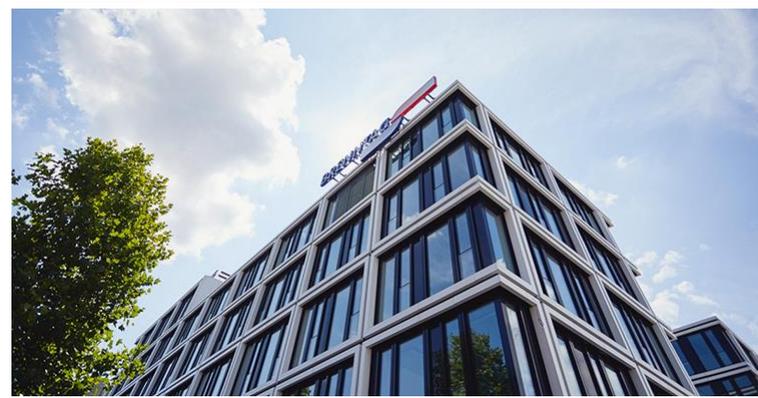


Connecting**Chemistry**



# Company Presentation



August 2018

Corporate Finance & Investor Relations

## IN A NUTSHELL

# Brenntag – The global market leader in chemical distribution

Brenntag is the global market leader in chemical distribution.

Connecting chemical manufacturers and chemical users, Brenntag provides business-to-business distribution solutions for industrial and specialty chemicals globally.

With over 10,000 products and a world-class supplier base, Brenntag offers one-stop-shop solutions to around 185,000 customers.



## AGENDA

# Company Presentation

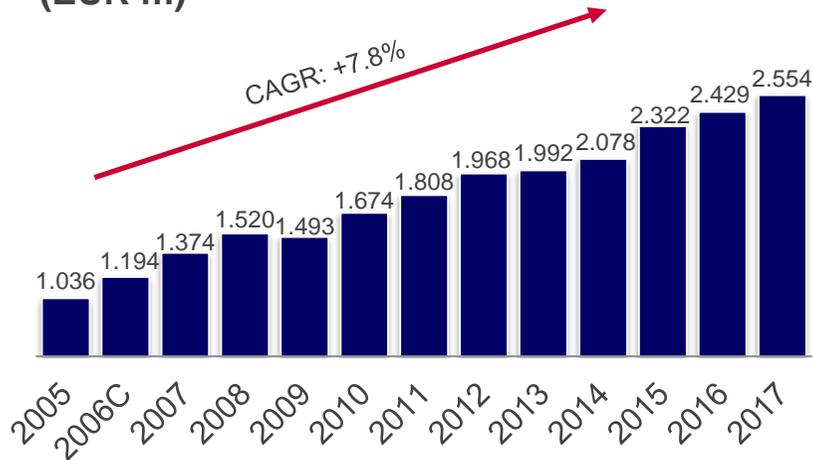
- Introduction to Brenntag**
- Key investment highlights
- Financials Q2 2018
- Outlook
- Appendix

## BRENNTAG OVERVIEW

### Global market leader with strong financial profile

- Global leader with 5.9%\*) market share and sales of EUR 11.7 bn in 2017
- More than 16,000 employees, thereof 1/3 dedicated local sales and marketing employees
- Full-line portfolio of over 10,000 products to around 185,000 customers globally
- Network of 530+ locations in 74 countries worldwide
- Usually less-than-truckload deliveries with average value of c. EUR 2,000

**Operating Gross Profit  
(EUR m)**



**Operating EBITDA  
(EUR m)**



\*) As per end 2012: BCG Market Report (July 2013)

Notes: 2005: Brenntag predecessor; 2006: Brenntag and Brenntag predecessor combined

## BUSINESS MODEL

### Chemical distributors fulfil a value-adding function in the supply chain



#### Purchase, transport and storage of large-scale quantities of diverse chemicals

- Several thousand suppliers globally
- Full-line product portfolio of 10,000+ industrial and specialty chemicals
- Network of 530+ locations worldwide



**BUSINESS MODEL****Chemical distributors fulfil a value-adding function in the supply chain**

- Repackaging from large into smaller quantities
- Filling, labelling, bar-coding and palletizing
- Marketed by more than 5,000 dedicated local sales and marketing employees
- Mixing and blending according to customer specific requirements
- Formulating and technical support from dedicated application laboratories

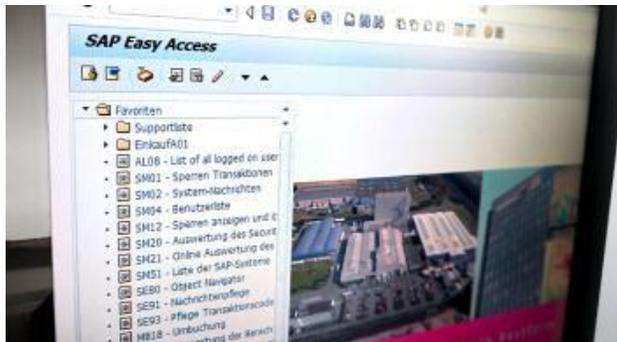


**BUSINESS MODEL**

**Chemical distributors fulfil a value-adding function in the supply chain**

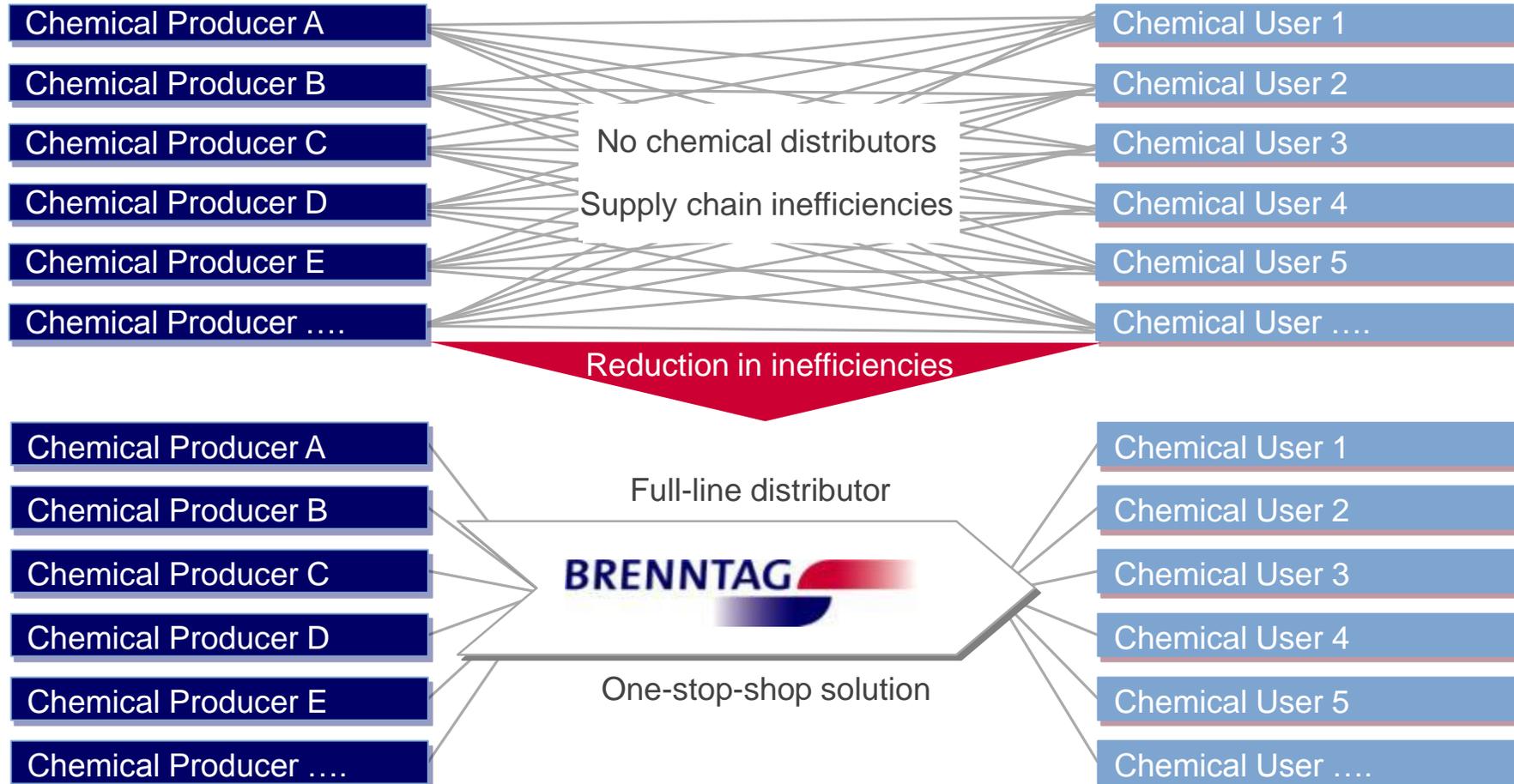


- Leveraging high route density based on local scale
- Providing just-in-time delivery and vendor-managed inventory service
- Utilizing transportation for drum return service
- Offering one-stop-shop solution



## DISTRIBUTION MODEL

### As a full-line distributor, Brenntag can add significant value



## DISTRIBUTOR VS. PRODUCER

# Chemical distribution differs substantially from chemical production

	“What we are”	“What we are not”
	<b>BRENNTAG</b>	<b>Chemical Producer</b>
Business model	B2B Services / Solutions	Manufacturing
Product portfolio	Full-line	Narrow
Customer base	Broad in diverse end-markets	Narrow
Customer order size	Small	Large
Delivery method	Less-than-truckload	Truckload and larger
Fixed assets	Low intensity	High intensity
Fixed asset flexibility	Multi-purpose	Narrow purpose
Cost base	Variable	Fixed
Raw material prices	Market	Contract
Input / Output pricing	Connected	Disconnected

## AGENDA

# Company Presentation

- Introduction to Brenntag
- **Key investment highlights**
- Financials Q2 2018
- Outlook
- Appendix

