

# FUCHS GROUP

## CAPITAL MARKETS DAY 2022

June 28, 2022

| Lutz Ackermann  
| Stefan Fuchs  
| Dr. Lutz Lindemann

| Dr. Timo Reister  
| Dr. Ralph Rheinboldt  
| Dagmar Steinert



# AGENDA

	Topic	Presenter
BLOCK 1	Welcome, Key messages, FUCHS2025 culture	Stefan Fuchs, Lutz Ackermann
BLOCK 2	FUCHS2025 structure & strategy	Dr. Lutz Lindemann, Dr. Timo Reister, Dr. Ralph Rheinboldt, Dagmar Steinert
BLOCK 3	Long-term financial targets	Dagmar Steinert
BLOCK 4	Sustainability	Dr. Lutz Lindemann
BLOCK 5	Mobility transition	Dr. Timo Reister, Dr. Ralph Rheinboldt
BLOCK 6	Key messages	Stefan Fuchs

# SUPERVISORY BOARD OF FUCHS PETROLUB SE



**Dr. Christoph Loos**  
Chairman



**Dr. Susanne Fuchs**  
Dept. Chairwoman



**Ingeborg Neumann**  
Chairwoman Audit Committee



**Dr. Markus Steilemann**  
Member



**Jens Lehfeldt**  
Employee's Representative



**Cornelia Stahlschmidt**  
Employee's Representative



# MANAGEMENT - EXECUTIVE BOARD



**Stefan Fuchs**

CEO; Corporate Group Development, HR, PR & Marketing, Strategy



**Dr. Lutz Lindemann**

CTO; R&D, Technology, Product Management, Supply Chain, Sustainability, EH&S, Mining Division, OEM Division



**Dr. Timo Reister**

Asia-Pacific, Americas, Automotive Aftermarket Division



**Dr. Ralph Rheinboldt**

Europe, Middle East & Africa, Industry Division, Speciality Division



**Dagmar Steinert**

CFO; Finance, Controlling, Investor Relations, Compliance, Internal Audit, Digitalization (IT, ERP systems, Big Data etc.), Legal, Taxes



**Isabelle Adelt**

- New Group CFO
- Starts in Q4
- Consulting and CFO experience
- Areas of expertise: Finance, Performance Management, IT/ Digitalization
- International experience from stays abroad in Poland and China



# Agenda

## BLOCK 1

Key messages,  
FUCHS2025 culture



*MOVING YOUR WORLD*



# TODAY'S 6 KEY MESSAGES



## Lubricants

Unique FUCHS business model based on strict application focus and tailor-made solutions



## Innovation Enabler

FUCHS has the solutions to help customers with their technology transformation



## E-Mobility

Significant opportunities for FUCHS in fast developing markets



## Sustainability

FUCHS enables its customers to lower their carbon footprint



## Digitilization

FUCHS GOES DIGITAL as a basis for smart services, operational excellence and Business Model Innovation



## Growth

FUCHS will exploit growth opportunities leading to an EBIT of € 500 mn by 2025

# LUBRICANTS:

UNIQUE FUCHS BUSINESS MODEL BASED ON STRICT APPLICATION FOCUS AND TAILORMADE SOLUTIONS

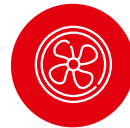
## THE PRINCIPAL DUTIES OF A LUBRICANT: ENSURE THE EFFICIENT OPERATION AND PRESERVATION OF MOVING PARTS



Reduce friction and  
wear in moving  
systems



Separate surfaces  
and protect from  
wear



Cool machinery and  
equipment



Protect surfaces  
from corrosion



Transfer energy

LUBRICANTS PLAY A MAJOR ROLE IN THE 3 MEGATRENDS OF SUSTAINABILITY, MOBILITY CHANGE AND  
DIGITALIZATION



# FUCHS' LUBRICANTS ENABLE INNOVATION

FUCHS HAS THE SOLUTIONS TO HELP CUSTOMERS WITH THEIR TECHNOLOGY TRANSFORMATION



# E-MOBILITY

## SIGNIFICANT OPPORTUNITIES FOR FUCHS IN FAST GROWING MARKETS



Mobility change is on a fast track: today main focus on batteries



~ \$3bn of new market for functional fluids of which we see on a conservative basis 50% relevant for FUCHS. E-lyte and cooling fluids are examples for FUCHS activities in this field.



Mobility change comes with additional requirements for lubricants: good news for FUCHS' high-performance product



Globally the number of combustion engines will increase over the course of the next 10 years: European market to decline, growth (number of vehicles) especially in China.

**E-mobility is a net opportunity with significant growth opportunities for the FUCHS Group.**

# SUSTAINABILITY

FUCHS ENABLES ITS CUSTOMERS TO LOWER THEIR CARBON FOOTPRINT



FUCHS drives sustainability along the entire value chain



We empower our customers to perform more sustainably leading to greater efficiency and additional value potentials



Lubricants are by nature a contributor to lower the CO<sub>2</sub> footprint along the entire value chain



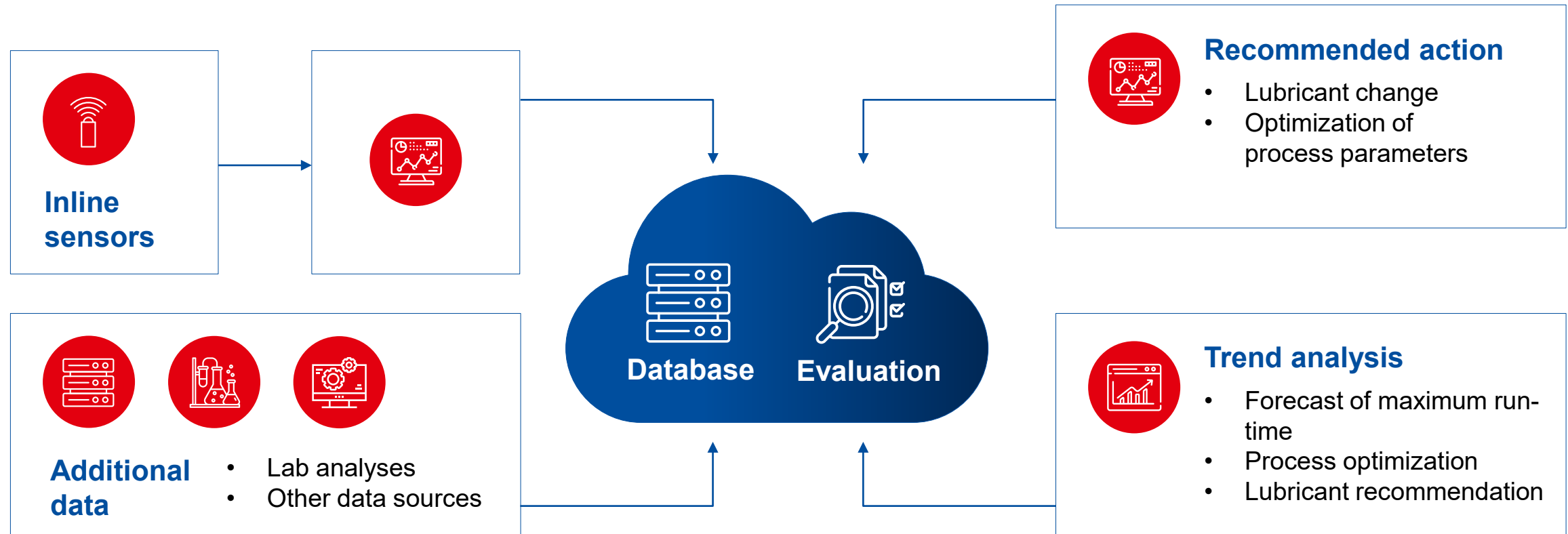
The basic idea of sustainability comes with additional requirements for lubricants: good news for FUCHS' high-performance products

**FUCHS products play a decisive role to help customers lower their CO<sub>2</sub> footprint.**



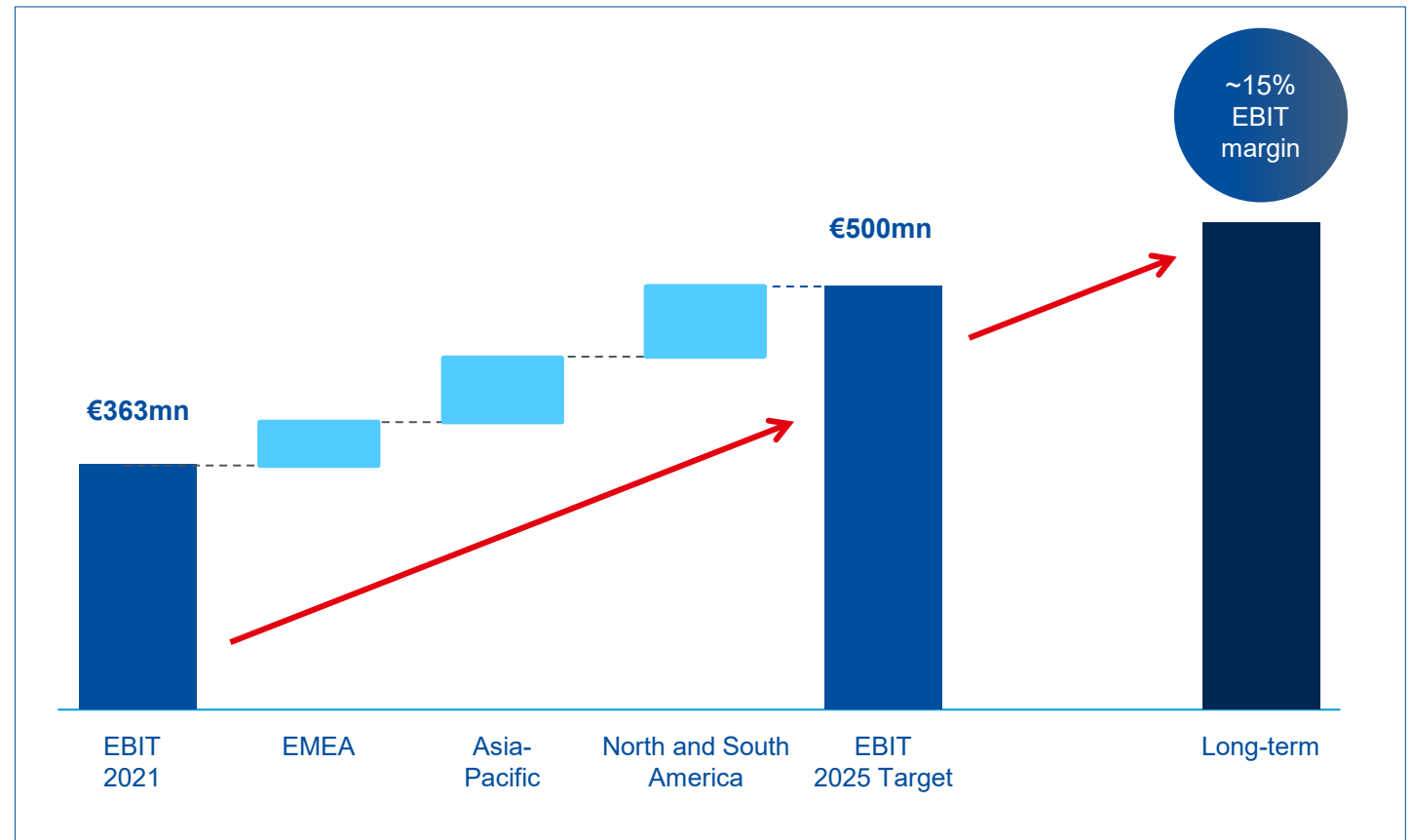
# DIGITILIZATION

FUCHS GOES DIGITAL AS A BASIS FOR SMART SERVICES, OPERATIONAL EXCELLENCE AND BUSINESS MODEL INNOVATION



# GROWTH

FUCHS WILL EXPLOIT GROWTH OPPORTUNITIES LEADING TO AN EBIT OF € 500 MN BY 2025





## Culture

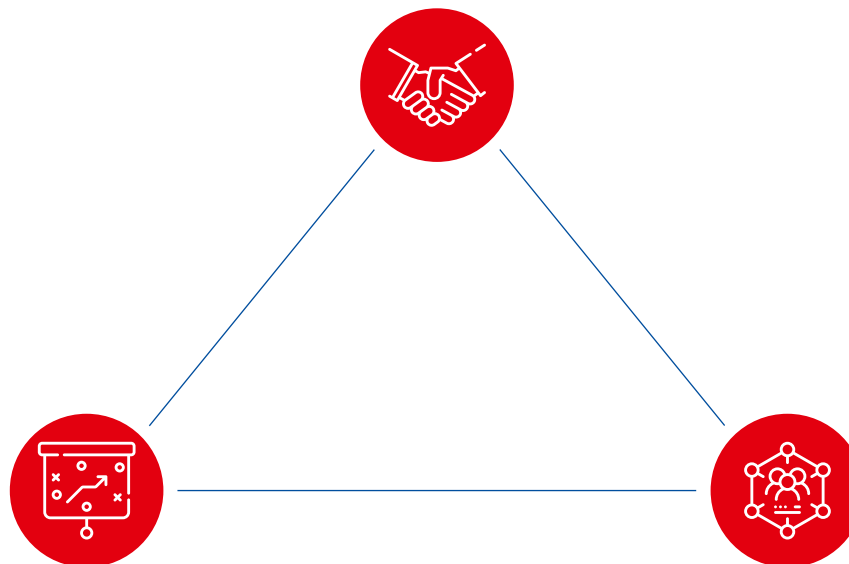
High performance, open feedback & hierarchy-free communication

## Strategy

Topline growth based on market segmentation

## Structure

Organizational set-up & new positions





# CLEAR VALUE PROPOSITION

## VISION



Being First Choice

## MISSION STATEMENT



Lubricants.  
Technology.  
People.

## VALUES



Trust, Creating  
Values, Respect,  
Reliability, Integrity

## PURPOSE



Moving Your World







***MOVING YOUR WORLD***





## **WHAT: Delivering Efficient Lubrication Solutions**

**Technical  
Expertise**

**Leading  
Solutions**

**Customer  
Orientation**

**Sustainable  
Attitude**





## HOW: UNCONDITIONALLY RELIABLE

Customers trust us.

And they trust us to find the solution. Because we make zero compromises. With unconditional reliability.



## ***WHY: MOVING YOUR WORLD***

**We exist because it is us who keep this world moving.  
Moving your world is not only about keeping it in motion.  
It's about moving it forward.**



# Agenda

FUCHS2025 structure & strategy

BLOCK 2



*MOVING YOUR WORLD*





## Culture

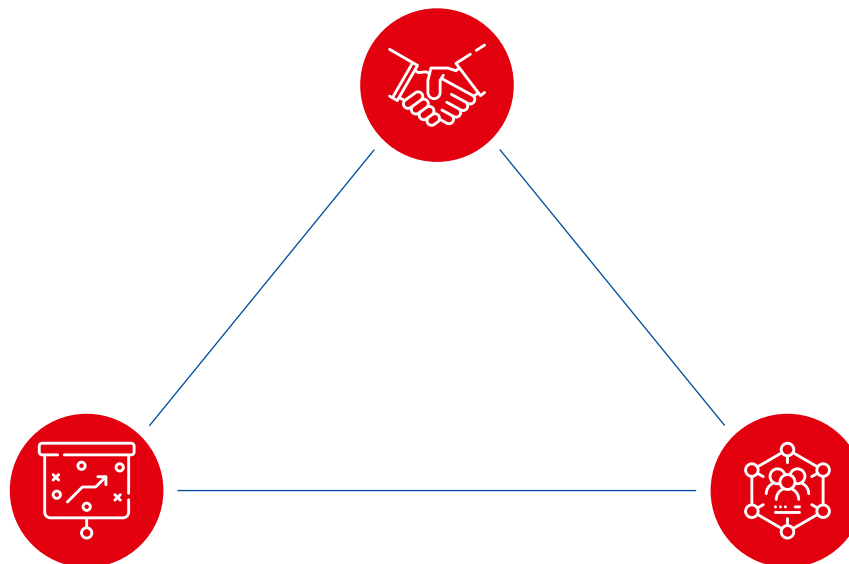
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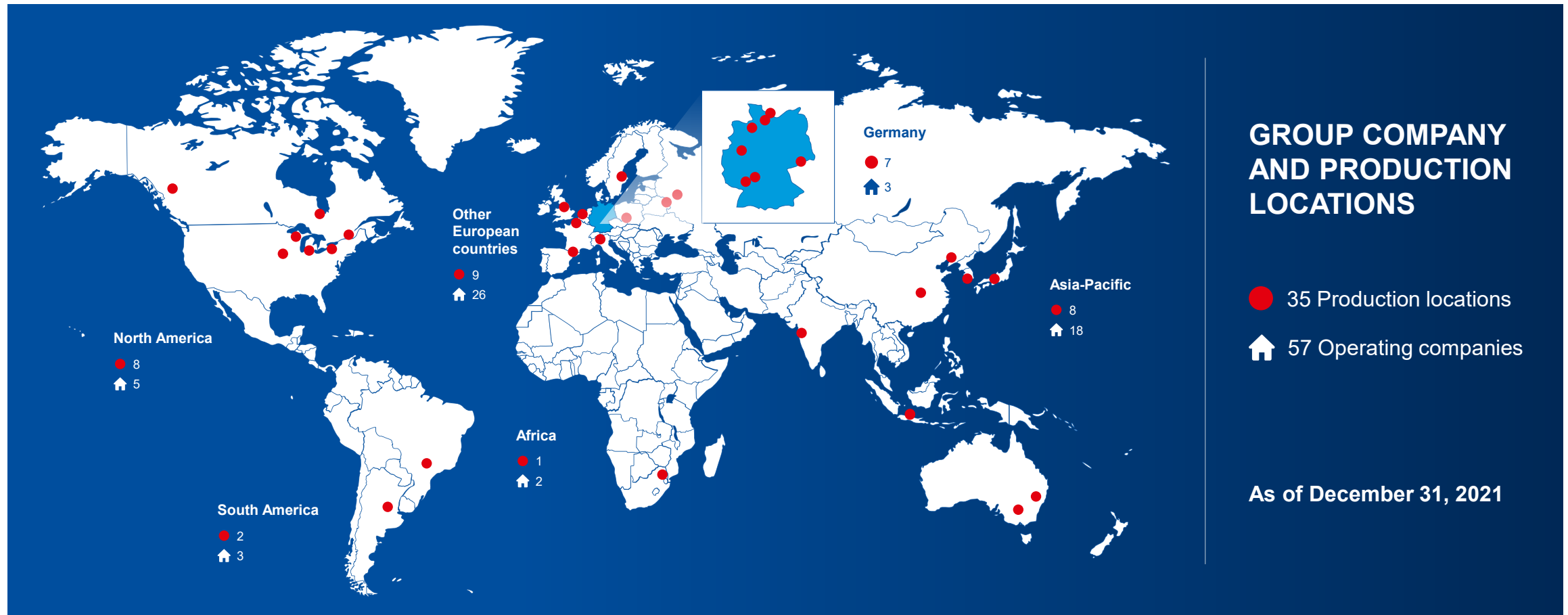
Topline growth based on market segmentation

