BRENNTAG

150 years

January – June 2024

Half-Year Financial Report

Brenntag reports results for the first half of 2024 impacted by a still-challenging market environment

- Brenntag adjusts outlook and expects operating EBITA for the financial year 2024 to be in the range of EUR 1,100 million to EUR 1,200 million
- Operating gross profit reached EUR 2,012.3 million in H1 2024, a decrease of 2.3%* compared with the prior-year figure
- Operating EBITA came to EUR 556.8 million, a decline of 17.3%* compared with H1 2023
- The free cash flow of EUR 332.8 million in H1 2024 was down by 62.2% on the high prior-year figure
- EPS stood at EUR 2.00 in H1 2024 compared with EUR 2.62 in H1 2023

* Change rates are adjusted for translational FX effects

Key financial figures at a glance

Consolidated income statement

		H1 2024	H1 2023	Q2 2024	Q2 2023
Sales	EUR m	8,178.9	8,783.7	4,176.3	4,256.6
Operating gross profit	EUR m	2,012.3	2,066.4	1,027.9	1,020.8
Operating EBITA	EUR m	556.8	677.3	297.1	332.2
Operating EBITA/operating gross profit	%	27.7	32.8	28.9	32.5
Profit after tax	EUR m	295.0	406.2	151.3	189.1
Basic earnings per share	EUR	2.00	2.62	1.03	1.23
Diluted earnings per share	EUR	2.00	2.62	1.03	1.23

Consolidated balance sheet

		Jun. 30, 2024	Dec. 31, 2023
Total assets	EUR m	11,368.6	10,337.8
Equity	EUR m	4,427.5	4,356.7
Working capital	EUR m	2,245.7	2,005.8
Net financial liabilities	EUR m	2,864.3	2,186.8

Consolidated cash flow

		H1 2024	H1 2023	Q2 2024	Q2 2023
Net cash provided by operating activities	EUR m	251.7	727.6	94.0	327.3
Payments to acquire intangible assets and property, plant and equipment	EUR m	-146.8	-100.8	-75.1	-51.1
Free cash flow	EUR m	332.8	880.9	157.5	431.7

Key data on the Brenntag shares

		Jun. 30, 2024	Dec. 31, 2023
Share price	EUR	62.96	83.22
No. of shares (unweighted)		144,385,372	147,453,837
Market capitalization	EUR m	9,091	12,271
Free float	%	89.30	89.52

Company profile

Brenntag is the global market leader in chemical and ingredients distribution. The company plays a central role in connecting the chemical industry's customers and suppliers. Through its two global divisions, Brenntag Essentials and Brenntag Specialties, the company provides a broad and diversified portfolio of industrial and specialty chemicals and ingredients, as well as tailor-made application, marketing and supply chain solutions, technical and formulation support, comprehensive regulatory expertise and digital solutions for a wide range of industries.

Brenntag operates a global network spanning around 600 locations in 72 countries. With its workforce of over 17,700 employees, Brenntag generated sales of around EUR 16.8 billion in 2023.

Group Interim Management Report

for the period from January 1 to June 30, 2024

Economic environment

Global economic conditions improved slightly in the first half of 2024, driven by falling inflation and an internationally stable logistics environment, despite the bottlenecks at regional level due to local trouble spots. The relatively stable labor markets in developed economies supported growth in real incomes, consumer spending and other economic activity in the first half of 2024. Global industrial production grew by 2.8% year on year in the first half of 2024. The Global Manufacturing Purchasing Managers' Index (PMI) was up on the first half of 2023 to 50.9, a reading above the 50 neutral mark. Nevertheless, it is still questionable whether growth in 2024 as a whole will be similarly strong, as various developments continue to make the outlook uncertain. These include continuing geopolitical tensions and the risk of a longer period of restrictive monetary policy.

In Europe, industrial production showed a year-on-year fall of 1.0% overall in the first half of 2024. The economic recovery in the region's key economies continues to be held back by high interest rates, sometimes high energy prices and weak demand from foreigners outside Europe.

The US economy showed positive growth momentum in the first half of 2024. This led to a rise in industrial production of 3.8% compared with the prior-year period. The stability of the labor market supported growth in consumer incomes and consumer spending in the USA and partly offset the dampening effect of still-tight monetary policy.

In many Latin American economies, particularly Mexico, growth remained subdued due to falling domestic and foreign demand, budgetary consolidation and still-restrictive monetary policy. Overall, Latin American industrial production was roughly in line with the previous year in the first half of 2024 (+0.1%).

Following stronger investment and production activity in China in the first quarter of 2024, the country's economic growth in the second quarter was held back by the ongoing property crisis and subdued private consumption. Overall in the first half of 2024, industrial production in China grew by 5.5% compared with the relatively weak prior-year figure.

The emerging economies of Asia (excluding China and Japan) achieved year-on-year growth in the first half of 2024, with industrial production rising by 4.2%.

Major events impacting on business

In February 2024, Brenntag acquired all shares in Rental Service Specialty LLC (RSS) based in Broussard, Louisiana, USA. RSS is a provider of specialty rental equipment for the midstream and downstream oil and gas industry. The acquisition increases Brenntag Essentials' market presence in the important North American energy sector.

Also in February 2024, Brenntag acquired the chemical logistics site of Chimica D'Agostino in Bari, Italy. The site enhances Brenntag's presence in the southern Italian market and optimizes the site network in the region. This acquisition extends Brenntag Essentials' local services and logistics offering and adds specific functions to the hub and transshipment point.

At the end of March 2024, Brenntag announced the acquisition of Lawrence Industries Ltd. based in Tamworth, UK. The company supplies high-quality additives, minerals and catalysts to a wide range of markets across the UK and Ireland. This acquisition strengthens Brenntag Specialties' position in Material Science in the Coatings, Adhesives, Sealants and Elastomers (CASE), Construction, Polymer and Rubber industries. In financial year 2023, Lawrence Industries generated sales of around EUR 34 million.

The share buyback program initiated in the previous year was completed in the first quarter of 2024. In the course of the second tranche, 3,068,465 Brenntag SE shares were acquired on the stock market at a total purchase price of EUR 250 million and subsequently canceled.

In April 2024, Brenntag successfully placed two bonds totaling one billion euros on the European capital market. Brenntag Finance B.V. issued the two EUR 500 million bonds with a maturity of four and eight years and carrying a coupon of 3.750% and 3.875%. The bonds were issued at 99.781% and 99.192% of par, respectively.

At the beginning of May 2024, Brenntag signed an agreement to acquire 100% of the shares in Quimica Delta S.A. de C.V. based in Teoloyucan, Mexico. The company is a leading distributor of base chemicals and has a dense service network in central Mexico with access to port infrastructure in Mexico. In 2023, the company reported annual sales of USD 368 million. The acquisition supports Brenntag Essentials' positioning in the rapidly-growing Mexican chemicals market.

At the beginning of June 2024, Brenntag closed the acquisition of the Solventis Group, which had been announced in December 2023. The Solventis Group is a glycols and solvents distributor based in Antwerp, Belgium, and the UK. The state-of-the-art site in Antwerp will extend Brenntag's regional access and warehousing capacity, while opening up the potential for interregional optimization. As ships and barges are used for sourcing, the acquisition also improves Brenntag Essentials' sustainability profile and is thus an excellent fit with the Group's strategy.

Objectives and strategy

In the coming years, Brenntag aims to strengthen and further expand its position as the global market leader in chemical and ingredients distribution in a changing global market environment.

In the first half of 2024, Brenntag worked systematically to drive the execution of its "Strategy to Win". Firstly, the core elements of the growth strategy comprised differentiated strategies for the two divisions Brenntag Specialties and Brenntag Essentials, which since the beginning of financial year 2024 have been further developed in the context of the "Advanced Operating Model". Secondly, Brenntag is pursuing a sustainability agenda with the aim of assuming a leading role in the responsible distribution of sustainable chemicals and ingredients. This includes procuring all electricity from renewable sources by 2025, reducing emissions by forty percent versus 2020 levels by 2030 and achieving net-zero emissions by 2045. Thirdly, Brenntag aims to drive market consolidation through value-creating M&A activity. Its focus here is on expanding its position in high-growth emerging markets in both divisions, improving technical and strategic capabilities and market positions, adding to the existing portfolio and expanding the life science business. Fourthly, it is transforming itself into a data- and technology-driven company.

You can find further information on Brenntag's objectives and strategy in the 2023 Annual Report.

Segment reporting

The Brenntag Group is managed through two global divisions, Brenntag Specialties and Brenntag Essentials, which until the end of 2023 were each managed through geographically structured segments. Since January 1, 2024, the Brenntag Specialties division has no longer been managed regionally; instead, it is now managed globally through the Life Science, Material Science and Specialties Other segments. The global Brenntag Essentials division continues to include the reportable segments EMEA, North America, Latin America and APAC.

In addition, a further reportable segment, “Transregional”, was introduced in the Brenntag Essentials division in order to manage the international operations of BRENNTAG International Chemicals GmbH (BIC), which buys and sells chemicals in bulk on an international scale (shown under “All other Segments” until the end of 2023).

“Group and Regional Services” mainly include the central functions for the entire Group, the regional service functions and the activities with regard to the digitalization of Brenntag’s business.

Results of operations

Business performance of the Brenntag Group

in EUR m	H1 2024	H1 2023	Change in %	Change in % (fx. adj.)[1]
Sales	8,178.9	8,783.7	−6.9	−6.6
Operating gross profit	2,012.3	2,066.4	−2.6	−2.3
Operating expenses	−1,284.7	−1,236.3	3.9	4.1
Operating EBITDA	727.6	830.1	−12.3	−11.9
Depreciation of property, plant and equipment and right-of-use assets	−170.8	−152.8	11.8	12.0
Operating EBITA	**556.8**	**677.3**	**−17.8**	**−17.3**
Net expense from special items	−29.3	−12.6	–	–
EBITA	527.5	664.7	–	–
Amortization of intangible assets	−29.1	−34.6	–	–
Net finance costs	−77.4	−74.4	–	–
Profit before tax	421.0	555.7	–	–
Income tax expense	−126.0	−149.5	–	–
Profit after tax	295.0	406.2	–	–

in EUR m	Q2 2024	Q2 2023	Change in %	Change in % (fx. adj.)[1]
Sales	4,176.3	4,256.6	−1.9	−2.0
Operating gross profit	1,027.9	1,020.8	0.7	0.6
Operating expenses	−641.9	−611.1	5.0	5.3
Operating EBITDA	386.0	409.7	−5.8	−5.7
Depreciation of property, plant and equipment and right-of-use assets	−88.9	−77.5	14.7	14.4
Operating EBITA	**297.1**	**332.2**	**−10.6**	**−10.4**
Net expense from special items	−21.1	−17.3	–	–
EBITA	276.0	314.9	–	–
Amortization of intangible assets	−16.7	−16.9	–	–
Net finance costs	−43.3	−39.2	–	–
Profit before tax	216.0	258.8	–	–
Income tax expense	−64.7	−69.7	–	–
Profit after tax	151.3	189.1	–	–

1.01 Business performance of the Brenntag Group

[1] Change in % (fx. adj.) is the percentage change on a constant currency basis.

The Brenntag Group generated **sales** of EUR 8,178.9 million in the first half of 2024, a year-on-year decline of 6.9%. On a constant currency basis, sales fell by 6.6%. The decline is the result of falling sales prices and was not offset by higher volumes.

