AGENDA

FY 2018 results presentation

Review 2018 – Steven Holland

Financials 2018 – Georg Müller

Outlook 2019 – Steven Holland

Q&A
REVIEW 2018
Highlights 2018

- **Operating Gross Profit**: +7.5% (fx adj.)
  - EUR 2,660.9m

- **Operating EBITDA**: +8.4% (fx adj.)
  - EUR 875.5m

- **Free cashflow generation**: +19.3%
  - EUR 525.2m

- **EPS**: +27.4%
  - EUR 2.98

- **Growth driven organically**: Local execution and implementation of initiatives

- **M&A strategy executed**: EUR ~265m (acquired EV in 2018)

- **Non-core business sold**: EUR ~72m (EV of Biosector business)

- **Dividend proposal**: EUR 1.20 DPS
  - +9.1%: 8th consecutive increase
We are continuously shaping the future of Brenntag
FOOD & NUTRITION REPOSITIONING
Driving growth in the Food & Nutrition industry

Food & Nutrition market is highly attractive

Societal mega trends
- Growing life expectancy
- Global population growth
- Sustainability

Nutritional mega trends
- Nutritional functionality
- Personalization
- All natural
- Responsibility expectations

Our Food & Nutrition Approach

- Global management of strategy, marketing procurement and technology
- Dedicated sales, marketing and technical support
- Fast and agile decision making
- Food-specific branding
- Dedicated M&A strategy and further investments in infrastructure
- Focus on profitability
# REVIEW 2018

## Segments – EMEA

<table>
<thead>
<tr>
<th></th>
<th>in EUR m</th>
<th>FY 2018</th>
<th>FY 2017</th>
<th>Δ in %</th>
<th>in % (fx adj.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating gross profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,141.2</td>
<td>1,094.8</td>
<td>4.2</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>Operating EBITDA</td>
<td>385.5</td>
<td>365.6</td>
<td>5.4</td>
<td>7.2</td>
<td></td>
</tr>
</tbody>
</table>

### Update

- Macroeconomic environment softening in the course of the year
- Organic growth in operating gross profit and operating EBITDA (+3%)
- Initiatives: implemented and contributed
## REVIEW 2018

### Segments – North America

<table>
<thead>
<tr>
<th>in EUR m</th>
<th>FY 2018</th>
<th>FY 2017</th>
<th>Δ in %</th>
<th>in % (fx adj.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating gross profit</td>
<td>1,118.3</td>
<td>1,073.9</td>
<td>4.1</td>
<td>8.9</td>
</tr>
<tr>
<td>Operating EBITDA</td>
<td>409.6</td>
<td>385.0</td>
<td>6.4</td>
<td>11.2</td>
</tr>
</tbody>
</table>

### Update

- Generally good macroeconomic environment
- Growth is almost entirely organic
- Operating EBITDA increased by 11% organically
- Growth is broad based across all main customer industries
- Inflation in cost base noticeable and “pass through” is managed effectively
REVIEW 2018
Segments – Latin America

<table>
<thead>
<tr>
<th>in EUR m</th>
<th>FY 2018</th>
<th>FY 2017</th>
<th>△ in %</th>
<th>in % (fx adj.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating gross profit</td>
<td>163.1</td>
<td>172.5</td>
<td>-5.4</td>
<td>1.9</td>
</tr>
<tr>
<td>Operating EBITDA</td>
<td>39.9</td>
<td>42.4</td>
<td>-5.9</td>
<td>2.3</td>
</tr>
</tbody>
</table>

- Volatile macroeconomic conditions with a declining industrial production
- Organic growth of op. gross profit and operating EBITDA despite macro headwinds
- Situation in the countries differs
- Brazil and Colombia with above average positive contribution
- Overall the region remains to be volatile
- Brenntag as market leader is well positioned in given environment
**REVIEW 2018  
Segments – Asia Pacific**

