

# FUCHS GROUP

## New Thinking

| Investor Presentation, March 2018

| Thomas Altmann, Head of Investor Relations



# Agenda

- 01** | The Leading Independent Lubricants Company
- 02** | FY 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 independent  
suppliers of lubricants

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

**€2.5** bn  
sales

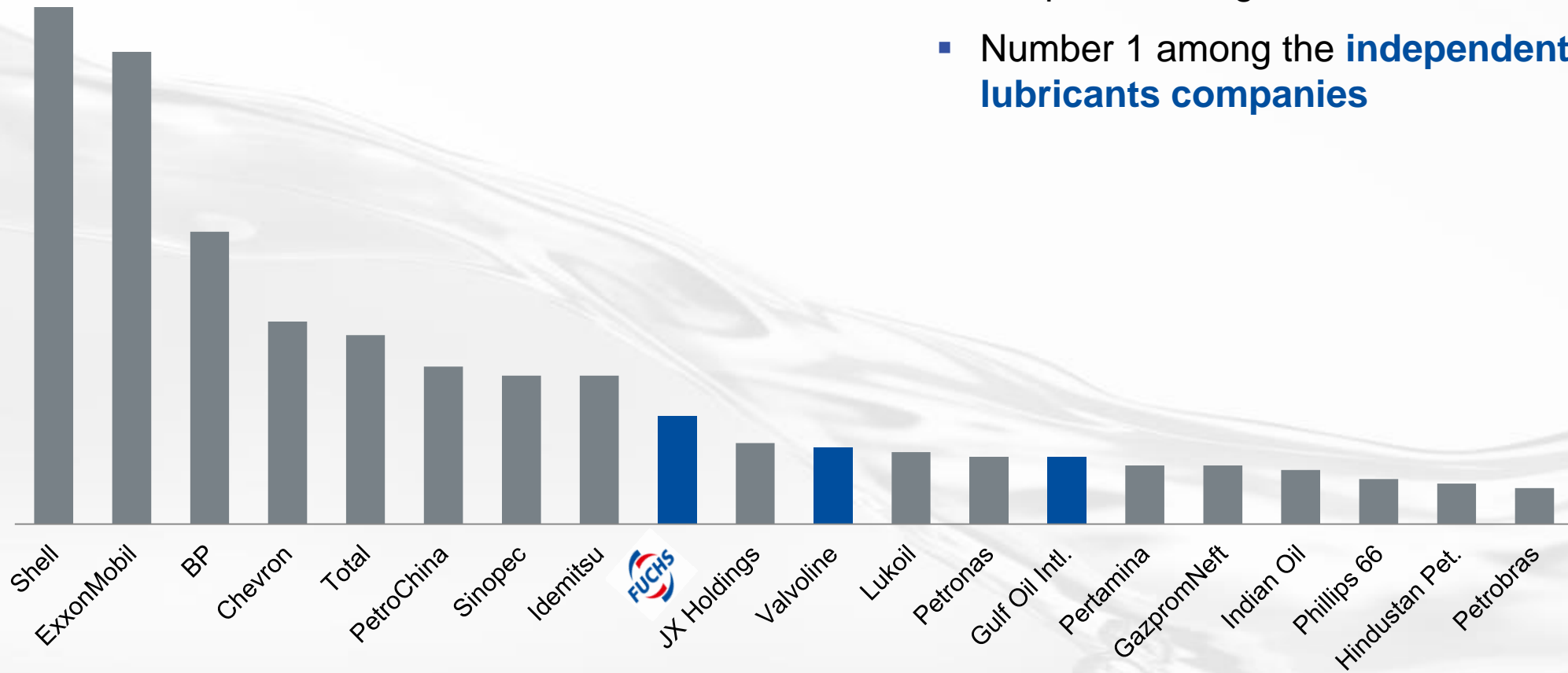
More than **5,000**  
employees

Preference share is listed  
in the MDAX

**58** companies worldwide

A full range  
of over  
**10,000**  
lubricants and related  
specialties

# Top 20 lubricants manufacturers



- 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



**58 Operating Companies**  
**33 Production Sites**

# Full-line supplier advantage

Sales 2017: €2.5 bn  
(~80% international)  
by customer location

Automotive lubricants  
~45%

e.g. Engine & gear oils, hydraulic oils, shock absorber fluids, etc.

Industrial lubricants  
~55%

e.g. Industrial oils, MWF/CP\* and greases

100,000 customers in more than 150 countries



Car industry



Manufacturing



Engineering



Construction



Mining



Trade, Services &  
Transportation



Heavy Duty



Steel & Cement



Aerospace



Agriculture industry



Wind energy

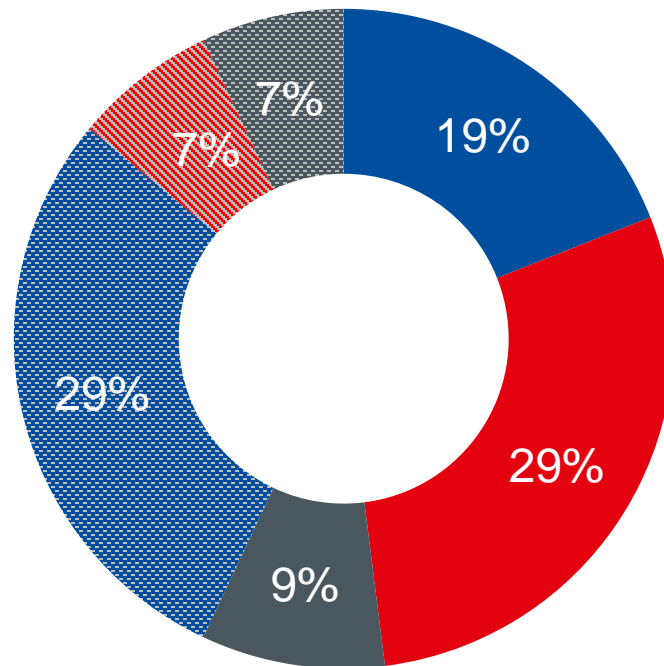


Food



## Well balanced customer structure

### FUCHS sales revenues 2017: €2.5 bn



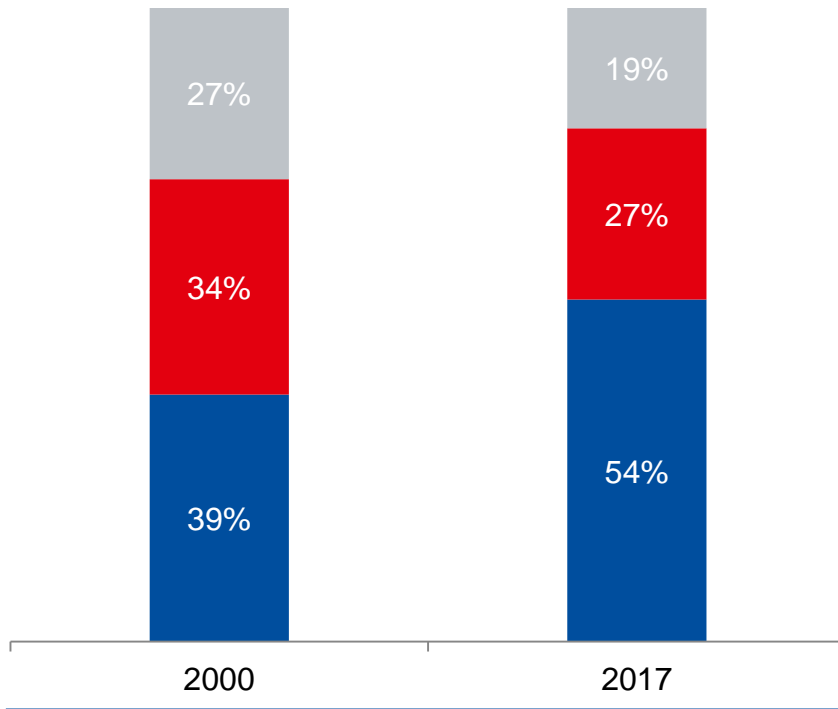
- Industrial goods manufacturing
- Vehicle manufacturing
- Energy and mining
- Trade, transport and services
- Agriculture and construction
- Engineering / machinery construction

Top 20 Customers account for ~ 25% of 2017 sales

# Organic growth potential in emerging countries

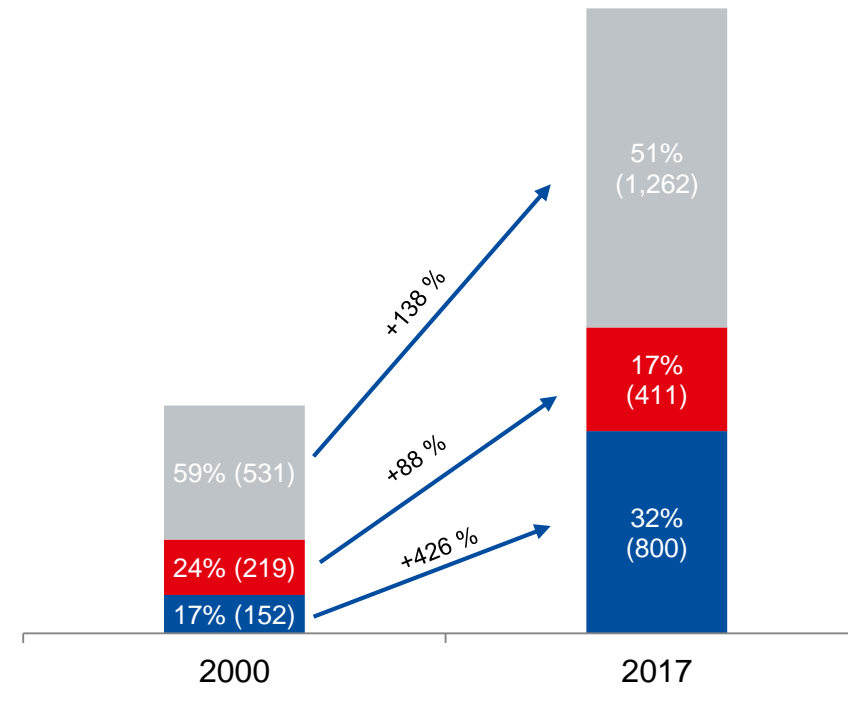
## Market Demand

36.4 mn t  $\xrightarrow{-1\%}$  36.1 mn t



## FUCHS Sales (by customer location)

€ 902 mn  $\xrightarrow{+174\%}$  € 2,473 mn



# FUCHS' Strategy

## Profitable Growth:

Internationalization of core activities  
Local production in 33 plants

Global  
standards,  
processes  
and branding

### People:

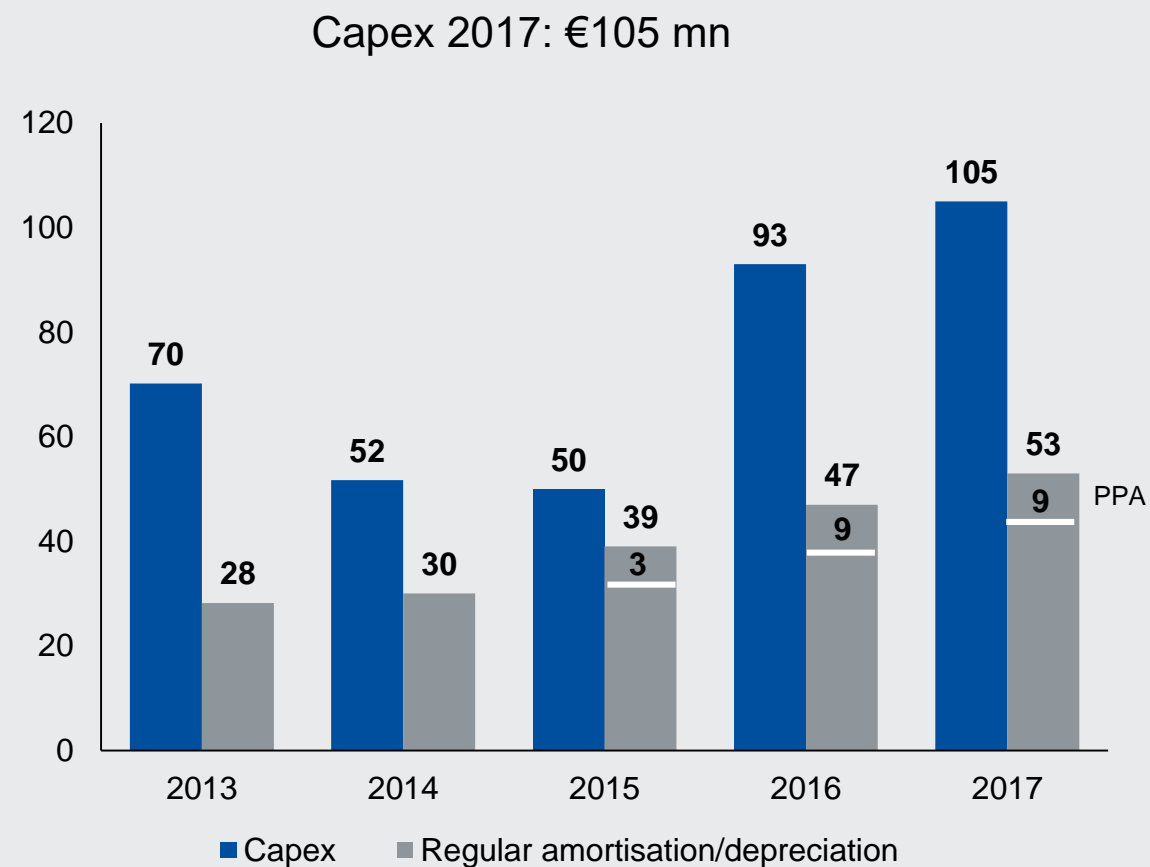
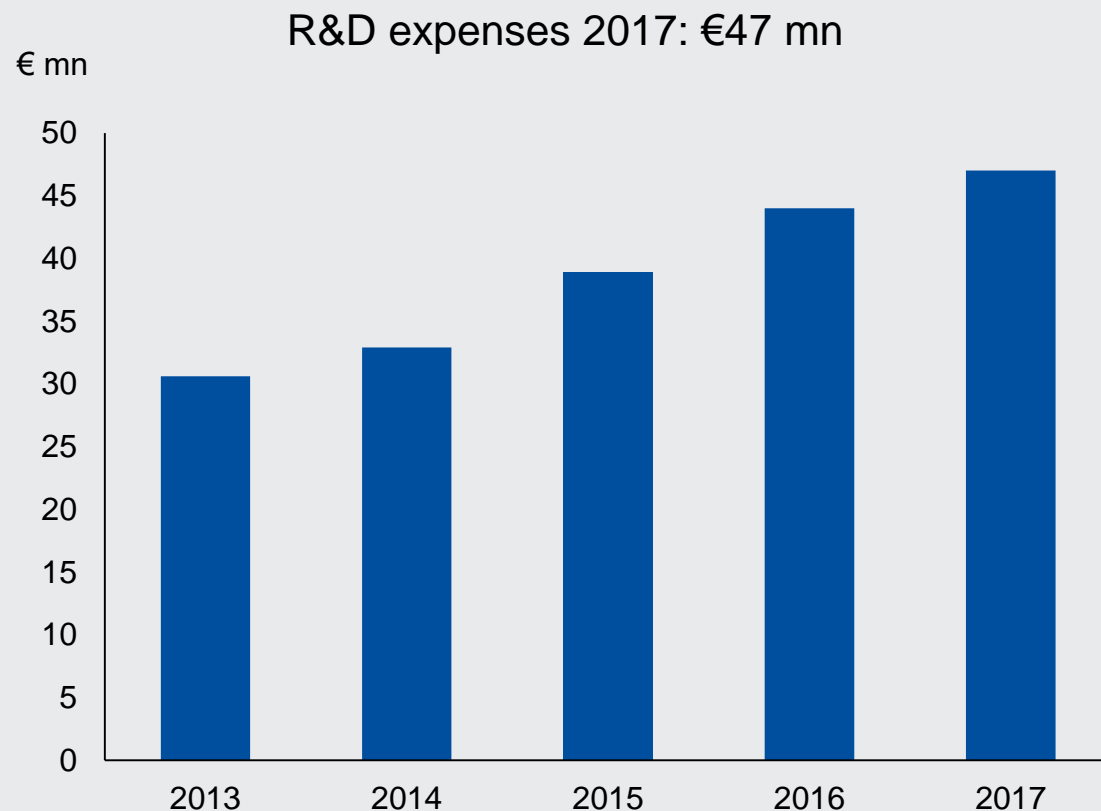
- Employer Branding
- Culture
- Talent-management
- Learning