The Brenntag Group's **operating gross profit** came to EUR 2,012.3 million in the first half of 2024, a year-on-year decline of 2.6% (on a constant currency basis: 2.3%). Despite a slight increase in volumes, the Brenntag Specialties division recorded a moderate decline in operating gross profit due to falling operating gross profit per unit. The picture was similar for the Brenntag Essentials division. Although the division achieved a strong increase in volumes, operating gross profit decreased slightly due to a strong decline in operating gross profit per unit compared with a strong reference period in this respect.

The Brenntag Group's **operating expenses** amounted to EUR 1,284.7 million in the first half of 2024, a moderate increase of 3.9% year on year (on a constant currency basis: 4.1%). This was largely attributable to the acquisitions made. On an organic basis, Brenntag recorded a slight increase in costs. This was due primarily to volume-driven increases in transport costs and higher costs for IT implementation, particularly in connection with the DiDEX initiative. Brenntag sees these additional costs as an investment in the Group's future.

The Brenntag Group achieved **operating EBITDA** of EUR 727.6 million in the first half of 2024, a year-on-year decline of 12.3%, or 11.9% on a constant currency basis.

Depreciation of property, plant and equipment and right-of-use assets amounted to EUR 170.8 million in the first half of 2024 (H1 2023: EUR 152.8 million). The acquisitions were a major driver of this growth. In addition, investments in logistics operations in the North America and EMEA regions resulted in an organic rise.

The Brenntag Group's **operating EBITA** came to EUR 556.8 million in the first half of 2024. Brenntag therefore recorded a decrease of 17.8% on the prior-year figure. On a constant currency basis, this represents a decline in earnings of 17.3%. The overall decline in both divisions was driven by the fall in operating gross profit per unit in combination with cost increases and the volume effects described above.

Net expense from special items breaks down as follows:

in EUR m	H1 2024	H1 2023
Expenses for strategy projects	-22.5	-8.1
Expenses for legal risks	-19.7	-11.5
Reversal of provisions for excise duties	8.4	7.0
Major fire at a warehouse site in Canada and in Turkey	7.0	–
Other special items	-2.5	–
Net expense from special items	**-29.3**	**-12.6**

in EUR m	Q2 2024	Q2 2023
Expenses for strategy projects	-14.5	-8.1
Expenses for legal risks	-13.8	-8.8
Major fire at a warehouse site in Canada and in Turkey	9.7	–
Other special items	-2.5	-0.4
Net expense from special items	**-21.1**	**-17.3**

1.02 Net expense from special items

Expenses for strategy projects amounted to EUR 22.5 million in the first half of 2024. They mainly include advisory and severance expenses which relate to the planning for the legal and operational separation of the two divisions, Brenntag Specialties and Brenntag Essentials, and which will help to achieve the cost reduction targets.

In the first half of 2024, further expensess of EUR 19.7 million were recognized for legal risks arising from the sale of talc and similar products in North America due to a dynamic rise in the number of actions brought.

Tax returns were submitted in relation to provisions recognized in 2023 for excise duty risks in Sweden. These led to a lower-than-expected tax liability. The reversal of the relevant provisions resulted in other operating income of EUR 8.4 million in the first half of 2024.

Income of EUR 7.0 million arose in the first half of 2024 as a result of a major fire at a warehouse location in Canada and Turkey in the third and the fourth quarter of 2023, respectively. This is made up of further insurance payouts of EUR 9.3 million and income from the sale of inventories written down in the previous year in the amount of EUR 1.5 million. This is set against costs of EUR 3.8 million for repairs, the remediation of the resulting environmental damage and maintaining business operations.

The other special items relate to expenses in connection with social security contributions from previous years in Brazil.

Amortization of intangible assets amounted to EUR 29.1 million (H1 2023: EUR 34.6 million).

Net finance costs came to EUR 77.4 million in the first half of 2024 (H1 2023: EUR 74.4 million). The net interest expense component of net finance costs widened slightly year on year to EUR 57.4 million (H1 2023: EUR 52.1 million) due to higher debt. Conversely, other net finance costs included an opposite effect that was due especially to lower effects arising on the accounting for hyperinflation in Turkey.

Due to the lower profit before tax, **income tax expense** fell by EUR 23.5 million year on year to EUR 126.0 million in the first half of 2024.

Profit after tax stood at EUR 295.0 million in the first half of 2024 (H1 2023: EUR 406.2 million).

Business performance in the global divisions and reportable segments

in EUR m	Brenntag Specialties	Brenntag Essentials	Group and Regional Services	**Brenntag Group**
Operating gross profit				
H1 2024	583.8	1,428.5	–	2,012.3
Change versus H1 2023 in %	–5.7	–1.3	–	–2.6
fx. adj. change versus H1 2023 in %	–4.3	–1.5	–	–2.3
Operating EBITA				
H1 2024	219.8	400.0	–63.0	556.8
Change versus H1 2023 in %	–19.7	–17.9	–24.6	–17.8
fx. adj. change versus H1 2023 in %	–18.1	–18.2	–24.6	–17.3

in EUR m	Brenntag Specialties	Brenntag Essentials	Group and Regional Services	**Brenntag Group**
Operating gross profit				
Q2 2024	297.5	730.4	–	1,027.9
Change versus Q2 2023 in %	–1.1	1.4	–	0.7
fx. adj. change versus Q2 2023 in %	0.1	0.8	–	0.6
Operating EBITA				
Q2 2024	112.3	213.8	–29.0	297.1
Change versus Q2 2023 in %	–14.2	–12.7	–33.6	–10.6
fx. adj. change versus Q2 2023 in %	–12.8	–13.4	–33.9	–10.4

1.03 Business performance in the global divisions

Brenntag Specialties

in EUR m	Life Science	Material Science	Specialties Other	Brenntag Specialties
Operating gross profit				
H1 2024	405.7	167.3	10.8	583.8
Change versus H1 2023 in %	–4.8	–6.2	–24.5	–5.7
fx. adj. change versus H1 2023 in %	–3.2	–5.3	–21.7	–4.3
Operating EBITA[1]				
H1 2024	159.0	60.3	–2.9	219.8
Change versus H1 2023 in %	–19.4	–15.0	–154.7	–19.7
fx. adj. change versus H1 2023 in %	–17.5	–14.1	–159.2	–18.1

in EUR m	Life Science	Material Science	Specialties Other	Brenntag Specialties
Operating gross profit				
Q2 2024	205.5	87.1	4.9	297.5
Change versus Q2 2023 in %	–0.4	–1.2	–21.0	–1.1
fx. adj. change versus Q2 2023 in %	0.9	–0.7	–18.3	0.1
Operating EBITA[1]				
Q2 2024	78.7	30.1	–0.6	112.3
Change versus Q2 2023 in %	–17.0	–10.7	–126.1	–14.2
fx. adj. change versus Q2 2023 in %	–13.8	–7.5	–119.0	–12.8

1.04 Business performance in the reportable segments/Brenntag Specialties

[1] The difference between the sum total of the reportable segments and a particular division is the result of central activities which are part of the division but not directly attributable to any one segment.

Operating gross profit in the Brenntag Specialties division was down by 5.7% on the prior-year figure to EUR 583.8 million in the first half of 2024. On a constant currency basis, it showed a decrease of 4.3%. Operating gross profit declined in all segments. This performance was due especially to falling operating gross profit per unit, while volumes were up slightly on the prior-year level.

Operating EBITA in the Brenntag Specialties division came to EUR 219.8 million in the first half of 2024, a decrease of 19.7% on the prior-year figure. On a constant currency basis, this represents a decline of 18.1%. All segments of the Brenntag Specialties division were affected. The decline was due in particular to the aforementioned performance at operating gross profit level. The rise in costs can be attributed mainly to volume-related increases in transport and infrastructure costs, as well as to higher personnel costs and the internal allocation by "Group and Regional Services" of further costs in connection with the DiDEX initiative. These are costs from previous years which had previously remained in "Group and Regional Services" and were only charged on this year when various services were introduced. More than a third of the total cost increases are attributable to acquisitions.

Brenntag Essentials

in EUR m	EMEA	North America	Latin America	APAC	Trans-regional	Brenntag Essentials
Operating gross profit						
H1 2024	498.3	773.1	77.4	72.6	7.1	1,428.5
Change versus H1 2023 in %	−4.6	0.4	3.3	14.0	−58.0	−1.3
fx. adj. change versus H1 2023 in %	−5.1	0.6	–	17.7	−23.7	−1.5
Operating EBITA[1]						
H1 2024	146.5	240.4	3.3	9.9	3.9	400.0
Change versus H1 2023 in %	−21.5	−8.5	−72.0	−26.7	−71.0	−17.9
fx. adj. change versus H1 2023 in %	−22.3	−8.4	−73.8	−23.3	−71.1	−18.2

in EUR m	EMEA	North America	Latin America	APAC	Trans-regional	Brenntag Essentials
Operating gross profit						
Q2 2024	251.4	397.0	40.1	38.2	3.7	730.4
Change versus Q2 2023 in %	−2.6	2.7	13.6	18.6	−51.3	1.4
fx. adj. change versus Q2 2023 in %	−3.0	1.8	11.0	20.8	−51.3	0.8
Operating EBITA[1]						
Q2 2024	75.7	129.3	2.4	7.2	2.0	213.8
Change versus Q2 2023 in %	−17.3	−3.9	–	−36.3	−65.5	−12.7
fx. adj. change versus Q2 2023 in %	−17.9	−4.7	−11.5	−32.1	−65.5	−13.4

1.05 Business performance in the reportable segments/Brenntag Essentials

[1] The difference between the sum total of the reportable segments and a particular division is the result of central activities which are part of the division but not directly attributable to any one segment.

Operating gross profit in the Brenntag Essentials division decreased by 1.3% year on year to EUR 1,428.5 million in the first half of 2024. On a constant currency basis, operating gross profit was down by 1.5% on the prior-year figure. This was due to a fall in operating gross profit per unit in all segments. In the APAC segment, the fall in operating gross profit per unit was more than offset by higher volumes – both on an organic basis and including the new acquisitions – as a result of which the segment achieved growth in operating gross profit. The EMEA and Transregional segments recorded a decline in absolute operating gross profit. With the exception of the Transregional segment, all other segments likewise achieved an increase in volumes both on an organic basis and including the new acquisitions.

Operating EBITA in the Brenntag Essentials division dropped by 17.9% year on year to EUR 400.0 million in the first half of 2024. On a constant currency basis, it showed a decrease of 18.2%. This was due mainly to the fall in operating gross profit in the EMEA and Transregional segments. All segments saw volume-driven increases in transport costs. In addition, costs in connection with the DiDEX initiative were allocated internally from “Group and Regional Services”. These are costs from previous years which had previously remained in “Group and Regional Services” and were only charged on this year when various services were introduced. This trend in expenses depressed operating EBITA in all segments.

Group and Regional Services

In addition to the central functions for the entire Group, “Group and Regional Services” also include the regional service functions and the activities with regard to the digitalization of Brenntag’s business. In the first half of 2024, Brenntag recorded a significant year-on-year reduction in costs. This was achieved mainly as a result of the higher allocations of costs for the DiDEX initiative to the two divisions Brenntag Specialties and Brenntag Essentials. These are costs from previous years which had previously remained in “Group and Regional Services” and were only charged on to the two divisions this year when various services were introduced. Even adjusted for these cost allocations, the result in the “Group and Regional Services” division improved moderately compared with the previous year.

Overall, the **operating EBITA** of “Group and Regional Services” came to EUR –63.0 million in the first half of 2024, an improvement of 24.6% compared with the prior-year period.

