



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

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April 2015



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The leading independent lubricants manufacturer of the world



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- Founded in 1931
- 2014 sales revenues: €1.9 bn
- 2014 number of employees: 4,112 in 50 operating companies worldwide
- 30 production facilities
- 100,000 customers in more than 150 countries
- Member of the MDAX, DAXplus Family 30 and STOXX Europe 600



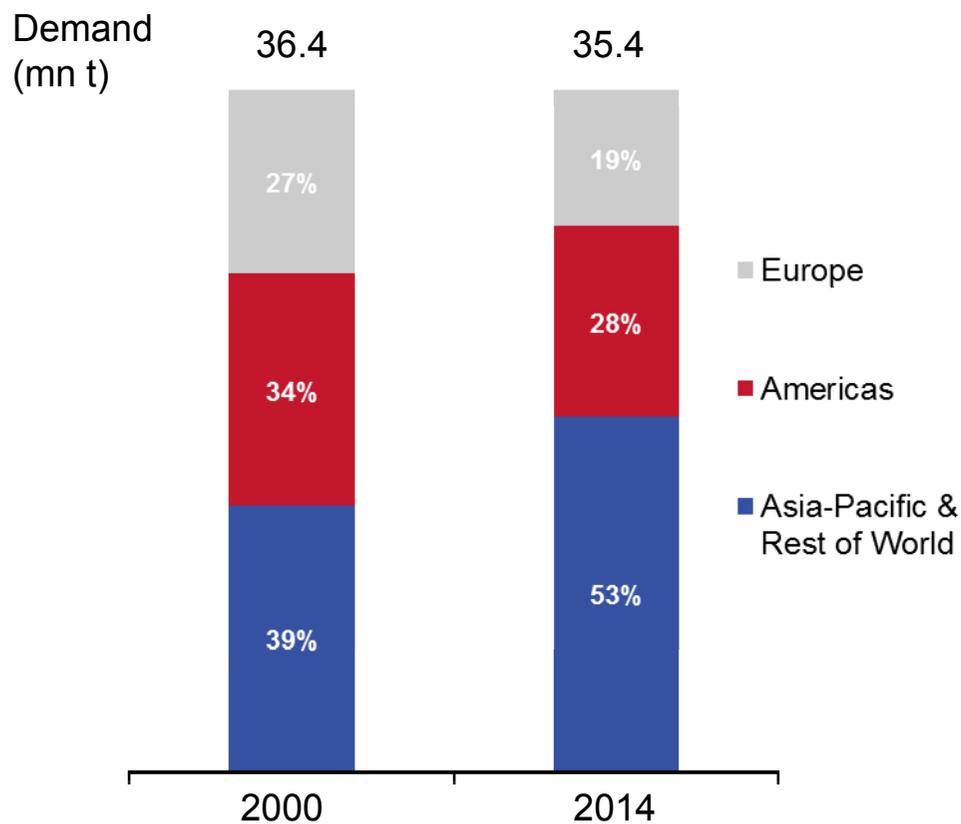
- FUCHS is fully focussed on lubricants (advantage over major oil companies)
- Technology, innovation and specialisation leadership in strategically important product areas
- Independence allows customer and market proximity, responsiveness, speed and flexibility (advantage over major oil companies)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

Regional breakdown of world lubricants demand



World lubricants demand 2014: 35 mn t



- Asia-Pacific biggest regional lubricants market with highest growth rate
- North America and Western Europe mature markets; focus is more on a specialized product portfolio and specialties

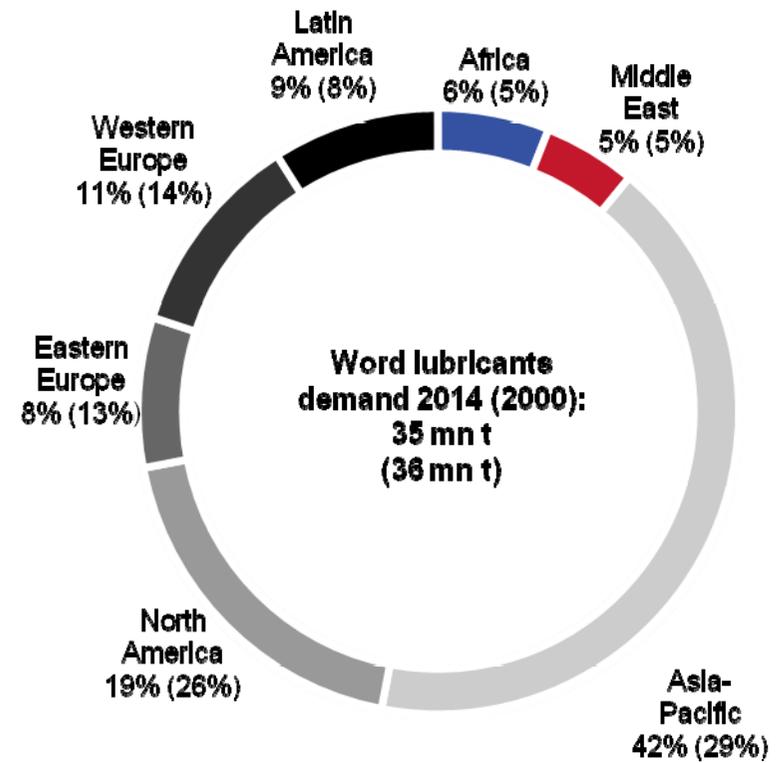
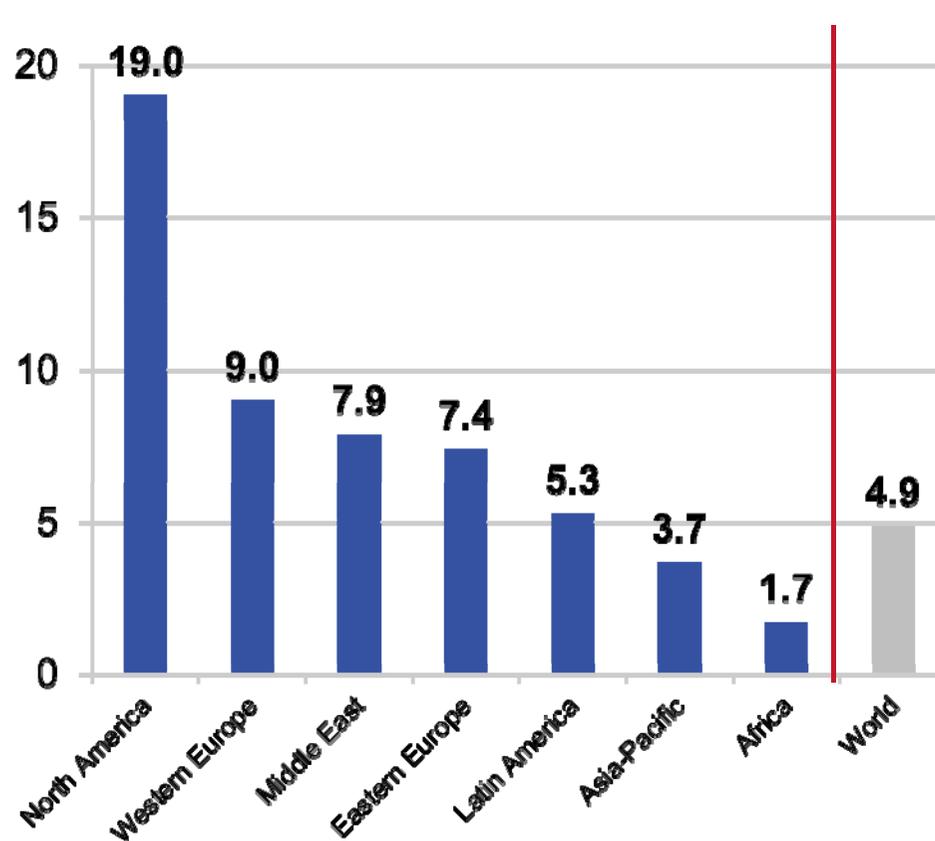
Source: FUCHS Global Competitive Intelligence

2014 per-capita lubricants demand shows significant growth opportunities



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kg

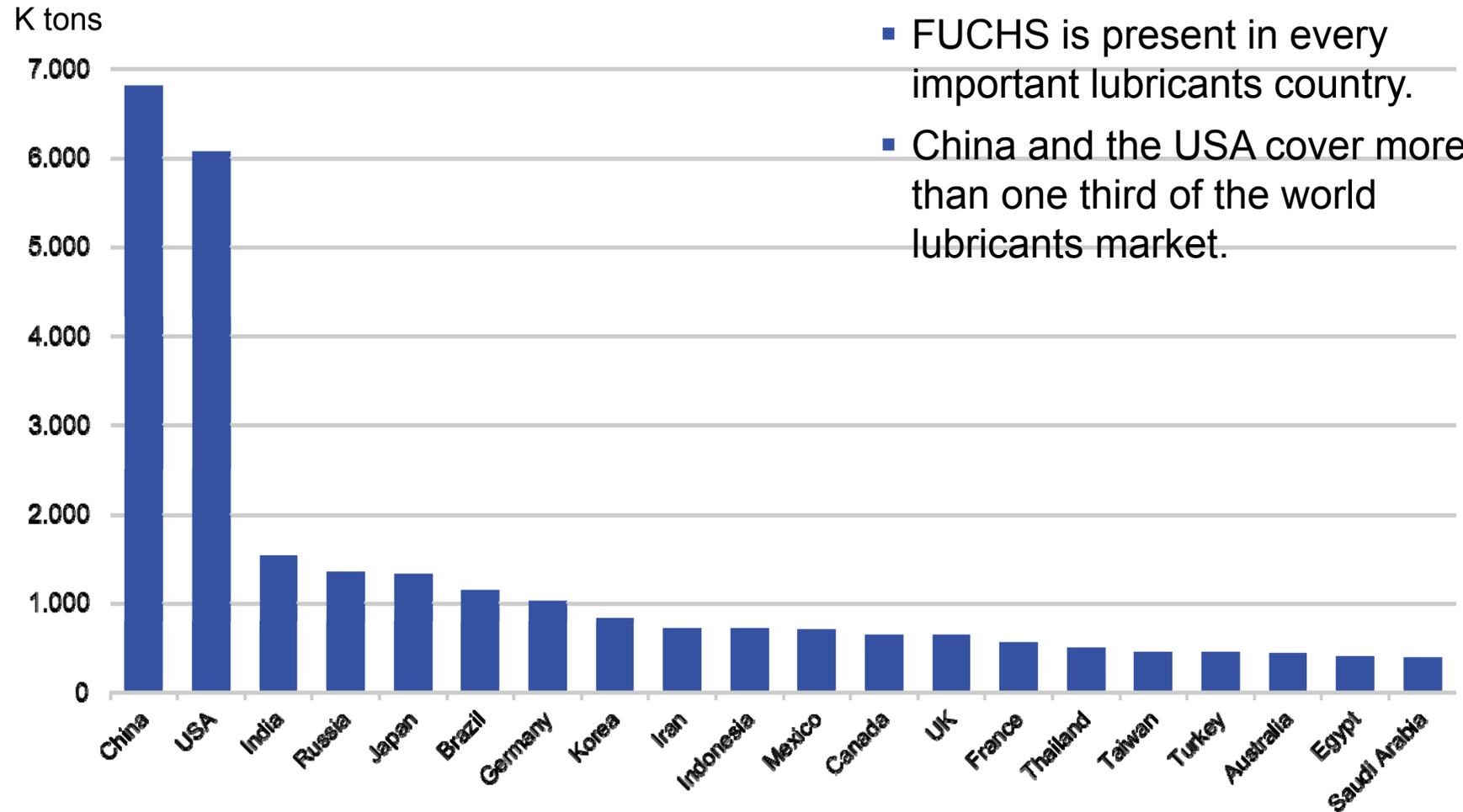


Source: FUCHS Global Competitive Intelligence



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Top 20 lubricants countries 2014



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 %
---------------	--------------

