

**BRENNTAG**



**Q1 2011**

Conference Call Presentation, 11<sup>th</sup> May 2011

## Disclaimer

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# Agenda

**1. Highlights Q1 2011**

**Steve Holland**

**2. Financials Q1 2011**

**Jürgen Buchsteiner**

**3. Outlook 2011**

**Steve Holland**

**Appendix**

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## Introductory Remarks to Q1 2011 Earnings

Ongoing sound business development and earnings growth in Q1 2011

Strong gross profit growth of 13.1% as well as operating EBITDA growth of 15.6% (both y-o-y, both FX adjusted)

Drivers were the organic growth of the business, efficient cost structures as well as the contribution of the EAC Industrial Ingredients acquisition

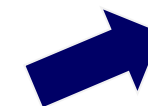
Average USD/EUR conversion rate was nearly unchanged compared to Q1 2010, recently weaker USD might result in as reported growth rates to be below FX adjusted growth rates going forward

Working capital growth driven by increased business activity, working capital turnover decreased slightly partly due to the lower working capital turns within EAC Industrial Ingredients

## Operating Highlights Q1 2011

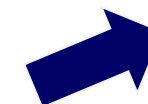
### Gross Profit

EUR 434.4m  
FX adjusted increase of 13.1% y-o-y (as reported increase of 15.2% y-o-y)



### Operating EBITDA

EUR 158.1m  
FX adjusted increase of 15.6% y-o-y (as reported increase of 17.7% y-o-y).



### Operating EBITDA / Gross Profit

36.4% (against 35.6% Q1 2010)



### Cash flow

Free cash flow of EUR 47.9m despite outflow for increase of working capital. Working capital increase of EUR 97.4m driven by business growth. Working Capital turnover decreased partly due to the lower working capital turns within EAC Industrial Ingredients.

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## Income Statement Q1 2011

in EUR m	Q1 2011	Q1 2010	Δ	Δ FX adjusted	2010
<b>Sales</b>	<b>2,127.1</b>	<b>1,733.8</b>	<b>22.7%</b>	<b>20.6%</b>	<b>7,649.1</b>
<b>Cost of Goods Sold</b>	<b>-1,692.7</b>	<b>-1,356.8</b>	<b>24.8%</b>		<b>-6,012.7</b>
<b>Gross Profit</b>	<b>434.4</b>	<b>377.0</b>	<b>15.2%</b>	<b>13.1%</b>	<b>1,636.4</b>
<b>Expenses</b>	<b>-276.5</b>	<b>-248.5</b>	<b>11.3%</b>		<b>-1,038.8</b>
<b>EBITDA</b>	<b>157.9</b>	<b>128.5</b>	<b>22.9%</b>	<b>20.5%</b>	<b>597.6</b>
<b>Add back Transaction Costs <sup>1)</sup></b>	<b>0.2</b>	<b>5.8</b>			<b>5.0</b>
<b>Operating EBITDA</b>	<b>158.1</b>	<b>134.3</b>	<b>17.7%</b>	<b>15.6%</b>	<b>602.6</b>
<b>Operating EBITDA / Gross Profit</b>	<b>36.4%</b>	<b>35.6%</b>			<b>36.8%</b>

1) Transaction costs are costs related to restructuring and refinancing under company law.

## Income Statement Q1 2011 (continued)

in EUR m	Q1 2011	Q1 2010	Δ	2010
<b>EBITDA</b>	<b>157.9</b>	<b>128.5</b>	<b>22.9%</b>	<b>597.6</b>
<b>Depreciation</b>	<b>-21.4</b>	<b>-20.2</b>	<b>5.9%</b>	<b>-84.0</b>
<b>EBITA</b>	<b>136.5</b>	<b>108.3</b>	<b>26.0%</b>	<b>513.6</b>
<b>Amortization<sup>1)</sup></b>	<b>-6.0</b>	<b>-31.0</b>	<b>-80.6%</b>	<b>-104.6</b>
<b>EBIT</b>	<b>130.5</b>	<b>77.3</b>	<b>68.8%</b>	<b>409.0</b>
<b>Financial Result</b>	<b>-28.4</b>	<b>-73.6</b>	<b>-61.4%</b>	<b>-177.2</b>
<b>EBT</b>	<b>102.1</b>	<b>3.7</b>	<b>&gt;100%</b>	<b>231.8</b>
<b>Profit after tax</b>	<b>66.9</b>	<b>2.2</b>	<b>&gt;100%</b>	<b>146.6</b>

