ConnectingChemistry

BRENNTAG

AGILITY TO PERFORM

INTERIM REPORT
JANUARY – MARCH 2019

KEY FINANCIAL FIGURES AT A GLANCE

CONSOLIDATED INCOME STATEMENT

		Q1 2019	Q1 2018
Sales	EUR m	3,182.3	2,975.2
Operating gross profit	EUR m	688.2	637.6
Operating EBITDA	EUR m	238.8	206.6
Operating EBITDA / operating gross profit	%	34.7	32.4
Profit after tax	EUR m	105.2	106.0
Earnings per share	EUR	0.68	0.68

CONSOLIDATED BALANCE SHEET

		Mar. 31, 2019	Dec. 31, 2018
Total assets	EUR m	8,400.5	7,694.5
Equity	EUR m	3,435.1	3,301.2
Working capital	EUR m	1,858.2	1,807.0
Net financial liabilities	EUR m	2,104.0	1,761.9

CONSOLIDATED CASH FLOW

		Q1 2019	Q1 2018
Net cash provided by / used in operating activities	EUR m	161.2	−12.2
Investments in non-current assets (capex)	EUR m	−31.0	−27.1
Free cash flow	EUR m	166.3	27.7

KEY DATA ON THE BRENNTAG SHARES

		Mar. 31, 2019	Dec. 31, 2018
Share price	EUR	45.90	37.70
No. of shares (unweighted)		154,500,000	154,500,000
Market capitalization	EUR m	7,092	5,825
Free float	%	100.0	100.0

COMPANY PROFILE

Brenntag is the **global market leader** in chemical distribution. The company manages complex supply chains for both chemical manufacturers and users by simplifying market access to **thousands of products and services**. It combines a global network with outstanding local execution.

Brenntag is therefore the industry's most effective and preferred channel to market for partners – really living its philosophy "ConnectingChemistry".

Brenntag operates a global network spanning more than 580 locations in 76 countries. With its global workforce of more than **16,600 employees**, the company generated sales of **EUR 12.6 billion** in 2018.

CONTENTS

2 TO OUR SHAREHOLDERS

2 CEO Letter
5 Brenntag on the Stock Market

8 GROUP INTERIM MANAGEMENT REPORT

10 Group Overview
14 Report on Economic Position
27 Employees
28 Report on Expected Developments
29 Report on Opportunities and Risks

31 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

32 Consolidated Income Statement
33 Consolidated Statement of Comprehensive Income
34 Consolidated Balance Sheet
36 Consolidated Statement of Changes in Equity
38 Consolidated Cash Flow Statement
39 Condensed Notes

57 FURTHER INFORMATION

CEO LETTER

Dear shareholders,

In the first quarter of 2019, Brenntag was able to increase its two most important KPIs, operating gross profit and operating EBITDA, at Group level. Results were mixed with three of our four regions contributing to this growth. Operating gross profit amounted to EUR 688.2 million, an increase of 4.4%, and operating EBITDA reached EUR 238.8 million, a rise of 12.0%, each on a constant currency basis. Operating EBITDA was positively impacted by the initial application of the new accounting standard for leases. Under the new standard, expenses for most leases are now recorded below EBITDA as depreciation and interest expense.

From a macroeconomic perspective, in the first quarter we saw a similar dynamic to the second half of 2018 with a broadly positive environment in North America, Latin America and Asia Pacific and continued weakness in the European segment reflecting a continued slowdown in industrial production.

Our North America business continued its performance with growth across a broad customer industry base and a solid performance from our oil and gas business overall. We were particularly pleased with the results in Latin America and whilst there is still a high level of business volatility compared with other regions, we were able to achieve good results with organic growth in the first quarter. Our Asia Pacific region continued on its growth track. Here, both our existing business and our acquisitions contributed to the results.

After we had already observed a weakening of the global economy towards the end of 2018, this trend was particularly evident in EMEA in the first quarter and impacted the results. In EMEA, we faced generally weak demand which, combined with year-over-year inflation, particularly in transport and logistics, depressed results in the first quarter. This was disappointing considering the strong earnings we saw in the same quarter last year.

We are working hard to improve the performance in Europe, which is expected to return to growth in the second half of the current financial year.

Acquisitions still play a major role in our strategy and in the first few months of 2019 we have closed three acquisitions already. Besides acquiring Reeder Distributors, Inc., a lubricants distributor in Texas, and New England Resins & Pigments Corporation, a specialty chemicals distributor headquartered in Massachusetts, we have also acquired 51% of TEE HAI CHEM PTE LTD in Singapore. This joint venture is an important strategic step into the market in Singapore. This acquisition enables us to expand our specialty chemicals portfolio for the pharmaceuticals and semiconductor industries.

At the end of April, we published our 2018 sustainability report. The sustainability report provides an insight into Brenntag's activities in and commitment to energy saving, a circular packaging approach, environmentally friendly products and occupational safety, a topic of utmost importance to Brenntag, and we have ambitious plans to increase the use of renewable energy sources over the years ahead.

With regard to earnings and performance in our regions, we confirm our guidance for financial year 2019 and expect growth in operating EBITDA of between 3% and 7% at constant currency rates and excluding the effects of changes in accounting standards. This forecast generally reflects a flattish performance compared with the strong results in the first half of last year and stronger growth in the second half based on our assumption that there will not be any significant change in the macroeconomic weakness in the European segment.

On behalf of the entire Board of Management, I would like to thank all our stakeholders for your continued support and the confidence you have shown in our company.

Essen, May 8, 2019

STEVEN HOLLAND
CHIEF EXECUTIVE OFFICER

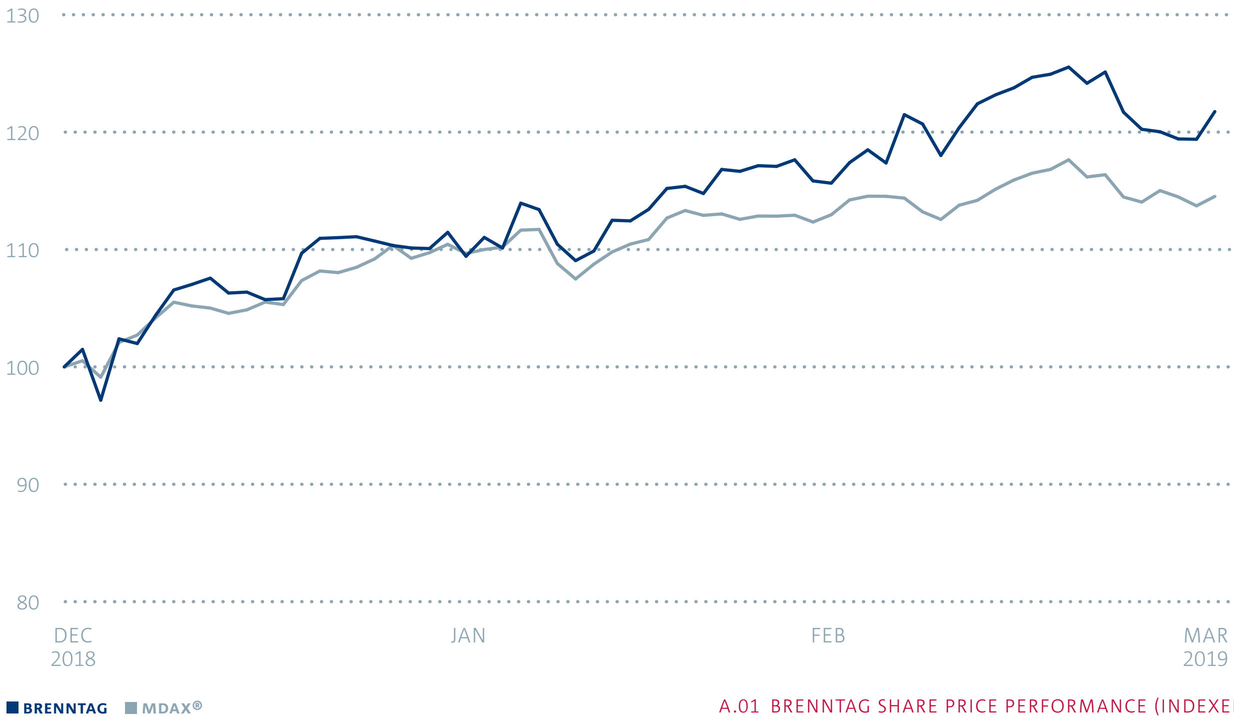
BRENNTAG ON THE STOCK MARKET

SHARE PRICE PERFORMANCE

During the first quarter of 2019, equity markets around the globe recovered from their year-end lows, recording share price increases on a broad basis. Nevertheless, global trade conflicts and uncertainty over global growth prospects remained the main focus of market participants. In Europe in particular, the macroeconomic environment continued to soften in the course of the first quarter. At the end of the quarter, the upcoming Brexit once again became an important topic.

Germany's leading index, the DAX®, closed the first quarter of 2019 at 11,526 points, up 9.2% on the end of 2018. The MDAX® finished up 14.5% at 24,722 points. Brenntag shares closed the reporting period at EUR 45.90, an increase of 21.8% compared with the 2018 closing price.

According to Deutsche Börse AG's ranking, Brenntag AG ranked 36th among all listed companies in Germany by market capitalization at the end of the first quarter of 2019. The average number of Brenntag shares traded daily on Xetra® in the first quarter of 2019 was approximately 357,000.



A.01 BRENNTAG SHARE PRICE PERFORMANCE (INDEXED)

SHAREHOLDER STRUCTURE

As at May 1, 2019, notification had been received from the following shareholders under Section 21, para. 1 of the German Securities Trading Act (WpHG) that their share of the voting rights now exceeds the 3% or 5% threshold:

Shareholder	Interest in %	Date of notification
MFS Investment Management	>5	Jul. 3, 2012
BlackRock	>5	Apr. 26, 2019
Burgundy Asset Management	>3	Oct. 16, 2018
Flossbach von Storch AG	>3	Dec. 21, 2018
Threadneedle	>3	May 17, 2018
Wellington Management Group	>3	Mar. 6, 2019

A.02 SHAREHOLDER STRUCTURE

		Dec. 31, 2018	Mar. 31, 2019
No. of shares (unweighted)		154,500,000	154,500,000
Price (Xetra® closing price)	EUR	37.70	45.90
Market capitalization	EUR m	5,825	7,092
Primary stock exchange			Xetra®
Indices			MDAX®, MSCI, STOXX EUROPE 600
ISIN / WKN / trading symbol			DE000A1DAHH0/A1DAHH/BNR

A.03 KEY DATA ON THE BRENNTAG SHARES

CREDITOR RELATIONS

Brenntag's strong credit profile is reflected in investment grade ratings from two international rating agencies: Standard & Poor's has assigned a "BBB" rating (outlook: stable) and Moody's has assigned a "Baa3" rating (outlook: stable).

		Bond (with Warrants) 2022		Bond 2025
Issuer		Brenntag Finance B.V.		Brenntag Finance B.V.
Listing		Frankfurt Open Market (Freiverkehr)		Luxembourg stock exchange
ISIN		DE000A1Z3XQ6		XS1689523840
Aggregate principal amount	USD m	500	EUR m	600
Denomination	USD	250,000	EUR	1,000
Minimum transferrable amount	USD	250,000	EUR	100,000
Coupon	%	1.875	%	1.125
Interest payment	semi-annual	Jun. 2/Dec. 2	annual	Sep. 27
Maturity		Dec. 2, 2022		Sep. 27, 2025

A.04 KEY DATA ON THE BONDS OF THE BRENNTAG GROUP

GROUP INTERIM MANAGEMENT REPORT

FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2019

10 GROUP OVERVIEW

10 Business Activities and Group Structure
10 Business Activities
10 Group Structure and Segments
11 Objectives and Strategy
11 ConnectingChemistry
11 Vision, Objectives and Strategy
12 Sustainability
13 Financial Management System

14 REPORT ON ECONOMIC POSITION

14 Economic Environment
14 Business Performance
14 Major Events Impacting on Business in Q1 2019
14 Statement by the Board of Management on Business Performance
15 Results of Operations
15 Business Performance of the Brenntag Group
17 Business Performance in the Segments
22 Financial Position
22 Capital Structure
23 Investments
24 Liquidity
25 Financial and Assets Position

27 EMPLOYEES

28 REPORT ON EXPECTED DEVELOPMENTS

29 REPORT ON OPPORTUNITIES AND RISKS

GROUP OVERVIEW

Business Activities and Group Structure

BUSINESS ACTIVITIES

Brenntag's growth opportunities along with its resilient business model are based not only on complete geographic coverage, a wide product portfolio and a comprehensive offering of value-added services, but especially on high diversity across our suppliers, customers and industries and our targeted use of the potential offered by outsourcing.

Connecting chemical manufacturers (our suppliers) and chemical users (our customers), Brenntag provides complete distribution solutions rather than just chemical products. Brenntag purchases large-scale quantities of industrial and specialty chemicals from a large number of suppliers, enabling the company to achieve economies of scale and offer a full-line range of chemical products and value-added services to around 195,000 customers. Brenntag is the strategic partner and service provider for manufacturers of industrial and specialty chemicals at the one end and chemical users at the other end of the value chain. Brenntag's role in the value chain is also expressed in our brand identity "ConnectingChemistry".

