



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

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Warburg Highlights 7 June 2013



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# FUCHS – the leading independent lubricants manufacturer of the world



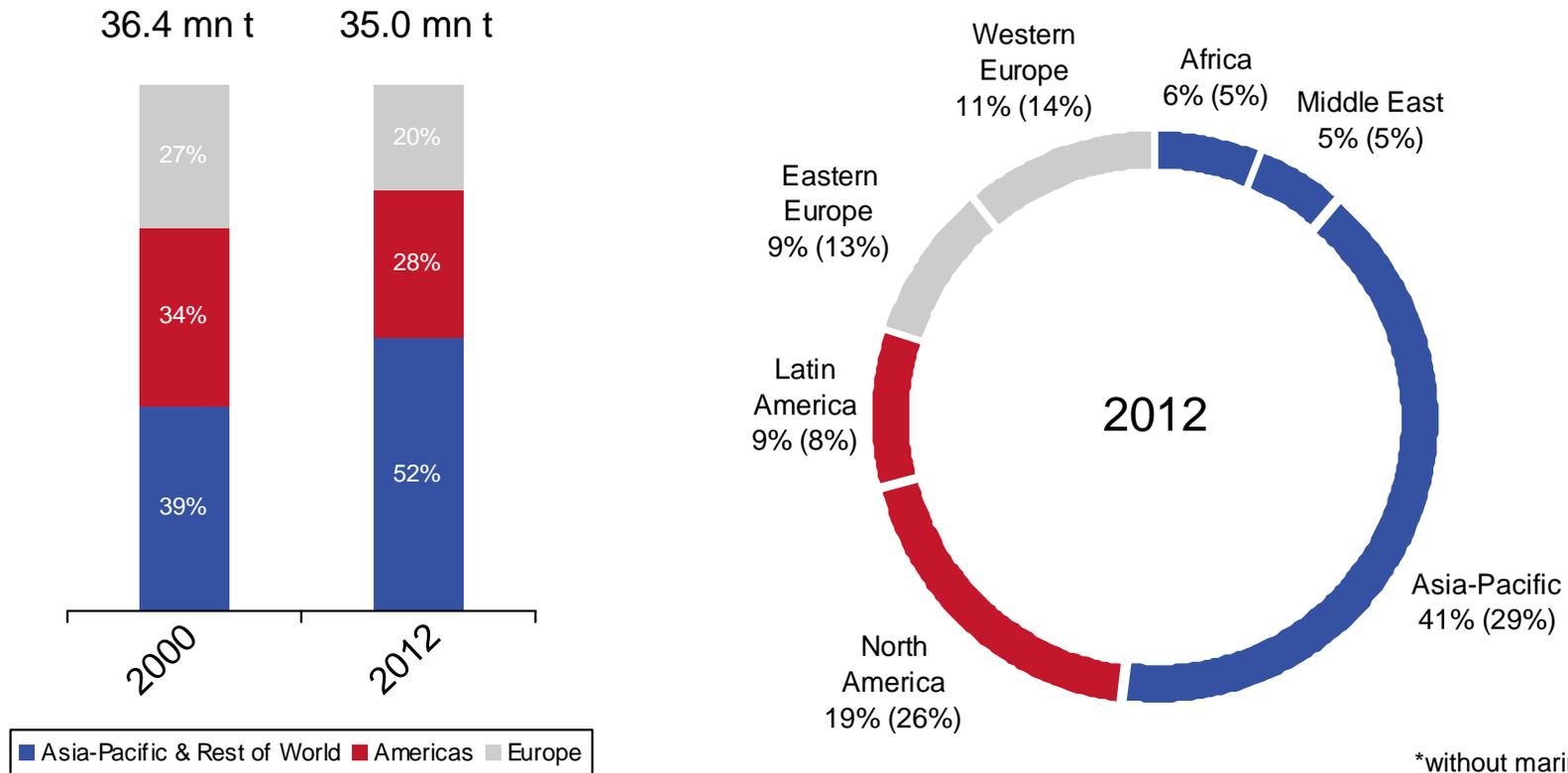
- Founded in 1931
- 2012 sales revenues: €1.8 bn
- 2012 number of employees: some 3,800 from 36 countries
- 33 production facilities
- 100,000 customers in more than 100 countries
- Member of the MDAX, the DAXplus Family 30 and the STOXX Europe 600



- FUCHS is fully focussed on lubricants (advantage over major oil companies)
- Technology, innovation and specialisation leadership in strategically important product areas
- Independence allows customer and market proximity, responsiveness, speed and flexibility (advantage over major oil companies)
- FUCHS is a full-line supplier (advantage over most independent companies)
- Global presence (advantage over most independent companies)

- Continue to be the world's largest independent manufacturer of lubricants and related specialities
- Value-based growth through innovation and specialisation leadership
- Organic growth in emerging markets and organic and external growth in mature markets
- Creating shareholder value by generating returns above the cost of capital
- Remain independent which is decisive for FUCHS' business model

- The largest and fastest growing regional lubricants market is Asia Pacific.
- North America and Western Europe are mature markets. The focus is on higher value lubricants and specialities.