**Update**

- Weakening trends in the macroeconomic indicators
- Growth in operating gross profit and operating EBITDA
- First half of the year stronger than second half
- Organic op. EBITDA flattish / positive contribution from M&A
- Mixed picture in the countries
- Region with the highest long-term growth potential

<table>
<thead>
<tr>
<th></th>
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<th>FY 2017</th>
<th>Δ in %</th>
<th>in % (fx adj.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating gross profit</strong></td>
<td>224.2</td>
<td>198.7</td>
<td>12.8</td>
<td>17.2</td>
</tr>
<tr>
<td><strong>Operating EBITDA</strong></td>
<td>77.9</td>
<td>73.7</td>
<td>5.7</td>
<td>9.4</td>
</tr>
</tbody>
</table>
REVIEW 2018

Successful execution of acquisition strategy in all four regions

- **EMEA**
  - Quimitécnica, Portugal
  - Alphamin S.A., Belgium
  - Desbro Group, Kenya

- **North America**
  - Canada Colors and Chemicals Ltd., Canada
  - Pachem Distribution Inc., Canada

- **Latin America**
  - Conquimica S.A., Colombia

- **Asia Pacific**
  - Raj Petro Specialities Pvt Ltd, India

1) Acquisition was signed in 2017
2) Acquisition signed but not yet closed

M&A 2018: Enterprise Values of ~EUR 265m closed
AGENDA

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## FINANCIALS 2018
### Income statement

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2017</th>
<th>∆</th>
<th>∆ FX adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>12,550.0</td>
<td>11,743.3</td>
<td>6.9%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Operating gross profit</td>
<td>2,660.9</td>
<td>2,554.1</td>
<td>4.2%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Operating EBITDA</td>
<td>875.5</td>
<td>836.0</td>
<td>4.7%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Op. EBITDA/Op. gross profit</td>
<td>32.9%</td>
<td>32.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit after tax</td>
<td>462.3</td>
<td>362.0</td>
<td>27.7%</td>
<td></td>
</tr>
</tbody>
</table>
FINANCIALS 2018
Balance Sheet as of December 31, 2018

**Assets (in EUR m)**

<table>
<thead>
<tr>
<th></th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,285</td>
<td>7,695</td>
<td></td>
</tr>
</tbody>
</table>

- **Cash and cash equivalents**
  - FY2017: 518
  - FY2018: 394
- **Trade receivables**
  - FY2017: 1,673
  - FY2018: 1,843
- **Other assets**
  - FY2017: 357
  - FY2018: 332
- **Inventories**
  - FY2017: 1,044
  - FY2018: 1,196
- **Intangible assets**
  - FY2017: 2,747
  - FY2018: 2,903
- **Property, plant and equipment**
  - FY2017: 946
  - FY2018: 1,027

**Liabilities and Equity (in EUR m)**

<table>
<thead>
<tr>
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<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,285</td>
<td>7,695</td>
<td></td>
</tr>
</tbody>
</table>

- **Financial liabilities**
  - FY2017: 2,090
  - FY2018: 2,156
- **Trade payables**
  - FY2017: 1,206
  - FY2018: 1,232
- **Other liabilities**
  - FY2017: 417
  - FY2018: 224
- **Other provisions**
  - FY2017: 362
  - FY2018: 215
- **Other**
  - FY2017: 417
  - FY2018: 415
- **Equity**
  - FY2017: 2,986
  - FY2018: 3,301
Financial stability of Brenntag Group

**Leverage: Net debt/Operating EBITDA**

- 2007: 5.6x
- 2008: 4.8x
- 2009: 4.0x
- 2010: 3.6x
- 2011: 2.4x
- 2012: 2.3x
- 2013: 2.1x
- 2014: 1.9x
- 2015: 2.1x
- 2016: 2.1x
- 2017: 1.9x
- 2018: 2.0x

- Constant leverage levels over period with M&A activity
- Investment-grade ratings from Standard & Poor’s (“BBB”) and Moody’s (“Baa3”)

