

FUCHS GROUP

In Motion

| Investor Presentation, January 2018

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Agenda

01 | The Leading Independent Lubricants Company

02 | Q1-3 2017

03 | Shares

04 | Appendix

01 The Leading Independent Lubricants Company



FUCHS at a glance

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

Almost **5,000**
employees

Preference share is listed
in the MDAX

No. 1
among the independent
suppliers of lubricants

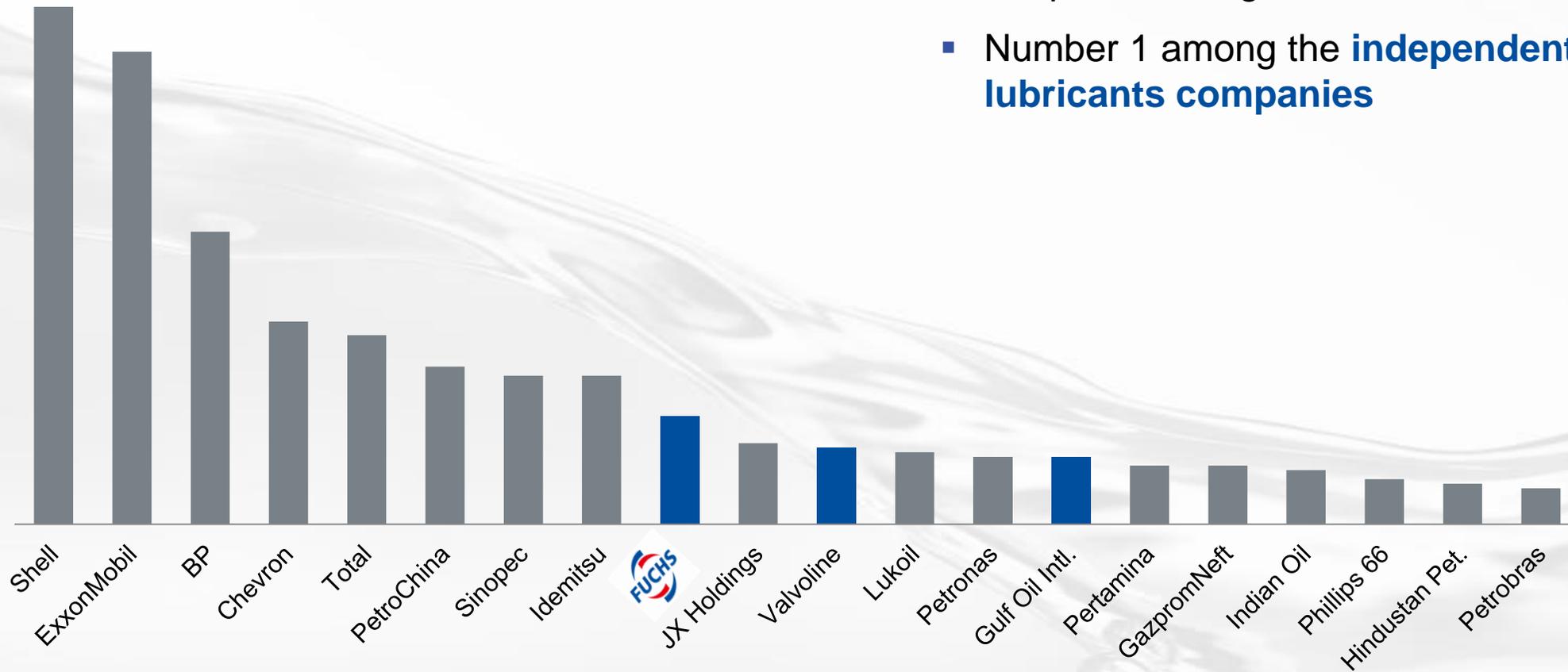
€2.3 bn
sales

57 companies worldwide

The Fuchs family holds
54% of
ordinary shares

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

Top 20 lubricants manufacturers 2016



- A top-10 ranking lubricants manufacturer
- Number 1 among the **independent lubricants companies**

Our unique business model is the basis for our competitive advantage

Technology and innovation leadership in strategically important product areas

FUCHS is fully focussed on lubricants

Independency allows reliability, customer & market proximity (responsiveness and flexibility) and continuity



**Advantage over
major oil companies**

FUCHS is a full-line supplier

Global presence, R&D strength, know-how transfer, speed



**Advantage over
independent companies**

We are where our customers are



57 Operating Companies
34 Production Sites

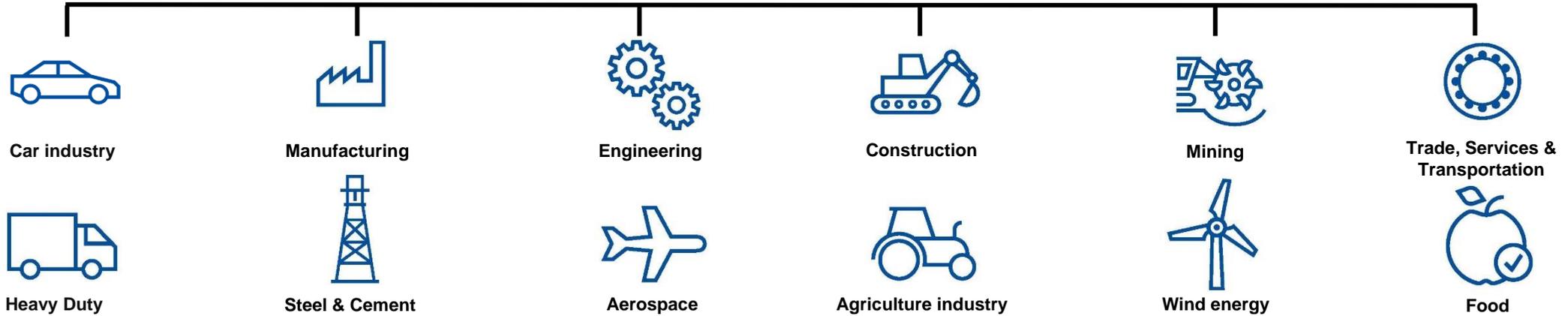
Full-line supplier advantage

Sales 2016: €2.3 bn
(~80% international)
by customer location

Automotive lubricants
~45%
e.g. Engine & gear oils, hydraulic oils, shock absorber fluids, etc.

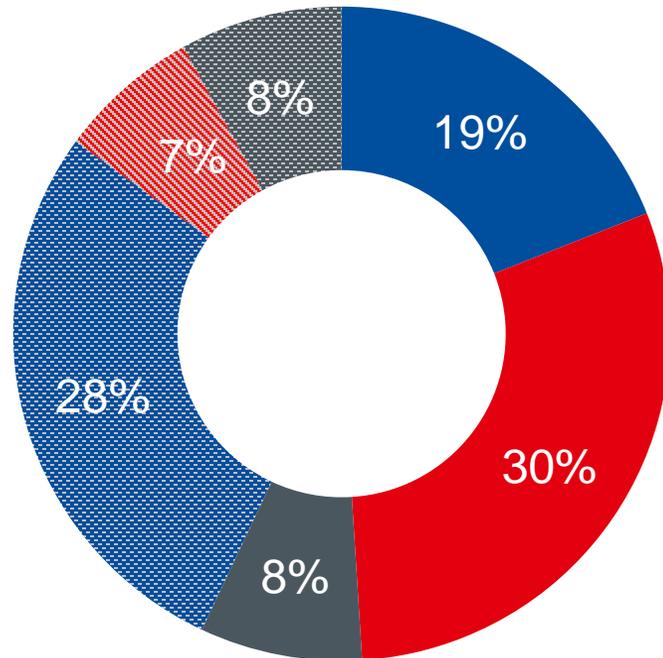
Industrial lubricants
~55%
e.g. Industrial oils, MWF/CP* and greases

100,000 customers in more than 150 countries
(Top 20 Customers: ~ 25% of sales)



