

Connecting**Chemistry**



## Speech of the Board of Management



General Shareholders' Meeting, 9 June 2015

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**AGENDA**

**| Overview of the financial year**

**Steven Holland, CEO**

**| Financial figures 2014**

**Georg Müller, CFO**

**| ConnectingChemistry**

**Steven Holland, CEO**

## OVERVIEW OF THE FINANCIAL YEAR Highlights 2014

### Financial figures

- All-time highs for gross profit and operating EBITDA

### Acquisitions

- Value-creating acquisitions in the US, Europe und Latin America

### Efficiency increase

- Investments in growth initiatives show positive effects and will also contribute to further growth in 2015

### Refinancing

- Early extension of credit facilities (implementation in March 2014)

### Share Split

- Implementation of the 1:3 share split in August 2014

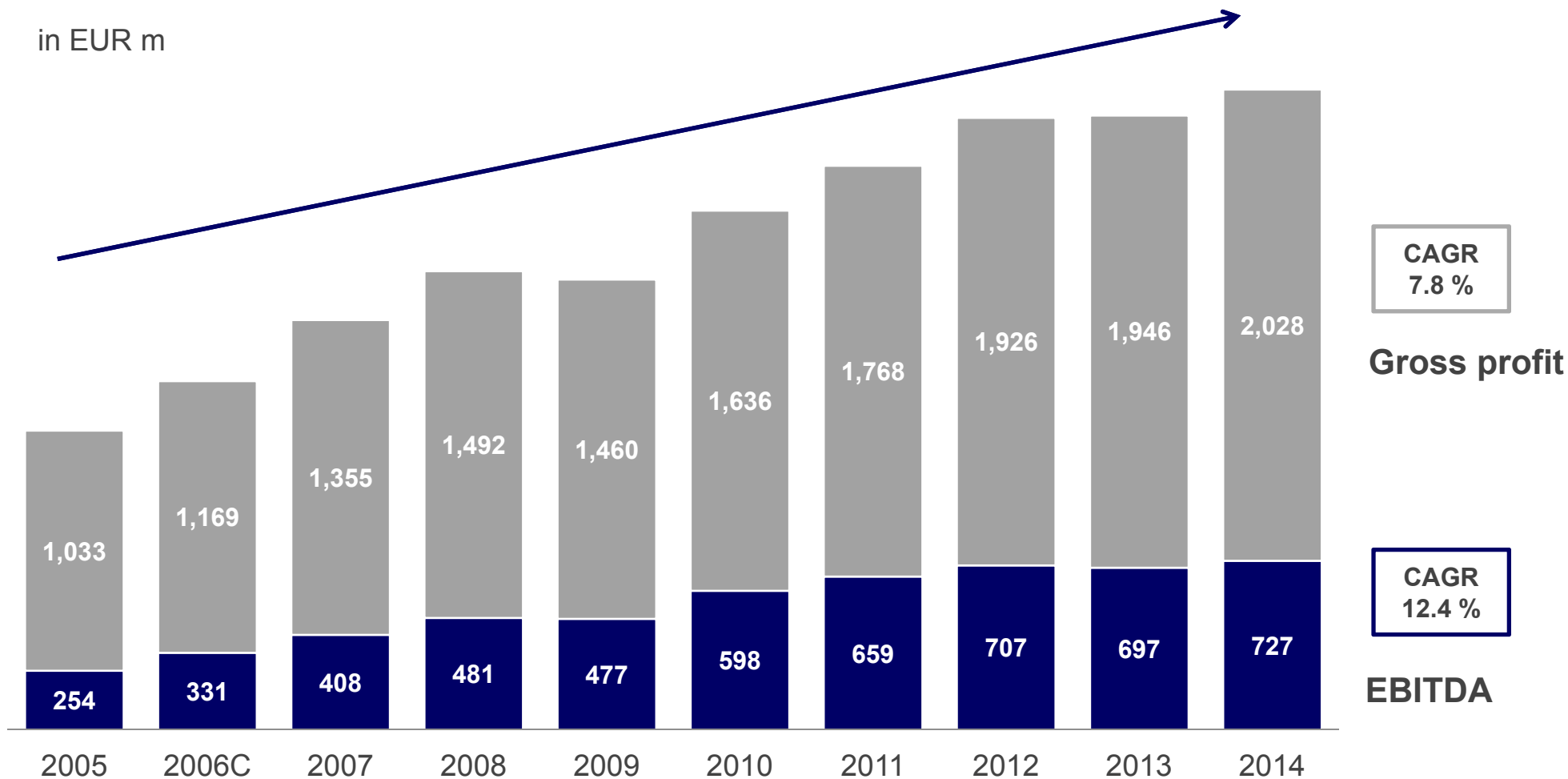
