



# VIRTUAL GENERAL SHAREHOLDERS' MEETING 2021

JUNE 2021

VERSION AS OF 4 JUNE 2021

# Welcome

- 2020 – A YEAR OF CHANGE
- 2020 ANNUAL RESULTS
- FINANCIAL PERFORMANCE IN Q1 2021
- PROJECT BRENNTAG
- OUTLOOK



## 2020 – A year of change



**Strong  
annual results**

**COVID-19  
crisis management**

### **Project Brenntag**

**1.**

Operating  
model

**2.**

Go-to-market approach

**3.**

Site network  
optimization

**4.**

People & change  
management

## Chief Transformation Officer – Ewout van Jarwaarde

---



## 2020 annual results

### OPERATING GROSS PROFIT

**+3.3%** (fx adj.)

**EUR 2,850.4 m**

### OPERATING EBITDA

**+8.3%** (fx adj.)

**EUR 1,057.7 m**

### EARNINGS PER SHARE

**EUR 3.02**

**on a par with 2019**

### FREE CASH FLOW

**EUR 1,055 m**

**compared with EUR 837 m in 2019**

# 2020 annual results – Performance in the regions

## EMEA

- Consistently strong earnings performance



## NORTH AMERICA

- Weak earnings performance



## LATIN AMERICA

- Strong earnings performance in many countries and customer industries



## ASIA PACIFIC

- Very successful 2020
- Hardest hit by the COVID-19 pandemic
- Many countries and customer industries positive

# Acquisitions in 2020 and Q1 2021

## Acquisitions

### 2020

- Suffolk Solutions, USA
- Oils'R Us, Thailand
- Neuto Chemicals Corp. Taiwan

### Q1 2021

- Comelt S.p.A., Italy
- ICL Packed Ltd., United Kingdom
- Alpha Chemical Ltd., Canada