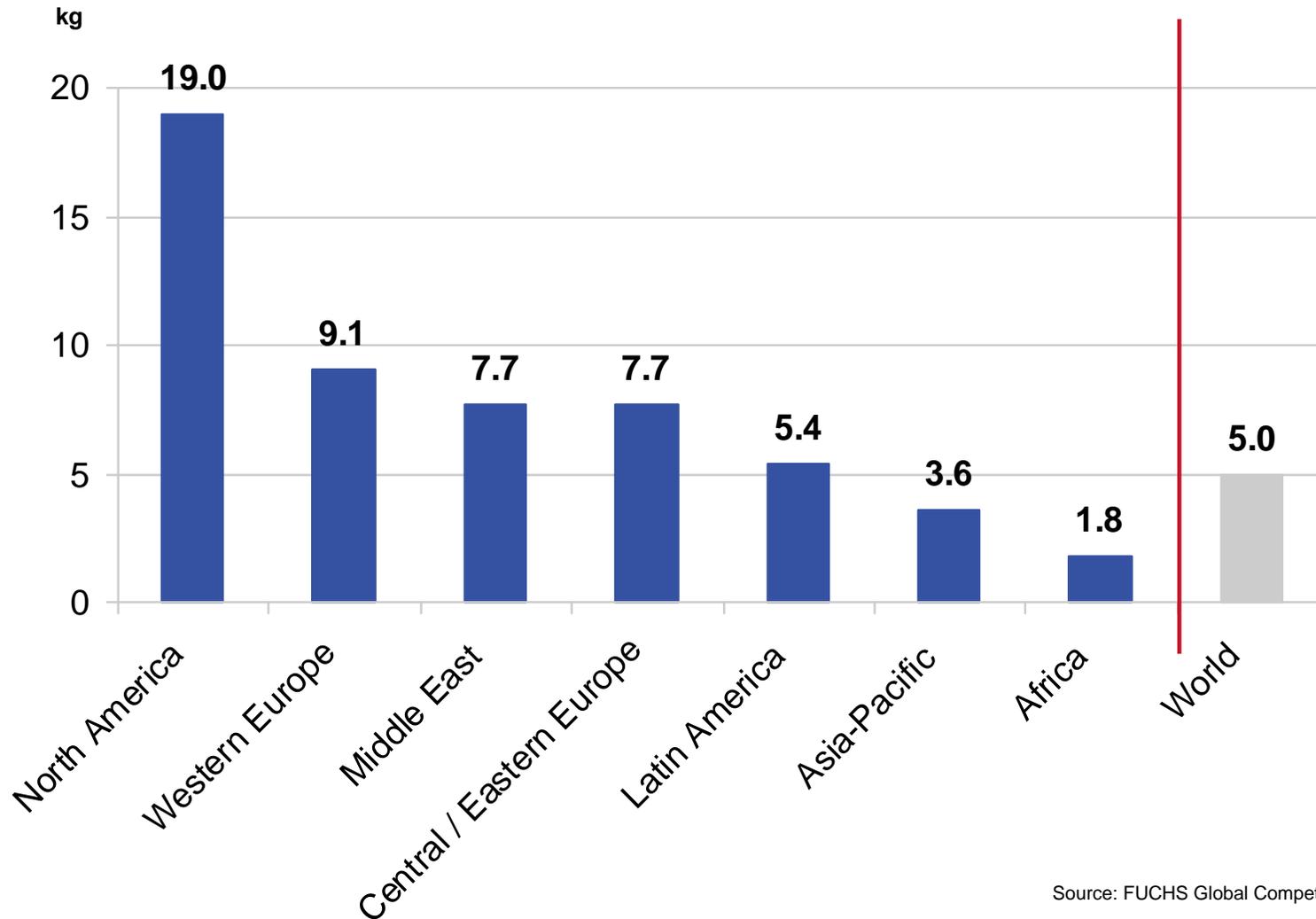


Global lubricants demand 2012: 35.0 mn t

# 2012 per-capita lubricants demand shows significant growth opportunities



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Source: FUCHS Global Competitive Intelligence

## Competition – strong fragmentation



manufacturers:

130 major oil companies

590 independent manufacturers

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720 manufacturers

High degree of fragmentation  
continues in the industry

Concentration especially among  
smaller companies

sizes:

manufacturers	volumes %
top 10	> 50.0
710	< 50.0
720	100.0

Differences in the size of manufacturers are enormous. World-wide the top 10 finished lubricants manufacturers including FUCHS hold more than 50% of global volumes while the remainder of more than 700 manufacturers share less than 50%.

Source: FUCHS Global Competitive Intelligence

## FUCHS – strategic position

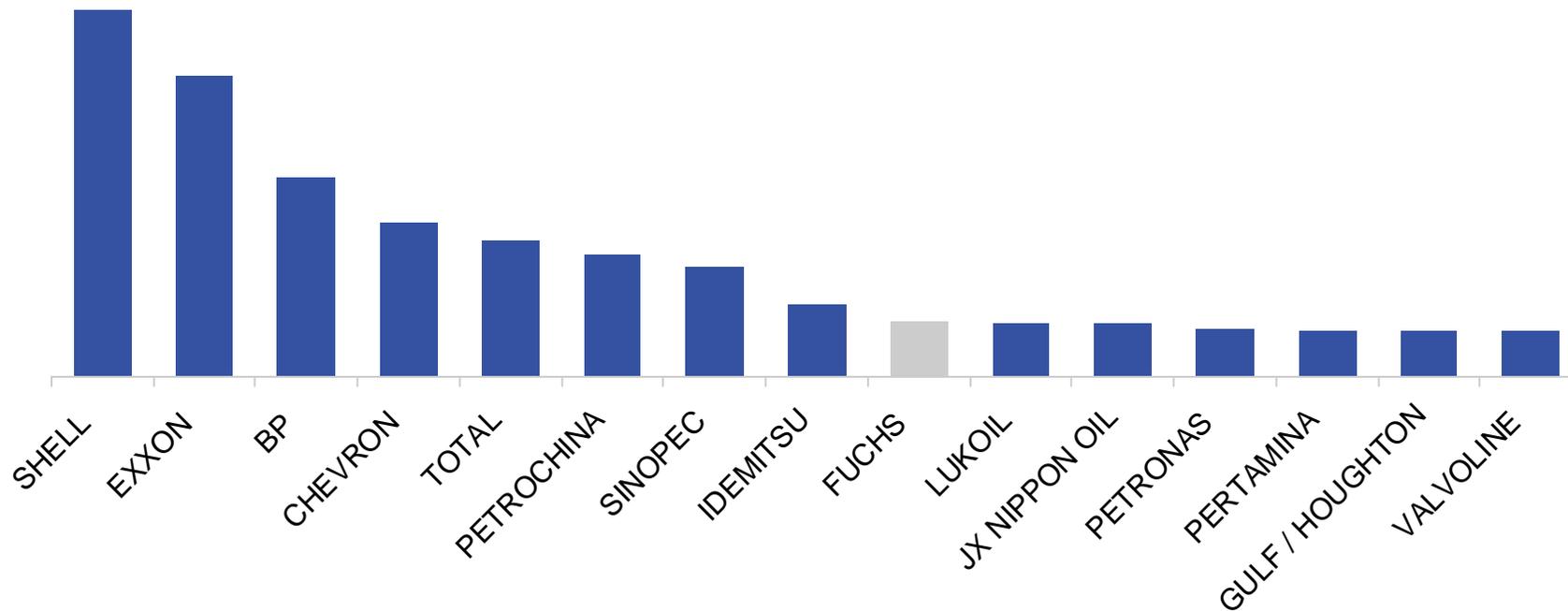


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FUCHS is strategically well positioned as we are the 9th largest lubricant company in the world\*



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\* by volume

Source: FUCHS Global Competitive Intelligence



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Among 590 independent lubricants companies FUCHS is the number 1.