Brenntag stores the products it purchases in its distribution facilities, packs them into quantities the customers require and delivers them, typically in less-than-truckloads. Brenntag's customers worldwide are active in diverse end-market industries such as adhesives, paints, oil and gas, food, water treatment, personal care and pharmaceuticals. In order to be able to react quickly to the market and customers' and suppliers' requirements, Brenntag manages its business through its geographically structured segments in EMEA (Europe, Middle East & Africa), North America, Latin America and Asia Pacific. Brenntag offers a broad range of more than 10,000 products as well as extensive value-added services such as just-in-time delivery, product mixing, blending, repackaging, inventory management, drum return handling as well as technical and laboratory services for specialty chemicals.

Brenntag is the global market leader in full-line chemical distribution. We define market leadership not just by business volume; rather, we combine our philosophy "ConnectingChemistry" with constant improvements in the safety standards at our sites. As a responsible service provider, we continually strive to achieve further improvements in the supply chain as a whole.

GROUP STRUCTURE AND SEGMENTS

As the ultimate parent company, Brenntag AG is responsible for the strategy of the Group. The central functions of Brenntag AG are Corporate Controlling, Corporate Finance & Investor Relations, Corporate HSE (Health, Safety and Environment), Corporate IT, Corporate Accounting, Corporate Mergers & Acquisitions, Global Human Resources, Corporate Development, Corporate Communications, Corporate Legal, Corporate Internal Audit, Compliance, Corporate Risk Management as well as Corporate Tax.

The Brenntag Group is managed through the geographically structured segments EMEA (Europe, Middle East & Africa), North America, Latin America and Asia Pacific. In addition, all other segments combine the central functions for the entire Group and the activities with regard to the digitalization of our business (DigiB). The international operations of BRENNTAG International Chemicals, which buys and sells chemicals in bulk on an international scale without regional boundaries, are also included here.

For details of the scope of consolidation, please refer to the notes to the interim consolidated financial statements as at March 31, 2019.

Objectives and Strategy

ConnectingChemistry

Our philosophy "ConnectingChemistry" describes our company's value creation, purpose and commitment to all our partners within the supply chain:

- **Success**
  We support our partners in developing and growing their businesses, and enable them to expand their market reach. Equally, we are committed to creating value for our shareholders and developing our employees throughout all stages of their careers.
- **Expertise**
  We provide our partners with in-depth product, application and industry expertise, and sophisticated market intelligence. We set ourselves apart, drawing on our extensive product and service portfolio as well as our comprehensive industry coverage on a global level and our ability to develop creative, tailor-made solutions.
- **Customer orientation and service excellence**
  We offer powerful channels to market and provide the best customer service in the industry. Only when our partners are fully satisfied do we consider our service to be delivered.

VISION, OBJECTIVES AND STRATEGY

Our vision illustrates how we continue to position ourselves in the markets and industries we serve and is summarized by the following five commitments to our current and future development:

- We are the safest chemical distributor, striving for zero accidents and incidents.
- Throughout the world, we connect chemistry by providing the most effective industry channel for our customers and suppliers.
- We are the global leader in all our chosen markets and industries, offering the most professional sales and marketing organization in the industry, ensuring consistently high standards every day, everywhere.
- We strive to provide a working environment where the best people want to work.
- We aim to generate sustainable and high returns for our shareholders and all other stakeholders.

Our goal here is to be the preferred distributor for both industrial and specialty chemicals for our customers and suppliers and, at the same time, the industry leader in safety, growth and profitability. We pursue this goal through a clear growth strategy geared to steadily expanding our leading market position while continually improving profitability.

Organic growth and acquisitions

We strive to extend our market leadership by steadily growing our product and service offering organically in line with the requirements of our regional markets. In doing so, we benefit from leveraging our extensive global activities and key strengths. Our proactive sales activities focus on providing customers with tailored full-service solutions along the entire value chain rather than just products. Our close ties with local cultures and markets enable us to serve our customers and suppliers in a way that meets their individual needs.

In addition, we continue to seek acquisition opportunities that support our strategy. Our strategic focus here is on expanding our presence in emerging markets in Asia Pacific in particular so as to capture the expected strong growth in demand for chemicals in these regions. In the established markets of Western Europe and North America, our acquisition strategy focuses on steadily optimizing our product and service portfolio as well as our national and international distribution networks.

Steadily improving profitability

A further element of our strategy is to continually and systematically increase profitability. By developing our entrepreneurial culture, our operational excellence and our resilient business model, we strive to steadily increase operating gross profit, operating EBITDA and cash flows and achieve an attractive return on capital. Extending the scope of our operations, both organically and through acquisitions, achieving the resulting economies of scale and placing emphasis on value-added services are major levers we use to increase profitability and returns.

Strategic initiatives

The systematic implementation of our strategy is based on global and regional initiatives.

Our global safety initiative, for example, concentrates in particular on establishing an outstanding safety culture and introducing globally harmonized and consistently high safety standards.

Under our growth strategy, we focus the company on attractive and promising business segments. In order to leverage more of the above-average growth opportunities in the life science segment, we have amalgamated our global capabilities in food within the organizational unit Brenntag Food & Nutrition. This enables us to better meet our business partners' existing and future needs at local and global level on the basis of our broad portfolio of specialty and standard ingredients and our specific expertise. Other life science sectors such as personal care and pharmaceuticals are served in a focused manner. In high-volume segments such as water treatment as well as in adhesives, sealants, coatings, paints and elastomers, our emphasis is on using resources more effectively and efficiently. In oil and gas, we promote sustainable growth by expanding our global expertise and position. As a source of future growth, we are also looking to modern concepts and digital technologies that are customer- and supplier-oriented. We have combined these activities in our subsidiary DigiB. Further regional initiatives focus on growing the customer-specific mixing and blending business by providing value-added services.

In order to also offer our business partners the best service in the industry, we continuously focus worldwide on commercial excellence, that is to say, our effectiveness and efficiency in procurement, sales and marketing. Our points of emphasis include systematically expanding business with regional, pan-regional and global key account customers, for which our broad product offering and extensive geographic network provide unrivalled service capabilities. In addition, we will continue to actively realize the potential that arises as a result of chemical producers outsourcing supply chain and commercial activities.

In addition to our growth initiatives, we continue to improve our operational excellence, in particular by optimizing our site network and IT systems, adopting best practice solutions throughout the Brenntag Group and optimizing our warehouse and transport logistics on a regional and global level.

In our human resources activities, we seek to best position the Brenntag brand in the employment market so as to recruit, develop and retain highly qualified employees. The focus here is on our employees' continuing development and, in particular, on targeted succession planning.

SUSTAINABILITY

Our sustainability management focuses on the aspects derived from our daily operations and service portfolio:

- Safety
- Environmental protection
- Responsibility within the supply chain
- Compliance
- Employees
- Social responsibility

We are committed to the principles of responsible care and responsible distribution as well as the principles of the UN Global Compact. We are also a member of "Together for Sustainability", an industry initiative that aims to enhance sustainability across the entire chemical supply chain. Detailed information on our sustainability management is provided in our latest sustainability report and in the "Health, Safety and Environmental Protection, Quality Management" chapter of the 2018 Annual Report.

Financial Management System

The financial management system of the Brenntag Group enables us to measure attainment of our strategic objectives. It is based on the key performance indicators operating gross profit, operating EBITDA and free cash flow and their growth. We also measure return on capital and working capital turnover and set strict requirements for the performance of investment projects and acquisitions.

In connection with the initial application of the new financial reporting standard on leases (IFRS 16), the Brenntag Group's financial management system was examined and, where necessary, adapted. This did not result in any changes to the key performance indicators used to measure the Group's financial performance with the exception of the definition for calculating free cash flow.

Free cash flow is now defined as follows:

	Operating EBITDA
–	other additions to property, plant and equipment / intangible assets (capex)
+/–	changes in working capital
–	principal and interest payments on lease liabilities
=	free cash flow

Working capital is defined as trade receivables plus inventories less trade payables. On initial application of IFRS 16, cash outflows for principal payments on lease liabilities and interest payments incurred in this context are also deducted. Free cash flow is an important performance indicator for us, as it shows what level of cash is generated from operating activities and will therefore be available for growth through acquisitions as well as for lenders, shareholders and tax payments.

REPORT ON ECONOMIC POSITION

Economic Environment

The first quarter of 2019 saw a continuation of last year's global economic slowdown with Europe being the weakest economic region. This is also reflected in the Global Manufacturing Purchasing Managers' Index (PMI), which stood at 50.6 in March, the lowest reading for 32 months. Overall, global industrial production grew by around 1.4% year on year in the first two months of the first quarter of 2019.

Industrial production in Europe stagnated year on year in the first two months of the first quarter of 2019, showing a contraction of approximately 0.2%. The US economy continued on a positive trajectory. Overall, US industrial production grew by 3.3% year on year in the first quarter of 2019. Economic conditions in Latin America remained challenging. Compared with the prior-year period, Latin American industrial production contracted by around 4.2% in the first two months of the first quarter of 2019. The economies of Asia continued to see a positive but also complex business environment. Industrial production across the region as a whole expanded by approximately 3.8% year on year in the first two months of the first quarter of 2019.

Business Performance

MAJOR EVENTS IMPACTING ON BUSINESS IN Q1 2019

In January 2019, Brenntag acquired the lubricants division of Reeder Distributors, Inc. based in Fort Worth, Texas, USA. The lubricants division of Reeder Distributors generated sales of EUR 56 million in financial year 2018.

In February 2019, Brenntag closed the acquisition of the business operations of New England Resins & Pigments Corporation (NERP) headquartered in Woburn, Massachusetts, USA. The company generated sales of EUR 24 million in financial year 2018.

In early March, Steven Holland, Chief Executive Officer of Brenntag AG, informed the Chairman of the Supervisory Board that he will retire after nine years as CEO when his contract expires in February 2020 and will not be available for an extension of his contract. The Supervisory Board will make a decision on Steven Holland's successor on the basis of a structured selection process.

STATEMENT BY THE BOARD OF MANAGEMENT ON BUSINESS PERFORMANCE

The Brenntag Group generated operating EBITDA of EUR 238.8 million in the first quarter of 2019, an increase of 15.6% compared with the prior-year period. On a constant currency basis, this represents earnings growth of 12.0%. The earnings growth shown is mainly the result of the initial application of IFRS 16, the new financial reporting standard on lease accounting. Due to the application of this financial reporting standard, lease expenses are now mostly recognized below operating EBITDA as depreciation and interest expense.

At operating level, which means after adjustment for the effect of the initial application of IFRS 16, the Group did not quite match earnings achieved in the very strong prior-year quarter. This was driven mainly by the EMEA segment, in a persistently weakening macroeconomic environment that we had already observed in the second half of 2018. The resulting decline in earnings was not fully offset by the operational growth in earnings in the other regions.

In the first quarter of 2019, working capital showed a much lower increase than in the prior-year period, with annualized working capital turnover down on the prior-year level.

As expected, capital expenditure in the first quarter of 2019 was up on the prior-year figure due to projects to expand our business operations. We make these investments to maintain our existing infrastructure and expand it through targeted growth projects.

The outlined performance in operating EBITDA, working capital and capital expenditure resulted in a free cash flow that was significantly higher year on year. This is attributable in particular to a lower increase in working capital compared with the first quarter of 2018.

Overall, we are disappointed with the earnings performance in the first quarter of 2019. Against the background of the downturn in the macroeconomic environment in Europe, it was not possible to match the prior-year results in our EMEA segment at operating level. In the North America, Latin America and Asia Pacific segments, on the other hand, we posted sound operational growth in earnings. In North and Latin America in particular, this is due to the continuing organic growth trend. The acquisitions also contributed to the growth.

Results of Operations

BUSINESS PERFORMANCE OF THE BRENNTAG GROUP

			Change		
in EUR m	**Q1 2019**	**Q1 2018**	abs.	in %	in % (fx adj.)[1]
Sales	3,182.3	2,975.2	207.1	7.0	3.7
Operating gross profit	688.2	637.6	50.6	7.9	4.4
Operating expenses	−449.4	−431.0	−18.4	4.3	0.7
Operating EBITDA	**238.8**	**206.6**	**32.2**	**15.6**	**12.0**
Net expense from special items	−0.4	−0.2	–	–	–
Depreciation of property, plant and equipment and right-of-use assets	−57.7	−28.2	−29.5	104.6	99.0
EBITA	180.7	178.2	2.5	1.4	−1.5
Amortization of intangible assets	−11.9	−12.2	−0.3	−2.5	−6.3
Net finance costs	−25.4	−19.0	−6.4	33.7	–
Profit before tax	143.4	147.0	−3.6	−2.4	–
Income tax expense	−38.2	−41.0	2.8	−6.8	–
Profit after tax	105.2	106.0	−0.8	−0.8	–

B.01 BUSINESS PERFORMANCE OF THE BRENNTAG GROUP

[1] Change in % (fx adj.) is the percentage change on a constant currency basis.

