

Connecting**Chemistry**



Full Year Results 2014



18 March 2015

Conference call on FY Results 2014
Corporate Finance & Investor Relations

AGENDA

FY 2014 results presentation

■ Highlights 2014

■ Financials 2014

■ Outlook 2015

■ Appendix

HIGHLIGHTS 2014

Introductory remarks to 2014 earnings

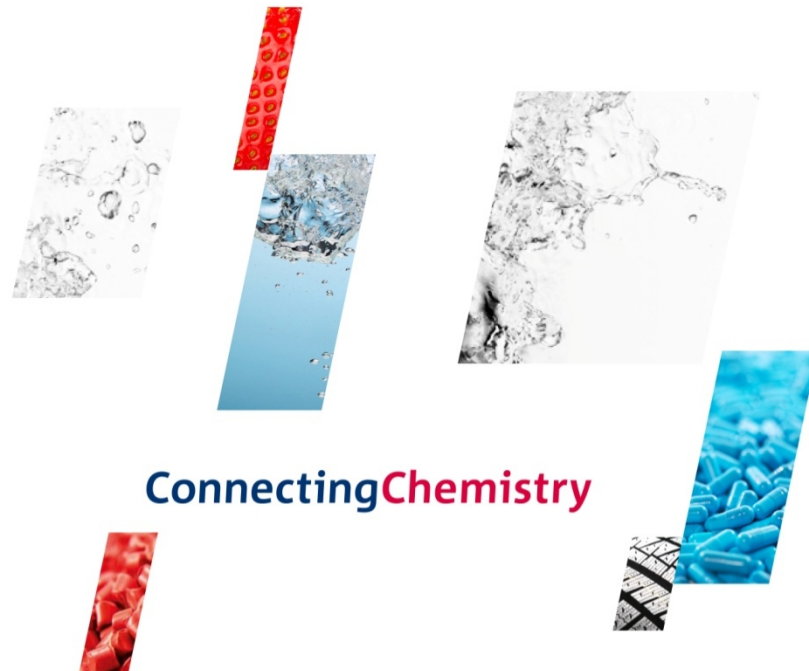
Macro Economy	Moderate macroeconomic recovery in our main markets
Gross profit	Gross profit of EUR 2,027.5m with a growth of 4.8% on a constant FX basis
EBITDA	Operating EBITDA of EUR 726.7m is above guidance range of EUR 700m to 720m (growth of 4.3% on a constant FX basis)
Free Cash Flow	Strong free cash flow of EUR 521.6m
Acquisitions	Execution of value accretive acquisitions with total Enterprise Value of more than EUR 140m
Dividend	Proposed dividend payment of EUR 0.90 per share means increase of 3.8% (payout ratio of 41.0%)

HIGHLIGHTS 2014**Successful acquisitions**

Acquired company	Strategic rationale
Gafor Distribuidora Ltd, Sao Paulo, Brazil	Expanding market presence and achieving critical mass in Brazil as the most important market in Latin America.
Philchem, Inc., Houston, Texas, USA	Benefit from an excellent know-how in selected product groups. Philchem has long term relationships with key suppliers and is specialized in managing supply and demand situations.
Chimab SPA, Padua, Italy	Improving position in the interesting and large Italian food industry.
SurtiQuímicos S.A., Bogotá, Colombia	Increase specialty chemicals market penetration in Latin America.
Fred Holmberg & Co AB, Malmö, Sweden (closed in March 2015)	Strengthening and expanding infrastructure and industrial chemicals product portfolio in the Nordic region.

