



# Q1 2023 Results

Brenntag SE  
May 10, 2023



# Q1 2023 Results Presentation

1. Highlights Q1 2023
2. Financial performance Q1 2023
3. Outlook
4. Appendix



# Highlights Q1 2023

## SALES

EUR 4,527m

-1.0% vs. PY  
(fx adj.)

## OPERATING GROSS PROFIT

EUR 1,046m

-0.3% vs. PY  
(fx adj.)

## OPERATING EBITA

EUR 345.1m

-13.1% vs. PY  
(fx adj.)

## EPS

EUR 1.40

Q1 2022: EUR 1.61

## FREE CASH FLOW

~EUR 449m

More than 9x the prior-year level

## SHARE BUYBACK

Execution  
progressing  
well

Buyback started in March 2023

## Horizon 2 “Strategy to Win”

Well on track

Detailed update at CMD in autumn

## FY 2023 GUIDANCE CONFIRMED

EUR 1.3-1.5bn

Operating EBITA

# Brenntag continued to manage challenging macroeconomic conditions well in Q1 2023

- 
- Macroeconomic environment continued to be challenging
  - Geopolitical uncertainties and strong inflationary trends
  - Normalizing global supply chains paired with expectations for future lower prices
  - Prolonged inventory control measures at our customer base
- Brenntag benefitting from high diversification in product portfolio and supplier base
  - Better performance in Q1 2023 compared to Q4 2022 visible in top- and bottom-line
  - Gradual volume improvements on Group level and slightly positive momentum towards the end of Q1

As the markets continue to normalize, Brenntag will focus on its foundational strengths to seize market opportunities in Brenntag Specialties and Brenntag Essentials

# Brenntag to host a Capital Markets Day in autumn to provide an update on Horizon 2 – “Strategy to win”

## Horizon 2 – “Strategy to win”

- “Strategy to Win” represents the second phase in Brenntag’s successful transformation
- Fostering increasing independence of BES and BSP and aiming to accelerate sustainable growth, driving Brenntag's digital, data, and excellence transformation as well as its sustainability and M&A strategies
- Continuation of capability building and structural adjustments while defining and implementing required changes in the operating model
- Exploring the relevant operating model and portfolio choices to create future strategic optionalities for both businesses according to the guiding principles of our Horizon 2 strategy

## DiDEX

- DiDEX will make Brenntag a data and tech-driven enterprise and industry leader
- Our DiDEX program has already rolled out Salesforce applications for several pilot regions including Great Lakes in the United States

## M&A

- We continue with a planned annual M&A spend of around 400 to 500 million EUR
- 3 acquisitions signed/closed in Q1 including Aik Moh Group, significantly expanding Brenntag’s industrial chemicals and value-added service footprint in South-East Asia

**Capital  
Markets  
Day 2023 in  
autumn**



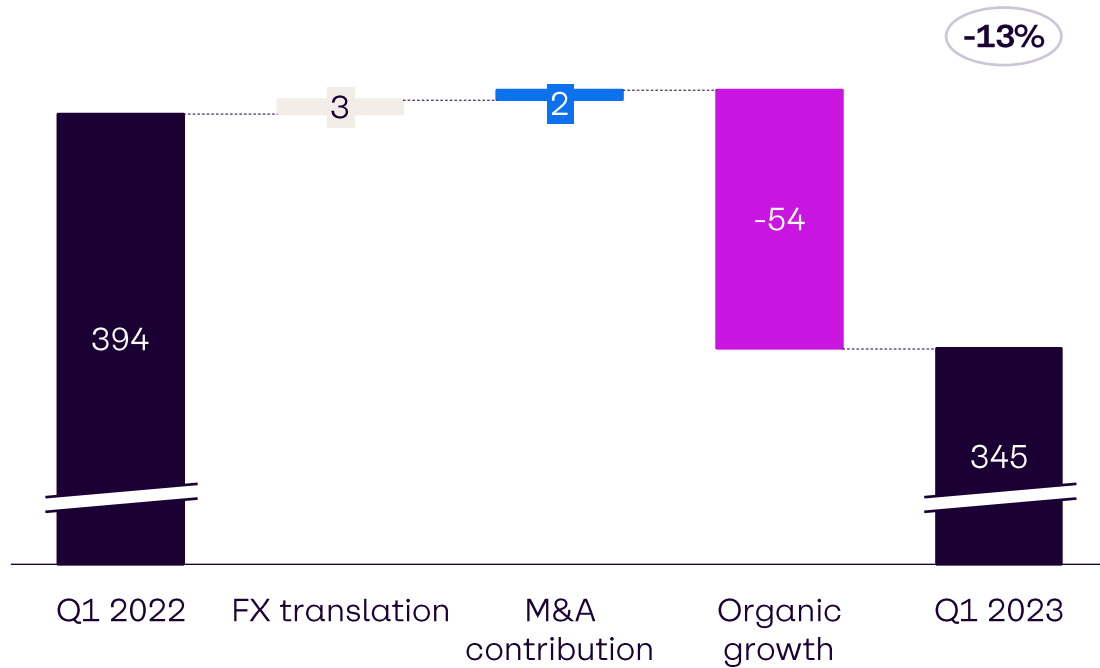
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4. Appendix

