



FUCHS PETROLUB SE
**The leading independent lubricants
manufacturer of the world**

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German, Swiss & Austrian Conference - Handout
June 2015



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Business model & Strategic position



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The leading independent lubricants manufacturer of the world



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- Founded in 1931
- €1.9 bn sales revenues *
- 4,112 employees *
- 50 operating companies worldwide*
- 30 production facilities *
- 100,000 customers in 150 countries



* Data 2014



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Based on five elementary values

Trust

Creating value

Respect

Reliability

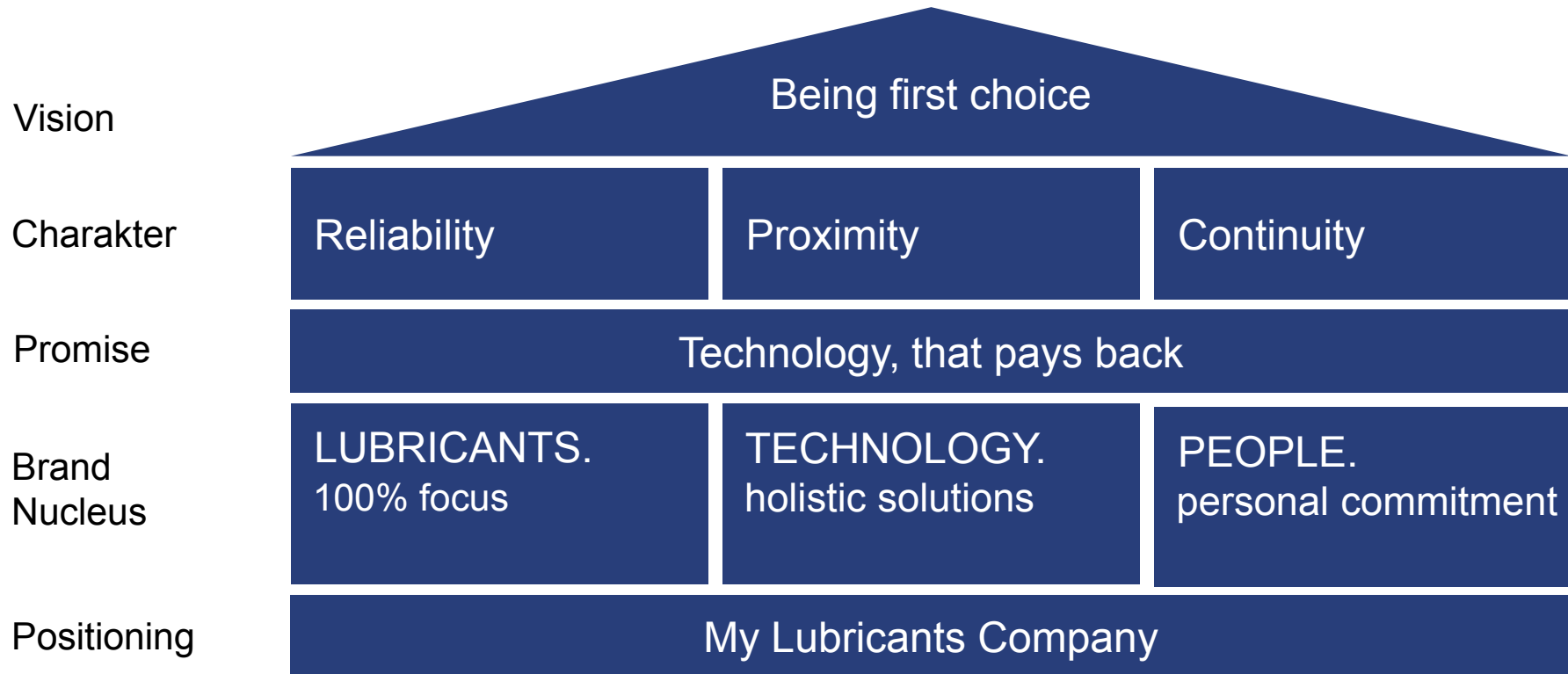
Integrity

- Continue to be the world's largest independent lubricants company
- Value-based growth through innovation and specialisation leadership
- Organic growth coupled with external growth
- Creating shareholder value through FUCHS Value Added (FVA) principles
- Remain independent which is decisive for FUCHS' business model

The FUCHS Brand house – Brand relaunch



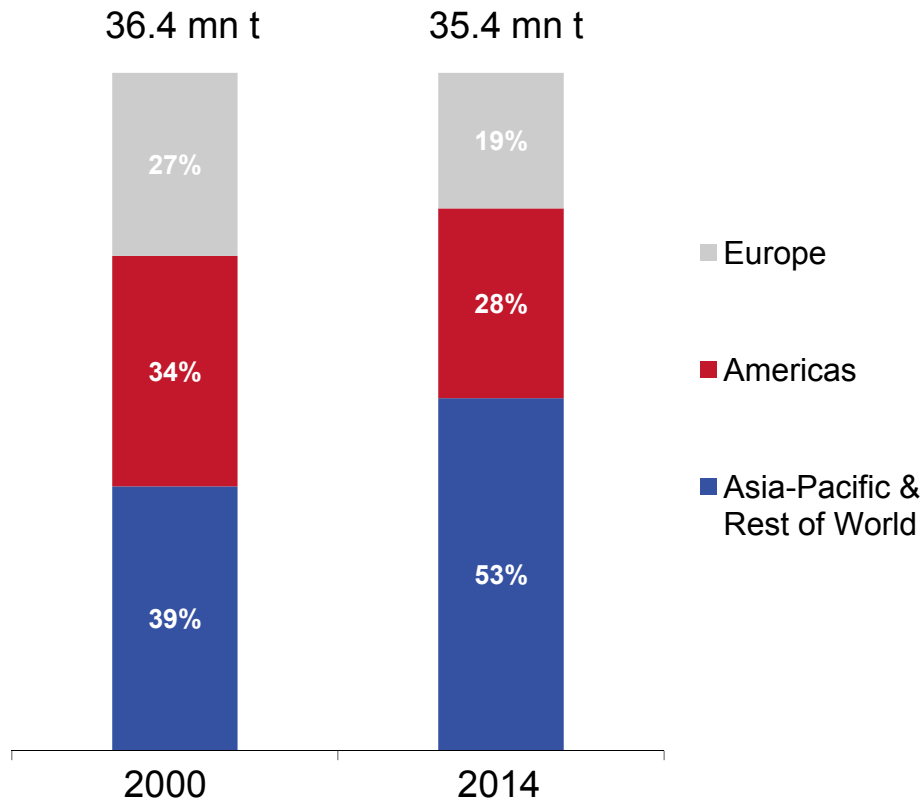
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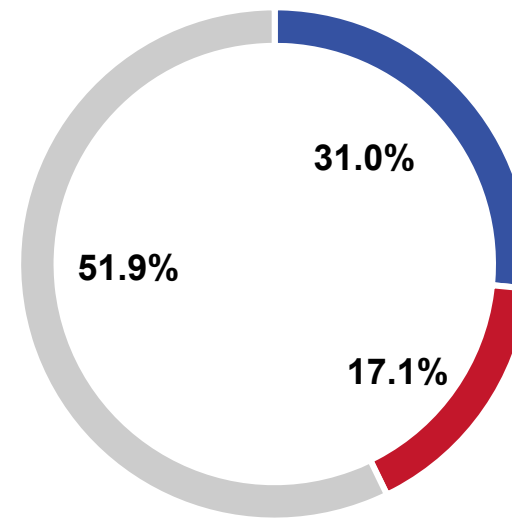
Regional breakdown