## INVESTMENT HIGHLIGHTS

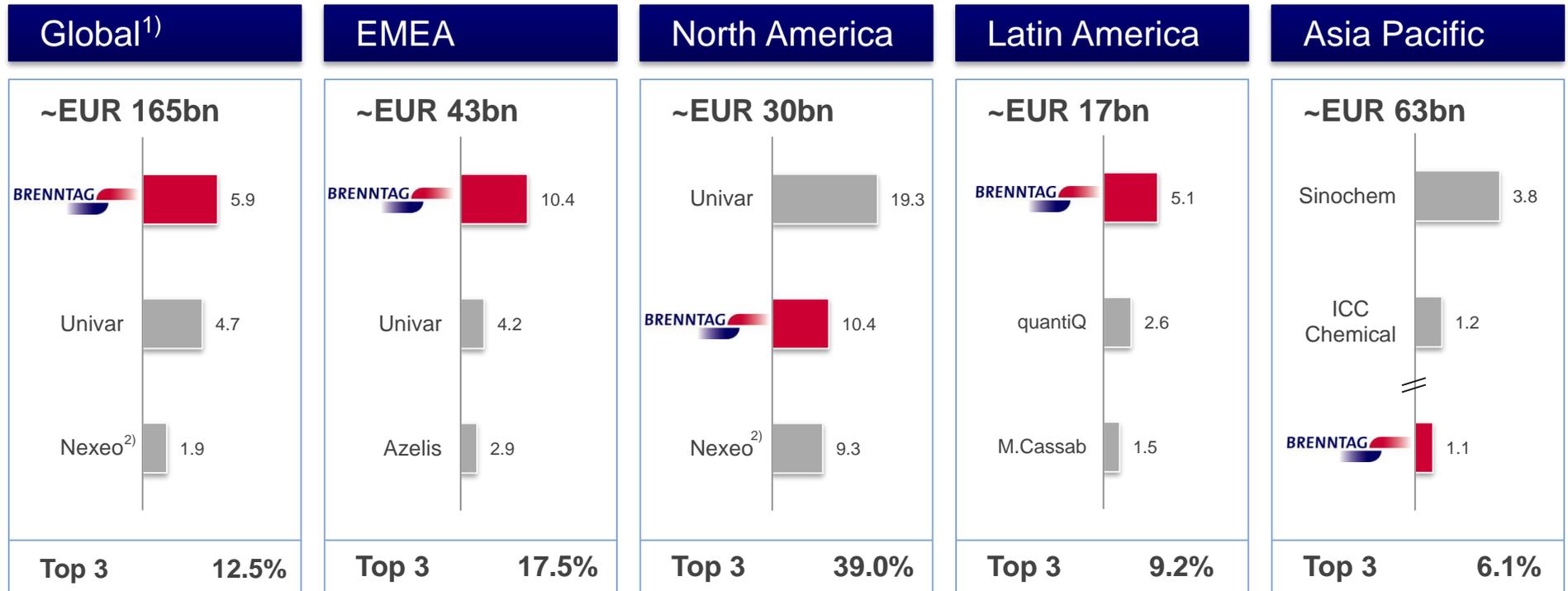
### **Brenntag is a highly attractive investment case**

#### Key investment highlights

- Global market leader
- Significant growth potential in an attractive industry
- Superior business model with resilience
- Excellence in execution
- Highly experienced management team
- Strong financial profile

**GLOBAL MARKET LEADER**

**Third party chemical distribution estimated market size and market shares**



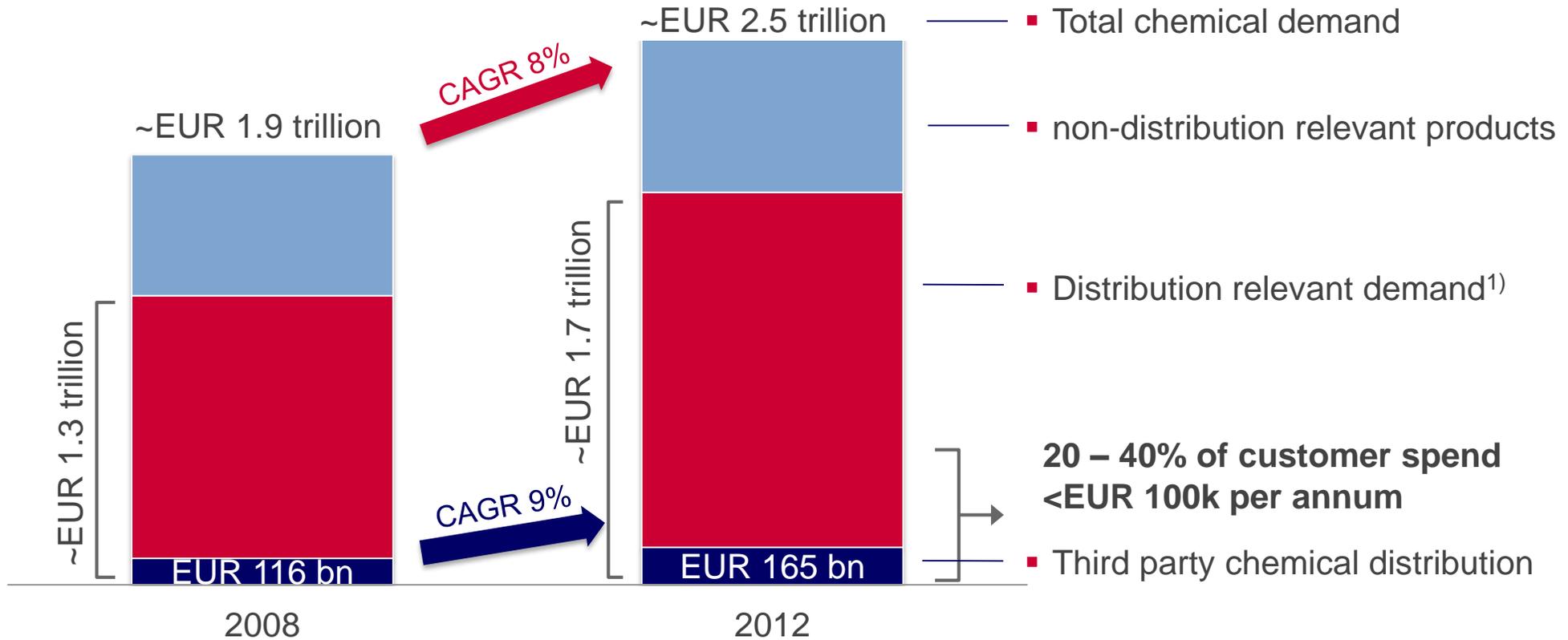
**Still highly fragmented market with more than 10,000 chemical distributors globally**

As per end 2012: BCG Market Report (July 2013)  
 1) Global includes not only the four regions shown above, but also RoW  
 2) Former Ashland Distribution.

MARKET GROWTH

Third party chemical distribution outgrew total chemical demand

THIRD PARTY CHEMICAL DISTRIBUTION OPPORTUNITY

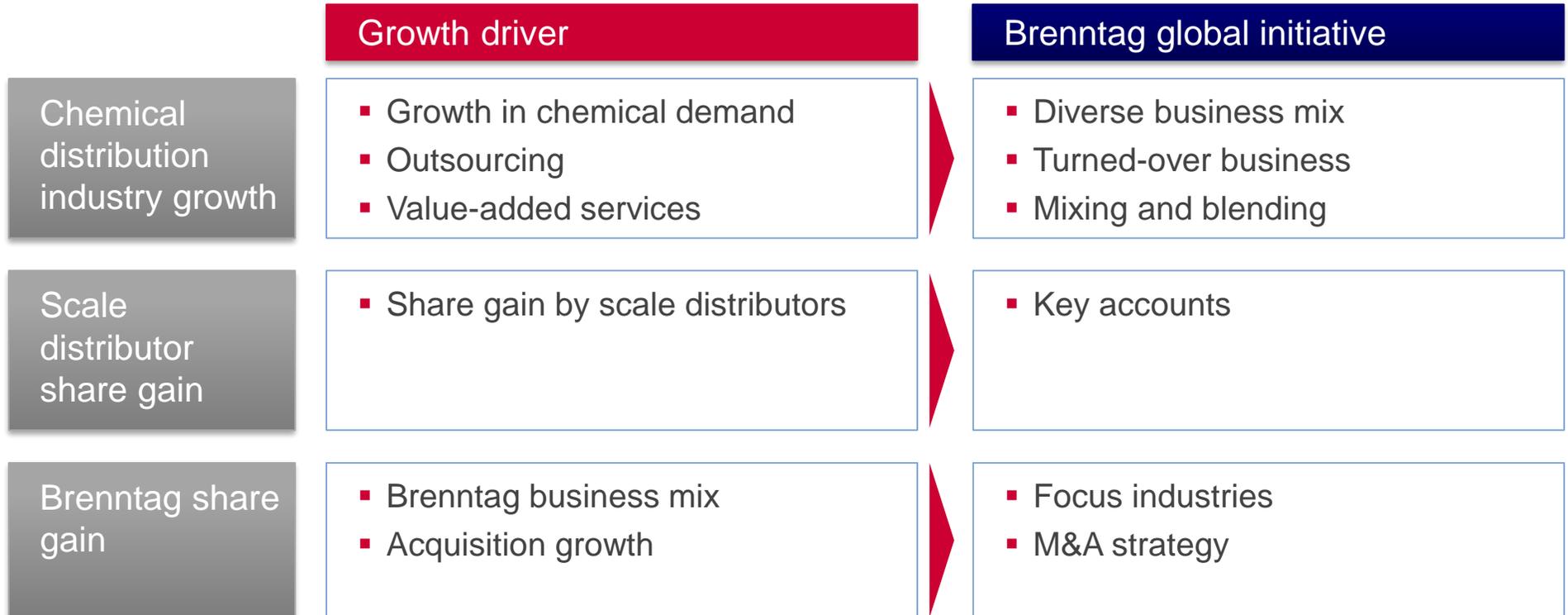


BCG Market Report (July 2013)