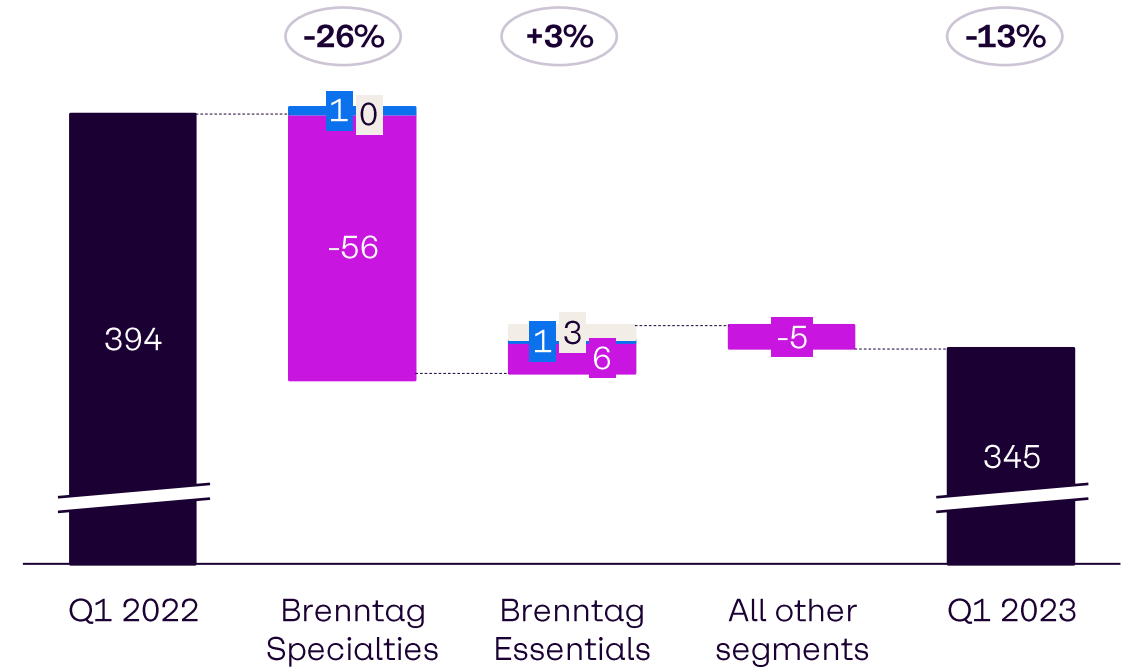


# Financials Q1 2023: Operating EBITA bridges<sup>1)</sup>

Reconciliation - Operating EBITA growth (FX-adj.)  
in EUR m



Segment - Operating EBITA growth (FX-adj.)  
in EUR m

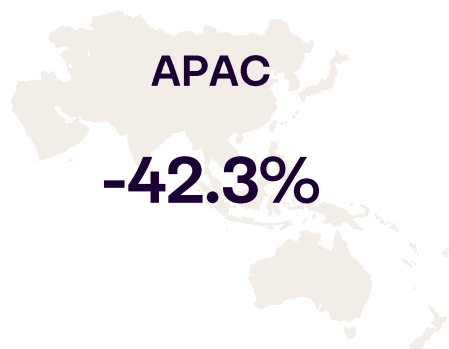
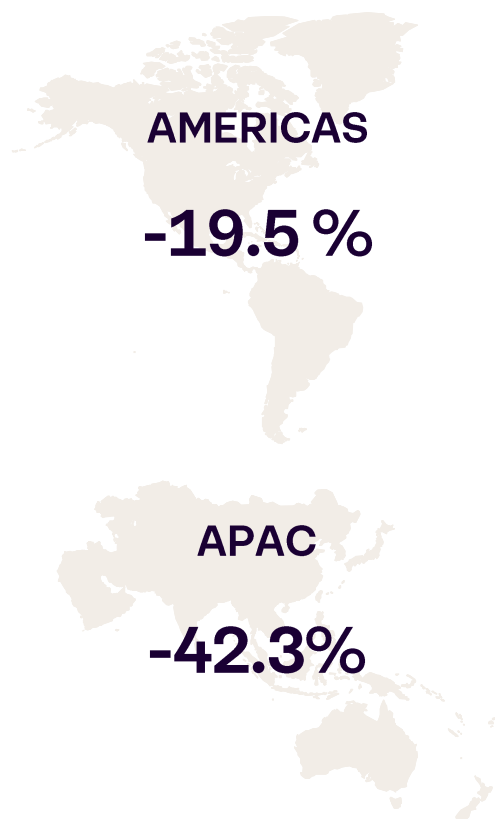
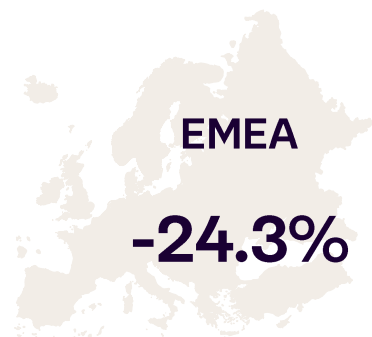


FX translation
  M&A contribution
  Organic Growth



# Financials Q1 2023: Brenntag Specialties

## Operating EBITA growth<sup>1)</sup>



Focus industries (GP dev.)	
Nutrition	↓
Pharma	↑
Personal Care/Hi&I	↓
Water treatment	↑
Material Science	↓
Lubricants	↔

Brenntag Specialties reported results according to our expectations and as reflected in our FY guidance

Op. Gross Profit of EUR 388.2 million, a decrease of 9.2%.

Op. EBITDA of EUR 163.9 million, a decrease of 23.9%.

Op. EBITA of EUR 153.0, a decline of 26.2 %.

Strong performance in Pharma could not compensate weaker performance of overall portfolio due to limited scale

Focus industries such as Nutrition and Personal Care/Hi&I competed against high prior-year-levels

Muted construction activity impacting Material Science business alongside high interest rates