Well balanced customer structure

**FUCHS sales revenues
2016: €2.3 bn**

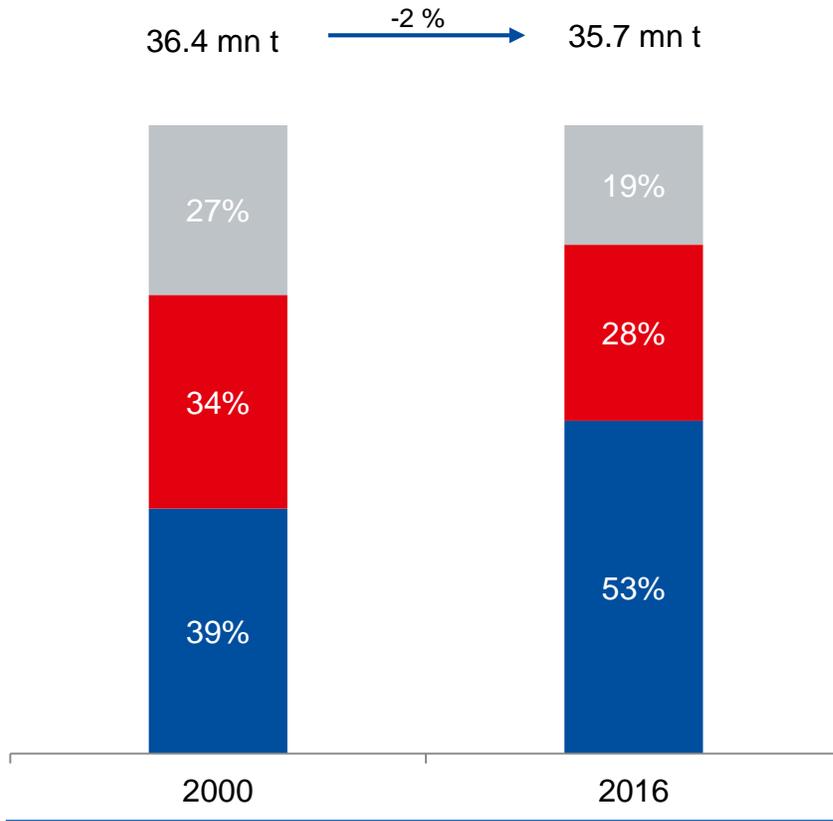


- Industrial goods manufacturing
- Vehicle manufacturing
- Energy and mining
- Trade, transport and services
- Agriculture and construction
- Engineering / machinery construction

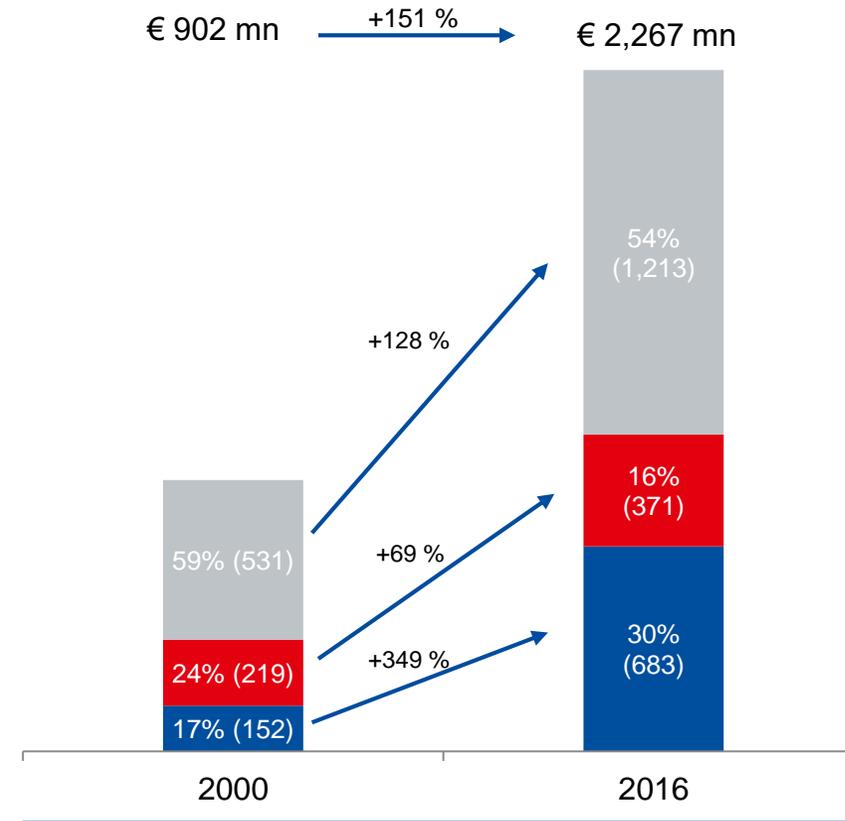
Top 20 Customers account for ~ 25% of 2016 sales

Organic growth potential in emerging countries

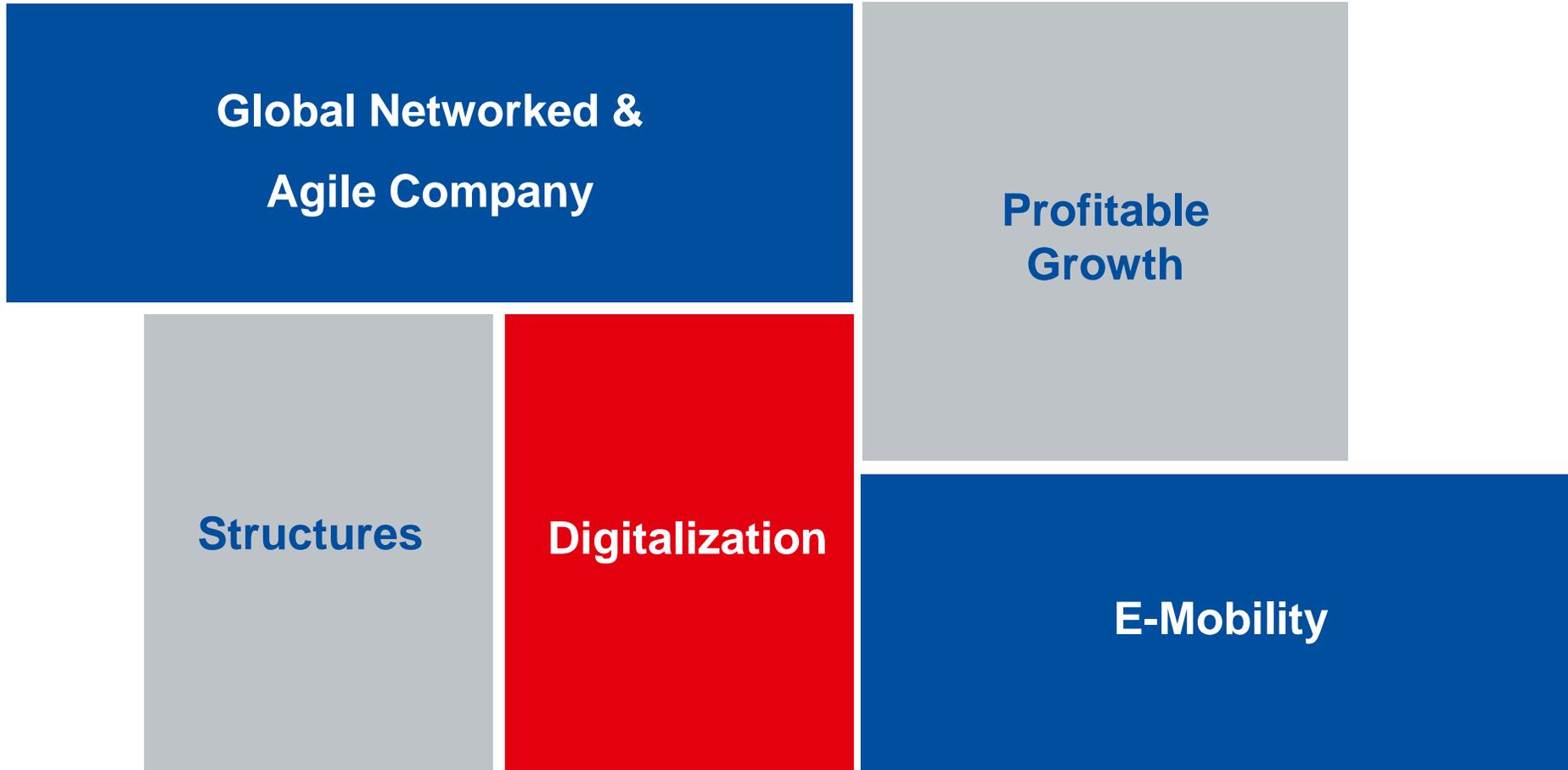
Market Demand



FUCHS Sales (by customer location)



