

Q2 2024 Results

Brenntag SE
August 13, 2024

Q2 2024 Results Presentation

1. Highlights Q2 2024
2. Financial performance Q2 2024
3. Outlook
4. Appendix



Highlights Q2 2024

SALES

EUR 4.2 bn

- 2.0% vs. PY (fx adj.)

OPERATING GROSS PROFIT

EUR 1,028 m

+ 0.6% vs. PY (fx adj.)

OPERATING EBITA

EUR 297 m

- 10.4% vs. PY (fx adj.)

FREE CASH FLOW

EUR 158 m

- 63.5% vs. Q2 2023

EPS

EUR 1.03

Q2 2023: EUR 1.23

BUSINESS ENVIRONMENT

Intense competition

Initiatives to stabilize margins well underway

STRATEGY EXECUTION

On track

Focus on areas with highest differentiating effect

ADJUSTED OUTLOOK FY 2024


EUR 1.10-1.20 bn

Operating EBITA

Update on our strategic initiatives



M&A

 5 acquisitions¹⁾ (YTD Aug 13, 2024):

BES



BSP



 Total EV of EUR ~340 million¹⁾



Sustainability



- Brenntag receives **platinum rating in the EcoVadis sustainability assessment**
- Brenntag further improves **ISS ESG Corporate Rating to B-**



Strategy update

- Fully **committed to execute our Strategy**
- Continuously **increasing divisional autonomy and independence**
- Focus on areas with **highest differentiating effect**

¹⁾ RSS and Lawrence have been closed in Q1 2024. Industrial Chemicals Corporation was closed in Q2 2024. Quimica Delta acquisition signed in May 2024 and not yet closed. Monarch Industries signed and closed on 01 August 2024; Solventis acquisition not included since signing took place already in 2023 (closing June 2024)



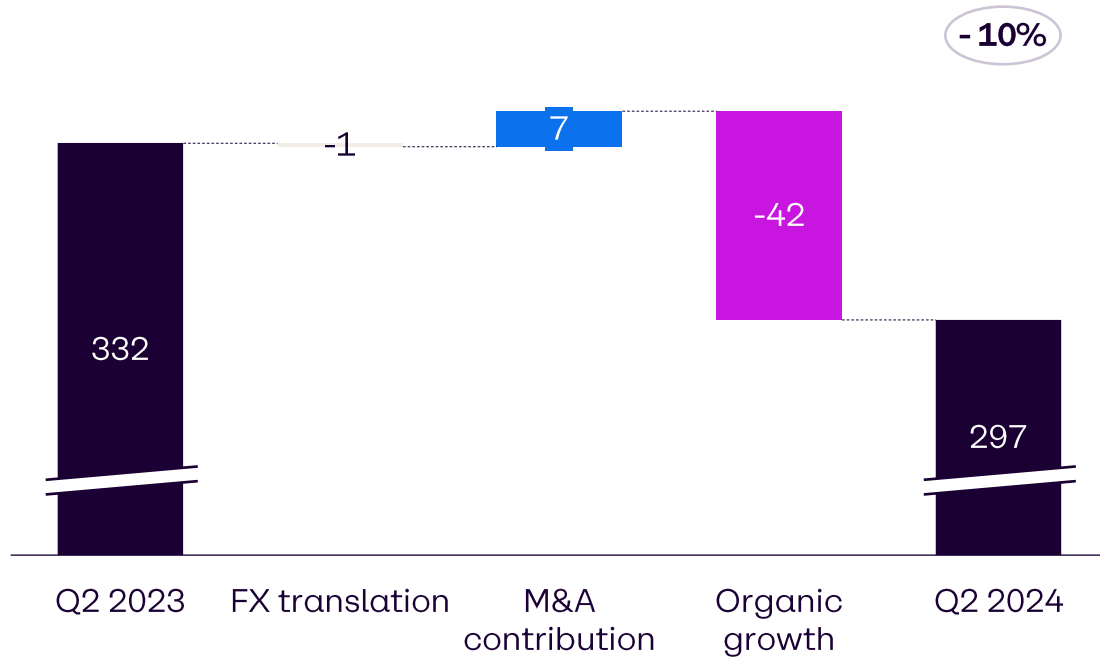
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Financials Q2 2024: Operating EBITA bridges¹⁾

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 Q2 2024: Brenntag Specialties

Operating EBITA growth vs. PY

| Life Science | Material Science |
|--|--|
| -13.8% | -7.5% |
| Global end markets | Global end markets |
|  Nutrition |  Case ¹⁾ & Construction |
|  Pharma |  Rubber & Polymers |
|  Beauty & Care |  Lubes & Perf. Fluids |
| |  Electronics |

Results impacted by negative Gross Profit per unit development while volumes were above prior-year period

