



Q1 2016



9 May 2016

Conference call on Q1 2016 results

Corporate Finance & Investor Relations

AGENDA

Q1 2016 Presentation

■ Highlights Q1 2016

■ Financials Q1 2016

■ Outlook

HIGHLIGHTS Q1 2016

Introductory remarks to Q1 2016 earnings

Macro Economy

Weakest quarter in terms of global PMI since 2012. Weak macro environment in Europe, North America and Latin America. Mixed picture in Asia Pacific.

Gross profit

Gross profit of EUR 586.6m growing at 5.3% (6.2% fx adjusted).

Operating EBITDA

Operating EBITDA of EUR 192.1m declining -1.5% (-0.7% fx adjusted).

Venezuela

Further massive devaluation of the local currency bolivars leading to a write-off in the financial result.

EPS

Earnings per Share of EUR 0.43 (down by 27.1%).

Acquisitions

Acquisitions made in Germany, South Africa and South Korea with an investment amount of about EUR 45 million.

HIGHLIGHTS Q1 2016

Acquisitions in Germany, South Africa and South Korea

| Target | Rationale | Indicative annual EBITDA contribution (m EUR) | Investment Amount (m EUR) |
|--|--|---|---------------------------|
| Leis Polytechnik polymere Werkstoffe GmbH, Germany | specialized in the business with high-performance polymer compounds | 2.3 | ~16 |
| Plastichem Pty Ltd., South Africa | Specialty chemicals distributor focusing on high-performance polymers for plastics and rubber. | 1.8 | ~9 |
| ACU PHARMA und CHEMIE-Gruppe, Germany | Expansion of life science business and portfolio of value added services. | 1.8 | ~10 |
| Whanee Corporation, South Korea ¹⁾ | Specialty chemicals distributor focusing on food and beverage ingredients, especially dairy, functional and flavor related products. | 1.7 | ~10 |

Total EV of ~EUR 45m for the 4 acquisitions with an average EV/EBITDA multiple of ~6.0x

1) Closing expected end of Q2.