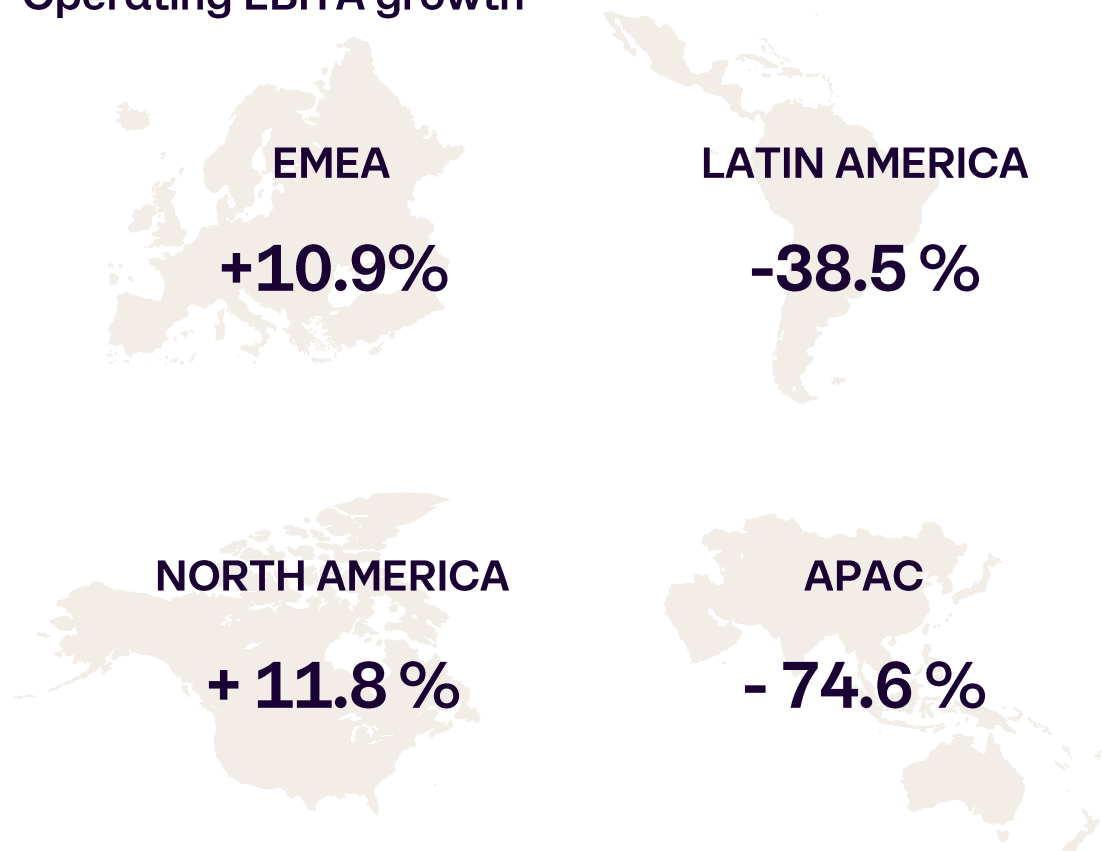
Macroeconomic environment characterized by inflationary cost development

Op. EBITA Conversion ratio of ~ 39.4%



# Financials Q1 2023: Brenntag Essentials

## Operating EBITA growth<sup>1)</sup>



Brenntag Essentials showed a strong performance and achieved encouraging growth in Q1 2023

Op. Gross Profit of EUR 648.1 million, an increase of 5.9%

Op. EBITDA of EUR 285.3 million, an increase of 3.6%

Op. EBITA of EUR 224.3, an increase of 3.2%

EMEA and North America particularly strong

The results in EMEA and North America are particularly driven by higher GP/unit contribution

APAC seeing lower demand in all regions. China recovery not yet perceivable

Macroeconomic environment characterized by inflationary cost development

Op. EBITA Conversion ratio of ~ 34.6%

# Financials Q1 2023: Income statement

in EUR m	Q1 2023	Q1 2022	Δ	Δ FX adjusted
Sales	4,527.1	4,533.1	-0.1%	-1.0%
Cost of materials	-3,481.5	-3,495.2	-0.4%	-
<b>Operating Gross Profit</b>	<b>1,045.6</b>	1,037.9	0.7%	-0.3%
Operating expenses	-625.2	-574.9	8.7%	7.4%
<b>Operating EBITDA</b>	<b>420.4</b>	463.0	-9.2%	-9.9%
Depreciation	-75.3	-68.7	9.6%	8.5%
<b>Operating EBITA</b>	<b>345.1</b>	394.3	-12.5%	-13.1%
Net income / expense from sp. items	4.7	-3.0	-	-
<b>EBITA</b>	<b>349.7</b>	391.3	-	-
Amortization	-17.7	-18.2	-	-
<b>EBIT</b>	<b>332.0</b>	373.1	-	-
Financial result	-35.2	-24.4	-	-
EBT	296.9	348.7	-	-
<b>Profit after tax</b>	<b>217.1</b>	254.0	-	-
EPS	1.40	1.61	-	-

# Financials Q1 2023:

## Free cash flow

in EUR m	Q1 2023	Q1 2022	Δ	Δ
<b>Operating EBITDA</b>	<b>420.4</b>	463.0	-42.6	-9.2%
Payments to acquire intangible assets and property, plant and equipment	-49.7	-50.5	0.8	-1.6%
Δ Working capital <sup>1)</sup>	116.7	-329.6	446.3	-135.4%
Principal and interest payments on lease liabilities	-38.2	-34.2	-4.0	11.7%
<b>Free cash flow</b>	<b>449.2</b>	48.7	400.5	822.4%