World lubricants demand 2000 / 2014



FUCHS sales revenues 2014: €1.9 bn



by customers' location

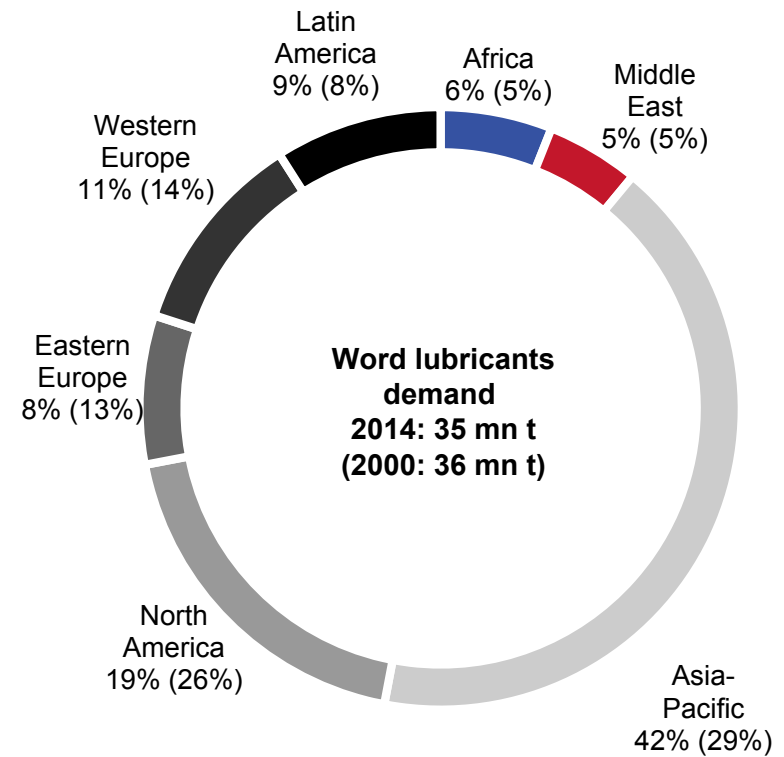
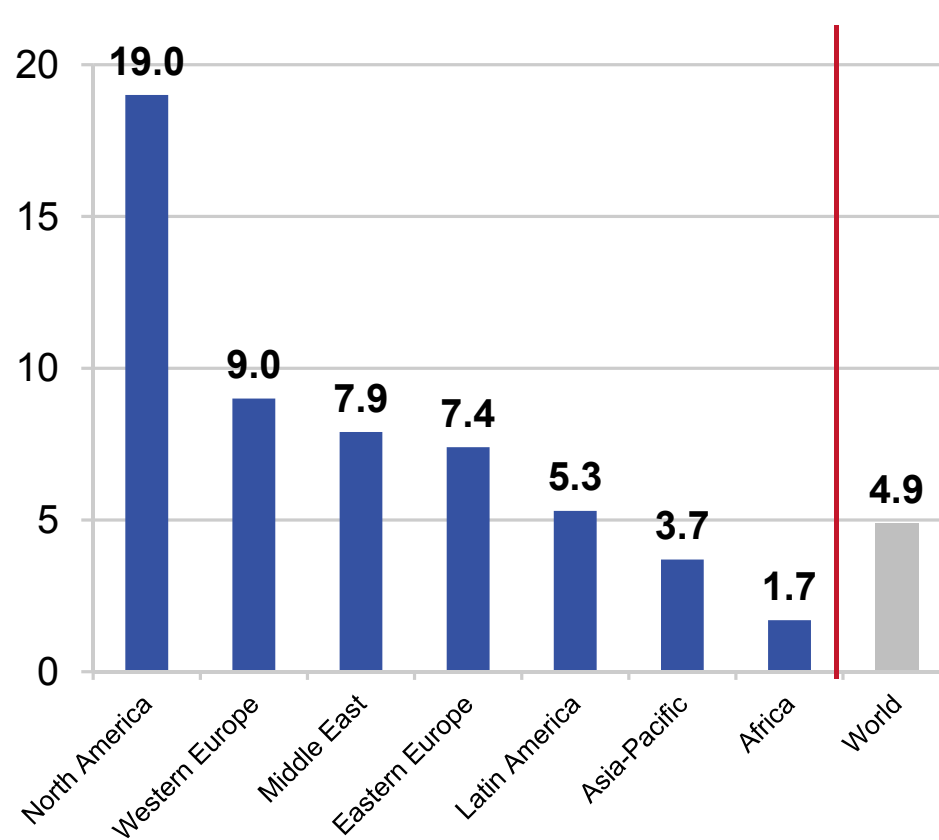
Source: FUCHS Global Competitive Intelligence

2014 per-capita lubricants demand shows significant growth opportunities



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kg

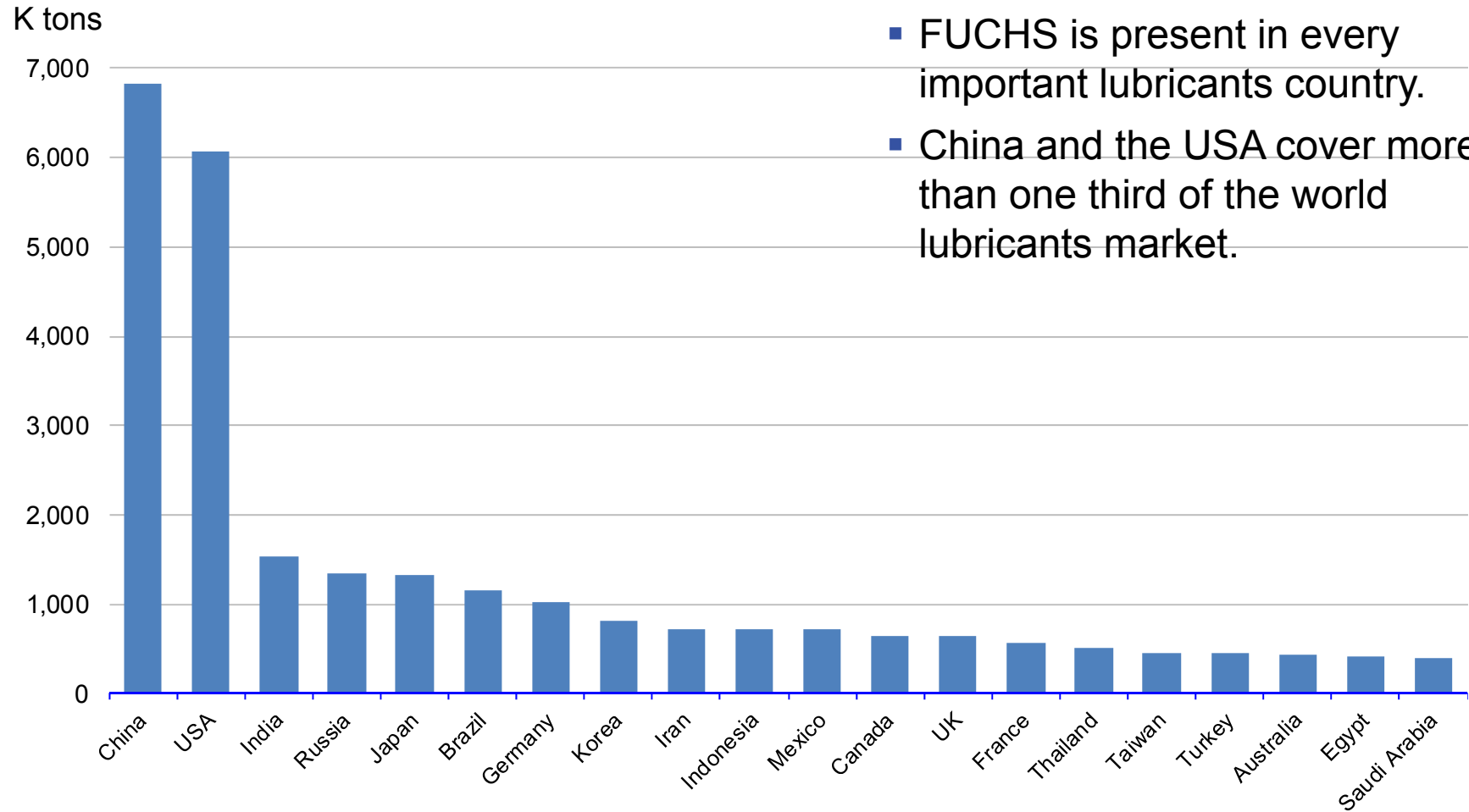


Source: FUCHS Global Competitive Intelligence

Top 20 lubricants countries 2014

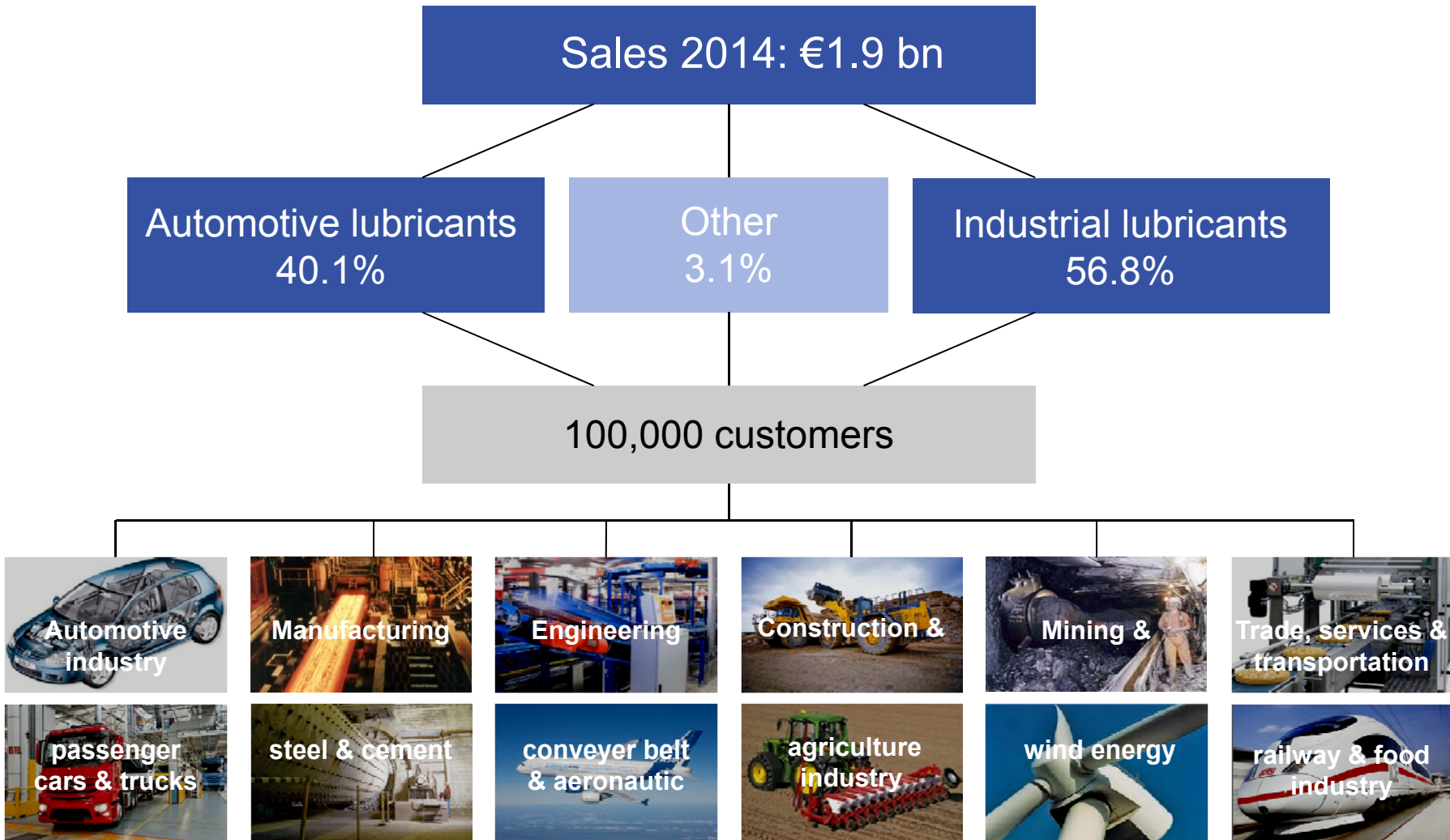


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- FUCHS is present in every important lubricants country.
- China and the USA cover more than one third of the world lubricants market.

