



Q3 2014



5 November 2014

Conference call on Q3 2014 results

Corporate Finance & Investor Relations

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AGENDA

Q3 2014 Presentation

■ Highlights Q3 2014

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HIGHLIGHTS Q3 2014**Introductory remarks to Q3 2014 earnings**

Macro Economy	Softening growth trends in Europe. North America shows continued positive environment. Latin America remains weak and mixed picture in Asia Pacific.
Gross profit	Gross profit of EUR 520.3m growing at 4.5% (fx adjusted)
Operating EBITDA	Operating EBITDA of EUR 189.1m growing at 3.1% (fx adjusted)
EPS	Earnings per Share of EUR 0.56 growing at 7.7%
Acquisitions	Acquisitions in India and Italy were signed in Q3 which will strengthen our position in the respective markets

HIGHLIGHTS Q3 2014

Operating highlights Q3 2014

	Q3 2014	Comments	Change
Gross profit	EUR 520.3m	<ul style="list-style-type: none"> ▪ Increase of 4.5% (fx adjusted) ▪ Increase of 4.6% (as reported) 	
Operating EBITDA	EUR 189.1m	<ul style="list-style-type: none"> ▪ Increase of 3.1% (fx adjusted) ▪ Increase of 3.2% (as reported) 	
Operating EBITDA/ Gross profit	36.3%	<ul style="list-style-type: none"> ▪ Q3 2013 = 36.8% 	
Free cash flow	EUR 137.7m	<ul style="list-style-type: none"> ▪ Against EUR 168.0m in Q3 2013 	

HIGHLIGHTS Q3 2014**Acquisitions in Asia and Europe****Chimab SPA,
Padua, Italy**

- Estimated sales of approx. EUR 32m in 2014 and an EBITDA of EUR 3.6m
- Investment amount of EUR 22.8m
- Acquisition was closed end of Oct. 2014
- Chimab is a supplier of food ingredients and semi finished products for several food subsectors
- With Chimab Brenntag improves the position in the interesting and large Italian food industry

**Pioma Chemicals Pvt. Ltd.,
Mumbai, India**

- Estimated sales of approx. EUR 17.2m in 2014 and an EBITDA of EUR 3.8m
- Investment amount of around EUR 23m
- Pioma is a leading distributor of specialty chemicals for the pharmaceutical, personal care and food industries across India.
- With the acquisition we expand our market position in India and improve our product portfolio
- Not yet closed subject to conditions precedent

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FINANCIALS Q3 2014

Income statement

in EUR m	Q3 2014	Q3 2013	Δ	Δ FX adjusted	2013
Sales	2,587.2	2,489.8	3.9%	3.9%	9,769.5
Cost of goods sold	-2,066.9	-1,992.6	3.7%		-7,824.0
Gross profit	520.3	497.2	4.6%	4.5%	1,945.5
Expenses	-331.2	-314.0	5.5%		-1,248.7
EBITDA	189.1	183.2	3.2%	3.1%	696.8
Add back transaction costs ¹⁾	-	-			+1.5
Operating EBITDA	189.1	183.2	3.2%	3.1%	698.3
Adj. operating EBITDA	189.1	183.2	3.2%	3.1%	715.1 ²⁾
Op. EBITDA / Gross profit	36.3%	36.8%			35.9% ³⁾

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

2) 2013 is adjusted for non-recurring cost items in Europe in relation to an antitrust case (EUR 16.8m).

3) 36.8% if adjusted for the non-recurring cost items in Europe

FINANCIALS Q3 2014

Income statement (continued)

in EUR m	Q3 2014	Q3 2013	Δ	2013
EBITDA	189.1	183.2	3.2%	696.8
Depreciation	-25.2	-25.1	0.4%	-101.2
EBITA	163.9	158.1	3.7%	595.6
Amortization ¹⁾	-9.4	-10.2	-7.8%	-39.7
EBIT	154.5	147.9	4.5%	555.9
Financial result ²⁾	-21.8	-23.3	-6.4%	-60.7
EBT	132.7	124.6	6.5%	495.2
Profit after tax	86.3	81.0	6.5%	338.9
EPS	0.56	0.52	7.7%	2.20
EPS excl. Amortization and Zhong Yung liability ³⁾	0.60	0.58	3.4%	2.21

1) Includes scheduled amortization of customer relationships amounting to EUR 7.6m in Q3 2014 (EUR 8.4m in Q3 2013 and EUR 32.8 million in 2013).