**Enterprise value of approx. EUR 105 m**

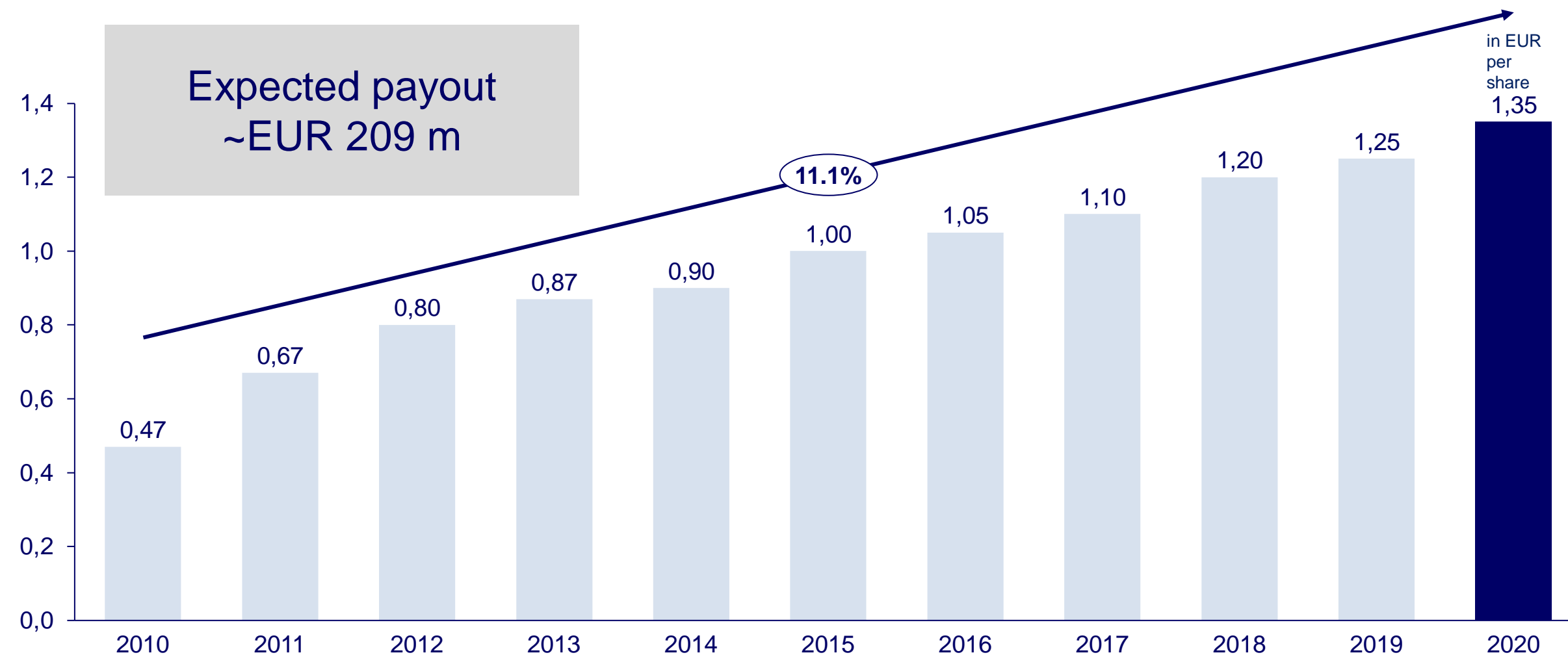
## Mergers & acquisitions approach

- 1.** Focus on emerging markets, particularly China
- 2.** Focus on specific customer industries
- 3.** Acquisition targets that make a sizeable contribution to operating EBITDA

**Zhongbai  
Xingye**

**Investments of EUR 200 – 250 m p.a.**

# Dividend proposal – Dividend increase for the 10<sup>th</sup> year in succession



# Financial performance in Q1 2021

## BRENTAG ESSENTIALS + BRENTAG SPECIALTIES

Introduction of two divisions  
and new reporting structure

## OPERATING GROSS PROFIT

+7.4% (fx adj.)

EUR 764.5 m

## OPERATING EBITDA

+20.7% (fx adj.)