Utilize disruptions like  
e-mobility, digitalization, etc.  
as an opportunity

Agile network structure based  
on common values

# Investment in the future

R&D, capex, regular amortisation & depreciation



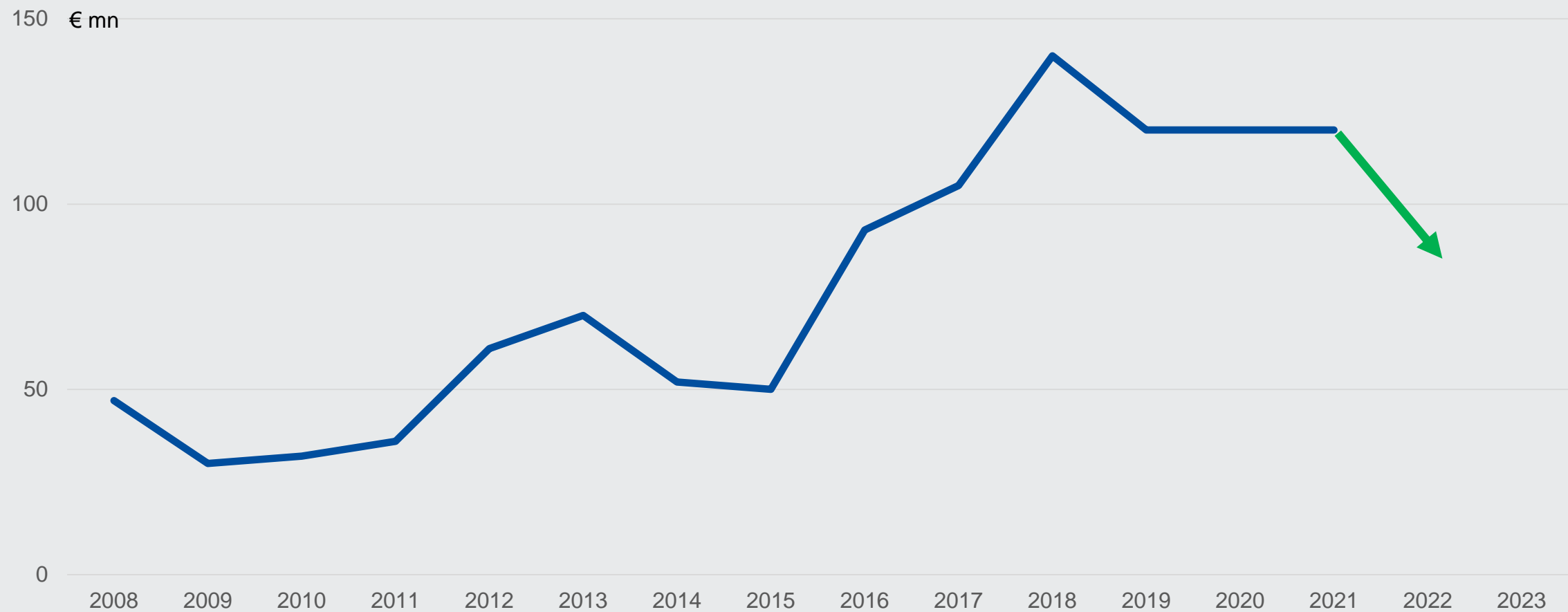
## Investment initiative

### Growth/replacement/efficiency

- For 2016 - 2018 around **€300 mn** capex was planned with focus on the expansion of Mannheim, Kaiserslautern and Chicago as well as new plants in China, Australia and Sweden. As of today we expect capex to be ~ **€340 mn**.
- From today's perspective more than **€100 mn p.a.** will be spent on growth and replacement investments as well as efficiency improvements in the years 2019 - 2021. The focus is on the expansion of the German, Chinese and US plants. Background is the significant volume increase, technological changes and a changed product mix.
- From 2022 onwards, investments should be back on par with the scheduled increased annual amortization/depreciation.

Maintenance capex amounting to the level of amortization/depreciation

# Investment initiative





# FUCHS' 3C grease commitment

Germany / USA / China

- 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



**02** FY 2017



## Highlights FY 2017

**Sales +9%**  
**to €2.5 bn**

**EBIT +1%**  
**to €373 mn**

**EPS +4%**

**Dividend**  
**+2%**

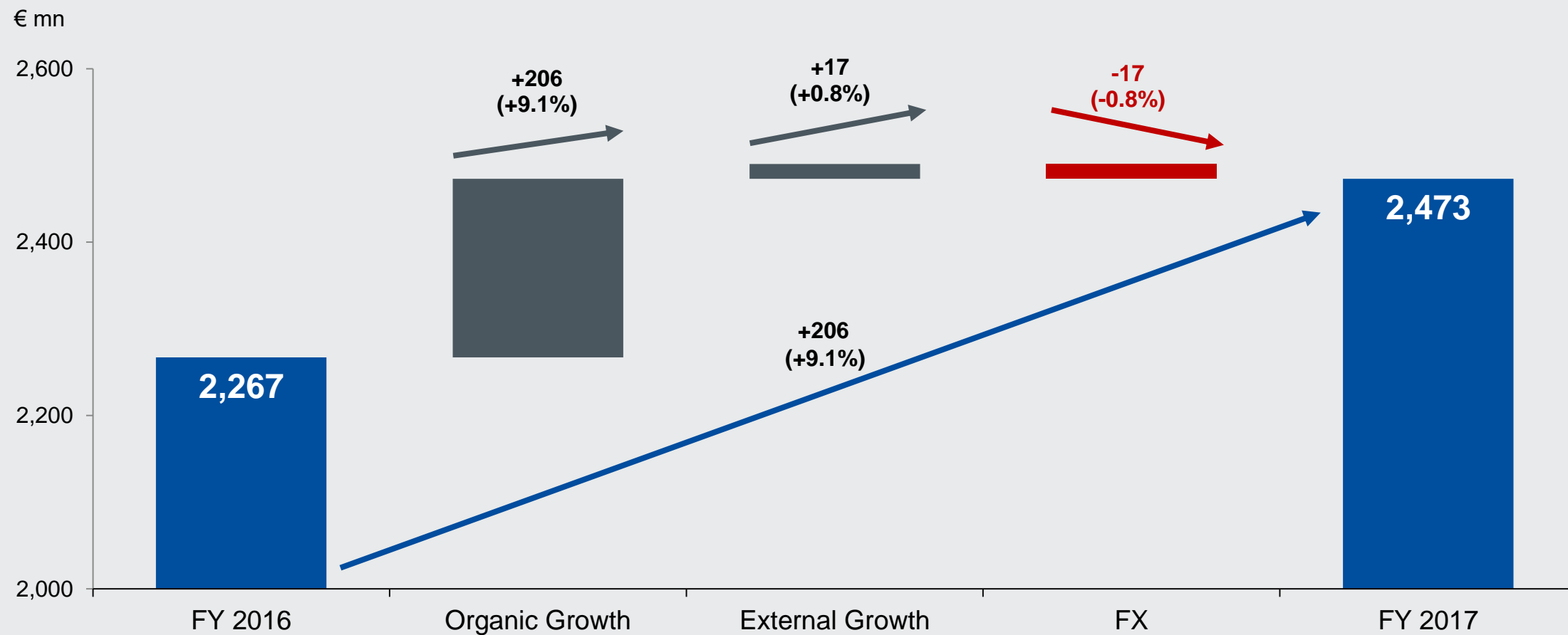
to €0.91 per pref. share /  
€0.90 per ord. share

- Strong organic growth in Asia-Pacific, Africa and Americas
- Slight external growth in North America
- Slight negative currency effect

## Outlook 2018

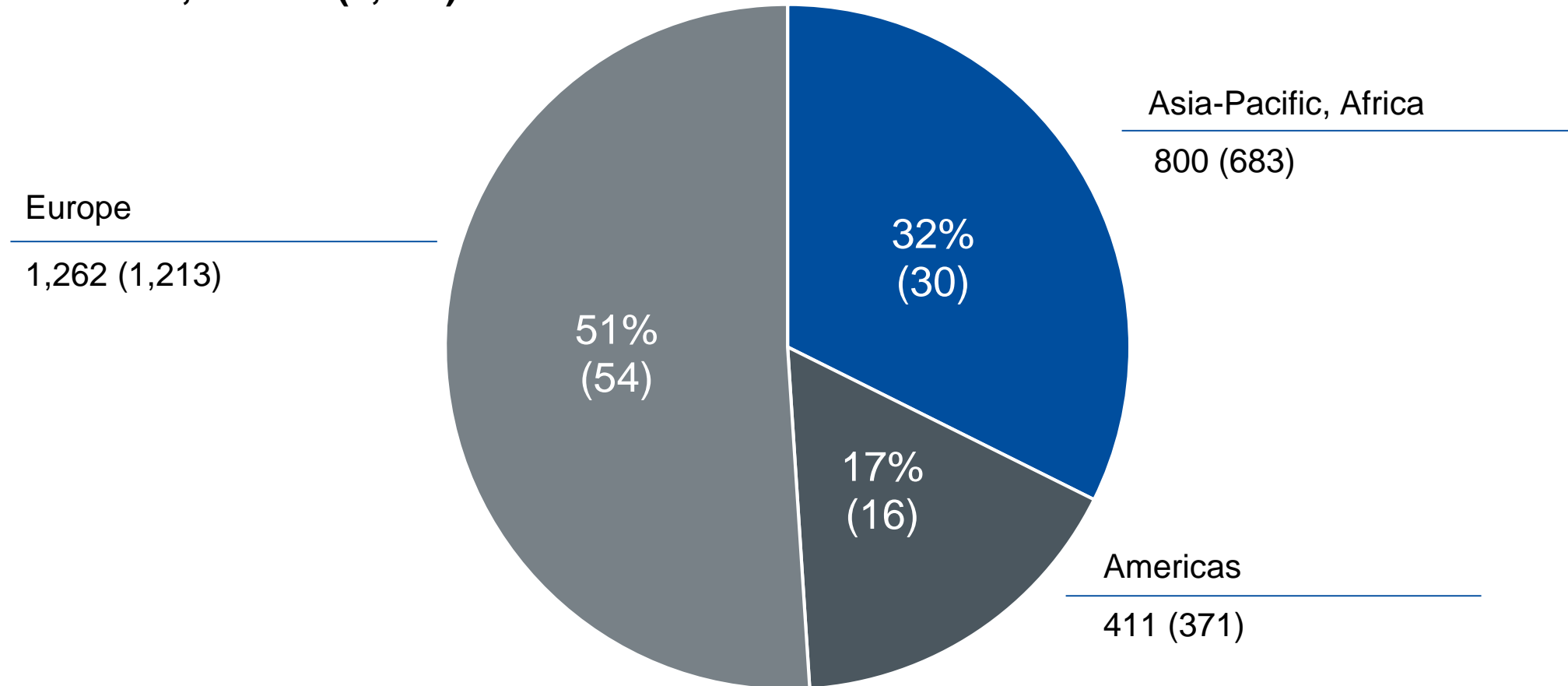
- Sales +3% to +6%
- EBIT +2% to 4%
- Free cash flow before acquisitions at FY17 level

# FY 2017 Group sales



## Sales by customer location

**Sales 2017: €2,473 mn (2,267)**





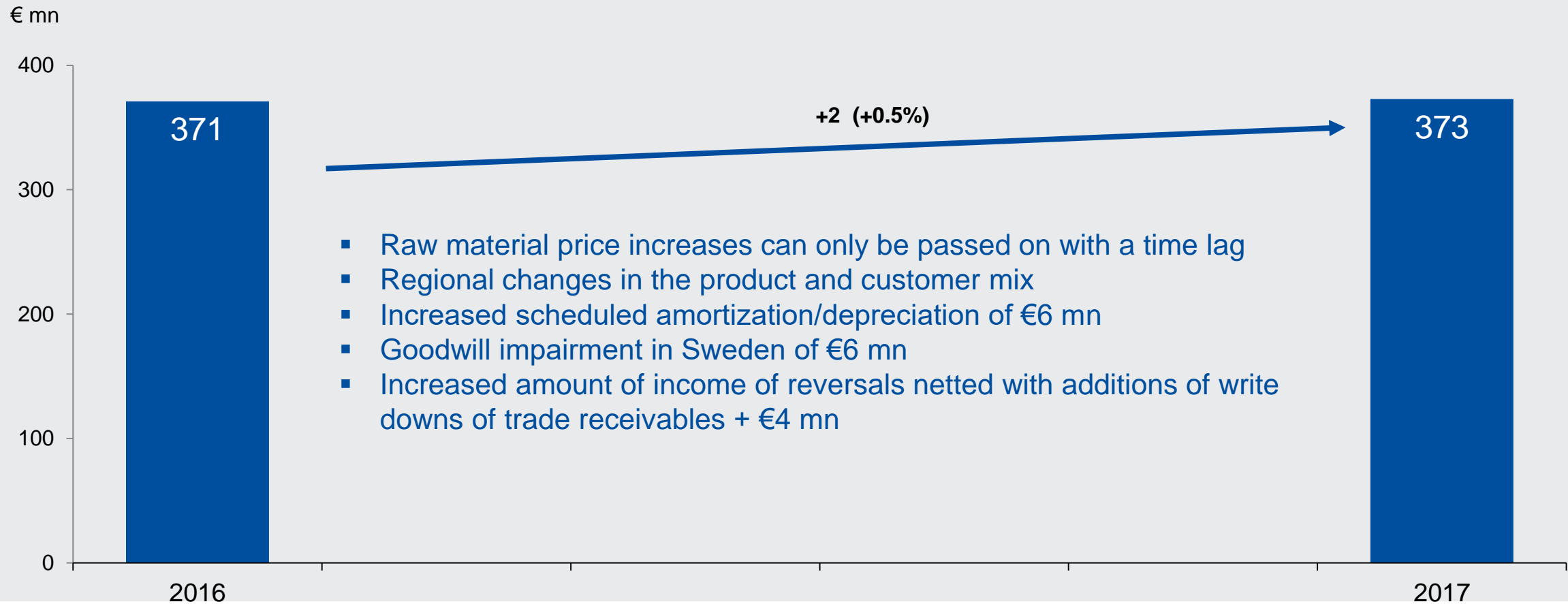
## Regional sales growth FY 2017

|                      | FY 2016<br>(€ mn) | FY 2017<br>(€ mn) | Growth       | Organic      | External     | FX           |
|----------------------|-------------------|-------------------|--------------|--------------|--------------|--------------|
| Europe               | 1,417             | 1,515             | +6.9%        | +7.1%        | -            | -0.2%        |
| Asia-Pacific, Africa | 620               | 733               | +18.2%       | +19.7%       | -            | -1.5%        |
| Americas             | 349               | 393               | +12.6%       | +9.4%        | +4.9%        | -1.7%        |
| Consolidation        | -119              | -168              | -            | -            | -            | -            |
| <b>Total</b>         | <b>2,267</b>      | <b>2,473</b>      | <b>+9.1%</b> | <b>+9.1%</b> | <b>+0.8%</b> | <b>-0.8%</b> |