2) Thereof EUR -0.6m in Q3 2014 (EUR -0.7m in Q3 2013) are related to a change of the purchase price obligation for Zhong Yung (International) Chemical Ltd., which has to be recorded in the income statement according to IFRS (EUR 26.8m in 2013).

3) Adjusted for the net effect of amortizations and changes in the purchase price obligation for the outstanding 49% in Zhong Yung (International) Chemical Ltd.

FINANCIALS Q3 2014

Cash flow statement

in EUR m	Q3 2014	Q3 2013	2013
Profit after tax	86.3	81.0	338.9
Depreciation & amortization	34.6	35.3	140.9
Income taxes	46.4	43.6	156.3
Income tax payments	-29.0	-35.7	-159.9
Interest result	17.6	18.8	73.8
Interest payments (net)	-32.8	-36.7	-73.2
Changes in current assets and liabilities	-10.5	16.2	-63.2
Change in purchase price obligation/IAS 32	1.1	0.9	-25.3
Other	-6.6	-38.5	-30.5
Cash provided by operating activities	107.1	84.9	357.8

FINANCIALS Q3 2014

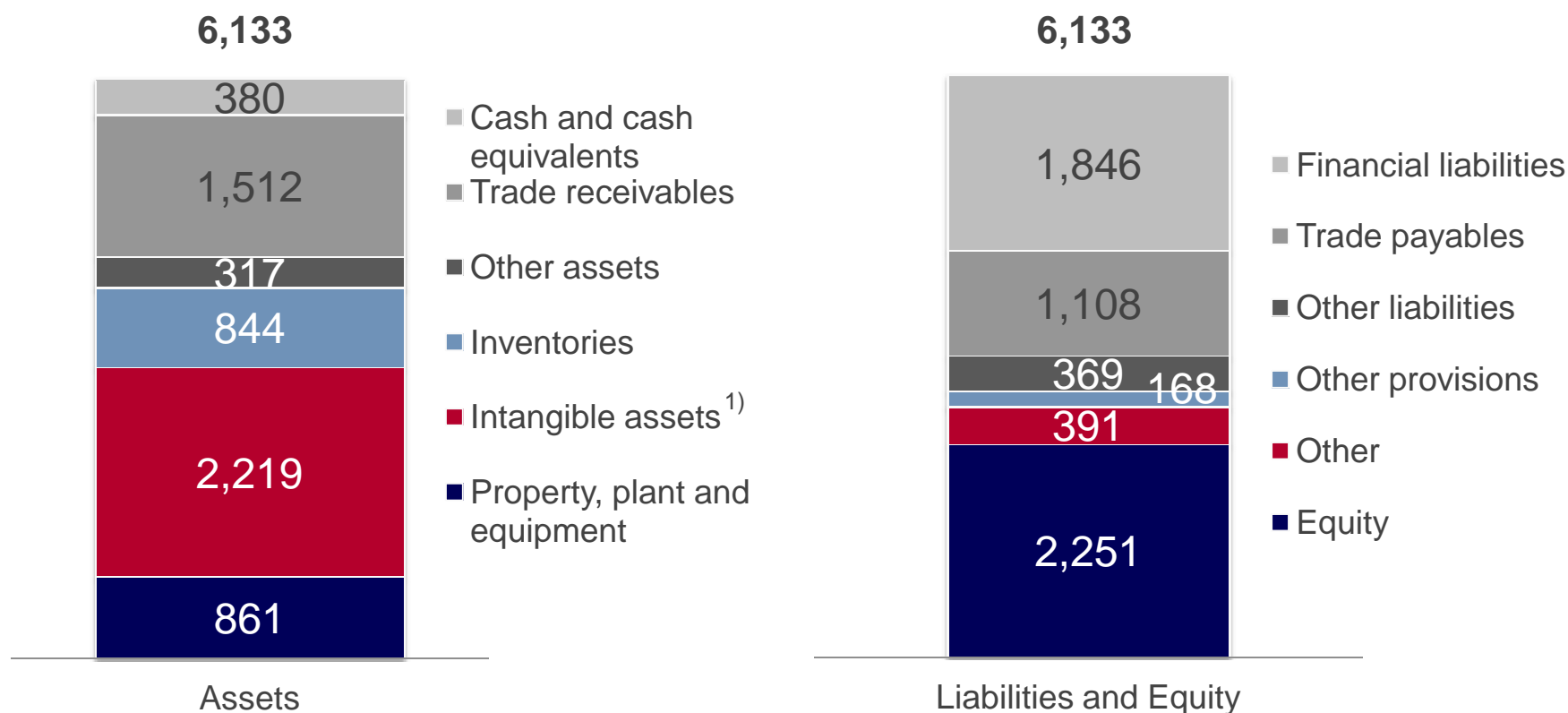
Cash flow statement (continued)