FUCHS is fully focused on lubricants



Competition – strong fragmentation



manufacturers:

130 major oil companies

590 independent manufacturers

720 manufacturers

- High degree of fragmentation
- Concentration especially among smaller companies

sizes:

manufacturers	volumes %
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top 10	> 50.0
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710	< 50.0
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720	100.0
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- Differences in the size of manufacturers are enormous

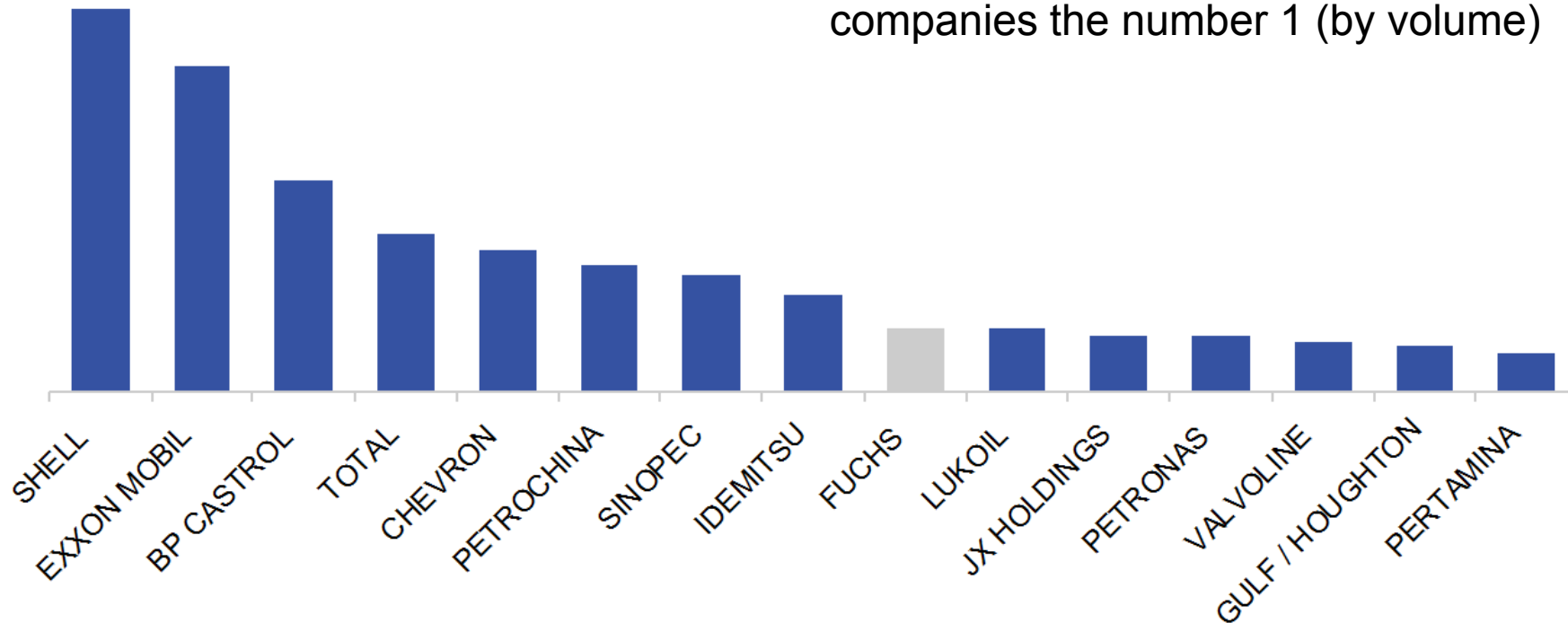
Source: FUCHS Global Competitive Intelligence

FUCHS is strategically well positioned



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- Worldwide among the top 10 of the lubricants manufacturers (by volume)
- Among 590 independent lubricant companies the number 1 (by volume)



Source: FUCHS Global Competitive Intelligence

Worldwide network – “stronger networking”



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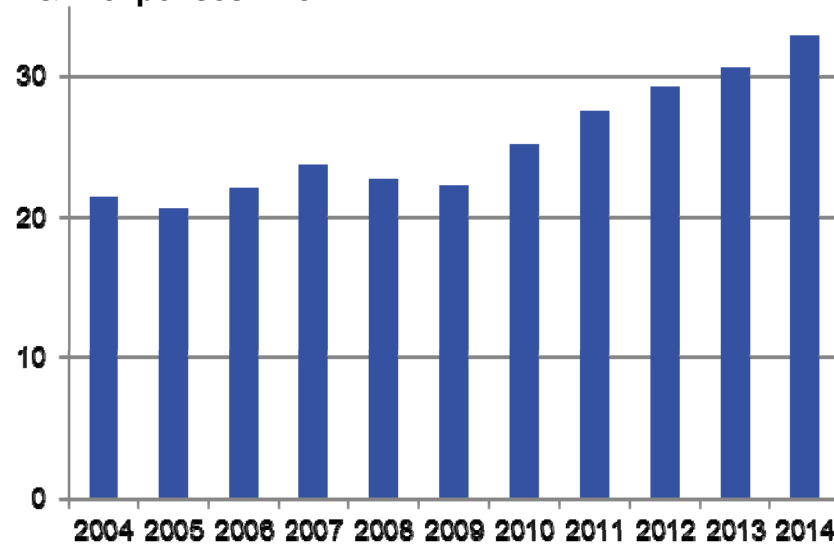
● production sites

FUCHS – the niche specialist & technical expert



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R & D expenses in € mn



- Technical leadership through intensive Research & Development.
- 416 researchers around the globe help our customers to solve their problems.
- FUCHS PETROLUB spent €33 mn in R&D expenses during 2014.

Return for shareholders



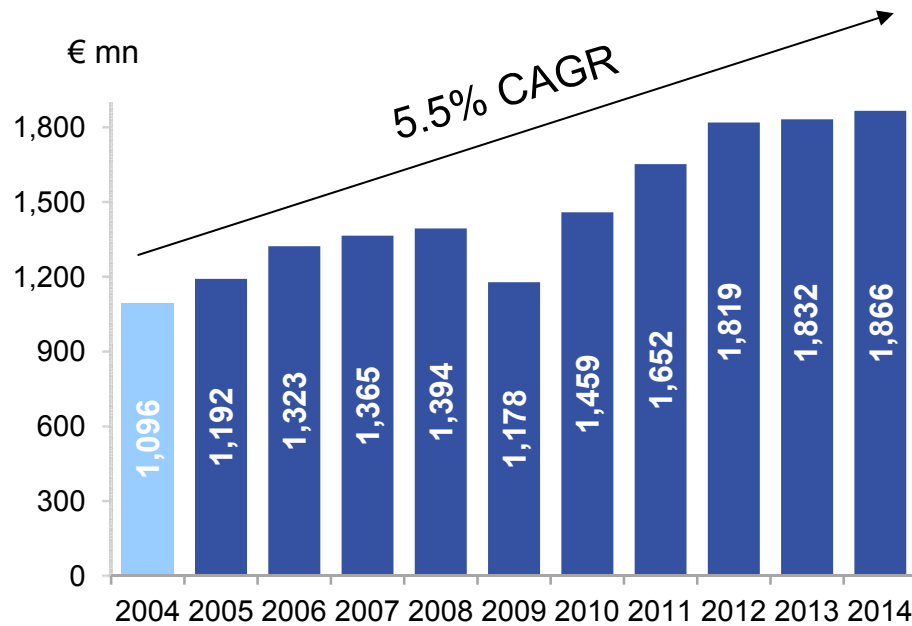
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During the past 10 years, sales revenues have increased by 5.5% p.a. and earnings after tax by 16.3% p.a.

