



Q2 2017



9 August 2017

Conference call on Q2 2017 results

Corporate Finance & Investor Relations

AGENDA

Q2 2017 Presentation

- Highlights Q2 2017**
- Financials Q2 2017
- Outlook
- Appendix

HIGHLIGHTS Q2 2017

Introductory remarks to Q2 2017 earnings

Macro Economy

Macro economic environment follows trends seen in Q1: moderate growth in Europe. Improving demand dynamic in North America. Challenging conditions in some countries of Latin America. Macro economic growth in Asia Pacific.

Gross profit

Gross profit of EUR 641.3m growing at 6.2% (+5.2% fx adjusted).

Operating EBITDA

Operating EBITDA of EUR 219.8m growing at 1.9% (+0.8% fx adjusted).

EPS

Earnings per Share of EUR 0.69 (+4.5%).

Acquisitions

Wellstar: Business in China (Brenntag acquires 51% stake in a first step)

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FINANCIALS Q2 2017

Income statement

in EUR m	Q2 2017	Q2 2016	Δ	Δ FX adjusted	2016
Sales	3,001.4	2,664.0	12.7%	11.5%	10,498.4
Cost of sales	-2,360.1	-2,060.4	14.5%		-8,129.1
Gross profit	641.3	603.6	6.2%	5.2%	2,369.3
Expenses	-421.5	-387.8	8.7%		-1,559.3
Operating EBITDA	219.8	215.8	1.9%	0.8%	810.0
Op. EBITDA / Gross profit	34.3%	35.8%			34.2%

FINANCIALS Q2 2017

Income statement (continued)

in EUR m	Q2 2017	Q2 2016	Δ	2016
EBITDA	218.8	215.8	1.9%	810.0
Depreciation	-29.2	-28.4	2.8%	-115.5
EBITA	190.6	187.4	1.7%	694.5
Amortization ¹⁾	-11.7	-12.0	-2.5%	-47.2
EBIT	178.9	175.4	2.0%	647.3
Financial result	-23.1	-19.4	19.1%	-111.6
EBT	155.8	156.0	-0.1%	535.7
Profit after tax	106.8	102.1	4.6%	361.0
EPS	0.69	0.66	4.5%	2.33

1) Includes scheduled amortization of customer relationships amounting to EUR 9.4m in Q2 2017 (EUR 9.2m in Q2 2016 and EUR 35.9 million in 2016).

FINANCIALS Q2 2017

Cash flow statement

in EUR m	Q2 2017	Q2 2016	2016
Profit after tax	106.8	102.1	361.0
Depreciation & amortization	40.9	40.4	162.7
Income taxes	49.0	53.9	174.7
Income tax payments	-73.0	-45.2	-170.6
Interest result	20.5	21.8	81.5
Interest payments (net)	-13.8	-16.2	-67.0
Changes in current assets and liabilities	-92.2	-32.2	-27.6
Change in purchase price obligation/IAS 32	0.2	0.4	2.6
Other	9.7	-10.0	22.6
Cash provided by operating activities	48.1	115.0	539.9

FINANCIALS Q2 2017

Cash flow statement (continued)

in EUR m	Q2 2017	Q2 2016	2016
Purchases of intangible assets and property, plant & equipment (PPE)	-27.5	-25.7	-138.8
Purchases of consolidated subsidiaries and other business units	-7.6	-15.0	-139.6
Other	10.1	1.2	9.0
Cash used for investing activities	-25.0	-39.5	-269.4
Capital increase	-	-	-
Payments in connection with the capital increase	-	-	-
Purchases of companies already consolidated	-	-41.4	-62.2
Profits distributed to non-controlling interests	-1.0	-1.0	-1.6
Dividends paid to Brenntag shareholders	-162.2	-154.5	-154.5
Repayment of (-)/proceeds from (+) borrowings (net)	24.8	-2.1	-30.8
Cash used for financing activities	-138.4	-199.0	-249.1
Change in cash & cash equivalents	-115.3	-123.5	21.4

FINANCIALS Q2 2017

Balance Sheet and leverage

in EUR m	30 June 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 June 2016
Financial liabilities	2,099.8	2,164.1	2,283.8	2,211.1	2,230.5
./. Cash and cash equivalents	380.5	506.5	601.9	607.1	463.4
Net Debt	1,719.3	1,657.6	1,681.9	1,604.0	1,767.1
Net Debt/Operating EBITDA ¹⁾	2.1x	2.0x	2.1x	2.0x	2.2x
Equity	2,900.8	3,054.6	2,959.2	2,752.8	2,668.0

1) Operating EBITDA for the quarters on LTM basis.