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

Strategic Position

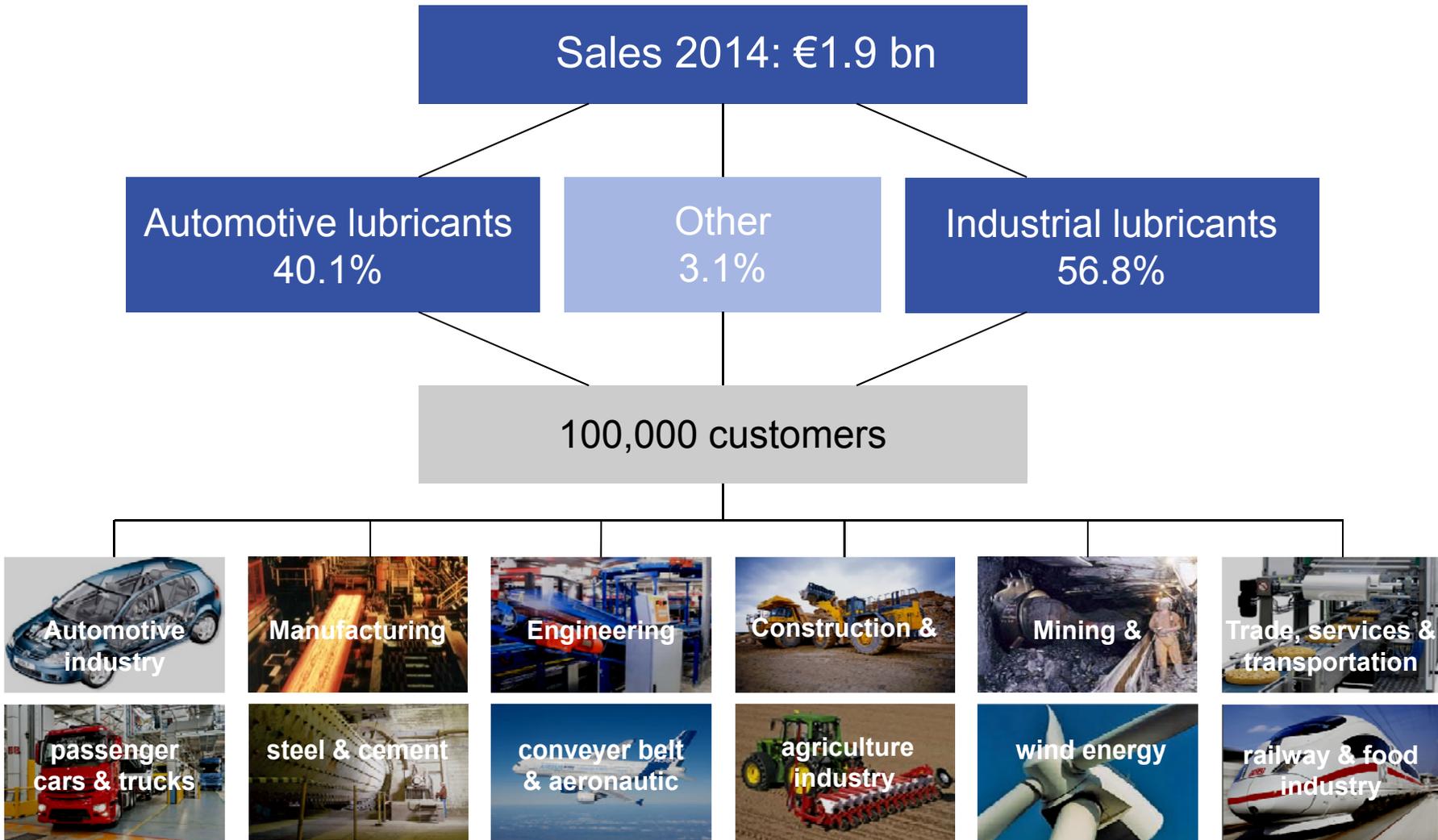


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FUCHS is fully focused on lubricants



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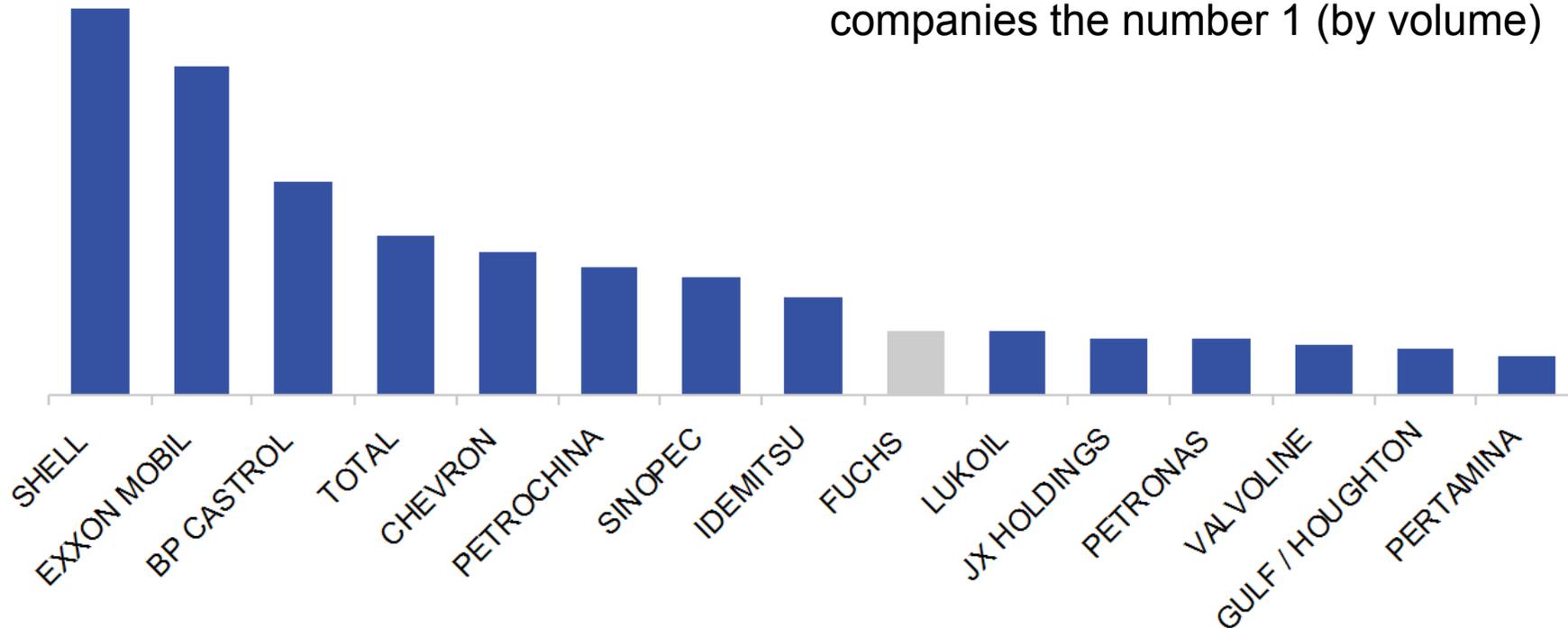


FUCHS is strategically well positioned



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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)



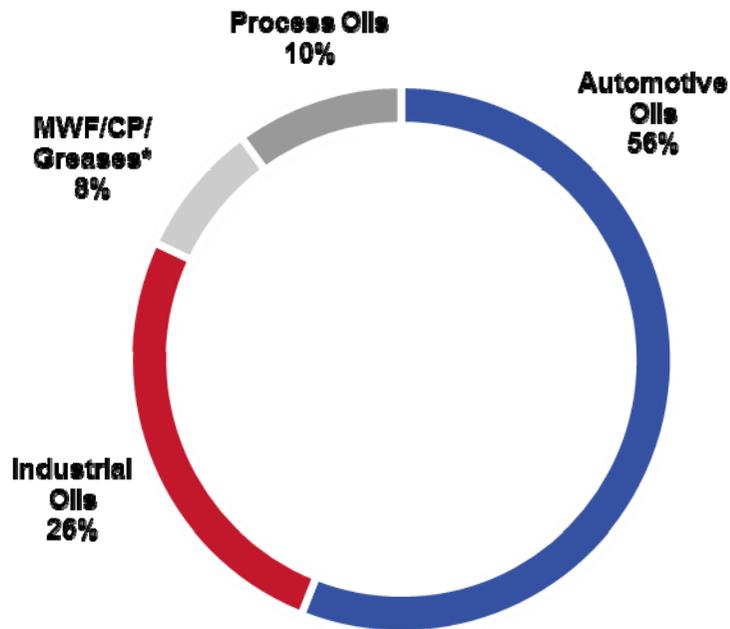
Source: FUCHS Global Competitive Intelligence

FUCHS is the specialist for lubricants

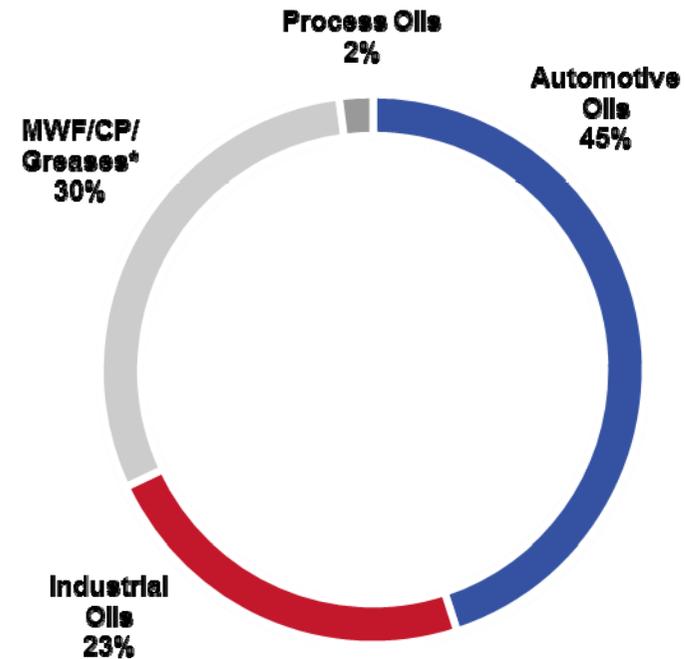


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**Worldwide lubricant market 2014
(volume)**



**FUCHS manufactured lubricants 2014
(volume)**



*metalworking fluids/corrosion preventives/lubricating greases

Source: FUCHS Global Competitive Intelligence

FUCHS is the specialist and occupies technology and market leadership positions in strategically important niche areas



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- High-performance speciality open gear lubricants (cement industry etc.) No. 1



- Mining specialities (fire-resistant hydraulic fluids for underground coal mining and high-performance lubricants) No. 1



- Environmentally friendly lubricants No. 1



- Metalworking fluids No. 2-4



- Corrosion preventives No. 2



- Forging lubricants No. 2



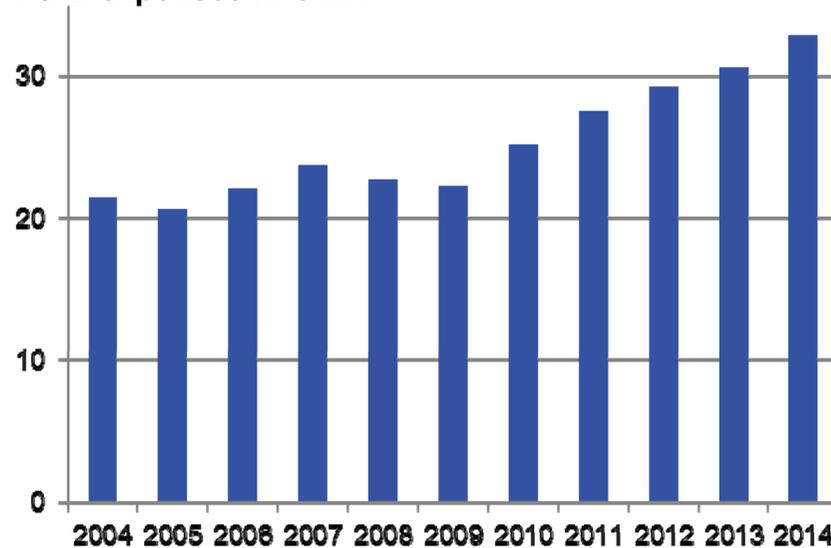
- Greases No. 3-4

FUCHS – the niche specialist



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R & D expenses in € mn

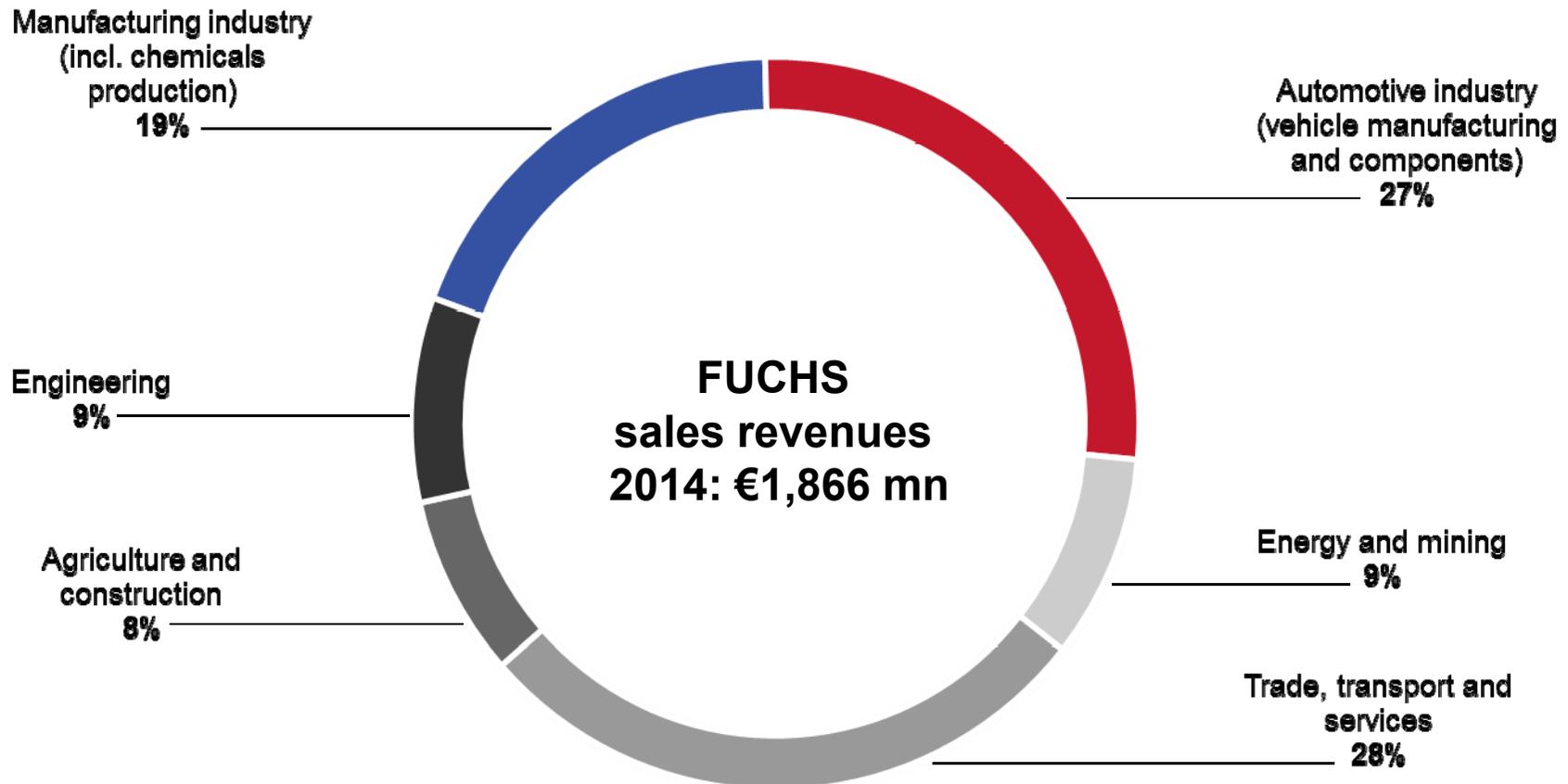


- Technical leadership through intensive Research & Development.
- 416 researchers around the globe help our customers to solve their problems.
- FUCHS PETROLUB spent €33 mn in R&D expenses during 2014.

