



FY 2020 RESULTS

10 MARCH 2021

Conference call on the FY 2020 results

Corporate Investor Relations

Connecting**Chemistry**



Agenda: FY 2020 Results

REVIEW FY 2020

FINANCIALS FY 2020

PROJECT BRENNTAG

OUTLOOK

APPENDIX



Review FY 2020: We delivered strong results in a very challenging economic environment



COVID-19

- Global crisis team
- Focus on health and safety of employees and business partners
- Fully operational at all times



Holistic Analysis

- Started in January 2020
- Long-term positioning in focus



Project Brenntag

- Op. EBITDA uplift of EUR 220m gradually increasing until FY 2023
- Diverse initiatives started addressing all stakeholders



Financial Performance

- Strong results in very challenging environment
- Performance supported by high diversification and resilience

Review FY 2020: Highlights 2020

OPERATING GROSS PROFIT

+3.3% (fx adj.)

EUR 2,850.4m

OPERATING EBITDA

+8.3% (fx adj.)

EUR 1,057.7m

FREE CASHFLOW GENERATION

EUR 1,055m

following EUR 837m in 2019

EPS

EUR 3.02

on 2019 level

MAINTAIN FULL COST CONTROL

Cost measures positively impact bottom-line

PROVEN RESILIENCE OF BRENNTAG BUSINESS MODEL

Business fully operational and strong financial results

PROJECT BRENNTAG INITIATED

Two global divisions “Brenntag Essentials” and “Brenntag Specialties”

DIVIDEND PROPOSAL

of EUR 1.35 per share to be proposed to the GSM 2021

Review FY 2020: M&A activities 2020

Acquisitions 2020

- Acquisition and closing of 3 targets on 2 continents:
 - Suffolk Solutions, USA
 - Oils'R Us, Thailand
 - Neuto Chemicals Corp. Taiwan ¹⁾
- Total enterprise value of 46m EUR

¹⁾ Acquisition was signed in 2019

M&A approach

- Allocation of 200-250m EUR for M&A unchanged
- Sharpened focus towards emerging markets, particularly China
- Identification of targets delivering more sizeable operating EBITDA contribution
- Zhongbai Xingye first step in this direction
 - Distributor of specialty food ingredients, including dairy products and proteins
 - Strategic fit with regards to industry segment and geography

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FINANCIALS FY 2020

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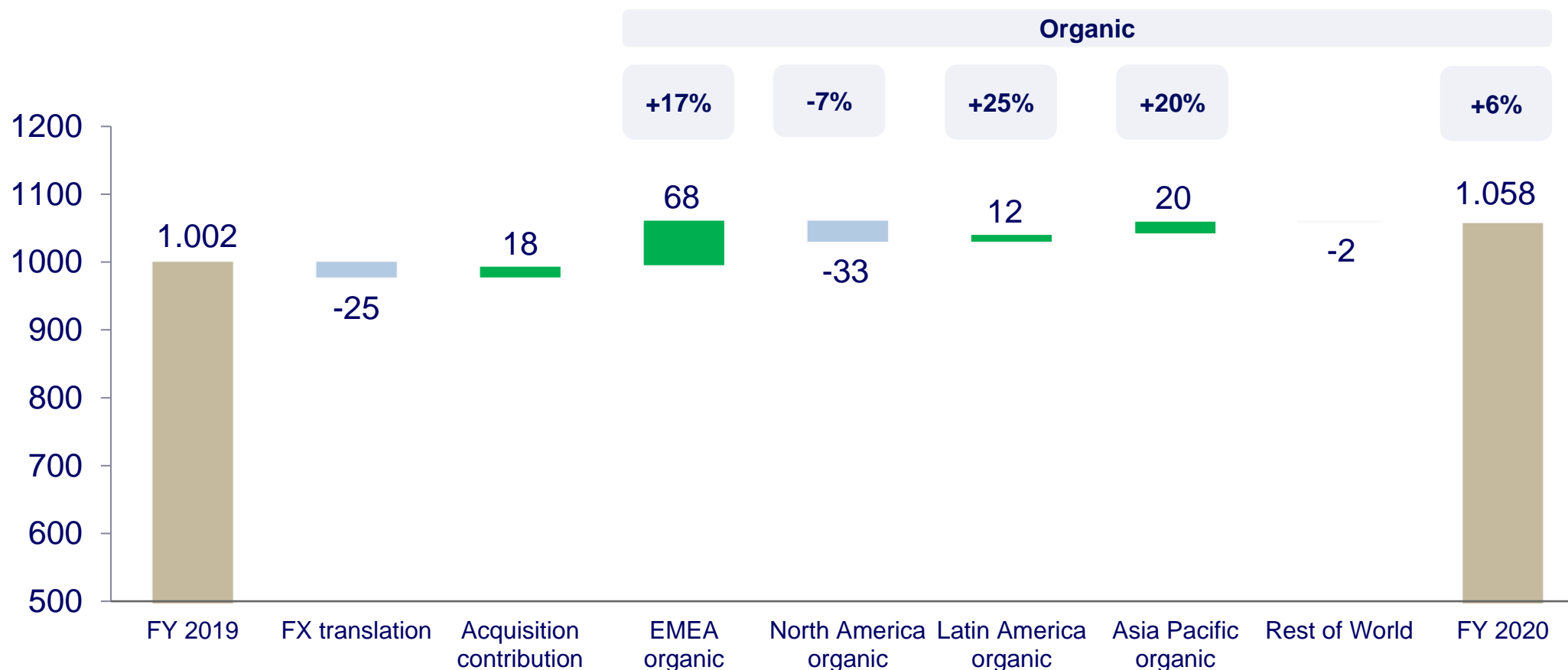
OUTLOOK