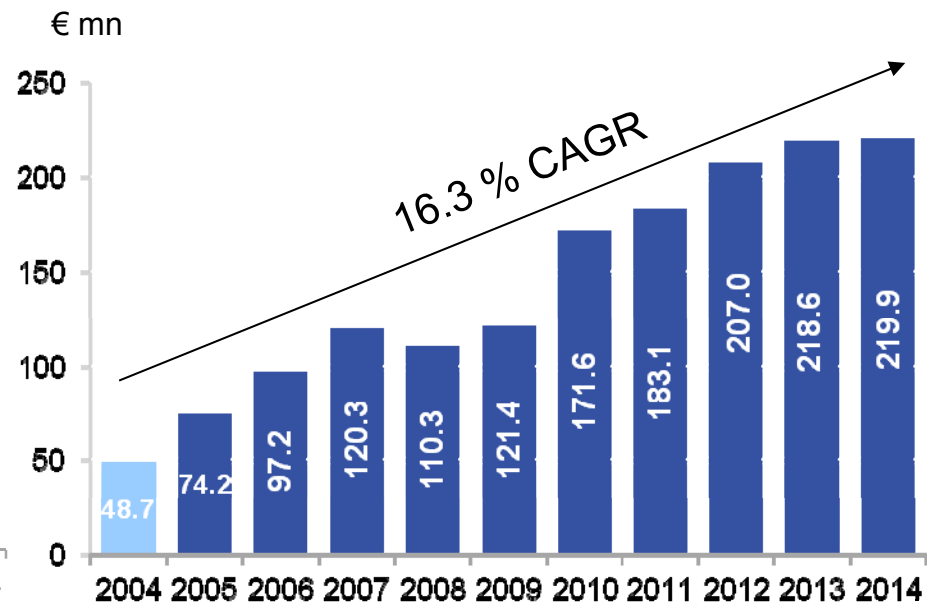


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Sales



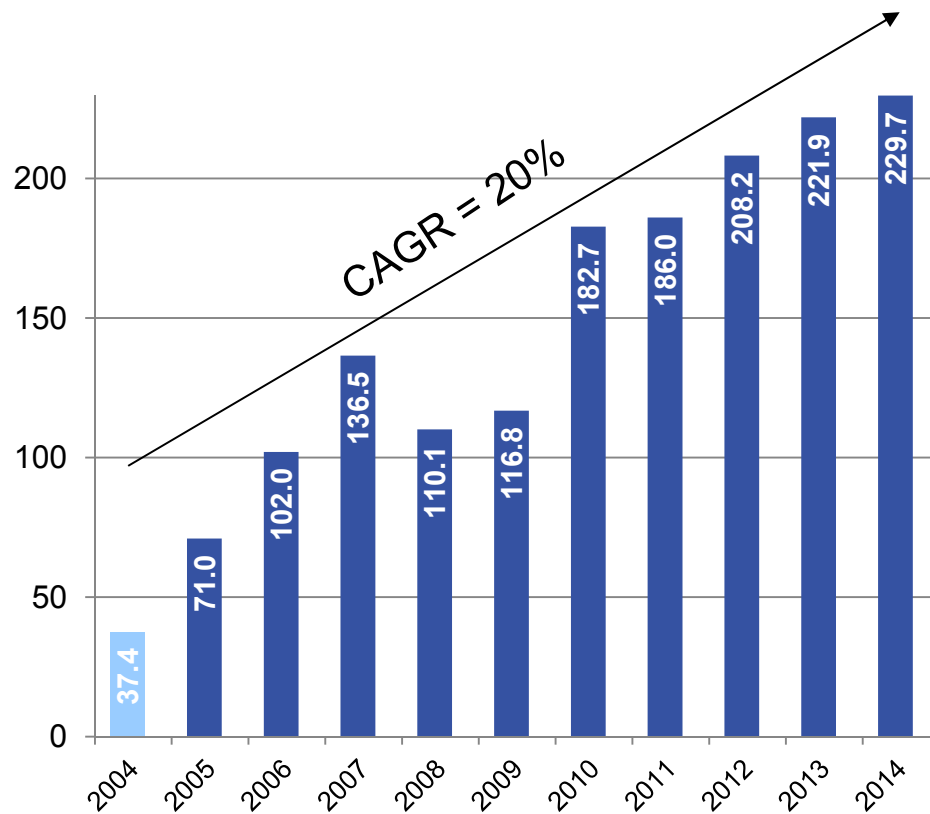
Earnings after tax



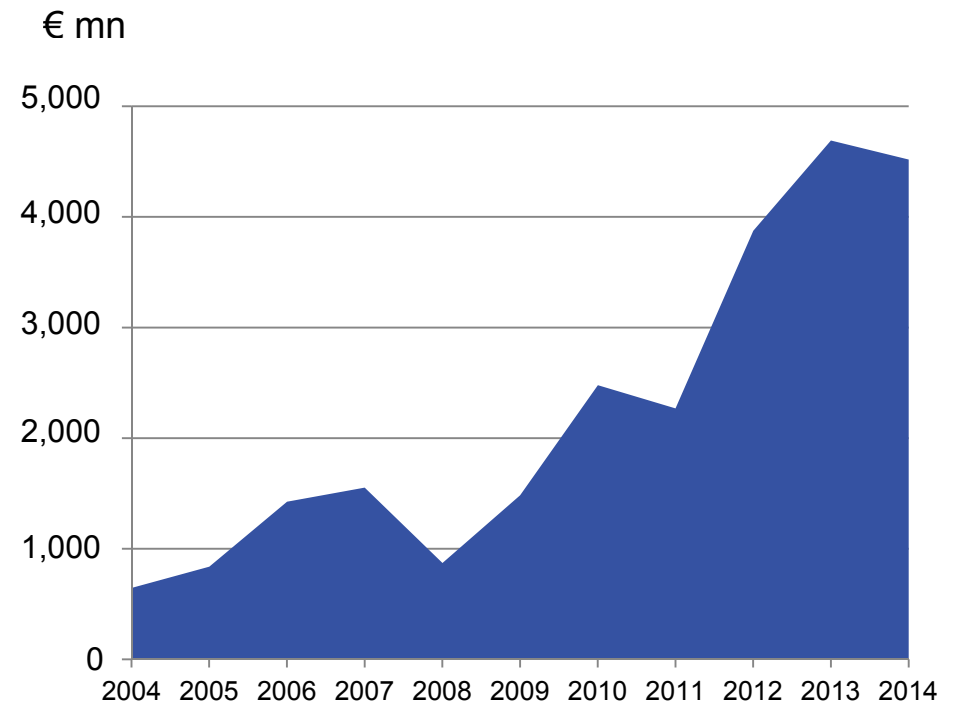
During the past 10 years, FUCHS Value Added has increased by 20 % p. a. and market capitalization has increased constantly and presently is around €5 bn.