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

Worldwide network – “stronger networking”



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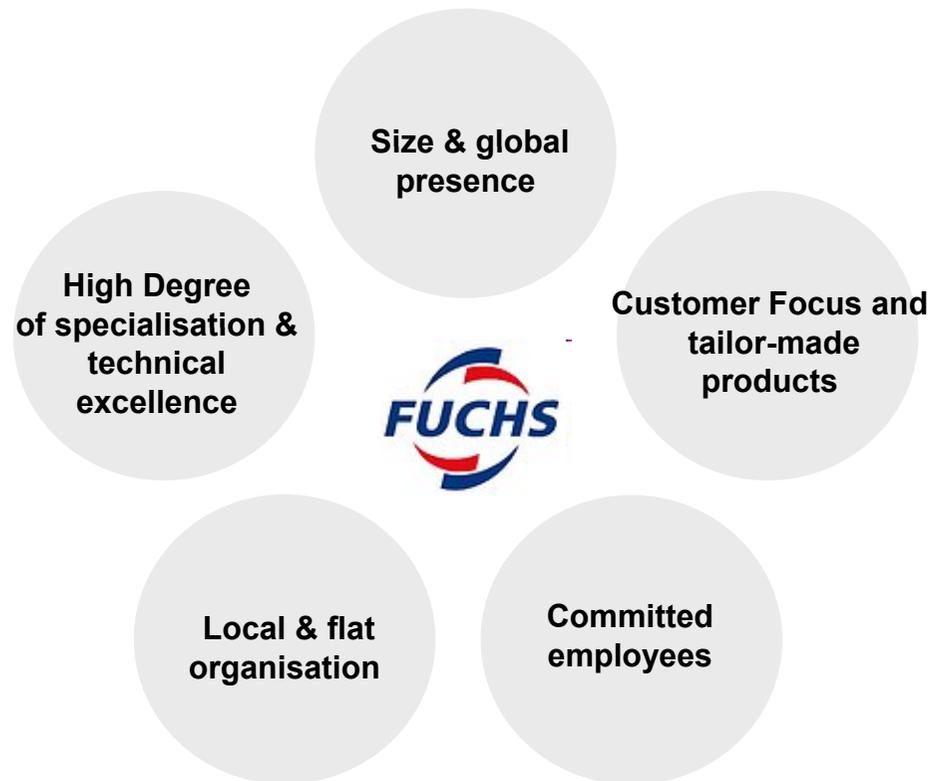


● production sites

FUCHS' strategic position is a combination of...



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Independence & Financial Strength

Comments

around €1.9 bn in sales (80% with customers 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 administration supported by company's independence, steering via FVA tool successful

**Our Business Model Has Paid
Dividends**

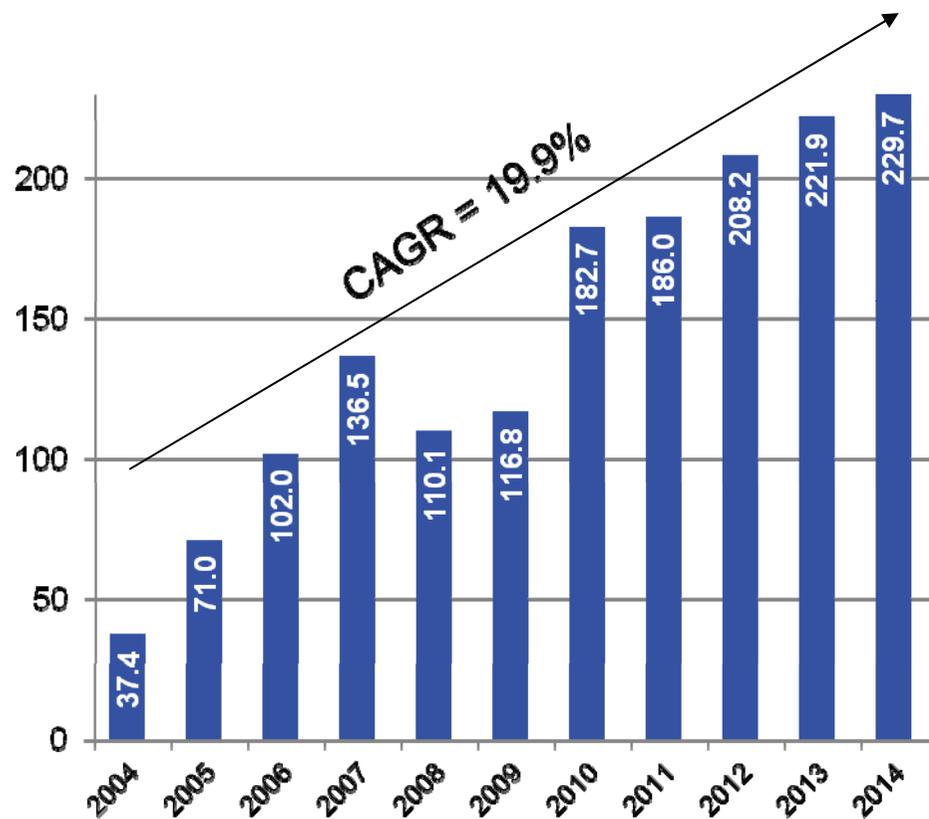


*LUBRICANTS.
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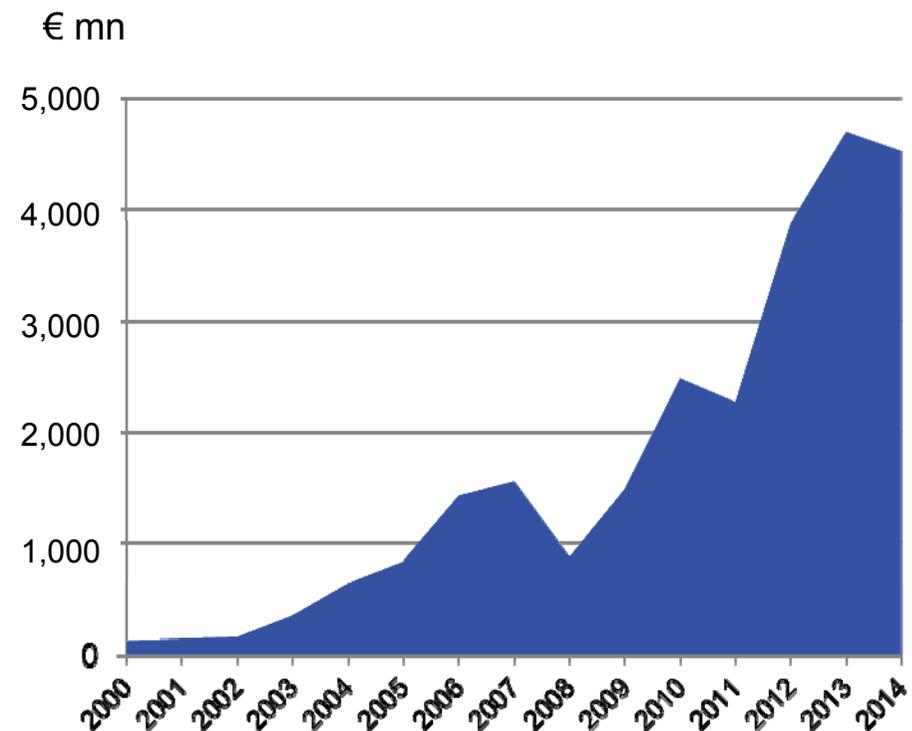
During the past 10 years, FUCHS Value Added has increased by 19.9 % p. a. and market capitalization has increased constantly and presently is close to €5 bn.