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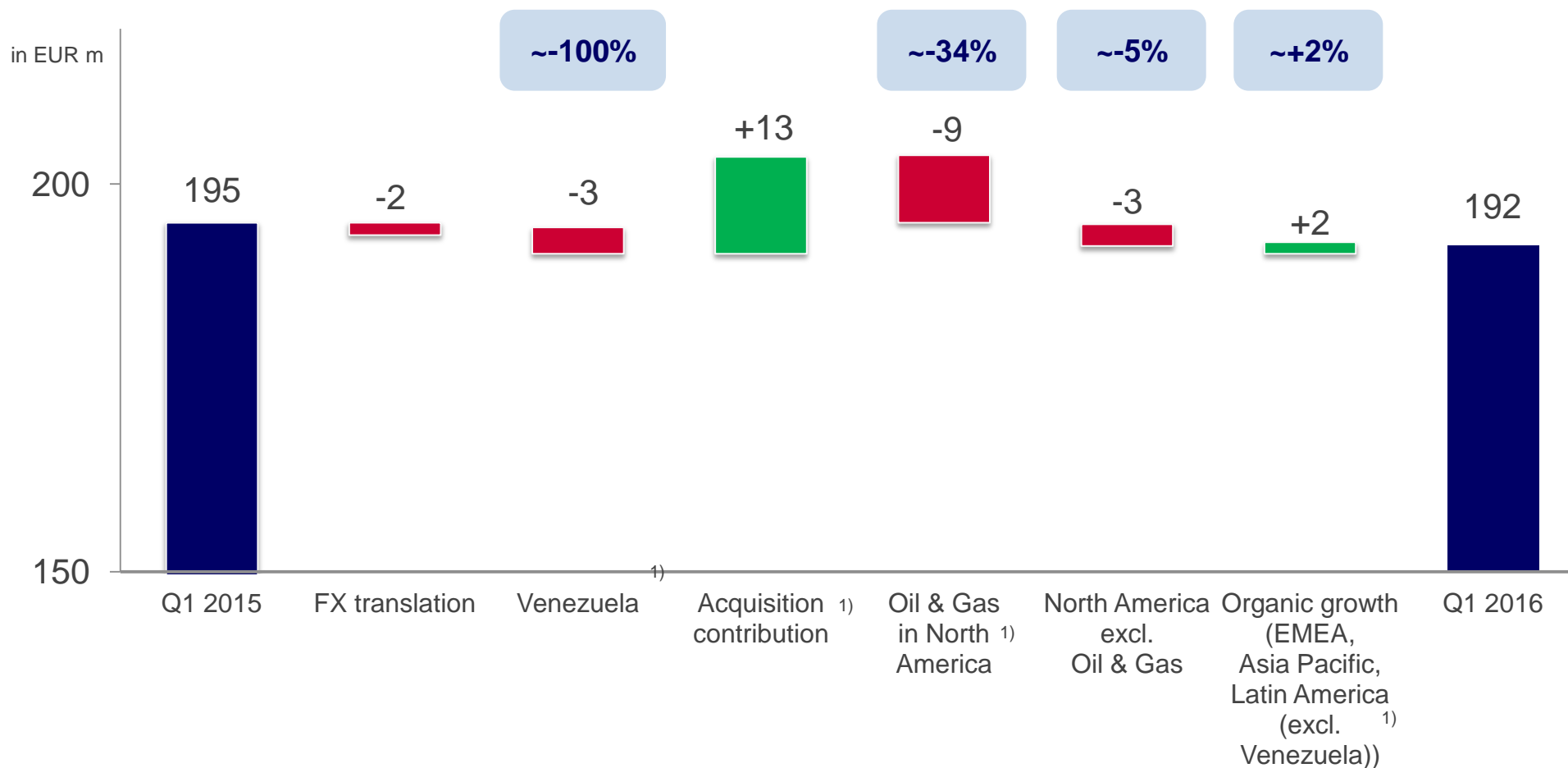
FINANCIALS Q1 2016

Income statement

| in EUR m | Q1 2016 | Q1 2015 | Δ | Δ FX adjusted | 2015 |
|---------------------------|--------------|--------------|--------------|---------------|----------------|
| Sales | 2,580.1 | 2,573.9 | 0.2% | 1.3% | 10,346.1 |
| Cost of goods sold | -1,993.5 | -2,016.6 | -1.1% | | -8,080.1 |
| Gross profit | 586.6 | 557.3 | 5.3% | 6.2% | 2,266.0 |
| Expenses | 394.5 | -362.3 | 8.9% | | -1,458.6 |
| Operating EBITDA | 192.1 | 195.0 | -1.5% | -0.7% | 807.4 |
| Op. EBITDA / Gross profit | 32.7% | 35.0% | | | 35.6% |

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Operating EBITDA bridge: Q1 2015 to Q1 2016



1) Calculations are partly based on assumptions made by management; Effects based on rounded figures

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Income statement (continued)

| in EUR m | Q1 2016 | Q1 2015 | Δ | 2015 |
|--|--------------|--------------|---------------|--------------|
| EBITDA | 192.1 | 195.0 | -1.5% | 807.4 |
| Depreciation | -28.8 | -26.5 | 8.7% | -108.7 |
| EBITA | 163.3 | 168.5 | -3.1% | 698.7 |
| Amortization ¹⁾ | -12.2 | -9.2 | 32.6% | -36.9 |
| EBIT | 151.1 | 159.3 | -5.1% | 661.8 |
| Financial result ²⁾ | -49.7 | -23.7 | -109.7% | -112.5 |
| EBT | 101.4 | 135.6 | -25.2% | 549.3 |
| Profit after tax | 66.0 | 91.2 | -27.6% | 368.1 |
| EPS | 0.43 | 0.59 | -27.1% | 2.36 |
| EPS excl. Amortization, Zhong Yung liability and Venezuela ³⁾ | 0.66 | 0.63 | -22.2% | 2.68 |

1) Includes scheduled amortization of customer relationships amounting to EUR 9.2m in Q1 2016 (EUR 7.2m in Q1 2015 and EUR 27.7 million in 2015).