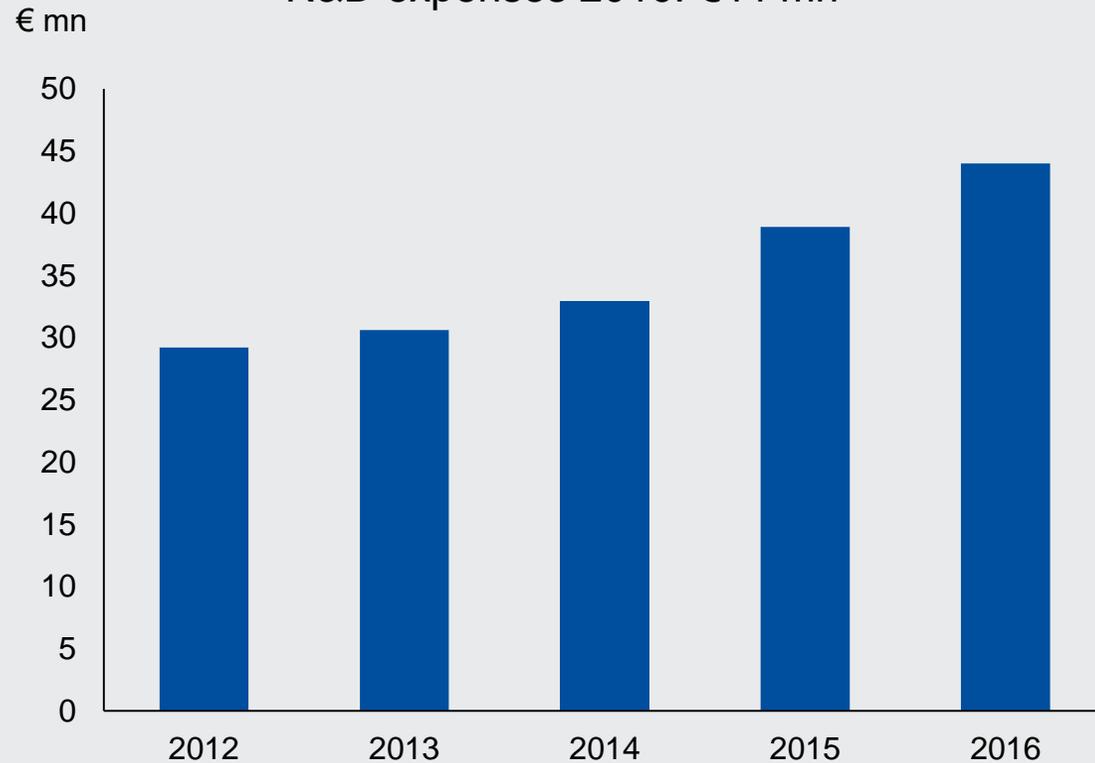
Challenges & Opportunities



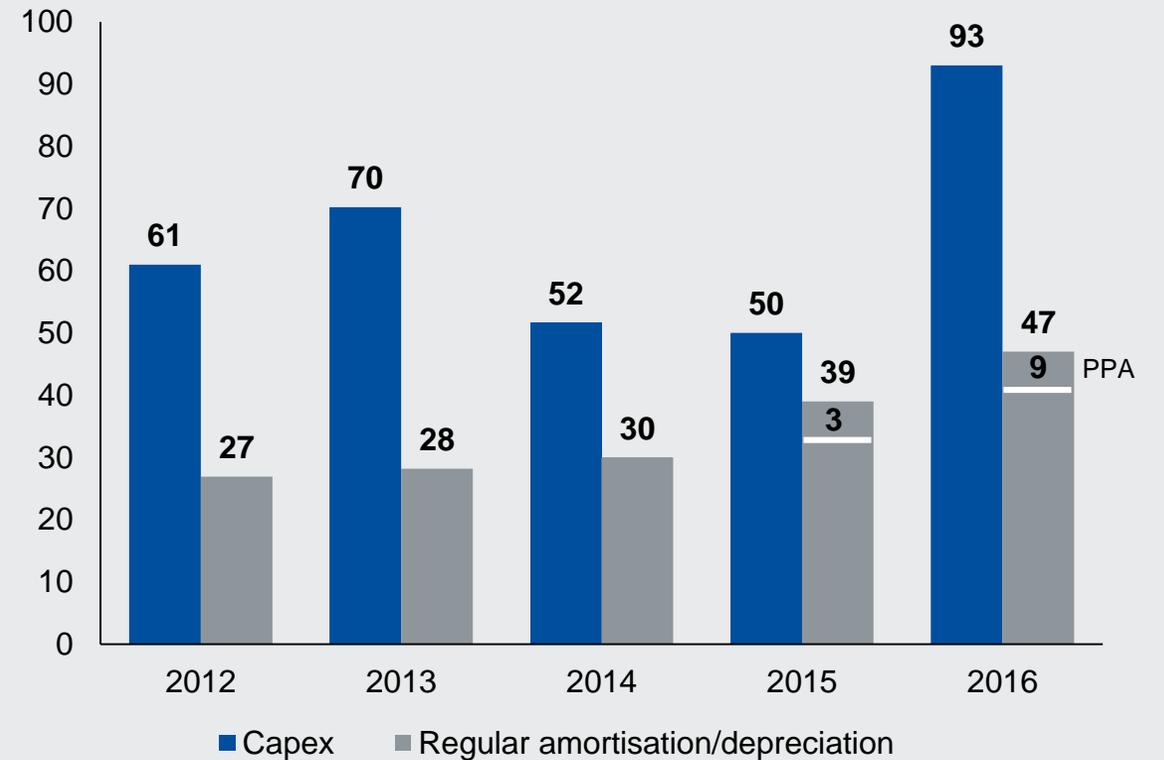
Investment in the future

R&D, capex, amortisation & depreciation

R&D expenses 2016: €44 mn



Capex 2016: €93 mn



Investments 2016 - 2018

Planned investments of €300mn (~ €100mn p.a.)

- Expansion of the Mannheim site, Germany (2016-2018)
- Expansion of the Kaiserslautern site, Germany (2017)
- Expansion of the Chicago site, USA (2016-2018)
- New plant in WuJiang, China (2017-2018)
- New plants in Australia and Sweden (2016-2018)

~ 50% of planned investments is maintenance capex

FUCHS' 3C grease commitment

Germany / USA / China

- Globally identical production equipment
- Globally identical finishing equipment
- Globally identical quality control test devices
- Globally similar raw materials
- Globally identical quality standards



Strong track record of integrating businesses



02 Q1-3 2017



Highlights Q1-3 2017

Sales +9%
to €1,862 mn

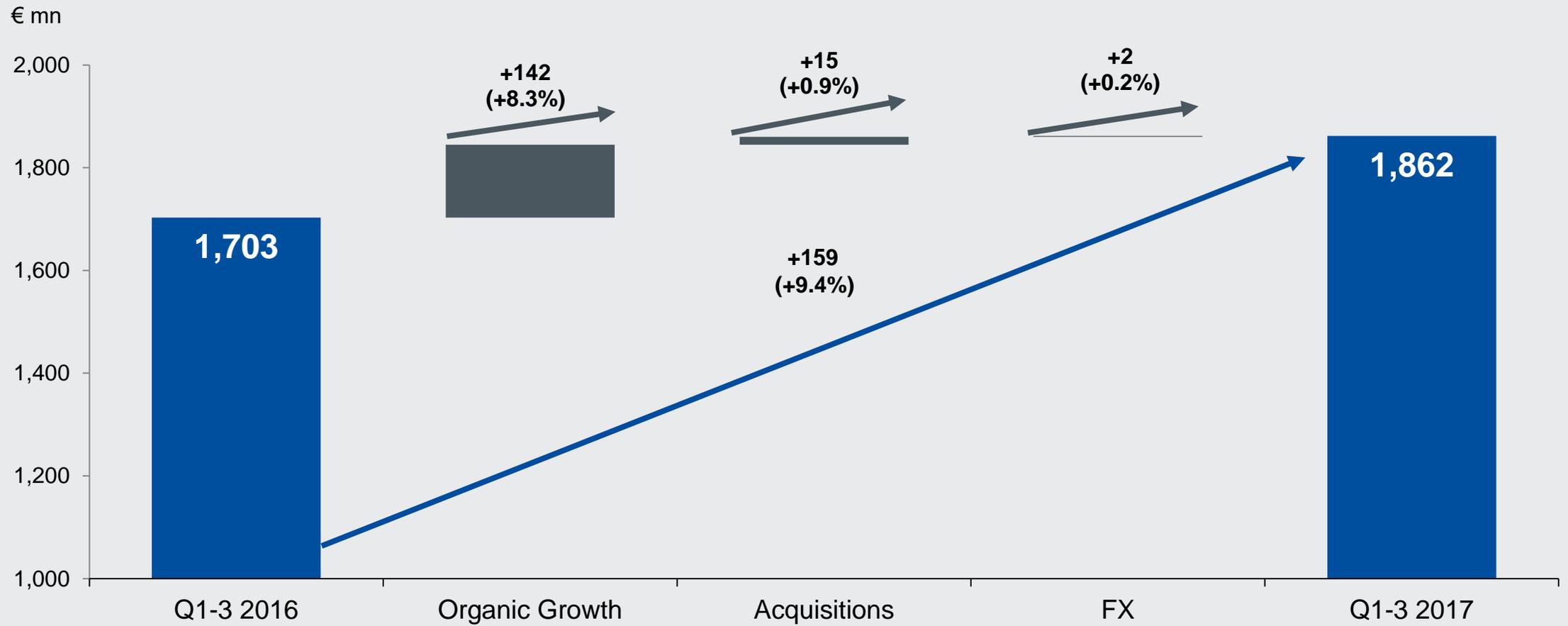
- Strong organic growth in Asia-Pacific, Africa and Americas
- Slight external growth in North America
- Ongoing decreasing currency effect