FVA = Fuchs Value Added



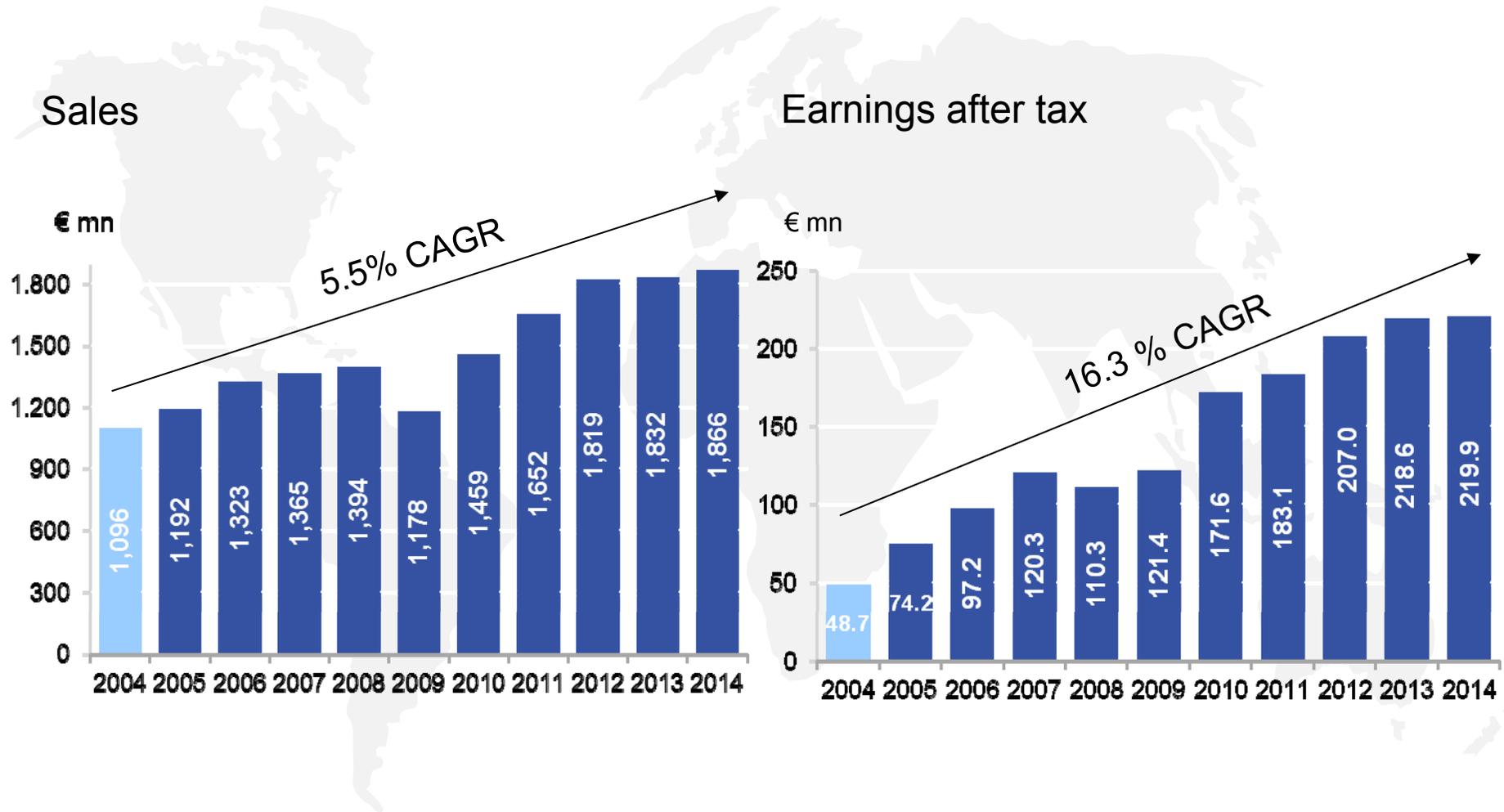
FUCHS market capitalization



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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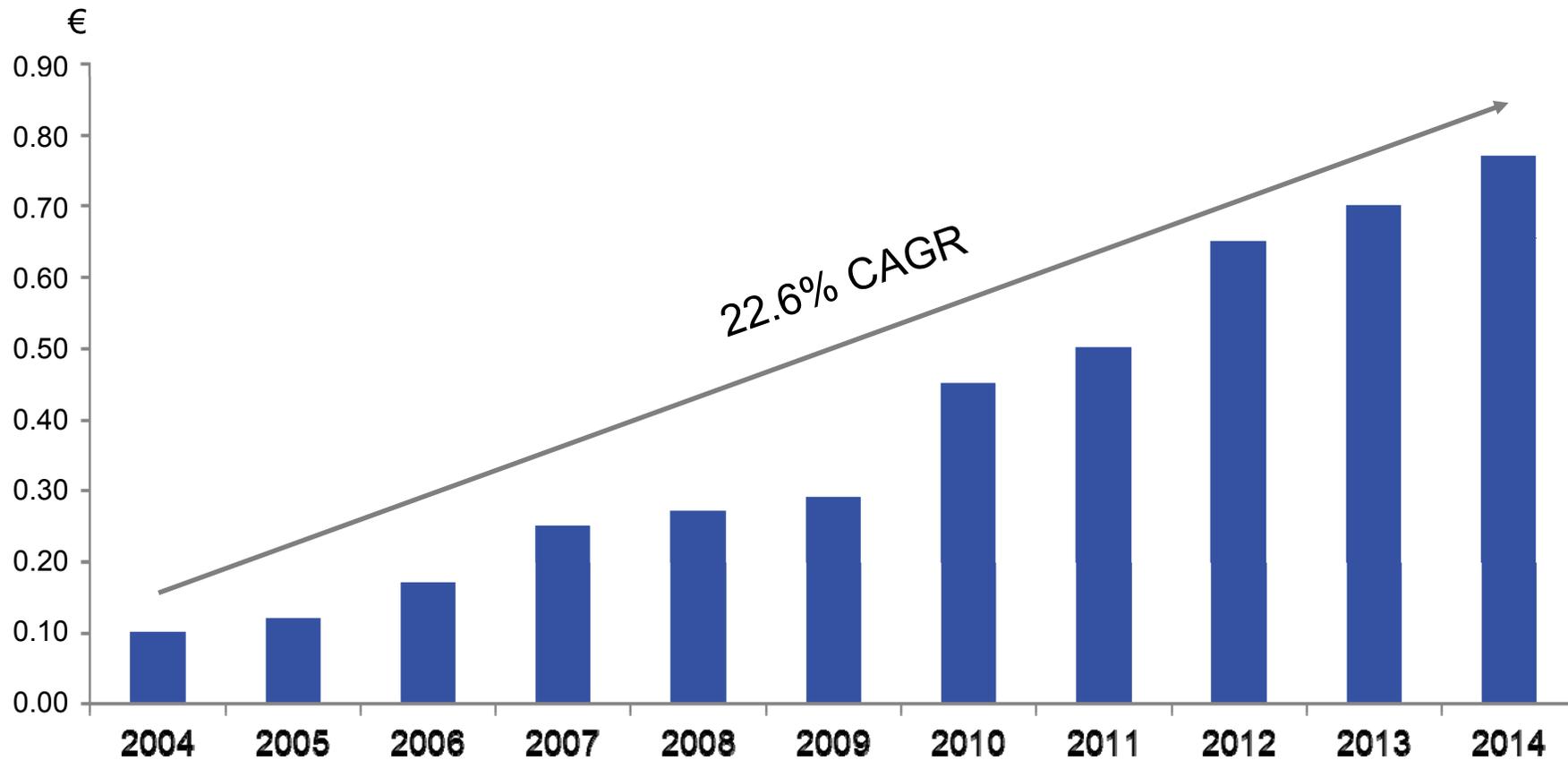


Since IPO in 1985 we have paid dividends – during the past 10 years, dividends have been increased by 22.6% p.a.



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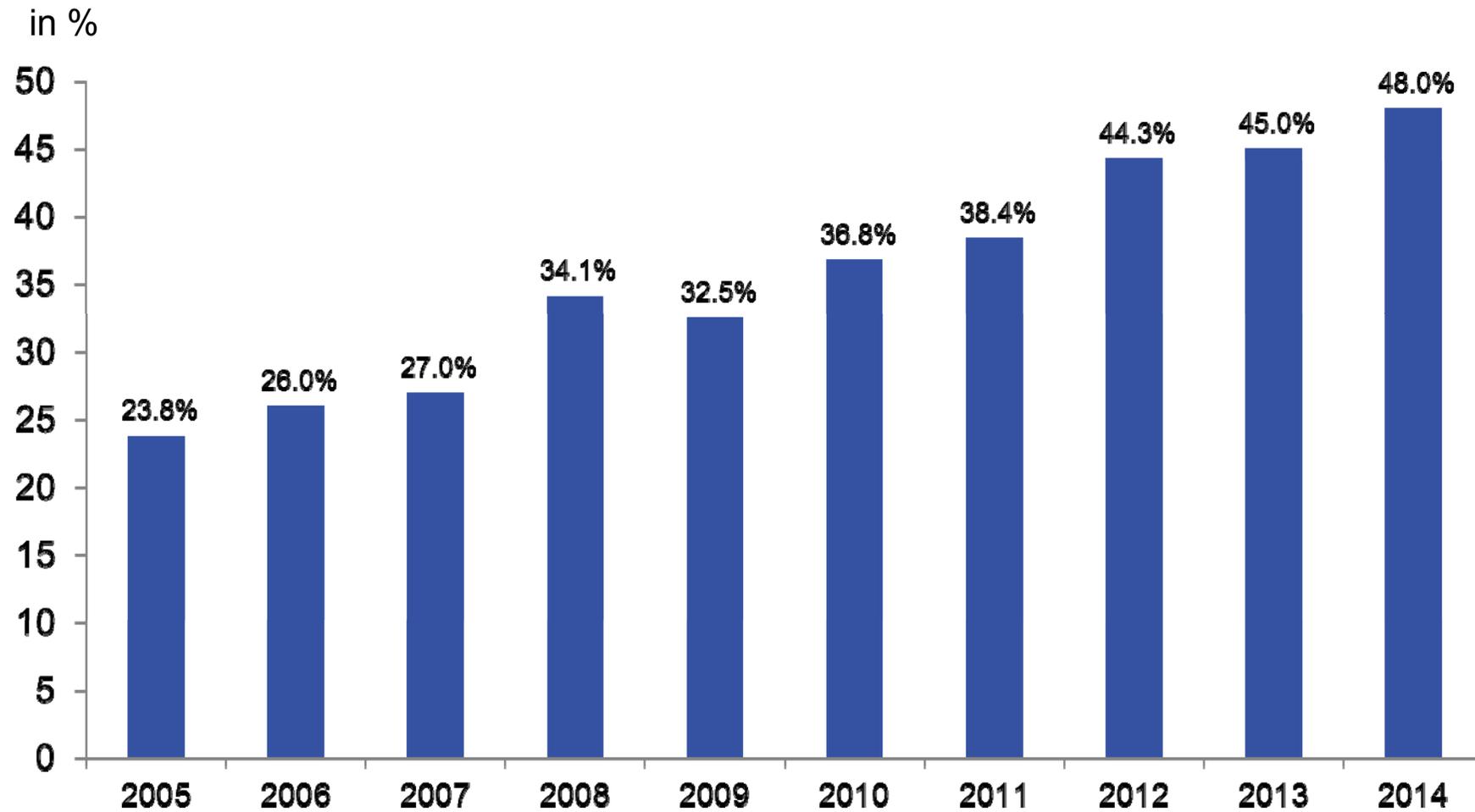
Dividend per preference share (adjusted for changes in equity structure)



Pay-out ratio almost 50%



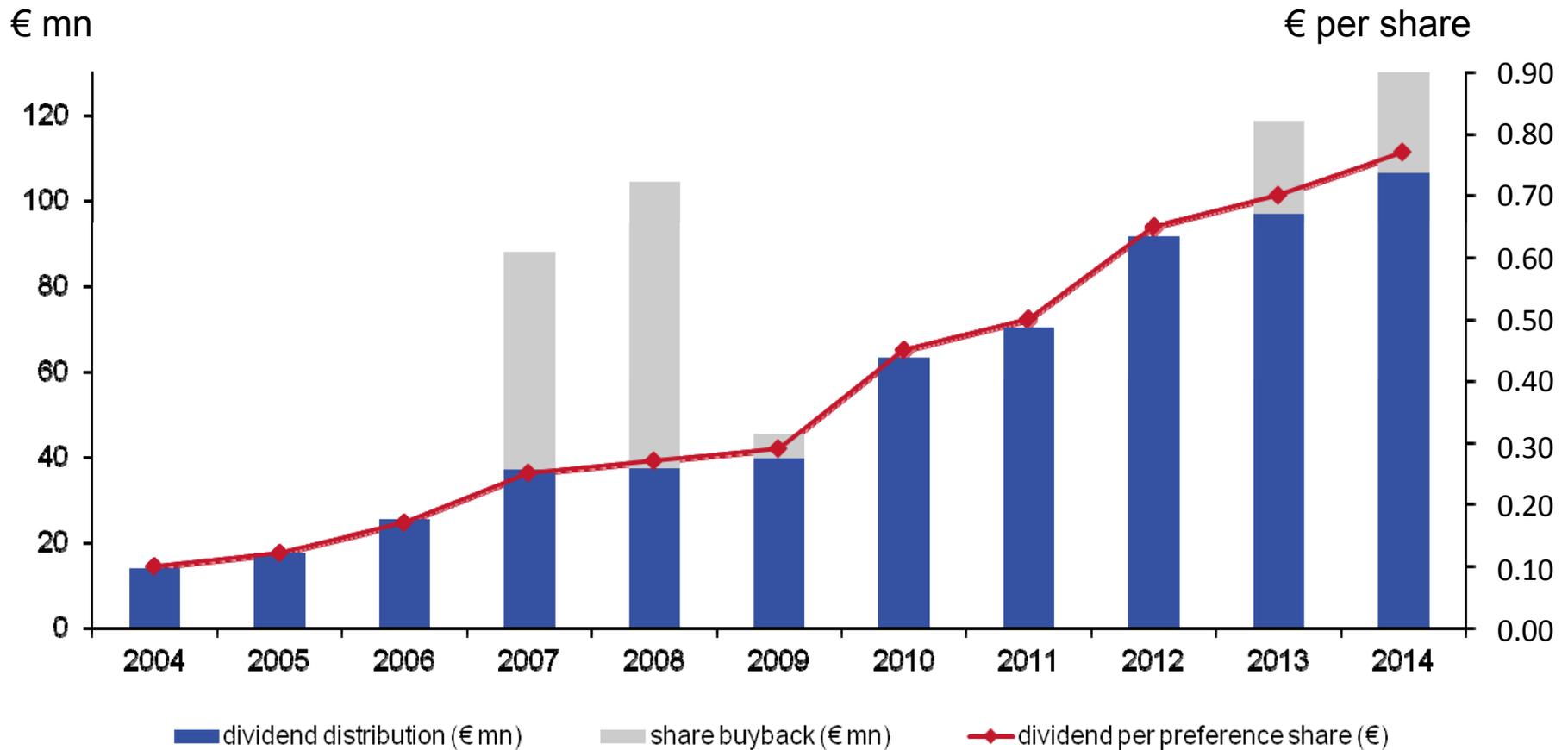
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Total return to FUCHS shareholders through dividends and share buyback



Dividend payout and share buyback since 2002



The Year 2014



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2014 | Networking Strengths

ANNUAL REPORT



Growing together
&
networking strengths

FUCHS PETROLUB in figures



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100,000 CUSTOMERS
in more than 150 countries



