



# Q1 2022 RESULTS

MAY 11, 2022

Conference Call  
Corporate Investor Relations

Connecting**Chemistry**



# Agenda

EXECUTIVE SUMMARY Q1 2022

FINANCIAL DETAILS Q1 2022

OUTLOOK

APPENDIX



# Highlights Q1 2022

**OPERATING GROSS PROFIT**  
(fx adj.)

**+30.8%**

EUR 1,037.9m

**OPERATING EBITDA**  
(fx adj.)

**+48.8%**

EUR 463.0m

**FREE CASHFLOW**

**EUR 48.7m**

Working Capital turn on a good level at 7.9x

**EPS**

**EUR 1.61**

Significantly higher than in Q1 2021

**PROJECT BRENNTAG**  
**CONTINUES TO PROGRESS**  
**WELL**

~EUR 165m op. EBITDA

Contribution since inception

**CONTINUED**  
**M&A EXECUTION**

Market entry into Israel  
in Q1 2022

**FY 2022 GUIDANCE**  
**CONFIRMED**

**EUR 1,450 – 1,550m**

Operating EBITDA

**NEW ESG STRATEGY**

Towards a “Future Sustainable  
Brenntag”

Ambitious mid- and long-term  
targets for the group

# Brenntag continued to manage exceptionally challenging macroeconomic and geopolitical conditions well in Q1 2022

- 
- Russia's invasion of Ukraine has increased pressure on supply chains favoring customers relying on truly global suppliers like Brenntag
  - Continued significant supply shortages for many products and product groups
  - Strong price increases for chemicals and ingredients
  - Inflationary cost development, particularly for fuel, energy, and transport
  - Further COVID-19 lockdowns impact Asia Pacific and China in particular
  - Imports to and exports from Russia and Belarus suspended since early March 2022
  - Discontinuation of business of all Brenntag entities in both countries for the time being
  - Maintaining supply and continued deliveries to customers is key
  - Price-pass-through to customers continues to work well
  - Good margin management
  - Brenntag benefitted from high diversification

**Against a challenging environment, Brenntag continued to demonstrate robust EBITDA growth by supply capability, price pass-through and margin efficiencies**

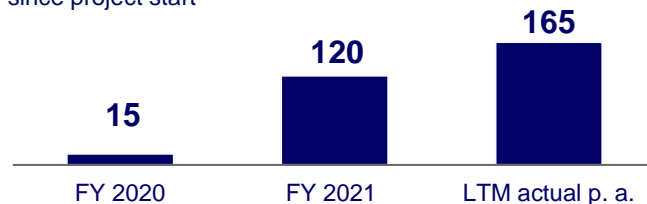


# Project Brenntag achievements since inception of the program

## Facts & Figures<sup>2</sup>

- Structural job reduction: around 960
- Site closures globally: 76
- Project Brenntag expenses: EUR 74m

in EUR m  
since project start



## Project Brenntag FY 2023<sup>1</sup>

### Top line levers

Op. EBITDA impact  
from Op. Gross Profit  
growth

~EUR 40m

### Bottom line levers

Op. EBITDA impact  
from expenses  
reduction

~EUR 180m

### Total

Op. EBITDA  
impact

~EUR 220m



We already delivered  
around 75%

## Project Brenntag Achievement<sup>2</sup>

~EUR 50m

~EUR 115m

~EUR 165m

<sup>1)</sup> Based on management estimates; <sup>2)</sup> Against baseline 2019

# Based on our strengths and high ambitions we developed a “Future Sustainable Brenntag” picture

## Responsible distribution ...

### Our operations & suppliers



#### Climate protection ●

Strive for zero CO<sub>2</sub> emissions

Certified sites according to sustainability standards

#### Safety performance ●

Ambition for zero accidents and releases

#### Human rights ●

Our supply chain is fulfilling human rights & paying living wages

#### Governance ●

Reliable governance structures

#### Employees ●

Diverse and engaged employees

Future  
sustainable



## ... of sustainable chemicals and ingredients

### Our products & services



#### ● Circular economy

Significant value-added services with circularity

All packaging recycled/reused

#### ● Sustainable & safe products

Majority of products are sustainable

Less products with concern<sup>1</sup>

#### ● Emerging technology shifts

Reduced business for internal combustion engine

New business with battery chemicals & alternative fuels

#### ● Increased information need

Product Carbon Footprints for all customers

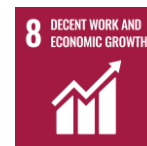
Product Carbon Footprints from all suppliers

