



# COMPANY PRESENTATION

AUGUST 2021

ConnectingChemistry





# Company Presentation

Introduction to Brenntag

Key investment highlights

Financials Q2 2021

Outlook

Project Brenntag

Appendix



# Brenntag is the global market leader in chemicals and ingredients distribution



Global market leader in chemicals and ingredients distribution with ~5% market share



Full-line product portfolio with more than 10,000 products



Network of 670 locations in 77 countries worldwide



More than 17,000 employees thereof 1/3 dedicated local sales and marketing employees



~185,000 customers

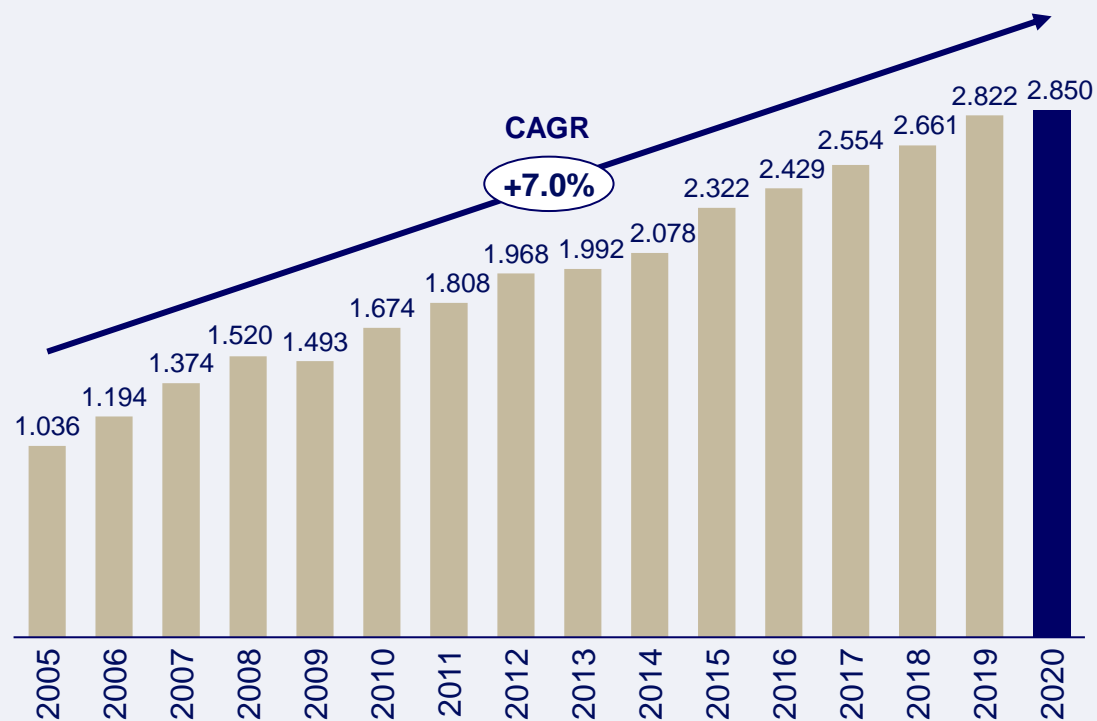


Usually less-than-truckload deliveries with average value of c. EUR 3,000

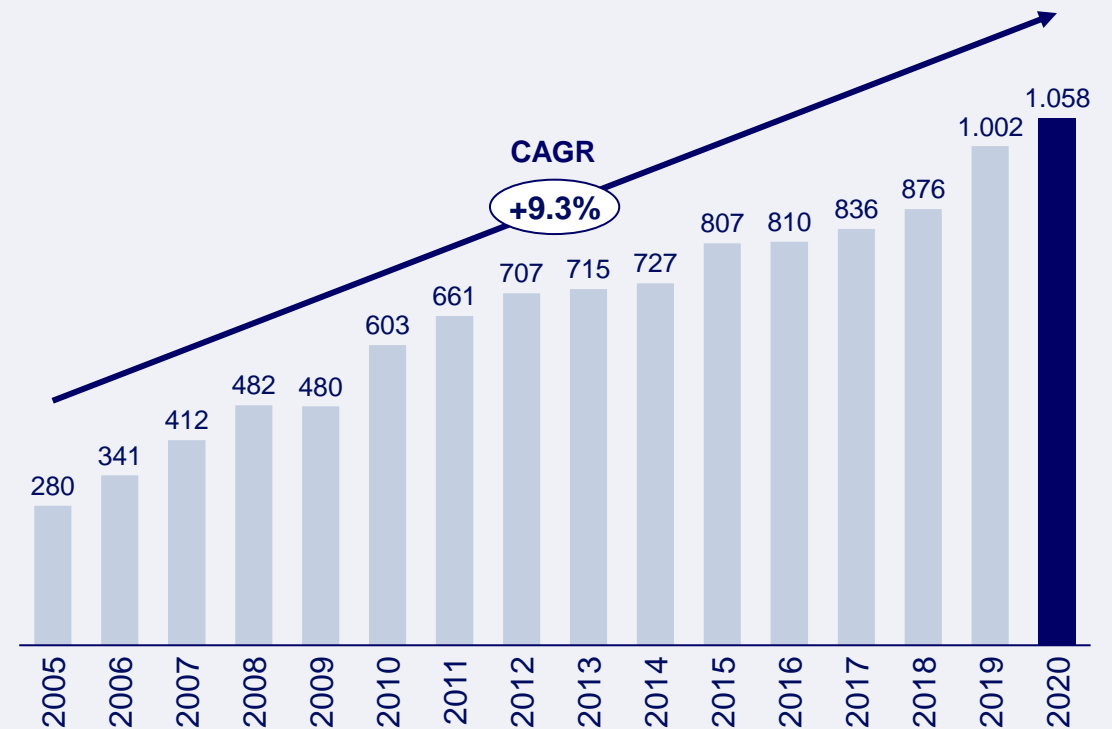
**We connect our customers and suppliers in a winning partnership globally and locally**

# Global market leader with successful track record since IPO

Operating Gross Profit (EUR m)



Operating EBITDA (EUR m)



Notes: 2005: Brenntag predecessor; 2006: Brenntag and Brenntag predecessor combined and does not constitute pro forma financial information.



# Investment Highlights

## Global market leader



**Significant growth potential in an attractive industry**



**Sound financial profile**



**Excellence in execution**



**Strong M&A track record**

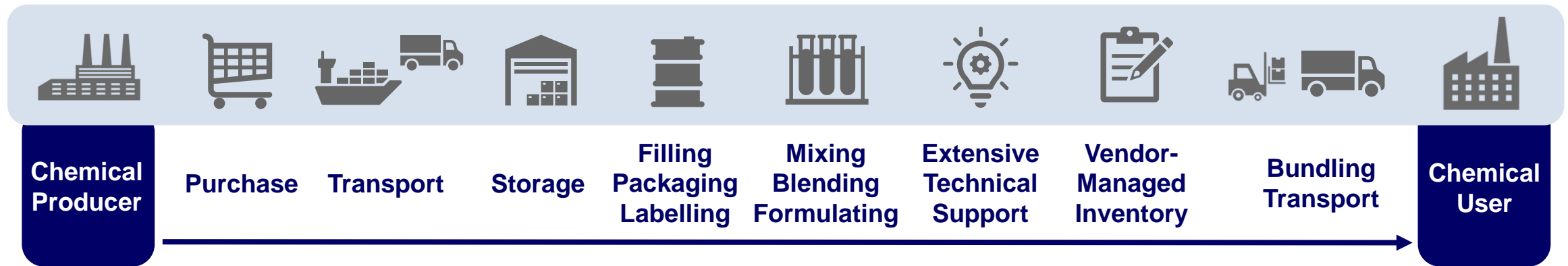


**Highly experienced management team**



**Superior business model with resilience**

# Business model: Chemical distributors fulfil a value-adding function in the supply chain



## PURCHASE, TRANSPORT AND STORAGE OF LARGE-SCALE QUANTITIES OF DIVERSE CHEMICALS

- Repackaging from large into smaller quantities
- Filling, labelling, bar-coding and palletizing
- Marketed by more than 6,000 dedicated local sales and marketing employees
- Mixing and blending according to customer specific requirements
- Leveraging high route density based on local scale
- Formulating and technical support from dedicated application laboratories
- Providing just-in-time delivery and vendor-managed inventory services
- Utilizing transportation for drum return services
- Offering one-stop-shop solution



# Two global divisions: Brenntag Essentials and Brenntag Specialties

## Brenntag Essentials



**EUR 7.1 bn**

Sales (2019)

**EUR 1.7 bn**

Operating Gross Profit (2019)

**33-35%**

Conversion Ratio

High volume  
delivery

Cross-industry products and  
local market know-how

Consistent cash  
generation

Strong brand &  
high barriers to entry

Global  
asset base

Business-oriented  
infrastructure

## Brenntag Specialties



**EUR 5.3 bn**

Sales (2019)

**EUR 1.1 bn**

Operating Gross Profit (2019)

