

Connecting**Chemistry**



Full Year 2016 Results



7 March 2017

Conference call on FY 2016 results

Corporate Finance & Investor Relations

AGENDA

FY 2016 results presentation

- Highlights 2016**
- Financials 2016
- Outlook 2017
- Appendix

HIGHLIGHTS 2016**Introductory remarks to 2016 earnings****Macro
Economy**

Moderately positive momentum in Europe. Weak trend in North America. Downturn in economic conditions in Latin America. Positive picture in Asia Pacific.

Gross profit

Gross profit of EUR 2,369.3m with a growth of 4.6% (6.0% fx adjusted)

**Operating
EBITDA**

Operating EBITDA of EUR 810.0m with growth of 0.3% (1.9% fx adjusted)

**Free Cash
Flow**

Strong free cash flow of EUR 641.4m

EPS

Earnings per share of EUR 2.33

Dividend

Proposed dividend payment of EUR 1.05 per share represents increase of 5.0%

Acquisitions

Execution of value accretive acquisitions with a total Enterprise Value of around EUR 200m

HIGHLIGHTS 2016

Succesful execution of M&A strategy in 2016

Target	Rationale
Zhong Yung (China)	Acquisition of the remaining 49% stake as per the agreement from 2011. Active in the key economic regions in China. The company performed well over the years and is an ideal platform for future growth.
Warren Chem Pty Ltd., Plastichem Pty Ltd. (South Africa)	Expansion of Specialty Chemicals business in South Africa with complementary product portfolio.
Mayes County Petroleum Products, Lubricants business of NOCO Inc. (USA)	Regional integrated lubricant distributors, strengthening relationship with key suppliers and customers, Entrance in Canadian lubricants market.
Distribution business of EPChem (Singapore)	Strengthening and expanding our specialty chemicals footprint in Asia Pacific.
Whanee Corporation (South Korea)	Strategic step into South Korean market
Leis Polytechnik, ACU PHARMA (Germany)	Bolt-on acquisitions in Germany

M&A totally: Enterprise Values of ~EUR 200m in 2016
Average EV/EBITDA multiple of ~6.8x (excl. Zhong Yung)

HIGHLIGHTS 2016**Recent Acquisitions in 2017**

Target	Rationale	Indicative annual EBITDA contribution (m EUR)	Investment Amount (m EUR)
Petra Industries, Inc., USA	Strengthening the mixing and blending business in North America. The business supports our customer service business.	2.4	~19
Greene's Energy Group. USA	Leading provider of integrated solutions for the Oil & Gas industry. Focused on pipeline cleaning and hydrostatic testing. Complementary to our existing product and service portfolio.	1.0	~10