HIGHLIGHTS 2014

We are “Connecting**Chemistry**”



Connecting**Chemistry**

- New brand slogan “Connecting**Chemistry**“ was introduced in 2014
- Global roll-out in 2015 in order to position Brenntag as a truly global chemical distributor
- Brand identity is supported by unique values across the Group
- “Connecting**Chemistry**” demonstrates Brenntag’s commitment to winning partnerships with customers and suppliers

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FY 2014 results presentation

█ Highlights 2014

█ **Financials 2014**

█ Outlook 2015

█ Appendix

FINANCIALS 2014

Income statement

	in EUR m	2014	2013	Δ	Δ FX adjusted
Sales		10,015.6	9,769.5	2.5%	3.2%
Cost of goods sold		-7,988.1	-7,824.0	2.1%	
Gross profit		2,027.5	1,945.5	4.2%	4.8%
Expenses		-1,300.6	-1,248.7	4.2%	
EBITDA		726.9	696.8	4.3%	4.6%
Add back transaction costs ¹⁾		-0.2	+1.5		
Operating EBITDA		726.7	698.3	4.1%	4.3%
Adj. operating EBITDA ²⁾		726.7	715.1	1.6%	1.9%
Adj. Operating EBITDA/Gross profit ³⁾		35.8%	36.8%		

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

2) Q2 2013 (EUR 16.8m) is adjusted for non-recurring cost items in Europe in relation to an antitrust case

3) Conversion ratio of 35.9% in 2013 if not adjusted for the non-recurring cost items

FINANCIALS 2014

Income statement (continued)

in EUR m	2014	2013	Δ
EBITDA	726.9	696.8	4.3%
Depreciation	-99.4	-101.2	-1.8%
EBITA	627.5	595.6	5.4%
Amortization ¹⁾	-35.9	-39.7	-9.6%
EBIT	591.6	555.9	6.4%
Financial result ²⁾	-83.8	-60.7	38.1%
EBT	507.8	495.2	2.5%
Profit after tax	339.7	338.9	0.2%
EPS	2.20	2.20	0.0%
EPS excl. Amortization and Zhong Yung liability ³⁾	2.32	2.21	5.0%

1) This figure includes for 2014 scheduled amortization of customer relationships totalling EUR 28.3 million (2013: EUR 32.8m).

2) Thereof EUR 6.1m in 2014 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 2014

Cash flow statement

in EUR m	2014	2013
Profit after tax	339.7	338.9
Depreciation & amortization	135.3	140.9
Income taxes	168.1	156.3
Income tax payments	-164.8	-159.9
Interest result	73.4	73.8
Interest payments (net)	-70.2	-73.2
Changes in current assets and liabilities	-90.4	-63.2
Change in purchase price obligation/IAS 32	-4.0	-25.3
Other	-17.4	-30.5
Cash provided by operating activities	369.7	357.8

FINANCIALS 2014

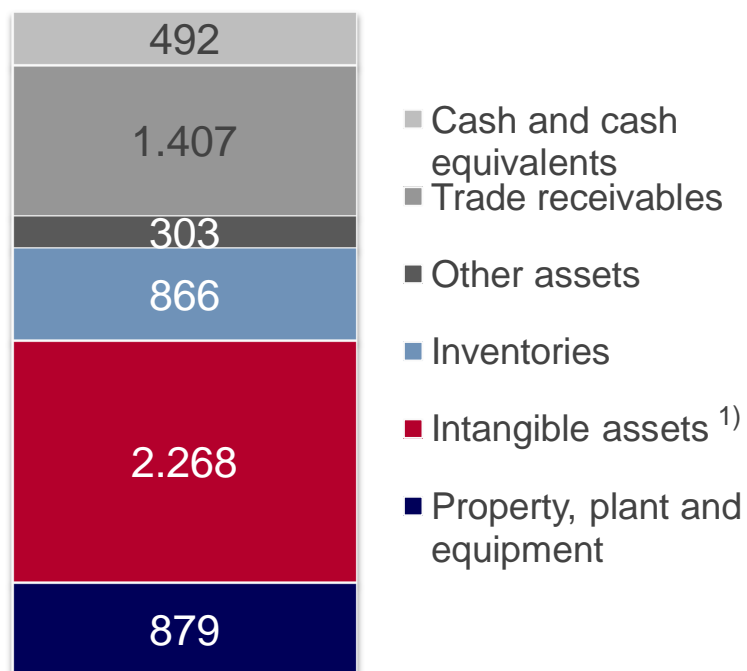
Cash flow statement (continued)

in EUR m	2014	2013
Purchases of intangible assets and property, plant & equipment	-103.0	-98.2
Purchases of consolidated subsidiaries and other business units	-82.0	-43.9
Other	6.8	6.9
Cash used for investing activities	-178.2	-135.2
Capital increase	-	-
Payments in connection with the capital increase	-	-
Purchases of shares in companies already consolidated	-	-
Dividends paid to minority shareholders	-1.8	-1.5
Dividends paid to Brenntag shareholders	-133.9	-123.6
Repayment of (-)/proceeds from (+) borrowings (net)	-13.6	9.2
Cash used for financing activities	-149.3	-115.9
Change in cash & cash equivalents	42.2	106.7

