



**FUCHS PETROLUB SE**  
**The lubricants specialist**

Stefan Fuchs, CEO  
Reiner Schmidt, Member of the Group Management Committee

Commerzbank Sector Conference Week  
27 August 2013



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PEOPLE.

## Overview and business model



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- Founded in 1931
- 2012 sales revenues: €1.8 bn
- 2012 number of employees: some 3,800 from 36 countries
- 33 production facilities
- 100,000 customers in more than 100 countries
- Member of the MDAX, the DAXplus Family 30 and the STOXX Europe 600
- Preference shares: 100% free float;  
Ordinary (voting) shares: 52% FUCHS family



- Fully focussed on lubricants
- Leader in technology, innovation and specialisation
- Independent
- Full-line supplier
- Global presence

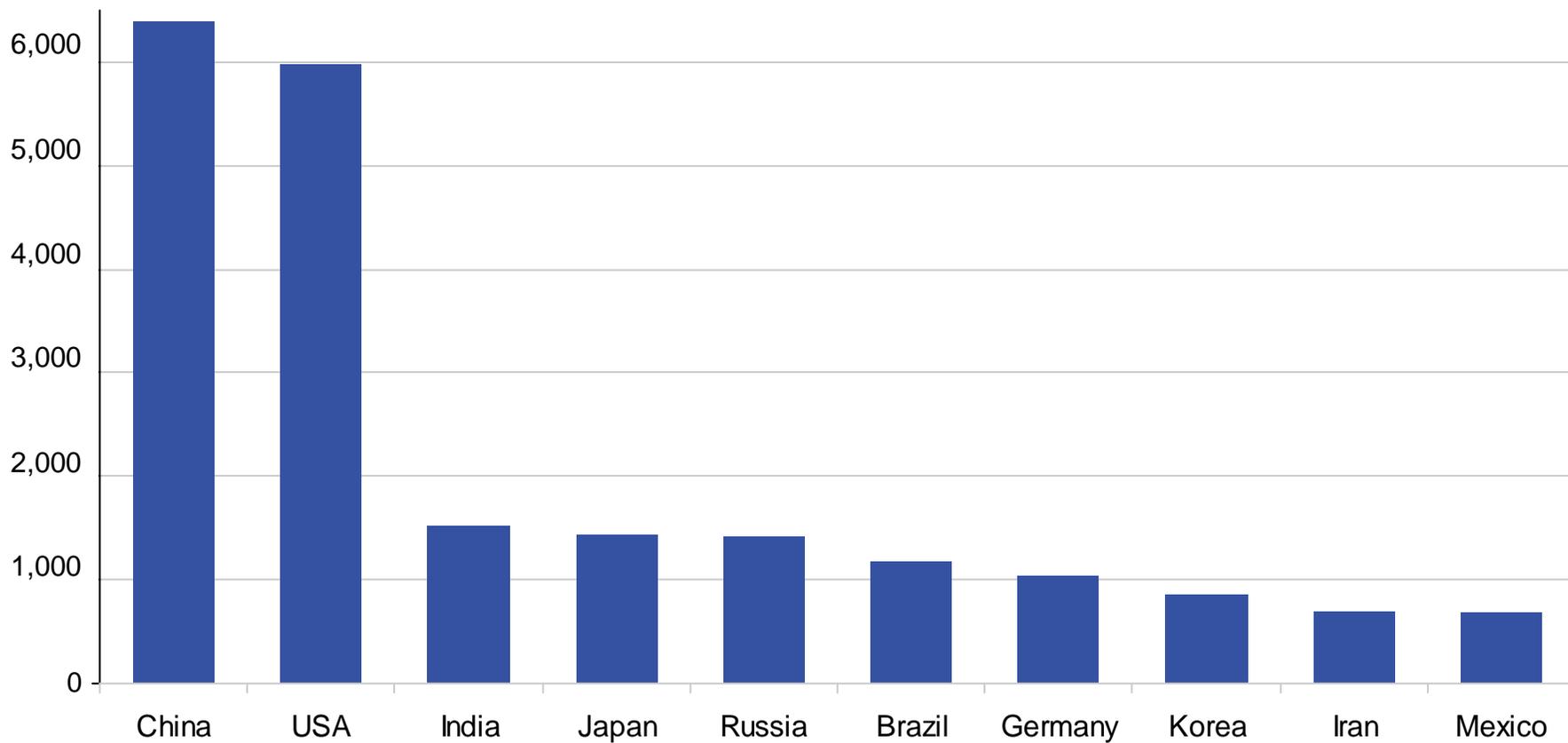
# Lubricants Market

## Ranking Top 10 Lubricant Countries 2012



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K tons



## Competition – strong fragmentation



Manufacturers today:

130 major oil companies

590 independent manufacturers

720 manufacturers

High degree of fragmentation.

1.700 manufactures in the nineties. Concentration continues, but slowed down.

- FUCHS is globally present.
- FUCHS is the leader in lubrication technology.
- FUCHS has solutions for all tribological challenges.
- Lean organisation, fast decision making.