<sup>1)</sup> Carcinogenic, Mutagenic and Reprotoxic (CMR) with consumer contact and Persistent, Bio-accumulative, and Toxic (PBT), very Persistent and very Bio-accumulative (vPvB) intended to be released in the environment

# We identified six most relevant sustainability focus areas to pave the road towards “Future Sustainable Brenntag” that build our ESG framework



We have selected eight SDGs<sup>1</sup> to which Brenntag can make the greatest contribution



<sup>1</sup>) SDG = Sustainable Development Goals of UN

# For each strategic focus area, we defined key mid-/long-term targets directing towards the future sustainable Brenntag picture

Strategic focus areas		Mid- to long-term targets				
		2023 - 2025		2030 - 2045		
 <b>Environment</b>	<b>Climate protection &amp; emissions reduction</b>	100% energy consumption from green energy by 2025	Total spills < 0.7 events/ MMH <sup>1</sup> by 2025	100% compensation of remaining Scope 1 & 2 emissions by 2025	40% absolute carbon reduction vs. 2020 by 2030	Net zero by 2045
	<b>Resource efficiency &amp; circular economy</b>	Assess portfolio for sust. (30% covered) & set 2025 quantitative target by 2023	Ten circular businesses each generating > EUR 1 m by 2025			
 <b>Social</b>	<b>Fair &amp; safe employer</b>	100% of employees earn at least a living wage by 2023	Set-up of global organizational diversity, equity & inclusion structure by 2023		At least 30% women in management below C-Level by 2030	TRIR <sup>3</sup> < 2.0 by 2030
	<b>Responsible partner</b>		All suppliers are covered by risk management by 2025			
 <b>Governance</b>	<b>Management structures</b>	Further adjustment of Board remuneration based on ESG by 2024				
	<b>Portfolio &amp; investment steering</b>	All new sites green building certified by 2023	100 % portfolio steering towards sustainability by 2025	Develop strategies for techn. advancement by 2025		

1) MMH = Million Man-Hours; 2) Severe Process Safety Event as per CCPSM norm; 3) TRIR = Total Recordable Incident Rate