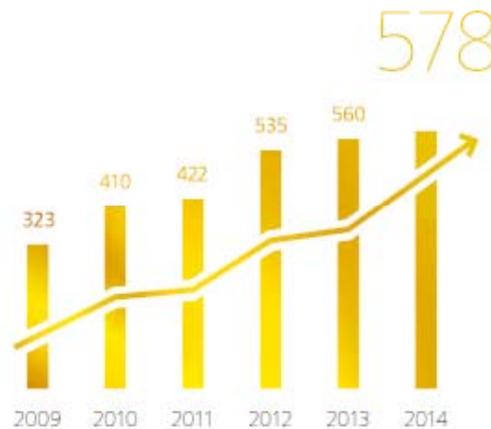
4,112

employees worldwide
2009: approximately 3,500

75%

growth in EBIT since 2009

Sales Revenue
Asia Pacific/ Africa Region
in € million



26

LANGUAGES

are spoken in the
FUCHS PETROLUB GROUP

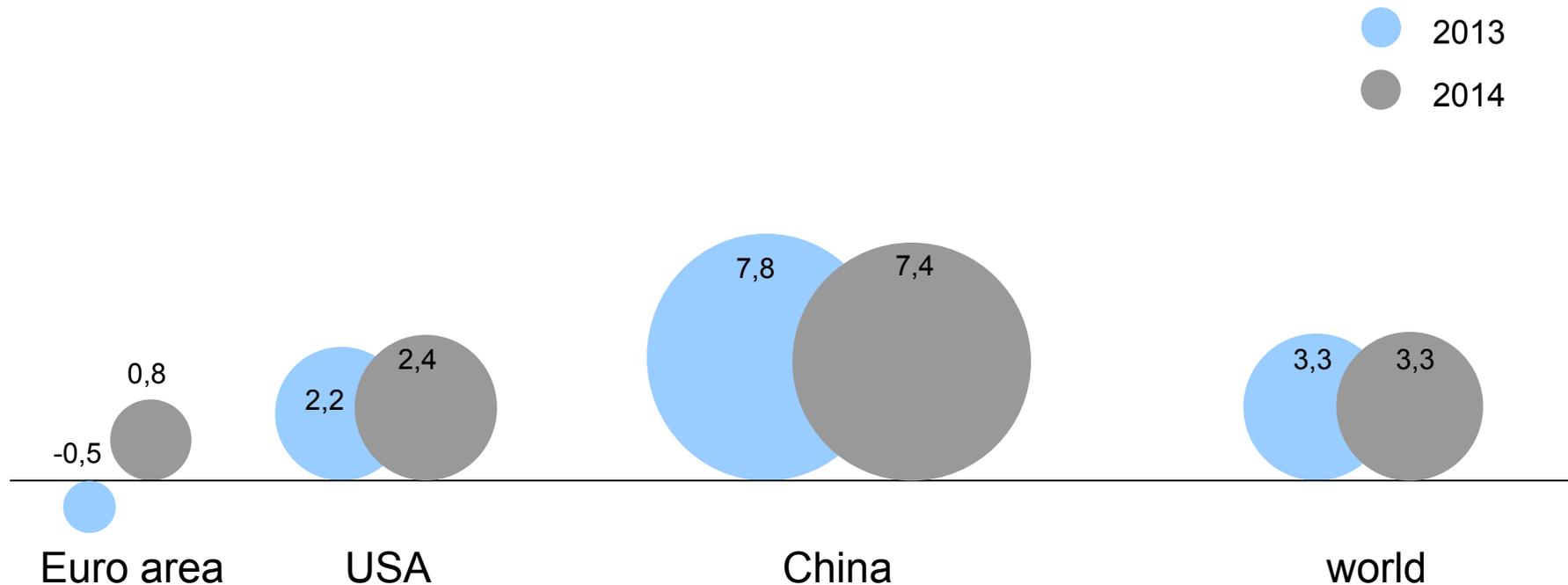
- Sales revenues increased by 3%; currency adjustments have significant impact
- Result at previous year's high level
- 2 acquisitions in Great Britain and South Africa successfully completed
- Further increase of "stronger networking"
- Strengthening the FUCHS brand
- Proposed dividend increase of 10%

In 2014 the world economic growth was, despite expectations, not stronger than in the previous year



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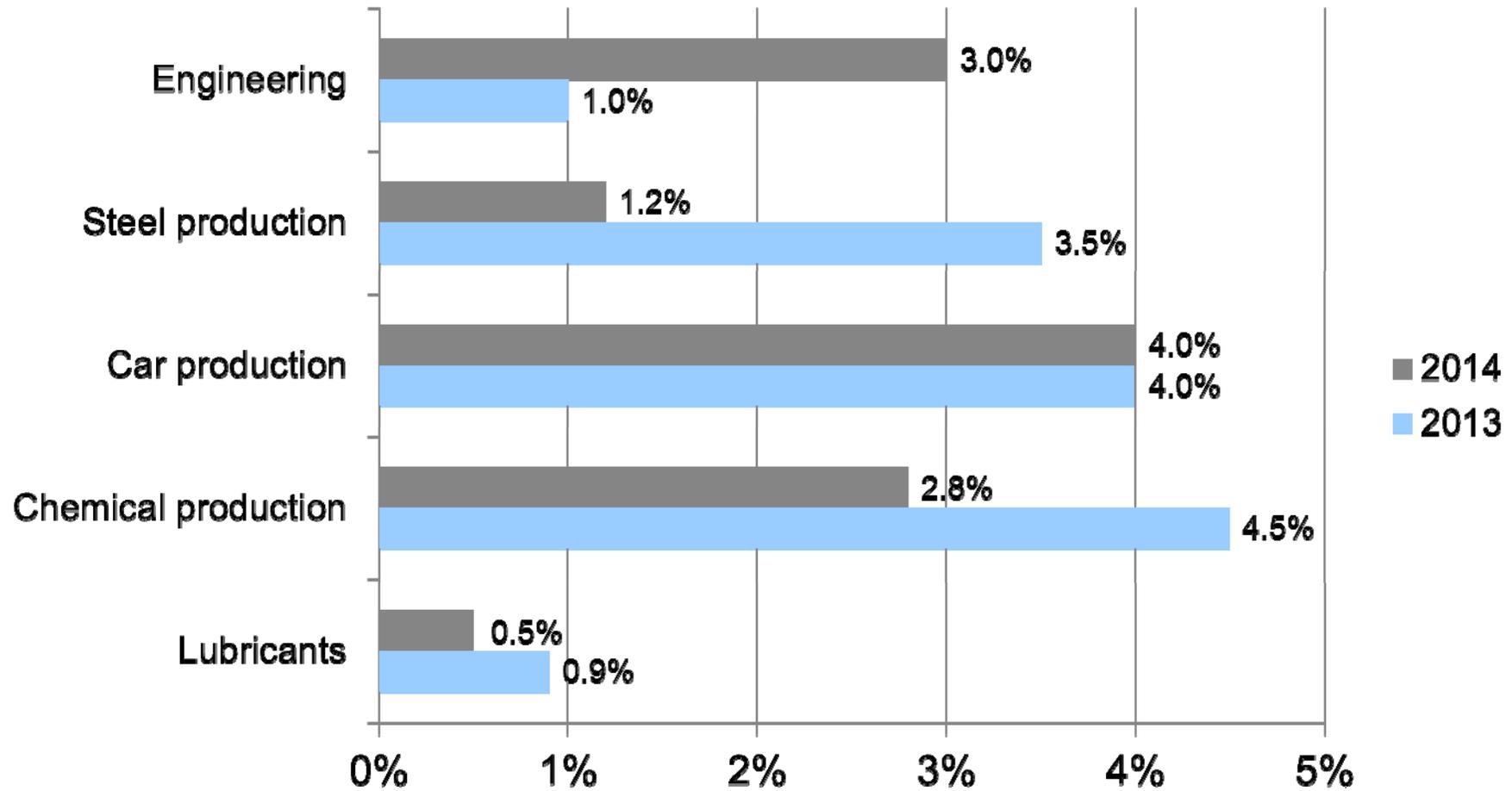
Growth of GDP (gross domestic product) compared to previous year (in %)



Quelle: IMF, Januar 2015



Worldwide production



EBIT at previous year's level



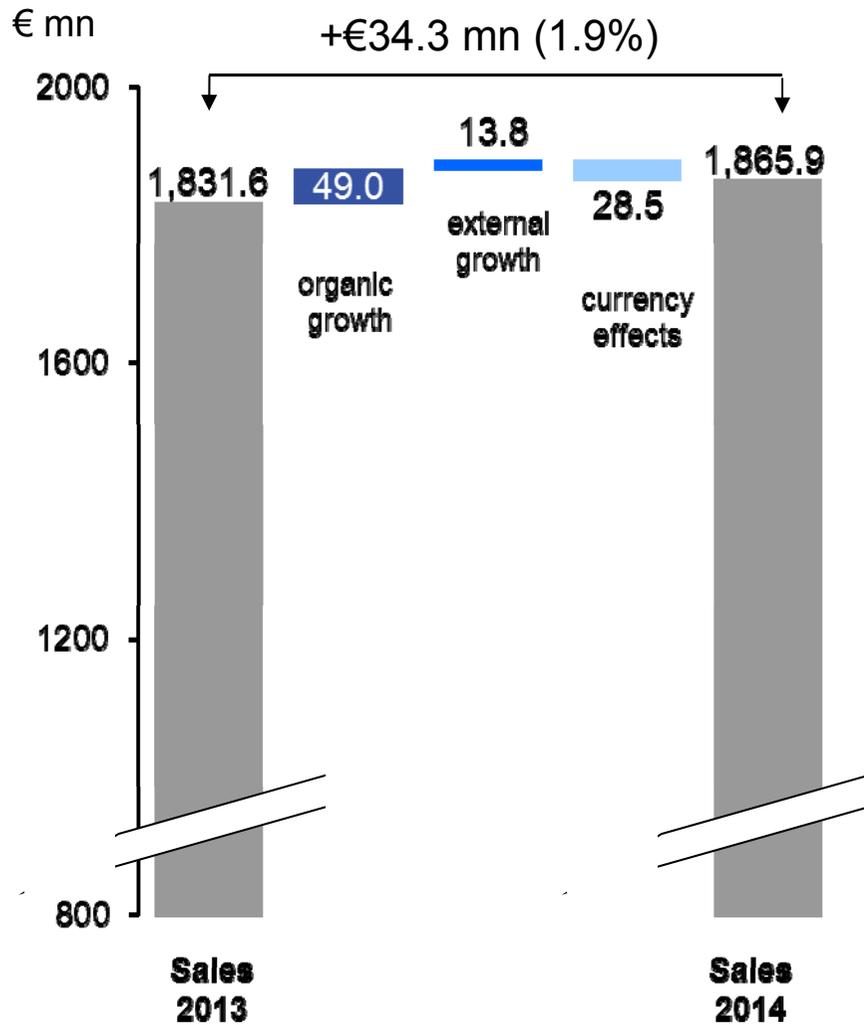
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€ mn	2014	2013	Δ Mio. €	Δ in %
Sales revenues	1,865.9	1,831.6	34.3	1.9
Gross profit	693.2	689.9	3.3	0.5
<i>Gross profit margin</i>	<i>37.2%</i>	<i>37.7%</i>		
Admin., sales, R&D and other net operating expenses	-400.6	-391.1	9.5	2.4
<i>Expenses as 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 of 2.7%, due to currency effects only slight increase in sales



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- Organic growth 2.7% or €49.0 mn
- External growth 0.8% or €13.8 mn
- Currency effects -1.6% or -€28.5 mn

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



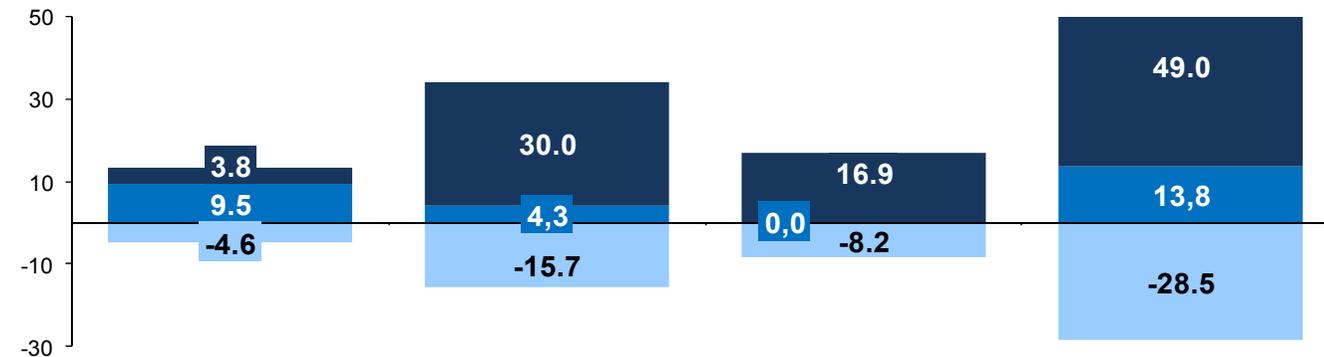
Regional sales growth
2014

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*

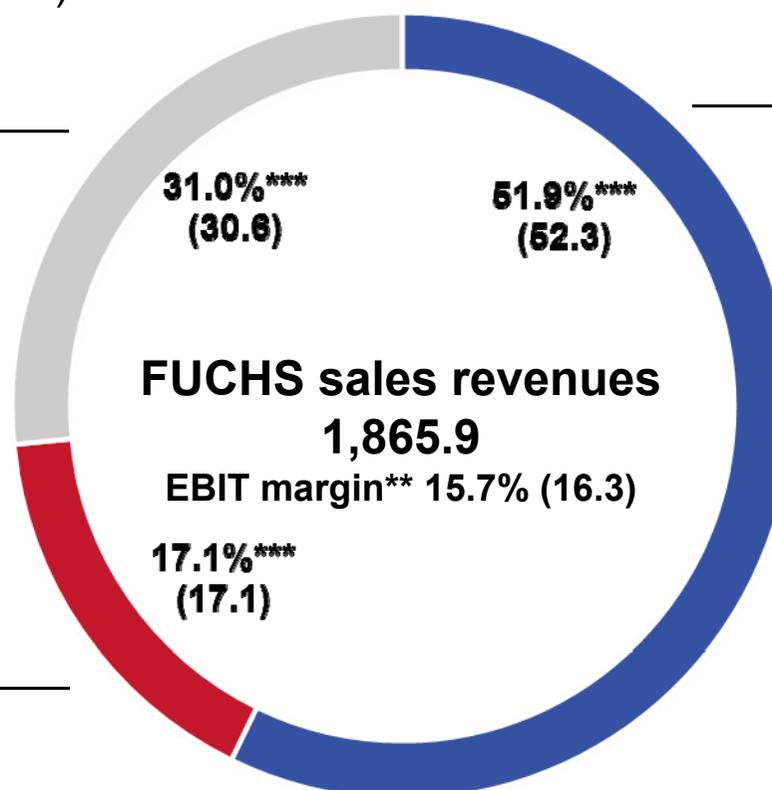
sales	516.5	+3.7%
EBIT	105.6	+2.1%
EBIT margin**	16.8%	(18.3)