FINANCIALS Q2 2017

Working capital

in EUR m	30 June 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 June 2016
Inventories	1,007.3	1,013.0	962.8	883.2	880.5
+ Trade receivables	1,761.5	1,744.5	1,511.2	1,508.4	1,572.8
./. Trade payables	1,247.7	1,246.3	1,119.4	1,080.6	1,126.7
Working capital (end of period)	1,521.1	1,511.2	1,354.6	1,311.0	1,326.6
Working capital turnover (year-to-date) ¹⁾	8.2x	8.3x	8.0x	8.1x	8.1x
Working capital turnover (last twelve months) ²⁾	8.0x	8.0x	8.0x	8.0x	7.9x

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.

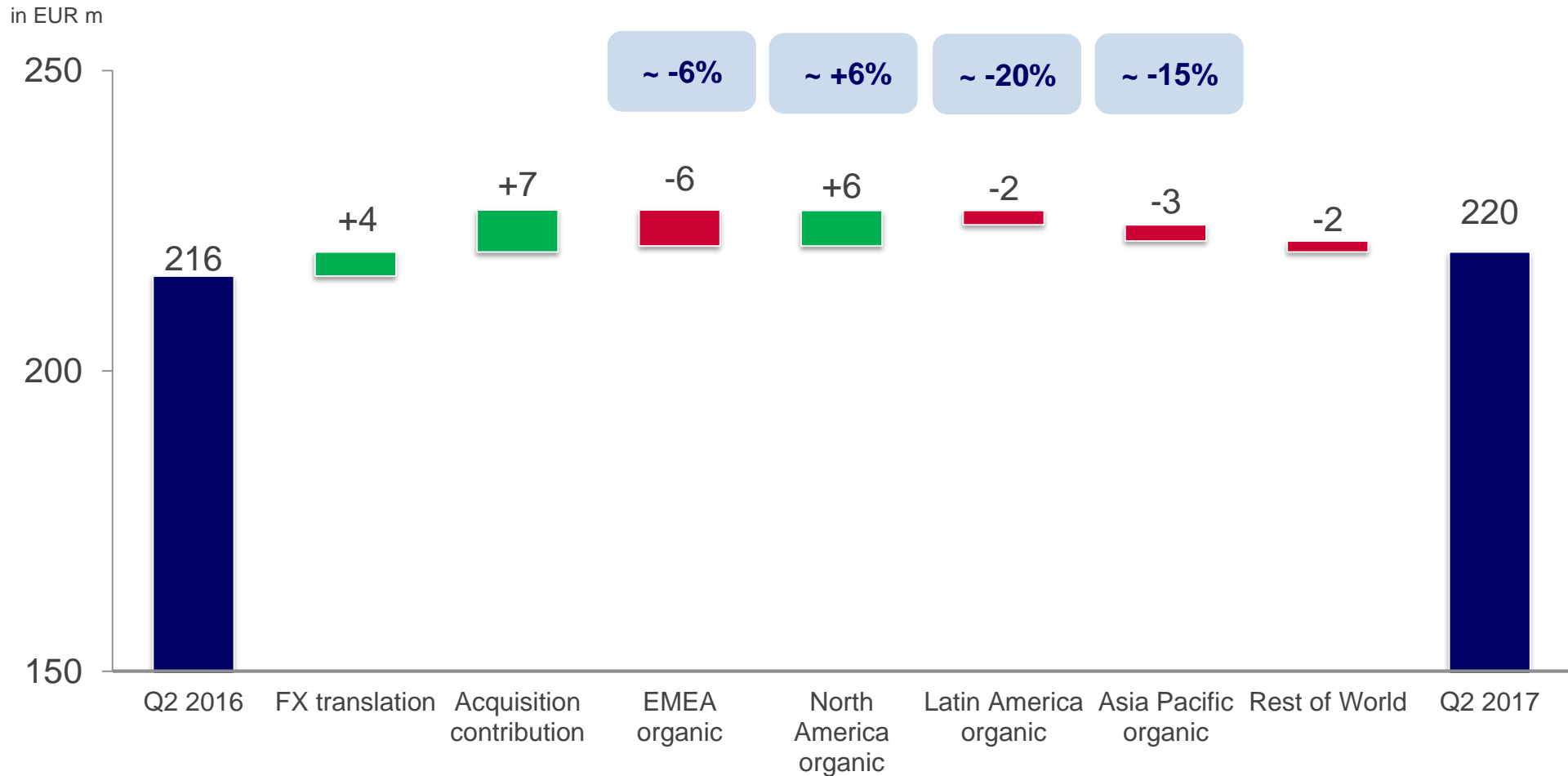
FINANCIALS Q2 2017

Free cash flow

in EUR m	Q2 2017	Q2 2016	Δ	Δ	2016
EBITDA	219.8	215.8	4.0	1.9%	810.0
Capex	-27.3	-26.5	-0.8	3.0%	-141.1
Δ Working capital	-70.0	-24.6	-45.4	184.6%	-27.5
Free cash flow	122.5	164.7	-42.2	-25.6%	641.4

FINANCIALS Q2 2017

Operating EBITDA bridge¹⁾: Q2 2016 to Q2 2017



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

FINANCIALS Q2 2017

Segments – EMEA

in EUR m	Q2 2017	Q2 2016	Δ in %	in % (fx adj.)
Operating gross profit	280.0	278.8	0.4	1.2
Operating EBITDA	93.9	100.5	-6.6	-5.9

Update

- Stable macro economic growth
- Gross profit growth held back by less working days due to Easter
- Mixed picture in the countries with a particularly weak development in some business lines in the Nordic region
- Implementation of efficiency improvement program started
- Organic EBITDA growth ~ -6%

FINANCIALS Q2 2017

Segments – North America

in EUR m	Q2 2017	Q2 2016	Δ in %	in % (fx adj.)
Operating gross profit	280.2	246.3	13.8	11.2
Operating EBITDA	106.6	93.2	14.4	11.6

Update

- Macro environment with ongoing improvement and healthy dynamic
- Strong gross profit growth is broad based across industries and regions
- Contribution from acquisitions is above expectations
- Double digit EBITDA growth
- Organic EBITDA growth ~ +6%

FINANCIALS Q2 2017

Segments – Latin America

in EUR m	Q2 2017	Q2 2016	Δ in %	in % (fx adj.)
Operating gross profit	44.1	42.9	2.8	-1.7
Operating EBITDA	9.7	11.4	-14.9	-18.2

Update

- Difficult macro economic conditions with negative IP growth
- Weak demand impacts Brenntag's business in many countries but Brazil is stabilizing