FUCHS is the world market leader in strategically important and high-value business segments and niches



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- High-performance speciality open gear lubricants (cement industry etc.)
- Mining specialities (fire-resistant hydraulic fluids for underground coal mining and high-performance lubricants)
- Environmentally friendly and biodegradable lubricants and processing fluids

No. 1



No. 1



No. 1



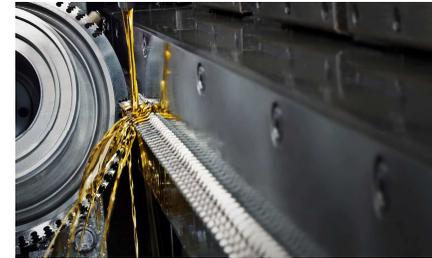
FUCHS is the world market leader in strategically important and high-value business segments and niches



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- Metalworking fluids

No. 2-4



- Corrosion preventives

No. 2



- Forging lubricants

No. 2



- Greases

No. 3-4



# FUCHS research and development



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10% of total staff – more than 350 chemists, engineers and other technical experts – work in R & D around the globe and ensure technical leadership in key products and application areas.

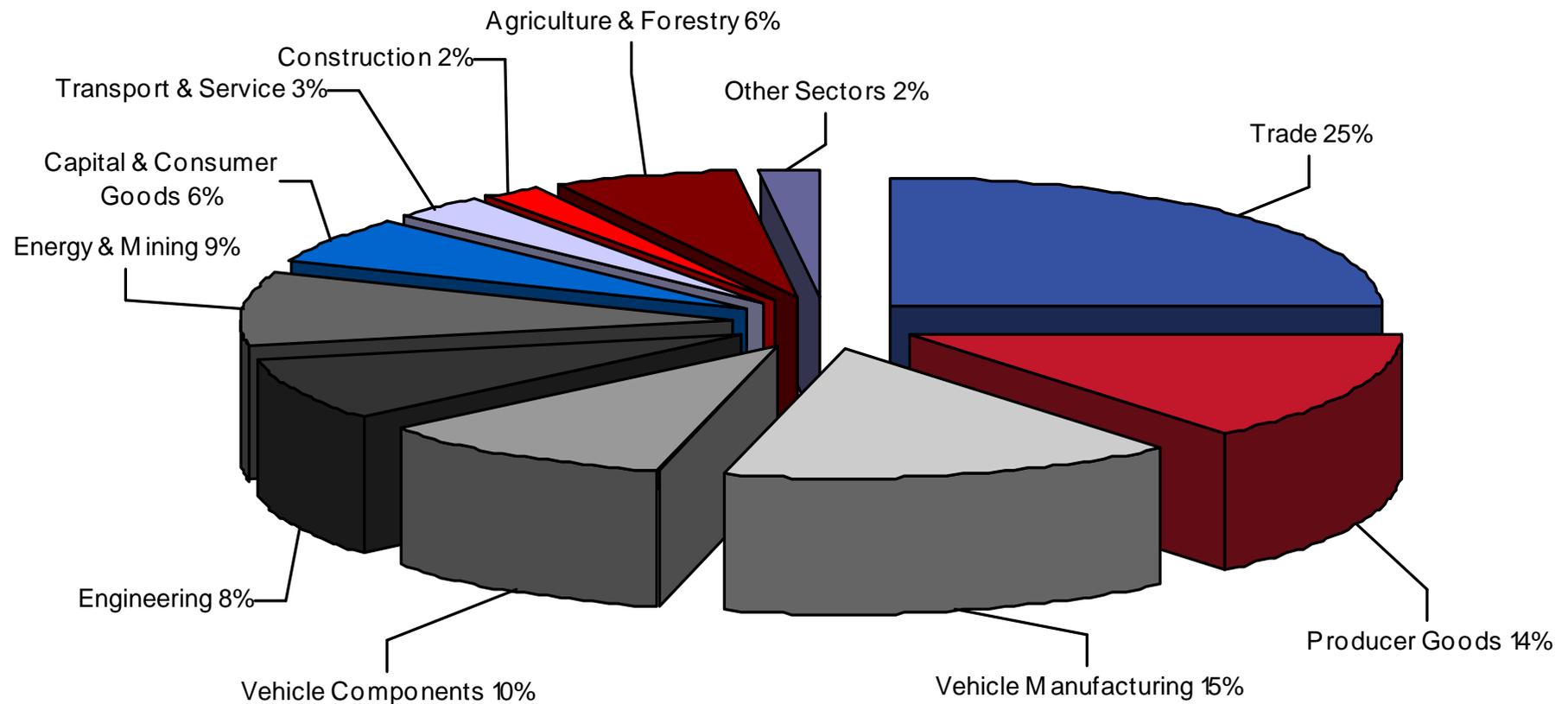


# FUCHS PETROLUB Group Customer Portfolio

## Customer Sectors\*



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\*Breakdown as percentage of sales 2012

Source: FUCHS Global Competitive Intelligence

FUCHS manufactures in 33 production plants all over the world



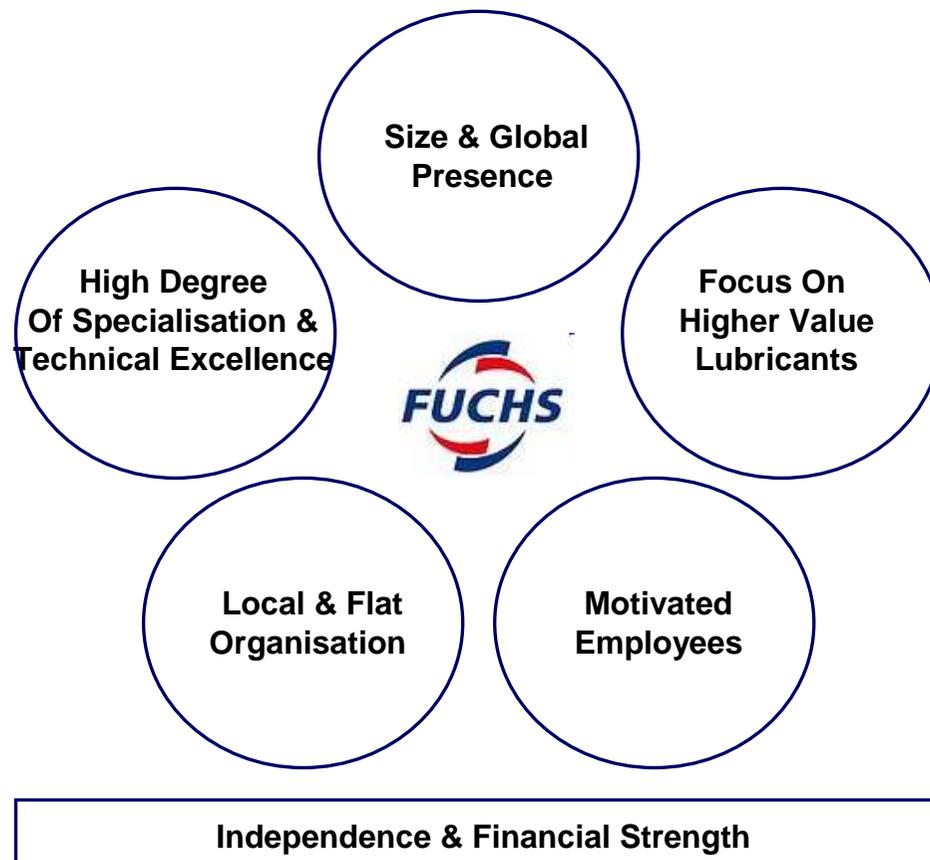
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# FUCHS' strategic position is a combination of...