FVA = Fuchs Value Added



FUCHS market capitalization

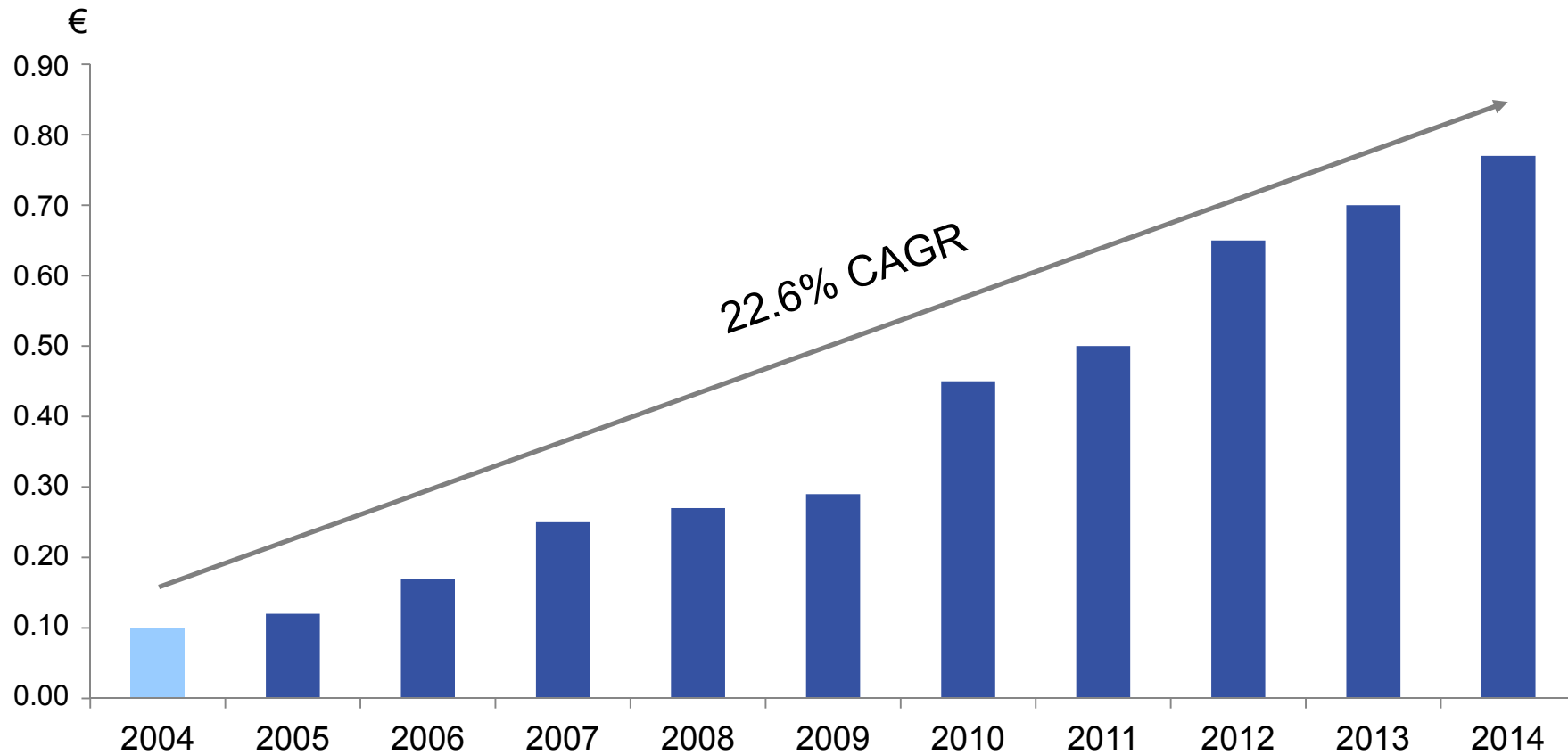


Since IPO in 1985 we have paid dividends



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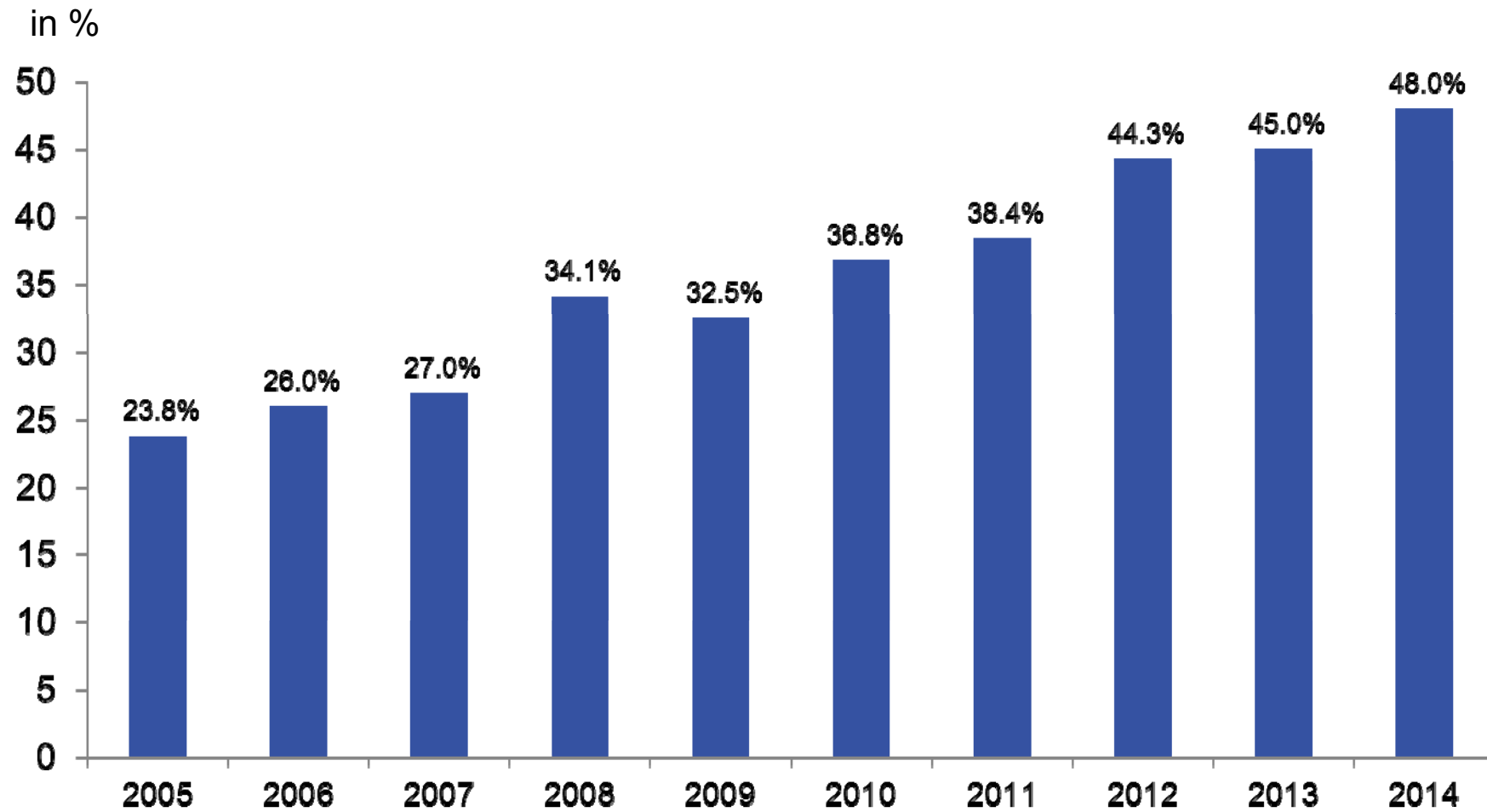
Dividend per preference share (adjusted for changes in equity structure)



Pay-out ratio almost 50%



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Q1 2015 and outlook



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Good start into the year 2015



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- Sales revenues up 8% to €493 million (currency adjusted +1%)
- Earnings before interest and tax (EBIT) up 8% to €82 million
- Outlook for the financial year improved due to currency effects

Q1 2015: EBIT rose by 8% to €82 mn



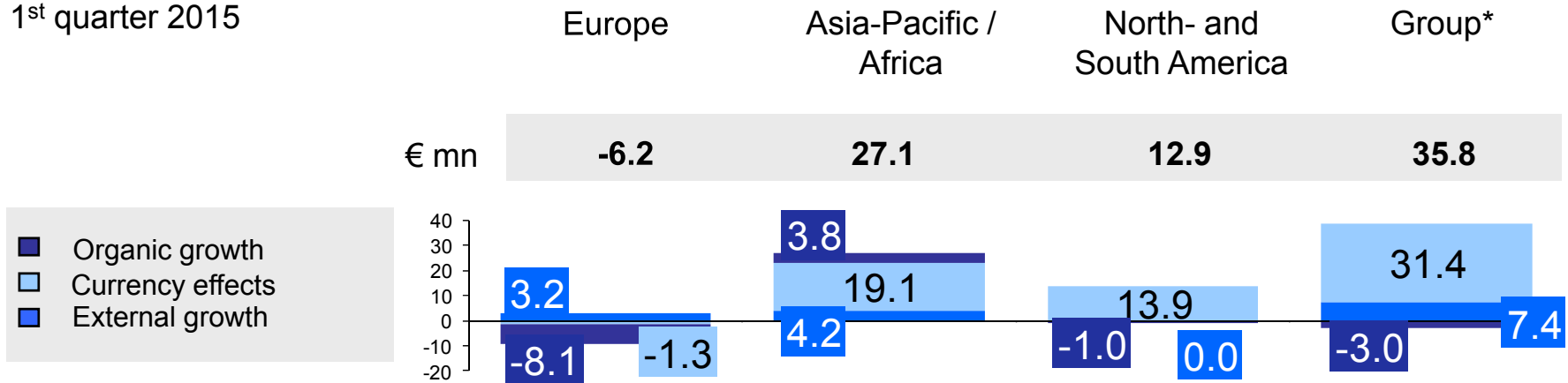
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€ mn	Q1/2015	Q1/2014	Variance	
Sales revenues	492.6	456.8	35.8	7.8%
Gross profit	187.9	170.9	17.0	9.9%
<i>Gross profit margin</i>	<i>38.1%</i>	<i>37.4%</i>		
Sales, admin., R&D and other net expenses	110.0	98.3	11.7	11.9%
<i>Expenses as a percentage of sales</i>	<i>22.3%</i>	<i>21.5%</i>		
EBIT before income from at equity	77.9	72.6	5.3	7.3%
<i>EBIT margin before income from at equity</i>	<i>15.8%</i>	<i>15.9%</i>		
Income from at equity	3.8	3.0	0.8	26.7%
EBIT	81.7	75.6	6.1	8.1%
Earnings after tax	56.8	52.8	4.0	7.6%
<i>Net profit margin</i>	<i>11.5%</i>	<i>11.6%</i>		
Earnings per share				
Ordinary	0.41	0.38	0.03	7.9%
Preference	0.41	0.38	0.03	7.9%