# Income statement FY 2017

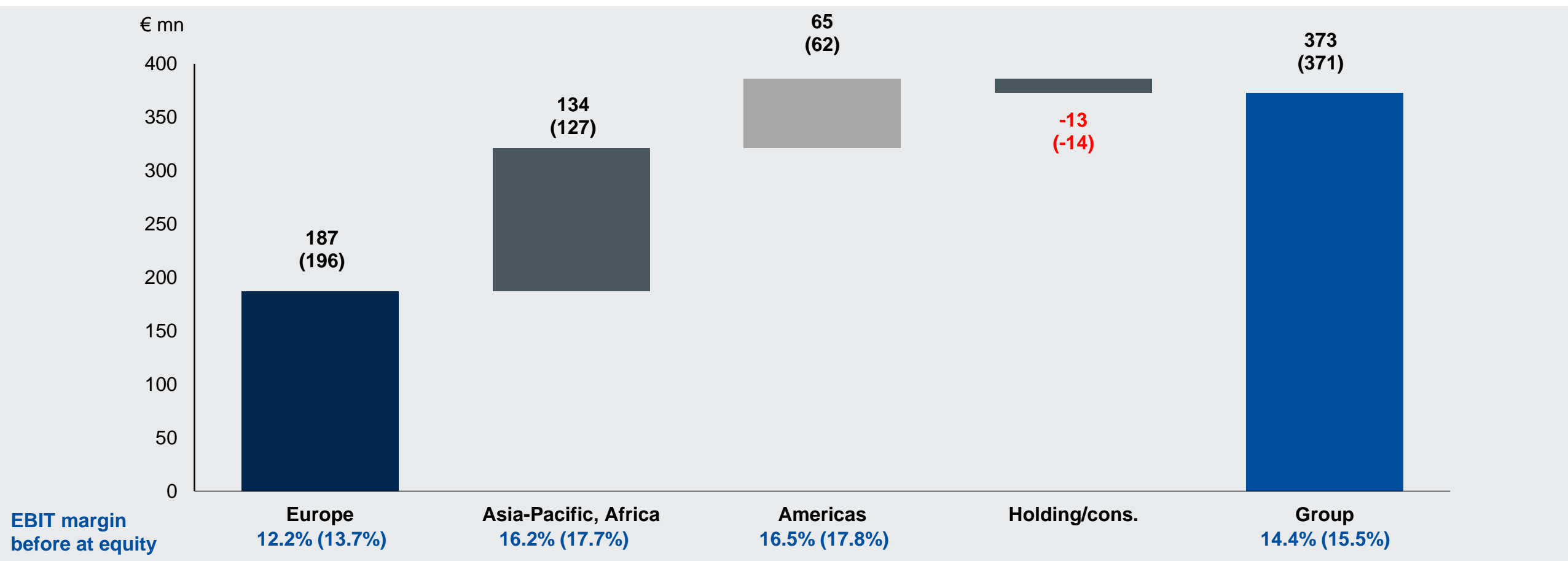
| € mn                         | FY 2016      | FY 2017      | Δ € mn     | Δ in %               |
|------------------------------|--------------|--------------|------------|----------------------|
| <b>Sales</b>                 | <b>2,267</b> | <b>2,473</b> | <b>206</b> | <b>9.1</b>           |
| Gross Profit                 | 851          | 882          | 31         | 3.6                  |
| <i>Gross Profit margin</i>   | <i>37.5</i>  | <i>35.7</i>  | <i>-</i>   | <i>-1.8 %-points</i> |
| Other function costs         | -499         | -526         | -27        | 5.4                  |
| <b>EBIT before at Equity</b> | <b>352</b>   | <b>356</b>   | <b>4</b>   | <b>1.1</b>           |
| At Equity                    | 19           | 17           | -2         | -10.5%               |
| <b>EBIT</b>                  | <b>371</b>   | <b>373</b>   | <b>2</b>   | <b>0.5</b>           |
| Earnings after tax           | 260          | 269          | 9          | 3.5                  |

## EBIT 2017 at previous year's level



# EBIT by regions

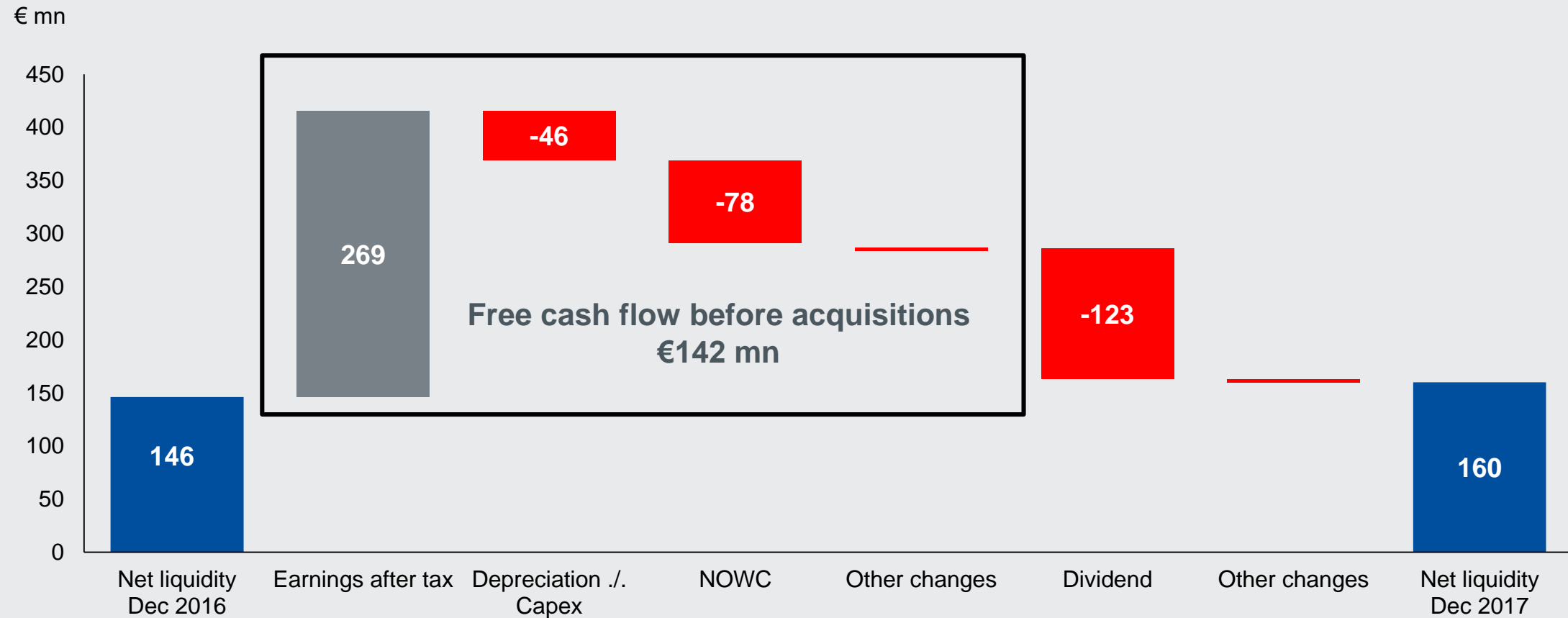
FY 2017 (FY 2016)



## Cash flow FY 2017

| € mn  | FY 2016    | FY 2017    |
|---|------------|------------|
| <b>Earnings after tax</b>                       | <b>260</b> | <b>269</b> |
| Amortisation/Depreciation & Impairment          | 47         | 59         |
| Changes in net operating working capital (NOWC) | -22        | -78        |
| Other changes                                   | 13         | -3         |
| Capex   | -93        | -105       |
| <b>Free cash flow before acquisitions</b>       | <b>205</b> | <b>142</b> |
| Acquisitions                                    | -46        | -2         |
| <b>Free cash flow</b>                           | <b>164</b> | <b>140</b> |

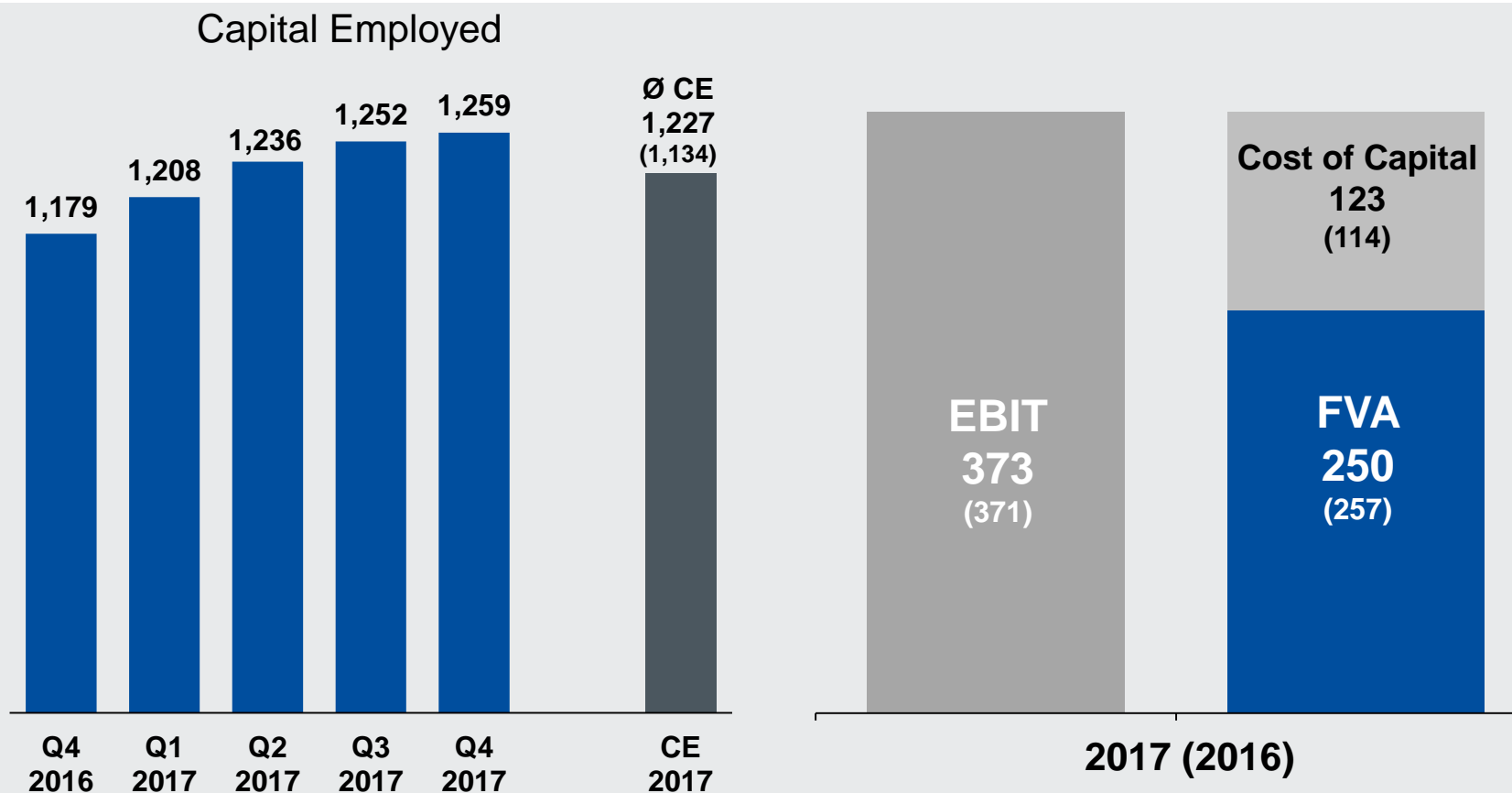
# Net Liquidity 2017





# FUCHS Value Added (FVA)

Decrease by 3%



Cost of Capital = CE x WACC (10%)

## Comparison outlook and results 2017

| Performance indicator                         | FY 2016           | Outlook 2017<br>(March 17)           | Outlook 2017<br>(August 17)          | Outlook 2017<br>(October 17) | FY 2017                    |
|---|-------------------|--------------------------------------|--------------------------------------|------------------------------|----------------------------|
| <b>Sales</b>                                  | <b>€ 2,267 mn</b> | +4% to +6%                           | +7% to +10%                          | +7% to +10%                  | <b>€ 2,473 mn</b><br>(+9%) |
| <b>EBIT</b>                                   | <b>€ 371 mn</b>   | +1% to +5%                           | +1% to +5%                           | At or below FY 16            | <b>€ 373 mn</b>            |
| <b>FUCHS Value Added</b>                      | <b>€ 257 mn</b>   | Low single-digit<br>percentage range | Low single-digit<br>percentage range | Below FY 16                  | <b>€ 250 mn</b>            |
| <b>Free cash flow before<br/>acquisitions</b> | <b>€ 205 mn</b>   | ~ € 200 mn                           | ~ € 200 mn                           | ≤ € 150 mn                   | <b>€ 142 mn</b>            |

## FY 2017 earnings summary

- Mainly volume driven organic sales growth; stronger euro in the second half of the year results in slight negative FX-effects for the full year
- Higher raw material prices, planned increase in costs as well as changes in product/customer mix lead to a less than proportional increase in earnings
- Raw material price increases can only be passed on with a time lag
- Increase in earnings after tax stronger than EBIT growth mainly due to the American tax reform
- Strong international business lead to higher inventories
- Capex increase according to plan
- Free cash flow below previous year due to the significant business-related increase in net operating working capital especially as a result of the strong sales growth in Asia-Pacific, Africa

# Regional earnings summary

## Europe:

- Almost all companies increased volume driven organic sales revenues
- Germany substantially increased intercompany sales / Rest of Europe mainly with local customers
- Impairment of €6 mn due to difficult environment, which corresponds to around half of the goodwill of the Swedish company

## Asia-Pacific, Africa:

- Double-digit growth rates in China, Australia and South Africa / 70% of regional sales growth was generated in China
- OEM business made a positive contribution in China, mining and commercial business performed well in Australia and South Africa

## North and South America:

- After two years declining sales due to the difficult economic environment in the US sales grew significantly double-digit
- Growth in South America weakened in 2017
- External Growth due to two smaller acquisitions made in 2016

# Outlook 2018

| Performance indicator              | Actual 2017 | Outlook 2018             |
|------------------------------------|-------------|--------------------------|
| Sales                              | € 2,473 mn  | +3% to +6%               |
| EBIT                               | € 373 mn    | +2% to +4%               |
| FUCHS Value Added                  | € 250 mn    | At previous year's level |
| Free cash flow before acquisitions | € 142 mn    | At previous year's level |

- Sales growth mainly driven by organic volume growth as well as price and mix changes
- External growth expected to be slightly negative due to sale of the Dormagen plant (December 2017)
- Less than proportional increase in earnings expected due to a higher costs base as a result of investments in new and existing plants, people and R&D
- Investments of around €140 mn in new plants and expansion of plants in China, USA, Germany, Sweden, Russia and UK

