

FUCHS GROUP

A global Group with family roots

| July, 2020 | Mannheim



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Organization and management, facts and figures

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Our business model

LUBRICANTS.TECHNOLOGY.PEOPLE.

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The trust of our customers and stakeholders

01 **Our company**
Organization and management,
facts and figures



FUCHS at a glance

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

Approx. **5,600**
employees

Preference share is listed
in the MDAX

No. 1
among the independent
suppliers of lubricants

Approx. **€2.6** bn
sales in 2019

62 companies worldwide

The Fuchs family holds
55% of
ordinary shares

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

»We have relied on **continuity, reliability and proximity** – for more than 85 years.«

Stefan Fuchs, Chairman of the Board



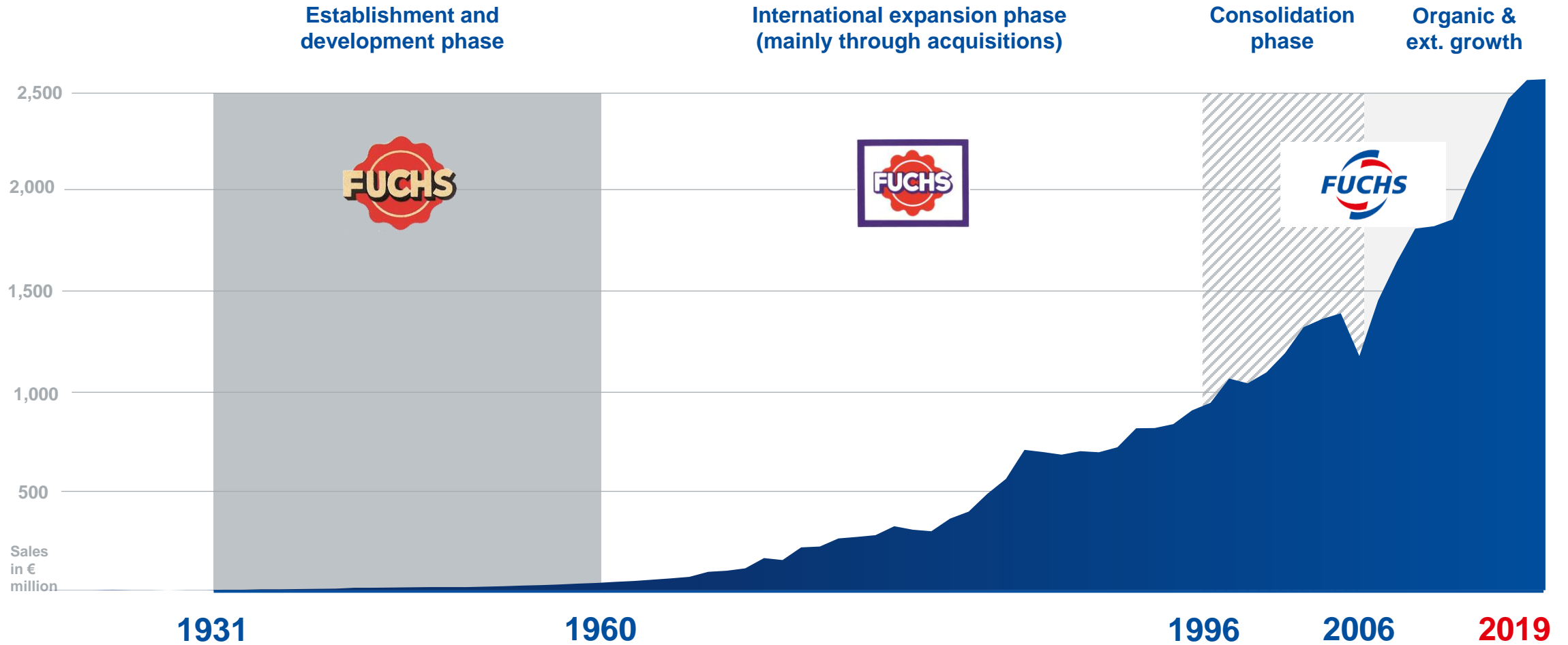
Our business model

Since 1931

A photograph of a laboratory setting featuring various glassware such as beakers and bottles, some containing yellowish liquids. A blue semi-transparent rectangular overlay is positioned in the lower half of the image, containing white text.

LUBRICANTS. 100% focus
TECHNOLOGY. Holistic solutions
PEOPLE. Personal commitment

Tradition and growth Since 1931



We are where our customers are
with 62 companies



FUCHS PETROLUB SE

Capital: €139 million

5

companies in Germany

7

companies in North and
South America

26

companies in other
European countries

24

companies
in Asia-Pacific, Africa

We are where our customers are in 50 countries



■ Production locations

Management Executive Board



Stefan Fuchs

Chairman of the Executive Board, Corporate Group Development, Human Resources, PR & Marketing, Strategy, Inoviga GmbH, Automotive Aftermarket Division



Dr. Lutz Lindemann

R&D, Technology, Product Management, Supply Chain, Sustainability, Mining Division, OEM Division



Dr. Timo Reister

Region Asia-Pacific, North and South America, Industry Division



Dr. Ralph Rheinboldt

Region Europe, Middle East and Africa, FUCHS LUBRITECH Division



Dagmar Steinert

Finance, Controlling, IR, Compliance, Internal Auditing, IT (incl. SAP/ERP systems), Legal, Taxes

Group Management Committee (GMC)

Carsten Meyer
OEM Division, Mining Division

Stefan Knapp
Germany, Benelux

Bernhard Biehl
LUBRITECH Division

Dagmar Steinert
CFO

Keith Brewer
Americas

Dr. Lutz Lindemann
CTO



Dr. Timo Reister
Region Asia-Pacific,
Industrial Sales Strategy

Alf Untersteller
Turkey, Middle East,
Central Asia, Africa

Stefan Fuchs
CEO

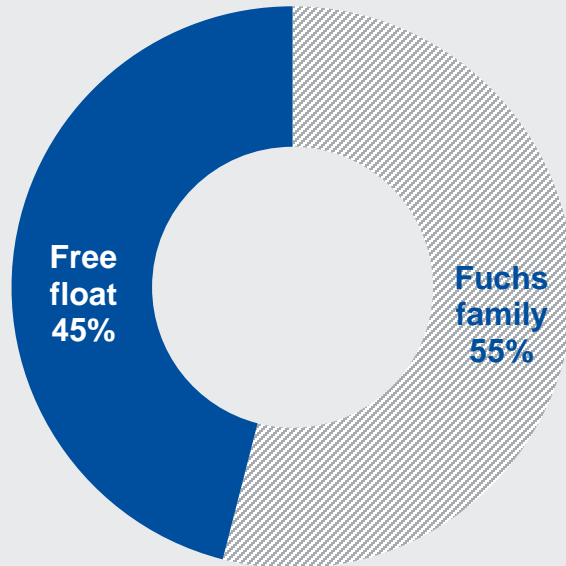
Dr. Ralph Rheinboldt
Europe, Middle East, Africa