Financial position

Capital structure

The financing structure of the Brenntag Group consists of:

- a Group-wide syndicated loan agreement. The syndicated loan totaling the equivalent of EUR 1.5 billion originally had a term running until February 2028, which at the beginning of 2024 was extended until February 2029. It comprises two revolving lines of credit – a EUR 1.0 billion line of credit and a USD line of credit totaling USD 525.0 million (equivalent in euros as at June 30, 2024: EUR 490.4 million). There were no liabilities (before offsetting of transaction costs) under the syndicated loan as at June 30, 2024;
- a EUR 600.0 million bond (Bond 2025) maturing in 2025 and carrying an annual coupon of 1.125%;
- a EUR 500.0 million bond issued in April 2024 (Bond 2028) maturing in 2028 and carrying an annual coupon of 3.750%;
- a EUR 500.0 million bond (Bond 2029) maturing in 2029 and carrying an annual coupon of 0.50%. Most of the proceeds from the Bond 2029 were swapped for US dollars by way of a long-dated derivative (cross-currency interest rate swap);
- a EUR 500.0 million bond also issued in April 2024 (Bond 2032) maturing in 2032 and carrying an annual coupon of 3.875%;
- promissory notes totaling EUR 390 million and USD 180 million (equivalent in euros as at June 30, 2024: EUR 168.1 million). The promissory notes were issued in a total of seven tranches maturing in 2025, 2027 and 2029 and carrying both floating and fixed interest rates. In the second quarter of 2024, Brenntag repaid a floating-rate USD tranche in the amount of USD 70.0 million (equivalent in euros at the repayment date: EUR 64.5 million) ahead of schedule, as a result of which the outstanding USD tranches decreased from the original amount of USD 250.0 million to the above-stated USD 180.0 million and the total number of outstanding tranches was reduced from seven to six.

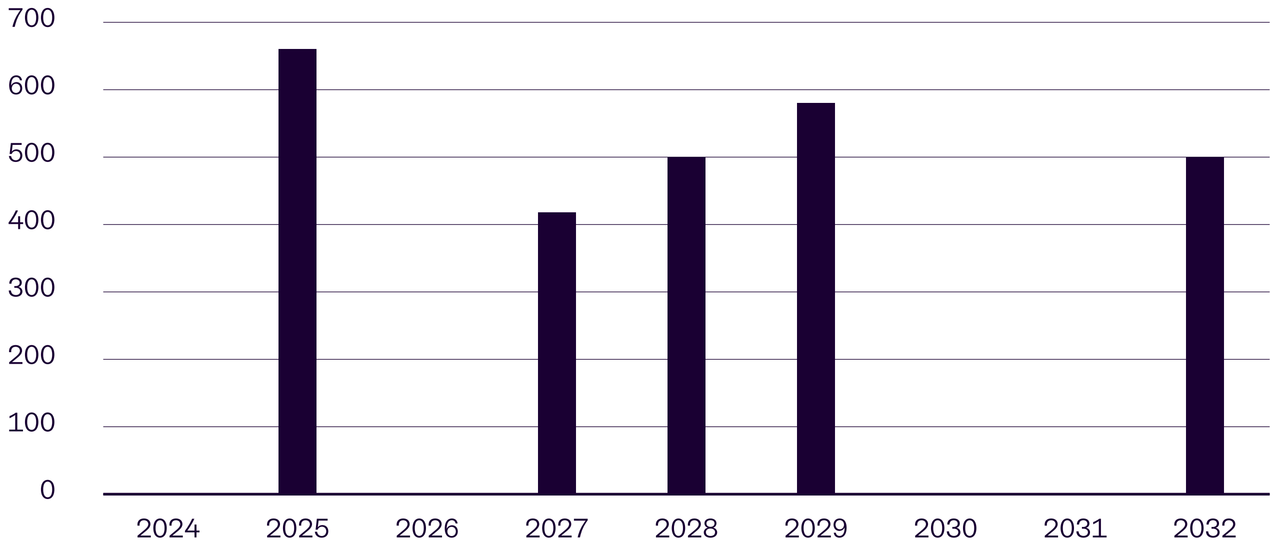
The Bonds 2028 and 2032 issued in April 2024 mainly facilitate the early refinancing of the Bond 2025 and the tranches of the promissory notes falling due in 2025.

In addition to the six above-mentioned financing instruments, some of our companies make use of credit lines with local banks in consultation with the Group management.

Due to the four fixed-rate bonds and the partly fixed-rate promissory notes, just under 80% of the Brenntag Group's financial liabilities are currently hedged against the risk of interest rate increases.

According to our short- and mid-term financial planning, the capital requirements for operating activities, planned investments and projects, dividends and acquisitions in the size of past practice are expected to be covered by existing cash funds, the cash provided by operating activities and the aforementioned credit facilities. To cover short-term liquidity requirements and for general corporate purposes, we likewise have the aforementioned credit facilities under the syndicated loan. Moreover, Brenntag could meet any additional funding requirements by borrowing on the credit and capital markets.

Maturity profile of the credit portfolio[1] as at June 30, 2024 in EUR m:



1.06 Maturity profile of the credit portfolio

[1] Syndicated loan, Bond 2025, Bond 2028, Bond 2029, Bond 2032 and promissory notes 2025/2027/2029 excluding accrued interest and transaction costs.

Investments

In the first half of 2024, investments in property, plant and equipment and intangible assets (excluding additions from acquisitions) led to a total cash outflow of EUR 146.8 million (H1 2023: EUR 100.8 million).

We regularly invest in the maintenance, replacement and extension of the infrastructure necessary to perform our services, such as warehouses, offices, trucks and vehicles of our field service. Further investments relate to IT hardware for various systems, digitalization and the expansion of our IT infrastructure. As the market leader and a responsible chemical distributor, we attach importance to ensuring that our property, plant and equipment meet comprehensive health, safety and environmental requirements.

Cash flow

in EUR m	H1 2024	H1 2023	Q2 2024	Q2 2023
Net cash provided by operating activities	**251.7**	**727.6**	**94.0**	**327.3**
Net cash used in investing activities	**–405.2**	**–128.4**	**–271.8**	**–70.0**
of which payments to acquire consolidated subsidiaries, other business units and other financial assets	–268.3	–34.7	–202.7	–23.4
of which payments to acquire intangible assets and property, plant and equipment	–146.8	–100.8	–75.1	–51.1
of which proceeds from the disposal of non-current assets	9.9	7.1	6.0	4.5
Net cash provided by/used in financing activities	**232.0**	**–1,007.5**	**321.4**	**–473.3**
of which dividends paid to Brenntag shareholders	–303.2	–304.7	–303.2	–304.7
of which net repayments of or proceeds from other borrowings	785.3	–531.2	624.6	–26.4
of which payments to acquire treasury shares	–250.1	–173.1	–	–143.7
of which other financing activities	–	1.5	–	1.5
Change in cash and cash equivalents	**78.5**	**–408.3**	**143.6**	**–216.0**

1.07 Cash flow

At EUR 251.7 million in the first half of 2024, net cash provided by operating activities was significantly lower than in the same period of the previous year. In addition to the decline in earnings, this was due mainly to the additional funds tied up in working capital this year, whereas funds were released from working capital in the first half of 2023.

Of the net cash used in investing activities in the first half of 2024, EUR 146.8 million comprised payments to acquire intangible assets and property, plant and equipment. Payments to acquire consolidated subsidiaries and other business units relate mainly to the acquisition of all shares in Lawrence Industries Ltd. based in Tamworth, UK, and the Solventis Group based in Antwerp, Belgium, and the UK.

The main driver of the net cash of EUR 232.0 million provided by financing activities in the first half of 2024 were the total cash inflows of EUR 1.0 billion from the bonds issued, which were set against cash outflows for dividend payments and the second tranche of the share buyback program, as well as for repayments of bank loans and lease and other financial liabilities.

Free cash flow

in EUR m	H1 2024	H1 2023	Change abs.	Change in %
Operating EBITDA	727.6	830.1	–102.5	–12.3
Payments to acquire intangible assets and property, plant and equipment	–146.8	–100.8	–46.0	45.6
Change in working capital	–160.8	227.5	–388.3	–170.7
Principal and interest payments on lease liabilities	–87.2	–75.9	–11.3	14.9
Free cash flow	**332.8**	**880.9**	**–548.1**	**–62.2**

in EUR m	Q2 2024	Q2 2023	Change abs.	Change in %
Operating EBITDA	386.0	409.7	–23.7	–5.8
Payments to acquire intangible assets and property, plant and equipment	–75.1	–51.1	–24.0	47.0
Change in working capital	–108.1	110.8	–218.9	–197.6
Principal and interest payments on lease liabilities	–45.3	–37.7	–7.6	20.2
Free cash flow	**157.5**	**431.7**	**–274.2**	**–63.5**

1.08 Free cash flow

The Brenntag Group's free cash flow amounted to EUR 332.8 million in the first half of 2024, a significant decrease of 62.2% on the same period of 2023. In addition to the fall in operating EBITDA, this was also the result of the additional funds tied up in working capital, whereas funds were released in the prior-year period. Moreover, payments to acquire intangible assets and property, plant and equipment increased, as did principal and interest payments on lease liabilities.

Net assets

in EUR m	Jun. 30, 2024 abs.	Jun. 30, 2024 in %	Dec. 31, 2023 abs.	Dec. 31, 2023 in %
Assets				
Current assets	**5,211.5**	**45.8**	**4,612.6**	**44.6**
of which trade receivables	2,549.8	22.4	2,263.1	21.9
of which inventories	1,539.9	13.6	1,376.4	13.3
Non-current assets	**6,157.1**	**54.2**	**5,725.2**	**55.4**
of which goodwill	3,382.8	29.8	3,210.8	31.1
Total assets	**11,368.6**	**100.0**	**10,337.8**	**100.0**
Liabilities and equity				
Current liabilities	**3,032.5**	**26.7**	**3,021.0**	**29.2**
of which trade payables	1,844.0	16.2	1,633.7	15.8
of which financial and lease liabilities	385.2	3.4	562.7	5.4
Equity and non-current liabilities	**8,336.1**	**73.3**	**7,316.8**	**70.8**
of which financial and lease liabilities	3,136.9	27.6	2,201.0	21.3
of which equity	4,427.5	38.9	4,356.7	42.1
Total liabilities and equity	**11,368.6**	**100.0**	**10,337.8**	**100.0**

1.09 Net assets

As at June 30, 2024, total assets had increased by EUR 1,030.8 million compared with the end of the previous year to EUR 11,368.6 million (Dec. 31, 2023: EUR 10,337.8 million).

Working capital rose from EUR 2,005.8 million to EUR 2,245.7 million due especially to acquisitions and operating activities.

At 7.8, annualized working capital turnover was above that in financial year 2023 (7.3) and in the first half of 2023 (7.2).

The Brenntag Group's non-current assets rose by EUR 431.9 million year on year to EUR 6,157.1 million (Dec. 31, 2023: EUR 5,725.2 million). The rise is due predominantly to acquisitions.

The increase in non-current liabilities is due to the two new bonds issued (Bond 2028 and Bond 2032).

Overall, net financial liabilities changed as follows compared with the end of the previous year:

in EUR m	Jun. 30, 2024	Dec. 31, 2023
Liability under the syndicated loan	–	45.6
Other liabilities to banks	173.1	182.1
Promissory notes (Schuldschein)	565.6	622.5
Bond 2025	604.0	600.1
Bond 2028	500.4	–
Bond 2029	499.4	498.0
Bond 2032	497.6	–
Derivative financial instruments	43.5	29.0
Liability relating to the acquisition of treasury shares	–	250.0
Other financial liabilities	68.8	86.6
Total	**2,952.4**	**2,313.9**
Lease liabilities	569.7	449.8
Cash and cash equivalents	–657.8	–576.9
Net financial liabilities	**2,864.3**	**2,186.8**

1.10 Net financial liabilities

Upon completion of the second tranche of the share buyback program launched in January 2024, the subscribed capital was reduced by a nominal amount of around EUR 3.1 million by canceling the shares in March 2024 and the excess amount of EUR 247.0 million was eliminated against additional paid-in capital. The subscribed capital now amounts to around EUR 144.4 million.

