

FUCHS GROUP

In Motion

- | Investor Presentation, August 2017
- | Dagmar Steinert, CFO
- | Thomas Altmann, Head of Investor Relations



Agenda

01 | The Leading Independent Lubricants Company

02 | H1 2017

03 | Shares

04 | Appendix

01 The Leading Independent Lubricants Company



FUCHS at a glance

Established **3**
generations ago as a
family-owned business

No. 1
among the indepen-
dent suppliers of
lubricants

The Fuchs family
owns **54%** of
ordinary shares

2.3 bn euro
sales

~ **5,000**
employees

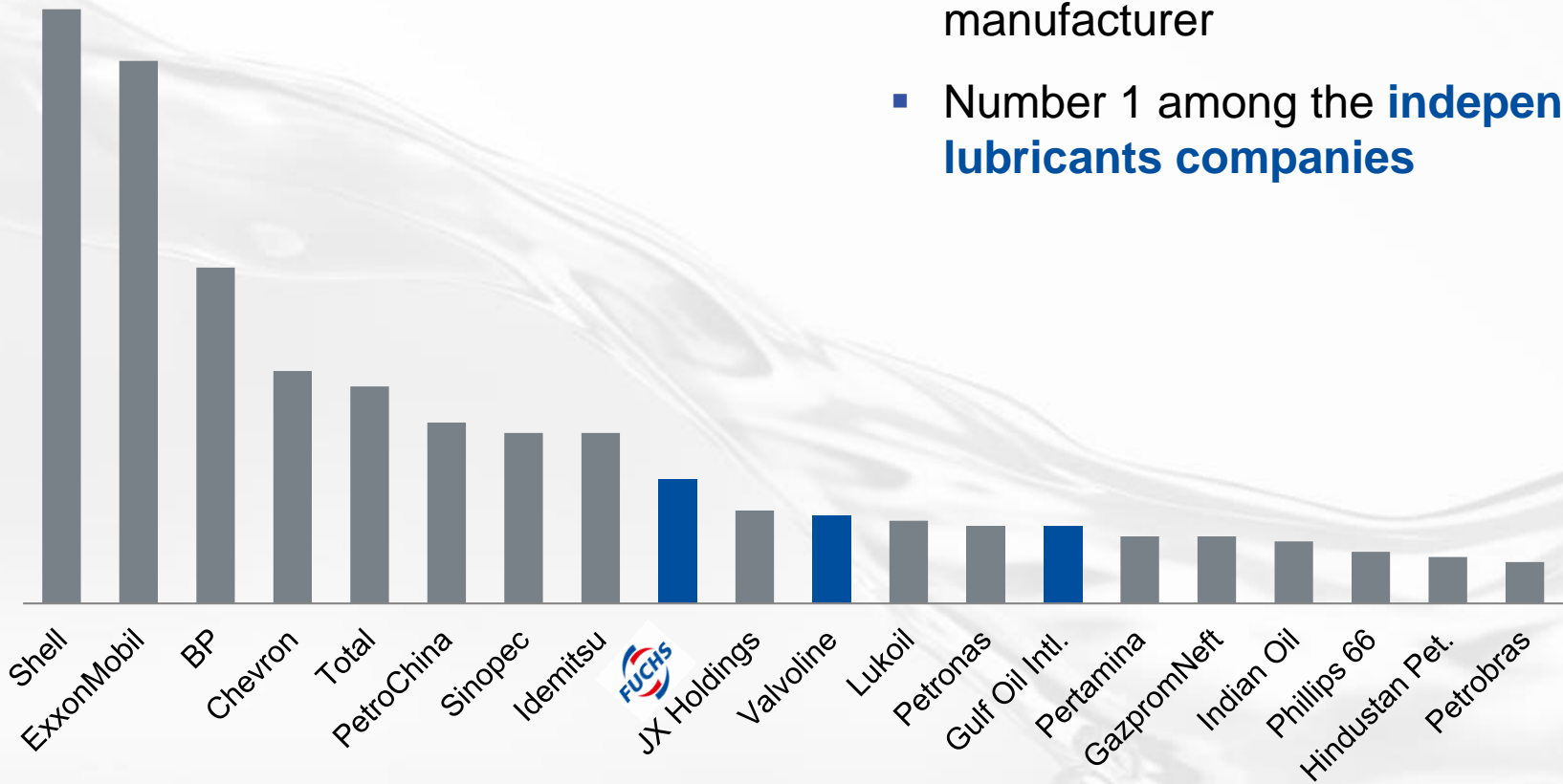
Preference share is
listed in the MDAX

57 operating
companies
worldwide

A full range
of over

10,000
lubricants and
related specialties

Top 20 lubricants manufacturers 2016



- A top-10 ranking lubricants manufacturer
- Number 1 among the **independent lubricants companies**

Our unique business model is the basis for our competitive advantage

Technology and innovation leadership in strategically important product areas

FUCHS is fully focussed on lubricants

Independency allows reliability, customer & market proximity (responsiveness and flexibility) and continuity



**Advantage over
major oil companies**

FUCHS is a full-line supplier

Global presence, R&D strength, know-how transfer, speed



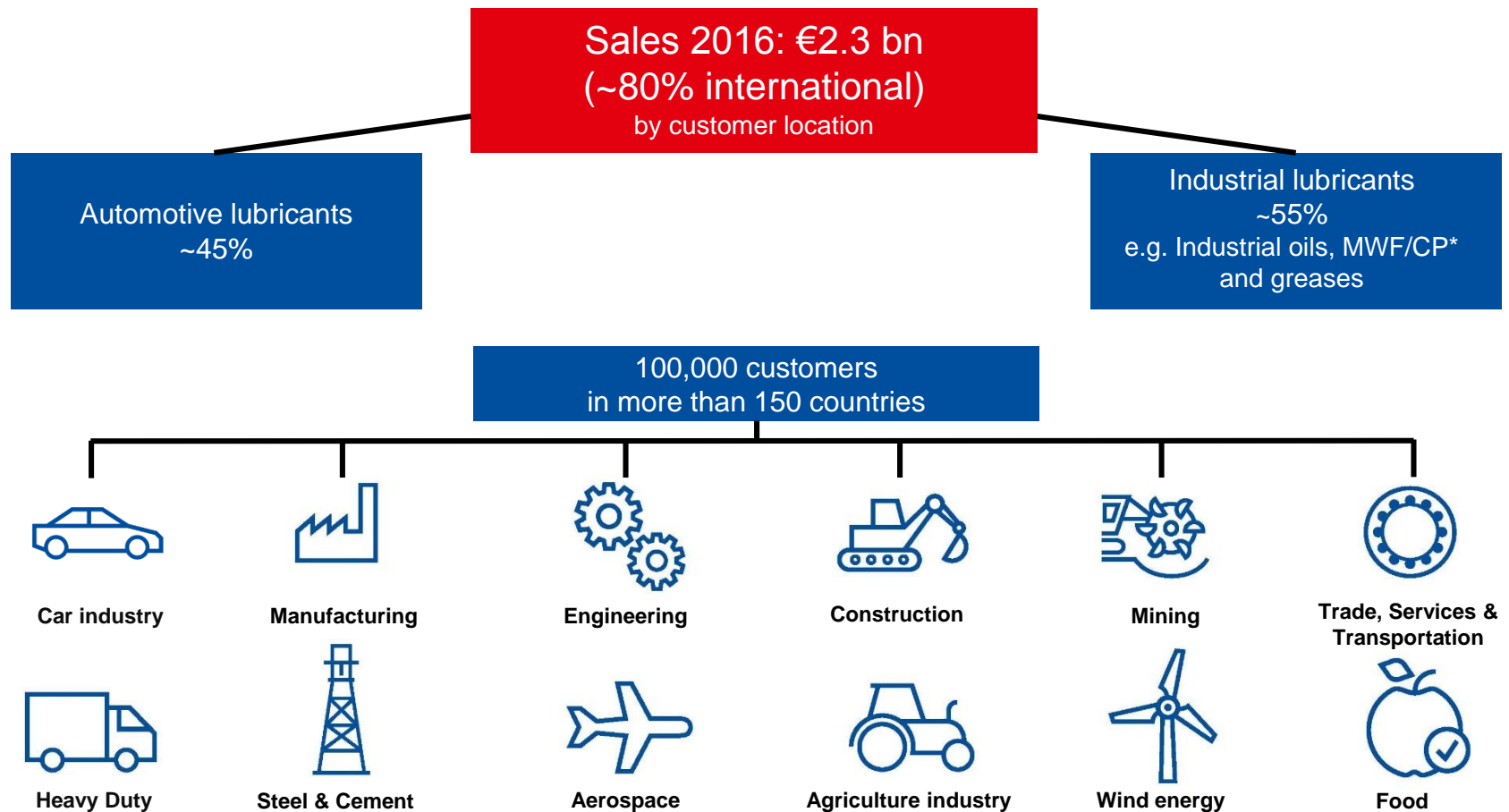
**Advantage over
independent companies**

We are where our customers are



57 Operating Companies
34 Production Sites

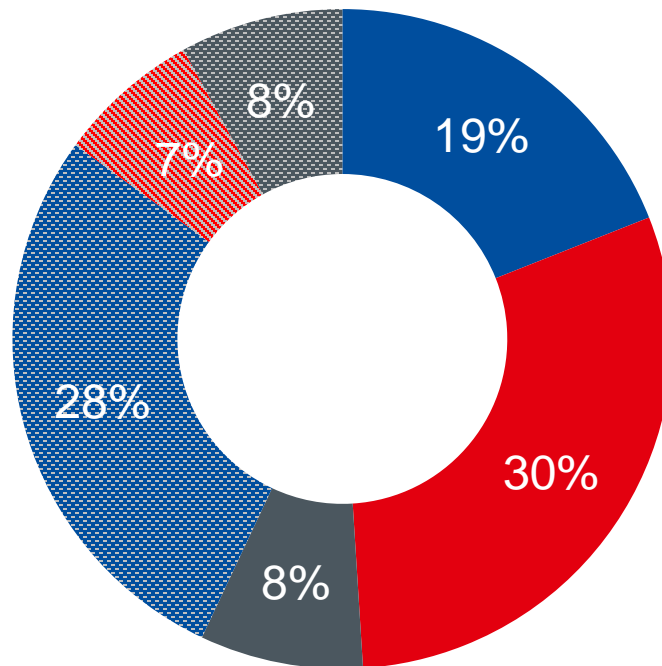
Full-line supplier advantage



*metalworking fluids/corrosion preventives

Well balanced customer structure

FUCHS sales revenues 2016: €2.3 bn

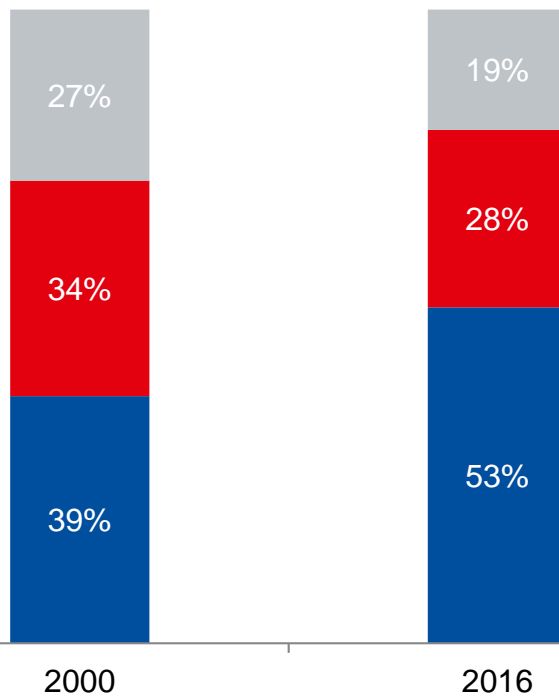


- Industrial goods manufacturing
- Vehicle manufacturing
- Energy and mining
- Trade, transport and services
- Agriculture and construction
- Engineering/ machinery construction