FINANCIALS 2014

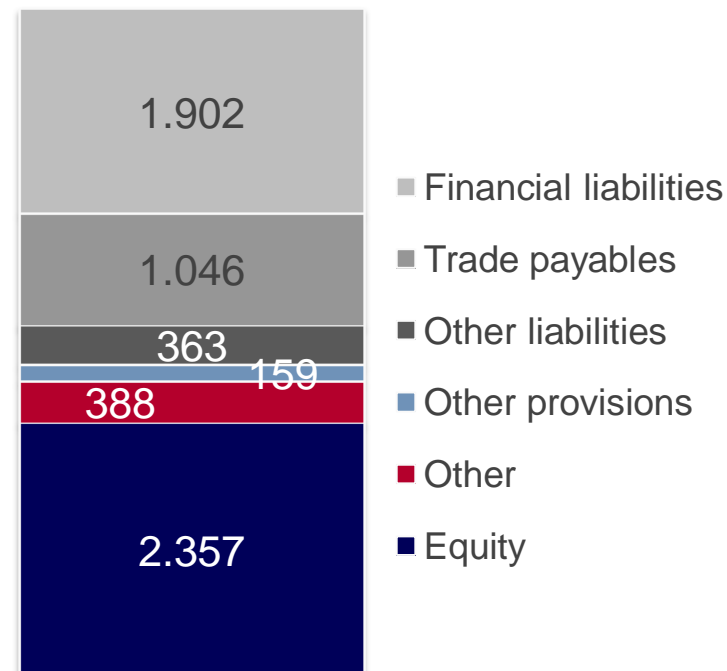
Balance Sheet as of 31 December 2014

in EUR m **6,215**



Assets

6,215



Liabilities and Equity

1) Of the intangible assets as of December 31, 2014, some EUR 1,217 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 2014