# Agenda

EXECUTIVE SUMMARY Q1 2022

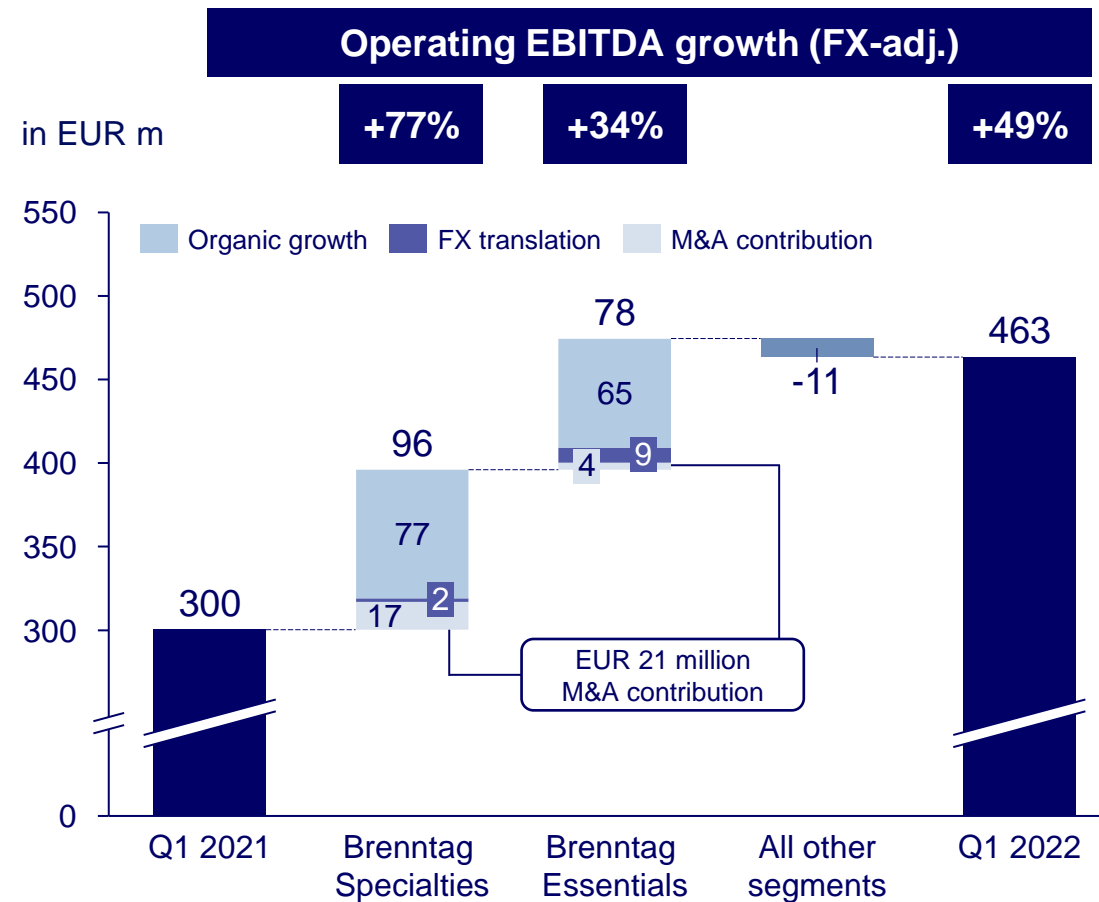
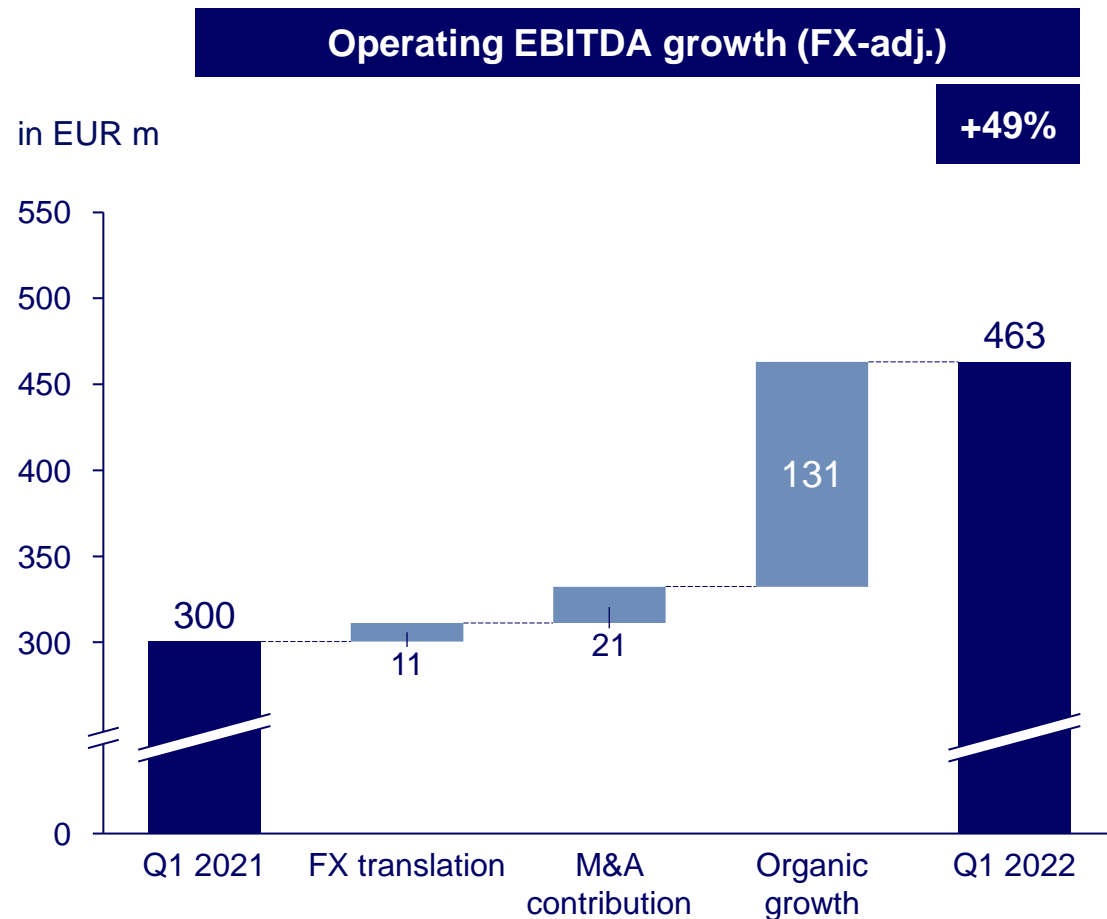
FINANCIAL DETAILS Q1 2022