- Slight improvements in gross profit trends compared to Q1
- Operating EBITDA clearly impacted by weak demand situation
- Sale of business in Venezuela

FINANCIALS Q2 2017

Segments – Asia Pacific

in EUR m	Q2 2017	Q2 2016	Δ in %	in % (fx adj.)
Operating gross profit	48.9	45.6	7.2	6.0
Operating EBITDA	16.8	17.3	-2.9	-4.0

Update

- Stable macro economic growth momentum in the region
- Gross profit growth mainly attributable to acquisitions
- Divergent trends in the countries (e.g. good business in Vietnam, delayed infrastructure projects in Indonesia with negative impact on demand)
- Organic EBITDA growth ~ -15%

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Q2 2017 Presentation

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■ **Outlook**

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OUTLOOK 2017

EMEA - Efficiency Programme

Current Situation

- Positive macro economic environment, but not enough to generate efficiencies through economies of scale quickly
- Various successful measures in the past (i.e. harmonization of infrastructure and commercial processes)






Measures

- Objective: Improve efficiency across the region to accelerate growth
- Regional focus: Many countries and all functions are impacted
- Rightsizing of regional infrastructure

Impact

- Recurring cost savings of EUR 8m p.a. (starting from 2018)
- One-Off-Costs of around EUR 25m

OUTLOOK 2017

	2016 H1/2017	Comments	Trend 2017
Gross profit	EUR 2,369m EUR 1,273m	<ul style="list-style-type: none"> Gross profit to increase due predominantly to higher volumes in the existing business 	
Operating EBITDA	EUR 810m EUR 421m	<ul style="list-style-type: none"> Guidance range: EUR 820m to EUR 850m for 2017 (excl. special items) 	
Working capital	EUR 1,355m EUR 1,521m	<ul style="list-style-type: none"> To a large extent a function of sales growth Improvement in working capital turnover expected 	
Capex	EUR 141m EUR 47m	<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 EUR 148m	<ul style="list-style-type: none"> Increase no longer expected (due to rise in 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!

