

Q3 2023 Results

Brenntag SE
November 9, 2023

Q3 2023 Results Presentation

1. Highlights Q3 2023
2. Financial performance Q3 2023
3. Outlook
4. Appendix



Highlights Q3 2023

SALES

EUR 4.1 bn

- 15.4% vs. PY (fx adj.)

OPERATING GROSS PROFIT

EUR 1 bn

- 4.3% vs. PY (fx adj.)

OPERATING EBITA

EUR 303 m

- 15.3% vs. PY (fx adj.)

EPS

EUR 1.18

Q3 2022: EUR 1.60

FREE CASH FLOW

EUR 442 m

Significantly higher vs. prior-year

SHARE BUYBACK

1st tranche executed

A total of ~7m shares acquired and close to EUR 500 m spent

FY 2023 GUIDANCE

Around lower end

Of range specified in Q2 (Op. EBITA of 1.3-1.4 bn)

CAPITAL MARKETS DAY

December 5, 2023 in London

Registration still possible

Brenntag continued to manage challenging macroeconomic conditions well in Q3 2023

Macroeconomic environment remains challenging

Ongoing inflationary trends and geopolitical uncertainties

Continued sluggish demand in certain end markets

Slower demand pickup and normalized supply chains lead to declines in chemical prices globally



Brenntag results emphasize resilience of the chemical distribution business model

Benefits from high diversification in product portfolio, customer and supplier base

Indications that customers reach the end of their destocking cycle

With our broad geographical footprint and diversified supplier network, we are well positioned to manage through current uncertainties and continue to be a reliable business partner for our customers globally

Brenntag continues its successful M&A strategy execution

YTD achievements



More than EUR 370 m
EV spent YTD



Overall, 7 acquisitions in 2023
YTD



M&A remains a key strategic
pillar for us and an enabler of
future growth



Well on track to reach our
planned annual M&A corridor
of EUR 400 to 500 m in 2023

Brenntag acquired 7 companies YTD



Geography	Segment	Sector / End Market	Background
	BSP	Nutrition, Pharma	<ul style="list-style-type: none"> One of the largest specialty chemicals distributor on the Arabian Peninsula
	BES	BES	<ul style="list-style-type: none"> Offers a wide range of industrial chemicals with last-mile delivery, mixing and blending and value-added services
	BSP	Personal Care	<ul style="list-style-type: none"> Market leader in specialty distribution with expertise in PC Chemicals in China
	BSP	Nutrition	<ul style="list-style-type: none"> Avebe is an international cooperative producing potato starch and protein
	BSP	PC HI&I	<ul style="list-style-type: none"> Specialty chemicals distributor with focus on personal care & food
	BSP	Nutrition	<ul style="list-style-type: none"> US based manufacturer of stabilized blends and blending service provider
	BES	BES	<ul style="list-style-type: none"> Distribution of Caustic Soda in North America and strengthening distribution network in the region

