



## Acquisition of Multisol Group Limited

Media Presentation – September 02, 2011

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## Agenda

**1. Transaction highlights**

**2. Multisol Group – Expanding Brenntag’s full-line portfolio**

## Acquisition of Multisol Group

### Today's news



**Brenntag extends its focus into the growth segment of lubricant additives and high quality base oils with the acquisition of specialty chemical distributor Multisol**



### Strategic Rationale

- **Fully in line with Brenntag's growth strategy to expand its full-line portfolio**
- **Further expansion of Brenntag's specialty chemicals' product portfolio into lubricant additives and base oils**
  - Multisol is a specialty chemical distributor with focus on lubricant additives and base oils.
  - Multisol demonstrates a solid financial track record and strong underlying growth delivered by an experienced management team.
  - Operating in multiple geographies, foremost UK, France, CEE and South Africa, Multisol offers the potential to leverage Brenntag's infrastructure and logistics network to drive sales growth.
  - With the acquisition of Multisol Brenntag enters the lubricant additives business, where Multisol has in-depth technical know-how and which is expected to grow due to regulatory changes and the demand for higher performance lubricants.
- **Acquisition expands Brenntag's mixing and blending capabilities, a core Multisol strength**

## Potential for future growth in additives business

### Market characteristics

- Whilst lubricants volumes are stable in Western Europe the tightening of product specifications essentially means a move to better base oils and a much increased use of specialty additives.
- Growth in lubricant volumes is expected in Central and Eastern Europe.
- Lubricant producers are increasingly demanding more technical support, smarter supply chains and more product choice.
- Lubricant producers are also increasingly looking to outsource the formulation of small volume, higher value, specialist products to those with the technical expertise and flexible mixing and blending capabilities.

### Specific opportunities

- Multisol is well positioned to benefit from the regulatory changes and the demand for higher performance lubricants.
- Multisol can supply both the lubricant additives and the base oils.
- Multisol provides mixing and blending services on behalf of its customers on the basis of its formulation capabilities and the strong sales force.
- Multisol has strong and long-term relationships with important suppliers.
- Multisol is well positioned to benefit from growth in CEE.

Transaction fully in line with Brenntag's growth strategy

**Brenntag's Vision**

*Be the safest, fastest growing, most profitable, full-line global Chemical Distributor and preferred channel for both specialty and industrial chemicals*

**Strategic guidelines**

- **Focus on organic growth and acquisitions**
  - Intense customer orientation
  - Full-line product portfolio
  - Less-than-truckload
  - Complete geographic coverage
  - Accelerated growth in target markets
  - Continued commitment to Responsible Care / Distribution
- **Maintain focus on profitability and returns**

**Multisol Group's Contribution**

- ⇒ Formulation capabilities and the strong technical sales team enhance customer proximity ✓
- ⇒ Lubricant additives and base oils complement product portfolio in Europe ✓
- ⇒ Mixing and blending as well as the breaking of bulk loads for onward sale in smaller volumes are key Multisol strengths ✓
- ⇒ Focus on high-growth customer industry Oil & Gas ✓
- ⇒ Strategic value creating acquisition ✓

## Conditions of transaction

### Transaction structure

- Acquisition of 100% of the shares of Multisol Group Limited in a share deal
- Depending on the level of working capital as per the completion accounts the final purchase price will vary.

### Timing

- Completion expected in November, depending on merger approvals.

### Financing

- The transaction will be financed by a combination of available liquidity and additional debt under Brenntag's existing financing arrangements.

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## Multisol – Company description

- The head office is located in Nantwich, Cheshire (UK)
- Multisol is present in the UK, France and South Africa; in addition it has sales activities in Russia, Poland and Spain
- Operates 3 distribution sites with nearly 170 employees
- Main activities comprise :
  - Distribution of lubricant additives and base oils.
  - Mixing and Blending of lubricants on behalf of its customers.
- Long-term established business relationships



## Multisol – Unique selling points making it a strategic fit

- Expansion of Brenntag's mixing and blending capabilities, a core strength of Multisol
- Strengthen Brenntag's product range in the sector of base oils
- Add new product line: Lubricant Chemicals
  - Increasing emission standards can only be achieved with specialty lubricants
  - Beside the high quality urea solutions needed for catalyst reactions (Air1 / DEF) Brenntag can now provide a further measure to reduce emissions
- Strategy to be safe in all operations:
  - Responsible Care
  - ISO 9001:2000



## Multisol – Strong customer and supplier base

### Strong supplier base

- **Multisol cooperates with key major suppliers of lubricant additives and base oils (group I – IV)**
- **Long-term contracts ensure security of supply**

### Strong customer base

- **Multisol's customer base consists of:**
  - **Large players in the oil & gas industry**
  - **Small customers either from the oil & gas industry or other sectors**
  - **Lubricant manufacturers**

**Multisol – Financials****Company financials**

in GBP m	2012E	CAGR 2012-2016
<b>External Sales</b>	<b>238</b>	<b>+ ~ 3%</b>
<b>Gross Profit</b>	<b>39</b>	<b>+ ~ 7%</b>

# Agenda

Thank you