



Q3 2022 RESULTS

NOVEMBER 09, 2022

Conference Call
Corporate Investor Relations

Connecting**Chemistry**



Agenda

EXECUTIVE SUMMARY Q3 2022

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Highlights Q3 2022

SALES
(fx adj.)

+26.1%

EUR 5,100.5m

OPERATING GROSS PROFIT
(fx adj.)

+17.6%

EUR 1,106.1m

OPERATING EBITDA
(fx adj.)

+22.1%

EUR 459.7m

EPS

EUR 1.60

Significantly higher than in Q3 2021

**PROJECT BRENNTAG IS
OVERACHIEVING**

**~EUR 230m
op. EBITDA**

Target over achievement by FY2022
- One year ahead of plan

FREE CASHFLOW

EUR 347.6m

+121.0% vs. Q3 2021
Working Capital turn stood at 7.5x

**FY 2022 GUIDANCE
CONFIRMED**

EUR 1,750 – 1,850m

Expect to achieve the upper
range of our guidance

**CAPITAL MARKETS DAY
2022 IN LONDON**

**November 10,
2022**

Horizon 2: Management Board will
present our next strategic phase

Brenntag continued to manage exceptionally challenging macroeconomic conditions well in Q3 2022

- Besides the geopolitical uncertainties, we are still experiencing pressure from a multitude of regional factors impacting global logistics and supply chains
- APAC impacted by lower domestic demand due to concerns about Chinese COVID lock-down measures, drought and real estate market
- Development in Europe is closely tied to the ongoing war in Ukraine
- Highly volatile price environment due to supply issues and decreased production output in certain value chains

- Resilience by drawing on multiple supply chains on a global basis
- Brenntag benefitting from high diversification in product portfolio and supplier base
- Maintaining supply and continued deliveries to customers prime focus
- Well positioned to maneuver the challenging environment

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

Project Brenntag well underway and delivering above plan

Project Brenntag Initial FY 2023¹⁾ targets

Top line levers
~EUR 40m
Op. EBITDA impact from Op. Gross Profit growth

Bottom line levers
~EUR 180m
Op. EBITDA impact from expense reduction

Total
~EUR 220m
Op. EBITDA impact



Full target achievement by end of 2022 – One year ahead of plan

Project Brenntag Achievement²⁾

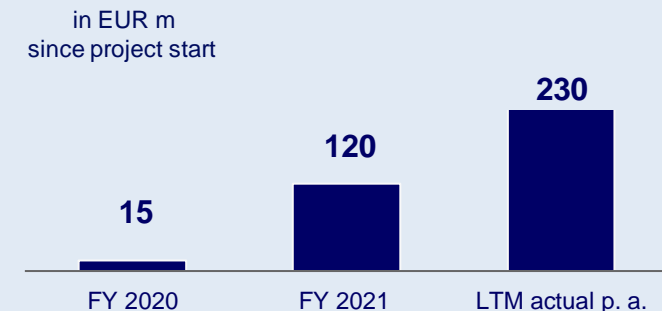
~EUR 80m

~EUR 150m

~EUR 230m
LTM actual p.a.

Facts & Figures²⁾

- Structural job reduction: ~1,200
- Site closures globally: 91
- Project Brenntag expenses: EUR 81m