## 03 Shares

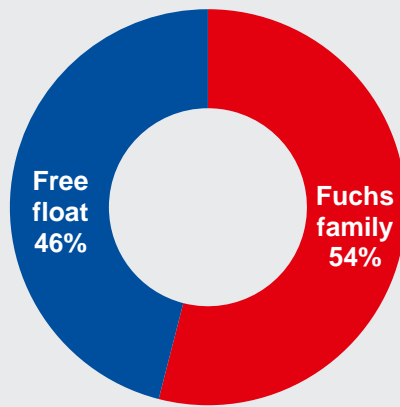




# Breakdown ordinary & preference shares

(December 31, 2017)

## Ordinary shares



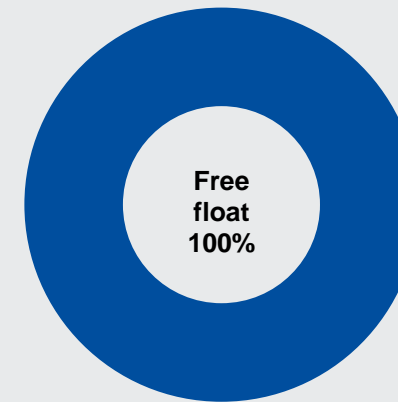
Basis: 69,500,000 ordinary shares

### Characteristics:

- Dividend
- Voting rights

## Preference shares

*MDAX-listed*



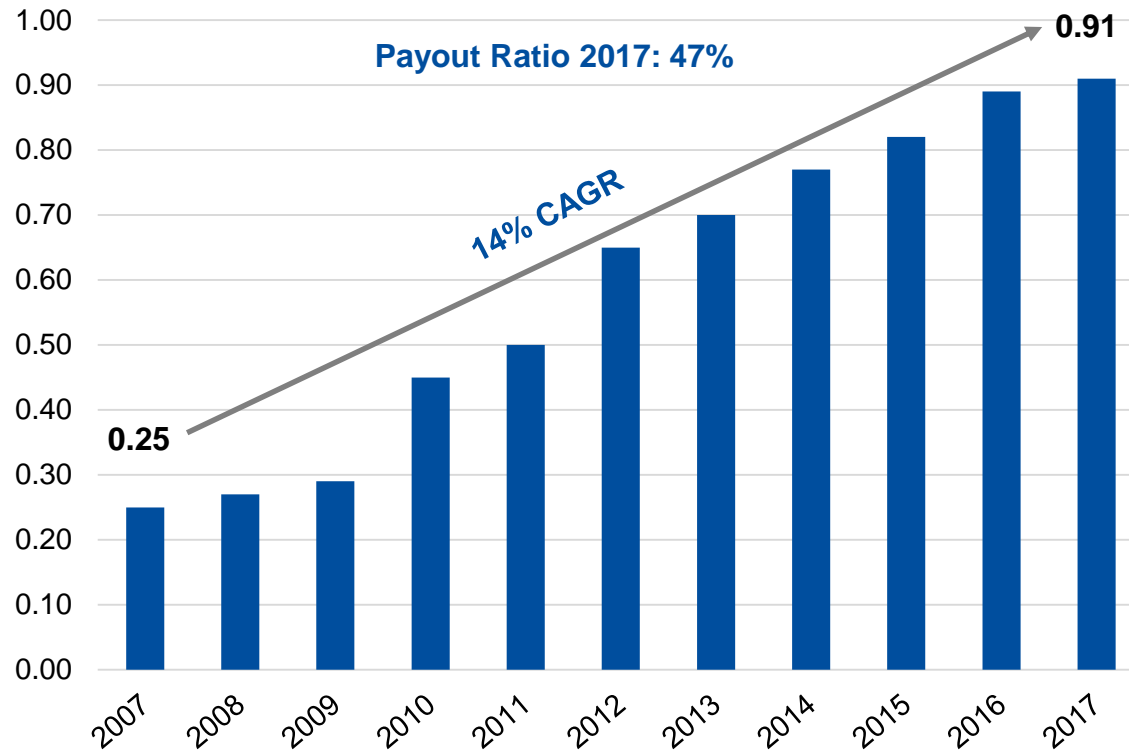
Basis: 69,500,000 preference shares

### Characteristics:

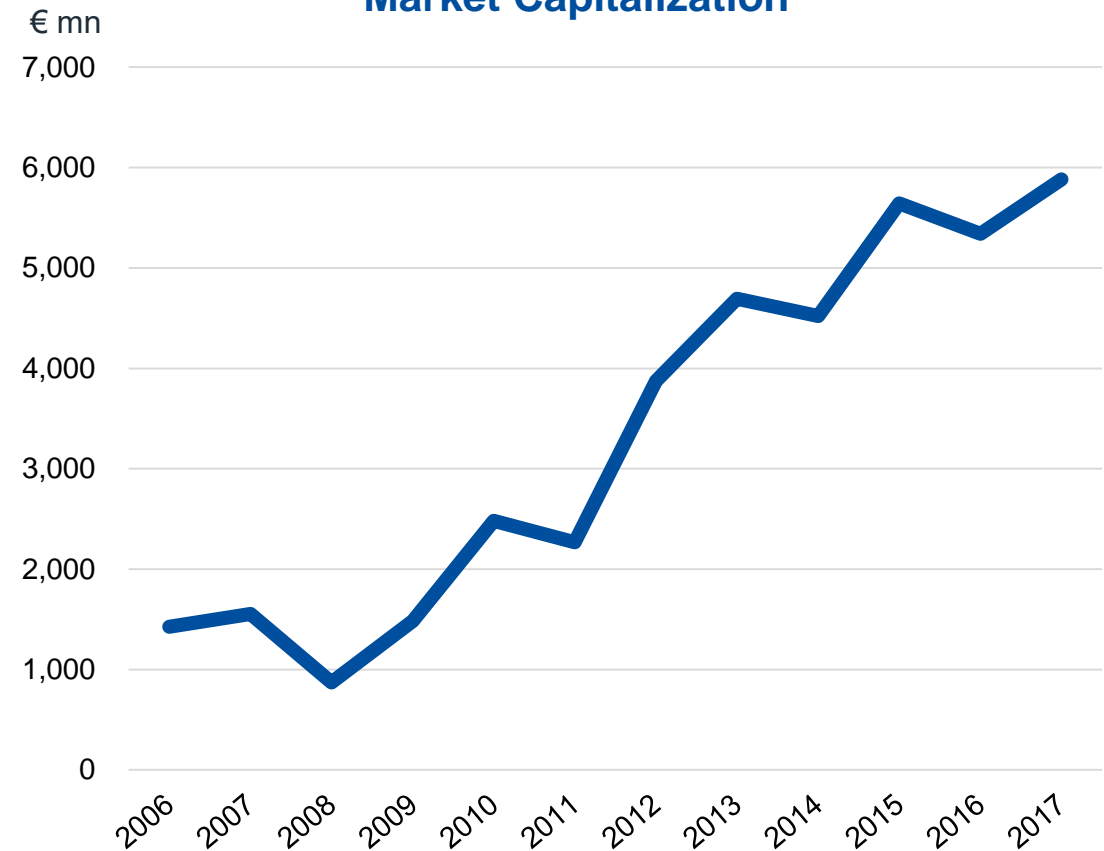
- Dividend plus preference profit share (0.01€)
- Restricted voting rights in case of:
  - preference profit share has not been fully paid
  - exclusion of pre-emption rights (e.g. capital increase, share buyback, etc.)