# Financials Q1 2023: Working capital

in EUR m	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
Inventories	1,661.8	1,773.8	2,019.8	2,015.8	1,807.8
+ Trade receivables	2,693.1	2,676.8	3,029.5	3,081.1	2,796.9
./. Trade payables	1,902.0	1,862.0	2,103.0	2,240.8	2,109.4
<b>Working capital (end of period) <sup>1)</sup></b>	<b>2,452.9</b>	2,588.6	2,946.3	2,856.1	2,495.3
Working capital turnover (annualized) <sup>2)</sup>	7.2x	7.5x	7.5x	7.7x	7.9x

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

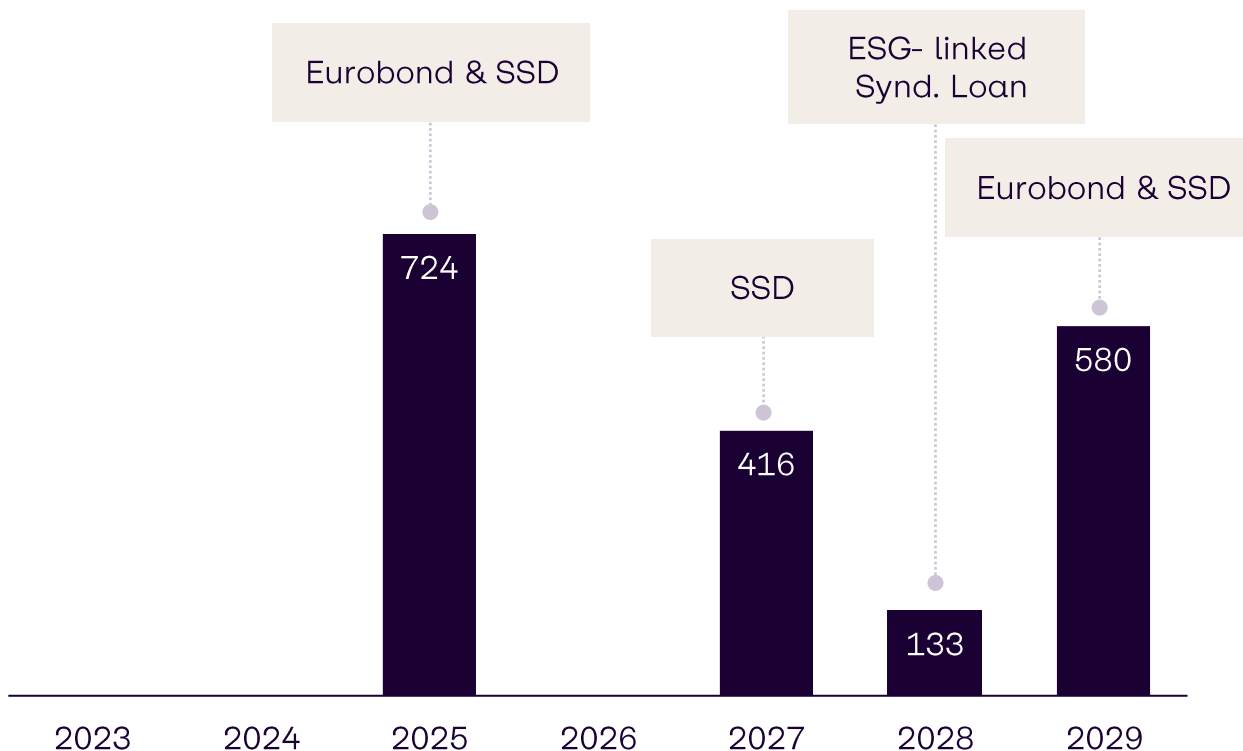
<sup>2)</sup> Sales YTD extrapolated to the full year; average working capital is defined as the average of working capital at the beginning of the year and at the end of each quarter

# Financials Q1 2023:

## Balance sheet and maturity profile

in EUR m	31 Mar 2023	31 Dec 2022
Financial liabilities	2,665.9	2,661.5
Lease liabilities	462.1	434.3
./. Cash and cash equivalents	844.7	1,046.1
Net Debt	2,283.3	2,049.7
<b>Net Debt/Operating EBITDA<sup>1)</sup></b>	<b>1.3x</b>	<b>1.1x</b>
Equity	4,447.8	4,802.7

in EUR m



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# Outlook 2023: Well positioned in a continuously challenging environment