EBIT +2%
to €281 mn

Outlook 2017

- Sales outlook reaffirmed
- Earnings forecast downgraded

Q1-3 Group sales



Regional sales growth Q1-3 2017

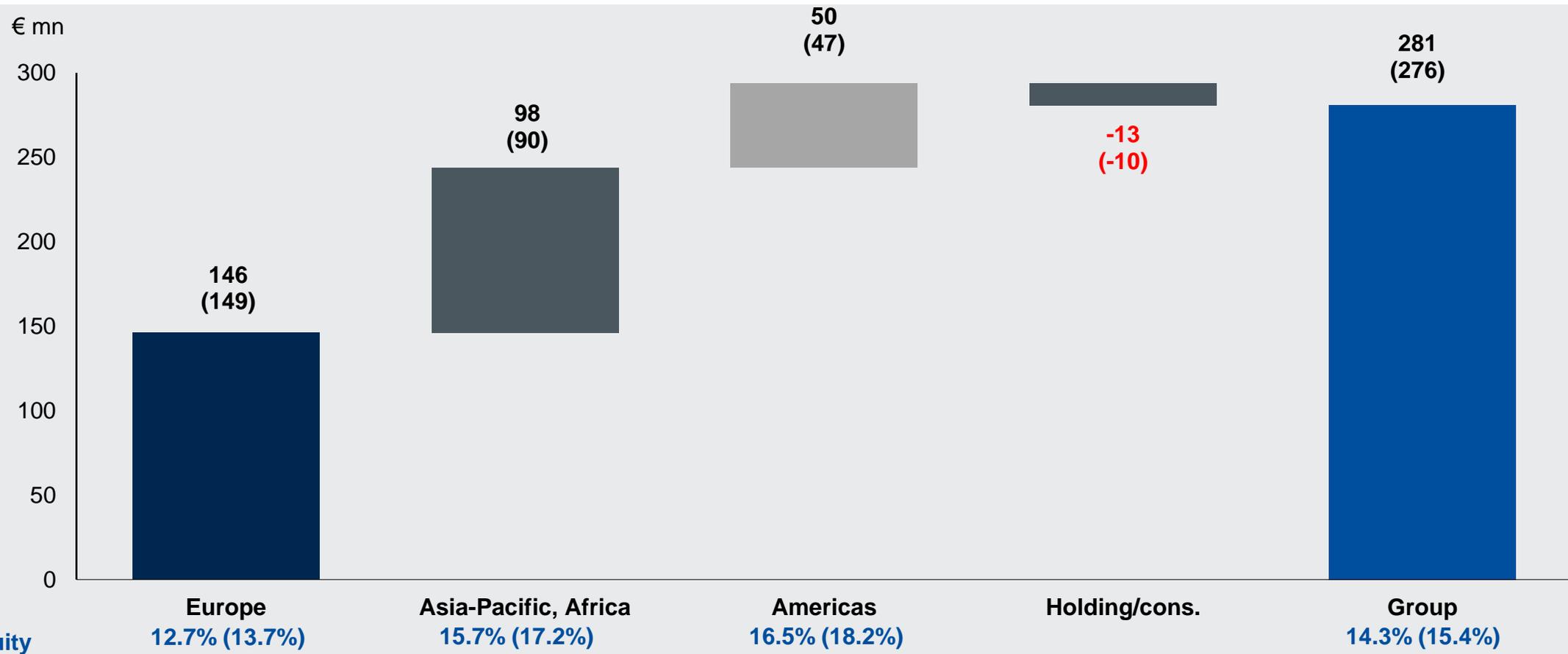
	Q1-3 2016 (€ mn)	Q1-3 2017 (€ mn)	Growth	Organic	External	FX
Europe	1,080	1,142	+5.7%	+5.9%	-	-0.2%
Asia-Pacific, Africa	451	544	+20.7%	+20.3%	-	+0.4%
Americas	260	302	+16.3%	+9.4%	+5.7%	+1.2%
Consolidation	-88	-126	-	-	-	-
Total	1,703	1,862	+9.4%	+8.3%	+0.9%	+0.2%

Income statement Q1-3 2017

€ mn	Q1-3 2016	Q1-3 2017	Δ € mn	Δ in %
Sales	1,703	1,862	159	9.4
Gross Profit	641	667	26	4.0
<i>Gross Profit margin</i>	<i>37.6%</i>	<i>35.8%</i>	-	<i>-1.8%-points</i>
Other function costs	-378	-400	-22	5.6
EBIT before at Equity	263	267	4	1.7
At Equity	13	14	1	
EBIT	276	281	5	1.6
Earnings after tax	191	198	7	3.4

EBIT by regions

Q1-3 2017 (Q1-3 2016)



Cash flow Q1-3 2017

€ mn	Q1-3 2016	Q1-3 2017
Earnings after tax	191	198
Amortisation/Depreciation	35	40
Changes in net operating working capital (NOWC)	-45	-91
Other changes	17	8
Capex	-53	-66
Free cash flow before acquisitions	145	89
Acquisitions	-20	-1
Free cash flow	125	88

Q1-3 2017 earnings summary

- Sales and earnings target met for Q1-3 2017
- Capex increase according to plan
- Higher raw material prices, strong euro and planned increase in costs lead to a less than proportional increase in earnings
- Raw material price increases can only be passed on with a time lag
- Stronger international business lead to higher inventories
- Free cash flow below previous year due to the significant business-related increase in net operating working capital especially as a result of the strong sales growth in Asia-Pacific, Africa
- Full year earnings guidance downgraded

Updated outlook 2017

Performance indicator	Actual 2016	Outlook 2017 (March 17)	Outlook 2017 (August 17)	Outlook 2017 (October 17)
Sales	€ 2,267 mn	+4% to +6%	+7% to +10%	+7% to +10%
EBIT	€ 371 mn	+1% to +5%	+1% to +5%	At or below FY 16
FUCHS Value Added	€ 257 mn	Low single-digit percentage range	Low single-digit percentage range	Below FY 16
Free cash flow before acquisitions	€ 205 mn	~ € 200 mn	~ € 200 mn	≤ € 150 mn

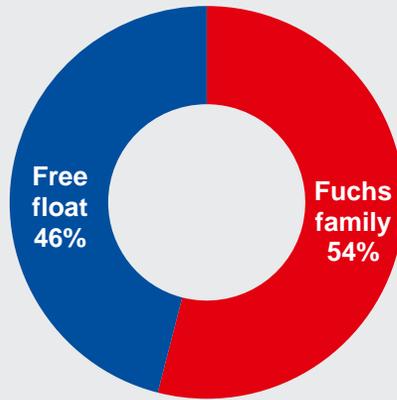
03 Shares



Breakdown ordinary & preference shares

(December 29, 2017)

Ordinary shares



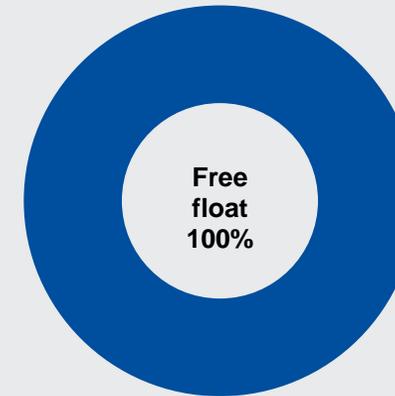
Basis: 69,500,000 ordinary shares

Characteristics:

- Dividend
- Voting rights

Preference shares

MDAX-listed



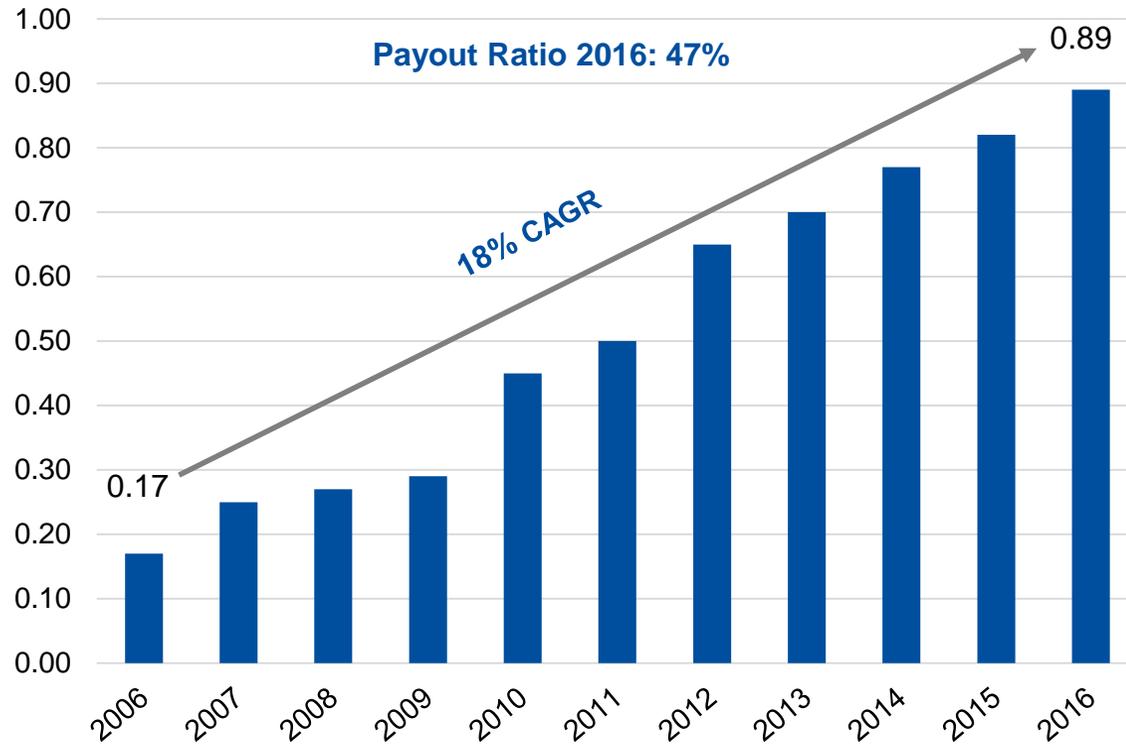
Basis: 69,500,000 preference shares

Characteristics:

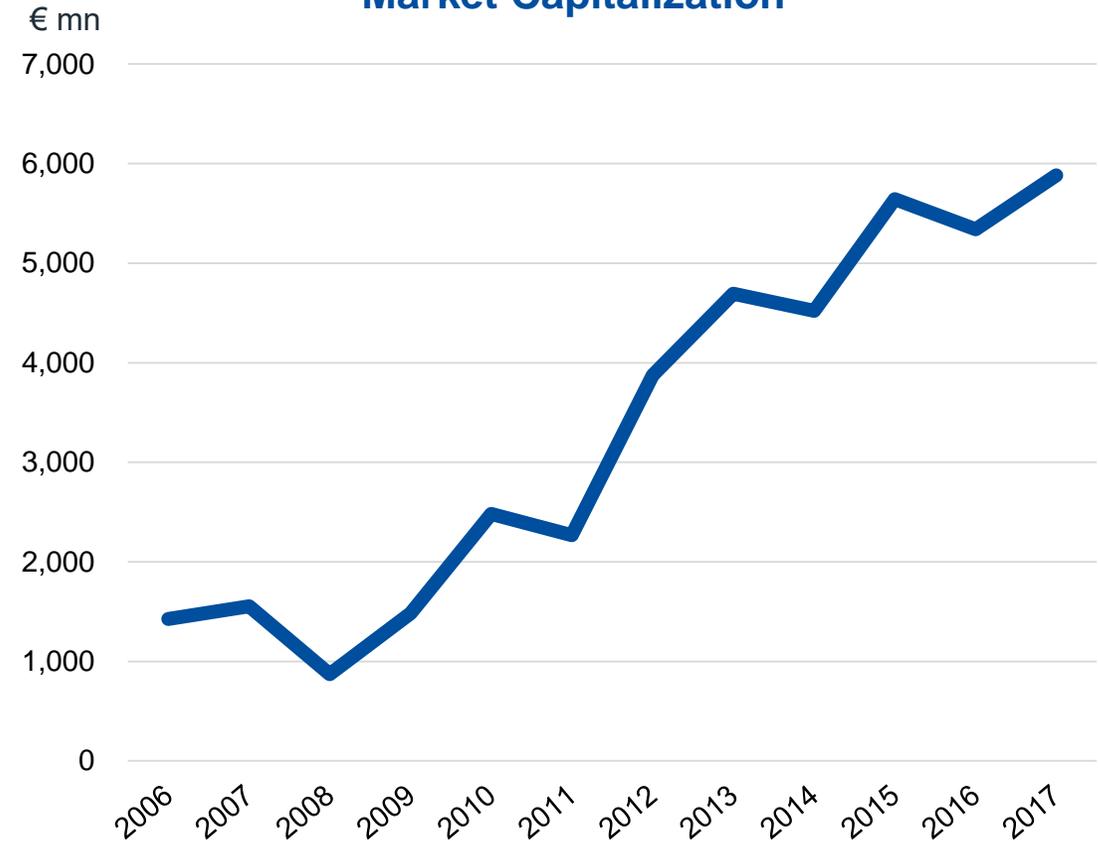
- Dividend plus preference profit share (0.01€)
- Restricted voting rights in case of:
 - preference profit share has not been fully paid
 - exclusion of pre-emption rights (e.g. capital increase, share buyback, etc.)

Stable dividend policy

Dividend per Preference Share



Market Capitalization

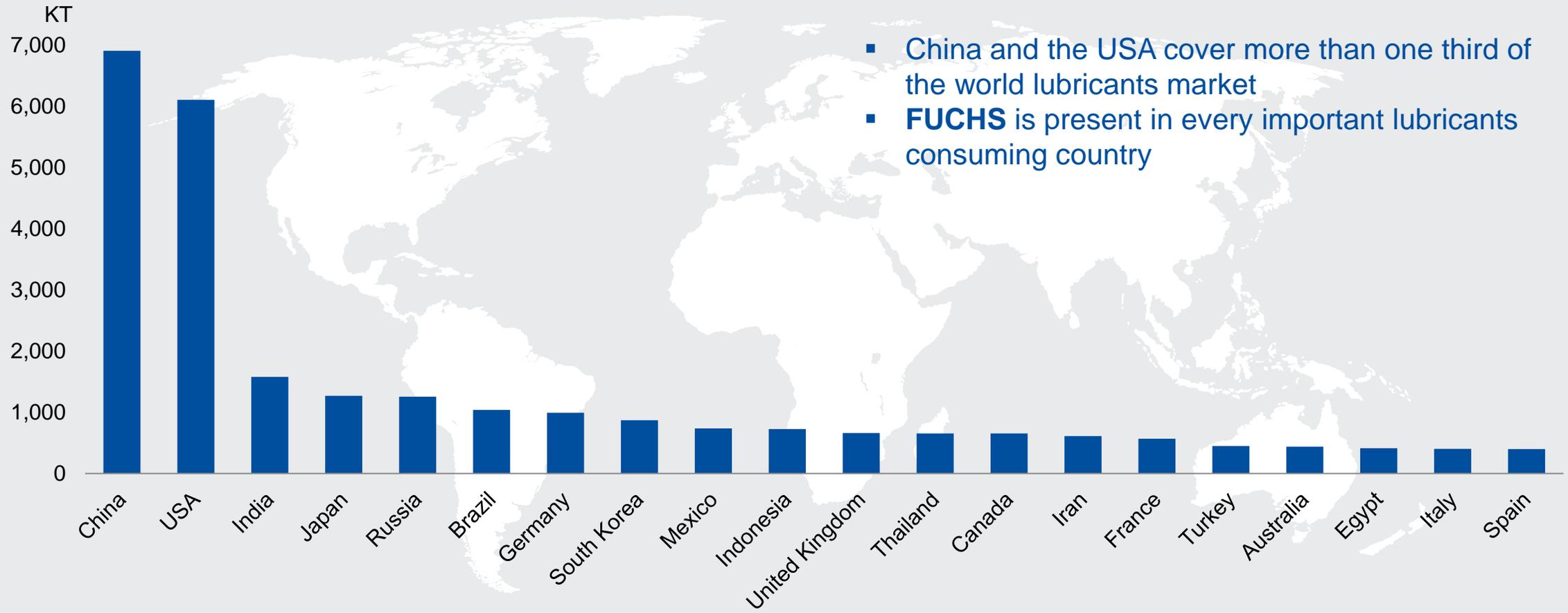


Our target: Increase the absolute dividend amount each year or at least maintain previous year's level.

