

Connecting**Chemistry**



## Q1 2020 Results



7 May 2020

Conference call on the Q1 2020 results  
Corporate Finance & Investor Relations

## AGENDA

### Q1 2020 Results

- **Review Q1 – Christian Kohlpaintner, CEO**
- Financials Q1 – Georg Müller, CFO
- “Project Brenntag” – Christian Kohlpaintner, CEO
- Outlook – Christian Kohlpaintner, CEO
- Appendix

REVIEW Q1 2020

**Highlights Q1 2020**

**Operating  
Gross Profit**

**+7.1% (fx adj.)**

EUR 745.2m

**Operating  
EBITDA**

**+8.7% (fx adj.)**

EUR 263.0m

**Free cashflow  
generation**

**EUR 161.5m**

On high level achieved in  
Q1 2019

**EPS**

**EUR 0.74**

Following EUR 0.68 one  
year ago

**Effective  
crisis  
management**

No meaningful impact on  
business operations in Q1

**Process on  
long-term  
positioning  
unaltered**

**Virtual  
General  
Shareholders'  
Meeting**

10 June 2020

**Dividend  
payment of  
1.25 EUR per  
share**

Proposal confirmed

REVIEW Q1 2020

## Only limited impact of COVID-19 pandemic on Q1 2020 results

### Backward looking

- Successful global crisis management for operational and administrative functions
- Health and safety of employees of highest priority
- Pandemic only had limited impact on the business and financial performance in Q1

### Forward looking

- High diversification and strong financial profile support resilience
- Close monitoring of business activities globally
- Depending on further development of the pandemic negative impacts on business might increase going forwards