## Structure

Organizational set-up & new positions

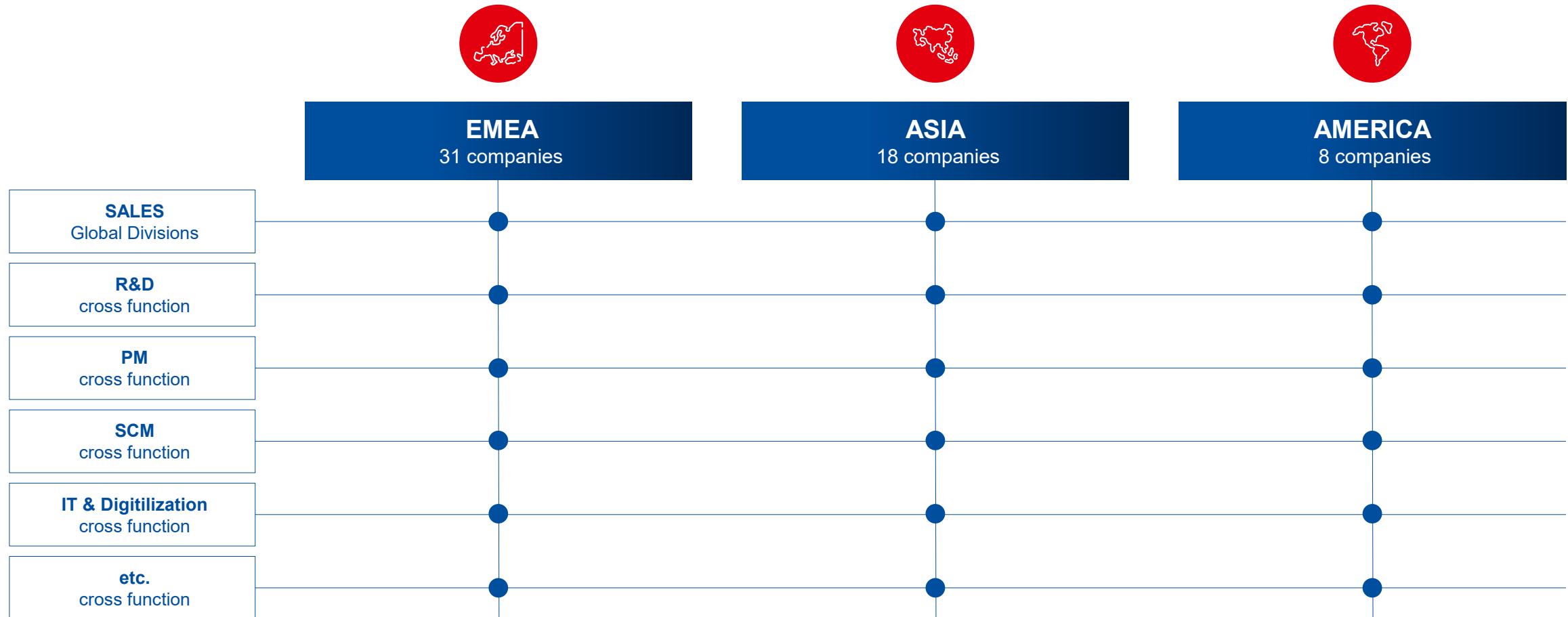


# WE ARE WHERE OUR CUSTOMERS ARE IN OVER 50 COUNTRIES



# OUR ORGANIZATIONAL STRUCTURE

GUIDING PRINCIPLES „ENTREPRENEURSHIP“ & „ACT GLOBAL“





# FUCHS: WORKING IN AGILE NETWORKS



## Our three principles for an open feedback culture

### I. Describe a concrete situation\*

- Colleague should be able to identify the behavior or situation you are referring to
- Avoid generalizations



### II. Have a basic attitude of goodwill\*

- Be descriptive- not judgemental
- Try to reduce the time between the situation and the feedback



### III. Define „I“ statements\*

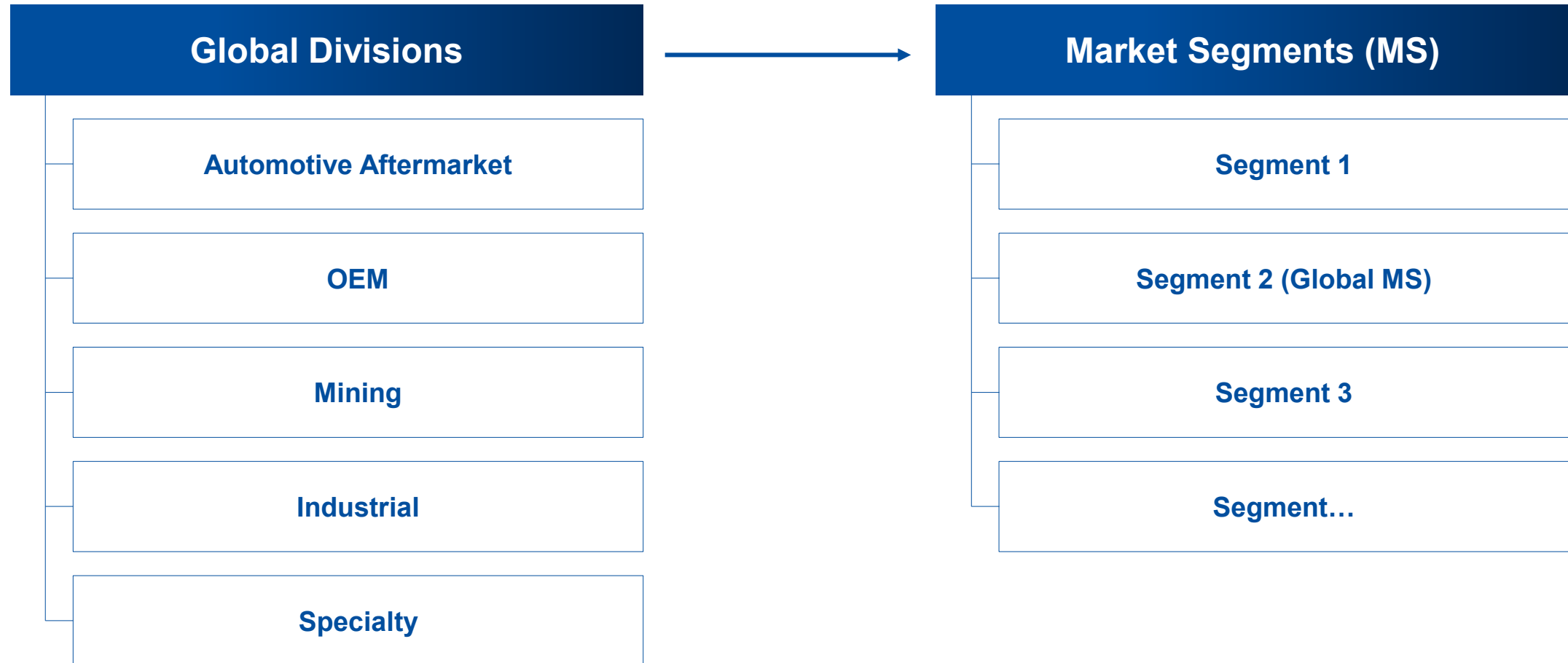
- Describe your own perception
- Use „I“ statements
- Provide examples for improvement



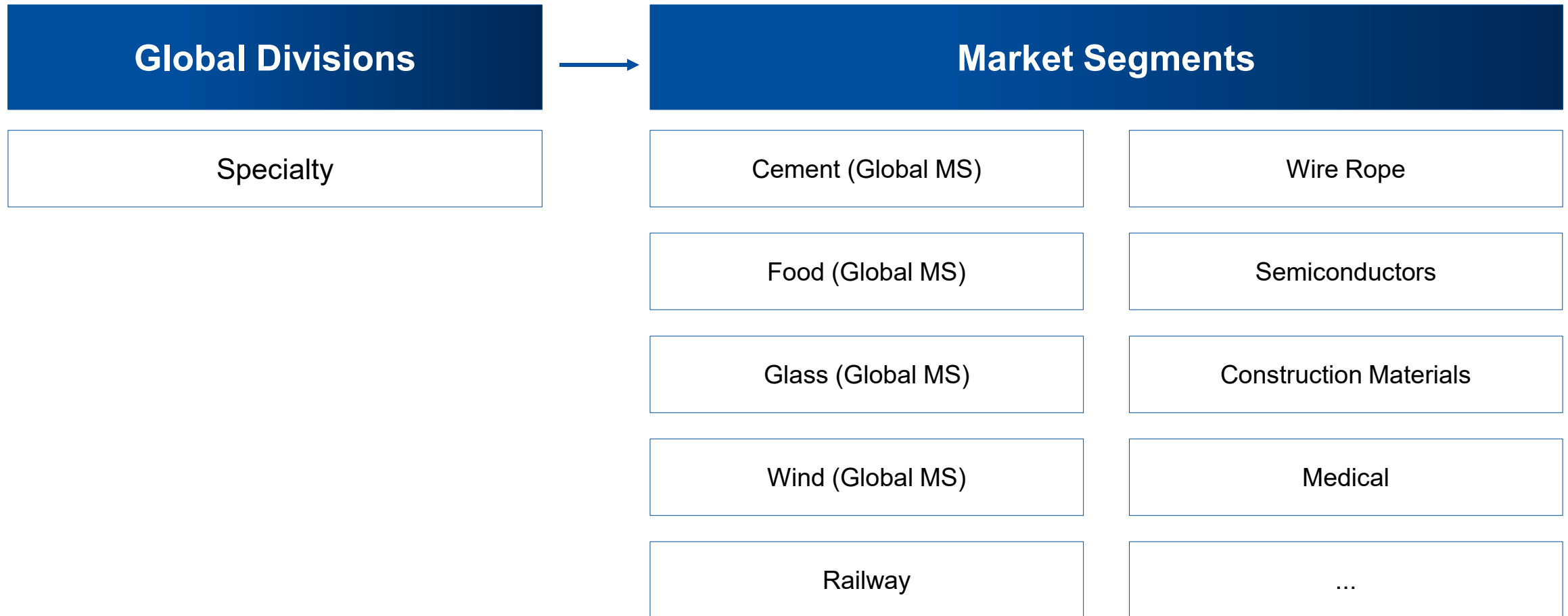
## Hierarchy free communication



# GROWTH VIA SEGMENTS



# GROWTH VIA SEGMENTS

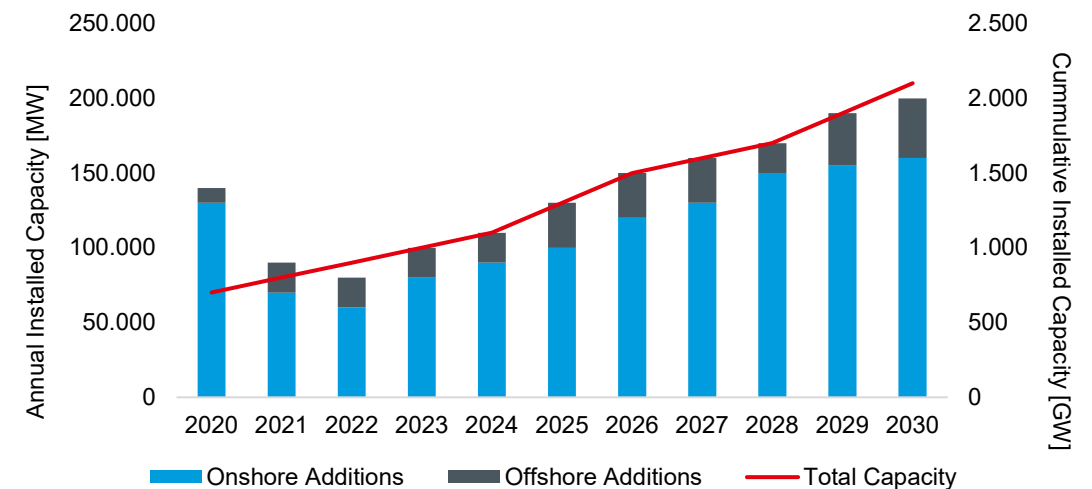




# INSIGHT – SPECIALTY / WIND

## FUCHS Key Success Factors

- Technological leadership with a global, holistic and approved product program
- Extend product lifecycle
- Tailor-made solutions as one-stop-shop provider
- Lubrication expertise and out-of-the-box thinking
- Global customer orientation & state of the art production facilities
- New markets and niche application



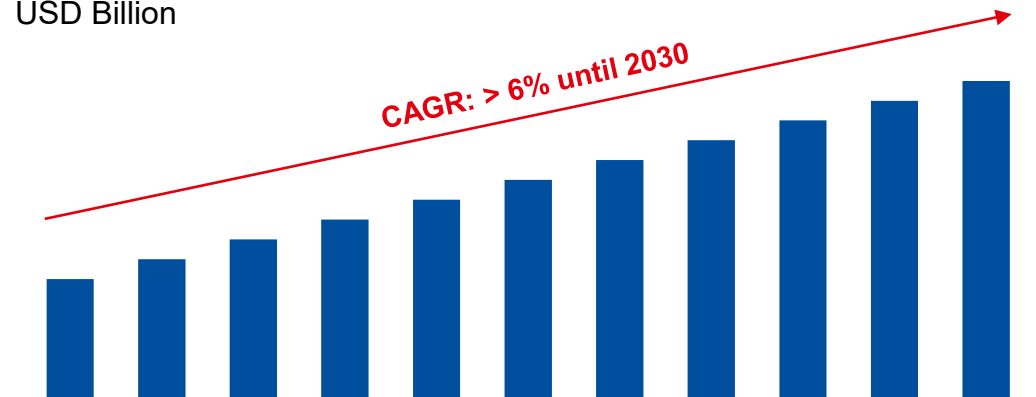
Source: [www.enlit.world](http://www.enlit.world)

# INSIGHT – SPECIALTY / FOOD

## FUCHS Key Success Factors

- FUCHS recognized as global market leader for food-grade lubricants
- Global product portfolio covering all food safety standards
- Experienced and knowledgeable global food partner network
- Focus on beverage & brewing, meat & poultry as well as animal food segments
- Further growth potential in packaging, pharma & robotics segment

## Global Food Processing and Handling Equipment Market Historical Market and Forecast USD Billion



Source: [www.expertmarketresearch.com](http://www.expertmarketresearch.com)

# INSIGHT – INDUSTRY / ROTARY MOTION

## FUCHS Key Success Factors

- Rising demand for energy-efficient fluids for compressors, gear boxes and turbines across all industries
- Comprehensive global product portfolio for specialized high performance applications
- Global network with technical and commercial expertise
- Flexible R&D allows customer specific solutions
- OEM approvals in various fields
- Cross-sell opportunities with existing customers