**M&A totally: Enterprise Values of ~EUR 29m in 2017 so far
Average EV/EBITDA multiple of ~8.6x**

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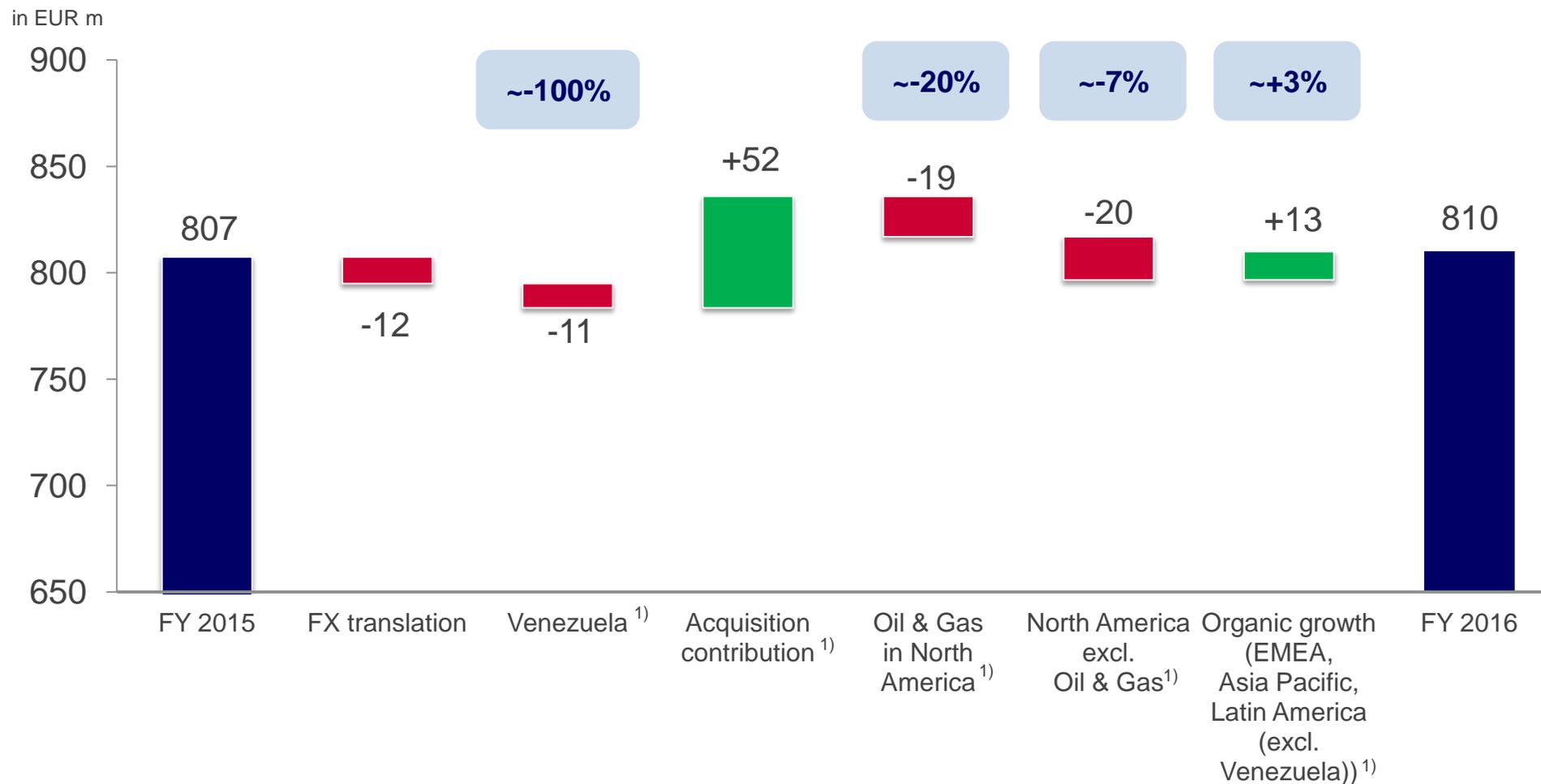
FINANCIALS 2016

Income statement

in EUR m	2016	2015	Δ	Δ FX adjusted
Sales	10,498.4	10,346.1	1.5%	2.9%
Cost of goods sold	-8,129.1	-8,080.1	0.6%	
Gross profit	2,369.3	2,266.0	4.6%	6.0%
Expenses	-1,559.3	-1,458.6	6.9%	
Operating EBITDA	810.0	807.4	0.3%	1.9%
Operating EBITDA/Gross profit	34.2%	35.6%		

FINANCIALS FY 2016

Operating EBITDA bridge: FY 2015 to FY 2016



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

FINANCIALS 2016

Income statement (continued)

in EUR m	2016	2015	Δ
EBITDA	810.0	807.4	0.3%
Depreciation	-115.5	-108.7	6.3%
EBITA	694.5	698.7	-0.6%
Amortization ¹⁾	-47.2	-36.9	27.9%
EBIT	647.3	661.8	-2.2%
Financial result ²⁾	-111.6	-112.5	-0.8%
EBT	535.7	549.3	-2.5%
Profit after tax	361.0	368.1	-1.9%
EPS	2.33	2.36	-1.3%
EPS excl. Amortization and Zhong Yung liability and Venezuela ³⁾	2.72	2.68	15.5%

1) This figure includes for 2016 scheduled amortization of customer relationships totalling EUR 35.9 million (2015: EUR 27.7m).