**Brenntag has been staying fully operational globally**

## AGENDA

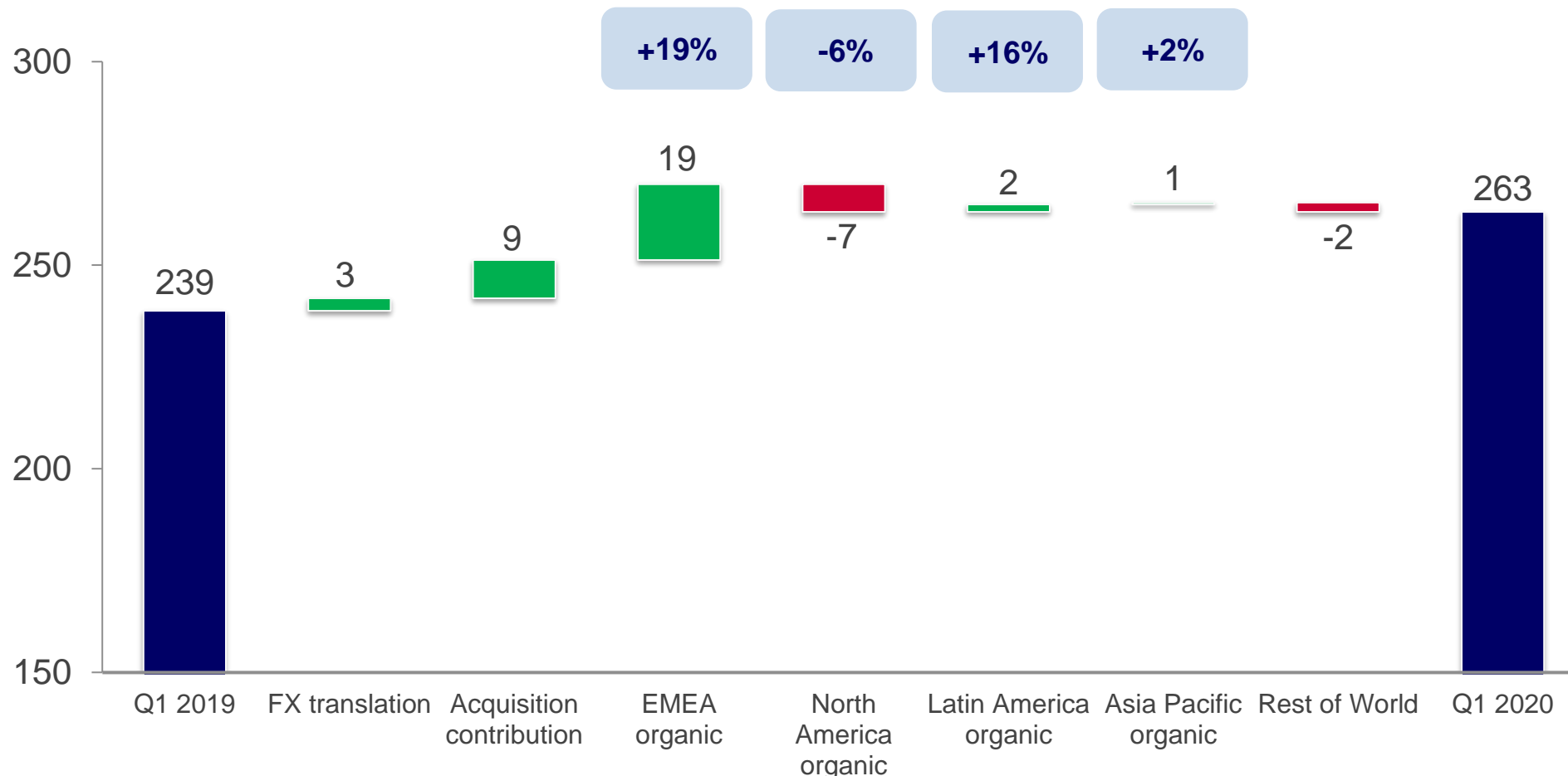
### Q1 2020 Results

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FINANCIALS Q1 2020

**Operating EBITDA bridge\*: Q1 2019 to Q1 2020**

in EUR m



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

FINANCIALS Q1 2020

**Mostly positive business development in the regions**

EMEA	North America	Latin America	Asia Pacific
 <ul style="list-style-type: none"> <li>▪ Strong performance in almost all countries despite COVID-19</li> <li>▪ Specific industries with particularly good performance, e. g. Food &amp; Nutrition</li> <li>▪ Organic EBITDA growth: +19%</li> </ul>	 <ul style="list-style-type: none"> <li>▪ Particular weakness in O&amp;G customer industry as a result of the falling oil price</li> <li>▪ Positive development in many other customer industries could not fully compensate this weakness</li> <li>▪ Organic EBITDA growth -6%</li> </ul>	 <ul style="list-style-type: none"> <li>▪ Good operational performance in Q1</li> <li>▪ Volatility remains high in the region</li> <li>▪ Organic EBITDA growth: +16%</li> </ul>	 <ul style="list-style-type: none"> <li>▪ Solid results despite COVID-19 impact</li> <li>▪ China specifically impacted in January and February</li> <li>▪ Organic EBITDA growth: +2%</li> </ul>

**Brenntag demonstrated its resilience in these difficult times!**

## FINANCIALS Q1 2020

### Segments Q1

in EUR m		EMEA	North America	Latin America	Asia Pacific	All other segments	Group
<b>Operating gross profit</b>	<b>Q1 2020</b>	<b>325.2</b>	<b>299.7</b>	<b>48.0</b>	<b>67.0</b>	<b>5.3</b>	<b>745.2</b>
	Q1 2019	287.7	292.8	42.6	60.4	4.7	688.2
	Δ	13.0%	2.4%	12.7%	10.9%	12.8%	8.3%
	Δ FX adjusted	13.0%	-0.5%	16.5%	9.5%	12.8%	7.1%
<b>Operating EBITDA</b>	<b>Q1 2020</b>	<b>123.1</b>	<b>110.1</b>	<b>13.8</b>	<b>26.3</b>	<b>-10.3</b>	<b>263.0</b>
	Q1 2019	101.8	112.0	11.5	21.5	-8.0	238.8
	Δ	20.9%	-1.7%	20.0%	22.3%	-28.8%	10.1%
	Δ FX adjusted	21.2%	-4.6%	25.1%	20.1%	-28.8%	8.7%



## FINANCIALS Q1 2020

## Income statement below operating EBITDA

in EUR m	Q1 2020	Q1 2019	Δ	2019
<b>Operating EBITDA</b>	<b>263.0</b>	<b>238.8</b>	<b>10.1%</b>	<b>1,001.5</b>
Special items	-6.9	-0.4		8.6
Depreciation	-64.4	-57.7	11.6%	-243.6
<b>EBITA</b>	<b>191.7</b>	<b>180.7</b>	<b>6.1%</b>	<b>766.5</b>
Amortization <sup>1)</sup>	-11.5	-11.9	-3.4%	-49.6
<b>EBIT</b>	<b>180.2</b>	<b>168.8</b>	<b>6.8%</b>	<b>716.9</b>
Financial result	-24.0	-25.4	-5.5%	-83.5
EBT	156.2	143.4	8.9%	633.4
<b>Profit after tax</b>	<b>115.0</b>	<b>105.2</b>	<b>9.3%</b>	<b>469.2</b>
EPS	0.74	0.68	8.8%	3.02

1) Includes scheduled amortization of customer relationships amounting to EUR 7.8m in Q1 2020 (EUR 9.3m in Q1 2019 and EUR 34.9 million in 2019).