¹⁾ Based on management estimates; ²⁾ Against baseline 2019

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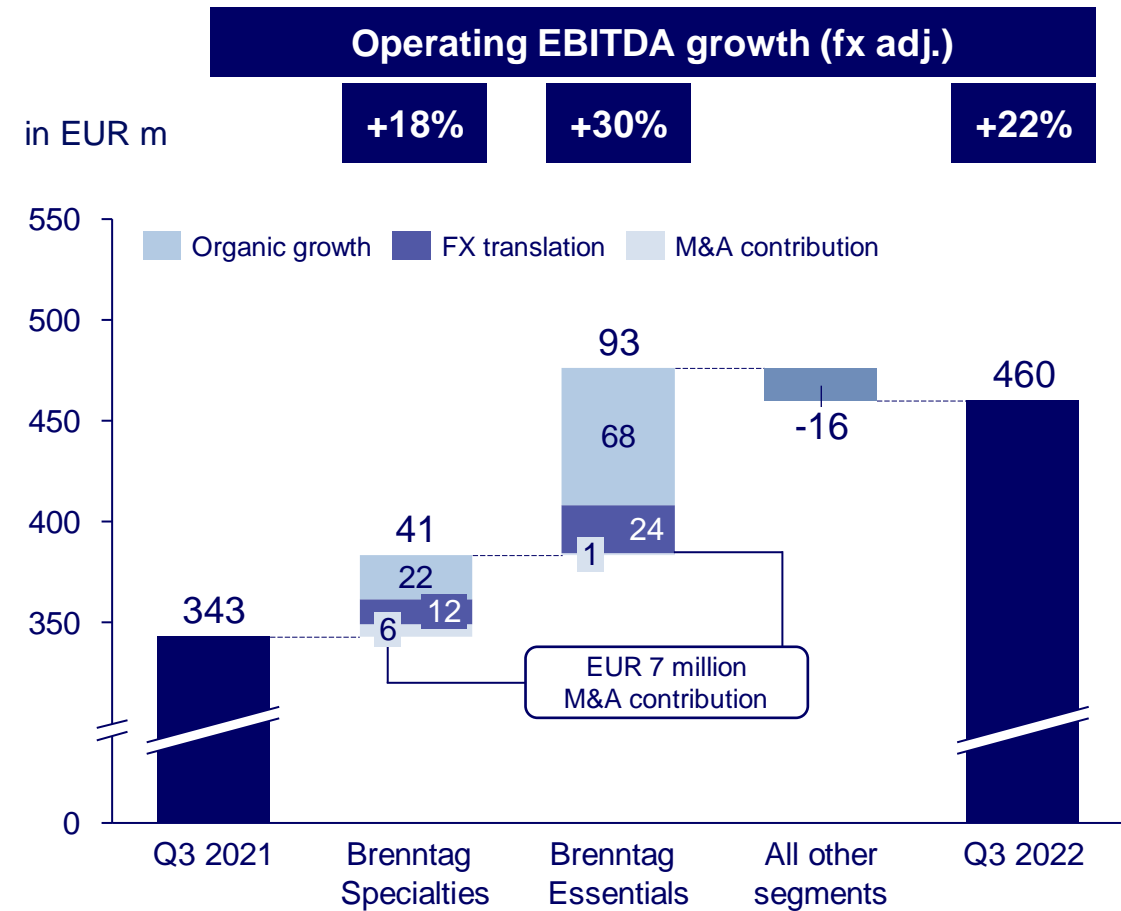
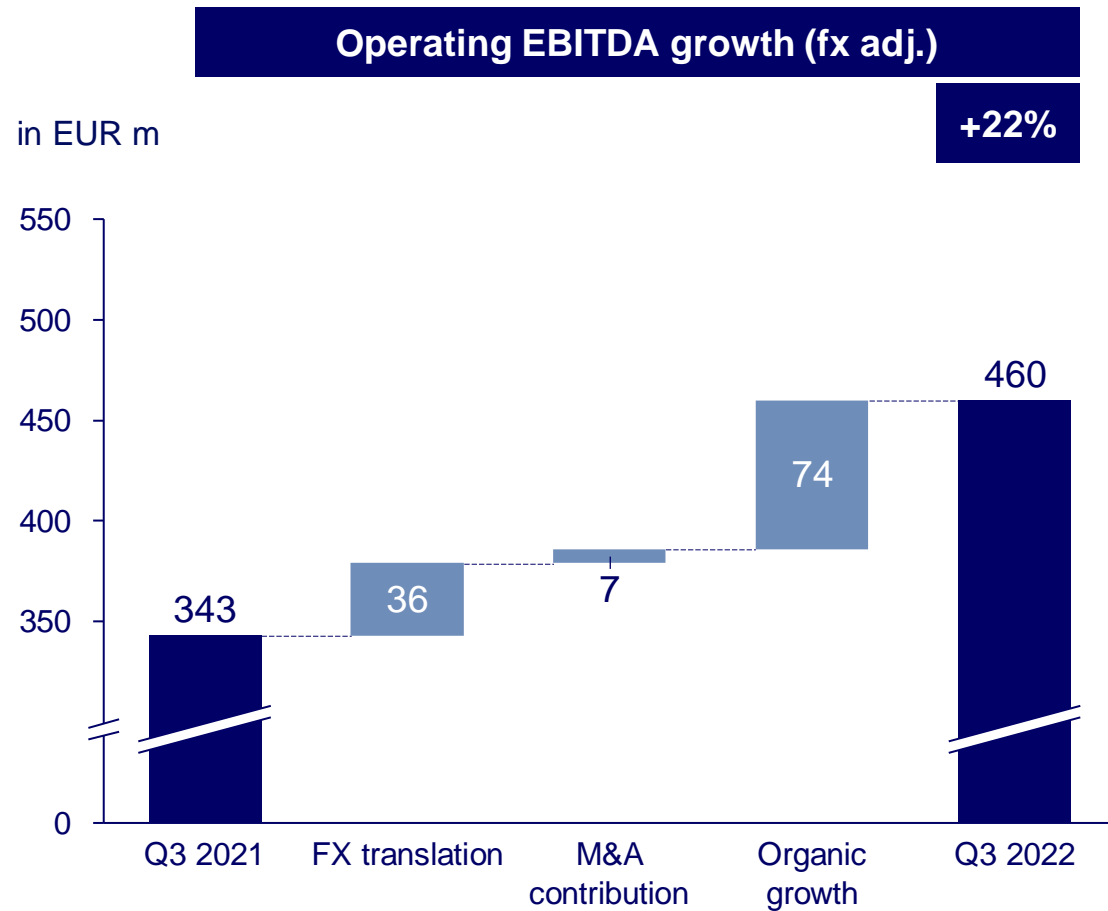
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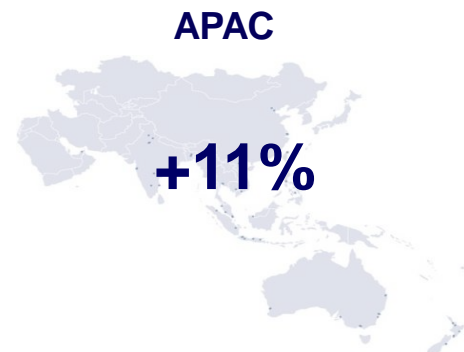
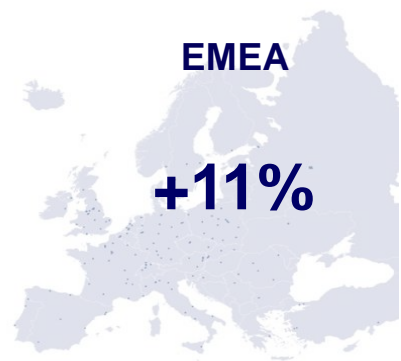
Financials Q3 2022: Operating EBITDA bridges*