EUR 300.3 m

## FREE CASH FLOW

EUR 75.6 m

compared with EUR 161.5 m in Q1/20

## EARNINGS PER SHARE

EUR 0.63

compared with 0.74 EUR in Q1/20

## GUIDANCE 2021

Op. EBITDA expected to be between  
EUR 1.08 bn and EUR 1.18 bn

# Two global divisions – Individually adapted to our partners' requirements



## BRENNTAG ESSENTIALS

### Regional logic

North  
America

Latin  
America

EMEA

Asia  
Pacific

Country clusters/sub-regions

**Q1 2021**  
**op. gross profit**  
EUR 472.5 m  
+7.1%

**Q1 2021**  
**op. EBITDA**  
EUR 194.1 m  
+29.2%

## BRENNTAG SPECIALTIES

### Industry logic

Americas

EMEA


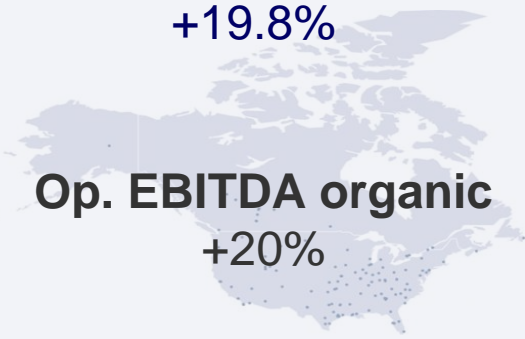

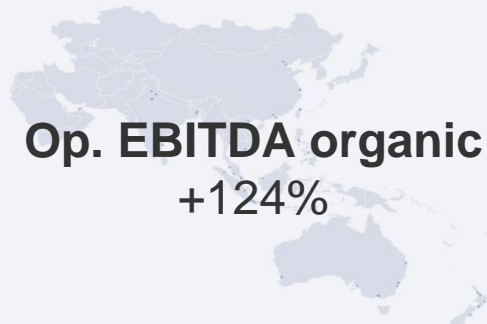
Asia  
Pacific



**Q1 2021**  
**op. gross profit**  
EUR 284.3 m  
+7.1%

**Q1 2021**  
**op. EBITDA**  
EUR 119.8 m  
+9.2%

# Financial performance in Q1 2021: Brenntag Essentials

EMEA	NORTH AMERICA	LATIN AMERICA	APAC
<p><b>Op. gross profit</b> EUR 197.3 m +3.6%</p> <p><b>Op. EBITDA</b> EUR 82.1 m +25.5%</p> <p><b>Op. EBITDA organic</b> +25%</p> 	<p><b>Op. gross profit</b> EUR 210.9 m +5.5%</p> <p><b>Op. EBITDA</b> EUR 84.0 m +19.8%</p> <p><b>Op. EBITDA organic</b> +20%</p> 	<p><b>Op. gross profit</b> EUR 37.1 m +22.4%</p> <p><b>Op. EBITDA</b> EUR 15.4 m +63.8%</p> <p><b>Op. EBITDA organic</b> +64%</p> 	<p><b>Op. gross profit</b> EUR 27.2 m +32.7%</p> <p><b>Op. EBITDA</b> EUR 12.3 m +123.6%</p> <p><b>Op. EBITDA organic</b> +124%</p> 

