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Brenntag achieved record results in financial year 2021 which was characterized by exceptional market conditions

Essen (ots) -

Brenntag (ISIN DE000A1DAHH0), the global market leader in chemicals and ingredients distribution, reports record results for financial year 2021 which was characterized by exceptional market conditions. Both global divisions, Brenntag Essentials and Brenntag Specialties, delivered excellent results in their first reported year within the new operating model.

In 2021, Brenntag generated sales of 14,383 million EUR. Operating gross profit rose by 19.6% to 3,379 million EUR compared to 2,869 million EUR in the previous year. Brenntag accomplished to translate the positive gross profit growth into an over proportional growth (+29.5%) of operating EBITDA to 1,345 million EUR. Profit after tax remained largely stable with a total of 461 million EUR despite EBIT being impacted mainly by extraordinary expenses due to excise tax payments and provisions. Earnings per share ended at 2.90 EUR.

Both divisions continued to deliver excellent results

Brenntag Essentials which markets a broad portfolio of process chemicals across a wide range of industries showed a strong performance and reached an operating gross profit of 2,067 million EUR (+16.1%). Operating EBITDA increased by 28.6% to 843 million EUR compared to the prior-year period.

Brenntag Specialties which builds on Brenntag's position as the largest specialty chemicals distributor worldwide, delivered excellent results in 2021. The division achieved an operating gross profit of 1,283 million EUR (+25.4%). Operating EBITDA rose by 34.3% to 568 million EUR compared to the previous year.

Project Brenntag – ahead of plan

Project Brenntag, the first step of Brenntag's comprehensive transformation journey, is ahead of plan and continues to make very good progress in achieving additional operating EBITDA of 220 million EUR annually by the end of 2023. Since its inception in 2021, Project Brenntag has generated around 120 million EUR delivering already more than 50% of the expected uplift.

Brenntag pushed ahead with substantial M&A transactions

In 2021, Brenntag acquired six companies with a cumulative enterprise value of 440 million EUR, the highest investment amount in M&A since 2015. Brenntag's 2021 global nutrition business grew to around 2 billion EUR in sales. Overall, acquisitions contributed 33 million EUR to Brenntag's operating EBITDA in 2021, of which the majority was attributable to the deals closed in 2021.

Outlook for financial year 2022

In light of current economic conditions, Brenntag Group expects the operating EBITDA for financial year 2022 to be between 1,450 million and 1,550 million EUR. This forecast considers a normalizing market environment later in the year, includes the potential efficiency improvement driven by the measures of Project Brenntag as well as the contributions to earnings from acquisitions already closed and assumes that exchange rates will remain stable on the level at the time of the guidance publication. The global economy is expected to continue to be severely impacted by exceptional influencing factors that cannot be reliably forecast, such as the COVID-19 pandemic, current geopolitical developments, pressure on global supply chains, inflationary tendencies, and price volatility.

At the General Shareholders' Meeting on June 9, 2022, the Board of Management together with the Supervisory Board will propose a dividend increase of 7.4%, which translates into a dividend of 1.45 EUR per share (2020: 1.35 EUR). The payout ratio of 50% from profits after tax attributable to Brenntag shareholders follows Brenntag's dividend policy.

Find the full press release, all figures and details on Brenntag's website: <https://www.brenntag.com/corporate/de/media/news/>

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