



Q1 2015



6 May 2015

Conference call on Q1 2015 results
Corporate Finance & Investor Relations

AGENDA

Q1 2015 Presentation

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HIGHLIGHTS Q1 2015**Introductory remarks to Q1 2015 earnings**

Macro Economy	Moderately positive macro environment in Europe. North America shows continued growth trends. Latin America with modest environment and mixed picture in Asia Pacific.
Gross profit	Gross profit of EUR 557.3m growing at 15.2% (4.3% fx adjusted)
Operating EBITDA	Operating EBITDA of EUR 195.0m growing at 22.2% (9.7% fx adjusted)
EPS	Earnings per Share of EUR 0.59 growing at 31.1%
Acquisitions	Acquisition in South Africa will strengthen position in the specialty chemicals markets in that region. Fred Holmberg acquisition in Sweden successfully closed (signed in 2014).
Rating	Investment grade rating assigned by Moody's ("Baa3")

HIGHLIGHTS Q1 2015

Acquisition in South Africa

Lionheart Chemical Enterprises (Pty) Ltd, South Africa

- Sales of around EUR 12m in 2014.
- Investment amount of EUR 12m.
- Lionheart is a specialty chemicals distributor for mainly the food and beverage sector.
- With Lionheart Brenntag extends its product portfolio in that region.
- It has a key position in food specialty chemicals in South Africa and high in-house competencies that Brenntag can leverage.



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HIGHLIGHTS Q1 2015

Financial highlights Q1 2015

	Q1 2015	Comments	Change
Gross profit	EUR 557.3m	<ul style="list-style-type: none"> ▪ Increase of 4.3% (fx adjusted) ▪ Increase of 15.2% (as reported) 	
Operating EBITDA	EUR 195.0m	<ul style="list-style-type: none"> ▪ Increase of 9.7% (fx adjusted) ▪ Increase of 22.2% (as reported) 	
Operating EBITDA/ Gross profit	35.0%	<ul style="list-style-type: none"> ▪ Q1 2014 = 33.0% 	
Free cash flow	EUR 161.0m	<ul style="list-style-type: none"> ▪ Against EUR 71.3m in Q1 2014 	

FINANCIALS Q1 2015

IFRIC 21 – Retroactive adjustment of 2014 operating EBITDA

in EUR m	Group	Europe	North America	Latin America	Asia Pacific	All other segments
Q1/2014	-4.4	-2.0	-2.2	-0.2	-	-
Q2/2014	1.8	0.7	1.1	-	-	-
Q3/2014	1.0	0.7	0.2	0.1	-	-
Q4/2014	1.6	0.6	0.9	0.1	-	-
Full Year 2014	-	-	-	-	-	-

- New interpretation of accounting for levies imposed by a government (IFRIC 21) are applied for the first time in 2015
- Profit & Loss Statement: timing of recognition of expenses will change
- Retroactive adjustment of 2014 results in order to ensure comparability
- Effects to be seen in the quarters – no effect on a full year basis

FINANCIALS Q1 2015

Income statement

in EUR m	Q1 2015	Q1 2014 ²⁾	Δ	Δ FX adjusted	2014
Sales	2,573.9	2,416.1	6.5%	-2.8%	10,015.6
Cost of goods sold	-2,016.6	-1,932.5	4.4%		-7,988.1
Gross profit	557.3	483.6	15.2%	4.3%	2,027.5
Expenses	-362.3	-324.0	11.8%		-1,300.6
EBITDA	195.0	159.6	22.2%	9.7%	726.9
Add back transaction costs ¹⁾	-	-			-0.2
Operating EBITDA	195.0	159.6	22.2%	9.7%	726.7
Op. EBITDA / Gross profit	35.0%	33.0%			35.8%

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

2) The figures for the period from January 1 to March 31, 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies).

FINANCIALS Q1 2015

Income statement (continued)

in EUR m	Q1 2015	Q1 2014 ⁴⁾	Δ	2014
EBITDA	195.0	159.6	22.2%	726.9
Depreciation	-26.5	-24.0	10.4%	-99.4
EBITA	168.5	135.6	24.3%	627.5
Amortization ¹⁾	-9.2	-8.8	-4.5%	-35.9
EBIT	159.3	126.8	25.6%	591.6
Financial result ²⁾	-23.7	-22.2	-6.8%	-83.8
EBT	135.6	104.6	29.6%	507.8
Profit after tax	91.2	69.2	31.8%	339.7
EPS	0.59	0.45	31.1%	2.20
EPS excl. Amortization and Zhong Yung liability ³⁾	0.63	0.49	28.6%	2.32

1) Includes scheduled amortization of customer relationships amounting to EUR 7.2m in Q1 2015 (EUR 6.9m in Q1 2014 and EUR 28.3 million in 2014).