OUTLOOK

APPENDIX



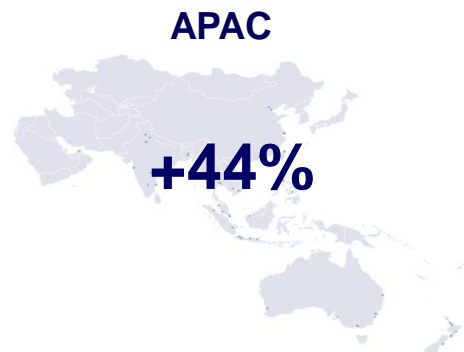
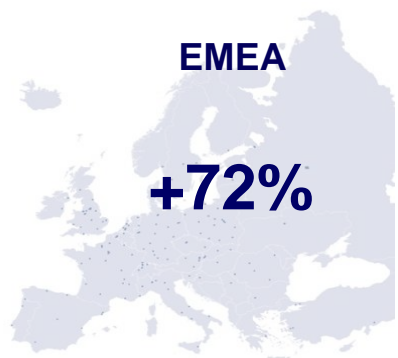
# Financials Q1 2022: Operating EBITDA bridges\*



\* Calculations are partly based on assumptions made by management; effects based on rounded figures

# Financials Q1 2022: Brenntag Specialties

Operating EBITDA growth (FX-adj.)  
in Percent



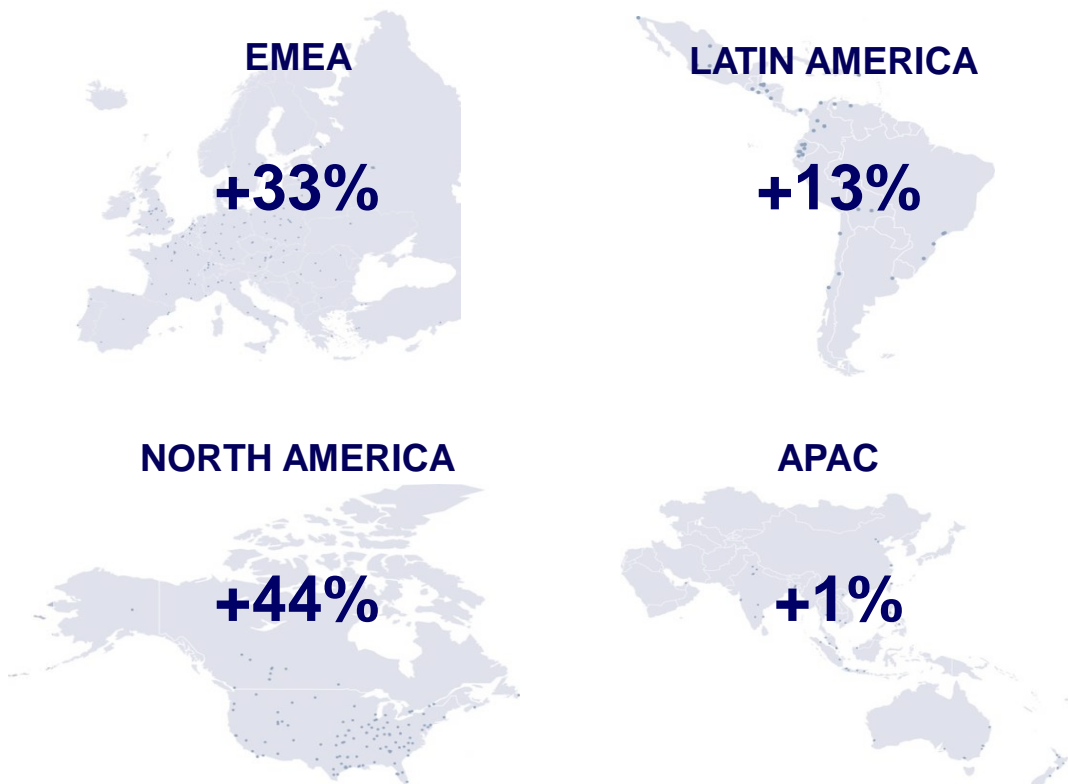
## Focus industries (GP dev.)