### Connecting**Chemistry**

- Introduction of the new corporate claim „ConnectingChemistry“

OVERVIEW OF THE FINANCIAL YEAR 2014

Sustainable growth with high profitability

in EUR m



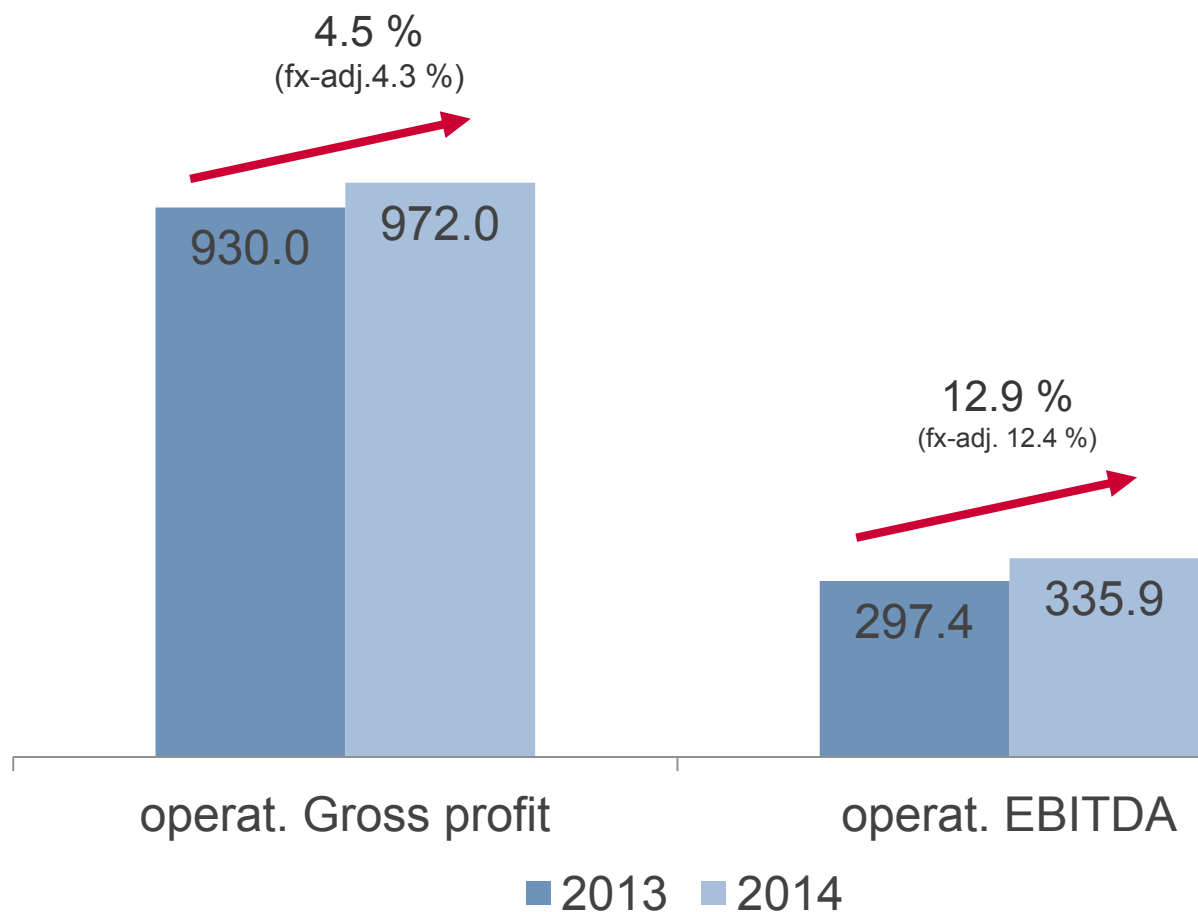
OVERVIEW OF THE FINANCIAL YEAR

**Financial figures 2014**

	Gross profit	Operating EBITDA	Operating EBITDA / Gross profit
<b>2014</b>	EUR 2,027.5 m	EUR 726.7 m	35.8 %
<b>Growth</b> Year-on-year	4.2 %	4.1 %	
<b>Growth</b> Fx-adjusted Year-on-year	4.8 %	4.3 %	
<b>Free Cashflow</b>	Strong free cashflow of EUR 521.6 m		

## OVERVIEW OF THE FINANCIAL YEAR Segments 2014 – Europe

in EUR m

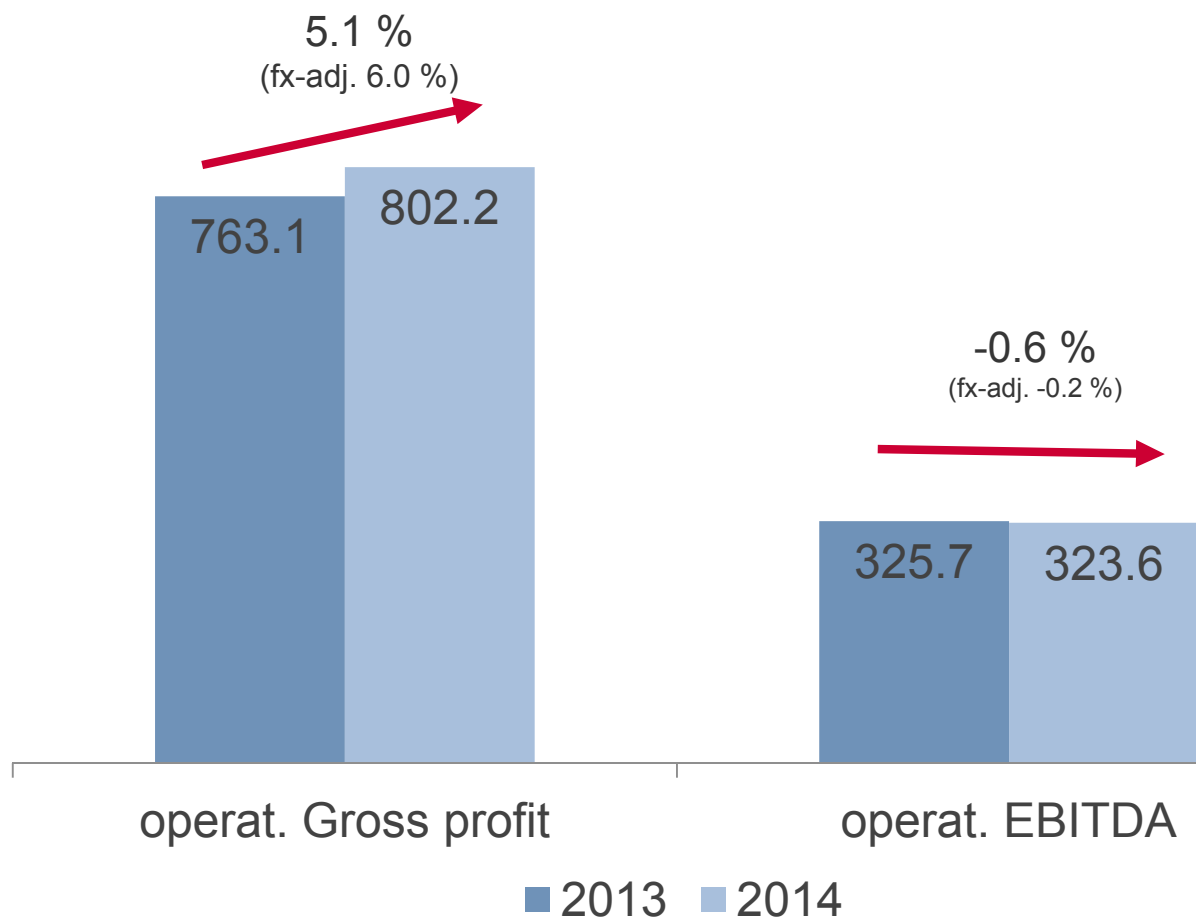


### Update

- Macroeconomic environment remains difficult and recovers only slowly
- Combination of growth and efficiency measures shows success
- Pan-european management approach will be further pursued
- Good start into 2015