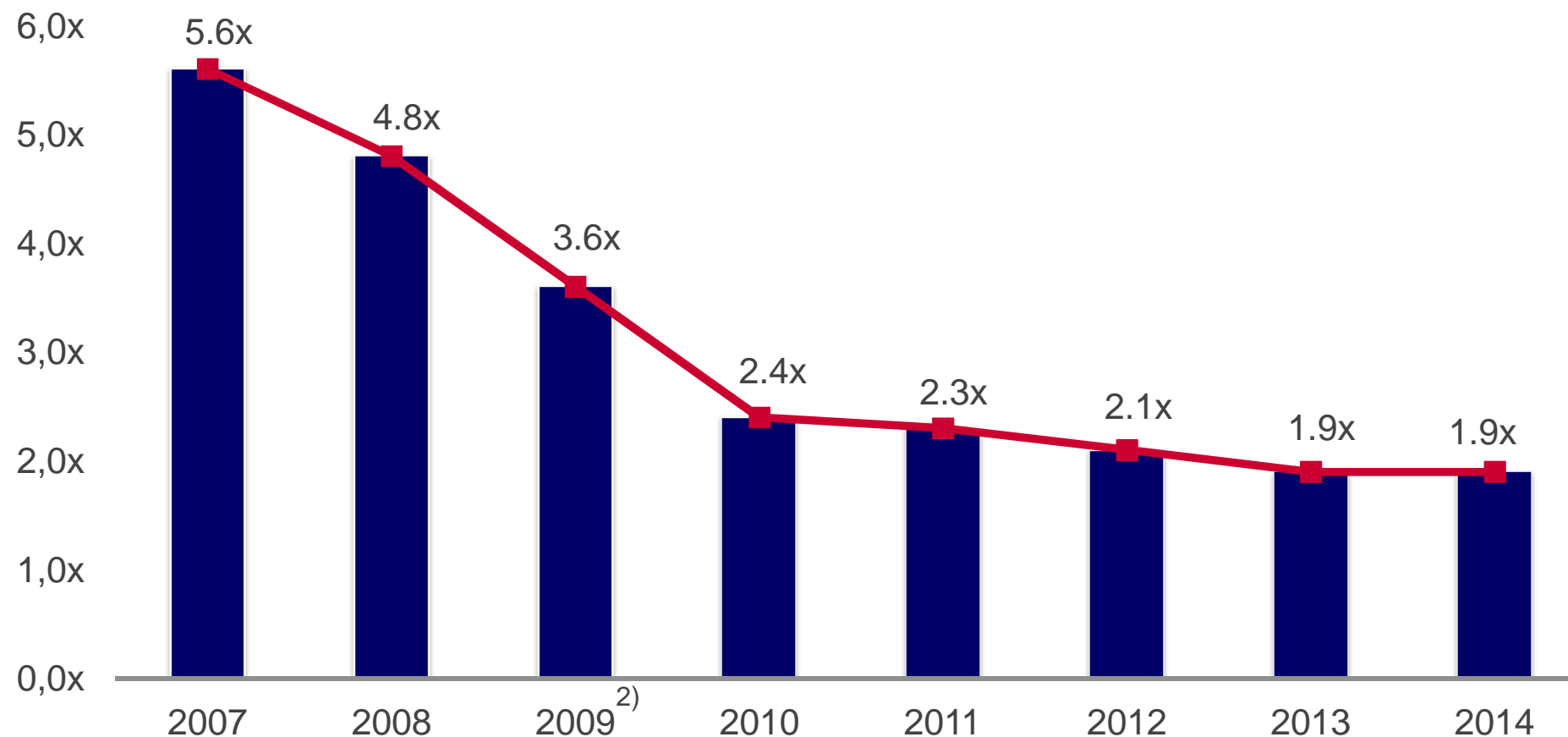
Balance Sheet and leverage

in EUR m	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011	31 Dec 2010
Financial liabilities	1,901.6	1,768.5	1,829.5	1,952.4	1,783.8
./. Cash and cash equivalents	491.9	426.8	346.6	458.8	362.9
Net Debt	1,409.7	1,341.7	1,482.9	1,493.6	1,420.9
Net Debt/Operating EBITDA	1.9x	1.9x	2.1x	2.3x	2.4x
Equity ¹⁾	2,356.9	2,093.7	1,944.2	1,737.6	1,617.9