Organic growth potential in emerging countries

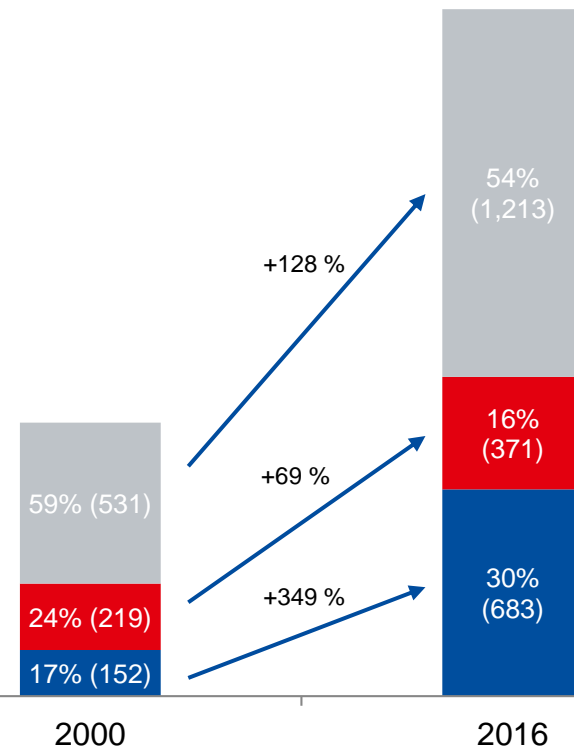
Market Demand

36.4 mn t $\xrightarrow{-2\%}$ 35.7 mn t



FUCHS Sales (by customer location)

€ 902 mn $\xrightarrow{+151\%}$ € 2,267 mn



Challenges & Opportunities

**Global Networked & Agile
Company**

**Profitable
Growth**

Structures

**Digitali-
zation**

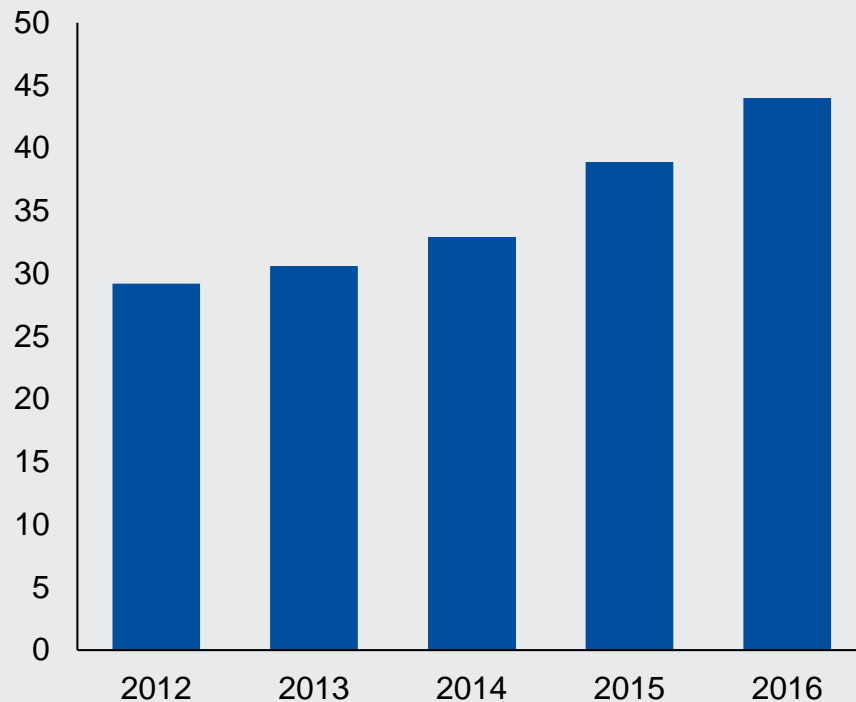
e-mobility

Investment in the future

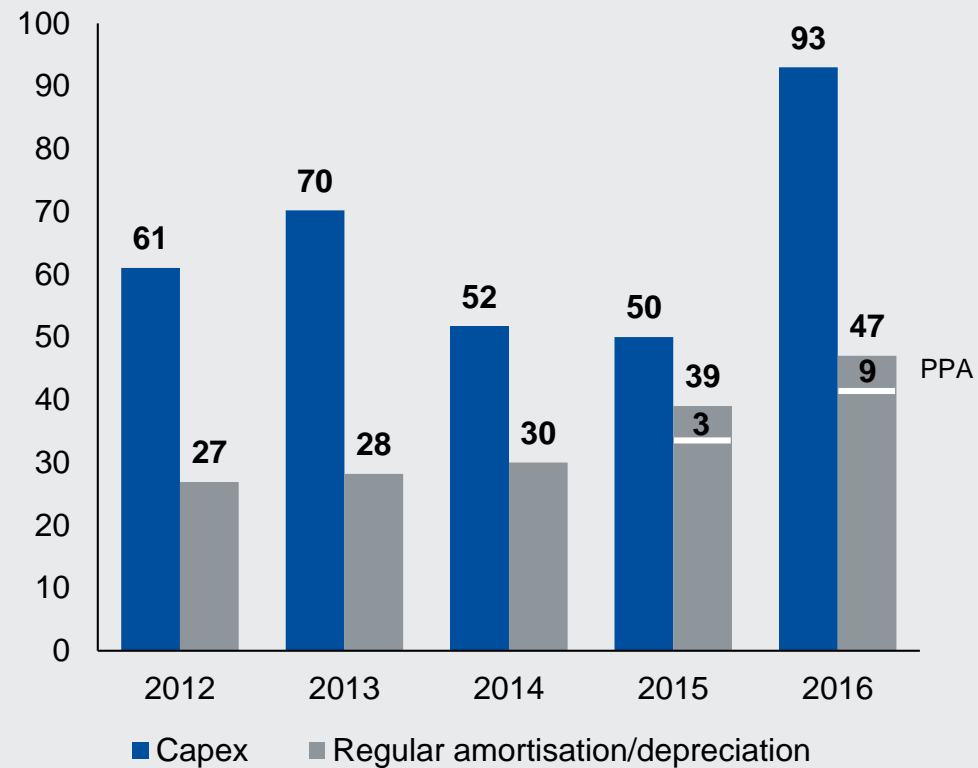
R&D, capex, amortisation & depreciation

R&D expenses 2016: €44 mn

€ mn



Capex 2016: €93 mn



Investments 2016 - 2018

Planned investments of €300mn (~ €100mn p.a.)

- Expansion of the Mannheim site, Germany (2016-2018)
- Expansion of the Kaiserslautern site, Germany (2017)
- Expansion of the Chicago site, USA (2016-2018)
- New plant in WuJiang, China (2017-2018)
- New plants in Australia and Sweden (2016-2018)

~ 50% of planned investments is maintenance capex

FUCHS' 3C grease commitment

- Globally identical production equipment
- Globally identical finishing equipment
- Globally identical quality control test devices
- Globally similar raw materials
- Globally identical quality standards



Strong track record of integrating businesses

			Revenues (p.a.)
2016		Ultrachem (US)	€ 15 mn
		Chevron Lubricants (US)	€ 11 mn
2015		Statoil Fuel & Retail Lubricants AB (SVE)	€140 mn
		Deutsche Pentosin-Werke GmbH (GER)	€135 mn
2014		Lubritene (ZA)	€ 15 mn
		Batoyle (UK)	€ 15 mn
2010		Cassida (global)	€ 21 mn

02 H1 2017



Sales +10%
to €1,247 mn

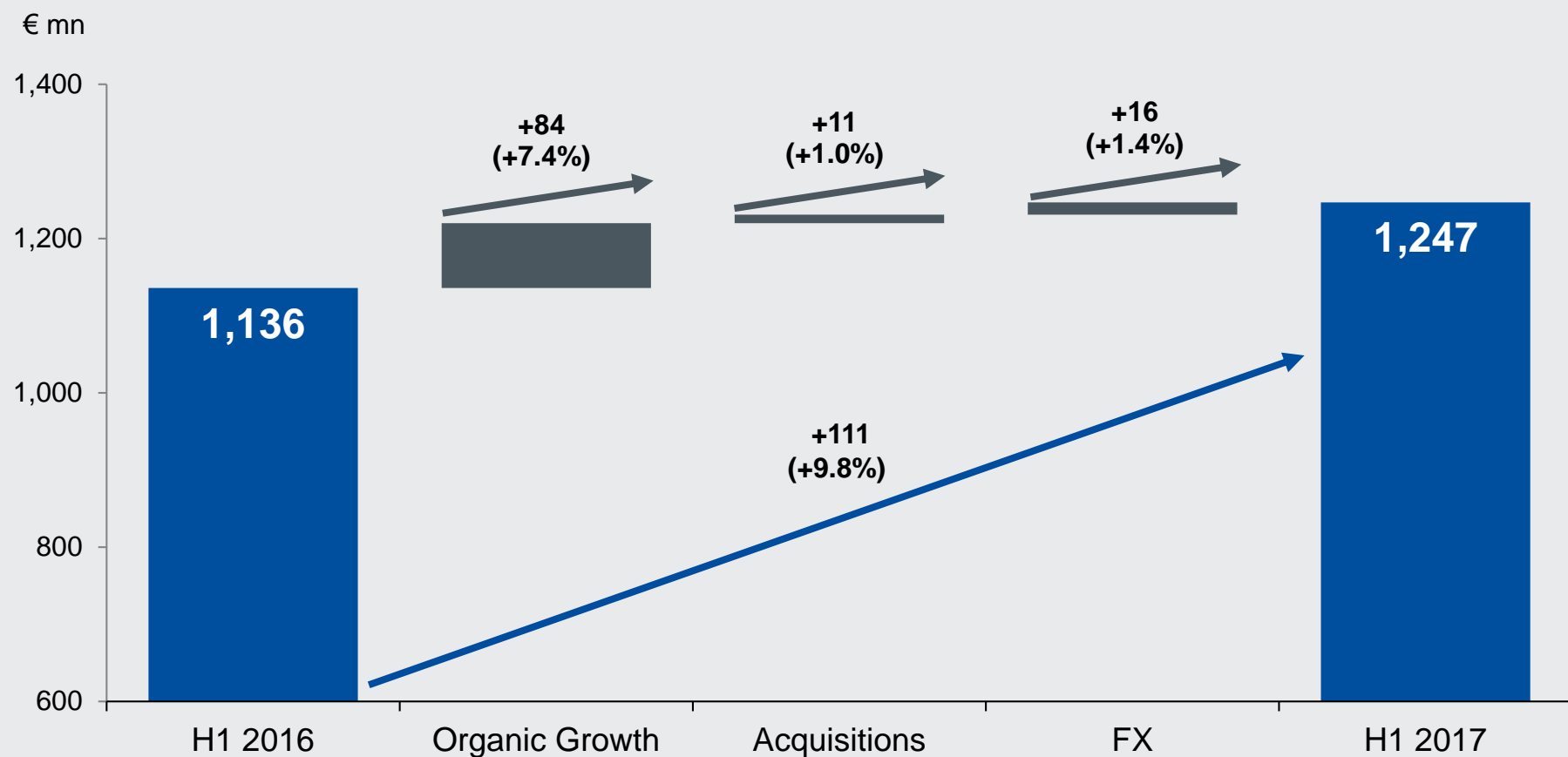
- Organic growth in all regions
- Slight external growth in North America
- Decreasing tailwind from FX