APPENDIX







Financials FY 2020: Operating EBITDA bridge*: FY 2019 to FY 2020

in EUR m



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

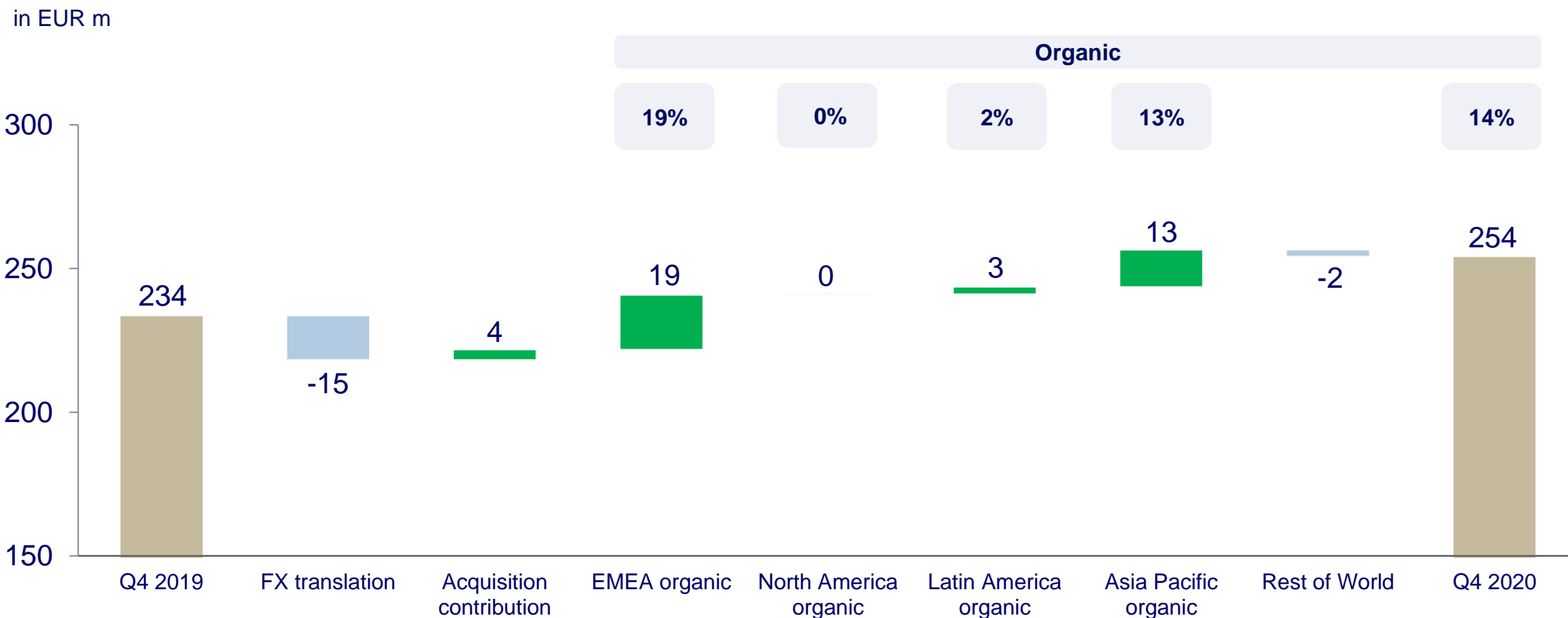
Financials FY 2020: Regional development