## Operating EBITA Guidance

- FY 2023 operating EBITA guidance of EUR 1.3-1.5bn confirmed
- This is equivalent to an operating EBITDA of EUR 1.6-1.8bn



## Comments

- Guidance includes the potential efficiency improvement anticipated in implementing the measures of our “Strategy to Win”
- Forecast takes into account the contributions to earnings from acquisitions already closed and assumes stable fx-rates at the time of the publication of the guidance



## Macro environment

- Overall geopolitical and macroeconomic conditions will remain challenging
- Inflationary pressure expected to persist



## Additional information

- Sensitivity (FY basis): Delta of EUR/USD +/- 1 cent = EUR ~ -/+ 10m op. EBITA
- Tax rate: 26-28%
- Capex 2023: EUR ~350m



# Thank you for your attention!

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**Christian Kohlpaintner**  
CEO

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



**Kristin Neumann**  
CFO

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# Financials Q1 2023: Segments (1/2)

in EUR m	Operating Gross Profit <sup>1)</sup>				Operating EBITDA <sup>2)</sup>				Conversion ratio	
	Q1 2023	Q1 2022	Δ	Δ FX adjusted	Q1 2023	Q1 2022	Δ	Δ FX adjusted	Q1 2023	Q1 2022
Brenntag Specialties	388.2	426.2	-8.9%	-9.2%	163.9	215.4	-23.9%	-23.9%	42.2%	50.5%
Brenntag Essentials	648.1	602.9	7.5%	5.9%	285.3	271.9	4.9%	3.6%	44.0%	45.1%
All other segments	9.3	8.8	5.7%	5.7%	-28.8	-24.3	18.5%	18.5%	-	-
<b>Brenntag Group</b>	<b>1,045.6</b>	<b>1,037.9</b>	<b>0.7%</b>	<b>-0.3%</b>	<b>420.4</b>	<b>463.0</b>	<b>-9.2%</b>	<b>-9.9%</b>	<b>40.2%</b>	<b>44.6%</b>

in EUR m	Operating EBITA				Conversion ratio	
	Q1 2023	Q1 2022	Δ	Δ FX adjusted	Q1 2023	Q1 2022
Brenntag Specialties	153.0	207.3	-26.2%	-26.2%	39.4%	48.6%
Brenntag Essentials	224.3	214.3	4.7%	3.2%	34.6%	35.5%
All other segments	-32.2	-27.3	17.9%	17.9%	-	-
<b>Brenntag Group</b>	<b>345.1</b>	<b>394.3</b>	<b>-12.5%</b>	<b>-13.1%</b>	<b>33.0%</b>	<b>38.0%</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 2023: Segments (2/2)

in EUR m	Operating Gross Profit <sup>1)</sup>				Operating EBITA <sup>2)</sup>				Conversion Ratio	
	Q1 2023	Q1 2022	Δ	Δ FX adjusted	Q1 2023	Q1 2022	Δ	Δ FX adjusted	Q1 2023	Q1 2022
Specialties EMEA	178.4	195.0	-8.5%	-6.7%	74.9	101.0	-25.8%	-24.3%	42.0%	51.8%
Specialties Americas	144.9	157.5	-8.0%	-11.2%	55.0	66.1	-16.8%	-19.5%	38.0%	42.0%
Specialties APAC	64.9	73.7	-11.9%	-11.5%	22.9	39.9	-42.6%	-42.3%	35.3%	54.1%
<b>Brenntag Specialties</b>	<b>388.2</b>	426.2	-8.9%	-9.2%	<b>153.0</b>	207.3	-26.2%	-26.2%	<b>39.4%</b>	48.6%
Essentials EMEA	245.2	229.9	6.7%	7.8%	91.8	83.8	9.5%	10.9%	37.4%	36.5%
Essentials North America	341.2	296.1	15.2%	10.9%	121.0	104.2	16.1%	11.8%	35.5%	35.2%
Essentials Latin America	38.1	44.9	-15.1%	-16.3%	9.1	14.8	-38.5%	-38.5%	23.9%	33.0%
Essentials APAC	23.6	32.0	-26.3%	-25.3%	3.0	11.8	-74.6%	-74.6%	12.7%	36.9%
<b>Brenntag Essentials</b>	<b>648.1</b>	602.9	7.5%	5.9%	<b>224.3</b>	214.3	4.7%	3.2%	<b>34.6%</b>	35.5%
<b>All other segments</b>	9.3	8.8	5.7%	5.7%	-32.2	-27.3	17.9%	17.9%	-	-
<b>Brenntag Group</b>	<b>1,045.6</b>	1,037.9	0.7%	-0.3%	<b>345.1</b>	394.3	-12.5%	-13.2%	<b>33.0%</b>	38.0%