Net expense from special items breaks down as follows:

in EUR m	Q1 2019	Q1 2018
Expenses in connection with the programme to increase efficiency in the EMEA segment	−0.4	−0.2
Net expense from special items	**−0.4**	**−0.2**

B.02 NET EXPENSE FROM SPECIAL ITEMS

The Brenntag Group generated **sales** of EUR 3,182.3 million in the first quarter of 2019, a rise of 7.0% compared with the prior-year period. This sales growth of 3.7% on a constant currency basis is due to higher volumes.

Whereas for manufacturing companies, sales play a key role, for us as a chemical distributor, operating gross profit is a more important factor for increasing our enterprise value over the long term.

The Brenntag Group generated **operating gross profit** of EUR 688.2 million in the first quarter of 2019, an increase of 7.9% and, on a constant currency basis, 4.4%. All segments contributed to this encouraging performance at operating gross profit level; the growth rates in EMEA were low, however. The growth in operating gross profit was supported in particular by a positive performance from our acquisitions.

The Brenntag Group's **operating expenses** amounted to EUR 449.4 million in the first quarter of 2019, an increase of 4.3% year on year, or 0.7% on a constant currency basis. The growing business and inflationary tendencies led to additional costs, particularly personnel and transport costs as well as consultancy expenses in connection with strategic projects. The initial application of IFRS 16 resulted in a reduction in expenses due to the related reclassification of lease expenses into depreciation and interest expense.

The Brenntag Group achieved **operating EBITDA** of EUR 238.8 million overall in the first quarter of 2019, an increase of 15.6% on the prior-year figure. On a constant currency basis, this represents earnings growth of 12.0%. With the exception of EMEA, all our regions contributed to this performance. The earnings growth shown is due mainly to the initial application of IFRS 16, the new financial reporting standard on lease accounting. At operating level after eliminating the effect of IFRS 16, the Group was unable to increase earnings above the very strong prior-year quarter on a constant currency basis.

Depreciation of property, plant and equipment, depreciation of right-of-use assets and **amortization** of intangible assets amounted to EUR 69.6 million in the first quarter of 2019, with depreciation of property, plant and equipment and right-of-use assets accounting for EUR 57.7 million and amortization of intangible assets for EUR 11.9 million. Of the increase in depreciation of property, plant and equipment and right-of-use assets, EUR 25.7 million – and thus the majority – is attributable to right-of-use assets recognized for the first time in 2019 in accordance with IFRS 16.

Net finance costs came to EUR 25.4 million in the first quarter of 2019 (Q1 2018: EUR 19.0 million). The net interest expense component of net finance costs amounted to EUR 22.7 million compared with EUR 20.5 million in the first quarter of 2018. This year-on-year change is due primarily to higher interest expense as a result of the initial application of IFRS 16. The remainder of the change in net finance costs is mainly attributable to translation effects on foreign currency receivables and liabilities, as the positive income recorded in the previous year did not recur due to exchange rate movements.

Profit before tax came to EUR 143.4 million in the first quarter of 2019 (Q1 2018: EUR 147.0 million).

Income tax expense declined by EUR 2.8 million year on year to EUR 38.2 million in the first quarter of 2019.

Profit after tax stood at EUR 105.2 million in the first quarter of 2019 (Q1 2018: EUR 106.0 million).

BUSINESS PERFORMANCE IN THE SEGMENTS

Q1 2019 in EUR m	**Brenntag Group**	EMEA	North America	Latin America	Asia Pacific	All other segments
External sales	3,182.3	1,347.2	1,176.0	210.4	357.7	91.0
Operating gross profit	688.2	287.7	292.8	42.6	60.4	4.7
Operating expenses	−449.4	−185.9	−180.8	−31.1	−38.9	−12.7
Operating EBITDA	**238.8**	**101.8**	**112.0**	**11.5**	**21.5**	**−8.0**

B.03 BUSINESS PERFORMANCE IN THE SEGMENTS

EMEA (Europe, Middle East & Africa)

			Change		
in EUR m	**Q1 2019**	**Q1 2018**	abs.	in %	in % (fx adj.)
External sales	1,347.2	1,343.5	3.7	0.3	1.0
Operating gross profit	287.7	289.5	−1.8	−0.6	0.0
Operating expenses	−185.9	−188.1	2.2	−1.2	−0.8
Operating EBITDA	**101.8**	**101.4**	**0.4**	**0.4**	**1.6**

B.04 BUSINESS PERFORMANCE IN THE SEGMENTS / EMEA

The EMEA segment generated **external sales** of EUR 1,347.2 million in the first quarter of 2019, a slight rise of 0.3% compared with the prior-year period. On a constant currency basis, external sales were 1.0% higher. This rise is due predominantly to higher average sales prices per unit.

The **operating gross profit** generated by the companies in the EMEA segment declined by a marginal 0.6% year on year to EUR 287.7 million in the first quarter of 2019. On a constant currency basis, however, this does not represent a decrease. Due to the stagnating macroeconomic environment, operating gross profit in the EMEA segment is in line with the prior-year figure.

The EMEA segment posted **operating expenses** of EUR 185.9 million in the first quarter of 2019. This decrease of 1.2% compared with the first quarter of 2018, or 0.8% on a constant currency basis, is due primarily to the initial application of IFRS 16, which resulted in a reduction in operating expenses due to the reclassification of lease expenses into depreciation and interest expense. Conversely, EMEA recorded inflation-driven increases in transport and personnel costs.

The companies in the EMEA segment achieved **operating EBITDA** of EUR 101.8 million in the first quarter of 2019 and thus posted a slight increase of 0.4% compared with the prior-year period, or 1.6% on a constant currency basis. This increase is due to the initial application of IFRS 16.

North America

in EUR m	Q1 2019	Q1 2018	Change abs.	Change in %	Change in % (fx adj.)
External sales	1,176.0	1,067.3	108.7	10.2	2.3
Operating gross profit	292.8	257.6	35.2	13.7	5.5
Operating expenses	–180.8	–169.5	–11.3	6.7	–1.0
Operating EBITDA	**112.0**	**88.1**	**23.9**	**27.1**	**17.9**

B.05 BUSINESS PERFORMANCE IN THE SEGMENTS / NORTH AMERICA

The North America segment generated **external sales** of EUR 1,176.0 million in the first quarter of 2019. This rise of 10.2% compared with the first quarter of 2018, or 2.3% on a constant currency basis, is attributable to an increase in volumes.

The **operating gross profit** generated by the North American companies rose by 13.7% year on year to EUR 292.8 million in the first quarter of 2019. This rise of 5.5% on a constant currency basis was partly organic and supported by the positive contribution from the acquisitions.

At EUR 180.8 million in the first quarter of 2019, **operating expenses** in the North America segment were up by 6.7% on the prior-year period. On a constant currency basis, this represents a decline of 1.0% attributable to the initial application of IFRS 16 and the lower rent and lease liabilities associated with this. Conversely, higher expenses were incurred for personnel and maintenance in particular.

The North American companies achieved **operating EBITDA** of EUR 112.0 million in the first quarter of 2019, a clear rise of 27.1% compared with the first quarter of 2018. On a constant currency basis, this represents an increase of 17.9%. This growth is due to an operational increase in our business in some of our core industries and was also underpinned by lower reported operating expenses as a result of the initial application of IFRS 16.

Latin America

in EUR m	Q1 2019	Q1 2018	Change abs.	Change in %	Change in % (fx adj.)
External sales	210.4	185.9	24.5	13.2	9.5
Operating gross profit	42.6	37.9	4.7	12.4	8.7
Operating expenses	−31.1	−29.8	−1.3	4.4	0.3
Operating EBITDA	**11.5**	**8.1**	**3.4**	**42.0**	**40.2**

B.06 BUSINESS PERFORMANCE IN THE SEGMENTS / LATIN AMERICA

The Latin America segment generated **external sales** of EUR 210.4 million in the first quarter of 2019, a rise of 13.2%, or 9.5% on a constant currency basis. The growth is due to much higher volumes.

The **operating gross profit** achieved by the Latin American companies in the first quarter of 2019 amounted to EUR 42.6 million. Compared with the prior-year period, operating gross profit was therefore up by 12.4%. On a constant currency basis, it rose by 8.7%. Despite a difficult market environment throughout the region, including a decline in industrial production, we were therefore able to continue the growth trend from the second half of 2018 and once again demonstrated our resilience.

Operating expenses in the Latin America segment amounted to EUR 31.1 million in the first quarter of 2019, an increase of 4.4% on the prior-year figure. On a constant currency basis, operating expenses showed a slight increase of 0.3% due in part to a rise in transport costs and inflation-driven increases in personnel expenses.

The Latin American companies posted **operating EBITDA** of EUR 11.5 million overall in the first quarter of 2019, an increase of 42.0% on the prior-year period. On a constant currency basis, operating EBITDA rose by 40.2%. At operating level, this encouraging growth is almost entirely organic. The performance was also underpinned by lower operating expenses as a result of the initial application of IFRS 16. Overall, these positive developments confirm our view that Brenntag remains well positioned to be successful, even as macroeconomic conditions remain volatile.

Asia Pacific

			Change		
in EUR m	**Q1 2019**	**Q1 2018**	abs.	in %	in % (fx adj.)
External sales	357.7	284.8	72.9	25.6	20.2
Operating gross profit	60.4	48.9	11.5	23.5	18.0
Operating expenses	−38.9	−31.5	−7.4	23.5	17.9
Operating EBITDA	**21.5**	**17.4**	**4.1**	**23.6**	**18.1**

B.07 BUSINESS PERFORMANCE IN THE SEGMENTS / ASIA PACIFIC

External sales in the Asia Pacific segment rose by 25.6% year on year to EUR 357.7 million in the first quarter of 2019. On a constant currency basis, this represents sales growth of 20.2% due predominantly to an increase in volumes attributable to acquisitions.

The Asia Pacific segment generated **operating gross profit** of EUR 60.4 million in the first quarter of 2019, a rise of 23.5% compared with the prior-year period. On a constant currency basis, operating gross profit climbed by 18.0%. This is due in particular to our acquisition of Raj Petro Specialities closed in 2018 as well as the positive performance from our existing business in many of our countries, including China, Thailand and Vietnam.

The **operating expenses** of the companies in the Asia Pacific segment rose by 23.5% year on year, or 17.9% on a constant currency basis, to EUR 38.9 million in the first quarter of 2019. The rise in costs is attributable mostly to the closed acquisition and relates in part to higher personnel, transport and maintenance costs.

The companies in the Asia Pacific segment generated **operating EBITDA** of EUR 21.5 million in the first quarter of 2019 and thus exceeded earnings in the prior-year period by 23.6%. This represents a rise of 18.1% on a constant currency basis and is attributable to both the growth of our existing business and the performance from our acquisition. The earnings performance was also underpinned by the lower operating expenses reported as a result of the initial application of IFRS 16.

All other segments

			Change		
in EUR m	**Q1 2019**	**Q1 2018**	abs.	in %	in % (fx adj.)
External sales	91.0	93.7	−2.7	−2.9	−2.9
Operating gross profit	4.7	3.7	1.0	27.0	27.0
Operating expenses	−12.7	−12.1	−0.6	5.0	5.0
Operating EBITDA	**−8.0**	**−8.4**	**0.4**	**−4.8**	**−4.8**

B.08 BUSINESS PERFORMANCE IN THE SEGMENTS / ALL OTHER SEGMENTS

In the first quarter of 2019, BRENNTAG International Chemicals GmbH exceeded the operating EBITDA achieved in the prior-year period.

The operating expenses posted by the holding companies in the same period were up on the first quarter of 2018. The rise in the first quarter of 2019 is attributable to higher personnel expenses and additional expenses for the implementation of strategic projects.

Overall, the operating EBITDA of all other segments was up by EUR 0.4 million on the prior-year figure to EUR −8.0 million in the first quarter of 2019.

Financial Position

CAPITAL STRUCTURE

The primary objective of capital structure management is to maintain the Group's financial strength. Brenntag concentrates on a capital structure which enables the Group to cover its potential financing requirements at all times. This gives Brenntag a high degree of independence, security and flexibility. Our liquidity, interest rate and currency risks are largely managed on a Group-wide basis. Derivative financial instruments are only used to hedge the above-mentioned risks from underlying transactions and not for speculative purposes. A Group-wide Finance Guideline ensures the implementation of these policies and standard processes throughout the Group.

The most important component in the financing structure of Brenntag AG is the Group-wide syndicated loan agreement. The syndicated loan totalling the equivalent of almost EUR 1.5 billion had a term ending in January 2023, which in early 2019 was extended until January 2024. It is based on variable interest rates with margins depending on leverage, and is divided into different tranches with different currencies. Total liabilities (excluding accrued interest and before offsetting of transaction costs) under the syndicated loan amounted to EUR 860.5 million as at March 31, 2019. In addition to fully drawn tranches, the loan agreement also contains a revolving credit facility totalling EUR 600.0 million, which was mostly unused as at March 31, 2019. While some of our subsidiaries are direct borrowers under the loan, others obtain their financing from intra-Group loans. The syndicated loan is guaranteed by Brenntag AG.