| EMEA | NORTH AMERICA | LATIN AMERICA | ASIA PACIFIC |
|--|--|--|---|
| <p>Strong performance throughout the year</p> <p>Personal Care, Cleaning, Pharma and Coatings & Constructions performed particularly well</p>  <p>Organic EBITDA growth: +17%</p> | <p>Weak performance throughout the year</p> <p>Weak demand from customers in the O&G and lubricants industries</p> <p>Many other parts delivered positive results</p>  <p>Organic EBITDA growth: -7%</p> | <p>Strong results across many countries and industries</p> <p>Cleaning, Pharma, Personal Care particularly well</p>  <p>Organic EBITDA growth: +25%</p> | <p>Very successful year for Asia Pacific</p> <p>The region was hit early by the pandemic but recovered sequentially, particularly in China</p>  <p>Countries across the region and many industries contributed to the performance</p> <p>Organic EBITDA growth: +20%</p> |

Financials FY 2020: Segments FY 2020

| in EUR m | | EMEA | North America | Latin America | Asia Pacific | All other segments | Group |
|------------------------|---------------|---------|---------------|---------------|--------------|--------------------|---------|
| Operating gross profit | FY 2020 | 1,235.7 | 1,124.8 | 186.6 | 282.5 | 20.8 | 2,850.4 |
| | FY 2019 | 1,141.6 | 1,216.8 | 177.0 | 266.8 | 19.5 | 2,821.7 |
| | Δ | 8.2% | -7.6% | 5.4% | 5.9% | 6.7% | 1.0% |
| | Δ FX adjusted | 9.4% | -5.6% | 16.6% | 8.9% | 6.7% | 3.3% |
| Operating EBITDA | FY 2020 | 475.9 | 434.4 | 63.5 | 123.8 | -39.9 | 1,057.7 |
| | FY 2019 | 406.3 | 474.8 | 55.9 | 101.1 | -36.6 | 1,001.5 |
| | Δ | 17.1% | -8.5% | 13.5% | 22.5% | 9.0% | 5.6% |
| | Δ FX adjusted | 19.0% | -6.6% | 26,9% | 25.9% | 9.0% | 8.3% |

Financials FY 2020: Operating EBITDA bridge*: Q4 2019 to Q4 2020



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

Financials FY 2020: Income statement below operating EBITDA

| in EUR m | FY 2020 | FY 2019 | Δ |
|----------------------------|--------------|--------------|--------------|
| Operating EBITDA | 1,057.7 | 1,001.5 | 5.6% |
| Special items | -47.2 | 8.6 | -648,8% |
| Depreciation | -252.4 | -243.6 | 3.6% |
| EBITA | 758.1 | 766.5 | -1.1% |
| Amortization ¹⁾ | -45.1 | -49.6 | -9.1% |
| EBIT | 713.0 | 716.9 | -0.5% |
| Financial result | -79.7 | -83.5 | -4.6% |
| EBT | 633.3 | 633.4 | 0.0% |
| Profit after tax | 473.8 | 469.2 | 1.0% |
| EPS | 3.02 | 3.02 | 0.0% |

1) Includes scheduled amortization of customer relationships amounting to EUR 28.7m in 2020 (EUR 34.9m in 2019).

Financials FY 2020: Cash flow items

| in EUR m | 2020 | 2019 | Δ | Δ |
|--|----------------|--------------|--------------|--------------|
| Operating EBITDA | 1,057.7 | 1,001.5 | 56.2 | 5.6% |
| CAPEX | -201.9 | -205.2 | 3.3 | -1.6% |
| Δ Working capital | 325.0 | 161.7 | 163.3 | -101.0% |
| Principal and interest payments on lease liabilities | -126.2 | -120.7 | -5,5 | 4.6% |
| Free cash flow | 1,054.6 | 837.3 | 217.3 | 26.0% |