# Financial performance in Q1 2021: Brenntag Specialties

## EMEA

**Op. gross profit**  
EUR 139.3 m  
+7.4%

**Op. EBITDA**  
EUR 61.3 m  
+8.9%

**Op. EBITDA organic**  
+6%

## AMERICAS

**Op. gross profit**  
EUR 90.7 m  
-2.2%

**Op. EBITDA**  
EUR 29.3 m  
-14.1%

**Op. EBITDA organic**  
-14%

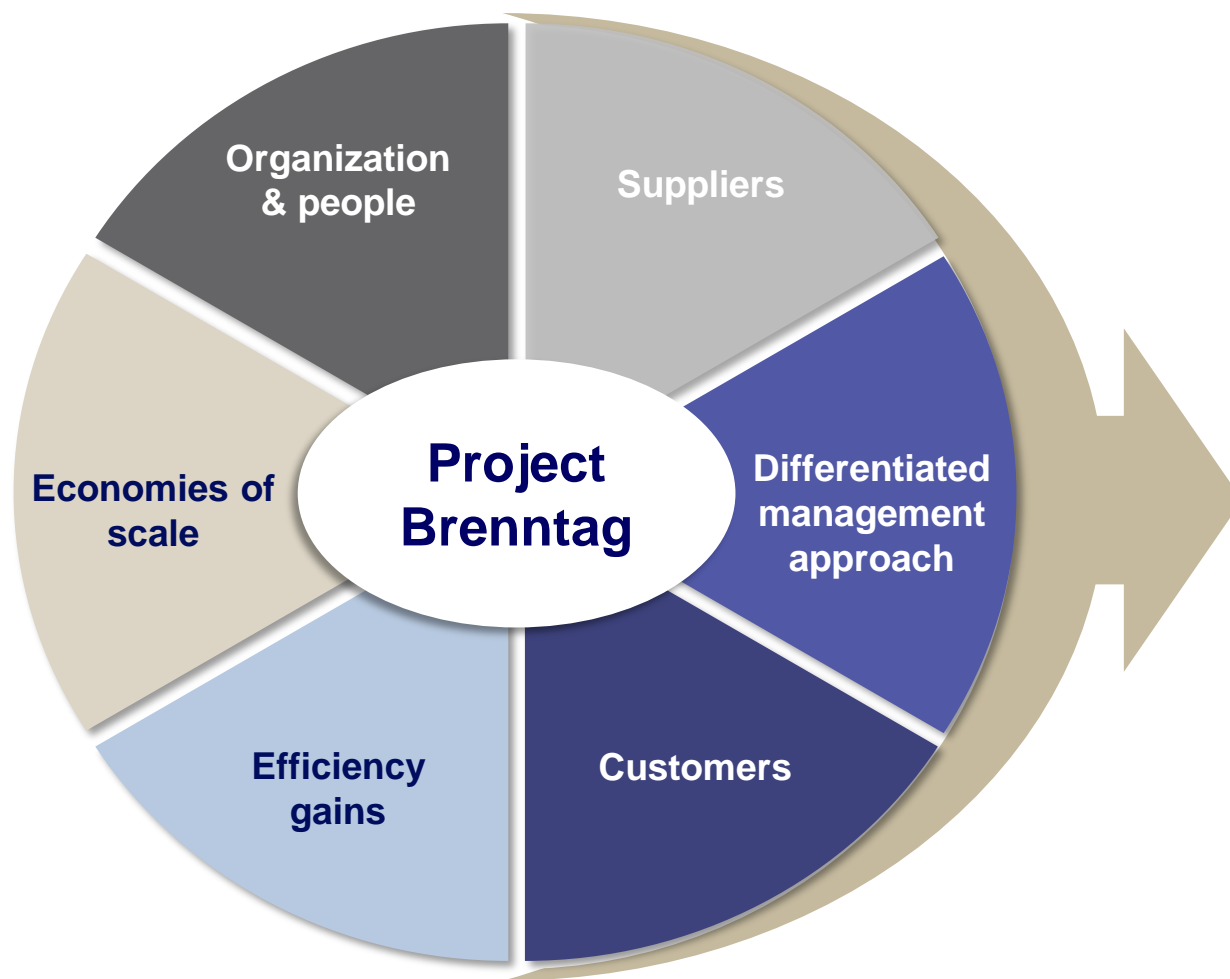
## APAC

**Op. gross profit**  
EUR 54.3 m  
+26.3%

**Op. EBITDA**  
EUR 28.3 m  
+45.9%

**Op. EBITDA organic**  
+40%

# Project Brenntag: Transformation programme in line with our stakeholders' requirements



Project Brenntag in figures	
<b>Organisches Wachstum operatives EBITDA</b> in the mid-term, over the cycle	<b>4% – 6%</b>
<b>Operating EBITDA<sup>1)</sup></b> annually as of 2023	<b>EUR 220 m</b>
<b>Site closures</b>	<b>100</b>
<b>Reduction in jobs</b> over the coming 2 years	<b>1,300</b>
<b>Net cash outflows</b> one-time	<b>EUR 370 m</b>
<b>Mergers &amp; acquisitions</b> annually	<b>EUR 200 – 250 m</b>

1) Based on Brenntag management's estimates  
Brenntag SE – Virtual General Shareholders' Meeting June 2021

# Project Brenntag: Two strong global divisions

1.

## Operating model

### BRENTTAG ESSENTIALS



**EUR 7.1 bn**  
sales (2019)

**EUR 1.7 bn**  
op. gross profit (2019)

**33 – 35%**  
conversion ratio



High volume delivery

Cross-industry products and  
local market know-how

Consistent cash generation

Strong brand & high barriers to  
entry

Global asset base

Business-oriented  
infrastructure

### BRENTTAG SPECIALTIES



**EUR 5.3 bn**  
sales (2019)

**EUR 1.1 bn**  
op. gross profit (2019)

**41 – 43%**  
conversion ratio



Strong customer relationships

Application and formulation  
expertise

Innovation capabilities

Regulatory expertise

Industry focus

Brand awareness

# Project Brenntag: Business Services support the divisions

## Corporate



- Drives strategic agenda
- Defines governance, policies and standards
- Manages global functions and business services