Operating Gross Profit of EUR 298 million, stable 0.1% vs. PY

Operating EBITA of EUR 112 million, a decline of 12.8% vs. PY

All business units in Life Science except Pharma saw positive operating Gross Profit development year-over-year, driven by volumes

Material Science operating Gross Profit in line with Q2 2023 with positive developments in Case & Construction

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

Operating EBITA conversion ratio of 38%

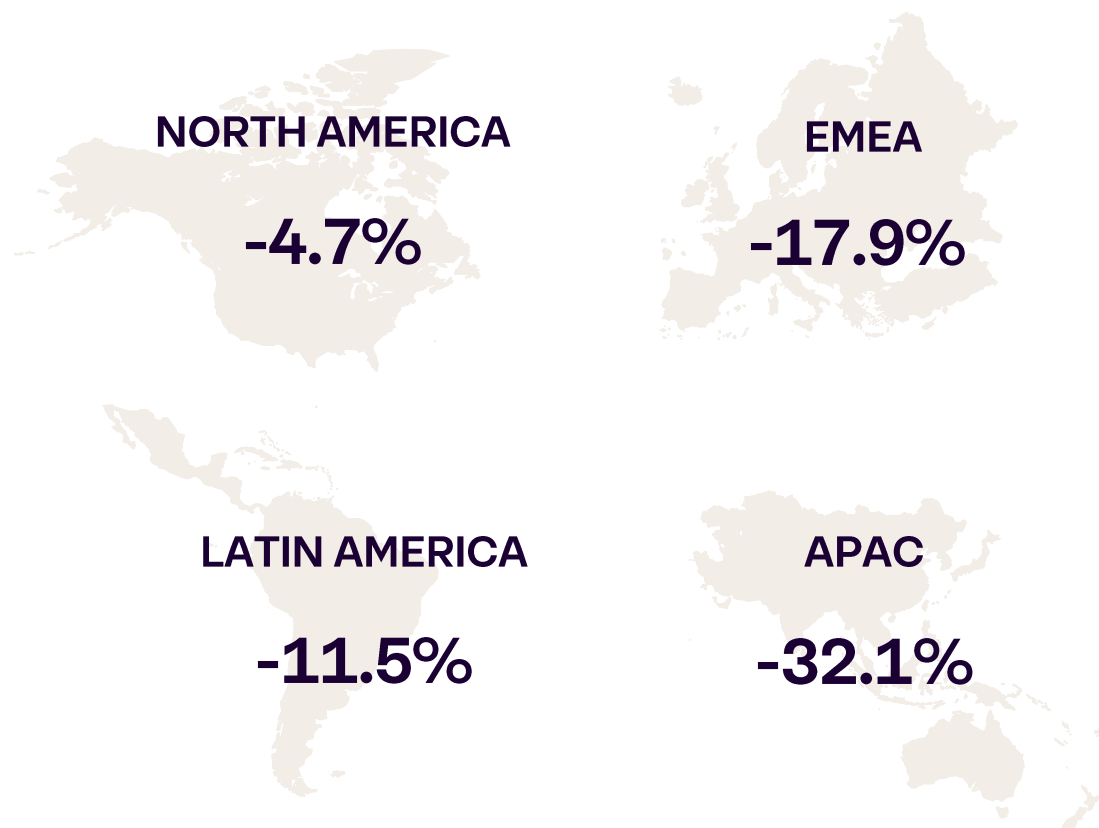
Note: All growth rates are adjusted for translational FX-effects

¹⁾ Coatings, Adhesives, Sealants and Elastomers



Financials Q2 2024: Brenntag Essentials

Operating EBITA growth vs. PY



Positive volume developments were able to offset lower gross profit per unit in most regions

Operating Gross Profit of EUR 730 million, an increase of 0.8 % vs. PY

Operating EBITA of EUR 214 million, a decrease of 13.4% vs. PY

Operating Gross Profit increased in all segments expect EMEA

Operating EBITA declined in all segments mainly impacted by volume-driven increases in transport costs

