



Q2 2015



6 August 2015

Conference call on Q2 2015 results
Corporate Finance & Investor Relations

AGENDA

Q2 2015 Presentation

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HIGHLIGHTS Q2 2015**Introductory remarks to Q2 2015 earnings**

Macro Economy	European and North American economies are growing albeit a slowdown of growth can be seen. Latin America with a modest environment. Growth above global average in Asia Pacific.
Gross profit	Gross profit of EUR 585.3m growing at 16.5% (4.3% fx adjusted).
Operating EBITDA	Operating EBITDA of EUR 215.4m growing at 20.7% (6.7% fx adjusted).
EPS	Earnings per Share of EUR 0.69 growing at 30.2%.
Management Board	Expansion of Management Board from 3 to 5 members reflecting growth of the Group. Appointment of Karsten Beckmann, Markus Klähn and Henri Nejade.
Acquisitions	Acquisition of Quimicas Meroño in Spain.

HIGHLIGHTS Q2 2015

Board of Management



Steven Holland, CEO

Region Latin America, Corp.
Communications, Development, HR,
HSE, Internal Audit & Compliance, M&A



Georg Müller, CFO

Corp. Accounting, Controlling, Finance &
IR, IT, Legal, Risk Management, Tax,
Brenntag International Chemicals



Karsten Beckmann

Region Europe incl. Middle
East & Africa, Global Accounts



Markus Klähn

Region North America



Henri Nejade

Region Asia Pacific,
Global Sourcing

HIGHLIGHTS Q2 2015

Acquisition in Spain

Quimicas Meroño, S.L., Spain

- Sales of around EUR 12.7m, Gross Profit of EUR 3.6m and EBITDA of EUR 1.7m in 2014.
- Investment amount of EUR 10.3m.
- Quimicas Meroño is a distributor of industrial chemicals.
- The acquisition
 - perfectly complements Brenntag’s regional distribution network in Eastern Spain
 - offers additional growth opportunities in key industry sectors



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HIGHLIGHTS Q2 2015

Financial highlights Q2 2015

	Q2 2015	Comments	Change
Gross profit	EUR 585.3m	<ul style="list-style-type: none"> ▪ Increase of 4.3% (fx adjusted) ▪ Increase of 16.5% (as reported) 	
Operating EBITDA	EUR 215.4m	<ul style="list-style-type: none"> ▪ Increase of 6.7% (fx adjusted) ▪ Increase of 20.7% (as reported) 	
Operating EBITDA/ Gross profit	36.8%	<ul style="list-style-type: none"> ▪ Q2 2014 = 35.5% 	
Free cash flow	EUR 167.1m	<ul style="list-style-type: none"> ▪ Against EUR 112.6m in Q2 2014 	

FINANCIALS Q2 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 Q2 2015

Income statement

in EUR m	Q2 2015	Q2 2014 ²⁾	Δ	Δ FX adjusted	2014
Sales	2,691.4	2,501.3	7.6%	-2.8%	10,015.6
Cost of goods sold	-2,106.1	-1,999.1	5.4%		-7,988.1
Gross profit	585.3	502.2	16.5%	4.3%	2,027.5
Expenses	-369.9	-323.5	14.3%		-1,300.6
EBITDA	215.4	178.7	20.5%	6.6%	726.9
Add back transaction costs ¹⁾	-	-0.2			-0.2
Operating EBITDA	215.4	178.5	20.7%	6.7%	726.7
Op. EBITDA / Gross profit	36.8%	35.5%			35.8%

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

2) The figures for 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies).

FINANCIALS Q2 2015

Income statement (continued)

in EUR m	Q2 2015	Q2 2014 ⁴⁾	Δ	2014
EBITDA	215.4	178.7	20.5%	726.9
Depreciation	-27.2	-24.4	11.5%	-99.4
EBITA	188.2	154.3	22.0%	627.5
Amortization ¹⁾	-9.8	-8.7	12.6%	-35.9
EBIT	178.4	145.6	22.5%	591.6
Financial result ²⁾	-17.8	-20.2	-11.9%	-83.8
EBT	160.6	125.4	28.1%	507.8
Profit after tax	108.1	82.0	31.8%	339.7
EPS	0.69	0.53	30.2%	2.20
EPS excl. Amortization and Zhong Yung liability ³⁾	0.74	0.57	29.8%	2.32

1) Includes scheduled amortization of customer relationships amounting to EUR 7.6m in Q2 2015 (EUR 6.9m in Q2 2014 and EUR 28.3 million in 2014).