1) This figure includes scheduled amortization of customer relationships totalling EUR 4.0 million (prior period: EUR 29.0 million). Of the amortization of customer relationships, in the prior period EUR 25.8 million resulted from the amortization of customer relationships which were capitalized on the acquisition of the Brenntag Group by funds advised by BC Partners Limited, Bain Capital, Ltd. and subsidiaries of Goldman Sachs International at the end of the third quarter of 2006. These customer relationships were fully amortized over four years until September 30, 2010.

## Cash Flow Statement Q1 2011

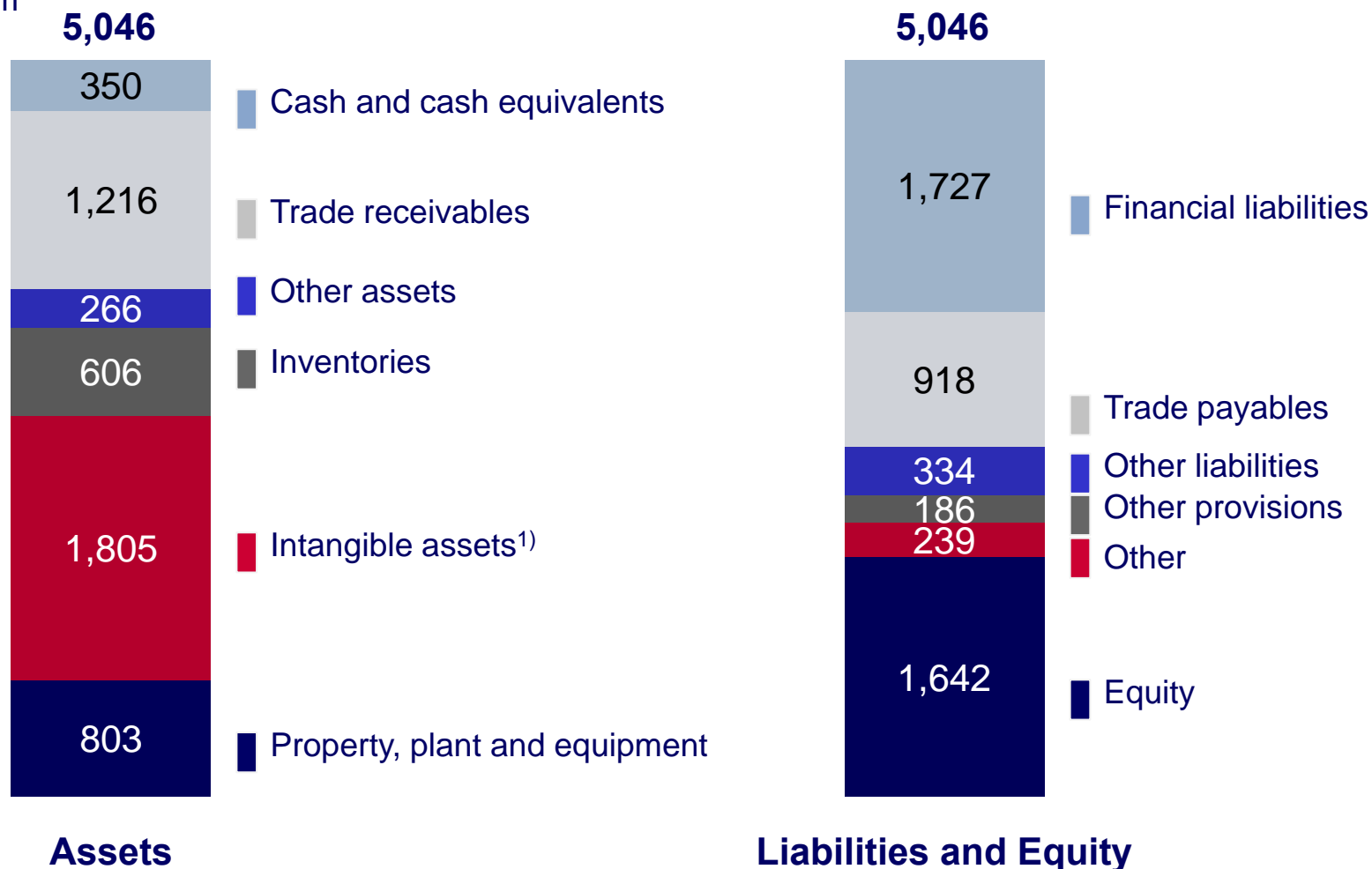
in EUR m	Q1 2011	Q1 2010	2010
Profit after tax	66.9	2.2	146.6
Depreciation & Amortization	27.4	51.2	188.6
Income taxes	35.2	1.5	85.2
Income tax payments	-25.8	-10.0	-86.1
Interest result	26.3	74.6	168.3
Interest payments (net)	-30.9	-104.1	-195.3
Changes in current assets and liabilities	-90.1	-64.1	-117.1
Other	1.0	-23.6	-39.9
<b>Cash provided by operating activities</b>	<b>10.0</b>	<b>-72.3</b>	<b>150.3</b>