## OVERVIEW OF THE FINANCIAL YEAR Segments 2014 – North America

in EUR m

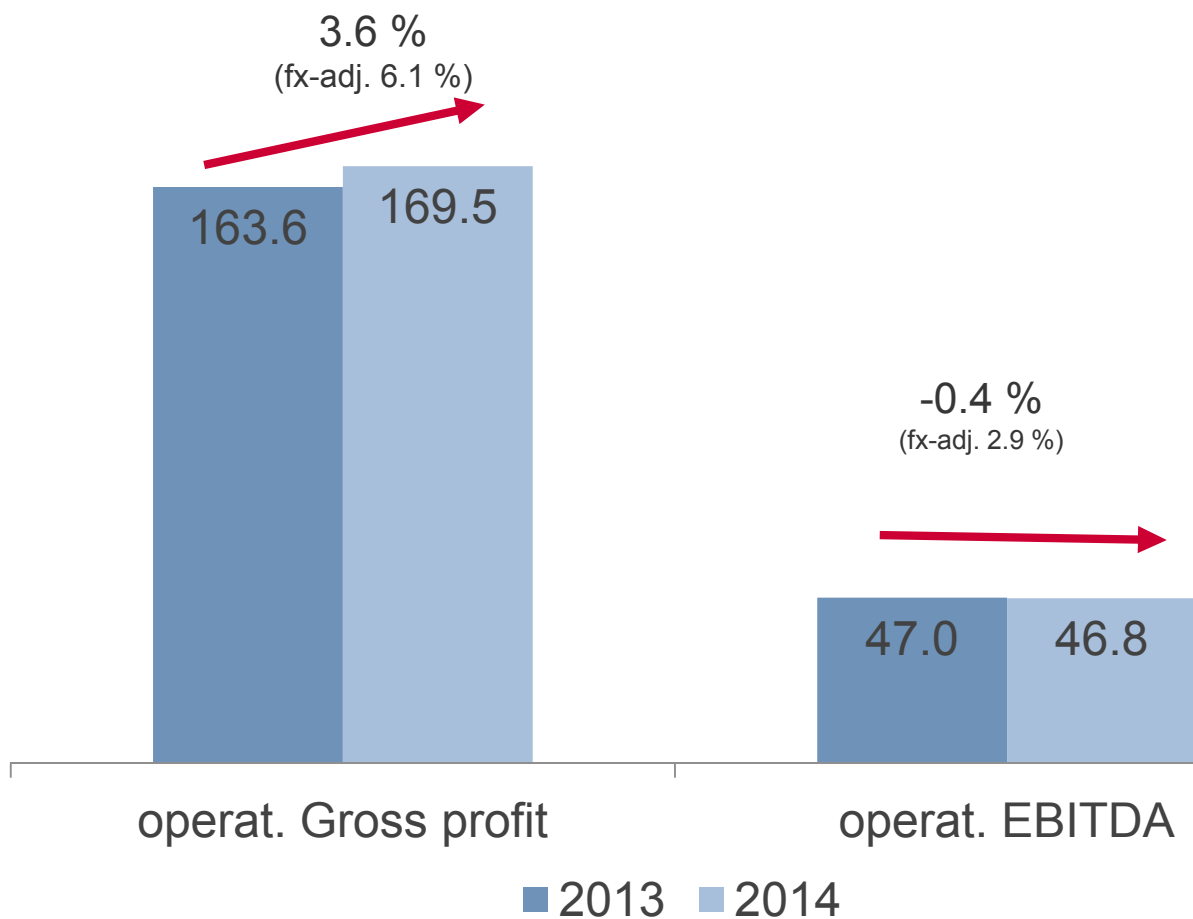


### Update

- Overall positive economic environment
- Successfully integrated acquisitions
- Gross profit and operating EBITDA grow on an fx-adj. basis
- Cost base temporarily burdened by individual effects
- Q1 2015 with good results