Source: FUCHS Global Competitive Intelligence

**The business model has paid  
dividends**

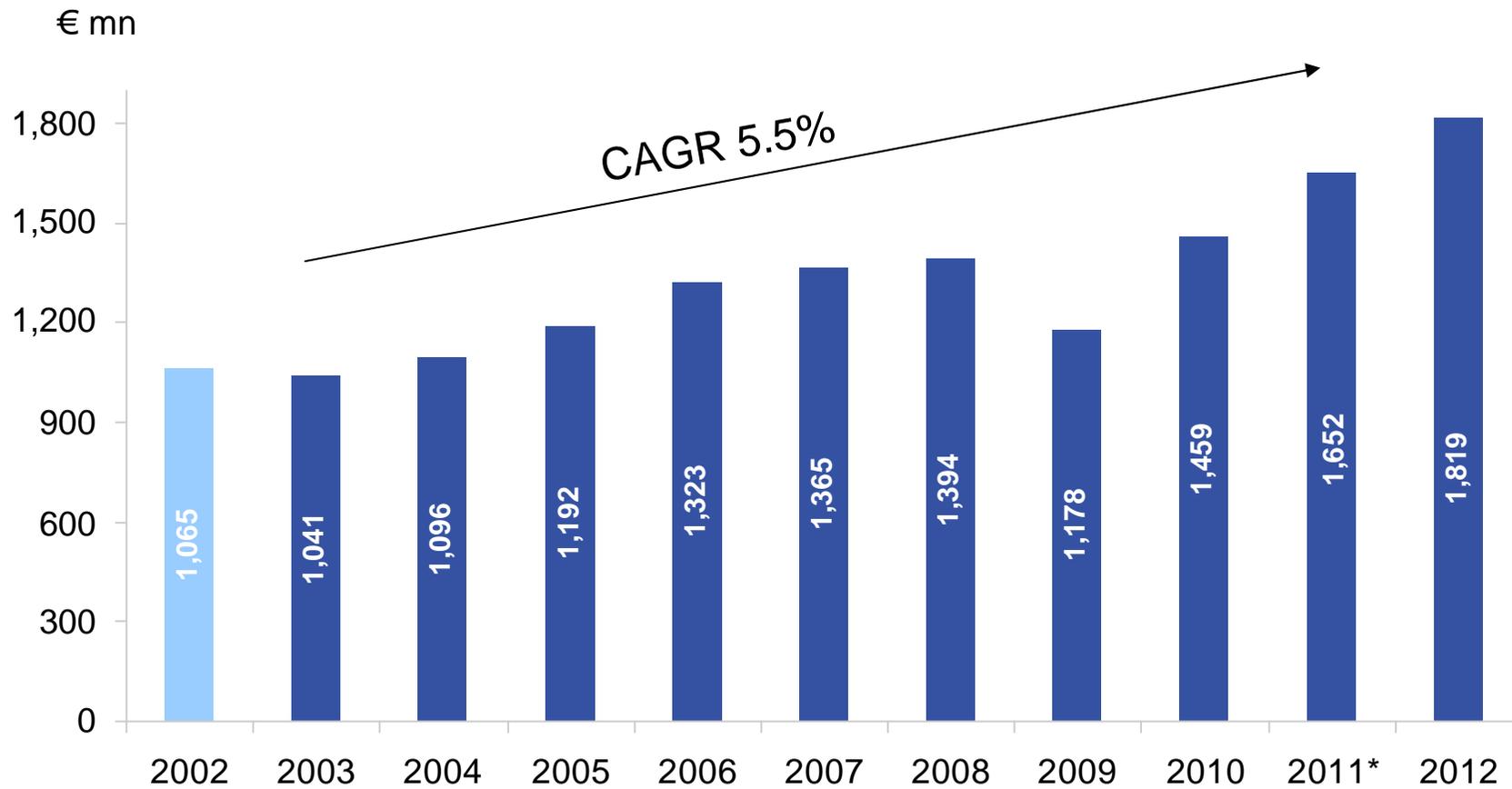


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Sales revenues have increased by 5.5% p.a.



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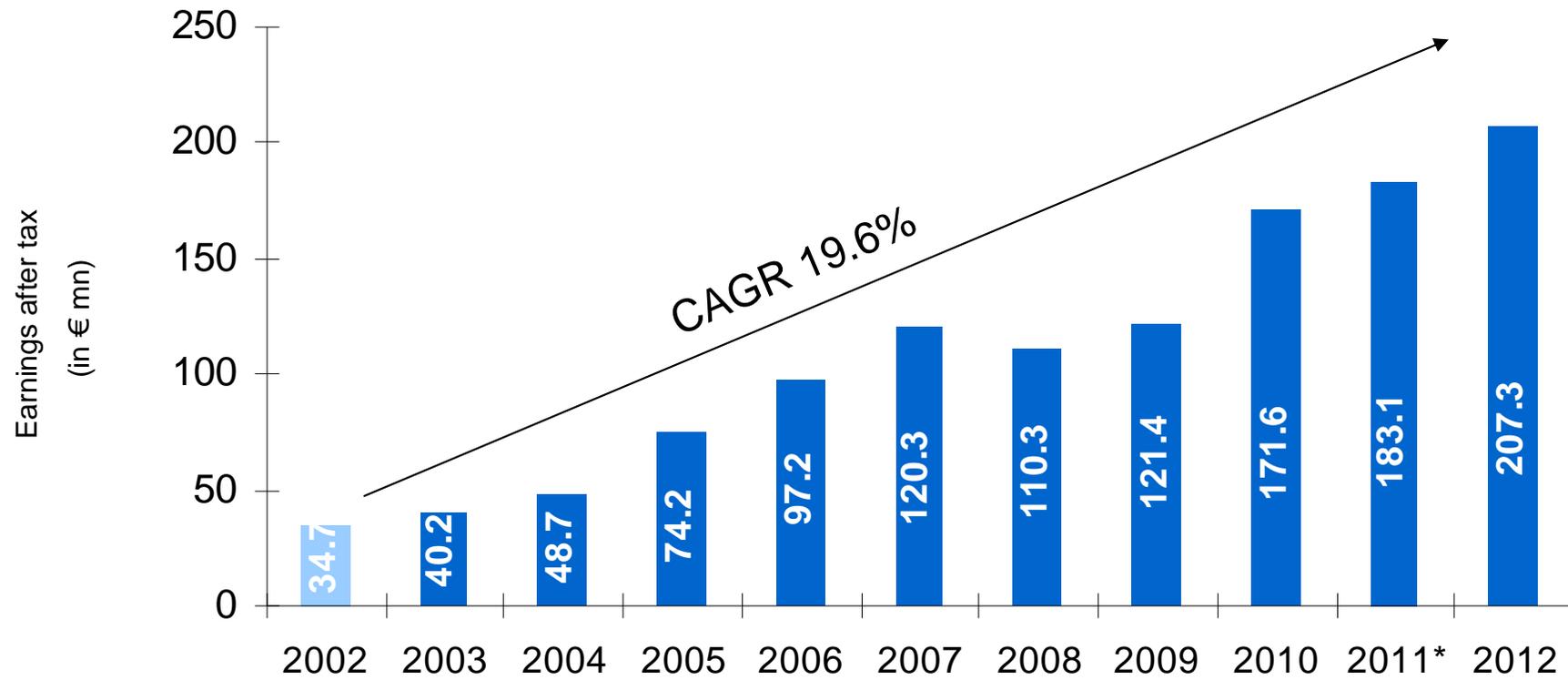


\* comparable

Earnings after tax have increased by 19.6% p.a.



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Earnings growth	15.9%	21.1%	52.4%	31.0%	23.8%	-8.3%	10.1%	41.4%	6.7%	13.2%
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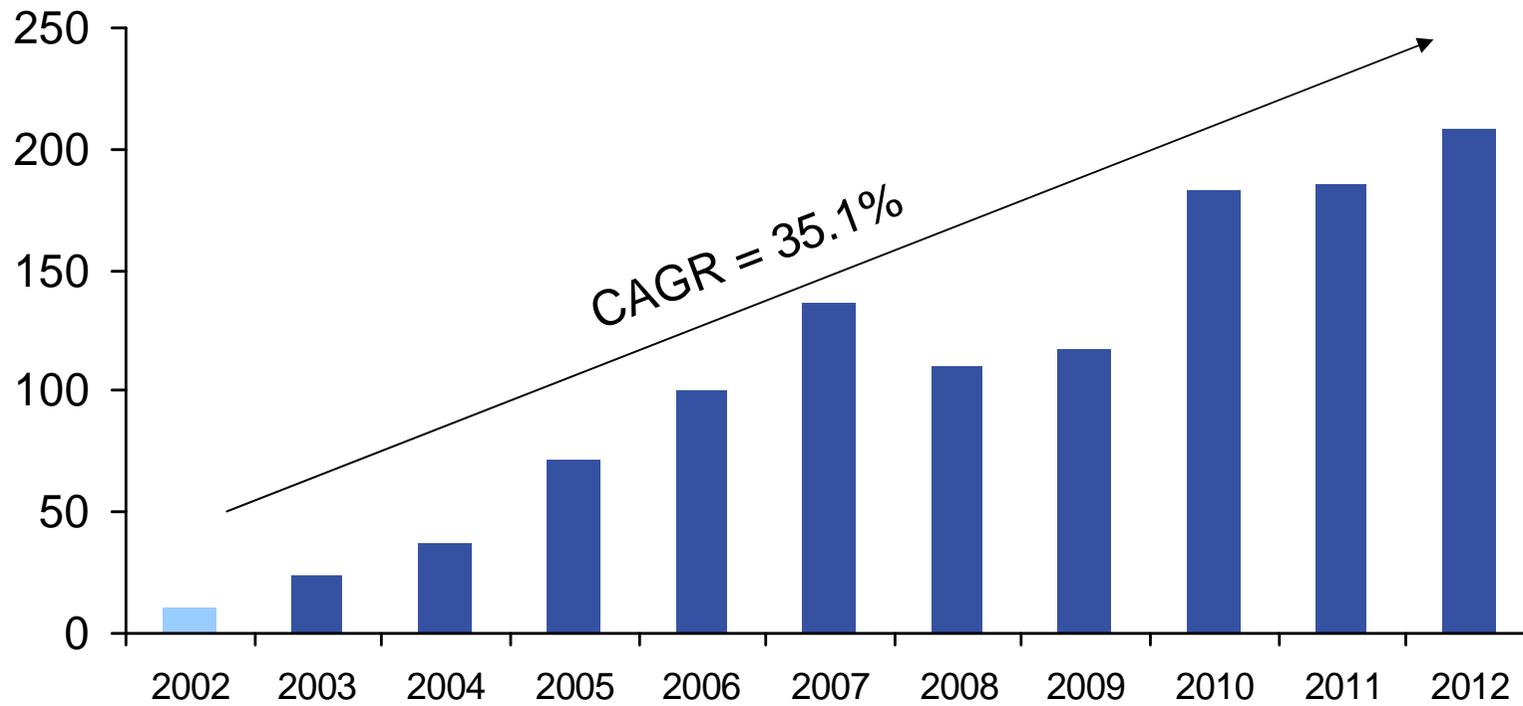
\* comparable