**41-43%**

Conversion Ratio

Strong customer  
relationships

Application and  
formulation expertise

Innovation  
capabilities

Regulatory  
expertise

Industry  
focus

Brand  
awareness

# Company Presentation

Introduction to Brenntag

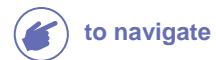
**Key investment highlights**

Financials Q2 2021

Outlook

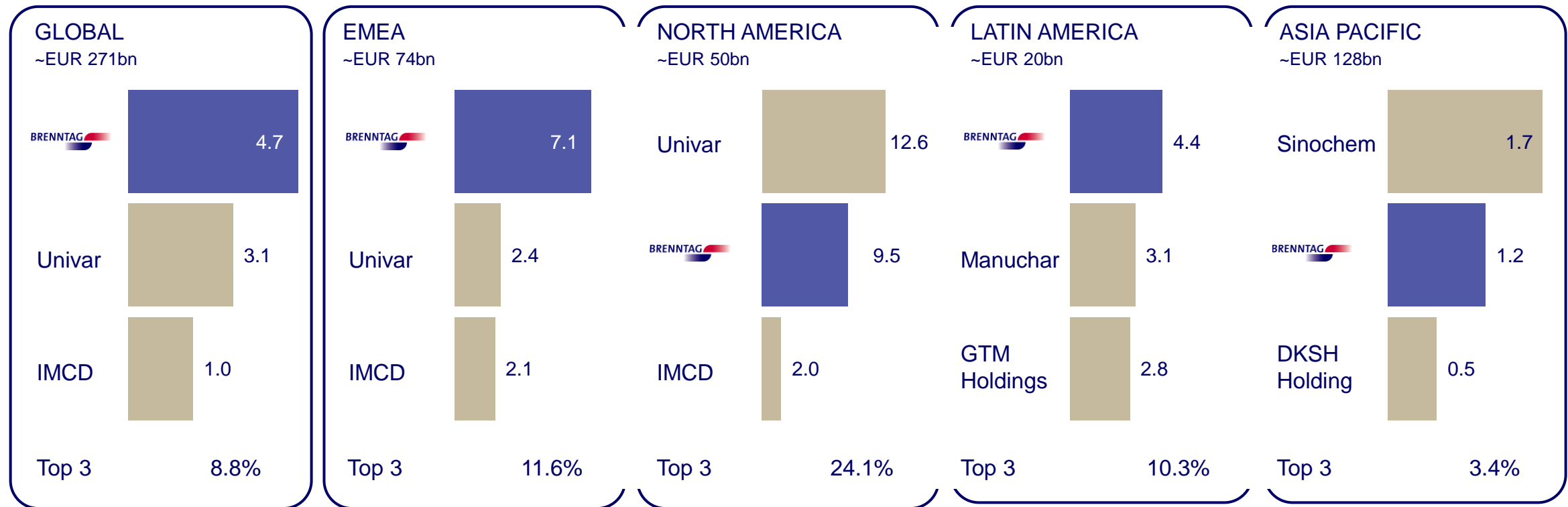
Project Brenntag

Appendix





# Global market leader: Third party chemical distribution estimated market size and market shares

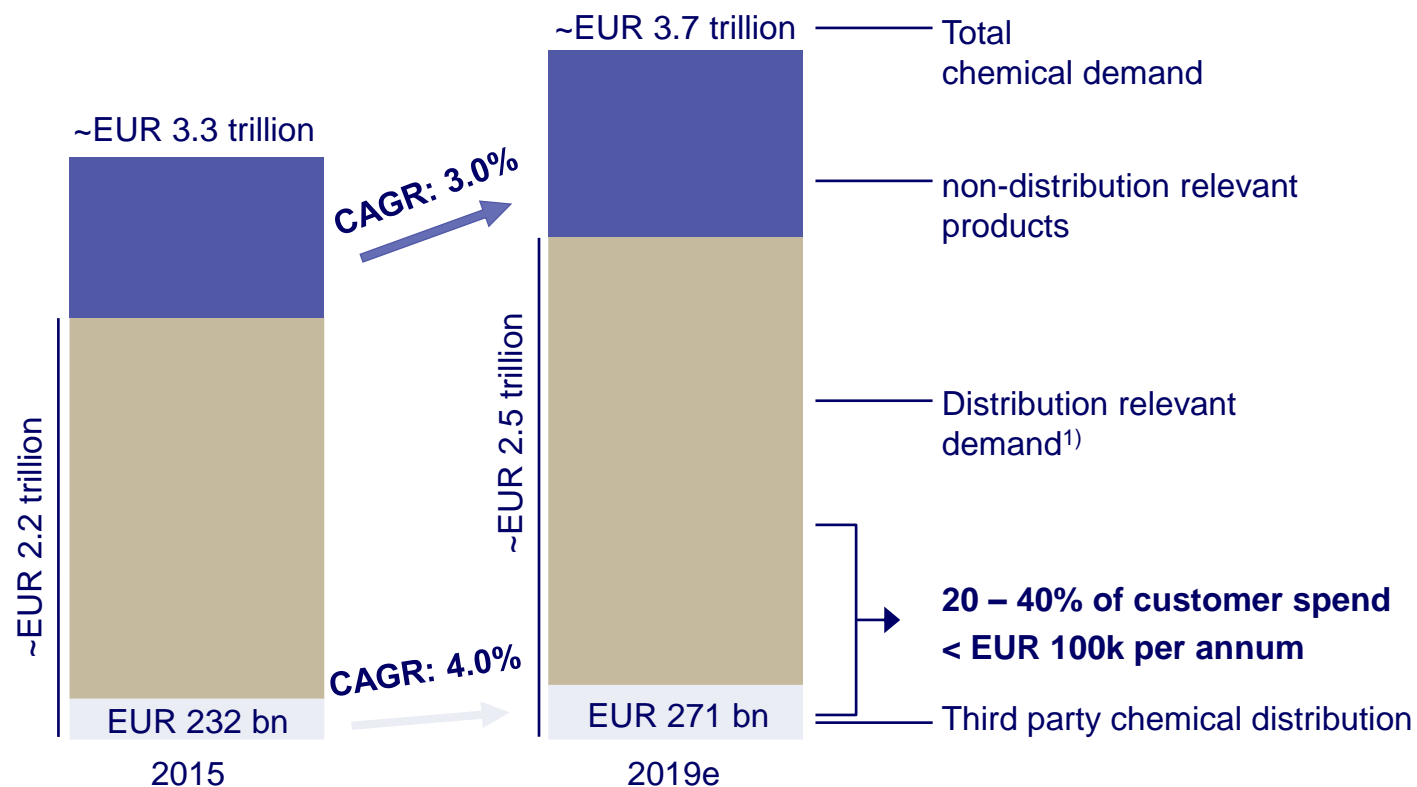


**Still highly fragmented market with more than 10,000 chemical distributors globally**

As per end 2019e: ICIS, BCG Innovative chemical distributors gain a digital edge (September 2020), own analysis  
Companies with stronger trading focus are excluded

# Growth drivers: Multiple levers of organic growth and acquisition potential

## Third party chemical distribution opportunity



## Global distribution market growth (CAGR 2020-2025e)

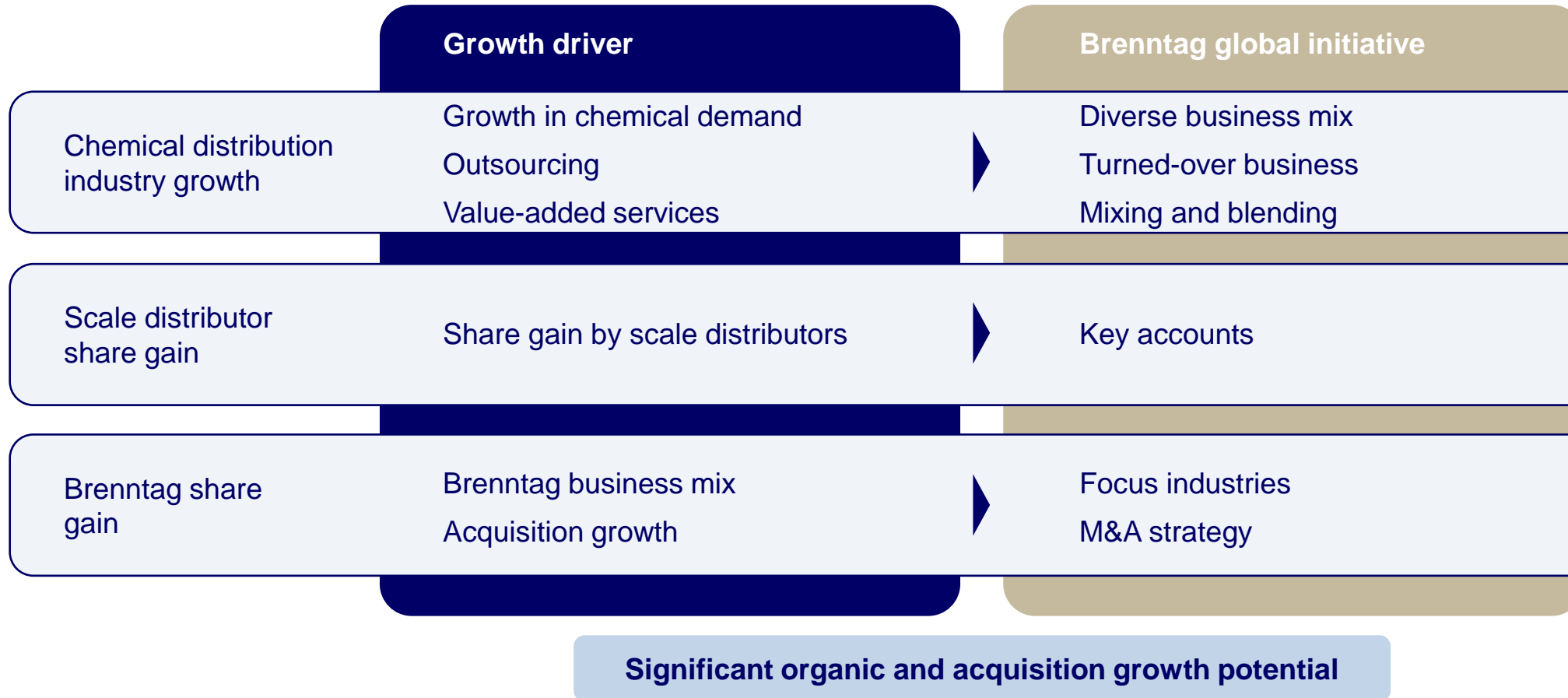
**~3-4%**  
**Global industrial chemicals distribution market growth**

**~4-5%**  
**Global specialty chemicals distribution market growth**

Source: VCI, BCG Innovative chemical distributors gain a digital edge (September 2020)

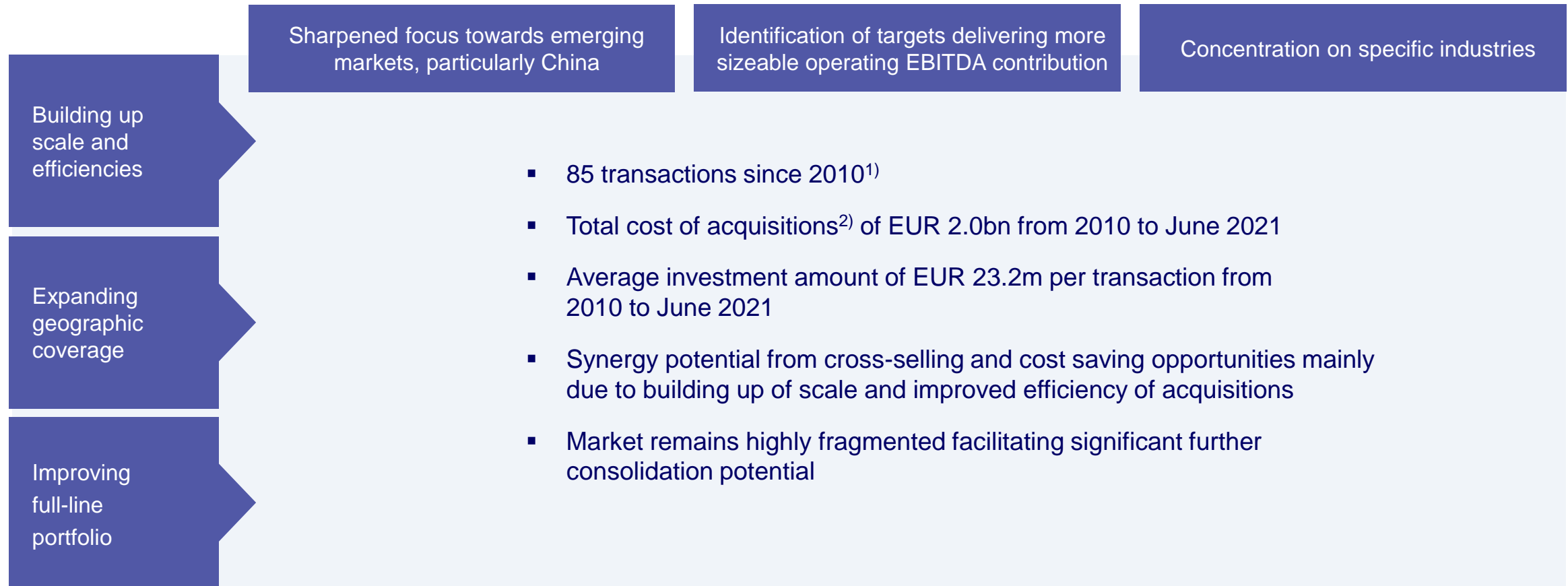
1) Excluding non-distribution relevant products like ethylene

# Market growth: Third party chemical distribution outgrew total chemical demand





# Acquisition approach and track record: Significant potential for consolidation and external growth

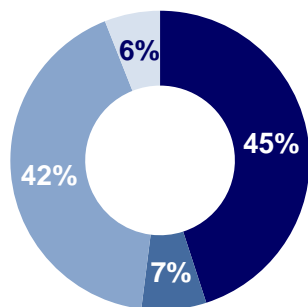


1) Including acquisitions performed until June 2021

2) Purchase price excluding debt assumed

# High diversification: Diversity provides resilience and growth potential

## BRENTTAG ESSENTIALS



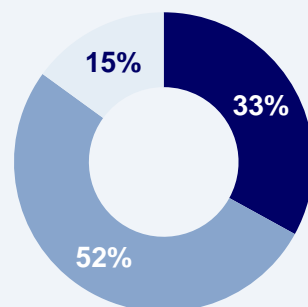
Operating GP by regions (EUR m, 2019)<sup>1)</sup>

- North America
- EMEA
- Latin America
- Asia Pacific

### Key product families

- Solvents (e.g., acetone)
- Acids and Lyes (e.g., HCl)
- Hydrocarbons

## BRENTTAG SPECIALTIES



Operating GP by regions (EUR m, 2019)<sup>1)</sup>

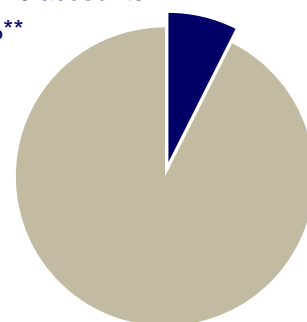
- EMEA
- Americas
- Asia Pacific

### Focus industries

- Nutrition
- Pharma
- Pers. Care/HI&I
- Water Treatment
- Material Science
- Lubricants
- Others

## CUSTOMERS ~185,000

Top 10 accounts  
~7%\*\*



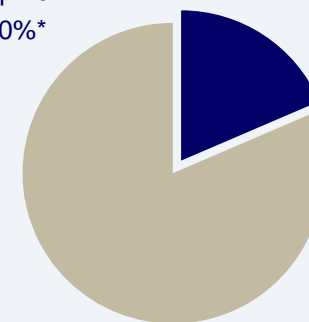
\*\*As % sales

Large part of repeat-order business



## PRODUCTS >10,000

Top 10  
<20%\*

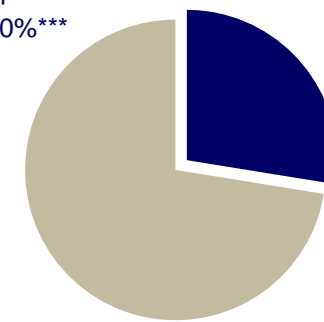


\*As % gross profit

e.g. Acetate, Alcohol, Caustic Soda, Citric Acid, Isopropyl Alcohol, Phosphoric Acid, Sodium Hypochlorite, Solvents, Blends, Sulfuric Acid, Toluene, Xylene

## SUPPLIERS several thousand

Top 10  
<30%\*\*\*



\*\*\*As % purchase value



# Barriers to entry: High barriers to entry due to critical scale and scope

Permits and licenses

Infrastructure availability

Regulatory standards

Know-how

Rationalization of distribution relationships

Global reach

**Significant capital resources and time required to create a global full-line distributor**



# Market driven: Excellence in execution due to balance of global scale and local reach

## Global Platform

### CORE MANAGEMENT FUNCTIONS

- Strategic direction
- Controlling and Treasury
- Information Technology
- Quality, Health, Safety, Environment

### STRATEGIC GROWTH INITIATIVES

- Strategic supplier relationships
- Turned-over business
- Focus industries
- Key accounts
- Mergers & Acquisitions

### BEST PRACTICE TRANSFER

## Local reach

- Excellent local understanding of market trends
- Adaptation to respective customer needs
- Clear accountability
- Strong incentivization with high proportion of variable compensation of management



# ESG:

## Brenntag is developing an updated comprehensive strategic framework

### HIGHLIGHTS

#### Q2 2021

- Brenntag commits to switch to 100% renewable electricity by 2025 by joining the RE100 initiative
- Solar panels at our site in Padua, Italy, started to operate

#### Targets 2021

- Re-evaluate sustainability approach of Brenntag
- Develop a comprehensive strategic framework for sustainability in line with corporate strategy
- Develop new ambitious and long-term goals



#### Safety

- TRIR (Total Recordable Injury Rate): 2.9
- -15% spills compared to base year 2020 (spills >200 liters)
- 100% site coverage with process safety management standards



#### Climate

- -4% total scope 1 and 2 CO<sub>2</sub>e emissions compared to base year 2020
- 3 sites that will start to produce electricity with solar panels
- 9 sites that will have undergone a full solar panel feasibility study