Q1 2015: Organic growth in Asia



Regional sales growth 1st quarter 2015



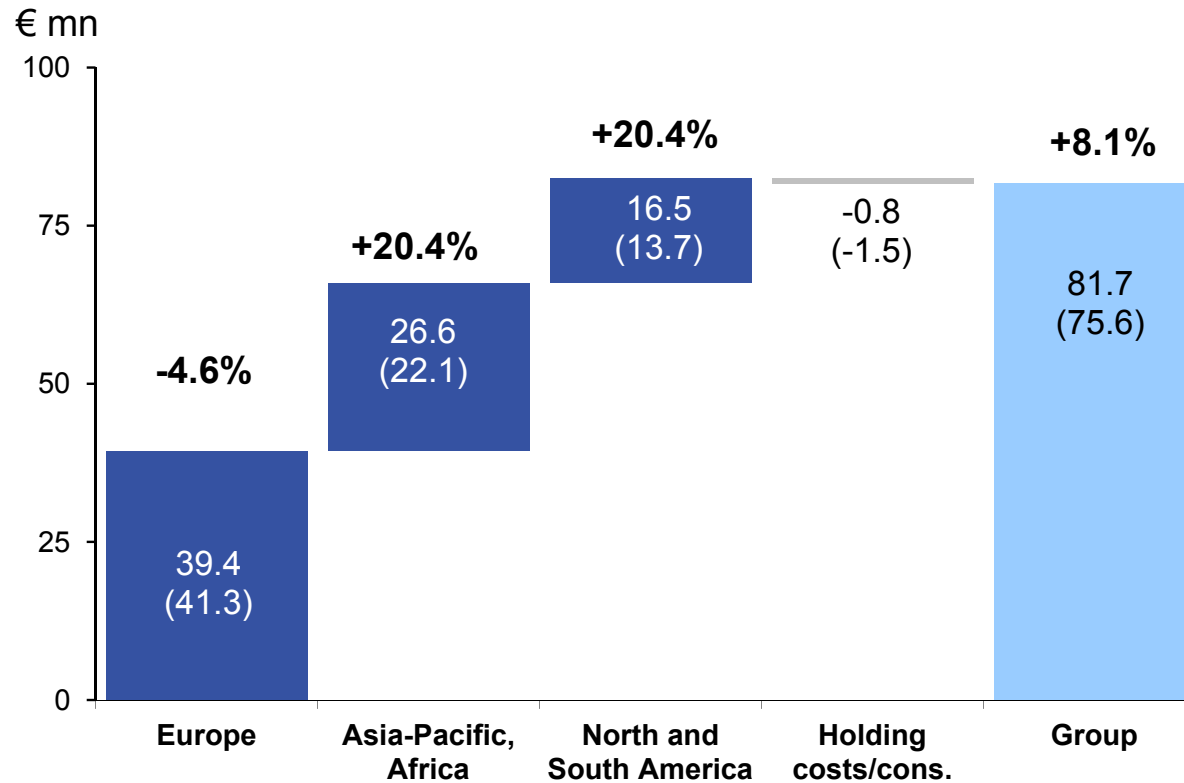
△ Total growth	-2.2%	+22.7%	+17.1%	+7.8%
△ Organic growth	-2.8%	+3.2%	-1.3%	-0.7%
△ External growth	+1.1%	+3.5%	0.0%	+1.6%
△ Currency effects	-0.5%	+16.0%	+18.4%	+6.9%

* Consolidation effect €2.0 mn

Q1 2015: Increased segment earnings for Asia-Pacific, Africa and North and South America



1st quarter 2015



EBIT margin before
income from at equity
(previous year)

Europe	14.0%	15.8%	18.7%	15.8%
Asia-Pacific, Africa	(14.3)	(16.4)	(18.2)	(15.9)

Q1 2015: As expected, net operating working capital increased



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€ mn	Q1/2015	Q1/2014
Gross cash flow	59.6	60.6
Changes in net operating working capital	-17.9	-32.1
Other changes	-3.7	3.6
Operating cash flow	38.0	32.1
Capex	-7.8	-6.5
Other changes	0.0	0.2
Free cash flow	30.2	25.8

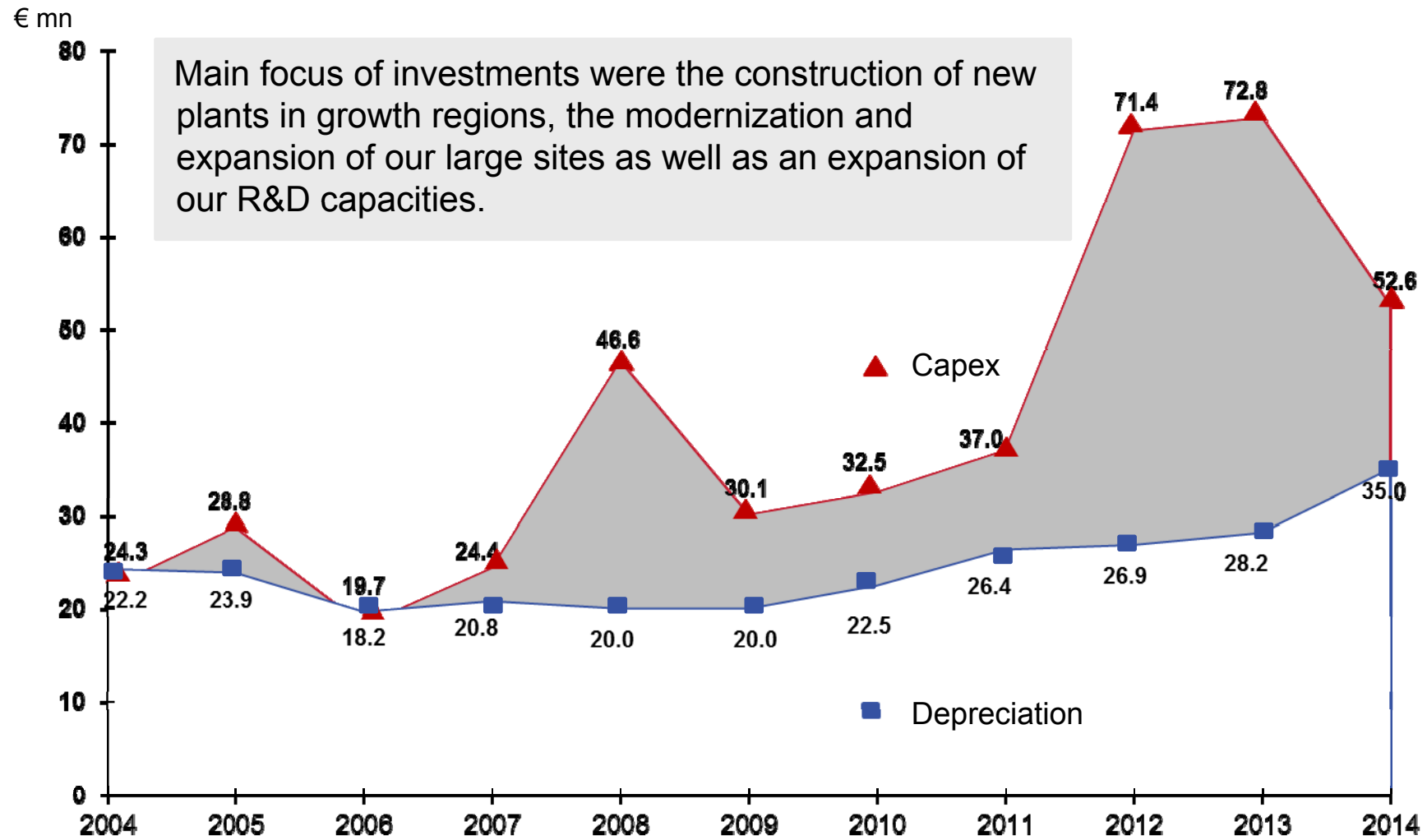
- FUCHS plans further growth in sales and volumes in 2015
- Should the euro remain weak, EBIT is expected to increase by a mid to higher single-digit percentage.
- We plan capex to exceed the previous year's value and reach up to the investments of 2012 and 2013
- Free cash flow is again expected to exceed € 150 million

Growth initiative



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Growth initiative – we have significantly expanded our global footprint



Growth initiative: capital expenditure projects



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Specialty grease plants USA and China; copy German setup



Test field Mannheim

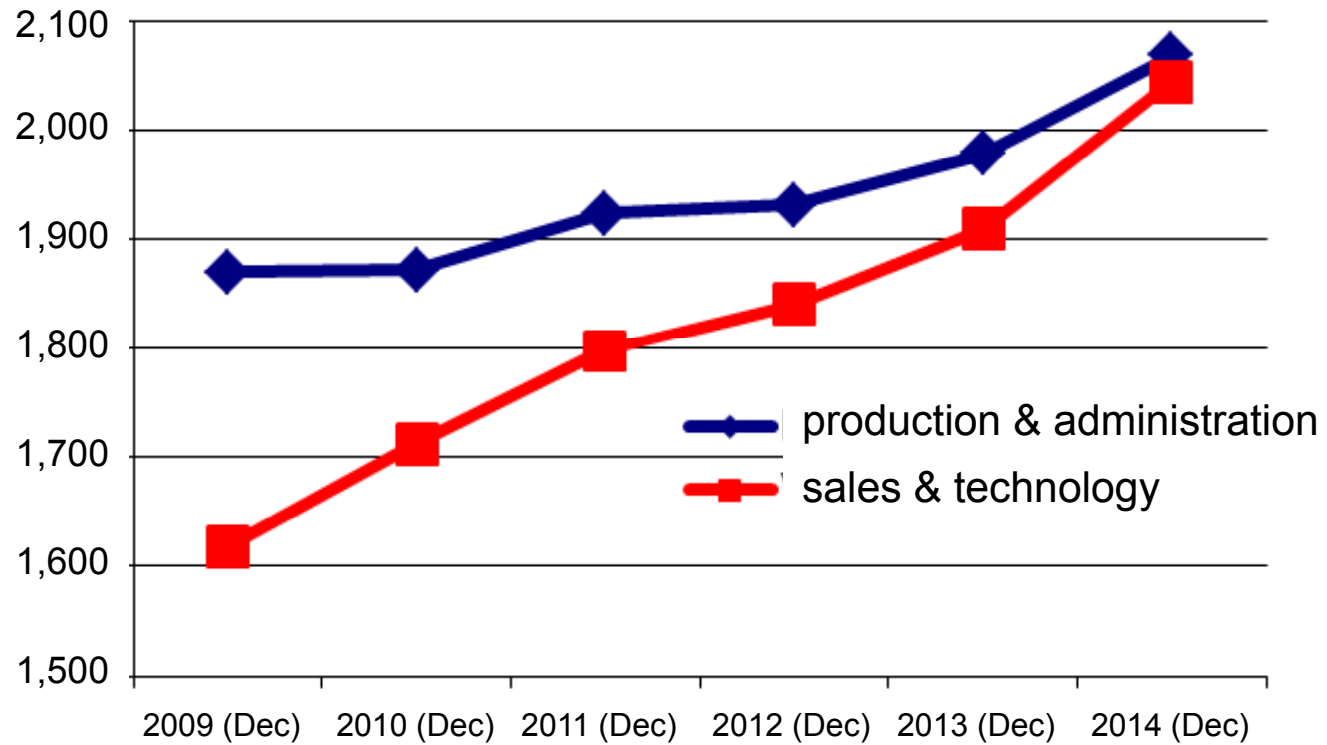


Modernisation of holding building



Plant Mannheim 2013 - 2015

New jobs with focus on sales and technology



Nearly 70 % of the 600 jobs created during the last 5 years were in sales and technology.