Klaus Hartig
East Asia

Shareholder structure

Allocation of ordinary and preference shares*

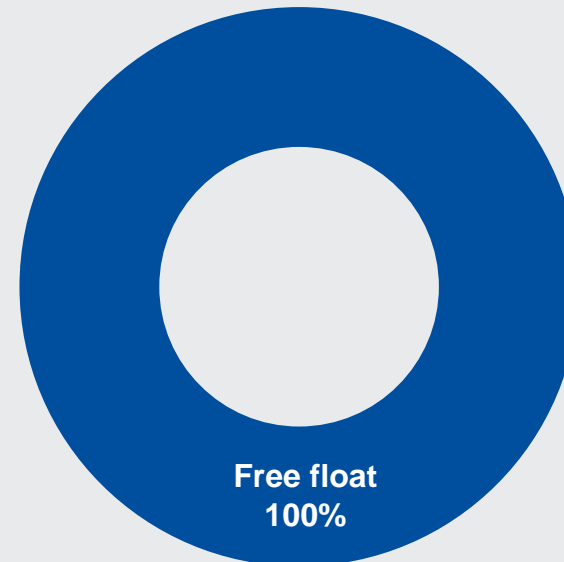
Ordinary shares



Basis: 69,500,000 ordinary shares

Preference shares

MDAX-listed



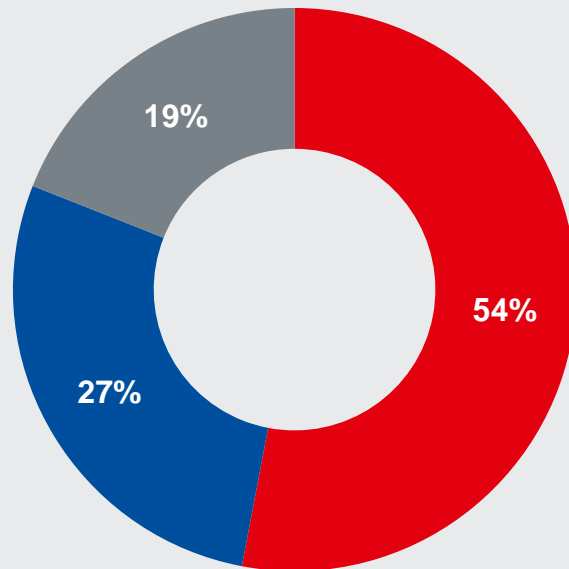
Basis: 69,500,000 preference shares

*Securities registered at the stock exchanges in Frankfurt and Stuttgart

World lubricant market 2018

Regional breakdown

36.4 million tons
total market volume



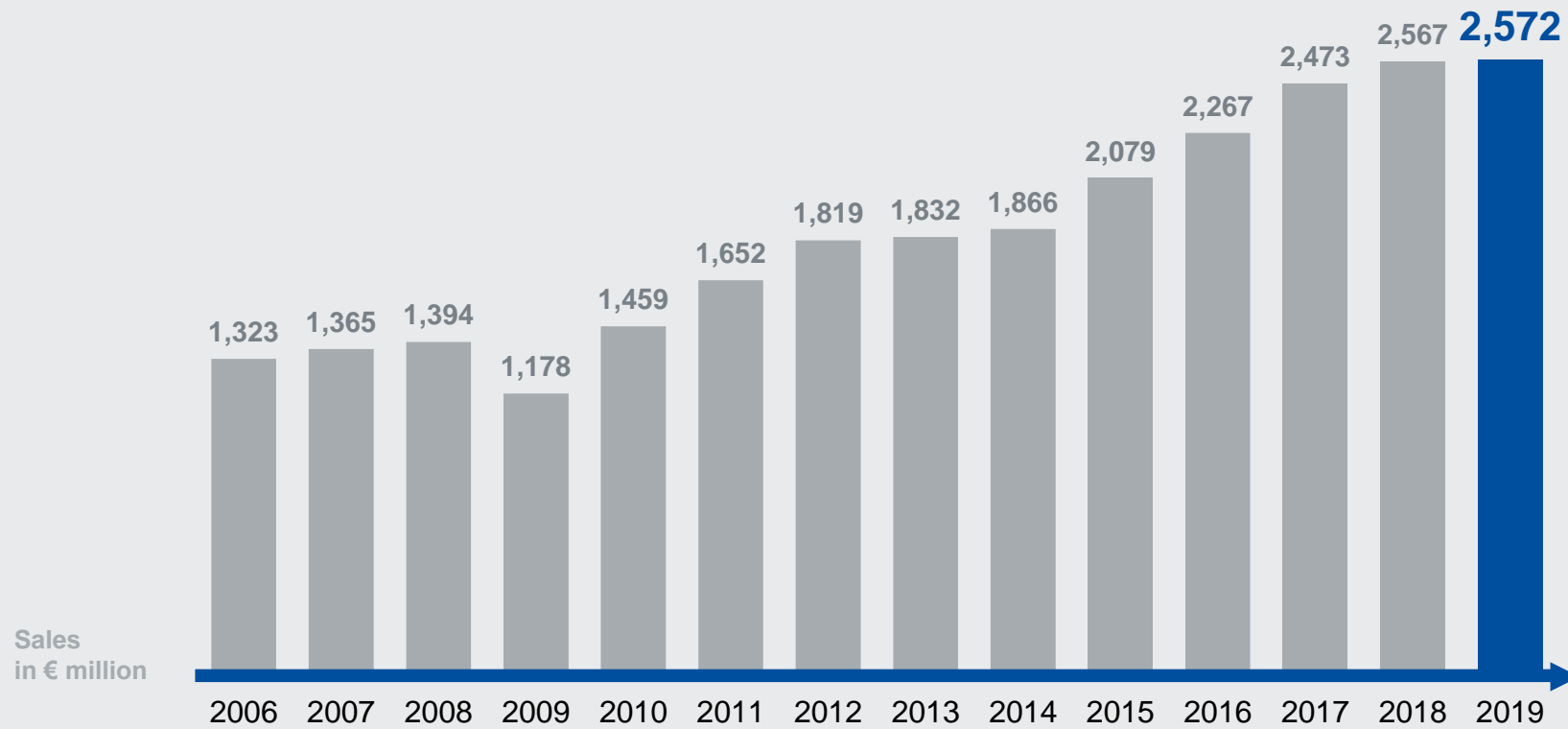
- Asia-Pacific and rest of the world
- North & South America
- Europe