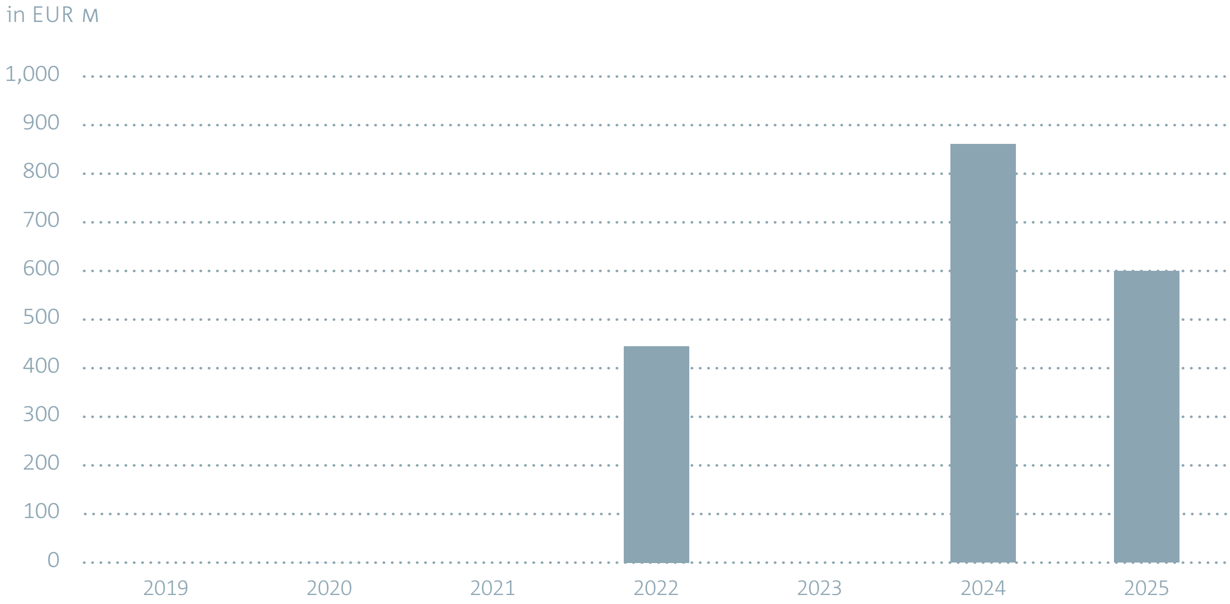
In September 2017, Brenntag Finance B.V. issued a EUR 600 million bond (Bond 2025) maturing in 2025 and bearing a coupon of 1.125% with interest paid annually. Furthermore, in November 2015, Brenntag Finance B.V. issued a bond with warrant units in the amount of USD 500.0 million maturing in December 2022. The bond (Bond (with Warrants) 2022) was issued at 92.7% of par and bears a coupon of 1.875% p.a. with interest payable semi-annually. The interest expense from the Bond (with Warrants) 2022 comprises the aforementioned interest payments and the ongoing amortization of the discount. The discount (7.3% or USD 36.5 million) is the warrant premium on the warrants issued together with the Bond (with Warrants) 2022 to purchase Brenntag AG shares. Each of the bonds issued by Brenntag Finance B.V. is guaranteed by Brenntag AG.

In addition to the three above-mentioned refinancing instruments, some of our companies make use of credit lines with local banks in consultation with the Group management.

Due to the two fixed-rate bonds, about 50% of the Brenntag Group's financial liabilities are currently hedged against the risk of interest rate increases.

According to our short- and mid-term financial planning, the capital requirements for operating activities, investments in property, plant and equipment as well as dividends and acquisitions in the size of past practice are expected to be covered by the cash provided by operating activities so that no further loans are necessary for these purposes. Under the syndicated loan, we also have the aforementioned revolving credit facility available to cover short-term liquidity requirements and for general corporate purposes.

MATURITY PROFILE OF OUR CREDIT PORTFOLIO[1] AS AT MARCH 31, 2019 IN EUR M



B.9 MATURITY PROFILE OF OUR CREDIT PORTFOLIO

[1] Syndicated loan, Bond (with Warrants) 2022 and Bond 2025 excluding accrued interest and transaction costs.

INVESTMENTS

In the first quarter of 2019, investments in property, plant and equipment and intangible assets (excluding additions from acquisitions) led to a total cash outflow of EUR 34.5 million (Q1 2018: EUR 34.5 million).

We regularly invest in the maintenance, replacement and extension of the infrastructure necessary to perform our services, comprising warehouses, offices, trucks and vehicles of our field service as well as IT hardware for various systems. As the market leader and a responsible chemical distributor, we attach importance to ensuring that our property, plant and equipment meet comprehensive health, safety and environmental requirements.

Investments are typically funded from net cash provided by operating activities and/or available cash from the respective Group companies. With larger investment projects which cannot be covered by local funds, financing is provided by the Group and external borrowings are mostly not necessary.

LIQUIDITY

Cash flow

in EUR m	Q1 2019	Q1 2018
Net cash provided by / used in operating activities	**161.2**	**−12.2**
Net cash used in investing activities	**−67.0**	**−30.8**
thereof payments to acquire consolidated subsidiaries and other business units	(−37.9)	(−0.2)
thereof payments to acquire intangible assets and property, plant and equipment	(−34.5)	(−34.5)
thereof proceeds from divestments	(5.4)	(3.9)
Net cash used in / provided by financing activities	**−52.3**	**17.6**
thereof repayments of / proceeds from borrowings	(−52.3)	(17.6)
Change in cash and cash equivalents	**41.9**	**−25.4**

B.10 CASH FLOW

Net cash provided by operating activities of EUR 161.2 million was influenced by the rise in working capital of EUR 13.4 million, which was much lower than in the prior-year period.

Of the net cash of EUR 67.0 million used in investing activities, EUR 34.5 million comprised payments to acquire intangible assets and property, plant and equipment. Payments to acquire consolidated subsidiaries and other business units primarily included the purchase prices for the lubricants division of Reeder Distributors, Inc. based in Fort Worth, Texas, USA and the business operations of New England Resins & Pigments Corporation (NERP) headquartered in Woburn, Massachusetts, USA.

Net cash used in financing activities amounted to EUR 52.3 million and was mainly the result of local bank loans taken out and repaid as well as lease liabilities repaid.

Free cash flow

in EUR m	Q1 2019	Q1 2018	Change abs.	Change in %
Operating EBITDA	238.8	206.6	32.2	15.6
Investments in non-current assets (capex)	−31.0	−27.1	−3.9	14.4
Change in working capital	−13.4	−151.8	138.4	−91.2
Principal and interest payments on lease liabilities [1]	−28.1	–	–	–
Free cash flow	**166.3**	**27.7**	**138.6**	**500.4**

B.11 FREE CASH FLOW

[1] On initial application of IFRS 16 at January 1, 2019, cash outflows for principal payments on lease liabilities and interest payments incurred in this context are deducted. In the prior-year figures, lease payments were still included in operating EBITDA through rental and lease expenses.

The Brenntag Group's free cash flow amounted to EUR 166.3 million in the first three months of 2019, a significant increase on the first three months of 2018 (EUR 27.7 million).

The initial application of IFRS 16 was taken into account in determining free cash flow. The strong growth is due primarily to the lower increase in working capital compared with the prior-year period. In addition, the slight increase in capital expenditure to expand our infrastructure was offset by the rise in operating EBITDA including principal and interest payments on lease liabilities resulting from the initial application of IFRS 16.

Financial and Assets Position

	Mar. 31, 2019		Dec. 31, 2018	
in EUR m	**abs.**	**in %**	abs.	in %
Assets				
Current assets	**3,907.7**	**46.5**	**3,664.1**	**47.6**
Cash and cash equivalents	441.6	5.3	393.8	5.1
Trade receivables	2,003.9	23.8	1,843.0	24.0
Other receivables and assets	247.9	2.9	231.5	3.0
Inventories	1,214.3	14.5	1,195.8	15.5
Non-current assets	**4,492.8**	**53.5**	**4,030.4**	**52.4**
Intangible assets	2,972.0	35.4	2,902.9	37.7
Other non-current assets	1,422.2	16.9	1,045.3	13.6
Receivables and other assets	98.6	1.2	82.2	1.1
Total assets	**8,400.5**	**100.0**	**7,694.5**	**100.0**
Liabilities and equity				
Current liabilities	**2,222.3**	**26.5**	**1,993.6**	**25.9**
Provisions	90.0	1.1	95.2	1.2
Trade payables	1,360.0	16.2	1,231.8	16.0
Financial liabilities	350.8	4.2	256.1	3.3
Miscellaneous liabilities	421.5	5.0	410.5	5.4
Equity and non-current liabilities	**6,178.2**	**73.5**	**5,700.9**	**74.1**
Equity	3,435.1	40.8	3,301.2	42.9
Non-current liabilities	2,743.1	32.7	2,399.7	31.2
Provisions	313.5	3.7	272.7	3.5
Financial liabilities	2,194.8	26.2	1,899.6	24.7
Miscellaneous liabilities	234.8	2.8	227.4	3.0
Total liabilities and equity	**8,400.5**	**100.0**	**7,694.5**	**100.0**

B.12 FINANCIAL AND ASSETS POSITION

As at March 31, 2019, total assets had increased by EUR 706.0 million compared with the end of the previous year to EUR 8,400.5 million (Dec. 31, 2018: EUR 7,694.5 million).

Cash and cash equivalents rose by 12.1% compared with the 2018 year-end figure to EUR 441.6 million (Dec. 31, 2018: EUR 393.8 million). This change is the profit from operating activities after cash outflows for acquisitions.

The three components of working capital changed as follows in the reporting period:

- Trade receivables increased by 8.7% in the reporting period to EUR 2,003.9 million (Dec. 31, 2018: EUR 1,843.0 million).

- Inventories increased by 1.5% in the reporting period to EUR 1,214.3 million (Dec. 31, 2018: EUR 1,195.8 million).

- With the opposite effect on working capital, trade payables increased by 10.4% to EUR 1,360.0 million (Dec. 31, 2018: EUR 1,231.8 million).

Adjusted for exchange rate effects and acquisitions, working capital rose by a total of EUR 13.4 million compared with December 31, 2018. This rise is due in part to lower working capital turnover [1]. At 6.9 in the reporting period, working capital turnover was lower than at the end of 2018 (7.3).

The Brenntag Group's intangible and other non-current assets increased by EUR 446.0 million compared with the end of the previous year to EUR 4,394.2 million (Dec. 31, 2018: EUR 3,948.2 million). The increase is mainly attributable to the fact that, due to the initial application of IFRS 16, leases are generally required to be recognized in the balance sheet in the form of a right-of-use asset. Exchange rate effects (EUR 66.1 million), investments in non-current assets (EUR 31.0 million) and acquisitions (EUR 29.7 million) also contributed to the rise. This was partly offset by depreciation and amortization (EUR 69.6 million).

Current financial liabilities increased by EUR 94.7 million to EUR 350.8 million in total (Dec. 31, 2018: EUR 256.1 million). Non-current financial liabilities rose by 15.5% compared with the end of the previous year to EUR 2,194.8 million (Dec. 31, 2018: EUR 1,899.6 million). The increase in current and non-current financial liabilities is due to the initial application of IFRS 16, under which a corresponding lease liability is required to be recognized in the balance sheet for a right-of-use asset.

Current and non-current provisions amounted to a total of EUR 403.5 million (Dec. 31, 2018: EUR 367.9 million) and included pension provisions in the amount of EUR 185.2 million (Dec. 31, 2018: EUR 153.0 million). This rise is due to the change in the discount rates applied.

[1] Ratio of annual sales to average working capital: annual sales are defined as sales for the first quarter extrapolated to the full year (quarterly sales multiplied by four); average working capital for the first quarter is defined as the average of working capital at the beginning of the year and at the end of the first quarter.

EMPLOYEES

As at March 31, 2019, Brenntag had a total of 16,684 employees worldwide. The total number of employees is determined on the basis of headcount, i.e. part-time employees are fully included.

	Mar. 31, 2019		Dec. 31, 2018	
Headcount	**abs.**	**in %**	abs.	in %
EMEA	7,132	42.8	7,162	43.1
North America	5,286	31.7	5,174	31.1
Latin America	1,631	9.8	1,610	9.7
Asia Pacific	2,447	14.7	2,486	15.0
All other segments	188	1.0	184	1.1
Brenntag Group	**16,684**	**100.0**	**16,616**	**100.0**

B.13 EMPLOYEES PER SEGMENT

REPORT ON EXPECTED DEVELOPMENTS

Oxford Economics forecasts that the global economy, measured in terms of GDP, will continue to grow only at a moderate pace in 2019. The growth outlook has softened in recent months due to the greater uncertainty over the future course of international trade relations. In addition, in recent weeks, there has been a further deterioration in the growth outlook for the economies of Europe in particular. Weighted by the sales generated by Brenntag in the individual countries, this results in a forecast average GDP growth rate of 2.3% in 2019.