2) Thereof EUR -1.0m in 2016 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 and changes in the purchase price obligation for the outstanding 49% in Zhong Yung (International) Chemical Ltd and the effect for Venezuela

FINANCIALS 2016

Cash flow statement

in EUR m	2016	2015
Profit after tax	361.0	368.1
Depreciation & amortization	162.7	145.6
Income taxes	174.7	181.2
Income tax payments	-170.6	-174.2
Interest result	81.5	71.5
Interest payments (net)	-67.0	-67.2
Changes in current assets and liabilities	-27.6	60.6
Change in purchase price obligation/IAS 32	2.6	24.9
Other	22.6	-16.8
Cash provided by operating activities	539.9	593.7

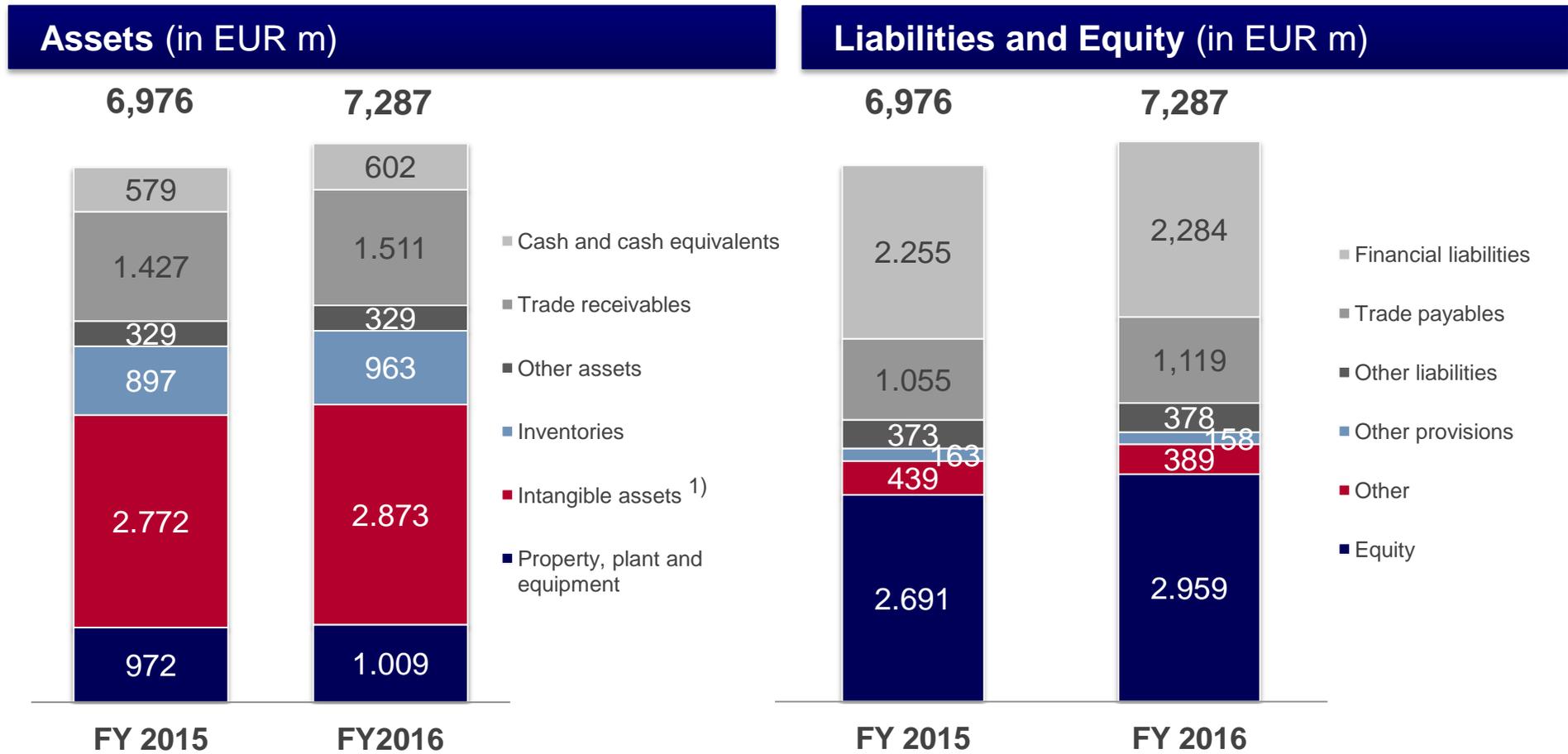
FINANCIALS 2016

Cash flow statement (continued)

in EUR m	2016	2015
Purchases of intangible assets and property, plant & equipment	-138.8	-126.7
Purchases of consolidated subsidiaries and other business units	-139.6	-500.8
Other	9.0	5.9
Cash used for investing activities	-269.4	-621.6
Capital increase	-	-
Payments in connection with the capital increase	-	34.3
Purchases of companies already consolidated	-62.2	-
Profits distributed to non-controlling interests	-1.6	-1.9
Dividends paid to Brenntag shareholders	-154.5	-139.1
Repayment of (-)/proceeds from (+) borrowings (net)	-30.8	218.7
Cash used for financing activities	-249.1	112.0
Change in cash & cash equivalents	21.4	84.1