1) Excluding non-distribution relevant products like ethylene

**GROWTH DRIVERS**

**Multiple levers of organic growth and acquisition potential**



**Significant organic and acquisition growth potential**

**ACQUISITION OBJECTIVES****Significant potential for consolidation and external growth**

Building up  
scale and  
efficiencies

Expanding  
geographic  
coverage

Improving full-  
line portfolio

**Brenntag's acquisition track record**

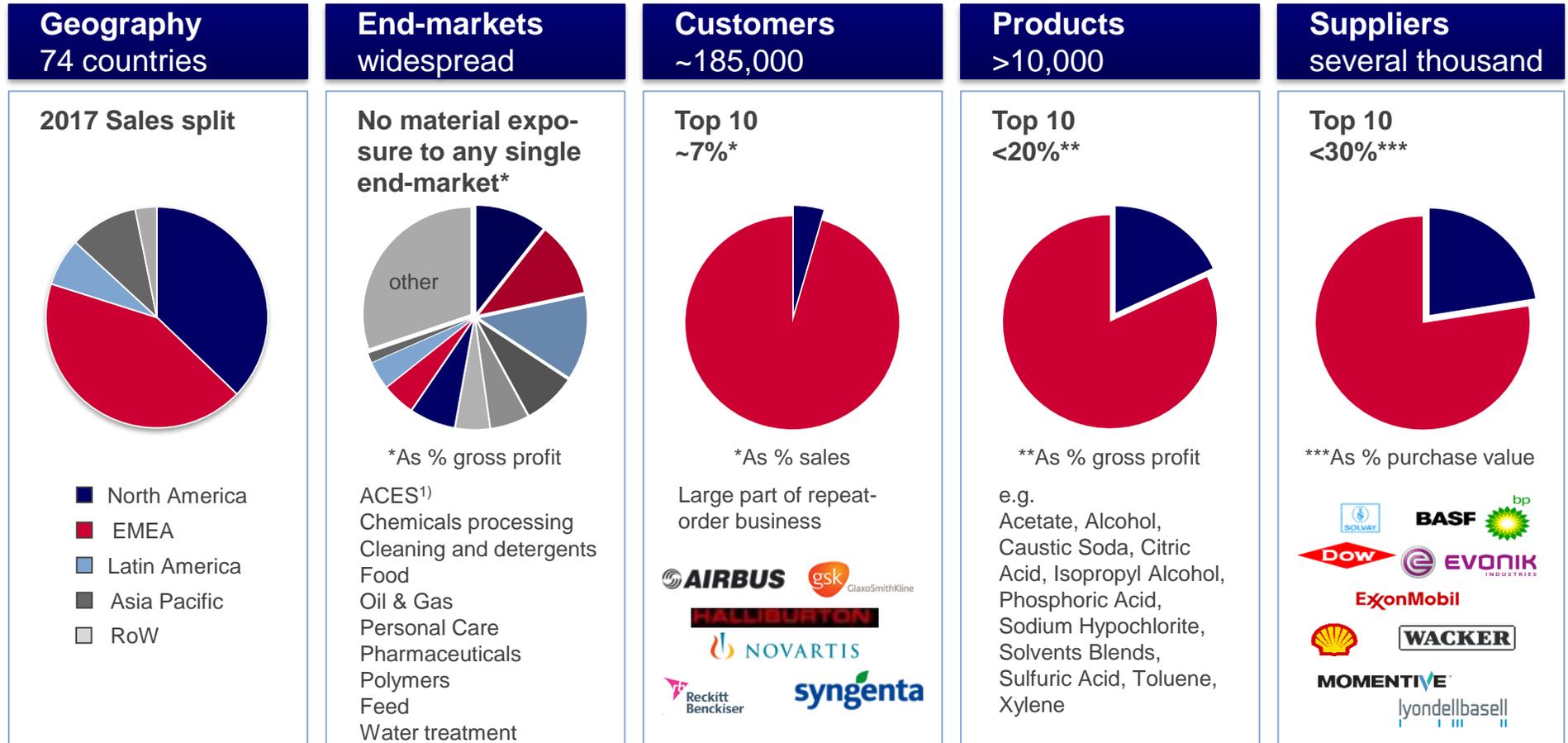
- 155 transactions since 1991, thereof 84 since 2007<sup>1)</sup>
- Total cost of acquisitions<sup>2)</sup> of EUR 1.8bn from 2007 to August 2018
- Average investment amount of EUR 22m per transaction from 2007 to August 2018
- Synergy potential from cross-selling and cost saving opportunities mainly due to building up of scale and improved efficiency of acquisitions
- Market remains highly fragmented facilitating significant further consolidation potential

1) Without acquisitions performed by JV-Crest; including acquisitions performed until August 2018

2) Purchase price paid excluding debt assumed

## HIGH DIVERSIFICATION

# Diversity provides resilience and growth potential



Data for end-markets, customers, products and suppliers as per Management estimates

1) Adhesives, coatings, elastomers, sealants

## BARRIERS TO ENTRY

### High barriers to entry due to critical scale and scope

**Permits and licences**

**Infrastructure availability**

**Regulatory standards**

**Know-how**

**Rationalization of distribution relationships**

**Global reach**

**Significant  
capital  
resources and  
time required to  
create a global  
full-line  
distributor**

**MARKET DRIVEN****Excellence in execution due to balance of global scale and local reach****Global platform****Core management functions**

- Strategic direction
- Controlling and Treasury
- Information Technology
- Quality, Health, Safety, Environment

**Strategic growth initiatives**

- Strategic supplier relationships
- Turned-over business
- Focus industries
- Key accounts
- Mergers & Acquisitions

**Best practice transfer****Local reach**

- Better local understanding of market trends and adaptation to respective customer needs
- Entrepreneurial culture
- Clear accountability
- Strong incentivization with high proportion of variable compensation of management

## BOARD OF MANAGEMENT

### Highly experienced management team



**Steven Holland, CEO**

Region Latin America, Corp.  
Communications, Development, HSE,  
Internal Audit & Compliance , Global HR,  
Global M&A, Sustainability



**Georg Müller, CFO**

Corp. Accounting, Controlling, Finance &  
IR, Legal, Risk Management, Tax,  
Brenntag International Chemicals



**Karsten Beckmann**

Region EMEA (Europe, Middle  
East & Africa), Corporate IT,  
Digitization



**Markus Klähn**

Region North America,  
Global Accounts



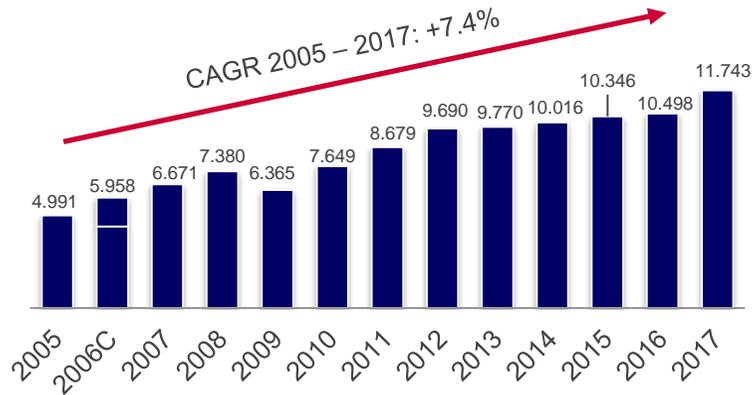
**Henri Nejade**

Region Asia Pacific,  
Global Sourcing

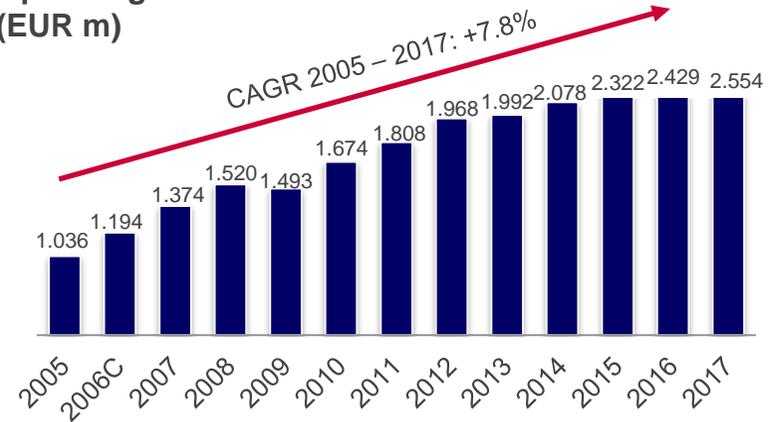
## STRONG FINANCIAL PROFILE

### Growth track record and resilience through the downturn

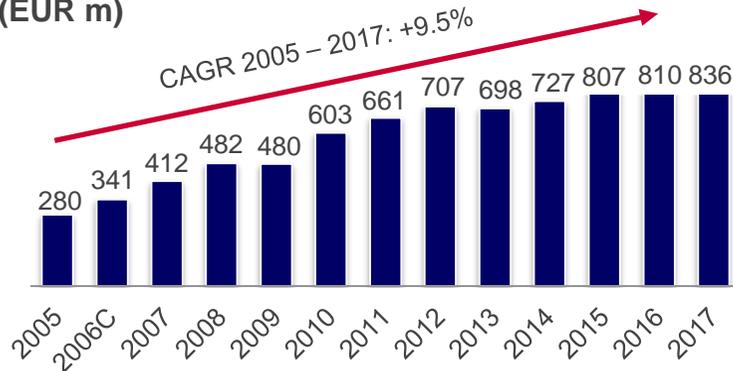
Sales (EUR m)



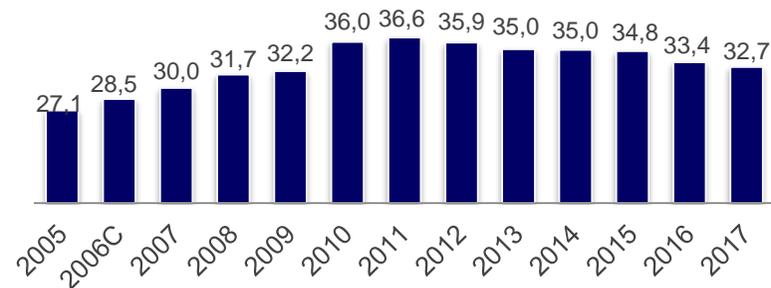
Operating Gross Profit (EUR m)



Operating EBITDA (EUR m)



Op. EBITDA/ Op. Gross Profit (in %)



Notes: 2005: Brenntag predecessor; 2006: Brenntag and Brenntag predecessor combined and does not constitute pro forma financial information.  
 EBITDA / Gross Profit adjusted for non-recurring effects: 2012 = 11m, 2013 = 17m

## INVESTMENT HIGHLIGHTS

### **Brenntag is a highly attractive investment case**

#### Key investment highlights

- Global market leader
- Significant growth potential in an attractive industry
- Superior business model with resilience
- Excellence in execution
- Highly experienced management team
- Strong financial profile

## AGENDA

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- Introduction to Brenntag
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REVIEW Q2 2018