## Brenntag Essentials



## Brenntag Specialties



## Supported by Business Services

**Centres of  
Excellence**

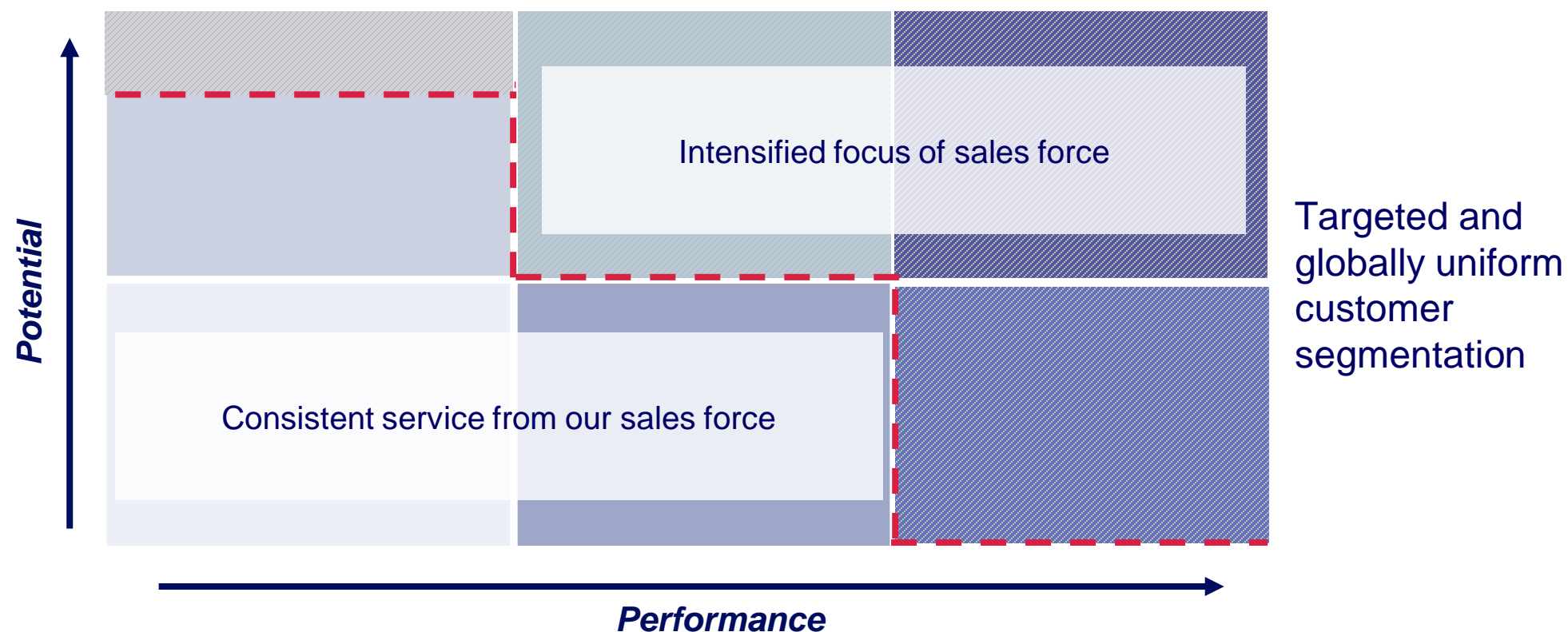
**Shared Services**

**Business Partners**

# Project Brenntag: Customer segmentation and realignment of the sales force

2.