FINANCIALS 2016

Balance Sheet as of 31 December 2016



1) Of the intangible assets as of December 31, 2016, some EUR 1,308 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 2016

Balance Sheet and leverage

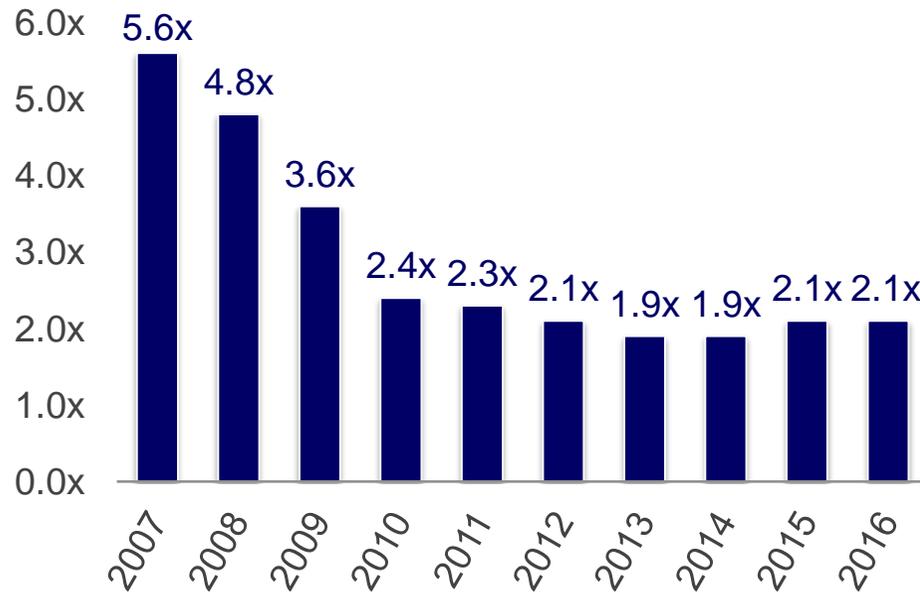
in EUR m	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
Financial liabilities	2,283.8	2,255.2	1,901.6	1,768.5	1,829.5	1,952.4
./. Cash and cash equivalents	601.9	579.1	491.9	426.8	346.6	458.8
Net Debt	1,681.9	1,676.1	1,409.7	1,341.7	1,482.9	1,493.6
Net Debt/ Operating EBITDA	2.1x	2.1x	1.9x	1.9x	2.1x	2.3x
Equity ¹⁾	2,959.2	2,690.5	2,356.9	2,093.7	1,944.2	1,737.6

1) The values of 31 December 2012 and 31 December 2011 were revised due to the initial application of the revised version of IAS 19 (Employee Benefits (revised 2011)).