2) Thereof EUR -0.7m in Q2 2015 (EUR -0.6m in Q2 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 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies).

FINANCIALS Q2 2015

Cash flow statement

in EUR m	Q2 2015	Q2 2014 ¹⁾	2014
Profit after tax	108.1	82.0	339.7
Depreciation & amortization	37.0	33.1	135.3
Income taxes	52.5	43.4	168.1
Income tax payments	-56.9	-53.6	-164.8
Interest result	18.2	18.4	73.4
Interest payments (net)	-10.2	-14.4	-70.2
Changes in current assets and liabilities	-35.3	-49.4	-90.4
Change in purchase price obligation/IAS 32	0.9	0.9	-4.0
Other	-7.7	-11.9	-17.4
Cash provided by operating activities	106.6	48.5	369.7

1) The figures for 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies).

FINANCIALS Q2 2015

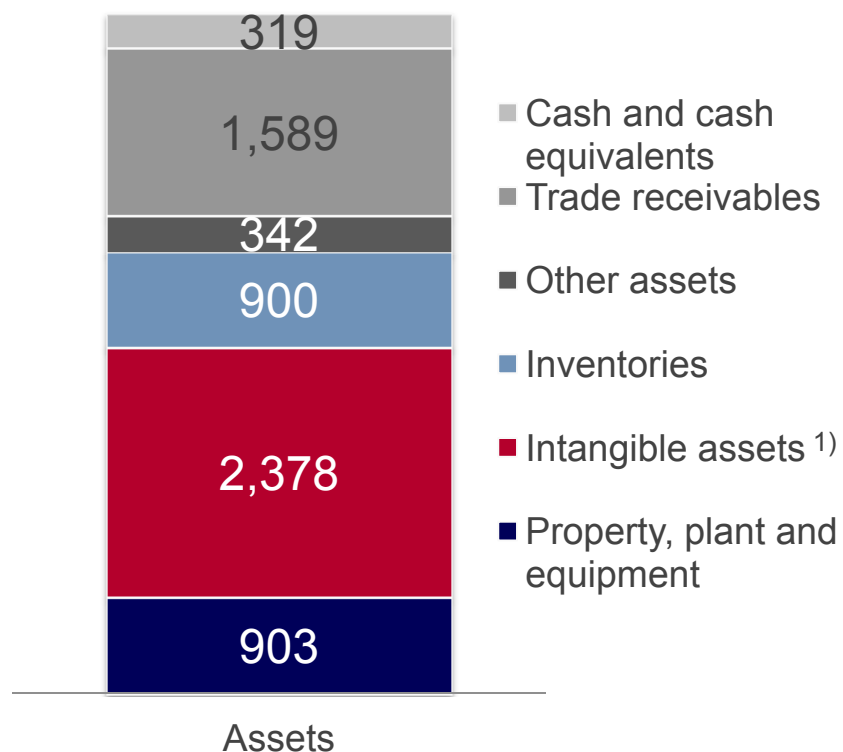
Cash flow statement (continued)

in EUR m	Q2 2015	Q2 2014	2014
Purchases of intangible assets and property, plant & equipment (PPE)	-20.7	-23.0	-103.0
Purchases of consolidated subsidiaries and other business units	-18.8	-50.6	-82.0
Other	1.7	0.5	6.8
Cash used for investing activities	-37.8	-73.1	-178.2
Capital increase	-	-	-
Payments in connection with the capital increase	-	-	-
Purchases of shares in companies already consolidated	-	-	-
Dividends paid to minority shareholders	-1.3	-0.9	-1.8
Dividends paid to Brenntag shareholders	-139.1	-133.9	-133.9
Repayment of (-)/proceeds from (+) borrowings (net)	-123.7	22.9	-13.6
Cash used for financing activities	-264.1	-111.9	-149.3
Change in cash & cash equivalents	195.3	136.5	42.2