Employees

As at June 30, 2024, Brenntag had a total of 17,960 employees worldwide (Dec. 31, 2023: 17,709). The total number of employees is determined on the basis of headcount, i.e. part-time employees are fully included. By June 30, 2024, 238 employees had joined through companies newly acquired in 2024.

Outlook

The Brenntag Group expects 2024 to be another financial year shaped by the war in Ukraine, the Middle East conflict, geopolitical tensions and an only slow fall in inflationary pressures. This continues to result in a still greater-than-average degree of uncertainty over growth expectations for the global economy in 2024. Oxford Economics currently predicts that the global economy, measured in terms of industrial production (IP), will grow only slightly in 2024: Weighted by the sales generated by Brenntag in the individual countries, this results in a now lower forecast average real IP growth rate of +1.2% in 2024 after +1.6% at the beginning of the second quarter.

Brenntag SE had previously expected the Group's operating EBITA for the 2024 financial year to be at the lower end of the range of EUR 1,230 million to EUR 1,430 million.

The overall market trends and chemical industry expectations observed recently, indicate that markets will remain highly competitive, with sustained pressure on industrial chemical selling prices. Brenntag therefore no longer expects a positive Gross Profit per unit development in the second half of the year, but rather anticipates a more stable development at Group level. Additionally, the company also expects a slightly lower than initially anticipated sequential improvement in volumes in the second half of 2024.

Based on these assumptions, Brenntag now expects operating EBITA for the financial year 2024 to be in the range of EUR 1,100 million to EUR 1,200 million.

Opportunities and risks

The Brenntag Group companies are exposed to a number of risks arising from their business activities in the field of chemical distribution and related areas. At the same time, these business activities also give rise to numerous opportunities to safeguard and nurture the Group's competitiveness and growth.

As a global Group, Brenntag has to comply with the country-specific tax laws and regulations in each jurisdiction. Tax exposures could result in particular from current and future tax audits of our German and foreign subsidiaries. These exposures are generally reflected in the balance sheet by recognizing provisions.

Tax returns were submitted in relation to provisions recognized in 2023 for excise duty risks in Sweden. These led to a lower-than-expected tax liability. The reversal of the relevant provisions resulted in other operating income of EUR 8.4 million in the first half of 2024.

In connection with the sale of talc and similar products, actions have been brought against our North American subsidiaries, against which the Brenntag Group is actively defending itself. Taking into account the dynamic rise in the number of actions brought, the provisions recognized for this were increased by EUR 19.7 million in the first half of 2024. The underlying cases are continuously monitored and the provisions adjusted as and when necessary. In addition, Brenntag has taken measures to mitigate the risk and is asserting claims for compensation from third parties. Nevertheless, the possibility that these legal disputes will result in further significant adverse effects on the results of operations cannot be ruled out.

Overall, there were no further significant changes for the Brenntag Group in the first half of 2024 compared with the opportunities and risks described in detail in the 2023 Annual Report. Risks that we are currently unaware of or that we currently consider immaterial might also negatively impact our business operations. Currently, there are no indications of risks that may jeopardize the continued existence of the company.

Interim consolidated financial statements

as at June 30, 2024

Consolidated income statement

in EUR m	Note	Jan. 1–Jun. 30, 2024	Jan. 1–Jun. 30, 2023	Apr. 1–Jun. 30, 2024	Apr. 1–Jun. 30, 2023
Sales	1.)	8,178.9	8,783.7	4,176.3	4,256.6
Cost of materials		–6,165.1	–6,717.3	–3,147.2	–3,235.8
Gross profit		**2,013.8**	**2,066.4**	**1,029.1**	**1,020.8**
Other operating income		44.0	55.9	23.0	27.6
Personnel expenses		–700.7	–687.1	–355.1	–347.7
Depreciation, amortization and impairment		–200.4	–187.4	–105.9	–94.4
Impairment losses on trade receivables and other receivables		–1.4	–2.6	–0.9	–2.4
Other operating expenses		–656.9	–615.1	–330.9	–305.9
Operating profit		**498.4**	**630.1**	**259.3**	**298.0**
Share of profit or loss of equity-accounted investments		0.5	0.4	0.6	0.5
Interest income		8.8	9.5	5.2	4.0
Interest expense	2.)	–66.2	–61.6	–37.7	–28.9
Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss	3.)	–3.6	–2.8	–1.4	–1.6
Loss/gain on the net monetary position	4.)	–0.4	–7.7	0.6	–5.0
Other net finance costs		–16.5	–12.2	–10.6	–8.2
Net finance costs		**–77.4**	**–74.4**	**–43.3**	**–39.2**
Profit before tax		**421.0**	**555.7**	**216.0**	**258.8**
Income tax expense	5.)	–126.0	–149.5	–64.7	–69.7
Profit after tax		**295.0**	**406.2**	**151.3**	**189.1**
Attributable to:					
Shareholders of Brenntag SE		290.5	402.8	149.1	186.9
Non-controlling interests		4.5	3.4	2.2	2.2
Basic earnings per share in euro	6.)	**2.00**	**2.62**	**1.03**	**1.23**
Diluted earnings per share in euro	6.)	**2.00**	**2.62**	**1.03**	**1.23**

2.01 Consolidated income statement

Consolidated statement of comprehensive income

in EUR m	Note	Jan. 1– Jun. 30, 2024	Jan. 1– Jun. 30, 2023	Apr. 1– Jun. 30, 2024	Apr. 1– Jun. 30, 2023
Profit after tax		**295.0**	**406.2**	**151.3**	**189.1**
Remeasurements of defined benefit pension plans	12.)	9.4	–6.0	12.0	0.5
Deferred tax relating to remeasurements of defined benefit pension plans	12.)	–3.0	1.8	–3.8	–0.2
Items that will not be reclassified to profit or loss		**6.4**	**–4.2**	**8.2**	**0.3**
Change in exchange rate differences on translation of consolidated companies		73.2	–76.9	32.9	–14.8
Change in exchange rate differences on translation of equity-accounted investments		–0.1	–0.1	–	–0.1
Change in net investment hedge reserve		–0.9	6.0	–0.5	4.4
Remeasurement of cross-currency interest rate swaps		–15.3	8.9	–8.4	6.6
Reclassification to profit or loss of hedging losses		18.7	–4.6	6.6	2.5
Remeasurement of costs of hedging		–0.1	–	0.6	1.6
Reclassification to profit or loss of costs of hedging		–0.4	–0.4	–0.2	–0.2
Items that may be reclassified subsequently to profit or loss		**75.1**	**–67.1**	**31.0**	**–**
Other comprehensive income, net of tax		**81.5**	**–71.3**	**39.2**	**0.3**
Total comprehensive income		**376.5**	**334.9**	**190.5**	**189.4**
Attributable to:					
Shareholders of Brenntag SE		371.7	334.7	188.4	189.2
Non-controlling interests		4.8	0.2	2.1	0.2

2.02 Consolidated statement of comprehensive income

Consolidated balance sheet

Assets

in EUR m	Note	Jun. 30, 2024	Dec. 31, 2023
Current assets			
Cash and cash equivalents		657.8	576.9
Trade receivables		2,549.8	2,263.1
Other receivables		327.4	275.4
Other financial assets		11.5	13.9
Current tax assets		123.6	104.4
Inventories		1,539.9	1,376.4
		5,210.0	**4,610.1**
Non-current assets held for sale	7.)	1.5	2.5
		5,211.5	**4,612.6**
Non-current assets			
Property, plant and equipment	8.)	1,579.3	1,505.2
Intangible assets	9.)	3,796.2	3,573.0
Right-of-use assets		556.6	438.2
Equity-accounted investments		5.7	6.0
Other receivables		58.3	52.0
Other financial assets		13.1	16.7
Deferred tax assets		147.9	134.1
		6,157.1	**5,725.2**
Total assets		**11,368.6**	**10,337.8**

Liabilities and equity

in EUR m	Note	Jun. 30, 2024	Dec. 31, 2023
Current liabilities			
Trade payables		1,844.0	1,633.7
Financial liabilities	10.)	249.6	439.9
Lease liabilities		135.6	122.8
Other liabilities		535.4	567.3
Other provisions	11.)	111.0	103.1
Liabilities relating to acquisition of non-controlling interests	13.)	58.7	57.4
Current tax liabilities		98.2	96.8
		3,032.5	**3,021.0**
Non-current liabilities			
Financial liabilities	10.)	2,702.8	1,874.0
Lease liabilities		434.1	327.0
Other liabilities		2.2	2.3
Other provisions	11.)	243.9	264.4
Provisions for pensions and other post-employment benefits	12.)	128.1	134.0
Liabilities relating to acquisition of non-controlling interests	13.)	62.9	60.0
Deferred tax liabilities		334.6	298.4
		3,908.6	**2,960.1**
Equity			
Subscribed capital		144.4	147.5
Additional paid-in capital		755.3	1,002.2
Retained earnings		3,412.7	3,419.0
Accumulated other comprehensive income		60.8	–14.0
Treasury shares		–	–250.0
Equity attributable to shareholders of Brenntag SE		**4,373.2**	**4,304.7**
Equity attributable to non-controlling interests	14.)	54.3	52.0
		4,427.5	**4,356.7**
Total liabilities and equity		**11,368.6**	**10,337.8**

2.03 Consolidated balance sheet

Consolidated statement of changes in equity

in EUR m	Subscribed capital	Additional paid-in capital	Retained earnings	Exchange rate differences	Net investment hedge reserve
Dec. 31, 2022	**154.5**	**1,491.4**	**3,035.0**	**86.0**	**–4.4**
Dividends	–	–	–304.7	–	–
Treasury shares acquired	–	–	–	–	–
Transactions with owners	–	–	–8.6	–	–
Profit after tax	–	–	402.8	–	–
Other comprehensive income, net of tax	–	–	–4.2	–73.7	6.0
Total comprehensive income for the period	**–**	**–**	**398.6**	**–73.7**	**6.0**
Jun. 30, 2023	**154.5**	**1,491.4**	**3,120.3**	**12.3**	**1.6**

in EUR m	Cash flow hedge reserve	Treasury shares	Equity attributable to shareholders of Brenntag SE	Equity attributable to non-controlling interests	**Equity**
Dec. 31, 2022	**–10.0**	**–**	**4,752.5**	**50.2**	**4,802.7**
Dividends	–	–	–304.7	–0.2	–304.9
Treasury shares acquired	–	–501.8	–501.8	–	–501.8
Transactions with owners	–	–	–8.6	–	–8.6
Profit after tax	–	–	402.8	3.4	406.2
Other comprehensive income, net of tax	3.9	–	–68.0	–3.2	–71.2
Total comprehensive income for the period	**3.9**	**–**	**334.8**	**0.2**	**335.0**
Jun. 30, 2023	**–6.1**	**–501.8**	**4,272.2**	**50.2**	**4,322.4**