FUCHS Value Added has increased by 35.1% p. a.



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FVA = Fuchs Value Added



Fuchs Value Added (FVA)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	10.3	24.1	37.4	71.4	100.3	136.5	110.1	116.8	182.7	186.0	208.2

## Reasons for the positive development during the last 10 years



- Internationalization
  - Via acquisitions in the nineties
  - Frontrunner in emerging markets; market entry China in the mid eighties
- Forming of a united group
- Focused Communication
  - For international key accounts
  - For global R&D projects
  - etc.
- Thorough understanding of customer processes
- Lifting of synergies
- Lean cost management
- Strict cash focus; incentives based on FVA
- Lowering of debt and reducing tax rate to ~30%

## Mission Statement – Values – Sustainability

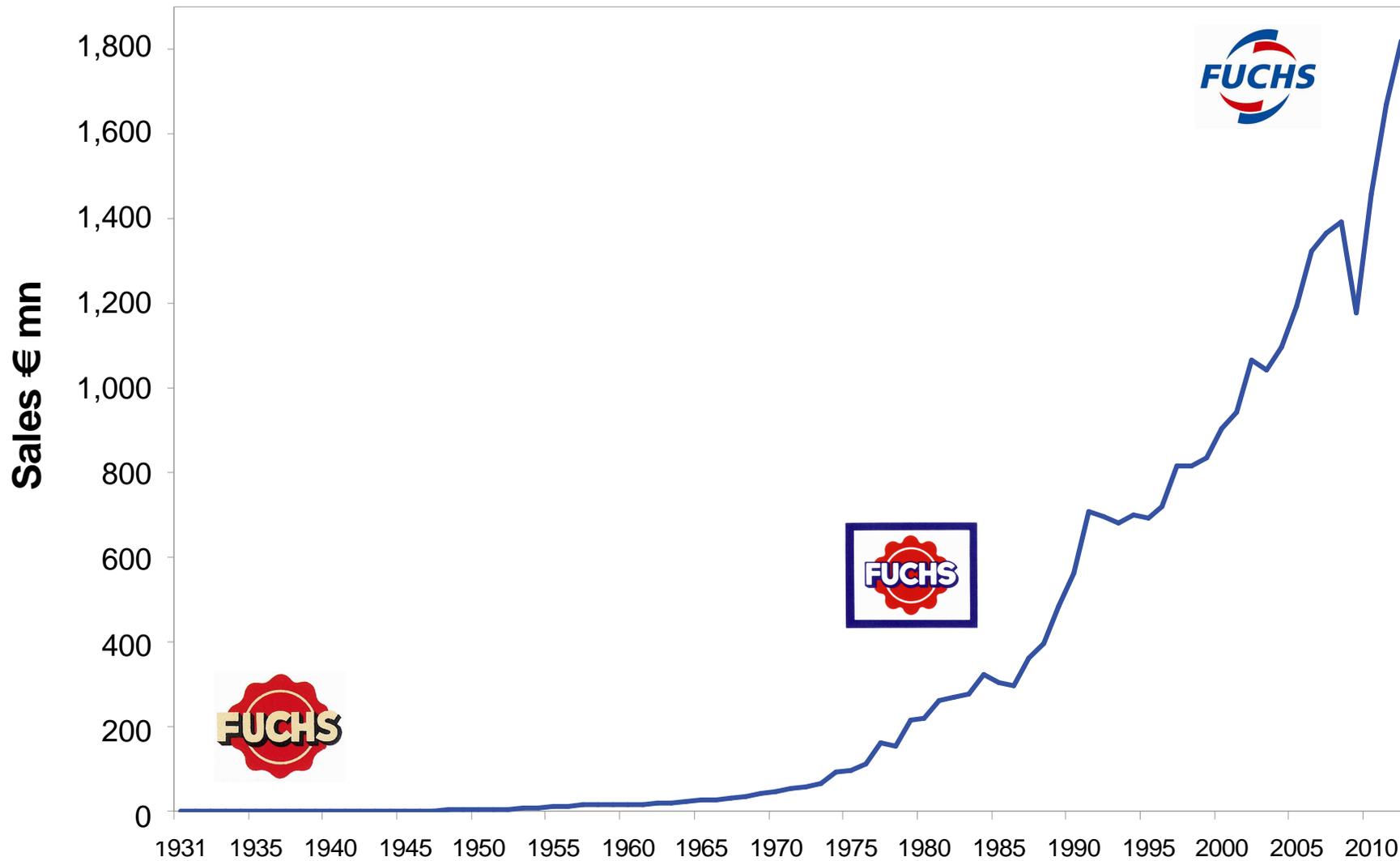


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# FUCHS – 82 years of tradition and continuous growth



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# Mission Statement of the FUCHS PETROLUB Group



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## Values of the FUCHS PETROLUB Group