EBIT +4%
to €190 mn

Outlook 2017
updated

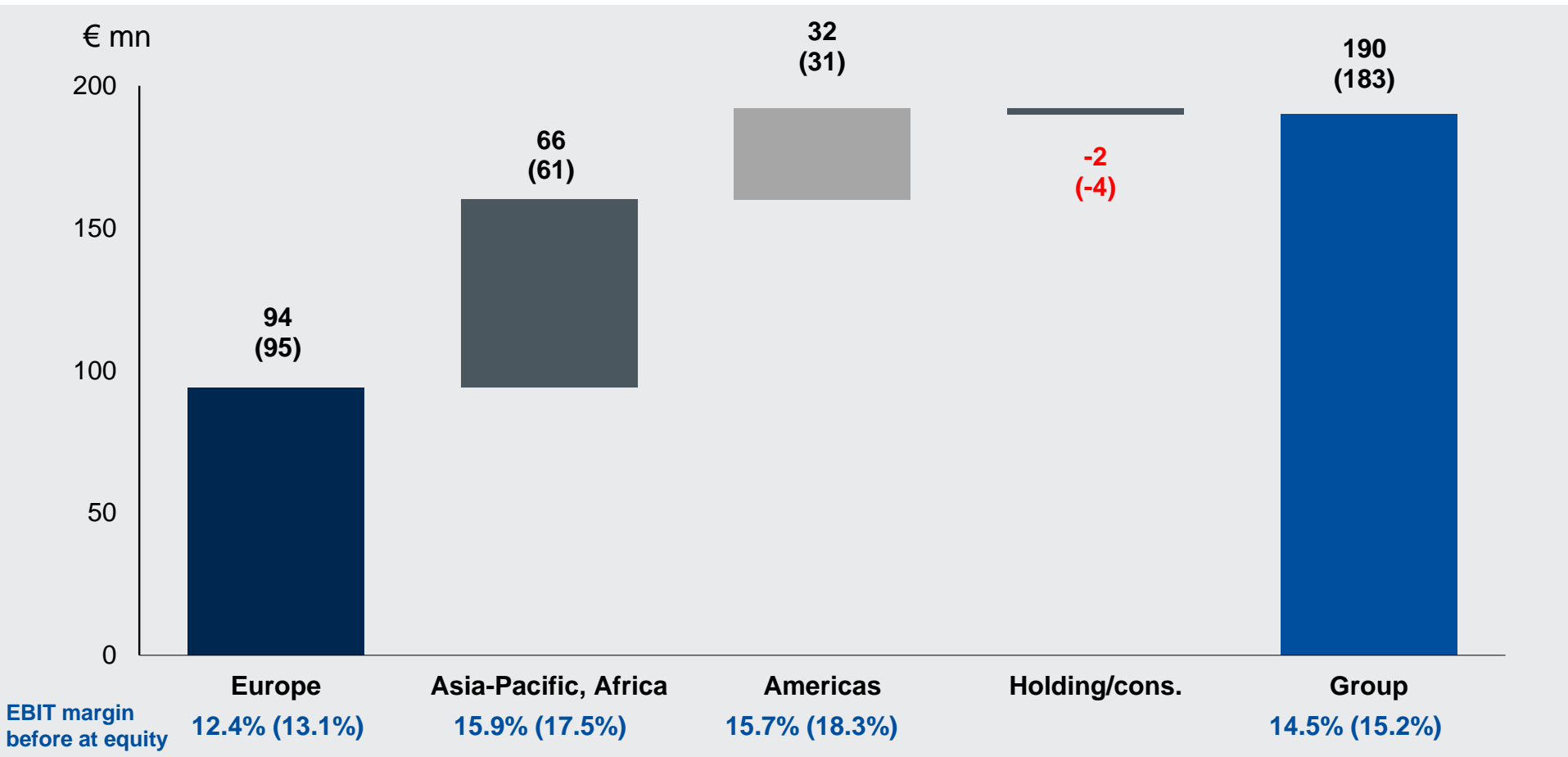
- Sales outlook raised
- EBIT outlook reaffirmed

H1 Group Sales



EBIT by regions

H1 2017 (H1 2016)



Regional sales growth H1 2017

	H1 2016 (€ mn)	H1 2017 (€ mn)	Growth	Organic	External	FX
Europe	721	751	+4.2%	+4.4%	-	-0.2%
Asia-Pacific, Africa	298	363	+21.8%	+18.9%	-	+2.9%
Americas	172	205	+19.0%	+7.7%	+6.4%	+4.9%
Consolidation	-55	-72	-	-	-	-
Total	1,136	1,247	+9.8%	+7.4%	+1.0%	+1.4%

Income Statement H1 2017

€ mn	H1 2016	H1 2017	Δ € mn	Δ in %
Sales	1,136	1,247	111	9.8
Gross Profit	427	452	25	5.8
<i>Gross Profit margin</i>	37.6%	36.2%	-	-1.4%-points
Other function costs	-254	-271	-17	+6.9
EBIT before at Equity	173	181	8	4.2
At Equity	10	9	-1	-4.1
EBIT	183	190	7	3.8
Earnings after tax	127	134	7	5.5

Cash flow H1 2017

€ mn	H1 2016	H1 2017
Earnings after tax	127	134
Amortisation/Depreciation	23	26
Changes in net operating working capital (NOWC)	-46	-67
Other changes	0	1
Capex	-32	-41
Free cash flow before acquisitions	72	53
Acquisitions	-20	-1
Free cash flow	52	52

H1 2017 earnings summary

- Earnings targets met and sales targets exceeded
- Higher costs as a result of our growth initiative
- Increasing raw material prices can only be passed on with a time lag
- Solid free cash flow

Updated Outlook 2017

Sales Outlook raised, EBIT outlook reaffirmed

Performance indicator	Actual 2016		Outlook 2017
Sales	€ 2,267 mn	↑	+7% to +10% (was +4% to +6%)
EBIT	€ 371 mn	↑	+1% to +5%
FUCHS Value Added	€ 257 mn	↑	Low single-digit percentage range
Free cash flow before acquisitions	€ 205 mn		~ € 200 mn

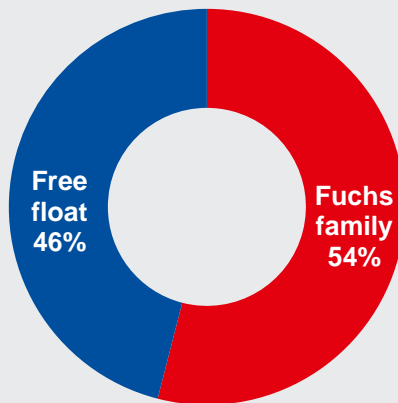
03 Shares



Breakdown ordinary & preference shares

(June 30, 2017)

Ordinary shares



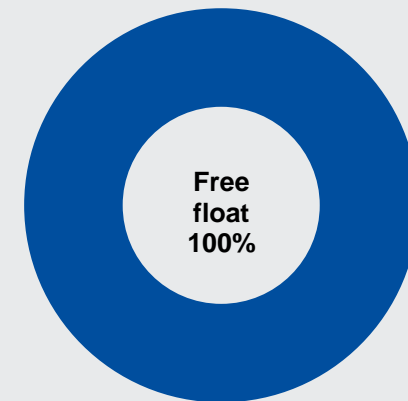
Basis: 69,500,000 ordinary shares

Characteristics:

- Dividend
- Voting rights

Preference shares

MDAX-listed



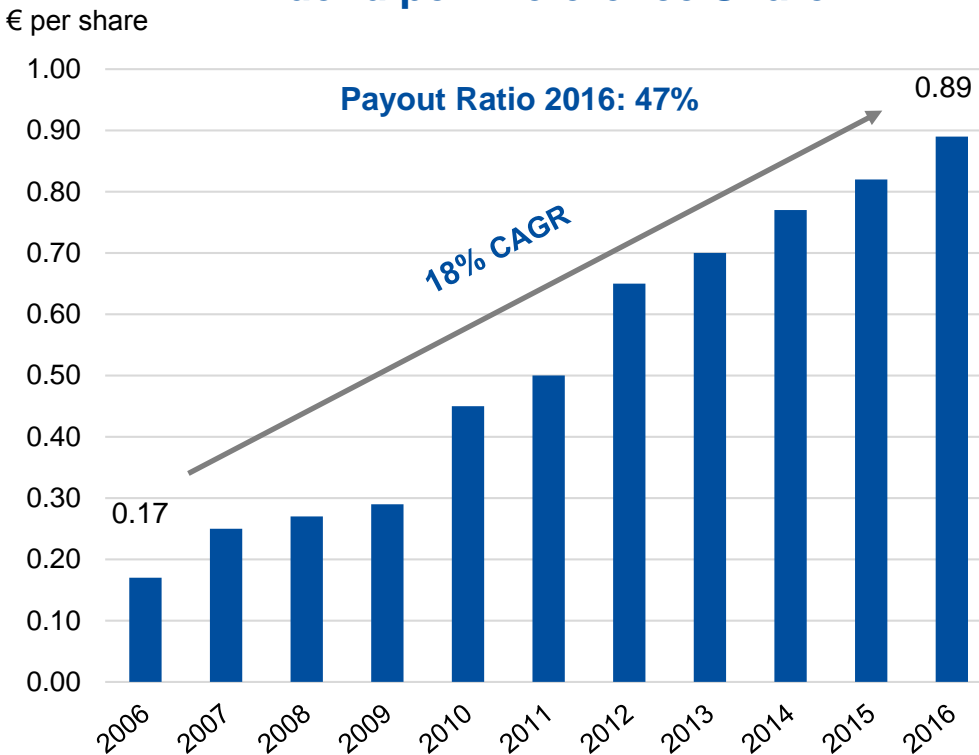
Basis: 69,500,000 preference shares

Characteristics:

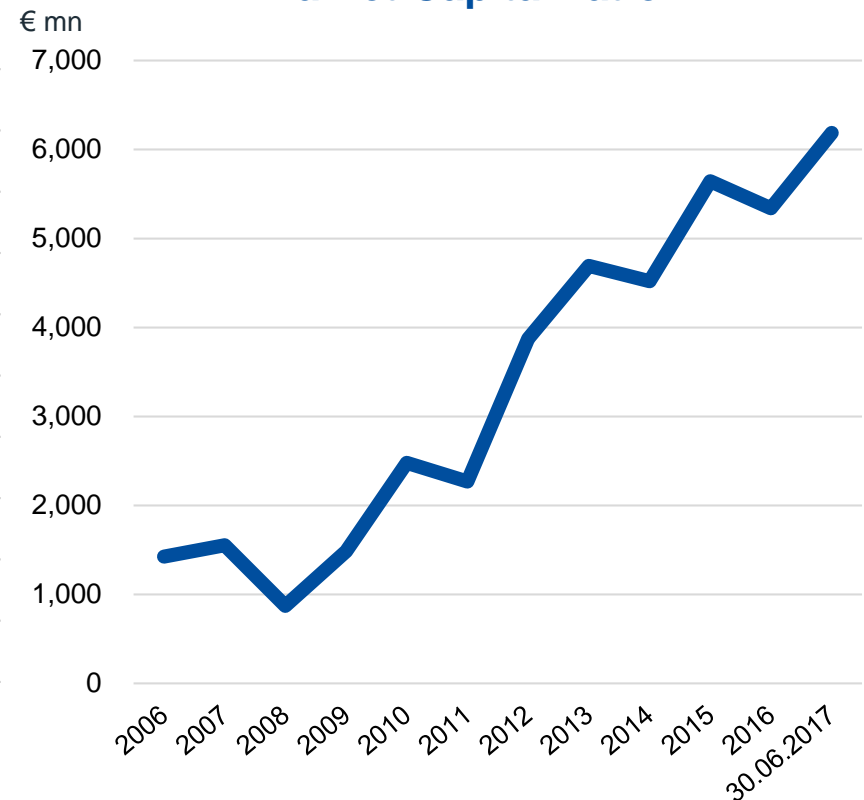
- Dividend plus preference profit share (0.01€)
- Restricted voting rights in case of:
 - preference profit share has not been fully paid
 - exclusion of pre-emption rights (e.g. capital increase, share buyback, etc.)