2) Thereof EUR -0.6m in Q1 2015 (EUR -0.6m in Q1 2014) 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 6.1m in 2014).

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.

4) The figures for the period from January 1 to March 31, 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies).

FINANCIALS Q1 2015

Cash flow statement

in EUR m	Q1 2015	Q1 2014 ¹⁾	2014
Profit after tax	91.2	69.2	339.7
Depreciation & amortization	35.7	32.8	135.3
Income taxes	44.4	35.4	168.1
Income tax payments	-53.8	-27.9	-164.8
Interest result	18.2	19.0	73.4
Interest payments (net)	-11.4	-14.1	-70.2
Changes in current assets and liabilities	-43.2	-72.2	-90.4
Change in purchase price obligation/IAS 32	0.9	1.0	-4.0
Other	-21.9	3.5	-17.4
Cash provided by operating activities	60.1	46.7	369.7

1) The figures for the period from January 1 to March 31, 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies).

FINANCIALS Q1 2015

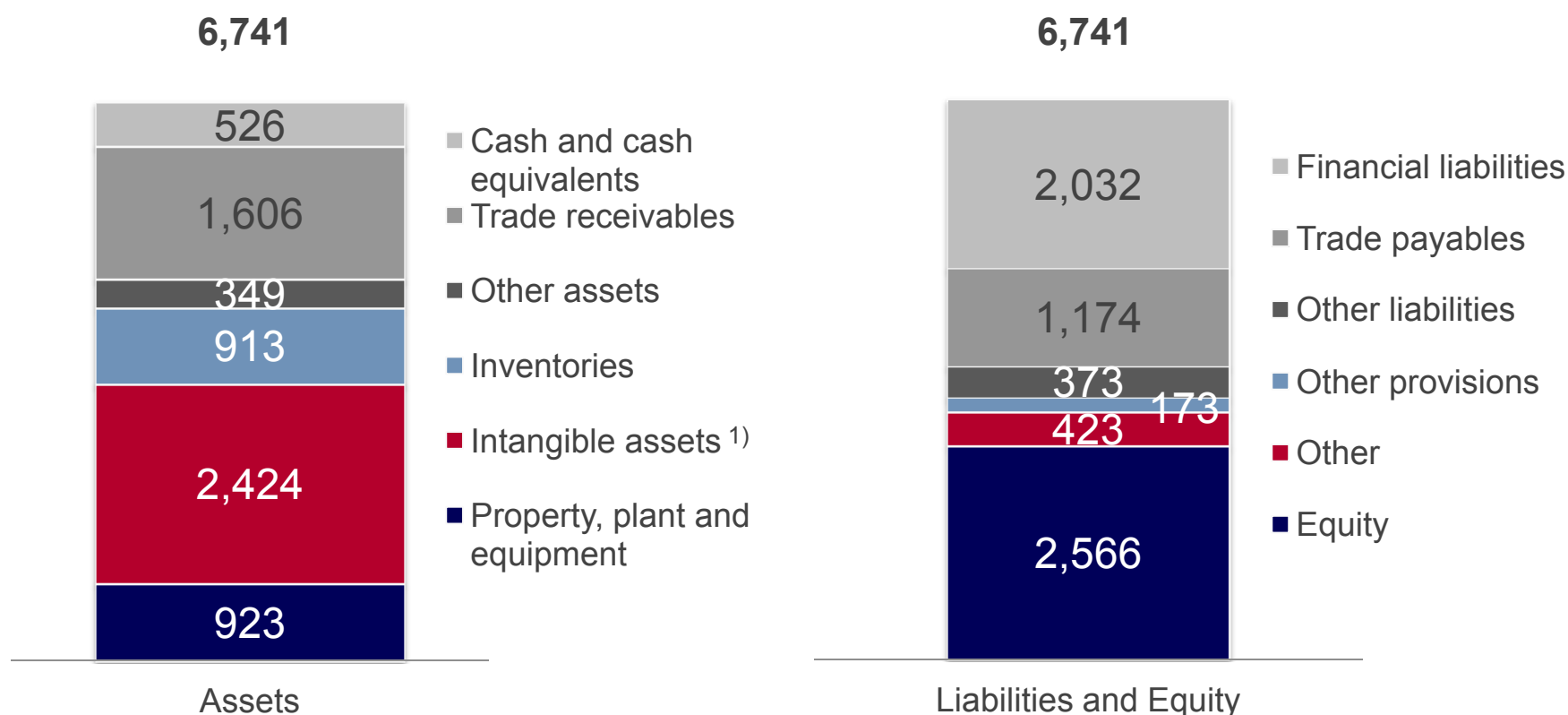
Cash flow statement (continued)