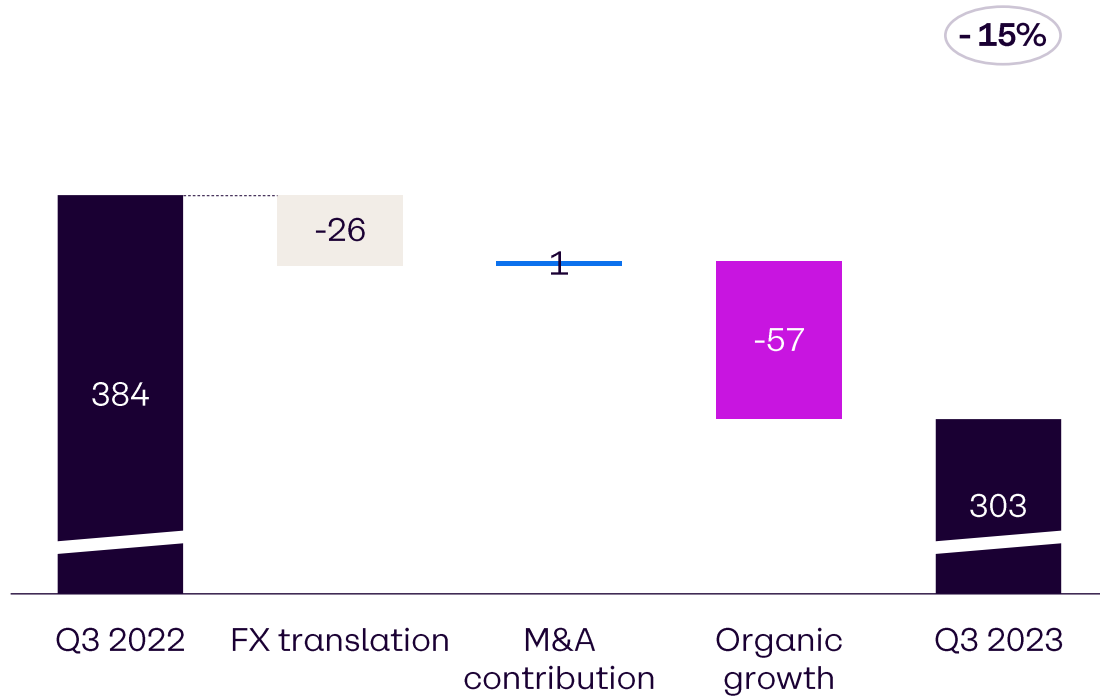
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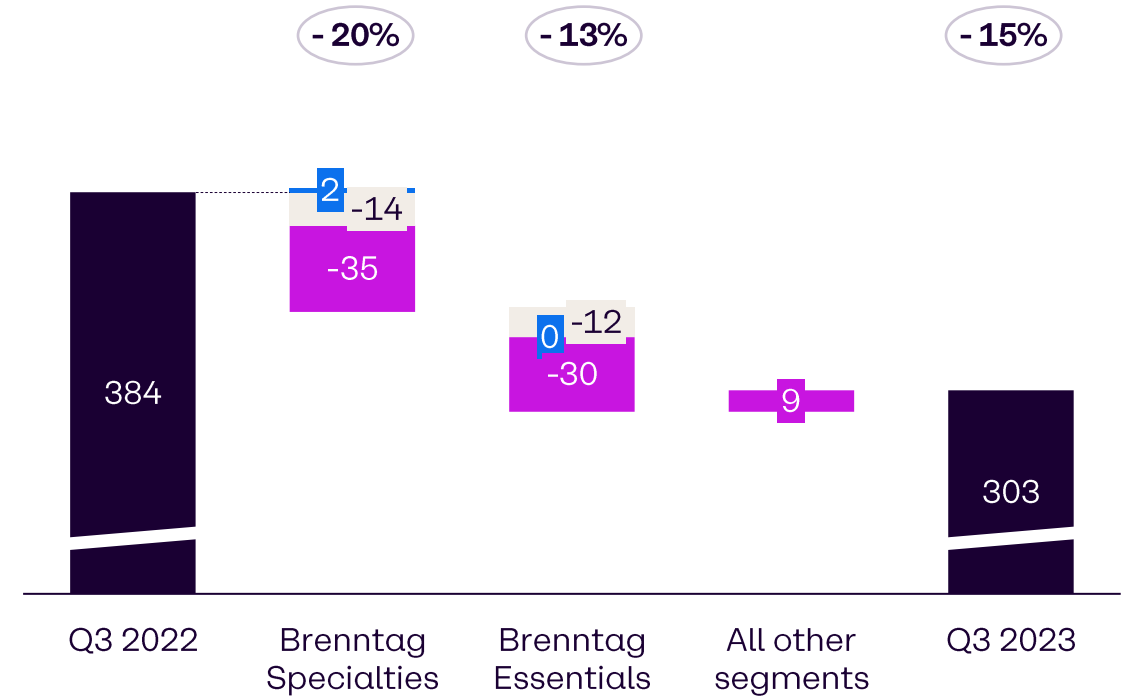


Financials Q3 2023: Operating EBITA bridges¹⁾

Operating EBITA growth
in EUR m



Segment – Operating EBITA growth
in EUR m



FX translation

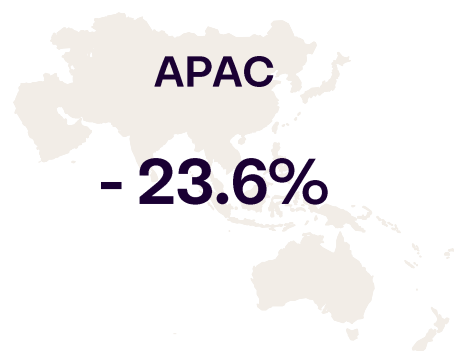
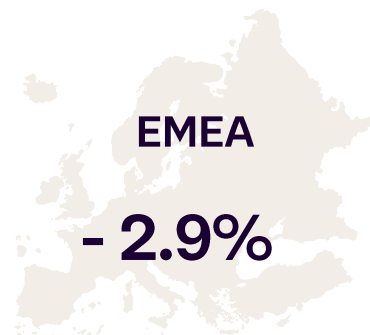
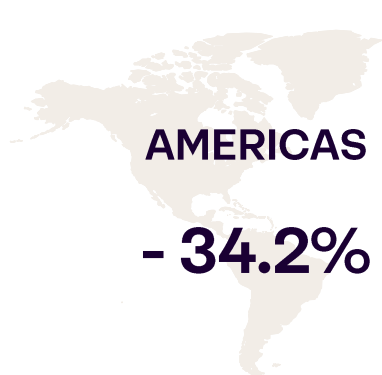
M&A contribution

Organic Growth

FX-adj. growth rates

Financials Q3 2023: Brenntag Specialties

Operating EBITA growth vs. PY ¹⁾



Focus industries (GP dev.)