## Cash Flow Statement Q1 2011 (continued)

in EUR m	Q1 2011	Q1 2010	2010
Purchases of intangible assets and Property, Plant & Equipment	-16.9	-15.0	-81.2
Purchases of consolidated subsidiaries and other business units	0.0	-2.3	-143.1
Other	3.9	-0.7	5.8
<b>Cash used for investing activities</b>	<b>-13.0</b>	<b>-18.0</b>	<b>-218.5</b>
Capital increase	0.0	525.0	525.0
Payments in connection with the capital increase	0.0	-6.6	-13.7
Purchases of shares in companies already consolidated	0.0	0.0	-3.6
Dividends paid to minority shareholders	0.0	-0.1	-5.9
Repayment of borrowings (net)	0.4	-380.1	-688.9
<b>Cash used for financing activities</b>	<b>0.4</b>	<b>138.2</b>	<b>-187.1</b>
<b>Change in cash &amp; cash equivalents</b>	<b>-2.6</b>	<b>47.9</b>	<b>-255.3</b>

# Balance Sheet as of 31 March 2011

in EUR m



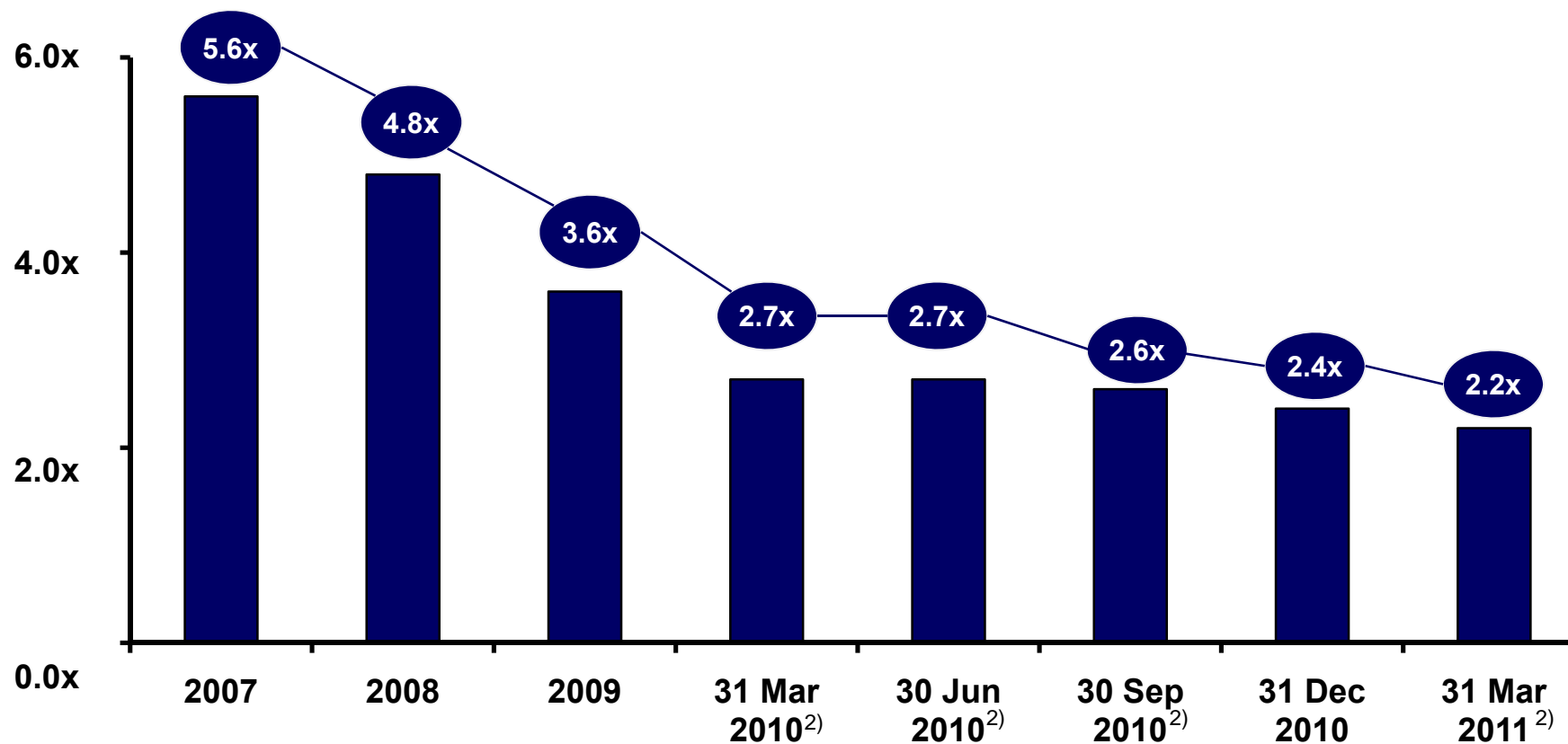
1) Of the intangible assets as of March 31, 2011, some EUR 1,143 million relate to goodwill and trademarks that were capitalized as part of the purchase price allocation performed on the acquisition of the Brenntag Group by funds advised by BC Partners Limited, Bain Capital, Ltd. and subsidiaries of Goldman Sachs International at the end of the third quarter of 2006 in addition to the relevant intangible assets already existing in the previous Group structure.