**Highlights Q2 2018**

**Operating Gross Profit**

**+8.4% (fx adj.)**

EUR 677.0m

**Operating EBITDA**

**+10.7% (fx adj.)**

EUR 231.3m

**Q2 confirms growth trends from Q1**

**Broad based contribution to growth**

**3 regions growing across main industries**

**Successful completion of acquisitions**

**Contribution from acquired businesses meeting**

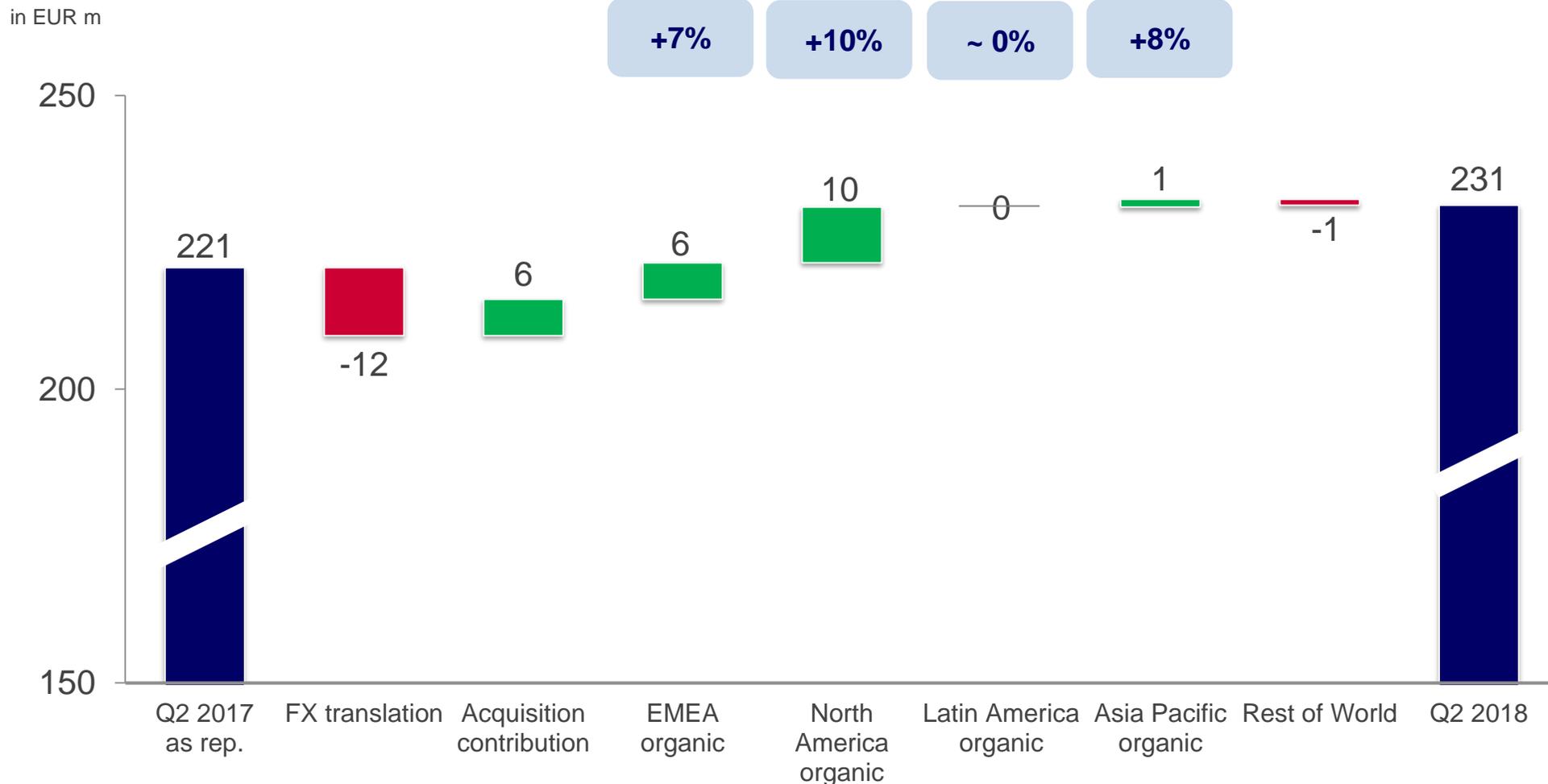
**EPS**

**+10.1%**

EUR 0.76

REVIEW Q2 2018

Operating EBITDA bridge<sup>1)</sup>: Q2 2017 to Q2 2018



1) Calculations are partly based on assumptions made by management; effects based on rounded figures

## REVIEW Q2 2018

## Segments – EMEA

in EUR m	Q2 2018	Q2 2017	Δ in %	in % (fx adj.)
Operating gross profit	293.5	280.0	4.8	6.4
<b>Operating EBITDA</b>	<b>103.0</b>	94.8	8.6	10.6

## Update

- Growth of both operating gross profit and operating EBITDA
- Double-digit operating EBITDA growth is primarily driven organically
- Initiatives to increase efficiency contributed to earnings results

## REVIEW Q2 2018

## Segments – North America

in EUR m	Q2 2018	Q2 2017	Δ in %	in % (fx adj.)
Operating gross profit	281.4	280.2	0.4	8.5
<b>Operating EBITDA</b>	<b>108.0</b>	106.6	1.3	9.8

## Update

- Ongoing positive trend in the region
- Operating EBITDA growth entirely organic
- Growth is broad based across all industries

## REVIEW Q2 2018

## Segments – Latin America

in EUR m	Q2 2018	Q2 2017	Δ in %	in % (fx adj.)
Operating gross profit	40.7	44.1	-7.7	2.0
<b>Operating EBITDA</b>	<b>8.7</b>	9.7	-10.3	0.0

## Update

- Flat results in continued volatile overall conditions are a positive
- Economies of Latin American countries show mixed picture
- Brenntag is well positioned across the sub-continent

## REVIEW Q2 2018

**Segments – Asia Pacific**

in EUR m	Q2 2018	Q2 2017	Δ in %	in % (fx adj.)
Operating gross profit	57.2	48.9	17.0	23.5
<b>Operating EBITDA</b>	<b>19.8</b>	16.8	17.9	24.1

**Update**

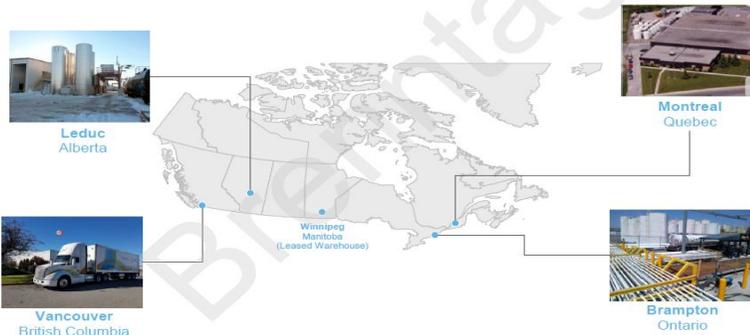
- Another quarter with double digit growth
- Results supported by positive performance of acquisitions
- Track record underlines future growth potential of the region

REVIEW Q2 2018

**Recent acquisitions**

**Canada Colors and Chemicals**

- **Signing** in Q2 2018
- Sales of around 140m EUR in 2017
- Gross profit of around 25m EUR in 2017
- Strengthening of industry focus and specialties capabilities in Canada
- Strategic step in the country with operations in various important locations



**Raj Petro Specialties Private Limited**

- **Closing** in Q2 2018
- Acquisition of 65% of the shares of the company in May 2018.
- The second tranche of 35% will be purchased after a period of five years or seven years at the latest.

**Quimitecnica Group**

- **Closing** in Q2 2018
- Expansion of distribution activities in Portugal and the north of Spain.

## FINANCIALS Q2 2018

### Income statement

in EUR m	Q2 2018	Q2 2017	Δ	Δ FX adjusted	2017
Sales	3,215.0	3,001.4	7.1%	12.2%	11,743.3
Cost of materials	-2,538.0	-2,344.9	7.6%		-9,189.2
<b>Operating gross profit</b>	<b>677.0</b>	<b>656.5</b>	<b>3.1%</b>	<b>8.4%</b>	<b>2,554.1</b>
Operating expenses	-445.7	-435.8	2.3%		-1,718.1
<b>Operating EBITDA</b>	<b>231.3</b>	<b>220.7</b>	<b>4.8%</b>	<b>10.7%</b>	<b>836.0</b>
Op. EBITDA / Op. gross profit	34.2%	33.6%			32.7%

## FINANCIALS Q2 2018

**Income statement (continued)**

in EUR m	Q2 2018	Q2 2017	Δ	2017
Operating EBITDA	231.3	220.7	4.8%	836.0
Net expenses from holding charges and special items	-1.3	-0.9	-	-53.8
Depreciation	-29.8	-29.2	2.1%	-118.9
<b>EBITA</b>	<b>200.2</b>	<b>190.6</b>	<b>5.0%</b>	<b>663.3</b>
Amortization <sup>1)</sup>	-12.1	-11.7	3.4%	-44.2
<b>EBIT</b>	<b>188.1</b>	<b>178.9</b>	<b>5.1%</b>	<b>619.1</b>
Financial result	-23.8	-23.1	3.0%	-94.5
EBT	164.3	155.8	5.5%	524.6
<b>Profit after tax</b>	<b>118.3</b>	<b>106.8</b>	<b>10.8%</b>	<b>362.0</b>
EPS	0.76	0.69	10.1%	2.34

1) Includes scheduled amortization of customer relationships amounting to EUR 9.9m in Q2 2018 (EUR 9.4m in Q2 2017 and EUR 34.7 m in 2017).

## FINANCIALS Q2 2018

## Cash flow statement

in EUR m	Q2 2018	Q2 2017	2017
Profit after tax	118.3	106.8	362.0
Depreciation & amortization	41.9	40.9	163.1
Income taxes	46.0	49.0	162.6
Income tax payments	-50.9	-73.0	-184.5
Interest result	22.5	20.5	86.5
Interest payments (net)	-13.3	-13.8	-78.3
Changes in current assets and liabilities	-86.6	-92.2	-203.7
Change in provisions	3.2	-1.1	78.4
Other	-8.4	11.0	18.4
<b>Cash provided by operating activities</b>	<b>72.7</b>	<b>48.1</b>	<b>404.5</b>