2) Thereof EUR -0.9m in Q1 2016 (EUR -0.6m in Q1 2015) 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 -23.4m in 2015).

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

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Update on Venezuela**Devaluation of local currency**

- Ongoing political and economic turmoil
- In February 2016, the state of Venezuela announced significant changes to the official exchange rate mechanism
- Consequence: The local currency bolivar devalued by more than 90%
- Brenntag downsized the business to only 30 people, but we are still present
- Asset-write-off results in EUR 27m expense in financial result
- EBITDA around zero going forward (~EUR 12m EBITDA in 2015)

FINANCIALS Q1 2016

Cash flow statement

| in EUR m | Q1 2016 | Q1 2015 | 2015 |
|--|-------------|-------------|--------------|
| Profit after tax | 66.0 | 91.2 | 368.1 |
| Depreciation & amortization | 41.0 | 35.7 | 145.6 |
| Income taxes | 35.4 | 44.4 | 181.2 |
| Income tax payments | -43.8 | -53.8 | -174.2 |
| Interest result | 20.3 | 18.2 | 71.5 |
| Interest payments (net) | -7.4 | -11.4 | -67.2 |
| Changes in current assets and liabilities | -53.8 | -43.2 | 60.6 |
| Change in purchase price obligation/IAS 32 | 1.2 | 0.9 | 24.9 |
| Other | 40.1 | -21.9 | -16.8 |
| Cash provided by operating activities | 99.0 | 60.1 | 593.7 |

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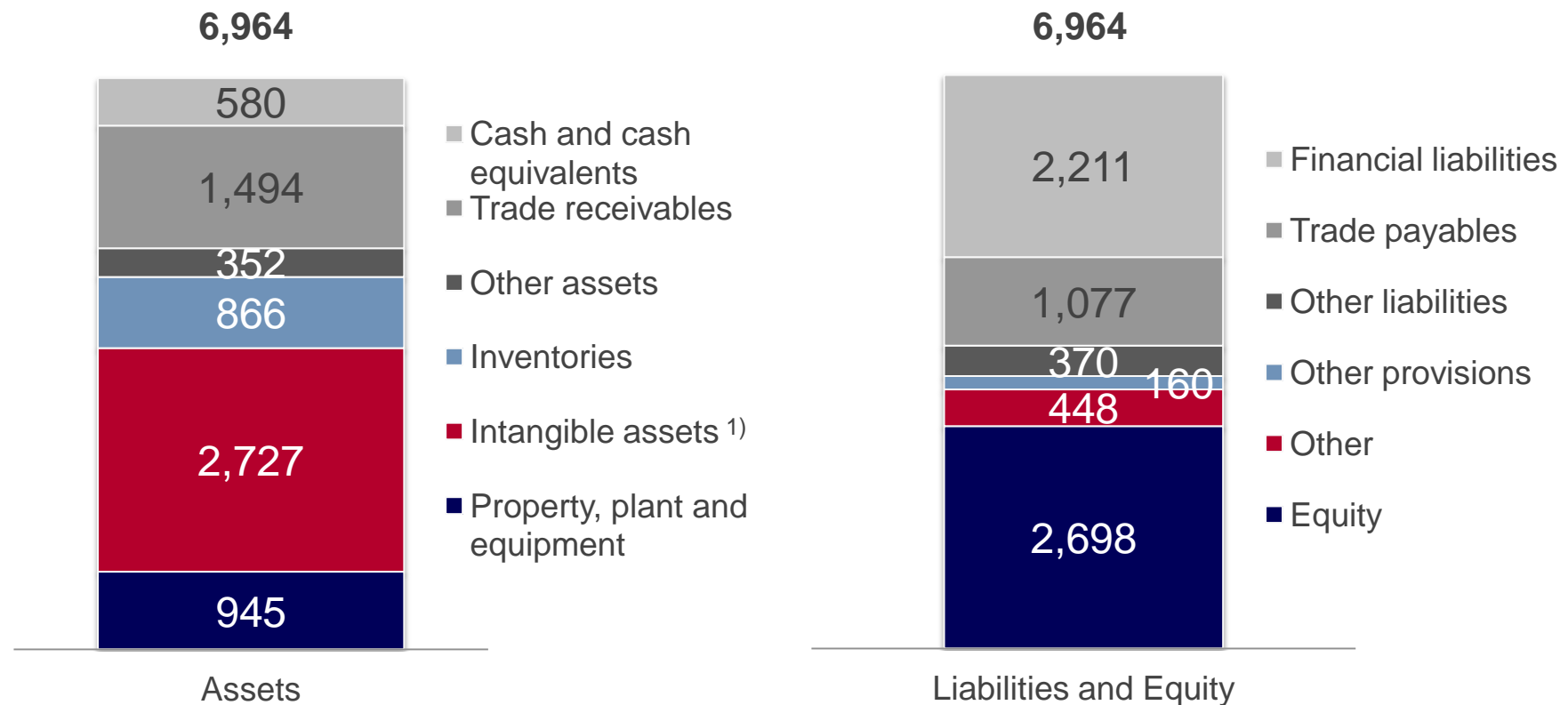
Cash flow statement (continued)