## Balance Sheet and Leverage Q1 2011

in EUR m	31 March 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
<b>Financial liabilities<sup>1)</sup></b>	<b>1,726.7</b>	<b>1,783.8</b>	<b>1,770.3</b>	<b>1,832.2</b>	<b>2,048.6</b>	<b>2,436.3</b>
<b>./. Cash and cash equivalents</b>	<b>349.8</b>	<b>362.9</b>	<b>300.6</b>	<b>411.3</b>	<b>664.0</b>	<b>602.6</b>
<b>Net Debt</b>	<b>1,376.9</b>	<b>1,420.9</b>	<b>1,469.7</b>	<b>1,420.9</b>	<b>1,384.6</b>	<b>1,833.7</b>
<b>Net Debt / Operating EBITDA<sup>2)</sup></b>	<b>2.2x</b>	<b>2.4x</b>	<b>2.6x</b>	<b>2.7x</b>	<b>2.7x</b>	<b>3.6x</b>
<b>Equity</b>	<b>1,642.0</b>	<b>1,617.9</b>	<b>1,535.6</b>	<b>1,545.1</b>	<b>1,456.6</b>	<b>172.3</b>

1) Excluding shareholder loan in an amount of EUR 702.2m for 31 Dec 2009. No shareholder loan was in place as of 31 Mar 2010 and subsequent quarters.