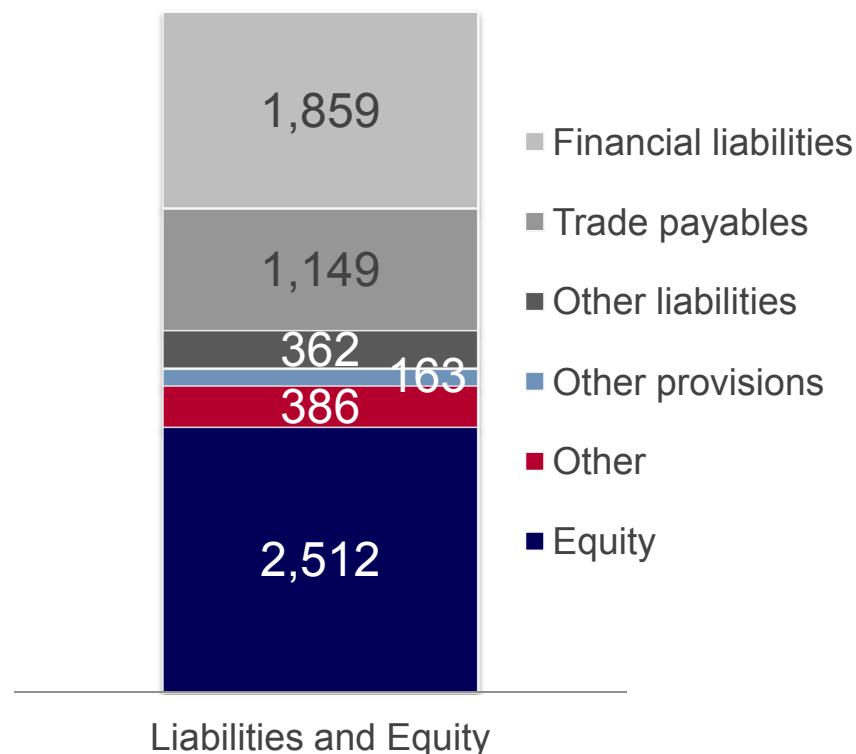
FINANCIALS Q2 2015

Balance Sheet as of June 30, 2015

in EUR m **6,431**



6,431



1) Of the intangible assets as of June 30, 2015, some EUR 1,268 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 Q2 2015

