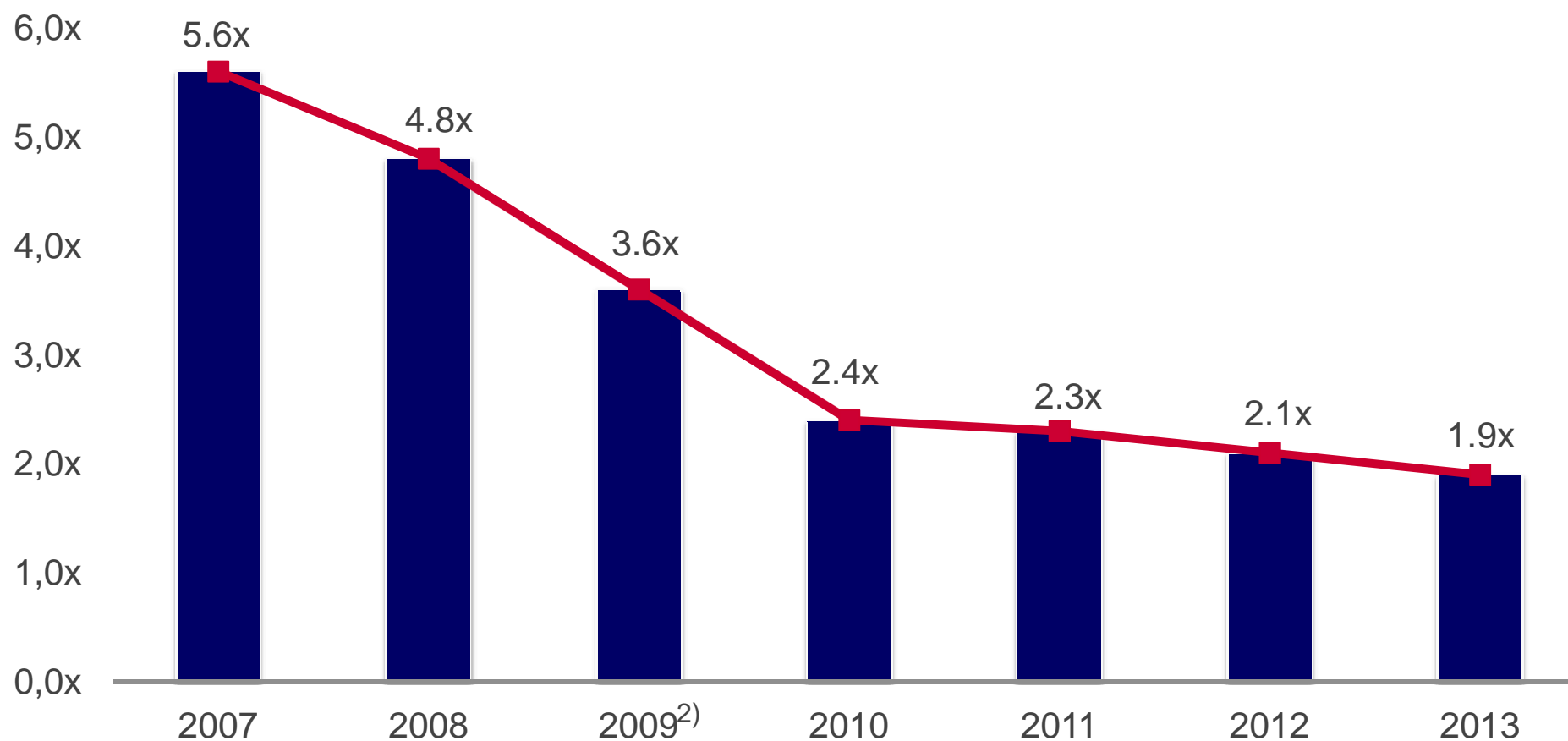
### Balance Sheet and leverage

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

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

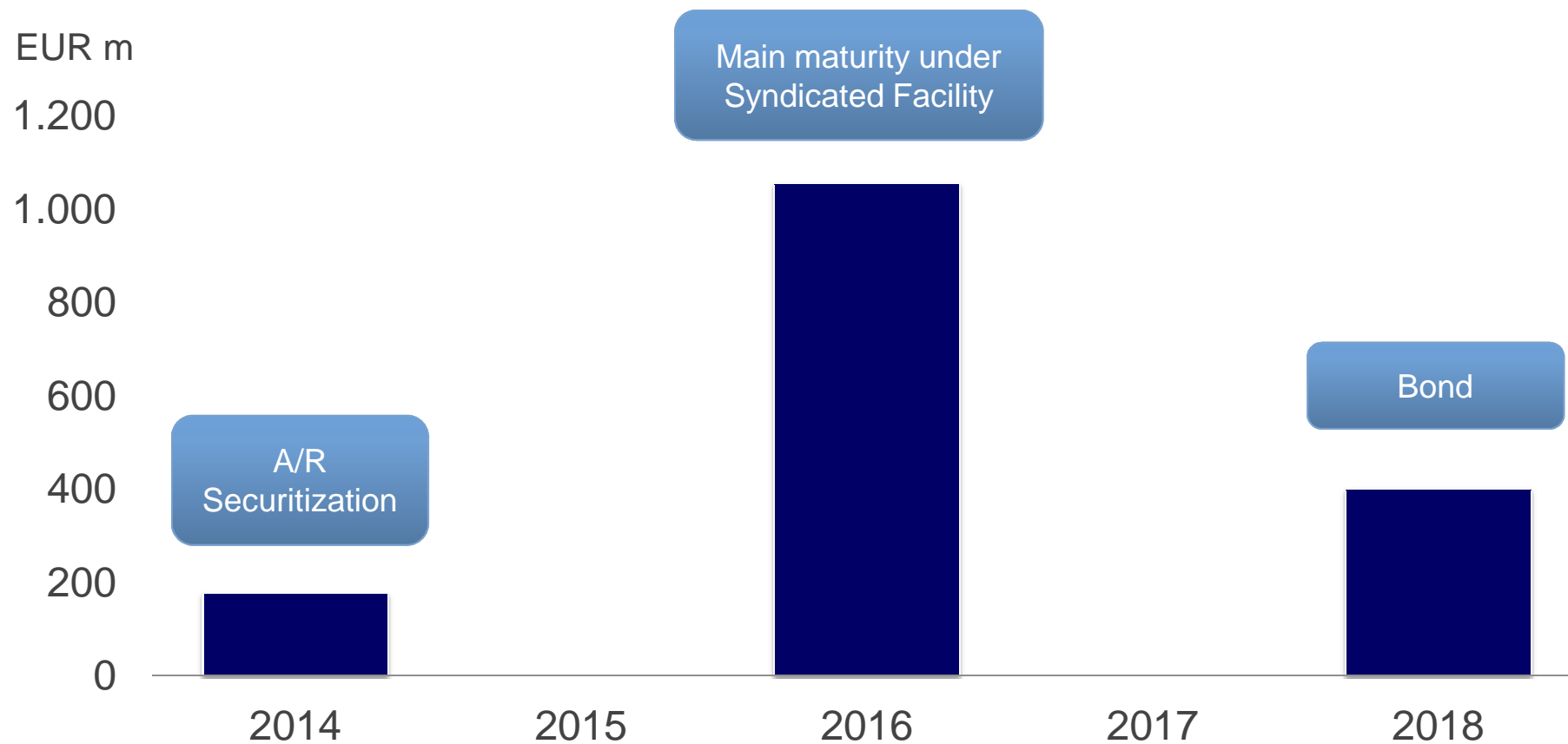


1) Net debt defined as current financial liabilities plus non-current financial liabilities less (cash and cash equivalents)

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

**FINANCIALS 2013**

**Maturities profile as of 31 December 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 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%

## FINANCIALS 2013

### Segments Q4

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
<b>Operating gross profit</b>	<b>Q4 2013</b>	<b>226.8</b>	<b>184.9</b>	<b>37.0</b>	<b>29.6</b>	<b>2.1</b>	<b>480.4</b>
	Q4 2012	220.6	183.0	43.1	32.4	2.6	481.7
	Δ	2.8%	1.0%	-14.2%	-8.6%	-19.2%	-0.3%
	Δ FX adjusted	4.2%	7.0%	-7.2%	-1.0%	-19.2%	3.8%
<b>Operating EBITDA</b>	<b>Q4 2013</b>	<b>75.1</b>	<b>88.0</b>	<b>9.6</b>	<b>9.9</b>	<b>-1.3</b>	<b>181.3</b>
	Q4 2012	71.3	83.7	15.8	14.5	-2.3	183.0
	Δ	5.3%	5.1%	-39.2%	-31.7%	-43.5%	-0.9%
	Δ FX adjusted	7.3%	10.4%	-33.6%	-25.0%	-43.5%	3.4%