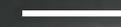


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Trust



Creating Value



Respect



Reliability

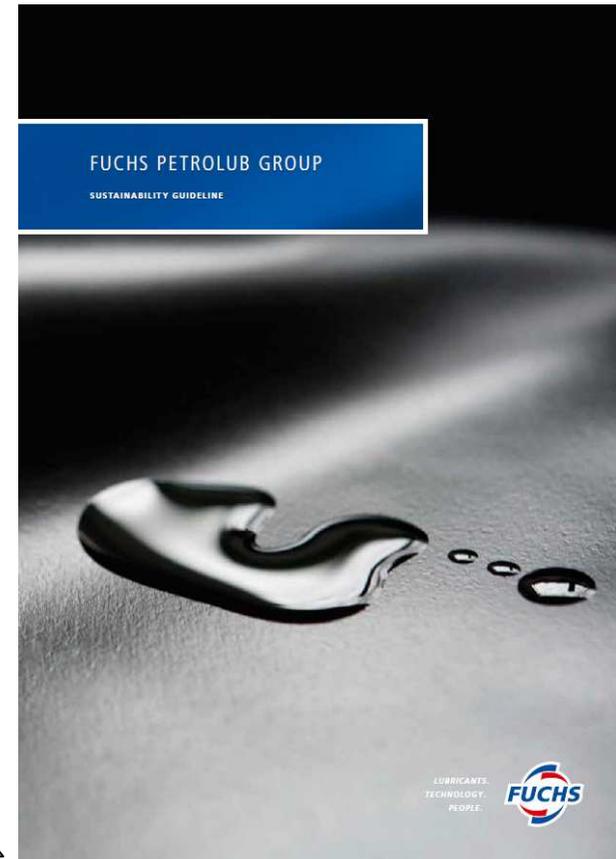
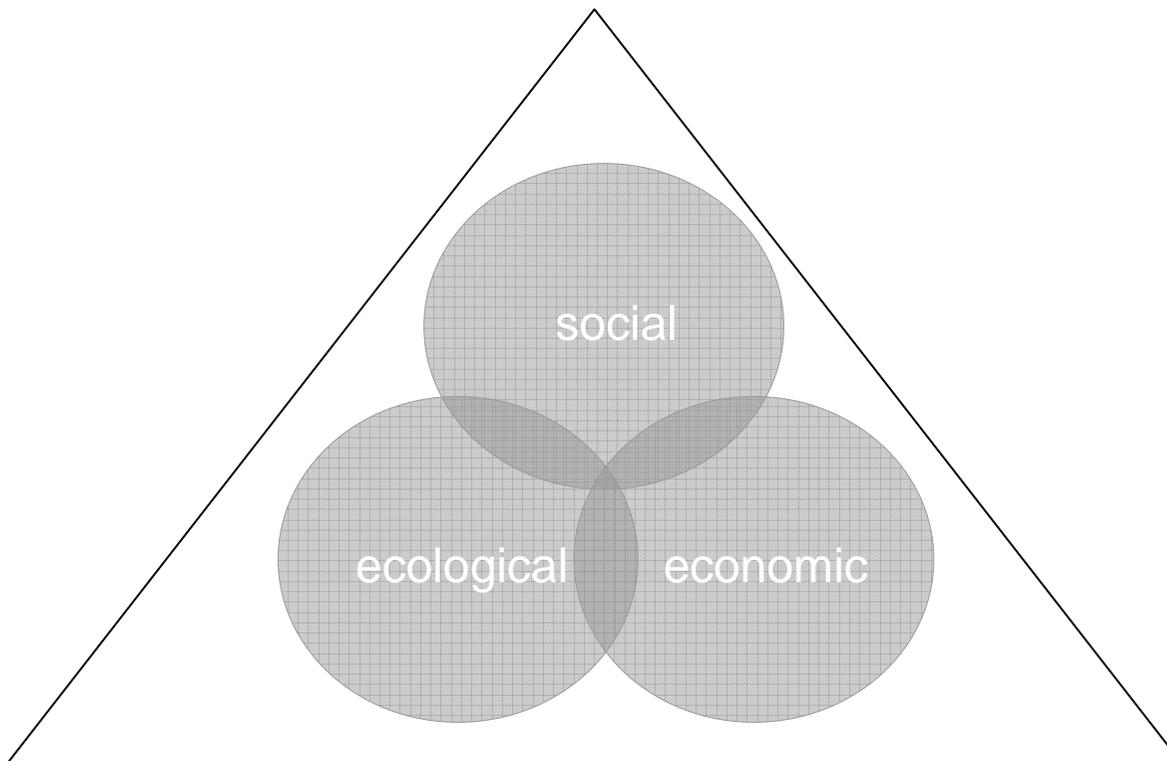


Integrity

# Sustainability



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**Good return for shareholders**

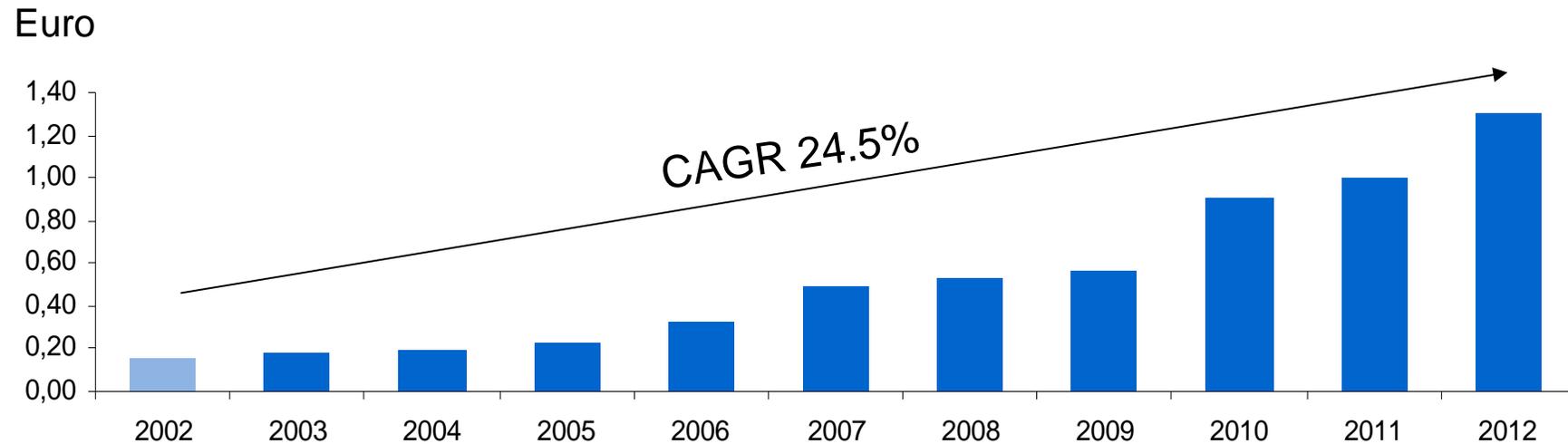


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## Steady dividend increase



- IPO 1985; since then every year profit generation and dividend payments
- Company policy: aim to raise dividends year on year; at least to hold steady