#### Sustainable Procurement

- 80% coverage of chemical spend (in €) with supplier sustainability assessments
- 55% of suppliers undergoing re-assessments which achieve a score improvement by at least 1 point



#### Ratings

- EcoVadis Score of 71 (Gold Medal)
- CDP Score of C

### Memberships & Ratings



Annual Sustainability Report



DAX 50 ESG



Global inclusion initiative  
The Valuable 500



UN Global Compact



Responsible Care/Distribution program



EcoVadis Gold status



“Together for Sustainability” initiative



Medium ESG risk rating

# Board of Management: Highly experienced management team



**Christian Kohlpaintner**  
Chief Executive Officer

Corp. Board Office  
Global HR  
Corp. Planning & Strategy  
M&A Brenntag Group  
Global Communications  
Global Marketing  
Compliance & Audit Brenntag Group  
QSHE Brenntag Group  
Sustainability Brenntag Group  
Corp. Relations & Government Affairs



**Georg Müller**  
Chief Financial Officer

Corp. Controlling  
Accounting Brenntag Group  
Legal Brenntag Group  
Tax Brenntag Group  
Treasury Brenntag Group  
Corp. Investor Relations  
Corp. Insurance Management  
Shared Services Brenntag Group  
Brenntag International Chemicals



**Ewout van Jarwaarde**  
Chief Transformation Officer

“Project Brenntag”  
Digitalization Brenntag Group  
IT Brenntag Group  
Indirect Procurement &  
Procurement Excellence Brenntag  
Group  
Functional Excellence Brenntag  
Group



**Steven Terwindt**  
Chief Operating Officer  
Brenntag Essentials

Brenntag Essentials  
Global Key Accounts



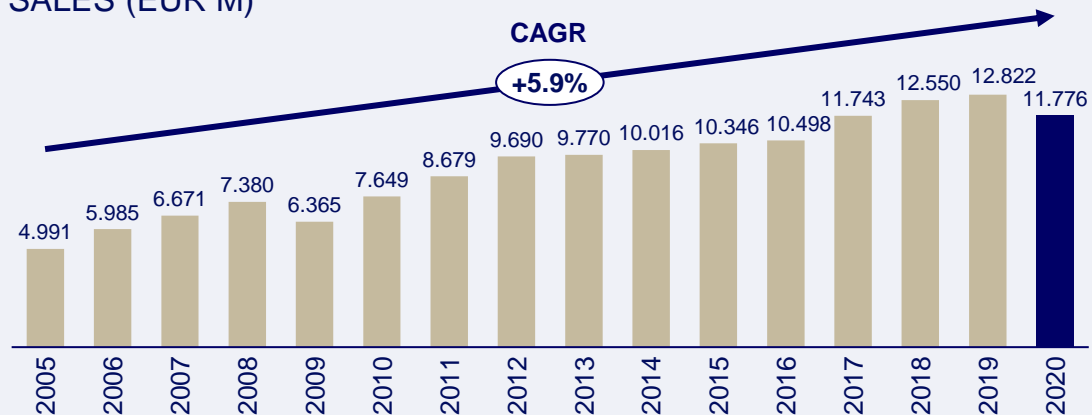
**Henri Nejade**  
Chief Operating Officer  
Brenntag Specialties

Brenntag Specialties

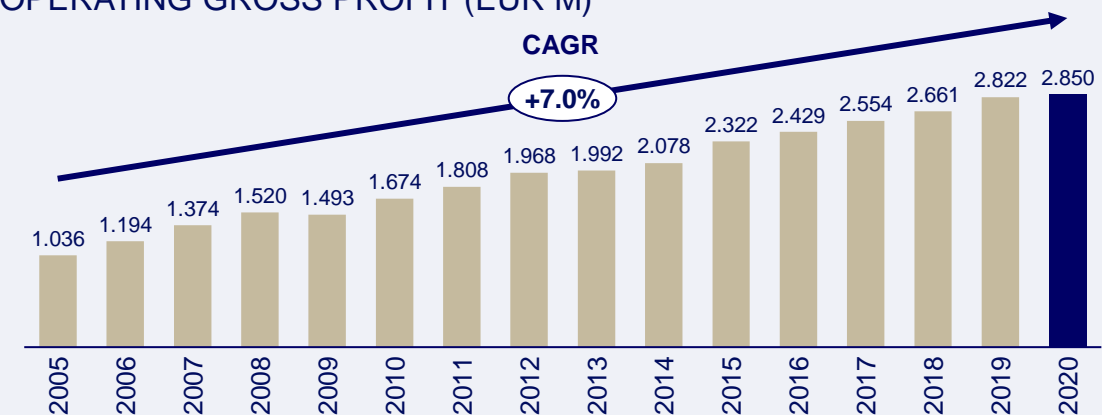


# Sound financial profile: Growth track record and resilience through the downturn

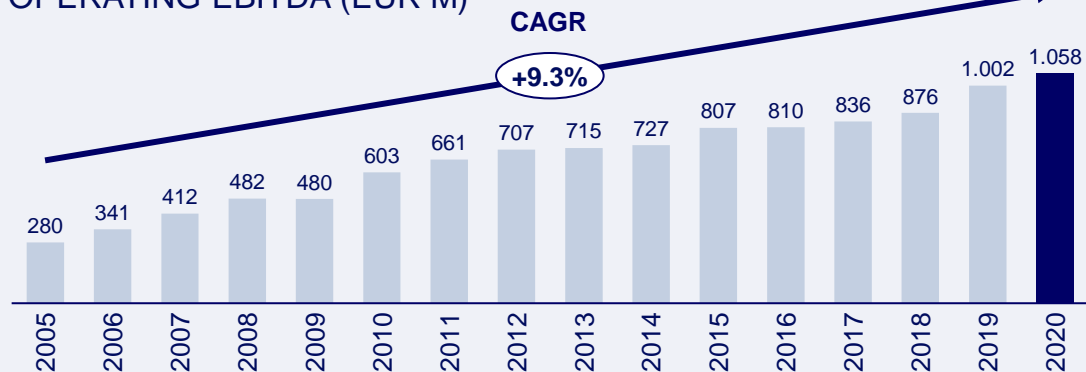
SALES (EUR M)



OPERATING GROSS PROFIT (EUR M)



OPERATING EBITDA (EUR M)



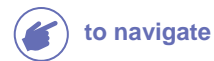
OP. EBITDA/ OP. GROSS PROFIT (IN %)



Notes: 2005: Brenntag predecessor; 2006: Brenntag and Brenntag predecessor combined and does not constitute pro forma financial information.  
EBITDA / Gross Profit adjusted for non-recurring effects: 2012 = 11m, 2013 = 17m

# Company Presentation

- Introduction to Brenntag
- Key investment highlights
- Financials Q2 2021**
- Outlook
- Project Brenntag
- Appendix



# Highlights Q2 2021: Excellent quarterly results

<p><b>OPERATING GROSS PROFIT</b> (fx adj.)</p> <p><b>+21.1%</b></p> <p>EUR 838.7m</p>	<p><b>OPERATING EBITDA</b> (fx adj.)</p> <p><b>+34.3%</b></p> <p>EUR 355.1m</p>	<p><b>FREE CASHFLOW</b></p> <p><b>EUR 121.5m</b></p> <p>EUR 213.7m in Q2 2020</p>	<p><b>EPS</b></p> <p><b>EUR 0.87</b></p> <p>EUR 0.80 in Q2 2020</p>
<p><b>EXCELLENT QUARTERLY RESULTS</b></p> <p>in a continued exceptional market environment</p>	<p><b>INCREASED FY 2021 GUIDANCE CONFIRMED</b></p> <p>FY 2021 OP. EBITDA expected to be between EUR 1,160m and 1,260m</p>	<p><b>DIVIDEND PAYMENT OF EUR 1.35 PER SHARE</b></p> <p>Dividend paid in Q2 2021</p>	<p><b>PROJECT BRENNTAG FULLY ON TRACK</b></p> <p>Implementation of various measures continuing</p>



# Pushing ahead with important acquisitions



- Renowned player of food ingredients in North America with highly diversified product portfolio
- Strengthening Brenntag's specialties division
- Brenntag doubles its size in the North American nutrition market becoming the leading F&N distributor
- USD ~500m sales in 2020; EV USD 304m
- Closing in August 2021

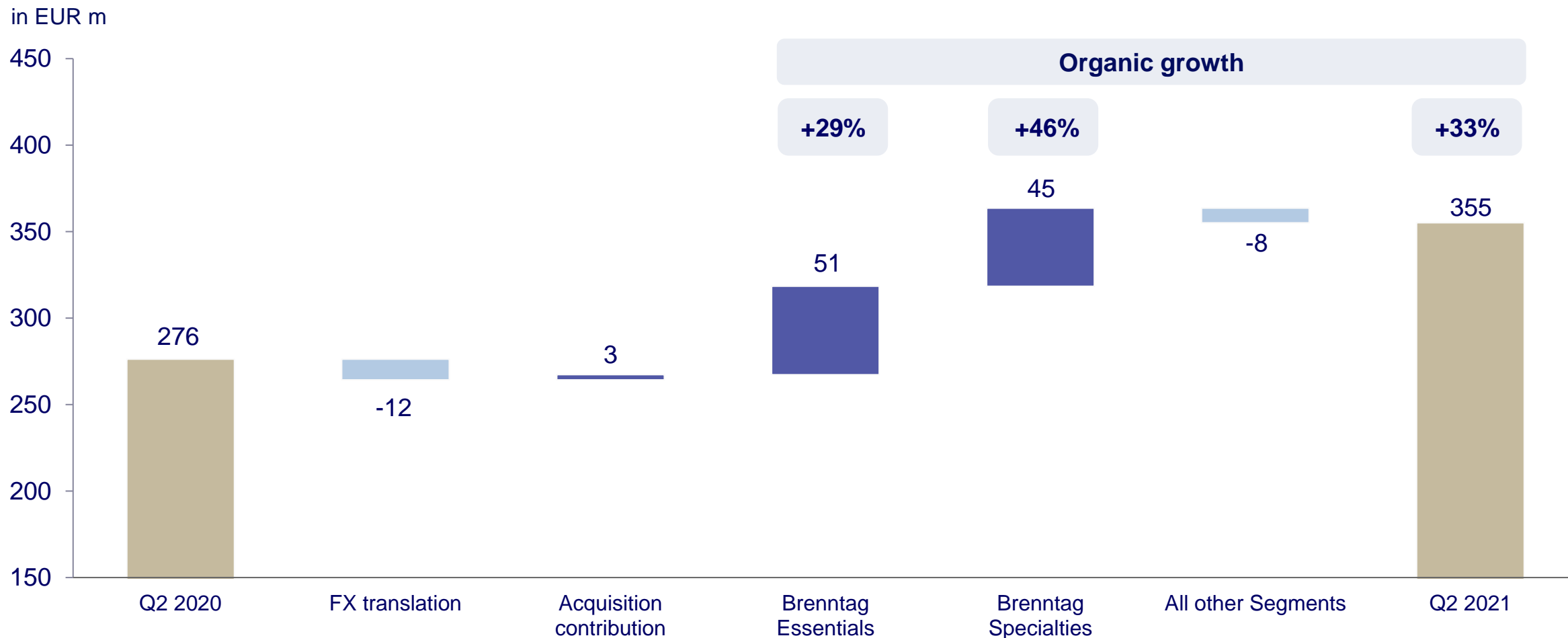
## Zhongbai Xingye

- Leading specialty food ingredients distributor with focus on dairy products and proteins in China
- Expansion of Brenntag's specialties offering
- Underlining focus on emerging markets
- EUR 146m sales LTM June 2020
- EV EUR 90m for the 1. tranche
- Closing of 1<sup>st</sup> tranche of 67% in July 2021
- Closing of 2<sup>nd</sup> tranche planned for 2024

## M&A Approach

- Allocation of EUR 200-250m on average per year
- Focus on emerging markets and towards specialties
- In case attractive targets arise, we take decisive action
- M&A activities YTD 2021: EUR ~450m

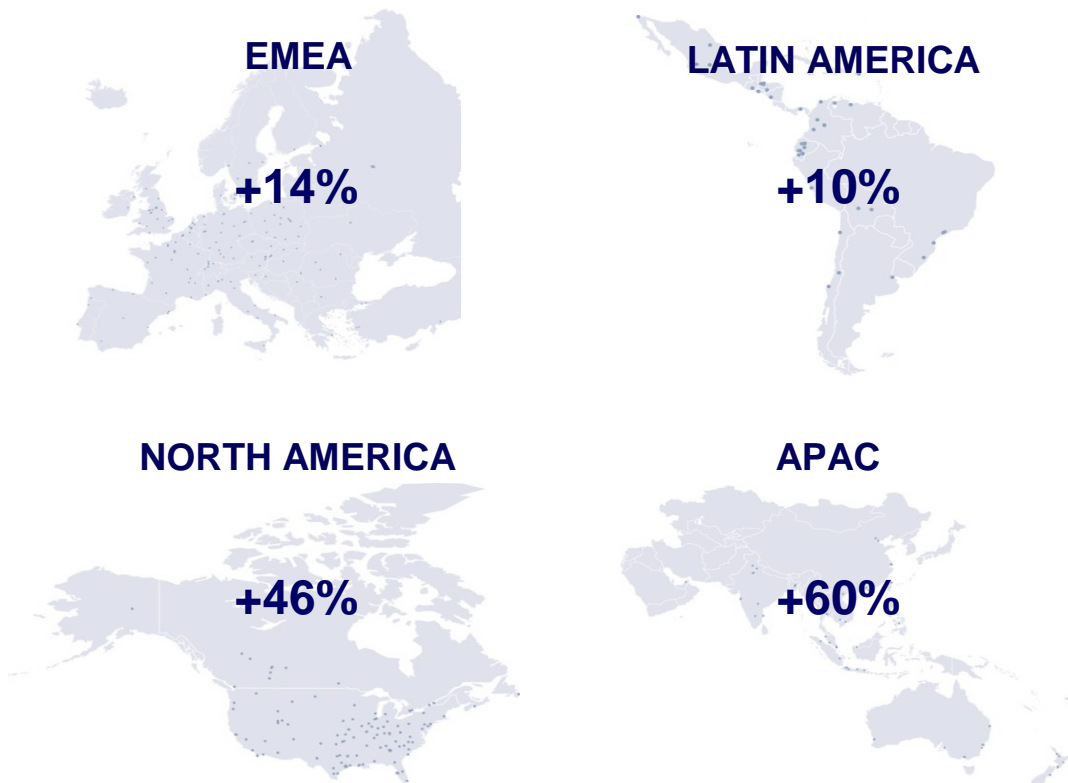
# Financials Q2 2021: Operating EBITDA bridge\*