Industrial Air  
compressor  
CAGR ~ 3,1 %<sup>1</sup>



Industrial  
Gearboxes  
CAGR ~ 4,60 %<sup>3</sup>



Refrigerant  
CAGR ~ 6,1 %<sup>2</sup>



Gas turbine  
CAGR ~ 4,8 %<sup>4</sup>

<sup>1-4</sup> CAGR 2022 - 2030

<sup>1</sup> globenewswire.com – 04/22, <sup>2</sup> Report Ocean – 05/22,

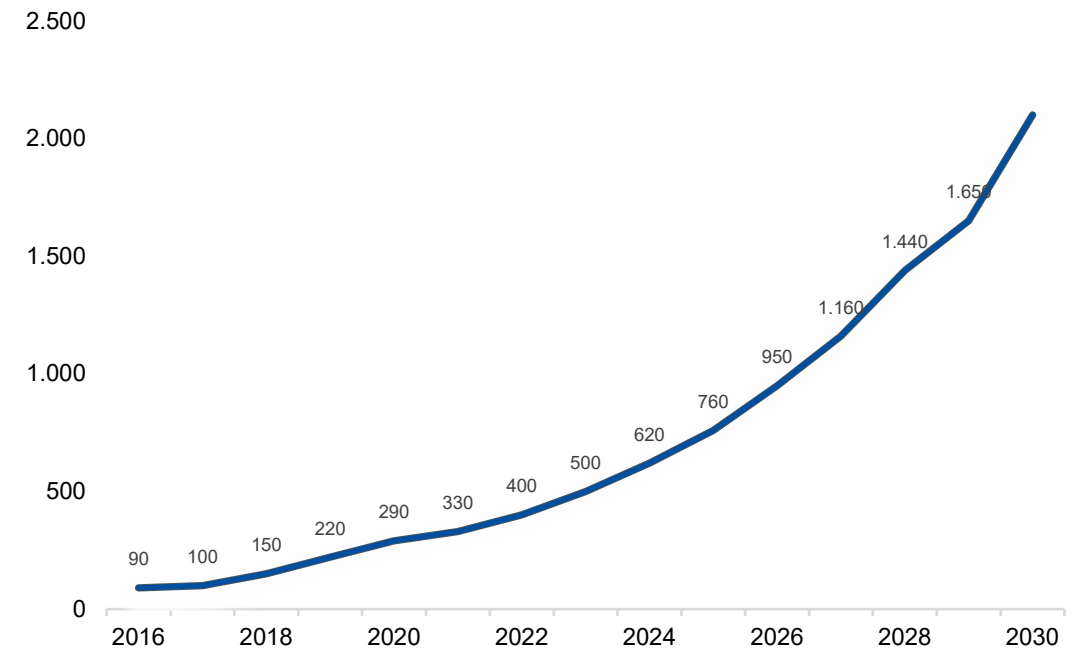
<sup>3</sup> globenewswire.com – 05/22, <sup>4</sup> Market Research Future (MRFR) – 05/22

# INSIGHT – INDUSTRY / BATTERY PRODUCTION MARKET

## FUCHS Key Success Factors

- Lubricants needed for battery production will account for ~25% of all lubricants in car production
- FUCHS has developed a comprehensive lubricant portfolio to cover the whole production process
- With our Global Battery Production Market Strategy we are strongly positioned and serve industry-leading customers like TESLA, Northvolt and CATL

## Annual lithium-ion battery demand



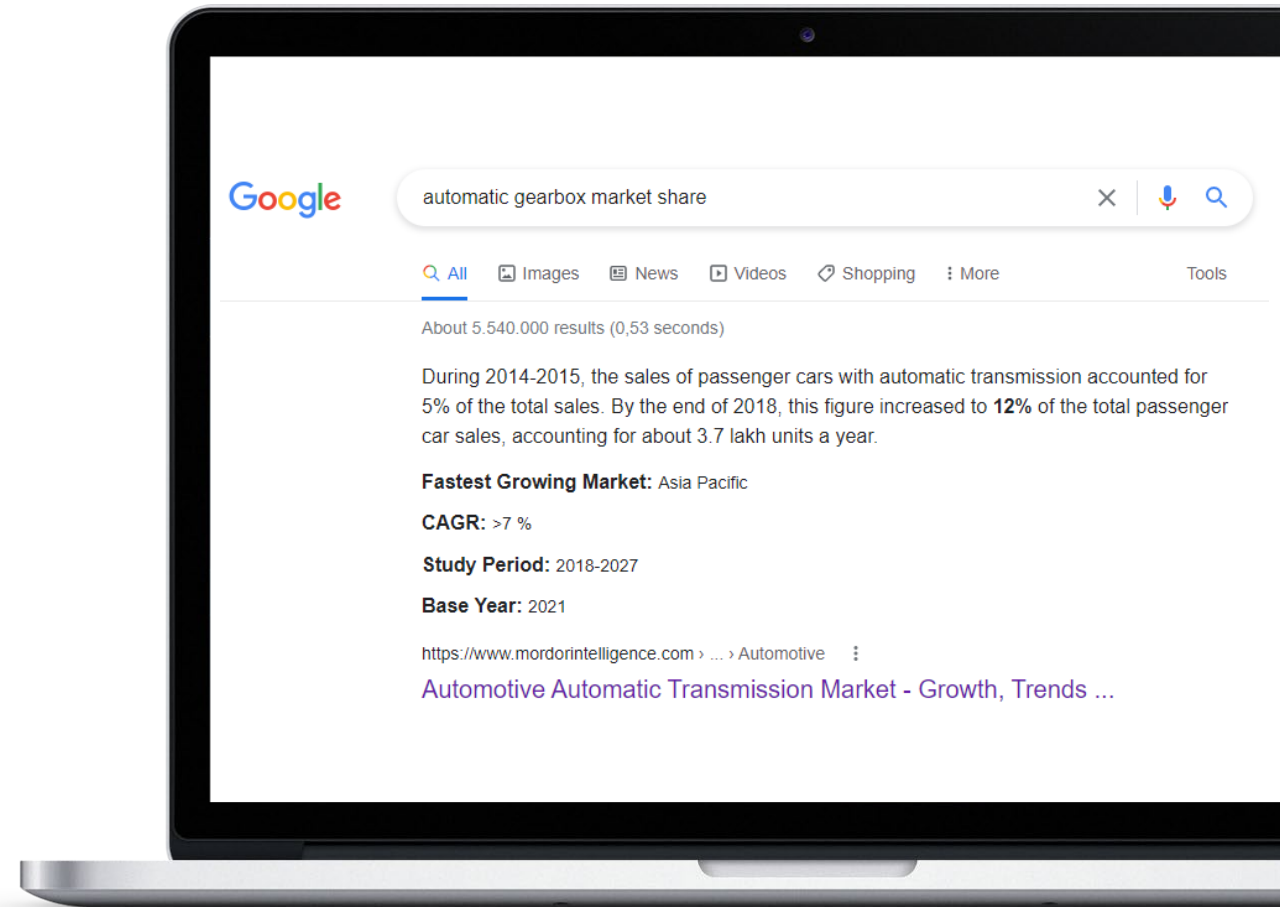
Source: [www.energycentral.com](http://www.energycentral.com)



# INSIGHT – AAM / GEAR BOX AFTERMARKET

## FUCHS Key Success Factors

- Share of automatic gearbox equipped vehicles growing, especially in Europe and Asia
- FUCHS is a renowned supplier and technology partner of automatic gearbox manufacturers
- Complex gearbox designs require specialized lubrication and maintenance attention in the aftermarket period too
- FUCHS GEAR PLUS offers a unique technical solution and a business model for passenger car workshops to perform automatic gearbox maintenance easily
- Expansion potential in Bus, Public Transport and Heavy Duty segments



# INSIGHT – OEM / EDF FLUIDS

## FUCHS Key Success Factors

- FUCHS Transmission Oil Technology already in use in a high number of first generation E-Drives
- Tailormade FUCHSBluEV Technology in serial production @European and Asian OEM's for second generation E-Drives
- In-House testing capabilities incl. 3-E-Drive Test-Rig
- Strong cooperation with several Tier 1 supplier
- In region production facilities



Copper corrosion/  
Visual



Copper corrosion/  
Cu in oil



Electrical  
properties



Oxidation  
stability



Zero sulphur  
(S)



Bearing  
performance



Scuffing  
performance



Differential test  
(3SSS)



## MEGATREND: DIGITALIZATION OUR ANSWER: FUCHS GOES DIGITAL



Improving  
customer  
experiences



Thinking digital  
& creating  
additional value



Being perceived  
as a front  
runner

# EFFICIENT LUBRICATION SOLUTIONS BY IMPLEMENTING THE FUCHS SMART SOLUTIONS ECOSYSTEM

## CUSTOMER FOCUS

- FUCHS listens carefully to customers all around the world and understands the specific customer needs
- Our lubricants enable our customers to deliver an outstanding performance
- We have the knowledge how to develop those chemical products as per the requirements of our customers

## THE GOAL OF ALL SOLUTIONS IS ADDRESSING THE THREE MAJOR CUSTOMER NEEDS:



### Protection:

maximize equipment life and availability (machines, equipment and tools).



### Optimization:

maximize customer performance (maximize output, increase quality, minimize input)



### Savings:

reducing the use of resources (raw materials, maintenance, ...)



### Protection

Asset

Health

Environment



### Optimization

Process

Product



### Reduction

Cost

Maintenance

**FUCHS to act as a solution-oriented partner with our customers to manage movable/rotating assets in a sustainable way**



# FUCHS SMART SOLUTIONS

## OUR INPUT



### Technology

- More than 10.000 lubricants for various industries
- German technology - globally engineered: High performance products delivering improved performance/life time at customers
- Pioneering future performance fluids applications, e.g. e-mobility, thermofluids, electrolytes, etc.
- Globally available engineering and technology experts



### Experience

- 90 years of experience in lubrication and full focus on lubrication
- Customer service excellence with one face to the customer
- In depth expertise on customer market segments



### Digitalization Solutions

- FluidAnalyzer
- FluidMeter
- FluidsConnect
- Man On Site

# EXAMPLE: FLUIDS CONNECT / COMPREHENSIVE LUBRICATION SOLUTION PRODUCTS, SERVICES, DIGITAL TOOLS/SOFTWARE



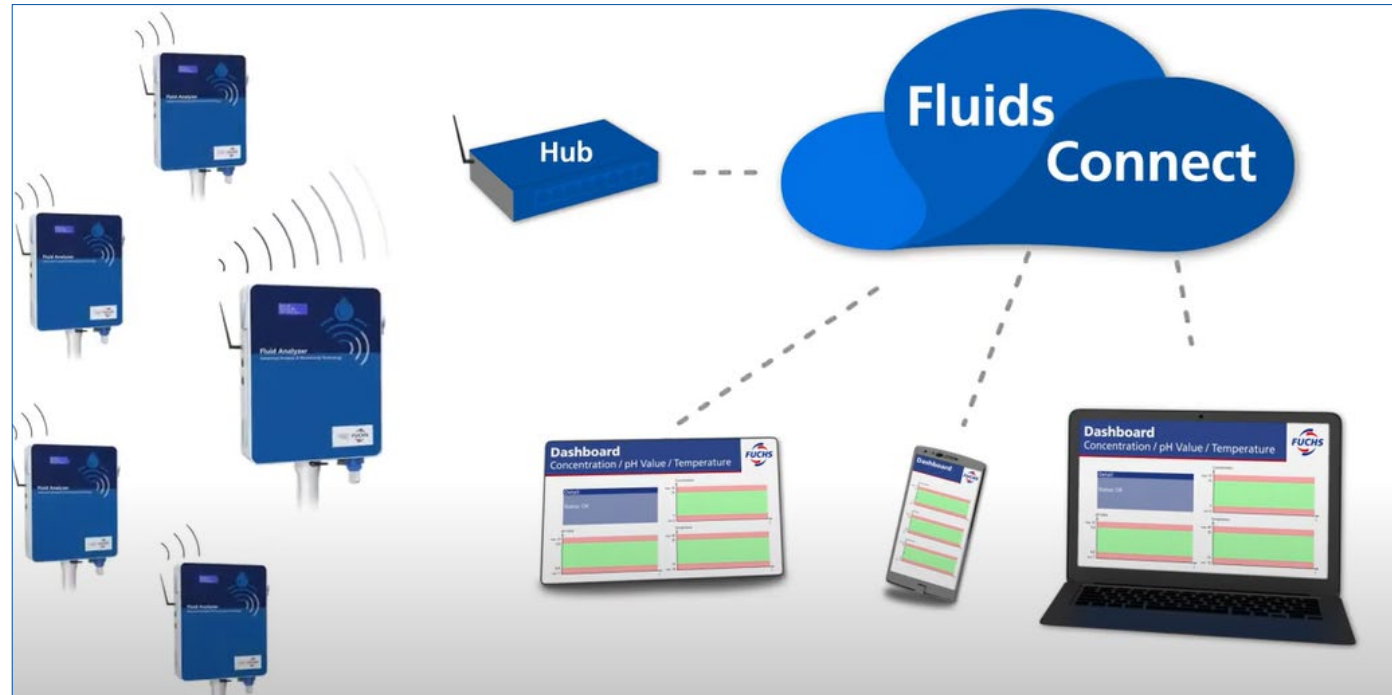
Condition monitoring (sensor based)



FluidsConnect  
Survey



Tank level  
monitoring



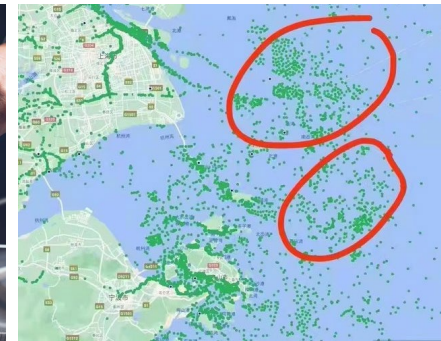
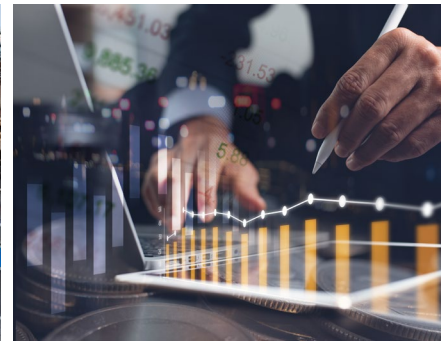
Reliability  
management



Inventory  
management

# 2022: YEAR #4 OF VOLATILITY

MANY EXTERNAL HAPPENINGS IMPACT THE WORLD ECONOMY AT THE SAME TIME



## GEOPOLITICAL IMPACTS



- Zero-Covid-Strategy China
- Russia's invasion in the Ukraine

## INFLATION



- Significant raw material cost increases
- Increases in freight and energy costs and salaries

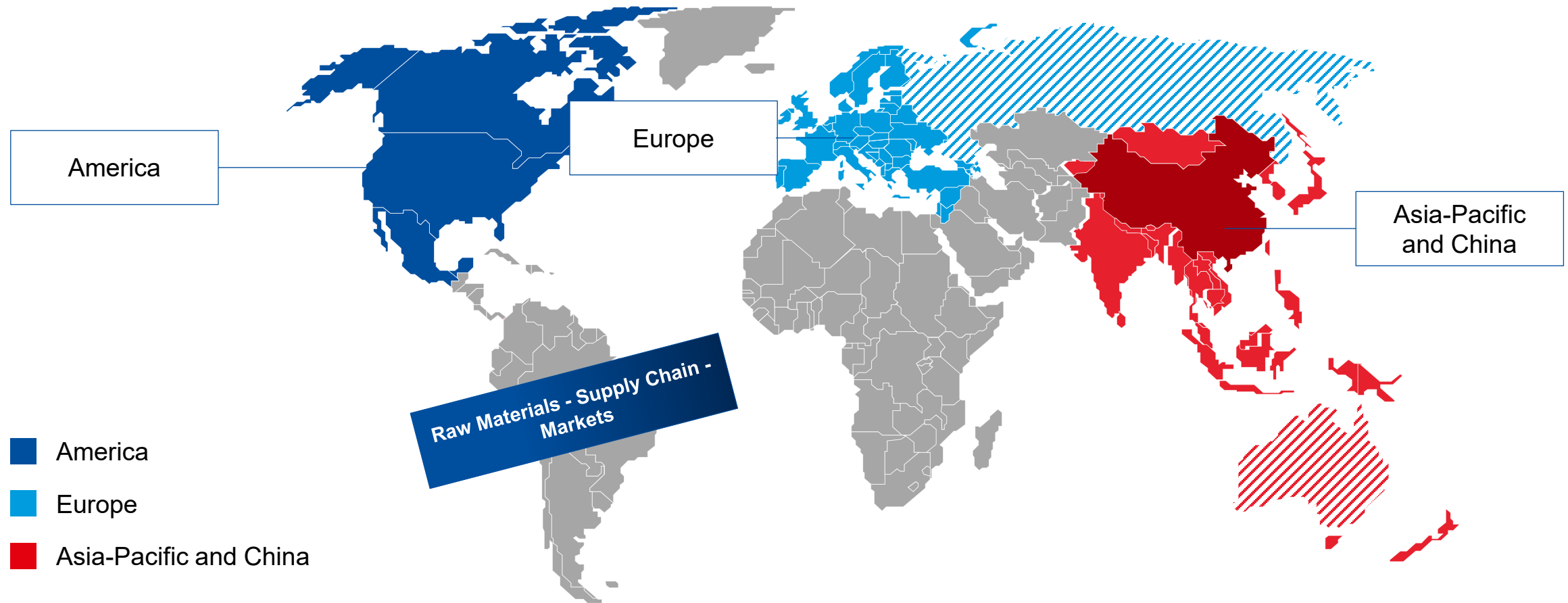
## SUPPLY CHAIN PROBLEMS



- We experience significant shortages
- Our customers as well



# REGIONALIZATION TECHNOLOGY – RAW MATERIALS – GEOPOLITICAL BARRIERS - 3 HUB STRATEGY



# WORLD ORDER – GLOBAL GOES REGIONAL



## ASIA-PACIFIC / China

China's strategic positioning is China centered – to be independent and to decouple from the rest of the world – China develops own technologies with specific market requirements



## EUROPE

European technology on its own will see significant changes in raw material availability due to the “Green Deal” and changes of the petrochemical landscape. Europe needs to reduce the dependence on imported raw materials and prepare the economy for circular



## Americas

Own technology region – moving to more efficient technology in industry. Stable on its own – “America First”

# FUCHS SMART WAY OF WORKING



The key to success is to do it in an efficient way in utilizing the FUCHS Group networks



R&D Key Working Groups – exchange – support – learn within the community to avoid double work