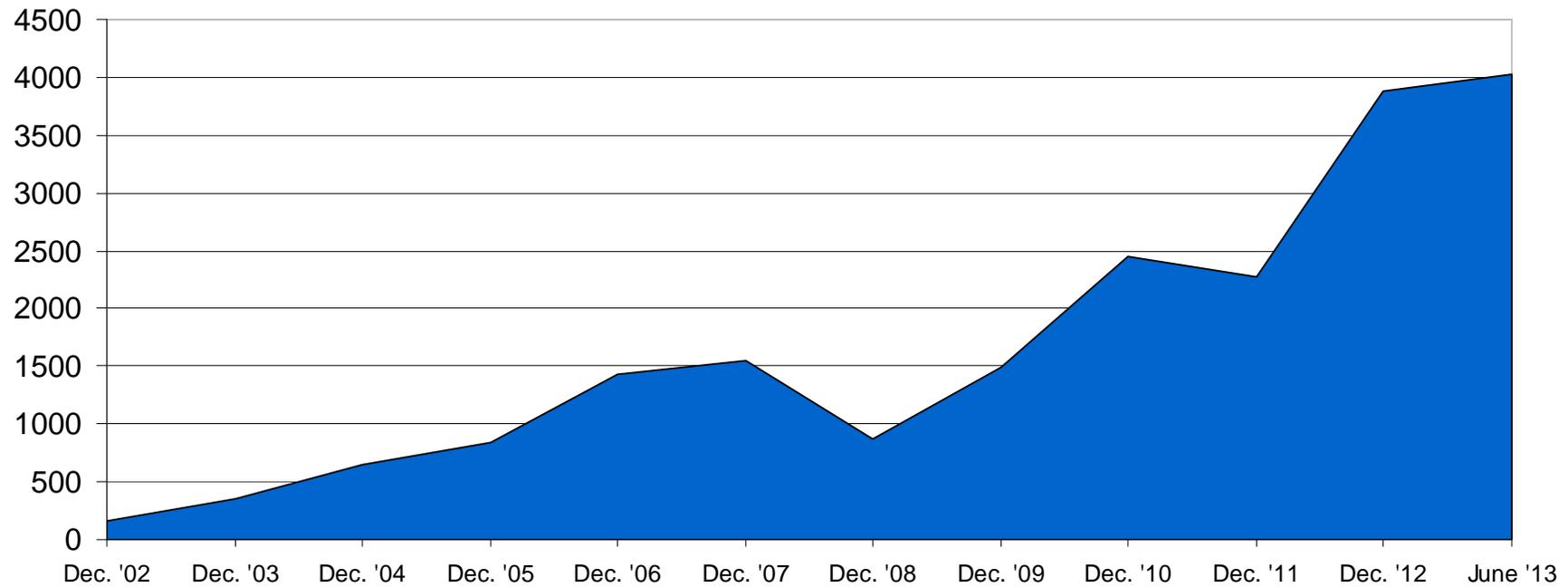


# Market capitalisation



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€ mn

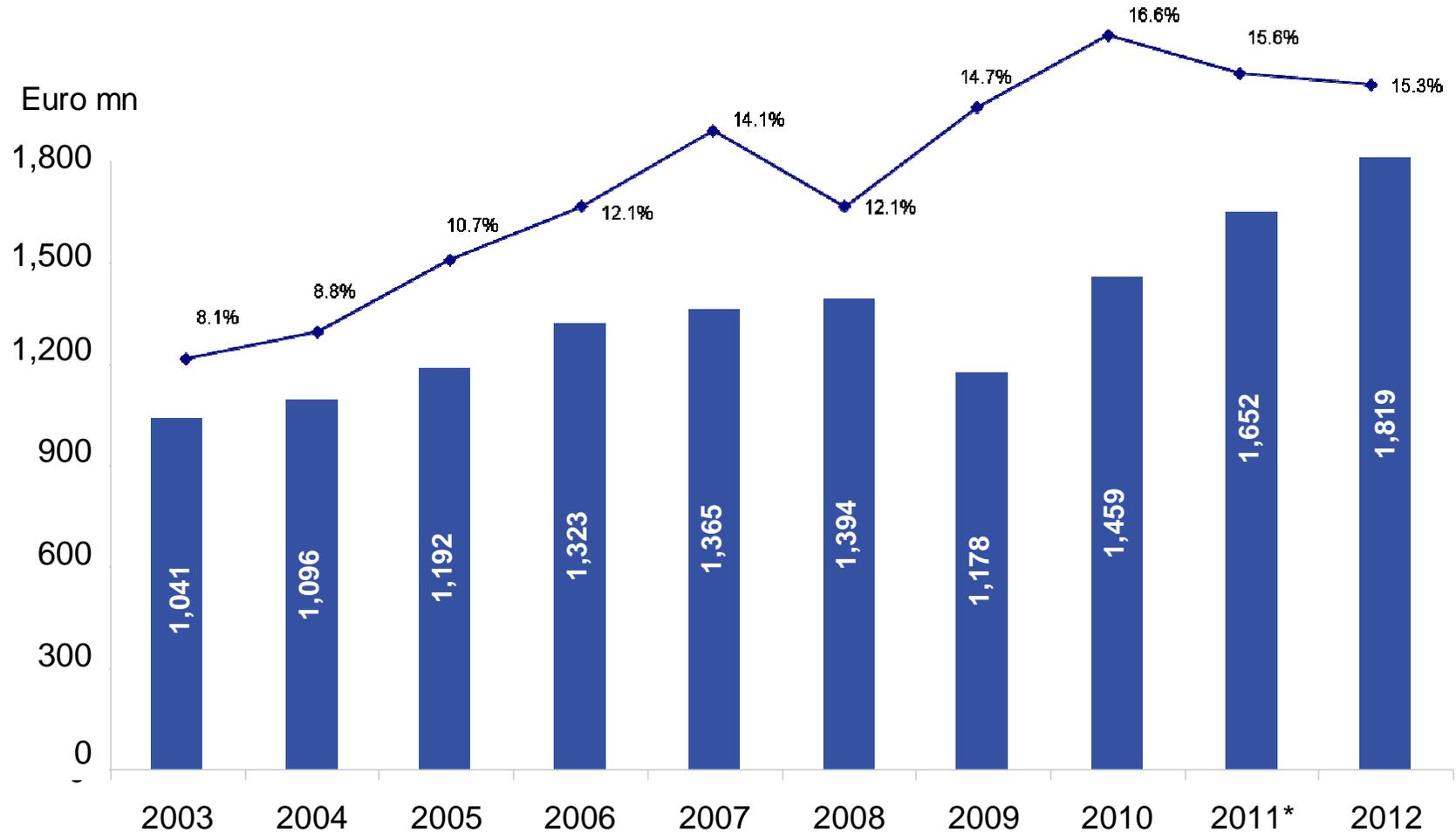


# Financials



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# Sales / EBIT margin before at equity income Sustainable sales growth



\* comparable



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## Regional sales revenues and EBIT in 2012\*

€ mn  
(variance to LY %)

### Asia-Pacific, Africa\*

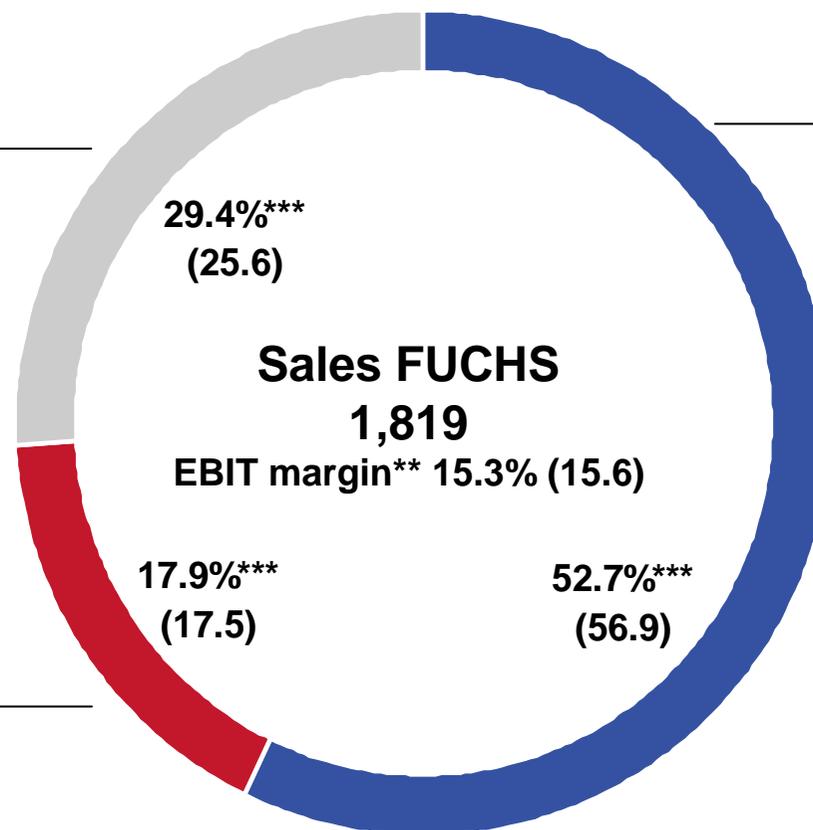
Sales	486.8	+18.1%
EBIT	96.3	+33.2%
EBIT margin**	17.1%	(16.6)

### Europe\*

Sales	1,080.7	+7.4%
EBIT	133.6	+1.4%
EBIT margin**	12.3%	(13.0)