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## Comments

around € 1.8bn in sales (70% outside Germany, Asia Pacific is FUCHS' 2nd largest regional market), #9 worldwide and by far the largest independent producer, close to customers

leader in innovation, specialisation & technology, clear focus on high-value products & market segments, basis for strong profitability, high cash flows & value creation

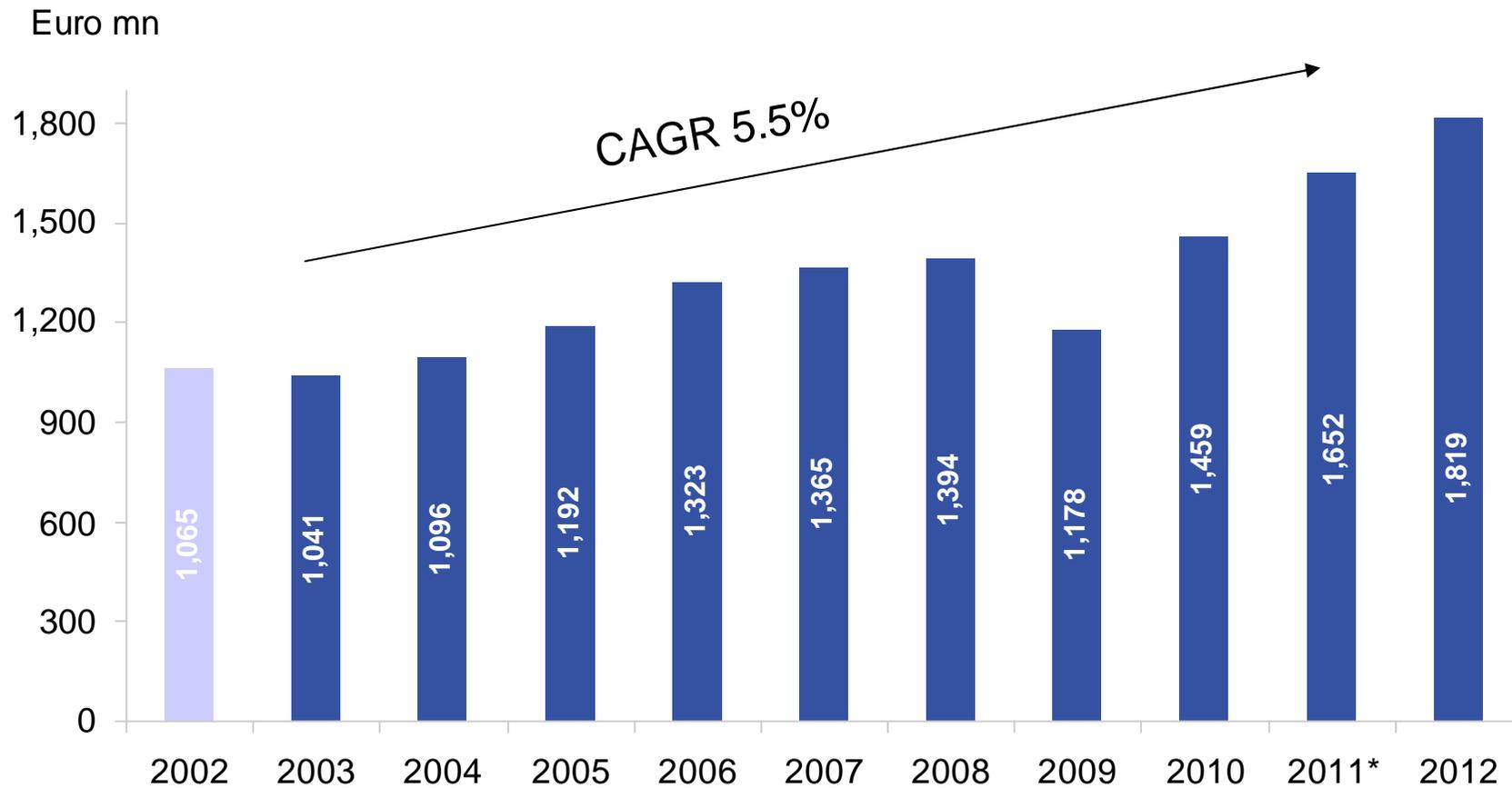
optimized and highly flexible cost structure, highly committed teams in management, production, R&D, sales and admin supported by company's independence, steering via FVA tool successful

**The business model has paid  
dividends**



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During the past 10 years, sales revenues have increased by 5.5% p.a.