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

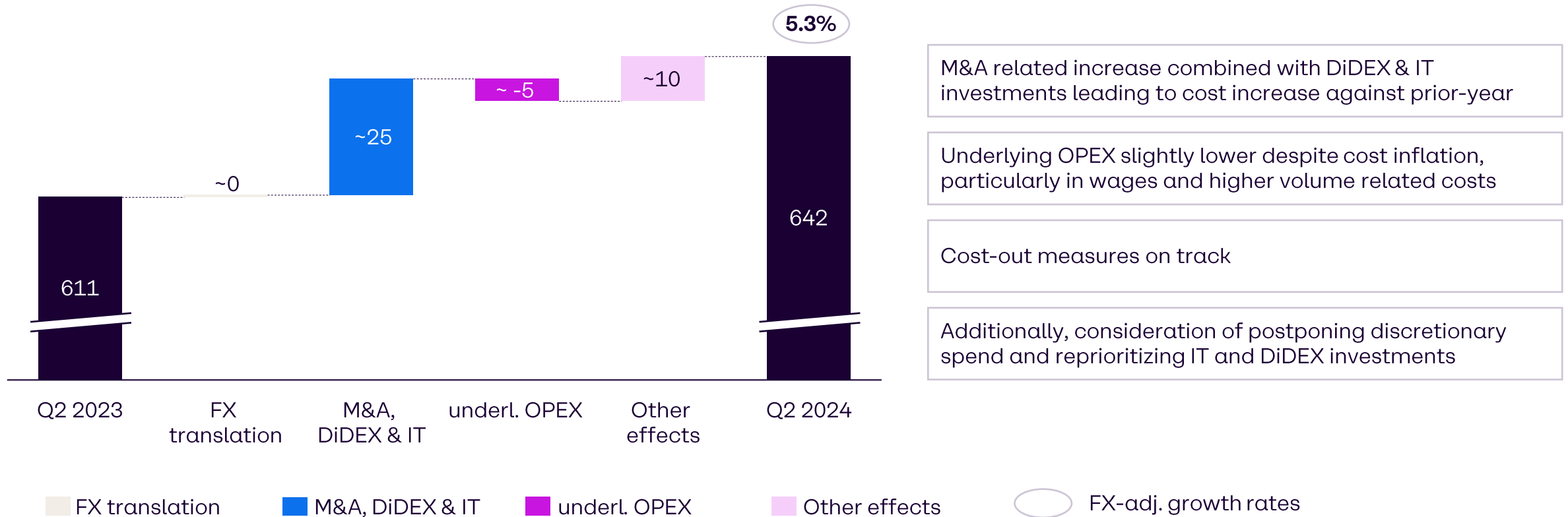
Operating EBITA conversion ratio of 29%

Financials Q2 2024: Income statement

| in EUR m | Q2 2024 | Q2 2023 | Δ | Δ FX adjusted |
|-------------------------------------|----------------|----------------|---------------|---------------|
| Sales | 4,176.3 | 4,256.6 | -1.9% | -2.0% |
| Cost of materials | -3,147.2 | -3,235.8 | -2.7% | - |
| Operating Gross Profit | 1,027.9 | 1,020.8 | 0.7% | 0.6% |
| Operating expenses | -641.9 | -611.1 | 5.0% | 5.3% |
| Operating EBITDA | 386.0 | 409.7 | -5.8% | -5.7% |
| Depreciation | -88.9 | -77.5 | 14.7% | 14.4% |
| Operating EBITA | 297.1 | 332.2 | -10.6% | -10.4% |
| Net income / expense from sp. items | -21.1 | -17.3 | - | - |
| EBITA | 276.0 | 314.9 | - | - |
| Amortization | -16.7 | -16.9 | - | - |
| EBIT | 259.3 | 298.0 | - | - |
| Financial result | -43.3 | -39.2 | - | - |
| EBT | 216.0 | 258.8 | - | - |
| Profit after tax | 151.3 | 189.1 | - | - |
| EPS | 1.03 | 1.23 | - | - |

Financials Q2 2024: OPEX bridge¹⁾

Operating expense development in EUR m



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

Underlying OPEX slightly lower despite cost inflation, particularly in wages and higher volume related costs

Cost-out measures on track

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



Financials Q2 2024:

Free cash flow

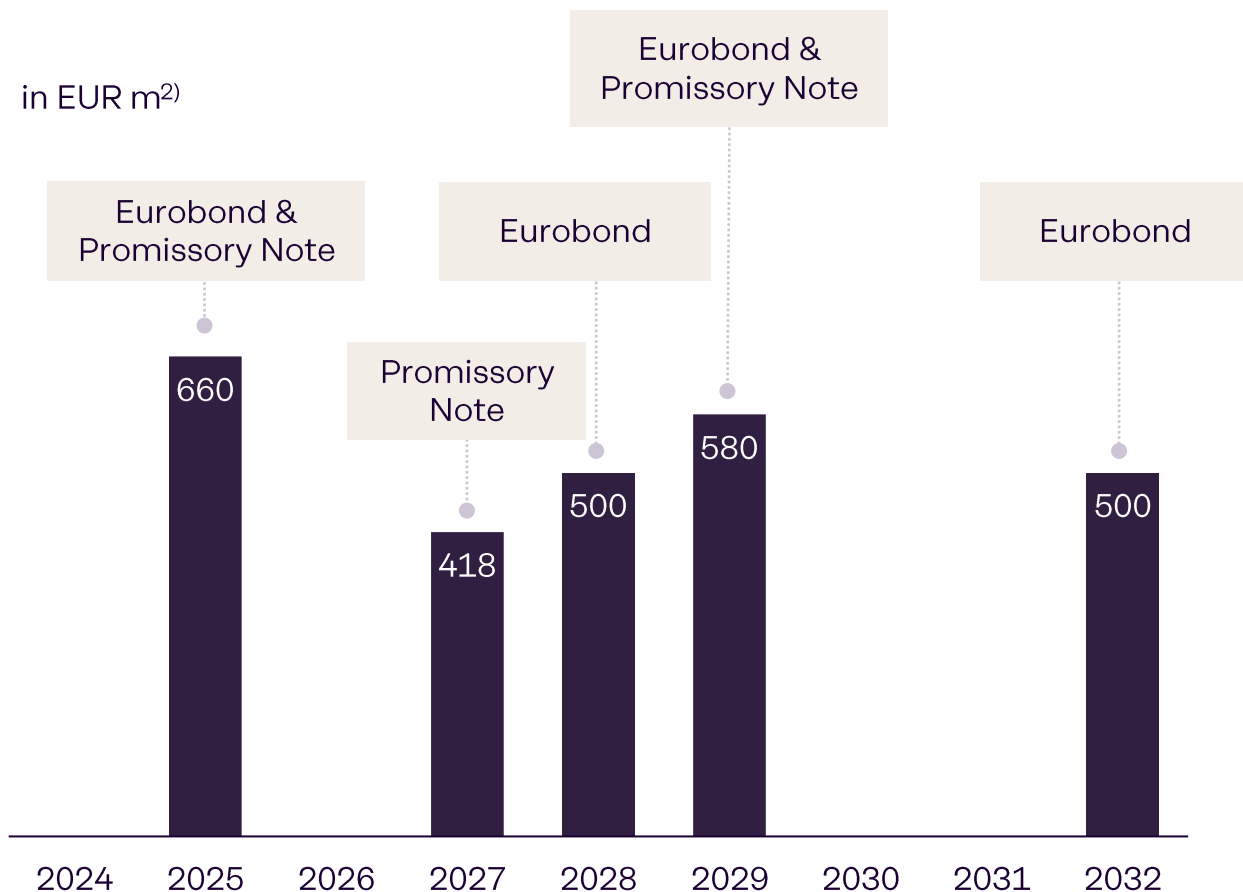
| in EUR m | Q2 2024 | Q2 2023 | Δ abs. | Δ % |
|---|--------------|--------------|---------------|---------------|
| Operating EBITDA | 386.0 | 409.7 | -23.7 | -5.8% |
| Payments to acquire intangible assets and property, plant and equipment | -75.1 | -51.1 | -24.0 | 47.0% |
| Δ Working capital ¹⁾ | -108.1 | 110.8 | -218.9 | -197.6% |
| Principal and interest payments on lease liabilities | -45.3 | -37.7 | -7.6 | 20.2% |
| Free cash flow | 157.5 | 431.7 | -274.2 | -63.5% |
| Working capital turnover (annualized) ²⁾ | 7.8x | 7.2x | - | - |

¹⁾Based on average fx. rate excl. M&A

²⁾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 Q2 2024: Balance sheet and maturity profile

| in EUR m | 30 Jun 2024 | 31 Dec 2023 |
|---|-------------|-------------|
| Financial liabilities | 2,952.4 | 2,313.9 |
| Lease liabilities | 569.7 | 449.8 |
| ./. Cash and cash equivalents | 657.8 | 576.9 |
| Net Debt | 2,864.3 | 2,186.8 |
| Net Debt/Operating EBITDA¹⁾ | 1.9x | 1.4x |
| Equity | 4,427.5 | 4,356.7 |



¹⁾ Operating EBITDA for the quarters calculated on LTM basis.

²⁾ Syndicated loan not shown in the maturity profile as it is currently not drawn, and we therefore have no outstanding liabilities linked to the Syndicated loan

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Outlook 2024: Markets will remain highly competitive



Operating EBITA Guidance

- Brenntag expects operating EBITA for 2024 to be in the range of EUR 1.10 billion to 1.20 billion (previously: lower end of EUR 1.23 billion to 1.43 billion)¹⁾



Comments

- Market trends and chemical industry expectations indicate that markets will remain highly competitive with sustained pressure on industrial chemical selling prices
- Slightly less supportive volume development in H2 2024 than originally expected
- Brenntag does not expect better GP/unit in H2 anymore but rather anticipates a more stable development on group level



Macro environment

- Brenntag expects a challenging business environment, characterized by ongoing geo-political uncertainty and macroeconomic challenges



Additional information

- EUR/USD: ~ 1.08 (2023: ~ 1.08)
- Sensitivity (FY basis): Delta of EUR/USD +/- 1 cent = EUR ~ -/+ 10m operating EBITA
- Tax rate: 29-31%
- Capex 2024: EUR ~350m

Thank you for your attention!