### North and South America\*

Sales	320.3	+13.3%
EBIT	67.5	+7.0%
EBIT margin**	21.1%	(22.3)

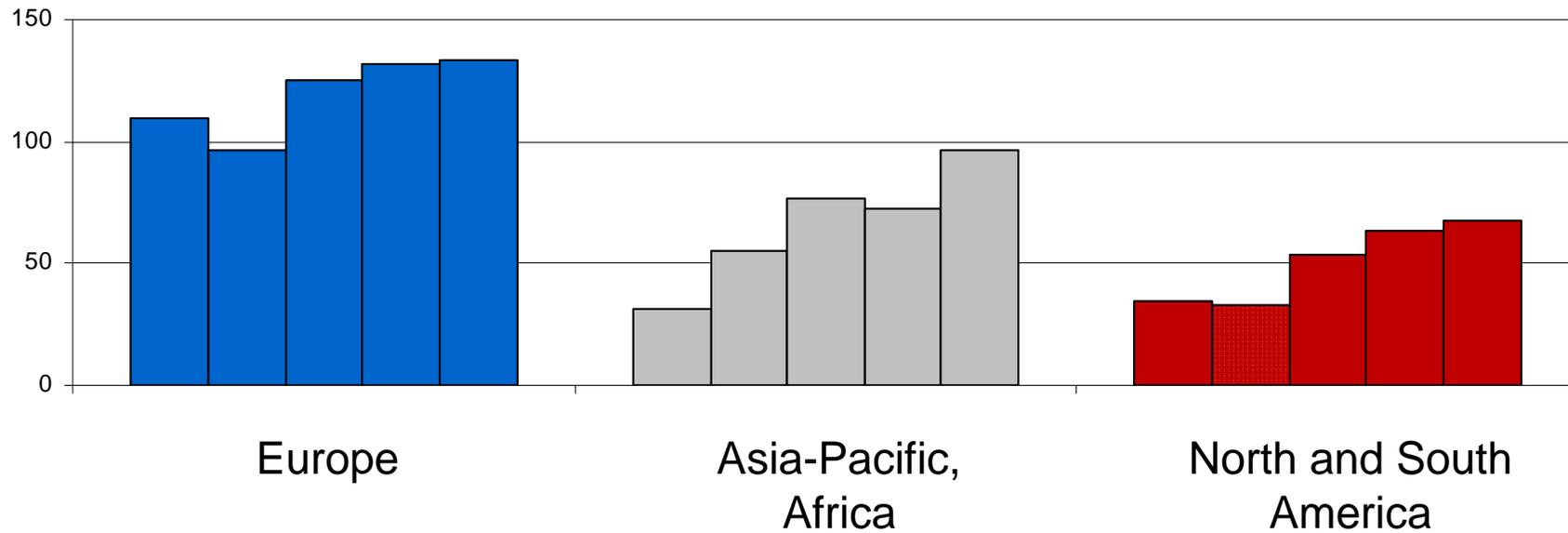


\* companies' locations  
\*\* before at equity  
\*\*\* customers' locations

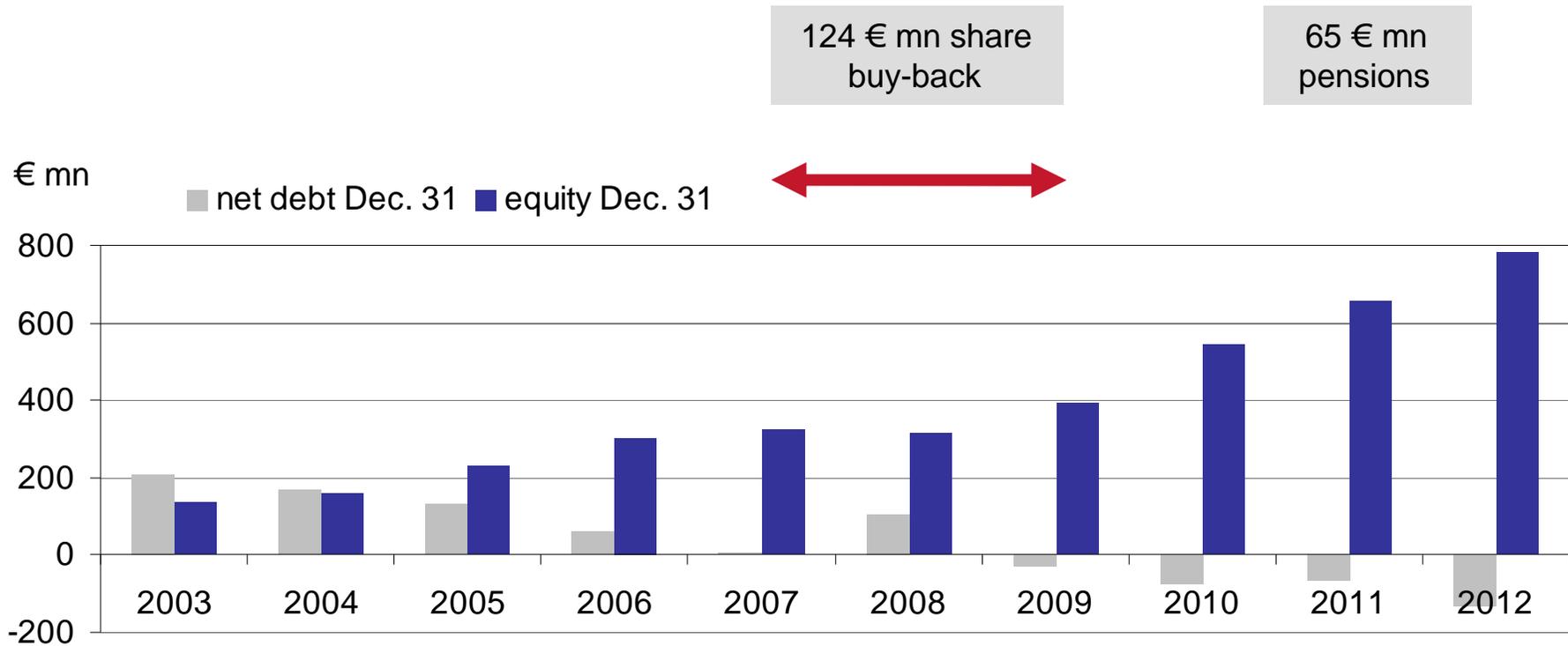
All world regions contribute to the success