Stable dividend policy

Dividend per Preference Share



Market Capitalization

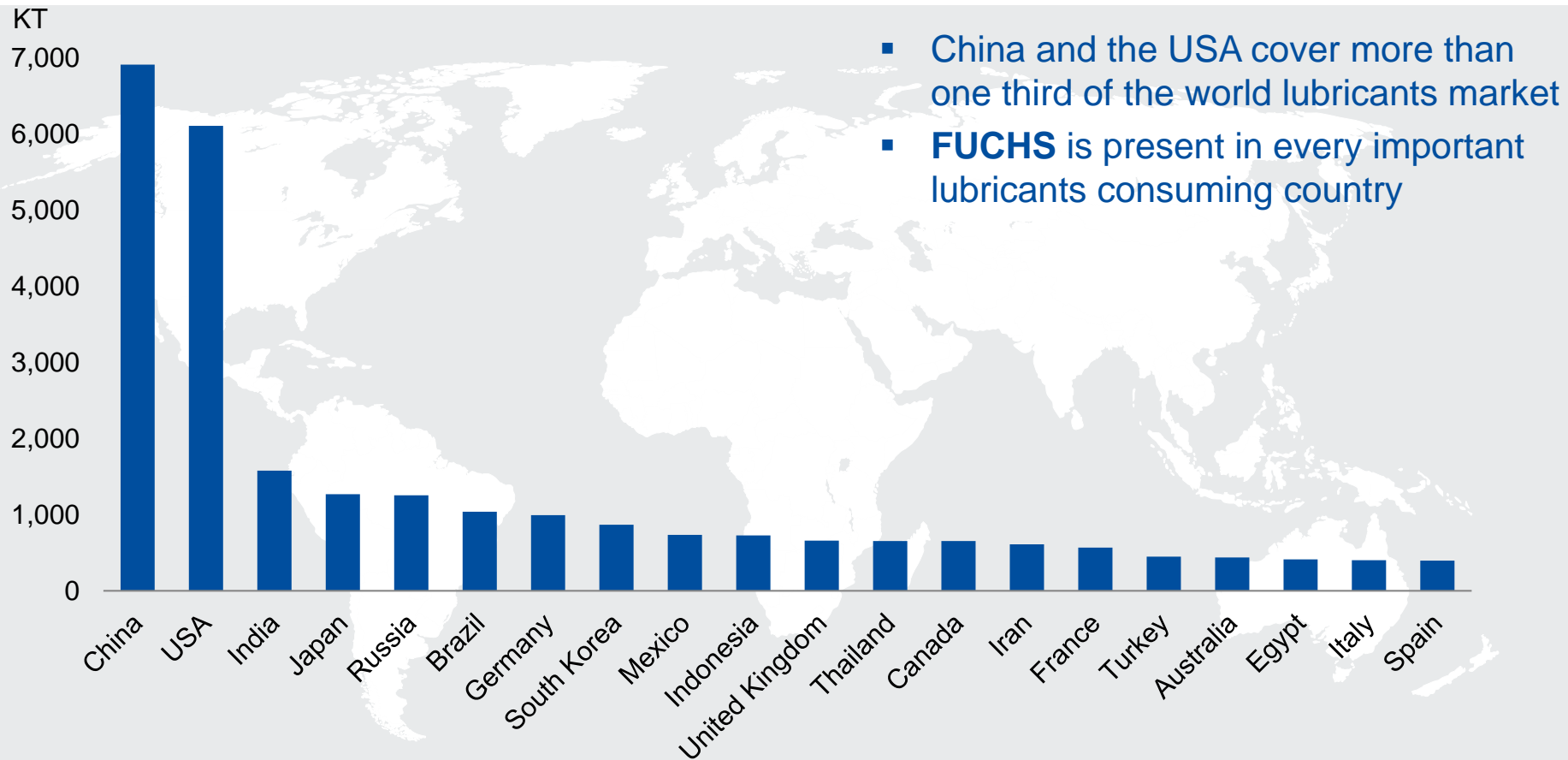


Our target: Increase the absolute dividend amount each year or at least maintain previous year's level.