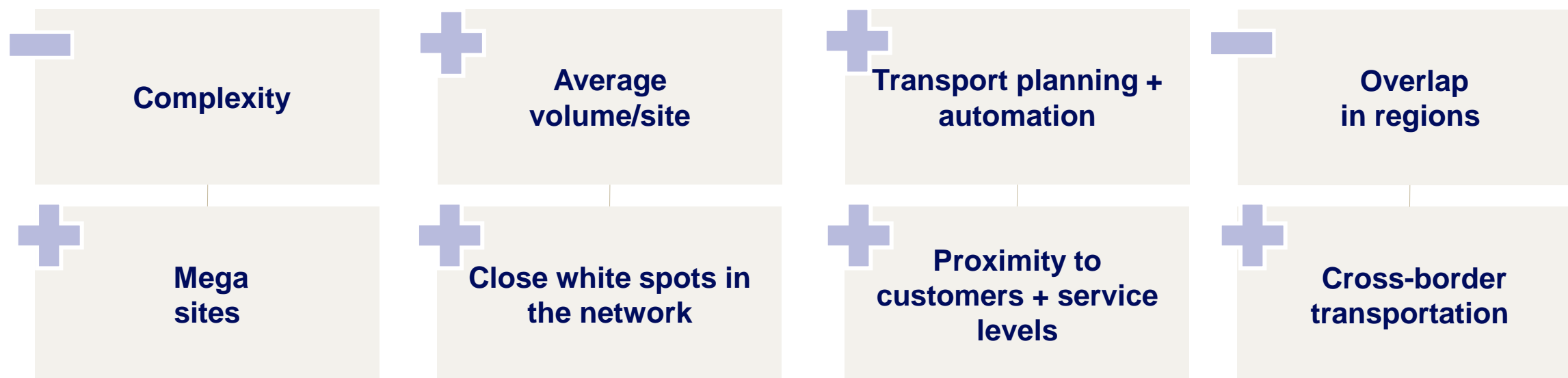
## Go-to-market approach



# Project Brenntag: Optimized site network will increase efficiency

## 3. Site network optimization

### Scaling-back of the network by 100 sites



# Project Brenntag: Corporate culture focused on performance and value creation

## 4. People & change management



**Clearly defined roles + responsibilities**

**Focus on performance + individual recognition**

**Leadership competencies in execution, growth + transformation**

**Change management to ensure a smooth transformation process**

**Reduction in jobs of 1,300  
by 2022**

# Project Brenntag: Status update



## Implementation

- Go-live of two global divisions
- New external reporting structure
- New go-to-market approach in line with our customers' and suppliers' requirements
- Site network optimization: reduced complexity and increased proximity to customers



## Measures

- Almost 1,000 measures initiated
- Global monitoring
- Broadened and intensified leadership involvement



## Results

- Working capital turnover significantly improved
- Reduction of almost 470 jobs
- > 60 site closures worldwide

# ESG: Brenntag is developing a comprehensive strategic framework for sustainability in line with its corporate strategy

## HIGHLIGHTS

### Q1 2021

- Publication of the sustainability report on April 28, 2021
- New sustainability goals defined for 2021, paving the way for a long-term sustainability roadmap

### Objectives for 2021

- Re-evaluate Brenntag's sustainability approach
- Develop a comprehensive strategic framework for sustainability in line with the corporate strategy
- Develop new, ambitious and long-term goals

### Safety

- ✓ TRIR (Total Recordable Injury Rate): 2.9
- ✓ -15% spills compared to base year 2020 (spills > 200 liters)
- ✓ 100% site coverage with process safety management standards

### Climate

- ✓ -4% total scope 1 and 2 CO<sub>2</sub>e emissions compared to base year 2020
- ✓ 3 sites that will start to produce electricity with solar panels
- ✓ 9 sites that will have undergone a full solar panel feasibility study

### Sustainable Procurement

- ✓ 80% coverage of chemical spend (in €) with supplier sustainability assessments
- ✓ 55% of suppliers undergoing re-assessments which achieve a score improvement by at least 1 point

### Ratings

- ✓ EcoVadis Score of 71 (Gold Medal)
- ✓ CDP Score of C

## Memberships / Ratings



**Responsible Care/Distribution** programme



**"Together for Sustainability"** initiative



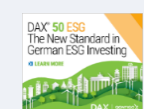
**UN Global Compact**



Global inclusion initiative  
**The Valuable 500**



**EcoVadis**  
Gold status



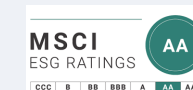
**DAX 50 ESG**



Medium ESG risk rating



**CDP C level**



**MSCI Rating**  
Level: Leader (AA)



Annual  
**Sustainability report**

# Outlook



**Business  
performance**

**COVID-19  
pandemic**

## **Project Brenntag**

Completion of project phase 3

Further implementation of measures

Increase in additional contribution to op. EBITDA

## General Shareholders' Meeting 2021

**THANK YOU VERY  
MUCH FOR YOUR  
ATTENTION!**



# Disclaimer

---

This presentation contains forward-looking statements. The words “assume”, “believe”, “estimate”, “expect”, “intend”, “plan”, “project”, “may”, “should” and similar expressions can be used to identify forward-looking statements. Forward-looking statements are statements that are not historical facts; instead they reflect our current views and expectations and the assumptions underlying them about future events.

These forward-looking statements are, by their nature, subject to many risks and uncertainties, including a lack of further improvement or a deterioration in global economic conditions, in particular a decline in consumer demand and investment activities, a downturn in major economies, a continuation of the tense situation in the credit and financial markets and other risks and uncertainties.

If any of these risks and uncertainties materialize or if the assumptions underlying any of our forward-looking statements prove to be incorrect, our actual results may be materially different from those expressed or implied by such forward-looking statements. We do not intend or assume any obligation to update these forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made.