## OVERVIEW OF THE FINANCIAL YEAR Segments 2014 – Latin America

in EUR m



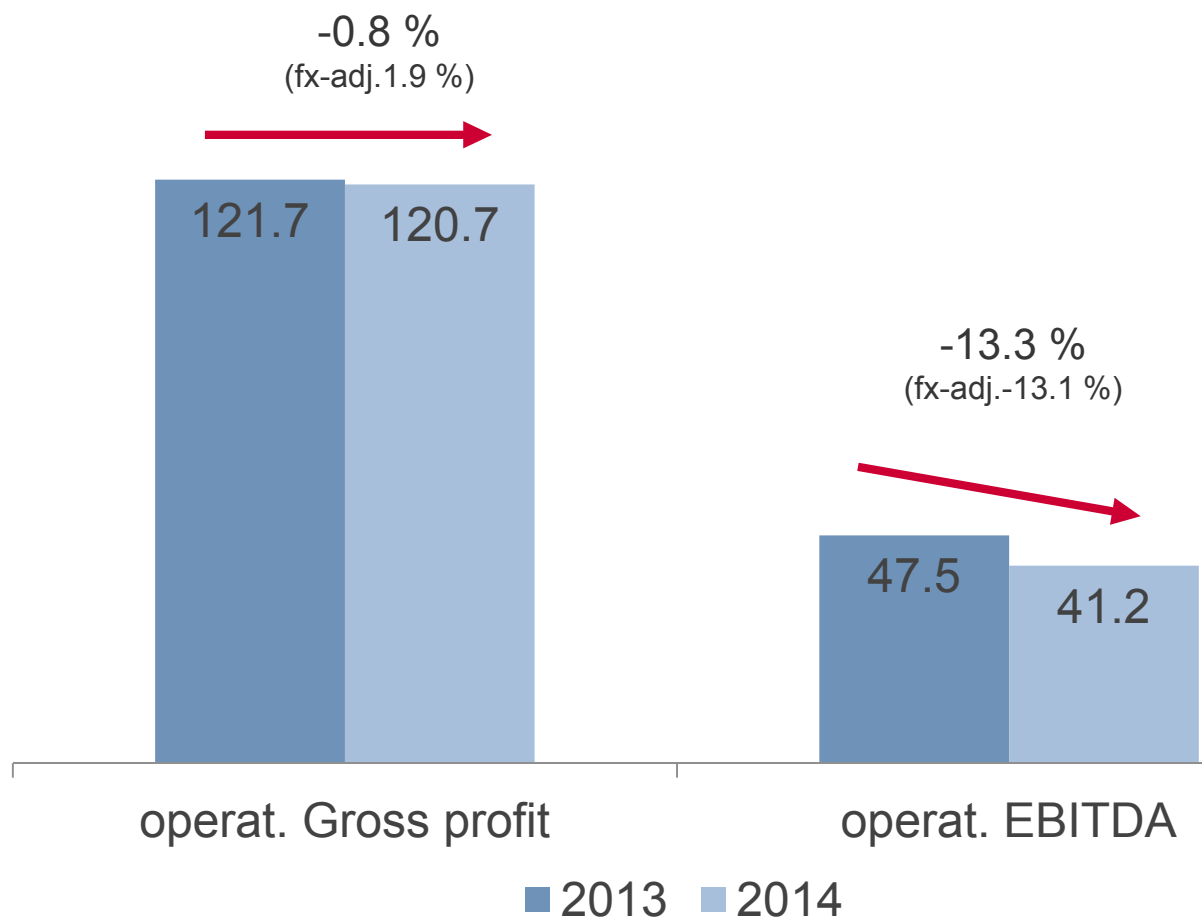
### Update

- Ongoing challenging macroeconomic conditions
- Weak development at the beginning of the year but improving towards the end
- Gross profit and operating EBITDA grow on an fx-adj. basis
- Continuing positive trend in Q1 2015



## OVERVIEW OF THE FINANCIAL YEAR Segments 2014 – Asia Pacific

in EUR m



### Update

- Weaker macroeconomic environment in individual countries
- Cost effects due to growth initiatives
- Continuous improvement in China
- Positive trend since Q4 2014

**OVERVIEW OF THE FINANCIAL YEAR**  
**Business development Q1 2015**

	Gross profit	Operating EBITDA	Operating EBITDA / gross profit
<b>Q1 2015</b>	<b>EUR 557.3 m</b>	<b>EUR 195.0 m</b>	<b>35.0 %</b>
<b>Growth</b> Year-on-year	<b>15.2 %</b>	<b>22.2 %</b>	
<b>Growth</b> Fx-adjusted Year-on-year	<b>4.3 %</b>	<b>9.7 %</b>	
<b>Free cashflow</b>	<b>Strong free cashflow of EUR 161.0 m</b>		

**OVERVIEW OF THE FINANCIAL YEAR**  
**Successful acquisitions 2014**

Acquired company	Strategic rationale
Gafor Distribuidora Ltd, Sao Paulo, Brasil	Expanding market presence and achieving critical mass in Brazil.
Philchem, Inc., Houston, Texas, USA	Benefit from an excellent know-how in selected product groups.
Chimab SPA, Padua, Italy	Improving position in the important Italian food industry.
SurtiQuímicos S.A., Bogotá, Colombia	Expansion of specialty chemicals market penetration in Latin America.
Fred Holmberg & Co AB, Malmö, Sweden *)	Strengthening of infrastructure and expansion of industrial chemicals product portfolio in Scandinavia

\*) closed in 2015

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**AGENDA**

**Overview of the financial year**

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**Financial figures 2014**

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**ConnectingChemistry**

**Steven Holland, CEO**

## FINANCIAL FIGURES 2014

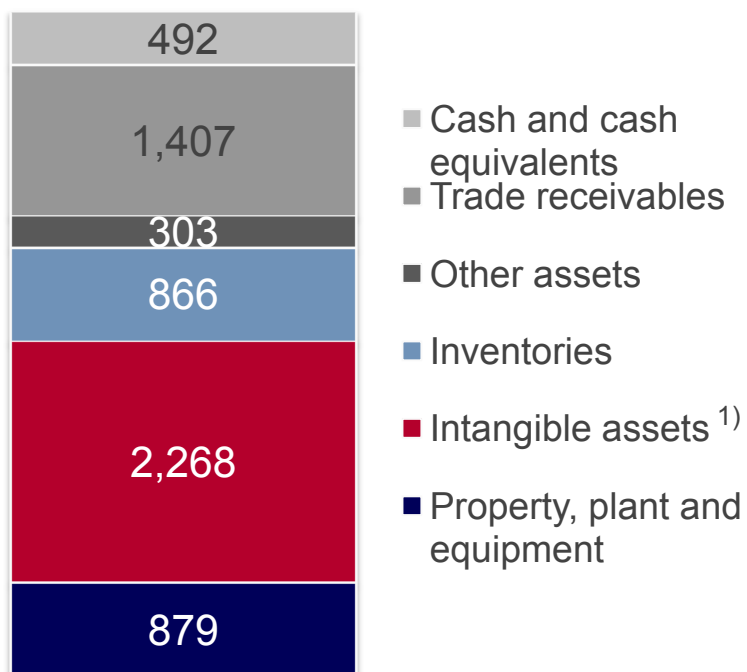
### Consolidated income statement

	in EUR m	2014	2013	Δ	Δ FX adjusted
Sales		10,015.6	9,769.5	2.5%	3.2%
<b>Gross profit</b>		<b>2,027.5</b>	<b>1,945.5</b>	<b>4.2%</b>	<b>4.8%</b>
Operating EBITDA		726.7	698.3	4.1%	4.3%
<b>Operating EBITDA/Gross profit</b>		<b>35.8%</b>	<b>35.9%</b>		
EBT		507.8	495.2	2.5%	
<b>Profit after tax</b>		<b>339.7</b>	<b>338.9</b>	<b>0.2%</b>	