Operations networks standardize equipment, exchange best practices



Sales divisionalization helps to exchange business models, market approaches etc. global to local



HR to support in methodologies, i. e. evaluation, education and other HR principles



# Agenda

BLOCK 3

Long-term financial targets

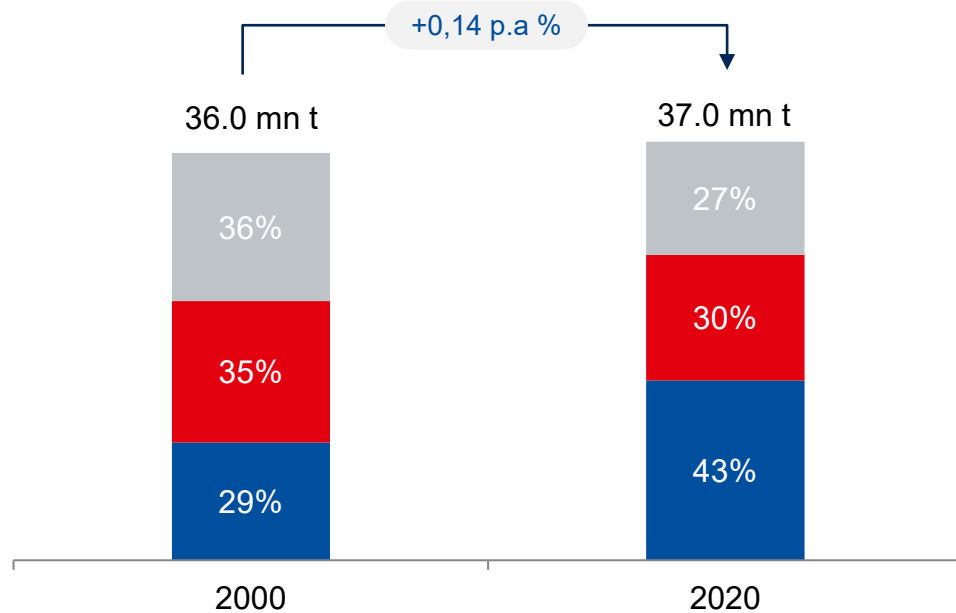


*MOVING YOUR WORLD*

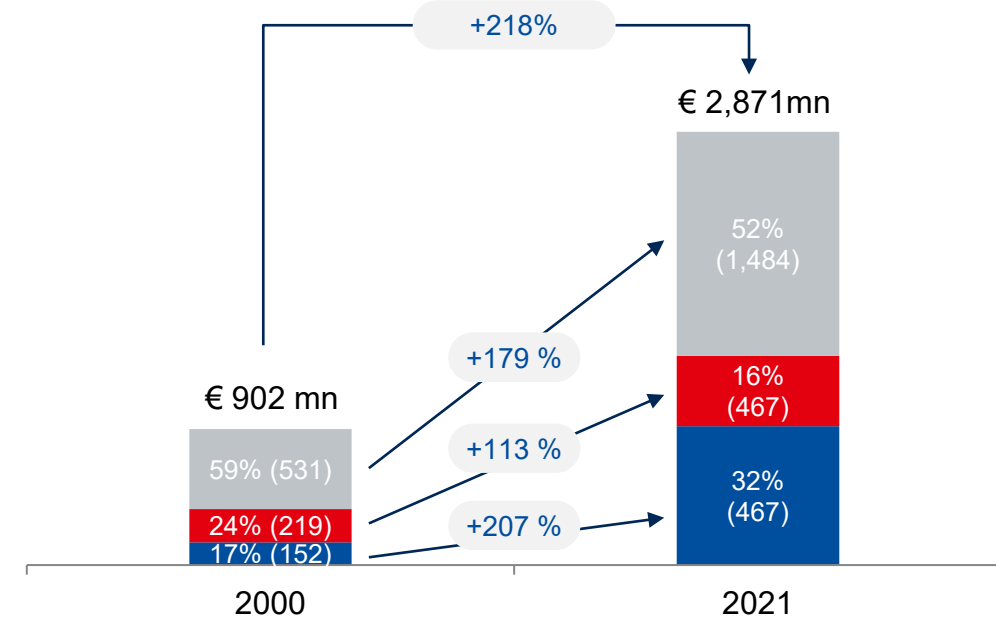


# HIGHTECH LUBRICANTS ON THE RISE

## Market Demand

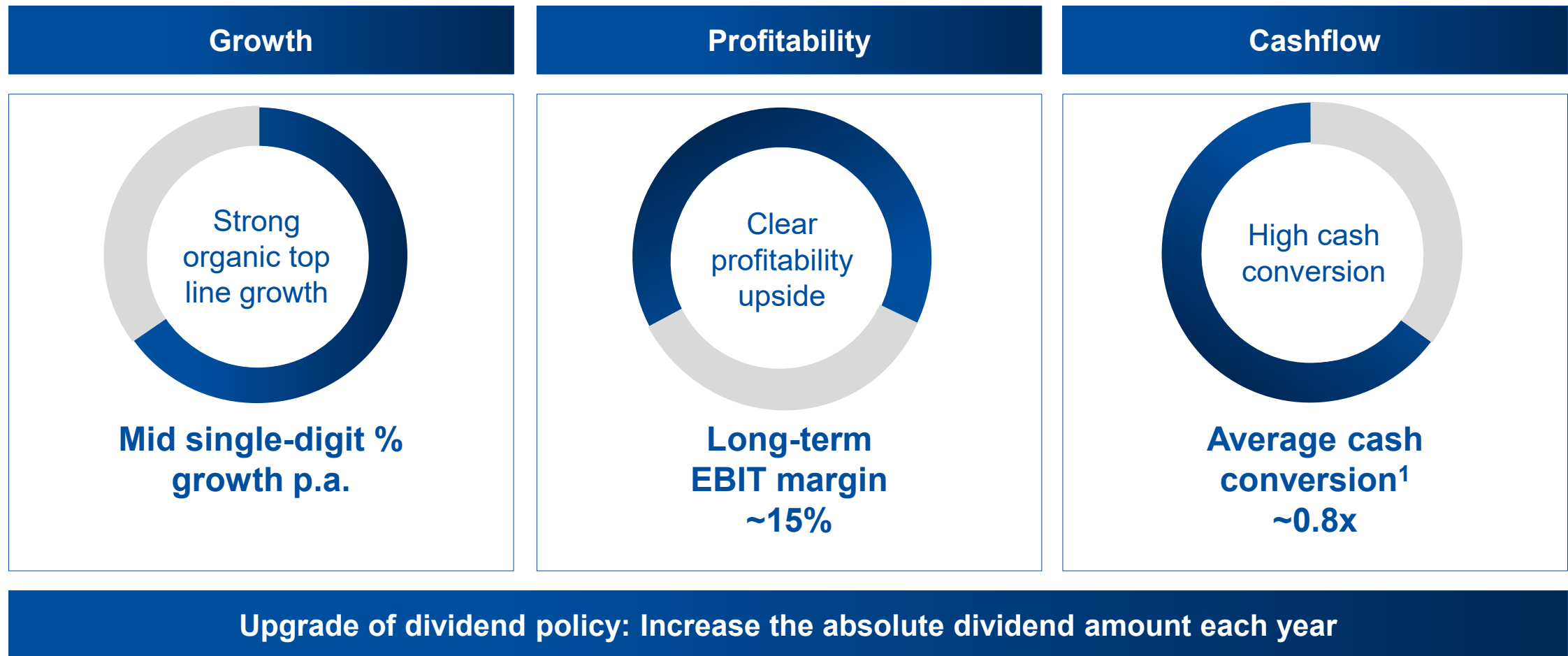


## FUCHS Sales (by customer location)



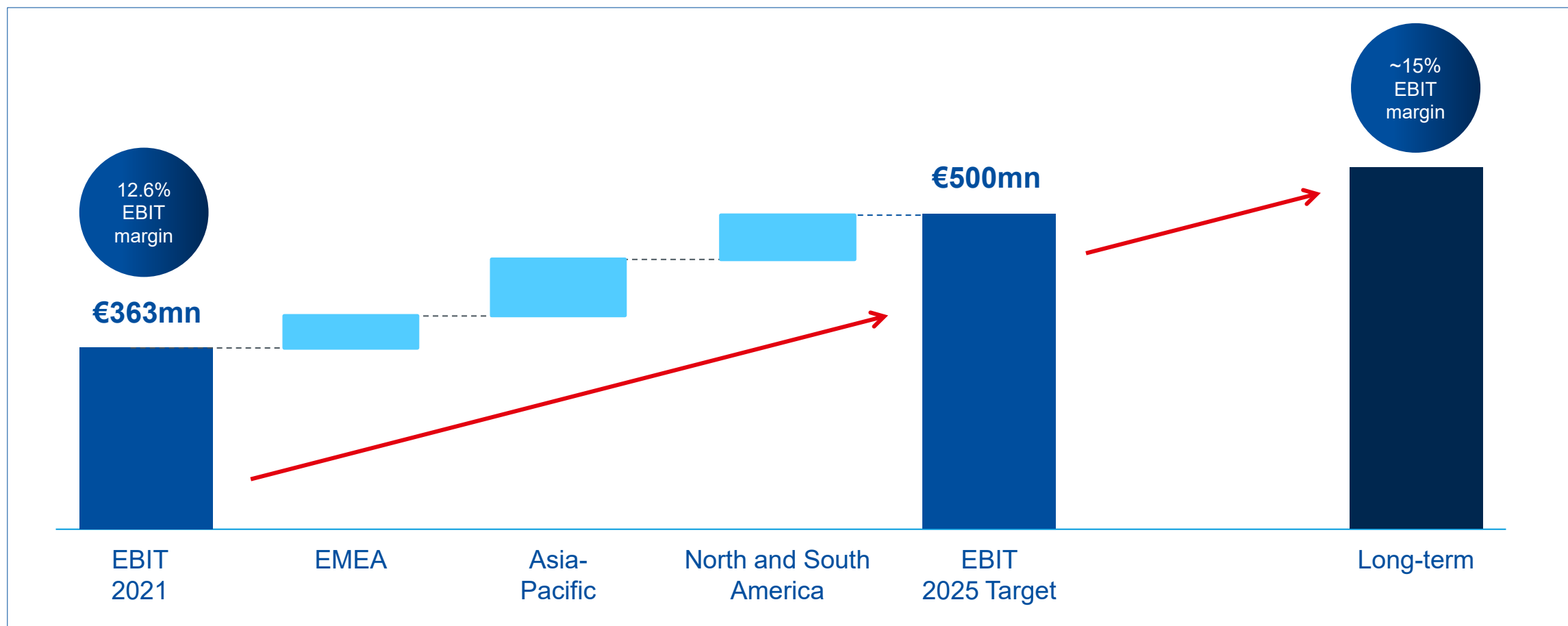
■ EMEA ■ Americas ■ APAC

# FINANCIAL TARGETS - OVERVIEW





# FINANCIAL TARGET 2025



# GROWTH DRIVER 2025



## EMEA

- Improved market penetration through segmentation
- Supply Chain & Logistics Excellence
- Process Efficiency/ Digitalization
- Profit growth throughout the region
- Profitability Nordics
- Germany Merger



## Asia-Pacific

- Improved market penetration through segmentation
- Strong growth in all sub regions (Australasia, East Asia, India and Southeast Asia)
- Accelerated specialty sales growth through NYE integration

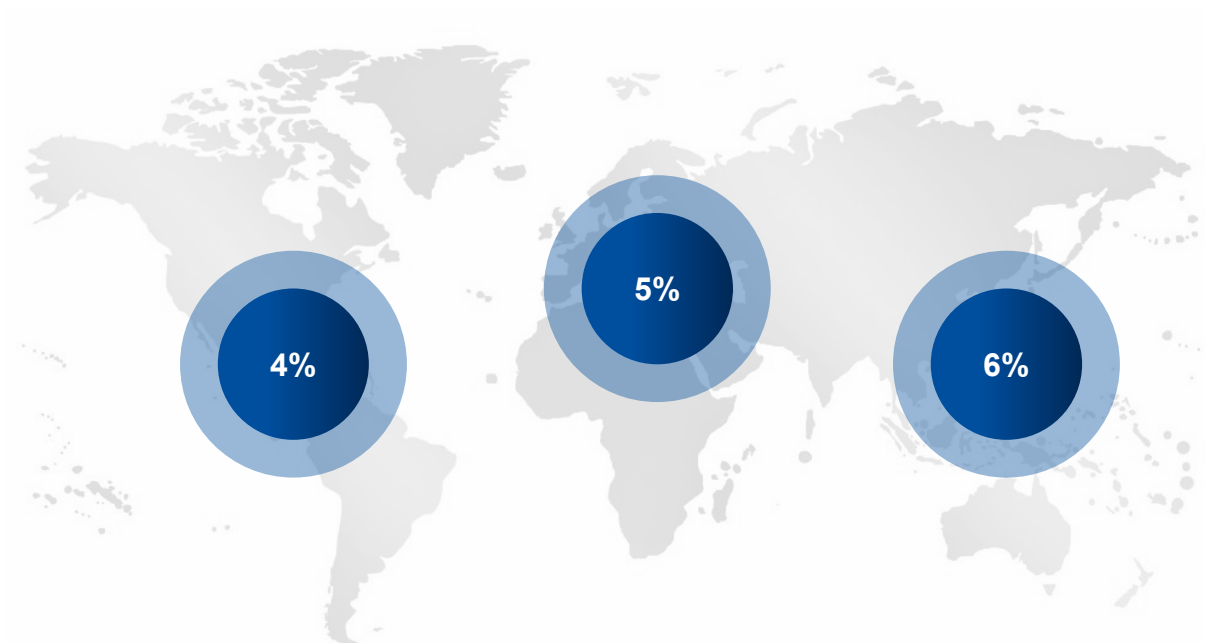


## North & South America

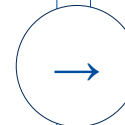
- Improved market penetration through segmentation
- Main growth coming from North America (USA, Mexico, Canada)
- Further development of automotive business in the US

# TOP-LINE GROWTH IN THE REGIONS

Ø Sales revenues growth  
(2012-2021)



**Group: 5% p.a.**



Sales revenues growth  
going forward

**Mid-single  
digit %  
p.a.**



# RAW MATERIAL PRICES STRONGLY IMPACTING SALES



**Sales Growth driven by  
volume and price  
development as well as  
mix effects**



## **Year 2021:**

December 2021  
compared with  
December 2020  
around 20% price  
increase (not fully  
included in P&L 2021)



## **Year 2022:**

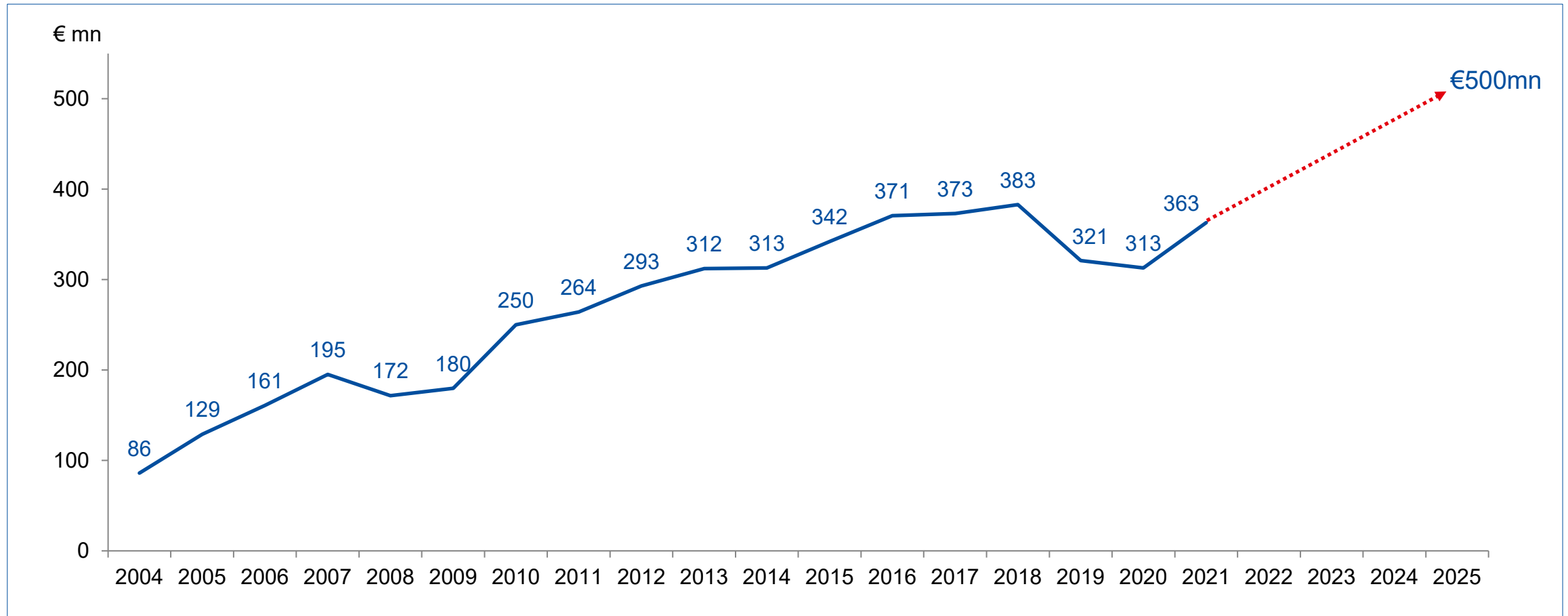
similar development  
expected as in 2021