Growth initiative: acquisitions 2014



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- Acquisition of the lubricant business of LUBRITENE group in May 2014
- Sales approx. €15 mn p.a.
- Business mainly exists of lubricants for mining and the food industry



- Acquisition of the lubricant business of the Batoyle Freedom Group in June 2014
- Sales approx. €15 mn p.a.
- Business exists of automotive and industrial lubricants as well as lubricants for the glass industry



- Acquisition of the Deutsche Pentosin-Werke GmbH (Signing May 2015)
- Sales approx. €135 mn p.a.
- 190 employees
- Two German production locations in Wedel and Dormagen as well as a smaller subsidiary in Sao Paulo, Brazil
- Leading manufacture of quality lubricants and specialties for the international automotive industry for more than 80 years
- The transaction is subject to the approval of the antitrust authorities

Appendix - The year 2014
- Shareholder structure



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EBIT at previous year's level



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€ mn	2014	2013	Δ Mio. €	Δ in %
Sales revenues	1,865.9	1,831.6	34.3	1.9
Gross profit	693.2	689.9	3.3	0.5
<i>Gross profit margin</i>	<i>37.2%</i>	<i>37.7%</i>		
Admin., sales, R&D and other net operating expenses	-400.6	-391.1	9.5	2.4
<i>Expenses as a percentage of sales</i>	<i>21.5%</i>	<i>21.4%</i>		
EBIT before at equity income	292.6	298.8	-6.2	-2.1
<i>EBIT margin before at equity income</i>	<i>15.7%</i>	<i>16.3%</i>		
Income from participations	20.4	13.5	6.9	51.1
EBIT	313.0	312.3	0.7	0.2
Earnings after tax	219.9	218.6	1.3	0.6
<i>Net profit margin</i>	<i>11.8%</i>	<i>11.9%</i>		
Earnings per share in €				
Ordinary	1.57	1.53	0.04	2.6
Preference	1.58	1.54	0.04	2.6

Organic sales growth in all three world regions – high growth rate in Asia



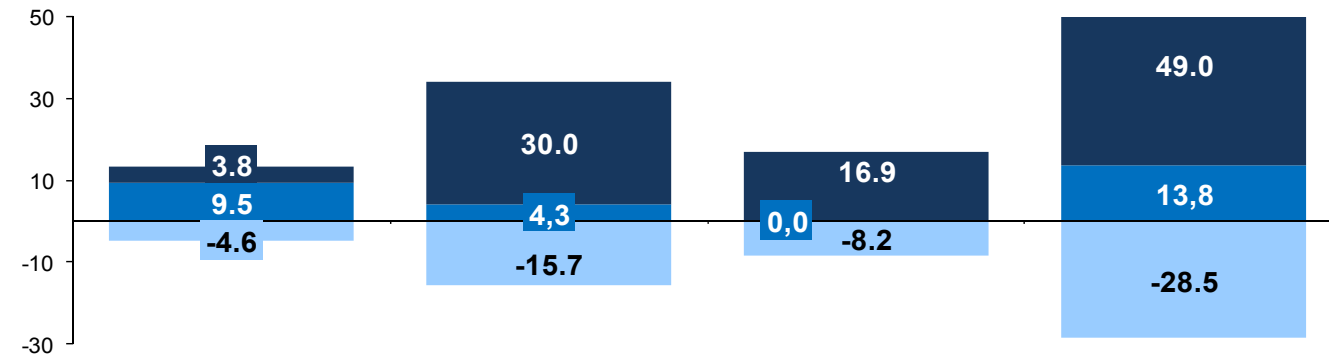
Regional sales growth
2014

Europe Asia Pacific /
Africa North- and
South America Group*

8.7 18.6 8.7 34.3

€ mn

- Organic growth
- Currency effects
- External growth



△ Total growth	+ 0.8%	+ 3.7%	+ 2.8%	+ 1.9%
△ Organic growth	+ 0.3%	+ 6.0%	+ 5.5%	+ 2.7%
△ External growth	+ 0.9%	+ 0.9%	0.0%	+ 0.8%
△ Currency effects	- 0.4%	- 3.2%	- 2.7%	- 1.6%

* Consolidation effect -€1.7 mn



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Regional sales revenues and EBIT in 2014*

€ mn
(variance to previous year %)

Asia-Pacific, Africa*

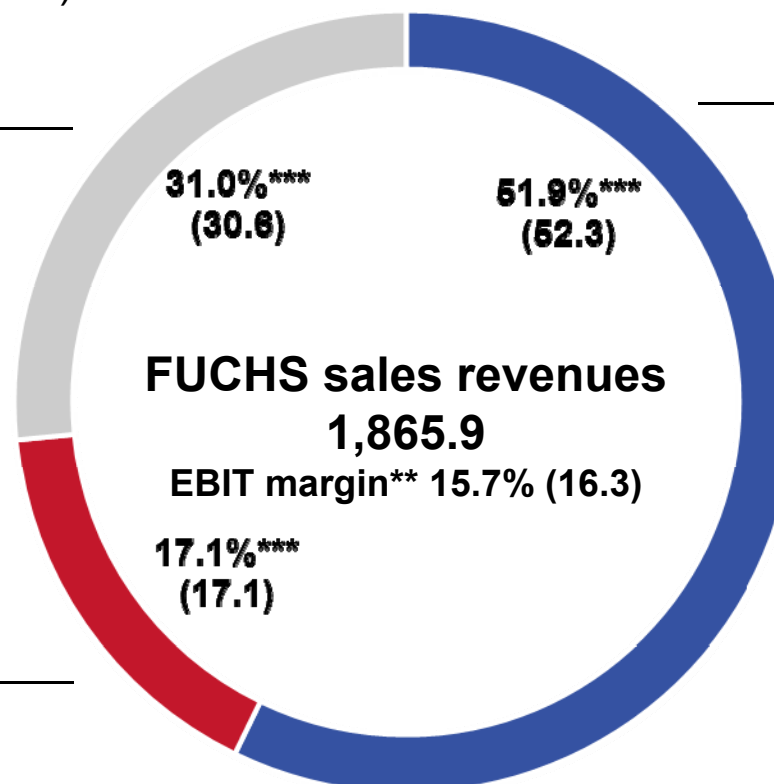
sales	516.5	+3.7%
EBIT	105.6	+2.1%
EBIT margin**	16.8%	(18.3)

North and South America*

sales	316.0	+2.8%
EBIT	51.6	-17.0%
EBIT margin**	16.3%	(20.2)

Europe*

sales	1,112.9	+0.8%
EBIT	162.0	+6.2%
EBIT margin**	14.4%	(13.7)