## FINANCIALS Q2 2018

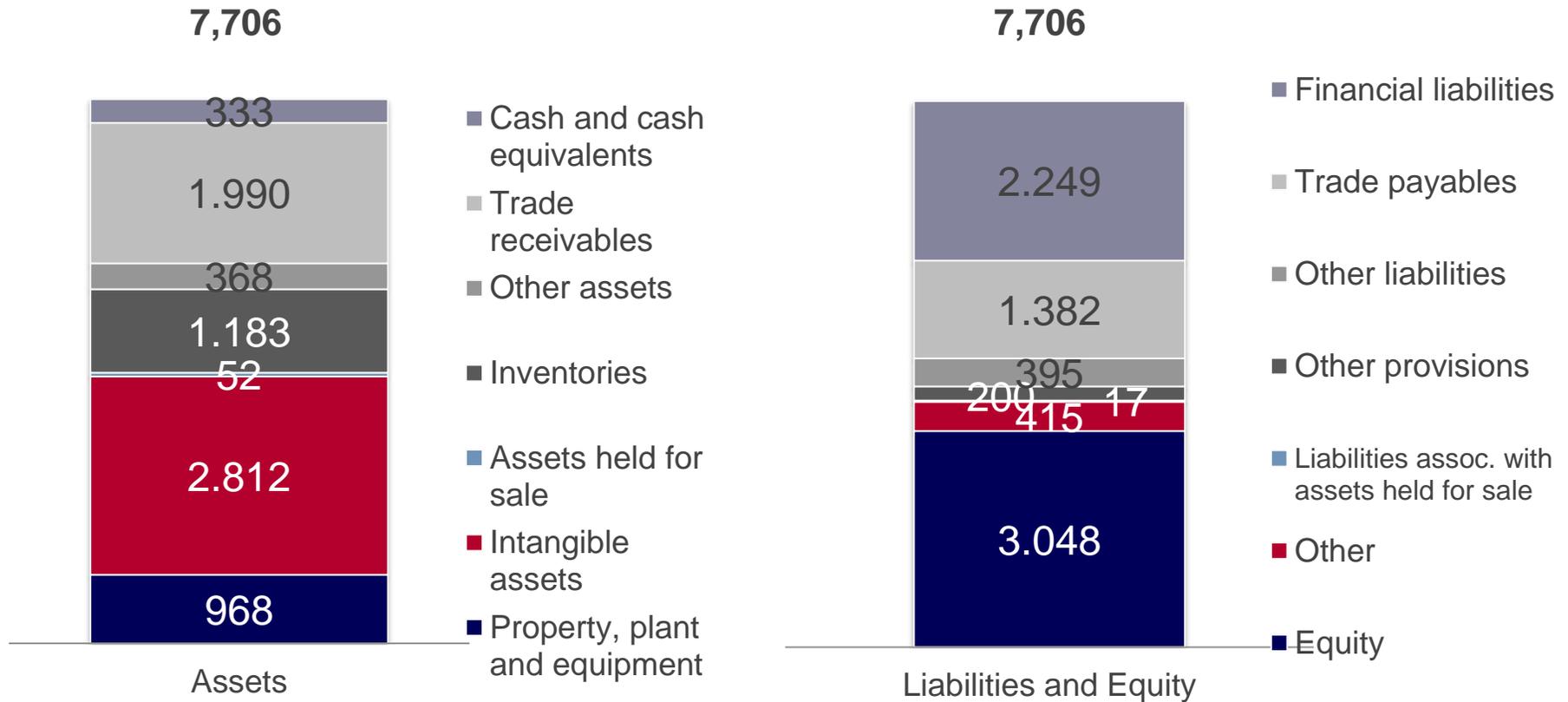
**Cash flow statement (continued)**

in EUR m	Q2 2018	Q2 2017	2017
Purchases of intangible assets and property, plant & equipment (PPE)	-38.0	-27.5	-151.4
Purchases of consolidated subsidiaries and other business units	-69.0	-7.6	-108.0
Other	1.2	10.1	14.5
<b>Cash used for investing activities</b>	<b>-105.8</b>	<b>-25.0</b>	<b>-244.9</b>
Capital increase	-	-	-
Payments in connection with the capital increase	-	-	-
Purchases of companies already consolidated	-	-	-
Profits distributed to non-controlling interests	-1.0	-1.0	-1.7
Dividends paid to Brenntag shareholders	-170.0	-162.2	-162.2
Repayment of (-)/proceeds from (+) borrowings (net)	44.4	24.8	-60.4
<b>Cash used for financing activities</b>	<b>-126.6</b>	<b>-138.4</b>	<b>-224.3</b>
<b>Change in cash &amp; cash equivalents</b>	<b>-159.7</b>	<b>-115.3</b>	<b>-64.7</b>

FINANCIALS Q2 2018

**Balance Sheet as of June 30, 2018**

in EUR m



## FINANCIALS Q2 2018

## Balance Sheet and leverage

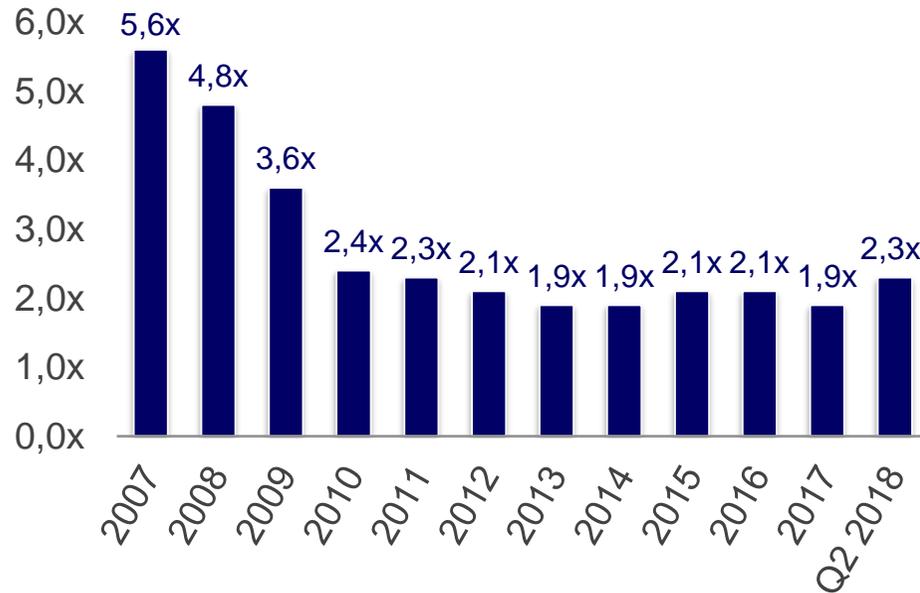
in EUR m	30 June 2018	31 Mar 2018	31 Dec 2017	30 Sept 2017	30 June 2017
Financial liabilities	2,249.3	2,087.0	2,089.9	2,637.6	2,099.8
./. Cash and cash equivalents	332.8	489.1	518.0	1,053.1	380.5
Net Debt	1,916.5	1,597.9	1,571.9	1,584.5	1,719.3
<b>Net Debt/Operating EBITDA <sup>1)</sup></b>	<b>2.3x</b>	<b>1.9x</b>	<b>1.9x</b>	<b>1.9x</b>	<b>2.1x</b>
Equity	3,047.8	3,058.4	2,985.7	2,945.5	2,900.8

1) Operating EBITDA for the quarters on LTM basis.

FINANCIALS Q2 2018

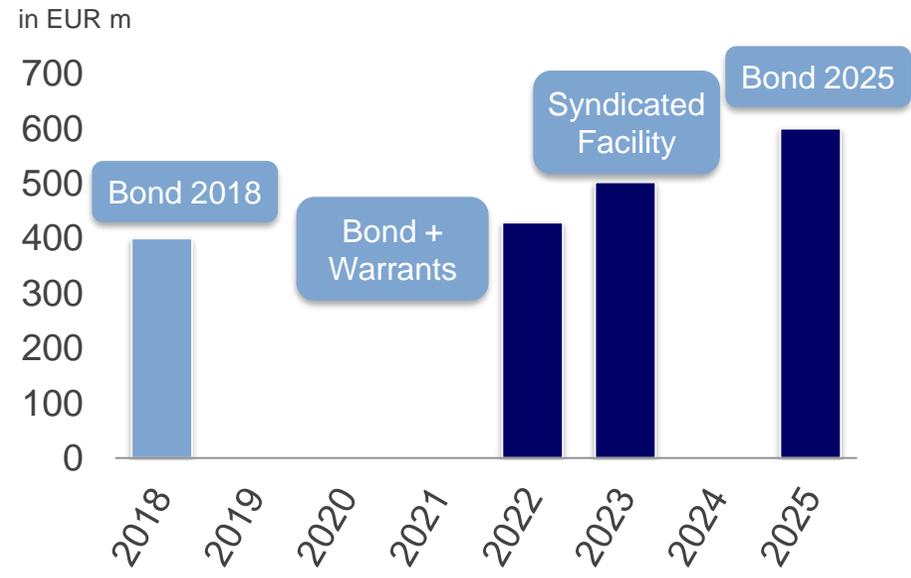
# Financial stability of Brenntag Group

**Leverage: Net debt/Operating EBITDA <sup>1)</sup>**



- 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 June 30, 2018**



- Long term maturity profile
- Bond 2018 was repaid in July 2018

1) Net debt defined as current financial liabilities plus non-current financial liabilities less 'cash and cash equivalents'

## FINANCIALS Q2 2018

### Working capital

in EUR m	30 June 2018	31 Mar 2018	31 Dec 2017	30 Sept 2017	30 June 2017
Inventories	1,183.3	1,076.3	1,043.6	997.1	1,007.3
+ Trade receivables	1,989.7	1,834.9	1,672.7	1,716.3	1,761.5
./. Trade payables	1,382.3	1,267.9	1,205.8	1,174.3	1,247.7
<b>Working capital (end of period)</b>	<b>1,790.7</b>	<b>1,643.3</b>	<b>1,510.5</b>	<b>1,539.1</b>	<b>1,521.1</b>
Working capital turnover (year-to-date) <sup>1)</sup>	7.5x	7.5x	7.9x	8.0x	8.2x
Working capital turnover (last twelve months) <sup>2)</sup>	7.5x	7.6x	7.9x	7.9x	8.0x

1) Using sales on year-to-date basis and average working capital year-to-date.

2) Using sales on LTM basis and average LTM working capital.