Note: 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

<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 2023:

## Cash flow statement

in EUR m	Q1 2023	Q1 2022
<b>Profit after tax</b>	<b>217.1</b>	254.0
Effect from IAS 29 on profit/loss after tax	2.7	-
Depreciation & amortization	93.0	86.9
Income tax expense	79.8	94.7
Income taxes paid	-36.9	-47.7
Net interest expense	27.2	18.2
Interest paid (netted against interest received)	-28.2	-8.0
<i>(thereof interest paid for leases)</i>	<i>(-3.6)</i>	<i>(-2.6)</i>
Dividends received	-	-
Changes in working capital	116.7	-329.6
Changes in other operating assets and liabilities	-30.1	-38.5
Changes in provisions	-41.2	-2.3
Non-cash change in liabilities relating to acquisition of non-controlling interests	1.2	3.0
Other	-1.0	4.7
<b>Net cash provided by operating activities</b>	<b>400.3</b>	35.4

Legend:  Components to calculate FCF derived from op. EBITDA



# Financials Q1 2023:

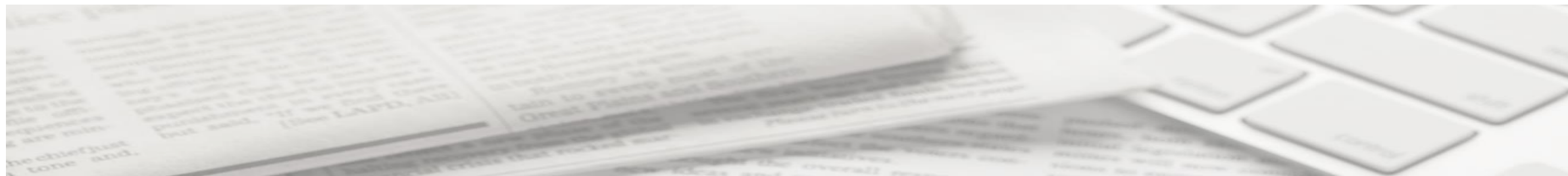
## Cash flow statement (continued)

in EUR m	Q1 2023	Q1 2022
Proceeds from the disposal of other financial assets	-	0.1
Proceeds from the disposal of intangible assets and property, plant and equipment	2.6	7.0
Payments to acquire consolidated subsidiaries and other business units	-11.3	-0.7
Payments to acquire intangible assets and property, plant and equipment	-49.7	-50.5
<b>Net cash used in investing activities</b>	<b>-58.4</b>	<b>-44.1</b>
Payments to acquire treasury shares	-29.4	-
Proceeds from borrowings	146.9	51.0
Repayments of lease liabilities	-34.6	-31.6
Repayments of borrowings	-617.1	-18.1
<b>Net cash provided by / used in financing activities</b>	<b>-534.2</b>	<b>1.3</b>
<b>Change in cash &amp; cash equivalents</b>	<b>-192.3</b>	<b>-7.4</b>

Legend:  Components to calculate FCF derived from op. EBITDA



# Financial calendar / contact



Date	Event
May 10, 2023	Interim Report Q1 2023
June 15, 2023	General Shareholders' Meeting
August 9, 2023	Interim Report Q2 2023
November 9, 2023	Interim Report Q3 2023

**Contact**

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The financial calendar is updated regularly.  
You can find the latest dates on [www.brenntag.com/financial\\_calendar](http://www.brenntag.com/financial_calendar)  
Please note that these dates could be subject to change.



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