| in EUR m | Q1 2016 | Q1 2015 | 2015 |
|--|--------------|--------------|---------------|
| Purchases of intangible assets and property, plant & equipment (PPE) | -24.0 | -19.0 | -126.7 |
| Purchases of consolidated subsidiaries and other business units | -31.1 | -25.6 | -500.8 |
| Other | -2.2 | 0.7 | 5.9 |
| Cash used for investing activities | -52.9 | -43.9 | -621.6 |
| Capital increase | - | - | - |
| Payments in connection with the capital increase | - | - | 34.3 |
| Repayments of liabilities related to acquisitions of non-controlling interests | -14.5 | - | - |
| Dividends paid to minority shareholders | - | - | -1.9 |
| Dividends paid to Brenntag shareholders | - | - | -139.1 |
| Repayment of (-)/proceeds from (+) borrowings (net) | -6.3 | -11.9 | 218.7 |
| Cash used for financing activities | -20.8 | -11.9 | 112.0 |
| Change in cash & cash equivalents | 25.3 | 4.3 | 84.1 |

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Balance Sheet as of March 31, 2016

in EUR m



1) Of the intangible assets as of March 31, 2016, some EUR 1,252 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.

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Balance Sheet and leverage

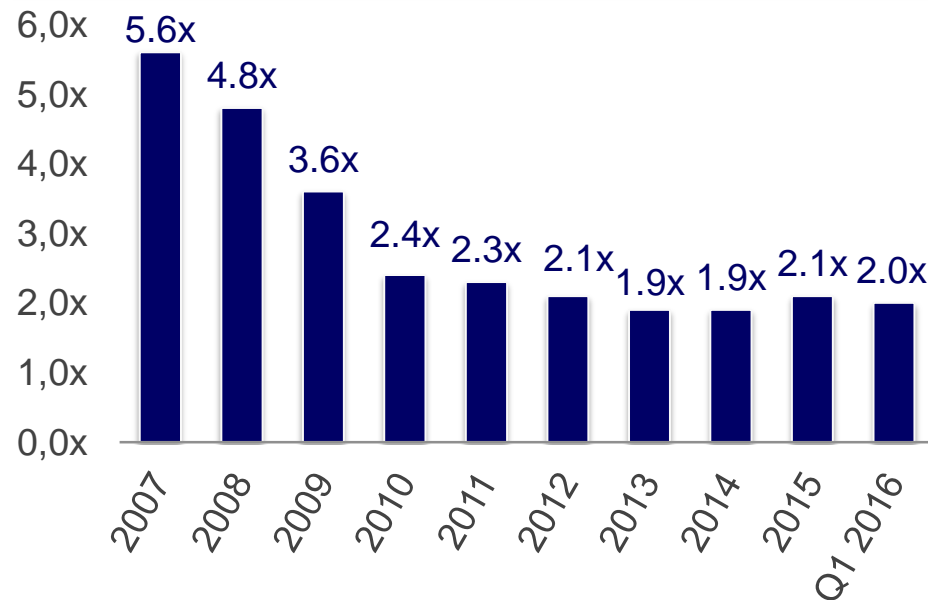
| in EUR m | 31 Mar 2016 | 31 Dec 2015 | 31 Mar 2015 |
|--|-------------|-------------|-------------|
| Financial liabilities | 2,211.1 | 2,255.2 | 2,032.0 |
| ./. Cash and cash equivalents | 580.2 | 579.1 | 525.5 |
| Net Debt | 1,630.9 | 1,676.1 | 1,506.5 |
| Net Debt/Operating EBITDA ¹⁾ | 2.0x | 2.1x | 2.0x |
| Equity | 2,698.4 | 2,690.5 | 2,565.7 |

1) Operating EBITDA for the quarters on LTM basis.

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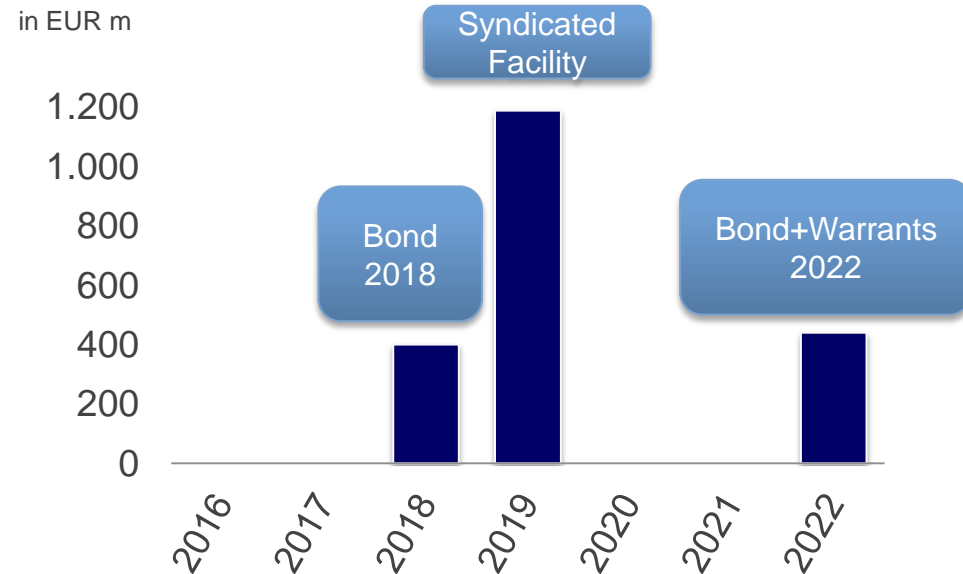
Financial stability of Brenntag Group

Leverage: Net debt/Operating EBITDA ¹⁾



- Business demonstrates ability to de-leverage constantly
- Investment grade ratings from Standard & Poor's ("BBB") and Moody's ("Baa3")

Maturity profile as of Mar. 31, 2016



- Balanced and long-term maturity profile
- High flexibility due to undrawn revolving credit facility of EUR 600m