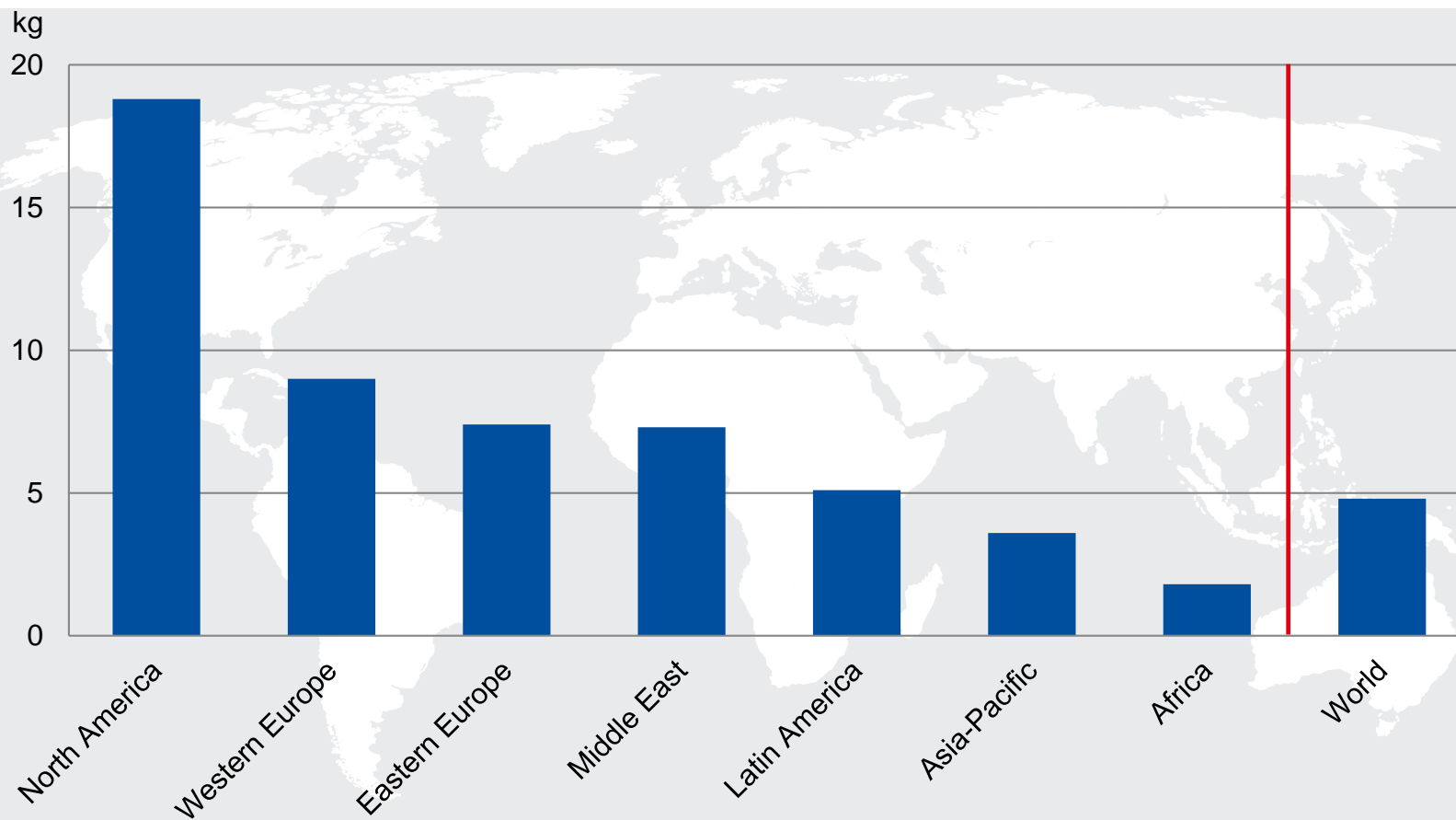
04 Appendix



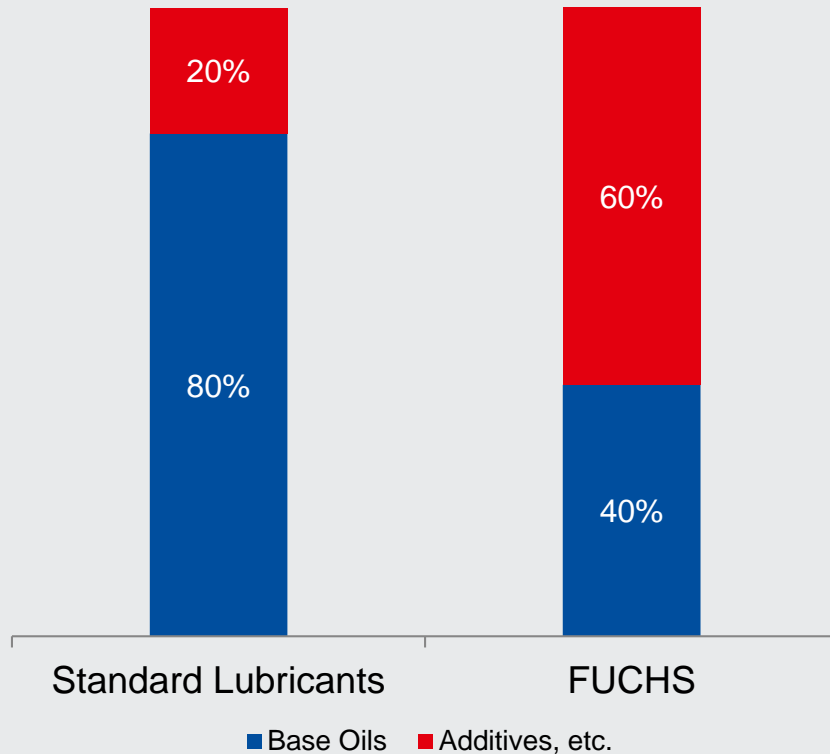
Top 20 lubricant countries 2016



Regional per-capita lubricants demand 2016



Base oil / additives value split

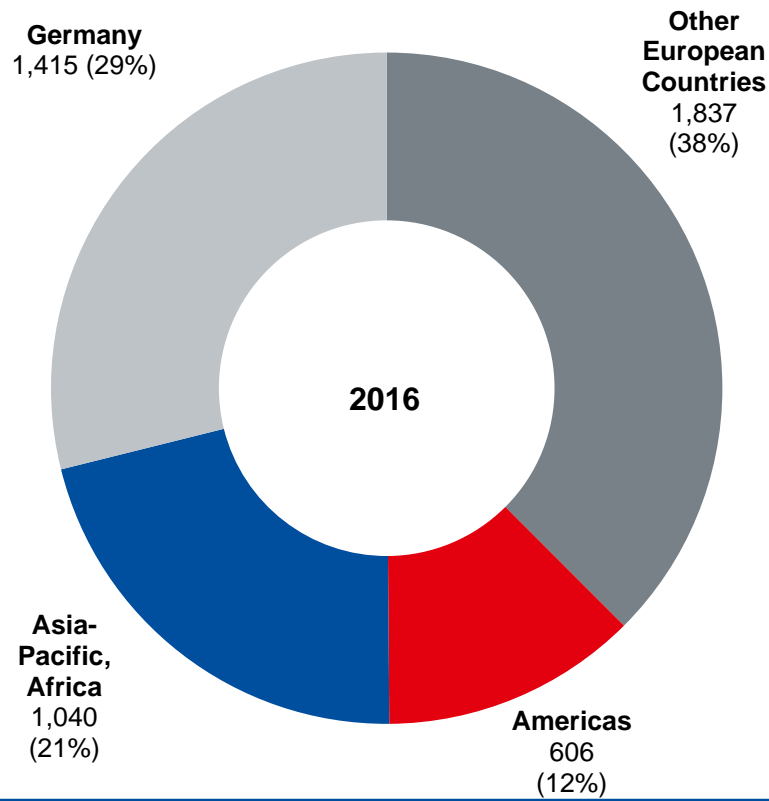


- Base oil prices do not necessarily follow crude oil prices
- No direct link between additives and crude oil prices. We even face price increases for certain raw materials where supply/demand is not balanced or special situations occur
- Special lubricants consist of less base fluid and more additives

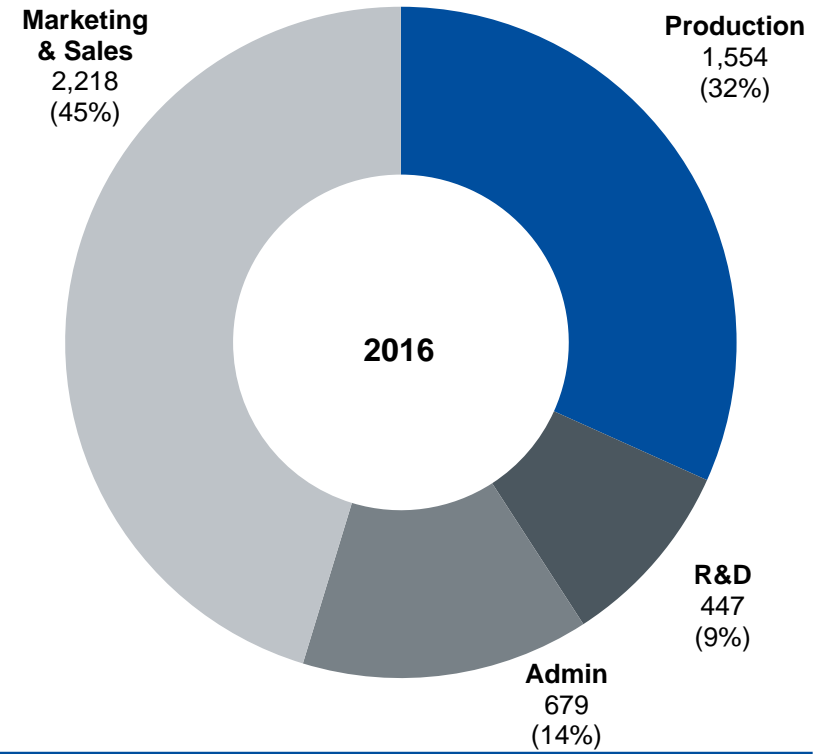
Workforce Structure

4,898 employees globally

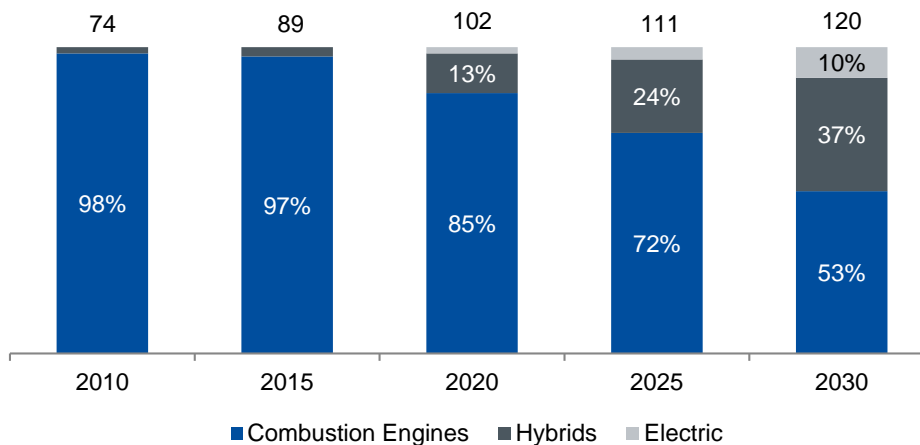
Regional Workforce Structure



Functional Workforce Structure



Development passenger car production (in mn)



- **No market revolution expected:**
Evolution of existing technologies: Hybrids with efficient combustion engines will dominate the market
- Demand of EVs mainly in big cities with high traffic density

Source: IHS


Implication for FUCHS

Revolution – Complete switch to only EVs:

- No power train; reduced oil consumption
- New additional high value applications
- Sales per car would decrease slightly

Evolution – Mix of combustion, hybrid and electric engines:

- Efficiency requirements will drive demand for higher value applications
- Slightly lower volume of engine oils
- Additional applications for electric engines



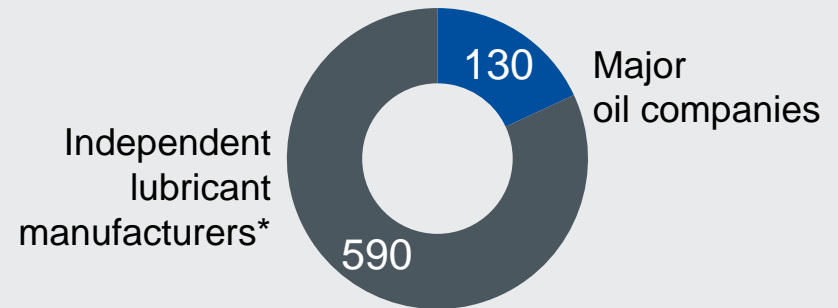
Electrification is an opportunity for FUCHS to further strengthen its market leadership with technically advanced applications

Further market consolidation to be expected

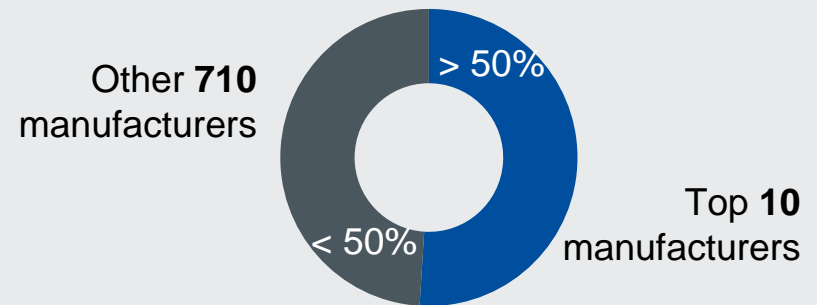
- High degree of fragmentation
- Concentration especially amongst smaller companies

- Differences are enormous

Manufacturers



Market Shares



* > 1000 tons

Acquisitions 2016

Sales 2016: €5 mn / EBIT 2016: €1 mn



Deal Structure	Share Deal; €15 mn sales p.a.; purchase price €26 mn
Focus	Industrial specialty lubricants (e.g. for compressors and industrial maintenance)
Closing	1st December 2016



Deal Structure	Acquisition of Chevron's foodgrade lubricants and white oil business Asset deal; €11 mn in sales p.a.; purchase price €22 mn
Focus	White oils and foodgrade lubricants
Closing	1st June 2016

Long-term Objective: Focus on Shareholder Value

Drive returns

- Organic growth through strict customer focus, geographic expansion and product innovation
- Improve operating profitability through margin and mix management, operating cost management and efficiency improvements

Optimize capital

- Capex with returns above WACC
- Manage NOWC

Strengthen portfolio

- Reinvest in the business
- Acquisitions

Cash allocation priority

Reinvest in the business

Capex

Acquisitions

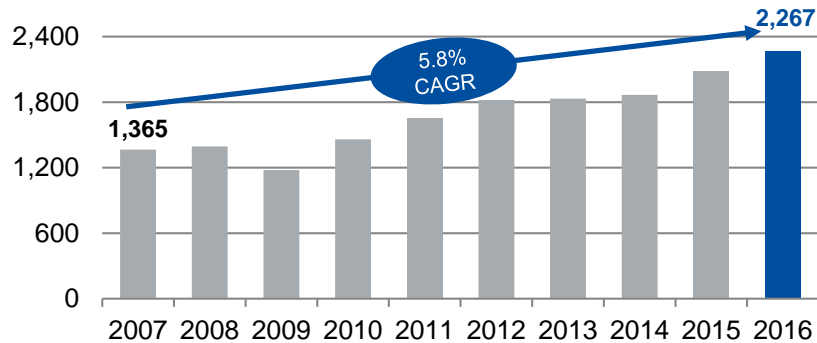
Return cash to shareholders

Stable Dividends

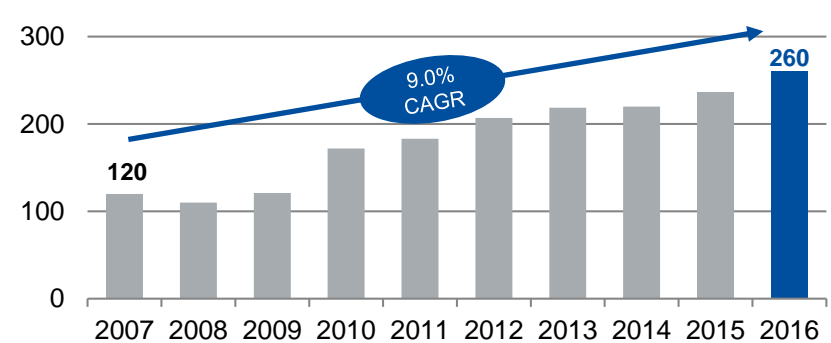
Share Buyback

Unique Track Record for continued profitability and added value

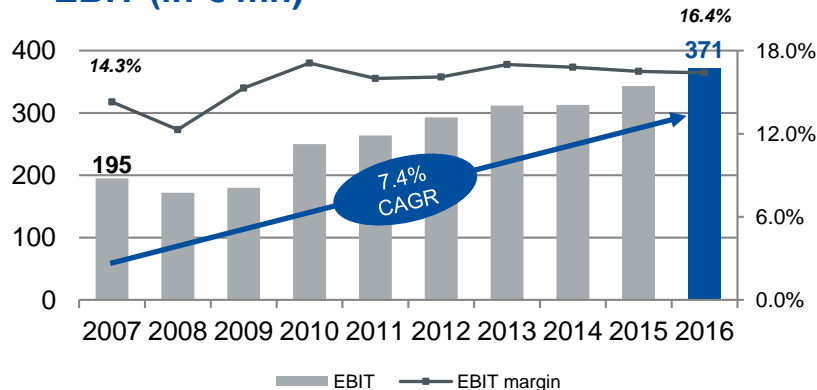
Sales (in € mn)