## FINANCIALS Q1 2020

**Free cash flow**

in EUR m	Q1 2020	Q1 2019	Δ	Δ	2019
Operating EBITDA	263.0	238.8	24.2	10.1%	1,001.5
Capex	-44.5	-31.0	-13.5	43.5%	-205.2
Δ Working capital	-24.4	-13.4	-11.0	82.1%	161.7
Principal and interest payments on lease liabilities	-32.6	-28.1	-4.5	16.0%	-120.7
<b>Free cash flow</b>	<b>161.5</b>	<b>166.3</b>	<b>-4.8</b>	<b>-2.9%</b>	<b>837.3</b>

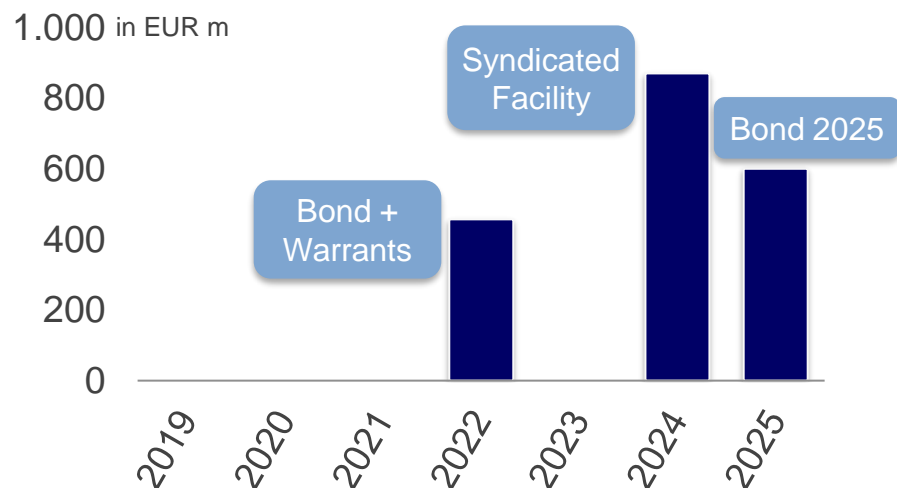
## FINANCIALS Q1 2020

### Balance Sheet and maturity profile

in EUR m	31 Mar 2020	31 Dec 2019
Financial liabilities	2,161.6	2,160.6
Lease liabilities	435.9	420.2
./. Cash and cash equivalents	593.7	520.3
Net Debt	2,003.8	2,060.5
<b>Net Debt/Operating EBITDA <sup>1)</sup></b>	<b>2.0x</b>	<b>2.1x</b>
Equity	3,641.3	3,579.0

FY 2019 leverage

- 1.9x (excl. IFRS 16)
- 2.1x (incl. IFRS 16)



- Stable and long-term funding structure
- No major debt maturity before end of 2022
- Financial covenant only for Syndicated Facility: leverage of 3.46x
- Undrawn committed credit lines of ca. 600m EUR
- Investment-grade ratings from Standard & Poor's ("BBB") and Moody's ("Baa3")

1) Operating EBITDA on LTM basis calculated with IFRS 16 effect.

## FINANCIALS Q1 2020

### Working capital

in EUR m	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 June 2019	31 Mar 2019
Inventories	1,169.9	1,176.5	1,280.6	1,250.5	1,214.3
+ Trade receivables	1,979.0	1,820.3	1,935.9	1,975.0	2,003.9
./. Trade payables	1,396.1	1,229.1	1,334.9	1,328.2	1,360.0
<b>Working capital (end of period)</b>	<b>1,752.8</b>	<b>1,767.7</b>	<b>1,881.6</b>	<b>1,897.3</b>	<b>1,858.2</b>
Working capital turnover (year-to-date) <sup>1)</sup>	7.3x	7.0x	6.9x	6.9x	6.9x
Working capital turnover (last twelve months) <sup>2)</sup>	7.3x	7.0x	6.9x	6.9x	7.1x

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

2) Using sales on LTM basis and average LTM working capital.