Nutrition	⬆️
Pharma	⬆️
Personal Care/Hi&I	⬆️
Water treatment	⬆️
Material Science	⬆️
Lubricants	⬆️

- Brenntag Specialties achieved stronger growth than Brenntag Essentials in line with expectations
- Strong op. gross profit increase of 46.2%
- Op. EBITA growth of 81.8%
- Broad-based growth across all segments
- Growth mainly organically
- Brenntag Specialties Americas and EMEA particularly strong
- Life Science industries such as Nutrition, Personal Care/Hi&I and Pharma very positive
- Macroeconomic environment characterized by inflationary cost development + supply shortages
- Conversion ratio of ~51%

# Financials Q1 2022: Brenntag Essentials

Operating EBITDA growth (FX-adj.)  
in Percent



- Op. EBITDA development almost entirely organic
- Strong op. gross profit increase of 21.9%
- All Brenntag Essentials segments contributed to positive performance
- North America and EMEA particularly strong
- Various influencing factors such as high energy prices, supply chain pressure + inflationary transport development
- Maintaining deliveries to customers was again key
- Conversion ratio of ~45%

# Financials Q1 2022: Income statement

in EUR m	Q1 2022	Q1 2021	Δ	Δ FX adjusted
Sales	4,533.1	3,132.5	44.7%	39.8%
Cost of materials	-3,495.2	-2,368.0	47.6%	-
<b>Operating gross profit</b>	<b>1,037.9</b>	764.5	35.8%	30.8%
Operating expenses	-574.9	-464.2	23.8%	19.2%
<b>Operating EBITDA</b>	<b>463.0</b>	300.3	54.2%	48.8%
Special items	-3.0	-70.8	-	-
Depreciation	-68.7	-61.3	12.1%	7.8%
<b>EBITA</b>	<b>391.3</b>	168.2	132.6%	-
Amortization <sup>1)</sup>	-18.2	-11.3	-	-
<b>EBIT</b>	<b>373.1</b>	156.9	137.8%	-
Financial result	-24.4	-17.6	-	-
EBT	348.7	139.3	150.3%	-
<b>Profit after tax</b>	<b>254.0</b>	100.2	153.5%	-
EPS	1.61	0.63	155.6%	-

<sup>1)</sup> Includes scheduled amortization of customer relationships amounting to EUR 37.2 in 2021 (EUR 28.7m in 2020).



# Financials Q1 2022:

## Free cash flow

	Q1 2022	Q1 2021	Δ	Δ
Operating EBITDA	463.0	300.3	162.7	54.2%
Payments to acquire intangible assets and property, plant and equipment	-50.5	-38.0	-12.5	32.9%
Δ Working capital	-329.6	-160.5	-169.1	105.4%
Principal and interest payments on lease liabilities	-34.2	-31.2	-3.0	9.6%
<b>Free cash flow</b>	<b>48.7</b>	70.6	-21.9	-31.0%