APPENDIX

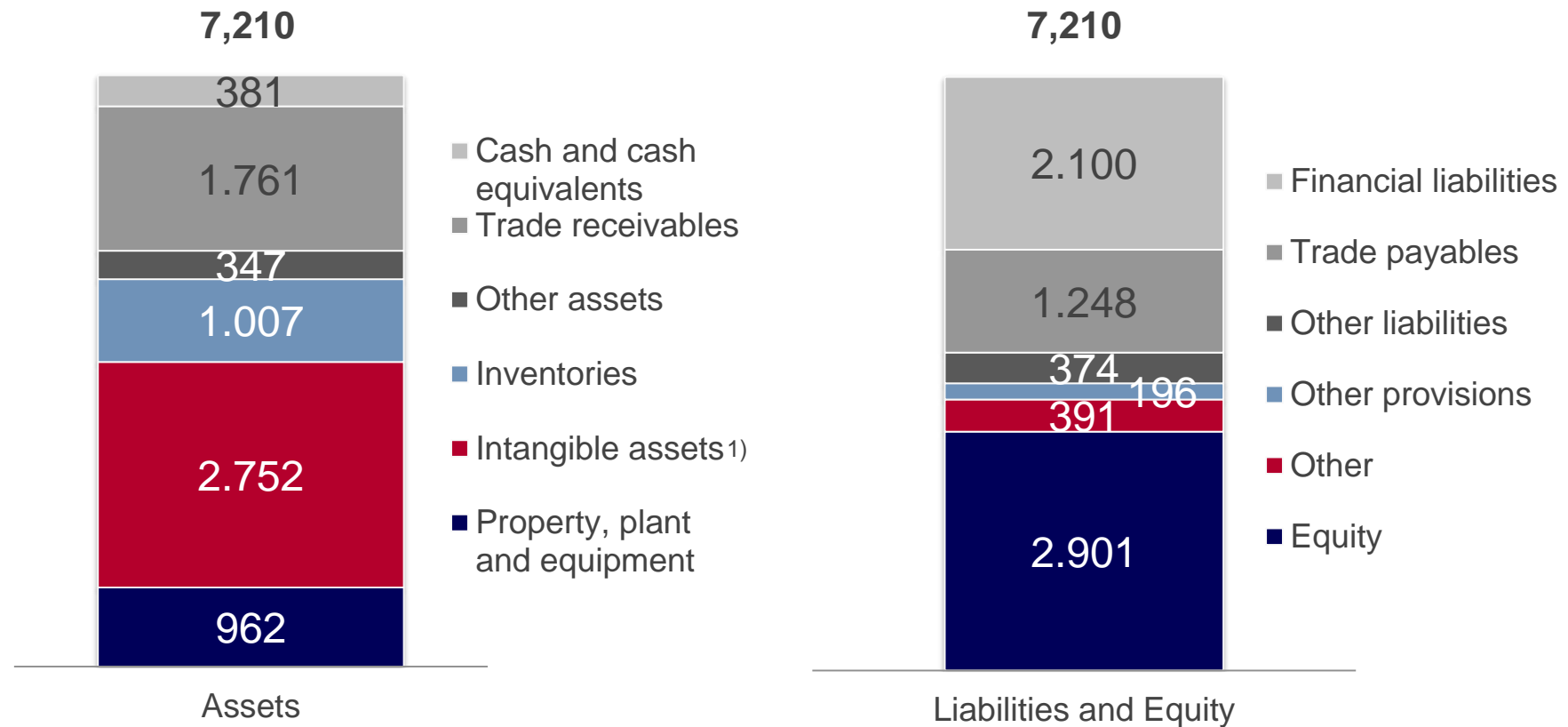
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FINANCIALS Q2 2017