## FINANCIALS 2013

### Dividend proposal

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>	133.9
Dividend per share in EUR	2.60
<b>Payout ratio</b>	39.5%

## FINANCIALS 2013

# Proposed 1:3 Stock Split: investors shall receive 2 additional shares for each share held

### Reasoning

The share price has more than doubled since the IPO is now one of the highest in the MDAX (in nominal terms).

Further positive development and an increasing share price expected.

### Objective

Remain an attractive share for a very broad shareholder base including retail investors.

### Split ratio

Every existing investor shall receive 2 additional shares for each share already held (1:3 ratio). The new shares will come from an increase of the subscribed capital by transfer from the capital reserve.

### Timing / Process

The Management Board and the Supervisory Board will propose the stock split to the General Shareholders' Meeting (GSM) in June this year.

Implementation shortly after the GSM.

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**FY 2013 results presentation**





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## OUTLOOK

	2013	Comments	Trend 2014
Sales	<b>EUR 9,770m</b>	<ul style="list-style-type: none"> <li>Global economy expected to improve in the course of 2014</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 1,946m</b>	<ul style="list-style-type: none"> <li>Based on past experience, price changes are expected to have no significant influence on gross profit</li> <li>Positive development of gross profit is expected due to structural growth trends and better macro environment.</li> </ul>	
Operating EBITDA	<b>EUR 698m</b>	<ul style="list-style-type: none"> <li>Operating EBITDA expected to benefit from gross profit development and internal efficiency measures</li> </ul>	
Profit after tax	<b>EUR 339m</b>	<ul style="list-style-type: none"> <li>Profit after tax is expected to grow in-line with EBITDA</li> </ul>	

## OUTLOOK

	2013	Comments	Trend 2014
Working capital	EUR 1,044m	<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	EUR 97m	<ul style="list-style-type: none"> <li>Capex spending to increase slightly driven by projects for expanding our business operations</li> </ul>	
Free Cash Flow	EUR 543m	<ul style="list-style-type: none"> <li>Free cash flow is expected to increase</li> </ul>	

THANK YOU FOR YOUR ATTENTION

## 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

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



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**2013 Presentation**

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## HIGHLIGHTS Q4 2013

### Operating highlights Q4 2013

	Q4 2013	Comments	Change
Gross profit	EUR 468.2m	<ul style="list-style-type: none"> <li>FX adjusted increase of 3.6% y-o-y</li> </ul>	
Operating EBITDA	EUR 181.3m	<ul style="list-style-type: none"> <li>Increase of 3.4% on a constant FX basis</li> </ul>	
Operating EBITDA/ Gross profit	38.7%	<ul style="list-style-type: none"> <li>Against 38.9% in Q4 2012</li> </ul>	
Free cash flow	EUR 204.9m	<ul style="list-style-type: none"> <li>Against EUR 231.8m in Q4 2012</li> </ul>	

## FINANCIALS Q4 2013

### Income statement

in EUR m	Q4 2013	Q4 2012	Δ	Δ FX adjusted	2013
Sales	2,315.9	2,340.1	-1.0%	2.7%	9,769.5
Cost of goods sold	-1,847.7	-1,869.7	-1.2%		-7,824.0
<b>Gross profit</b>	<b>468.2</b>	<b>470.4</b>	<b>-0.5%</b>	<b>3.6%</b>	<b>1,945.5</b>
Expenses	-288.4	-287.4	0.3%		-1,248.7
<b>EBITDA</b>	<b>179.8</b>	<b>183.0</b>	<b>-1.7%</b>	<b>2.5%</b>	<b>696.8</b>
Add back transaction costs <sup>1)</sup>	+1.5	-			+1.5
<b>Operating EBITDA</b>	<b>181.3</b>	<b>183.0</b>	<b>-0.9%</b>	<b>3.4%</b>	<b>698.3</b>
Operating EBITDA / Gross profit	38.7%	38.9%			35.9%