The largest and fastest-growing regional lubricant market is in the Asian-Pacific region.

North America and Western Europe are mature markets. The main focus is on higher-quality lubricants and specialties.

FUCHS in figures

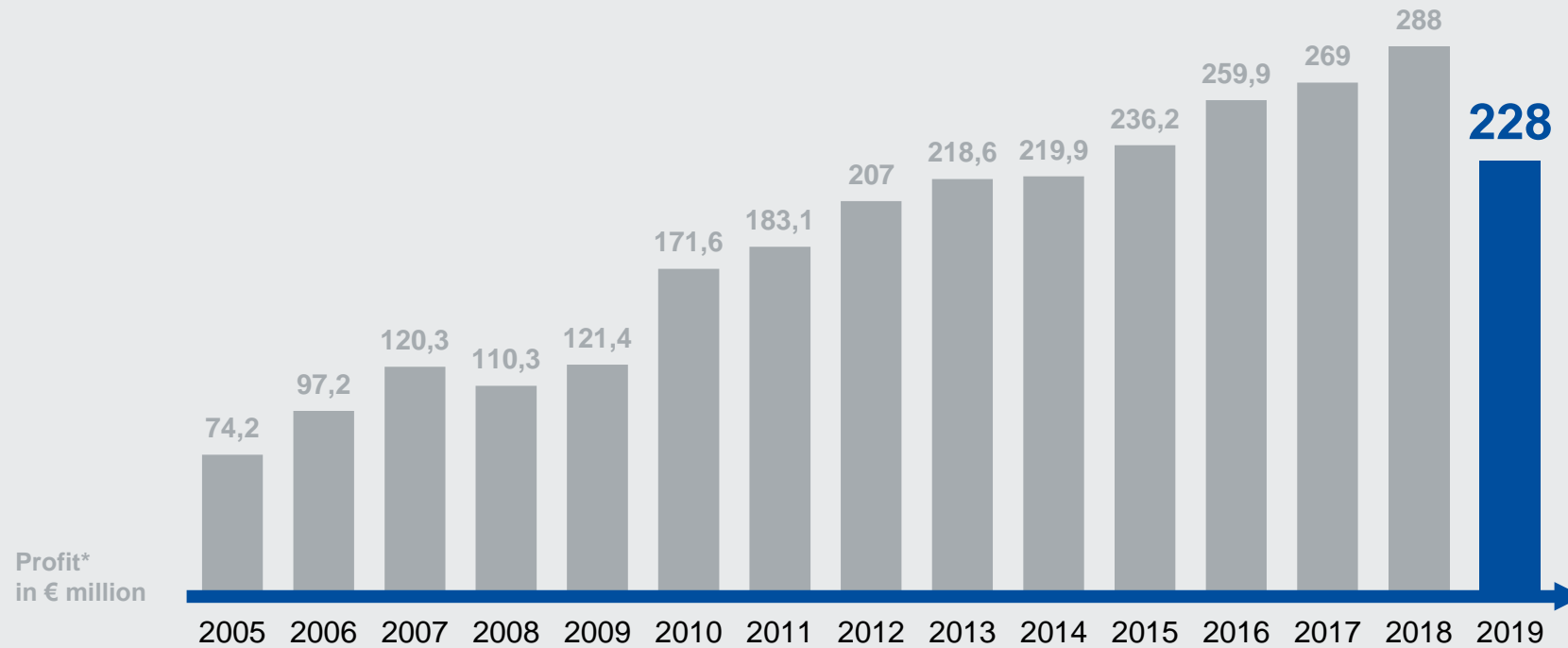
Sales trends



FUCHS in figures

Profit trends*

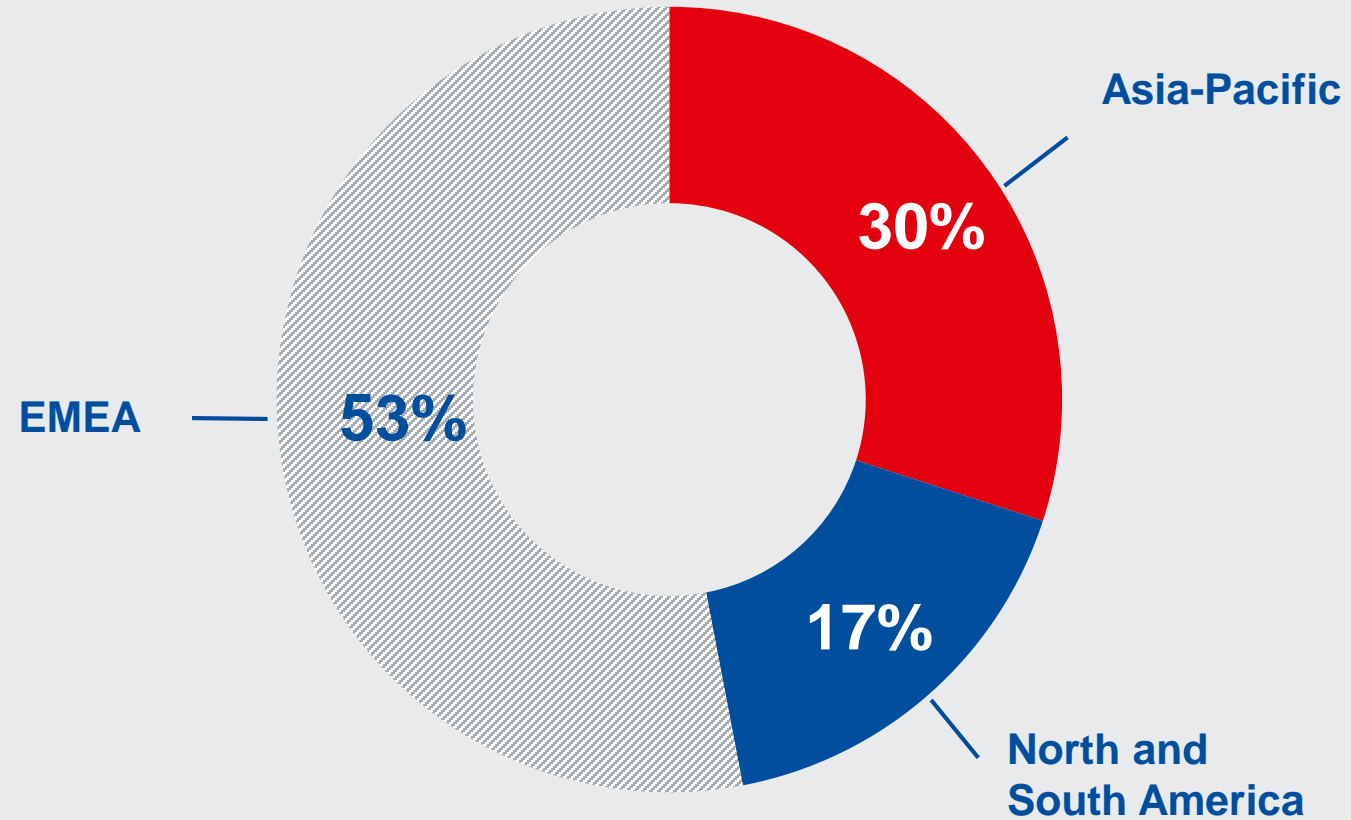
Profit growth 31.0% 23.8% -8.3% 10.1% 41.4% 6.7% 13.1% 5.6% 0.6% 7.4% 10.0% 3.5% 7.1% -20.8%



*After tax

FUCHS in figures

Regional sales breakdown 2019*



*By customer location

02 Our business model
LUBRICANTS.TECHNOLOGY.PEOPLE.



LUBRICANTS.

100% focus on high-quality lubricants and related specialties



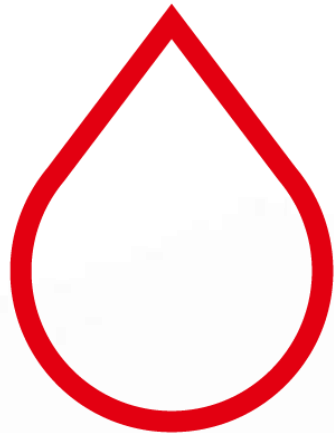
SI Analytics

Typ 501 11 / $\Sigma\alpha$

App. Nr.. 1053941

The main industries

Over 100,000 customers worldwide



- Mechanical engineering
- Construction sector
- Mining and exploration
- Glass industry
- Agriculture and forestry
- Accessories sector
- Transportation sector
- Food industry
- Energy generation
- Cement, lime and gypsum industry
- Steel and metals industry
- Forging industry
- Foundry industry
- Metal working sector
- Automobile sector
- Others

Our six product categories

Over 10,000 products



Automotive lubricants



- Engine Oils
- Gear Oils
- Shock Absorber Fluids
- Central and Mobile Hydraulic Oils
- Greases
- Motorcycle Lubricants
- Lubricants for Agricultural Machinery
- Service Fluids
- Rapidly Biodegradable Lubricants

Industrial lubricants



- Hydraulic Oils
- Compressor Oils
- Slideway Oils
- Gear Oils
- Turbine Oils
- Machine Oils

- Cylinder Oils
- Transformer Oils
- Tacky Oils
- Heat Transfer Oils
- General Lubricating Oils
- Refrigeration Oils

- Rapidly Biodegradable Lubricants