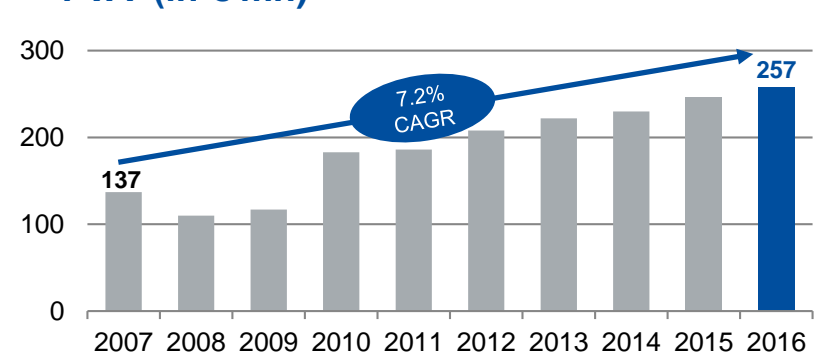
Earnings After Tax (in € mn)



EBIT (in € mn)



FVA (in € mn)



EBIT increase of 8% in 2016

€ mn	2012	2013	2014	2015	2016	Δ 15/16
Sales	1,819	1,832	1,866	2,079	2,267	9.0%
Gross Profit	666	690	693	791	851	7.5%
Gross Profit margin	36.6%	37.7%	37.2%	38.1%	37.5%	-0.6 % points
Other function costs	-387	-391	-400	-467	-499	6.7%
EBIT before at Equity	279	299	293	324	352	8.6%
EBIT margin before at Equity	15.3%	16.3%	15.7%	15.6%	15.5%	-0.1 % points
At Equity	14	13	20	18	19	3.4%
EBIT	293	312	313	342	371	8.3%
EBIT margin	16.1%	17.0%	16.8%	16.5%	16.4%	-0.1 % points
EBITDA	320	340	343	381	418	9.6%
EBITDA margin	17.6%	18.6%	18.4%	18.3%	18.4%	+0.1 % points

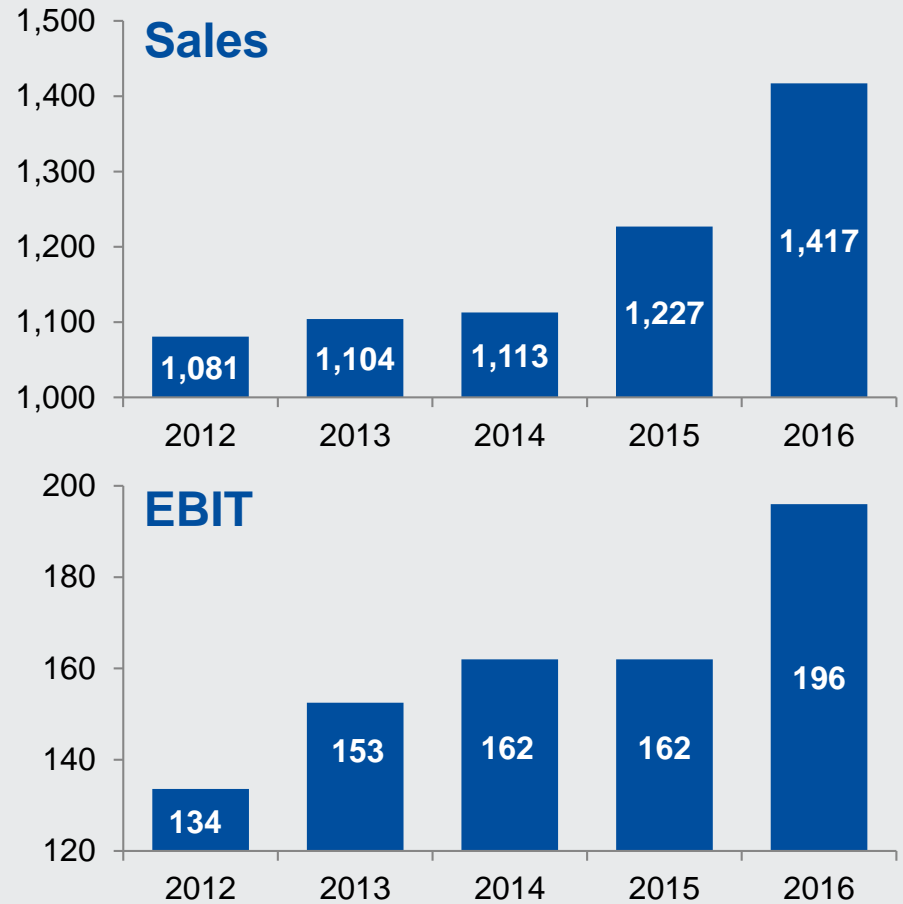
Europe

2016: Sales + 15.5% / EBIT +21.0%

€ mn



Employees 2016: 3,149 (3,112)



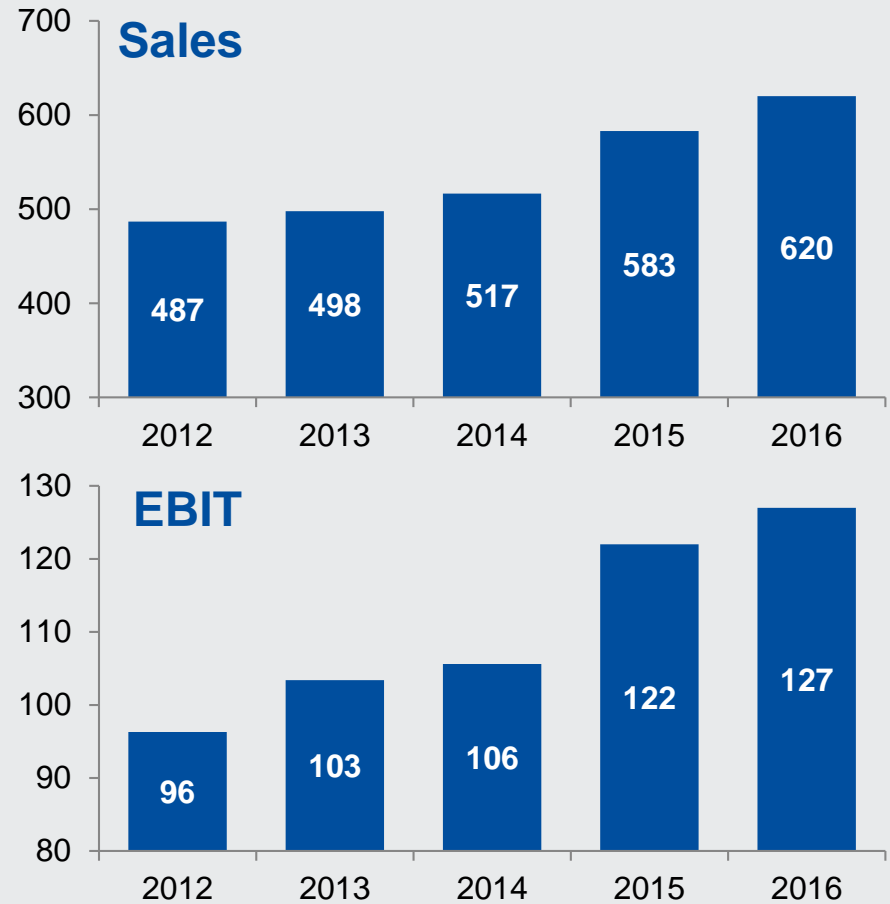
Asia-Pacific, Africa

2016: Sales + 6.3% / EBIT + 4.3%

€ mn



Employees 2016: 1,040 (1,029)



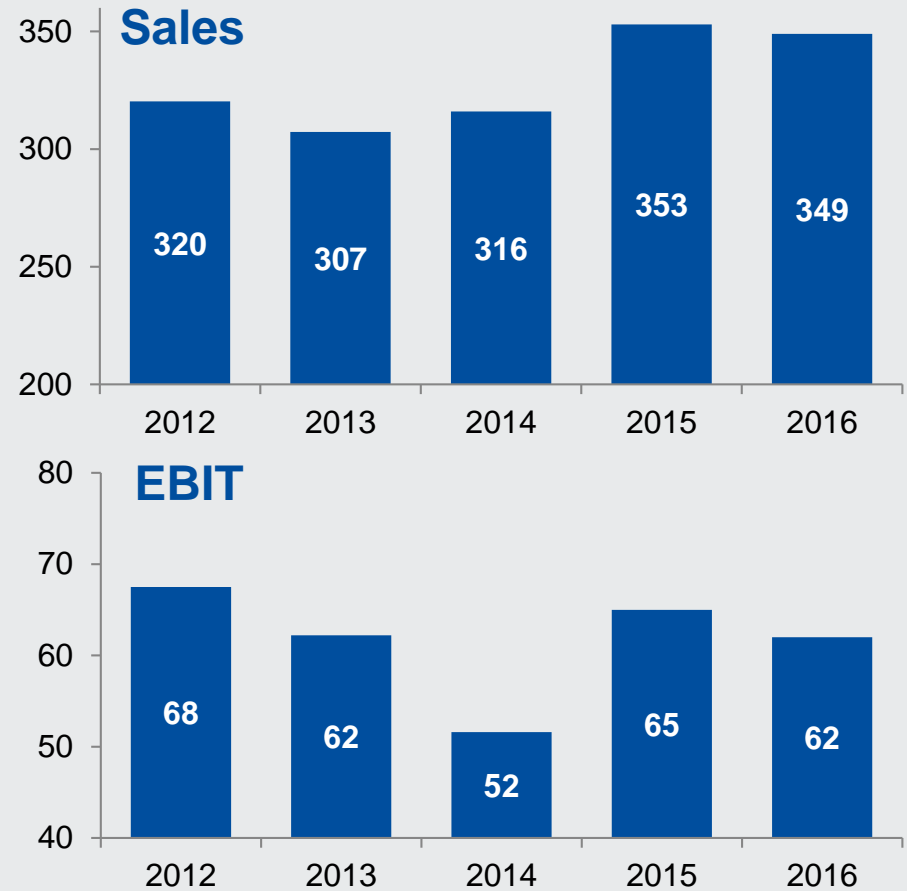
Americas

2016: Sales - 1.2% / EBIT - 4.0%

€ mn



Employees 2016: 606 (588)