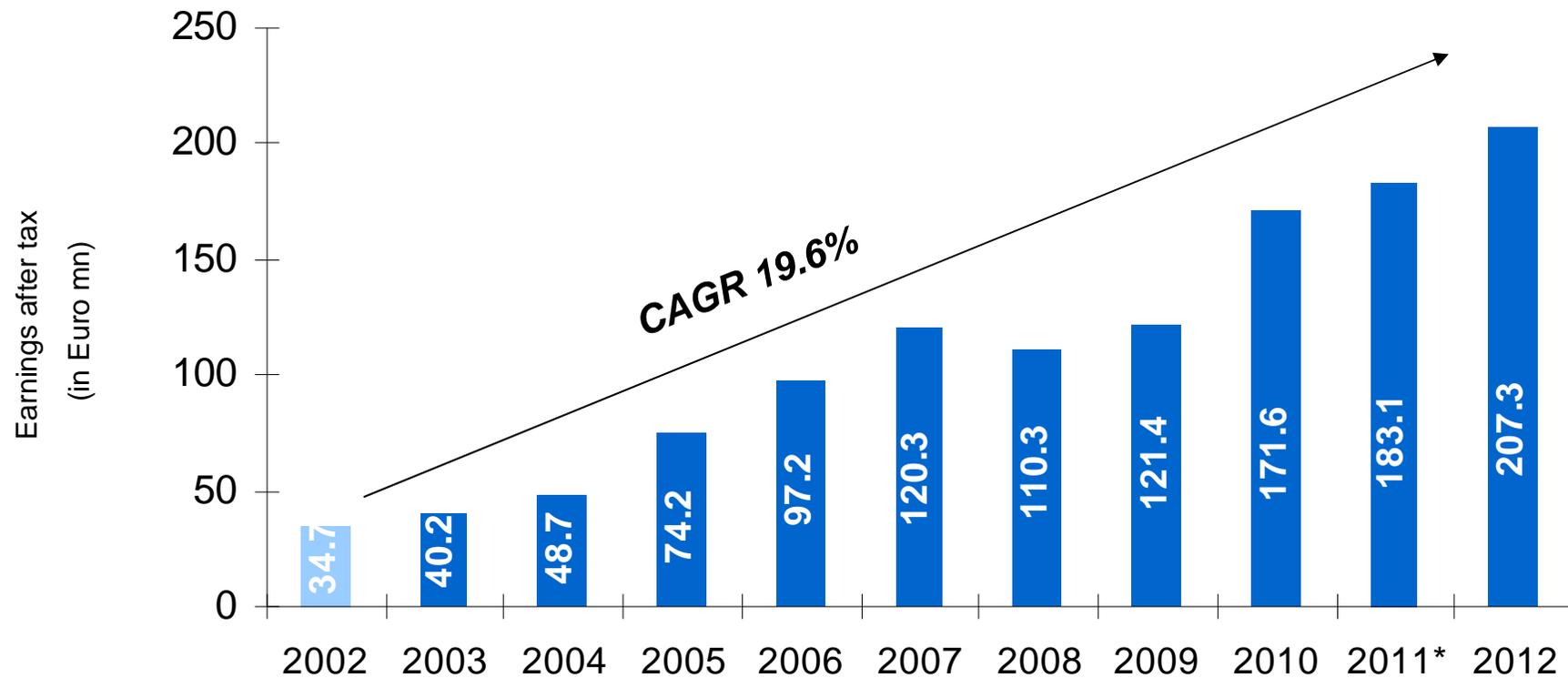


\* comparable

During the past 10 years, earnings after tax have increased by 19.6% p.a.



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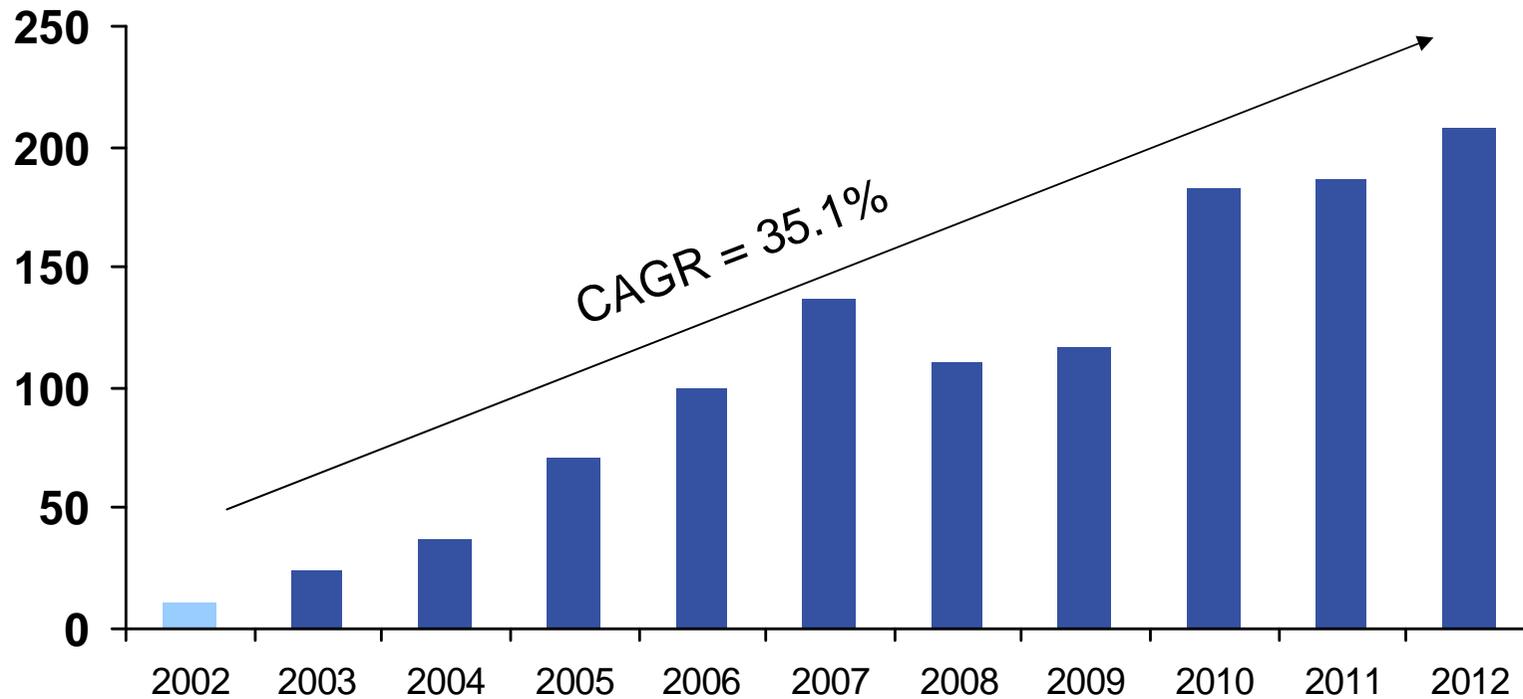
Earnings growth	15.9%	21.1%	52.4%	31.0%	23.8%	-8.3%	10.1%	41.4%	6.7%	13.2%
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\* comparable

During the past 10 years, FUCHS Value Added has increased by 35% p. a. and generated a significant premium on our cost of capital