- Textile Oils
- Greases

Lubricating greases



- Multi-Purpose / Longlife Greases
- Greases for Plain and Roller Bearings
- Wheel Bearing Greases
- Gear Box
- Food Grade Greases
- Rapidly Biodegradable Greases
- Greases for Machine Tools
- Greases for Rail Vehicles
- Greases for Extreme Temperatures
- Greases for Central Lubricating Systems
- Greases with Solid Lubricants
- Perfluorinated Pastes
- Greases in Spray Cans or Rattle Cans
- Assembly Pastes
- Pastes for Extreme Temperatures

Metal processing lubricants



- **Cutting and Grinding Lubricants (incl. Rapidly Biodegradable Fluids)**
- **Forming Lubricants**
- **Corrosion Preventives**
- **Cleaners**
- **Quenching Oils**
- **Minimal Quantity Lubrication (MQL) Products**

Special application lubricants



- Open Gear Lubricants
- Hot Metal Forming Lubricants
- Food Grade Lubricants
- Glass Lubricants
- Dry Coating Lubricants
- Railway Lubricants
- Concrete Release Agents
- Chain Lubrication
- Windpower Lubricants
- Other Specialties
- Greases
- Pastes

Services



- **Analytical Services**
- **Chemical Process Management (CPM)**
- **Condition Monitoring**
- **Tailor-Made Development**
- **Technical Services**
- **Open Gear Services – Failure Analysis & Repair / App**
- **Coating Services**

TECHNOLOGY.

In pursuit of technology and innovation
leadership with **holistic solutions**



Research and development

Application-oriented

521

**engineers and
scientists in R&D worldwide**

Around **600**
R&D projects

€55
million
R&D budget

laboratories in **22** countries

PEOPLE.

Personal commitment based on
cooperation and trust



5,627 employees in 50 countries

A common mission statement

Trust
Creating Value
Respect
Reliability
Integrity

LUBRICANTS.TECHNOLOGY.PEOPLE.