**FREE CASH
FLOW**

EUR 1,055m

**INTEREST AND TAX
PAYMENTS**

EUR -213m

**CASH OUT
FOR M&A**

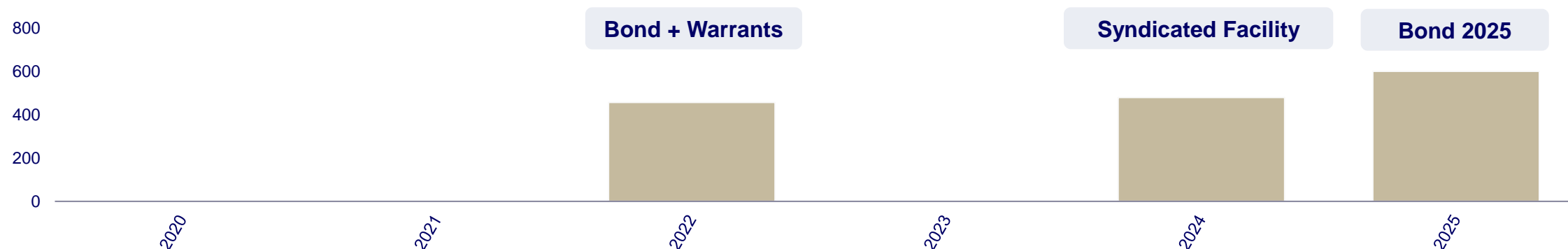
EUR -46m

**DIVIDEND
PAID**

EUR -193m

Financials FY 2020: Balance sheet and maturity profile

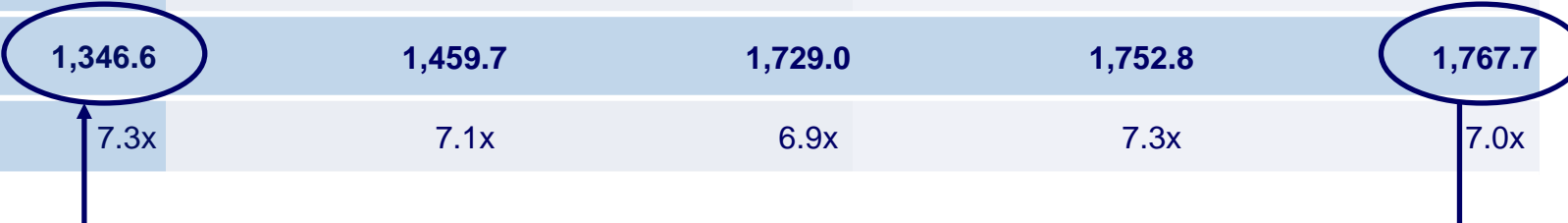
| in EUR m | 31 Dec 2020 | 31 Dec 2019 |
|--|-------------|-------------|
| Financial liabilities | 1,639.4 | 2,160.6 |
| Lease liabilities | 426.8 | 420.2 |
| ./. Cash and cash equivalents | 726.3 | 520.3 |
| Net Debt | 1,339.9 | 2,060.5 |
| Net Debt/Operating EBITDA ¹⁾ | 1.3x | 2.1x |
| Equity | 3,611.6 | 3,579.0 |



1) Operating EBITDA for the quarters on LTM basis calculated including IFRS 16 effect.

Financials FY 2020: Working capital

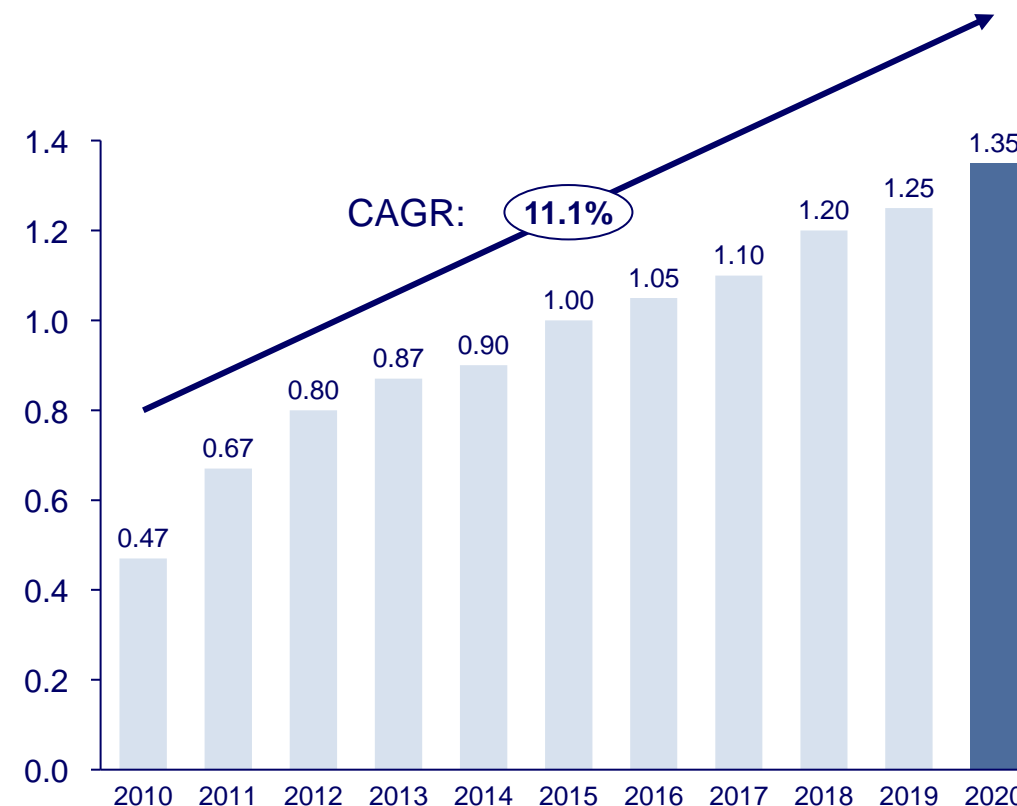
| in EUR m | 31 Dec 2020 | 30 Sep 2020 | 30 Jun 2020 | 31 Mar 2020 | 31 Dec 2019 |
|---|----------------|----------------|----------------|----------------|----------------|
| Inventories | 978.9 | 1,005.9 | 1,190.5 | 1,169.9 | 1,176.5 |
| + Trade receivables | 1,597.5 | 1,648.0 | 1,658.9 | 1,979.0 | 1,820.3 |
| ./. Trade payables | 1,229.8 | 1,194.2 | 1,120.4 | 1,396.1 | 1,229.1 |
| Working capital (end of period) | 1,346.6 | 1,459.7 | 1,729.0 | 1,752.8 | 1,767.7 |
| Working capital turnover (annualized) ¹⁾ | 7.3x | 7.1x | 6.9x | 7.3x | 7.0x |