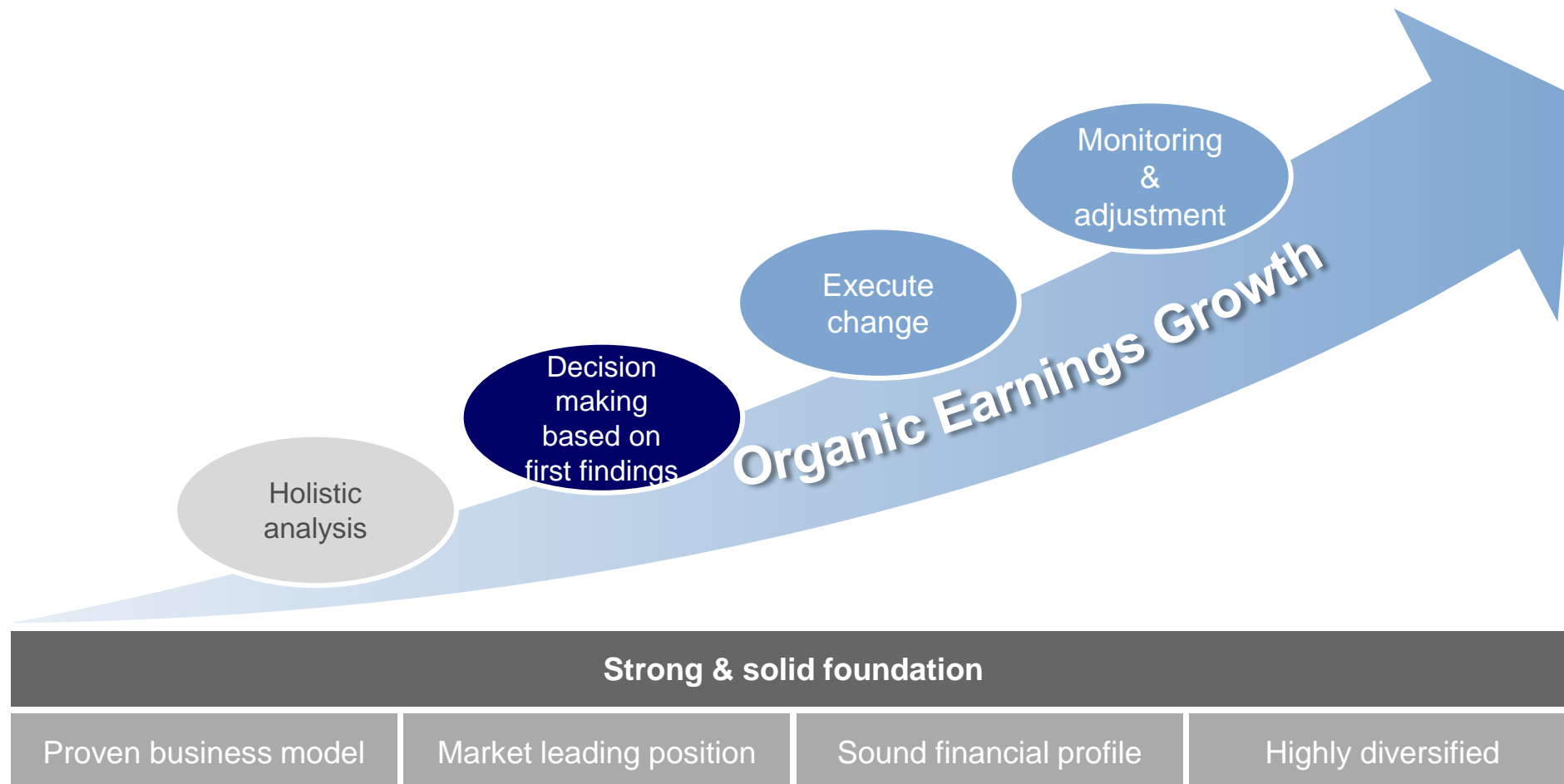
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