## **As of 2023:**

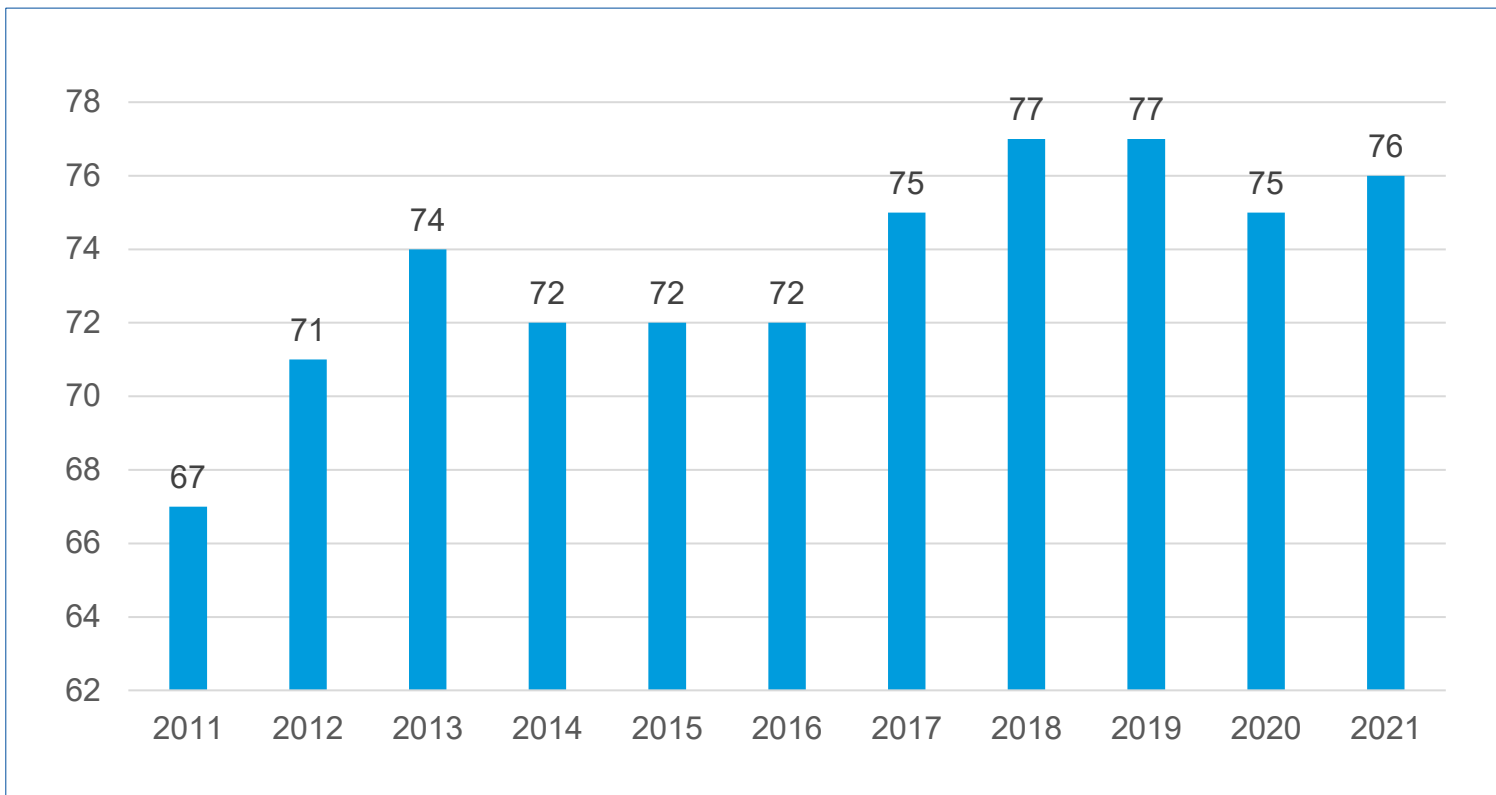
(in normal  
environment) mid  
single digit percentage  
growth

# 2025 TARGET REFLECTING ACCELERATED EBIT GROWTH



# SOLID BALANCE SHEET STRUCTURE

## Development of equity ratio in %



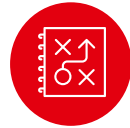
High equity ratio provides stability in challenging and uncertain environment



High equity ratio gives room for strategic maneuver



# CONTINUED FOCUS ON M&A GROWTH



## Strategic M&A Guardrails

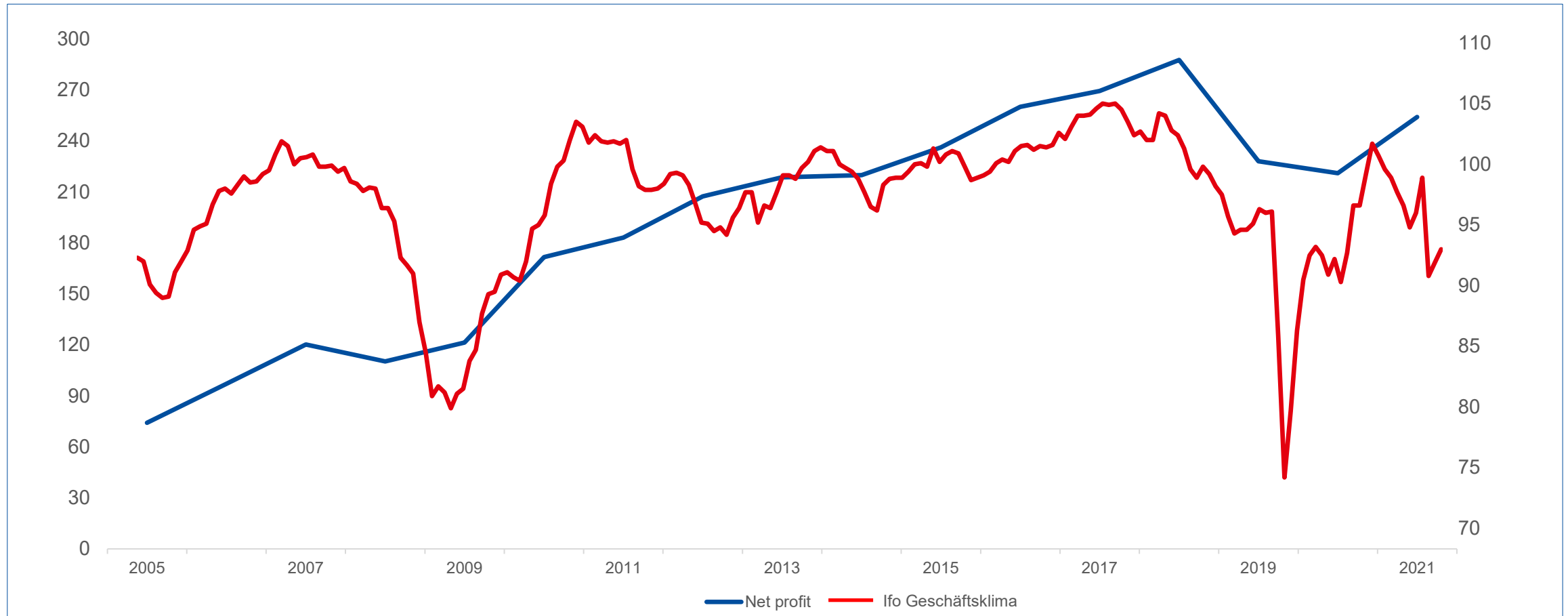
- Strengthening our footprint
- Fundamentally buying customer lists, specifications, approvals and knowhow
- Focus on bolt-on acquisitions to boost organic growth in regions and/or technologies



## Financial Imperatives

- Synergies in purchasing, production, cross-selling, administration
- FVA is the main KPI, also when evaluating acquisition targets
- No predetermined pattern; model-adjusting to specific case

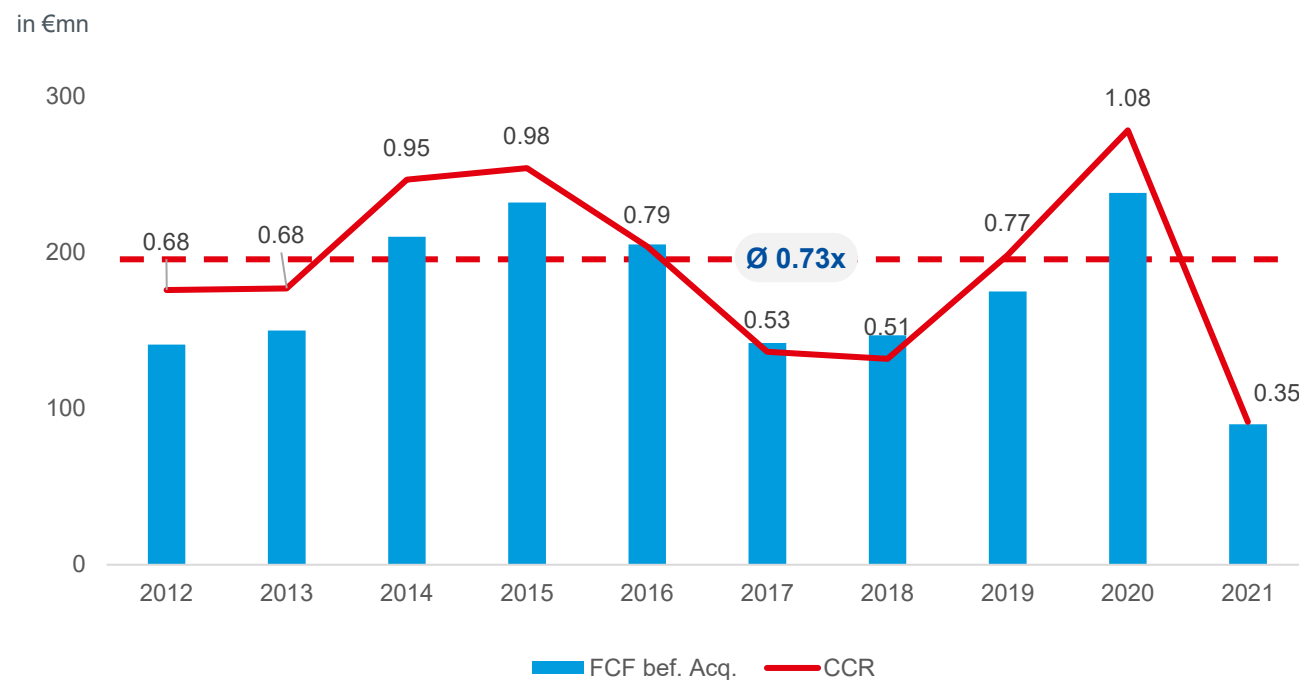
# FUCHS EARNINGS PROFILE ROBUST IN CYCLICAL TIMES



# FCF CONVERSION<sup>1</sup>

STRONG HISTORIC TRACK RECORD – FURTHER IMPROVEMENT AHEAD

## Strong improvement of FCF and Cash Conversion



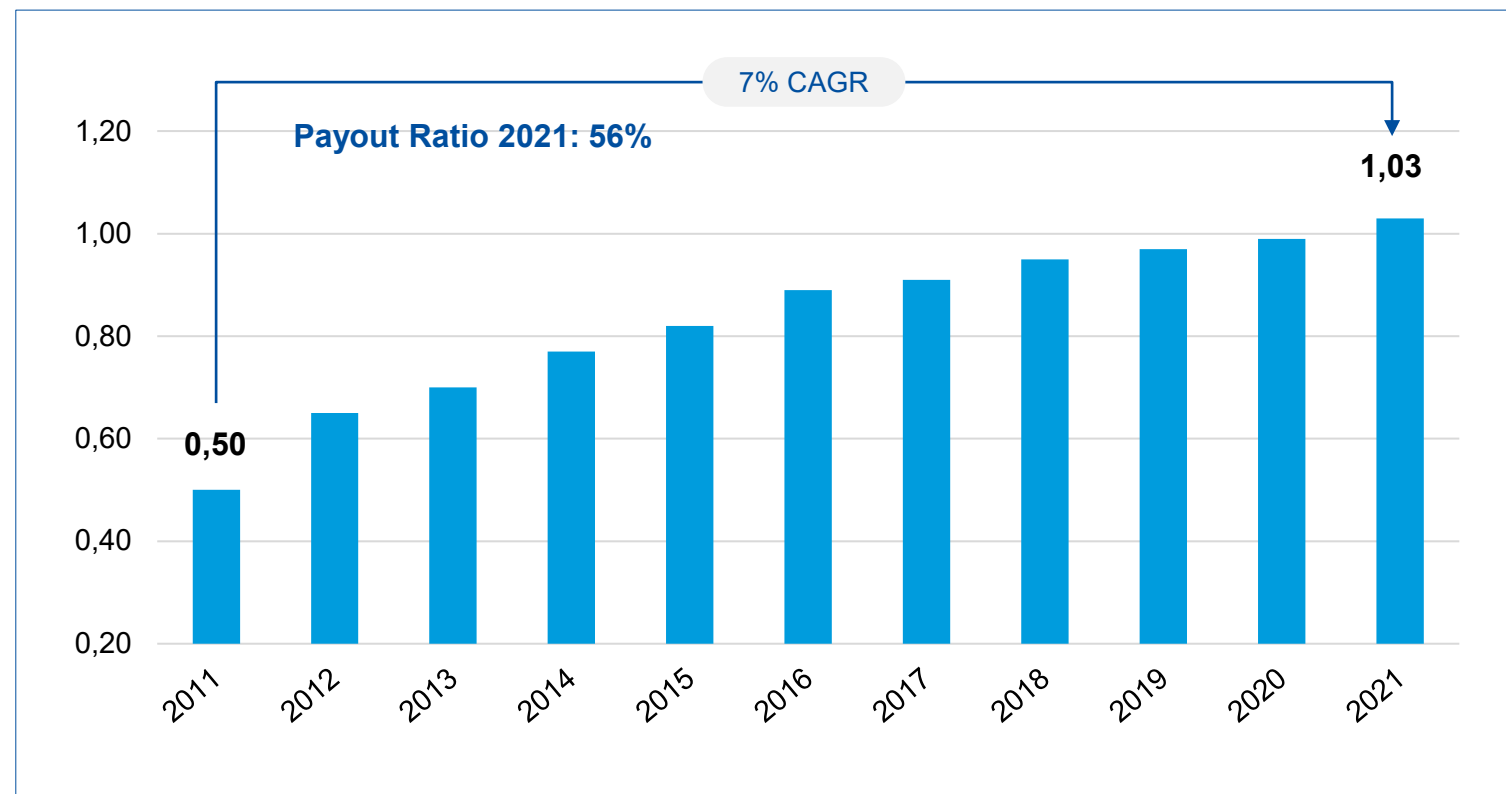
## FCF levers going forward

- Strict **NOWC management**; current high level to come down with normalised cost inflation rates going forward
- Maintain **CAPEX** on **D&A level** of ~ €80mn
- With reduced investments, CCR has potential to grow **above ten-year average** of 0.73x
- **0.8x CCR target** reflecting growth and accordingly NOWC build-up



# UPGRADE OF DIVIDEND POLICY

## Dividend per Preference Share



**20 years**  
of consecutive dividend increases

**7 %**  
CAGR over the last 10 years

**29 years**  
without dividend decreases



**Old:** Increase the absolute dividend amount each year or at least maintain previous year's level



**New: Increase the absolute dividend amount each year**

# SHARE BUYBACK PROGRAMME COMMENCED



## Key points

- Up to 6,000,000 shares, thereof up to 3,000,000 ordinary shares and up to 3,000,000 preference shares
- Total purchase price of up to EUR 200 million (excluding incidental acquisition costs)
- Programme started on June 27, 2022 and will last until March 29, 2024 at the latest