Nutrition	↓
Pharma	↑
Personal Care/Hi&I	↘
Water treatment	↑
Material Science	↓
Lubricants	↓

Brenntag Specialties reported weaker results in a challenging environment

Op. Gross Profit of EUR 371.0 million, a decrease of 5.5% vs. PY

Op. EBITDA of EUR 146.4 million, a decrease of 18.0% vs. PY

Op. EBITA of EUR 135.0 million, a decline of 19.6% vs. PY

Pharma and Water Treatment performed very well but could not compensate weaker performance of overall portfolio

Nutrition and Personal Care/Hi&I competed against record prior-year-levels

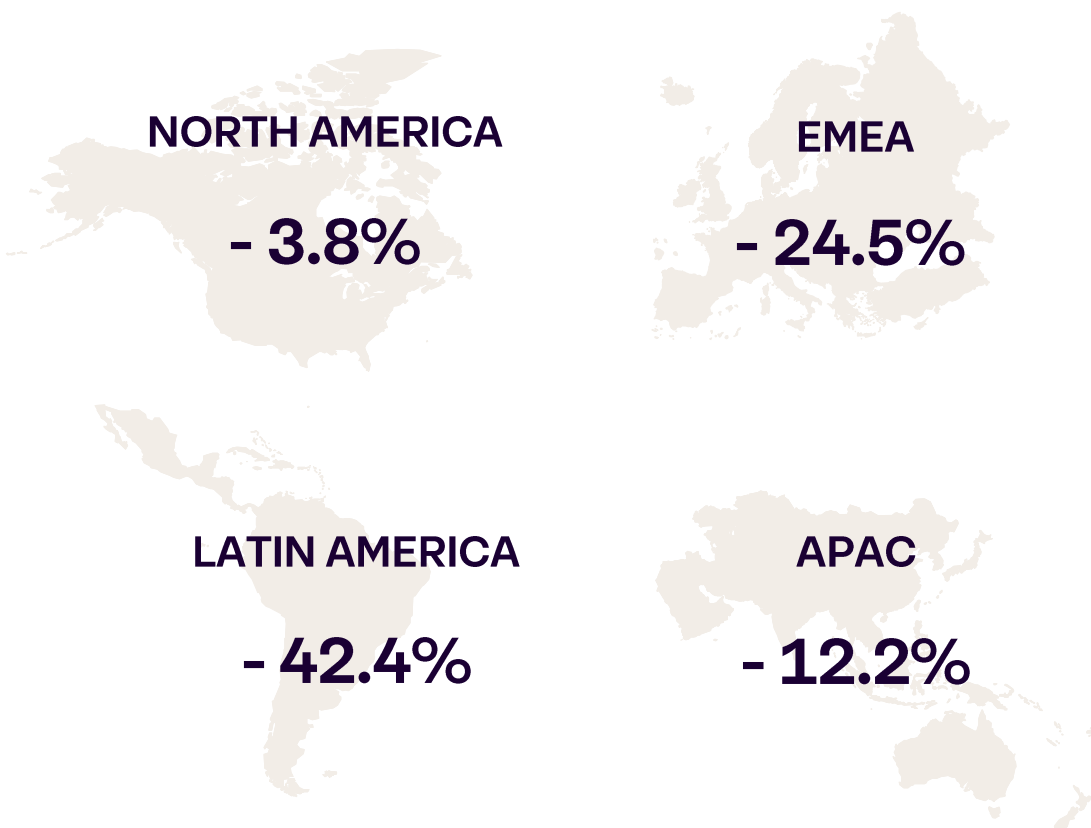
Muted construction activity continues to impact Material Science business

Macroeconomic environment characterized by inflationary cost development

Op. EBITA conversion ratio of 36.4%

Financials Q3 2023: Brenntag Essentials

Operating EBITA growth vs. PY ¹⁾



Brenntag Essentials continued to demonstrate its resilience in adverse market conditions and against a very strong Q3 2022

Op. Gross Profit of EUR 622.9 million, a decline of 3.5% vs. PY

Op. EBITDA of EUR 261.6 million, a decline of 9.3% vs. PY

Op. EBITA of EUR 198.8 million, a decrease of 13.4% vs. PY

Margins remained on a high level but normalizing as anticipated

EMEA and NA with lower volumes year-over-year; GP/unit normalization less pronounced in NA, underlining robust performance

Latin America continued to be challenging

Macroeconomic environment characterized by inflationary cost development

Op. EBITA Conversion ratio of 31.9%

Financials Q3 2023: Income statement

in EUR m	Q3 2023	Q3 2022	Δ	Δ FX adjusted
Sales	4,088.3	5,100.5	-19.8%	-15.4%
Cost of materials	-3,087.7	-3,994.4	-22.7%	-
Operating Gross Profit	1,000.6	1,106.1	-9.5%	-4.3%
Operating expenses	-619.7	-646.4	-4.1%	0.8%
Operating EBITDA	380.9	459.7	-17.1%	-11.5%
Depreciation	-78.2	-76.2	2.6%	7.8%
Operating EBITA	302.7	383.5	-21.1%	-15.3%
Net income / expense from sp. items	-23.7	10.3	-	-
EBITA	279.0	393.8	-	-
Amortization	-15.3	-17.0	-	-
EBIT	263.7	376.8	-	-
Financial result	-24.8	-40.0	-	-
EBT	238.9	336.8	-	-
Profit after tax	177.6	248.8	-	-
EPS	1.18	1.60	-	-

Financials Q3 2023:

Free cash flow

in EUR m	Q3 2023	Q3 2022	Δ	Δ
Operating EBITDA	380.9	459.7	-78.8	-17.1%
Payments to acquire intangible assets and property, plant and equipment	-60.5	-52.5	-8.0	15.2%
Δ Working capital ¹⁾	160.2	-22.6	182.8	-
Principal and interest payments on lease liabilities	-39.0	-37.0	-2.0	5.4%
Free cash flow	441.6	347.6	94.0	27.0%
Working capital turnover (annualized) ²⁾	7.2x	7.5x	-	-

¹⁾Based on average fx. rate excl. M&A

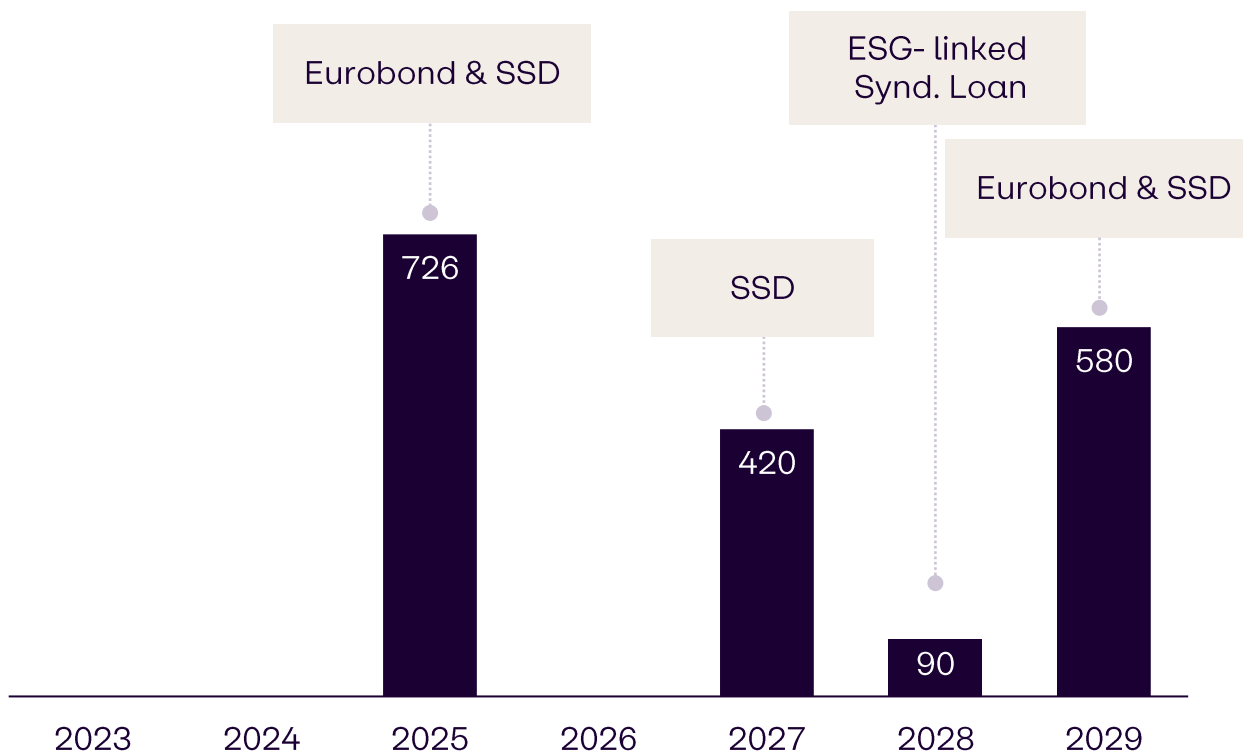
²⁾Sales YTD extrapolated to the full year; average working capital is defined as the average of working capital at the beginning of the year and at the end of each quarter

Financials Q3 2023:

Balance sheet and maturity profile

in EUR m	30 Sep 2023	31 Dec 2022
Financial liabilities	2,203.0	2,661.5
Lease liabilities	469.1	434.3
./. Cash and cash equivalents	541.9	1,046.1
Net Debt	2,130.2	2,049.7
Net Debt/Operating EBITDA¹⁾	1.4x	1.1x
Equity	4,568.1	4,802.7

in EUR m



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Outlook 2023:

Well positioned in a continuously challenging environment



Operating EBITA Guidance

- Brenntag specified its FY 2023 operating EBITA guidance range in Q2 2023 (EUR 1.3bn to EUR 1.4bn, equivalent to an operating EBITDA of EUR 1.6-1.7bn) and now expects FY 2023 operating EBITA to be around the lower end of this range



Comments

- Forecast takes into account the contributions to earnings from acquisitions already closed and assumes stable fx-rates at the time of the specification of the guidance



Macro environment

- We expect a continuously tough operating environment, characterized by geo-political uncertainty, macroeconomic challenges but also a sequentially recovering demand across various end markets



Additional information

- EUR/USD: ~ 1.08 (2022: ~ 1.05)
- Sensitivity (FY basis): Delta of EUR/USD +/- 1 cent = EUR ~ -/+ 10m op. EBITA
- Tax rate: 26-28%
- Capex 2023: EUR ~300m

Thank you for your attention!



