

New Mindset for Future Challenges

The FUCHS2025 Strategy

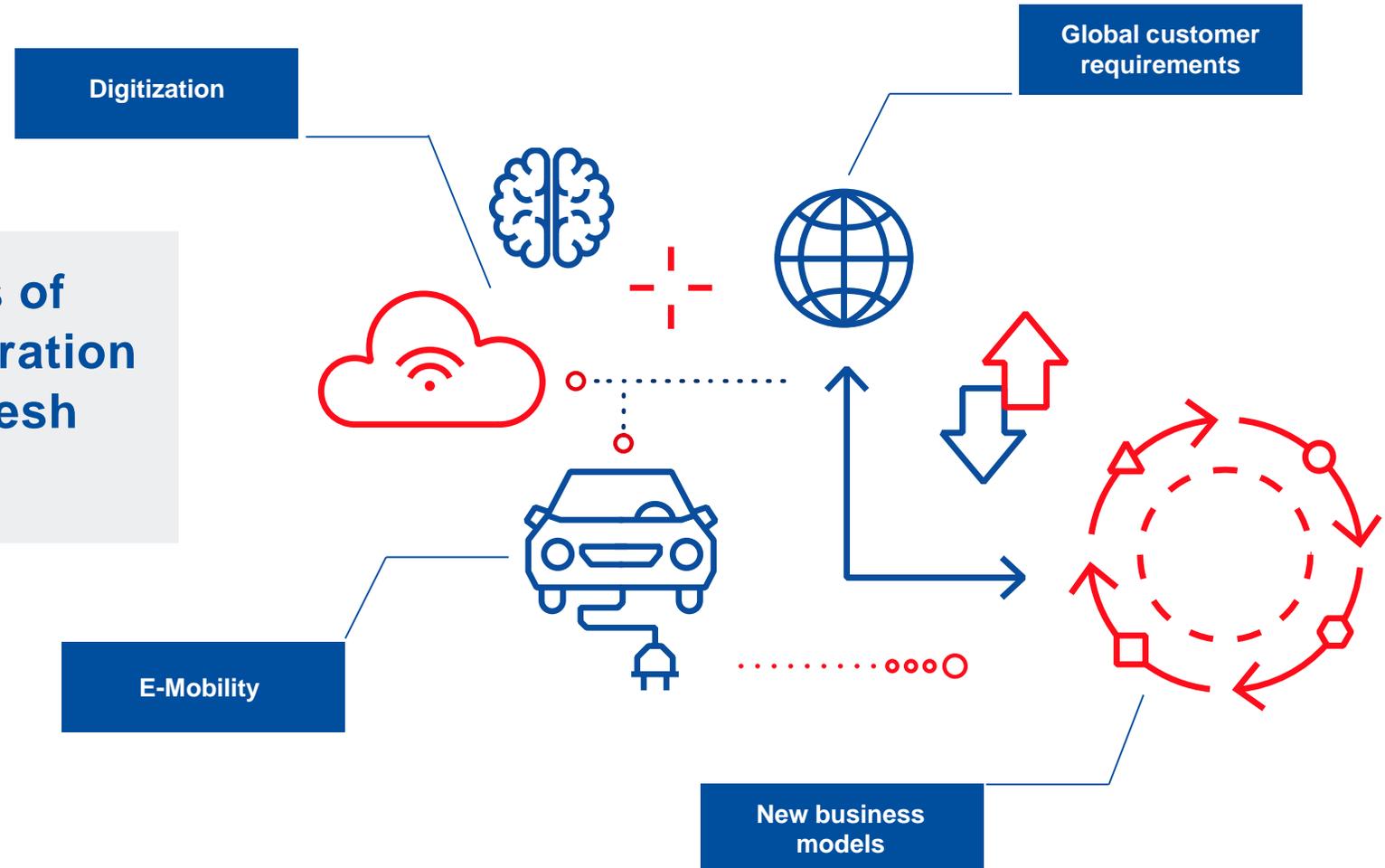
| July 2020 | Mannheim, Germany



FUCHS2025

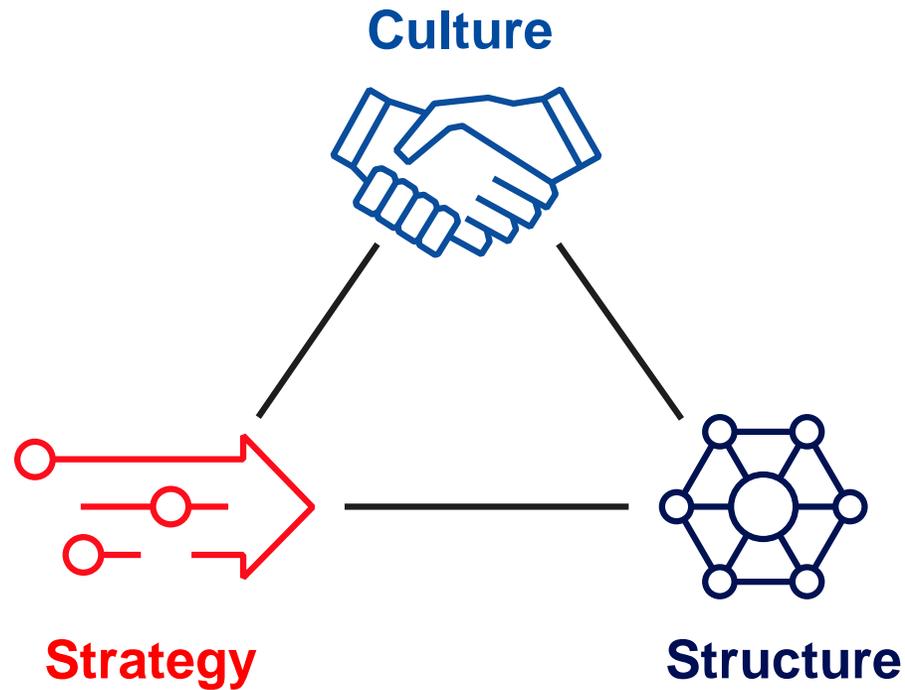
New Mindset for Future Challenges

New solutions require new ways of operating. And new ways of operation require a new approach and a fresh mindset.