in EUR m	Q1 2015	Q1 2014	2014
Purchases of intangible assets and property, plant & equipment (PPE)	-19.0	-20.0	-103.0
Purchases of consolidated subsidiaries and other business units	-25.6	-7.1	-82.0
Other	0.7	0.8	6.8
Cash used for investing activities	-43.9	-26.3	-178.2
Capital increase	-	-	-
Payments in connection with the capital increase	-	-	-
Purchases of shares in companies already consolidated	-	-	-
Dividends paid to minority shareholders	-	-	-1.8
Dividends paid to Brenntag shareholders	-	-	-133.9
Repayment of (-)/proceeds from (+) borrowings (net)	-11.9	0.0	-13.6
Cash used for financing activities	-11.9	0.0	-149.3
Change in cash & cash equivalents	4.3	20.4	42.2

FINANCIALS Q1 2015

Balance Sheet as of March 31, 2015

in EUR m



1) Of the intangible assets as of March 31, 2015, some EUR 1,296 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 Q1 2015

Balance Sheet and leverage

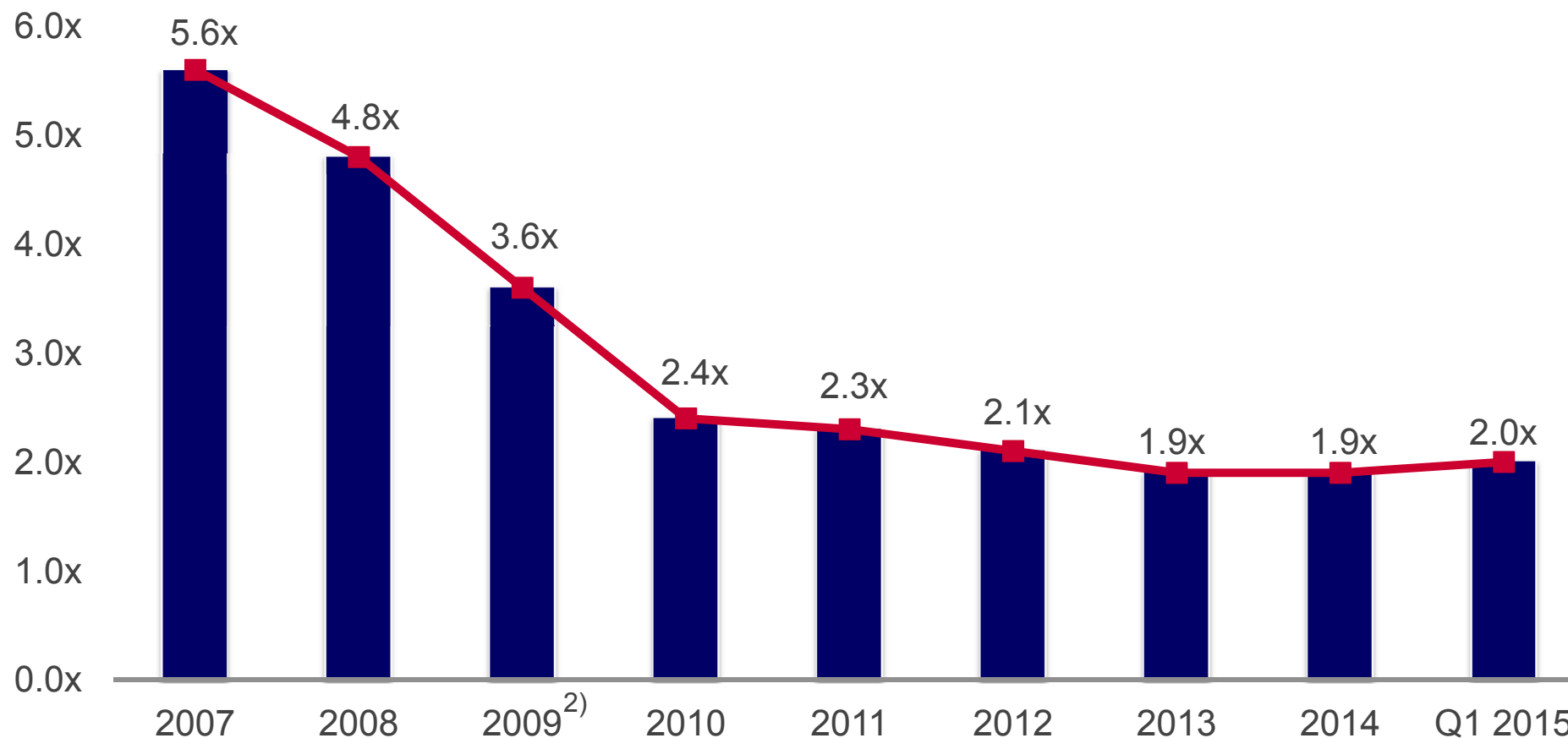
in EUR m	31 Mar 2015	31 Dec 2014	31 Mar 2014
Financial liabilities	2,032.0	1,901.6	1,771.5
./. Cash and cash equivalents	525.5	491.9	448.8
Net Debt	1,506.5	1,409.7	1,322.7
Net Debt/Operating EBITDA ¹⁾	2.0x	1.9x	1.9x
Equity	2,565.7	2,356.9	2,144.4 ²⁾