# Financials Q1 2022: Working Capital

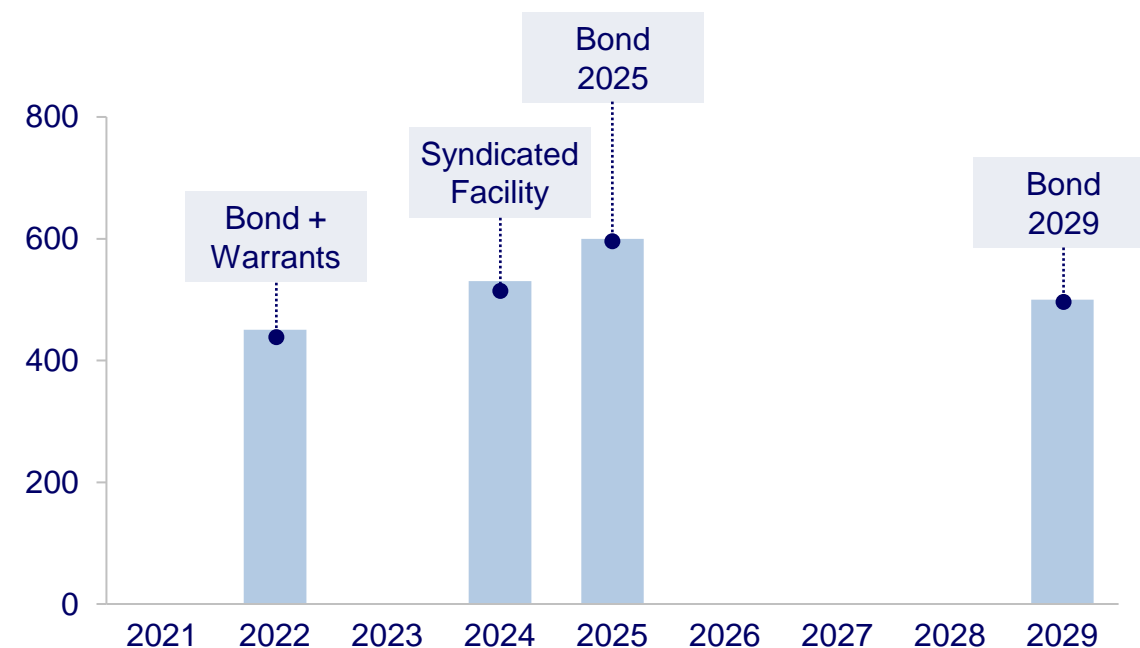
in EUR m	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Inventories	1,807.8	1,621.9	1,431.1	1,207.8	1,092.8
+ Trade receivables	2,796.9	2,290.2	2,189.4	2,056.8	1,938.7
./. Trade payables	2,109.4	1,802.3	1,660.1	1,555.2	1,485.7
<b>Working capital (end of period)</b>	<b>2,495.3</b>	2,109.8	1,960.4	1,709.4	1,545.8
Working capital turnover (annualized) <sup>1)</sup>	7.9x	8.3x	8.4x	8.6x	8.7x

<sup>1)</sup> 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 Q1 2022: Balance sheet and maturity profile

in EUR m	31 Mar 2022	31 Dec 2021
Financial liabilities	2,435.0	2,329.7
Lease liabilities	439.1	445.6
./. Cash and cash equivalents	706.6	705.0
Net Debt	2,167.5	2,070.3
<b>Net Debt/Operating EBITDA<sup>1)</sup></b>	<b>1.4x</b>	<b>1.5x</b>
Equity	4,345.5	3,995.3

in EUR m



<sup>1)</sup> Operating EBITDA for the quarters on LTM basis calculated.

# Agenda

EXECUTIVE SUMMARY Q1 2022

FINANCIAL DETAILS Q1 2022

OUTLOOK

APPENDIX



# Outlook 2022: Well positioned in an exceptionally challenging environment



## Operating EBITDA Guidance

- FY 2022 operating EBITDA guidance of EUR 1,450 – 1,550m confirmed



## Comments

- Strong start into 2022, but close monitoring of current developments necessary
- Guidance includes uplift of Project Brenntag initiatives, closed M&A and assumes stable FX rates as of the date of the forecast's publication



## Macro environment

- Unprecedented macroeconomic and geopolitical environment with various influencing factors (such as Ukraine war, continuous and increasing pressure on global supply chains, inflationary market environment)
- Exceptional market conditions to persist well into 2022