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

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Working capital

| in EUR m | 31 Mar 2016 | 31 Dec 2015 | 31 Mar 2015 |
|---|----------------|----------------|----------------|
| Inventories | 866.3 | 897.1 | 913.0 |
| + Trade receivables | 1,494.3 | 1,426.5 | 1,605.9 |
| ./. Trade payables | 1,077.1 | 1,055.5 | 1,174.4 |
| Working capital (end of period) | 1,283.5 | 1,268.1 | 1,344.5 |
| Working capital turnover (year-to-date) ¹⁾ | 8.1x | 8.0x | 8.0x |
| Working capital turnover (last twelve months) ²⁾ | 7.9x | 8.0x | 8.3x |

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 2016

Free cash flow

| in EUR m | Q1 2016 | Q1 2015 | Δ | Δ | 2015 |
|-----------------------|--------------|--------------|--------------|---------------|--------------|
| EBITDA | 192.1 | 195.0 | -2.9 | -1.5% | 807.4 |
| Capex | -17.6 | -14.9 | -2.7 | 18.1% | -130.1 |
| Δ Working capital | -43.3 | -19.1 | -24.2 | 126.7% | 87.0 |
| Free cash flow | 131.2 | 161.0 | -29.8 | -18.5% | 764.3 |

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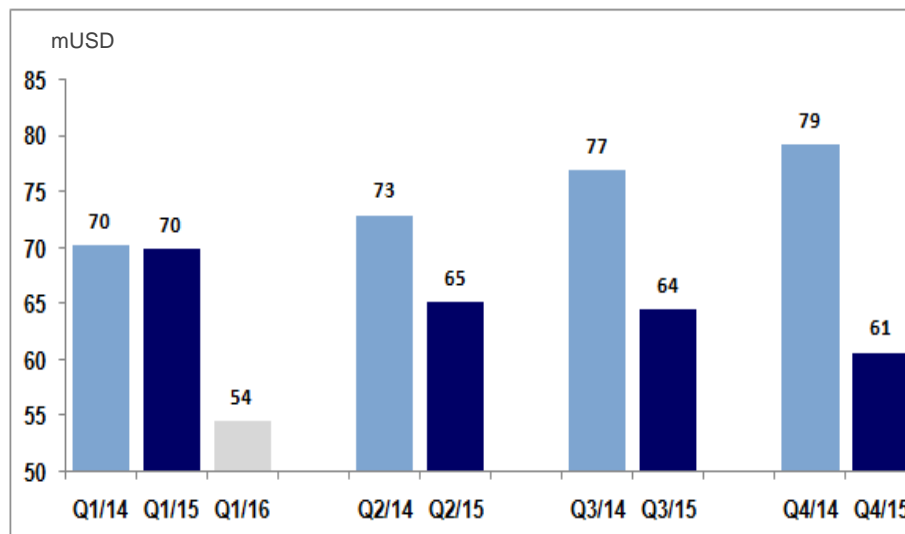
Segments

| in EUR m | | Europe | North America | Latin America | Asia Pacific | All other segments | Group |
|-------------------------------|----------------|--------------|---------------|---------------|--------------|--------------------|--------------|
| Operating gross profit | Q1 2016 | 267.6 | 244.2 | 43.6 | 41.9 | 3.1 | 600.4 |
| | Q1 2015 | 256.4 | 227.8 | 49.7 | 33.4 | 3.9 | 571.2 |
| | Δ | 4.4% | 7.2% | -12.3% | 25.4% | -20.5% | 5.1% |
| | Δ FX adjusted | 5.9% | 5.9% | -6.0% | 30.5% | -20.5% | 6.1% |
| Operating EBITDA | Q1 2016 | 88.3 | 84.6 | 12.4 | 14.9 | -8.1 | 192.1 |
| | Q1 2015 | 88.2 | 87.9 | 15.4 | 11.1 | -7.6 | 195.0 |
| | Δ | 0.1% | -3.8% | -19.5% | 34.2% | 6.6% | -1.5% |
| | Δ FX adjusted | 1.8% | -5.3% | -13.3% | 39.3% | 6.6% | -0.7% |