### EBIT (€ mn) 2008 - 2012



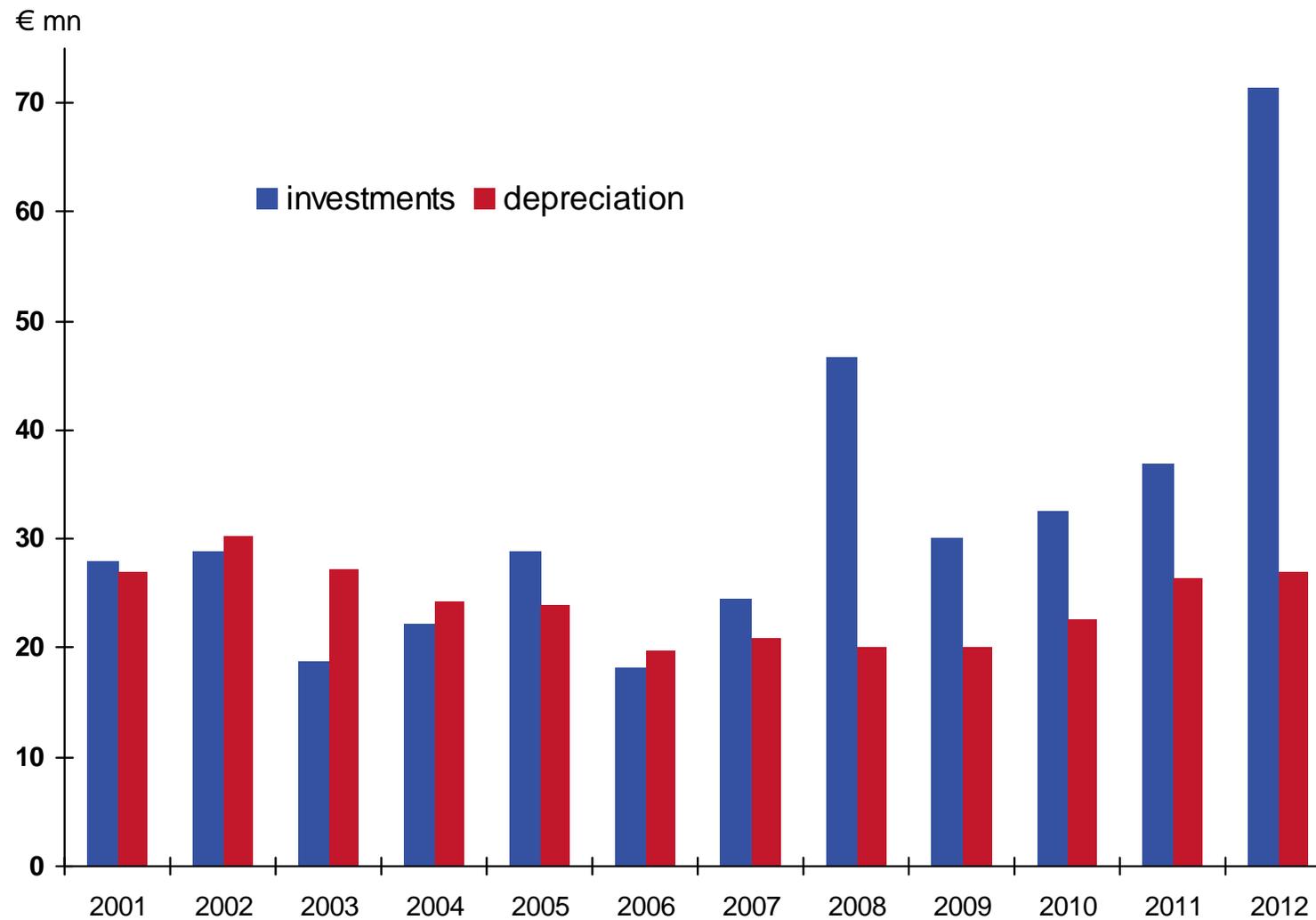
# Solid balance sheet



# Highest investment in the company's history



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EBIT increase by 5.8% or €8.4 mn



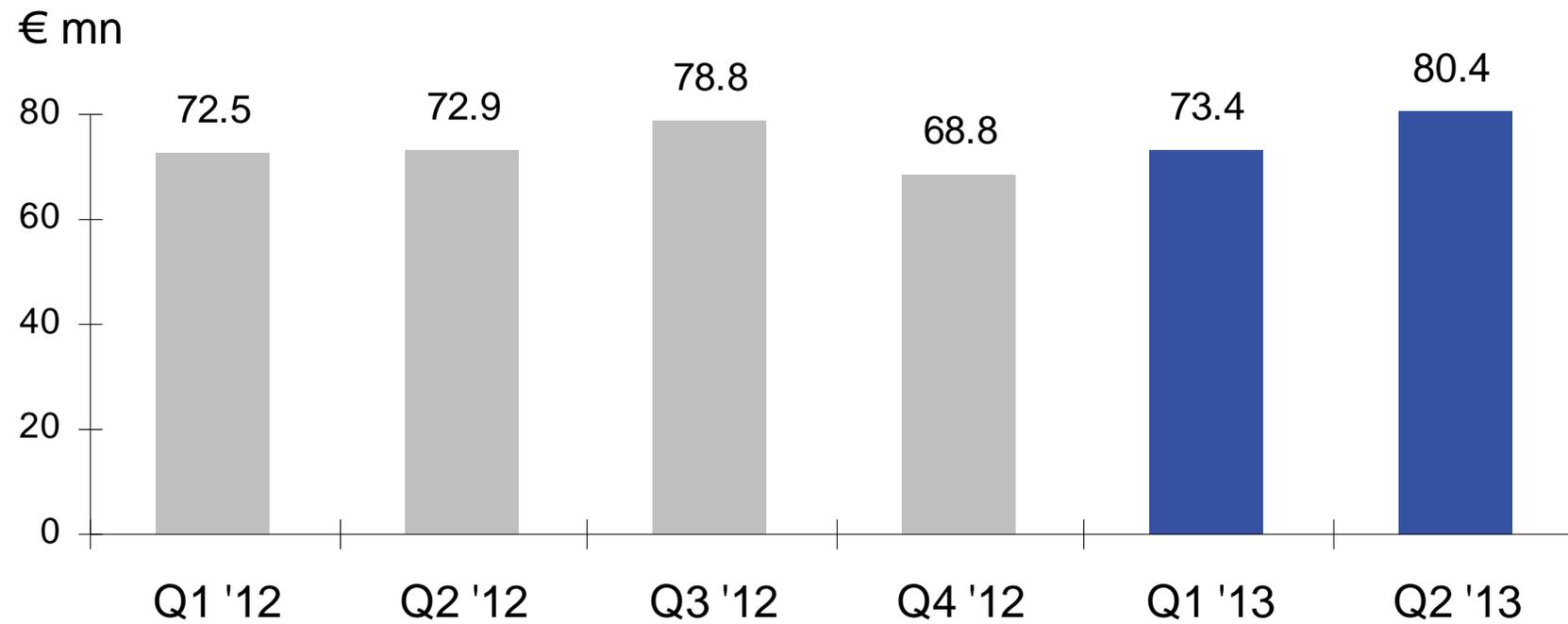
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€ mn	1-6/2013	1-6/2012	Variance	
<b>Sales revenues</b>	<b>910.3</b>	<b>910.0</b>	<b>0.3</b>	<b>0.0%</b>
<b>Gross profit</b>	<b>343.1</b>	<b>330.1</b>	<b>13.0</b>	<b>3.9%</b>
<i>Gross profit margin</i>	<i>37.7%</i>	<i>36.3%</i>		
<b>Admin., sales, R&amp;D and other net operating expenses</b>	<b>196.1</b>	<b>192.2</b>	<b>3.9</b>	<b>2.0%</b>
<i>Expenses as a percentage of sales</i>	<i>21.5%</i>	<i>21.1%</i>		
<b>EBIT before at equity income</b>	<b>147.0</b>	<b>137.9</b>	<b>9.1</b>	<b>6.6%</b>
<i>EBIT margin before at equity income</i>	<i>16.1%</i>	<i>15.2%</i>		
<b>Income from participations</b>	<b>6.8</b>	<b>7.5</b>	<b>- 0.7</b>	<b>-9.3%</b>
<b>EBIT</b>	<b>153.8</b>	<b>145.4</b>	<b>8.4</b>	<b>5.8%</b>
<b>Earnings after tax</b>	<b>107.6</b>	<b>101.8</b>	<b>5.8</b>	<b>5.7%</b>
<i>Net profit margin</i>	<i>11.8%</i>	<i>11.2%</i>		
<b>Earnings per share</b>				
<b>Ordinary</b>	<b>1.51</b>	<b>1.42</b>	<b>0.09</b>	<b>6.3%</b>
<b>Preference</b>	<b>1.52</b>	<b>1.43</b>	<b>0.09</b>	<b>6.3%</b>

## Q2 2013 EBIT is the highest ever



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## Free cash flow at previous year's level



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€ mn	1-6/2013	1-6/2012
Gross cash flow	107.6	105.5
Change in working capital	-23.0	-26.4
Other changes	-10.3	-2.5
Operating cash flow	74.3	76.6
Capex (incl. financial investment)	-33.6	-33.4
Other changes	4.1	1.8
Free cash flow	44.8	45.0

## Outlook for the year 2013

- FUCHS confirms its planning for organic growth in 2013 in the low single-digit percent range. To what extent sales revenues will be influenced by changes in currency exchange rates remains to be seen.
- FUCHS anticipates a further increase in earnings before interest and tax (EBIT), profit after tax, and earnings per share in 2013.
- FUCHS is planning a high cash flow notwithstanding significant capital expenditure at a similar level as 2012.