1) 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 FY 2020: Dividend payments

| in EUR m | 2020 | 2019 | Δ |
|---|--------------|--------------|-------------|
| Profit after tax | 473.8 | 469.2 | 1.0% |
| Less minority interests | 7.3 | 2.5 | |
| Profit after tax (consolidated) attributable to shareholders of Brenntag AG | 466.5 | 466.7 | 0.0% |
| Proposed dividend payment | 208.6 | 193.1 | |
| Proposed dividend per share in EUR | 1.35 | 1.25 | 8.0% |
| Payout ratio | 44.7% | 41.4% | |



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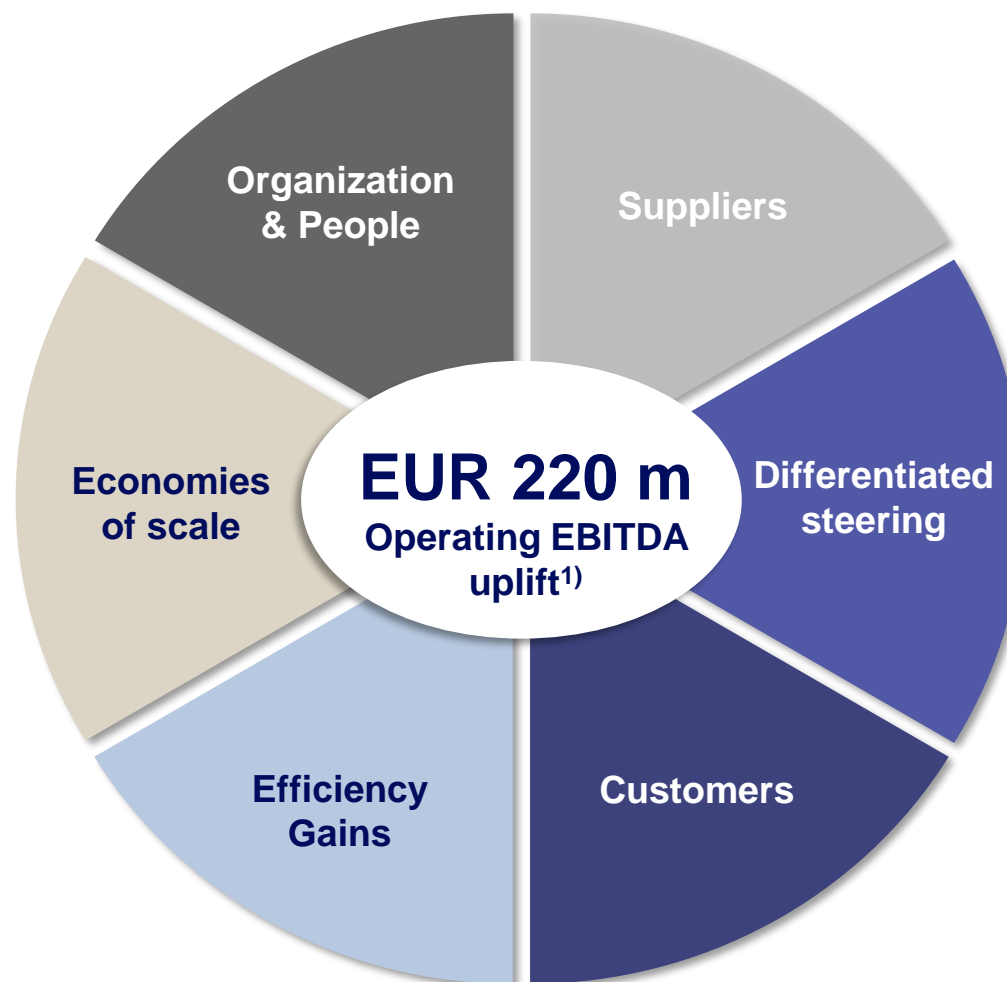
PROJECT BRENNTAG