in EUR m	Q3 2014	Q3 2013	2013
Purchases of intangible assets and property, plant & equipment (PPE)	-23.1	-22.3	-98.2
Purchases of consolidated subsidiaries, other business units and financial assets	0.1	-	-43.9
Other	1.0	0.8	6.9
Cash used for investing activities	-22.0	-21.5	-135.2
Capital increase	-	-	-
Payments in connection with the capital increase	-	-	-
Purchases of shares in companies already consolidated	-	-	-
Dividends paid to minority shareholders	-	-	-1.5
Dividends paid to Brenntag shareholders	-	-	-123.6
Repayment of (-)/proceeds from (+) borrowings (net)	-38.7	-9.6	9.2
Cash used for financing activities	-38.7	-9.6	-115.9
Change in cash & cash equivalents	46.4	53.8	-106.7

FINANCIALS Q3 2014

Balance Sheet as of September 30, 2014

in EUR m



1) Of the intangible assets as of September 30, 2014, some EUR 1,199 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.

FINANCIALS Q3 2014

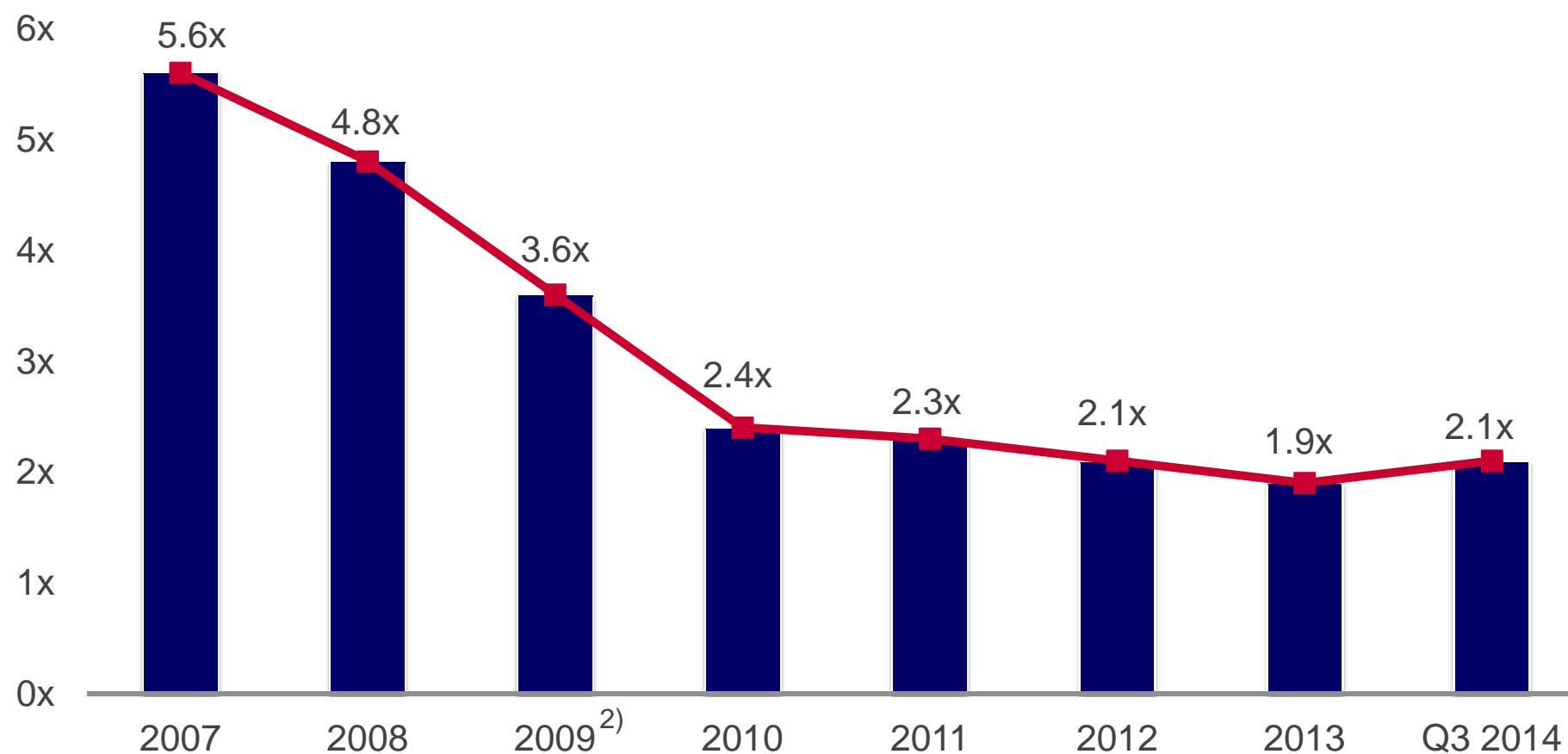
Balance Sheet and leverage

in EUR m	30 September 2014	30 June 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013
Financial liabilities	1,845.6	1,828.4	1,771.5	1,768.5	1,789.7
./. Cash and cash equivalents	379.5	318.7	448.8	426.8	318.6
Net Debt	1,466.1	1,509.7	1,322.7	1,341.7	1,471.1
Net Debt/Operating EBITDA ¹⁾	2.1x	2.1x	1.9x	1.9x	2.1x
Equity	2,250.7	2,101.8	2,147.3	2,093.7	2,006.9

1) Operating EBITDA for the quarters on LTM basis.