5,627 employees in 50 countries
A common mission statement

Trust

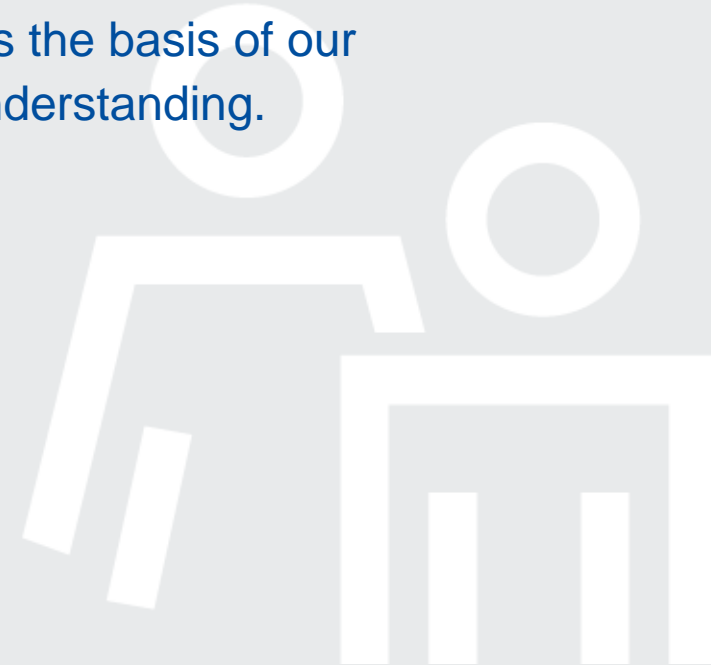
Creating Value

Respect

Reliability

Integrity

Trust is the basis of our
self-understanding.



5,627 employees in 50 countries
A common mission statement

Trust

Creating Value

Respect

Reliability

Integrity

We deliver leading technology and first class service to our customers. Identify and create FUCHS Value Added. Provide space for innovation to explore new paths. Act with an entrepreneurial spirit. Empower employees with responsibility and accountability.

5,627 employees in 50 countries
A common mission statement

Trust
Creating Value
Respect
Reliability
Integrity

We acknowledge our responsibility towards our stakeholders, society and environment. Show appreciation and recognition. Act with fairness towards our partners and employees. Foster an open-minded discussion culture.

5,627 employees in 50 countries
A common mission statement

Trust
Creating Value
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Reliability
Integrity

We walk the talk. Are committed to technical leadership. Maintain a consistent track record of performance. Act in a responsive and transparent way.

5,627 employees in 50 countries
A common mission statement

Trust
Creating Value
Respect
Reliability
Integrity

We believe in a high level of ethics and adhere to our Code of Conduct.



We promote personal commitment

**22% women
in management**

Internal staffing

FUCHS ACADEMY



Health management

**Compatibility of
family and work**

**Global talent
management concept**

03 Our FUCHS2025 strategy
New mindset for future challenges

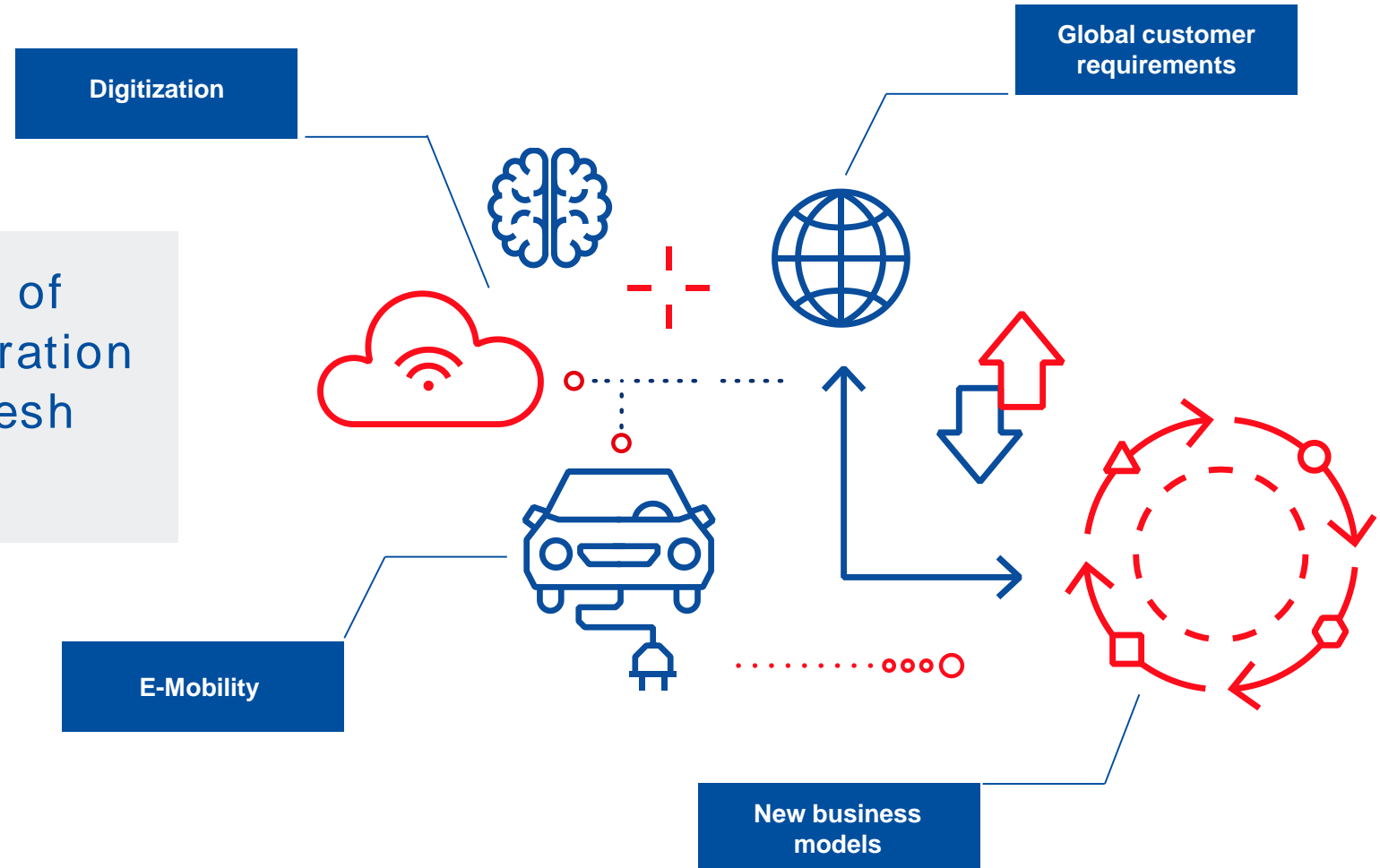
LUBRICANTS.
TECHNOLOGY.
PEOPLE.