At operating level, we were unable to match prior-year earnings in the last quarter due in particular to general economic trends. Nevertheless, we still expect the Brenntag Group to see an increase in our key performance indicator, operating EBITDA, of between 3% and 7% in financial year 2019, assuming that exchange rates remain stable. In addition to the continuing positive growth outlook for Brenntag, the forecast generally reflects the current macroeconomic environment of greater uncertainty in 2019. However, any economic slowdown beyond the current deceleration could result in a risk to achieving our forecast. In light of the strong performance in the first half of 2018, our forecast for 2019 also expects the growth for the year to be geared towards the later part of the year. The forecast takes into account the contributions from acquisitions and is also based on the IFRSs applied in 2018.

All regions will contribute to the planned growth in operating EBITDA. The forecast increase in operating EBITDA in our North America segment is similar to that at Group level. In light of the slower first quarter in EMEA, the forecast increase in operating EBITDA in our EMEA segment is likely to be below the growth at Group level. In our Latin America and Asia Pacific segments, the planned growth in operating EBITDA is above that at Group level. The growth in operating gross profit forecast for the Brenntag Group is in line with the expected increase in operating EBITDA. The North America segment in particular will make a substantial contribution to the increase in the Group's operating gross profit. In light of the outlined downturn in the macroeconomic environment in Europe, we predict slightly lower growth for the EMEA segment compared with North America. The growth rate in the North America segment is broadly in line with the Group average and the growth rate in the EMEA segment below the Group average. In the Latin America and Asia Pacific segments, the planned growth in operating gross profit is above the Group average. In addition to organic growth in all regions, the acquisitions closed will also make a positive contribution to the planned increase in earnings.

As of financial year 2019, the Group will be applying the new IFRS 16 on lease accounting. In this context, a high proportion of what were previously rental and lease expenses will be recognized as depreciation and interest. The forecast growth rates above do not yet reflect this transition. Based on current knowledge, reported operating EBITDA will increase by around EUR 100 million as a result of the transition to IFRS 16. The effect on profit after tax will be minor.

The current market environment points to stable or falling chemical prices on the global market compared with price increases in the two previous financial years. We will focus to an even greater extent on customer and supplier relationship management and improving our warehouse logistics and expect this to improve working capital turnover. Overall, therefore, we are not planning a further increase in working capital in financial year 2019, assuming that exchange rates remain stable.

We plan to make investments in property, plant and equipment of approximately EUR 220 million in 2019 based on stable exchange rates, primarily as a result of projects to expand our business operations. The amount stated for capital expenditure includes two new sites in China, although set against these are proceeds from the sale of existing sites amounting to approximately EUR 25 million. Those proceeds offset some of the aforementioned EUR 220 million in capital expenditure. Moreover, we are considering implementing an additional investment programme of around EUR 40 million that might be executed over the next two years in light of business opportunities arising from market consolidation in North America.

Overall, we anticipate that free cash flow in 2019 will show a significant increase on the prior-year figure, assuming that exchange rates remain stable. This will enable us to continue our acquisition strategy and dividend policy and maintain liquidity at an adequate level.

REPORT ON OPPORTUNITIES AND RISKS

Our strategy is geared to steadily improving the efficiency and underlying profitability of our business. The Brenntag Group companies are exposed to a number of risks arising from their business activities in the field of chemical distribution and related areas. At the same time, these business activities also give rise to numerous opportunities to safeguard and nurture the company's competitiveness and growth.

We monitor the risks as part of our risk management. The planning, controlling and reporting processes of the Brenntag Group are integral parts of the risk management systems of all operational and legal units as well as the central functions.

In the first quarter of 2019, there were no further significant changes in the opportunities and risks for the Brenntag Group described in detail in the 2018 Annual Report. Other risks that we are currently unaware of or that we currently consider immaterial might also negatively impact our business operations. Currently, there are no indications of risks that may jeopardize the continued existence of the company.

INTERIM CONSOLIDATED-FINANCIAL STATEMENTS

AS AT MARCH 31, 2019

32 CONSOLIDATED INCOME STATEMENT

33 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

34 CONSOLIDATED BALANCE SHEET

36 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

38 CONSOLIDATED CASH FLOW STATEMENT

39 CONDENSED NOTES

39 Key Financial Figures by Segment
40 Group Key Financial Figures
41 Consolidation Policies and Methods
41 Standards applied and effects of IFRS 16
46 Scope of consolidation
46 Business combinations in accordance with IFRS 3
47 Currency translation

48 Consolidated Income Statement, Consolidated Balance Sheet and Consolidated Cash Flow Statement Disclosures
48 Interest income
48 Interest expense
48 Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss
48 Income tax expense
49 Earnings per share
49 Assets held for sale
49 Financial liabilities
49 Other provisions
49 Provisions for pensions and other post-employment benefits
49 Liabilities relating to acquisition of non-controlling interests
50 Equity
51 Consolidated cash flow statement disclosures
52 Reporting of financial instruments
55 Events after the reporting period

CONSOLIDATED INCOME STATEMENT

in EUR m	Note	Jan. 1 – Mar. 31, 2019	Jan. 1 – Mar. 31, 2018
Sales		3,182.3	2,975.2
Cost of sales		−2,511.7	−2,352.3
Gross profit		**670.6**	**622.9**
Selling expenses		−455.0	−415.9
Administrative expenses		−52.1	−46.3
Other operating income		8.9	8.2
Impairment losses on trade receivables and other receivables		−0.7	−0.9
Other operating expenses		−2.9	−2.0
Operating profit		**168.8**	**166.0**
Share of profit or loss of equity-accounted investments		0.5	0.6
Interest income	1.)	1.0	0.8
Interest expense	2.)	−23.7	−21.3
Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss	3.)	−1.1	−0.2
Other net finance costs		−2.1	1.1
Net finance costs		**−25.4**	**−19.0**
Profit before tax		**143.4**	**147.0**
Income tax expense	4.)	−38.2	−41.0
Profit after tax		**105.2**	**106.0**
Attributable to:			
Shareholders of Brenntag AG		104.8	105.6
Non-controlling interests		0.4	0.4
Basic earnings per share in euro	**5.)**	**0.68**	**0.68**
Diluted earnings per share in euro	**5.)**	**0.68**	**0.68**

C.01 CONSOLIDATED INCOME STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	Note	Jan. 1 – Mar. 31, 2019	Jan. 1 – Mar. 31, 2018
Profit after tax		**105.2**	**106.0**
Remeasurements of defined benefit pension plans	9.)	−32.1	4.1
Deferred tax relating to remeasurements of defined benefit pension plans	9.)	8.5	−1.0
Items that will not be reclassified to profit or loss		**−23.6**	**3.1**
Change in exchange rate differences on translation of consolidated companies		53.0	−42.0
Change in exchange rate differences on translation of equity-accounted investments		0.2	0.2
Change in net investment hedge reserve		−0.7	–
Items that may be reclassified subsequently to profit or loss		**52.5**	**−41.8**
Other comprehensive income, net of tax		**28.9**	**−38.7**
Total comprehensive income		**134.1**	**67.3**
Attributable to:			
Shareholders of Brenntag AG		132.9	67.4
Non-controlling interests		1.2	−0.1

C.02 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED BALANCE SHEET

ASSETS

in EUR m	Note	Mar. 31, 2019	Dec. 31, 2018
Current assets			
Cash and cash equivalents		441.6	393.8
Trade receivables		2,003.9	1,843.0
Other receivables		191.2	176.3
Other financial assets		5.3	7.9
Current tax assets		47.6	41.5
Inventories		1,214.3	1,195.8
		3,903.9	**3,658.3**
Assets held for sale	6.)	3.8	5.8
		3,907.7	**3,664.1**
Non-current assets			
Property, plant and equipment		1,027.5	1,027.1
Intangible assets		2,972.0	2,902.9
Right-of-use assets		375.8	–
Equity-accounted investments		18.9	18.2
Other receivables		22.4	22.3
Other financial assets		14.1	9.6
Deferred tax assets		62.1	50.3
		4,492.8	4,030.4
Total assets		**8,400.5**	**7,694.5**

LIABILITIES AND EQUITY

in EUR m	Note	**Mar. 31, 2019**	**Dec. 31, 2018**
Current liabilities			
Trade payables		1,360.0	1,231.8
Financial liabilities	7.)	256.7	256.1
Lease liabilities		94.1	–
Other liabilities		374.8	375.1
Other provisions	8.)	90.0	95.2
Liabilities relating to acquisition of non-controlling interests		–	1.6
Current tax liabilities		46.7	33.5
		2,222.3	**1,993.3**
Liabilities associated with assets held for sale	6.)	–	0.3
		2,222.3	**1,993.6**
Non-current liabilities			
Financial liabilities	7.)	1,908.3	1,899.6
Lease liabilities		286.5	–
Other liabilities		0.6	0.6
Other provisions	8.)	128.3	119.7
Provisions for pensions and other post-employment benefits	9.)	185.2	153.0
Liabilities relating to acquisition of non-controlling interests	10.)	46.7	44.9
Deferred tax liabilities		187.5	181.9
		2,743.1	**2,399.7**
Equity			
Subscribed capital		154.5	154.5
Additional paid-in capital		1,491.4	1,491.4
Retained earnings		1,721.3	1,640.1
Accumulated other comprehensive income		42.2	−9.5
Equity attributable to shareholders of Brenntag AG		3,409.4	3,276.5
Equity attributable to non-controlling interests	11.)	25.7	24.7
		3,435.1	3,301.2
Total liabilities and equity		**8,400.5**	**7,694.5**

C.03 CONSOLIDATED BALANCE SHEET

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR m	Subscribed capital	Additional paid-in capital	Retained earnings
Dec. 31, 2017	**154.5**	**1,491.4**	**1,363.4**
Initial application of IFRS 15 at Jan. 1, 2018	–	–	6.0
Initial application of IFRS 9 at Jan. 1, 2018	–	–	−0.6
Jan. 1, 2018 after initial application of IFRS 15 and IFRS 9	**154.5**	**1,491.4**	**1,368.8**
Profit after tax	–	–	105.6
Other comprehensive income, net of tax	–	–	3.1
Total comprehensive income for the period	**–**	**–**	**108.7**
Mar. 31, 2018	**154.5**	**1,491.4**	**1,477.5**

Dec. 31, 2018	**154.5**	**1,491.4**	**1,640.1**
Business combinations	**–**	**–**	**–**
Profit after tax	–	–	104.8
Other comprehensive income, net of tax	–	–	−23.6
Total comprehensive income for the period	**–**	**–**	**81.2**
Mar. 31, 2019	**154.5**	**1,491.4**	**1,721.3**

Exchange rate differences	Net investment hedge reserve	Cash flow hedge reserve	Deferred tax relating to cash flow hedge reserve	Equity attributable to shareholders of Brenntag AG	Equity attributable to non-controlling interests	**Equity**
−36.1	**–**	**–**	**–**	**2,973.2**	**12.5**	**2,985.7**
–	–	–	–	6.0	–	6.0
–	–	–	–	−0.6	–	−0.6
−36.1	**–**	**–**	**–**	**2,978.6**	**12.5**	**2,991.1**
–	–	–	–	105.6	0.4	106.0
−41.3	–	–	–	−38.2	−0.5	−38.7
−41.3	**–**	**–**	**–**	**67.4**	**−0.1**	**67.3**
−77.4	**–**	**–**	**–**	**3,046.0**	**12.4**	**3,058.4**

C.04 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / MAR. 31, 2018

−9.4	**−0.1**	**–**	**–**	**3,276.5**	**24.7**	**3,301.2**
–	**–**	**–**	**–**	**–**	**−0.2**	**−0.2**
–	–	–	–	104.8	0.4	105.2
52.4	−0.7	–	–	28.1	0.8	28.9
52.4	**−0.7**	**–**	**–**	**132.9**	**1.2**	**134.1**
43.0	**−0.8**	**–**	**–**	**3,409.4**	**25.7**	**3,435.1**

C.05 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / MAR. 31, 2019

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	Note	Jan. 1 – Mar. 31, 2019	Jan. 1 – Mar. 31, 2018
	12.)		
Profit after tax		**105.2**	**106.0**
Depreciation and amortization		69.6	40.4
Income tax expense		38.2	41.0
Income taxes paid		−29.5	−32.9
Net interest expense		22.7	20.5
Interest paid (netted against interest received)		−12.8	−8.3
Changes in provisions		−1.3	−31.1
Changes in current assets and liabilities			
Inventories		5.5	−50.2
Receivables		−142.0	−205.6
Liabilities		113.5	106.6
Non-cash change in liabilities relating to acquisition of non-controlling interests		1.1	0.2
Other non-cash items and reclassifications		−9.0	1.2
Net cash provided by/used in operating activities		**161.2**	**−12.2**
Proceeds from the disposal of intangible assets and property, plant and equipment		5.4	3.9
Payments to acquire consolidated subsidiaries and other business units		−37.9	−0.2
Payments to acquire intangible assets and property, plant and equipment		−34.5	−34.5
Net cash used in investing activities		**−67.0**	**−30.8**
Proceeds from borrowings		15.0	21.9
Repayments of borrowings		−67.3	−4.3
Net cash used in/provided by financing activities		**−52.3**	**17.6**
Change in cash and cash equivalents		**41.9**	**−25.4**
Effect of exchange rate changes on cash and cash equivalents		5.9	−3.8
Reclassification into assets held for sale		–	0.3
Cash and cash equivalents at beginning of period		393.8	518.0
Cash and cash equivalents at end of period		**441.6**	**489.1**