2.04 Consolidated statement of changes in equity/Jun. 30, 2023

in EUR m	Subscribed capital	Additional paid-in capital	Retained earnings	Exchange rate differences	Net investment hedge reserve
Dec. 31, 2023	**147.5**	**1,002.2**	**3,419.0**	**–15.5**	**1.7**
Dividends	–	–	–303.2	–	–
Business combinations	–	–	–	–	–
Treasury shares acquired	–3.1	–246.9	–	–	–
Profit after tax	–	–	290.5	–	–
Other comprehensive income, net of tax	–	–	6.4	72.8	–0.9
Total comprehensive income for the period	**–**	**–**	**296.9**	**72.8**	**–0.9**
Jun. 30, 2024	**144.4**	**755.3**	**3,412.7**	**57.3**	**0.8**

in EUR m	Cash flow hedge reserve	Treasury shares	Equity attributable to shareholders of Brenntag SE	Equity attributable to non-controlling interests	**Equity**
Dec. 31, 2023	**–0.2**	**–250.0**	**4,304.7**	**52.0**	**4,356.7**
Dividends	–	–	–303.2	–	–303.2
Business combinations	–	–	–	–2.5	–2.5
Treasury shares acquired	–	250.0	–	–	–
Profit after tax	–	–	290.5	4.5	295.0
Other comprehensive income, net of tax	2.9	–	81.2	0.3	81.5
Total comprehensive income for the period	**2.9**	**–**	**371.7**	**4.8**	**376.5**
Jun. 30, 2024	**2.7**	**–**	**4,373.2**	**54.3**	**4,427.5**

2.05 Consolidated statement of changes in equity/Jun. 30, 2024

Consolidated cash flow statement

in EUR m	Note	Jan. 1–Jun. 30, 2024	Jan. 1–Jun. 30, 2023	Apr. 1–Jun. 30, 2024	Apr. 1–Jun. 30, 2023
	15.)				
Profit after tax		**295.0**	**406.2**	**151.3**	**189.1**
Loss/gain on the net monetary position		0.4	7.7	–0.6	5.0
Depreciation and amortization		200.4	187.4	105.9	94.4
Income tax expense	5.)	126.0	149.5	64.7	69.7
Income taxes paid		–127.7	–148.7	–75.1	–111.8
Net interest expense	2.)	57.4	52.1	32.5	24.9
Interest paid	15.)	–48.4	–53.8	–23.6	–20.2
(of which interest paid for leases)		(–10.4)	(–7.8)	(–5.7)	(–4.2)
Interest received		8.7	9.5	5.2	4.1
Dividends received		0.7	–	0.7	–
Inventories		–104.7	196.3	–74.1	99.4
Trade receivables		–223.5	135.6	–30.4	170.6
Trade payables		167.4	–104.4	–3.6	–159.2
Changes in working capital		–160.8	227.5	–108.1	110.8
Changes in other operating assets and liabilities		–90.5	–70.1	–58.8	–40.0
Changes in provisions		–18.6	–39.1	–4.2	2.1
Non-cash change in liabilities relating to acquisition of non-controlling interests	3.)	3.6	2.8	1.4	1.6
Other non-cash items and reclassifications		5.5	–3.4	2.7	–2.4
Net cash provided by operating activities		**251.7**	**727.6**	**94.0**	**327.3**
Proceeds from the disposal of other financial assets		–	0.1	–	0.1
Proceeds from the disposal of intangible assets and property, plant and equipment		9.9	7.0	6.0	4.4
Payments to acquire consolidated subsidiaries and other business units		–268.0	–34.7	–202.4	–23.4
Payments to acquire other financial assets		–0.3	–	–0.3	–
Payments to acquire intangible assets and property, plant and equipment		–146.8	–100.8	–75.1	–51.1
Net cash used in investing activities		**–405.2**	**–128.4**	**–271.8**	**–70.0**
Payments to acquire treasury shares		–250.1	–173.1	–	–143.7
Proceeds from non-controlling interests		–	1.7	–	1.7
Dividends paid to Brenntag shareholders	14.)	–303.2	–304.7	–303.2	–304.7
Dividends paid to non-controlling interests		–	–0.2	–	–0.2
Proceeds from borrowings		1,242.6	300.4	999.9	153.5
Repayments of lease liabilities		–76.8	–68.1	–39.6	–33.5
Repayments of borrowings		–380.5	–763.5	–335.7	–146.4
Net cash provided by/used in financing activities		**232.0**	**–1,007.5**	**321.4**	**–473.3**
Change in cash and cash equivalents		**78.5**	**–408.3**	**143.6**	**–216.0**
Effect of exchange rate changes on cash and cash equivalents		2.4	–16.6	2.5	–7.7
Change in cash and cash equivalents reclassified into non-current assets held for sale		–	1.4	–	1.6
Cash and cash equivalents at beginning of period		576.9	1,046.1	511.7	844.7
Cash and cash equivalents at end of period		**657.8**	**622.6**	**657.8**	**622.6**

2.06 Consolidated cash flow statement

Condensed notes

Segment reporting

The Brenntag Group is managed through two global divisions, Brenntag Specialties and Brenntag Essentials, which were previously each managed through geographically structured segments. In 2023, the Board of Management of Brenntag SE took the decision to cease managing the Brenntag Specialties division regionally and to instead manage it globally through the Life Science, Material Science and Specialties Other segments effective January 1, 2024. The Life Science segment focuses on selling ingredients and value-added services in the global focus industries Nutrition, Pharma and Beauty & Care. The Material Science segment mainly encompasses business activities in the CASE (Coatings, Adhesives, Sealants, Elastomers), Construction, Polymers and Rubber industries. To a small extent, the Brenntag Specialties portfolio is also augmented by other business activities outside Life Science and Material Science.

Brenntag Essentials markets a broad portfolio of process chemicals across a wide range of industries and applications. The global Brenntag Essentials division continues to include the reportable segments EMEA, North America, Latin America and APAC. In the new management structure, the international operations of BRENNTAG International Chemicals GmbH (BIC), which buys and sells chemicals in bulk on an international scale, are now managed in the Brenntag Essentials division. This results in a further reportable segment in this division, “Transregional” (previously shown under “All other Segments”).

“Group and Regional Services” mainly include the central functions for the entire Group, the regional service functions and the activities with regard to the digitalization of our business.

The following tables show the reconciliation of the global divisions to the Group:

Period from January 1 to June 30 in EUR m	Brenntag Specialties	Brenntag Essentials	Group and Regional Services	Group
External sales				
2024	2,669.1	5,509.8	–	8,178.9
2023	2,865.9	5,917.8	–	8,783.7
fx. adj. change in %	–5.7	–7.0	–	–6.6
Operating gross profit				
2024	583.8	1,428.5	–	2,012.3
2023	618.9	1,447.5	–	2,066.4
fx. adj. change in %	–4.3	–1.5	–	–2.3
Depreciation and impairment of property, plant and equipment and right-of-use assets				
2024	16.4	149.0	5.4	170.8
2023	15.1	132.3	5.4	152.8
fx. adj. change in %	10.8	12.6	–	12.0
Operating EBITA (segment result)				
2024	219.8	400.0	–63.0	556.8
2023	273.8	487.1	–83.6	677.3
fx. adj. change in %	–18.1	–18.2	–24.6	–17.3

2.07 Reconciliation of the global divisions to the Group H1 2024/2023

Period from April 1 to June 30 in EUR m	Brenntag Specialties	Brenntag Essentials	Group and Regional Services	Group
External sales				
2024	1,366.5	2,809.8	–	4,176.3
2023	1,398.0	2,858.6	–	4,256.6
fx. adj. change in %	–1.4	–2.3	–	–2.0
Operating gross profit				
2024	297.5	730.4	–	1,027.9
2023	300.8	720.0	–	1,020.8
fx. adj. change in %	0.1	0.8	–	0.6
Depreciation and impairment of property, plant and equipment and right-of-use assets				
2024	8.4	77.9	2.6	88.9
2023	7.5	67.2	2.8	77.5
fx. adj. change in %	13.5	15.4	–7.1	14.4
Operating EBITA (segment result)				
2024	112.3	213.8	–29.0	297.1
2023	130.9	245.0	–43.7	332.2
fx. adj. change in %	–12.8	–13.4	–33.9	–10.4

2.08 Reconciliation of the global divisions to the Group Q2 2024/2023

The following tables show the segment information for the reportable segments of the global **Brenntag Specialties** division:

Period from January 1 to June 30 in EUR m	Life Science	Material Science	Specialties Other	Central activities[1]	**Brenntag Specialties**
External sales					
2024	1,750.7	885.4	33.0	–	2,669.1
2023	1,894.9	916.7	54.3	–	2,865.9
fx. adj. change in %	–6.0	–2.9	–42.7	–	–5.7
Operating gross profit					
2024	405.7	167.3	10.8	–	583.8
2023	426.3	178.3	14.3	–	618.9
fx. adj. change in %	–3.2	–5.3	–21.7	–	–4.3
Depreciation and impairment of property, plant and equipment and right-of-use assets[2]					
2024	2.4	1.0	13.0	–	16.4
2023	1.7	1.2	12.2	–	15.1
fx. adj. change in %	33.3	–16.7	10.2	–	10.8
Operating EBITA (segment result)[3]					
2024	159.0	60.3	–2.9	3.4	219.8
2023	197.3	70.9	5.3	0.3	273.8
fx. adj. change in %	–17.5	–14.1	–159.2	1,033.0	–18.1

2.09 Segment reporting on the global Specialties division H1 2024/2023

[1] Central activities which are part of Brenntag Specialties but not directly attributable to any one segment.
[2] Certain items of property, plant and equipment and right-of-use assets are not separable and support both divisions jointly. They have been allocated to a division (depending on the region) and are depreciated there. They are charged to the other division on the basis of fixed and variable monthly amounts.
[3] Segment operating EBITA is calculated as segment EBITA adjusted for holding charges and special items.

Period from April 1 to June 30 in EUR m	Life Science	Material Science	Specialties Other	Central activities[1]	**Brenntag Specialties**
External sales					
2024	889.8	459.1	17.6	–	1,366.5
2023	916.2	452.5	29.3	–	1,398.0
fx. adj. change in %	–1.9	1.8	–38.9	–	–1.4
Operating gross profit					
2024	205.5	87.1	4.9	–	297.5
2023	206.4	88.2	6.2	–	300.8
fx. adj. change in %	0.9	–0.7	–18.3	–	0.1
Depreciation and impairment of property, plant and equipment and right-of-use assets[2]					
2024	1.2	0.6	6.6	–	8.4
2023	0.9	0.6	6.0	–	7.5
fx. adj. change in %	33.3	–	11.9	–	13.5
Operating EBITA (segment result)[3]					
2024	78.7	30.1	–0.6	4.1	112.3
2023	94.8	33.7	2.3	0.1	130.9
fx. adj. change in %	–13.8	–7.5	–119.0	1,500.0	–12.8

2.10 Segment reporting on the global Specialties division Q2 2024/2023

[1] Central activities which are part of Brenntag Specialties but not directly attributable to any one segment.
[2] Certain items of property, plant and equipment and right-of-use assets are not separable and support both divisions jointly. They have been allocated to a division (depending on the region) and are depreciated there. They are charged to the other division on the basis of fixed and variable monthly amounts.
[3] Segment operating EBITA is calculated as segment EBITA adjusted for holding charges and special items.