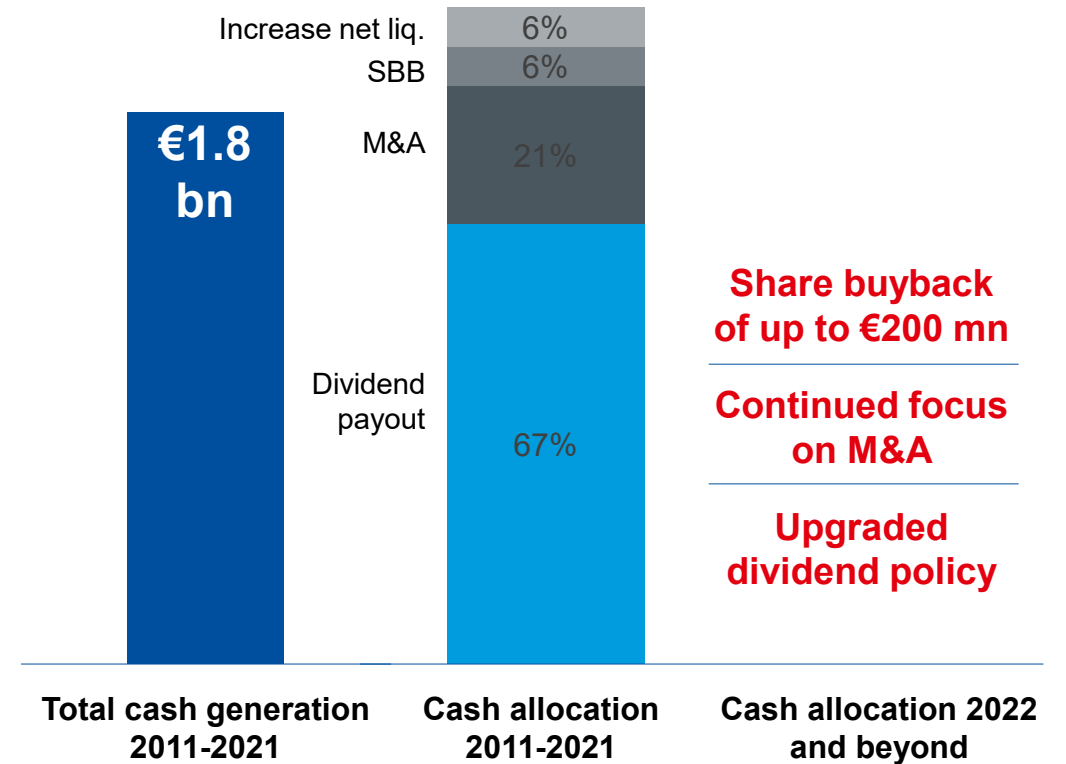
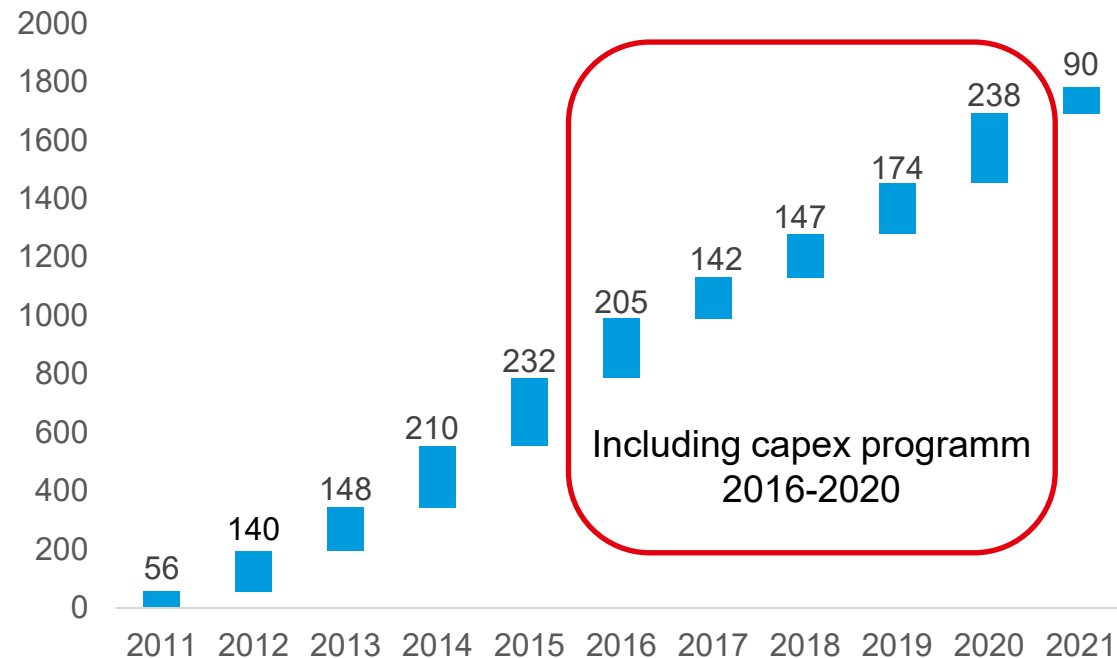


## Implications

- Shares to be cancelled
- Optimization of capital structure
- No limitation in growth ambitions and potential M&A opportunities
- Financed through Free Cashflow generation; optionally usage of short-term bank loans

# COMMITTED TO REALIZE SHAREHOLDER VALUE

## FCF bef. acq. from 2011-2021



# BALANCED CAPITAL ALLOCATION STRATEGY SUPPORTED BY STRONG FREE CASH FLOW



## CAPEX

Major investment initiative from 2016-2020 successfully completed

Keep investments on the comparable level of depreciation and amortization



## Acquisitions

Search for acquisitions fulfilling our financial and strategic objectives

Solid balance sheet structure provides flexibility



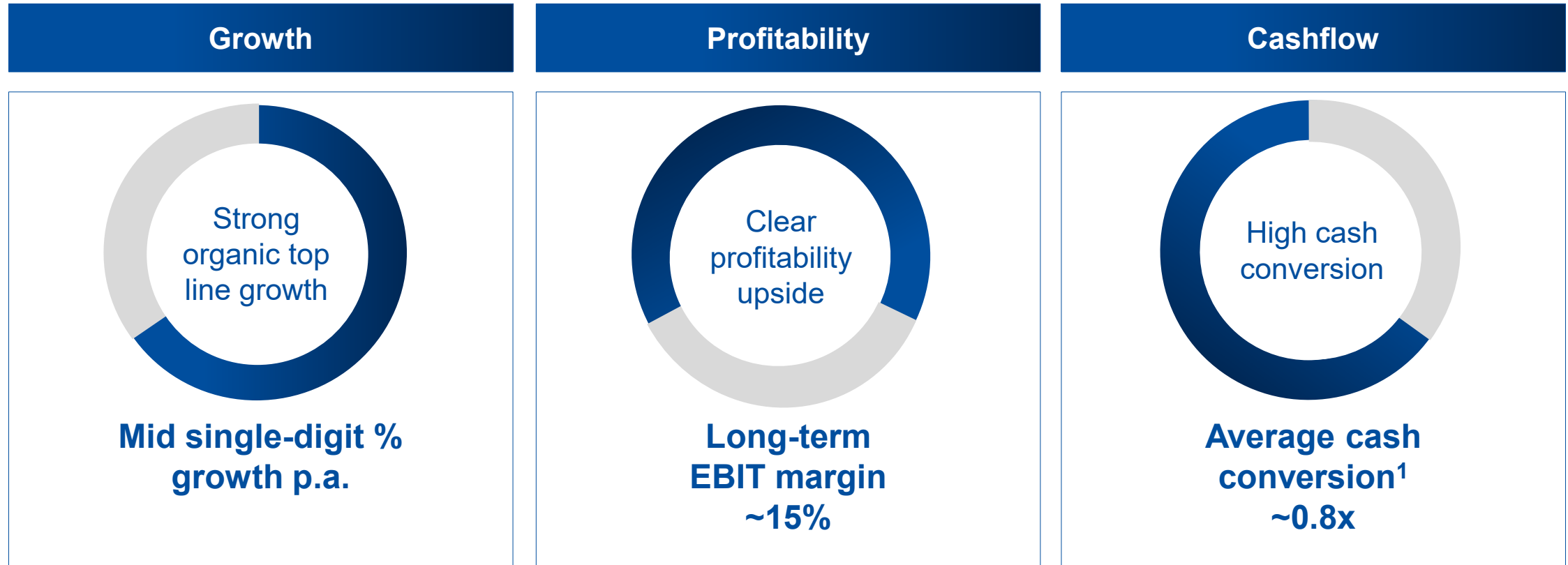
## Return to Shareholders

Dividend policy: Increase the absolute dividend per share each year

Option to return excess cash to shareholders through buybacks

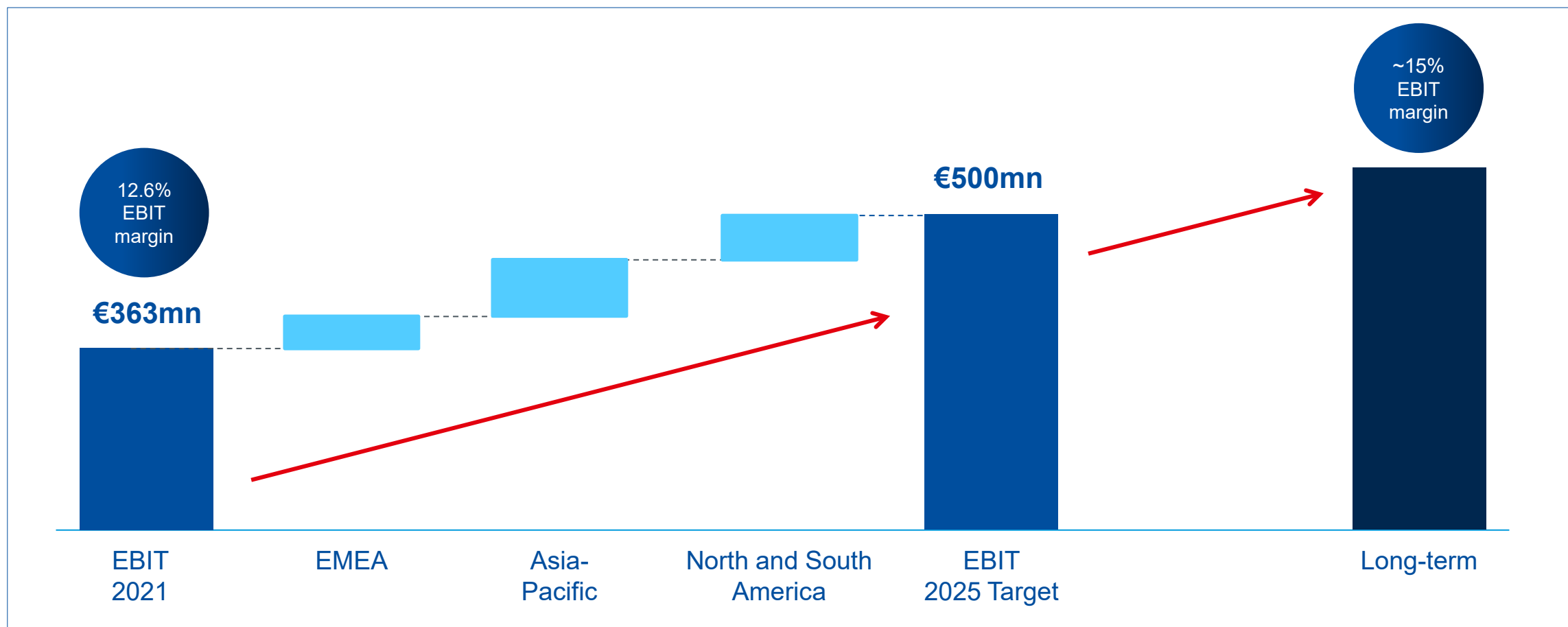


# FINANCIAL TARGETS - OVERVIEW



**Upgrade of dividend policy: Increase the absolute dividend amount each year**

# FINANCIAL TARGET 2025



# Agenda

Sustainability

BLOCK 4



MOVING YOUR WORLD



# OUR VIEW ON SUSTAINABILITY



## Economic

- Develop markets
- Bind & win customers
- Secure & increase longterm business



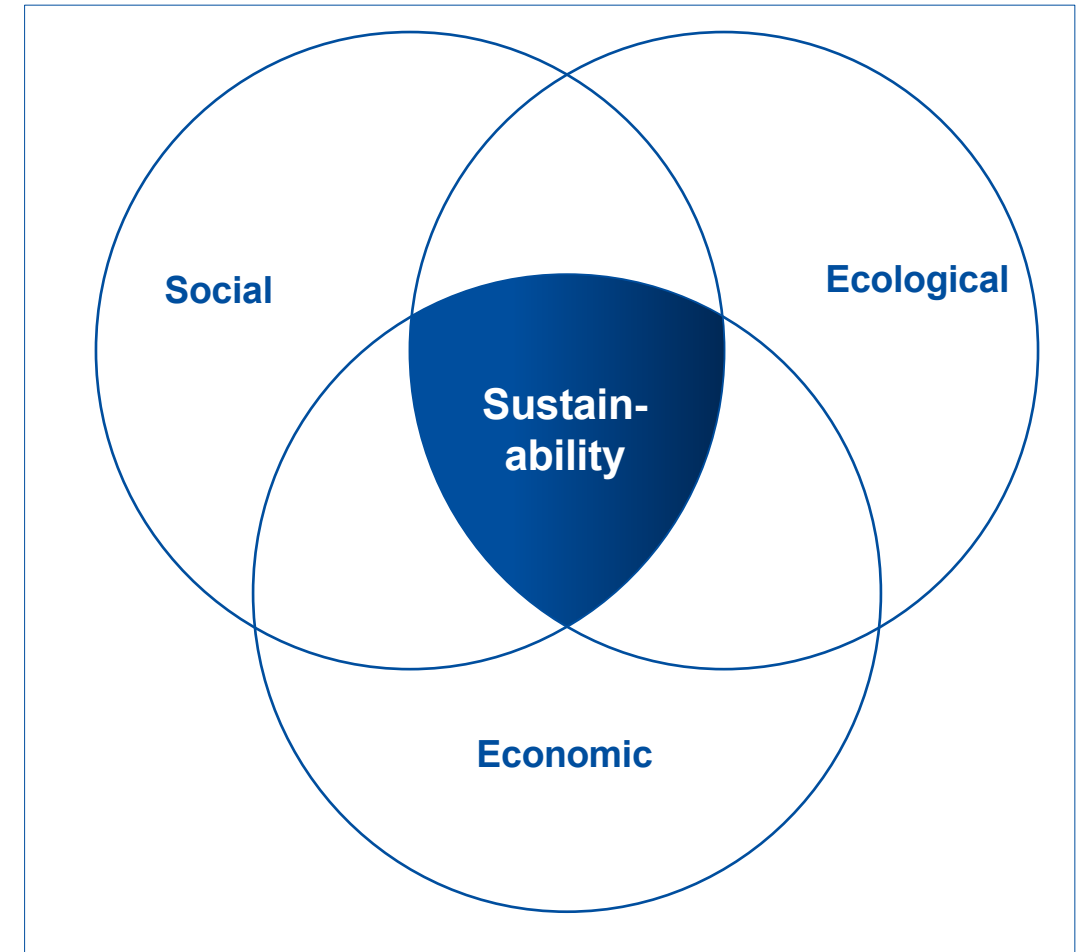
## Social

- Employee safety & satisfaction
- „Corporate Citizenship“
- Compliance with human rights



## Ecological

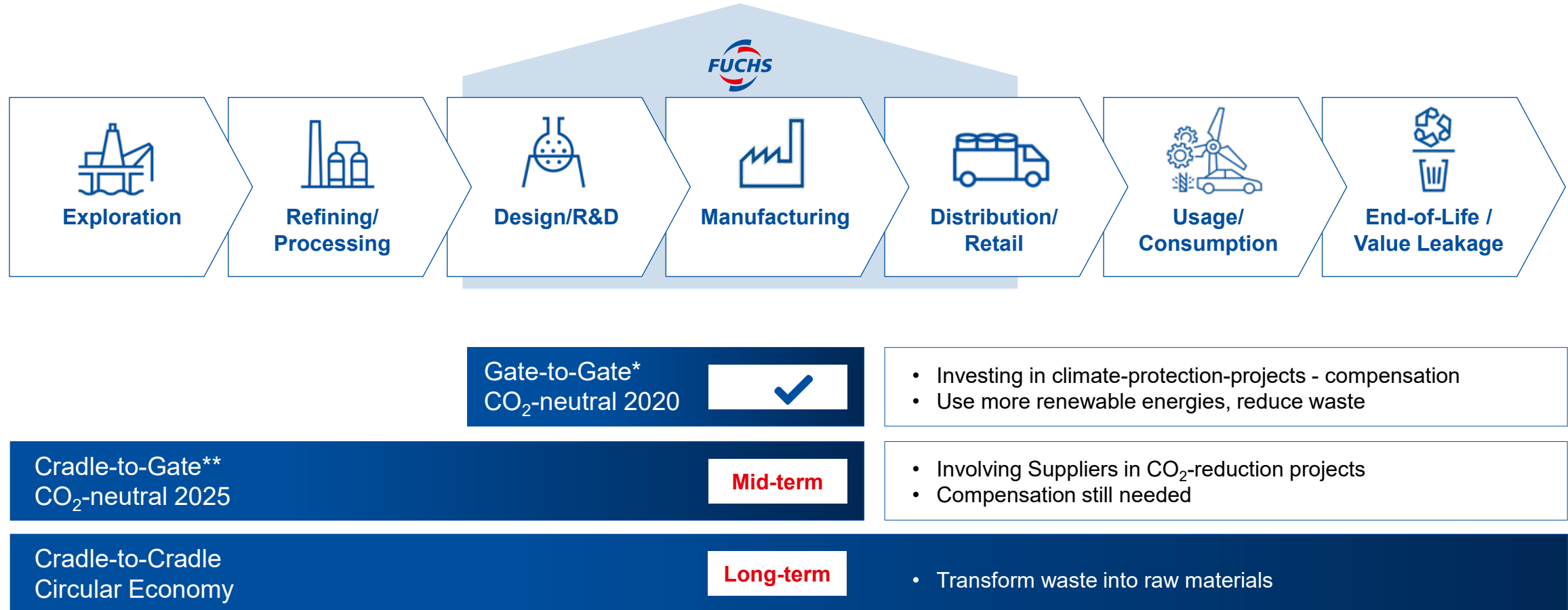
- Resource-efficient production
- Environmentally friendly products
- Reduction of CO<sub>2</sub> emissions