1) Operating EBITDA for the quarters on LTM basis.

2) The figures for the period from January 1 to March 31, 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies).

FINANCIALS Q1 2015

Leverage: Net debt/Operating EBITDA¹⁾

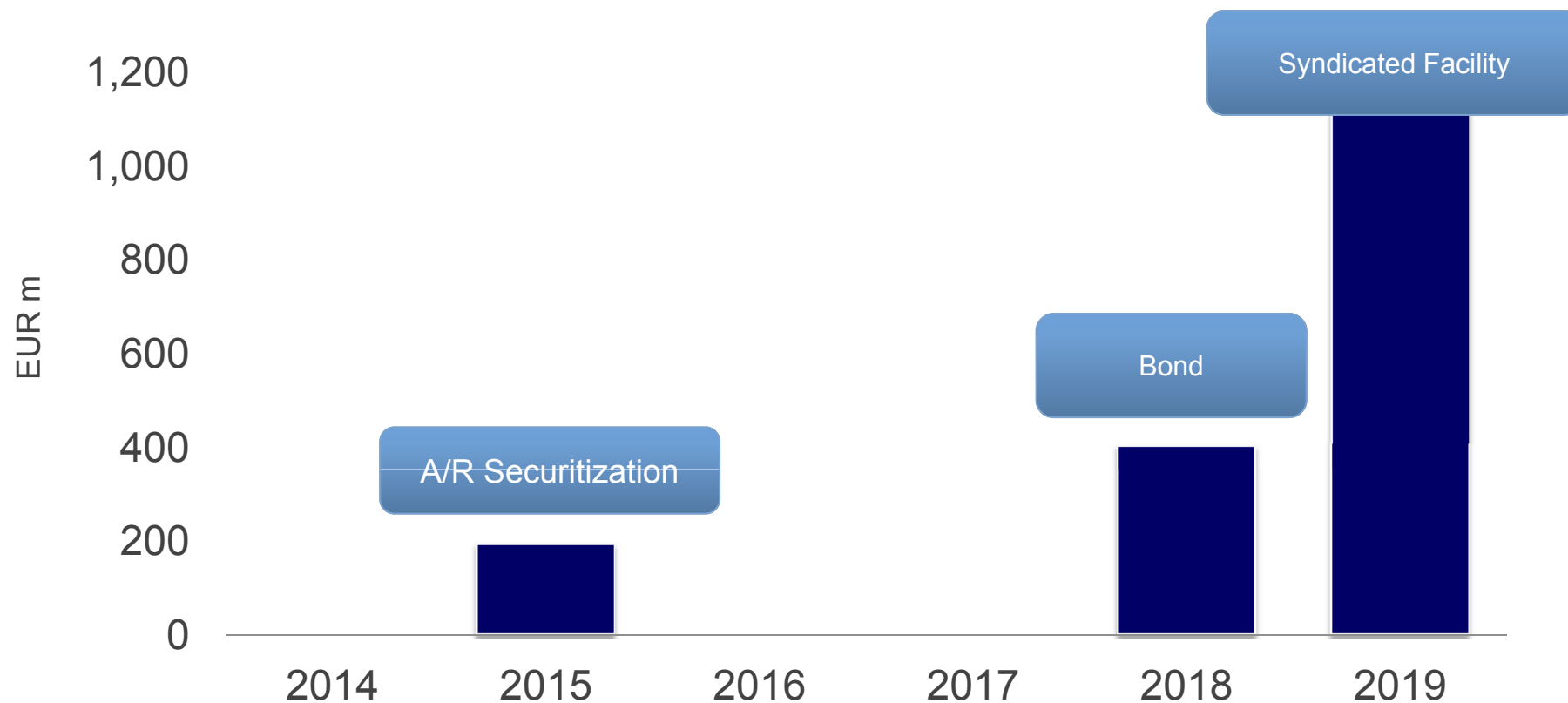


1) Net debt defined as current financial liabilities plus non-current financial liabilities less (cash and cash equivalents)

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

FINANCIALS Q1 2015

Maturities profile as of March 31, 2015¹⁾



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 Q1 2015

Working capital

in EUR m	31 Mar 2015	31 Dec 2014	31 Mar 2014
Inventories	913.0	865.8	760.5
+ Trade receivables	1,605.9	1,407.2	1,424.2
./. Trade payables	1,174.4	1,046.2	1,072.3
Working capital (end of period)	1,344.5	1,226.8	1,112.4
Working capital turnover (year-to-date) ¹⁾	8.0x	8.6x	9.0x
Working capital turnover (last twelve months) ²⁾	8.3x	8.6x	8.8x

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 Q1 2015

Free cash flow

in EUR m	Q1 2015	Q1 2014	Δ	Δ	2014
EBITDA	195.0	159.6	35.4	22.2%	726.9
Capex	-14.9	-18.6	3.7	19.9%	-104.8
Δ Working capital	-19.1	-69.7	50.6	72.6%	-100.5
Free cash flow	161.0	71.3	89.7	125.8%	521.6

FINANCIALS Q1 2015

Segments

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
Operating gross profit	Q1 2015	256.4	227.8	49.7	33.4	3.9	571.2
	Q1 2014	244.1	182.4	37.6	27.8	3.6	495.5
	Δ	5.0%	24.9%	32.2%	20.1%	8.3%	15.3%
	Δ FX adjusted	3.1%	3.9%	15.0%	1.8%	8.3%	4.3%
Operating EBITDA	Q1 2015	88.2	87.9	15.4	11.1	-7.6	195.0
	Q1 2014 ¹⁾	81.2	65.8	10.5	8.5	-6.4	159.6
	Δ	8.6%	33.6%	46.7%	30.6%	18.8%	22.2%
	Δ FX adjusted	6.4%	10.8%	29.4%	11.0%	18.8%	9.7%