FINANCIALS

Financial stability of Brenntag Group

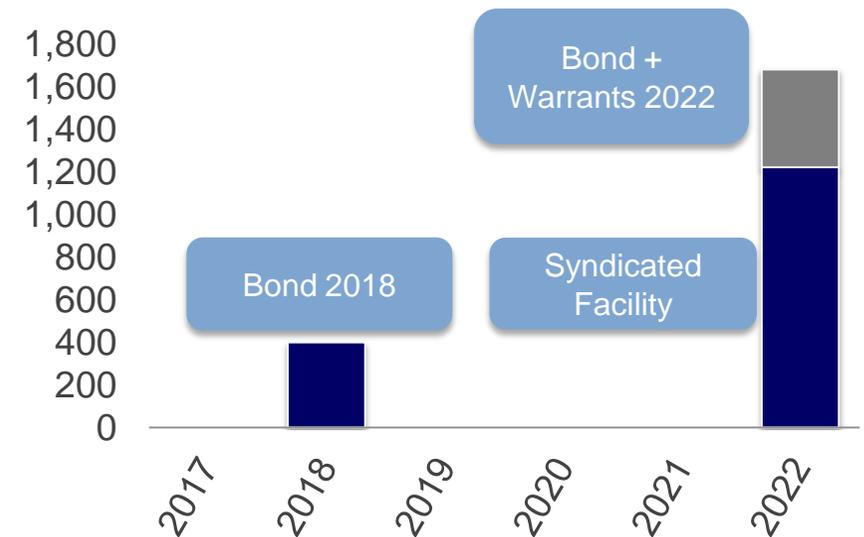
Leverage: Net debt/Operating EBITDA ¹⁾



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

Maturity profile as of Jan. 31, 2017

in EUR m



- Refinancing at attractive market conditions in Jan. 2017
- 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)

FINANCIALS 2016

Working capital

in EUR m	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
Inventories	962.8	897.1	865.8	757.1	760.4	696.8
+ Trade receivables	1,511.2	1,426.5	1,407.2	1,248.8	1,266.4	1,220.9
./. Trade payables	1,119.4	1,055.5	1,046.2	961.5	1,008.2	956.6
Working capital (end of period)	1,354.6	1,268.1	1,226.8	1,044.4	1,018.6	961.1
Working capital turnover (year-to-date) ¹⁾	8.0x	8.0x	8.6x	9.0x	9.2x	9.3x

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

FINANCIALS 2016

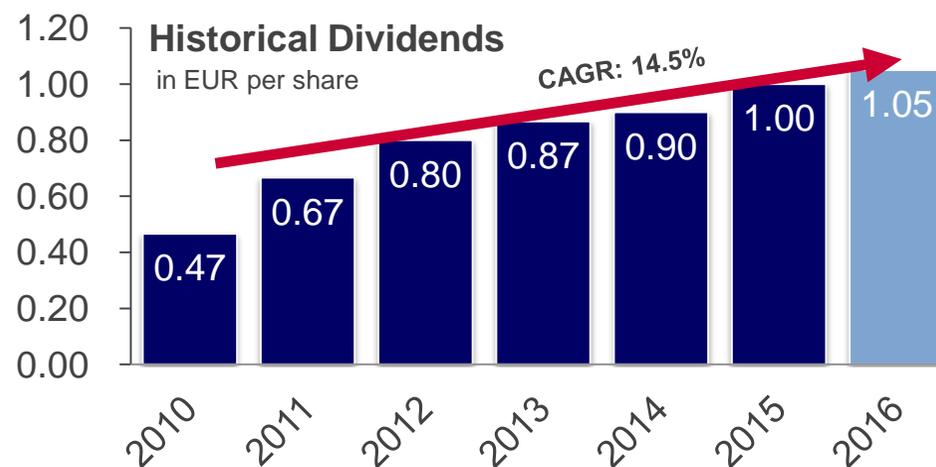
Free cash flow

in EUR m	2016	2015	Δ	Δ
EBITDA	810.0	807.4	2.6	0.3%
CAPEX	-141.1	-130.1	-11.0	8.5%
Δ Working capital	-27.5	87.0	-114.5	-131.6%
Free cash flow	641.4	764.3	-122.9	-16.1%

FINANCIALS 2016

Dividend proposal

in EUR m	2016	2015	Δ
Profit after tax	361.0	368.1	-1.9%
Less minority interest	0.7	3.1	
Profit after tax (consolidated) attributable to shareholders of Brenntag AG	360.3	365.0	-1.3%
Proposed dividend payment	162.2	154.5	
Proposed Dividend per share in EUR	1.05	1.00	5.0%
Payout ratio	45.0%	42.3%	



FINANCIALS 2016

Segments FY 2016

in EUR m		EMEA	North America	Latin America	Asia Pacific	All other segments	Group
Operating gross profit	2016	1,064.6	997.5	170.9	182.3	13.4	2,428.7
	2015	1,024.2	942.6	201.2	140.0	13.7	2,321.7
	Δ	3.9%	5.8%	-15.1%	30.2%	-2.2%	4.6%
	Δ FX adjusted	6.4%	5.9%	-13.4%	33.7%	-2.2%	6.1%
Operating EBITDA	2016	362.3	357.3	45.9	66.7	-22.2	810.0
	2015	353.0	365.6	64.7	50.3	-26.2	807.4
	Δ	2.6%	-2.3%	-29.1%	32.6%	-15.3%	0.3%
	Δ FX adjusted	5.6%	-2.2%	-27.6%	35.8%	-15.3%	1.9%