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)



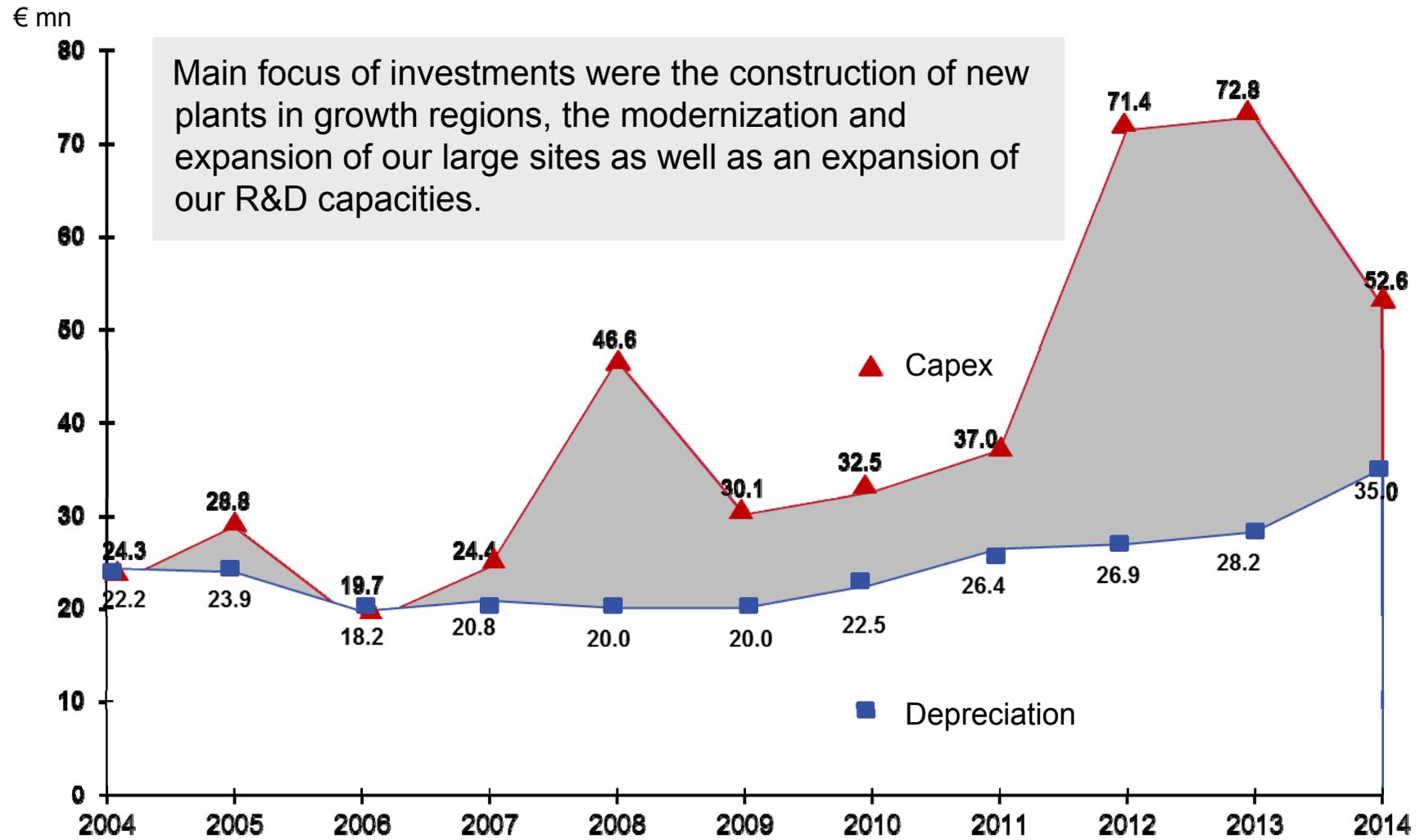
* by companies' location
** before at equity
*** by customers' location

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

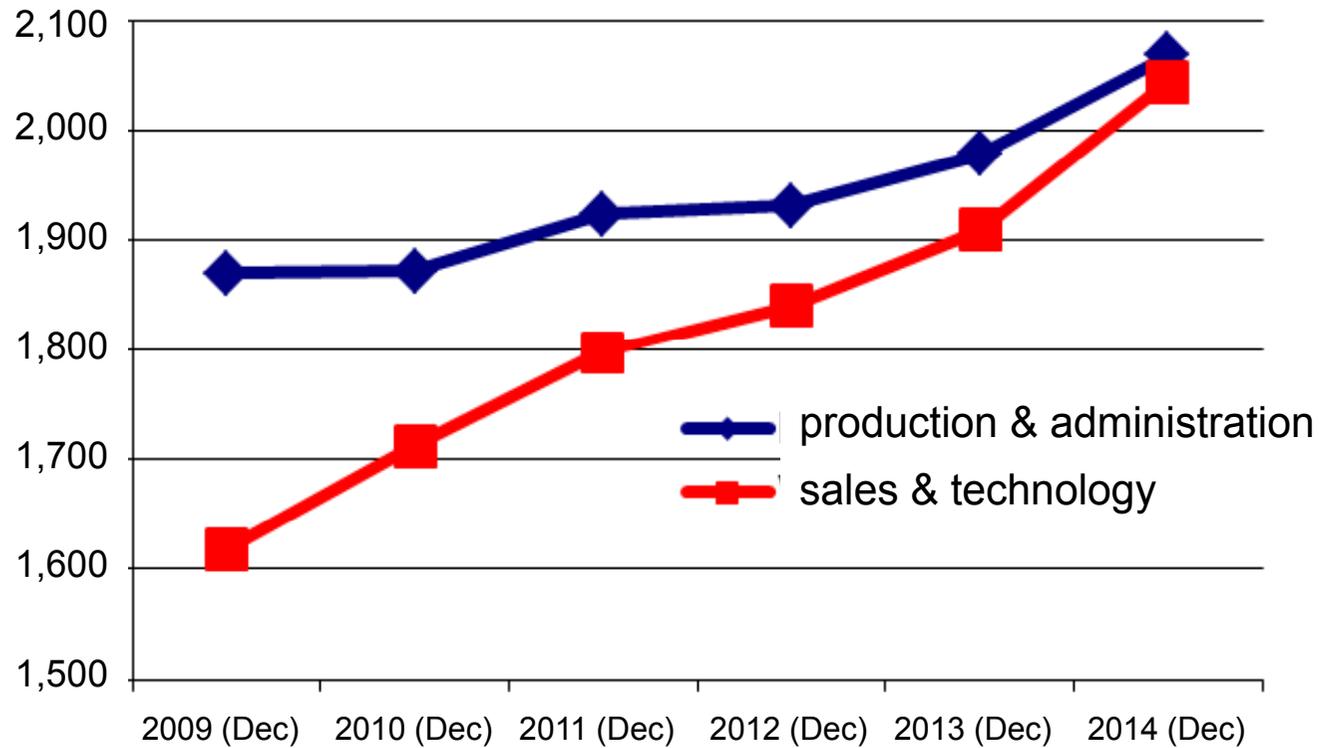


Modernisation of holding building



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.



- 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

Balance Sheet, Cash Flow, FVA 2014



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Solid balance sheet – increase of 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

Record free cash flow of €187.9 mn



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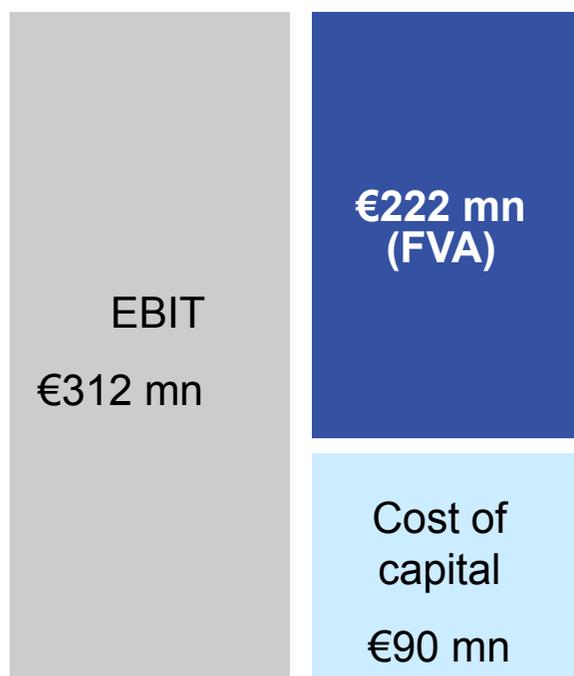
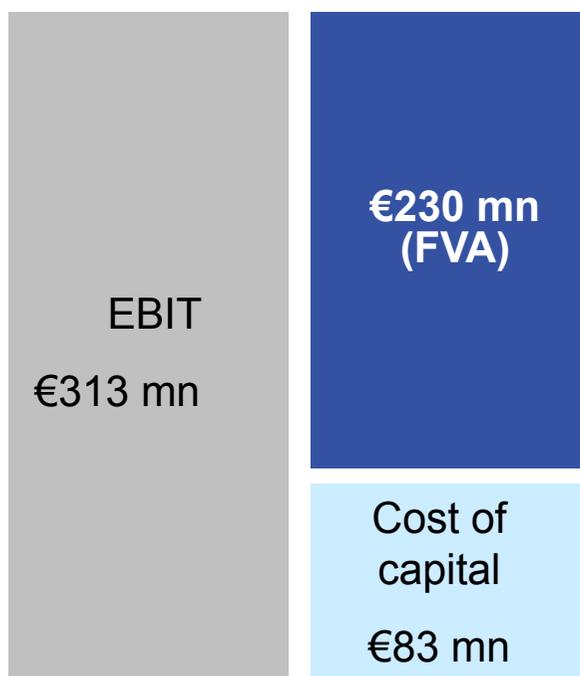
€ mn	2014	2013
Gross cash flow	257.9	230.0
Changes in net current asset	-14.0	-8.6
Changes in other current assets	11.4	-0.9
Operating cash flow	255.3	220.5
Investments	-52.6	-72.8
Acquisitions	-21.8	0.0
Other changes	7.0	2.2
Free cash flow	187.9	149.9

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%

Outlook 2015

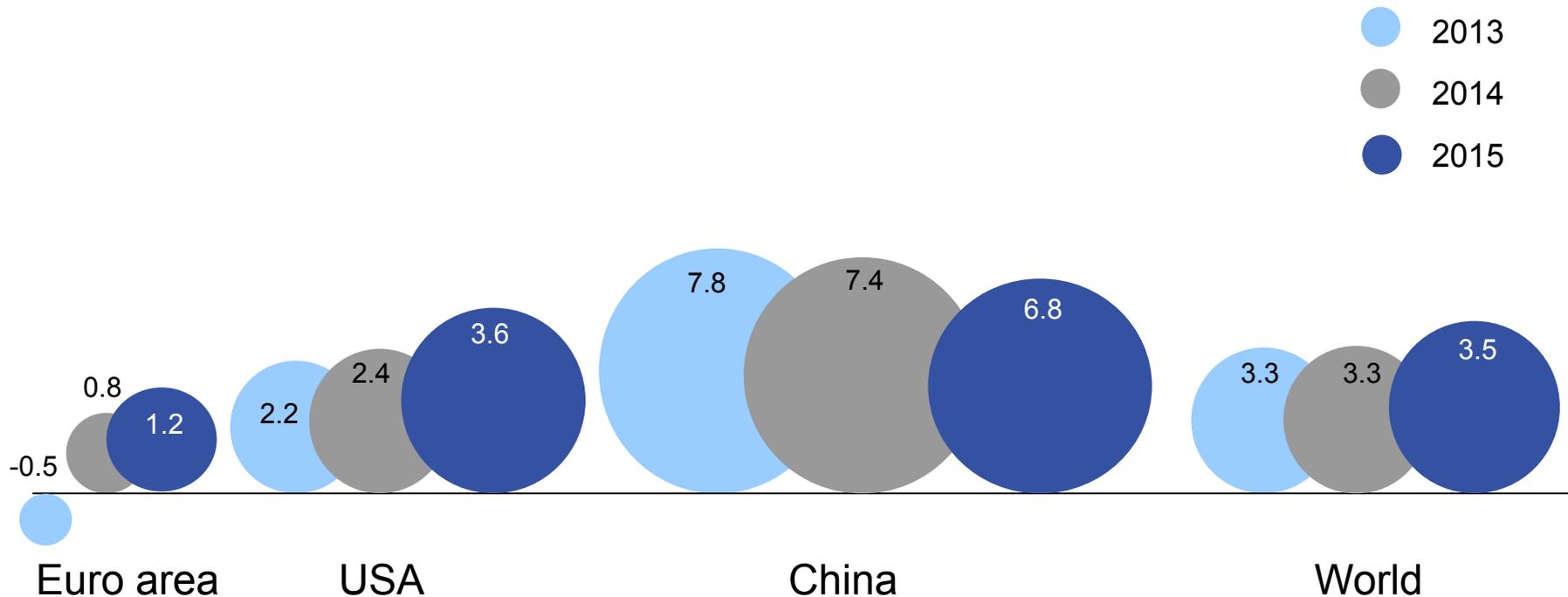


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The outlook for the world economy has brightened up at the turn of the year 2014/2015