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

# Financials Q2 2021: Brenntag Essentials

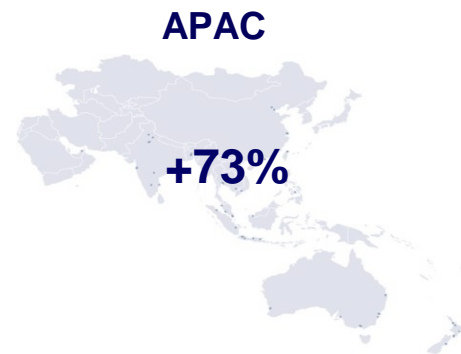
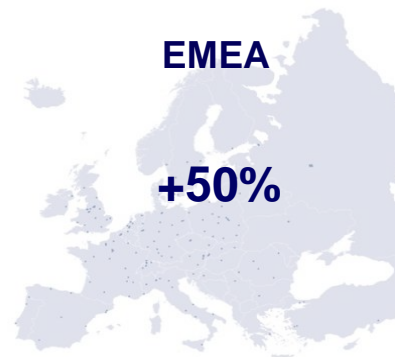
## Organic op. EBITDA growth



- Benefitting from good margin management and increased demand
- Market disruptions still noticeable
- Broad based economic recovery incl. O&G
- All segments contributed to this performance with BES EMEA and North America being particularly strong
- Growth almost entirely organic
- Op. EBITDA result in APAC predominantly driven by China and Vietnam
- Conversion ratio of ~44%

# Financials Q2 2021: Brenntag Specialties

## Organic op. EBITDA growth



## Focus industries (Org. GP dev.)

Nutrition	↑
Pharma	↓
Personal Care /HI&I	→
Water treatment	↗
Material Science	↑
Lubricants	↑

- Benefitting from good margin management and product shortages particularly EMEA and Americas
- Growth across all segments and industries, except Pharma and Personal Care/Hi&I
- Nutrition and Material Science with particularly strong performance
- Op. EBITDA result supported by COVID-19 re-openings and our ability to maintain supply to customers
- Conversion ratio of ~47%

# Financials Q2 2021: Segments (1/2)

in EUR m	Operating gross profit <sup>1)</sup>				Operating EBITDA <sup>2)</sup>			
	Q2 2021	Q2 2020	Δ	Δ FX adjusted	Q2 2021	Q2 2020	Δ	Δ FX adjusted
Brenntag Essentials	523.1	468.2	11.7%	16.3%	230.1	185.6	24.0%	29.1%
Brenntag Specialties	308.9	247.1	25.0%	30.1%	144.5	101.6	42.2%	48.7%
All other Segments	6.7	5.3	26.4%	26.4%	-19.5	-11.0	77.3%	77.3%
<b>Brenntag Group</b>	<b>838.7</b>	<b>720.6</b>	<b>16.4%</b>	<b>21.1%</b>	<b>355.1</b>	<b>276.2</b>	<b>28.6%</b>	<b>34.3%</b>

in EUR m	Operating EBITA			
	Q2 2021	Q2 2020	Δ	Δ FX adjusted
Brenntag Essentials	173.9	130.8	33.0%	38.8%
Brenntag Specialties	136.8	94.1	45.4%	51.9%
All other Segments	-21.1	-12.4	70.2%	71.5%
<b>Brenntag Group</b>	<b>289.6</b>	<b>212.5</b>	<b>36.6%</b>	<b>42.7%</b>

1) External sales less cost of materials.

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



# Financials Q2 2021: Segments (2/2)

in EUR m	Operating gross profit <sup>1)</sup>				Operating EBITDA <sup>2)</sup>			
	Q2 2021	Q2 2020	Δ	Δ FX adjusted	Q2 2021	Q2 2020	Δ	Δ FX adjusted
Essentials EMEA	206.5	197.3	4.7%	4.1%	92.5	80.8	14.5%	14.1%
Essentials North America	252.2	214.2	17.7%	27.4%	114.2	84.7	34.8%	46.3%
Essentials Latin America	35.4	32.9	7.6%	16.1%	12.0	11.8	1.7%	10.1%
Essentials APAC	29.0	23.8	21.8%	25.0%	13.3	8.5	56.5%	60.2%
<b>Brenntag Essentials</b>	<b>523.1</b>	<b>468.2</b>	<b>11.7%</b>	<b>16.3%</b>	<b>230.1</b>	<b>185.6</b>	<b>24.0%</b>	<b>29.1%</b>
Specialties EMEA	153.2	117.3	30.6%	31.7%	75.4	50.0	50.8%	53.7%
Specialties Americas	103.3	91.5	12.9%	22.0%	42.9	35.9	19.5%	29.6%
Specialties APAC	52.4	38.3	36.8%	44.1%	26.9	15.8	70.3%	78.1%
<b>Brenntag Specialties</b>	<b>308.9</b>	<b>247.1</b>	<b>25.0%</b>	<b>30.1%</b>	<b>144.5</b>	<b>101.6</b>	<b>42.2%</b>	<b>48.7%</b>

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 Q2 2021: Income statement below operating EBITDA

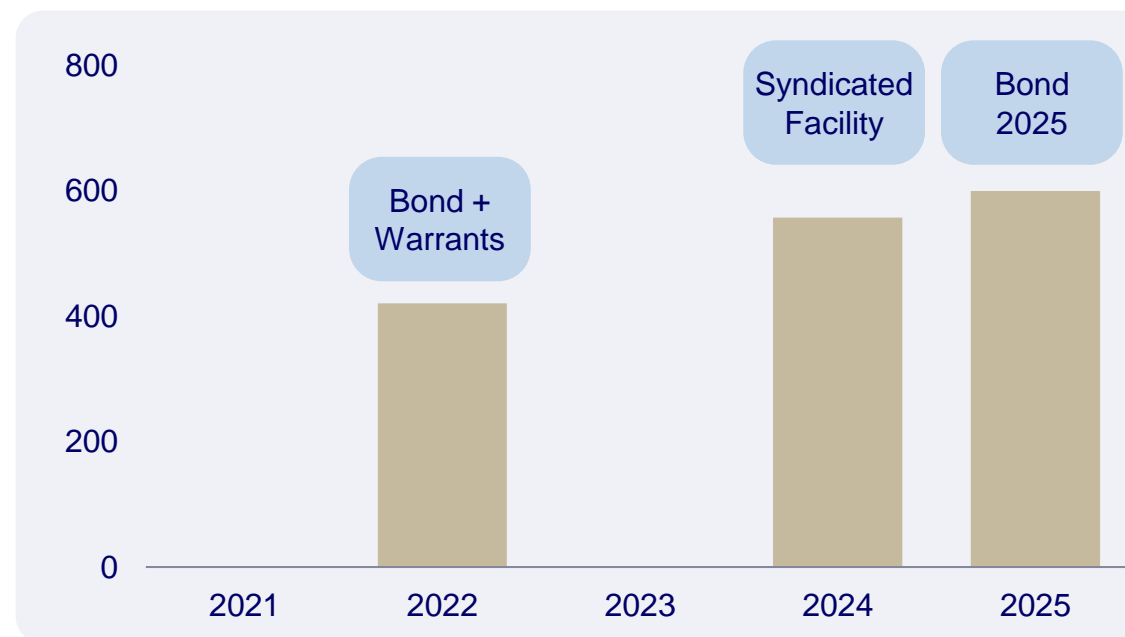
in EUR m	Q2 2021	Q2 2020	Δ	FY 2020
<b>Operating EBITDA</b>	<b>355.1</b>	<b>276.2</b>	<b>28.6%</b>	<b>1,057.7</b>
Special items	-17.9	-11.9	-	-47.2
Depreciation	-65.5	-63.7	2.8%	-252.4
<b>EBITA</b>	<b>271.7</b>	<b>200.6</b>	<b>35.4%</b>	<b>758.1</b>
Amortization	-64.6	-11.3	471.7%	-45.1
<b>EBIT</b>	<b>207.1</b>	<b>189.3</b>	<b>9.4%</b>	<b>713.0</b>
Financial result	-14.3	-22.3	-35.9%	-79.7
EBT	192.8	167.0	15.4%	633.3
<b>Profit after tax</b>	<b>137.2</b>	<b>123.0</b>	<b>11.5%</b>	<b>473.8</b>
EPS	0.87	0.80	8.8%	3.02

# Financials Q2 2021: Free cash flow

in EUR m	Q2 2021	Q2 2020	Δ	Δ	FY 2020
Operating EBITDA	355.1	276.2	78.9	28.6%	1,057.7
Capex	-34.9	-44.1	9.2	-20.9%	-201.9
Δ Working capital	-168.3	12.1	-180.4	-	325.0
Principal and interest payments on lease liabilities	-30.4	-30.5	0.1	-0.3%	-126.2
<b>Free cash flow</b>	<b>121.5</b>	<b>213.7</b>	<b>-92.2</b>	<b>-43.1%</b>	<b>1,054.6</b>

# Financials Q2 2021: Balance Sheet and maturity profile

in EUR m	30 Jun 2021	31 Dec 2020
Financial liabilities	1,820.7	1,639.4
Lease liabilities	437.4	426.8
./. Cash and cash equivalents	562.8	726.3
Net Debt	1,695.3	1,339.9
<b>Net Debt/Operating EBITDA <sup>1)</sup></b>	<b>1.4x</b>	<b>1.3x</b>
Equity	3,726.9	3,611.6



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

# Financials Q2 2021: Working capital

in EUR m	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020
Inventories	1,207.8	1,092.8	978.9	1,005.9	1,190.5
+ Trade receivables	2,056.8	1,938.7	1,597.5	1,648.0	1,658.9
./. Trade payables	1,555.2	1,485.7	1,229.8	1,194.2	1,120.4
<b>Working capital (end of period)</b>	<b>1,709.4</b>	<b>1,545.8</b>	<b>1,346.6</b>	<b>1,459.7</b>	<b>1,729.0</b>
Working capital turnover (annualized) <sup>1)</sup>	8.6x	8.7x	7.3x	7.1x	6.9x

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.



# Company Presentation

- Introduction to Brenntag
- Key investment highlights
- Financials Q2 2021
- Outlook**
- Project Brenntag
- Appendix



# Outlook 2021: Well positioned in challenging environment

## Macro environment

- Exceptional market environment driven by COVID-19 related uncertainty and pressure on global supply chains
- Some normalization expected over the next months

## Comments

- Well positioned to continue on its successful path going forward
- Guidance includes uplift of Project Brenntag initiatives, closed M&A and assumes stable FX rates

## Operating EBITDA Guidance

- **FY 2021 operating EBITDA guidance range increased to EUR 1,160m – 1,260m in June 2021 (prev. EUR 1,080m – 1,180m)**
- **Guidance confirmed**

## Additional information

- EUR/USD: ~1.20 (2020: ~1.14)
- EUR/USD sensitivity (FY basis): Delta of EUR/USD +/- 1 cent = EUR ~ +/- 5m op. EBITDA
- Tax rate: ~28%
- Capex 2021: EUR ~260m

# Company Presentation

- Introduction to Brenntag
- Key investment highlights
- Financials Q2 2021
- Outlook
- Project Brenntag**
- Appendix



# Project Brenntag: Addresses areas of improvement based on stakeholder feedback

## Suppliers



Sharpen profile towards channel needs

## Customers



Emphasize tailor-made market approach

## Employees



Further promote execution and performance culture

## Growth



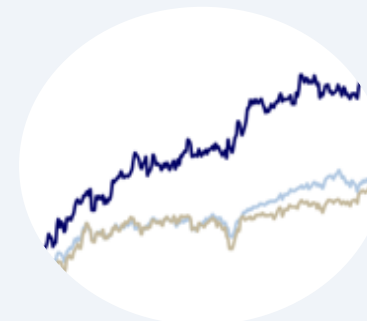
Foster profitable growth

## Costs



Reignite conversion ratio expansion

## Capital Markets



Focus on value creation

# Project Brenntag: Delivering sustainable organic earnings growth



1) Based on management estimates



# Project Brenntag: Clear & measurable benefits for organic earnings growth



**Operating Model**

- Differentiated business steering
- Remove redundancies
- Leverage economies of scale