**Maturity profile as of January 31, 2019**

- Bond 2018 repayment in July 2018
- Long term balanced maturity profile

1) Net debt defined as current financial liabilities plus non-current financial liabilities less (cash and cash equivalents)
## FINANCIALS 2018

### Free cash flow

<table>
<thead>
<tr>
<th>in EUR m</th>
<th>2018</th>
<th>2017</th>
<th>∆</th>
<th>∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating EBITDA</td>
<td>875.5</td>
<td>836.0</td>
<td>39.5</td>
<td>4.7%</td>
</tr>
<tr>
<td>CAPEX</td>
<td>-172.2</td>
<td>-148.1</td>
<td>-24.1</td>
<td>16.3%</td>
</tr>
<tr>
<td>∆ Working capital</td>
<td>-178.1</td>
<td>-247.6</td>
<td>69.5</td>
<td>-28.1%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>525.2</td>
<td>440.3</td>
<td>84.9</td>
<td>19.3%</td>
</tr>
</tbody>
</table>
## FINANCIALS 2018

### Further dividend increase proposed

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit after tax</td>
<td>462.3</td>
<td>362.0</td>
<td>27.7%</td>
</tr>
<tr>
<td>Less minority interest</td>
<td>1.4</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>Profit after tax (consolidated) attributable to shareholders of Brenntag AG</td>
<td>460.9</td>
<td>360.8</td>
<td>27.7%</td>
</tr>
<tr>
<td>Proposed dividend payment</td>
<td>185.4</td>
<td>169.9</td>
<td></td>
</tr>
<tr>
<td><strong>Proposed Dividend per share in EUR</strong></td>
<td><strong>1.20</strong></td>
<td><strong>1.10</strong></td>
<td><strong>9.1%</strong></td>
</tr>
<tr>
<td><strong>Payout ratio</strong></td>
<td>40.2%</td>
<td>47.1%</td>
<td></td>
</tr>
</tbody>
</table>

### Historical Dividends

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per Share (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>0.47</td>
</tr>
<tr>
<td>2011</td>
<td>0.67</td>
</tr>
<tr>
<td>2012</td>
<td>0.80</td>
</tr>
<tr>
<td>2013</td>
<td>0.87</td>
</tr>
<tr>
<td>2014</td>
<td>0.90</td>
</tr>
<tr>
<td>2015</td>
<td>1.00</td>
</tr>
<tr>
<td>2016</td>
<td>1.05</td>
</tr>
<tr>
<td>2017</td>
<td>1.10</td>
</tr>
<tr>
<td>2018</td>
<td>1.20</td>
</tr>
</tbody>
</table>

CAGR: 12.5%
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OUTLOOK

Brenntag expects growth in softer environment

**Macro**
- Softening of macroeconomic indicators

**EBITDA**
- 3-7% growth (fx adj., incl. M&A and frozen GAAP)

**CAPEX**
- EUR ~220m less EUR ~25m compensation

**Mid term**
- 2-3% p.a. IP growth (assumption)
- 4-6% p.a. growth (fx adj., organic)

Comments:
- Macro outlook softened in recent months
- Weaker start into the year, mainly in EMEA
- Phasing of growth: Stronger growth in H2 2019
- Based on Frozen GAAP (i.e. IFRS 16 impacts not included)
THANK YOU FOR YOUR ATTENTION

Steven Holland, CEO
- With Brenntag since 2006
- +30 years of dedicated experience
- Region Latin America, Corp. Communications, Development, HR, HSE, Internal Audit + Compliance, M&A, Sustainability

Georg Müller, CFO
- With Brenntag since 2003
- +10 years of experience in chemicals distribution
- Corp. Accounting, Controlling, Finance & IR, Legal, Tax, Risk Management, Brenntag International Chemicals

We are ready to answer your questions!
DISCLAIMER

This presentation 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 conform them to future events or developments.
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