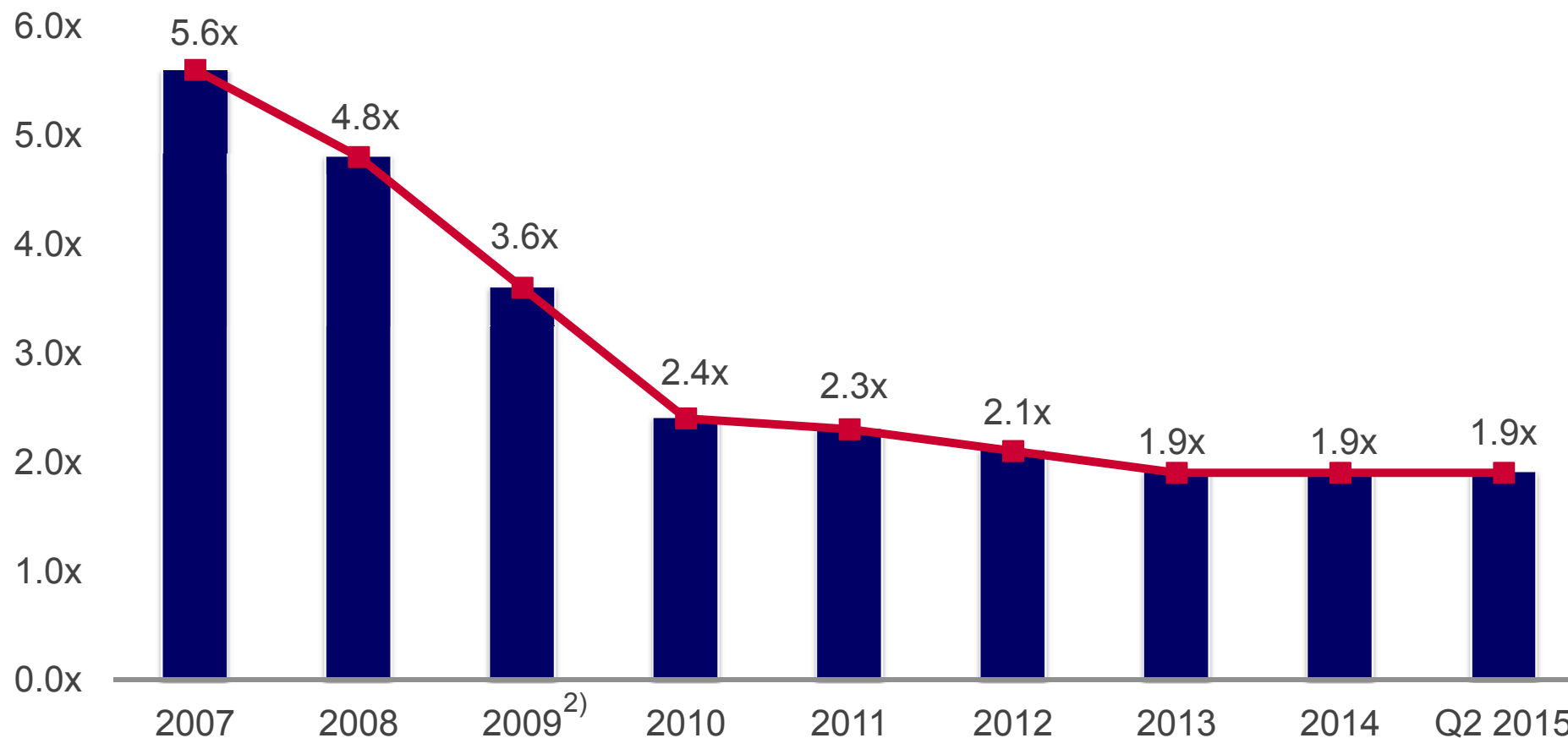
Balance Sheet and leverage

in EUR m	30 June 2015	31 Mar 2015	31 Dec 2014
Financial liabilities	1,859.2	2,032.0	1,901.6
./. Cash and cash equivalents	319.0	525.5	491.9
Net Debt	1,540.2	1,506.5	1,409.7
Net Debt/Operating EBITDA ¹⁾	1.9x	2.0x	1.9x
Equity	2,511.9	2,565.7	2,356.9

1) Operating EBITDA for the quarters on LTM basis.