## Additional information

- EUR/USD: ~1.12 (2021: ~1.18)
- Sensitivity (FY basis): Delta of EUR/USD +/- 1 cent = EUR ~ +/- 5m op. EBITDA
- Tax rate: ~26% - 27%
- Capex 2022: EUR ~290m



## Brenntag strategically well on track

 <b>Project Brenntag</b>	<ul style="list-style-type: none"><li>▪ Transformation program progresses fast</li><li>▪ Implementation of measures well ahead of plan</li></ul>
 <b>Operating Model</b>	<ul style="list-style-type: none"><li>▪ Two global divisions with dedicated commercial teams and differentiated steering approach</li></ul>
 <b>Strong Q1/2022 Results</b>	<ul style="list-style-type: none"><li>▪ New operating model proofed its strengths reporting strong Q1/2022 results</li><li>▪ Brenntag Specialties grew substantially stronger than Brenntag Essentials</li></ul>
 <b>FY2022 Guidance</b>	<ul style="list-style-type: none"><li>▪ FY2022 operating EBITDA guidance of EUR 1,450 – 1,550m confirmed</li></ul>

**Thank you for your attention!**



**Christian Kohlpaintner**  
CEO

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



**Kristin Neumann**  
CFO

# Agenda

EXECUTIVE SUMMARY Q1 2022

FINANCIAL DETAILS Q1 2022

OUTLOOK

APPENDIX



# Financials Q1 2022: Segments (1/2)

in EUR m	Operating gross profit <sup>1)</sup>				Operating EBITDA <sup>2)</sup>				Conversion ratio	
	Q1 2022	Q1 2021	Δ	Δ FX adjusted	Q1 2022	Q1 2021	Δ	Δ FX adjusted	Q1 2022	Q1 2021
Brenntag Specialties	426.2	284.3	49.9%	46.2%	215.4	119.8	79.8%	76.8%	50.5%	42.1%
Brenntag Essentials	602.9	472.5	27.6%	21.9%	271.9	194.1	40.1%	33.9%	45.1%	41.1%
All other segments	8.8	7.7	14.3%	14.3%	-24.3	-13.6	78.7%	77.4%	-	-
<b>Brenntag Group</b>	<b>1,037.9</b>	<b>764.5</b>	<b>35.8%</b>	<b>30.8%</b>	<b>463.0</b>	<b>300.3</b>	<b>54.2%</b>	<b>48.8%</b>	<b>44.6%</b>	<b>39.3%</b>

in EUR m	Operating EBITA			
	Q1 2022	Q1 2021	Δ	Δ FX adjusted
Brenntag Specialties	207.3	112.2	84.8%	81.8%
Brenntag Essentials	214.3	142.0	50.9%	44.0%
All other segments	-27.3	-15.2	79.6%	78.4%
<b>Brenntag Group</b>	<b>394.3</b>	<b>239.0</b>	<b>65.0%</b>	<b>59.3%</b>

<sup>1)</sup> External sales less cost of materials.

<sup>2)</sup> Segment operating EBITDA is calculated as EBITDA adjusted for holding charges and special items.