# Stable dividend policy

## Dividend per Preference Share



## Market Capitalization

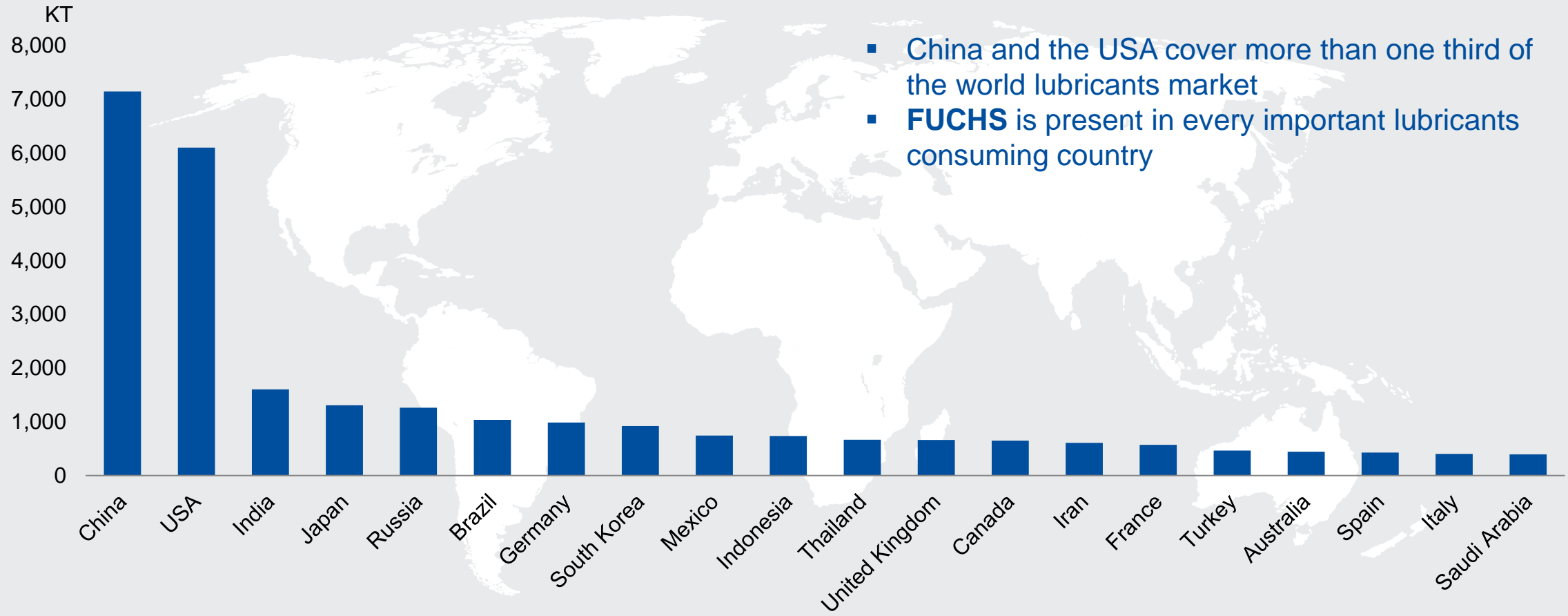


**Our target: Increase the absolute dividend amount each year or at least maintain previous year's level.**

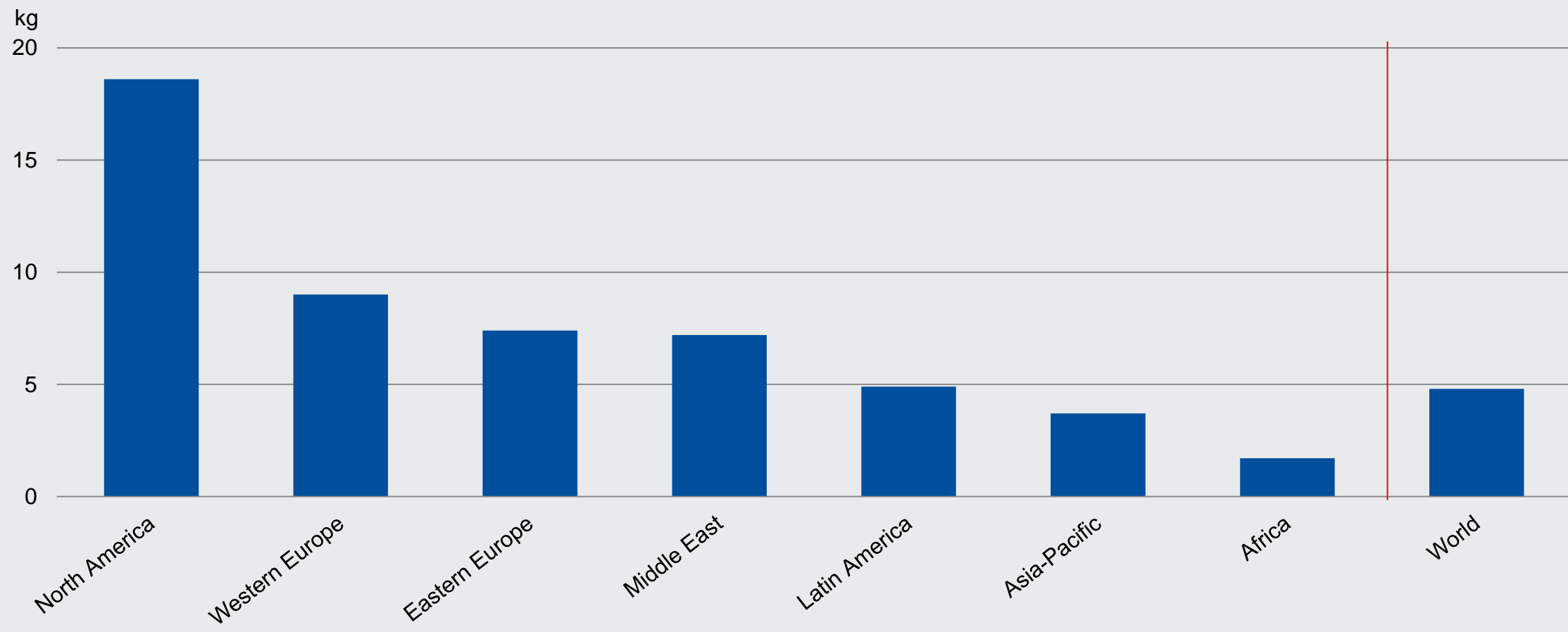
## 04 Appendix



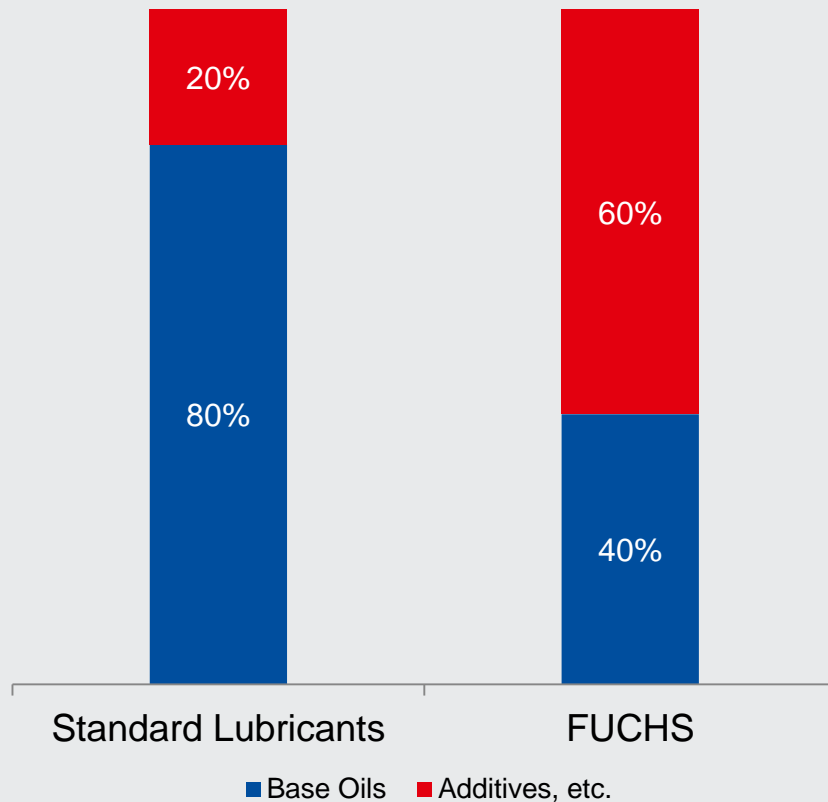
# Top 20 lubricant countries 2017



## Regional per-capita lubricants demand 2017



## Base oil / additives value split

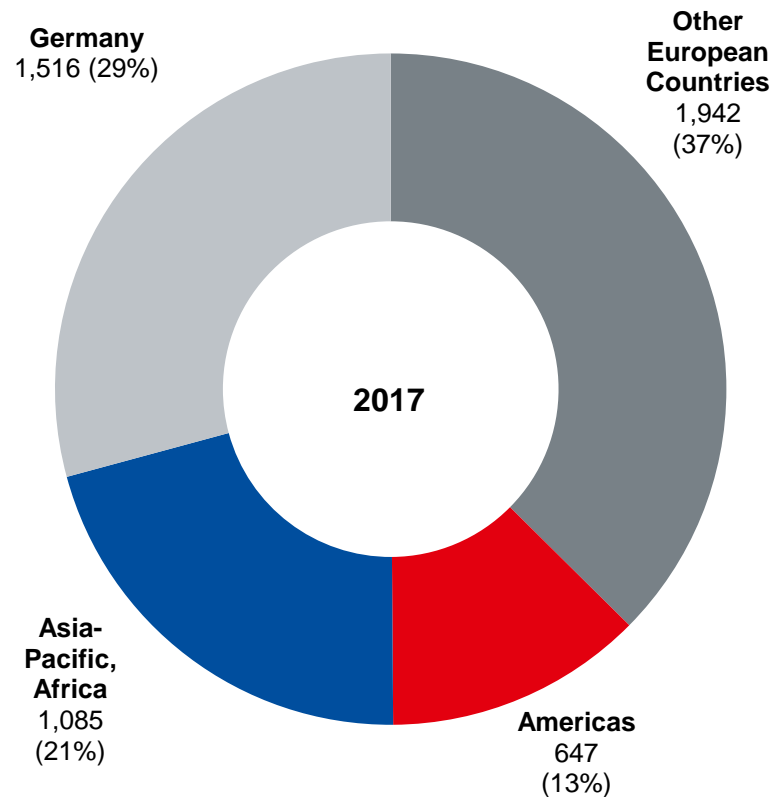


- Base oil prices do not necessarily follow crude oil prices
- No direct link between additives and crude oil prices. We even face price increases for certain raw materials where supply/demand is not balanced or special situations occur
- Special lubricants consist of less base fluid and more additives

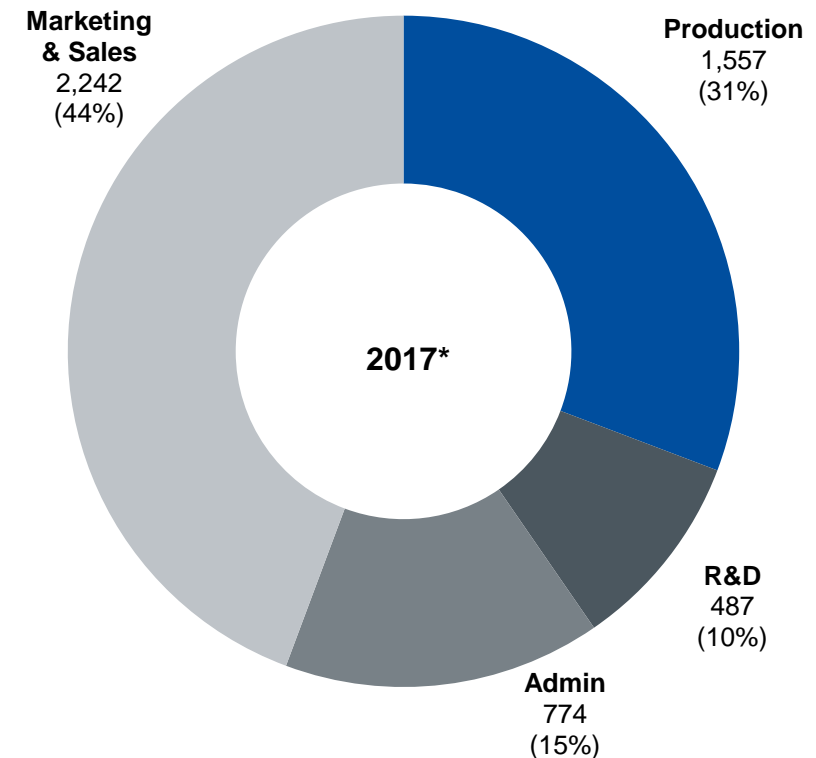
# Workforce Structure

5,190 employees globally

## Regional Workforce Structure

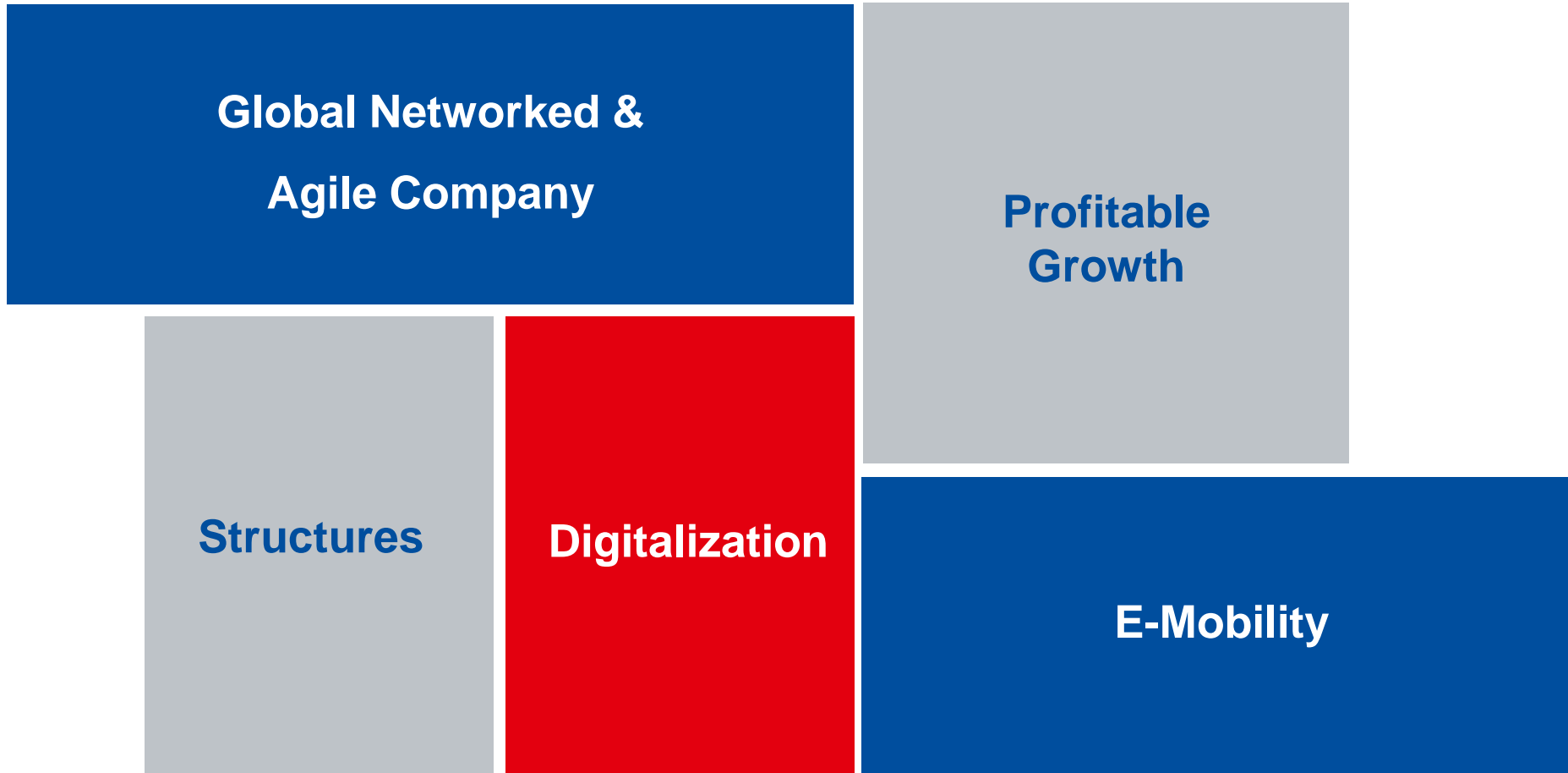


## Functional Workforce Structure



\*Excl. 130 Trainee

# Challenges & Opportunities

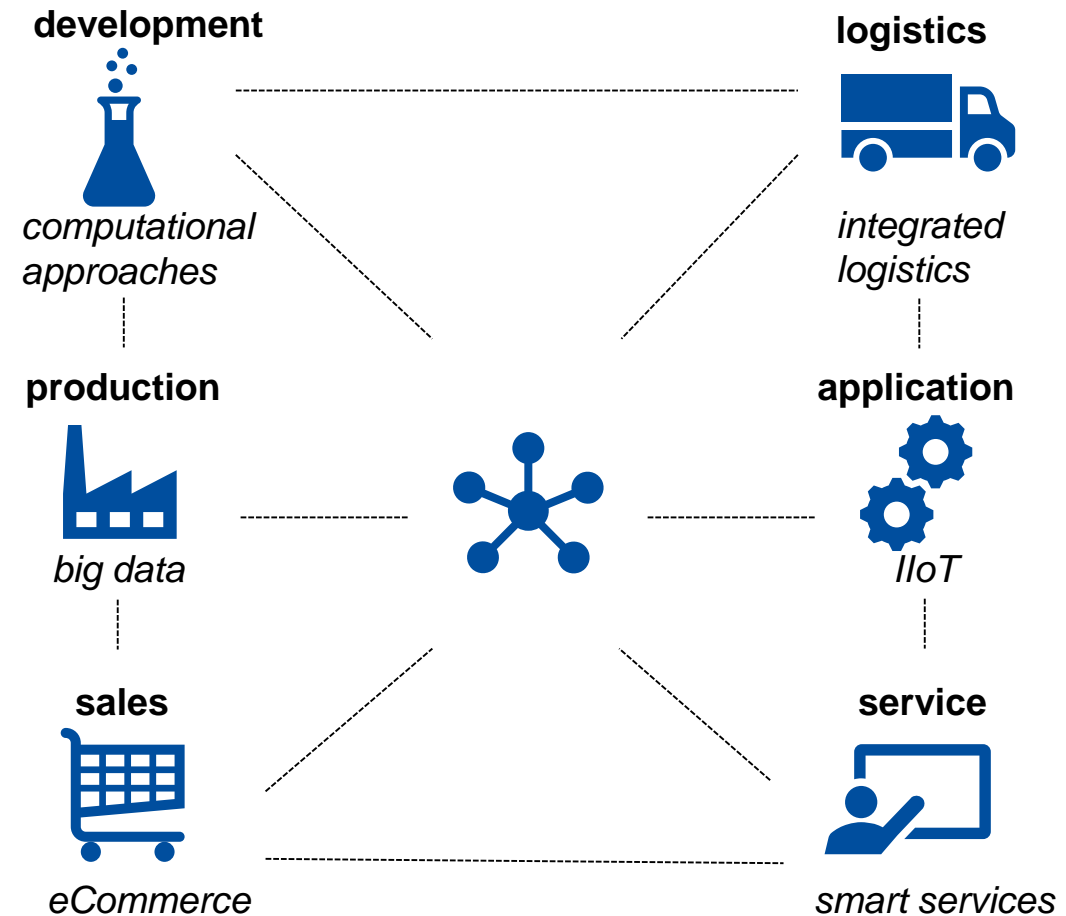




# Digitalisation will fundamentally change our value creation

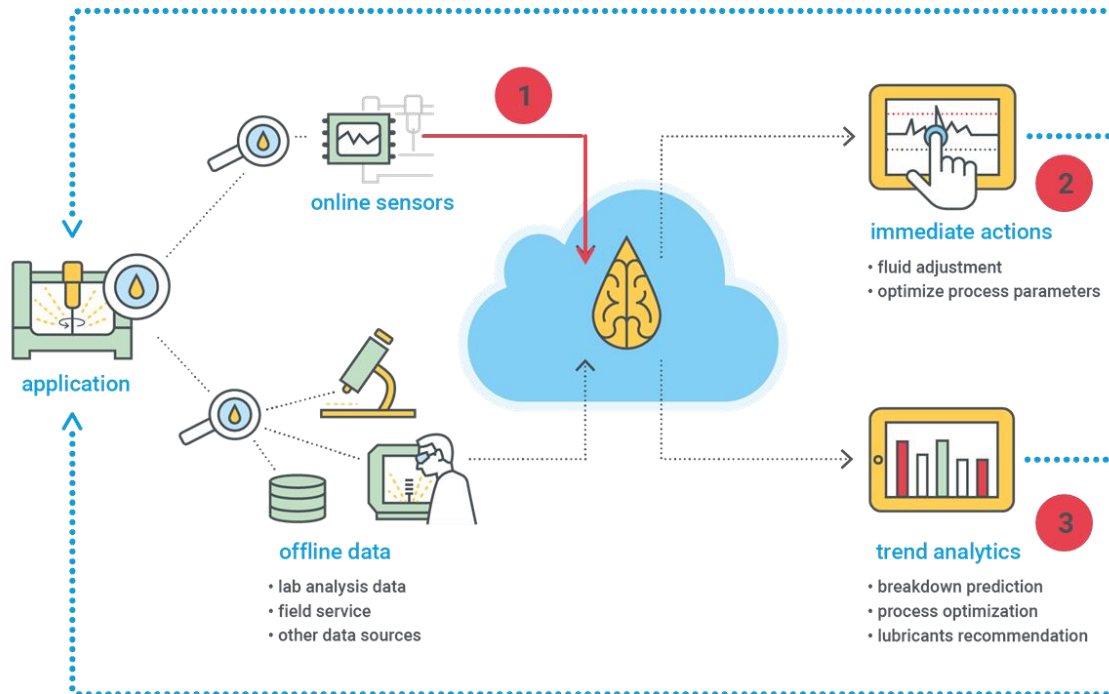
With our “think tank” in the FUCHS family, **inoviga GmbH**, we created a unit aiming to deliberately engage in new ways of thinking and to be the driving force behind digitalization projects.

