

## Press Release

Mülheim/Ruhr, November 8, 2017

### **Brenntag posts strong growth in all regions in the third quarter and confirms forecast for 2017 as a whole**

- **Gross profit\* grows by 4.3% to 619.4 million EUR (as reported)**
- **Operating EBITDA\*\* up by 5.3% on the previous year to 216.0 million EUR (as reported)**
- **Quarterly earnings supported by growth in all the Group's regions**
- **Profit after tax amounts to 100.8 million EUR and earnings per share to 0.65 EUR**
- **Outlook for 2017 confirmed: operating EBITDA still forecast to be between 820 and 850 million EUR**

Brenntag, the global market leader in chemical distribution, posted a strong performance in the third quarter of 2017, achieving an increase in both operating gross profit\* and operating EBITDA\*\*. This growth was supported by all four of the Group's regions, with the North America segment in particular delivering strong earnings. In light of this positive performance, the Brenntag Group is confirming its forecast for 2017 as a whole: it expects growth in its key performance indicators operating gross profit and operating EBITDA.

Brenntag generated **sales** of 2,892.5 million EUR in the third quarter of 2017, an increase of 10.4% on the prior-year period (+13.9% on a constant currency basis). The Group's key performance indicator **gross profit\*** rose by 4.3% (+7.7% on a constant currency basis) to 619.4 million EUR. **Operating EBITDA\*\*** reached 216.0 million EUR, an increase of 5.3% compared with the prior-year quarter (+8.5% on a constant currency basis).

**Profit after tax** was up on the prior-year figure of 93.4 million EUR to 100.8 million EUR in the third quarter of 2017. This translates into earnings per share attributable to Brenntag shareholders of 0.65 EUR (+8.3%).

At 146.0 million EUR in the third quarter of 2017, free cash flow was down on the prior-year figure (190.1 million EUR), due mainly to the increase in chemical prices and the resulting rise in working capital.

Steven Holland, Chief Executive Officer of Brenntag AG, said, "We delivered a strong performance in the third quarter of 2017. All regions contributed to this result and showed positive growth. North America in particular delivered excellent earnings and strong organic growth. We are pleased with this encouraging performance from the Group in the third quarter. Against this background, we are confirming the forecast given for 2017 as a whole."

#### **EMEA sees growth in operating gross profit and operating EBITDA**

Brenntag EMEA (Europe, Middle East and Africa) achieved operating gross profit of 269.6 million in the third quarter of 2017, a year-on-year increase of 4.2% on a constant currency basis (+3.2% as reported). Operating EBITDA also climbed, rising by 3.7% on a constant currency basis (+2.7% as reported) to 90.6 million EUR. In the third quarter, the region began to implement the announced efficiency programme, which is scheduled to be completed in the course of the year.

#### **North America continues strong performance**

The North America region reported very encouraging increases in earnings in the third quarter of 2017, driven primarily by strong organic growth. Operating gross profit rose by 9.7% on a constant currency basis (+4.3% as reported) to 265.6 million EUR. Operating EBITDA climbed to 103.6 million EUR, a year-on-year increase of 12.3% on a constant currency basis (+7.6% as reported). Brenntag North America continues to demonstrate strong organic growth.

#### **Latin America increases earnings in slightly improved environment**

Brenntag lifted earnings in the still volatile Latin America region in the third quarter of 2017. Operating gross profit rose by 5.2% on a constant currency basis (+0.7% as reported) to 42.0 million EUR. At 10.6 million EUR, operating EBITDA showed a clear increase of 17.0% on the prior-year period on a

constant currency basis (+12.8% as reported). This performance is mainly attributable to improving economic conditions in Brazil.

### **Good earnings growth in Asia Pacific**

The Asia Pacific region posted an encouraging third quarter of 2017 with improved earnings. This positive performance was supported both by organic growth and the successful integration of recent acquisitions. Operating gross profit reached 51.1 million EUR, a year-on-year increase of 15.7% on a constant currency basis (+10.1% as reported). Operating EBITDA rose by 17.6% on a constant currency basis (+12.6% as reported) to 18.8 million EUR.

### **Outlook for 2017**

In light of the third-quarter results and economic trends in the regions, Brenntag is confirming its forecast for 2017 as a whole: the Group continues to expect growth in its key performance indicators operating gross profit and operating EBITDA, with operating EBITDA still anticipated to be in the 820 to 850 million EUR range (before special items and assuming exchange rates remain unchanged over the period to year-end).