FINANCIALS Q3 2014

Leverage: Net debt/Operating EBITDA¹⁾

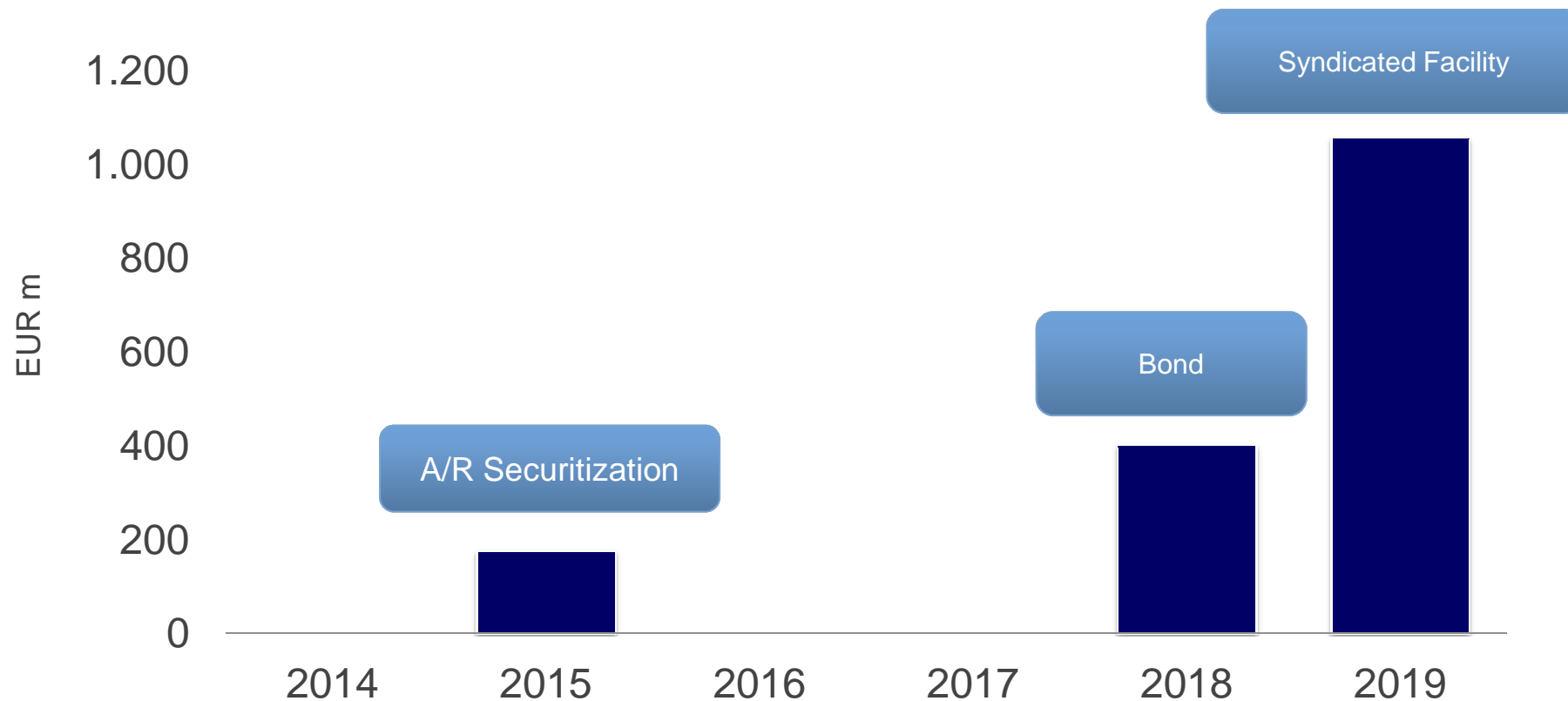


1) Net debt defined as current financial liabilities plus non-current financial liabilities less (cash and cash equivalents).

2) 2009 adjusted for expense items relating to the early termination of a multi-year incentive program.

FINANCIALS Q3 2014

Maturities profile as of 30 September 2014¹⁾



1) Syndicated loan, bond and liabilities under the international accounts receivable securitization program excluding accrued interest and transaction costs on the basis of end of period exchange rates.

FINANCIALS Q3 2014

Working capital

in EUR m	30 September 2014	30 June 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013
Inventories	844.2	810.5	760.5	757.1	774.2
+ Trade receivables	1,512.2	1,488.3	1,424.2	1,248.8	1,384.5
./. Trade payables	1,107.5	1,122.4	1,072.3	961.5	1,033.8
Working capital (end of period)	1,248.9	1,176.4	1,112.4	1,044.4	1,124.9
Working capital turnover (year-to-date) ¹⁾	8.7x	8.9x	9.0x	9.0x	9.0x
Working capital turnover (last twelve months) ²⁾	8.6x	8.7x	8.8x	9.0x	8.9x

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.

