

Press Release

Essen, May 9, 2018

Brenntag reports a clear increase in operating EBITDA in the first quarter of 2018

- **Operating gross profit* rises by a clear margin (+6.6% on a constant currency basis) to 637.6 million EUR**
- **Operating EBITDA** grows at a double-digit rate (+10.2% on a constant currency basis) to 206.6 million EUR**
- **Good, broad-based growth**
- **Profit after tax comes to 106.0 million EUR and earnings per share to 0.68 EUR**

Brenntag (WKN A1DAHH), the global market leader in chemical distribution, made a very good start to financial year 2018. For the first quarter, the Group posted clear increases in its key performance indicators on a constant currency basis. The positive quarterly results are driven mainly by organic growth, with the North America and Asia Pacific regions delivering excellent growth rates.

The **sales** generated by the Brenntag Group in the first quarter of 2018 were up by 7.9% year on year on a constant currency basis (+0.1% as reported) to 2,975.2 million EUR. **Operating gross profit** reached 637.6 million EUR, a clear increase of 6.6% on a constant currency basis (-1.6% as reported). **Operating EBITDA** showed a clear rise of 10.2% on a constant currency basis (+2.4% as reported) to 206.6 million EUR. The reported quarterly figures reflect the severe weakening of the US dollar.

Profit after tax was up on the prior-year figure of 94.7 million EUR to 106.0 million EUR in the first quarter of 2018. This translates into earnings per share attributable to Brenntag shareholders of 0.68 EUR.

Free cash flow reached 27.7 million EUR and was therefore up on the prior-year period (25.9 million EUR). The further increase in chemical prices led to an increase of working capital again in the first quarter of 2018.

Steven Holland, Chief Executive Officer of Brenntag AG, said, “We are very pleased with the start to financial year 2018. The good quarterly results were underpinned by broad-based organic growth across the group. The above-average rise in operating EBITDA and consequent increase in our profitability are particularly encouraging.”

EMEA posts clearly positive growth

In the first quarter of 2018, the Europe, Middle East and Africa (EMEA) region achieved clear increases in the key performance indicators, predominantly from the existing business. Operating gross profit climbed to 289.5 million EUR, a rise of 5.0% on a constant currency basis (+3.8% as reported). Operating EBITDA grew at an even stronger rate of 6.8% on a constant currency basis (+5.6% as reported) to 101.4 million EUR.

North America delivers high rates of increase

Brenntag North America continued its strong performance of recent months: in the first quarter of 2018, the region achieved excellent results and high rates of increase supported by organic growth and almost all customer segments. Operating gross profit was up by 8.7% on the previous year on a constant currency basis (-5.5% as reported) to 257.6 million EUR. Operating EBITDA increased significantly, rising by 13.1% on a constant currency basis (-0.6% as reported) to 88.1 million EUR. The reported quarterly figures for Brenntag North America reflect the severe weakening of the US dollar.

Latin America shows stable results

The Latin American Brenntag companies closed the first quarter of 2018 by posting results on a par with the prior-year period on a constant currency basis. Operating gross profit in the Latin America region stood at 37.9 million EUR, an increase of 0.5% on a constant currency basis (-13.3% as reported). Operating EBITDA reached 8.1 million EUR (+0.0% on a constant currency basis; -12.0% as reported).

Asia Pacific reports another excellent quarter

Supported by a continued positive development and a strong performance in many countries across the region, Brenntag Asia Pacific once again achieved excellent quarterly results and double-digit rates of growth in the key performance indicators. Operating gross profit climbed by 11.6% on a constant currency basis (+1.2% as reported) to 48.9 million EUR. Operating EBITDA rose by 11.5% year on year on a constant currency basis (+2.4% as reported) to 17.4 million EUR.

In light of the results and the performance in the regions in the first quarter, the Brenntag Group is confirming its growth forecast for financial year 2018.

Consolidated income statement		Q1 2018	Q1 2017	Δ as reported	Δ fx adjusted
Sales	EUR m	2,975.2	2,973.3	0.1%	7.9%
Operating gross profit*	EUR m	637.6	647.7	-1.6%	6.6%
Operating EBITDA**	EUR m	206.6	201.8	2.4%	10.2%
Operating EBITDA** / Operating gross profit*	%	32.4	31.2		
Profit before tax	EUR m	147.0	138.3	6.3%	
Profit after tax	EUR m	106.0	94.7	11.9%	
<i>Attributable to Brenntag shareholders</i>		105.6	94.5	-	
Earnings per share	EUR	0.68	0.61	-	

Consolidated balance sheet		March 31, 2018	Dec 31, 2017
Total assets	EUR m	7,405.4	7,284.8
Equity	EUR m	3,058.4	2,985.7
Working capital	EUR m	1,643.3	1,510.5
Net financial liabilities	EUR m	1,597.9	1,571.9

Consolidated cash flow		Q1 2018	Q1 2017
Cash provided by operating activities	EUR m	-12.2	75.7
Investments in non-current assets (Capex)	EUR m	-27.1	-20.1
Free cash flow	EUR m	27.7	25.9

EMEA		Q1 2018	Q1 2017	Δ as reported	Δ fx adjusted
Sales	EUR m	1,343.5	1,254.7	7.1%	8.4%
Operating gross profit*	EUR m	289.5	279.0	3.8%	5.0%
Operating EBITDA**	EUR m	101.4	96.0	5.6%	6.8%

North America		Q1 2018	Q1 2017	Δ as reported	Δ fx adjusted
Sales	EUR m	1,067.3	1,129.8	-5.5%	8.6%
Operating gross profit*	EUR m	257.6	272.5	-5.5%	8.7%
Operating EBITDA**	EUR m	88.1	88.6	-0.6%	13.1%

Latin America		Q1 2018	Q1 2017	Δ as reported	Δ fx adjusted
Sales	EUR m	185.9	210.1	-11.5%	2.5%
Operating gross profit*	EUR m	37.9	43.7	-13.3%	0.5%
Operating EBITDA**	EUR m	8.1	9.2	-12.0%	0.0%

Asia Pacific		Q1 2018	Q1 2017	Δ as reported	Δ fx adjusted
Sales	EUR m	284.8	285.5	-0.2%	9.7%
Operating gross profit*	EUR m	48.9	48.3	1.2%	11.6%
Operating EBITDA**	EUR m	17.4	17.0	2.4%	11.5%

*Operating gross profit is defined as sales less cost of goods sold.

**Since the third quarter of 2017, Brenntag has presented operating EBITDA before holding charges and special items. Holding charges are certain costs charged between holding companies and operating companies. At Group level, these effects net to zero. 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 Essen, Germany, the company operates a global network with more than 530 locations in 74 countries. In 2017, the company, which has a global workforce of more than 15,000 employees, generated sales of EUR 11.7 billion (USD 13.3 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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