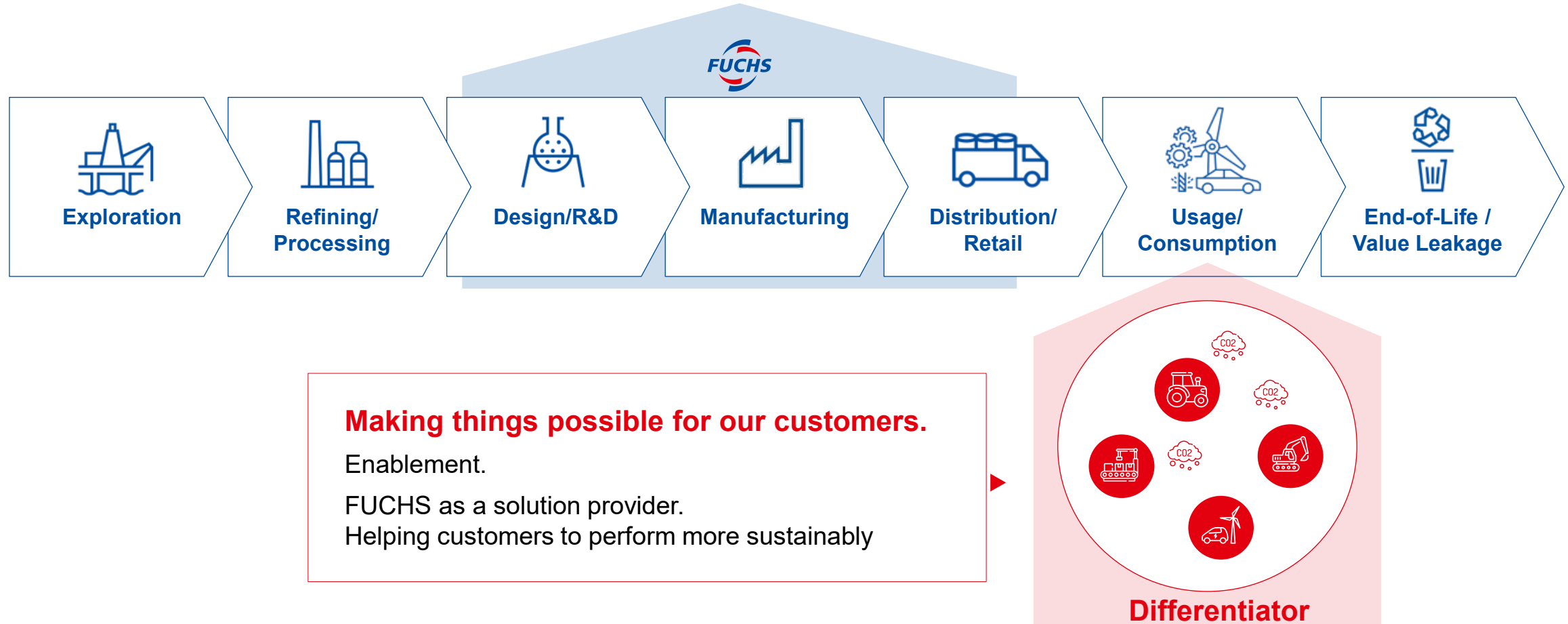
# ECOLOGICAL SUSTAINABILITY @ FUCHS

PARTNERING WITH THE COMPLETE VALUE CHAIN



# ECOLOGICAL SUSTAINABILITY @ FUCHS

THE DIFFERENTIATOR LIES IN THE ADDED VALUE THAT FUCHS CREATES FOR ITS CUSTOMERS



# WE EMPOWER OUR CUSTOMERS TO PERFORM MORE SUSTAINABLY

We are convinced that enabling our customers to act more sustainably is also the key to greater efficiency and thus significant economic savings and added value potentials.

This is not only the basis for the long-term economic success of our customers - but also for our own.

# INNOVATIVE ENGINEERING FOR SUSTAINABLE SOLUTIONS



Thanks to our lubricants, machines run more efficiently, which in turn increases their efficiency and lifetime.

For example, FUCHS proved with an excavator operated for 8,000 hours that the use of a premium hydraulic oil saves about 9,600 liters of diesel.

**This corresponds to a CO<sub>2</sub>-equivalent of nearly 30 tons.**

FUCHS is constantly setting new standards with research partners and suppliers. FUCHS is providing solutions for sustainability in the industry.



# FUCHS' SUSTAINABILITY JOURNEY

## CO<sub>2</sub>neutral

By 2021 all affiliates and JVs\*  
are CO<sub>2</sub>-neutral\*\* (by saving  
and compensation)



Production volume  
2010-2021 increased by

**>50%**



Decrease of specific waste  
generation 2010-2021

**-7%**



**140.028**

tons of unavoidable CO<sub>2</sub>  
emissions in 2021\*



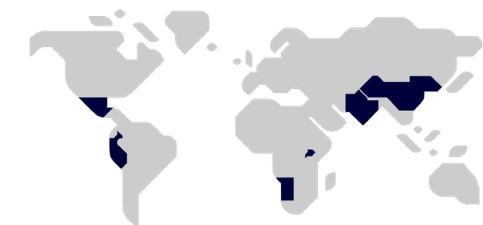
Water related CO<sub>2</sub>-  
emissions:

only **0,4%** of total CCF



**1,7 MWpeak**

Own solar power production  
capacity globally



We **compensate** for  
unavoidable CO<sub>2</sub>  
emissions by investing in  
selected and certified  
climate protection projects

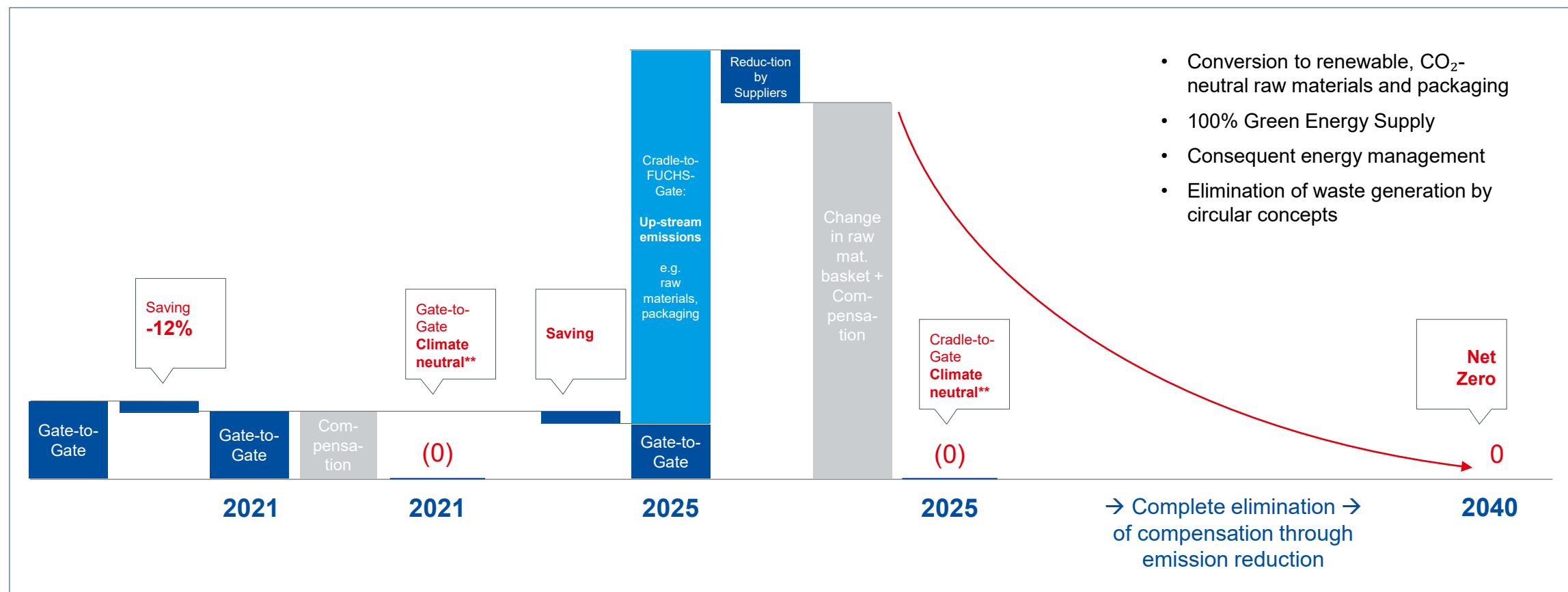


Increase in the share of  
green electricity to

**52%**

# WE TAKE ACTION TO REDUCE FUCHS-EMISSIONS

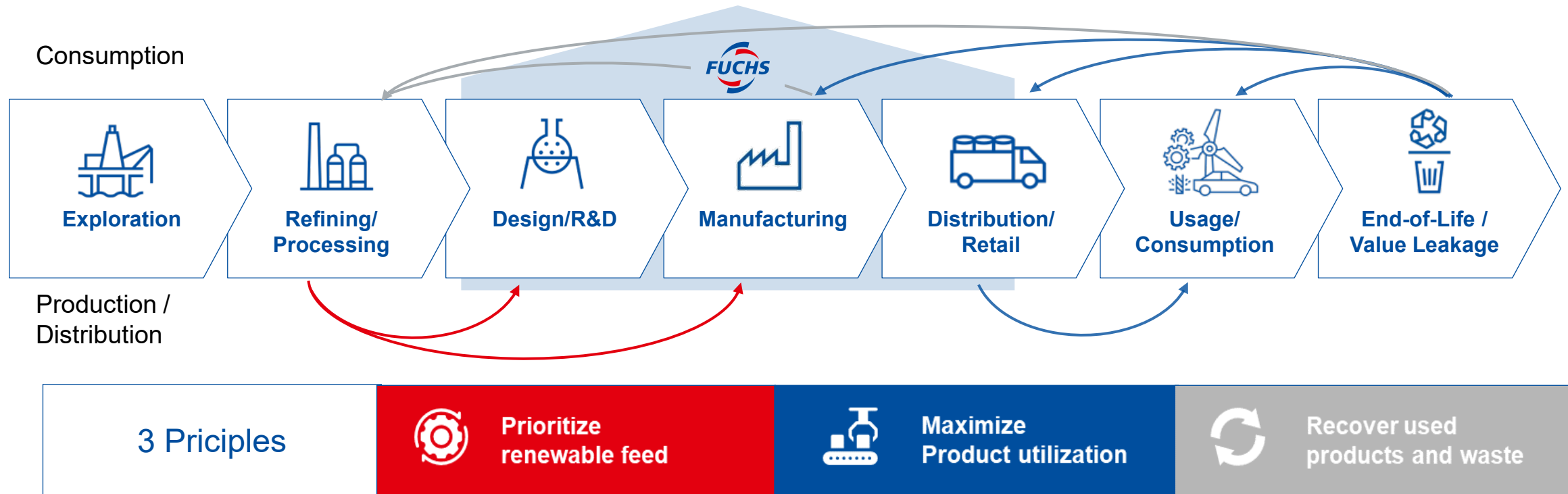
## ROADMAP TO „NET ZERO“ BY 2040



# FUCHS & CIRCULAR ECONOMY

## VALUE CHAIN

We understand Circular Economy as a holistic concept along the entire value chain, guided by 3 overarching principles



# SOCIAL SUSTAINABILITY @ FUCHS

RANKING OF FUCHS SUPPORTED SDGS BY PROJECTS IN 2021





# FUCHS IN SUSTAINABILITY RATINGS AND RANKINGS



## CDP

- FUCHS started comprehensive CDP-disclosure in 2021
- Climate change rating could be improved from D- to C
- Water security rating could be improved from D to B-

## ISS

- FUCHS was rated „C-“ in 2022, with Transparency Level „High“
- Performance Score could be improved from 25.52 to 26.93

## MSCI ESG Research

- FUCHS improved rating from BB to BBB in 2021

## EcoVadis

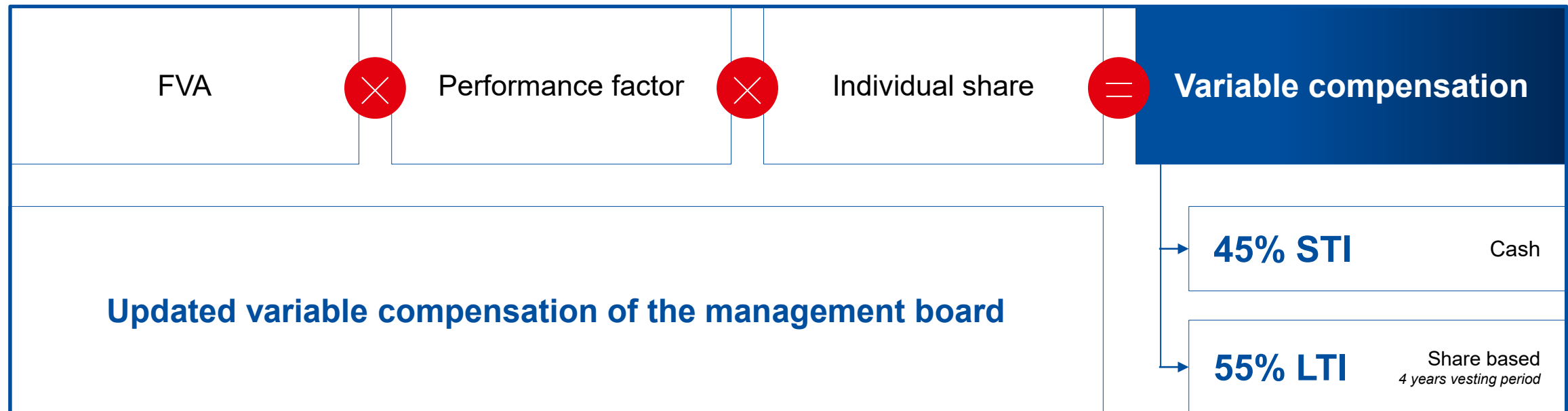
- FUCHS responds on a local basis by producing affiliates and on customer request
- In 2022, four FUCHS affiliates received „Gold“-Award

# SUSTAINABILITY

## OTHER ASPECTS

### Change of corporate name

FUCHS PETROLUB SE is planned to be renamed in **FUCHS SE**





# Agenda

BLOCK 5

Mobility transition



*MOVING YOUR WORLD*



**FUCHS** BluEV

## **01** Market Trend Analysis



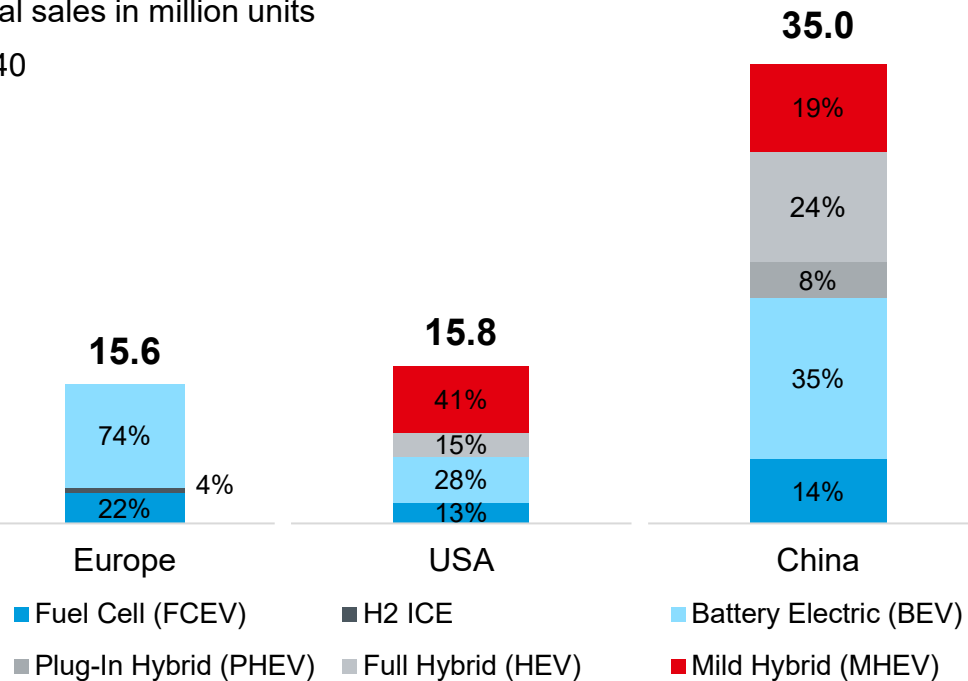


# MARKET TREND ANALYSIS

– TRANSFORMATION SCENARIO UNTIL 2040

## Passenger car powertrain type forecast

Total sales in million units  
2040

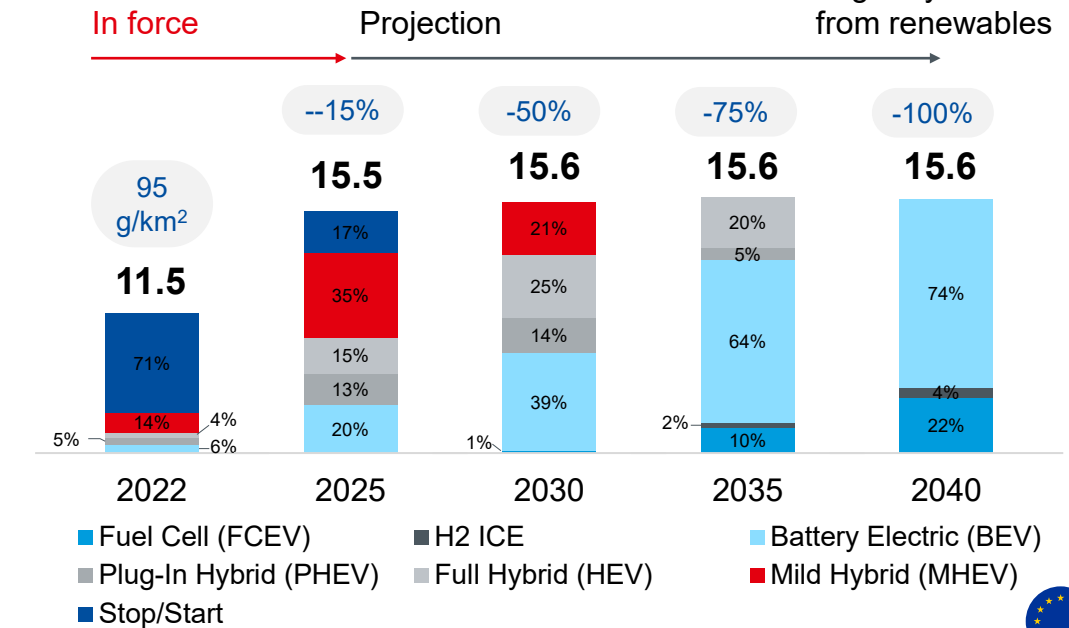


## “Accelerated transformation” scenario in Europe

Sales in million units

CO<sub>2</sub> fleet emission targets

No eligibility of fuels from renewables



# SUSTAINABILITY DRIVES NEW TECHNOLOGIES

## E-MOBILITY – THE SOURCE OF NEW OPPORTUNITIES



Primary target for e-mobility is passenger car and light duty



Heavy duty and stationary engines will follow very slowly – long haul and offroad is not feasible or inefficient