Outlook is based on a stable economic environment in the next quarters, which is not negatively effected by the various political and financial risks around the globe.

## Continuation of growth initiative



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# Our asset: global presence



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# Investments in new plants, efficiency and R&D



India: Mumbai (2010)



Australia: Melbourne (2012)



Germany: Mannheim (2012)



Germany: Kiel (2012)



CHINA: Shanghai (2008)



Germany: Kaiserslautern (2009)



CASSIDA (2010)



USA: Chicago (2012/2013)



# New plant Yingkou, China - layout



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# New plant Yingkou, China - construction



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# New plant Kaluga, Russia - layout



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# New plant Kaluga, Russia - construction



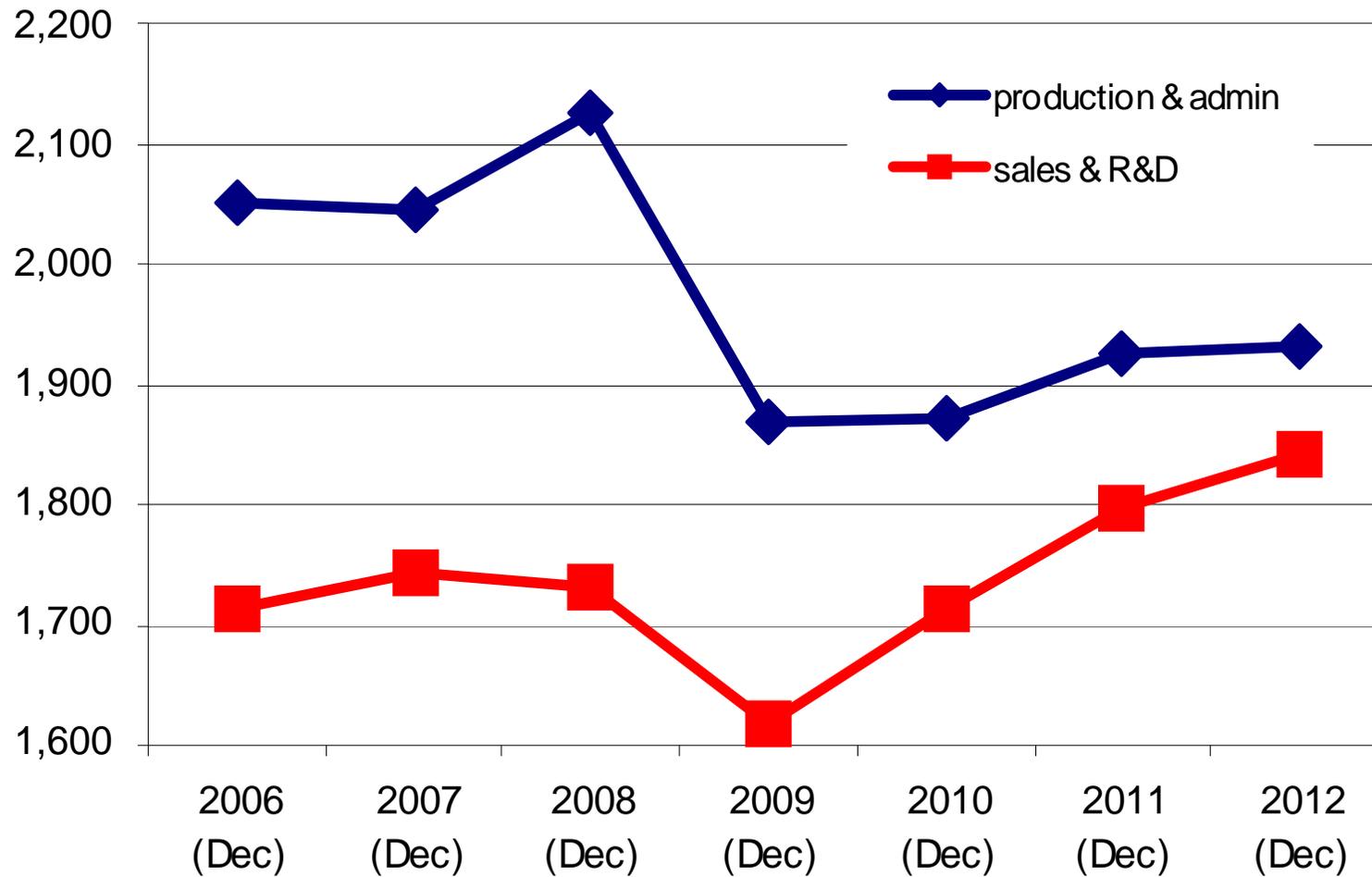
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# Additional R&D and Sales staff



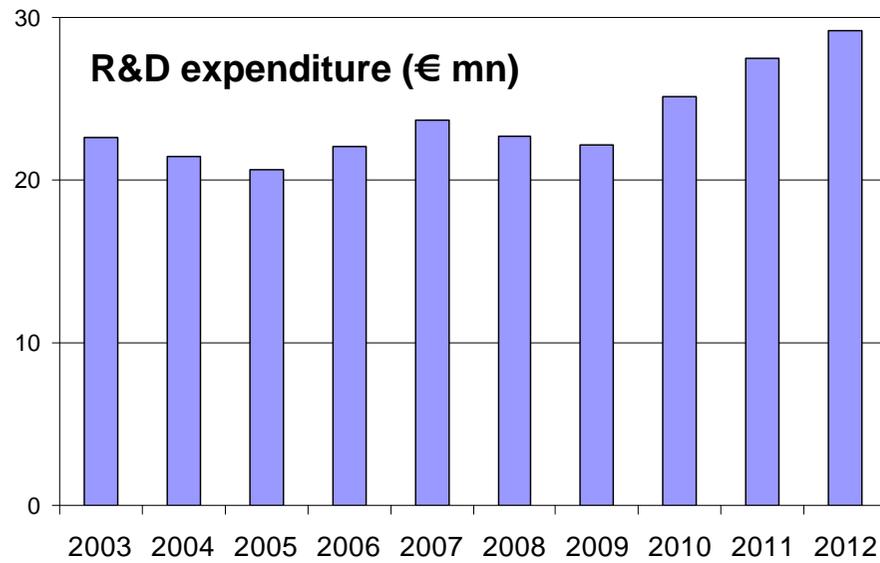
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# Our asset: cutting edge technology



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# Broad customer base and a huge variety of applications



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mining



cars



construction



food industry



steel



trucks



agriculture



conveyors



cement



aviation



rail



wind



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