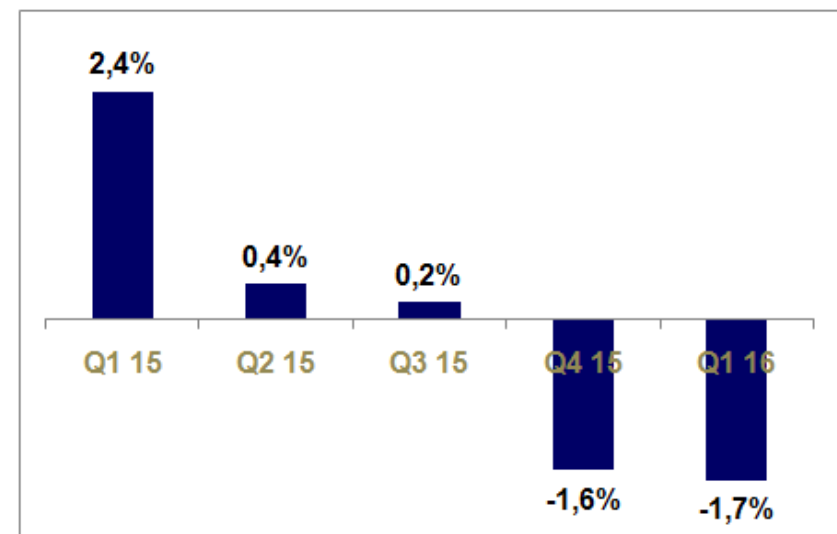
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Update North America: Reduction in Gross Profit with Oil & Gas customers and weak industrial production

Q1 2016: O&G Gross Profit



IP Growth US on prior year



Total 2014 = USD 299m Total 2015 = USD 260m

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■ **Outlook**

OUTLOOK

| | 2015 Q1 2016 | Comments | Trend 2016 |
|------------------|---|---|---|
| Sales | EUR 10,346m EUR 2,580m | <ul style="list-style-type: none"> ▪ In general weak macroeconomic environment. ▪ Structural growth trends for chemical distributors and Brenntag in particular are expected to provide growth potential. |  |
| Gross profit | EUR 2,266m EUR 587m | <ul style="list-style-type: none"> ▪ Meaningful increase expected due to the acquisitions carried out in 2015. ▪ All regions are expected to support the performance albeit to different degrees (for Latin America excl. Venezuela). |  |
| Operating EBITDA | EUR 807m EUR 192m | <ul style="list-style-type: none"> ▪ Overall operating EBITDA is expected to grow. |  |
| Profit after tax | EUR 368m EUR 66m | <ul style="list-style-type: none"> ▪ General development driven by growth of operating EBITDA. ▪ Negative impact from asset – write-off in Venezuela. |  |

OUTLOOK

| | 2015 Q1 2016 | Comments | Trend 2016 |
|-----------------|---|---|---|
| Working capital | <p>EUR 1,268m</p> <p>EUR 1,284m</p> | <ul style="list-style-type: none"> ▪ To a large extent a function of sales growth ▪ Expected to grow significantly in 2016 |  |
| Capex | <p>EUR 130m</p> <p>EUR 18m</p> | <ul style="list-style-type: none"> ▪ Capex spending increase to ca. EUR 150m driven by projects for business expansion. |  |
| Free Cash Flow | <p>EUR 764m</p> <p>EUR 131m</p> | <ul style="list-style-type: none"> ▪ As the reduction in working capital of 2015 is not expected to be repeated in 2016, we expect a reduction in free cash flow of more than 10% despite the positive EBITDA development. |  |

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, M&A and Compliance



**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!

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