Christian Kohlpaintner
CEO

**We are happy
to answer your
questions!**



Kristin Neumann
CFO

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Financials Q3 2023: Segments (1/2)

in EUR m	Operating Gross Profit ¹⁾				Operating EBITDA ²⁾				Conversion ratio	
	Q3 2023	Q3 2022	Δ	Δ FX adjusted	Q3 2023	Q3 2022	Δ	Δ FX adjusted	Q3 2023	Q3 2022
Brenntag Specialties	371.0	420.0	-11.7%	-5.5%	146.4	193.4	-24.3%	-18.0%	39.5%	46.0%
Brenntag Essentials	622.9	679.3	-8.3%	-3.5%	261.6	303.1	-13.7%	-9.3%	42.0%	44.6%
All other segments	6.7	6.8	-1.5%	-1.5%	-27.1	-36.8	26.4%	26.4%	-	-
Brenntag Group	1,000.6	1,106.1	-9.5%	-4.3%	380.9	459.7	-17.1%	-11.5%	38.1%	41.6%

in EUR m	Operating EBITA				Conversion ratio	
	Q3 2023	Q3 2022	Δ	Δ FX adjusted	Q3 2023	Q3 2022
Brenntag Specialties	135.0	182.0	-25.8%	-19.6%	36.4%	43.3%
Brenntag Essentials	198.8	241.4	-17.6%	-13.4%	31.9%	35.5%
All other segments	-31.1	-39.9	22.1%	22.1%	-	-
Brenntag Group	302.7	383.5	-21.1%	-15.3%	30.3%	34.7%

¹⁾ External sales less cost of materials

²⁾ Segment Operating EBITDA is calculated as EBITDA adjusted for holding charges and special items

Financials Q3 2023: Segments (2/2)

in EUR m	Operating Gross Profit ¹⁾				Operating EBITA ²⁾				Conversion ratio	
	Q3 2023	Q3 2022	Δ	Δ FX adjusted	Q3 2023	Q3 2022	Δ	Δ FX adjusted	Q3 2023	Q3 2022
Specialties EMEA	171.5	169.4	1.2%	5.9%	65.5	72.2	-9.3%	-2.9%	38.2%	42.6%
Specialties Americas	136.8	179.5	-23.8%	-17.8%	47.6	78.4	-39.3%	-34.2%	34.8%	43.7%
Specialties APAC	62.7	71.1	-11.8%	-2.4%	21.6	31.4	-31.2%	-23.6%	34.4%	44.2%
Brenntag Specialties	371.0	420.0	-11.7%	-5.5%	135.0	182.0	-25.8%	-19.6%	36.4%	43.3%
Essentials EMEA	214.6	237.8	-9.8%	-9.2%	66.9	89.1	-24.9%	-24.5%	31.2%	37.5%
Essentials North America	343.3	365.7	-6.1%	1.3%	122.7	137.7	-10.9%	-3.8%	35.7%	37.7%
Essentials Latin America	38.1	46.5	-18.1%	-14.2%	5.5	9.9	-44.4%	-42.4%	14.4%	21.3%
Essentials APAC	26.8	29.3	-8.5%	2.6%	4.2	5.5	-23.6%	-12.2%	15.7%	18.8%
Brenntag Essentials	622.9	679.3	-8.3%	-3.5%	198.8	241.4	-17.6%	-13.4%	31.9%	35.5%
All other segments	6.7	6.8	-1.5%	-1.5%	-31.1	-39.9	22.1%	22.1%	-	-
Brenntag Group	1,000.6	1,106.1	-9.5%	-4.3%	302.7	383.5	-21.1%	-15.3%	30.3%	34.7%

Note: The difference between the total of the reportable segments (EMEA, Americas and APAC) and the Brenntag divisions is the result of central activities which are part of Brenntag divisions but not directly attributable to any specific segment

¹⁾ External sales less cost of materials

²⁾ Segment Operating EBITA is calculated as EBITA adjusted for holding charges and special items

Financials Q3 2023:

Cash flow statement

in EUR m	Q3 2023	Q3 2022
Profit after tax	177.6	248.8
Effect from IAS 29 on profit/loss after tax	6.8	1.7
Depreciation & amortization	97.2	92.8
Income tax expense	61.3	87.8
Income taxes paid	-64.1	-90.3
Net interest expense	25.3	25.6
Interest paid (netted against interest received)	-29.1	-20.0
<i>(thereof interest paid for leases)</i>	<i>(-4.7)</i>	<i>(-2.4)</i>
Dividends received	-	-
Changes in working capital	160.2	-22.6
Changes in other operating assets and liabilities	8.9	84.4
Changes in provisions	5.6	-19.6
Non-cash change in liabilities relating to acquisition of non-controlling interests	-9.8	2.8
Other	-4.9	29.1
Net cash provided by operating activities	435.0	420.5

Legend:  Components to calculate FCF derived from op. EBITDA



Financials Q3 2023:

Cash flow statement (continued)

in EUR m	Q3 2023	Q3 2022
Proceeds from the disposal of other financial assets	0.1	0.5
Proceeds from the disposal of intangible assets and property, plant and equipment	3.8	5.1
Payments to acquire consolidated subsidiaries and other business units	- 63.4	-29.7
Payments to acquire intangible assets and property, plant and equipment	- 60.5	-52.5
Net cash used in investing activities	-120.0	-76.6
Payments to acquire treasury shares	-266.1	-
Repayments of liabilities relating to acquisition of non-controlling interests	-12.0	-2.0
Proceeds from non-controlling interests	-	-
Dividends paid to Brenntag shareholders	-	-
Dividends paid to non-controlling interests	-3.3	-1.8
Proceeds from borrowings	9.4	656.4
Repayments of lease liabilities	-34.3	-34.6
Repayments of borrowings	-96.6	-68.1
Net cash provided by / used in financing activities	-402.9	549.9
Change in cash & cash equivalents	-87.9	893.8

