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Brenntag with strong performance in the third quarter of 2020

Essen (ots) -

- Operating EBITDA* reaches 264.4 million EUR (4.9%)** compared to the same period last year
- Operating gross profit*** with 690.6 million EUR (-0.2%) stable compared to prior-year quarter**
- Free cash flow with 420.7 million EUR significantly above previous year's figure of 245.9 million EUR (71.1%)

Brenntag (ISIN DE000A1DAH0), the global market leader in chemical and ingredients distribution, reports a strong third quarter in 2020 with organic operating EBITDA growth and still limited impact from the COVID-19 pandemic.

Christian Kohlpaintner, Chief Executive Officer of Brenntag Group, said: "Brenntag achieved strong results in the third quarter of 2020. The COVID-19 pandemic has been with us - as with many other companies - throughout the year and has significantly impacted the overall economic environment. Nevertheless, we once again show a positive business development and our operations remained with limited effect by the COVID-19 crisis in the reporting period."

At 2,876.3 million EUR, **sales** in the third quarter of 2020 were below the prior-year figure on a constant currency basis by -7.7%. **Operating gross profit** of 690.6 million EUR was on par with the previous year's quarter (-0.2%). **Operating EBITDA** achieved 264.4 million EUR, an increase of 4.9% compared to previous year's quarter. With the exception of North America, the regions EMEA (Europe, Middle East & Africa), Asia Pacific and Latin America showed a particularly good development.

Profit after tax was down from the prior-year figure of 128.4 million EUR to 120.6 million EUR in the third quarter of 2020. This translated to 0.76 EUR in earnings per share attributable to Brenntag shareholders.

Free cash flow reached 420.7 million EUR compared to 245.9 million EUR in the third quarter 2019. This again reflects a significant increase of 71.1% and underlines Brenntag's strong financial position.

The consolidated balance sheet continues to reflect the company's sound financial profile

EMEA again with strong increase of operating EBITDA

With 294.8 million EUR, the generated operating gross profit of Brenntag EMEA (Europe, Middle East and Africa) was above the prior-year figure of 285.5 million EUR (4.8%). Despite restrictions due to the COVID-19 pandemic, the region reported a strong operating EBITDA of 112.9 million EUR - an increase of 11.3% compared with the previous year's quarter.

Market environment in North America remained challenging

In the third quarter of 2020, the business environment in North America remained challenging with the Oil and Gas industry particularly weak. In this environment, the operating gross profit generated by Brenntag North America was down by 9.3% to 273.9 million EUR. Operating EBITDA reached 110.0 million EUR (-11.7%).

Latin America reports very strong operating results

The Latin America region reported very strong operating results in the third quarter 2020 due to slowly recovering volumes, good margin management and cost control. Brenntag's operating gross profit of 44.5 million EUR in the third quarter of 2020 increased by 15.7% compared with the previous year's quarter, operating EBITDA grew significantly by 39.8% to 15.1 million EUR.

Recovery in Asia Pacific led to strong results

After some countries were in strict shutdown for several months due to the COVID-19 pandemic, the economy in Asia Pacific was recovering in the third quarter of 2020. At 72.5 million EUR, operating gross profit in the region was slightly above the previous year's level of 68.1 million EUR (12.0%). Third-quarter Operating EBITDA rose to 33.0 million EUR, a significantly year-on-year increase (35.9%).

Outlook for 2020

In early April, the company suspended the forecast for the financial year 2020 due to the considerable uncertainty over the future effects of the COVID-19 pandemic. Mid of September, Brenntag reinstated the outlook for the full year 2020. The Group expects operating EBITDA for the financial year 2020 to be between EUR 1,000 million and EUR 1,040 million (financial year 2019: EUR 1,001.5 million). The new forecast assumes that there will be no further significant government measures to contain the pandemic and related negative effects on the economy. Furthermore, this forecast does not envisage any special items or significant changes in current exchange rates in the further course of the year. It includes the contributions to earnings from acquisitions. As the COVID-19 pandemic will most likely impact the economy for the rest of this year and also in 2021, the presumed business environment continuous to be volatile.

About Brenntag:

Brenntag is the global market leader in chemical and ingredients distribution. We connect our suppliers and customers in value-adding partnerships. Our almost 17,500 employees provide tailor-made application, marketing and supply chain solutions. Technical and formulation support, market, industry and regulatory expertise as well as advanced digital tools are just some examples of our services that are aiming to create an excellent customer experience. Our full-line portfolio comprises specialty and industrial chemicals and ingredients of a world-class supplier base. Building on its long-standing experience, unmatched global reach and local excellence, Brenntag works closely alongside its partners to make their business more successful. We are committed to contribute towards greater sustainability in our own business and the industries we serve, and to achieve sustainable profitable growth. Headquartered in Essen (Germany) and with regional headquarters in Philadelphia, Houston and Singapore, Brenntag operates a unique global network with more than 640 locations in 77 countries. The company generated sales of EUR 12.8 billion (USD 14.4 billion) in 2019. Brenntag shares are traded at the Frankfurt Stock Exchange (BNR).

**Brenntag presents 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.*

***Unless indicated otherwise, growth rates are on a constant currency basis.*

****Operating gross profit is defined as sales less cost of goods sold.*

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