**Go-to-Market Approach**

- Stringent customer segmentation
- Fit-for-purpose sales organisation

**Site Network Optimization**

- Reduce complexity
- Drive efficiency gains
- Improved customer proximity

**People & Change**

- New leadership structure
- Foster global collaboration and performance culture

**Operating EBITDA uplift<sup>1) 2)</sup>**

~40m EUR top line impact

**~EUR 220 m**

~180m EUR bottom line impact

**One off net cash out:  
~EUR 370 m<sup>2)</sup>**

1) By FY2023  
2) Based on management estimates

# Operating Model: Sharpened operating model with increased centralization

## Corporate



- Drives strategic agenda
- Defines governance, policies and standards
- Steers global functions and business services



## Brenntag Essentials



## Brenntag Specialties



## Supported by Business Services

**Centers of Excellence**

**Shared Services**

**Business Partners**

# Two global divisions with distinct market approach addressing changing needs of our business partners



## Brenntag Essentials

### Regional logic

- Superior **global reach**
- **Regional leadership**
- Local **customer proximity**
- Local **market know-how**
- **Lean & agile** business

Agile, lean, and most efficient partner of choice for suppliers and customers

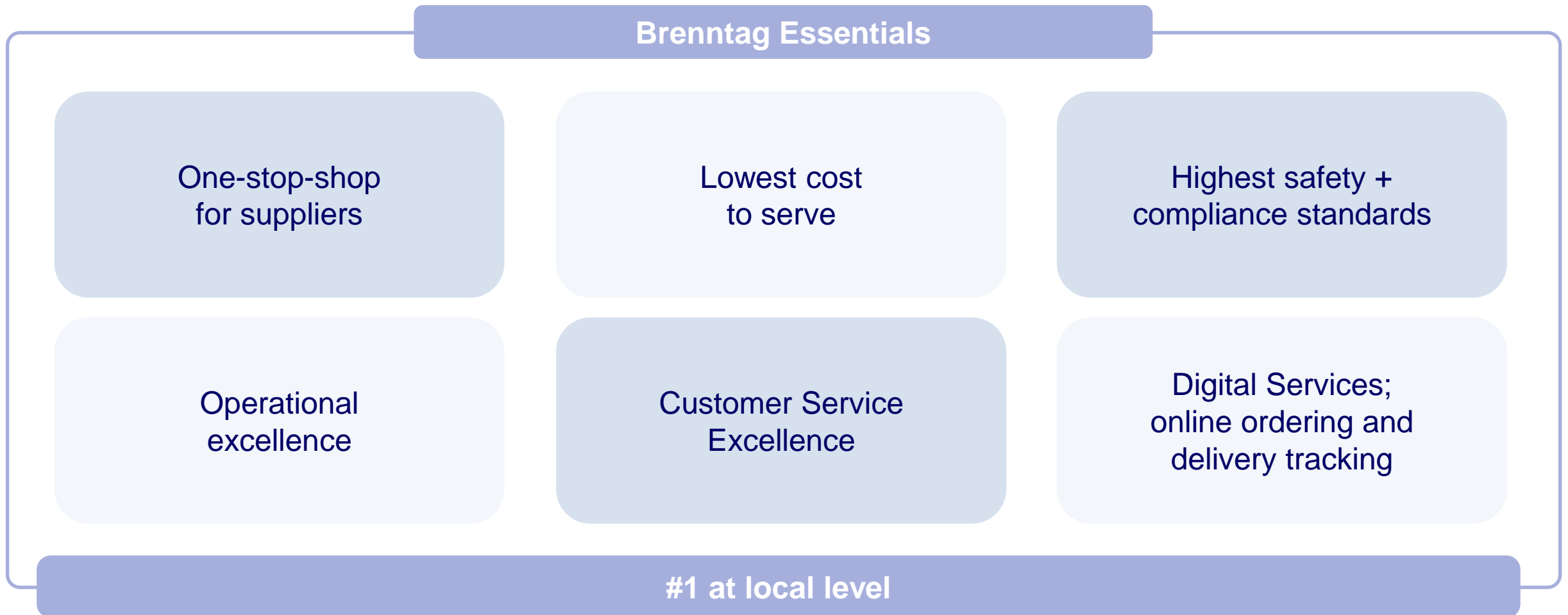
## Brenntag Specialties

### Industry logic

- **Tailored solutions** and **value-added services** for our customer's end-products
- **Increased** and more **focused customer interaction**
- Global **best practice sharing** of industry specific know-how

Global specialties leader in selected focus industries

# Brenntag Essentials: Agile, lean, and most efficient partner of choice in local geographies



# Brenntag Specialties: Clear focus on highly attractive industries

	Specialty market size (EUR bn) <sup>1)</sup>	Growth momentum Positive underlying growth in end industries	Cross-regional platform Global reach but industry-focused delivery	Solutions potential Value-added solutions and technical expertise	Critical mass Brenntag already with industry-critical mass
<b>Nutrition<sup>2)</sup></b>	~50	●	●	●	●
<b>Pharma</b>	~105	●	●	●	●
Personal Care, Home Care, I&I	~60	●	●	●	●
Material Science <sup>3)</sup>	~190	●	●	●	●
<b>Water Treatment</b>	~10	●	●	●	●
Lubricants	~120 <sup>4)</sup>	●	●	●	●

1) Refers to underlying end market size 2019 (as per IHS Specialty Chemical Update Program 2020)

2) Consisting of Food & Nutrition and Animal Nutrition

3) Consisting of Coatings & Construction and Polymers & Rubber

4) Excluding base oils

GDP+
  GDP++
  GDP+++
  Strong
  Medium



# Go-to-Market Approach: Stringent customer segmentation and re-deployment of sales force

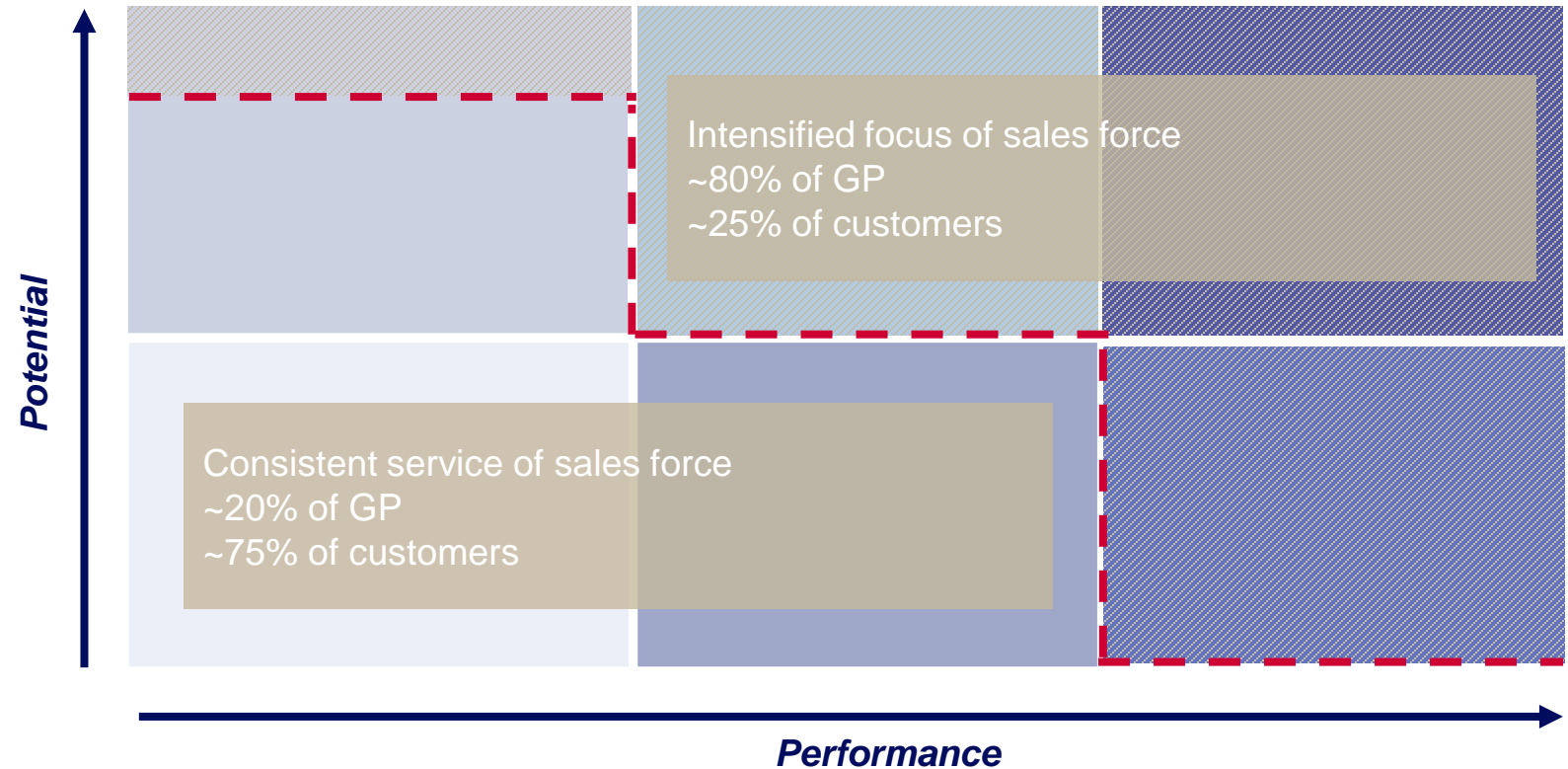
## Key objectives

Best-in-class front-end with clear roles, lean setup and high agility

Focus on high-value customers by improved resource deployment & harmonized customer segmentation

Cross-selling, organic growth and monetization of value-added services via differentiated and focused approach

Leverage global expertise via cross-regional collaboration and best practice sharing



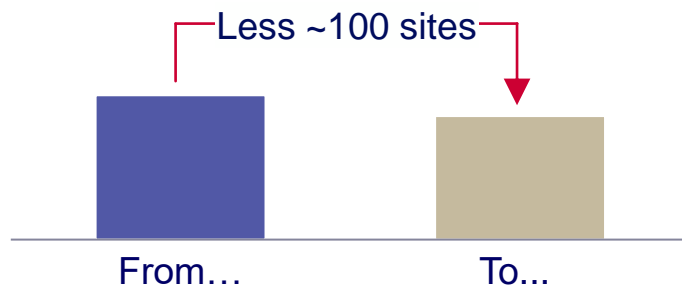
# Site Network Optimization: Optimized footprint will increase efficiency

- 1 Reduce overlaps in geographies
- 2 Develop mega sites to drive scale efficiency
- 3 Close white spots in network
- 4 Adapt to regulatory changes
- 5 Fully-leverage cross-border flows
- 6 Optimize inventory / customer proximity & service level



Reducing complexity brings us closer to our customers and has a positive impact on our carbon footprint

## Number of sites



**Improvement potential** by optimizing site network along clusters



# People & Change: Execution focused culture to drive performance and value creation

**Global perspective**

**Strategic steering & business development**

**Stringent decision-making**

**Execution focused mind set**



Clearly defined roles, responsibilities and accountabilities

Strong focus on performance and its individual recognition

Leadership competencies focused on execution skills, growth and transformation capabilities

Continuous change management in place to ensure smooth integration of transformation processes

Reduction of 1,300 jobs until 2022 to reduce overlaps between functions and increase harmonization.

# Medium term guidance

**Organic underlying business**

> 4% p.a.  
Organic operating  
Gross Profit

4% - 6% p.a.  
Organic operating  
EBITDA



**Project Brenntag**

Operating EBITDA uplift of EUR 220 m by FY2023<sup>1)</sup>



**M&A**

Proven track record with unaltered scope

1) Based on management estimates

## Project Brenntag – The path to success

Channel partner of choice for suppliers

Differentiated strategic steering

Customer-centric approach

Re-define and sharpen full-liner positioning

Functional excellence and fit for purpose organization that leverage scale

Clear accountabilities and targets

**Delivering sustainable organic earnings growth**

# Project Brenntag: Timeline





# Project Brenntag: Status update H1 2021



## Overall Implementation

- New operating model with focus on customer and supplier needs
- Focus on top line levers
- Harmonization of indirect procurement processes
- Consequent execution of efficiency improvements
- Further supply chain and network optimization



## Measures

- Almost 1,000 measures defined and in implementation
- Global monitoring up and running
- Steering of measure implementation according to plan



## Results

- Working Capital turn on continued high level
- Reduction of ~480 jobs so far
- 58 site closures globally
- Operating EBITDA contribution of more than EUR 40m (baseline 2019)

# Project Brenntag: Op. EBITDA contribution



<sup>1)</sup> Based on management estimates

# Digital Sales Channel Development @ Brenntag

## Brenntag Connect

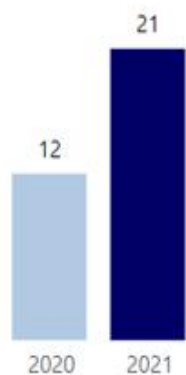
Digital Sales Solutions Channel to over 10,000 chemicals and ingredients globally

- Buy thousands of products online by industry, supplier and product type.
- Register and start adding chemicals and ingredients to your shopping cart.