## FINANCIAL FIGURES 2014

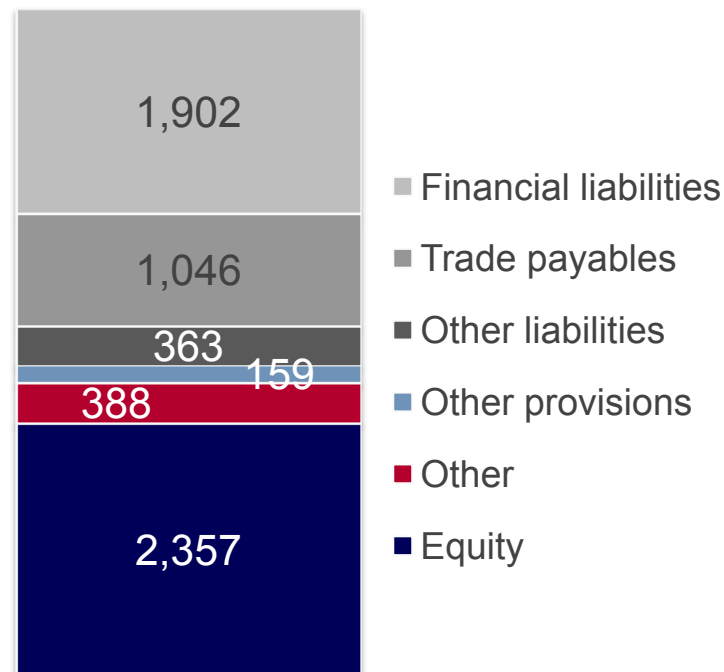
### Balance Sheet as of 31 December 2014

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.

## FINANCIAL FIGURES 2014

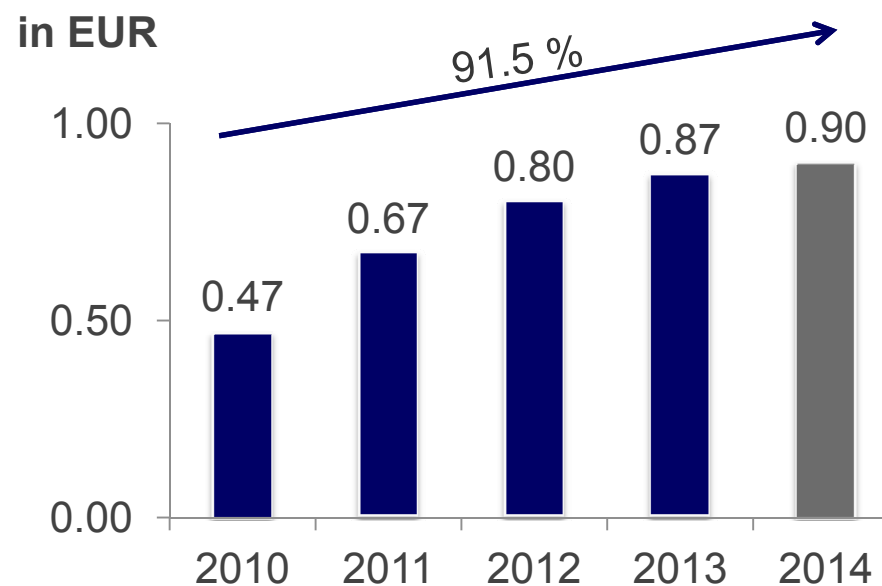
### Free Cashflow

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%
<b>Free cash flow</b>	<b>521.6</b>	<b>543.4</b>	<b>-21.8</b>	<b>-4.0%</b>

**FINANCIAL FIGURES 2014**

**Attractive dividend development since the IPO**

in EUR	2014
Earnings per share	<b>2.20</b>
Proposed dividend payment per share	<b>0.90</b>
Payout ratio (based on earnings per share)	<b>41.0 %</b>