FINANCIALS 2016

Segments Q4

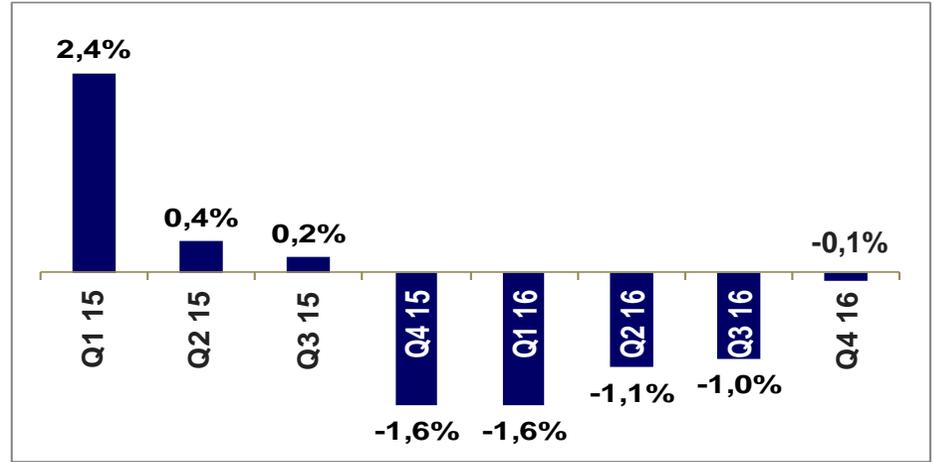
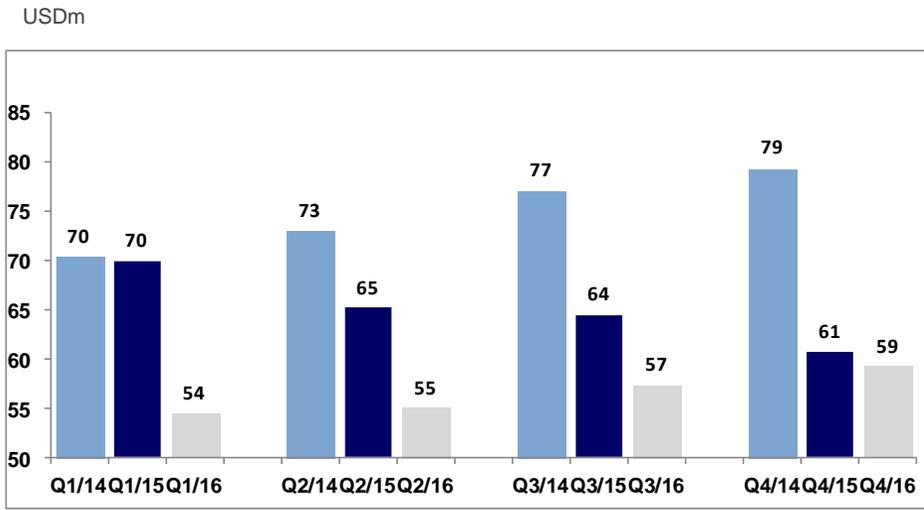
in EUR m		EMEA	North America	Latin America	Asia Pacific	All other segments	Group
Operating gross profit	Q4 2016	256.9	252.3	42.7	48.4	2.9	603.2
	Q4 2015	248.9	230.0	50.5	35.3	2.3	567.0
	Δ	3.2%	9.7%	-15.4%	37.1%	26.1%	6.4%
	Δ FX adjusted	6.0%	8.2%	-19.0%	37.0%	26.1%	6.6%
Operating EBITDA	Q4 2016	85.3	83.2	12.7	17.8	-2.1	196.9
	Q4 2015	84.7	83.6	17.8	13.4	-6.9	192.6
	Δ	0.7%	-0.5%	-28.7%	32.8%	-69.6%	2.2%
	Δ FX adjusted	4.0%	-1.8%	-31.7%	33.3%	-69.6%	2.8%

FINANCIALS 2016

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

Q4 2016: O&G Gross Profit

IP Growth US on prior year



Total 2014 = USD 299m
 Total 2015 = USD 260m
 Total 2016 = USD 225m

At constant FX Rates; IP Growth US source: Board of Governors of the Federal Reserve System