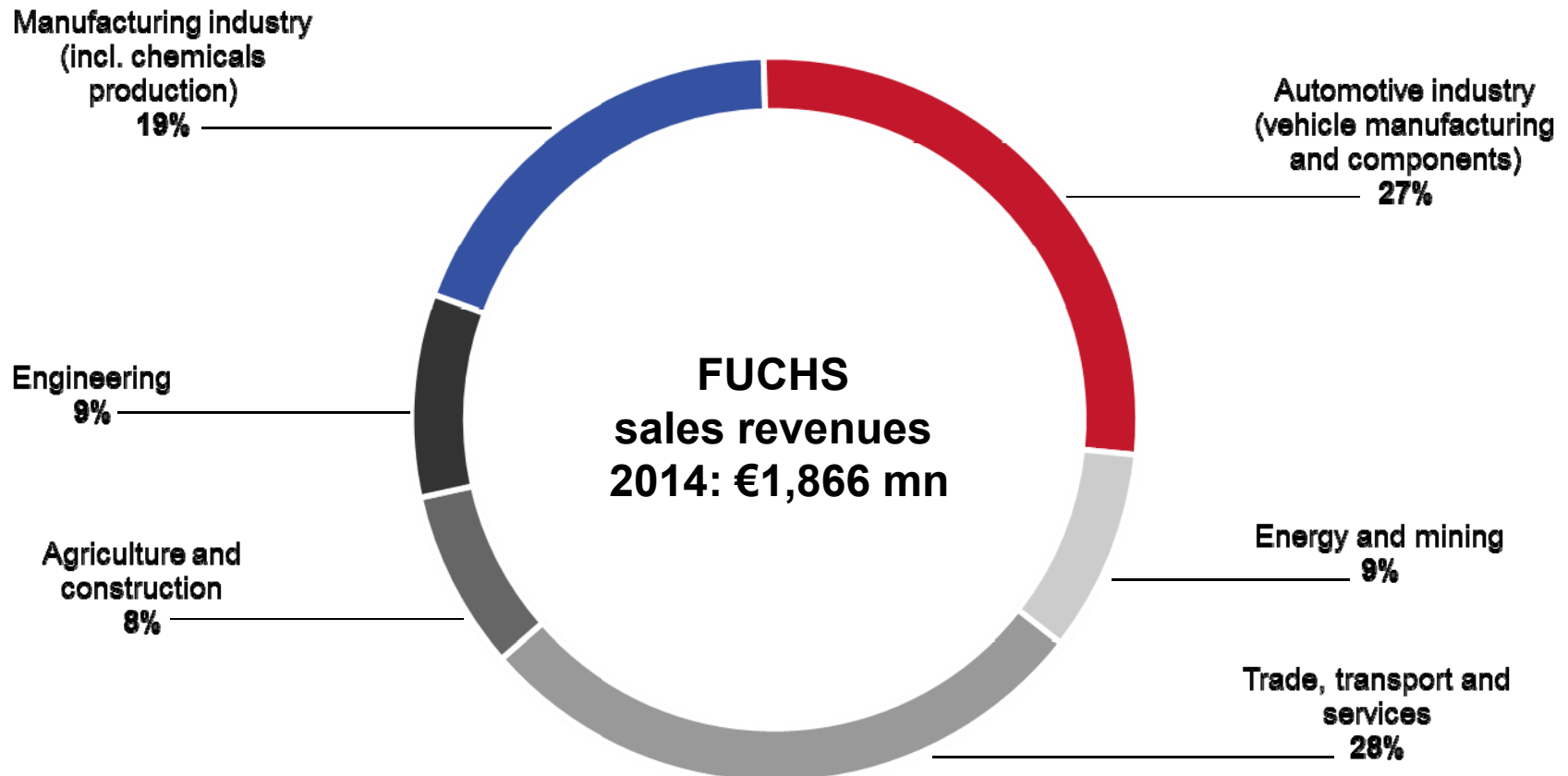


* by companies' location
** before at equity
*** by customers' location

Breakdown of group sales revenues by customer sector



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As a percentage of sales

* Manufacturing industry = producer goods, capital goods, consumer goods

Source: FUCHS Global Competitive Intelligence

Record free cash flow of €187.9 mn



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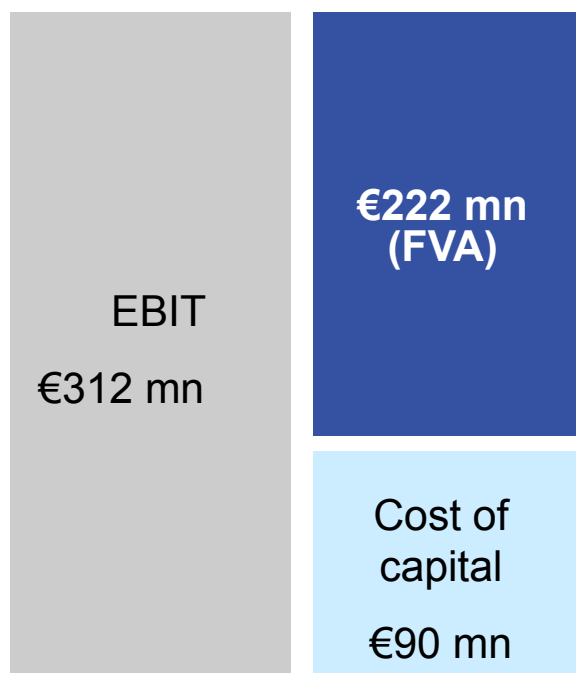
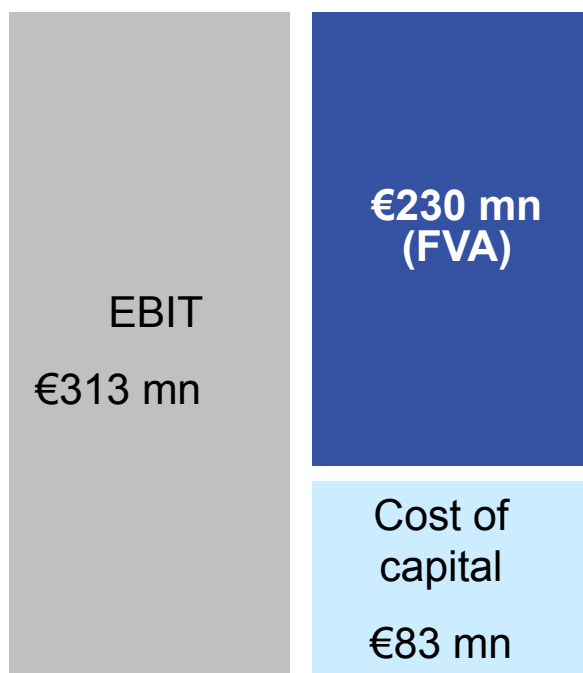
€ mn	2014	2013
Gross cash flow	257.9	230.0
Changes in net current asset	-14.0	-8.6
Changes in other current assets	11.4	-0.9
Operating cash flow	255.3	220.5
Investments	-52.6	-72.8
Acquisitions	-21.8	0.0
Other changes	7.0	2.2
Free cash flow	187.9	149.9

Lower capital cost rate leads to an increase in FUCHS Value Added (FVA) by 3.5%



2014

2013



Δ FVA +3.5%

Δ EBIT +0.2%

Capital employed €833 mn
Cost of capital 10.0%

Capital employed €786 mn
Cost of capital 11.5%

Δ Capital Employed +5.9%

Solid balance sheet – equity ratio to 71.7% and net payment items of €185.7 mn



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€ mn	2010	2011	2012	2013	2014
Equity	546.5	658.2	781.7	853.5	915.6
Equity ratio	61.1%	66.8%	70.5%	73.5%	71.7%
Return on equity (ROE)	36.6%	31.0%	29.0%	26.7%	25.7%
Return on capital employed (ROCE)	42.7%	39.1%	39.7%	39.7%	37.6%
Net liquidity	72.4	64.9	134.8	167.4	185.7

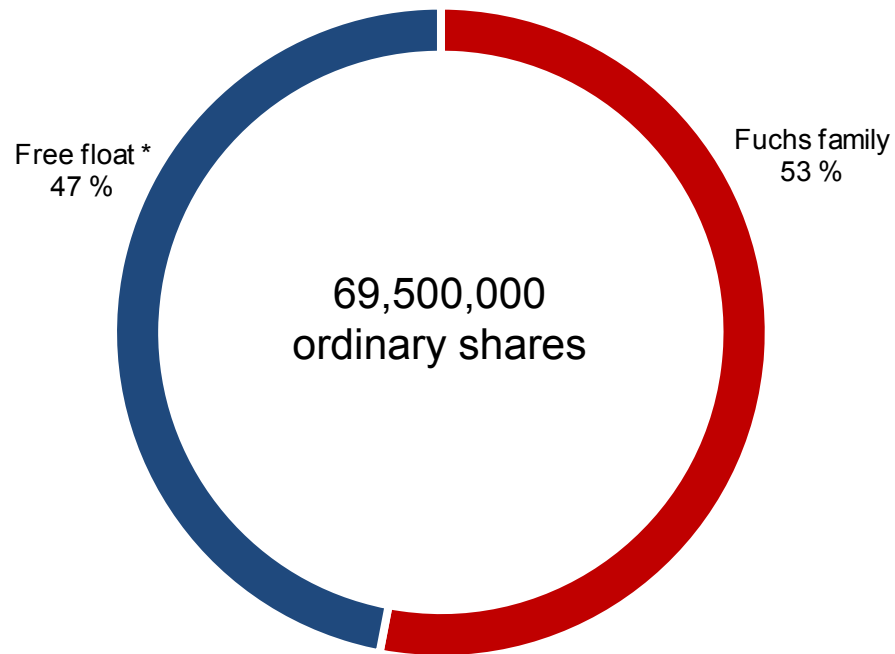
Shareholder structure



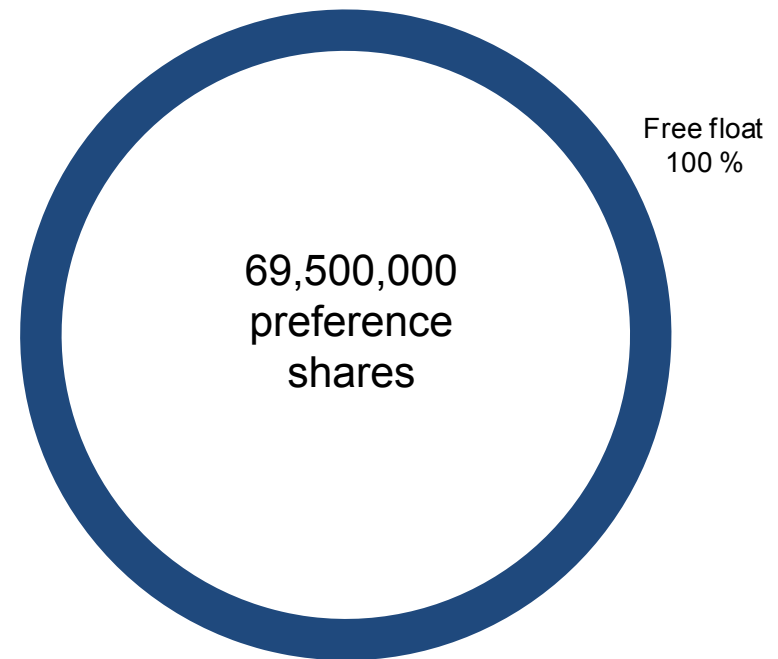
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Ordinary shares



Preference shares



*) voting rights notification: DWS Investment, Frankfurt: 5.2% (15 Dec. 2003)

Disclaimer



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