## Key Features

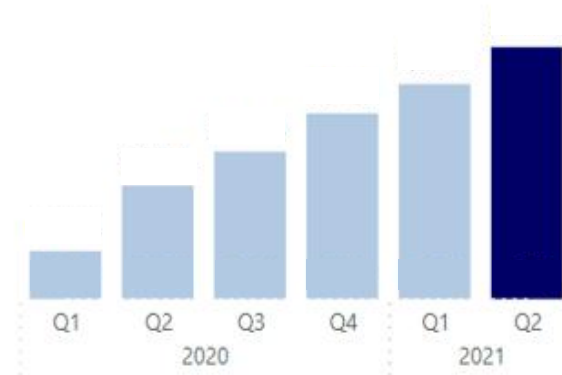


### Countries



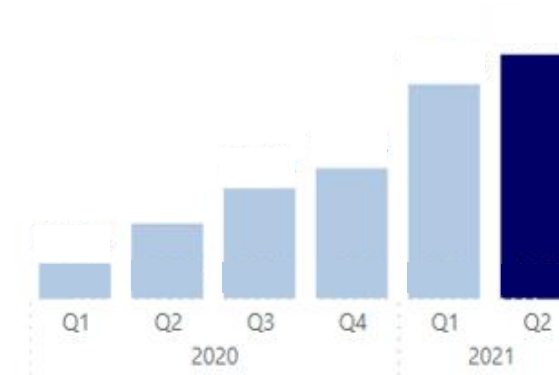
2020 vs 2021 **+75%**

### Active Customers



Q2 2020 vs Q2 2021 **+118%**

### Orders



Q2 2020 vs Q2 2021 **+225%**

# Company Presentation

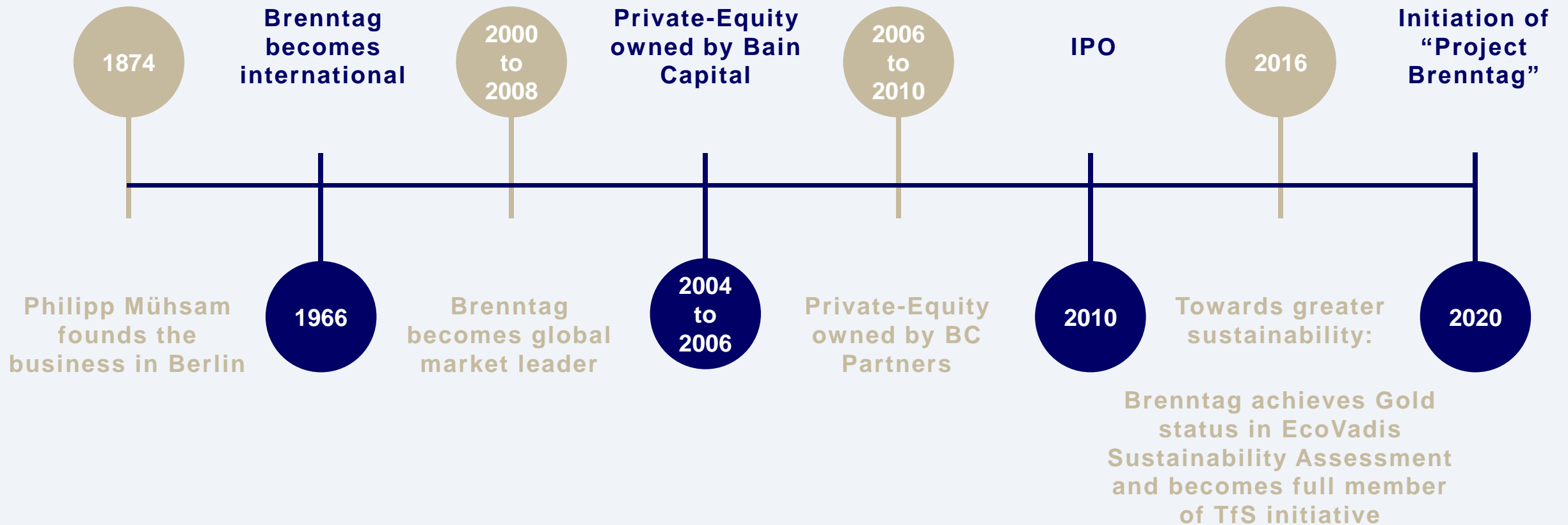
- Introduction to Brenntag
- Key investment highlights
- Financials Q2 2021
- Outlook
- Project Brenntag
- Appendix**



# Appendix: Contents

	Page
Longstanding history of more than 140 years	52
Distributor vs. Producer	53
North America – Oil & Gas Value Chain	54
Committed to health, safety and the environment	55
Acquisitions have achieved three main objectives	56
Remuneration of Board Members	57
Financials H1 2021	58
Financials FY 2020	61
Historic Financials	66
Share data	74
Shareholder structure	76
Bond data	77
Relevant Links / Financial calendar / Contact	78

# Brenntag history: Longstanding history of more than 140 years





# Distributor vs. producer: Chemical distribution differs substantially from chemical production

**“What we are”**

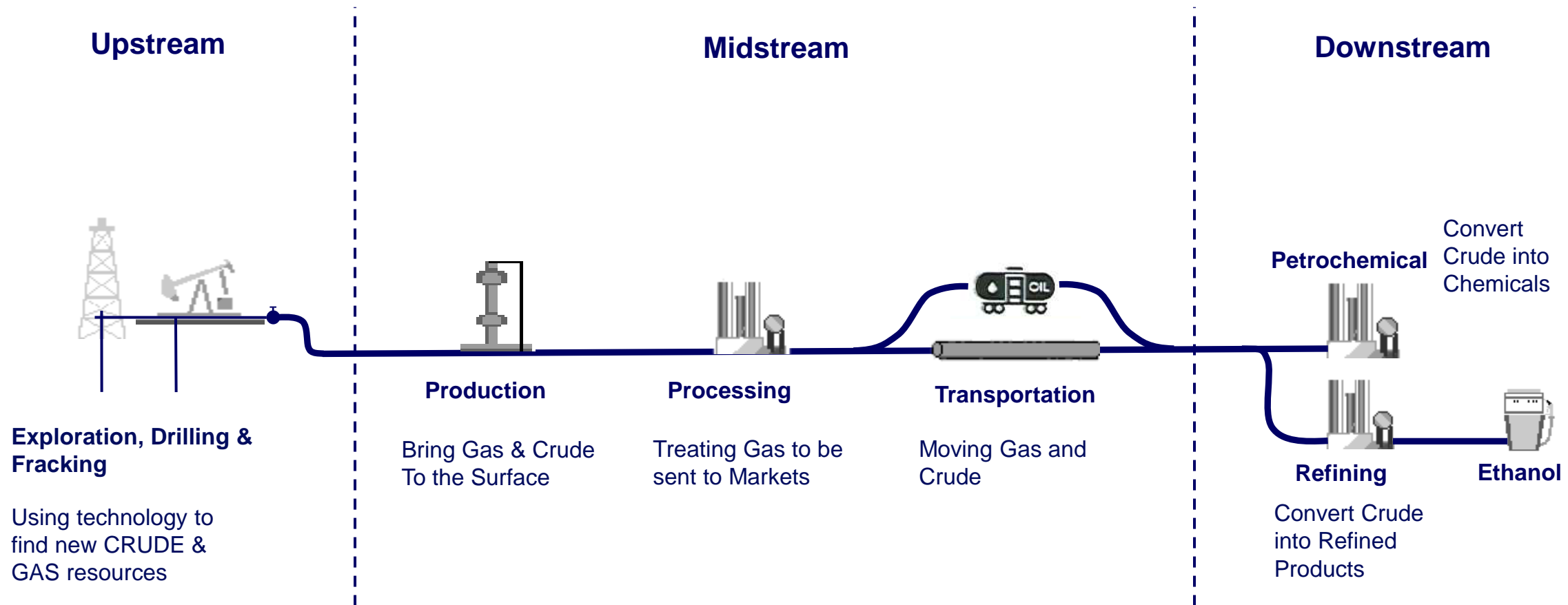


**“What we are not”**

Chemical Producer

	<b>“What we are”</b> Brenntag	<b>“What we are not”</b> Chemical Producer
Business model	B2B Services / Solutions	Manufacturing
Product portfolio	Full-line	Narrow
Customer base	Broad in diverse end-markets	Narrow
Customer order size	Small	Large
Delivery method	Less-than-truckload	Truckload and larger
Fixed assets	Low intensity	High intensity
Fixed asset flexibility	Multi-purpose	Narrow purpose
Cost base	Variable	Fixed
Raw material prices	Market	Contract
Input / Output pricing	Connected	Disconnected

# North America: Oil and Gas Value Chain



# HSE:

## Committed to health, safety and the environment

### Committed to the principles of Responsible Care/Responsible Distribution<sup>1)</sup>

- Product responsibility
- Asset integrity & process safety
- Occupational safety and health
- Environment protection (air, water, soil, raw materials, waste, energy)
- Transport safety

### Brenntag Approach

Programs and regular training

Clear guidelines and procedures

Appropriate equipment

Behaviour-based safety

Regular reporting to Board

1) Program of the International Chemical Trade Association

# Acquisitions since 2018:

## Acquisitions have achieved three main objectives

### Building up scale & efficiencies

- Canada Colors & Chemicals, Can., 2018
- Reeder Distributors Inc., USA, 2019
- B&M Oil Company, USA, 2019
- Suffolk Solutions Inc., USA, 2020
- Alpha Chemical Ltd., Canada, 2020
- ICL Packed, UK, 2021

### Expanding geographic coverage

- Whanee Corporation, Quimitécnica, Portugal, 2018
- Desbro, Kenya, 2018
- Crest Chemicals Ltd., South Africa, 2019
- Neuto Chemicals Corp., Taiwan, 2019
- Quimisa S.A., Brazil, 2019
- Oils 'R Us, Thailand, 2020
- Matrix Chemicals LLC, USA, 2021

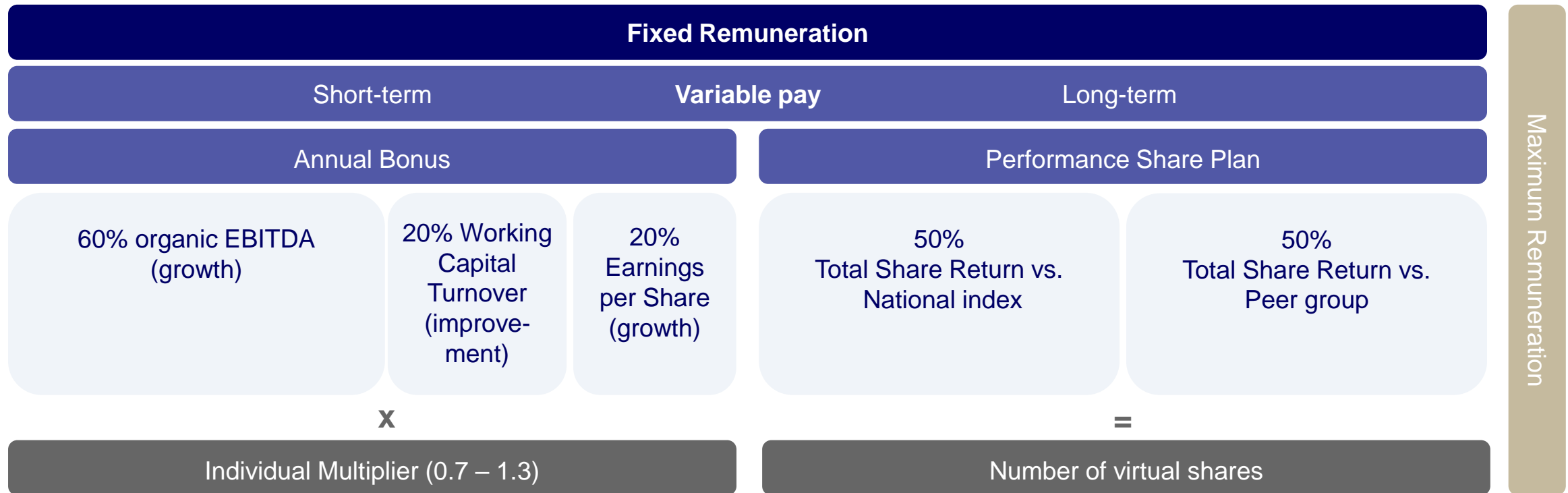
### Improving full-line portfolio

- Alphamin S. A., Belgium, 2018
- PachemDistribution Inc., 2018
- NERP Inc., USA, 2019
- Tee Hai Chem Pte.Ltd., Singapore, 2019
- Marlin Company Inc., USA, 2019
- Tan International, UK, 2019
- ComeltSpa; AquadepurSrl, Italy, 2020
- Zhongbai, China, 2021
- JM Swank, USA, 2021

**85 acquisitions in total since 2010<sup>1)</sup>**

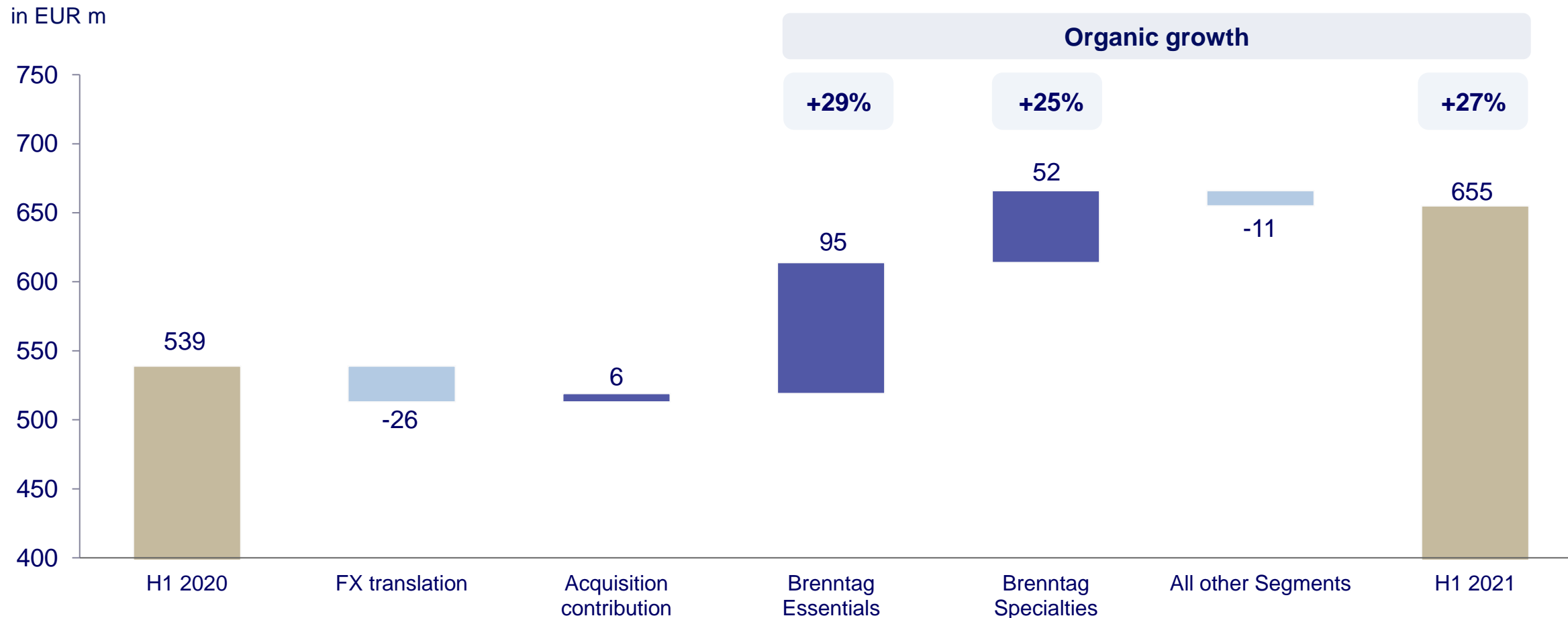
1) Including acquisitions performed until June 2021

# Remuneration System 2020: Remuneration of Board Members



The payout amount of the variable pay depends on the overall target achievement. The maximum payout amount of both the Annual bonus and the Performance Share Plan is 200% for an overall target achievement of 150% or more. The payout amount cannot be raised above this Cap of 200%.