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

Financials Q3 2022: Brenntag Specialties

Operating EBITDA growth*



Focus industries (GP dev.)

Nutrition

Pharma

Personal Care/HI&I

Water treatment

Material Science

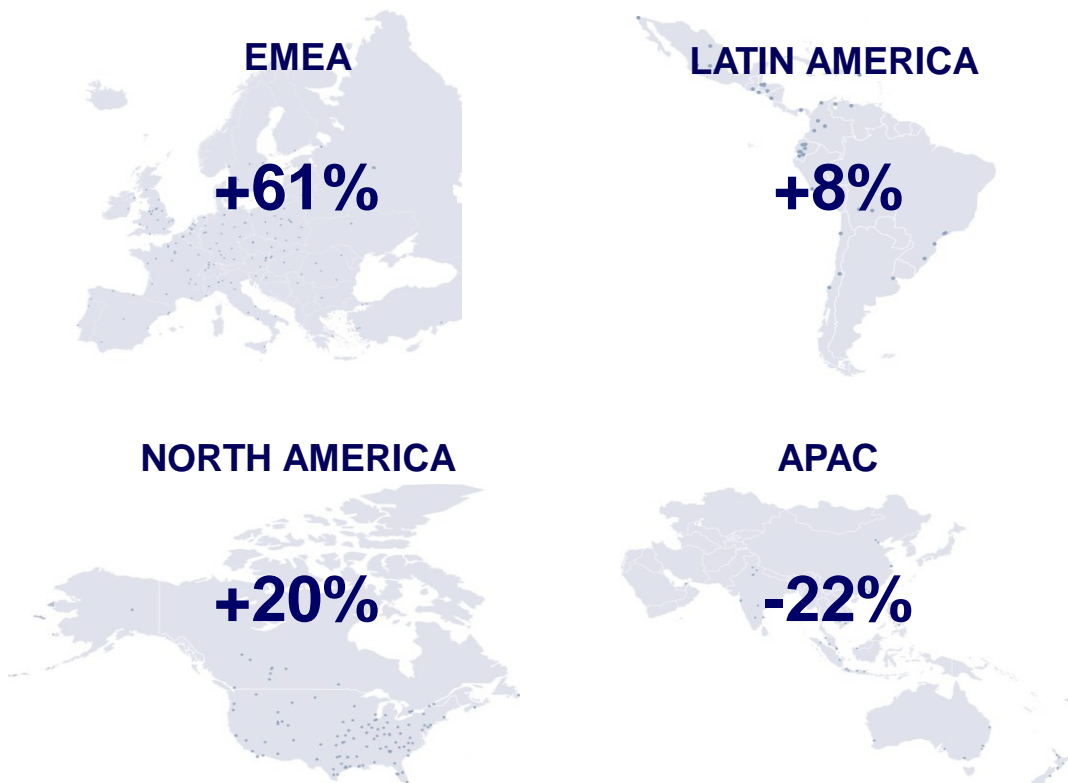
Lubricants

- Brenntag Specialties showed another broad-based positive performance vs. already strong Q3 2021
- Strong op. Gross Profit increase* of 16.8%
- Op. EBITDA of EUR 193 million, an increase of 17.8%
- Op. EBITA growth* of 17.4%
- Almost all focus industries with double digit growth rates and Life Science industries particularly strong
- As expected in current market conditions, Material Science showed a lower performance
- Macroeconomic environment characterized by inflationary cost development & supply shortages
- Conversion ratio of ~46%

* Growth rates are adjusted for translational FX-effects.

Financials Q3 2022: Brenntag Essentials

Operating EBITDA growth*



- Unique positioning of Brenntag Essentials led to exceptional performance and substantial growth in Q3
- Strong op. Gross Profit increase* of 18.6%
- Op. EBITDA of EUR 303 million, an increase of 30.4%
- Op. EBITA growth* of 40.0%
- EMEA and North America particularly strong
- Highly volatile price environment in EMEA due to escalating energy costs and decreased production volumes in certain value chains
- APAC impacted by ongoing COVID-19 lockdowns and drop in Chinese domestic demand
- Accelerated energy price development – particularly in Europe – and continued inflationary cost development, esp. for transport
- Conversion ratio of ~45%

* Growth rates are adjusted for translational FX-effects.

Financials Q3 2022: Income statement

in EUR m	Q3 2022	Q3 2021	Δ	Δ FX adjusted
Sales	5,100.5	3,738.2	36.4%	26.1%
Cost of materials	-3,994.4	-2,875.9	38.9%	-
Operating gross profit	1,106.1	862.3	28.3%	17.6%
Operating expenses	-646.4	-519.4	24.5%	14.6%
Operating EBITDA	459.7	342.9	34.1%	22.1%
Special items	10.3	-15.4	-	-
Depreciation	-76.2	-65.1	17.1%	7.8%
EBITA	393.8	262.4	50.1%	-
Amortization ^{1) 2)}	-17.0	-15.8	-	-
EBIT	376.8	246.6	52.7%	-
Financial result	-40.0	-17.3	-	-
EBT	336.8	229.3	46.9%	-
Profit after tax	248.8	161.0	54.5%	-
EPS	1.60	1.02	56.9%	-

¹⁾ Includes scheduled amortization of customer relationships in the amount of EUR 11.7 (Q3 2021: EUR 10.3m).

Financials Q3 2022:

Free cash flow

	Q3 2022	Q3 2021	Δ	Δ
Operating EBITDA	459.7	342.9	116.8	34.1%
Payments to acquire intangible assets and property, plant and equipment	-52.5	-35.7	-16.8	47.1%
Δ Working capital	-22.6	-114.2	91.6	-80.2%
Principal and interest payments on lease liabilities	-37.0	-35.7	-1.3	3.6%
Free cash flow	347.6	157.3	190.3	121.0%

Financials Q3 2022: Working capital

in EUR m	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
Inventories	2,019.8	2,015.8	1,807.8	1,621.9	1,431.1
+ Trade receivables	3,029.5	3,081.1	2,796.9	2,290.2	2,189.4
./. Trade payables	2,103.0	2,240.8	2,109.4	1,802.3	1,660.1
Working capital (end of period)	2,946.3	2,856.1	2,495.3	2,109.8	1,960.4
Working capital turnover (annualized)*	7.5x	7.7x	7.9x	8.3x	8.4x