04 Appendix

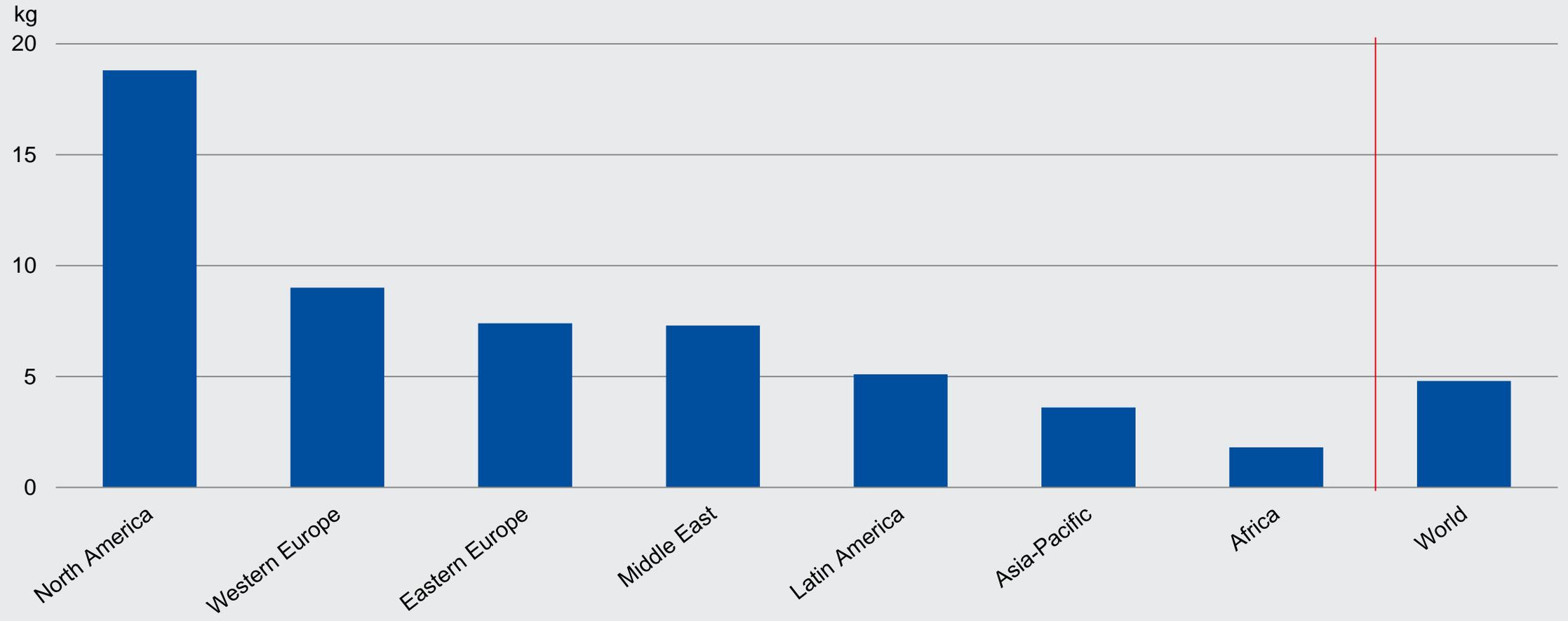


Top 20 lubricant countries 2016

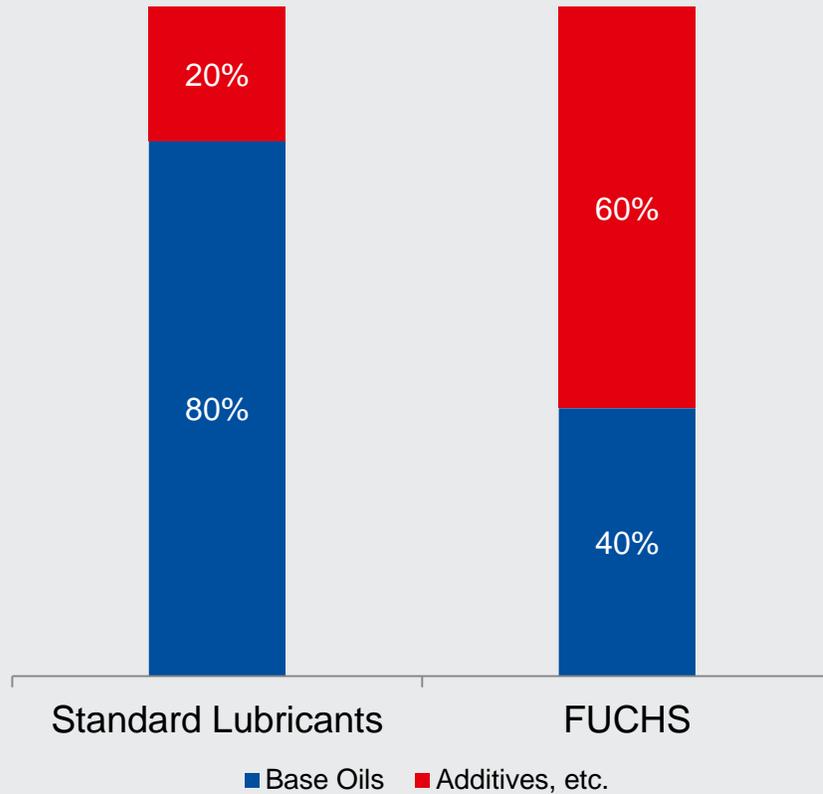


- China and the USA cover more than one third of the world lubricants market
- **FUCHS** is present in every important lubricants consuming country

Regional per-capita lubricants demand 2016



Base oil / additives value split

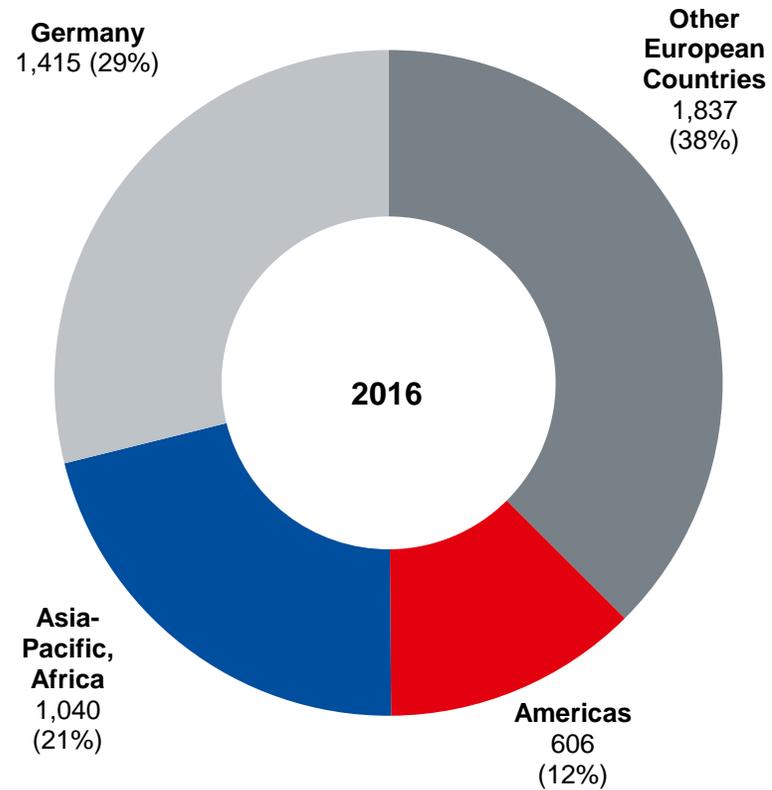


- Base oil prices do not necessarily follow crude oil prices
- No direct link between additives and crude oil prices. We even face price increases for certain raw materials where supply/demand is not balanced or special situations occur
- Special lubricants consist of less base fluid and more additives