inoviga’s mission:  
co-create next level FUCHS



# Smart services

## How FluidVision fits into FUCHS' digitalization strategy



### smart services: objectives

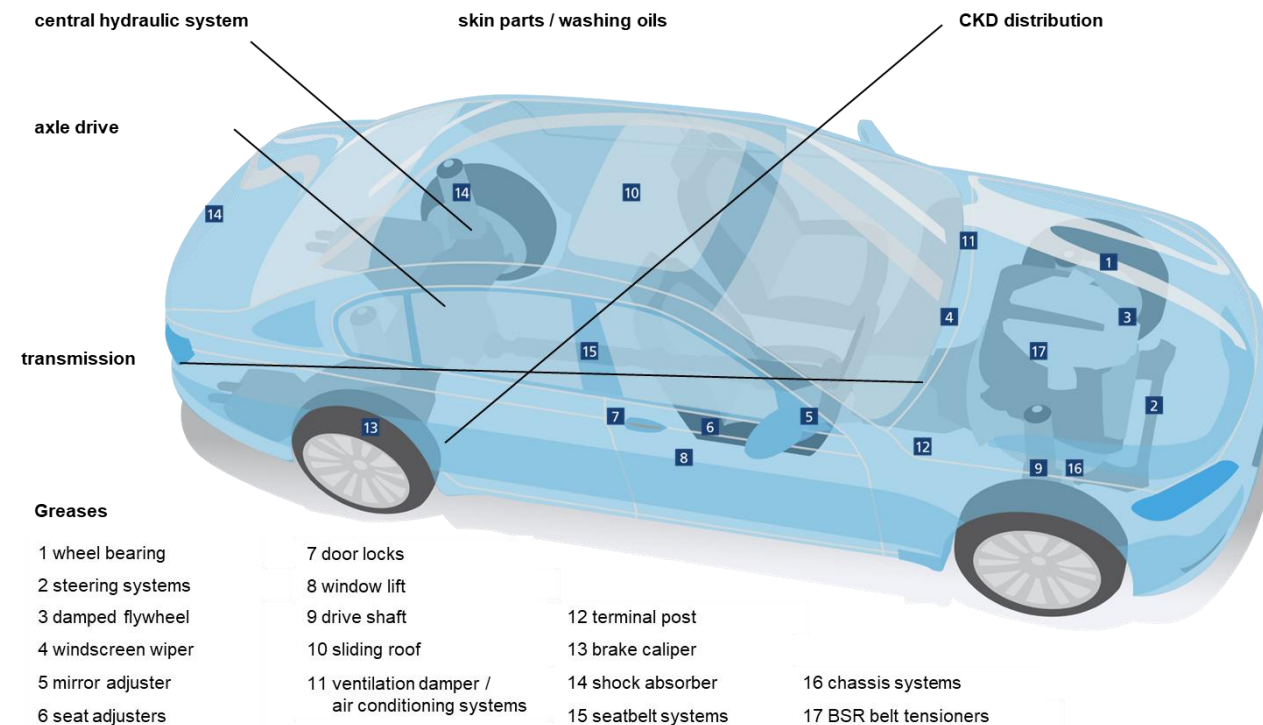
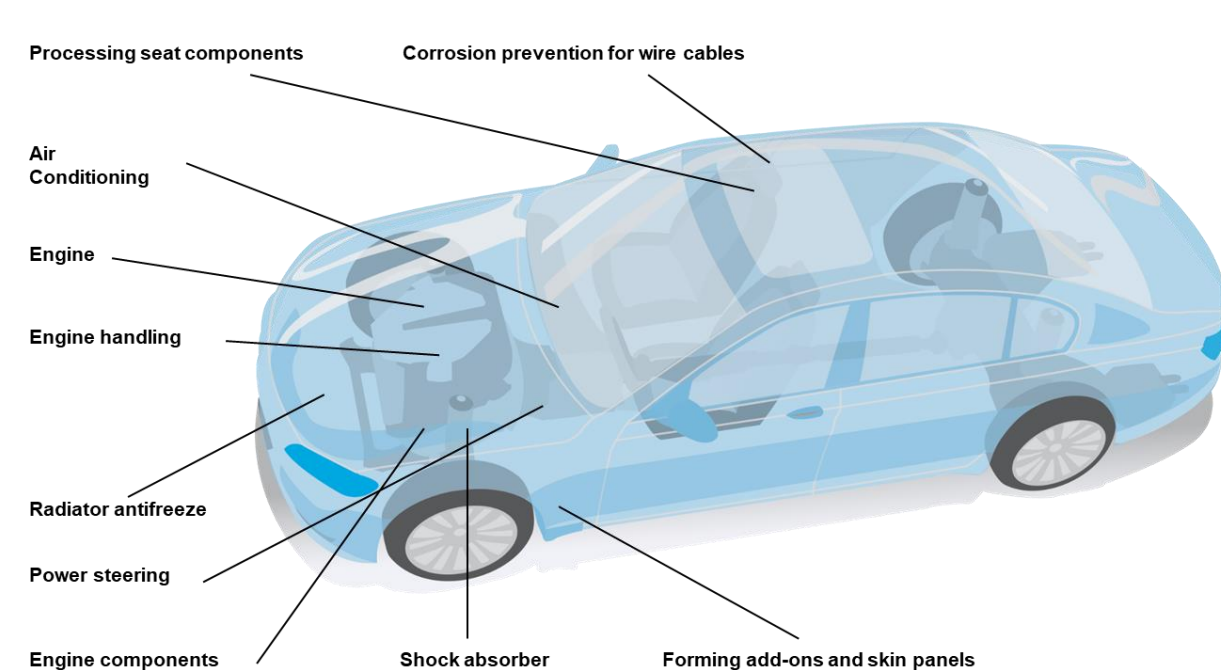
- Make the lubricant talk in real-time by introducing online condition monitoring via sensors
- Empower customers to take immediate actions to keep the lubricant and the machine healthy, preventing unplanned downtime

### smart services: objectives

- FluidVision** provides a setup to collect sensor information and forward these data to customers maintenance network as well to FUCHS' cloud based customer self service. (1)
- FluidVision** therewith enhances our efforts to create input for immediate actions (2) as well as FUCHS' trend analytics (3) get enriched by live data

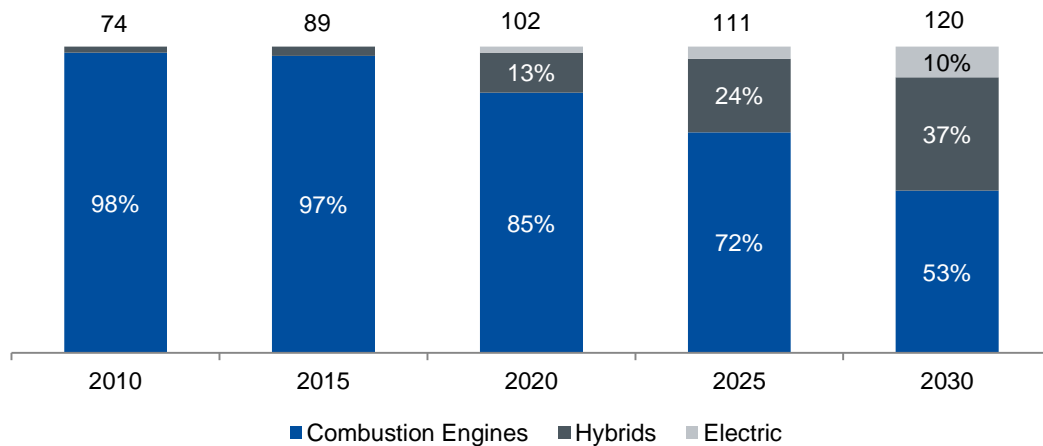
# Lubricant applications in passenger cars

In modern cars there are more than 30 different types of greases






# Electrification of cars creates new applications

Development passenger car production (in mn)



- **No market revolution expected:**  
Evolution of existing technologies: Hybrids with efficient combustion engines will dominate the market
- Increasing demand of EVs mainly in larger cities with high traffic density across Europe, China and USA

Source: IHS

| Powertrain Applications          | ICE   | HEV   | BEV   |
|----------------------------------|---|---|---|
|                                  |  |  |  |
| Engine oil                       | ✓   | ✓   | –   |
| Transmission oil                 | ✓   | ✓   | ✓   |
| Greases                          | ✓   | ✓   | ✓   |
| Specialty greases                | –   | ✓   | ✓   |
| Lubricants for Auxiliary systems | ✓   | +   | +   |
| Cooling & functional liquids     | ✓   | +   | +   |

– Omitted    ✓ Required    + Increased

# Electric cars – new technology calls for new lubrication

- Electrification of cars will lead to new applications and higher requirements for existing applications
- Regardless of the powertrain type, every car needs a variety of other lubricant applications
- Combustion engines will face further efficiency improvements leading to higher requirements of existing lubricants (e.g. higher protection against deposits for turbocharged engines, higher heat and ageing stability for more compact engines)
- Hybrid cars with efficient combustion engines will place complex requirements for existing applications but also create new demand for new applications
- EVs will place whole new demand on gear oils, coolants, greases (e.g. contact with electrical currents and electromagnetic fields, higher heat emission, reduction gears with less gear steps and higher input speeds)
- FUCHS is used to quickly adapting to new market demands and is working on concrete methods to meet the challenges of the future mobility

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

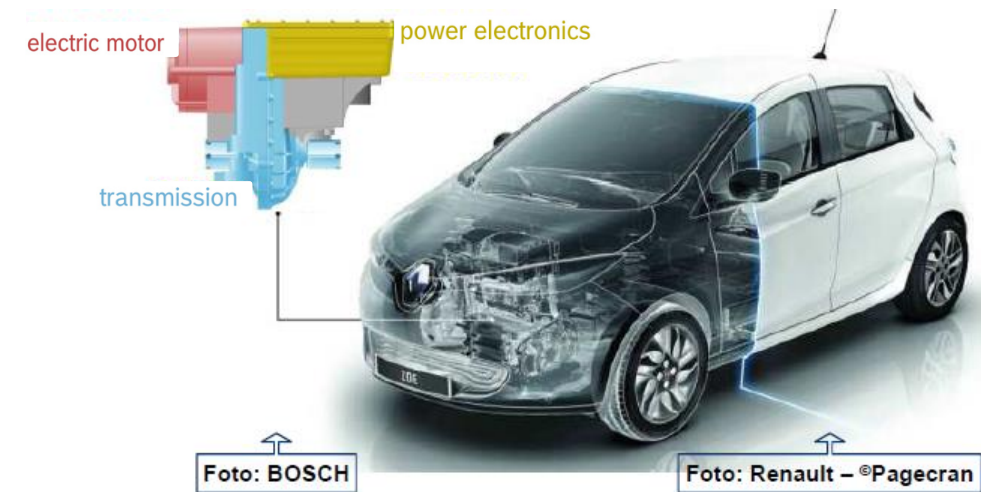
# EU project ODIN – Cooperation with BOSCH, Renault and GKN

## Goal:

Optimal integration of a high speed electric motor with a multi-speed gear train in a single gearbox/housing, including the power electronics and thermal management unit. The resulting integrated electric drive shall be as compact and lightweight as possible to fit into a sub-compact, compact urban vehicle and must clearly demonstrate a significant cost reduction potential

## Lubricant requirements:

Special fluid for gearing, bearings and cooling  
incl. power electronics

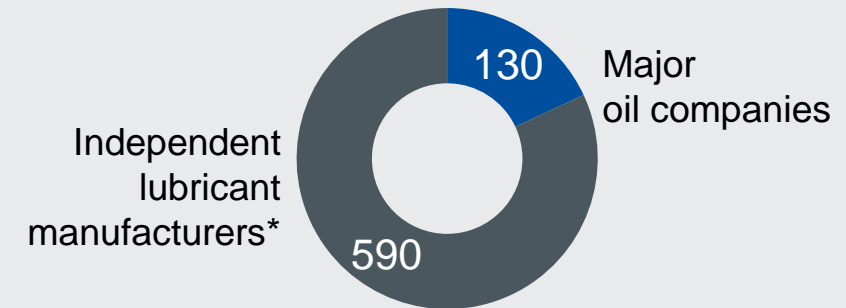


# Further market consolidation to be expected

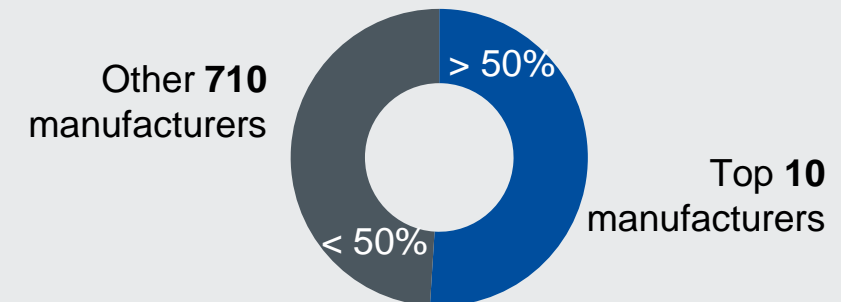
- High degree of fragmentation
- Concentration especially amongst smaller companies

- Differences are enormous

## Manufacturers



## Market Shares



\* > 1000 tons

## 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

Return cash to shareholders

Capex

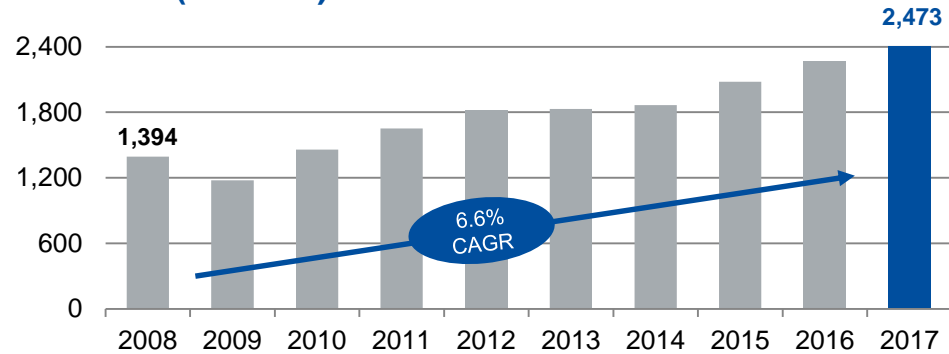
Stable Dividends

Acquisitions

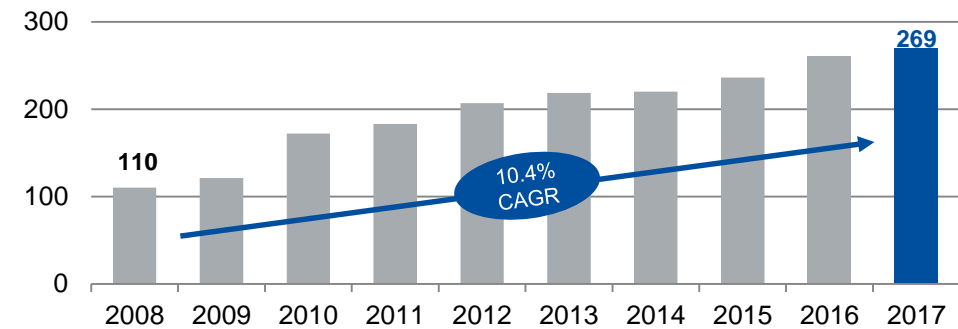
Share Buyback

# Unique track record for continued profitability and added value

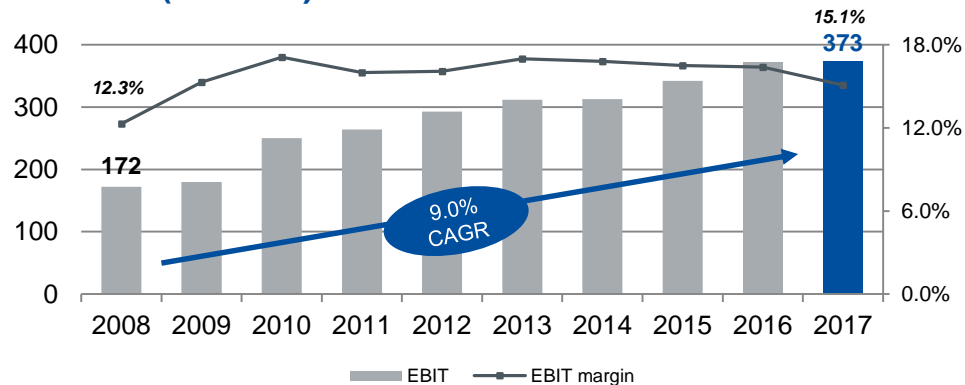
Sales (in € mn)