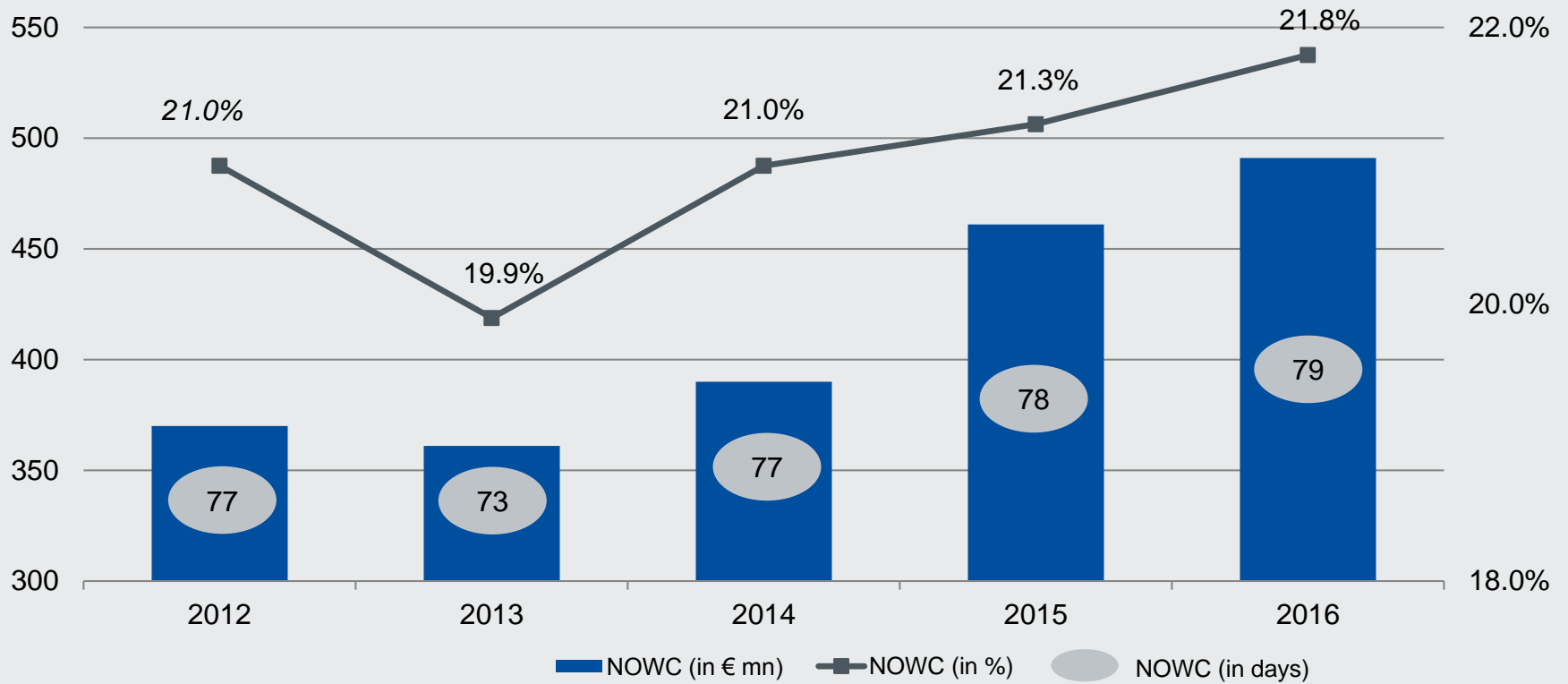


Solid balance sheet and strong cash flow generation

€ mn	2012	2013	2014	2015	2016
Total assets	1,109	1,162	1,276	1,490	1,676
Goodwill	85	82	88	166	185
Equity	782	854	916	1,070	1,205
Equity ratio	71%	74%	72%	72%	72%

€ mn	2012	2013	2014	2015	2016
Net liquidity	135	167	186	101	146
Operating cash flow	203	221	255	281	300
Free cash flow before acquisitions	141	150	210	232	205
Free cash flow after acquisitions	140	150	188	62	164

Net operating working capital (NOWC)*



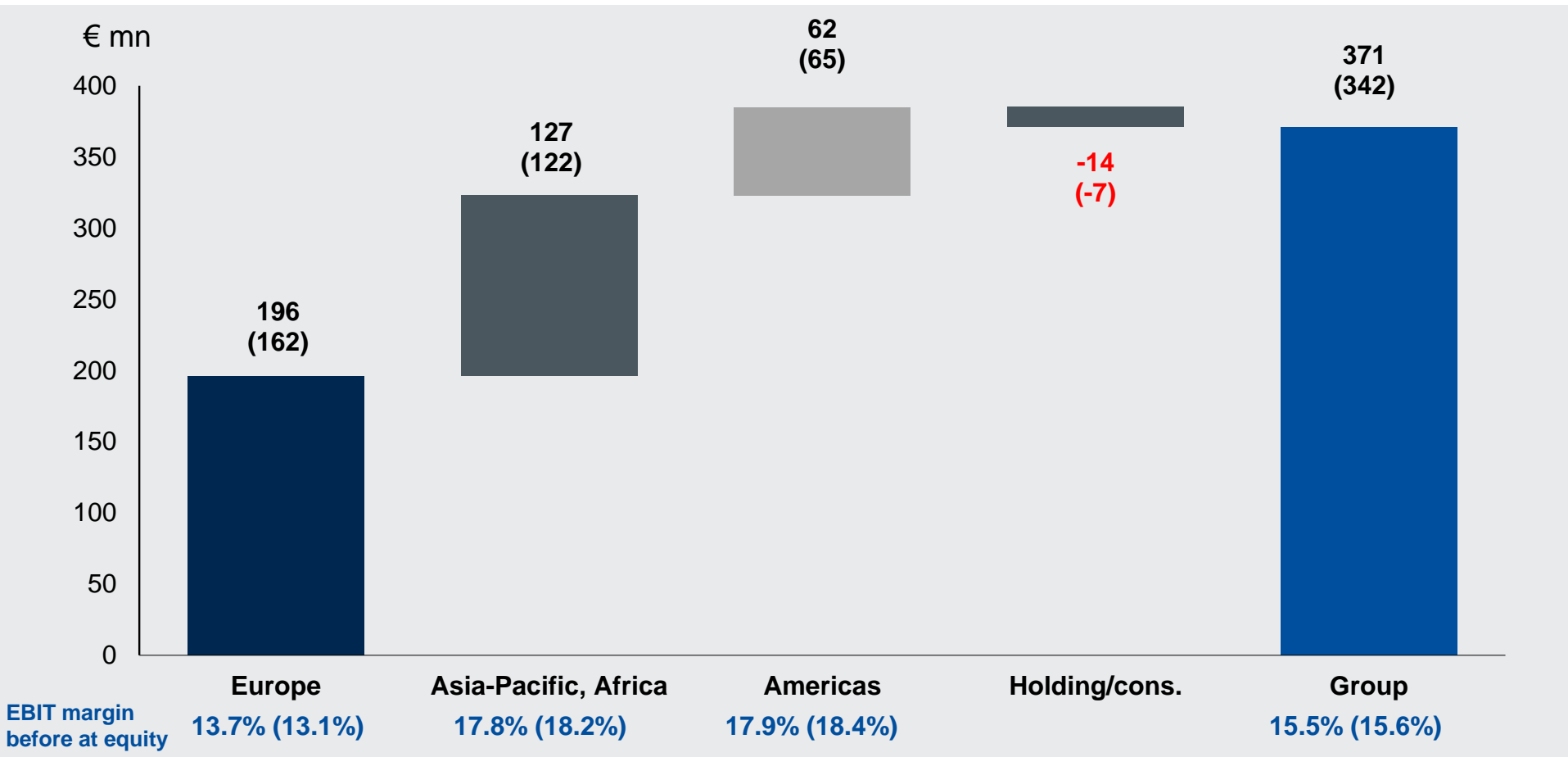
* In relation to the annualized sales revenues of the 4th quarter of the year

Regional sales growth FY 2016

	2015 (€ mn)	2016 (€ mn)	Growth	Organic	External	FX
Europe	1,227	1,417	+15.5%	+3.5%	+14.0%	-2.0%
Asia-Pacific, Africa	583	620	+6.3%	+9.2%	+2.0%	-4.9%
Americas	353	349	-1.2%	-1.8%	+2.6%	-2.0%
Consolidation	-84	-119	-	-	-	-
Total	2,079	2,267	+9.0%	+3.3%	+8.6%	-2.9%

EBIT by regions

FY 2016 (FY 2015)



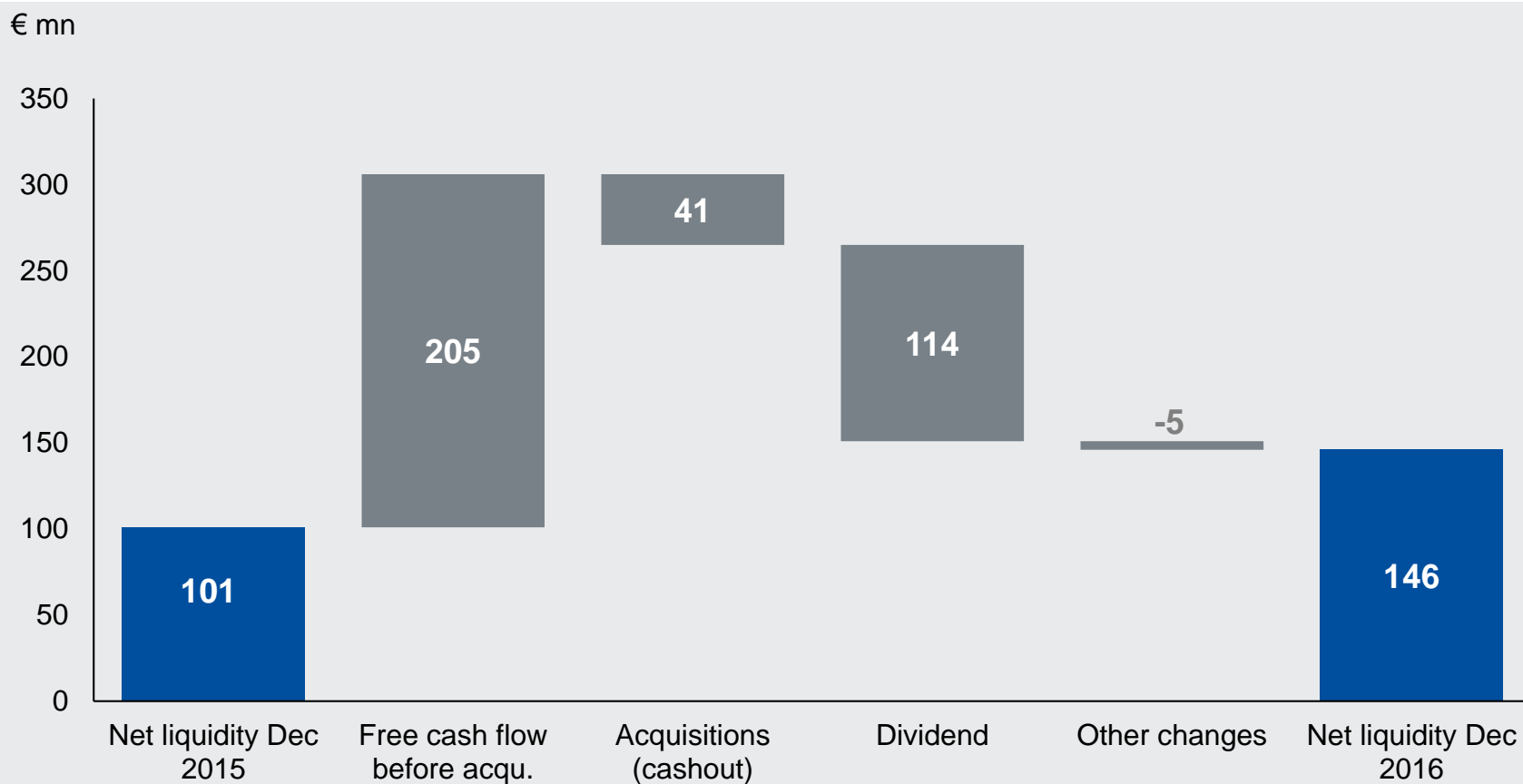
Income Statement FY 2016

€ mn	FY 15	FY 16	Δ € mn	Δ in %
Sales	2,079	2,267	188	9.0 %
Gross Profit	791	851	60	7.5 %
<i>Gross Profit margin</i>	<i>38.1%</i>	<i>37.5%</i>	-	<i>-0.6 % points</i>
Other function costs	-467	-499	32	6.7 %
EBIT before at Equity	324	352	28	8.6 %
At Equity	18	19	1	3.4 %
EBIT	342	371	29	8.3 %
Earnings after tax	236	260	24	10.0 %