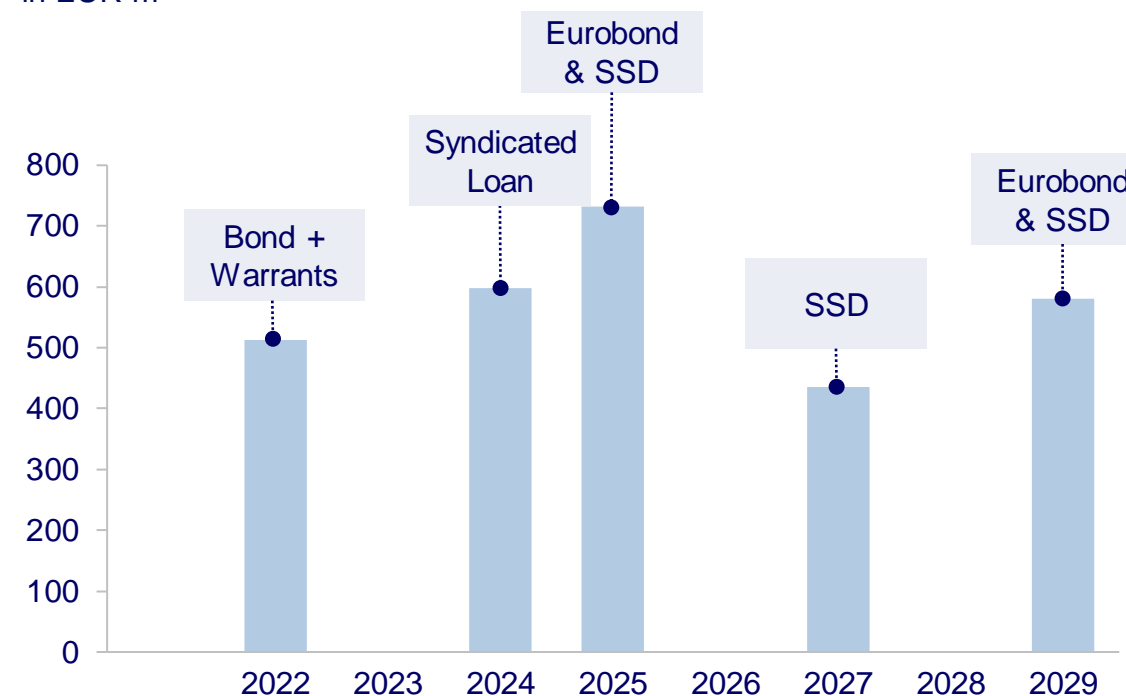
* Sales YTD extrapolated to the full year; average working capital is defined as the average of working capital at the beginning of the year and at the end of each quarter

Financials Q3 2022:

Balance sheet and maturity profile

in EUR m	30 Sep 2022	31 Dec 2021
Financial liabilities	3,335.4	2,329.7
Lease liabilities	443.2	445.6
./. Cash and cash equivalents	1,438.1	705.0
Net Debt	2,340.5	2,070.3
Net Debt/Operating EBITDA*	1.3x	1.5x
Equity	4,993.7	3,995.3

in EUR m



As of September 30, 2022

* Operating EBITDA for the quarters on LTM basis calculated.

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Outlook 2022: Well positioned in an exceptionally challenging environment



Operating EBITDA Guidance

- FY 2022 operating EBITDA guidance of EUR 1,750 – 1,850m confirmed
- **Based on current business momentum, we continue to expect to deliver results at the upper range of our guidance**



Comments

- Some level of normalization in pricing and slowing demand patterns in certain end markets were expected for H2 2022 and is reflected in our guidance
- Guidance incl. efficiency improvements of Project Brenntag initiatives and the contribution from acquisitions already closed and is based on stable exchange rates at the date of the forecast's publication



Macro environment

- We expect the overall geopolitical, macroeconomic, and operational conditions to remain highly challenging
- For remainder of 2022, we expect inflationary pressures to persist. Impacts on global, regional, and local supply and demand and on the macroeconomic development are hard to predict



Additional information

- EUR/USD: ~1.06 (2021: ~1.18)
- Sensitivity (FY basis): Delta of EUR/USD +/- 1 cent = EUR ~ +/- 5m op. EBITDA
- Tax rate: ~26% - 27%
- Capex 2022: EUR ~270m

Thank you for your attention!