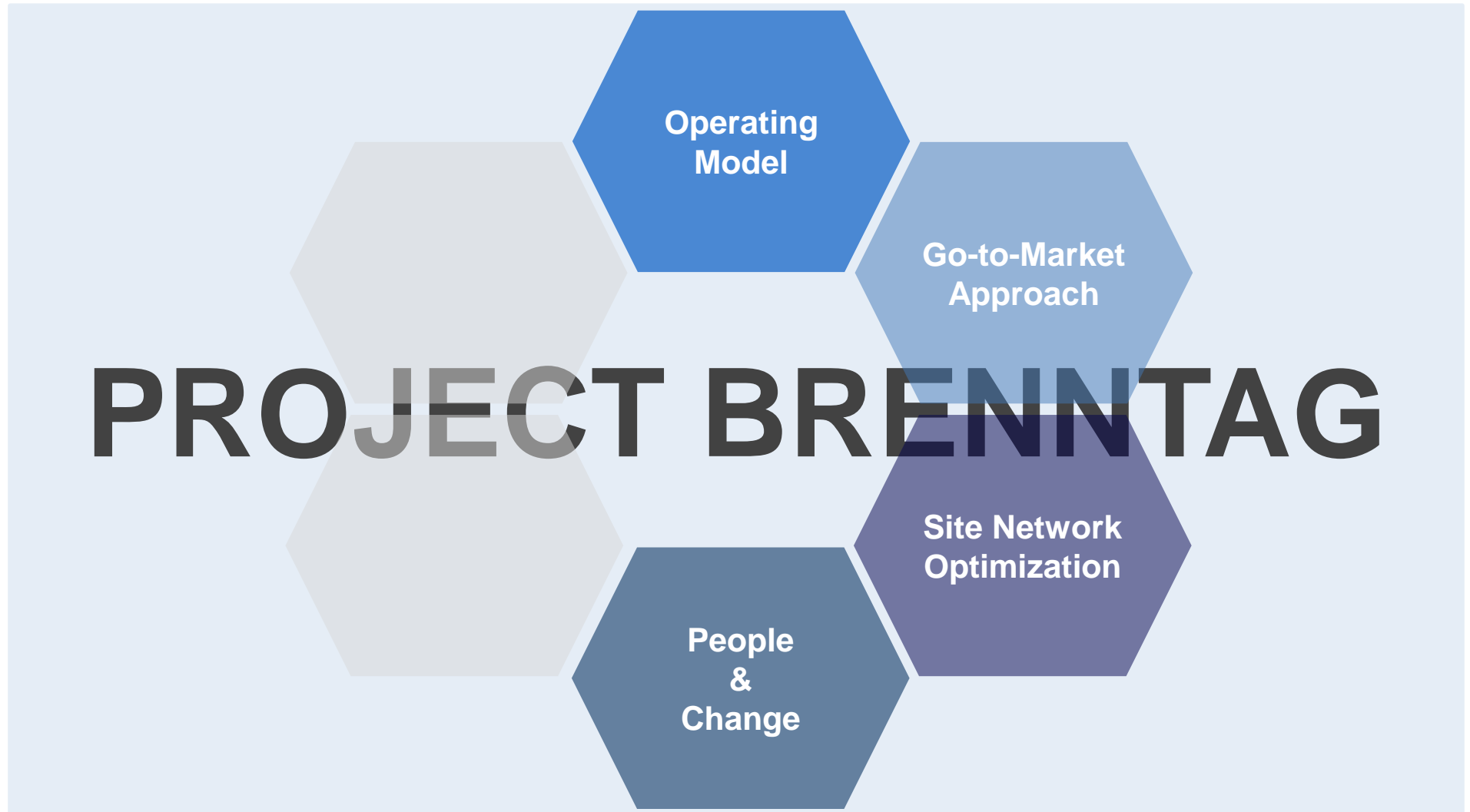
## PROJECT BRENNTAG