Forecasted growth of GDP (gross domestic product) in 2015 compared to previous year (in %)



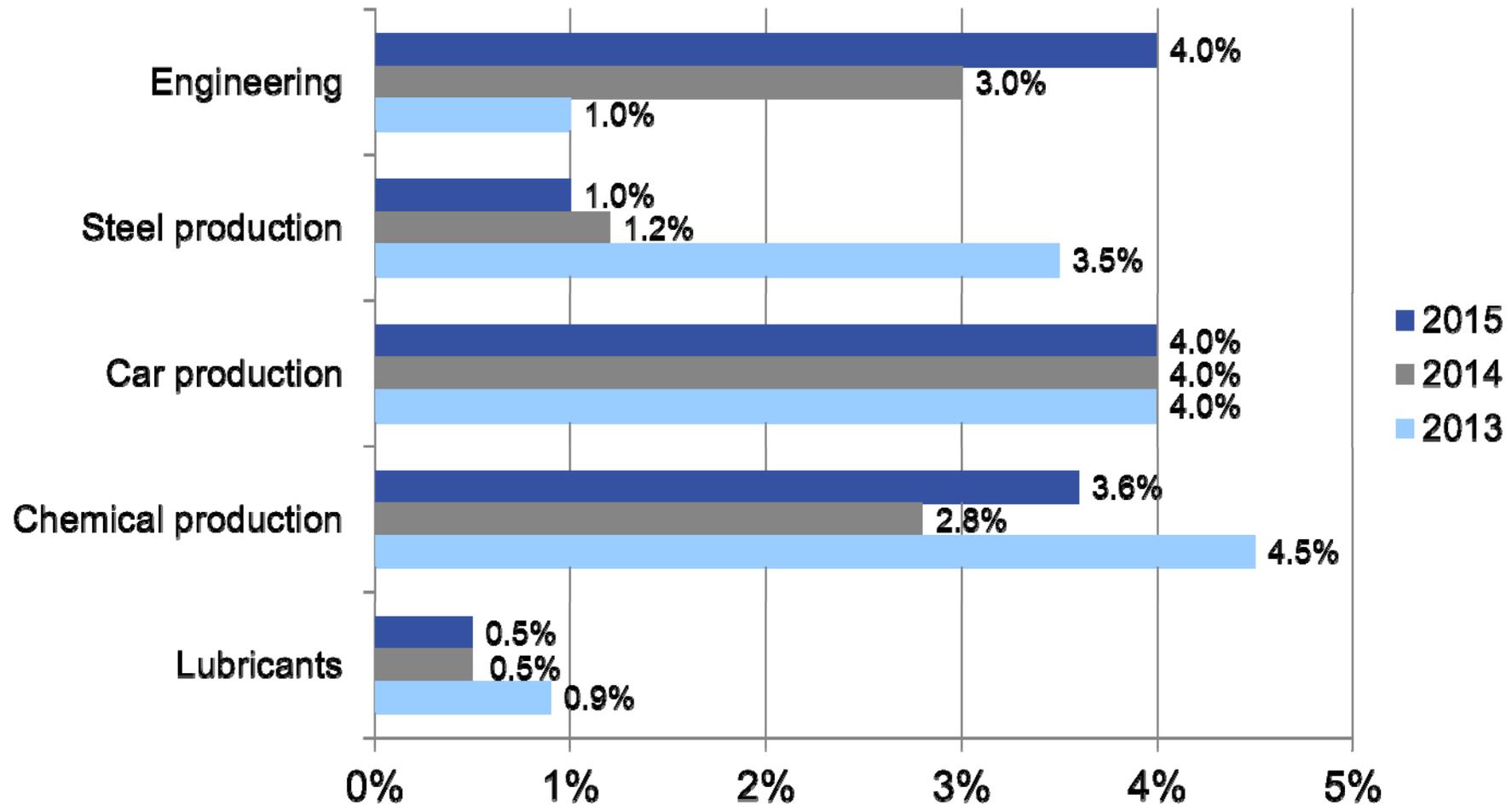
Source: IMF, January 2015

Development of key industries – Continued strong demand for engineering and car production, recovering of chemical production, further decrease of steel production



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Worldwide production



Source: FUCHS Competitive Intelligence

- FUCHS plans further growth in sales and volume in 2015
- We expect an EBIT increase in the low digit percent range
- We plan investments 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 mn

Quarters 2014



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Development of quarters



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€ mn	Q1 13	Q2 13	Q3 13	Q4 13	Q1 14	Q2 14	Q3 14	Q4 14
Sales revenues	442.0	468.3	468.7	452.7	456.8	462.5	483.5	463.1
Gross profit	165.6 (37.5%)	177.5 (37.9%)	177.6 (37.9%)	169.2 (37.4%)	170.9 (37.4%)	172.1 (37.2%)	179.7 (37.2%)	170.5 (36.8%)
Sales, admin., R&D expenses	95.4 (21.6%)	100.7 (21.5%)	97.5 (20.8%)	97.5 (21.5%)	98.3 (21.5%)	99.7 (21.6%)	97.8 (20.2%)	104.8 (22.6%)
EBIT before income from at equity	70.2 (15.9%)	76.8 (16.4%)	80.1 (17.1 %)	71.7 (15.8 %)	72.6 (15.9%)	72.4 (15.7%)	81.9 (16.9%)	65.7 (14.2%)
EBIT	73.4	80.4	83.4	75.1	75.6	75.6	84.7	77.1
Earnings after ax	51.6	56.0	58.0	53.0	52.8	52.6	58.7	55.8
Net profit margin	11.7 %	12.0 %	12.4 %	11.7 %	11.6%	11.4%	12.1%	12.1%

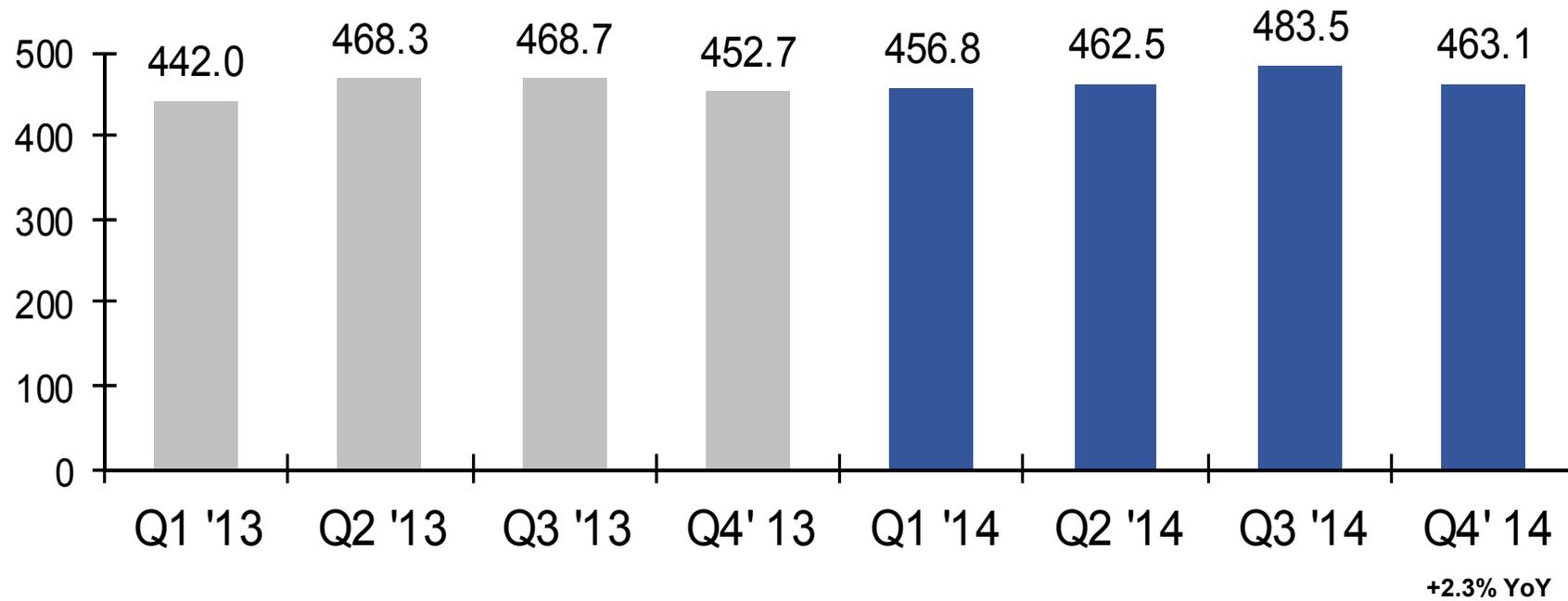
Good final spurt in the 4th quarter 2014



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Development of sales revenues