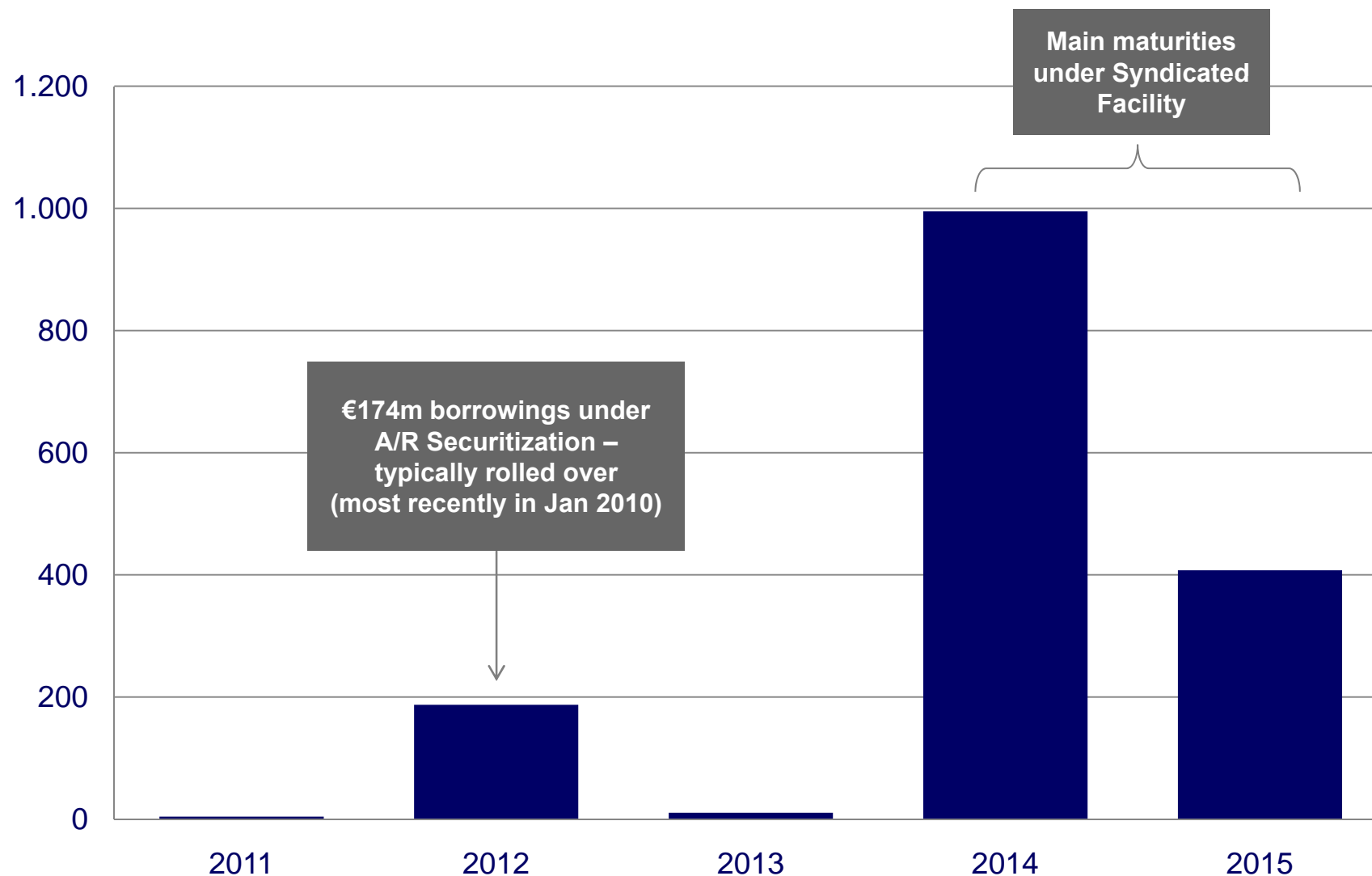
2) Operating EBITDA for the quarters on LTM basis; 2009 adjusted for expense items relating to the early termination of a multi-year incentive program.

Leverage: Net Debt / Operating EBITDA<sup>1)</sup> Q1 2011

1) Net debt defined as current financial liabilities plus non-current financial liabilities less (cash and cash equivalents)

2) Operating EBITDA for the quarters on LTM basis; 2009 adjusted for expense items relating to the early termination of a multi-year incentive program.