FINANCIALS Q2 2015

Leverage: Net debt/Operating EBITDA¹⁾

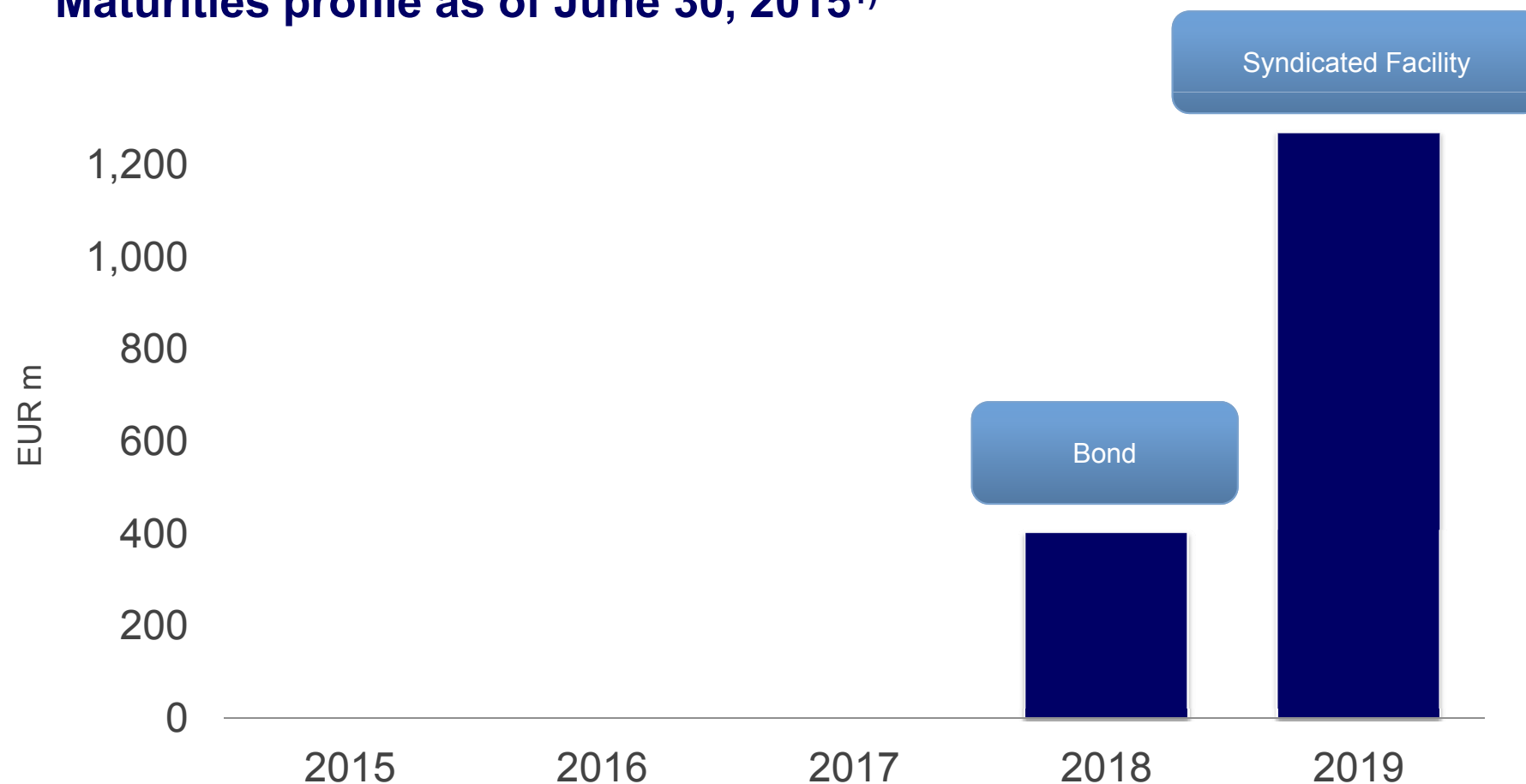


1) Net debt defined as current financial liabilities plus non-current financial liabilities less (cash and cash equivalents)

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

FINANCIALS Q2 2015

Maturities profile as of June 30, 2015¹⁾



1) Syndicated loan and bond excluding accrued interest and transaction costs on the basis of end of period exchange rates.

FINANCIALS Q2 2015

Working capital

in EUR m	30 June 2015	31 Mar 2015	31 Dec 2014
Inventories	899.5	913.0	865.8
+ Trade receivables	1,589.2	1,605.9	1,407.2
./. Trade payables	1,149.0	1,174.4	1,046.2
Working capital (end of period)	1,339.7	1,344.5	1,226.8
Working capital turnover (year-to-date) ¹⁾	8.1x	8.0x	8.6x
Working capital turnover (last twelve months) ²⁾	8.2x	8.3x	8.6x

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 Q2 2015

Free cash flow

in EUR m	Q2 2015	Q2 2014 ¹⁾	Δ	Δ	2014
EBITDA	215.4	178.7	36.7	20.5%	726.9
Capex	-22.7	-22.3	-0.4	1.8%	-104.8
Δ Working capital	-25.6	-43.8	18.2	-41.6%	-100.5
Free cash flow	167.1	112.6	54.5	48.4%	521.6

1) The figures for 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies)

FINANCIALS Q2 2015

Segments

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
Operating gross profit	Q2 2015	263.8	243.9	50.5	36.9	4.0	599.1
	Q2 2014	246.6	193.9	39.5	30.1	3.8	513.9
	Δ	7.0%	25.8%	27.8%	22.6%	5.3%	16.6%
	Δ FX adjusted	4.5%	2.7%	13.0%	2.8%	5.3%	4.3%
Operating EBITDA	Q2 2015	92.9	98.4	16.1	13.7	-5.7	215.4
	Q2 2014 ¹⁾	86.2	78.7	9.0	10.2	-5.6	178.5
	Δ	7.8%	25.0%	78.9%	34.3%	1.8%	20.7%
	Δ FX adjusted	4.8%	2.0%	61.0%	11.4%	1.8%	6.7%

1) The figures for 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies).

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■ **Outlook**

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OUTLOOK

	2014 H1 2015	Comments	Trend 2015
Sales	EUR 10,016m EUR 5,265m	<ul style="list-style-type: none"> Moderately positive macroeconomic developments supporting growth. 	
Gross profit	EUR 2,028m EUR 1,143m	<ul style="list-style-type: none"> Positive development of gross profit is supported by moderately positive macroeconomic developments and structural growth trends. 	
Operating EBITDA	EUR 727m EUR 410m	<ul style="list-style-type: none"> Guidance range: EUR 830m to EUR 855m for the full year 2015. 	
Profit after tax	EUR 340m EUR 199m	<ul style="list-style-type: none"> Expected to grow driven by operating EBITDA. 	

OUTLOOK

	2014 H1 2015	Comments	Trend 2015
Working capital	EUR 1,227m EUR 1,340m	<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) driven by sales growth and more challenging market conditions. 	
Capex	EUR 105m EUR 38m	<ul style="list-style-type: none"> ▪ Capex spending to maintain infrastructure and to support future growth ▪ Capex for 2015 expected to be in the area of EUR 130m. 	
Free Cash Flow	EUR 522m EUR 328m	<ul style="list-style-type: none"> ▪ Free cash flow is expected to grow significantly. 	