# Financials Q1 2022: Segments (2/2)

in EUR m	Operating gross profit <sup>1)</sup>				Operating EBITDA <sup>2)</sup>				Conversion ratio	
	Q1 2022	Q1 2021	Δ	Δ FX adjusted	Q1 2022	Q1 2021	Δ	Δ FX adjusted	Q1 2022	Q1 2021
Specialties EMEA	195.0	139.3	40.0%	41.6%	103.1	61.3	68.2%	72.4%	52.9%	44.0%
Specialties Americas	157.5	90.7	73.6%	62.0%	69.3	29.3	136.5%	120.7%	44.0%	32.3%
Specialties APAC	73.7	54.3	35.7%	30.2%	42.7	28.3	50.9%	43.8%	57.9%	52.1%
<b>Brenntag Specialties</b>	<b>426.2</b>	<b>284.3</b>	<b>49.9%</b>	<b>46.2%</b>	<b>215.4</b>	<b>119.8</b>	<b>79.8%</b>	<b>76.8%</b>	<b>50.5%</b>	<b>42.1%</b>
Essentials EMEA	229.9	197.3	16.5%	15.4%	110.5	82.1	34.6%	33.3%	48.1%	41.6%
Essentials North America	296.1	210.9	40.4%	30.8%	129.7	84.0	54.4%	43.8%	43.8%	39.8%
Essentials Latin America	44.9	37.1	21.0%	13.1%	18.7	15.4	21.4%	13.3%	41.6%	41.5%
Essentials APAC	32.0	27.2	17.6%	9.6%	13.3	12.3	8.1%	0.8%	41.6%	45.2%
<b>Brenntag Essentials</b>	<b>602.9</b>	<b>472.5</b>	<b>27.6%</b>	<b>21.9%</b>	<b>271.9</b>	<b>194.1</b>	<b>40.1%</b>	<b>33.9%</b>	<b>45.1%</b>	<b>41.1%</b>
<b>Brenntag Group</b>	<b>1,037.9</b>	<b>764.5</b>	<b>35.8%</b>	<b>30.8%</b>	<b>463.0</b>	<b>300.3</b>	<b>54.2%</b>	<b>48.8%</b>	<b>44.6%</b>	<b>39.3%</b>

<sup>1)</sup> External sales less cost of materials. <sup>2)</sup> Segment operating EBITDA is calculated as EBITDA adjusted for holding charges and special items. The difference between the sum 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 one segment.



# Financials Q1 2022: Cash flow statement

in EUR m	Q1 2022	Q1 2021
Profit after tax	254.0	100.2
Depreciation & amortization	86.9	72.6
Income tax expense	94.7	39.1
Income taxes paid	-47.7	-37.8
Net interest expense	18.2	13.0
Interest paid (netted against interest received)	-8.0	-6.6
<i>(thereof interest paid for leases)</i>	<i>(-2.6)</i>	<i>(-1.9)</i>
Changes in working capital	-329.6	-160.5
Changes in other operating assets and liabilities	-38.5	-0.3
Changes in provisions	-2.3	66.2
Other	7.7	8.3
<b>Net cash provided by operating activities</b>	<b>35.4</b>	<b>77.6</b>

# Financials Q1 2022:

## Cash flow statement (continued)

in EUR m	Q1 2022	Q1 2021
Proceeds from the disposal of other financial assets	0.1	1.3
Proceeds from the disposal of intangible assets and property, plant and equipment	7.0	1.4
Payments to acquire consolidated subsidiaries and other business units	-0.7	-55.8
Payments to acquire intangible assets and property, plant and equipment	-50.5	-38.0
<b>Net cash used in investing activities</b>	<b>-44.1</b>	<b>-91.1</b>
Proceeds from borrowings	51.0	8.4
Repayments of lease liabilities	-31.6	-29.3
Repayments of borrowings	-18.1	-17.7
<b>Net cash provided by / used in financing activities</b>	<b>1.3</b>	<b>-38.6</b>
<b>Change in cash &amp; cash equivalents</b>	<b>-7.4</b>	<b>-52.1</b>

# Financial calendar / Contact



Date	Event
June 9, 2022	General Shareholders' Meeting
August 10, 2022	Interim Report Q2 2022
November 9, 2022	Interim Report Q3 2022

The financial calendar is updated regularly. You can find the latest dates on <https://www.brenntag.com/corporate/en/investor-relations/publications-events/financial-calendar/>. Please note that these dates could be subject to change.



Kelvin Jörn    Bianca Li    Thomas Altmann    Diana Alester    Jan Ruhlandt  
 Manager IR    Manager IR    SVP IR    Senior Manager IR    Manager IR

Brenntag SE  
Corporate Investor Relations

Phone: +49 (0) 201 6496 2100  
 Fax: +49 (0) 201 6496 2003  
 E-mail: [ir@brenntag.de](mailto:ir@brenntag.de)  
 Web: [www.brenntag.com/investor\\_relations/](http://www.brenntag.com/investor_relations/)

# Disclaimer

---

This presentation may contain forward-looking statements based on current assumptions and forecasts made by Brenntag SE 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 SE 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. Some information contained in this document is based on estimates or assumptions of Brenntag and there can be no assurance that these estimates or assumptions are or will prove to be accurate.