Legend:  Components to calculate FCF derived from op. EBITDA



Financials Q3 2023:

Working capital

in EUR m	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022
Inventories	1,459.8	1,547.6	1,661.8	1,773.8	2,019.8
+ Trade receivables	2,481.0	2,519.4	2,693.1	2,676.8	3,029.5
./. Trade payables	1,716.7	1,744.7	1,902.0	1,862.0	2,103.0
Working capital (end of period)¹⁾	2,224.1	2,322.3	2,452.9	2,588.6	2,946.3
Working capital turnover (annualized) ²⁾	7.2x	7.2x	7.2x	7.5x	7.5x

¹⁾ Based on fx. effects as of end of respective reporting period and incl. M&A

²⁾ Sales YTD extrapolated to the full year; average working capital is defined as the average of working capital at the beginning of the year and at the end of each quarter

Financials 9M 2023: Segments (1/2)

in EUR m	Operating Gross Profit ¹⁾				Operating EBITDA ²⁾				Conversion ratio	
	9M 2023	9M 2022	Δ	Δ FX adjusted	9M 2023	9M 2022	Δ	Δ FX adjusted	9M 2023	9M 2022
Brenntag Specialties	1,134.0	1,307.6	-13.3%	-10.3%	466.1	642.9	-27.5%	-24.5%	41.1%	49.2%
Brenntag Essentials	1,909.3	1,954.8	-2.3%	-0.4%	835.3	895.9	-6.8%	-4.9%	43.7%	45.8%
All other segments	23.7	26.4	-10.2%	-10.2%	-90.4	-82.3	9.8%	9.8%	-	-
Brenntag Group	3,067.0	3,288.8	-6.7%	-4.4%	1,211.0	1,456.5	-16.9%	-14.3%	39.5%	44.3%

in EUR m	Operating EBITA				Conversion ratio	
	9M 2023	9M 2022	Δ	Δ FX adjusted	9M 2023	9M 2022
Brenntag Specialties	432.7	613.0	-29.4%	-26.5%	38.2%	46.9%
Brenntag Essentials	648.6	719.7	-9.9%	-8.0%	34.0%	36.8%
All other segments	-101.3	-92.5	9.5%	9.5%	-	-
Brenntag Group	980.0	1,240.2	-21.0%	-18.4%	32.0%	37.7%

¹⁾ External sales less cost of materials

²⁾ Segment Operating EBITDA is calculated as EBITDA adjusted for holding charges and special items



Financials 9M 2023: Segments (2/2)

in EUR m	Operating Gross Profit ¹⁾				Operating EBITA ²⁾				Conversion Ratio	
	9M 2023	9M 2022	Δ	Δ FX adjusted	9M 2023	9M 2022	Δ	Δ FX adjusted	9M 2023	9M 2022
Specialties EMEA	519.0	567.0	-8.5%	-5.2%	204.8	275.3	-25.6%	-21.9%	39.5%	48.6%
Specialties Americas	423.2	515.8	-18.0%	-16.0%	156.4	225.8	-30.7%	-29.0%	37.0%	43.8%
Specialties APAC	191.8	224.8	-14.7%	-10.1%	70.9	111.4	-36.4%	-33.0%	37.0%	49.6%
Brenntag Specialties	1,134.0	1,307.6	-13.3%	-10.3%	432.7	613.0	-29.4%	-26.5%	38.2%	46.9%
Essentials EMEA	695.2	718.5	-3.2%	-2.4%	245.9	275.2	-10.6%	-9.7%	35.4%	38.3%
Essentials North America	1,029.2	1,003.8	2.5%	4.9%	369.9	378.3	-2.2%	0.1%	35.9%	37.7%
Essentials Latin America	110.5	137.8	-19.8%	-17.8%	17.2	37.4	-54.0%	-52.5%	15.6%	27.1%
Essentials APAC	74.4	94.7	-21.4%	-16.3%	17.2	29.7	-42.1%	-38.8%	23.1%	31.4%
Brenntag Essentials	1,909.3	1,954.8	-2.3%	-0.4%	648.6	719.7	-9.9%	-8.0%	34.0%	36.8%
All other segments	23.7	26.4	-10.2%	-10.2%	-101.3	-92.5	9.5%	9.5%	-	-
Brenntag Group	3,067.0	3,288.8	-6.7%	-4.4%	980.0	1,240.2	-21.0%	-18.4%	32.0%	37.7%