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 2014

Leverage: Net debt/Operating EBITDA¹⁾

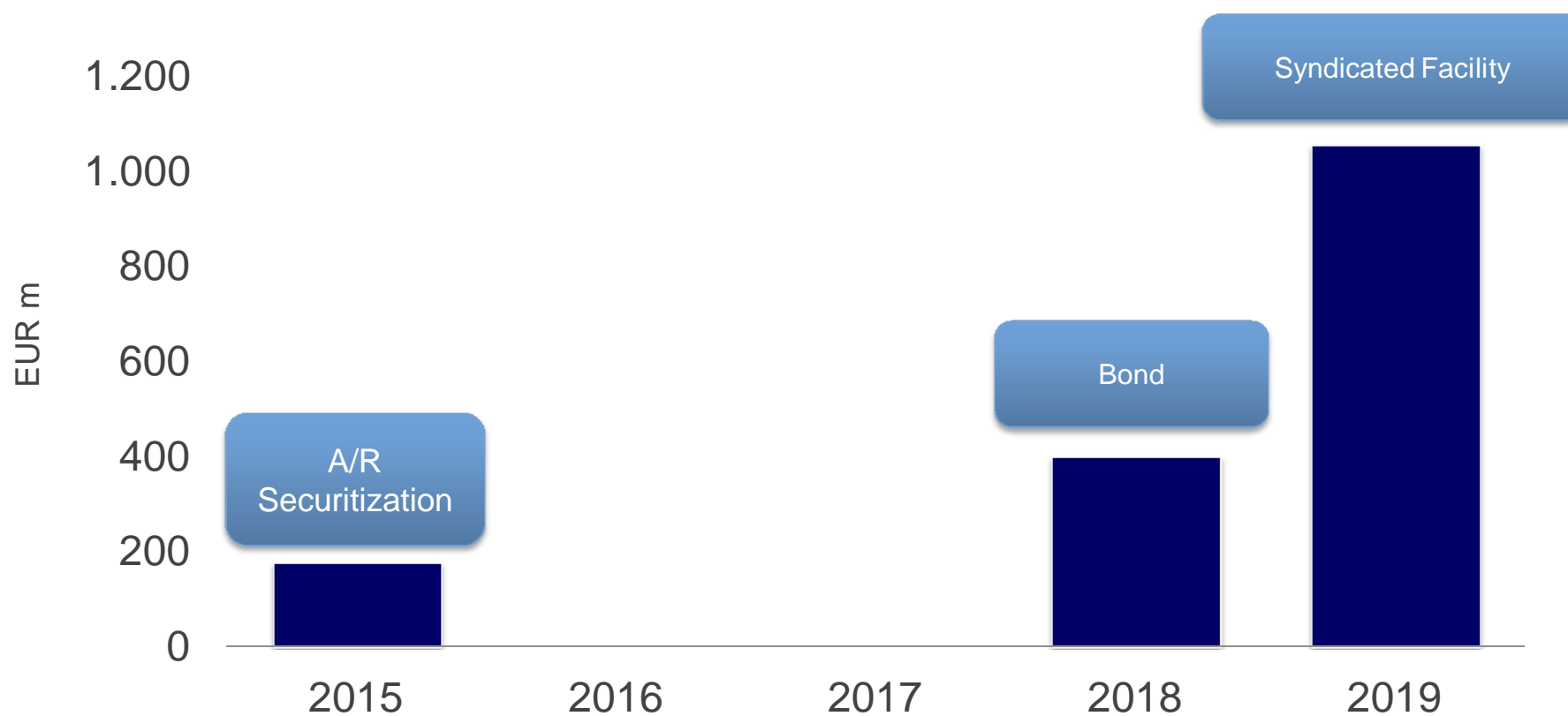


1) Net debt defined as current financial liabilities plus non-current financial liabilities less (cash and cash equivalents)

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

FINANCIALS 2014

Maturities profile as of 31 December 2014¹⁾



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 2014

Working capital

in EUR m	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011	31 Dec 2010	31 Dec 2009
Inventories	865.8	757.1	760.4	696.8	606.1	422.3
+ Trade receivables	1,407.2	1,248.8	1,266.4	1,220.9	1,059.7	831.4
./. Trade payables	1,046.2	961.5	1,008.2	956.6	834.1	655.6
Working capital (end of period)	1,226.8	1,044.4	1,018.6	961.1	831.7	598.1
Working capital turnover (year-to-date) ¹⁾	8.6x	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 2014

Free cash flow

in EUR m	2014	2013	Δ	Δ
EBITDA	726.9	696.8	30.1	4.3%
CAPEX	-104.8	-97.2	-7.6	7.8%
Δ Working capital	-100.5	-56.2	-44.3	78.8%
Free cash flow	521.6	543.4	-21.8	-4.0%

FINANCIALS 2014

Segments FY 2014

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
Operating gross profit	2014	972.0	802.2	169.5	120.7	13.8	2,078.2
	2013	930.0	763.1	163.6	121.7	13.9	1,992.3
	Δ	4.5%	5.1%	3.6%	-0.8%	-0.7%	4.3%
	Δ FX adjusted	4.3%	6.0%	6.1%	1.9%	-0.7%	4.9%
Adj. Operating EBITDA	2014	335.9	323.6	46.8	41.2	-20.8	726.7
	2013 ¹⁾	314.2	325.7	47.0	47.5	-19.3	715.1
	Δ	6.9%	-0.6%	-0.4%	-13.3%	-7.8%	1.6%
	Δ FX adjusted	6.4%	-0.2%	2.9%	-13.1%	-7.8%	1.9%