FVA = Fuchs Value Added

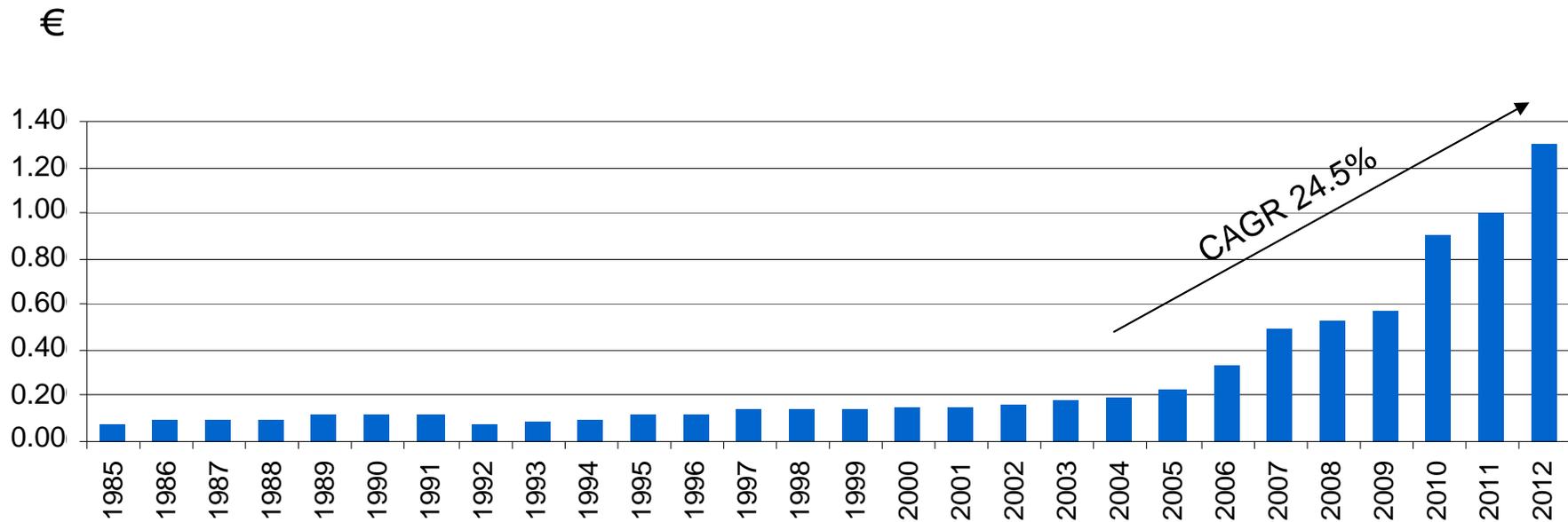


Fuchs Value Added (FVA)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	10.3	24.1	37.4	71.4	100.3	136.5	110.1	116.8	182.7	186.0	208.2

During the past 10 years, dividends have been increased by 24.5%



CAGR (preference shares): 10.9% since 1985



## Balance sheet



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Solid balance sheet – increase of equity ratio to 70.5% and net payment items of €134.8 million



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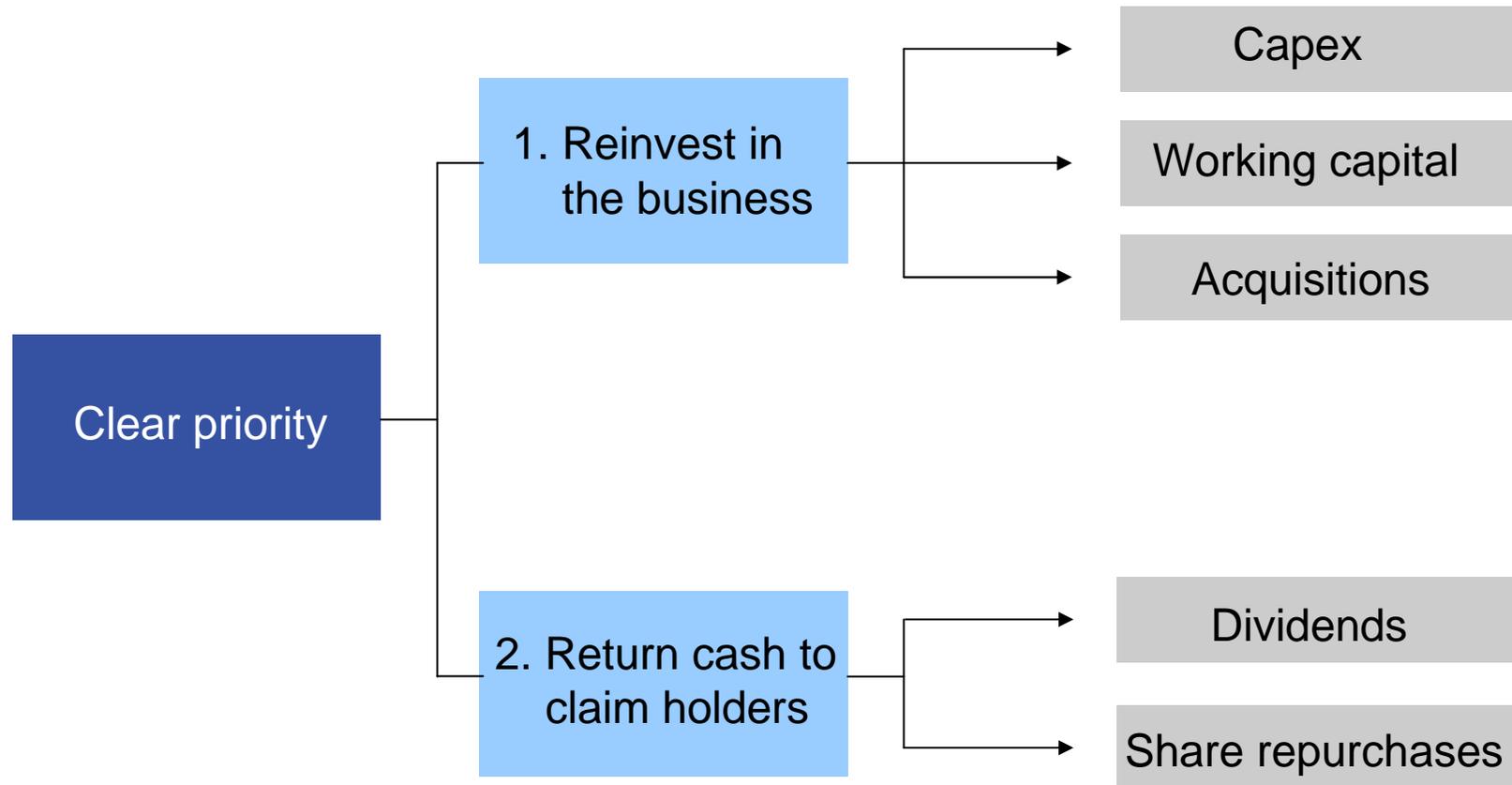
Euro mn	2007	2008	2009	2010	2011 <sup>3</sup>	2012
<b>Equity</b>	<b>325.9</b>	<b>315.3</b>	<b>392.9</b>	<b>546.5</b>	<b>658.2</b>	<b>781.7</b>
<b>Equity ratio</b>	<b>45.6%</b>	<b>44.8%</b>	<b>52.7%</b>	<b>61.1%</b>	<b>66.8%</b>	<b>70.5%</b>
<b>Return on equity (ROE)</b>	<b>37.1%</b>	<b>33.3%</b>	<b>35.3%</b>	<b>36.6%</b>	<b>31.0%</b>	<b>29.0%</b>
<b>Return on capital employed (ROCE)</b>	<b>38.3%</b>	<b>32.0%</b>	<b>32.8%</b>	<b>42.7%</b>	<b>39.1%</b>	<b>39.7%</b>
<b>Net debt<sup>1</sup> (-) / net cash (+)</b>	<b>-7.7</b>	<b>-104.6</b>	<b>+31.7</b>	<b>+72.4</b>	<b>+64.9</b>	<b>+134.8</b>
<b>EBIT/financial result<sup>2</sup></b>	<b>23.2x</b>	<b>19.3x</b>	<b>25.7x</b>	<b>54.2x</b>	<b>72.8x</b>	<b>183.1x</b>