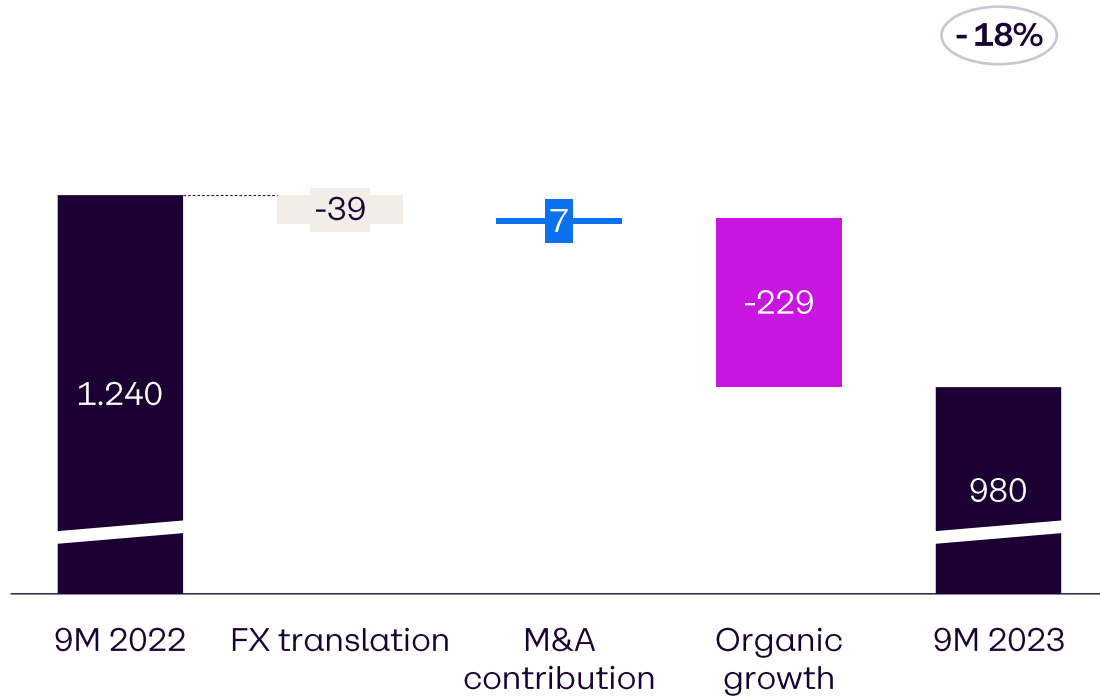
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¹⁾ External sales less cost of materials

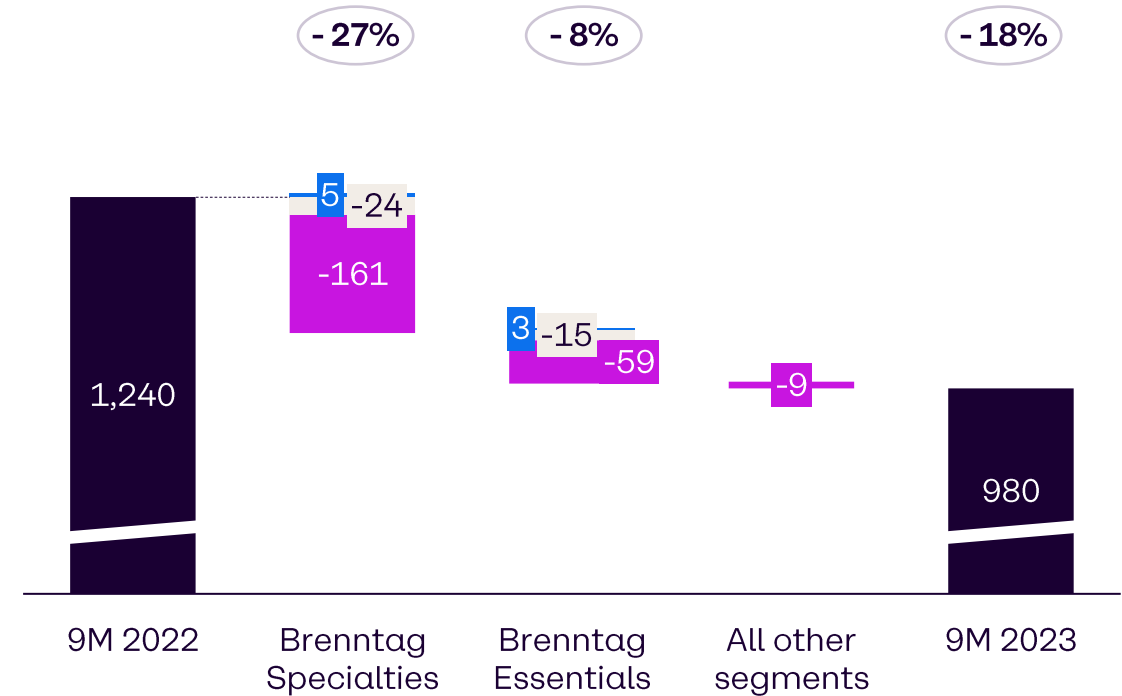
²⁾ Segment Operating EBITA is calculated as EBITA adjusted for holding charges and special items

Financials 9M 2023: Operating EBITA bridges¹⁾

Operating EBITA growth
in EUR m



Segment – Operating EBITA growth
in EUR m



FX translation

M&A contribution

Organic Growth

FX-adj. growth rates

Financials 9M 2023:

Income statement

in EUR m	9M 2023	9M 2022	Δ	Δ FX adjusted
Sales	12,872.0	14,694.8	-12.4%	-10.2%
Cost of materials	-9,805.0	-11,406.0	-14.0%	-
Operating Gross Profit	3,067.0	3,288.8	-6.7%	-4.4%
Operating expenses	-1,856.0	-1,832.3	1.3%	3.5%
Operating EBITDA	1,211.0	1,456.5	-16.9%	-14.3%
Depreciation	-231.0	-216.3	6.8%	9.1%
Operating EBITA	980.0	1,240.2	-21.0%	-18.4%
Net income / expense from sp. items	-36.3	4.1	-	-
EBITA	943.7	1,244.3	-	-
Amortization	-49.9	-53.2	-	-
EBIT	893.8	1,191.1	-	-
Financial result	-99.2	-102.2	-	-
EBT	794.6	1,088.9	-	-
Profit after tax	583.8	796.9	-	-
EPS	3.80	5.07	-	-

Financials 9M 2023:

Cash flow statement

in EUR m	9M 2023	9M 2022
Profit after tax	583.8	796.9
Effect from IAS 29 on profit/loss after tax	14.5	8.9
Depreciation & amortization	284.6	268.6
Income tax expense	210.8	290.1
Income taxes paid	-212.8	-259.4
Net interest expense	77.4	64.8
Interest paid (netted against interest received)	-73.4	-43.8
<i>(thereof interest paid for leases)</i>	<i>(-12.5)</i>	<i>(-7.4)</i>
Dividends received	-	-
Changes in working capital	387.7	-647.5
Changes in other operating assets and liabilities	-61.2	49.3
Changes in provisions	-33.5	-25.5
Non-cash change in liabilities relating to acquisition of non-controlling interests	-7.0	8.1
Other	-8.3	43.5
Net cash provided by operating activities	1,162.6	554.0

Legend:  Components to calculate FCF derived from op. EBITDA



Financials 9M 2023:

Cash flow statement (continued)

in EUR m	9M 2023	9M 2022
Proceeds from the disposal of other financial assets	0.2	0.6
Proceeds from the disposal of intangible assets and property, plant and equipment	10.8	18.3
Payments to acquire consolidated subsidiaries and other business units	- 98.1	-30.4
Payments to acquire intangible assets and property, plant and equipment	- 161.3	-148.8
Net cash used in investing activities	- 248.4	-160.3
Payments to acquire treasury shares	-439.2	-
Repayments of liabilities relating to acquisition of non-controlling interests	-12.0	-94.0
Proceeds from non-controlling interests	1.7	-
Dividends paid to Brenntag shareholders	-304.7	-224.0
Dividends paid to non-controlling interests	-3.5	-2.5
Proceeds from borrowings	309.8	808.0
Repayments of lease liabilities	-102.4	-98.9
Repayments of borrowings	-860.1	-101.8
Net cash provided by / used in financing activities	-1,410.4	286.8
Change in cash & cash equivalents	496.2	680.5

Legend:  Components to calculate FCF derived from op. EBITDA

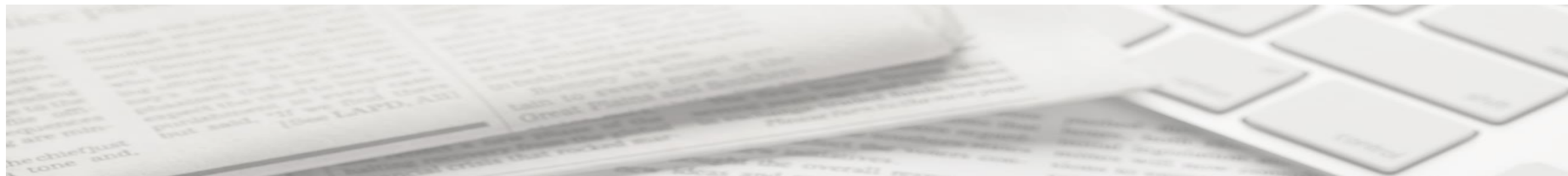


Financials 9M 2023:

Free cash flow

in EUR m	9M 2023	9M 2022	Δ	Δ
Operating EBITDA	1,211.0	1,456.5	-245.5	-16.9%
Payments to acquire intangible assets and property, plant and equipment	-161.3	-148,8	-12.5	8.4%
Δ Working capital ¹⁾	387.7	-647.5	1,035.2	-
Principal and interest payments on lease liabilities	-114.9	-106.3	-8.6	8.1%
Free cash flow	1,322.5	553.9	768.6	138.8%

Financial calendar / contact



Date	Event	Contact
December 5, 2023	Capital Markets Day 2023	Brenntag SE Corporate Investor Relations
March 7, 2024	Annual Report 2023	Phone: +49 (0) 201 6496 2100 Fax: +49 (0) 201 6496 2003
May 23, 2024	Annual General Meeting 2024	E-mail: ir@brenntag.de
May 14, 2024	Quarterly Statement Q1 2024	Web: www.brenntag.com/investor_relations/

The financial calendar is updated regularly.
You can find the latest dates on www.brenntag.com/financial_calendar
Please note that these dates could be subject to change.

Disclaimer

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