FUCHS2025

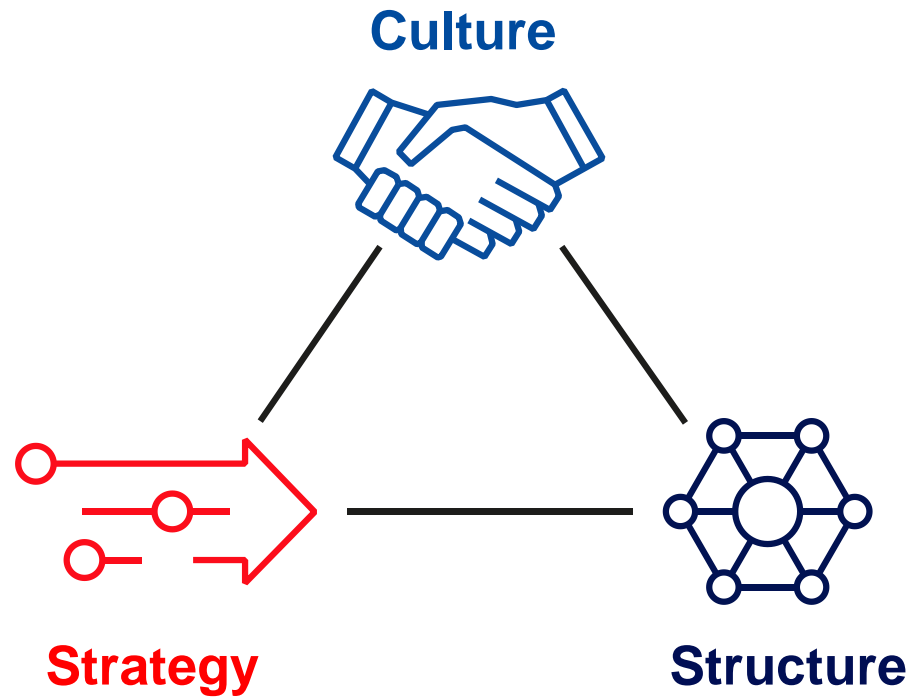
New mindset for future challenges

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

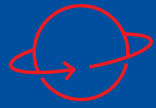
“ We want to build on our strengths and globally align our organization to make our vision come true: ‘Being First Choice.’ ”

Stefan Fuchs, CEO FUCHS Group



FUCHS2025 Strategy

6 Strategic Pillars



Global Strength



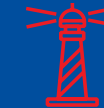
“We want to unlock the full potential of our global presence to grow further, to reach our strategic objectives and to become equally strong around the globe.”



Customer & Market Focus



“A cornerstone in our strategy will be the focus on customers and markets. Market segmentation will allow us to further increase the proximity towards our customers.”



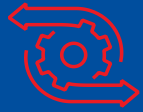
Technology Leader



“We will further increase our technology leadership to set us apart from our competitors. We will position ourselves as technology leader in our target segments.”

FUCHS2025 Strategy

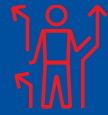
6 Strategic Pillars



Operational Excellence



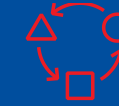
“We will promote operational excellence. We will increase the robustness of our supply chain, as well as improve the reliability and availability of our existing plant base.”



People & Organization



“To reach our strategic objectives, we need to bring out the best in our people and need to rely on a strong organization. Our aspiration is to become the employer of choice.”



Sustainability



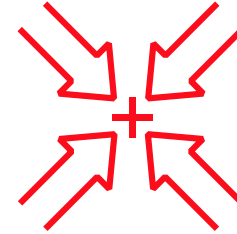
“We will make sustainability an integral part of our strategy. Only by creating value for all stakeholders – economy, environment and society – will we become truly successful as a company.”

FUCHS2025 strategy

Highlights



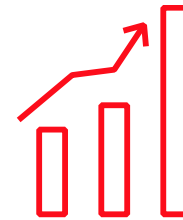
Sustainable revenue growth with operational excellence at a 15 % EBIT margin and corresponding FVA growth



Better market penetration through market segmentation



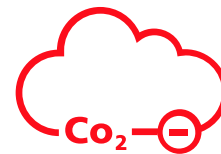
Technology leadership in the segments we target until 2025



Overproportionate growth in Asia-Pacific & the Americas



Be the employer of choice for our existing and future workforce



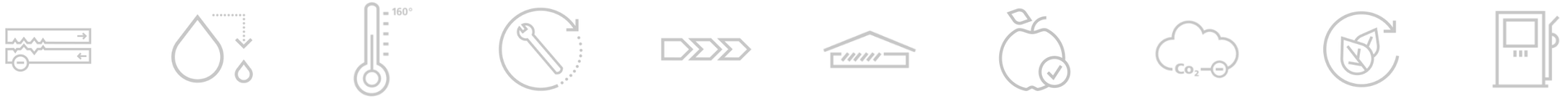
CO₂-neutrality in production “gate-to-gate” since 2020 and CO₂-neutral products “cradle-to-gate” by 2025