OUTLOOK

APPENDIX

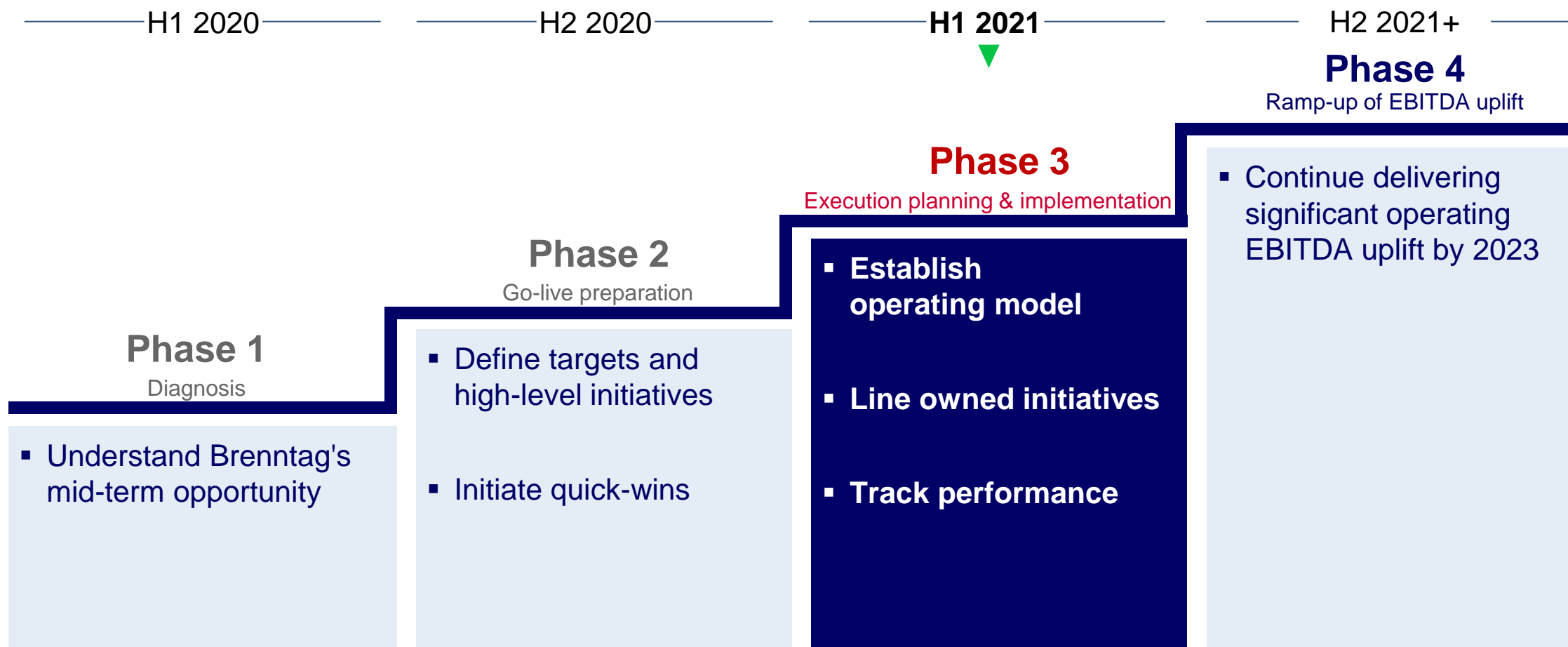


Project Brenntag addresses the various needs of our stakeholders



1) Based on management estimates

Project Brenntag: Timeline



Project Brenntag: Status update



Overall Implementation

- Go-Live operating model 2021
- Started differentiated business reporting internally
- Impact of Quick-Win initiatives already visible in 2020
- EUR 47m one-off costs in 2020