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OUTLOOK

	2016	Comments	Trend 2017
Gross profit	EUR 2,369m	<ul style="list-style-type: none"> ▪ Meaningful increase due predominantly to the existing business. ▪ All regions are expected to support this performance. 	
Operating EBITDA	EUR 810m	<ul style="list-style-type: none"> ▪ Expected to grow at a meaningful rate, with all segments contributing to this growth 	
Working capital	EUR 1,355m	<ul style="list-style-type: none"> ▪ To a large extent a function of sales growth ▪ Improvement in working capital turnover expected 	
Capex	EUR 141m	<ul style="list-style-type: none"> ▪ Capex spending to increase to over EUR 150m driven by projects to expand our business operations. 	
Free cash flow	EUR 641m	<ul style="list-style-type: none"> ▪ Anticipate a significant increase (subject to stable chemical prices). 	

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!

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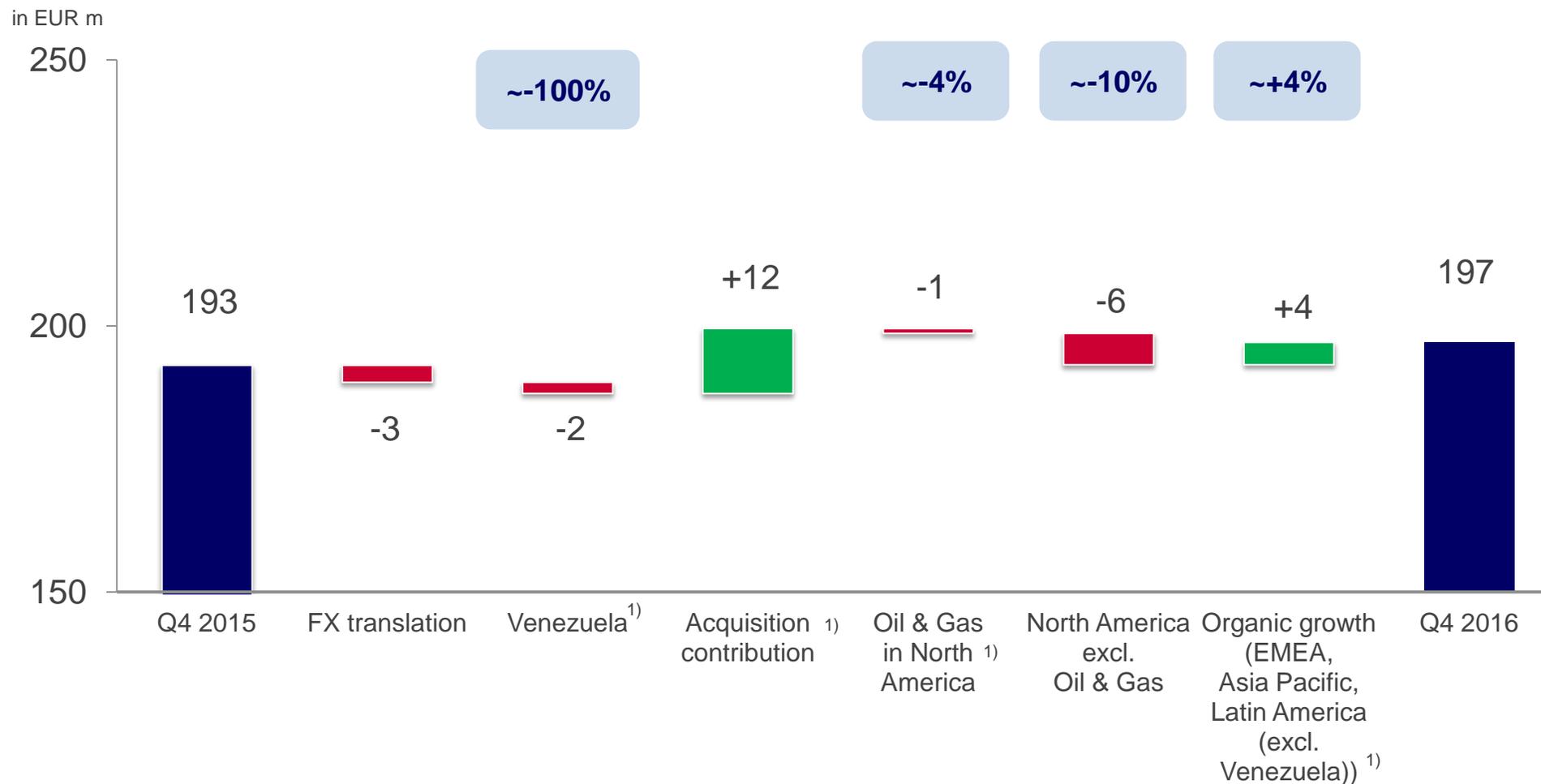
FINANCIALS Q4 2016