Balance Sheet as of June 30, 2017

in EUR m

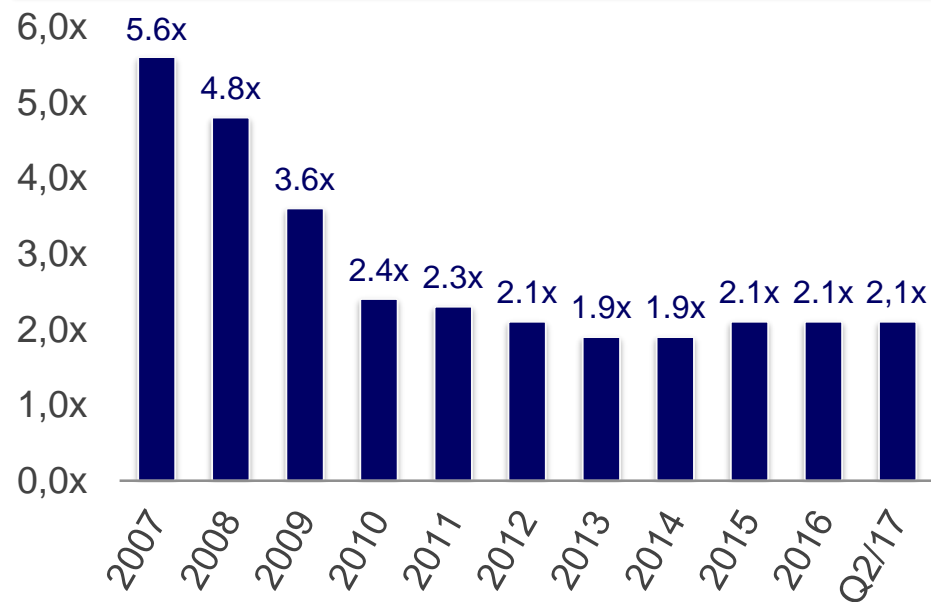


1) Of the intangible assets as of June 30, 2017, some EUR 1,253 million relate to goodwill and trademarks that were capitalized as part of the purchase price allocation performed on the acquisition of the Brenntag Group by funds advised by BC Partners Limited, Bain Capital, Ltd. and subsidiaries of Goldman 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 2017

Financial stability of Brenntag Group

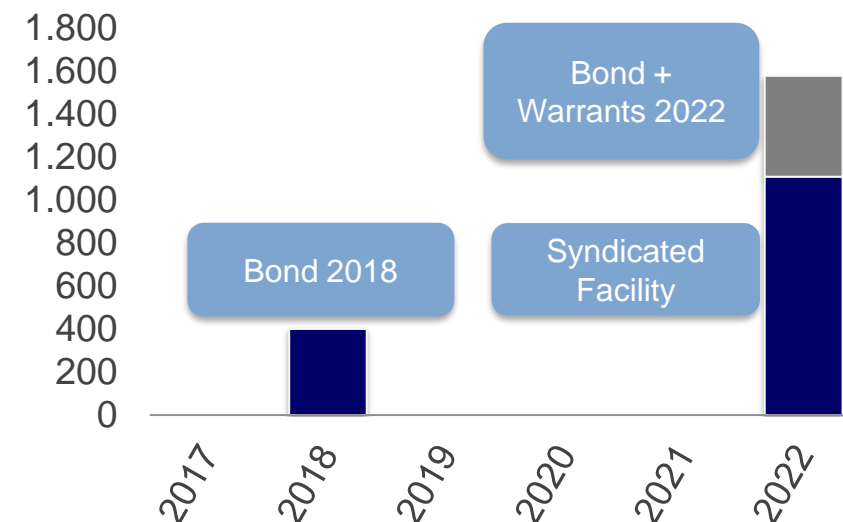
Leverage: Net debt/Operating EBITDA ¹⁾



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

Maturity profile as of June 30, 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 Q2 2017