# Maturities Profile as of 31 March 2011



## Working Capital Q1 2011

in EUR m	31 Mar 2011	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 Dec 2009
<b>Inventories</b>	<b>606.0</b>	<b>606.1</b>	<b>565.3</b>	<b>528.5</b>	<b>467.2</b>	<b>422.3</b>
<b>+ Trade Receivables</b>	<b>1,216.2</b>	<b>1,059.7</b>	<b>1,127.6</b>	<b>1,124.7</b>	<b>997.5</b>	<b>831.4</b>
<b>./. Trade Payables</b>	<b>917.7</b>	<b>834.1</b>	<b>836.6</b>	<b>877.7</b>	<b>764.2</b>	<b>655.6</b>
<b>Working Capital (end of period)</b>	<b>904.5</b>	<b>831.7</b>	<b>856.3 <sup>1)</sup></b>	<b>775.5</b>	<b>700.5</b>	<b>598.1</b>
<b>Working Capital Turnover (year-to-date)<sup>2)</sup></b>	<b>9.8x</b>	<b>10.2x</b>	<b>10.4x</b>	<b>10.7x</b>	<b>10.7x</b>	<b>9.2x</b>
<b>Working Capital Turnover (last twelve months)<sup>3)</sup></b>	<b>9.9x</b>	<b>10.2x</b>	<b>10.2x</b>	<b>10.2x</b>	<b>9.7x</b>	<b>9.2x</b>

1) Working Capital in an amount of EUR 68.4m acquired with EAC Industrial Ingredients (consolidated as of July 2010)

2) Using sales on year-to-date basis and average working capital year-to-date

3) Using sales on LTM basis and average LTM working capital

## Free Cash Flow Q1 2011

in EUR m	Q1 2011	Q1 2010	Δ	Δ	2010
<b>EBITDA</b>	<b>157.9</b>	<b>128.5</b>	<b>29.4</b>	<b>22.9%</b>	<b>597.6</b>
<b>Capex</b>	<b>-12.6</b>	<b>-10.3</b>	<b>-2.3</b>	<b>22.3%</b>	<b>-85.1</b>
<b>Δ Working Capital</b>	<b>-97.4</b>	<b>-77.5</b>	<b>-19.9</b>	<b>25.7%</b>	<b>-136.4</b>
<b>Free Cash Flow</b>	<b>47.9</b>	<b>40.7</b>	<b>7.2</b>	<b>17.7%</b>	<b>376.1</b>

## Segments Q1 2011

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
External Sales	Q1 2011	1,091.0	652.7	191.2	85.6	106.6	2,127.1
	Q1 2010	927.4	545.2	164.1	18.5	78.6	1,733.8
	Δ	17.6%	19.7%	16.5%	>100%	35.6%	22.7%
	Δ FX adjusted	16.0%	17.6%	12.7%	>100%	35.6%	20.6%
Operating Gross Profit	Q1 2011	227.7	155.7	35.8	19.9	4.4	443.5
	Q1 2010	211.5	134.7	31.8	4.9	2.8	385.7
	Δ	7.7%	15.6%	12.6%	>100%	57.1%	15.0%
	Δ FX adjusted	5.8%	13.6%	8.8%	>100%	57.1%	12.7%
Operating EBITDA	Q1 2011	78.4	63.2	11.8	9.8	-5.1	158.1
	Q1 2010	70.4	56.4	10.1	2.1	-4.7	134.3
	Δ	11.4%	12.1%	16.8%	>100%	-8.5%	17.7%
	Δ FX adjusted	9.7%	10.3%	13.5%	>100%	-8.5%	15.6%

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## Outlook 2011

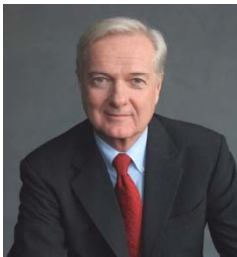
	2010 Q1 2011	Comments	Trend 2011 and 2012
<b>Sales</b>	EUR 7,649m EUR 2,127m	<ul style="list-style-type: none"> <li>• Ongoing positive macroeconomic development assumed</li> <li>• Outsourcing trends by producers, the preferential role of scale distributors and Brenntag's strong competitive position are expected to provide further growth potential</li> </ul>	
<b>Gross Profit</b>	EUR 1,636m EUR 434m	<ul style="list-style-type: none"> <li>• Based on past experience, price changes are expected to have no significant influence on Gross Profit</li> <li>• Further positive development of Gross Profit is expected due to enriched product portfolio and additional value-added services</li> </ul>	
<b>Operating EBITDA</b>	EUR 603m EUR 158m	<ul style="list-style-type: none"> <li>• Operating EBITDA expected to benefit from further efficiency improvements</li> <li>• A weaker USD/EUR conversion rate will have negative translational impact on as reported earnings</li> <li>• EAC Industrial Ingredients acquisition will have full-year impact (2H 2010 first-time consolidation)</li> </ul>	
<b>Profit after tax</b>	EUR 147m EUR 67m	<ul style="list-style-type: none"> <li>• Termination of BC Partners' related customer base amortization as well as changes to the capital structure through the IPO will show full-year impact</li> </ul>	