Christian Kohlpaintner
CEO

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



Kristin Neumann
CFO

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Financials Q3 2022: Segments (1/2)

in EUR m

Operating gross profit¹⁾

	Q3 2022	Q3 2021	Δ	Δ FX adjusted
Brenntag Specialties	420.0	334.3	25.6%	16.8%
Brenntag Essentials	679.3	520.2	30.6%	18.6%
All other segments	6.8	7.8	-12.8%	-12.8%
Brenntag Group	1,106.1	862.3	28.3%	17.6%

Operating EBITDA²⁾

	Q3 2022	Q3 2021	Δ	Δ FX adjusted
Brenntag Specialties	193.4	152.9	26.5%	17.8%
Brenntag Essentials	303.1	210.3	44.1%	30.4%
All other segments	-36.8	-20.3	81.3%	79.9%
Brenntag Group	459.7	342.9	34.1%	22.1%

in EUR m

Operating EBITA

	Q3 2022	Q3 2021	Δ	Δ FX adjusted
Brenntag Specialties	182.0	144.5	26.0%	17.4%
Brenntag Essentials	241.4	155.2	55.5%	40.0%
All other segments	-39.9	-21.9	82.2%	80.5%
Brenntag Group	383.5	277.8	38.0%	25.4%

¹⁾ External sales less cost of materials.

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

Financials Q3 2022: Segments (2/2)

in EUR m	Operating gross profit ¹⁾				Operating EBITDA ²⁾				Conversion ratio	
	Q3 2022	Q3 2021	Δ	Δ FX adjusted	Q3 2022	Q3 2021	Δ	Δ FX adjusted	Q3 2022	Q3 2021
Specialties EMEA	169.4	148.2	14.3%	16.0%	75.1	69.1	8.7%	11.2%	44.3%	46.6%
Specialties Americas	179.5	128.6	39.6%	19.9%	82.9	56.3	47.2%	26.6%	46.2%	43.8%
Specialties APAC	71.1	57.5	23.7%	11.3%	35.4	28.5	24.2%	11.0%	49.8%	49.6%
Brenntag Specialties	420.0	334.3	25.6%	16.8%	193.4	152.9	26.5%	17.8%	46.0%	45.7%
Essentials EMEA	237.8	188.3	26.3%	25.5%	115.2	70.9	62.5%	61.3%	48.4%	37.7%
Essentials North America	365.7	268.1	36.4%	17.3%	165.4	118.0	40.2%	20.2%	45.2%	44.0%
Essentials Latin America	46.5	37.5	24.0%	8.5%	14.8	12.1	22.3%	7.6%	31.8%	32.3%
Essentials APAC	29.3	26.3	11.4%	-	8.5	9.7	-12.4%	-21.9%	29.0%	36.9%
Brenntag Essentials	679.3	520.2	30.6%	18.6%	303.1	210.3	44.1%	30.4%	44.6%	40.4%
All other segments	6.8	7.8	-12.8%	-12.8%	-36.8	-20.3	81.3%	79.9%	-	-
Brenntag Group	1,106.1	862.3	28.3%	17.6%	459.7	342.9	34.1%	22.1%	41.6%	39.8%

¹⁾ External sales less cost of materials. ²⁾ 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 Q3 2022: Cash flow statement