<sup>1</sup> excl. pensions

<sup>2</sup> adjusted by participation write-offs

<sup>3</sup> comparable

We have frequently been asked about use of cash



**Growth initiative**

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We are prepared for the future



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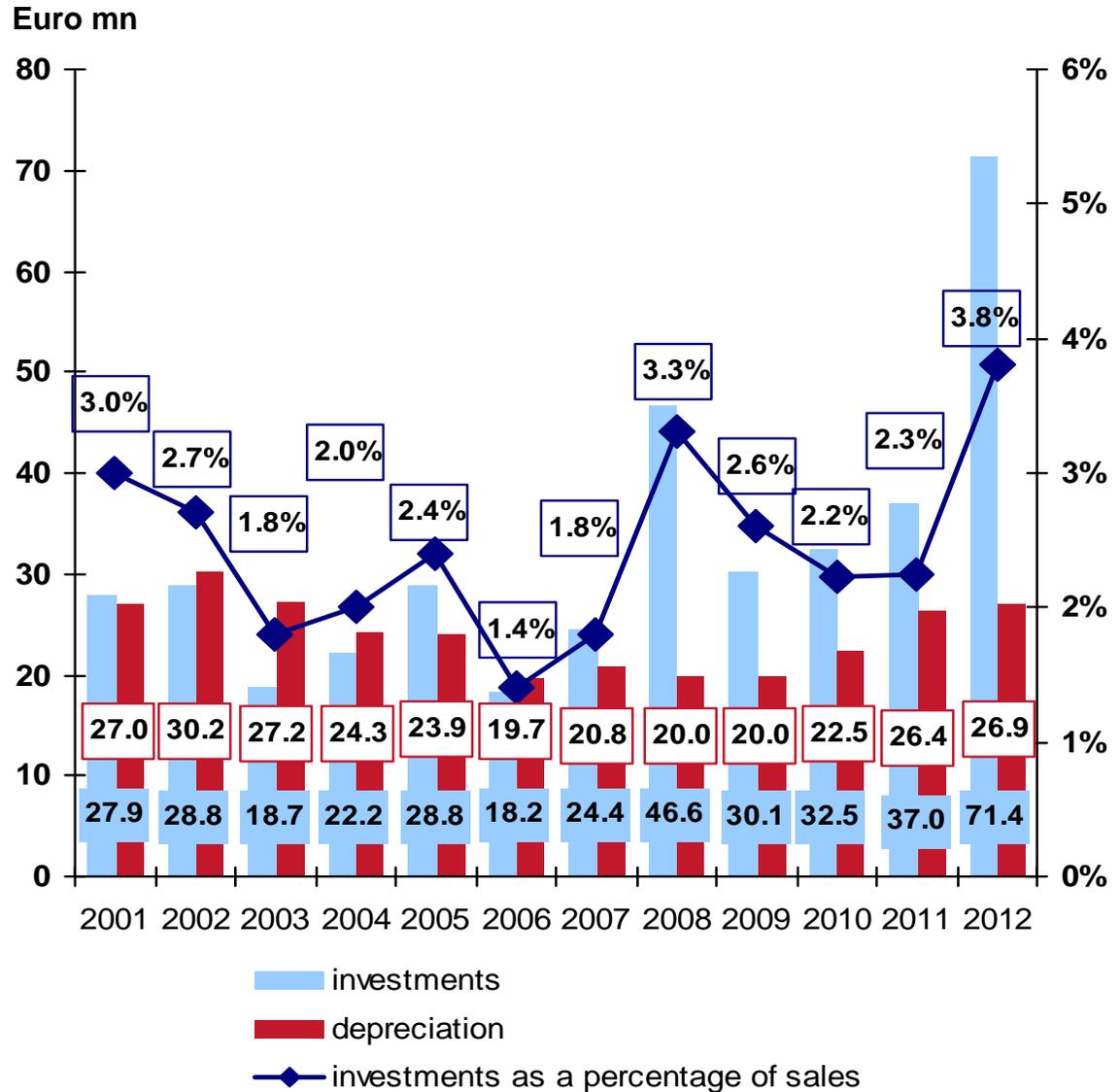
- Additional people
- Additional capex
- Additional opportunities
  - Margin management
  - Small market shares in certain product areas and countries
  - More focused
  - Strong team in our industry
  - Global network

# Highest investment in the company's history



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Apart from the construction of the new sites in growing regions such as Russia and China or the modernization of existing plants such as in the U.S., we have inaugurated the new research and development centre in Mannheim.



# Investments in China, Australia and India



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# New plant in Yingkou, China - plan



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# New plant in Yingkou, China – construction progress



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# New plant in Kaluga, Russia - plan



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# New plant in Kaluga, Russia – construction progress



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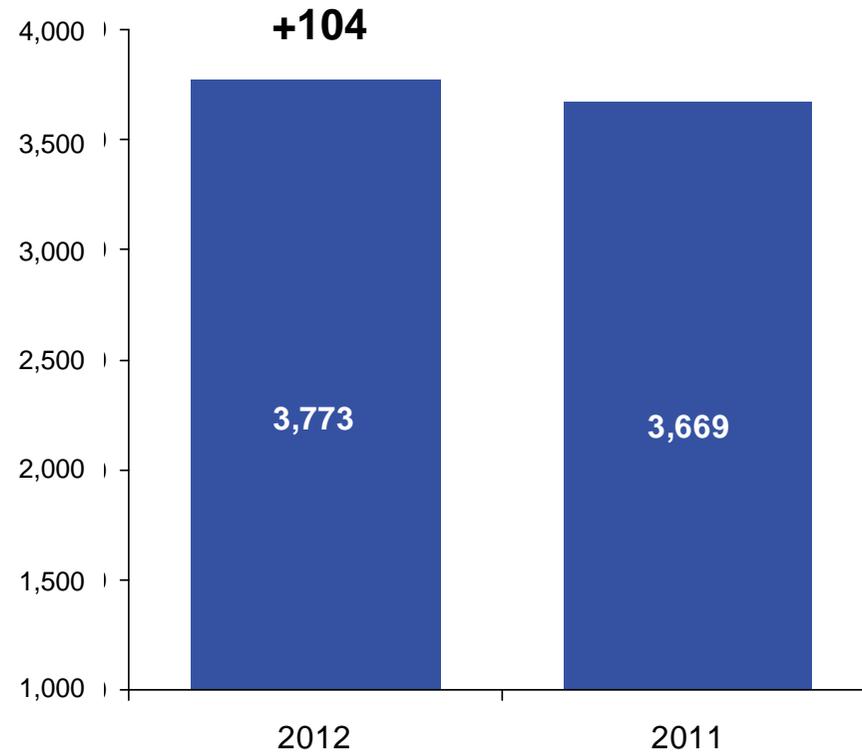
FUCHS is expanding and acquired 138 employees in 2011 and 104 employees in 2012. We have budgeted for another 100 employees in 2013.