04 Our contribution
Solutions with added value



FUCHS lubricants

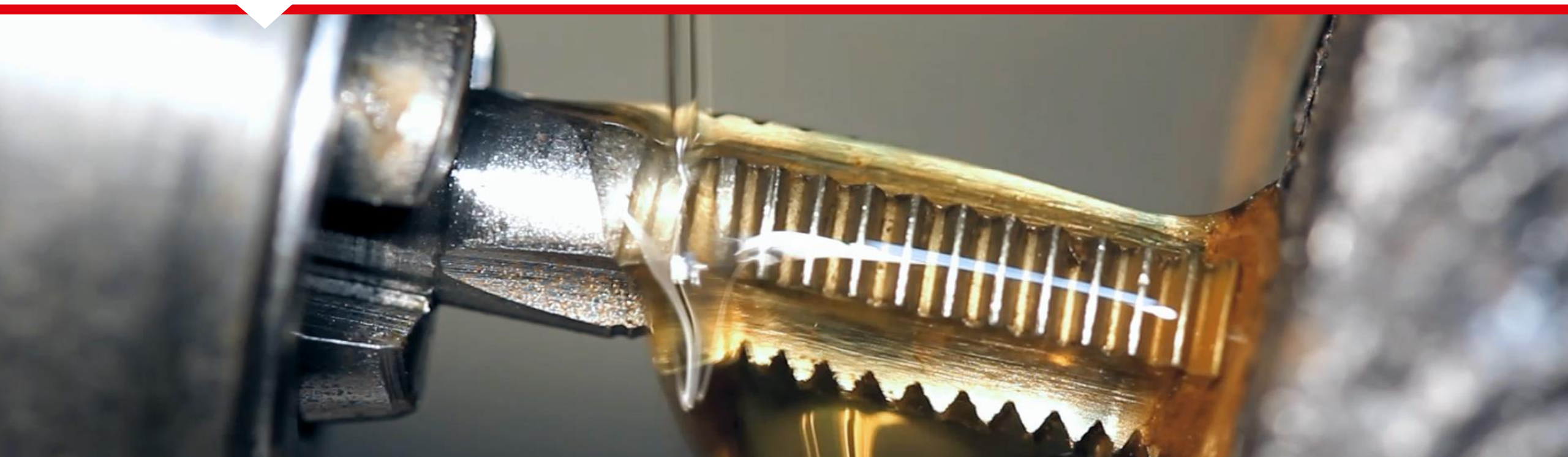
A full range to meet numerous requirements