## FINANCIALS Q2 2018

### Free cash flow

in EUR m	Q2 2018	Q2 2017	Δ	Δ	2017
Operating EBITDA	231.3	220.7	10.6	4.8%	836.0
CAPEX	-38.0	-27.3	-10.7	39.2%	-148.1
Δ Working capital	-45.4	-70.0	24.6	-35.1%	-247.6
<b>Free cash flow</b>	<b>147.9</b>	<b>123.4</b>	<b>24.5</b>	<b>19.9%</b>	<b>440.3</b>

## AGENDA

# Company Presentation

- Introduction to Brenntag
- Key investment highlights
- Financials Q2 2018
- **Outlook**
- Appendix

**OUTLOOK****Brenntag Group has had a good start into the year 2018****North America**

- Positive trend in macroeconomy to continue
- Results to be supported by almost all customer industries

**EMEA**

- Efficiency measures will continue to pay off

**Latin America**

- Macroeconomic environment to remain volatile
- Business is well positioned

**Asia Pacific**

- Positive macroeconomic environment
- Steadily growing earnings contribution, organically and through acquisitions

**Group**

- **Guidance Range: operating EBITDA of EUR 870m – EUR 900m for the full year 2018**
- Performance to be supported by all regions

## AGENDA

# Company Presentation

- Introduction to Brenntag
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- **Appendix**

## APPENDIX

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**BRENNTAG HISTORY****Longstanding history of more than 140 years**

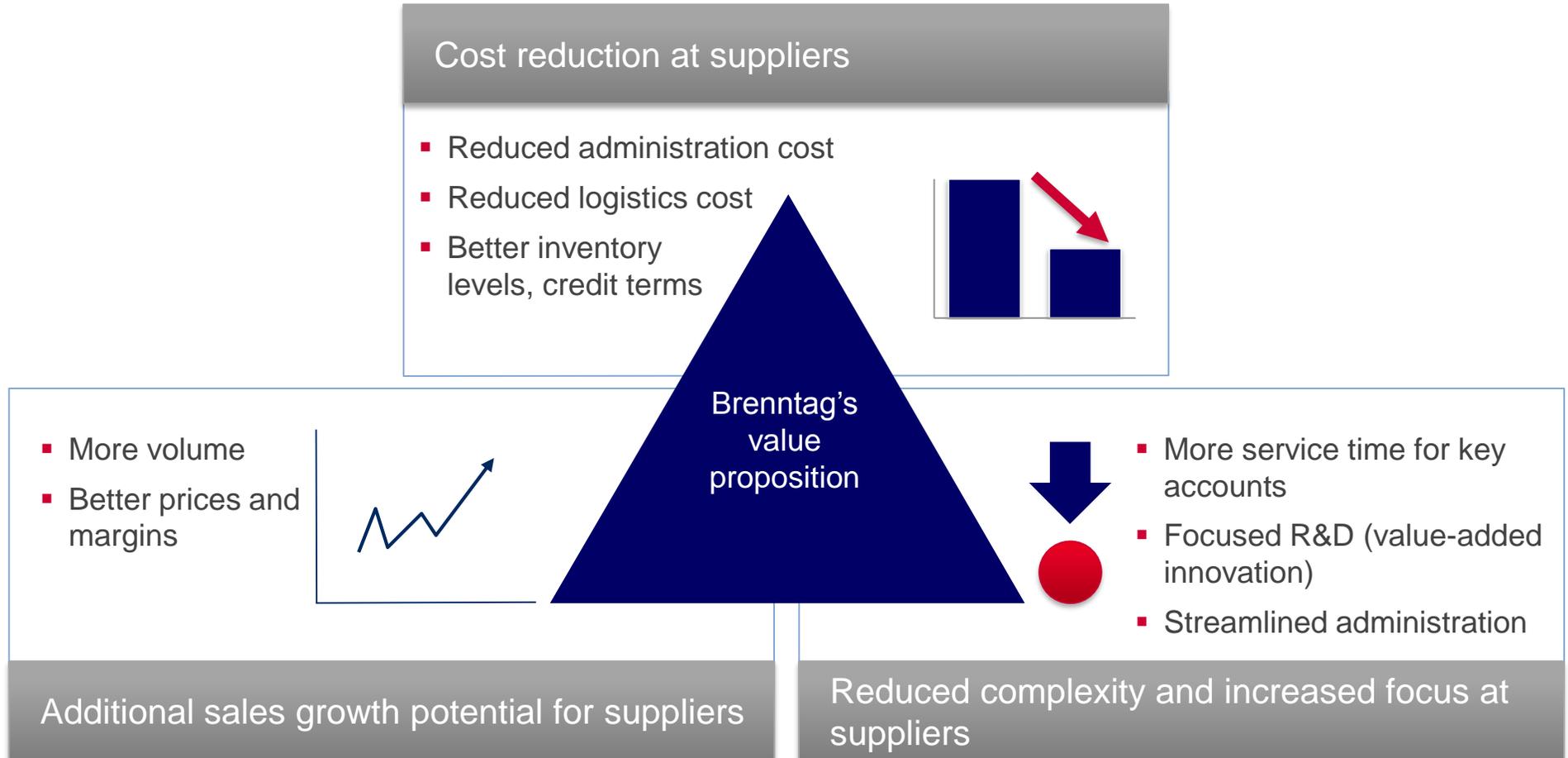
Year	Event
1874	Philipp Mühsam founds the business in Berlin
1912	Entry into chemical distribution business
1966	Brenntag becomes international, acquiring Balder in Belgium
1970 – 1979	US business established; continued acquisitions in European and North American chemicals distribution business
1980 – 1989	Further expansion in North America
1990 – 2000	Expansion in Europe via acquisitions; takeover of Neuber Group in Austria establishes foothold in Central and Eastern Europe
2000	Acquisition of Holland Chemical International, at the time the fifth largest chemical distributor worldwide, providing global scale and a leading position in Latin America
2000 – 2008	Becoming global market leader; acquisition of LA Chemicals (US, 2006), Schweizerhall (Switzerland, 2006) and Albion (UK and Ireland, 2006)
2008	Acquisition of Rhodia's distribution activities in 8 countries, establishing Asia Pacific platform

**BRENNTAG HISTORY****Longstanding history of more than 140 years**

Year	Event
2010	IPO; acquisition of EAC Industrial Ingredients, substantially strengthening presence in Asia Pacific
2011	Market entry in China
2012	The free float of the Brenntag AG share reached 100% of the share capital, after final placement of Brachem Acquisition S.C.A.
2015	Acquisition of J.A.M. (USA) and G.H. Berlin Windward (USA): Strategic expansion of lubricants business in USA
2015	Continued international growth through targeted acquisitions in EMEA and Asia Pacific
2016	Towards greater sustainability: Brenntag achieves Gold status in EcoVadis Sustainability Assessment and becomes full member of TfS initiative.
2017	Brenntag move into the new headquarters – the ‚House of Elements‘ in Essen, Germany

**TOP INITIATIVE – TURNED-OVER BUSINESS**

**Substantially increase supplier penetration by proactively taking over smaller customers from suppliers**



## TOP INITIATIVE – FOCUSED SEGMENT GROWTH

# Significantly increase share in customer industries where Brenntag can achieve above average growth



**Growth drivers**

Capturing cross-selling opportunities

Optimization of portfolio, leveraging of know-how across regions

Improvement of value proposition

Supported by M&A

1) Adhesives, coatings, elastomers, sealants

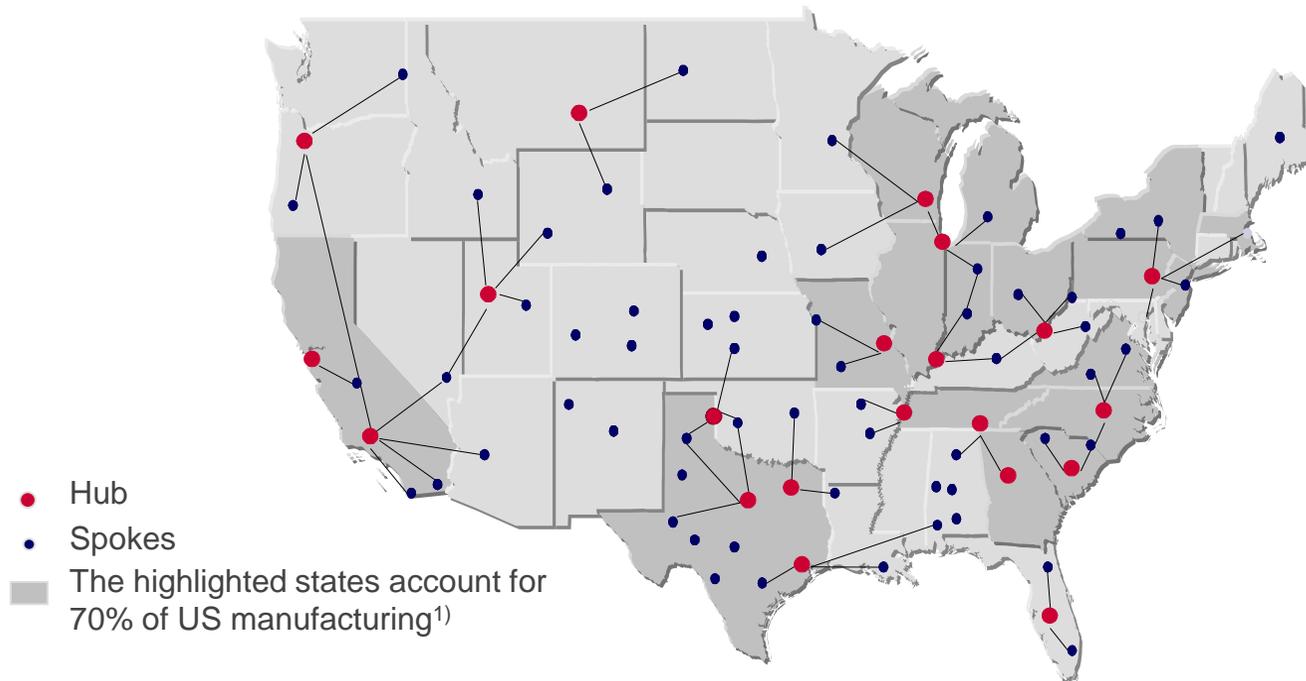
**TOP INITIATIVE – KEY ACCOUNTS****Increase business with pan-regional/global key customers based on increased demand****Concept**

- Management believes amount spent by customers on chemical distribution may be 15% to 25% of their total chemical spending
- Partnering with an international distributor can greatly reduce the cost and time of supplier management, allowing customer procurement to focus on strategic materials
- International distribution can bundle customers' global usage to simplify the interaction with producers
- Knowledge gain at one customer site can be rapidly transferred to all other sites, thus lessening project development time, approval of alternate sources, or implementing best-in-class logistics
- One contract or working document applies to all business interactions leading to quicker implementation, reduced misunderstandings and elimination of regional differences
- An international distributor can grow with the customer as the customer enters new geographical and business markets
- Global corporations want to partner with a supplier that provides the security of a robust and uniform Sustainability Program, and Ethical work processes

**Customers who take advantage of Brenntag's truly global network contributed EUR 1,593m of sales in 2017**

## NORTH AMERICA – EFFICIENT HUB & SPOKE SYSTEM

### Efficient management of stock and storage utilization



- **Larger distribution sites (“hubs”)** are fully equipped with tanks, filling stations, mixing and blending facilities and storage facilities for packaged products
- **Smaller distribution sites (“spokes”)** represent warehouse facilities for packaged products that are supplied from the larger sites