**Our ambition is to bring Brenntag back to organic earnings growth by building on our strong foundation**



**PROJECT BRENNTAG**

**„Project Brenntag“ – with four workstreams for the time being**



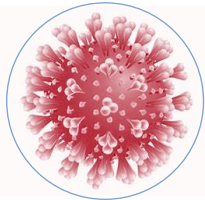
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## OUTLOOK

**Outlook for 2020**

- Outlook for FY 2020 highly influenced by the uncertainty about the impacts of the Covid-19 pandemic
- Challenging economic conditions expected in Q2 and H2 of 2020



- Health and safety of our employees remains top priority



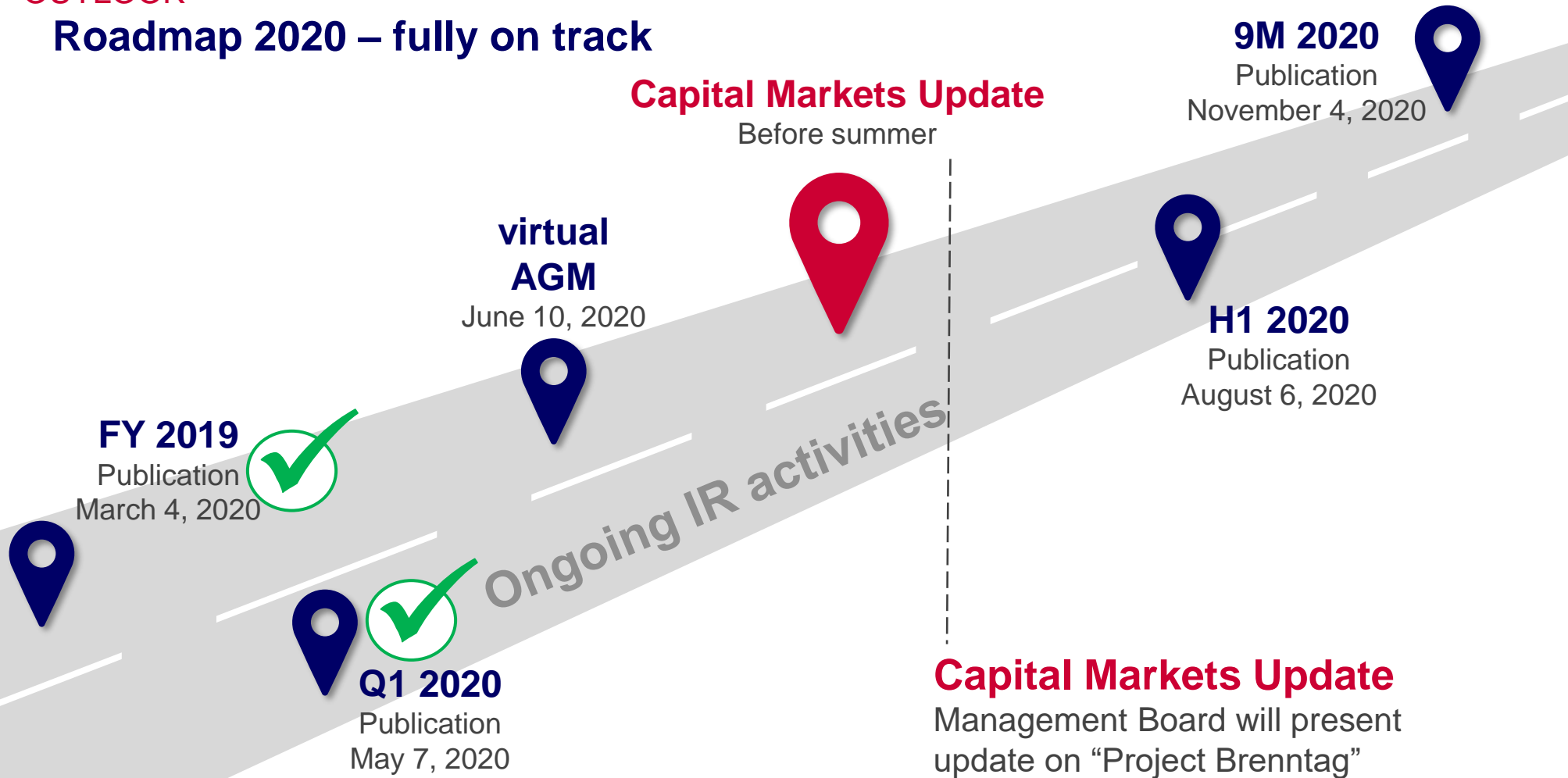
- We continue to secure product supply for our customers



- Forecast to be updated once the effects on Brenntag's further business performance in 2020 can be reliably determined