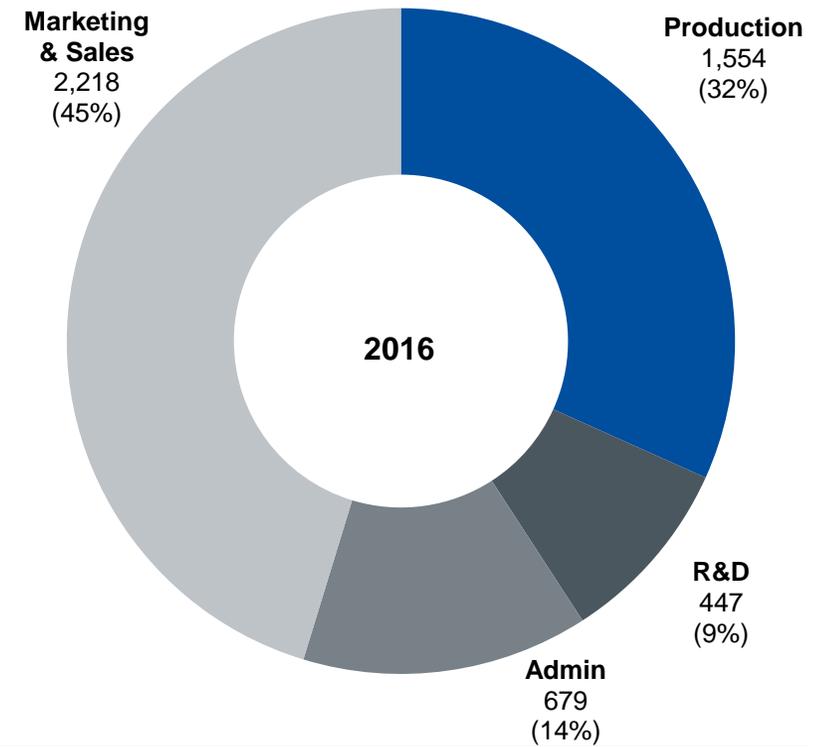
Workforce Structure

4,898 employees globally

Regional Workforce Structure



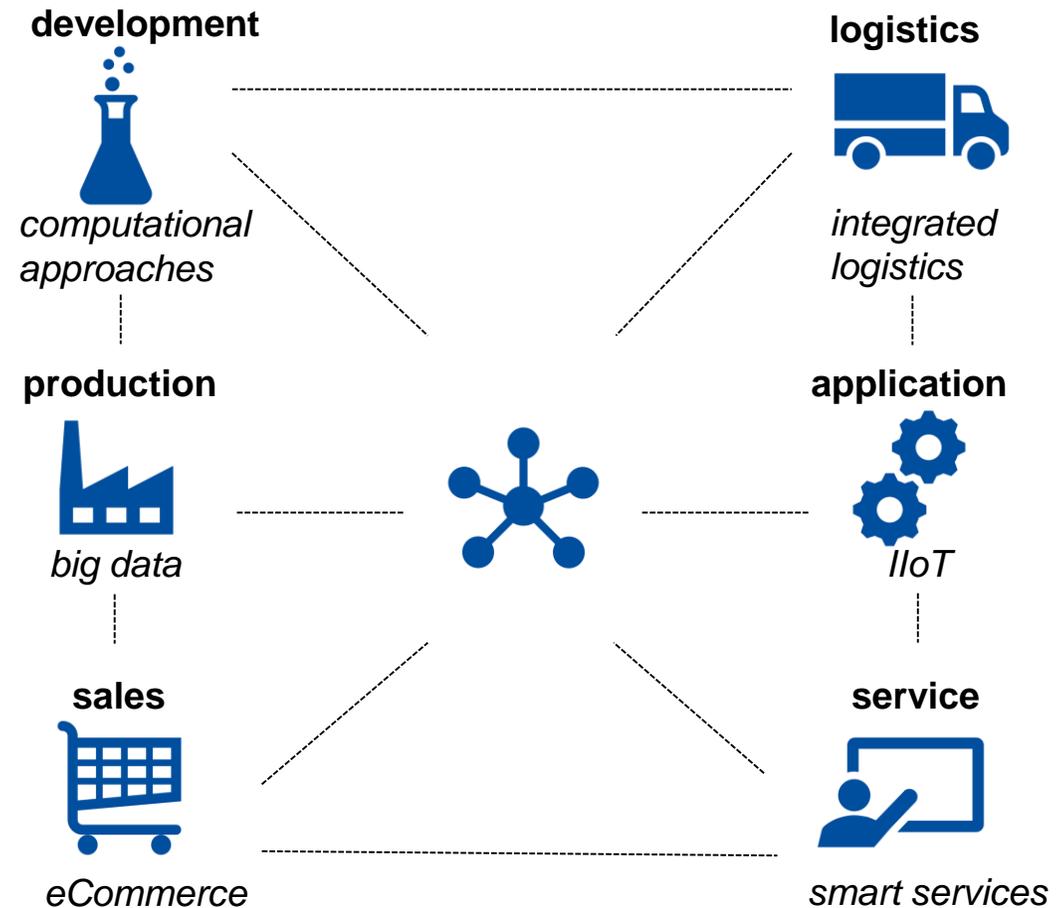
Functional Workforce Structure



Digitalisation will fundamentally change our value creation

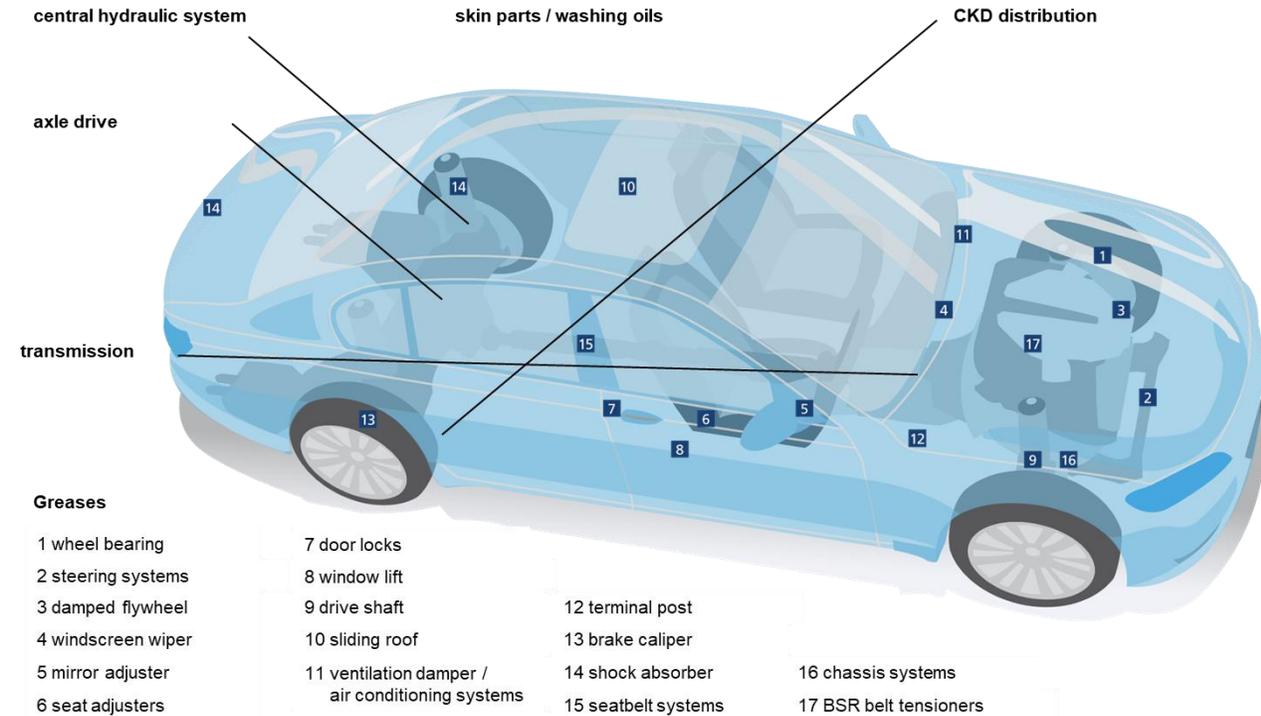
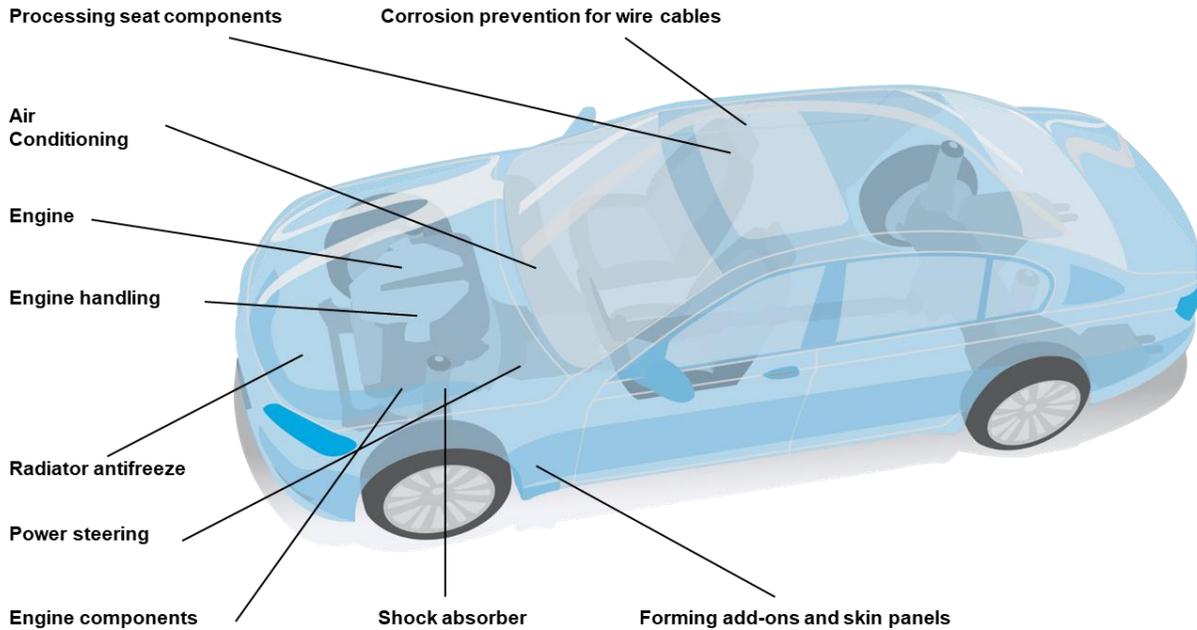
With our “think tank“ in the FUCHS family, **inoviga GmbH**, we created a think tank aiming to deliberately engage in new ways of thinking and to be the driving force behind digitalization projects.

inoviga’s mission:
co-create next level FUCHS.