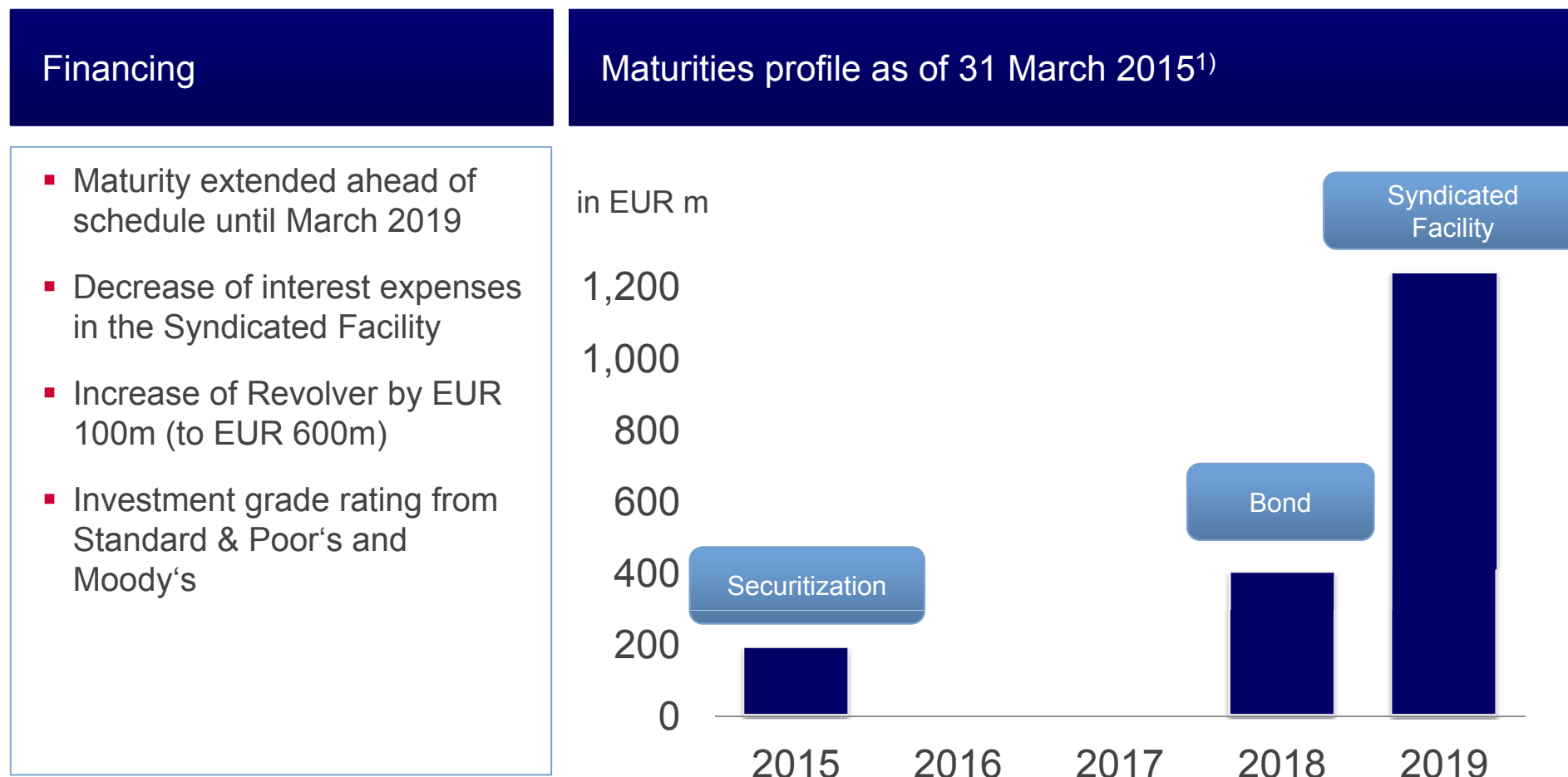


The dividend has been adjusted retrospectively to the share split executed in Q3 2014.



## FINANCIAL FIGURES 2014

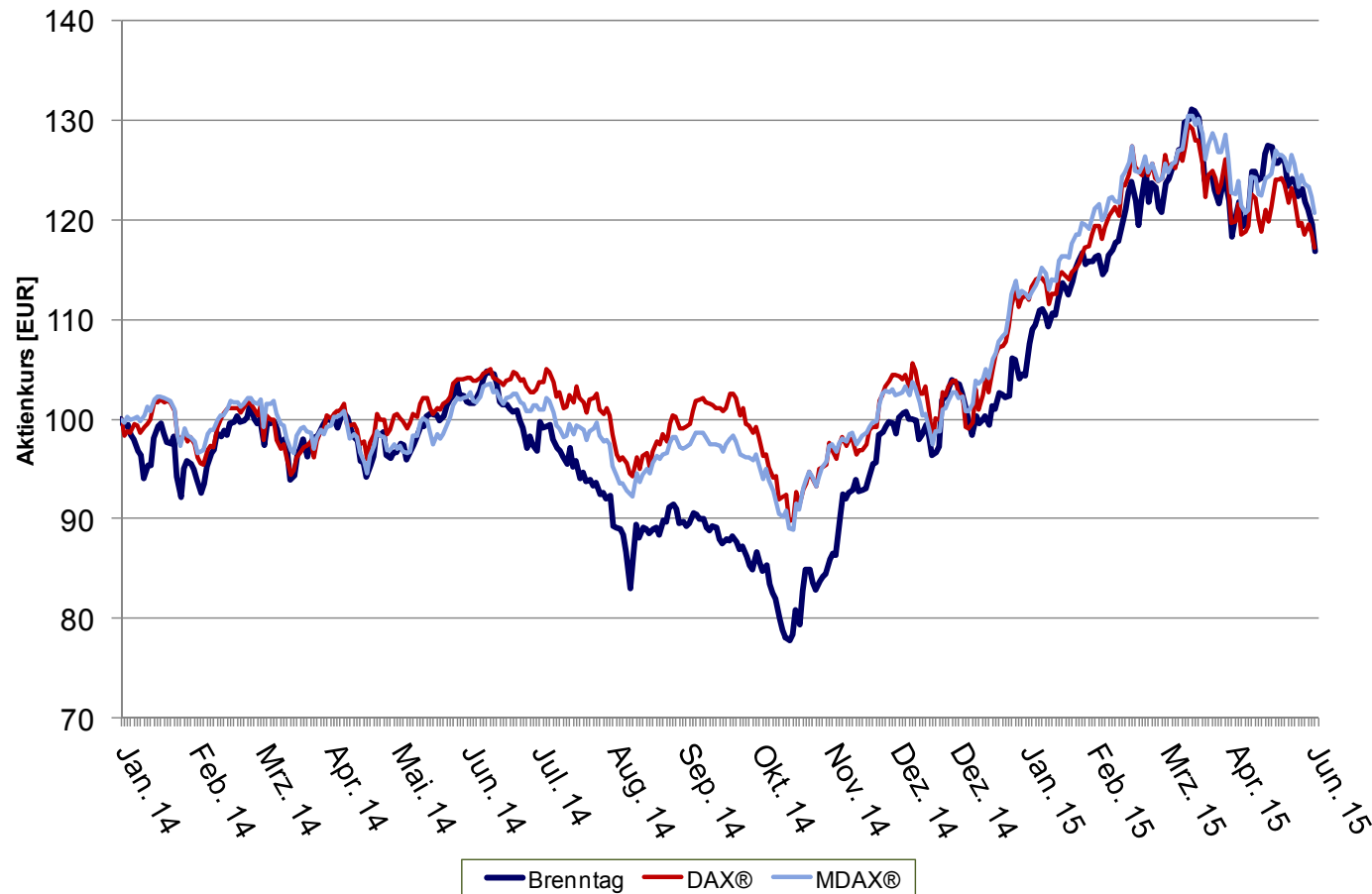
### Long term oriented maturity profile and investment grade rating



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.