Less wear



Reduction in oil consumption



High thermal load capacity



Low maintenance requirements



Process compatibility



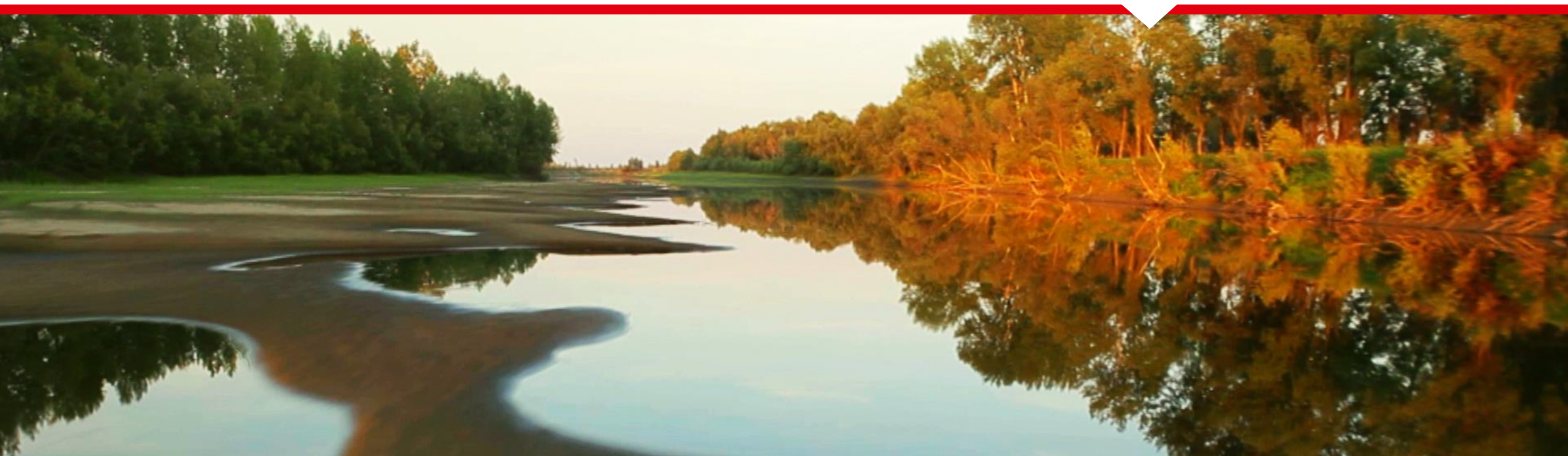
Corrosion protection



Food grade



CO₂ reductions



Rapidly biodegradable



Fuel savings

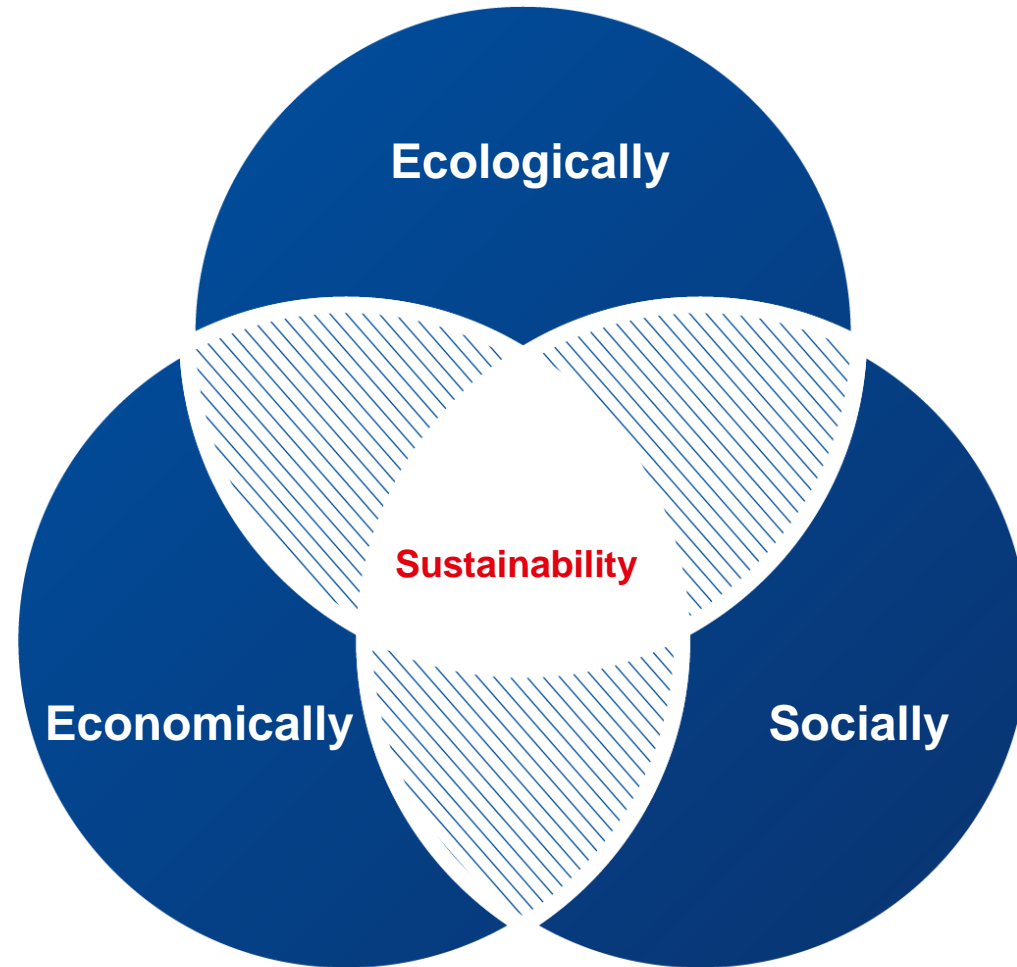


05 Our understanding of sustainability

Economic, ecological and social responsibility



We think and act ...



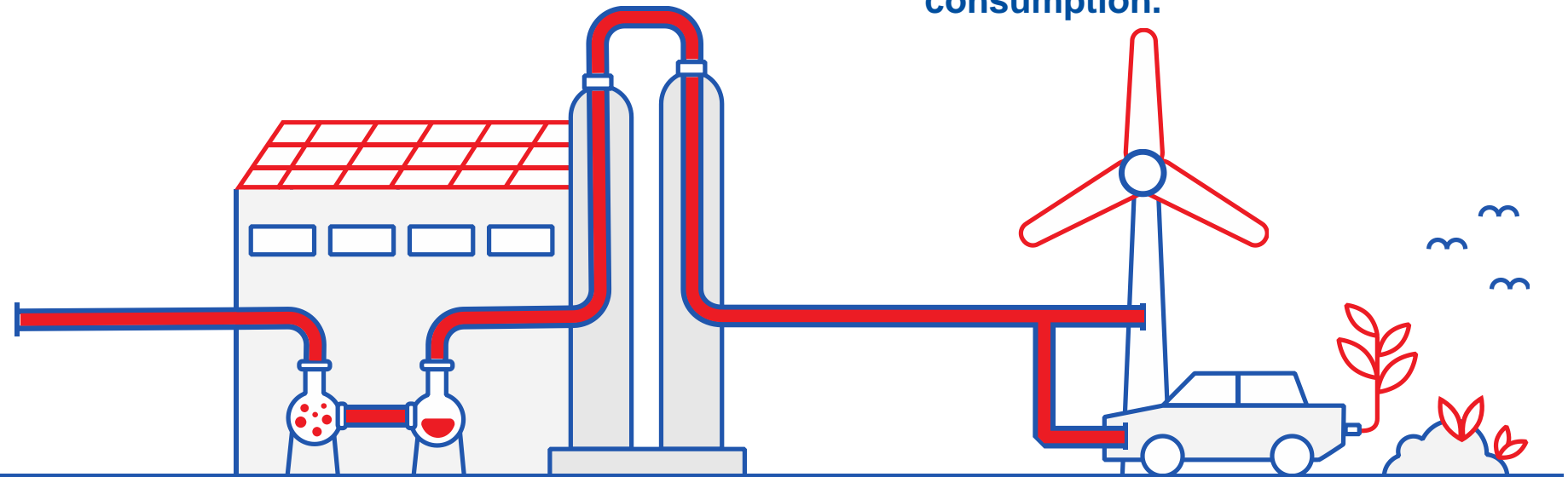
Ecological vision

Along the entire added value chain

We support our suppliers and engage in sustainable purchasing.

Our production: Responsible and CO₂-neutral.

What our customers contribute: Less friction, reduced energy consumption.



We share the results of our research and support our suppliers in developing and using sustainable and carbon-neutral precursors.

We focus on resource conservation and energy savings within our production operations.
We compensate for unavoidable CO₂ emissions with selected, certified climate protection projects.

The use of our products makes a strong contribution toward helping the environment. Our environmental performance analyses show: Thanks to factors including friction reduction, the CO₂ savings are significantly greater than with conventional products.

CO2-neutrality strategy

Reductions where possible - compensation where necessary

CO₂neutral

Lubricants from CO₂-neutral production

We invest in the **energy efficiency** of our locations and are further increasing our use of energy from renewable sources.

- 15%

Energy savings
per ton of lubricant produced*



6 Climate protection projects

Continuous reduction
of our carbon footprint
since 2010

CO₂ emissions
cannot be avoided
altogether...



We compensate for
unavoidable CO₂
emissions. With selected
climate protection projects.

CO₂-neutrality strategy

We support six selected climate protection projects



Stoves for Peru and Uganda

Two projects, one idea: Instead of continuing to cook on open fires, families are given efficient stoves with a chimney. The result? Reduced energy consumption and a healthier environment for the families – free of toxic vapors and smoke.



Heat from biogas in China

Farmers are being supported in constructing methane fermenters, which are used to produce biogas from waste. Fossil fuels are no longer required.



Solar power plants for Namibia

28 GWh of clean solar power per year – this is the contribution of the two new solar power plants in the east of Namibia



Run-of-the-river hydroelectric power plant in India

Clean energy for heating instead of classic heating with wood. Construction of the run-of-the-river hydroelectric power plant allows some 37,278 tons of greenhouse gas emissions to be saved each year.



Reforestation in Mexico

Just under 10,000 acres are being replanted with teak trees. This forest area will store approximately 37,000 tons of greenhouse gas emissions over a period of 36 years.

Economic Key figures



€134 million
dividend paid out

Our objective

To continually increase company value, as well as creating shareholder value.



321
Earnings before interest and tax
(EBIT) in € million

Social

Key figures

Average period of **10 years**
of employment



43

Average age of
employees



22%

women in executive positions

Average of **13 hours**
of further training per employee

06 Our motivation

The trust of our customers
and stakeholders

LUBRICANTS.
TECHNOLOGY.
PEOPLE.



**For our customers and stakeholders
we are ...**



**Innovation
driver & solution
provider**

**For our customers and stakeholders
we are ...**



**Development partner &
idea generator**

**For our customers and stakeholders
we are ...**



Thank you very much for your attention.