€ mn

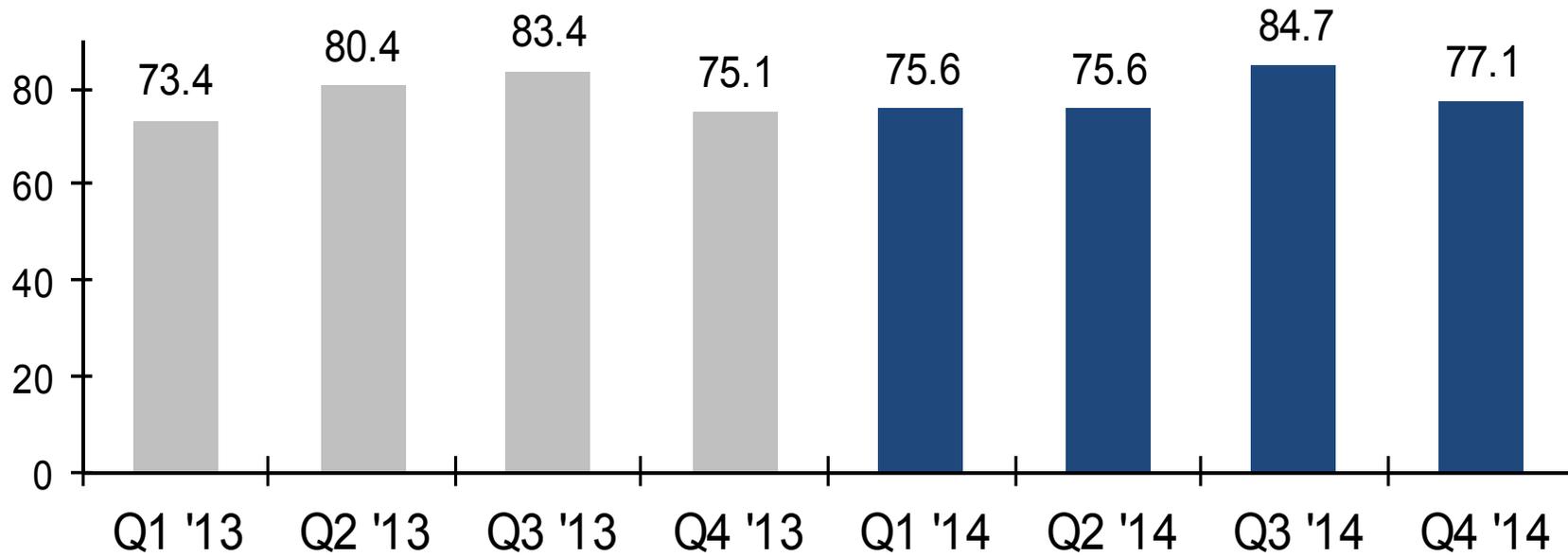


Good final spurt in the 4th quarter 2014



EBIT development

€ mn

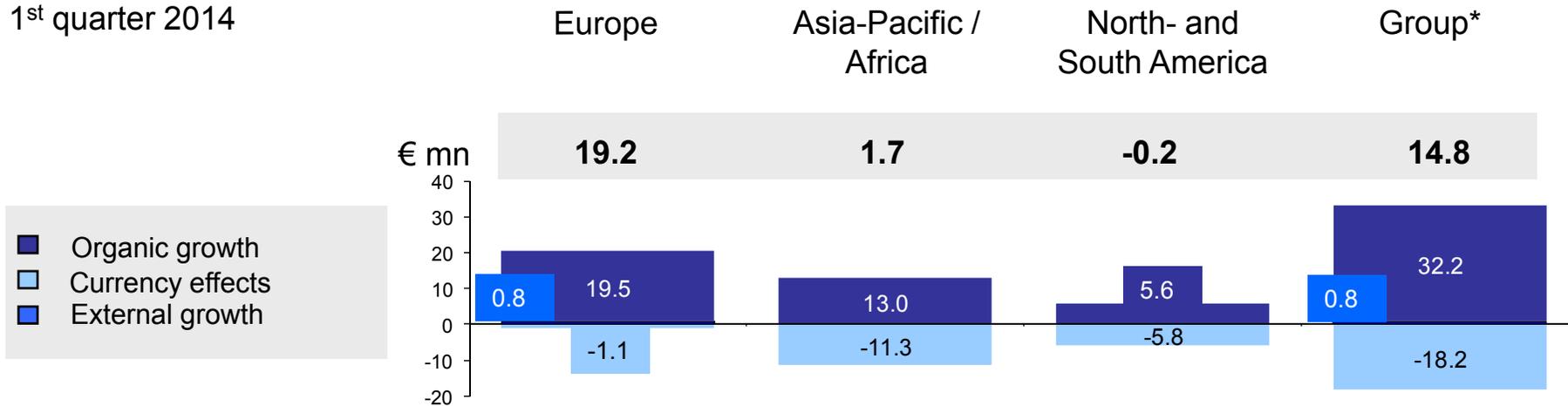


+2.7% YoY

Q1/2014: organic growth rose considerably in all three regions



Regional sales growth 1st quarter 2014



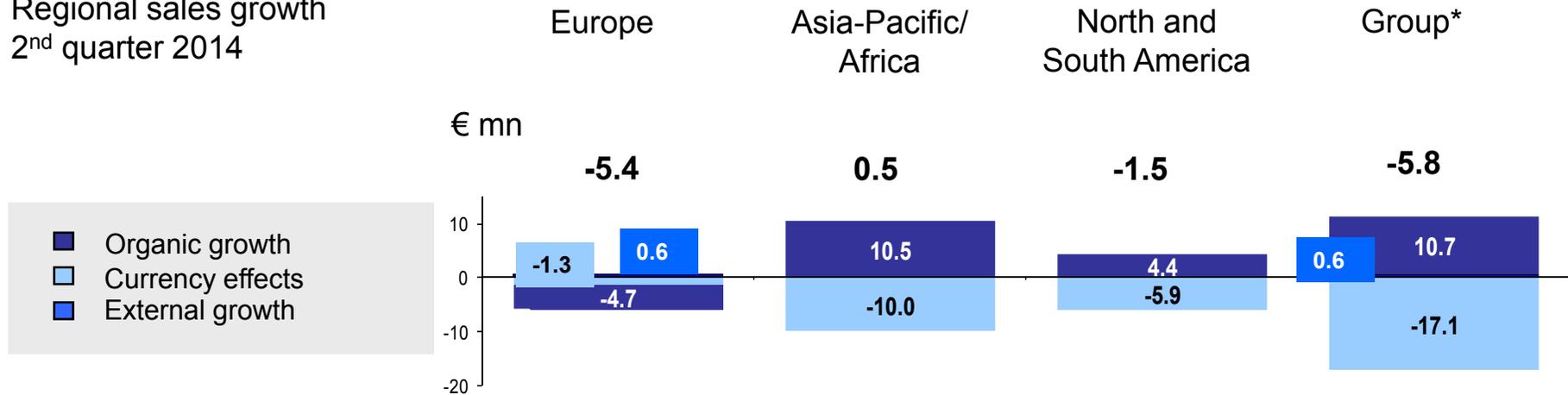
△ Total growth	+ 7.2%	+ 1.4%	- 0.3%	+ 3.3%
▲ Organic growth	+ 7.4%	+11.0%	+ 7.4%	+ 7.3%
△ Currency effects	- 0.5%	- 9.6%	- 7.7%	- 4.2%
▲ External growth	+ 0.3%	0.0%	0.0%	+ 0.2%

* Consolidation effect -€5.9 mn

Q2/2014: organic growth in Asia-Pacific/Africa and Americas



Regional sales growth 2nd quarter 2014



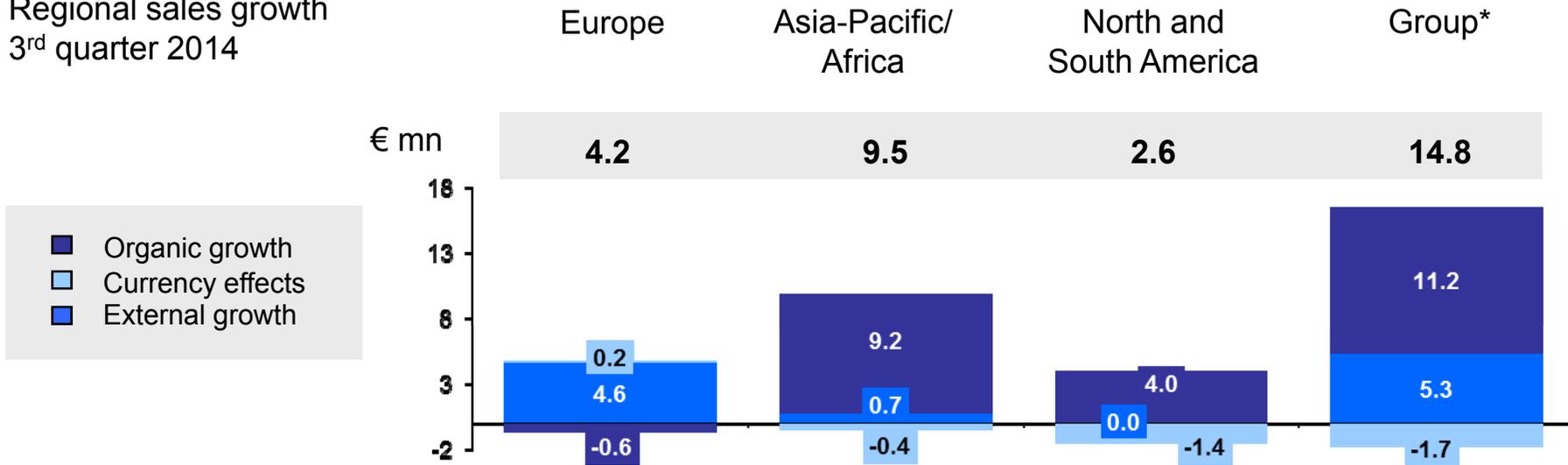
△ Total growth	- 1.9%	+ 0.4%	- 1.9%	- 1.2%
△ Organic growth	- 1.7%	+ 8.3%	+ 5.5%	+ 2.3%
△ Currency effects	- 0.4%	- 7.9%	- 7.4%	- 3.6%
△ External growth	+ 0.2%	0.0%	0.0%	+ 0.1%

* Consolidation effect €0.6 million

Q3/2014: all regions recorded growth



Regional sales growth 3rd quarter 2014



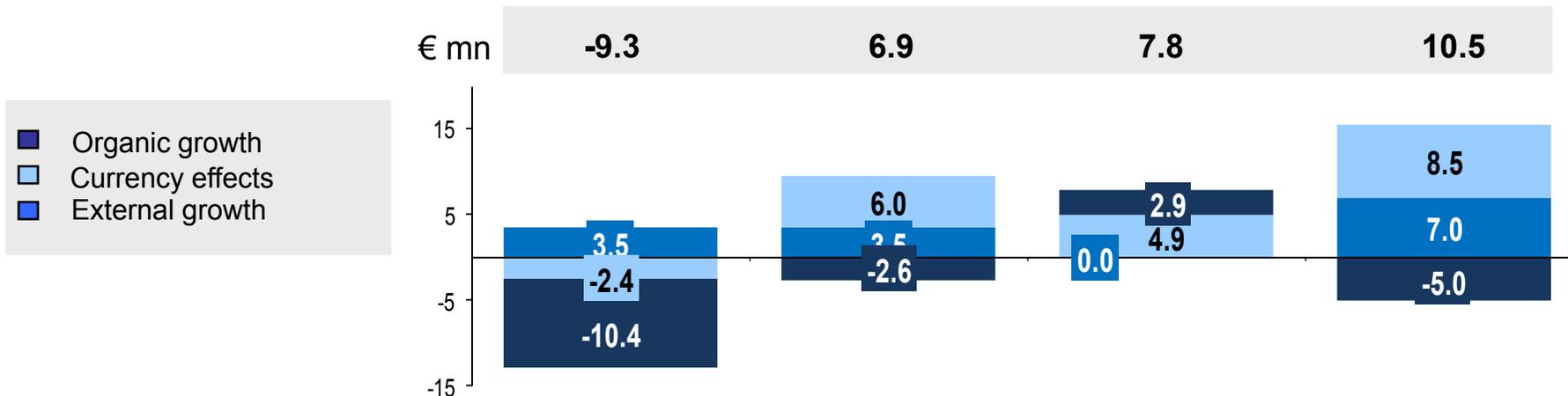
△ Total growth	+ 1.5%	+ 7.8%	+ 3.3%	+ 3.2%
△ Organic growth	- 0.2%	+ 7.5%	+ 5.0%	+ 2.4%
△ Currency effects	+ 0.1%	- 0.3%	- 1.7%	- 0.3%
△ External growth	+ 1.6%	+ 0.6%	0.0%	+ 1.1%

* consolidation effect -€1.5 mn

Q4/2014: organic growth in Americas



Regional sales growth 4th quarter 2014



	Europe	Asia/Pacific, Africa	North and South America	Group*
△ Total growth	- 3.4%	+ 5.2%	+ 10.8%	+ 2.3%
△ Organic growth	- 3.8%	- 2.1%	+ 4.0%	- 1.1%
△ External growth	+ 1.3%	+ 2.7%	0.0%	+ 1.5%
△ Currency effects	- 0.9%	+ 4.6%	+ 6.8%	+ 1.9%

* Consolidation effect +€5.1 mn

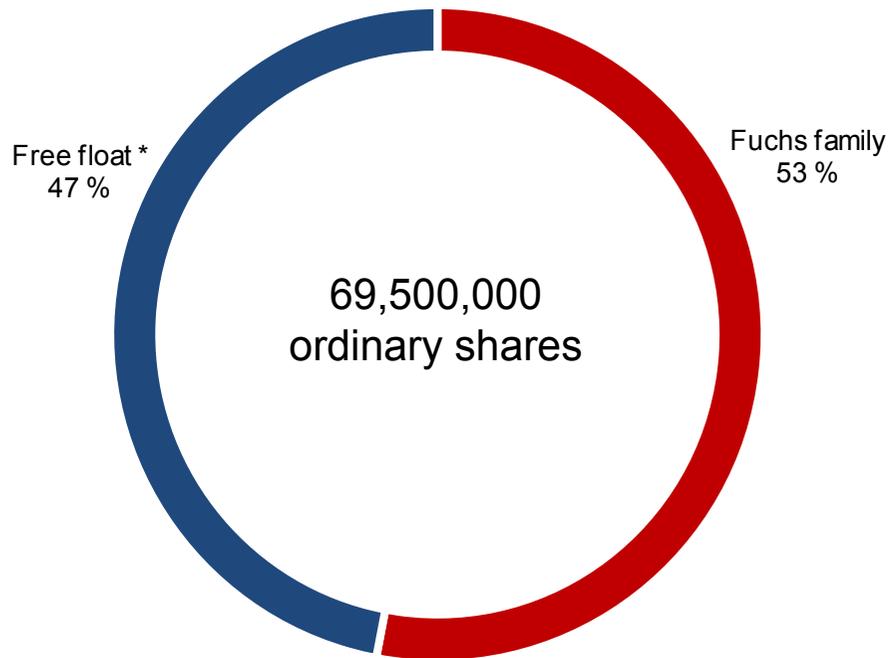
Shareholder Structure



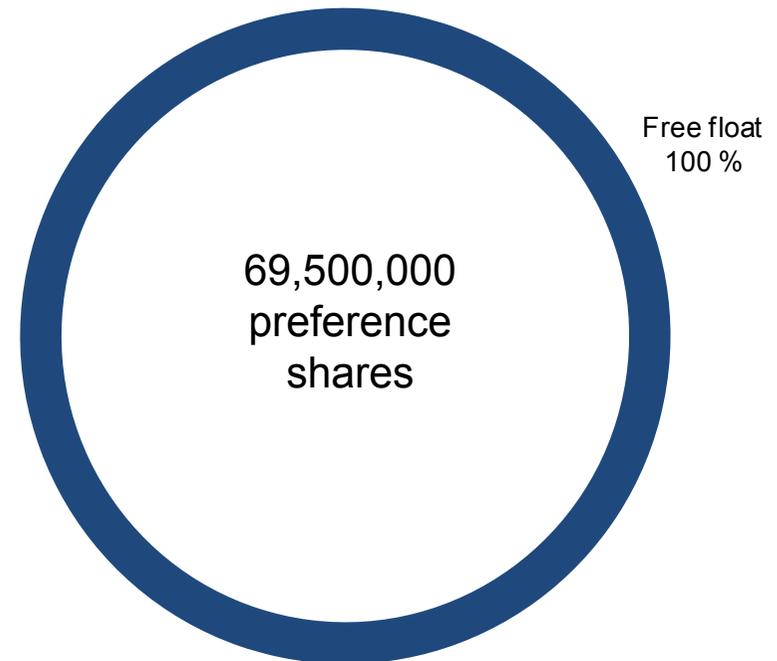
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PEOPLE.



Ordinary shares



Preference shares



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

Thank you for your attention



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Disclaimer

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