FINANCIALS Q3 2014

Free cash flow

in EUR m	Q3 2014	Q3 2013	Δ	Δ	2013
EBITDA	189.1	183.2	5.9	3.2%	696.8
Capex	-23.5	-23.1	-0.4	1.7%	-97.2
Δ Working capital	-27.9	7.9	-35.8	-453.2%	-56.2
Free cash flow	137.7	168.0	-30.3	-18.0%	543.4

FINANCIALS Q3 2014

Segments

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
Operating gross profit	Q3 2014	242.9	211.6	43.9	30.5	3.7	532.6
	Q3 2013	233.5	200.9	40.8	29.8	3.9	508.9
	Δ	4.0%	5.3%	7.6%	2.3%	-5.1%	4.7%
	Δ FX adjusted	3.2%	6.0%	7.5%	2.1%	-5.1%	4.5%
Operating EBITDA	Q3 2014	83.4	88.7	12.3	10.1	-5.4	189.1
	Q3 2013	79.1	84.9	11.5	12.1	-4.4	183.2
	Δ	5.4%	4.5%	7.0%	-16.5%	22.7%	3.2%
	Δ FX adjusted	4.4%	5.2%	8.0%	-16.8%	22.7%	3.1%

AGENDA

Q3 2014 Presentation





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■ **Outlook**

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OUTLOOK

	2013 9M 2014	Comments	Trend 2014
Sales	EUR 9,770m EUR 7,505m	<ul style="list-style-type: none"> ▪ Ongoing macroeconomic recovery at a moderate pace with challenges in emerging markets. 	
Gross profit	EUR 1,946m EUR 1,506m	<ul style="list-style-type: none"> ▪ Positive development of gross profit is supported by structural growth trends. 	
Operating EBITDA	EUR 698m EUR 530m	<ul style="list-style-type: none"> ▪ Op. EBITDA is expected between EUR 700m – 720m for full year 2014. ▪ Guidance range is to be understood before extraordinary effects and no major FX rate changes. ▪ Expected growth driven by segments Europe and North America. 	
Profit after tax	EUR 339m EUR 239m	<ul style="list-style-type: none"> ▪ Developing broadly in line with operating EBITDA (when not taking into account the positive one-off effect in the financial result in 2013) 	

OUTLOOK

	2013 9M 2014	Comments	Trend 2014
Working capital	EUR 1,044m EUR 1,249m	<ul style="list-style-type: none"> To a large extent a function of sales growth. Expected to grow in 2014 (compared to year end 2013). 	
Capex	EUR 97m EUR 64m	<ul style="list-style-type: none"> Increase of Capex spending to support future growth. Capex sufficient to support organic growth. 	
Free Cash Flow	EUR 543m EUR 324m	<ul style="list-style-type: none"> Free cash flow is expected to remain strong. 	

THANK YOU FOR YOUR ATTENTION

Brenntag Board of Management



**Steven Holland,
CEO**

- With Brenntag since 2006
- +30 years of dedicated experience
- Corp. Communications, Development, HR, HSE, Internal Audit, M&A, regions Europe and Asia Pacific



**Georg Müller,
CFO**

- With Brenntag since 2003
- +10 years of experience in chemicals distribution
- Corp. Accounting, Controlling, Finance & IR, IT, Legal, Tax, Risk Management



**William Fidler,
Board Member**

- With Brenntag since 1970
- +40 years of experience in chemicals distribution
- Regions North and Latin America, Global Sourcing

We are ready to answer your questions!

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FINANCIALS 9M 2014

Income statement

in EUR m	9M 2014	9M 2013	Δ	Δ FX adjusted
Sales	7,504.6	7,453.6	0.7%	2.7%
Cost of goods sold	-5,998.5	-5,976.3	0.4%	
Gross profit	1,506.1	1,477.3	1.9%	4.0%
Expenses	-976.1	-960.3	1.6%	
EBITDA	530.0	517.0	2.5%	4.7%
Add back transaction costs ¹⁾	-0.2	-		
Operating EBITDA	529.8	517.0	2.5%	4.6%
Adj. operating EBITDA ²⁾	529.8	533.8	-0.7%	1.3%
Op. EBITDA/Gross profit ³⁾	35.2%	35.0%		

1) Transaction costs are costs connected with restructuring and refinancing under company law.