1) The figures for the period from January 1 to March 31, 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies).

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OUTLOOK

	2014 Q1 2015	Comments	Trend 2015
Sales	EUR 10,016m EUR 2,574m	<ul style="list-style-type: none"> Moderately positive macroeconomic development with challenges in emerging markets. 	
Gross profit	EUR 2,028m EUR 557m	<ul style="list-style-type: none"> Positive development of gross profit is supported by moderately positive macroeconomic development and structural growth trends. 	
Operating EBITDA	EUR 727m EUR 195m	<ul style="list-style-type: none"> Expected growth driven by segments Europe and North America. 	
Profit after tax	EUR 340m EUR 91m	<ul style="list-style-type: none"> Expected growth driven by growth of operating EBITDA 	

OUTLOOK

	2014 Q1 2015	Comments	Trend 2015
Working capital	EUR 1,227m EUR 1,345m	<ul style="list-style-type: none"> ▪ To a large extent a function of sales development. ▪ Expected to grow in 2015 (compared to year end 2014). 	
Capex	EUR 105m EUR 15m	<ul style="list-style-type: none"> ▪ Slight increase of Capex spending expected to support future growth. ▪ Capex sufficient to support organic growth. 	
Free Cash Flow	EUR 522m EUR 161m	<ul style="list-style-type: none"> ▪ Free cash flow is expected to remain strong. 	

THANK YOU FOR YOUR ATTENTION



**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

We are ready to answer your questions!

CONTACT

Investor Relations

Thomas Langer
Diana Alester
René Weinberg

Phone: +49 (0) 208 7828 7653

Fax: +49 (0) 208 7828 7755

E-mail: IR@brenntag.de

Web: www.brenntag.com



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