The following tables show the segment information for the reportable segments of the global **Brenntag Essentials** division:

Period from January 1 to June 30 in EUR m	EMEA[1]	North America	Latin America	APAC[2]	Trans-regional	Central activities[3]	**Brenntag Essentials**
External sales							
2024	1,882.0	2,605.9	345.2	495.2	181.5	–	5,509.8
2023	2,120.3	2,728.8	369.5	428.7	270.5	–	5,917.8
fx. adj. change in %	–11.6	–4.4	–10.4	19.2	–32.9	–	–7.0
Operating gross profit							
2024	498.3	773.1	77.4	72.6	7.1	–	1,428.5
2023	522.1	769.9	74.9	63.7	16.9	–	1,447.5
fx. adj. change in %	–5.1	0.6	–	17.7	–23.7	–	–1.5
Depreciation and impairment of property, plant and equipment and right-of-use assets[4]							
2024	58.2	74.6	9.0	5.5	1.7	–	149.0
2023	52.8	64.4	8.7	4.8	1.6	–	132.3
fx. adj. change in %	10.0	16.0	1.1	19.6	6.2	–	12.6
Operating EBITA (segment result)[5]							
2024	146.5	240.4	3.3	9.9	3.9	–4.0	400.0
2023	186.7	262.8	11.8	13.5	13.5	–1.2	487.1
fx. adj. change in %	–22.3	–8.4	–73.8	–23.3	–71.1	233.3	–18.2

2.11 Segment reporting on the global Essentials division H1 2024/2023

[1] Europe, Middle East & Africa.
[2] In the new management structure in effect since January 1, 2024, the China and Hong Kong region is no longer managed separately; instead, it is managed together with the Asia Pacific region and they thus form a single operating segment. Previously, the China and Hong Kong segments were aggregated with the Asia Pacific segment in accordance with IFRS 8.12.
[3] Central activities which are part of Brenntag Essentials but not directly attributable to any one segment.
[4] Certain items of property, plant and equipment and right-of-use assets are not separable and support both divisions jointly. They have been allocated to a division (depending on the region) and are depreciated there. They are charged to the other division on the basis of fixed and variable monthly amounts.
[5] Segment operating EBITA is calculated as segment EBITA adjusted for holding charges and special items.

Period from April 1 to June 30 in EUR m	EMEA[1]	North America	Latin America	APAC[2]	Trans-regional	Central activities[3]	Brenntag Essentials
External sales							
2024	946.0	1,335.3	180.7	256.0	91.8	–	2,809.8
2023	993.1	1,343.0	176.9	212.9	132.7	–	2,858.6
fx. adj. change in %	–4.9	–1.5	–1.1	22.6	–30.8	–	–2.3
Operating gross profit							
2024	251.4	397.0	40.1	38.2	3.7	–	730.4
2023	258.2	386.7	35.3	32.2	7.6	–	720.0
fx. adj. change in %	–3.0	1.8	11.0	20.8	–51.3	–	0.8
Depreciation and impairment of property, plant and equipment and right-of-use assets[4]							
2024	30.0	39.5	4.6	2.7	1.1	–	77.9
2023	26.8	32.9	4.3	2.4	0.8	–	67.2
fx. adj. change in %	11.9	19.4	4.5	12.5	37.5	–	15.4
Operating EBITA (segment result)[5]							
2024	75.7	129.3	2.4	7.2	2.0	–2.8	213.8
2023	91.5	134.5	2.4	11.3	5.8	–0.5	245.0
fx. adj. change in %	–17.9	–4.7	–11.5	–32.1	–65.5	480.0	–13.4

2.12 Segment reporting on the global Essentials division Q2 2024/2023

1) Europe, Middle East & Africa.
2) In the new management structure in effect since January 1, 2024, the China and Hong Kong region is no longer managed separately; instead, it is managed together with the Asia Pacific region and they thus form a single operating segment. Previously, the China and Hong Kong segments were aggregated with the Asia Pacific segment in accordance with IFRS 8.12.
3) Central activities which are part of Brenntag Essentials but not directly attributable to any one segment.
4) Certain items of property, plant and equipment and right-of-use assets are not separable and support both divisions jointly. They have been allocated to a division (depending on the region) and are depreciated there. They are charged to the other division on the basis of fixed and variable monthly amounts.
5) Segment operating EBITA is calculated as segment EBITA adjusted for holding charges and special items.

The following table shows the reconciliation to profit before tax:

in EUR m	Jan. 1– Jun. 30, 2024	Jan. 1– Jun. 30, 2023	Apr. 1– Jun. 30, 2024	Apr. 1– Jun. 30, 2023
Operating EBITA (segment result)[1)]	**556.8**	**677.3**	**297.1**	**332.2**
Net expense from special items	– 29.3	– 12.6	– 21.1	– 17.3
(of which expenses in connection with strategic projects)	(– 22.5)	(– 8.1)	(– 14.5)	(– 8.1)
(of which expenses for legal risks)	(– 19.7)	(– 11.5)	(– 13.8)	(– 8.8)
(of which reversal of provision for excise duties)	(8.4)	(7.0)	(–)	(–)
(of which major fire in Canada and Turkey)	(7.0)	(–)	(9.7)	(–)
(of which other special items)	(– 2.5)	(–)	(– 2.5)	(– 0.4)
EBITA	**527.5**	**664.7**	**276.0**	**314.9**
Amortization and impairment of intangible assets[2)]	– 29.1	– 34.6	– 16.7	– 16.9
EBIT	**498.4**	**630.1**	**259.3**	**298.0**
Net finance costs	– 77.4	– 74.4	– 43.3	– 39.2
Profit before tax	**421.0**	**555.7**	**216.0**	**258.8**

2.13 Reconciliation of operating EBITA to profit before tax

1) Operating EBITA of the reportable segments amounts to EUR 620.3 million (H1 2023: EUR 761.7 million) and operating EBITA of the central activities of Brenntag Specialties and Brenntag Essentials, as well as Group and Regional Services to EUR – 63.5 million (H1 2023: EUR – 84.5 million).
2) This figure includes amortization of customer relationships in the amount of EUR 17.4 million (H1 2023: EUR 23.7 million).

Special items are income and expenses outside ordinary activities that have a special and material effect on the results of operations.

Expenses for strategy projects amounted to EUR 22.5 million in the first half of 2024. They mainly include advisory and severance expenses which relate to the planning for the legal and operational separation of the two divisions, Brenntag Specialties and Brenntag Essentials, and which will help to achieve the cost reduction targets.

In the first half of 2024, further expenses of EUR 19.7 million were recognized for legal risks arising from the sale of talc and similar products in North America due to a dynamic rise in the number of actions brought.

Tax returns were submitted in relation to provisions recognized in 2023 for excise duty risks in Sweden. These led to a lower-than-expected tax liability. The reversal of the relevant provisions resulted in other operating income of EUR 8.4 million in the first half of 2024.

Income of EUR 7.0 million arose in the first half of 2024 as a result of a major fire at a warehouse location in Canada and Turkey in the third and the fourth quarter of 2023, respectively. This is made up of further insurance payouts of EUR 9.3 million and income from the sale of inventories written down in the previous year in the amount of EUR 1.5 million. This is set against costs of EUR 3.8 million for repairs, the remediation of the resulting environmental damage and maintaining business operations.

The other special items relate to expenses in connection with social security contributions from previous years in Brazil.

General information

Brenntag SE has its registered office at Messeallee 11, 45131 Essen, Germany and is entered in the commercial register at the Essen Local Court under commercial register number HRB 31943.

Consolidation policies and methods

Standards applied

These interim consolidated financial statements for the period from January 1 to June 30, 2024 have been prepared in accordance with the requirements of IAS 34 (Interim Financial Reporting). The Notes are presented in condensed form compared with the Notes to the financial statements as at December 31, 2023.

With the exception of the standards and interpretations that became effective on January 1, 2024, the same accounting policies have been applied as for the consolidated financial statements as at December 31, 2023.

The following revised and new standards issued by the International Accounting Standards Board (IASB) have been applied by the Brenntag Group for the first time:

First-time adoption in 2024

- Amendments to IAS 1: regarding the classification of liabilities as current or non-current as well as non-current liabilities with covenants required to be complied with – effective date January 1, 2024
- Amendments to IFRS 16: regarding the lease liability in a sale and leaseback – effective date January 1, 2024
- Amendments to IAS 7 and IFRS 7: reverse factoring arrangements

The narrow-scope amendment to IAS 1 clarifies that liabilities are classified as current or non-current based on the entity's rights in existence at the end of the reporting period. Under the amendment, liabilities are classified as non-current if, at the end of the reporting period, the entity has a substantive right to defer settlement of the liability for at least twelve months after the reporting date. In assessing whether a (substantive) right exists, the entity does not consider whether it will exercise its right. Classification is unaffected by management's intentions in this regard.

Moreover, the amendments to IAS 1 now specify that conditions contained in loan arrangements with which an entity must comply within twelve months after the reporting period do not affect whether an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, i.e. such conditions do not affect a liability's classification as current or non-current. Whether an entity has the right at the end of the reporting period to defer settlement of a liability arising from a loan arrangement for at least twelve months after the reporting period is determined based solely on those conditions with which an entity must comply on or before the end of the reporting period.

Under the amendments to IFRS 16, an entity is required to subsequently measure the lease liability in such a way that it does not recognize any gain or loss that relates to the right of use it retains.

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures primarily concern additional disclosure requirements in connection with reverse factoring arrangements. The disclosures required by the amendments are not required for interim financial statements in the year in which the entity first applies the amendments.

The aforementioned new and revised standards do not have a material impact on the presentation of the Group's net assets, financial position and results of operations.

Scope of consolidation

The table below shows the changes in the number of consolidated companies including structured entities:

	Dec. 31, 2023	Additions	Disposals	Jun. 30, 2024
Domestic consolidated companies	28	–	–	28
Foreign consolidated companies	195	16	1	210
Total consolidated companies	**223**	**16**	**1**	**238**

2.14 Changes in scope of consolidation

The additions relate to entities acquired in business combinations under IFRS 3 and one entity established. The disposal is the result of a liquidation.

Four (Dec. 31, 2023: four) associates are accounted for using the equity method.

In financial year 2022, the Board of Management of Brenntag SE decided to halt the business operations of all Brenntag companies in Russia and Belarus until further notice due to the war in Ukraine. In the second quarter of 2023, Brenntag sold all shares in OOO Brenntag based in Moscow, Russia. As at June 30, 2024, Brenntag still reported cash and cash equivalents of EUR 7.6 million in Russia (of which EUR 0.3 million in rubles and EUR 7.3 million in US dollars) which were only available to Brenntag for cross-border transfers subject to the applicable restrictions on foreign exchange transactions. As at December 31, 2023, the cash and cash equivalents of the Brenntag companies in Russia also amounted to EUR 7.6 million.

Business combinations in accordance with IFRS 3

At the end of March 2024, Brenntag acquired all shares in Lawrence Industries Ltd. based in Tamworth, UK. The company supplies high-quality additives, minerals and catalysts to a wide range of markets across the UK and Ireland. This acquisition strengthens Brenntag's position in the Material Science segment.

At the beginning of June 2024, Brenntag closed the acquisition of 100% of the shares in the Solventis Group, a glycols and solvents distributor based in Antwerp, Belgium, and the UK. The state-of-the-art site in Antwerp will extend Brenntag's regional access and warehousing capacity, while opening up the potential for interregional optimization. As ships and barges are used for sourcing, the acquisition also improves Brenntag Essentials' sustainability profile and is thus an excellent fit with the Group's strategy.

In addition, Brenntag made some smaller acquisitions.