C.06 CONSOLIDATED CASH FLOW STATEMENT

CONDENSED NOTES

Key Financial Figures by Segment

for the period from January 1 to March 31

in EUR m		EMEA[4]	North America	Latin America	Asia Pacific	All other segments	Consoli-dation	**Group**
External sales within the meaning of IFRS 15	**2019**	**1,347.2**	**1,176.0**	**210.4**	**357.7**	**91.0**	**–**	**3,182.3**
	2018	1,343.5	1,067.3	185.9	284.8	93.7	–	2,975.2
	Change in %	0.3	10.2	13.2	25.6	−2.9	–	7.0
	fx adjusted change in %	1.0	2.3	9.5	20.2	−2.9	–	3.7
Inter-segment sales	**2019**	**2.1**	**2.3**	**0.1**	**–**	**–**	**−4.5**	**–**
	2018	2.8	2.4	–	–	–	−5.2	–
Operating gross profit[1]	**2019**	**287.7**	**292.8**	**42.6**	**60.4**	**4.7**	**–**	**688.2**
	2018	289.5	257.6	37.9	48.9	3.7	–	637.6
	Change in %	−0.6	13.7	12.4	23.5	27.0	–	7.9
	fx adjusted change in %	–	5.5	8.7	18.0	27.0	–	4.4
Gross profit	**2019**	**–**	**–**	**–**	**–**	**–**	**–**	**670.6**
	2018	–	–	–	–	–	–	622.9
	Change in %	–	–	–	–	–	–	7.7
	fx adjusted change in %	–	–	–	–	–	–	4.1
Operating EBITDA[2] (segment result)	**2019**	**101.8**	**112.0**	**11.5**	**21.5**	**−8.0**	**–**	**238.8**
	2018	101.4	88.1	8.1	17.4	−8.4	–	206.6
	Change in %	0.4	27.1	42.0	23.6	−4.8	–	15.6
	fx adjusted change in %	1.6	17.9	40.2	18.1	−4.8	–	12.0
Investments in non-current assets (capex)[3]	**2019**	**12.2**	**10.2**	**0.8**	**4.9**	**2.9**	**–**	**31.0**
	2018	9.8	11.1	0.7	3.6	1.9	–	27.1

C.07 SEGMENT REPORTING IN ACCORDANCE WITH IFRS 8

[1] External sales less cost of materials.
[2] Segment operating EBITDA is calculated as segment EBITDA adjusted for holding charges and special items. For a list of special items, please see table B.02 in the Group Interim Management Report.
[3] Investments in non-current assets are the other additions to property, plant and equipment and intangible assets.
[4] Europe, Middle East & Africa.

Group Key Financial Figures

in EUR m	Jan. 1 – Mar. 31, 2019	Jan. 1 – Mar. 31, 2018
Operating EBITDA	**238.8**	**206.6**
Investments in non-current assets (capex)[1]	−31.0	−27.1
Change in working capital[2][3]	−13.4	−151.8
Principal and interest payments on lease liabilities[4]	−28.1	–
Free cash flow	**166.3**	**27.7**

C.08 FREE CASH FLOW

[1] Investments in non-current assets are the other additions to property, plant and equipment and intangible assets.
[2] Definition of working capital: trade receivables plus inventories less trade payables.
[3] Adjusted for exchange rate effects and acquisitions.
[4] On initial application of IFRS 16 at January 1, 2019, cash outflows for principal payments on lease liabilities and interest payments incurred in this context are deducted. In the prior-year figures, lease payments were still included in operating EBITDA through rental and lease expenses.

in EUR m	Jan. 1 – Mar. 31, 2019	Jan. 1 – Mar. 31, 2018
Operating EBITDA (segment result)[1]	**238.8**	**206.6**
Net expense from special items	−0.4	−0.2
EBITDA	**238.4**	**206.4**
Depreciation and impairment of property, plant and equipment and right-of-use assets	−57.7	−28.2
EBITA	**180.7**	**178.2**
Amortization of intangible assets[2]	−11.9	−12.2
EBIT	**168.8**	**166.0**
Net finance costs	−25.4	−19.0
Profit before tax	**143.4**	**147.0**

C.09 RECONCILIATION OF OPERATING EBITDA TO PROFIT BEFORE TAX

[1] Operating EBITDA is calculated as EBITDA adjusted for special items. For a list of special items, please see table B.02 in the Group Interim Management Report. Operating EBITDA of the reportable segments (EMEA, North America, Latin America and Asia Pacific) amounts to EUR 246.8 million (Q1 2018: EUR 215.0 million) and operating EBITDA of all other segments to EUR −8.0 million (Q1 2018: EUR −8.4 million).
[2] This figure includes amortization of customer relationships in the amount of EUR 9.3 million (Q1 2018: EUR 9.8 million).

in EUR m	Jan. 1 – Mar. 31, 2019	Jan. 1 – Mar. 31, 2018
Operating gross profit	**688.2**	**637.6**
Production/mixing & blending costs	−17.6	−14.7
Gross profit	**670.6**	**622.9**

C.10 RECONCILIATION OF OPERATING GROSS PROFIT TO GROSS PROFIT

Consolidation Policies and Methods

STANDARDS APPLIED AND EFFECTS OF IFRS 16

These interim consolidated financial statements for the period from January 1 to March 31, 2019 have been prepared in accordance with the requirements of IAS 34 (Interim Financial Reporting). The Notes are presented in condensed form compared with the Notes to the consolidated financial statements as at December 31, 2018.

With the exception of the standards and interpretations that became effective on January 1, 2019, the same accounting policies have been applied as for the consolidated financial statements as at December 31, 2018.

The following revised and new standards issued by the International Accounting Standards Board (IASB) have been applied by the Brenntag Group for the first time:

- IFRS 16 (Leases)
- Amendments to IFRS 9 (Financial Instruments) regarding the measurement of financial instruments that may contain prepayment features with negative compensation
- Amendments to IAS 28 regarding long-term interests in associates and joint ventures
- IFRIC 23 (Uncertainty over Income Tax Treatments)
- Amendments to IAS 19 (Employee Benefits) regarding plan amendment, curtailment or settlement
- Annual Improvements (2015–2017 Cycle)

Under the new rules in IFRS 16 (Leases), which are effective from January 1, 2019, lessees are generally required to recognize leases in the balance sheet in the form of a right-of-use asset and a corresponding lease liability. In the income statement, leases are in these cases presented as a financing transaction, i.e. the right-of-use asset usually has to be depreciated on a straight-line basis and the lease liability adjusted using the effective interest method. For short-term leases with a term of less than one year and leases for which the underlying asset is of low value, there is an option to continue to recognize the lease as an expense in EBITDA. Brenntag exercises this option accordingly.

Brenntag has introduced a Group-wide software solution into which it has entered the leases required to be recognized so that they can in a next step be consistently measured and quantified. In doing so, all contractual lease payments to the lessor are included in the measurement. Lease payments are not separated into payments for lease components and payments for non-lease components (e.g. payments for maintenance or servicing costs). When recognizing extension and purchase options, judgements need to be made. Lease payments from extension periods and exercise prices of purchase options are included in the measurement if the option is reasonably certain to be exercised.

The modified retrospective method was applied to transition to IFRS 16. Under this method, prior-year figures are not adjusted. The present value of the future lease payments discounted using the incremental borrowing rates at January 1, 2019 was stated as the carrying amount of the lease liabilities. The weighted average of the incremental borrowing rates at January 1, 2019 is 3.16%. The incremental borrowing rates were determined on the basis of a base rate plus a risk premium. The base rates in major currencies and countries were derived from interest rate swaps (if available) or government bond yields for a period of up to twenty years. For countries or currencies for which there were no reliable data available on which to base the determination, the euro base rate was adjusted to reflect a country risk premium.

The carrying amount of the right-of-use assets is the carrying amount of the lease liability adjusted for any prepayments and accrued lease payments recognized as at December 31, 2018.

The leases at Brenntag relate mainly to warehouse and office space, vehicles and other plant and equipment. Leases are entered into for fixed terms of more than one year to 70 years in limited cases, but may also contain extension options. The effects on the balance sheet of the initial application of IFRS 16 (Leases) at January 1, 2019 are shown in the table below:

in EUR m	**Jan. 1, 2019**
Current lease liabilities	86.0
Non-current lease liabilities	270.5
Lease liabilities	**356.5**
Prepayments and accruals	−4.6
Right-of-use assets	**351.9**
(of which right-of-use assets – land and buildings)	(214.0)
(of which right-of-use assets – vehicles)	(113.4)
(of which other right-of-use assets)	(24.5)

C.11 EFFECTS OF IFRS 16 ON THE BALANCE SHEET AT JAN. 1, 2019

In addition, rights of use created by finance leases under IAS 17 and until December 31, 2018 presented as property, plant and equipment were reclassified into the right-of-use assets now presented separately (Jan. 1, 2019: EUR 7.8 million). The balance sheet as at January 1, 2019 is subsequently as follows:

ASSETS

in EUR m	Note	Dec. 31, 2018	IFRS 16	Jan. 1, 2019
Current assets				
Cash and cash equivalents		393.8		393.8
Trade receivables		1,843.0		1,843.0
Other receivables		176.3		176.3
Other financial assets		7.9		7.9
Current tax assets		41.5		41.5
Inventories		1,195.8		1,195.8
		3,658.3		**3,658.3**
Assets held for sale	6.)	5.8		5.8
		3,664.1		**3,664.1**
Non-current assets				
Property, plant and equipment		1,027.1	−7.8	1,019.3
Intangible assets		2,902.9		2,902.9
Right-of-use assets		–	359.7	359.7
Equity-accounted investments		18.2		18.2
Other receivables		22.3	−1.3	21.0
Other financial assets		9.6		9.6
Deferred tax assets		50.3		50.3
		4,030.4	**350.6**	**4,381.0**
Total assets		**7,694.5**	**350.6**	**8,045.1**

LIABILITIES AND EQUITY

in EUR m	Note	Dec. 31, 2018	IFRS 16	Jan. 1, 2019
Current liabilities				
Trade payables		1,231.8		1,231.8
Financial liabilities	7.)	256.1	−1.7	254.4
Lease liabilities		–	87.7	87.7
Other liabilities		375.1	−5.9	369.2
Other provisions	8.)	95.2		95.2
Liabilities relating to acquisition of non-controlling interests		1.6		1.6
Current tax liabilities		33.5		33.5
		1,993.3	**80.1**	**2,073.4**
Liabilities associated with assets held for sale	6.)	0.3	–	0.3
		1,993.6	**80.1**	**2,073.7**
Non-current liabilities				
Financial liabilities	7.)	1,899.6	−5.2	1,894.4
Lease liabilities		–	275.7	275.7
Other liabilities		0.6		0.6
Other provisions	8.)	119.7		119.7
Provisions for pensions and other post-employment benefits	9.)	153.0		153.0
Liabilities relating to acquisition of non-controlling interests	10.)	44.9		44.9
Deferred tax liabilities		181.9		181.9
		2,399.7	**270.5**	**2,670.2**
Equity				
Subscribed capital		154.5		154.5
Additional paid-in capital		1,491.4		1,491.4
Retained earnings		1,640.1		1,640.1
Accumulated other comprehensive income		−9.5		−9.5
Equity attributable to shareholders of Brenntag AG		3,276.5		3,276.5
Equity attributable to non-controlling interests	11.)	24.7		24.7
		3,301.2		3,301.2
Total liabilities and equity		**7,694.5**	**350.6**	**8,045.1**

C.12 OPENING BALANCE SHEET AS AT JAN. 1, 2019 WITH IFRS 16 APPLIED

The obligations from future minimum lease payments for operating leases recognized in the consolidated financial statements for the period ended December 31, 2018 in the amount of EUR 389.7 million (discounted to Jan. 1, 2019: EUR 357.2 million) include minimum lease payments for short-term leases with a term of less than one year and leases for which the underlying asset is of low value. Payments for non-lease components and lease payments for extension periods, on the other hand, are not included. As a result, obligations from minimum lease payments for operating leases differ from the lease liabilities recognized on initial application of IFRS 16 at January 1, 2019.