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



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Financials Q2 2024: Segments

| in EUR m | Operating Gross Profit ¹⁾ | | | | Operating EBITA ²⁾ | | | | Operating EBITA conversion ratio | |
|------------------------------------|--------------------------------------|----------------|--------------|---------------|-------------------------------|--------------|---------------|---------------|----------------------------------|--------------|
| | Q2 2024 | Q2 2023 | Δ | Δ FX adjusted | Q2 2024 | Q2 2023 | Δ | Δ FX adjusted | Q2 2024 | Q2 2023 |
| Specialties Life Science | 205.5 | 206.4 | -0.4% | 0.9% | 78.7 | 94.8 | -17.0% | -13.8% | 38.3% | 45.9% |
| Specialties Material Science | 87.1 | 88.2 | -1.2% | -0.7% | 30.1 | 33.7 | -10.7% | -7.5% | 34.6% | 38.2% |
| Specialties Other | 4.9 | 6.2 | -21.0% | -18.3% | -0.6 | 2.3 | -126.1% | -119.0% | - | 37.1% |
| Brenntag Specialties | 297.5 | 300.8 | -1.1% | 0.1% | 112.3 | 130.9 | -14.2% | -12.8% | 37.7% | 43.5% |
| Essentials EMEA | 251.4 | 258.2 | -2.6% | -3.0% | 75.7 | 91.5 | -17.3% | -17.9% | 30.1% | 35.4% |
| Essentials North America | 397.0 | 386.7 | 2.7% | 1.8% | 129.3 | 134.5 | -3.9% | -4.7% | 32.6% | 34.8% |
| Essentials Latin America | 40.1 | 35.3 | 13.6% | 11.0% | 2.4 | 2.4 | - | -11.5% | 6.0% | 6.8% |
| Essentials APAC | 38.2 | 32.2 | 18.6% | 20.8% | 7.2 | 11.3 | -36.3% | -32.1% | 18.8% | 35.1% |
| Essentials Transregional | 3.7 | 7.6 | -51.3% | -51.3% | 2.0 | 5.8 | -65.5% | -65.5% | - | - |
| Brenntag Essentials | 730.4 | 720.0 | 1.4% | 0.8% | 213.8 | 245.0 | -12.7% | -13.4% | 29.3% | 34.0% |
| Group and Regional Services | - | - | - | - | -29.0 | -43.7 | -33.6% | -33.9% | - | - |
| Brenntag Group | 1,027.9 | 1,020.8 | 0.7% | 0.6% | 297.1 | 332.2 | -10.6% | -10.4% | 28.9% | 32.5% |

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

¹⁾ External sales less cost of materials

²⁾ Segment operating EBITA is calculated as EBITA adjusted for holding charges and special items

Financials Q2 2024:

Cash flow statement

| in EUR m | Q2 2024 | Q2 2023 |
|---|---|--------------|
| Profit after tax | 151.3 | 189.1 |
| Effect from IAS 29 on profit/loss after tax | -0.6 | 5.0 |
| Depreciation & amortization | 105.9 | 94.4 |
| Income tax expense | 64.7 | 69.7 |
| Income taxes paid | -75.1 | -111.8 |
| Net interest expense | 32.5 | 24.9 |
| Interest paid | -23.6 | -20.2 |
| <i>(thereof interest paid for leases)</i> | (-5.7) | (-4.2) |
| Interest received | 5.2 | 4.1 |
| Dividends received | 0.7 | - |
| Changes in working capital | -108.1 | 110.8 |
| Changes in other operating assets and liabilities | -58.8 | -40.0 |
| Changes in provisions | -4.2 | 2.1 |
| Non-cash change in liabilities relating to acquisition of non-controlling interests | 1.4 | 1.6 |
| Other | 2.7 | -2.4 |
| Net cash provided by operating activities | 94.0 | 327.3 |

Legend: Components to calculate FCF derived from operating EBITDA



Financials Q2 2024:

Cash flow statement (continued)

| in EUR m | Q2 2024 | Q2 2023 |
|---|---------------|---------------|
| Proceeds from the disposal of other financial assets | - | 0.1 |
| Proceeds from the disposal of intangible assets and property, plant and equipment | 6.0 | 4.4 |
| Payments to acquire consolidated subsidiaries and other business units | -202.4 | -23.4 |
| Payments to acquire other financial assets | -0.3 | - |
| Payments to acquire intangible assets and property, plant and equipment | -75.1 | -51.1 |
| Net cash used in investing activities | -271.8 | -70.0 |
| Payments to acquire treasury shares | - | -143.7 |
| Proceeds from non-controlling interests | - | 1.7 |
| Dividends paid to Brenntag shareholders | -303.2 | -304.7 |
| Dividends paid to non-controlling interests | - | -0.2 |
| Proceeds from borrowings | 999.9 | 153.5 |
| Repayments of lease liabilities | -39.6 | -33.5 |
| Repayments of borrowings | -335.7 | -146.4 |
| Net cash provided by / used in financing activities | 321.4 | -473.3 |
| Change in cash & cash equivalents | 143.6 | -216.0 |

Legend:  Components to calculate FCF derived from operating EBITDA



Financials Q2 2024: Working capital

| in EUR m | 30 Jun 2024 | 31 Mar 2024 | 31 Dec 2023 | 30 Sep 2023 | 30 Jun 2023 |
|---|----------------|----------------|----------------|----------------|----------------|
| Inventories | 1,539.9 | 1,422.6 | 1,376.4 | 1,459.8 | 1,547.6 |
| + Trade receivables | 2,549.8 | 2,480.2 | 2,263.1 | 2,481.0 | 2,519.4 |
| ./. Trade payables | 1,844.0 | 1,819.8 | 1,633.7 | 1,716.7 | 1,744.7 |
| Working capital (end of period)¹⁾ | 2,245.7 | 2,083.0 | 2,005.8 | 2,224.1 | 2,322.3 |
| Working capital turnover (annualized) ²⁾ | 7.8x | 7.9x | 7.3x | 7.2x | 7.2x |

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

²⁾ 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 6M 2024: Income statement

| in EUR m | 6M 2024 | 6M 2023 | Δ | Δ FX adjusted |
|-------------------------------------|----------------|----------------|---------------|---------------|
| Sales | 8,178.9 | 8,783.7 | -6.9% | -6.6% |
| Cost of materials | -6,165.1 | -6,717.3 | -8.2% | - |
| Operating Gross Profit | 2,012.3 | 2,066.4 | -2.6% | -2.3% |
| Operating expenses | -1,284.7 | -1,236.3 | 4.0% | 4.1% |
| Operating EBITDA | 727.6 | 830.1 | -12.4% | -11.9% |
| Depreciation | -170.8 | -152.8 | 11.8% | 10.8% |
| Operating EBITA | 556.8 | 677.3 | -17.8% | -17.3% |
| Net income / expense from sp. items | -29.3 | -12.6 | - | - |
| EBITA | 527.5 | 644.7 | - | - |
| Amortization | -29.1 | -34.6 | - | - |
| EBIT | 498.4 | 630.1 | - | - |
| Financial result | -77.4 | -74.4 | - | - |
| EBT | 421.0 | 555.7 | - | - |
| Profit after tax | 295.0 | 406.2 | - | - |
| EPS | 2.00 | 2.62 | - | - |

Financials 6M 2024: Segments

| in EUR m | Operating Gross Profit ¹⁾ | | | | Operating EBITA ²⁾ | | | | Operating EBITA conversion ratio | |
|------------------------------------|--------------------------------------|----------------|--------------|---------------|-------------------------------|--------------|---------------|---------------|----------------------------------|--------------|
| | 6M 2024 | 6M 2023 | Δ | Δ FX adjusted | 6M 2024 | 6M 2023 | Δ | Δ FX adjusted | 6M 2024 | 6M 2023 |
| Specialties Life Science | 405.7 | 426.3 | -4.8% | -3.2% | 159.0 | 197.3 | -19.4% | -17.5% | 39.2% | 46.3% |
| Specialties Material Science | 167.3 | 178.3 | -6.2% | -5.3% | 60.3 | 70.9 | -15.0% | -14.1% | 36.0% | 39.8% |
| Specialties Other | 10.8 | 14.3 | -24.5% | -21.7% | -2.9 | 5.3 | -154.7% | -159.2% | - | - |
| Brenntag Specialties | 583.8 | 618.9 | -5.7% | -4.3% | 219.8 | 273.8 | -19.7% | -18.1% | 37.6% | 44.2% |
| Essentials EMEA | 498.3 | 522.1 | -4.6% | -5.1% | 146.5 | 186.7 | -21.5% | -22.3% | 29.4% | 35.8% |
| Essentials North America | 773.1 | 769.9 | 0.4% | 0.6% | 240.4 | 262.8 | -8.5% | -8.4% | 31.1% | 34.1% |
| Essentials Latin America | 77.4 | 74.9 | 3.3% | - | 3.3 | 11.8 | -72.0% | -73.8% | 4.3% | 15.8% |
| Essentials APAC | 72.6 | 63.7 | 14.0% | 17.7% | 9.9 | 13.5 | -26.7% | -23.3% | 13.6% | 21.2% |
| Essentials Transregional | 7.1 | 16.9 | -58.0% | -23.7% | 3.9 | 13.5 | -71.0% | -71.1% | - | - |
| Brenntag Essentials | 1,428.5 | 1,447.5 | -1.3% | -1.5% | 400.0 | 487.1 | -17.9% | -18.2% | 28.0% | 33.7% |
| Group and Regional Services | - | - | - | - | -63.0 | -83.6 | -24.6% | -24.6% | - | - |
| Brenntag Group | 2,012.3 | 2,066.4 | -2.6% | -2.3% | 556.8 | 677.3 | -17.8% | -17.3% | 27.7% | 32.8% |