The purchase price, net assets and goodwill break down as follows:

in EUR m	Solventis Group	Other entities	Total
Purchase price	**225.4**	**69.3**	**294.7**
of which consideration contingent on earnings targets	–	–	–
Assets			
Cash and cash equivalents	16.5	3.1	19.6
Trade receivables, current financial assets and other receivables	53.5	8.6	62.1
Other current assets	36.8	8.5	45.3
Non-current assets	63.2	31.6	94.8
Liabilities			
Current liabilities	29.5	4.5	34.0
Non-current liabilities	46.5	7.7	54.2
Net assets	**94.0**	**39.6**	**133.6**
of which Brenntag's share	94.0	39.6	133.6
of which non-controlling interests	–	–	–
Goodwill	**131.4**	**29.7**	**161.1**
of which deductible for tax purposes	–	5.5	5.5

2.15 Net assets acquired

Measurement of the assets acquired and liabilities assumed (among others customer relationships, environmental provisions and deferred taxes) has not yet been completed for reasons of time. The main factors determining the goodwill are the above-mentioned reasons for the acquisitions where not included in other assets. There are no material differences between the gross amount and carrying amount of the receivables.

Acquisition-related costs in the amount of EUR 0.6 million were recognized under other operating expenses.

Since their acquisition by Brenntag, the entities acquired in 2024 have generated sales of EUR 38.7 million and profit after tax of EUR 14.6 million.

In the case of an acquisition with effect from January 1, 2024, sales of about EUR 8,291 million would have been reported for the Brenntag Group in the reporting period. Profit after tax would have been about EUR 302 million.

As a result of measurement-period adjustments, goodwill from entities acquired in 2023 decreased by a total of EUR 49.4 million.

Currency translation

The euro exchange rates of major currencies changed as follows:

	Closing rate		Average rate	
EUR 1 = currencies	Jun. 30, 2024	Dec. 31, 2023	Jan. 1 – Jun. 30, 2024	Jan. 1 – Jun. 30, 2023
Brazilian real (BRL)	5.8915	5.3618	5.4922	5.4827
Canadian dollar (CAD)	1.4670	1.4642	1.4685	1.4566
Swiss franc (CHF)	0.9634	0.9260	0.9615	0.9856
Chinese yuan renminbi (CNY)	7.7748	7.8509	7.8011	7.4894
Danish krone (DKK)	7.4575	7.4529	7.4580	7.4462
Pound sterling (GBP)	0.8464	0.8691	0.8547	0.8764
Polish zloty (PLN)	4.3090	4.3395	4.3169	4.6244
Russian ruble (RUB)	93.3701	99.7293	98.1588	83.3030
Swedish krona (SEK)	11.3595	11.0960	11.3914	11.3329
Turkish lira (TRY)	35.1868	32.6531	35.1868	21.5662
US dollar (USD)	1.0705	1.1050	1.0813	1.0807

2.16 Exchange rates of major currencies

Consolidated income statement, consolidated balance sheet and consolidated cash flow statement disclosures

1.) Sales

Sales of EUR 8,138.9 million (H1 2023: EUR 8,746.2 million) relate to the sale of goods and sales of EUR 40.1 million (H1 2023: EUR 37.5 million) to the provision of services.

2.) Interest expense

in EUR m	Jan. 1– Jun. 30, 2024	Jan. 1– Jun. 30, 2023
Interest expense on liabilities to third parties	–47.7	–46.3
Expense from the fair value measurement of the cross-currency interest rate swap	–3.8	–3.6
Net interest expense on defined benefit pension plans	–1.8	–1.8
Interest expense on other provisions	–1.8	–1.5
Interest expense on leases	–11.1	–8.4
Total	**–66.2**	**–61.6**

2.17 Interest expense

3.) Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss

in EUR m	Jan. 1– Jun. 30, 2024	Jan. 1– Jun. 30, 2023
Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss	–3.0	–2.1
Change in liabilities recognized in profit or loss arising from limited partners' rights to repayment of contributions	–0.6	–0.7
Total	**–3.6**	**–2.8**

2.18 Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss

For further information, please refer to Note 13.).

4.) Loss on the net monetary position

The inflation effect on non-monetary items resulted in a loss on the net monetary position of EUR 0.4 million for the first half of financial year 2024 (H1 2023: EUR 7.7 million).

5.) Income tax expense

Income tax expense comprises current tax expense of EUR 117.3 million (H1 2023: current tax expense of EUR 150.0 million) and deferred tax expense of EUR 8.7 million (H1 2023: deferred tax income of EUR 0.5 million).

Tax expense for the first half of 2024 was calculated using the Group tax rate expected for financial year 2024. Any items of income and expense that cannot be planned with sufficient accuracy are disregarded when determining the expected Group tax rate and calculating tax expense.

	Jan. 1–Jun. 30, 2024			Jan. 1–Jun. 30, 2023		
in EUR m	Profit before tax	Tax rate in %	Income tax expense	Profit before tax	Tax rate in %	Income tax expense
excluding tax-neutral income/expenses that cannot be planned with sufficient accuracy	426.3	29.6	126.0	557.8	26.8	149.5
tax-neutral income/expenses that cannot be planned with sufficient accuracy	–5.3	–	–	–2.1	–	–
including tax-neutral income/expenses that cannot be planned with sufficient accuracy	421.0	29.9	126.0	555.7	26.9	149.5

2.19 Profit before tax after elimination of tax-neutral income/expenses that cannot be planned with sufficient accuracy

6.) Earnings per share

Basic earnings per share in the amount of EUR 2.00 (H1 2023: EUR 2.62) are determined by dividing the share of profit after tax of EUR 290.5 million (H1 2023: EUR 402.8 million) attributable to the shareholders of Brenntag SE by the average weighted number of outstanding shares.

As part of the second tranche of the share buyback program launched in January 2024, Brenntag acquired around 3.1 million Brenntag SE shares on the stock market in the first quarter of 2024 and canceled those shares upon completion of the program in March 2024. The average weighted number of outstanding shares was 144.9 million in the first half of 2024 (H1 2023: 153.7 million).

Diluted earnings per share are calculated as follows:

in EUR m	Jan. 1 – Jun. 30, 2024	Jan. 1 – Jun. 30, 2023	Apr. 1 – Jun. 30, 2024	Apr. 1 – Jun. 30, 2023
Share of profit after tax attributable to Brenntag SE shareholders	290.5	402.8	149.1	186.9
Number of Brenntag SE shares	144.9	153.7	144.4	152.5
Basic earnings per share	**2.00**	**2.62**	**1.03**	**1.23**
Diluted earnings per share	**2.00**	**2.62**	**1.03**	**1.23**

2.20 Diluted earnings per share

7.) Non-current assets held for sale and liabilities associated with those assets

Non-current assets held for sale comprise property, plant and equipment held for sale totaling EUR 1.5 million (Dec. 31, 2023: EUR 2.5 million).

8.) Property, plant and equipment

Property, plant and equipment increased by EUR 74.1 million to EUR 1,579.3 million (Dec. 31, 2023: EUR 1,505.2 million). The change in property, plant and equipment is due mainly to other additions (EUR 132.7 million), acquisitions (EUR 26.3 million) and exchange rate effects (EUR 14.8 million), which were set against depreciation (EUR 95.4 million).

9.) Intangible assets

Intangible assets rose by EUR 223.2 million to EUR 3,796.2 million (Dec. 31, 2023: EUR 3,573.0 million). The change in intangible assets is due mainly to acquisitions (EUR 179.7 million), exchange rate effects (EUR 62.1 million) and other additions (EUR 10.5 million), which were set against amortization (EUR 29.1 million).

10.) Financial liabilities

in EUR m	Jun. 30, 2024	Dec. 31, 2023
Liability under the syndicated loan	–	45.6
Other liabilities to banks	173.1	182.1
Promissory notes (Schuldschein)	565.6	622.5
Bond 2025	604.0	600.1
Bond 2028	500.4	–
Bond 2029	499.4	498.0
Bond 2032	497.6	–
Derivative financial instruments	43.5	29.0
Liability relating to the acquisition of treasury shares	–	250.0
Other financial liabilities	68.8	86.6
Total	**2,952.4**	**2,313.9**
Lease liabilities	569.7	449.8
Cash and cash equivalents	-657.8	-576.9
Net financial liabilities	**2,864.3**	**2,186.8**

2.21 Determination of net financial liabilities

In April 2024, Brenntag placed two bonds totaling EUR 1 billion on the European capital market (Bond 2028 and Bond 2032). Brenntag Finance B.V. issued the two EUR 500 million bonds with a maturity of four and eight years and carrying a coupon of 3.750% and 3.875%. The bonds were issued at 99.781% and 99.192% of par, respectively.

11.) Other provisions

Other provisions break down as follows:

in EUR m	Jun. 30, 2024	Dec. 31, 2023
Environmental provisions	109.3	107.5
Provisions for personnel expenses	42.3	71.8
Miscellaneous provisions	203.3	188.2
Total	**354.9**	**367.5**

2.22 Other provisions

Miscellaneous provisions primarily include provisions for compensation payable and for legal proceedings and disputes in the amount of EUR 155.7 million (Dec. 31, 2023: EUR 139.1 million).

Tax returns were submitted in relation to provisions recognized in 2023 for excise duty risks in Sweden. These led to a lower-than-expected tax liability. The reversal of the relevant provisions resulted in other operating income of EUR 8.4 million.

12.) Provisions for pensions and other post-employment benefits

In the interim consolidated financial statements as at June 30, 2024, the present value of pension obligations was determined using a discount rate of 3.6% (Dec. 31, 2023: 3.2%) in Germany and the other countries of the euro zone, 1.4% (Dec. 31, 2023: 1.5%) in Switzerland and 5.0% (Dec. 31, 2023: 4.7%) in Canada.

Due to the remeasurement of defined benefit plans, provisions for pensions and other post-employment benefits decreased by an amount of EUR 9.4 million recognized directly in retained earnings. This is mainly the result of the increase in the discount rate in Canada and the euro zone. Net of deferred taxes, actuarial losses recognized in other comprehensive income consequently decreased by EUR 6.7 million.

13.) Liabilities relating to acquisition of non-controlling interests

Liabilities relating to the acquisition of non-controlling interests break down as follows:

in EUR m	Jun. 30, 2024	Dec. 31, 2023
Liabilities relating to acquisition of non-controlling interests	118.6	115.0
Liabilities arising from limited partners' rights to repayment of contributions	3.0	2.4
Total	**121.6**	**117.4**

2.23 Liabilities relating to acquisition of non-controlling interests

Liabilities relating to the acquisition of non-controlling interests have been partly included in net investment hedge accounting. Exchange rate-related changes in the liabilities included in net investment hedge accounting are recognized within equity in the net investment hedge reserve.

14.) Equity

As proposed by the Board of Management and the Supervisory Board, the Annual General Meeting of Brenntag SE on May 23, 2024 passed a resolution to pay a dividend of EUR 303.2 million. Based on 144.4 million shares, that is a dividend of EUR 2.10 per no-par value share entitled to a dividend.

Upon completion of the second tranche of the share buyback program launched in January 2024, the subscribed capital was reduced by a nominal amount of around EUR 3.1 million by canceling the shares in March 2024 and the excess amount of EUR 246.9 million was eliminated against additional paid-in capital. The subscribed capital now amounts to around EUR 144.4 million. For the share buyback, in December 2023, Brenntag recognized a liability of EUR 250.0 million directly in equity for the obligation to acquire treasury shares.

Exchange rate differences include the inflation effect on equity of EUR 2.9 million attributable to hyperinflation in Turkey (H1 2023: EUR 6.7 million).