The effects on the income statement of the initial application of IFRS 16 in the period from January 1 to March 31, 2019 are shown in the table below:

in EUR m	Jan. 1 – Mar. 31, 2019 before IFRS 16	IFRS 16	Jan. 1 – Mar. 31, 2019
Operating EBITDA (segment result)	**211.4**	**27.4**	**238.8**
Net expense from special items	−0.4	–	−0.4
EBITDA	**211.0**	**27.4**	**238.4**
Depreciation and impairment of property, plant and equipment and right-of-use assets	−32.0	−25.7	−57.7
EBITA	**179.0**	**1.7**	**180.7**
Amortization of intangible assets	−11.9	–	−11.9
EBIT	**167.1**	**1.7**	**168.8**
Net finance costs	−22.5	−2.9	−25.4
Profit before tax	**144.6**	**−1.2**	**143.4**

C.13 RECONCILIATION OF OPERATING EBITDA TO PROFIT BEFORE TAX

The change in EBITDA is due to the fact that lease expense is no longer included for leases required to be recognized under IFRS 16. Conversely, depreciation of right-of-use assets and interest expense on leases are included. In addition to interest expense, net finance costs also reflect income and expenses arising on the translation of lease liabilities.

The table below shows the effect of the initial application of IFRS 16 on operating EBITDA broken down by segment:

	Jan. 1 – Mar. 31, 2019						
in EUR m	EMEA	North America	Latin America	Asia Pacific	All other segments	Consolidation	**Group**
Operating EBITDA before IFRS 16	91.8	99.4	9.2	19.6	−8.6	–	211.4
IFRS 16	10.0	12.6	2.3	1.9	0.6	–	27.4
Operating EBITDA after IFRS 16	101.8	112.0	11.5	21.5	−8.0	–	238.8

C.14 IFRS 16: EFFECT ON EBITDA BY SEGMENT

Earnings per share for the period from January 1 to March 31, 2019 fell by 0.6 cents per share as a result of the initial application of IFRS 16.

In the cash flow statement following the transition to IFRS 16, lease payments made are included in cash used in financing activities as repayments of borrowings and in cash provided by operating activities as interest paid. Payments under short-term leases or leases of low-value assets are a component of cash flow from operating activities, as was the case previously. In the period from January 1 to March 31, 2019, this results in a shift in cash outflows from operating activities to financing activities totalling EUR 25.5 million.

As of January 1, 2019, leases are recognized as a right-of-use asset and a corresponding lease liability at the date on which the leased asset becomes available for use by the Group. Lease payments are separated into principal and interest components; right-of-use assets are depreciated on a straight-line basis over the shorter of their useful life and the term of the lease.

The amendments to IFRS 9 (Financial Instruments) regarding the measurement of financial instruments that may contain prepayment features with negative compensation (reasonable negative compensation) specify that such instruments may also be measured at amortized cost or at fair value through other comprehensive income.

The amendments to IAS 28 regarding long-term interests in associates and joint ventures clarify that the impairment requirements in IFRS 9 should be applied to long-term interests that, in substance, form part of the net investment in an equity-accounted entity but which are not themselves accounted for using the equity method (such as long-term loans).

Under IFRIC 23 (Uncertainty over Income Tax Treatments), an entity is required to reflect tax risks (e.g. the uncertainty arising when an item or circumstance is in dispute under tax law) if it is probable that the taxation authority will not accept the treatment applied by the entity to a particular tax-related item or circumstance in its tax calculation. In doing so, the entity always assumes that the taxation authority has full knowledge of all related information, i.e. a potential risk of discovery has no bearing on recognition or measurement. Measurement is based on the most likely amount or the expected value, depending on which method best depicts the existing risk.

The amendments to IAS 19 (Employee Benefits) regarding plan amendment, curtailment or settlement specify that, in the event of a plan amendment, curtailment or settlement, the net defined benefit liability should be remeasured using current actuarial assumptions. In accordance with the amendments, current service cost and net interest cost for the period after the amendment, curtailment or settlement are also determined on the basis of the updated actuarial assumptions. In addition, the remeasured net liability (taking into account the amended benefits as a result of the amendment, curtailment or settlement) is used to determine net interest cost after the amendment, curtailment or settlement.

The annual improvements to IFRSs contain a number of minor amendments to various standards that are intended to clarify the content of the standards and eliminate any existing inconsistencies.

Apart from the effects of the initial application of IFRS 16 (Leases) described above, the aforementioned revised standards and annual improvements to IFRSs do not have a material impact on the presentation of the Group's net assets, financial position and results of operations.

SCOPE OF CONSOLIDATION

The table below shows the changes in the number of consolidated companies including structured entities:

	Dec. 31, 2018	Additions	Disposals	Mar. 31, 2019
Domestic consolidated companies	29	–	–	29
Foreign consolidated companies	186	4	1	189
Total consolidated companies	**215**	**4**	**1**	**218**

C.15 CHANGES IN SCOPE OF CONSOLIDATION

The additions relate to subsidiaries established and to an acquisition. The disposal is the result of the liquidation of a company no longer operating.

Five (Dec. 31, 2018: five) associates are accounted for using the equity method.

BUSINESS COMBINATIONS IN ACCORDANCE WITH IFRS 3

In January 2019, Brenntag acquired the lubricants division of Reeder Distributors, Inc. based in Fort Worth, Texas, USA. The acquisition of Reeder Distributors' lubricants division complements Brenntag's lubricants business platform and expands it into an adjacent market.

In February 2019, Brenntag closed the acquisition of the business operations of New England Resins & Pigments Corporation (NERP) headquartered in Woburn, Massachusetts, USA. NERP allows Brenntag to expand its regional specialty chemical portfolio and bolsters its existing material science business and technical sales presence in New England and the adjacent states.

The purchase price, net assets and goodwill relating to these entities break down as follows:

in EUR m	Provisional fair value
Purchase price	**36.9**
of which consideration contingent on earnings targets	–
Assets	
Cash and cash equivalents	–
Trade receivables, other financial assets and other receivables	3.5
Other current assets	4.6
Non-current assets	15.2
Liabilities	
Current liabilities	−0.5
Non-current liabilities	–
Net assets	**22.8**
Goodwill	**14.1**
of which deductible for tax purposes	14.1

C.16 NET ASSETS ACQUIRED

Measurement of the assets acquired and liabilities assumed (among others customer relationships and deferred taxes) has not yet been completed for reasons of time. The main factors determining the goodwill are the above-mentioned reasons for the acquisitions where not included in other assets (e.g. customer relationships and similar rights).

Acquisition-related costs in the amount of EUR 1.0 million were recognized under other operating expenses.

Since their acquisition by Brenntag, the businesses acquired in 2019 have generated sales of EUR 10.9 million and a loss after tax of EUR 0.1 million.

If the above-mentioned business combinations had taken place with effect from January 1, 2019, sales of about EUR 3,190.8 million would have been reported for the Brenntag Group in the reporting period. Profit after tax would have been about EUR 105.1 million.

As a result of measurement-period adjustments, goodwill from entities acquired in 2018 increased by a total of EUR 0.4 million.

CURRENCY TRANSLATION

The euro exchange rates of major currencies changed as follows:

	Closing rate		Average rate	
EUR 1 = currencies	Mar. 31, 2019	Dec. 31, 2018	Jan. 1 – Mar. 31, 2019	Jan. 1 – Mar. 31, 2018
Canadian dollar (CAD)	1.5000	1.5605	1.5101	1.5540
Swiss franc (CHF)	1.1181	1.1269	1.1324	1.1653
Chinese yuan renminbi (CNY)	7.5397	7.8751	7.6635	7.8154
Danish krone (DKK)	7.4652	7.4673	7.4637	7.4467
Pound sterling (GBP)	0.8583	0.8945	0.8725	0.8834
Polish zloty (PLN)	4.3006	4.3014	4.3016	4.1792
Swedish krona (SEK)	10.3980	10.2548	10.4187	9.9712
US dollar (USD)	1.1235	1.1450	1.1358	1.2292

C.17 EXCHANGE RATES OF MAJOR CURRENCIES

Consolidated Income Statement, Consolidated Balance Sheet and Consolidated Cash Flow Statement Disclosures

1.) INTEREST INCOME

Interest income in the amount of EUR 1.0 million (Q1 2018: EUR 0.8 million) is interest income from third parties.

2.) INTEREST EXPENSE

in EUR m	Jan. 1 – Mar. 31, 2019	Jan. 1 – Mar. 31, 2018
Interest expense on liabilities to third parties	−19.1	−20.8
Income from the fair value measurement of interest rate swaps	−0.3	0.7
Net interest expense on defined benefit pension plans	−0.8	−0.7
Interest expense on other provisions	−0.5	−0.3
Interest expense on leases	−3.0	−0.2
Total	**−23.7**	**−21.3**

C.18 INTEREST EXPENSE

3.) CHANGE IN LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS RECOGNIZED IN PROFIT OR LOSS

in EUR m	Jan. 1 – Mar. 31, 2019	Jan. 1 – Mar. 31, 2018
Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss	−0.9	0.1
Change in liabilities recognized in profit or loss arising from limited partners' rights to repayment of contributions	−0.2	−0.3
Total	**−1.1**	**−0.2**

C.19 CHANGE IN LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS RECOGNIZED IN PROFIT OR LOSS

For further information, please refer to Note 10.).

4.) INCOME TAX EXPENSE

Income tax expense comprises current tax expense of EUR 36.8 million (Q1 2018: current tax expense of EUR 40.3 million) and deferred tax expense of EUR 1.4 million (Q1 2018: deferred tax expense of EUR 0.7 million).

Tax expense for the first quarter of 2019 was calculated using the Group tax rate expected for financial year 2019. Any items of income and expense that cannot be planned with sufficient accuracy are disregarded when determining the expected Group tax rate and calculating tax expense.

	Jan. 1 – Mar. 31, 2019			Jan. 1 – Mar. 31, 2018		
in EUR m	Profit before tax	Tax rate in %	Income tax expense	Profit before tax	Tax rate in %	Income tax expense
excluding unplannable tax-neutral income / expenses	144.3	26.5	38.2	146.9	27.9	41.0
tax-neutral income / expenses that cannot be planned with sufficient accuracy	−0.9	–	–	0.1	–	–
including unplannable tax-neutral income / expenses	143.4	26.6	38.2	147.0	27.9	41.0

C.20 PROFIT BEFORE TAX AFTER ELIMINATION OF UNPLANNABLE TAX-NEUTRAL INCOME / EXPENSES

The expected Group tax rate for financial year 2019 is 26.5%, 1.4 percentage points lower than the prior-year rate.

5.) EARNINGS PER SHARE

Earnings per share in the amount of EUR 0.68 (Q1 2018: EUR 0.68) are determined by dividing the share of profit after tax of EUR 104.8 million (Q1 2018: EUR 105.6 million) attributable to the shareholders of Brenntag AG by the average weighted number of shares in circulation.

The warrants from the bond (Bond (with Warrants) 2022) issued in November 2015 had no diluting effect as the average Brenntag share price is lower than the warrant strike price of EUR 72.7779. The diluted earnings per share are therefore the basic earnings per share.

The effects on earnings per share of the initial application of IFRS 16 (Leases) at January 1, 2019 are outlined in the section "Consolidation Policies and Methods / Standards applied".

6.) ASSETS HELD FOR SALE

The assets held for sale comprise property, plant and equipment (EUR 3.8 million).

7.) FINANCIAL LIABILITIES

in EUR m	Mar. 31, 2019	Dec. 31, 2018
Liabilities under syndicated loan	860.5	849.4
Other liabilities to banks	229.1	238.0
Bond 2025	597.3	595.4
Bond (with Warrants) 2022	427.9	416.7
Finance lease liabilities[1]	–	6.9
Derivative financial instruments	11.2	5.5
Other financial liabilities	39.0	43.8
Total	**2,165.0**	**2,155.7**
Lease liabilities[1]	380.6	–
Cash and cash equivalents	−441.6	−393.8
Net financial liabilities	**2,104.0**	**1,761.9**

C.21 DETERMINATION OF NET FINANCIAL LIABILITIES

[1] As of 2019, finance lease liabilities under IAS 17 are reported together with lease liabilities under IFRS 16.

8.) OTHER PROVISIONS

Other provisions break down as follows:

in EUR m	Mar. 31, 2019	Dec. 31, 2018
Environmental provisions	94.2	92.7
Provisions for personnel expenses	28.7	27.4
Miscellaneous provisions	95.4	94.8
Total	**218.3**	**214.9**

C.22 OTHER PROVISIONS

9.) PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

In the interim consolidated financial statements as at March 31, 2019, the present value of pension obligations was determined using a discount rate of 1.3% (Dec. 31, 2018: 1.9%) in Germany and the other countries of the euro zone, 0.5% (Dec. 31, 2018: 0.8%) in Switzerland and 3.3% (Dec. 31, 2018: 3.8%) in Canada.

Due to the remeasurement of defined benefit plans, provisions for pensions and other post-employment benefits increased by an amount of EUR 32.1 million recognized directly in retained earnings. This is the result of the reduction in the discount rate in the euro zone, Switzerland and Canada. Net of deferred taxes, actuarial losses recognized in other comprehensive income consequently increased by EUR 23.6 million.