1) 2013 (EUR 16.8m) is adjusted for non-recurring cost items in Europe / Group

FINANCIALS 2014

Segments Q4

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
Operating gross profit	Q4 2014	238.4	214.3	48.5	32.3	2.7	536.2
	Q4 2013	226.8	184.9	37.0	29.6	2.1	480.4
	Δ	5.1%	15.9%	31.1%	9.1%	28.6%	11.6%
	Δ FX adjusted	4.6%	7.8%	25.2%	2.7%	28.6%	7.4%
Operating EBITDA	Q4 2014	83.8	89.3	14.8	12.4	-3.4	196.9
	Q4 2013	75.1	88.0	9.6	9.9	-1.3	181.3
	Δ	11.6%	1.5%	54.2%	25.3%	161.5%	8.6%
	Δ FX adjusted	10.9%	-5.4%	49.5%	4.4%	161.5%	3.6%

FINANCIALS 2014

Dividend proposal

in EUR m	2014
Profit after tax	339.7
Less minority interest	0.4
Profit after tax (consolidated) attributable to shareholders of Brenntag AG	339.3
Proposed dividend payment	139.1
Dividend per share in EUR	0.90
Payout ratio	41.0%

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FY 2014 results presentation

■ Highlights 2014

■ Financials 2014

■ **Outlook 2015**

■ Appendix

OUTLOOK

	2014	Comments	Trend 2015
Sales	EUR 10,016m	<ul style="list-style-type: none"> Global economy is expected to improve in the course of 2015 Structural growth trends for chemical distributors and Brenntag's strong competitive position in particular are expected to provide growth potential 	
Gross profit	EUR 2,028m	<ul style="list-style-type: none"> Based on past experience, price changes are expected to have no significant influence on gross profit Positive development of gross profit is expected due to structural growth trends and better macro environment. 	
Operating EBITDA	EUR 727m	<ul style="list-style-type: none"> Operating EBITDA expected to benefit from gross profit development and internal efficiency measures 	
Profit after tax	EUR 340m	<ul style="list-style-type: none"> Profit after tax is expected to grow in-line with EBITDA 	

OUTLOOK

	2014	Comments	Trend 2015
Working capital	EUR 1,227m	<ul style="list-style-type: none"> To a large extent a function of sales growth Expected to grow in 2015 (compared to year end 2014) 	
Capex	EUR 105m	<ul style="list-style-type: none"> Capex spending to increase by ca. EUR 20m driven by projects for expanding our business operations 	
Free Cash Flow	EUR 522m	<ul style="list-style-type: none"> Free cash flow is expected to increase 	

THANK YOU FOR YOUR ATTENTION



**Steven Holland,
CEO**

- With Brenntag since 2006
- +30 years of dedicated experience
- Regions Europe & Asia Pacific
Corp. Communications,
Development, HR, HSE, Internal
Audit, M&A



**Georg Müller,
CFO**

- With Brenntag since 2003
- +10 years of experience in
chemicals distribution
- Corp. Accounting, Controlling,
Finance & IR, IT, Legal, Tax,
Risk Management, Brenntag
International Chemicals

We are ready to answer your questions!

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2014 Presentation

█ Highlights 2014





█ Financials 2014

█ Outlook 2015

█ **Appendix**

HIGHLIGHTS Q4 2014

Operating highlights Q4 2014

	Q4 2014	Comments	Change
Gross profit	EUR 521.4m	<ul style="list-style-type: none"> FX adjusted increase of 7.2% y-o-y 	
Operating EBITDA	EUR 196.9m	<ul style="list-style-type: none"> Increase of 3.6% on a constant FX basis 	
Operating EBITDA/ Gross profit	37.8%	<ul style="list-style-type: none"> Against 38.7% in Q4 2013 	
Free cash flow	EUR 197.4m	<ul style="list-style-type: none"> Against EUR 204.9m in Q4 2013 	