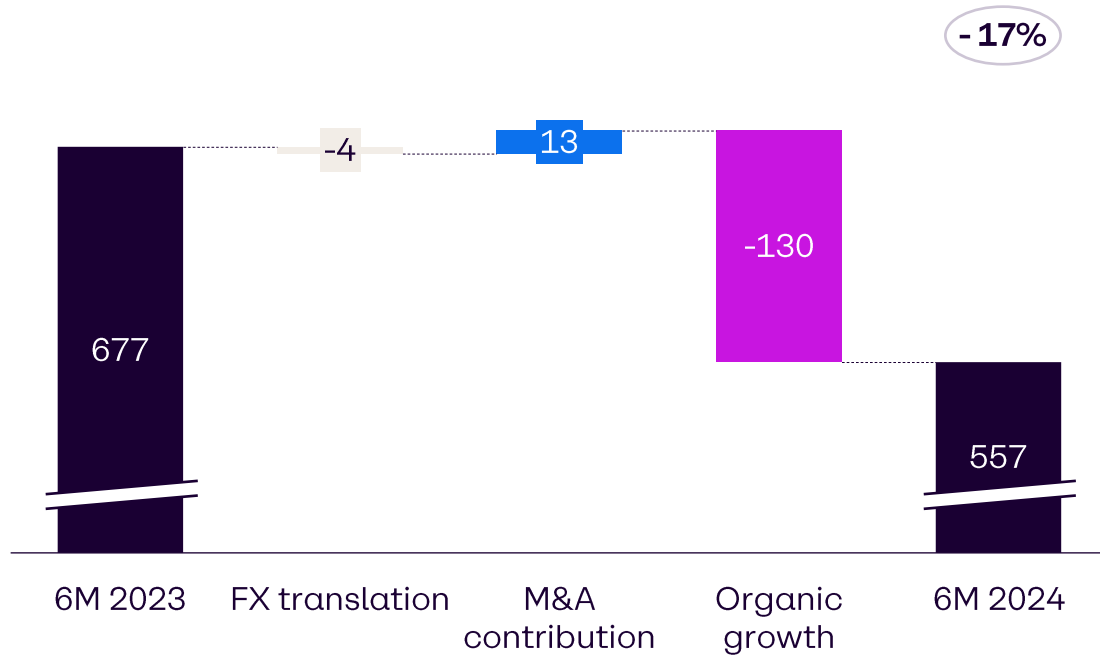
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¹⁾ External sales less cost of materials

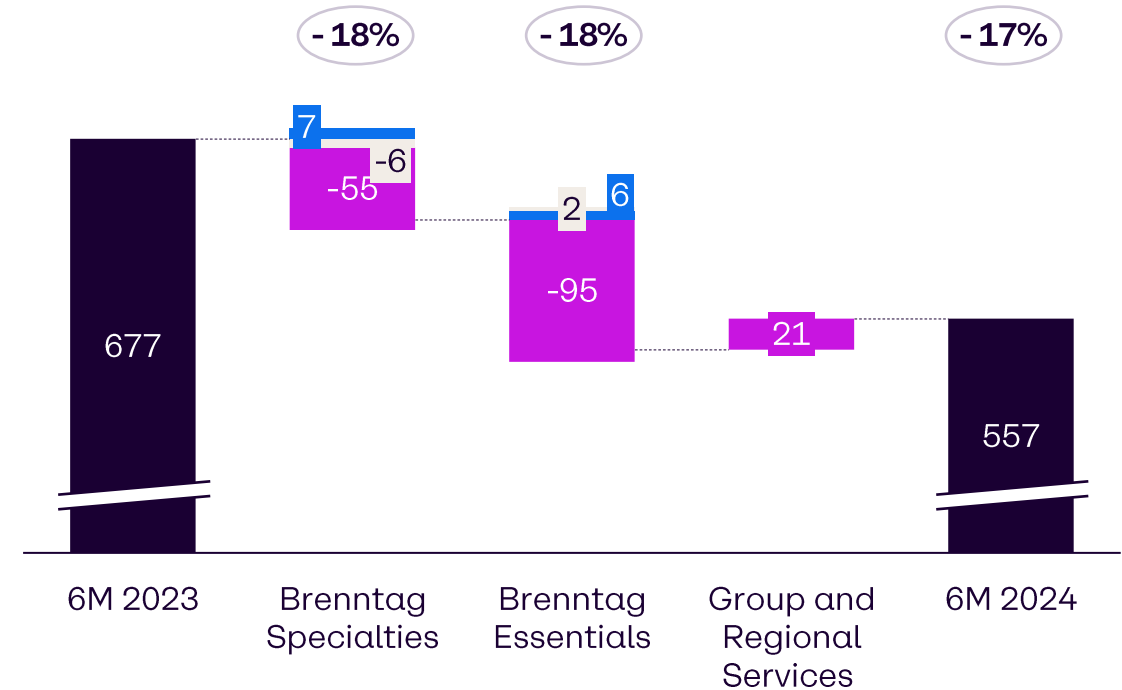
²⁾ Segment operating EBITA is calculated as EBITA adjusted for holding charges and special items