1) BEA Bureau of Economic Analysis

# NORTH AMERICA

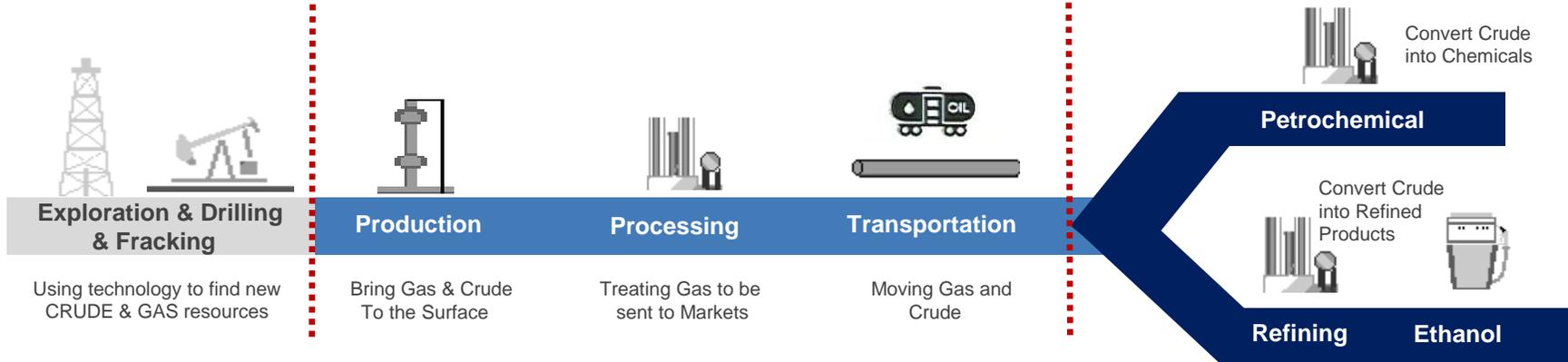
## Oil and Gas Value Chain



### Upstream

### Midstream

### Downstream



HSE

## Committed to health, safety and the environment

### Committed to the principles of Responsible Care/Responsible Distribution<sup>1)</sup>

- Product responsibility
- Plant safety
- Occupational safety and health
- Comprehensive environment protection (air, water, soil, raw materials, waste)
- Transport safety

### Brenntag Approach

<p><b>Programs and regular training</b></p>	<p><b>Clear guidelines and procedures</b></p>	<p><b>Appropriate equipment</b></p>	<p><b>Behaviour-based safety</b></p>	<p><b>Regular reporting to Board</b></p>
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1) Program of the International Council of Chemical Trade Associations

**ACQUISITION HISTORY****Acquisitions have achieved three main objectives****Building up scale & efficiencies**

- Biesterfeld, Germany, 2002
- Albion, UK and Ireland, 2006
- Schweizerhall, Switzerland, 2006
- Quadra and LA Chemicals, USA, 2006
- Ulrich Chemicals, Mid-South USA, 2007
- Houghton Chemicals, USA, 2010
- G.S. Robins, Northern US, 2011
- The Treat-Em-Rite Corporation, USA, 2012
- Kemira Water Denmark A/S, Denmark, 2014
- Philchem, Inc., Texas, USA, 2014
- NOCO Inc., NY, USA, 2016
- MCP Inc., Pryor, Oklahoma, USA, 2016
- Canada Colors & Chemicals, Canada, 2018

**Expanding geographic coverage**

- Neuber, CEE, 2000
- Holland Chemical Intl., Canada/LA/Nordic, 2000
- Group Alliance, North Africa, 2005
- Dipol, Ukraine & Russia, 2008
- Rhodia, Asia, 2008
- EAC Industrial Ingredients, Asia, 2010
- Zhong Yung (International) Chemical, China, 2011
- ISM/Salkat Group, Asia, 2012
- Quimicas Merono, Spain, 2015
- TAT Group, Singapore, Asia, 2015
- Trychem FZC, Dubai, UAE, 2015
- Whanee Corporation, South Korea, 2016
- Raj Petro Specialities, India, 2017
- Conquimica, Columbia, 2017
- Quimitecnica, Portugal, 2018

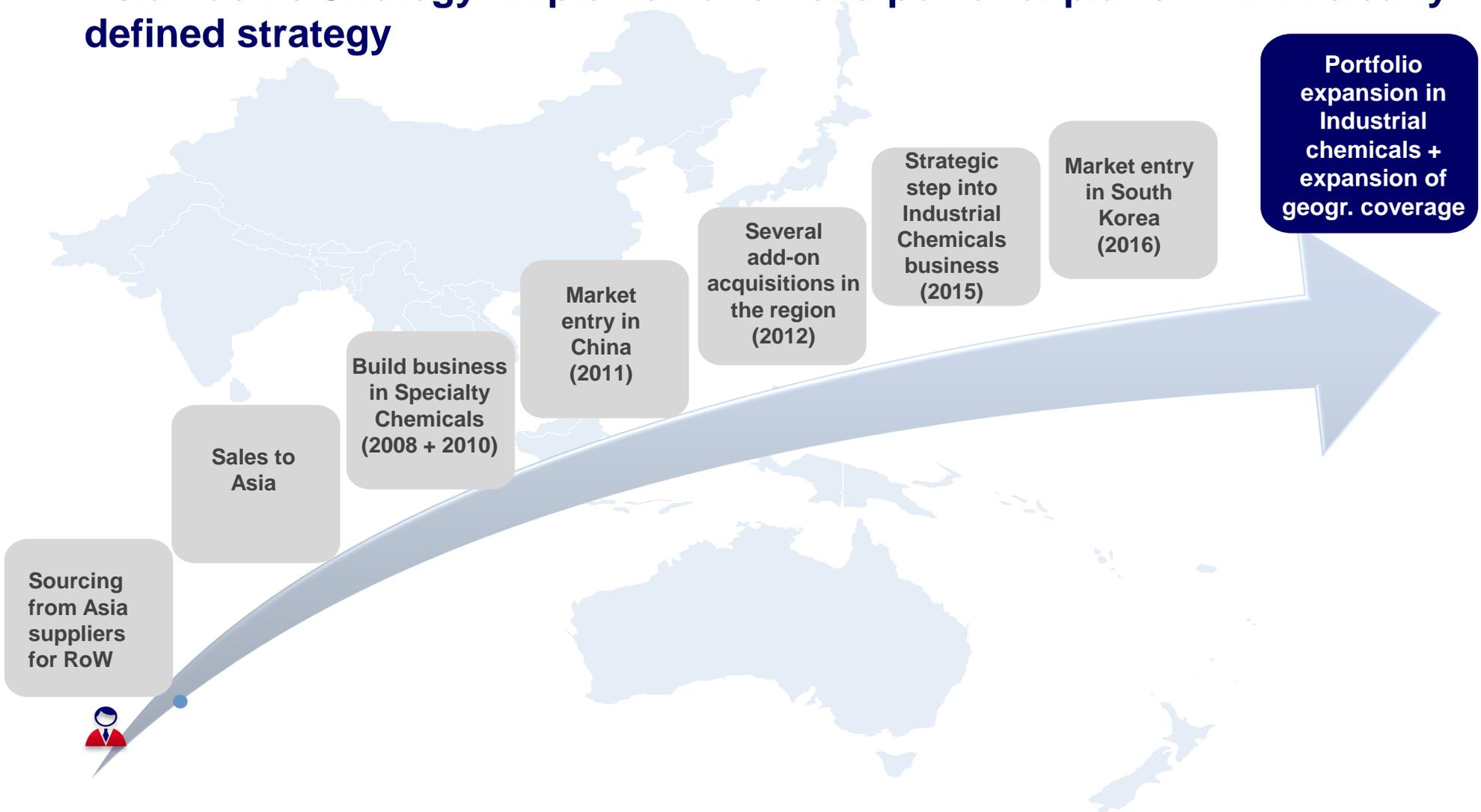
**Improving full-line portfolio**

- ACES<sup>1),2</sup> distributors UK + Canada, 2004, 2007
- 6 distributors in EU & LA, 2005-09
- Oil & Gas, 3 distributors in NA, 2005-08
- Riba (Spain), Amco (Mexico), 2010 & 2011
- Multisol (UK), 2011
- Delanta, LA, 2012
- Water treatment, Altviva Corp., NA, 2012
- Lubrication Serv., NA, 2013
- Zytex, India, 2013
- Gafor, Brazil, 2014
- Chimab, Italy, 2014
- SurtiQuímicos, Colombia 2014
- Fred Holmberg & Co AB, Sweden, 2014
- Food, Lionheart, South Africa, 2015
- Cosmetics, Parkoteks Kimya, Turkey, 2015
- Lubricants, J.A.M.+ Berlin-Windward USA, 2015
- Leis Polytechnik + ACU, Germany, 2016
- Plastichem + Warren Chem, South Africa, 2016
- Waxes, EPChem. Group, Singapore, 2016
- Petra Industries, Inc., USA, 2017
- Greene's Energy Group, USA, 2017
- Wellstar, China, 2017
- Kluman and Balter + A1 Cake Mixes, UK, 2017

1) Adhesives, coatings, elastomers, sealants

**ASIA PACIFIC**

# Asia Pacific Strategy: Implementation of a powerful platform with clearly defined strategy



REVIEW 2017

**Highlights 2017**

**Operating Gross Profit**

**+6.5% (fx adj.)**

EUR 2,554.1m

**Operating EBITDA**

**+4.5% (fx adj.)**

EUR 836.0m

**Stronger Momentum in H2 2017**

**Improvement programs implemented**

**M&A Strategy executed**

EUR ~270m

Signed Enterprise Value in 2017

**Dividend proposal**

EUR 1.10

**+4.8%: 7<sup>th</sup> consecutive increase**

## FINANCIALS 2017

### Income statement

in EUR m	FY 2017	FY 2016	Δ	Δ FX adjusted
Sales	11,743.3	10,498.4	11.9%	13.1%
Cost of materials	-9,189.2	-8,069.7	13.9%	
<b>Operating gross profit</b>	<b>2,554.1</b>	<b>2,428.7</b>	<b>5.2%</b>	<b>6.5%</b>
Operating expenses	-1,718.1	-1,618.7	6.1%	
<b>Operating EBITDA</b>	<b>836.0</b>	<b>810.0</b>	<b>3.2%</b>	<b>4.5%</b>
Op. EBITDA/Op. gross profit	32.7%	33.4%		

## FINANCIALS 2017

## Income statement (continued)

in EUR m	FY 2017	FY 2016	Δ
Operating EBITDA	836.0	810.0	3.2%
Net expenses from holding charges and special items	-53.8	-	
Depreciation	-118.9	-115.5	2.9%
<b>EBITA</b>	<b>663.3</b>	<b>694.5</b>	<b>-4.5%</b>
Amortization <sup>1)</sup>	-44.2	-47.2	-6.4%
<b>EBIT</b>	<b>619.1</b>	<b>647.3</b>	<b>-4.4%</b>
Financial result	-94.5	-111.6	-15.3%
EBT	524.6	535.7	-2.1%
<b>Profit after tax</b>	<b>362.0</b>	<b>361.0</b>	<b>0.3%</b>
EPS	2.34	2.33	0.4%

1) Includes scheduled amortization of customer relationships amounting to EUR 34.7m in 2017 (EUR 35.9 m in 2016).