Segments

in EUR m		EMEA	North America	Latin America	Asia Pacific	All other segments	Group
Operating gross profit	Q2 2017	280.0	280.2	44.1	48.9	3.3	656.5
	Q2 2016	278.8	246.3	42.9	45.6	3.8	617.4
	Δ	0.4%	13.8%	2.8%	7.2%	-13.2%	6.3%
	Δ FX adjusted	1.2%	11.2%	-1.7%	6.0%	-13.2%	5.3%
Operating EBITDA	Q2 2017	93.9	106.6	9.7	16.8	-7.2	219.8
	Q2 2016	100.5	92.3	11.4	17.3	-6.6	215.8
	Δ	-6.6%	14.4%	-14.9%	-2.9%	9.1%	1.9%
	Δ FX adjusted	-5.9%	11.6%	-18.2%	-4.0%	9.1%	0.8%

FINANCIALS H1 2017

Income statement

in EUR m	H1 2017	H1 2016	Δ	Δ FX adjusted
Sales	5,974.7	5,244.1	13.9%	12.1%
Cost of goods sold	-4,701.6	-4,053.9	16.0%	
Gross profit	1,273.1	1,190.2	7.0%	5.4%
Expenses	-851.7	-782.3	8.9%	
Operating EBITDA	421.4	407.9	3.3%	1.7%
Op. EBITDA/Gross profit	33.1%	34.3%		
Depreciation	-58.1	-57.2	1.6%	
EBITA	363.3	350.7	3.6%	
Amortization ¹⁾	-23.3	-24.2	-3.7%	
EBIT	340.0	326.5	4.1%	
Financial result	-45.9	-69.1	-33.6%	
EBT	294.1	257.4	14.3%	
Profit after tax	201.5	168.1	19.9%	

1) Includes scheduled amortization of customer relationships amounting to EUR 18.5m in H1 2017 (EUR 18.4m in H1 2016 and EUR 35.9 million in 2016).

FINANCIALS H1 2017

Cash flow statement

in EUR m	H1 2017	H1 2016
Profit after tax	201.5	168.1
Depreciation & amortization	81.4	81.4
Income taxes	92.6	89.3
Income tax payments	-102.7	-89.0
Interest result	45.3	42.1
Interest payments (net)	-29.4	-23.6
Changes in current assets and liabilities	-225.4	-86.0
Other	60.5	31.7
Cash provided by operating activities	123.8	214.0

FINANCIALS H1 2017

Cash flow statement (continued)

in EUR m	H1 2017	H1 2016
Purchases of intangible assets and property, plant & equipment	-53.1	-49.7
Purchases of consolidated subsidiaries and other business units	-34.9	-46.1
Other	11.9	3.4
Cash used for investing activities	-76.1	-92.4
Capital increase	-	-
Payments in connection with the capital increase	-	-
Purchases of companies already consolidated	-	55.9
Profits distributed to non-controlling interests	-1.0	-1.0
Dividends paid to Brenntag shareholders	-162.2	-154.5
Repayment of (-)/proceeds from (+) borrowings (net)	-91.5	-8.4
Cash used for financing activities	-254.7	-219.8
Change in cash & cash equivalents	-207.0	-98.2

FINANCIALS H1 2017

Free cash flow

in EUR m	H1 2017	H1 2016	Δ	Δ	2016
EBITDA	421.4	407.9	13.5	3.3%	810.0
CAPEX	-47.4	-44.1	-3.3	7.5%	-141.1
Δ Working capital	-225.8	-67.9	-157.9	232.5%	-27.5
Free cash flow	148.2	295.9	-147.7	-49.9%	641.4

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

FINANCIALS H1 2017

Segments

in EUR m		EMEA	North America	Latin America	Asia Pacific	All other segments	Group
Operating gross profit	H1 2017	559.0	552.7	87.8	97.2	7.5	1,304.2
	H1 2016	546.4	490.5	86.5	87.5	6.9	1,217.8
	Δ	2.3%	12.7%	1.5%	11.1%	8.7%	7.1%
	Δ FX adjusted	3.1%	9.4%	-5.4%	9.0%	8.7%	5.5%
Operating EBITDA	H1 2017	189.7	195.2	18.9	33.8	-16.2	421.4
	H1 2016	188.8	177.8	23.8	32.2	-14.7	407.9
	Δ	0.5%	9.8%	-20.6%	5.0%	10.2%	3.3%
	Δ FX adjusted	1.1%	6.7%	-26.5%	3.0%	10.2%	1.7%

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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