THANK YOU FOR YOUR ATTENTION



**Steven Holland,
CEO**

- With Brenntag since 2006
- +30 years of dedicated experience
- Region Latin America, Corp. Communications, Development, HR, HSE, Internal Audit & Compliance, M&A



**Georg Müller,
CFO**

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

We are ready to answer your questions!

APPENDIX
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FINANCIALS H1 2015

Income statement

in EUR m	H1 2015	H1 2014 ²⁾	Δ	Δ FX adjusted
Sales	5,265.3	4,917.4	7.1%	-2.8%
Cost of goods sold	-4,122.7	-3,931.6	4.9%	
Gross profit	1,142.6	985.8	15.9%	4.3%
Expenses	-732.2	-647.5	13.1%	
EBITDA	410.4	338.3	21.3%	8.1%
Add back transaction costs ¹⁾	-	-0.2		
Operating EBITDA	410.4	338.1	21.4%	8.2%
Op. EBITDA/Gross profit	35.9%	34.3%		

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

2) The figures for 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies).

FINANCIALS H1 2015

Income statement (continued)

in EUR m	H1 2015	H1 2014 ³⁾	Δ
EBITDA	410.4	338.3	21.3%
Depreciation	-53.7	-48.4	11.0%
EBITA	356.7	289.9	23.0%
Amortization ¹⁾	-19.0	-17.5	8.6%
EBIT	337.7	272.4	24.0%
Financial result ²⁾	-41.5	-42.4	-2.1%
EBT	296.2	230.0	28.8%
Profit after tax	199.3	151.2	31.8%

1) This figure includes for the period January to June 2015 scheduled amortization of customer relationships totalling EUR 14.8 million (H1 2014: EUR 13.8m).

2) Thereof EUR -1.3m in H1 2015 and EUR -1.2m in H1 2014 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.

3) The figures for 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies).

FINANCIALS H1 2015

Cash flow statement

in EUR m	H1 2015	H1 2014 ¹⁾
Profit after tax	199.3	151.2
Depreciation & amortization	72.7	65.9
Income taxes	96.9	78.8
Income tax payments	-110.7	-81.5
Interest result	36.4	37.4
Interest payments (net)	-21.6	-28.5
Changes in current assets and liabilities	-78.5	-121.6
Other	-27.8	-6.5
Cash provided by operating activities	166.7	95.2

1) The figures for 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies).

FINANCIALS H1 2015

Cash flow statement (continued)

in EUR m	H1 2015	H1 2014
Purchases of intangible assets and property, plant & equipment	-39.7	-43.0
Purchases of consolidated subsidiaries and other business units	-44.4	-57.7
Other	2.4	1.3
Cash used for investing activities	-81.7	-99.4
Capital increase	-	-
Payments in connection with the capital increase	-	-
Purchases of shares in companies already consolidated	-	-
Dividends paid to minority shareholders	-1.3	-0.9
Dividends paid to Brenntag shareholders	-139.1	-133.9
Repayment of (-)/proceeds from (+) borrowings (net)	-135.6	22.9
Cash used for financing activities	-276.0	-111.9
Change in cash & cash equivalents	-191.0	-116.1

FINANCIALS H1 2015

Free cash flow

in EUR m	H1 2015	H1 2014 ¹⁾	Δ	Δ	2014
EBITDA	410.4	338.3	72.1	21.3%	726.9
CAPEX	-37.6	-40.9	3.3	-8.1%	-104.8
Δ Working capital	-44.7	-113.5	68.8	-60.6%	-100.5
Free cash flow	328.1	183.9	144.2	78.4%	521.6

1) The figures for 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies).

FINANCIALS H1 2015

Segments

in EUR m		Europe	North America	Latin America	Asia Pacific	All other segments	Group
Operating gross profit	H1 2015	520.2	471.7	100.2	70.3	7.9	1,170.3
	H1 2014	490.7	376.3	77.1	57.9	7.4	1,009.4
	Δ	6.0%	25.4%	30.0%	21.4%	6.8%	15.9%
	Δ FX adjusted	3.8%	3.2%	14.1%	2.5%	6.8%	4.3%
Operating EBITDA	H1 2015	181.1	186.3	31.5	24.8	-13.3	410.4
	H1 2014 ¹⁾	167.4	144.5	19.5	18.7	-12.0	338.1
	Δ	8.2%	28.9%	61.5%	32.6%	10.8%	21.4%
	Δ FX adjusted	5.6%	6.1%	43.8%	11.2%	10.8%	8.2%

1) The figures for 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies).

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