## Outlook 2011

	2010 Q1 2011	Comments	Trend 2011 and 2012
<b>Working Capital</b>	EUR 832m EUR 904.5m	<ul style="list-style-type: none"> <li>To a large extent a function of sales growth</li> <li>Business growth will lead to an increase of working capital</li> <li>The group's working capital turnover is expected to decrease slightly year-over-year due to the increasing share of the segment Asia Pacific where working capital turns slower than on group average</li> </ul>	
<b>Capex</b>	EUR 85m EUR 13m	<ul style="list-style-type: none"> <li>Capex spending will be slightly above depreciation due to increasing business activities</li> <li>Capex sufficient to maintain existing infrastructure and support organic growth</li> </ul>	
<b>Free cash flow</b>	EUR 376m EUR 48m	<ul style="list-style-type: none"> <li>Free cash flow is expected to increase</li> <li>Working Capital is expected to grow with further price increases</li> </ul>	

Thank you for your attention!

**Brenntag Management Board**



**Stephen Clark**  
CEO



**Jürgen Buchsteiner**  
CFO



**Steven Holland**  
COO



**William Fidler**  
Board Member

**We are ready to answer your questions.**

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## IPO-related Effects on Income Statement

in EUR m	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2010
<b>Effects above EBITDA</b>					
IPO costs charged to Brachem Acquisition S.C.A.	+2.5	0.0	0.0	-0.4	+2.1
IPO costs	-8.2	0.0	0.0	+1.6	-6.6
<b>Total effect above EBITDA</b>	<b>-5.7</b>	<b>0.0</b>	<b>0.0</b>	<b>1.2</b>	<b>-4.5</b>
<b>Effects in Financial result</b>					
Waiver related	-20.8	0.0	0.0	0.0	-20.8
Discontinuation of hedge accounting for certain interest swaps	-5.4	0.0	0.0	0.0	-5.4
Interest expenses on subordinated shareholder loan	-17.0	0.0	0.0	0.0	-17.0
<b>Total effects in Financial result</b>	<b>-43.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-43.2</b>
<b>Total IPO-related effects on Income Statement</b>	<b>-48.9</b>	<b>0.0</b>	<b>0.0</b>	<b>1.2</b>	<b>-47.7</b>

No adjustment made for the amortization of customer relationships resulting from the acquisition of the Brenntag Group by equity funds advised by BC Partners, Bain Capital and Goldman at the end of the third quarter of 2006 (EUR 79.4m for 9M 2010). These customer relationships have been fully amortized by the end of Q3 2010

## Income Statement Adjusted for IPO Effects

in EUR m	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2010
<b>EBITDA</b>	<b>128.5</b>	<b>152.8</b>	<b>159.9</b>	<b>156.4</b>	<b>597.6</b>
<b>Adjustment for IPO-related effects</b>	<b>5.7</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.2</b>	<b>4.5</b>
<b>EBITDA adjusted</b>	<b>134.2</b>	<b>152.8</b>	<b>159.9</b>	<b>155.2</b>	<b>602.1</b>
<b>Financial result</b>	<b>-73.6</b>	<b>-35.1</b>	<b>-32.7</b>	<b>-35.8</b>	<b>-177.2</b>
<b>Adjustment for IPO-related effects</b>	<b>43.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>43.2</b>
<b>Financial result adjusted</b>	<b>-30.4</b>	<b>-35.1</b>	<b>-32.7</b>	<b>-35.8</b>	<b>-134.0</b>
<b>EBT</b>	<b>3.7</b>	<b>64.0</b>	<b>72.1</b>	<b>92.0</b>	<b>231.8</b>
<b>Adjustment for IPO-related effects</b>	<b>48.9</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.2</b>	<b>47.7</b>
<b>EBT adjusted</b>	<b>52.6</b>	<b>64.0</b>	<b>72.1</b>	<b>90.8</b>	<b>279.5</b>

No adjustment made for the amortization of customer relationships in the amount of EUR 79.4m in 9M 2010 capitalized in the course of the purchase price allocation made in September 2006 and fully amortized by the end of Q3 2010