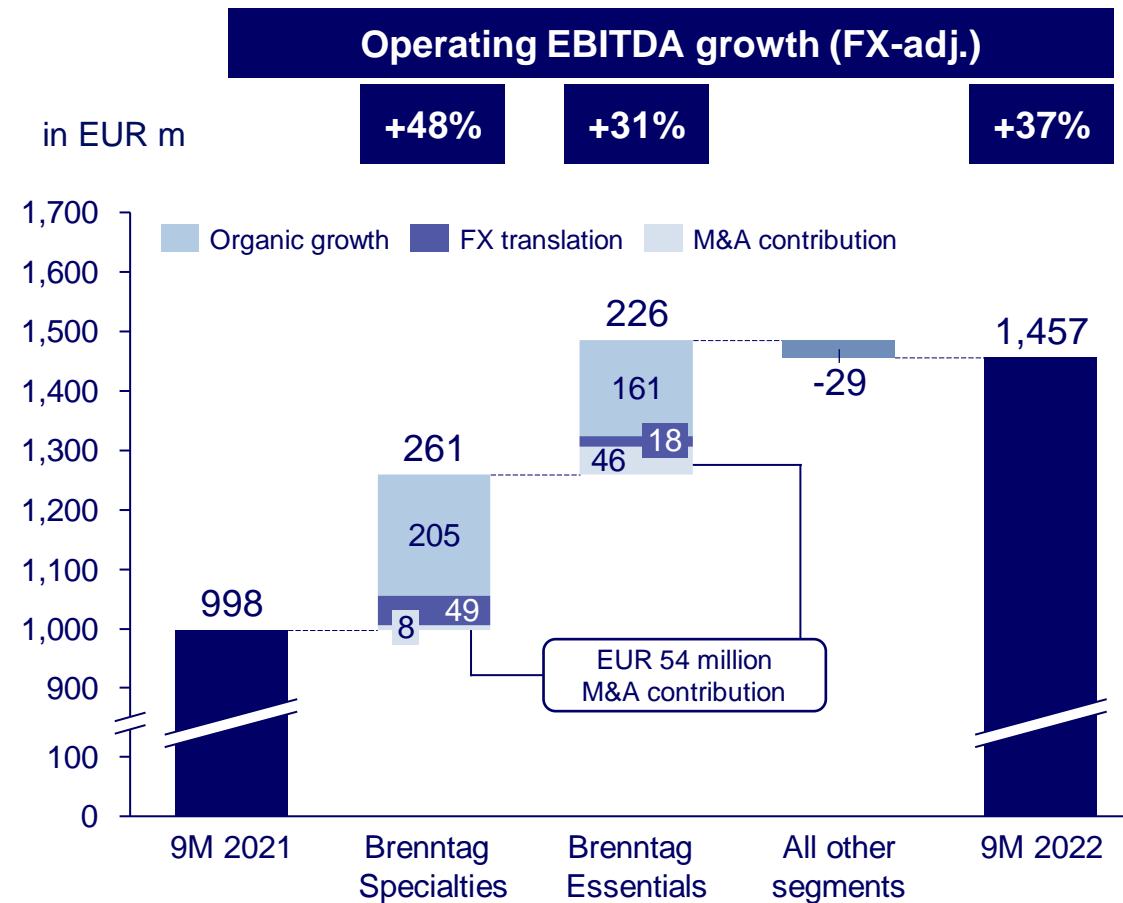
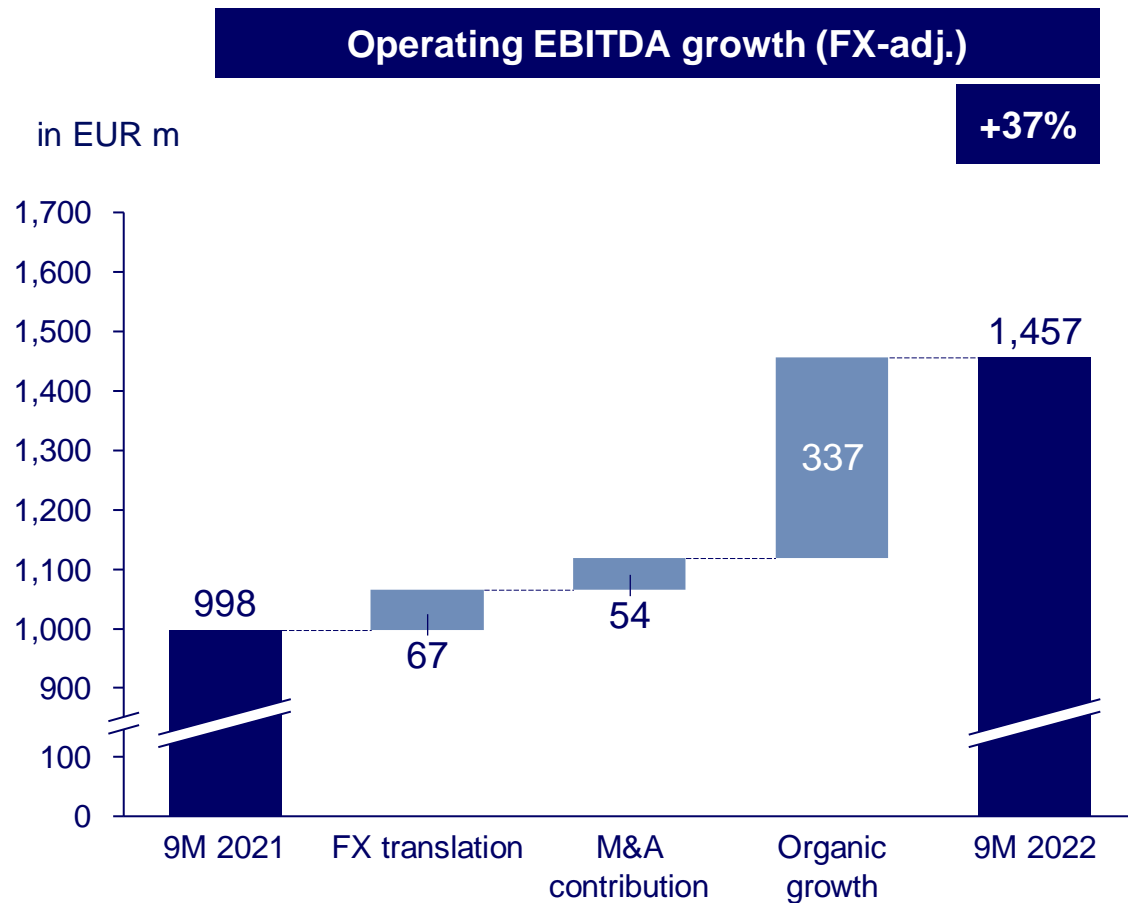
in EUR m	Q3 2022	Q3 2021
Profit after tax	248.8	161.0
Effect from IAS 29 on profit/loss after tax	1.7	-
Depreciation & amortization	92.8	80.9
Income tax expense	87.8	68.3
Income taxes paid	-90.3	-60.9
Net interest expense	25.6	15.2
Interest paid (netted against interest received)	-20.0	-15.0
<i>(thereof interest paid for leases)</i>	<i>(-2.4)</i>	<i>(-2.5)</i>
Changes in working capital	-22.6	-114.2
Changes in other operating assets and liabilities	84.4	37.6
Changes in provisions	-19.6	28.9
Non-cash change in liabilities relating to acquisition of non-controlling interests	2.8	2.2
Other	29.1	-0.2
Net cash provided by operating activities	420.5	203.8