Cash flow

€ mn	FY 15	FY 16
Gross cash flow	274	298
Changes in net operating working capital	-1	-22
Other changes	8	24
Operating cash flow	281	300
Capex	-50	-93
Other changes	1	-2
Free cash flow before acquisitions	232	205
Acquisitions	-170	-41
Free cash flow	62	164

Net Liquidity 2016

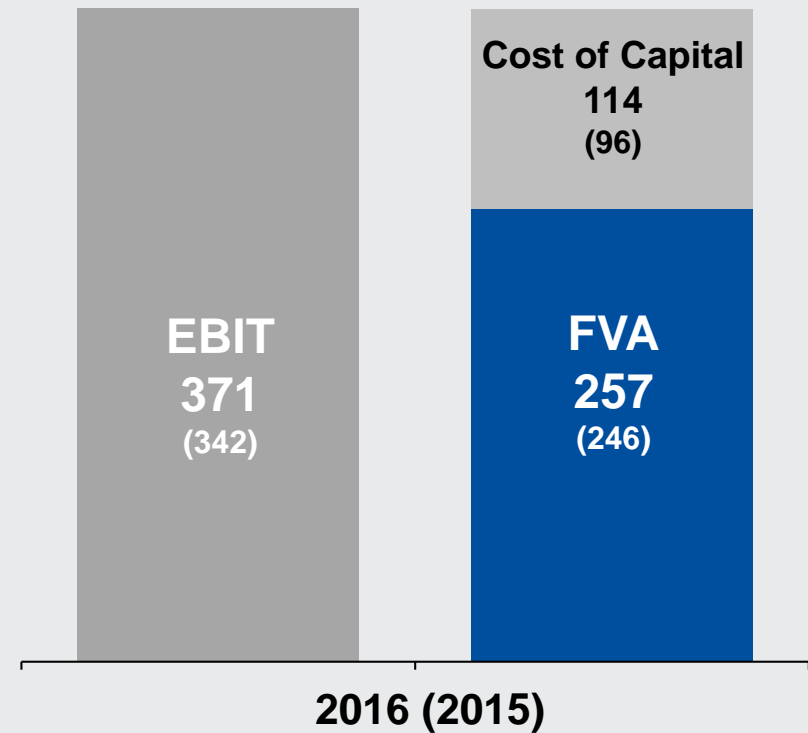
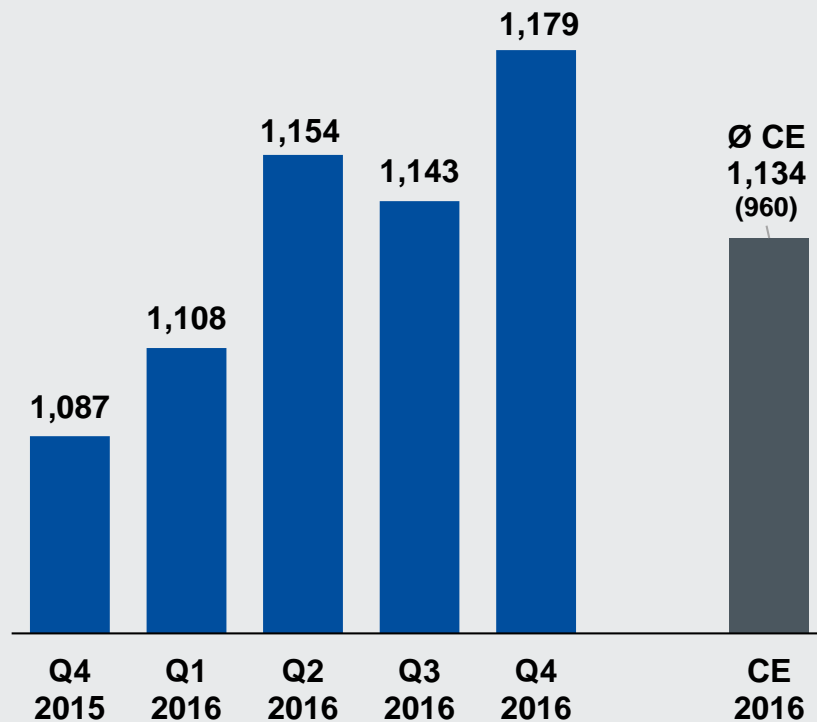


FUCHS Value Added (FVA)

Increase by 5%

Capital Employed

€ mn



Cost of Capital = CE x WACC (10%)

Quarterly income statement

€ mn	2015				2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	493	515	531	540	550	586	567	564	618	629		
Gross Profit	188	200	203	200	206	221	214	210	226	226		
Gross Profit margin (in %)	38.1	38.8	38.2	37.1	37.4	37.7	37.8	37.1	36.6	35.8		
Selling, admin., R&D expenses, others	-110	-113	-118	-126	-126	-128	-125	-120	-137	-134		
EBIT before at Equity	78	87	85	74	80	93	89	90	89	92		
EBIT margin before at Equity (in %)	15.8	16.8	16.0	13.9	14.6	15.8	15.8	15.9	14.5	14.5		
At Equity	4	3	4	7	5	5	5	4	5	4		
EBIT	82	90	89	81	85	98	94	94	94	96		
EBIT margin (in %)	16.6	17.5	16.8	15.0	15.5	16.6	16.5	16.8	15.3	15.1		
EBITDA	90	99	100	92	97	109	105	107	107	109		
EBITDA margin (in %)	18.3	19.1	18.8	17.1	17.6	18.7	18.6	18.8	17.4	17.3		

Quarterly sales by regions

Sales (€ mn)	2015					2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Europe	278	293	321	335	1,227	349	372	359	337	1,417	368	383			
Asia-Pacific, Africa	147	155	141	140	583	144	154	153	169	620	181	182			
Americas	88	88	91	86	353	85	87	88	89	349	104	101			
Consolidation	-20	-21	-22	-21	-84	-28	-27	-33	-31	-119	-35	-37			
FUCHS Group	493	515	531	540	2,079	550	586	567	564	2,267	618	629			

Δ Y-o-Y in %	2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Europe	+25.5	+26.8	+11.8	+0.7	+15.5	+5.3	+3.1			
Asia-Pacific, Africa	-1.4	-1.1	+7.9	+21.1	+6.3	+25.1	+18.8			
Americas	-4.3	-0.5	-3.0	+3.3	-1.2	+22.7	+15.4			
Consolidation	-	-	-	-	-	-	-			
FUCHS Group	+11.7	+13.8	+6.7	+4.4	+9.0	+12.4	+7.3			

Quarterly sales growth split by regions

Organic Growth (in %)	2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Europe	1.8	4.7	4.7	2.7	3.5	5.5	3.3			
Asia-Pacific, Africa	2.0	2.5	11.0	22.5	9.2	20.9	17.1			
Americas	-3.4	1.8	-4.0	-1.5	-1.8	9.0	6.4			
FUCHS Group	1.1	3.7	3.0	5.2	3.3	9.3	5.7			

External Growth (in %)	2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Europe	24.9	24.4	9.3	-	14.0	-	-			
Asia-Pacific, Africa	2.9	4.8	-	-	2.0	-	-			
Americas	2.0	3.4	2.1	3.0	2.6	7.4	5.5			
FUCHS Group	13.7	14.9	6.0	0.5	8.6	1.1	0.8			

FX Effects (in %)	2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Europe	-1.2	-2.3	-2.2	-2.0	-2.0	-0.2	-0.2			
Asia-Pacific, Africa	-6.3	-8.4	-3.1	-1.4	-4.9	4.2	1.7			
Americas	-2.9	-5.7	-1.1	1.8	-2.0	6.3	3.5			
FUCHS Group	-3.1	-4.8	-2.3	-1.3	-2.9	2.0	0.8			

Quarterly EBIT by regions

EBIT (€ mn)	2015					2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Europe	39	44	45	34	162	43	52	54	47	196	46	48			
Asia-Pacific, Africa	27	32	28	35	122	29	32	29	37	127	34	32			
Americas	17	16	17	15	65	15	17	15	15	62	17	15			
Consolidation	-1	-2	-1	-3	-7	-2	-3	-4	-5	-14	-3	+1			
FUCHS Group	82	90	89	81	342	85	98	94	94	371	94	96			

Δ Y-o-Y in %	2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Europe	+9.4	+19.6	+19.8	+35.2	+20.5	+6.0	-7.3			
Asia-Pacific, Africa	+9.8	-2.2	+2.9	+7.1	+4.3	+15.4	+2.5			
Americas	-8.5	0	-9.7	+3.4	-4.0	+11.9	-6.7			
Consolidation	-	-	-	-	-	-	-			
FUCHS Group	+4.3	+8.5	+4.7	+16.2	+8.3	+10.8	-2.4			

The Executive Board



Stefan Fuchs: CEO, Corporate Development, HR, PR, Americas



Dr. Lutz Lindemann: R&D, Technology, Supply Chain, Sustainability, OEM, Mining



Dr. Timo Reister: Asia-Pacific, Africa



Dr. Ralph Rheinboldt: Europe, LUBRITECH, SAP/ERP Systems



Dagmar Steinert: CFO, Finance, Controlling, IR, Compliance, Internal Audit, IT, Legal, Tax

Executive Compensation & FUCHS Shares

Executive Board

25%

of variable compensation

must be invested in FUCHS preference shares with a 3 year lock-up period

Supervisory Board

50%

of variable compensation

must be invested in FUCHS preference shares with a lock-up period of 5 years. The vesting period is waived when the member leaves the Supervisory Board

Disclaimer

This presentation contains statements about future development that are based on assumptions and estimates by the management of FUCHS PETROLUB SE. Even if the management is of the opinion that these assumptions and estimates are accurate, future actual developments and future actual results may differ significantly from these assumptions and estimates due to a variety of factors. These factors can include changes in the overall economic climate, procurement prices, changes to exchange rates and interest rates, and changes in the lubricants industry. FUCHS PETROLUB SE provides no guarantee that future developments and the results actually achieved in the future will match the assumptions and estimates set out in this presentation and assumes no liability for such.

Financial Calendar & Contact

Financial Calendar

August 1, 2017	Financial Report H1 2017
October 27, 2017	Quarterly Statement Q1-3 2017
March 21, 2018	Full Year Results 2017
May 8, 2018	Annual General Meeting 2018

Contact

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