SHARE PRICE (INDEXED TO 100)

Sustainable share price increase of the Brenntag share



> 240%  
Share price increase since IPO

Yearly outperformance of the DAX since IPO

~ EUR 9.0 bn market capitalization

30th place in market capitalization in Germany \*)

\*) Ranking for free float and market capitalization of Deutsche Börse AG

## FINANCIAL FIGURES 2014 Outlook 2015

	2014	Expectations	Trend 2015
Sales	EUR 10,016 m	<ul style="list-style-type: none"> <li>▪ Further recovery of the global economy</li> <li>▪ Challenging conditions in emerging markets</li> <li>▪ Growth potential through strong competitive position</li> </ul>	
Gross profit	EUR 2,028 m	<ul style="list-style-type: none"> <li>▪ Positive earnings development through structural growth trends</li> <li>▪ Price movements without significant influence</li> </ul>	
Operating EBITDA	EUR 727 m	<ul style="list-style-type: none"> <li>▪ Increase in operating EBITDA in Europe and North America as well as through internal efficiency measures</li> </ul>	

**Focus on professional implementation of all measures**

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**AGENDA**

**Overview of the financial year**

**Steven Holland, CEO**

**Financial figures 2014**

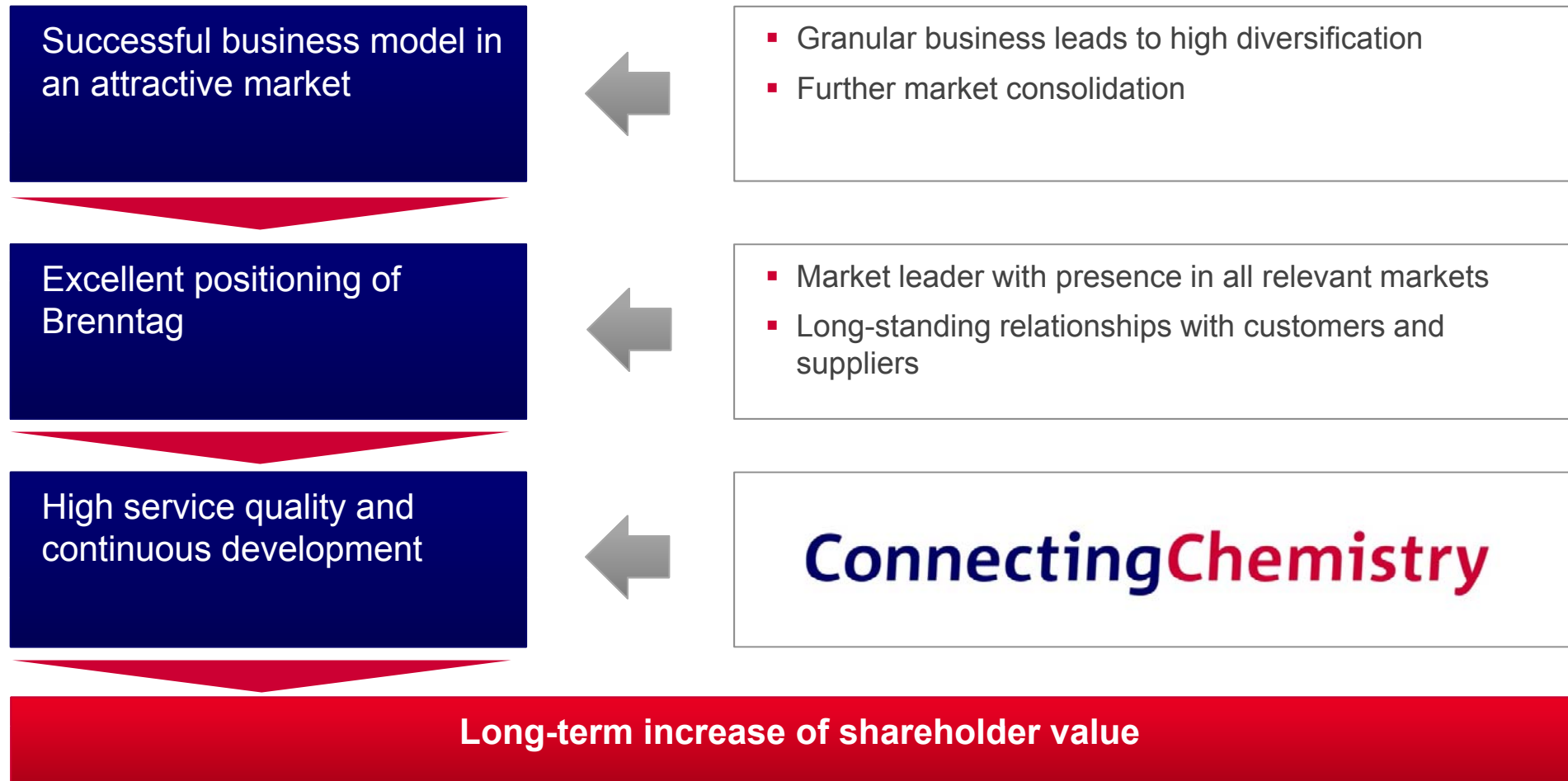
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**CONNECTING CHEMISTRY**

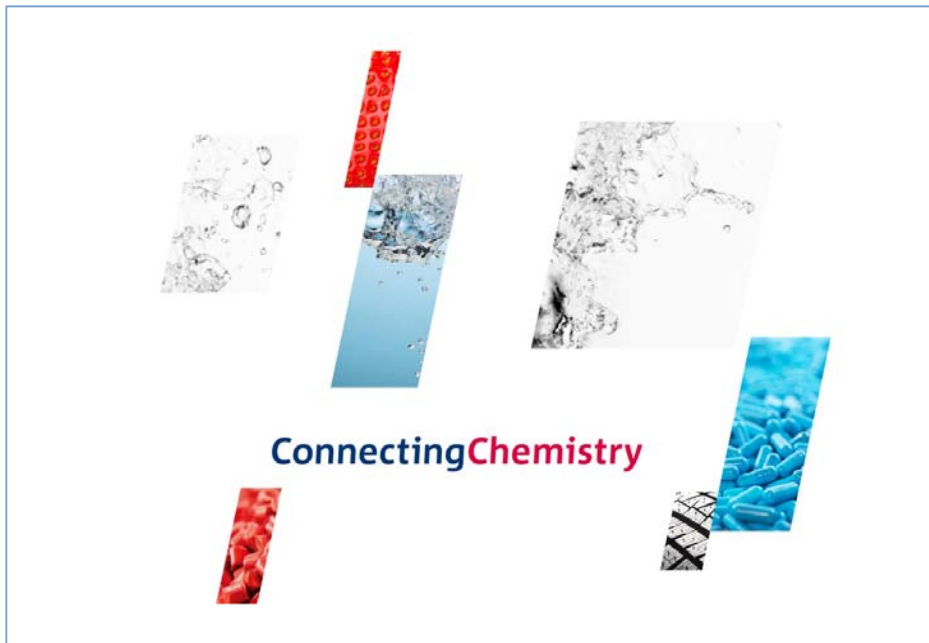
**Focusing on the needs of customers and suppliers**