FUCHS expands and hires 104 additional employees in 2012.

We plan for additional new hires in 2013.

### Employees



**The year 2013**

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1st quarter 2013: Sales revenues just below previous year's level due to currency effects. Slight increase in EBIT.



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€ mn	Q 1 2013	Q 1 2012	Variance	
<b>Sales revenues</b>	<b>442.0</b>	<b>448.4</b>	<b>-6.4</b>	<b>-1.4%</b>
<b>Gross profit</b>	<b>165.6</b>	<b>161.9</b>	<b>3.7</b>	<b>2.3%</b>
<i>Gross profit margin</i>	<i>37.5%</i>	<i>36.1%</i>		
<b>Sales, admin., R&amp;D and other net expenses</b>	<b>95.4</b>	<b>93.5</b>	<b>1.9</b>	<b>2.0%</b>
<i>Expenses as a percentage of sales</i>	<i>21.6%</i>	<i>20.9%</i>		
<b>EBIT before income from at equity</b>	<b>70.2</b>	<b>68.4</b>	<b>1.8</b>	<b>2.6%</b>
<i>EBIT margin before income from at equity</i>	<i>15.9%</i>	<i>15.3%</i>		
<b>Income from at equity</b>	<b>3.2</b>	<b>4.1</b>	<b>-0.9</b>	<b>-22.0%</b>
<b>EBIT</b>	<b>73.4</b>	<b>72.5</b>	<b>0.9</b>	<b>1.2%</b>
<b>Earnings after tax</b>	<b>51.6</b>	<b>51.4</b>	<b>0.2</b>	<b>0.4%</b>
<i>Net profit margin</i>	<i>11.7%</i>	<i>11.5%</i>		
<b>Earnings per share</b>				
<b>Ordinary</b>	<b>0.72</b>	<b>0.72</b>	<b>0.0</b>	
<b>Preference</b>	<b>0.73</b>	<b>0.73</b>	<b>0.0</b>	

- 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.

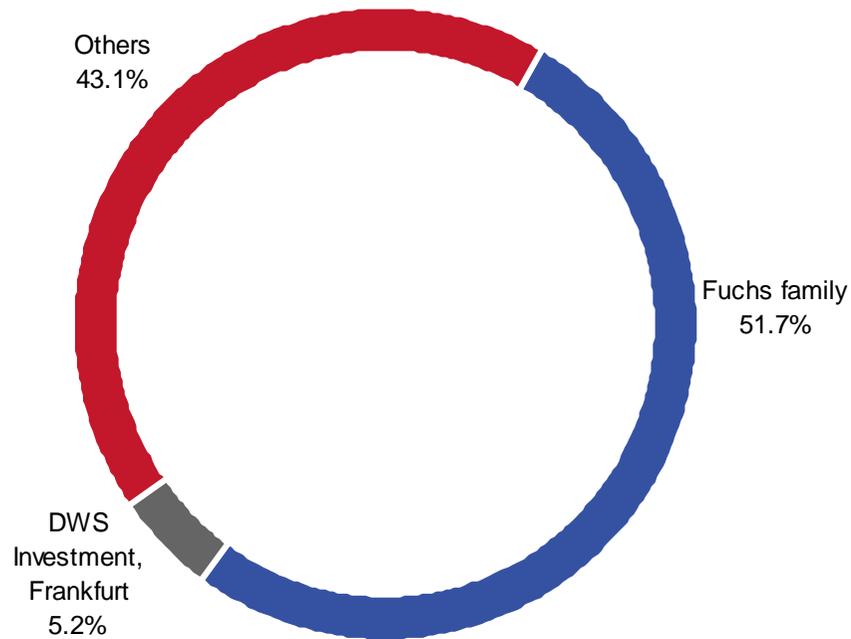
## Shareholder structure



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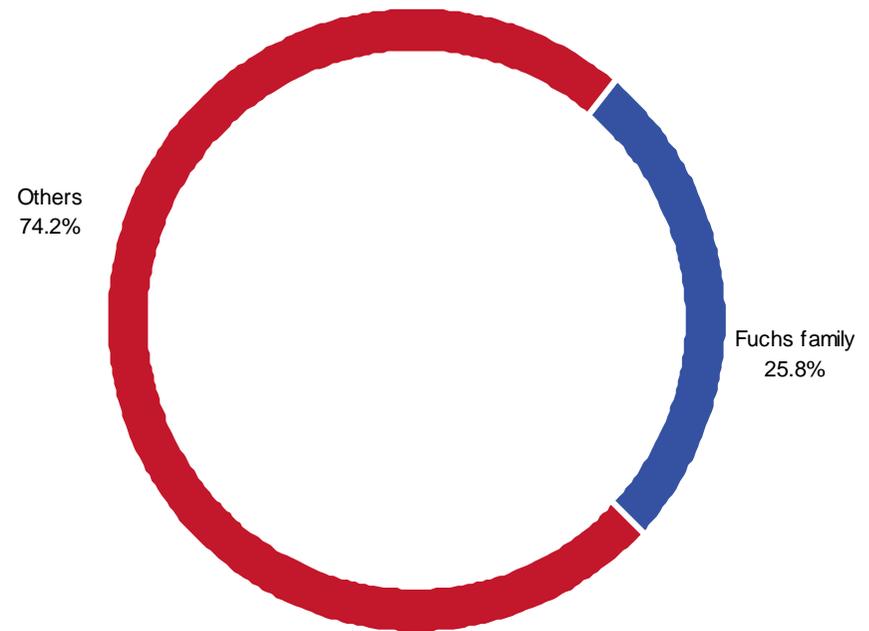


### Ordinary shares in %



**Base: 35,490,000 shares  
(ordinary shares)**

### Total equity in %



**Base: 70,980,000 shares  
(ordinary and preference shares)**

# Thank you for your attention!



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This presentation contains statements about future development that are based on assumptions and estimates by the management of FUCHS PETROLUB AG. 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 to the overall economic climate, changes to exchange rates and interest rates and changes in the lubricants industry. FUCHS PETROLUB AG provides no guarantee that future developments and the results actually achieved in the future will agree with the assumptions and estimates set out in this presentation and assumes no liability for such.

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