Financials 6M 2024: Operating EBITA bridges¹⁾

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 6M 2024:

Cash flow statement

| in EUR m | 6M 2024 | 6M 2023 |
|---|--|--------------|
| Profit after tax | 295.0 | 406.2 |
| Effect from IAS 29 on profit/loss after tax | 0.4 | 7.7 |
| Depreciation & amortization | 200.4 | 187.4 |
| Income tax expense | 126.0 | 149.5 |
| Income taxes paid | -127.7 | -148.7 |
| Net interest expense | 57.4 | 52.1 |
| Interest paid | -48.4 | -53.8 |
| <i>(thereof interest paid for leases)</i> | (-10.4) | (-7.8) |
| Interest received | 8.7 | 9.5 |
| Dividends received | 0.7 | - |
| Changes in working capital | -160.8 | 227.5 |
| Changes in other operating assets and liabilities | -90.5 | -70.1 |
| Changes in provisions | -18.6 | -39.1 |
| Non-cash change in liabilities relating to acquisition of non-controlling interests | 3.6 | 2.8 |
| Other | 5.5 | -3.4 |
| Net cash provided by operating activities | 251.7 | 727.6 |

Legend: Components to calculate FCF derived from operating EBITDA



Financials 6M 2024:

Cash flow statement (continued)

| in EUR m | 6M 2024 | 6M 2023 |
|---|---------------|-----------------|
| Proceeds from the disposal of other financial assets | - | 0.1 |
| Proceeds from the disposal of intangible assets and property, plant and equipment | 9.9 | 7.0 |
| Payments to acquire consolidated subsidiaries and other business units | -268.0 | -34.7 |
| Payments to acquire other financial assets | -0.3 | - |
| Payments to acquire intangible assets and property, plant and equipment | -146.8 | -100.8 |
| Net cash used in investing activities | -405.2 | -128.4 |
| Payments to acquire treasury shares | -250.1 | -173.1 |
| Proceeds from non-controlling interests | - | 1.7 |
| Dividends paid to Brenntag shareholders | -303.2 | -304.7 |
| Dividends paid to non-controlling interests | - | -0.2 |
| Proceeds from borrowings | 1,242.6 | 300.4 |
| Repayments of lease liabilities | -76.8 | -68.1 |
| Repayments of borrowings | -380.5 | -763.5 |
| Net cash provided by / used in financing activities | 232.0 | -1,007.5 |
| Change in cash & cash equivalents | 78.5 | -408.3 |

Legend:  Components to calculate FCF derived from operating EBITDA



Financials 6M 2024: Free cash flow

| in EUR m | 6M 2024 | 6M 2023 | Δ abs | Δ % |
|---|--------------|--------------|---------------|---------------|
| Operating EBITDA | 727.6 | 830.1 | -102.5 | -12.3% |
| Payments to acquire intangible assets and property, plant and equipment | -146.8 | -100.8 | -46.0 | 45.6% |
| Δ Working capital ¹⁾ | -160.8 | 227.5 | -388.3 | -170.7 |
| Principal and interest payments on lease liabilities | -87.2 | -75.9 | -11.3 | 14.9% |
| Free cash flow | 332.8 | 880.9 | -548.1 | -62.2% |

Financial calendar / contact



Financial calendar



Contact

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November 12, 2024

Quarterly Statement
Q3 2024

March 12, 2025

Annual Report
FY 2024

May 14, 2025

Quarterly Statement
Q1 2025

May 22, 2025

Annual General Meeting

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The financial calendar is updated regularly.
You can find the latest dates on www.brenntag.com/financial_calendar
Please note that these dates could be subject to change.



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