## OUTLOOK

### Roadmap 2020 – fully on track



THANK YOU FOR YOUR ATTENTION



Christian Kohlpaintner, CEO



Georg Müller, CFO

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

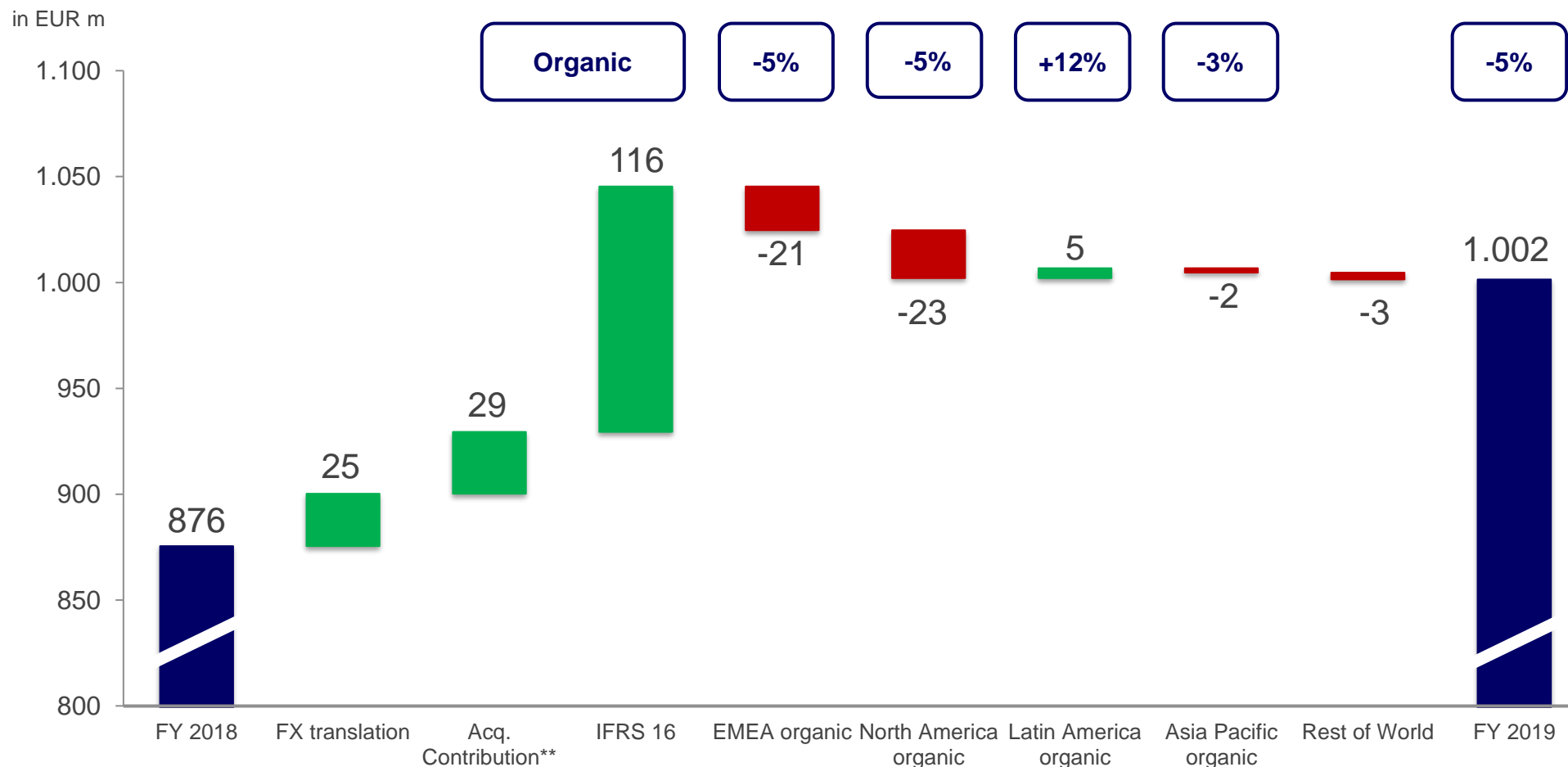
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REVIEW & FINANCIALS 2019

Operating EBITDA bridge\*: FY 2018 to FY 2019



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

\*\* 2018 adjusted for Biosector (sale 12/2018)