## FINANCIALS 2017

## Balance Sheet and leverage

in EUR m	31 Dec 2017	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
Financial liabilities	2,089.9	2,283.8	2,255.2	1,901.6	1,768.5	1,829.5	1,952.4
./. Cash and cash equivalents	518.0	601.9	579.1	491.9	426.8	346.6	458.8
Net Debt	1,571.9	1,681.9	1,676.1	1,409.7	1,341.7	1,482.9	1,493.6
<b>Net Debt/ Operating EBITDA</b>	<b>1.9x</b>	<b>2.1x</b>	<b>2.1x</b>	<b>1.9x</b>	<b>1.9x</b>	<b>2.1x</b>	<b>2.3x</b>
Equity <sup>1)</sup>	2,985.7	2,959.2	2,690.5	2,356.9	2,093.7	1,944.2	1,737.6

1) The values of 31 December 2012 and 31 December 2011 were revised due to the initial application of the revised version of IAS 19 (Employee Benefits (revised 2011)).

## FINANCIALS 2017

### Working capital

in EUR m	31 Dec 2017	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
Inventories	1,043.6	962.8	897.1	865.8	757.1	760.4	696.8
+ Trade receivables	1,672.7	1,511.2	1,426.5	1,407.2	1,248.8	1,266.4	1,220.9
./. Trade payables	1,205.8	1,119.4	1,055.5	1,046.2	961.5	1,008.2	956.6
<b>Working capital (end of period)</b>	<b>1,510.5</b>	<b>1,354.6</b>	<b>1,268.1</b>	<b>1,226.8</b>	<b>1,044.4</b>	<b>1,018.6</b>	<b>961.1</b>
Working capital turnover (year-to-date) <sup>1)</sup>	7.9x	8.0x	8.0x	8.6x	9.0x	9.2x	9.3x

1) Using sales on year-to-date basis and average working capital year-to-date.

## FINANCIALS 2017

### Free cash flow

in EUR m	2017	2016	Δ	Δ
Operating EBITDA	836.0	810.0	26.0	3.2%
CAPEX	-148.1	-141.1	-7.0	5.0%
Δ Working capital	-247.6	-27.5	-220.1	800.4%
<b>Free cash flow</b>	<b>440.3</b>	<b>641.4</b>	<b>-201.1</b>	<b>-31.4%</b>

## FINANCIALS H1 2018

### Segments H1 2018

in EUR m		EMEA	North America	Latin America	Asia Pacific	All other segments	Group
<b>Operating gross profit</b>	<b>H1 2018</b>	<b>583.0</b>	<b>539.0</b>	<b>78.6</b>	<b>106.1</b>	<b>7.9</b>	<b>1,314.6</b>
	H1 2017	559.0	552.7	87.8	97.2	7.5	1,304.2
	Δ	4.3%	-2.5%	-10.5%	9.2%	5.3%	0.8%
	Δ FX adjusted	5.8%	8.6%	1.3%	17.6%	5.3%	7.5%
<b>Operating EBITDA</b>	<b>H1 2018</b>	<b>204.4</b>	<b>196.1</b>	<b>16.8</b>	<b>37.2</b>	<b>-16.6</b>	<b>437.9</b>
	H1 2017	190.8	195.2	18.8	33.8	-16.2	422.5
	Δ	7.1%	0.5%	-11.1%	10.1%	2.5%	3.6%
	Δ FX adjusted	8.8%	11.9%	0.6%	18.5%	2.5%	10.9%

## ROCE

### Increasing value added and returns

in EUR m	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
EBITA	663.3	694.5	698.7	627.5	595.6	610.8	569.9	513.6	394.3	397.6
Average carrying amount of equity	2,969.2	2,753.8	2,534.6	2,190.1	2,008.4	1,860.3	1,660.0	1,265.5	157.7	166.2
Average carrying amount of financial liabilities	2,255.0	2,238.3	1,961.8	1,823.1	1,817.5	1,868.7	1,809.6	2,114.7	3,190.0	3,217.8
Average carrying amount of cash and cash equivalents	-612.0	-566.3	-460.9	-413.1	-343.4	-356.2	-382.5	-468.3	-500.9	-308.0
<b>ROCE <sup>1,2)</sup></b>	<b>14.4%</b>	<b>15.7%</b>	<b>17.3%</b>	<b>17.4%</b>	<b>17.1%</b>	<b>18.1%</b>	<b>18.5%</b>	<b>17.6%</b>	<b>13.9%</b>	<b>12.9%</b>

1) ROCE is defined as EBITA divided by (the average carrying amount of equity + the average carrying amount of financial liabilities – the average carrying amount of cash and cash equivalents)

2) The decline in EBITA in 2017 is attributable to net expense from holding charges and special items of EUR 53.8 million. Adjusted for those effects, ROCE was 15.5%.

## CASH FLOW

### Strong cash generation over the past years

in EUR m	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
EBITDA	836.0	810.0	807.4	726.7	698.3	707.0	660.9	602.6	480.3	482.1
CAPEX	-148.1	-141.1	-130.1	-104.8	-97.2	-94.7	-86.0	-85.1	-71.8	-84.3
Δ Working capital	-247.6	-27.5	87.0	-100.5	-56.2	-33.0	-61.0	-136.4	242.0	-53.5
<b>Free cash flow<sup>1)</sup></b>	<b>440.3</b>	<b>641.4</b>	<b>764.3</b>	<b>521.4</b>	<b>544.9</b>	<b>579.3</b>	<b>513.9</b>	<b>381.1</b>	<b>650.5</b>	<b>344.3</b>
Average working capital <sup>2)</sup>	1,487.3	1,308.8	1,295.1	1,161.8	1,090.0	1,048.8	928.3	752.4	691.9	833.1
<b>Working capital turnover<sup>3)</sup></b>	<b>7.9x</b>	<b>8.0x</b>	<b>8.0x</b>	<b>8.6x</b>	<b>9.0x</b>	<b>9.2x</b>	<b>9.3x</b>	<b>10.2x</b>	<b>9.2x</b>	<b>8.9x</b>

1) Free Cash Flow is calculated as operating EBITDA – Capex +/- Δ Working Capital.

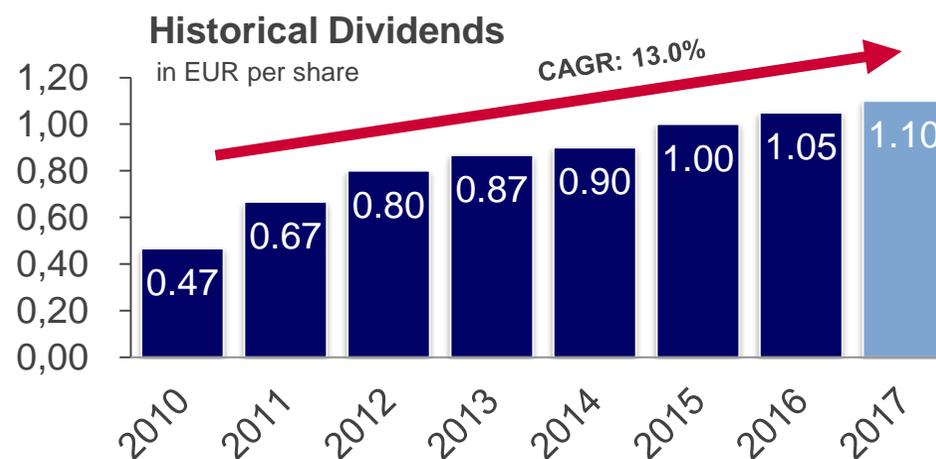
2) Average Working Capital is defined for a particular year as the mean average of the values for working capital at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year.

3) Working Capital Turnover is defined as Sales divided by Average Working Capital.

## DIVIDEND

### Further dividend increase proposed

in EUR m	2017	2016	Δ
Profit after tax	362.0	361.0	0.3%
Less minority interest	1.2	0.7	
Profit after tax (consolidated) attributable to shareholders of Brenntag AG	360.8	360.3	0.1%
Dividend payment	169.9	162.2	
<b>Dividend per share in EUR</b>	<b>1.10</b>	<b>1.05</b>	<b>4.8%</b>
<b>Payout ratio</b>	<b>47.1%</b>	<b>45.0%</b>	



**SHAREHOLDER STRUCTURE****Shareholders exceeding the 3% or 5% threshold**

<b>Shareholder</b>	<b>Proportion in %</b>	<b>Date of notification</b>
BlackRock	>5%	October 18, 2016
MFS Investment Management	>5%	July 3, 2012
Norges	>3%	July 5, 2018
Threadneedle	>3%	May 17, 2018
Flossbach von Storch	>3%	March 27, 2018

**SHARE DATA**

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<b>ISIN</b>	DE000A1DAH0
<b>Stock symbol</b>	BNR
<b>Listed since</b>	29 March 2010
<b>Subscribed capital</b>	EUR 154,500,000.00
<b>Outstanding shares</b>	154,500,000
<b>Class of shares</b>	Registered shares
<b>Free float</b>	100%
<b>Official market</b>	Prime Standard XETRA and Frankfurt
<b>Regulated unofficial markets</b>	Berlin, Stuttgart
<b>Designated sponsors</b>	Deutsche Bank AG, ICF Kursmakler AG
<b>Indices</b>	MDAX <sup>®</sup> , MSCI, Stoxx Global, Stoxx Europe

## BOND DATA

	<b>Bond (with Warrants) 2022</b>	<b>Bond 2025</b>
<b>Issuer</b>	Brenntag Finance B.V.	Brenntag Finance B.V.
<b>Listing</b>	Frankfurter Freiverkehr	Luxembourg Stock Exchange
<b>ISIN</b>	DE000A1Z3XQ6	XS1689523840
<b>Aggregate principal amount</b>	USD 500,000,000	EUR 600,000,000
<b>Denomination</b>	USD 250,000	EUR 1,000
<b>Minimum transferable amount</b>	USD 250,000	EUR 100,000
<b>Coupon</b>	1.875%	1.125%
<b>Interest payment</b>	Semi annual: Jun. 2 / Dec. 2	Annual: Sep. 27
<b>Maturity</b>	Dec. 2, 2022	Sep. 27, 2025

**FINANCIAL CALENDAR**

<b>Date</b>	<b>Event</b>
August 29, 2018	Commerzbank Sector Conference, Frankfurt
September 12, 2018	UBS European Support Conference, London
September 25, 2018	Baader Investment Conference, Munich
November 7, 2018	Interim Report January – September 2018
November 8, 2018	Capital Markets Day, Essen
December 4, 2018	Berenberg European Corporate Conference, London

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