Measures

- Stringent customer segmentation in execution
- Fit-for-purpose sales organization defined
- First transport routes streamlined
- Consolidation of volumes initiated
- New leadership structure established
- New incentive scheme (STI and LTI)



Results

- Pricing initiatives under way
- 30+ indirect procurement initiatives started
- Working Capital turn improved
- Reduction of ~200 headcounts
- 30 sites closed globally
- FY2020 op. EBITDA contribution of EUR ~15m

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REVIEW FY 2020

FINANCIALS FY 2020

PROJECT BRENNTAG

OUTLOOK

APPENDIX



Outlook 2021: Overall assessment



Outlook 2021: Guidance range

| | |
|----------------------------------|--|
| Macro environment | <ul style="list-style-type: none"> ▪ COVID-19 pandemic to stay well into 2021 in large parts of the world ▪ Continued high level of uncertainty in macro economy driven by the pandemic ▪ Sustainable recovery only to be expected in H2 2021 |
| Comments | <ul style="list-style-type: none"> ▪ Outlook 2021 reflects current and expected macro environment ▪ It takes into account the expected positive effects from Project Brenntag |
| Operating EBITDA Guidance | <ul style="list-style-type: none"> ▪ Guidance range of 1,080m – 1,180m EUR operating EBITDA for FY2021 ▪ Guidance includes uplift of Project Brenntag initiatives and M&A and assumes stable FX rates |

Thank you for your attention



Christian Kohlpaintner, CEO



Georg Müller, CFO

We are ready to answer your questions!

Agenda: FY 2020 Results

REVIEW FY 2020

FINANCIALS FY 2020

PROJECT BRENNTAG

OUTLOOK

APPENDIX



Income statement FY 2020

| in EUR m | FY 2020 | FY 2019 | Δ | Δ FX adjusted |
|-------------------------------|----------------|----------------|-------------|---------------|
| Sales | 11,775.8 | 12,821.8 | -8.2% | -6.0% |
| Cost of materials | -8,925.4 | -10,000.1 | -10.7% | |
| Operating gross profit | 2,850.4 | 2,821.7 | 1.0% | 3.3% |
| Operating expenses | -1,792.7 | -1,820.2 | -1.5% | |
| Operating EBITDA | 1,057.7 | 1,001.5 | 5.6% | 8.3% |
| Op. EBITDA/Op. gross profit | 37.1% | 35.5% | | |

Cash flow statement FY 2020

| in EUR m | FY 2020 | FY 2019 |
|--|----------------|--------------|
| Profit after tax | 473.8 | 469.2 |
| Depreciation & amortization | 297.5 | 293.2 |
| Income taxes | 159.5 | 164.2 |
| Income tax payments | -155.5 | -175.3 |
| Interest result | 66.4 | 90.0 |
| Interest payments (net) | -57.9 | -75.7 |
| Changes in current assets and liabilities | 426,0 | 136.5 |
| Changes in provisions | -33.9 | 0.9 |
| Other | 43.1 | -23.7 |
| Cash provided by operating activities | 1,219.0 | 879.3 |

Cash flow statement FY 2020 (continued)

| in EUR m | FY 2020 | FY 2019 |
|--|---------------|---------------|
| Purchases of intangible assets and property, plant & equipment (PPE) | -199.1 | -204.0 |
| Purchases of consolidated subsidiaries and other business units | -46.4 | -194.9 |
| Proceeds from the disposal of consolidated subsidiaries and business units | 1.2 | 14.7 |
| Other | 20.2 | 12.0 |
| Cash used for investing activities | -224.1 | -372.2 |
| Purchases of companies already consolidated | - | - |
| Profits distributed to non-controlling interests | -1.5 | -1.5 |
| Dividends paid to Brenntag shareholders | -193.1 | -185.4 |
| Repayment of (-)/proceeds from (+) borrowings (net) | -541.0 | -196.5 |
| Cash used for financing activities | -735.6 | -383.4 |
| Change in cash & cash equivalents | 259.3 | 123.7 |