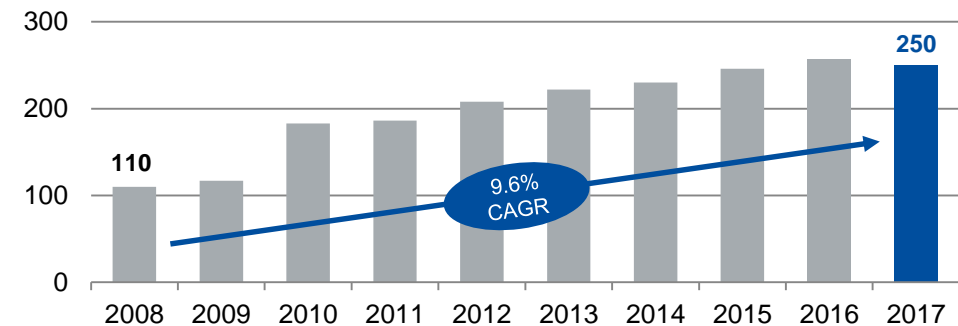
Earnings After Tax (in € mn)



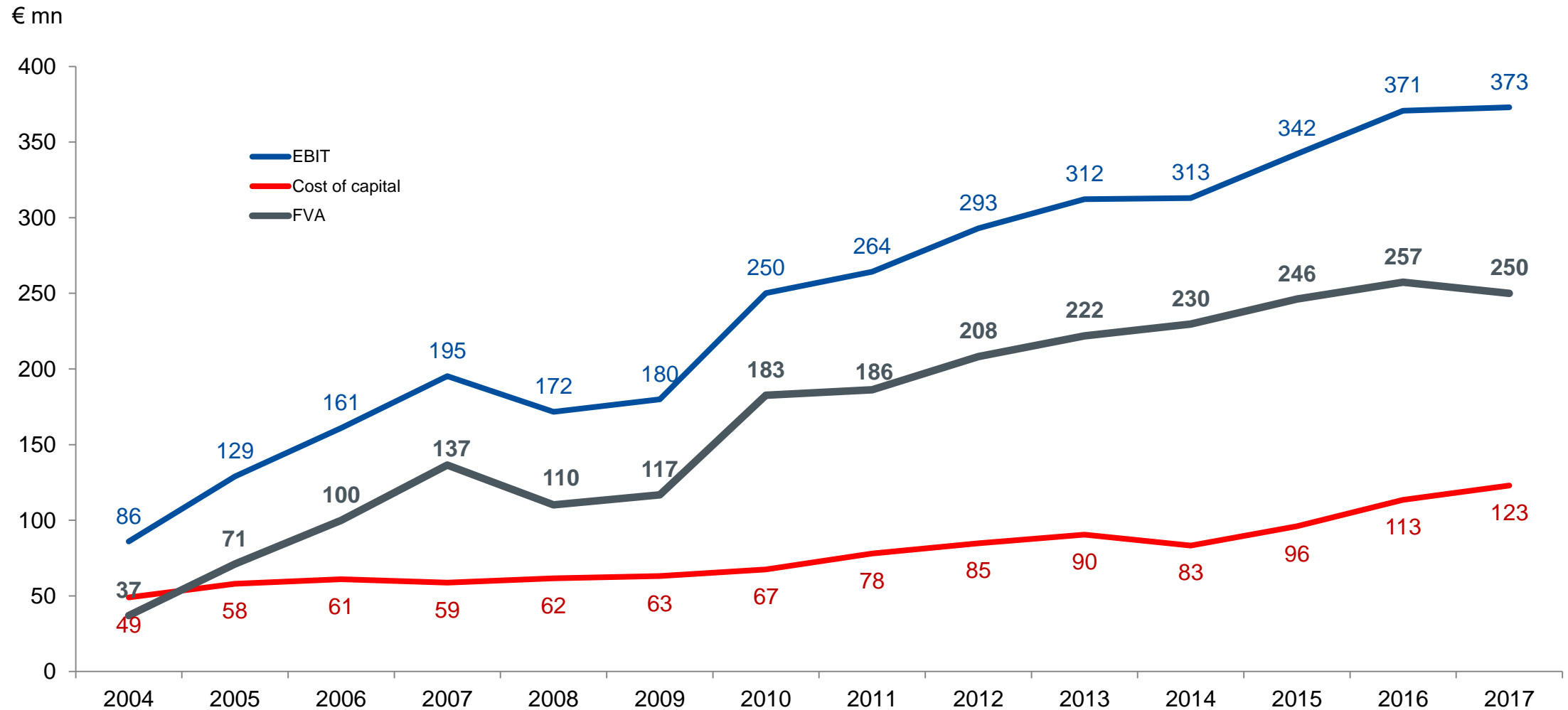
EBIT (in € mn)



FVA (in € mn)



# Development EBIT – Cost of Capital – FVA



## EBIT increase of 1% in 2017

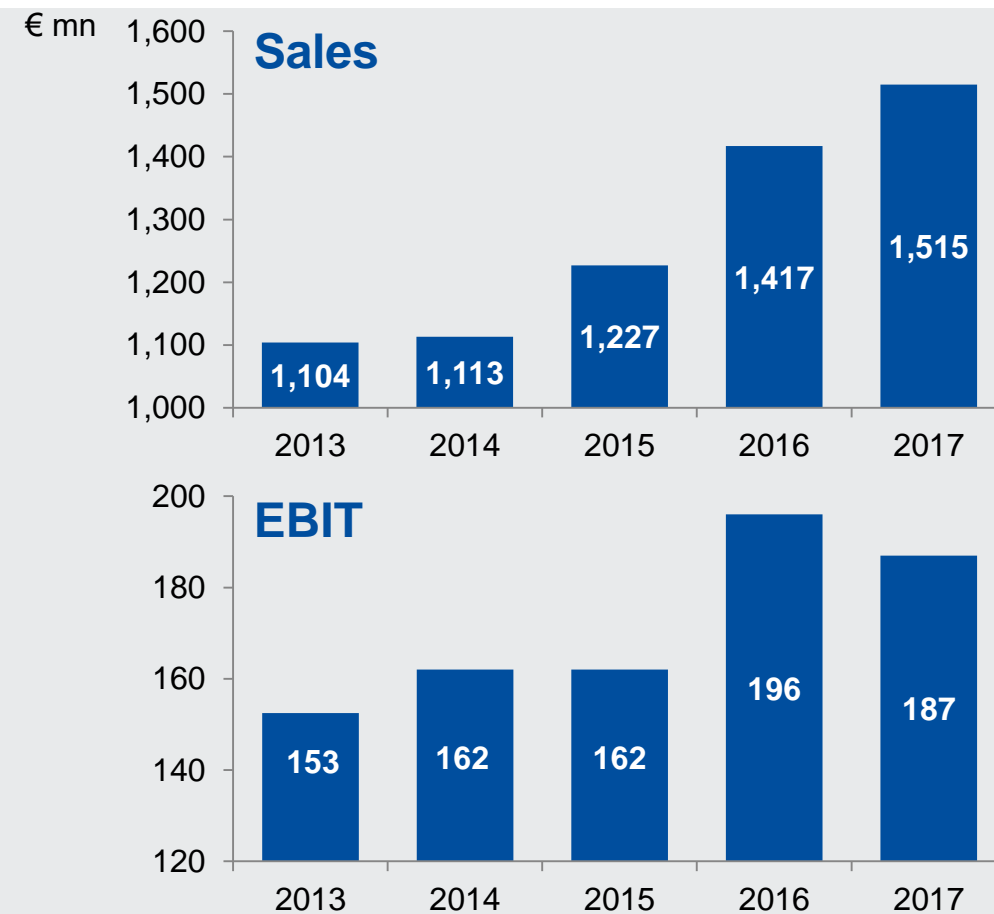
| € mn                         | 2013         | 2014         | 2015         | 2016         | 2017         | Δ 16/17       |
|------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Sales</b>                 | <b>1,832</b> | <b>1,866</b> | <b>2,079</b> | <b>2,267</b> | <b>2,473</b> | <b>9.1%</b>   |
| Gross Profit                 | 690          | 693          | 791          | 851          | 882          | 3.6%          |
| Gross Profit margin          | 37.7%        | 37.2%        | 38.1%        | 37.5%        | 35.7%        | -1.8 %-points |
| Other function costs         | -391         | -400         | -467         | -499         | -526         | 5.4%          |
| <b>EBIT before at Equity</b> | <b>299</b>   | <b>293</b>   | <b>324</b>   | <b>352</b>   | <b>356</b>   | <b>1.1%</b>   |
| EBIT margin before at Equity | 16.3%        | 15.7%        | 15.6%        | 15.5%        | 14.4%        | -1.1 %-points |
| At Equity                    | 13           | 20           | 18           | 19           | 17           | -10.5%        |
| <b>EBIT</b>                  | <b>312</b>   | <b>313</b>   | <b>342</b>   | <b>371</b>   | <b>373</b>   | <b>0.5%</b>   |
| EBIT margin                  | 17.0%        | 16.8%        | 16.5%        | 16.4%        | 15.1%        | -1.3 %-points |
| <b>EBITDA</b>                | <b>340</b>   | <b>343</b>   | <b>381</b>   | <b>418</b>   | <b>432</b>   | <b>3.3%</b>   |
| EBITDA margin                | 18.6%        | 18.4%        | 18.3%        | 18.4%        | 17.5%        | -0.9 %-points |

# Europe

2017 Sales + 6.9% / EBIT - 4.6%



Employees 2017: 3,349 (3,253)

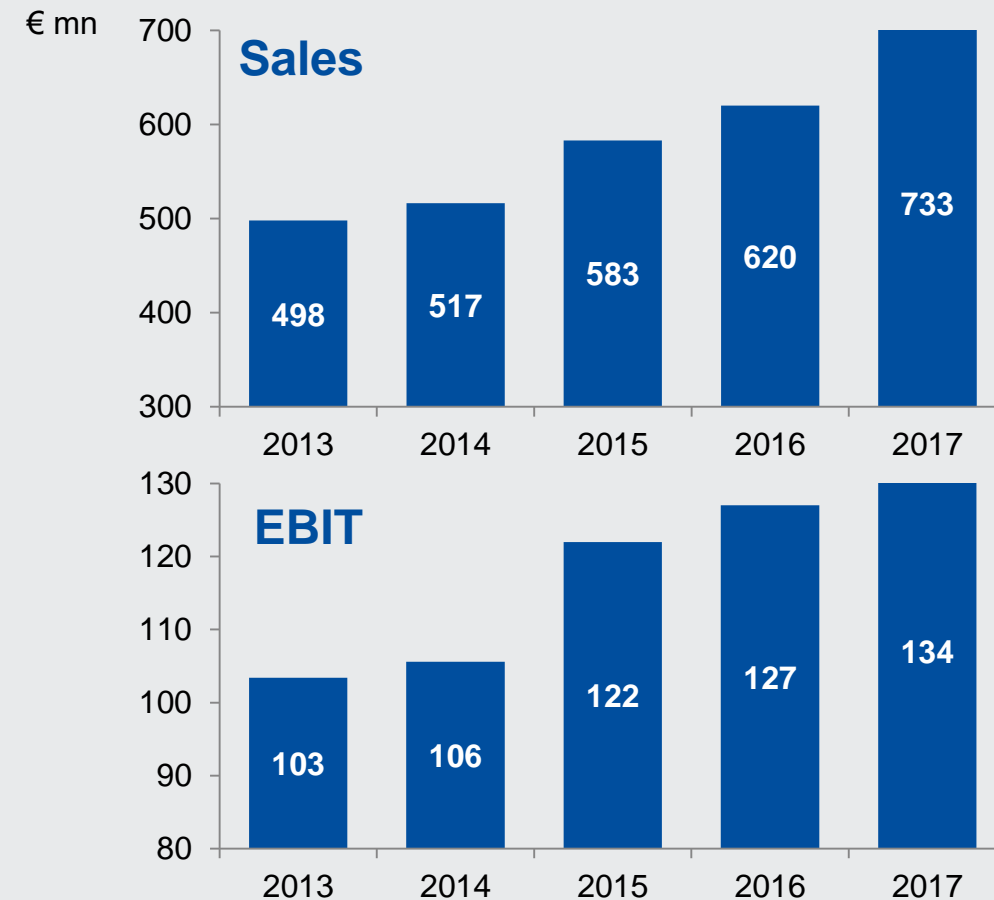


# Asia-Pacific, Africa

2017: Sales + 18.2% / EBIT + 5.5%



Employees 2017: 1,085 (1,062)

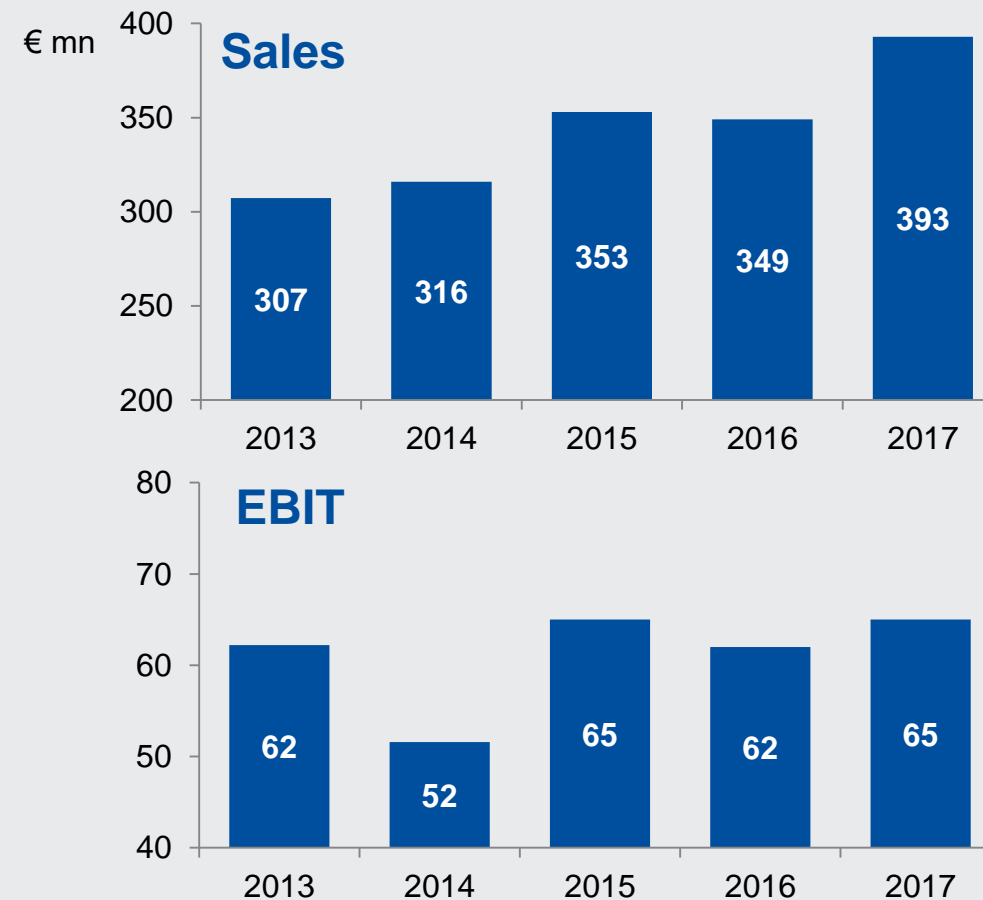


# Americas

2017: Sales + 12.6% / EBIT + 4.8%



Employees 2017: 647 (612)