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

## FINANCIALS Q4 2013

### Income statement (continued)

in EUR m	Q4 2013	Q4 2012 <sup>4)</sup>	Δ	2013
EBITDA	179.8	183.0	-1.7%	696.8
Depreciation	-25.0	-25.4	-1.6%	-101.2
<b>EBITA</b>	<b>154.8</b>	<b>157.6</b>	<b>-1.8%</b>	<b>595.6</b>
Amortization <sup>1)</sup>	-9.9	-9.4	5.3%	-39.7
<b>EBIT</b>	<b>144.9</b>	<b>148.2</b>	<b>-2.2%</b>	<b>555.9</b>
Financial result <sup>2)</sup>	-10.3	-21.1	148.8%	-60.7
EBT	155.2	127.1	22.1%	495.2
<b>Profit after tax</b>	<b>119.2</b>	<b>97.7</b>	<b>22.0%</b>	<b>338.9</b>
EPS	2.33	1.89	23.3%	6.59
EPS excl. Amortization and Zhong Yung liability <sup>3)</sup>	1.88	1.84	2.2%	6.61

1) Includes for the period October to December 2013 scheduled amortization of customer relationships totaling (Q4 2013: EUR -8.4m; Q4 2012: EUR -7.6m).

2) Thereof EUR 26.8m in FY 2013, EUR 29.9m in Q4 2013 and EUR 9.2m in Q4 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.

4) IAS 19 revised

## FINANCIALS Q4 2013

### Cash flow statement

in EUR m	Q4 2013	Q4 2012	FY 2013
Profit after tax	119.2	97.7	338.9
Depreciation & amortization	34.9	34.8	140.9
Income taxes	36.0	29.4	156.3
Income tax payments	-50.1	-26.0	-159.9
Interest result	17.9	21.0	73.8
Interest payments (net)	-8.3	-7.8	-73.2
Changes in current assets and liabilities	57.9	74.7	-63.2
Change in purchase price obligation/IAS 32	-29.1	-8.4	-25.3
Other	-18.2	-4.0	-30.5
<b>Cash provided by operating activities</b>	<b>160.2</b>	<b>211.4</b>	<b>357.8</b>

## FINANCIALS Q4 2013

### Cash flow statement (continued)

in EUR m	Q4 2013	Q4 2012	2013
Purchases of intangible assets and property, plant & equipment (PPE)	-35.8	-34.1	-98.2
Purchases of consolidated subsidiaries and other business units	-10.9	-109.0	-43.9
Other	3.5	3.4	6.9
<b>Cash used for investing activities</b>	<b>-43.2</b>	<b>-139.7</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	-0.5	-0.6	-1.5
Dividends paid to Brenntag shareholders	-	-	-123.6
Repayment of (-)/proceeds from (+) borrowings (net)	4.2	-18.2	-9.2
<b>Cash used for financing activities</b>	<b>3.7</b>	<b>-18.8</b>	<b>-115.9</b>
<b>Change in cash &amp; cash equivalents</b>	<b>120.7</b>	<b>52.9</b>	<b>-106.7</b>

## FINANCIALS Q4 2013

### Free cash flow

in EUR m	Q4 2013	Q4 2012	Δ	Δ	2013
EBITDA	179.8	183.0	-3.2	-1.7%	696.8
CAPEX	-39.6	-42.0	2.4	-5.7%	-97.2
Δ Working capital	64.7	90.8	-26.1	-28.7%	-56.2
<b>Free cash flow</b>	<b>204.9</b>	<b>231.8</b>	<b>-26.9</b>	<b>-11.6%</b>	<b>543.4</b>

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## FINANCIAL CALENDAR

<b>Date</b>	<b>Event</b>
May 7, 2014	Interim Report Q1 2014
May 15, 2014	JP Morgan Business Services Conference, London
June 17, 2014	General Shareholders' Meeting, Duesseldorf
August 7, 2014	Interim Report Q2 2014
November 5, 2014	Interim Report Q3 2014



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