Non-controlling interests comprise the shares of non-Group shareholders in the equity of consolidated entities. Overall, non-controlling interests changed as follows:

in EUR m	Subscribed capital, retained earnings and additional paid-in capital	Exchange rate differences	Non-controlling interests
Dec. 31, 2022	**50.8**	**-0.6**	**50.2**
Dividends	-0.2	–	-0.2
Profit after tax	3.4	–	3.4
Other comprehensive income, net of tax	–	-3.2	-3.2
Total comprehensive income for the period	**3.4**	**-3.2**	**0.2**
Jun. 30, 2023	**54.0**	**-3.8**	**50.2**

2.24 Change in non-controlling interests/Jun. 30, 2023

in EUR m	Subscribed capital, retained earnings and additional paid-in capital	Exchange rate differences	Non-controlling interests
Dec. 31, 2023	**53.8**	**-1.8**	**52.0**
Business combinations	-2.5	–	-2.5
Profit after tax	4.5	–	4.5
Other comprehensive income, net of tax	–	0.3	0.3
Total comprehensive income for the period	**4.5**	**0.3**	**4.8**
Jun. 30, 2024	**55.8**	**-1.5**	**54.3**

2.25 Change in non-controlling interests/Jun. 30, 2024

15.) Consolidated cash flow statement disclosures

At EUR 251.7 million in the first half of 2024, net cash provided by operating activities was significantly lower than in the same period of the previous year. This was due mainly to additional funds tied up in working capital, whereas funds were released in the prior-year period.

Of the net cash used in investing activities in the first half of 2024, EUR 146.8 million comprised payments to acquire intangible assets and property, plant and equipment. Payments to acquire consolidated subsidiaries and other business units relate mainly to the acquisition of all shares in Lawrence Industries Ltd. based in Tamworth, UK, and the Solventis Group based in Antwerp, Belgium, and the UK.

The main driver of the net cash of EUR 232.0 million provided by financing activities in the first half of 2024 were the total cash inflows of EUR 1.0 billion from the bonds issued, which were set against cash outflows for dividend payments and the second tranche of the share buyback program.

16.) Legal proceedings and disputes

As a global company, Brenntag has to comply with the country-specific tax laws and regulations in each jurisdiction. Tax exposures could result in particular from current and future tax audits of our German and foreign subsidiaries. These exposures are generally reflected in the balance sheet by recognizing provisions.

Tax returns were submitted in relation to provisions recognized in 2023 for excise duty risks in Sweden. These led to a lower-than-expected tax liability. The reversal of the relevant provisions resulted in other operating income of EUR 8.4 million in the first half of 2024.

In connection with the sale of talc and similar products, actions have been brought against our North American subsidiaries, against which the Brenntag Group is actively defending itself. Taking into account the dynamic rise in the number of actions brought, the provisions recognized for this were increased by EUR 19.7 million in the first half of 2024. The underlying cases are continuously monitored and the provisions adjusted as and when necessary. In addition, Brenntag has taken measures to mitigate the risk and is asserting claims for compensation from third parties. Nevertheless, the possibility that these legal disputes will result in further significant adverse effects on the results of operations cannot be ruled out.

17.) Reporting of financial instruments

The classification and measurement of the financial assets recognized in the balance sheet are shown in the table below:

in EUR m	Jun. 30, 2024			
Classes of financial assets:	At amortized cost	FVTPL[1]	Total carrying amount	Fair value
Cash and cash equivalents	657.8	–	657.8	657.8
Trade receivables	2,549.8	–	2,549.8	2,549.8
Other receivables	104.5	–	104.5	104.5
Other financial assets	12.3	12.3	24.6	24.6
Total	**3,324.4**	**12.3**	**3,336.7**	**3,336.7**

2.26 Classification of financial assets by measurement category/Jun. 30, 2024

[1] Financial assets at fair value through profit or loss.

in EUR m	Dec. 31, 2023			
Classes of financial assets:	At amortized cost	FVTPL[1]	Total carrying amount	Fair value
Cash and cash equivalents	576.9	–	576.9	576.9
Trade receivables	2,263.1	–	2,263.1	2,263.1
Other receivables	113.5	–	113.5	113.5
Other financial assets	19.2	11.4	30.6	30.5
Total	**2,972.7**	**11.4**	**2,984.1**	**2,984.0**

2.27 Classification of financial assets by measurement category/Dec. 31, 2023

[1] Financial assets at fair value through profit or loss.

The majority of the financial assets measured at amortized cost have remaining terms of one year or less. Their carrying amounts at the reporting date approximate their fair values. Of the other receivables recognized in the balance sheet, EUR 281.1 million (Dec. 31, 2023: EUR 213.9 million) are not financial assets as defined by IFRS 7. They are mainly receivables from value-added tax and other taxes, prepaid expenses and prepayments.

The classification and measurement of the financial liabilities recognized in the balance sheet are shown in the table below:

in EUR m	Jun. 30, 2024			
Classes of financial liabilities:	At amortized cost	FVTPL[1]	Total carrying amount	Fair value
Trade payables	1,844.0	–	1,844.0	1,844.0
Other liabilities	258.5	–	258.5	258.5
Liabilities relating to acquisition of non-controlling interests	121.6	–	121.6	121.6
Financial liabilities	2,908.9	43.5	2,952.4	2,843.1
Total	**5,133.0**	**43.5**	**5,176.5**	**5,067.2**

2.28 Classification of financial liabilities by measurement category/Jun. 30, 2024

[1] Financial liabilities at fair value through profit or loss.

in EUR m	Dec. 31, 2023			
Classes of financial liabilities:	At amortized cost	FVTPL[1]	Total carrying amount	Fair value
Trade payables	1,633.7	–	1,633.7	1,633.7
Other liabilities	245.0	–	245.0	245.0
Liabilities relating to acquisition of non-controlling interests	117.4	–	117.4	116.9
Financial liabilities	2,279.6	34.4	2,314.0	2,218.5
Total	**4,275.7**	**34.4**	**4,310.1**	**4,214.1**

2.29 Classification of financial liabilities by measurement category/Dec. 31, 2023

[1] Financial liabilities at fair value through profit or loss.

The majority of the trade payables and other liabilities measured at amortized cost have remaining terms of one year or less. Their carrying amounts at the reporting date therefore approximate their fair values. The fair values of the bonds measured at amortized cost under financial liabilities were determined using quoted or market prices in an active market (Level 1 of the fair value hierarchy). The fair values of the other financial liabilities measured at amortized cost were determined using the discounted cash flow method on the basis of inputs observable on the market (Level 2 of the fair value hierarchy). The liabilities relating to the acquisition of non-controlling interests were determined on the basis of recognized company valuation models. The company valuation models are based on cash flow plans (Level 3 of the fair value hierarchy). The fair values of foreign exchange forwards and foreign exchange swaps are determined by comparing forward rates and discounted to present value (Level 2 of the fair value hierarchy).

The fair value of the cross-currency interest rate swaps is determined in two steps. First, the expected future cash flows are discounted using maturity-matched market interest rates according to the currency. In the second step, the cash flows discounted in foreign currency (US dollar) are then translated into the reporting currency (EUR) at market exchange rates (Level 2 of the fair value hierarchy). As at June 30, 2024, the cross-currency interest rate swaps had a fair value of EUR –40.0 million (Dec. 31, 2023: EUR –24.6 million).

The value of a call option to acquire non-controlling interests is calculated from the intrinsic value and the time value of the option. The intrinsic value of the call option is calculated as the difference between the enterprise value and the strike price. The time value reflects the optionality of movements in the future strike price and the future enterprise value of the non-controlling interests. This is illustrated by way of a Monte Carlo simulation and the fair value of the call option then determined (Level 3 of the fair value hierarchy).

Of the other liabilities recognized in the balance sheet, EUR 279.1 million (Dec. 31, 2023: EUR 324.6 million) are not financial liabilities as defined by IFRS 7. They are mainly liabilities to employees, liabilities from value-added tax and other taxes, as well as deferred income.

The allocation of the financial assets and liabilities recognized in the balance sheet at fair value to the levels of the IFRS 13 fair value hierarchy is shown in the table below:

in EUR m				
Hierarchy level	Level 1	Level 2	Level 3	**Jun. 30, 2024**
Financial assets at fair value through profit or loss	1.4	4.1	6.8	**12.3**
Financial liabilities at fair value through profit or loss	–	43.5	–	**43.5**

2.30 Financial instruments according to fair value hierarchy/Jun. 30, 2024

in EUR m				
Hierarchy level	Level 1	Level 2	Level 3	**Dec. 31, 2023**
Financial assets at fair value through profit or loss	1.4	2.7	7.3	**11.4**
Financial liabilities at fair value through profit or loss	–	29.0	5.3	**34.3**

2.31 Financial instruments according to fair value hierarchy/Dec. 31, 2023

Liabilities resulting from contingent consideration arrangements of EUR 0.0 million (Dec. 31, 2023: EUR 5.4 million) relate to liabilities for contingent purchase prices payable in business combinations. The amount of the contingent purchase price component required to be recognized at fair value is contingent on the earnings achieved by the acquired business and is limited in both the lower (EUR 0.0 million) and the upper (EUR 82.5 million) range.

Liabilities resulting from contingent consideration arrangements changed as follows:

in EUR m	**2024**	**2023**
Jan. 1	5.4	29.3
Exchange rate differences	–0.1	–0.5
Payments	–5.3	–21.7
Jun. 30	**–**	**7.1**

2.32 Change in liabilities resulting from contingent consideration arrangements

The call option to acquire non-controlling interests was recognized in the amount of EUR 6.8 million (Dec. 31, 2023: EUR 7.3 million) on the basis of the mean of the Monte Carlo simulations. The minimum is EUR 0.0 million (Dec. 31, 2023: EUR 0.0 million) and the maximum EUR 23.5 million (Dec. 31, 2023: EUR 23.5 million).

Essen, August 12, 2024

Brenntag SE
BOARD OF MANAGEMENT

Dr. Christian Kohlpaintner

Michael Friede

Dr. Kristin Neumann

Ewout van Jarwaarde

Further Information

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group in the remaining months of the financial year.

Essen, August 12, 2024

Brenntag SE
BOARD OF MANAGEMENT

Dr. Christian Kohlpaintner

Michael Friede

Dr. Kristin Neumann

Ewout van Jarwaarde

Review report

To Brenntag SE, Essen

We have reviewed the condensed interim consolidated financial statements of Brenntag SE, Essen which comprise the balance sheet, the statement of profit and loss and the statement of comprehensive income, the statement of cash flows, the statement of changes in equity as well as selected explanatory notes to the consolidated financial statements, and the interim group management report for the period from 1 January to 30 June 2024, that are part of the half-year financial information under Section 115 German Securities Trading Act (WpHG). The preparation of the interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable to condensed interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the executive directors of the Company. Our responsibility is to issue a review report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in compliance with the German Generally Accepted Standards for Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude through critical evaluation that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and to analytical procedures applied to financial data and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed an audit, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of Brenntag SE, Essen, have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Duesseldorf, 12 August 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed: André Bedenbecker	Signed: Christian Siepe
Wirtschaftsprüfer (German Public Auditor)	Wirtschaftsprüfer (GermanPublic Auditor)

Financial calendar

November 12
2024

Quarterly Statement
Q3 2024

March 12
2025

Annual Report
2024

May 14
2025

Quarterly Statement
Q1 2025

May 22
2025

Annual General Meeting
2025

The financial calendar is updated regularly. The latest dates can be found on our website at www.brenntag.com/financial_calendar

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Information on the half-year financial report
This translation is only a convenience translation. In the event of any differences, only the German version is binding. As part of our sustainability activities, we do not print the half-year financial report and publish it exclusively in digital form.

Information on rounding
Due to commercial rounding, minor differences may occur when using rounded amounts or rounded percentages.

Disclaimer
This report 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 adapt them in line with future events or developments.

Sustainability
Brenntag reports on sustainability and corporate citizenship in its Sustainability Reports. These can be found at: www.brenntag.com/sustainability.