Income statement

in EUR m	Q4 2016	Q4 2015	Δ	Δ FX adjusted	2016
Sales	2,635.1	2,473.3	6.5%	6.6%	10,498.4
Cost of goods sold	-2,049.9	-1,920.4	6.7%		-8,129.1
Gross profit	585.2	552.9	6.8%	6.1%	2,369.3
Expenses	-388.3	-360.3	7.8%		-1,559.3
Operating EBITDA	196.9	192.6	2.2%	2.8%	810.0
Operating EBITDA / Gross profit	33.6%	34.8%			34.2%

FINANCIALS Q4 2016

Operating EBITDA bridge: Q4 2015 to Q4 2016



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

FINANCIALS Q4 2016

Income statement (continued)

in EUR m	Q4 2016	Q4 2015	Δ	2016
EBITDA	196.9	192.6	2.2%	810.0
Depreciation	-30.0	-28.2	6.4%	-115.5
EBITA	166.9	164.4	1.5%	694.5
Amortization ¹⁾	-11.3	-8.5	32.9%	-47.2
EBIT	155.6	155.9	-0.2%	647.3
Financial result ²⁾	-18.6	-43.7	-57.4%	-111.6
EBT	137.0	112.2	22.1%	535.7
Profit after tax	99.5	74.1	34.3%	361.0
EPS	0.64	0.47	36.2%	2.33
EPS excl. Amortization ³⁾	0.69	0.66	4.5%	2.72

1) Includes for the period October to December 2016 scheduled amortization of customer relationships totaling (Q4 2016: EUR -8.8m; Q4 2015: EUR -5.8m).

2) Thereof EUR -1.0m in FY 2016, EUR 0.0m in Q4 2016 and EUR -21.5m in Q4 2015 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) Adjusted for the net effect of amortizations

FINANCIALS Q4 2016

Cash flow statement

in EUR m	Q4 2016	Q4 2015	2016
Profit after tax	99.5	74.1	361.0
Depreciation & amortization	41.3	36.7	162.7
Income taxes	37.5	38.1	174.7
Income tax payments	-38.9	-32.2	-170.6
Interest result	18.3	17.7	81.5
Interest payments (net)	-11.0	-11.7	-67.0
Changes in current assets and liabilities	21.5	114.2	-27.6
Change in purchase price obligation/IAS 32	0.7	22.1	2.6
Other	-23.0	1.1	22.6
Cash provided by operating activities	145.9	260.1	539.9

FINANCIALS Q4 2016

Cash flow statement (continued)

in EUR m	Q4 2016	Q4 2015	2016
Purchases of intangible assets and property, plant & equipment (PPE)	-62.5	-60.0	-138.8
Purchases of consolidated subsidiaries and other business units	-93.2	-453.1	-139.6
Other	4.9	1.9	9.0
Cash used for investing activities	-150.8	-511.2	-269.4
Capital increase	-	-	-
Payments in connection with the capital increase	-	34.3	-
Purchases of companies already consolidated	-	-	-62.2
Profits distributed to non-controlling interests	-0.6	-0.6	-1.6
Dividends paid to Brenntag shareholders	-	-	-154.5
Repayment of (-)/proceeds from (+) borrowings (net)	19.1	415.4	-30.8
Cash used for financing activities	-19.7	449.1	-249.1
Change in cash & cash equivalents	-24.6	198.0	21.4

FINANCIALS 2016

Free cash flow

in EUR m	Q4 2016	Q4 2015	Δ	Δ	2016
EBITDA	196.9	192.6	4.3	2.2%	810.0
CAPEX	-70.8	-67.2	-3.6	5.4%	-141.1
Δ Working capital	29.3	119.8	-90.5	-75.5%	-27.5
Free cash flow	155.4	245.2	-89.8	-36.6%	641.4

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