FINANCIALS Q4 2014

Income statement

in EUR m	Q4 2014	Q4 2013	Δ	Δ FX adjusted	2014
Sales	2,511.0	2,315.9	8.4%	4.7%	10,015.6
Cost of goods sold	-1,989.6	-1,847.7	7.7%		-7,988.1
Gross profit	521.4	468.2	11.4%	7.2%	2,027.5
Expenses	-324.5	-288.4	12.5%		-1,300.6
EBITDA	196.9	179.8	9.5%	4.4%	726.9
Add back transaction costs ¹⁾	-	+1.5			-0.2
Operating EBITDA	196.9	181.3	8.6%	3.6%	726.7
Operating EBITDA / Gross profit	37.8%	38.7%			35.8%

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

FINANCIALS Q4 2014

Income statement (continued)

in EUR m	Q4 2014	Q4 2013	Δ	2014
EBITDA	196.9	179.8	9.5%	726.9
Depreciation	-25.8	-25.0	3.2%	-99.4
EBITA	171.1	154.8	10.5%	627.5
Amortization ¹⁾	-9.0	-9.9	-9.1%	-35.9
EBIT	162.1	144.9	11.9%	591.6
Financial result ²⁾	-19.6	10.3	290.3%	-83.8
EBT	142.5	155.2	-8.2%	507.8
Profit after tax	100.5	119.2	-15.7%	339.7
EPS	0.65	0.78	-16.7%	2.20
EPS excl. Amortization and Zhong Yung liability ³⁾	0.64	0.63	1.6%	2.32

1) Includes for the period October to December 2014 scheduled amortization of customer relationships totaling (Q4 2014: EUR -6.9m; Q4 2013: EUR -8.4m).

2) Thereof EUR 6.1m in FY 2014, EUR 7.9m in Q4 2014 and EUR 29.9m in Q4 2013 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 Q4 2014

Cash flow statement

in EUR m	Q4 2014	Q4 2013	2014
Profit after tax	100.5	119.2	339.7
Depreciation & amortization	34.8	34.9	135.3
Income taxes	42.0	36.0	168.1
Income tax payments	-54.3	-50.1	-164.8
Interest result	18.4	17.9	73.4
Interest payments (net)	-8.9	-8.3	-70.2
Changes in current assets and liabilities	44.3	57.9	-90.4
Change in purchase price obligation/IAS 32	-7.0	-29.1	-4.0
Other	-2.4	-18.2	-17.4
Cash provided by operating activities	167.4	160.2	369.7

FINANCIALS Q4 2014

Cash flow statement (continued)

in EUR m	Q4 2014	Q4 2013	2014
Purchases of intangible assets and property, plant & equipment (PPE)	-36.9	-35.8	-103.0
Purchases of consolidated subsidiaries and other business units	-24.4	-10.9	-82.0
Other	4.5	3.5	6.8
Cash used for investing activities	-56.8	-43.2	-178.2
Capital increase	-	-	-
Payments in connection with the capital increase	-	-	-
Purchases of shares in companies already consolidated	-	-	-
Dividends paid to minority shareholders	-0.9	-0.5	-1.8
Dividends paid to Brenntag shareholders	-	-	-133.9
Repayment of (-)/proceeds from (+) borrowings (net)	2.2	4.2	-13.6
Cash used for financing activities	1.3	3.7	-149.3
Change in cash & cash equivalents	111.9	120.7	42.2

FINANCIALS Q4 2014

Free cash flow

in EUR m	Q4 2014	Q4 2013	Δ	Δ	2014
EBITDA	196.9	179.8	17.1	9.5%	726.9
CAPEX	-40.4	-39.6	-0.8	2.0%	-104.8
Δ Working capital	40.9	64.7	-23.8	-36.8%	-100.5
Free cash flow	197.4	204.9	-7.5	-3.7%	521.6

FINANCIAL CALENDAR

Date	Event
May 6, 2015	Interim Report Q1 2015
May 13, 2015	JP Morgan Business Services Conference, London
June 9, 2015	General Shareholders' Meeting, Duesseldorf
June 22, 2015	Goldman Sachs Business Services Conference, London
August 6, 2015	Interim Report Q2 2015
November 5, 2015	Interim Report Q3 2015

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