<b>Consolidated Income Statement</b>		<b>Q3 2017</b>	Q3 2016	$\Delta$ as reported	$\Delta$ adjusted for exchange rate effects
Sales	in EUR m	2,892.5	2,619.2	10.4%	13.9%
Gross profit*	in EUR m	619.4	593.9	4.3%	7.7%
Operating EBITDA**	in EUR m	216.0	205.2	5.3%	8.5%
Operating EBITDA** / Gross profit*	%	34.9	34.6		
Profit before tax	in EUR m	150.1	141.3	6.2%	-
Profit after tax	in EUR m	100.8	93.4	7.9%	-
<i>Attributable to Brenntag shareholders</i>		100.5	93.4	7.6%	-
Earnings per share	EUR	0.65	0.60	8.3%	-

<b>Consolidated Balance Sheet</b>		<b>Sep. 30, 2017</b>	Dec. 31, 2016
Total assets	in EUR m	7,756.9	7,287.0
Equity	in EUR m	2,945.5	2,959.2
Working capital	in EUR m	1,539.1	1,354.6
Net financial liabilities	in EUR m	1,584.5	1,681.9

<b>Consolidated Cash Flow</b>		<b>Q3 2017</b>	Q3 2016
Cash provided by operating activities	in EUR m	124.3	180.0
Investments in non-current assets (Capex)	in EUR m	-31.5	-26.2
Free cash flow	in EUR m	146.0	190.1

<b>EMEA</b>		<b>Q3 2017</b>	Q3 2016	$\Delta$ as reported	$\Delta$ adjusted for exchange rate effects
Sales	in EUR m	1,244.0	1,133.2	9.8%	10.7%
Operating gross profit*	in EUR m	269.6	261.3	3.2%	4.2%
Operating EBITDA**	in EUR m	90.6	88.2	2.7%	3.7%

<b>North America</b>		<b>Q3 2017</b>	Q3 2016	$\Delta$ as reported	$\Delta$ adjusted for exchange rate effects
Sales	in EUR m	1,050.5	957.4	9.7%	15.5%
Operating gross profit*	in EUR m	265.6	254.7	4.3%	9.7%
Operating EBITDA**	in EUR m	103.6	96.3	7.6%	12.3%

<b>Latin America</b>		<b>Q3 2017</b>	Q3 2016	$\Delta$ as reported	$\Delta$ adjusted for exchange rate effects
Sales	in EUR m	200.7	198.2	1.3%	6.0%
Operating gross profit*	in EUR m	42.0	41.7	0.7%	5.2%
Operating EBITDA**	in EUR m	10.6	9.4	12.8%	17.0%

<b>Asia Pacific</b>		<b>Q3 2017</b>	Q3 2016	$\Delta$ as reported	$\Delta$ adjusted for exchange rate effects
Sales	in EUR m	299.6	249.5	20.1%	25.9%
Operating gross profit*	in EUR m	51.1	46.4	10.1%	15.7%
Operating EBITDA**	in EUR m	18.8	16.7	12.6%	17.6%

\*While Brenntag reports operating gross profit on segment level, the company reports gross profit on Group level. Operating gross profit is defined as sales less costs of material for goods purchased and supplies, services purchased, packaging materials, supplier rebates and increase/decrease in finished goods. Gross profit is defined as operating gross profit less production/mixing and blending costs.

\*\*Brenntag has changed the definition of operating EBITDA and now reports this performance indicator before special items. Until now, the segments' operating EBITDA was adjusted only for holding charges, which are certain costs charged between holding companies and operating companies. At Group level, these effects net to zero. Now, Brenntag is also adjusting operating EBITDA for income and expenses arising from special items so as to improve comparability in presenting the performance of its business operations over multiple reporting periods and explain it more appropriately. Special items are income and expenses outside ordinary activities that have a special and material effect on the results of operations, such as restructurings.

**About Brenntag:**

Brenntag, the global market leader in chemical distribution, covers all major markets with its extensive product and service portfolio. Headquartered in Mülheim an der Ruhr, Germany, the company operates a global network with more than 550 locations in 74 countries. In 2016, the company, which has a global workforce of around 15,000 employees, generated sales of EUR 10.5 billion (USD 11.6 billion). Brenntag connects chemical manufacturers and chemical users. The company supports its customers and suppliers with tailor-made distribution solutions for industrial and specialty chemicals. With over 10,000 products and a world-class supplier base, Brenntag offers one-stop-shop solutions to around 185,000 customers. This includes specific application technology, an extensive technical support and value-added services such as just-in-time delivery, product mixing, formulation, repackaging, inventory management and drum return handling. Long-standing experience and local excellence in the individual countries characterize the global market leader for chemical distribution.

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