Financials Q3 2022:

Cash flow statement (continued)

in EUR m	Q3 2022	Q3 2021
Proceeds from the disposal of other financial assets	0.5	1.2
Proceeds from the disposal of intangible assets and property, plant and equipment	5.1	2.4
Payments to acquire consolidated subsidiaries and other business units	-29.7	-364.2
Payments to acquire intangible assets and property, plant and equipment	-52.5	-35.7
Net cash used in investing activities	-76.6	-396.3
Purchases of companies already consolidated	-2.0	-16.5
Dividends paid to Brenntag shareholders	-	-
Profits distributed to non-controlling interests	-1.8	-1.1
Proceeds from borrowings	656.4	279.5
Repayments of lease liabilities	-34.6	-33.2
Repayments of borrowings	-68.1	-61.1
Net cash provided by / used in financing activities	549.9	167.6
Change in cash & cash equivalents	893.8	-24.9

Financials 9M 2022: Operating EBITDA bridges*



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

Financials 9M 2022: Income statement

in EUR m	9M 2022	9M 2021	Δ	Δ FX adjusted
Sales	14,694.8	10,340.8	42.1%	34.0%
Cost of materials	-11,406.0	-7,875.3	44.8%	-
Operating gross profit	3,288.8	2,465.5	33.4%	25.2%
Operating expenses	-1,832.3	-1,467.2	24.9%	17.3%
Operating EBITDA	1,456.5	998.3	45.9%	36.7%
Special items	4.1	-104.1	-	-
Depreciation	-216.3	-191.9	12.7%	6.1%
EBITA	1,244.3	702.3	77.2%	-
Amortization ^{1) 2)}	-53.2	-91.7	-	-
EBIT	1,191.1	610.6	95.1%	-
Financial result	-102.2	-49.2	-	-
EBT	1,088.9	561.4	94.0%	-
Profit after tax	796.9	398.4	99.9%	-
EPS	5.07	2.52	101.2%	-

¹⁾ Includes scheduled amortization of customer relationships in the amount of EUR 36.4 (9M 2021: EUR 25.6m).

²⁾ Includes prior-year impairment loss of EUR 51.9 million mainly due to changes to our IT portfolio.

Financials 9M 2022: Free cash flow

	9M 2022	9M 2021	Δ	Δ
Operating EBITDA	1,456.5	998.3	458.2	45.9%
Payments to acquire intangible assets and property, plant and equipment	-148.8	-109.9	-38.9	35.4%
Δ Working capital	-647.5	-443.0	-204.5	46.2%
Principal and interest payments on lease liabilities	-106.3	-97.3	-9.0	9.2%
Free cash flow	553.9	348.1	205.8	59.1%

Financial calendar / Contact



Date	Event
November 10, 2022	Capital Markets Day 2022
March 8, 2023	Annual Report 2022
May 10, 2023	Interim Report Q1 2023
June 15, 2023	General Shareholders' Meeting

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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