FUCHS2025

Key Elements



We want to use these challenges as an opportunity. That is why we are responding to them with a new mindset – an attitude that brings strategy, structure and culture into line in a purposeful way.

FUCHS2025

Vision – Being First Choice

“ We want to build on our strengths and globally align our organization to make our vision come true: ‘Being First Choice.’ ”

Stefan Fuchs, CEO FUCHS Group



FUCHS2025 – growing from a solid foundation

Based on ...

- Our full product offering and global setup
- Our local entrepreneurship in 60+ subsidiaries
- Our performance driven culture and loyal employee base

We want to ...

- Be the partner of our customers around their needs in lubrication solutions
- Achieve a better global alignment through harmonized standards and procedures
- Leverage our experience and explore existing opportunities, especially in Asia and the Americas
- Continuously improve the CO₂ footprint of our products based on a lifecycle assessment
- Become the employer of choice

FUCHS2025 Strategy

Strategic Pillars

Six strategic pillars form the base of our strategy. They are the guiding principles for our strategic actions to reach our vision for FUCHS2025.



Global Strength



Customer & Market Focus



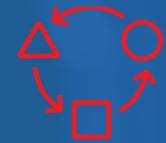
Technology Leader



Operational Excellence



People & Organization



Sustainability

FUCHS2025 Strategy

Global Strength



Strategic Objectives:

- Use market segmentation as basis for strategic and global business development, achieve better market penetration
- Grow above Group average in Asia-Pacific and the Americas, achieve a better balance between all three world regions by 2025
- Further refine the brand profile, strengthen brand equity and attractiveness

FUCHS2025 Strategy

Customer & Market Focus



Strategic Objectives:

- Achieve maximum customer proximity, further utilize cross-selling opportunities, become the full-line supplier for our customers
- Develop global service portfolio up to 2025, change from product-driven approach to solution-driven approach
- Grow market shares to be amongst the leaders in the segments we target
- Systematically introduce new business models within the broader world of lubrication

FUCHS2025 Strategy

Technology Leader



Strategic Objectives:

- Increase our innovation power in R&D and beyond. Be technology leader in the segments we target until 2025
- Innovate products and operational performance to make our customers more connected with us beyond lubricants by introducing digital solutions and platforms
- Bring all three R&D centers in China, USA and Germany to the same level of expertise until 2025

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Operational Excellence



Strategic Objectives:

- Strengthen our global manufacturing and distribution network to achieve self-sufficient supply and technology hubs in Asia-Pacific, EMEA and the Americas until 2025
- Further standardize manufacturing and procurement procedures, equipment and output to achieve a more efficient supply chain
- Expand data transparency based on further globalization of structures and harmonization of systems

FUCHS2025 Strategy

People & Organization



People & Organization



Strategic Objectives:

- Be the employer of choice for our existing and future workforce
- Further improve working environments and global collaboration
- Strengthen global talent acquisition and retention, enhance our development programs, competence models and succession planning
- Endorse internationalization of entities, remote leadership, international job rotation

FUCHS2025 Strategy

Sustainability



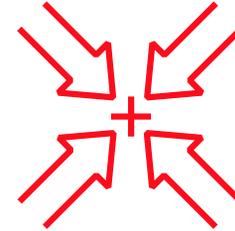
Strategic Objectives:

- **Economical Sustainability**
 - Generate sustainable revenue growth at 15% EBIT margin with a corresponding increase of our FUCHS Value Added
- **Ecological Sustainability**
 - CO₂-neutral production (“gate-to-gate”) since 2020 and carbon-neutral products (“cradle-to-gate”) by 2025. Foster additional ecological sustainability projects
- **Social Sustainability**
 - Further promote Corporate Social Responsibility projects

FUCHS2025 Strategy Highlights



Sustainable revenue growth with operational excellence at a 15% EBIT margin and corresponding FVA growth



Better market penetration through market segmentation



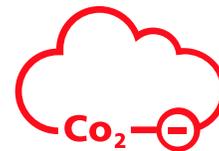
Technology leadership in the segments we target until 2025



Overproportionate growth in Asia-Pacific & the Americas



Be the employer of choice for our existing and future workforce



CO₂-neutrality in production “gate-to-gate” since 2020 and CO₂-neutral products “cradle-to-gate” by 2025

FUCHS2025 Strategy

Actions



Extensive market segment approach: holistic segmentation of all operations regarding customers and markets and effective alignment of organization towards it



In addition initiation of several strategic initiatives with globally staffed cross-functional teams to introduce the strategic objectives from a group perspective



Stronger emphasis on innovation, service solutions and new market perspectives to expand full-line supplier claim



Joint approach with continuous development of corporate culture program to be able to leverage our strong cultural foundation for further strategy execution

Thank you very much for your attention.

LUBRICANTS.
TECHNOLOGY.
PEOPLE.