# Financials H1 2021: Operating EBITDA bridge\*



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



# Financials H1 2021:

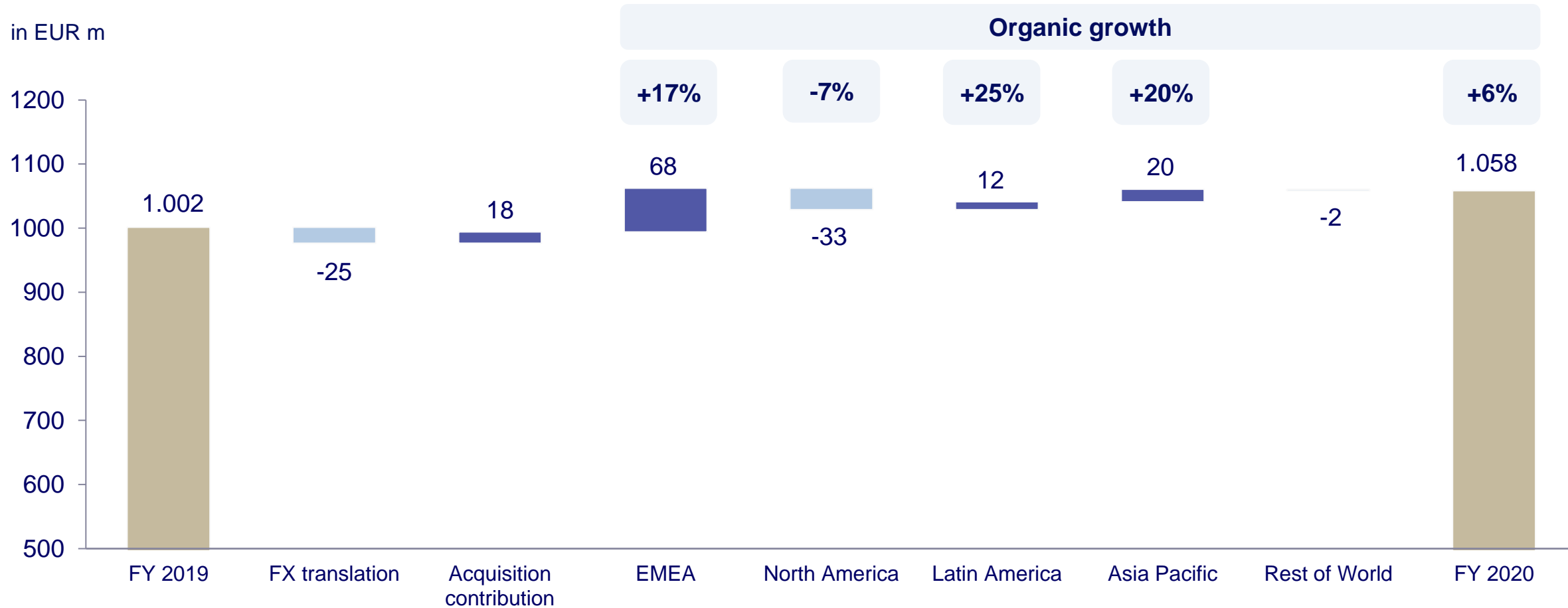
## Income statement below operating EBITDA

in EUR m	H1 2021	H1 2020	Δ
<b>Operating EBITDA</b>	<b>655.4</b>	<b>539.2</b>	<b>21.6%</b>
Special items	-88.7	-18.8	-
Depreciation	-126.8	-128.1	-1.0%
<b>EBITA</b>	<b>439.9</b>	<b>392.3</b>	<b>12.1%</b>
Amortization	-75.9	-22.8	232.9%
<b>EBIT</b>	<b>364.0</b>	<b>369.5</b>	<b>-1.5%</b>
Financial result	-31.9	-46.3	-31.1%
EBT	332.1	323.2	2.8%
<b>Profit after tax</b>	<b>237.4</b>	<b>238.0</b>	<b>-0.3%</b>
EPS	1.50	1.54	-2.6%

# Financials H1 2021: Cash flow items

in EUR m	H1 2021	H1 2020	Δ	Δ
Operating EBITDA	655.4	539.2	116.2	21.6%
CAPEX	-67.9	-88.6	20.7	-23.4%
Δ Working capital	-328.8	-12.3	-316.5	-
Principal and interest payments on lease liabilities	-61.6	-63.1	1.5	-2.4%
<b>Free cash flow</b>	<b>197.1</b>	<b>375.2</b>	<b>-178.1</b>	<b>-47.5%</b>

# Financials FY 2020: Operating EBITDA bridge\*



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

# Financials FY 2020: Income statement

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%	
<b>Operating gross profit</b>	<b>2,850.4</b>	<b>2,821.7</b>	<b>1.0%</b>	<b>3.3%</b>
Operating expenses	-1,792.7	-1,820.2	-1.5%	
<b>Operating EBITDA</b>	<b>1,057.7</b>	<b>1,001.5</b>	<b>5.6%</b>	<b>8.3%</b>
Op. EBITDA/Op. gross profit	37.1%	35.5%		

# 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%
<b>EBITA</b>	<b>758.1</b>	<b>766.5</b>	<b>-1.1%</b>
Amortization <sup>1)</sup>	-45.1	-49.6	-9.1%
<b>EBIT</b>	<b>713.0</b>	<b>716.9</b>	<b>-0.5%</b>
Financial result	-79.7	-83.5	-4.6%
EBT	633.3	633.4	0.0%
<b>Profit after tax</b>	<b>473.8</b>	<b>469.2</b>	<b>1.0%</b>
EPS	3.02	3.02	0.0%

1) Includes scheduled amortization of customer relationships amounting to EUR 34.9 in 2019 (EUR 40.7m in 2018).

# Financials FY 2020: Cash flow statement

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
<b>Cash provided by operating activities</b>	<b>1,219.0</b>	<b>879.3</b>



# Financials FY 2020:

## Cash flow statement (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
<b>Cash used for investing activities</b>	<b>-224.1</b>	<b>-372.2</b>
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
<b>Cash used for financing activities</b>	<b>-735.6</b>	<b>-383.4</b>
<b>Change in cash &amp; cash equivalents</b>	<b>259.3</b>	<b>123.7</b>

# Financials Q4 2020: 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%	
<b>Operating gross profit</b>	<b>698.7</b>	<b>688.4</b>	<b>1.5%</b>	<b>7.3%</b>
Operating expenses	-444.6	-454.8	-2.2%	
<b>Operating EBITDA</b>	<b>254.1</b>	<b>233.6</b>	<b>8.8%</b>	<b>15.9%</b>
Op. EBITDA/Op. gross profit	36.4%	33.9%		
Special items	13.9	0.0		
Depreciation	-62.8	-63.8	-1.6%	
<b>EBITA</b>	<b>177.5</b>	<b>169.8</b>	<b>4.5%</b>	
Amortization <sup>1)</sup>	-11.6	-11.6	-0.0%	
<b>EBIT</b>	<b>165.9</b>	<b>158.2</b>	<b>4.9%</b>	
Financial result	-17.8	-10.5	69.5%	
EBT	148.1	147.7	0.3%	
<b>Profit after tax</b>	<b>115.2</b>	<b>110.2</b>	<b>4.5%</b>	
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).

# Financials Q4 2020:

## 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
<b>Cash provided by operating activities</b>	<b>329.5</b>	<b>284.0</b>

# Financials Q4 2020:

## 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
<b>Cash used for investing activities</b>	<b>-74.3</b>	<b>-137.1</b>
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
<b>Cash used for financing activities</b>	<b>-386.6</b>	<b>-67.8</b>
<b>Change in cash &amp; cash equivalents</b>	<b>-131.4</b>	<b>79.1</b>

# Financials Q4 2020: 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 <sup>1)</sup>	-31.4	-31.9	0.5	-1.6%
<b>Free cash flow</b>	<b>258.7</b>	<b>246.0</b>	<b>12.7</b>	<b>5.2%</b>

# ROCE:

## Increasing value added and returns

in EUR m	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EBITA	758.1	766.5	770.9	663.3	694.5	698.7	627.5	595.6	610.8	569.9	513.6	394.3
Average carrying amount of equity	3,582.9	3,427.3	3,111.6	2,969.2	2,753.8	2,534.6	2,190.1	2,008.4	1,860.3	1,660.0	1,265.5	157.7
Average carrying amount of financial liabilities	2,453.0	2,581.3	2,173.1	2,255.0	2,238.3	1,961.8	1,823.1	1,817.5	1,868.7	1,809.6	2,114.7	3,190.0
Average carrying amount of cash and cash equivalents	-654.1	-430.8	-416.2	-612.0	-566.3	-460.9	-413.1	-343.4	-356.2	-382.5	-468.3	-500.9
<b>ROCE <sup>1,2)</sup></b>	<b>14.1%</b>	<b>13.7%</b>	<b>15.8%</b>	<b>14.4%</b>	<b>15.7%</b>	<b>17.3%</b>	<b>17.4%</b>	<b>17.1%</b>	<b>18.1%</b>	<b>18.5%</b>	<b>17.6%</b>	<b>13.9%</b>

1) ROCE is defined as EBITA divided by (the average carrying amount of equity + the average carrying amount of financial liabilities – the average carrying amount of cash and cash equivalents)

2) EBITA 2020 includes special items EUR 47.2 million. Adjusted for this effect, ROCE was 15.0%.

# Cash flow:

## Strong cash generation over the past years

in EUR m	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Op. EBITDA	1,057.7	1,001.5	875.5	836.0	810.0	807.4	726.7	698.3	707.0	660.9	602.6	480.3
CAPEX	-201.9	-205.2	-172.2	-148.1	-141.1	-130.1	-104.8	-97.2	-94.7	-86.0	-85.1	-71.8
Δ Working capital	325.0	161.7	-178.1	-247.6	-27.5	87.0	-100.5	-56.2	-33.0	-61.0	-136.4	242.0
Principal and interest payments on lease liabilities	-126.2	-120.7										
<b>Free cash flow<sup>1)</sup></b>	<b>1,054.6</b>	<b>837.3</b>	<b>525.2</b>	<b>440.3</b>	<b>641.4</b>	<b>764.3</b>	<b>521.4</b>	<b>544.9</b>	<b>579.3</b>	<b>513.9</b>	<b>381.1</b>	<b>650.5</b>
Average working capital <sup>2)</sup>	1,611.2	1,842.3	1,719.6	1,487.3	1,308.8	1,295.1	1,161.8	1,090.0	1,048.8	928.3	752.4	691.9
<b>Working capital turnover<sup>3)</sup></b>	<b>7.3x</b>	<b>7.0x</b>	<b>7.3x</b>	<b>7.9x</b>	<b>8.0x</b>	<b>8.0x</b>	<b>8.6x</b>	<b>9.0x</b>	<b>9.2x</b>	<b>9.3x</b>	<b>10.2x</b>	<b>9.2x</b>

1) Free Cash Flow is calculated as operating EBITDA – Capex +/- Δ Working Capital.