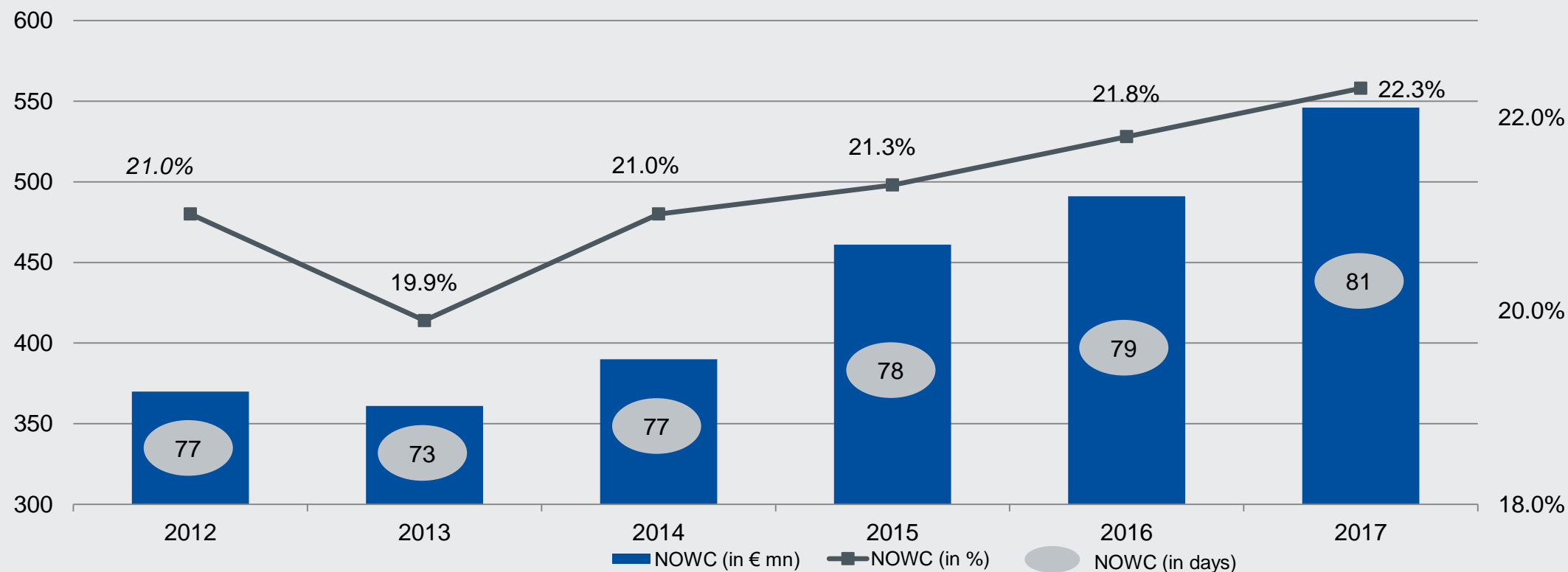
## Solid balance sheet and strong cash flow generation

| € mn         | 2013  | 2014  | 2015  | 2016  | 2017  |
|--------------|-------|-------|-------|-------|-------|
| Total assets | 1,162 | 1,276 | 1,490 | 1,676 | 1,751 |
| Goodwill     | 82    | 88    | 166   | 185   | 173   |
| Equity       | 854   | 916   | 1,070 | 1,205 | 1,307 |
| Equity ratio | 74%   | 72%   | 72%   | 72%   | 75%   |

| € mn                               | 2013 | 2014 | 2015 | 2016 | 2017 |
|------------------------------------|------|------|------|------|------|
| Net liquidity                      | 167  | 186  | 101  | 146  | 160  |
| Operating cash flow                | 221  | 255  | 281  | 300  | 242  |
| Free cash flow before acquisitions | 150  | 210  | 232  | 205  | 142  |
| Free cash flow                     | 150  | 188  | 62   | 164  | 140  |



# Net operating working capital (NOWC)\*



\* In relation to the annualized sales revenues of the last quarter

## Net operating working capital (NOWC)

| Year                                   | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
|--|-------|-------|-------|-------|-------|-------|
| Sales (€ mn)                           | 1,819 | 1,832 | 1,866 | 2,079 | 2,267 | 2,473 |
| Annualized last quarterly sales (€ mn) | 1,760 | 1,810 | 1,852 | 2,161 | 2,256 | 2,442 |
| NOWC/sales (%)                         | 21.0  | 19.9  | 21.0  | 21.3  | 21.8  | 22.3  |
| Inventories/days                       | 79    | 75    | 76    | 80    | 84    | 84    |
| Debtors/days                           | 52    | 53    | 56    | 54    | 57    | 56    |
| Payables/days                          | 39    | 43    | 43    | 42    | 48    | 45    |

# Quarterly income statement

| € mn                                       | 2015        |             |             |             | 2016        |             |             |             | 2017        |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | Q1          | Q2          | Q3          | Q4          | Q1          | Q2          | Q3          | Q4          | Q1          | Q2          | Q3          | Q4          |
| <b>Sales</b>                               | <b>493</b>  | <b>515</b>  | <b>531</b>  | <b>540</b>  | <b>550</b>  | <b>586</b>  | <b>567</b>  | <b>564</b>  | <b>618</b>  | <b>629</b>  | <b>615</b>  | <b>611</b>  |
| Gross Profit                               | 188         | 200         | 203         | 200         | 206         | 221         | 214         | 210         | 226         | 226         | 215         | 215         |
| <i>Gross Profit margin (in %)</i>          | <i>38.1</i> | <i>38.8</i> | <i>38.2</i> | <i>37.1</i> | <i>37.4</i> | <i>37.7</i> | <i>37.8</i> | <i>37.1</i> | <i>36.6</i> | <i>35.8</i> | <i>35.0</i> | <i>35.2</i> |
| Other function costs                       | -110        | -113        | -118        | -126        | -126        | -128        | -125        | -120        | -137        | -134        | -129        | -126        |
| <b>EBIT before at Equity</b>               | <b>78</b>   | <b>87</b>   | <b>85</b>   | <b>74</b>   | <b>80</b>   | <b>93</b>   | <b>89</b>   | <b>90</b>   | <b>89</b>   | <b>92</b>   | <b>86</b>   | <b>89</b>   |
| <i>EBIT margin before at Equity (in %)</i> | <i>15.8</i> | <i>16.8</i> | <i>16.0</i> | <i>13.9</i> | <i>14.6</i> | <i>15.8</i> | <i>15.8</i> | <i>15.9</i> | <i>14.5</i> | <i>14.5</i> | <i>14.1</i> | <i>14.6</i> |
| At Equity                                  | 4           | 3           | 4           | 7           | 5           | 5           | 5           | 4           | 5           | 4           | 5           | 3           |
| <b>EBIT</b>                                | <b>82</b>   | <b>90</b>   | <b>89</b>   | <b>81</b>   | <b>85</b>   | <b>98</b>   | <b>94</b>   | <b>94</b>   | <b>94</b>   | <b>96</b>   | <b>91</b>   | <b>92</b>   |
| <i>EBIT margin (in %)</i>                  | <i>16.6</i> | <i>17.5</i> | <i>16.8</i> | <i>15.0</i> | <i>15.5</i> | <i>16.6</i> | <i>16.5</i> | <i>16.8</i> | <i>15.3</i> | <i>15.1</i> | <i>14.8</i> | <i>15.1</i> |
| <b>EBITDA</b>                              | <b>90</b>   | <b>99</b>   | <b>100</b>  | <b>92</b>   | <b>97</b>   | <b>109</b>  | <b>105</b>  | <b>107</b>  | <b>107</b>  | <b>109</b>  | <b>105</b>  | <b>111</b>  |
| <i>EBITDA margin (in %)</i>                | <i>18.3</i> | <i>19.1</i> | <i>18.8</i> | <i>17.1</i> | <i>17.6</i> | <i>18.7</i> | <i>18.6</i> | <i>18.8</i> | <i>17.4</i> | <i>17.3</i> | <i>17.0</i> | <i>18.2</i> |

# Quarterly sales by regions

| Sales (€ mn)         | 2015       |            |            |            |              |
|----------------------|------------|------------|------------|------------|--------------|
|                      | Q1         | Q2         | Q3         | Q4         | FY           |
| Europe               | 278        | 293        | 321        | 335        | 1,227        |
| Asia-Pacific, Africa | 147        | 155        | 141        | 140        | 583          |
| Americas             | 88         | 88         | 91         | 86         | 353          |
| Consolidation        | -20        | -21        | -22        | -21        | -84          |
| <b>FUCHS Group</b>   | <b>493</b> | <b>515</b> | <b>531</b> | <b>540</b> | <b>2,079</b> |

| 2016       |            |            |            |              |
|------------|------------|------------|------------|--------------|
| Q1         | Q2         | Q3         | Q4         | FY           |
| 349        | 372        | 359        | 337        | 1,417        |
| 144        | 154        | 153        | 169        | 620          |
| 85         | 87         | 88         | 89         | 349          |
| -28        | -27        | -33        | -31        | -119         |
| <b>550</b> | <b>586</b> | <b>567</b> | <b>564</b> | <b>2,267</b> |

| 2017       |            |            |            |              |
|------------|------------|------------|------------|--------------|
| Q1         | Q2         | Q3         | Q4         | FY           |
| 368        | 383        | 391        | 373        | 1,515        |
| 181        | 182        | 181        | 189        | 733          |
| 104        | 101        | 97         | 91         | 393          |
| -35        | -37        | -54        | -42        | -168         |
| <b>618</b> | <b>629</b> | <b>615</b> | <b>611</b> | <b>2,473</b> |

| Δ Y-o-Y in %         |
|----------------------|
| Europe               |
| Asia-Pacific, Africa |
| Americas             |
| Consolidation        |
| <b>FUCHS Group</b>   |

| 2016         |              |             |             |             |
|--------------|--------------|-------------|-------------|-------------|
| Q1           | Q2           | Q3          | Q4          | FY          |
| +25.5        | +26.8        | +11.8       | +0.7        | +15.5       |
| -1.4         | -1.1         | +7.9        | +21.1       | +6.3        |
| -4.3         | -0.5         | -3.0        | +3.3        | -1.2        |
| -            | -            | -           | -           | -           |
| <b>+11.7</b> | <b>+13.8</b> | <b>+6.7</b> | <b>+4.4</b> | <b>+9.0</b> |

| 2017         |             |             |             |             |
|--------------|-------------|-------------|-------------|-------------|
| Q1           | Q2          | Q3          | Q4          | FY          |
| +5.3         | +3.1        | +8.7        | +10.7       | +6.9        |
| +25.1        | +18.8       | +18.6       | +11.8       | +18.2       |
| +22.7        | +15.4       | +10.9       | +2.2        | +12.6       |
| -            | -           | -           | -           | -           |
| <b>+12.4</b> | <b>+7.3</b> | <b>+8.6</b> | <b>+8.3</b> | <b>+9.1</b> |

# 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        | 9.0         | 11.0        | 7.1        |
| Asia-Pacific, Africa  | 2.0        | 2.5        | 11.0       | 22.5       | 9.2        | 20.9       | 17.1       | 23.0        | 18.3        | 19.7       |
| Americas              | -3.4       | 1.8        | -4.0       | -1.5       | -1.8       | 9.0        | 6.4        | 12.7        | 10.1        | 9.4        |
| <b>FUCHS Group</b>    | <b>1.1</b> | <b>3.7</b> | <b>3.0</b> | <b>5.2</b> | <b>3.3</b> | <b>9.3</b> | <b>5.7</b> | <b>10.2</b> | <b>11.3</b> | <b>9.1</b> |

| 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        | 4.3        | 2.2        | 4.9        |
| <b>FUCHS Group</b>     | <b>13.7</b> | <b>14.9</b> | <b>6.0</b> | <b>0.5</b> | <b>8.6</b> | <b>1.1</b> | <b>0.8</b> | <b>0.7</b> | <b>0.4</b> | <b>0.8</b> |

| 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       | -0.3        | -0.3        | -0.2        |
| Asia-Pacific, Africa | -6.3        | -8.4        | -3.1        | -1.4        | -4.9        | 4.2        | 1.7        | -4.4        | -6.5        | -1.5        |
| Americas             | -2.9        | -5.7        | -1.1        | 1.8         | -2.0        | 6.3        | 3.5        | -6.1        | -10.1       | -1.7        |
| <b>FUCHS Group</b>   | <b>-3.1</b> | <b>-4.8</b> | <b>-2.3</b> | <b>-1.3</b> | <b>-2.9</b> | <b>2.0</b> | <b>0.8</b> | <b>-2.3</b> | <b>-3.4</b> | <b>-0.8</b> |

# 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        | 52        | 41        | 187        |
| Asia-Pacific, Africa | 27        | 32        | 28        | 35        | 122        | 29        | 32        | 29        | 37        | 127        | 34        | 32        | 32        | 36        | 134        |
| Americas             | 17        | 16        | 17        | 15        | 65         | 15        | 17        | 15        | 15        | 62         | 17        | 15        | 18        | 15        | 65         |
| Consolidation        | -1        | -2        | -1        | -3        | -7         | -2        | -3        | -4        | -5        | -14        | -3        | 1         | -11       | 0         | -13        |
| <b>FUCHS Group</b>   | <b>82</b> | <b>90</b> | <b>89</b> | <b>81</b> | <b>342</b> | <b>85</b> | <b>98</b> | <b>94</b> | <b>94</b> | <b>371</b> | <b>94</b> | <b>96</b> | <b>91</b> | <b>92</b> | <b>373</b> |

| 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        | -3.3        | -12.8       | -4.6        |
| Asia-Pacific, Africa | +9.8        | -2.2        | +2.9        | +7.1         | +4.3        | +15.4        | +2.5        | +8.3        | -2.7        | +5.5        |
| Americas             | -8.5        | 0           | -9.7        | +3.4         | -4.0        | +11.9        | -6.7        | +12.0       | 0           | +4.8        |
| Consolidation        | -           | -           | -           | -            | -           | -            | -           | -           | -           | -7.1        |
| <b>FUCHS Group</b>   | <b>+4.3</b> | <b>+8.5</b> | <b>+4.7</b> | <b>+16.2</b> | <b>+8.3</b> | <b>+10.8</b> | <b>-2.4</b> | <b>-2.8</b> | <b>-2.1</b> | <b>+0.5</b> |

# 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

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## Executive Board

**25%**

of variable compensation

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

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## 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

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## Extention of contracts of the Executive Board until 2023

The contracts of the Executive Board members Dr. Lutz Lindemann, Dr. Timo Reister, Dr. Ralph Rheinboldt and Dagmar Steinert are extended until December 2023

- Dr. Lutz Lindemann (57 years): 19 years at FUCHS, Member of the Executive Board since 2009
- Dr. Timo Reister (38 years): 8 years at FUCHS, Member of the Executive Board since 2016
- Dr. Ralph Rheinboldt (50 years): 19 years at FUCHS, Member of the Executive Board since 2009
- Dagmar Steinert (53 years): 5 years at FUCHS, Member of the Executive Board since 2016
  
- The contract of Stefan Fuchs (50 years) runs until June 2021

## 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 2018

|                          |  |
|--------------------------|--|
| <b>February 22, 2018</b> | Preliminary figures for the Full Year 2017 |
| <b>March 21, 2018</b>    | Full Year Results 2017                     |
| <b>April 27, 2018</b>    | Quarterly Statement Q1 2018                |
| <b>May 8, 2018</b>       | Annual General Meeting 2018                |
| <b>June 18, 2018</b>     | FUCHS Capital Market Day                   |
| <b>July 31, 2018</b>     | Financial Report H1 2018                   |
| <b>October 30, 2018</b>  | Quarterly Statement Q1-3 2018              |

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