2) 9M 2013 (EUR 16.8m) is adjusted for non-recurring cost items in Europe in relation to an antitrust case

3) Conversion ratio of 36.1% in 9M 2013 if adjusted for the non-recurring cost items

FINANCIALS 9M 2014

Income statement (continued)

in EUR m	9M 2014	9M 2013	Δ
EBITDA	530.0	517.0	2.5%
Depreciation	-73.6	-76.2	-3.4%
EBITA	456.4	440.8	3.5%
Amortization ¹⁾	-26.9	-29.8	-9.7%
EBIT	429.5	411.0	4.5%
Financial result ²⁾	-64.2	-71.0	-9.6%
EBT	365.3	340.0	7.4%
Profit after tax	239.2	219.7	8.9%

- 1) This figure includes for the period January to September 2014 scheduled amortization of customer relationships totalling EUR 21.4 million (9M 2013: EUR 24.4m).
 2) Thereof EUR -1.8m in 9M 2014 and EUR -3.1m in 9M 2013 are related to change in purchase price obligation Zhong Yung (International) Chemical Ltd., which has to be recorded in the income statement according to IFRS.

FINANCIALS 9M 2014

Cash flow statement

in EUR m	9M 2014	9M 2013
Profit after tax	239.2	219.7
Depreciation & amortization	100.5	106.0
Income taxes	126.1	120.3
Income tax payments	-110.5	-109.8
Interest result	55.0	55.9
Interest payments (net)	-61.3	-64.9
Changes in current assets and liabilities	-134.7	-121.1
Other	-12.0	-8.5
Cash provided by operating activities	202.3	197.6

FINANCIALS 9M 2014

Cash flow statement (continued)

in EUR m	9M 2014	9M 2013
Purchases of intangible assets and property, plant & equipment	-66.1	-62.4
Purchases of consolidated subsidiaries and other business units	-57.6	-33.0
Other	2.3	3.4
Cash used for investing activities	-121.4	-92.0
Capital increase	-	-
Payments in connection with the capital increase	-	-
Purchases of shares in companies already consolidated	-	-
Dividends paid to minority shareholders	-0.9	-1.0
Dividends paid to Brenntag shareholders	-133.9	-123.6
Repayment of (-)/proceeds from (+) borrowings (net)	-15.8	5.0
Cash used for financing activities	-150.6	-119.6
Change in cash & cash equivalents	-69.7	-14.0

FINANCIALS 9M 2014

Free cash flow

in EUR m	9M 2014	9M 2013	Δ	Δ	2013
EBITDA	530.0	517.0	13.0	2.5%	696.8
CAPEX	-64.4	-57.6	-6.8	11.8%	-97.2
Δ Working capital	-141.4	-120.9	-20.5	17.0%	-56.2
Free cash flow	324.2	338.5	-14.3	-4.2%	543.4

FINANCIALS 9M 2014

Segments

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
Operating gross profit	9M 2014	733.6	587.9	121.0	88.4	11.1	1,542.0
	9M 2013	703.2	578.2	126.6	92.1	11.8	1,511.9
	Δ	4.3%	1.7%	-4.4%	-4.0%	-5.9%	2.0%
	Δ FX adjusted	4.2%	5.3%	0.2%	1.5%	-5.9%	4.1%
Operating EBITDA ¹⁾	9M 2014	252.1	234.3	32.0	28.8	-17.4	529.8
	9M 2013	239.1	237.7	37.4	37.6	-18.0	533.8
	Δ	5.4%	-1.4%	-14.4%	-23.4%	-3.3%	-0.7%
	Δ FX adjusted	5.1%	1.8%	-9.9%	-18.9%	-3.3%	1.3%

1) 9M 2013 (EUR 16.8m) is adjusted for non-recurring cost items in Europe in relation to an antitrust case

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