Income statement Q4 2020

| in EUR m | Q4 2020 | Q4 2019 | Δ | Δ FX adjusted |
|-------------------------------|--------------|--------------|-------------|---------------|
| Sales | 2,876.2 | 3,130.9 | -8.1% | -2.8% |
| Cost of materials | -2,177.5 | -2,442.5 | -10.8% | |
| Operating gross profit | 698.7 | 688.4 | 1.5% | 7.3% |
| Operating expenses | -444.6 | -454.8 | -2.2% | |
| Operating EBITDA | 254.1 | 233.6 | 8.8% | 15.9% |
| Op. EBITDA/Op. gross profit | 36.4% | 33.9% | | |
| Special items | 13.9 | 0.0 | | |
| Depreciation | -62.8 | -63.8 | -1.6% | |
| EBITA | 177.5 | 169.8 | 4.5% | |
| Amortization ¹⁾ | -11.6 | -11.6 | -0.0% | |
| EBIT | 165.9 | 158.2 | 4.9% | |
| Financial result | -17.8 | -10.5 | 69.5% | |
| EBT | 148.1 | 147.7 | 0.3% | |
| Profit after tax | 115.2 | 110.2 | 4.5% | |
| EPS | 0.72 | 0.71 | 1.4% | |

1) Includes scheduled amortization of customer relationships amounting to EUR 6.5m in Q4 2020 (EUR 6.8m in Q4 2019).

Cash flow statement Q4 2020

| in EUR m | Q4 2020 | Q4 2019 |
|--|--------------|--------------|
| Profit after tax | 115.2 | 110.2 |
| Depreciation & amortization | 74.4 | 75.4 |
| Income taxes | 32.9 | 37.5 |
| Income tax payments | -37.3 | -48.1 |
| Interest result | 13.3 | 22.7 |
| Interest payments (net) | -11.6 | -20.4 |
| Changes in current assets and liabilities | 181.3 | 125.7 |
| Changes in provisions | -38.9 | 2.7 |
| Other | 0.2 | -21.7 |
| Cash provided by operating activities | 329.5 | 284.0 |

Cash flow statement Q4 2020 (continued)

| in EUR m | Q4 2020 | Q4 2019 |
|--|---------------|---------------|
| Purchases of intangible assets and property, plant & equipment (PPE) | -68.1 | -77.9 |
| Purchases of consolidated subsidiaries and other business units | -18.6 | -77.5 |
| Proceeds from the disposal of consolidated subsidiaries and business units | 0.0 | 14.7 |
| Other | 12.3 | 3.6 |
| Cash used for investing activities | -74.3 | -137.1 |
| Purchases of companies already consolidated | - | - |
| Profits distributed to non-controlling interests | -0.5 | -0.5 |
| Dividends paid to Brenntag shareholders | - | - |
| Repayment of (-)/proceeds from (+) borrowings (net) | -386.1 | -67.3 |
| Cash used for financing activities | -386.6 | -67.8 |
| Change in cash & cash equivalents | -131.4 | 79.1 |

Free cash flow Q4 2020

| in EUR m | Q4 2020 | Q4 2019 | Δ | Δ |
|--|--------------|--------------|-------------|-------------|
| Operating EBITDA | 254.1 | 233.6 | 20.5 | 8.8% |
| CAPEX | -74.8 | -84.2 | 9.4 | -11.2% |
| Δ Working capital | 110.8 | 128.5 | -17.7 | -13.8% |
| Principal and interest payments on lease liabilities | -31.4 | -31.9 | 0.5 | -1.6% |
| Free cash flow | 258.7 | 246.0 | 12.7 | 5.2% |

Segments Q4 2020

| in EUR m | | EMEA | North America | Latin America | Asia Pacific | All other segments | Group |
|------------------------|---------------|-------|---------------|---------------|--------------|--------------------|-------|
| Operating gross profit | Q4 2020 | 301.1 | 261.9 | 49.5 | 80.9 | 5.3 | 698.7 |
| | Q4 2019 | 275.6 | 292.3 | 45.1 | 70.7 | 4.7 | 688.4 |
| | Δ | 9.3% | -10.4% | 9.8% | 14.4% | 12.8% | 1.5% |
| | Δ FX adjusted | 11.7% | -3.0% | 25.9% | 21.1% | 12.8% | 7.3% |
| Operating EBITDA | Q4 2020 | 109.8 | 97.2 | 19.3 | 40.2 | -12.4 | 254.1 |
| | Q4 2019 | 92.6 | 103.9 | 18.4 | 28.8 | -10.1 | 233.6 |
| | Δ | 18.6% | -6.4% | 4.8% | 39.6% | 22.8% | 8.8% |
| | Δ FX adjusted | 22.7% | 1.3% | 18.1% | 47.7% | 22.6% | 15.9% |