## REVIEW & FINANCIALS 2019

### Segments FY 2019

in EUR m		EMEA	North America	Latin America	Asia Pacific	All other segments	Group
<b>Operating gross profit</b>	<b>FY 2019</b>	<b>1,141.6</b>	<b>1,216.8</b>	<b>177.0</b>	<b>266.8</b>	<b>19.5</b>	<b>2,821.7</b>
	FY 2018	1,141.2	1,118.3	163.1	224.2	14.1	2,660.9
	Δ	0.0%	8.8%	8.5%	19.0%	38.3%	6.0%
	Δ FX adjusted	0.1%	3.4%	6.5%	14.7%	38.3%	3.4%
<b>Operating EBITDA</b>	<b>FY 2019</b>	<b>406.3</b>	<b>474.8</b>	<b>55.9</b>	<b>101.1</b>	<b>-36.6</b>	<b>1,001.5</b>
	FY 2018	385.5	409.6	39.9	77.9	-37.4	875.5
	Δ	5.4%	15.9%	40.1%	29.8%	-2.1%	14.4%
	Δ FX adjusted	5.6%	10.1%	38.0%	24.7%	-2.1%	11.3%
	IFRS 16 effect	41.6	53.0	8.8	8.7	3.9	116.0
	Δ ex. IFRS 16*	-5.2%	-2.2%	16.3%	13.9%	8.3%	-1.6%

\* Growth rates are unaudited

## REVIEW &amp; FINANCIALS 2019

## Income statement below operating EBITDA

in EUR m	FY 2019	FY 2018	Δ
Operating EBITDA	1,001.5	875.5	14.4%
Special items	8.6	17.4	
Depreciation	-243.6	-122.0	99.7%
<b>EBITA</b>	<b>766.5</b>	<b>770.9</b>	<b>-0.6%</b>
Amortization <sup>1)</sup>	-49.6	-49.9	-0.6%
<b>EBIT</b>	<b>716.9</b>	<b>721.0</b>	<b>-0.6%</b>
Financial result	-83.5	-97.5	-14.4%
EBT	633.4	623.5	1.6%
<b>Profit after tax</b>	<b>469.2</b>	<b>462.3</b>	<b>1.5%</b>
EPS	3.02	2.98	1.3%

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

## REVIEW &amp; FINANCIALS 2019

## Cash flow items

in EUR m	2019	2018	Δ	Δ
Operating EBITDA	1,001.5	875.5	126.0	14.4%
CAPEX	-205.2	-172.2	-33.0	19.2%
Δ Working capital	161.7	-178.1	339.8	-190.8%
Principal and interest payments on lease liabilities <sup>1)</sup>	-120.7			
<b>Free cash flow</b>	<b>837.3</b>	<b>525.2</b>	<b>312.1</b>	<b>59.4%</b>

**Free Cash Flow**

**EUR 837m**

**Interest and tax payments**

**EUR -251m**

**Cash out for M&A**

**EUR -195m**

**Dividend paid**

**EUR -185m**

1) On initial application of IFRS 16 at January 1, 2019, cash outflows for principal payments on lease liabilities and interest payments incurred in this context are deducted. In the prior-year figures, lease payments were still included in operating EBITDA through rental and lease expenses.



## IFRS 16

## Implementation of IFRS 16: Implications on P&L and balance sheet

P&L			Balance Sheet		
in EUR m	IFRS 16 impact on FY 2019		in EUR m	IFRS 16 impact on FY 2019	
Sales	→	Unchanged	Lease liabilities	↑ +420 <sup>1)</sup>	Increase
Op. Gross Profit	→	Unchanged	Right-of-use assets	↑ +412 <sup>1)</sup>	Increase
Opex (Rent & Leases)	↓	~ -116 Decrease			
<b>Op. EBITDA</b>	↑	<b>~ +116 Increase</b>			
EPS	→	~ +/-0 Remain about stable			

1) Includes finance leases unrelated to the application of IFRS 16: lease liabilities: EUR 7m; right-of-use-assets: EUR 8m

## FINANCIALS FY2019

## Further dividend increase proposed

in EUR m	2019	2018	Δ
Profit after tax	469.2	462.3	1.5%
Less minority interest	2.5	1.4	
Profit after tax (consolidated) attributable to shareholders of Brenntag AG	466.7	460.9	1.3%
Proposed dividend payment	193.1	185.4	
<b>Proposed dividend per share in EUR</b>	<b>1.25</b>	<b>1.20</b>	<b>4.2%</b>
<b>Payout ratio</b>	<b>41.4%</b>	<b>40.2%</b>	