What does it mean to the markets in the light of the today's situation

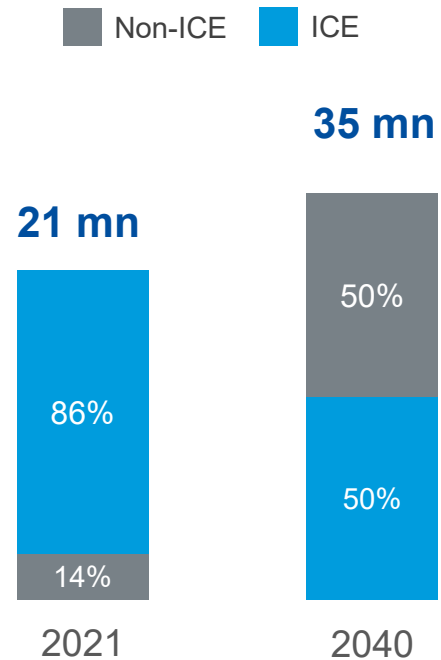
CHINA

US

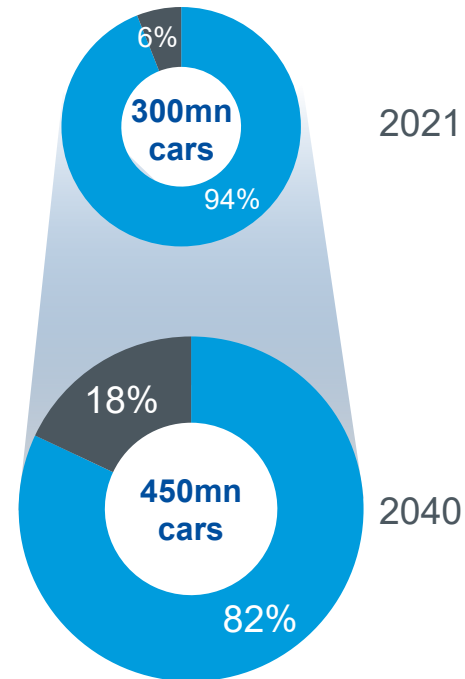
EUROPE

# E-MOBILITY RAMP UP SCENARIO: CHINA

## Car sales



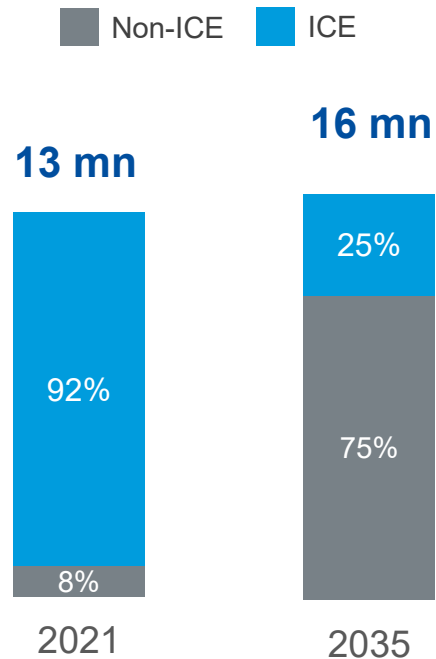
## Car population



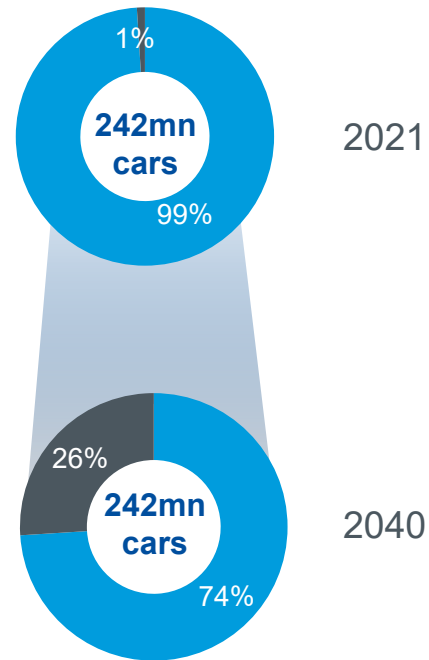
- Strong increase in car sales and car population in China
- Openness in technology leading to more balanced split between ICE and non-ICE
- Even with a fast-growing share of BEVs, there will be more combustion engines in 2040 than today
- Implication on lubricant volumes:
  - current automotive market China ~3.5mt
  - ~1/3 bigger lubricant market including efficiency gains leads to volume increase of ~800kt

# E-MOBILITY RAMP UP SCENARIO: EUROPE

## Car sales



## Car population



- Regulation in Europe will lead to ban of ICE cars between 2030 – 2040
- Overall car population expected to be largely stable
- Assumption: avg. 5 Mio. additional BEVs/year on the road till 2035
- Implication on lubricant volumes:
  - Current total European market ~5.8mt
  - Volume reduction of automotive passenger car market by around 25%
  - Heavy-duty segment (~50% of automotive) expected to be stable
  - Volume decline by ~700kt

*Assumption: Full loss of car lubricants (MWF, grease,...)*



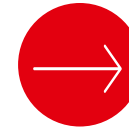
# E-MOBILITY SCENARIO: USA



No clear path  
forward



Expected impact on the  
market very limited in  
the coming years

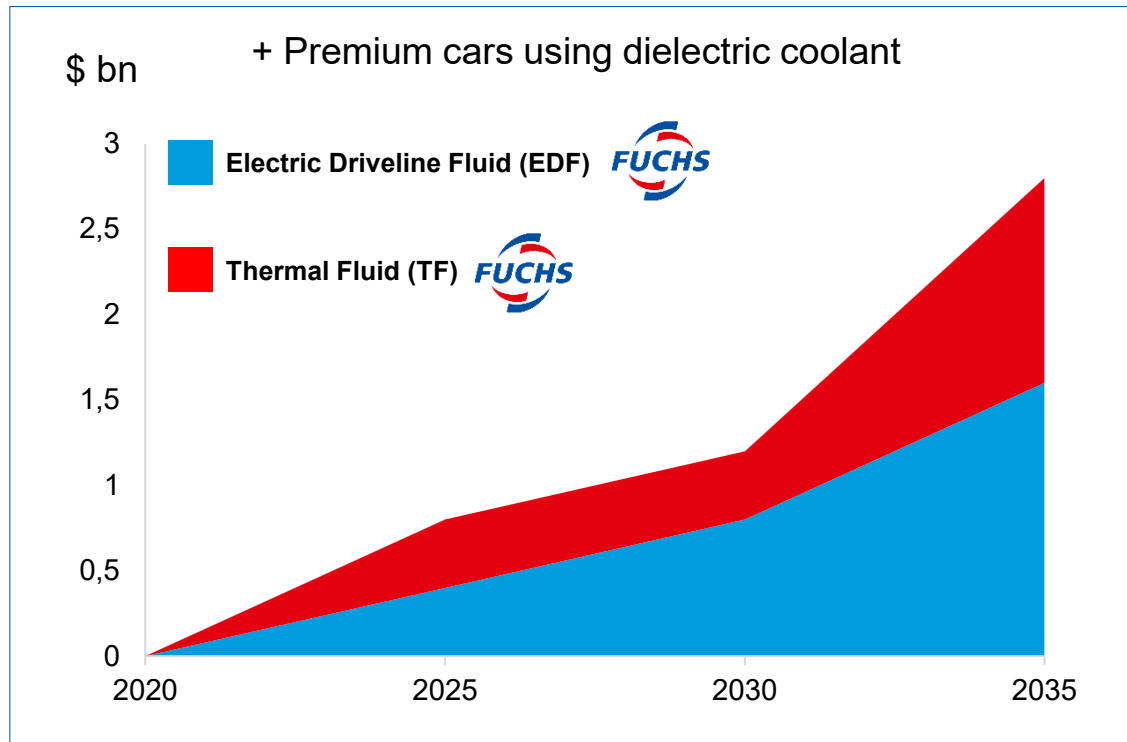


Expectation no  
significant influence  
through e-mobility



# WHERE WE WANT TO GET? MARKET POTENTIAL

## Premium cars case



FUCHS defines

**~50% as relevant**

**Market in USD ELECTRIC VEHICLE  
(EV) FLUIDS USED IN PASSENGER  
VEHICLES, \$ BILLION**



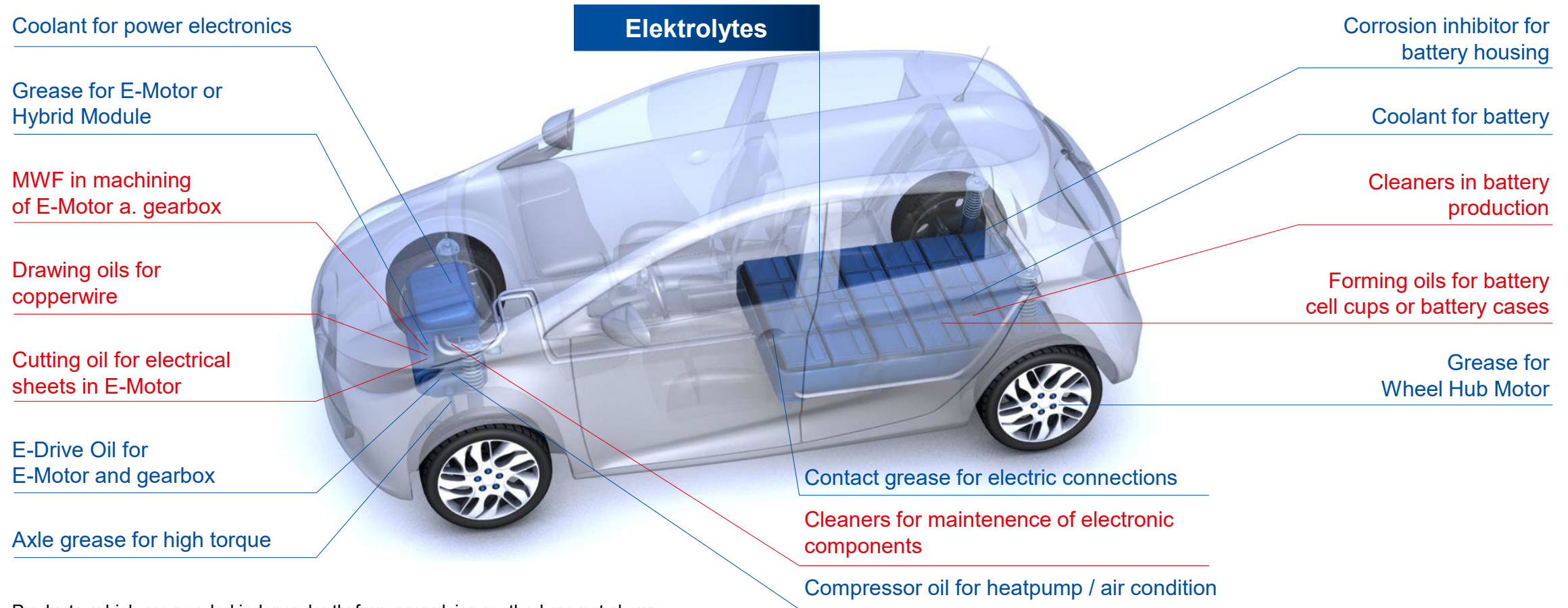
**FUCHS** BluEV

## **02** Development of E-Mobility Fluids










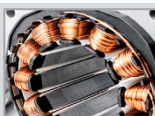



# E-MOBILITY CHALLENGES AND OPPORTUNITIES



Products, which are needed independently from propulsion method are not shown



# E-MOBILITY FLUIDS @FUCHS

		Electric Driveline Fluid (EDF)			Thermal Fluid (TF)	VisionFluid (VF)
 <b>Wear Protection</b> 		<b>EDF dry</b> No direct contact with e-motor windings	<b>EDF wet</b> Direct contact with e-motor windings	<b>EDF wet FC (Friction Control)</b> Direct contact with e-motor windings Allows use of friction parts (like LSD, clutches, synchronizers)		<b>VF</b> Lubrication and cooling one integrated fluid circuit
	 <b>Bearing Performance</b> 				<b>TF EM</b> Bearing protection if needed Direct contact with e-motor windings	
	 <b>Thermal Fluid / Cooling</b> 					<b>TF Bat</b> For battery cells 
	 <b>Friction Control</b> 	<b>EDF dry FC</b> (Friction Control) e.g. LSD				
		oil based				water containing

# „Electrolytes are Performance Fluids and the Heart Blood of a Battery – Energy Transport“

**ELYTE**  
INNOVATIONS

LUBRICANTS.  
TECHNOLOGY.  
PEOPLE.



# MARKET IMPACT NEW OPPORTUNITIES

## Electrolyte market opens up significant business potential



Strong increase in demand especially in Europe



Small to medium volume products - design to application



Therefore JV with E-Lyte to enter into this market segment – it is part of the drivetrain fluids – transfer of energy



We focus on high performance electrolytes, not on standard high volume market of traction batteries

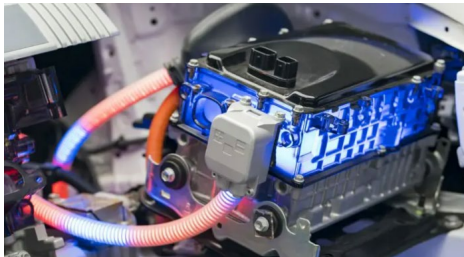


E-Lyte product performance is unique to support, i. e. fast loading cycles



Perfect fit between E-Lyte and FUCHS – high technology meets high technology and industrial experience

# BROAD SPECTRUM OF APPLICATIONS FOR ELECTROLYTES



## Relevant Markets

- BEV / Light commercial vehicles
- Busses
- Drones
- Marine / Aircraft / Railway
- Computer, Communication und Consumer Electronic



# JOINT VENTURE WITH E-LYTE INNOVATION



Know-How Production and Supply Chain

Process-Expertise

Organization & Infrastructure

Global Footprint

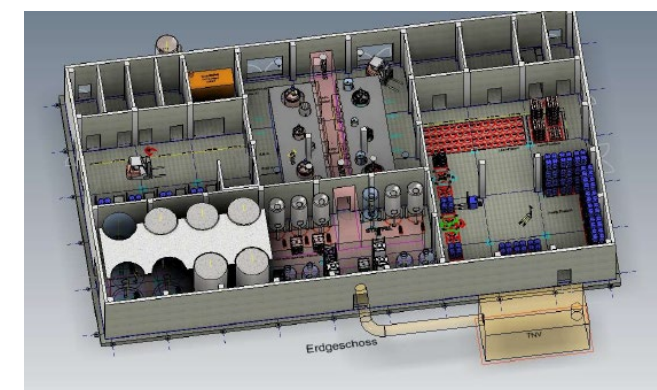
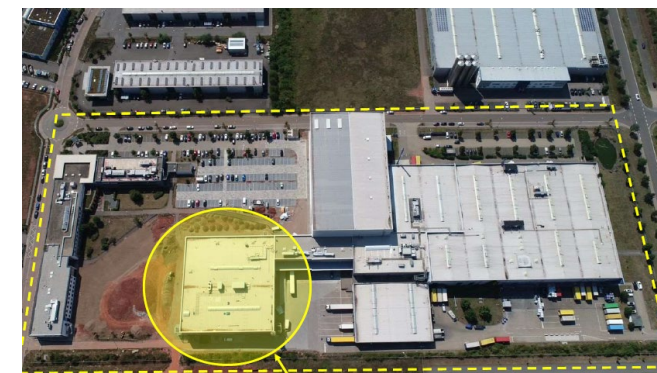
Access to Industry and Gigafactories

Established Network in the Elektrolyte Industry

Technical Know How

Embedded in R&D Campus

Kaiserslautern, GER





# Agenda

Key Messages

BLOCK 6



MOVING YOUR WORLD

# TODAY'S 6 KEY MESSAGES



## Lubricants

Unique FUCHS business model based on strict application focus and tailor-made solutions



## Innovation Enabler

FUCHS has the solutions to help customers with their technology transformation



## E-Mobility

Significant opportunities for FUCHS in fast developing markets



## Sustainability

FUCHS enables its customers to lower their carbon footprint



## Digitilization

FUCHS GOES DIGITAL as a basis for smart services, operational excellence and Business Model Innovation



## Growth

FUCHS will exploit growth opportunities leading to an EBIT of € 500 mn by 2025





# Thank you.

*MOVING YOUR WORLD*





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