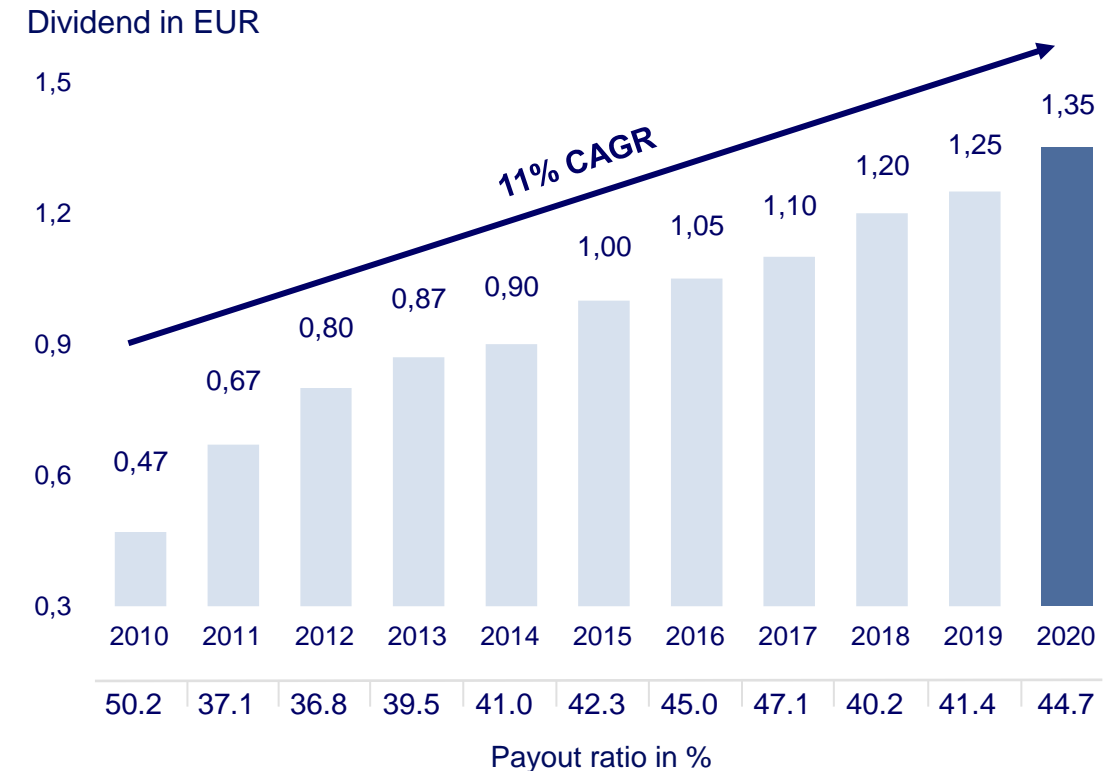
2) Average Working Capital is defined for a particular year as the mean average of the values for working capital at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year.

3) Working Capital Turnover is defined as Sales divided by Average Working Capital.



# Financials FY 2020: Continuous dividend increase

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 SE	466.5	466.7	0.0%
Proposed dividend payment	208.6	193.1	
<b>Proposed dividend per share in EUR</b>	<b>1.35</b>	<b>1.25</b>	<b>8.0%</b>
<b>Payout ratio</b>	<b>44.7%</b>	<b>41.4%</b>	

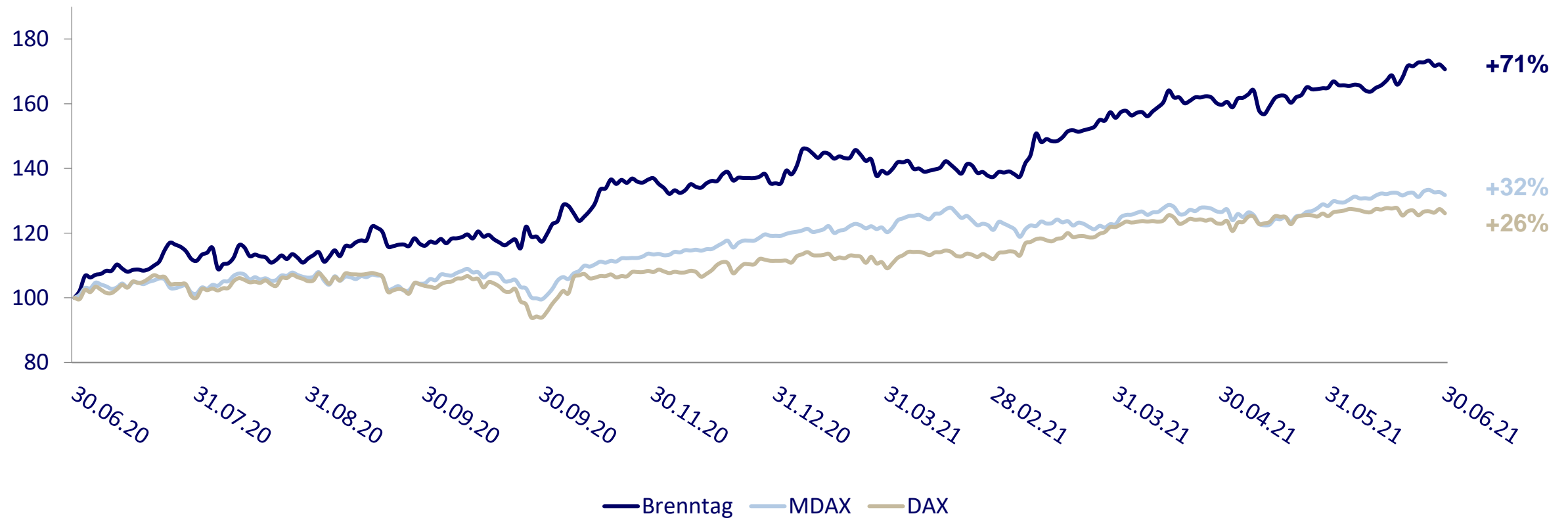


**Dividend policy:** pay an annual dividend of **35% to 50%** of consolidated profit after tax attributable to shareholders of Brenntag SE



# Share price performance LTM

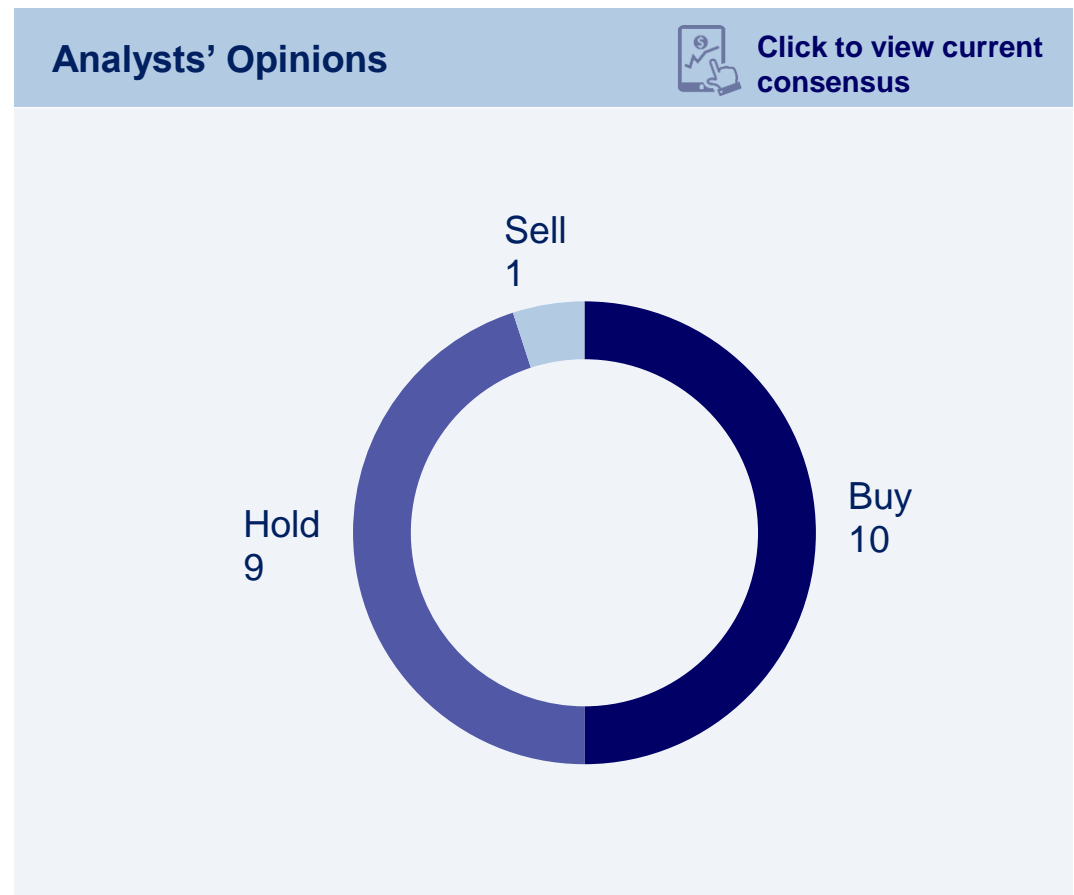
Performance in %



# Brenntag Shares

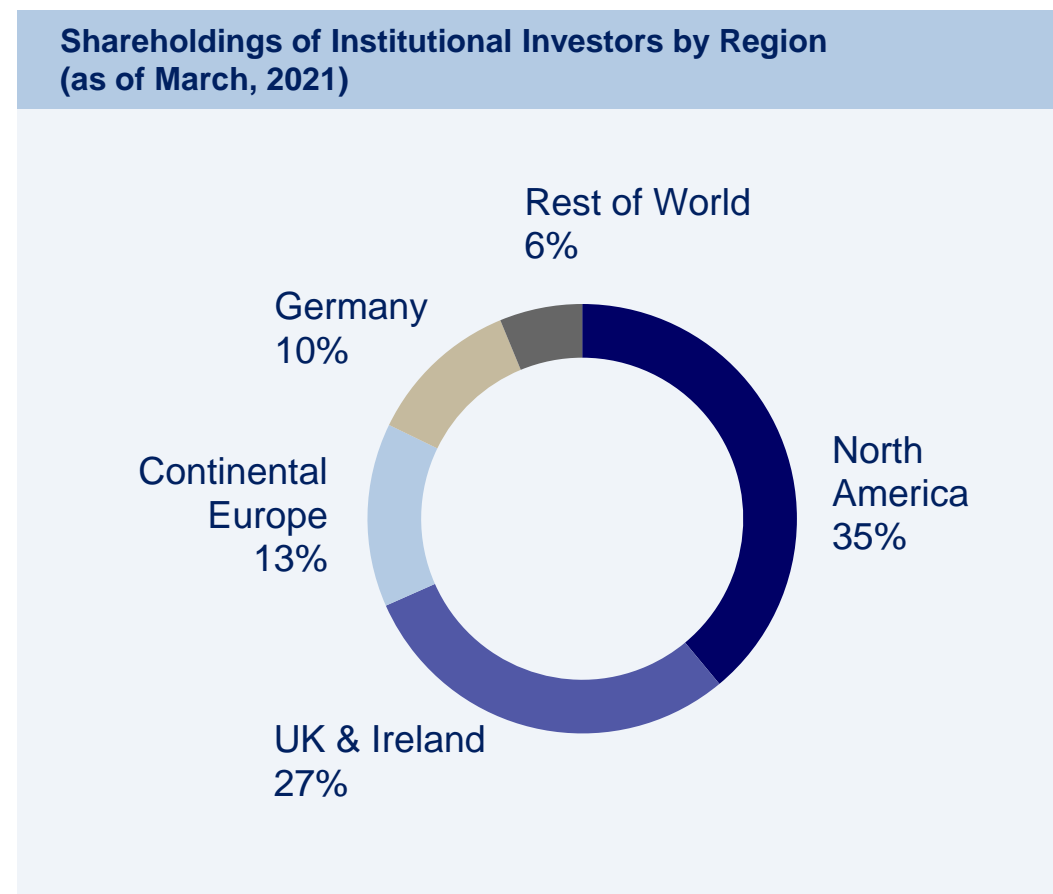
Share Data <sup>1)</sup>	
ISIN	DE000A1DAH0
Stock symbol	BNR
Listed since	29 March 2010
Subscribed capital	EUR 154,500,000.00
Outstanding shares	154,500,000
Class of shares	Registered shares
Free float	100%
Official market	Prime Standard XETRA and Frankfurt
Regulated unofficial markets	Berlin, Düsseldorf, Hamburg, Hannover, München, Stuttgart, Tradegate Exchange
Designated sponsors	ICF Kursmakler AG
Indices	MDAX®, MSCI, Stoxx Europe 600, DAX 50 ESG

<sup>1)</sup> As of August 1, 2021



# Shareholder Structure

Shareholder	Proportion in % <sup>1)</sup>	Date of notification
BlackRock	>5%	April 26, 2021
Wellington Management Group	>5%	July 10, 2020
Burgundy Asset Management	>3%	October 16, 2018
Columbia Threadneedle	>3%	November 7, 2020
Yacktman Asset Management	>3%	April 27, 2020



<sup>1)</sup> According to voting rights notifications. All voting rights notifications are published on the Company's Website ([www.brenntag.com/voting-rights-notifications](http://www.brenntag.com/voting-rights-notifications))

# Bond data

	Bond (with Warrants) 2022	Bond 2025
Issuer	Brenntag Finance B.V.	Brenntag Finance B.V.
Listing	Frankfurter Freiverkehr	Luxembourg Stock Exchange
ISIN	DE000A1Z3XQ6	XS1689523840
Aggregate principal amount	USD 500,000,000	EUR 600,000,000
Denomination	USD 250,000	EUR 1,000
Minimum transferable amount	USD 250,000	EUR 100,000
Coupon	1.875%	1.125%
Interest payment	Semi annual: Jun. 2 / Dec. 2	Annual: Sep. 27
Maturity	Dec. 2, 2022	Sep. 27, 2025

# Relevant Links & Documents



**Financial Reports**



**Presentations & Speeches**



**Current Consensus**



**Financial News**

**Click to visit website**





# Financial calendar / Contact



Date	Event
November 4, 2021	Interim Report Q3 2021
tba	Annual Report 2021
tba	General Shareholders' Meeting 2021

## 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/)

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.

# 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.