CONNECTING CHEMISTRY

**Outstanding quality in chemical distribution**

**ConnectingChemistry**



- 'ConnectingChemistry' as a global branding to further strengthen the brand
- 'ConnectingChemistry' represents Brenntag's approach in bringing together customers and suppliers in a profitable partnership
- Brenntag connects chemistry at all levels

## CONNECTING CHEMISTRY Living



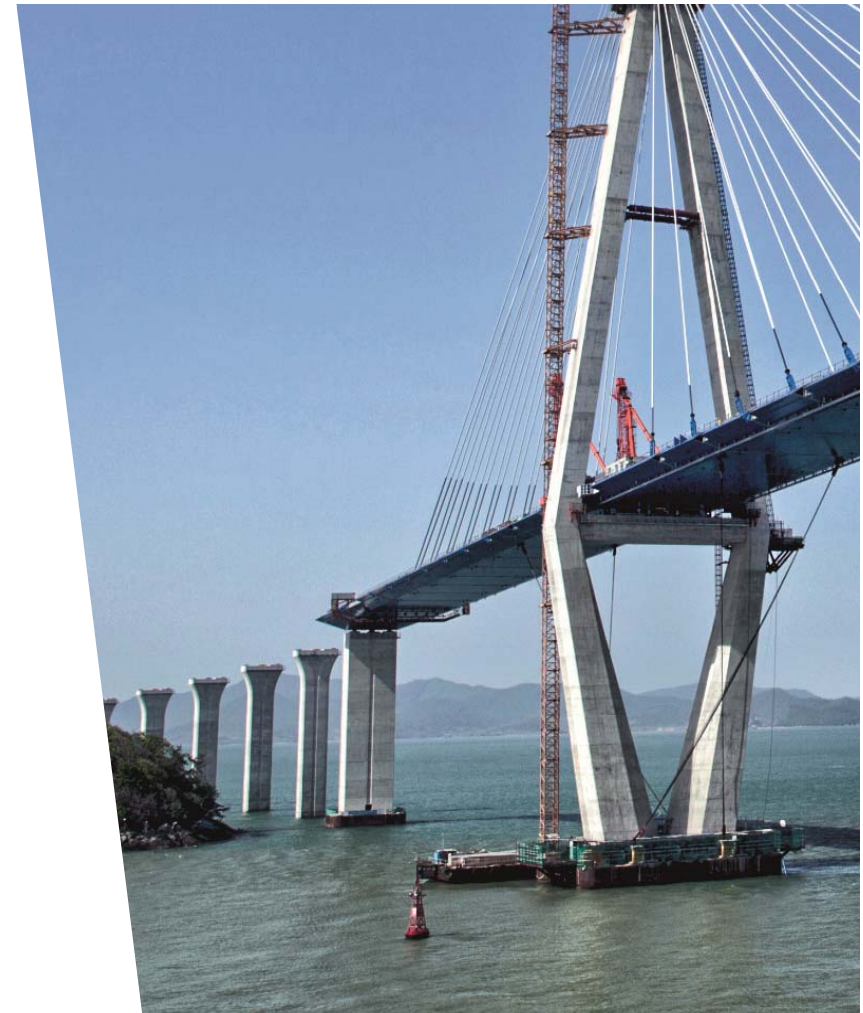
### Oil & Gas

- Oil and gas resources as a key factor for meeting the energy needs of our society
- Brenntag supports all parts of the oil and gas value chain with products and value-added services
- Brenntag guarantees on-time delivery of products to various secluded locations
- Our extensive network and excellent understanding of customer needs is a key competitive advantage
- Excellent technical knowhow

CONNECTING CHEMISTRY  
**Living**

**Coatings & Construction**

- Brenntag enables innovations in the Coatings & Construction industry
- Brenntag distribution with a broad range of services: Consulting, Formulation optimization, procurement, logistics solutions
- Brenntag reduces complexity by allowing customers and suppliers to outsource parts of their business
- Brenntag guarantees a safe and reliable distribution chain





## CONNECTING CHEMISTRY

### Lifestyle



#### Food

- Global trends influence the food industry
- Brenntag is a flexible partner for customers and suppliers
- Brenntag offers extensive knowhow of ingredients, applications and markets
- Brenntag supports its partners in the design, improvement or adjustment of product specifications
- Knowledge transfer via global network
- High quality standards

## CONNECTING CHEMISTRY Lifestyle

### Cosmetics

- Cosmetics are an integral part of every day life
- Creative, fast-paced and consumer-oriented industry
- Brenntag supplies raw materials and solutions
- Brenntag supports manufacturers in the efficient marketing of products
- Brenntag helps to quickly and adequately react to changes in customer behavior
- Brenntag facilitates flexibility in a competitive market



**SUCCESSFUL INTO THE FUTURE**

**Strategic focus on continued profitable growth**



**Profitable Growth**

**Organic Growth**

**Growth through acquisitions**

**Market leader with resilient business model**

**Health, safety and environment**

Connecting**Chemistry**



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**THANK YOU FOR YOUR ATTENTION!**

## Disclaimer

This presentation contains forward-looking statements. The words “anticipate”, “assume”, “believe”, “estimate”, “expect”, “intend”, “plan”, “project”, “may”, “should” and similar expressions are used to identify forward-looking statements. Forward-looking statements are statements that are not historical facts; instead they reflect our current views and expectations and the assumptions underlying them about future events.

These forward-looking statements are subject to many risks and uncertainties, including a lack of further improvement or a deterioration of global economic conditions, in particular a decline in consumer demand and investment activities, a downturn in major economies, a continuation of the tense situation in the credit and financial markets and other risks and uncertainties.

If any of these risks and uncertainties materialize or if the assumptions underlying any of our forward-looking statements prove to be incorrect, our actual results may be materially different from those expressed or implied by such forward-looking statements. We do not intend or assume any obligation to update these forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made.