

Press Release

Essen, August 8, 2018

Brenntag reports a broad based increase in operating EBITDA for the second quarter of 2018

- **Operating gross profit* rises by a clear margin (+8.4% on a constant currency basis) to 677.0 million EUR**
- **Operating EBITDA** grows at a double-digit rate again (+10.7% on a constant currency basis) to 231.3 million EUR**
- **Positive growth trend continues**
- **Profit after tax comes to 118.3 million EUR and earnings per share to 0.76 EUR**
- **For 2018 as a whole, Brenntag forecasts growth in its key performance indicators, with operating EBITDA expected to be between 870 and 900 million EUR**

Brenntag (WKN A1DAH), the global market leader in chemical distribution, continued to perform well in the second quarter of 2018: the Group increased its key performance indicators by a clear margin, with operating EBITDA growing at a double-digit rate again on a constant currency basis. The encouraging performance was underpinned primarily by organic growth. Against this background, Brenntag forecasts clear growth in its key performance indicators operating gross profit and operating EBITDA for financial year 2018 as a whole.

Brenntag generated **sales** of 3,215.0 million EUR in the second quarter of 2018, a year-on-year increase of 12.2% on a constant currency basis (+7.1% as reported). **Operating gross profit** rose by 8.4% on a constant currency basis (+3.1% as reported) to 677.0 million EUR. **Operating EBITDA** also showed clear growth at constant currency rates, rising by 10.7% (+4.8% as reported) to 231.3 million EUR.

Profit after tax was up on the prior-year figure of 106.8 million EUR to 118.3 million EUR in the second quarter of 2018. This translates into earnings per share attributable to Brenntag shareholders of 0.76 EUR.

Free cash flow was up significantly on the prior-year figure (123.4 million EUR) to 147.9 million EUR. A further increase in chemical prices caused working capital to rise again in the second quarter of 2018. This rise was lower than in the prior-year period, however.

Steven Holland, Chief Executive Officer of Brenntag AG, said, "We are pleased with the strong performance which is underpinned by broad based organic growth and positive contributions from the acquisitions leading to a double-digit increase in operating EBITDA. Together with the first quarter, this made for a solid first half of 2018 for us – with organic growth strongly outperforming prior year."

EMEA achieves sound organic growth

The Europe, Middle East and Africa (EMEA) region continued to perform well in the second quarter of 2018, once again recording healthy increases in its key performance indicators. Operating gross profit climbed by 6.4% year on year on a constant currency basis (+4.8% as reported) to 293.5 million EUR. Operating EBITDA grew at a double-digit rate of 10.6% on a constant currency basis (+8.6% as reported) to 103.0 million EUR.

Further strong increases in North America

With another strong performance in almost all customer industries, Brenntag North America achieved excellent quarterly results and growth rates. Operating gross profit reached 281.4 million EUR, a year-on-year increase of 8.5% on a constant currency basis (+0.4% as reported). Operating EBITDA showed a clear rise of 9.8% on a constant currency basis (+1.3% as reported) to 108.0 million EUR. In the second quarter of 2018, the reported growth rates for the North America region once again reflected the weakening of the US dollar compared with the previous year.

Results in Latin America stable

In an economic environment that remained challenging, Brenntag Latin America achieved results on a par with the prior-year period thanks to its broad regional

footprint. Operating gross profit reached 40.7 million EUR in the second quarter of 2018, an increase of 2.0% on a constant currency basis (-7.7% as reported). Operating EBITDA stood at 8.7 million EUR (+0.0% on a constant currency basis; -10.3% as reported).

Asia Pacific delivers clear double-digit growth rates

The excellent quarterly results delivered once again in Asia Pacific confirm that the segment is a promising growth region where Brenntag continues to deliver above average rates of increase. On a constant currency basis, operating gross profit rose by 23.5% year on year (+17.0% as reported) to 57.2 million EUR and operating EBITDA by 24.1% (+17.9% as reported) to 19.8 million EUR. In addition to strong organic growth, acquisitions made very encouraging contributions to earnings.

Further growth expected for financial year 2018

In light of the results and the performance in the regions in the first half of 2018, the Brenntag Group continues to expect clear growth in its key performance indicators operating gross profit and operating EBITDA. Assuming that exchange rates remain unchanged over the period to year-end, Group operating EBITDA is forecast to be in the 870 to 900 million EUR range.

Steven Holland said, "Our forecast is based on the positive performance from our Group in the first six months of 2018. Provided that the global macroeconomic environment remains largely unchanged, we can expect further increases in our regions in the second half of the year. Brenntag remains well positioned for further growth."

Consolidated income statement		Q2 2018	Q2 2017	Δ as reported	Δ fx adjusted
Sales	EUR m	3,215.0	3,001.4	7.1%	12.2%
Operating gross profit*	EUR m	677.0	656.5	3.1%	8.4%
Operating EBITDA**	EUR m	231.3	220.7	4.8%	10.7%
Operating EBITDA** / Operating gross profit*	%	34.2	33.6		
Profit before tax	EUR m	164.3	155.8	5.5%	
Profit after tax	EUR m	118.3	106.8	10.8%	
<i>Attributable to Brenntag shareholders</i>		117.8	106.7	-	
Earnings per share	EUR	0.76	0.69	-	

Consolidated balance sheet		June 30, 2018	Dec 31, 2017
Total assets	EUR m	7,705.7	7,284.8
Equity	EUR m	3,047.8	2,985.7
Working capital	EUR m	1,790.7	1,510.5
Net financial liabilities	EUR m	1,916.5	1,571.9

Consolidated cash flow		Q2 2018	Q2 2017
Cash provided by operating activities	EUR m	72.7	48.1
Investments in non-current assets (Capex)	EUR m	-38.0	-27.3
Free cash flow	EUR m	147.9	123.4

EMEA		Q2 2018	Q2 2017	Δ as reported	Δ fx adjusted
Sales	EUR m	1,373.9	1,295.9	6.0%	7.8%
Operating gross profit*	EUR m	293.5	280.0	4.8%	6.4%
Operating EBITDA**	EUR m	103.0	94.8	8.6%	10.6%

North America		Q2 2018	Q2 2017	Δ as reported	Δ fx adjusted
Sales	EUR m	1,180.0	1,127.9	4.6%	12.9%
Operating gross profit*	EUR m	281.4	280.2	0.4%	8.5%
Operating EBITDA**	EUR m	108.0	106.6	1.3%	9.8%

Latin America		Q2 2018	Q2 2017	Δ as reported	Δ fx adjusted
Sales	EUR m	195.4	204.3	-4.4%	5.5%
Operating gross profit*	EUR m	40.7	44.1	-7.7%	2.0%
Operating EBITDA**	EUR m	8.7	9.7	-10.3%	0.0%

Asia Pacific		Q2 2018	Q2 2017	Δ as reported	Δ fx adjusted
Sales	EUR m	351.7	284.4	23.7%	30.1%
Operating gross profit*	EUR m	57.2	48.9	17.0%	23.5%
Operating EBITDA**	EUR m	19.8	16.8	17.9%	24.1%

*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 and a workforce of more than 16,000 employees. In 2017, the company generated sales of EUR 11.7 billion (USD 13.3 billion) worldwide. 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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