10.) LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS

Liabilities relating to the acquisition of non-controlling interests break down as follows:

in EUR m	Mar. 31, 2019	Dec. 31, 2018
Liabilities relating to acquisition of non-controlling interests	44.7	44.9
Liabilities arising from limited partners' rights to repayment of contributions	2.0	1.6
Total	**46.7**	**46.5**

C.23 LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS

11.) EQUITY

Non-controlling interests comprise the shares of non-Group shareholders in the equity of consolidated entities. The non-controlling interests changed as follows:

in EUR m	Subscribed capital, retained earnings and additional paid-in capital	Exchange rate differences	**Non-controlling interests**
Dec. 31, 2017	**13.7**	**–1.2**	**12.5**
Profit after tax	0.4	–	0.4
Other comprehensive income, net of tax	–	–0.5	–0.5
Total comprehensive income for the period	**0.4**	**–0.5**	**–0.1**
Mar. 31, 2018	**14.1**	**–1.7**	**12.4**

C.24 CHANGE IN NON-CONTROLLING INTERESTS / MAR. 31, 2018

in EUR m	Subscribed capital, retained earnings and additional paid-in capital	Exchange rate differences	**Non-controlling interests**
Dec. 31, 2018	**25.6**	**–0.9**	**24.7**
Business combinations	**–0.2**	**–**	**–0.2**
Profit after tax	0.4	–	0.4
Other comprehensive income, net of tax	–	0.8	0.8
Total comprehensive income for the period	**0.4**	**0.8**	**1.2**
Mar. 31, 2019	**25.8**	**–0.1**	**25.7**

C.25 CHANGE IN NON-CONTROLLING INTERESTS / MAR. 31, 2019

12.) CONSOLIDATED CASH FLOW STATEMENT DISCLOSURES

The clear year-on-year increase in net cash provided by operating activities was the result of a comparatively low cash outflow attributable to the rise in working capital of EUR 13.4 million. The rise in working capital resulted from changes in inventories, gross trade receivables and trade payables as well as from valuation allowances on trade receivables and inventories as follows:

in EUR m	Jan. 1 – Mar. 31, 2019	Jan. 1 – Mar. 31, 2018
Decrease/increase in inventories	5.5	−50.2
Increase in gross trade receivables	−127.1	−181.2
Increase in trade payables	109.0	77.5
Increase/decrease in valuation allowances on trade receivables and on inventories[1]	−0.8	2.1
Change in working capital[2]	**−13.4**	**−151.8**

C.26 CHANGE IN WORKING CAPITAL

[1] Presented within other non-cash items.
[2] Adjusted for exchange rate effects and acquisitions.

At 6.9 in the reporting period, annualized working capital turnover[1] was lower than at the end of 2018 (7.3).

The effects on the consolidated cash flow statement of the initial application of IFRS 16 (Leases) at January 1, 2019 are outlined in the section “Consolidation Policies and Methods/Standards applied”.

[1] Ratio of annual sales to average working capital: annual sales are defined as sales for the first quarter extrapolated to the full year (quarterly sales multiplied by four); average working capital for the first quarter is defined as the average of working capital at the beginning of the year and at the end of the first quarter.

13.) Reporting of financial instruments

The classification and measurement of the financial assets recognized in the balance sheet are shown in the table below:

in EUR m	Mar. 31, 2019			
Classification of financial assets:	At amortized cost	FVTPL[1]	Total carrying amount	Fair value
Cash and cash equivalents	441.6	–	441.6	441.6
Trade receivables	2,003.9	–	2,003.9	2,003.9
Other receivables	108.6	–	108.6	108.6
Other financial assets	16.0	3.4	19.4	19.4
Total	**2,570.1**	**3.4**	**2,573.5**	**2,573.5**

C.27 CLASSIFICATION OF FINANCIAL ASSETS BY MEASUREMENT CATEGORY / MAR. 31, 2019

[1] Financial assets at fair value through profit or loss.

in EUR m	Dec. 31, 2018			
Classification of financial assets:	At amortized cost	FVTPL[1]	Total carrying amount	Fair value
Cash and cash equivalents	393.8	–	393.8	393.8
Trade receivables	1,843.0	–	1,843.0	1,843.0
Other receivables	109.4	–	109.4	109.4
Other financial assets	11.3	6.2	17.5	17.5
Total	**2,357.5**	**6.2**	**2,363.7**	**2,363.7**

C.28 CLASSIFICATION OF FINANCIAL ASSETS BY MEASUREMENT CATEGORY / DEC. 31, 2018

[1] Financial assets at fair value through profit or loss.

The majority of the financial assets measured at amortized cost have remaining terms of less than one year. Their carrying amounts at the reporting date approximate their fair values.

Of the other receivables recognized in the balance sheet, EUR 105.0 million (Dec. 31, 2018: EUR 89.2 million) are not financial assets as defined by IFRS 7. They are mainly receivables from value-added tax and other taxes, prepaid expenses and prepayments.

The classification and measurement of the financial liabilities recognized in the balance sheet are shown in the table below:

in EUR m	Mar. 31, 2019			
Classification of financial liabilities:	At amortized cost	FVTPL[1]	Total carrying amount	Fair value
Trade payables	1,360.0	–	1,360.0	1,360.0
Other liabilities	161.8	–	161.8	161.8
Liabilities relating to acquisition of non-controlling interests	46.7	–	46.7	46.7
Financial liabilities	2,142.8	22.1	2,164.9	2,162.5
Total	**3,711.3**	**22.1**	**3,733.4**	**3,731.0**

C.29 CLASSIFICATION OF FINANCIAL LIABILITIES BY MEASUREMENT CATEGORY / MAR. 31, 2019

[1] Financial liabilities at fair value through profit or loss.

in EUR m	Dec. 31, 2018				
Classification of financial liabilities:	At amortized cost	FVTPL[1]	Carrying amount under IAS 17	Total carrying amount	Fair value
Trade payables	1,231.8	–	–	1,231.8	1,231.8
Other liabilities	165.7	–	–	165.7	165.7
Liabilities relating to acquisition of non-controlling interests	46.5	–	–	46.5	46.3
Financial liabilities	2,123.8	25.0	6.9	2,155.7	2,133.6
Total	**3,567.8**	**25.0**	**6.9**	**3,599.7**	**3,577.4**

C.30 CLASSIFICATION OF FINANCIAL LIABILITIES BY MEASUREMENT CATEGORY / DEC. 31, 2018

[1] Financial liabilities at fair value through profit or loss.

The majority of the trade payables and other liabilities measured at amortized cost have remaining terms of less than one year. Their carrying amounts at the reporting date therefore approximate their fair values. The fair values of the bonds measured at amortized cost under financial liabilities were determined using quoted or market prices in an active market (Level 1 of the fair value hierarchy). The fair values of the other financial liabilities measured at amortized cost were determined using the discounted cash flow method on the basis of inputs observable on the market (Level 2 of the fair value hierarchy). The liabilities relating to the acquisition of non-controlling interests were determined on the basis of recognized company valuation models. The company valuation models are based on cash flow plans (Level 3 of the fair value hierarchy). The fair values of foreign exchange forwards and foreign exchange swaps are determined by comparing forward rates and discounted to present value (Level 2 of the fair value hierarchy). The fair values of interest rate swaps are determined by applying the discounted cash flow method on the basis of current interest curves, taking into account the non-performance risk (Level 2 of the fair value hierarchy).

Of the other liabilities recognized in the balance sheet, EUR 213.7 million (Dec. 31, 2018: EUR 210.0 million) are not financial liabilities as defined by IFRS 7. They are mainly liabilities to employees, liabilities from value-added tax and other taxes, as well as deferred income.

The allocation of the financial assets and liabilities recognized in the balance sheet at fair value to the levels of the IFRS 13 fair value hierarchy is shown in the table below:

in EUR m				
Hierarchy level	Level 1	Level 2	Level 3	**Mar. 31, 2019**
Financial assets at fair value through profit or loss	1.5	1.9	–	3.4
Financial liabilities at fair value through profit or loss	–	11.2	10.9	22.1

C.31 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / MAR. 31, 2019

in EUR m				
Hierarchy level	Level 1	Level 2	Level 3	**Dec. 31, 2018**
Financial assets at fair value through profit or loss	1.5	4.7	–	6.2
Financial liabilities at fair value through profit or loss	–	5.5	19.5	25.0

C.32 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / DEC. 31, 2018

Liabilities resulting from contingent consideration arrangements of EUR 10.9 million (Dec. 31, 2018: EUR 19.5 million) relate to liabilities for contingent purchase prices payable in acquisitions. The amount of the contingent purchase price components is required to be recognized at fair value and is contingent on the acquiree meeting certain earnings targets (e.g. operating gross profit, EBITDA). The amount is limited in both the lower (EUR 0 million) and the upper (EUR 13.7 million) range.

Liabilities resulting from contingent consideration arrangements changed as follows:

in EUR m	**2019**	**2018**
Jan. 1	**19.5**	**23.6**
Adjustments in the measurement period (increase in goodwill)	–	0.1
Payments	−9.1	–
Exchange rate differences	0.5	0.3
Mar. 31	**10.9**	**24.0**

C.33 CHANGE IN LIABILITIES RESULTING FROM CONTINGENT CONSIDERATION ARRANGEMENTS

14.) Events after the reporting period

In April, Brenntag acquired 51% of the shares in TEE HAI CHEM PTE LTD. The Singapore-based company is a strategic market leader in providing supply chain solutions for materials, chemicals and services for the life sciences, electronics manufacturing and research and diagnostics sectors in Singapore and Southeast Asia.

The product portfolio consists of raw materials, consumables and high-purity specialty chemicals. This is a great opportunity for Brenntag to foster growth into key markets, particularly pharmaceuticals and semiconductors. Other products include research and diagnostics chemicals, chemical delivery systems and maintenance, repair and operations supplies. In addition, TEE HAI offers customizable supply chain solutions including external warehousing.

The provisional purchase price and balance sheet for the new subsidiary are as follows:

in EUR m	Provisional fair value
Purchase price	**59.7**
of which consideration contingent on earnings targets	–
Assets	
Cash and cash equivalents	6.8
Trade receivables, other financial assets and other receivables	21.2
Other current assets	25.9
Non-current assets	72.6
Liabilities	
Current liabilities	–29.5
Non-current liabilities	–25.6
Net assets	**71.4**
attributable to shareholders of Brenntag AG	36.4
attributable to non-controlling interests	35.0
Goodwill	**23.3**

C.34 PROVISIONAL NET ASSETS ACQUIRED

Essen, May 8, 2019

Brenntag AG

BOARD OF MANAGEMENT

Steven Holland

Karsten Beckmann

Markus Klähn

Georg Müller

Henri Nejade

REVIEW REPORT

To Brenntag AG, Essen

We have reviewed the condensed consolidated interim financial statements – comprising the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and selected explanatory notes – and the interim group management report of Brenntag AG, Essen, for the period from January 1 to March 31, 2019 which are part of the quarterly financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, May 8, 2019

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Thomas Tandetzki	ppa. Frank Schemann
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

IMPRINT AND CONTACT

ISSUER
Brenntag AG
Messeallee 11
45131 Essen, Germany
Phone: +49 (0) 201 6496 1141
Fax: +49 (0) 201 6496 2003
E-mail: info@brenntag.de
Internet: www.brenntag.com

CONTACT
Brenntag AG
Corporate Finance & Investor Relations
Thomas Langer, Diana Alester, René Weinberg
Phone: +49 (0) 201 6496 1141
Fax: +49 (0) 201 6496 2003
E-mail: IR@brenntag.de

DESIGN
MPM Corporate Communication Solutions
Untere Zahlbacher Straße 13
55131 Mainz, Germany
Phone: +49 (0) 61 31 95 69 0
Fax: +49 (0) 61 31 95 69 112
E-mail: info@mpm.de
Internet: www.mpm.de

PRINT
Woeste Druck + Verlag GmbH & Co. KG, Essen

Print CO2 kompensiert
Id-Nr. 1327318
www.bvdm-online.de

FSC
www.fsc.org
MIX
Papier aus verantwortungsvollen Quellen
FSC® C006990

INFORMATION ON THE INTERIM REPORT

This translation is only a convenience translation. In the event of any differences, only the German version is binding.

INFORMATION ON ROUNDING

Due to commercial rounding, minor differences may occur when using rounded amounts or rounded percentages.

DISCLAIMER

This report may contain forward-looking statements based on current assumptions and forecasts made by Brenntag AG and other information currently available to the company. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. Brenntag AG does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to adapt them in line with future events or developments.

FINANCIAL CALENDAR 2019

JUN 5–6
2019
dbAccess Berlin Conference, Berlin

JUN 13
2019
General Shareholders' Meeting, Essen

JUN 25
2019
Goldman Sachs Business Services, Leisure & Transport Conference, London

AUG 7
2019
Interim Report Q2 2019

SEP 24
2019
Berenberg/Goldman Sachs German Corporate Conference, Munich

SEP 25
2019
Baader Investment Conference, Munich

NOV 6
2019
Interim Report Q3 2019

Brenntag AG
Corporate Finance & Investor Relations
Messeallee 11
45131 Essen
Germany

Phone: +49 (0) 201 6496 1141
Fax: +49 (0) 201 6496 2003
E-mail: IR@brenntag.de