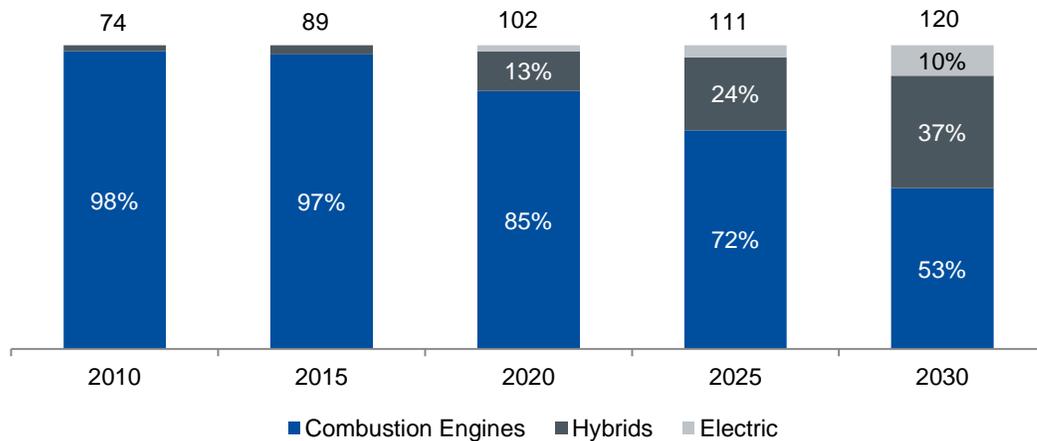
Lubricant applications in passenger cars

In modern cars there are more than 30 different types of greases



Electrification of cars creates new applications

Development passenger car production (in mn)



- **No market revolution expected:**
Evolution of existing technologies: Hybrids with efficient combustion engines will dominate the market
- Increasing demand of EVs mainly in larger cities with high traffic density across Europe, China and USA

Source: IHS

<u>Powertrain Applications</u>	ICE	HEV	BEV
			
Engine oil	✓	✓	-
Transmission oil	✓	✓	✓
Greases	✓	✓	✓
Specialty greases	-	✓	✓
Lubricants for Auxiliary systems	✓	+	+
Cooling & functional liquids	✓	+	+

- Omitted ✓ Required + Increased

Electric cars – new technology calls for new lubrication

- Electrification of cars will lead to new applications and higher requirements for existing applications
- Regardless of the powertrain type, every car needs a variety of other lubricant applications
- Combustion engines will face further efficiency improvements leading to higher requirements of existing lubricants (e.g. higher protection against deposits for turbocharged engines, higher heat and ageing stability for more compact engines)
- Hybrid cars with efficient combustion engines will place complex requirements for existing applications but also create new demand for new applications
- EVs will place whole new demand on gear oils, coolants, greases (e.g. contact with electrical currents and electromagnetic fields, higher heat emission, reduction gears with less gear steps and higher input speeds)
- FUCHS is used to quickly adapting to new market demands and is working on concrete methods to meet the challenges of the future mobility

Electrification is an opportunity for FUCHS to further strengthen its market leadership with technically advanced solutions

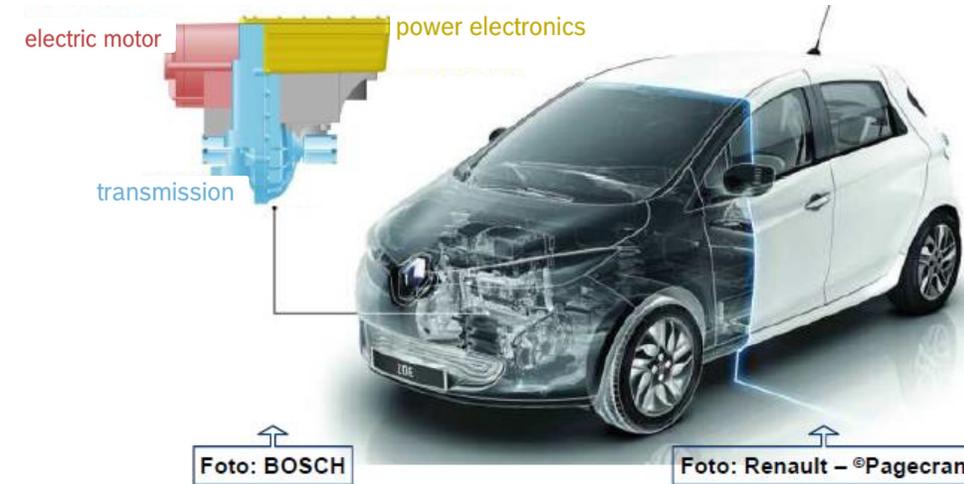
EU project ODIN – Cooperation with BOSCH, Renault and GKN

Goal:

Optimal integration of a high speed electric motor with a multi-speed gear train in a single gearbox/housing, including the power electronics and thermal management unit. The resulting integrated electric drive shall be as compact and lightweight as possible to fit into a sub-compact, compact urban vehicle and must clearly demonstrate a significant cost reduction potential

Lubricant requirements:

Special fluid for gearing, bearings and cooling
incl. power electronics



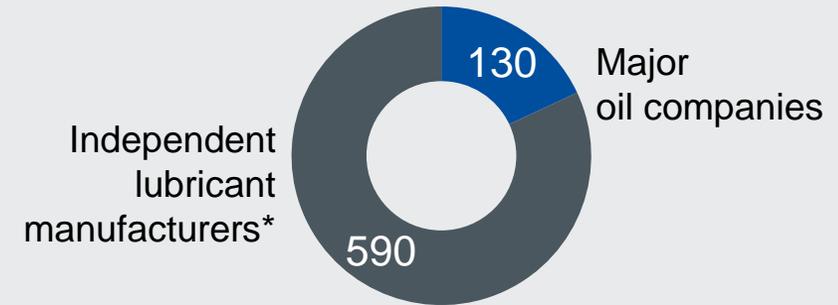
Optimized electric Drivetrain by Integration

Further market consolidation to be expected

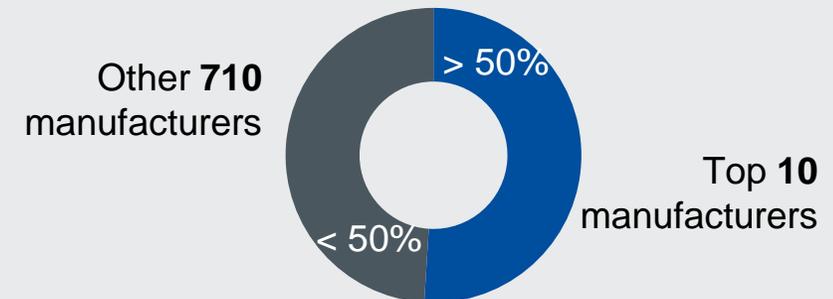
- High degree of fragmentation
- Concentration especially amongst smaller companies

- Differences are enormous

Manufacturers



Market Shares



* > 1000 tons

Acquisitions 2016

Sales 2016: €5 mn / EBIT 2016: €1 mn



Deal Structure	Share Deal; €15 mn sales p.a.; purchase price €26 mn
Focus	Industrial specialty lubricants (e.g. for compressors and industrial maintenance)
Closing	1st December 2016



Deal Structure	Acquisition of Chevron's foodgrade lubricants and white oil business asset deal; €11 mn in sales p.a.; purchase price €22 mn
Focus	White oils and foodgrade lubricants
Closing	1st June 2016

Long-term objective: Focus on Shareholder Value

Drive returns

- Organic growth through strict customer focus, geographic expansion and product innovation
- Improve operating profitability through margin and mix management, operating cost management and efficiency improvements

Optimize capital

- Capex with returns above WACC
- Manage NOWC

Strengthen portfolio

- Reinvest in the business
- Acquisitions

Cash allocation

Cash allocation priority

Reinvest in the business

Return cash to shareholders

Capex

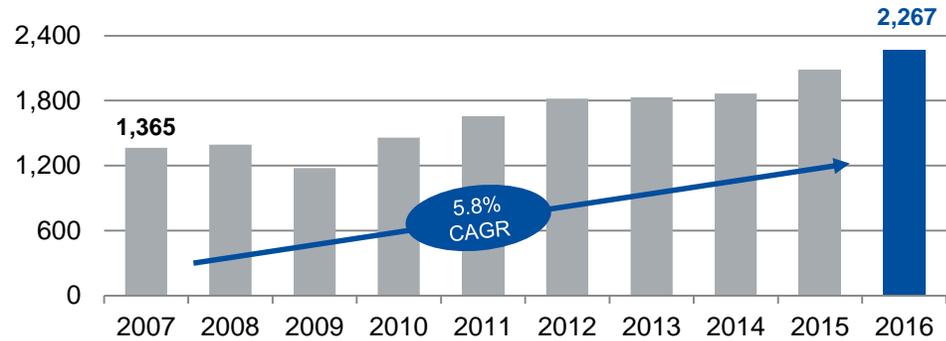
Stable Dividends

Acquisitions

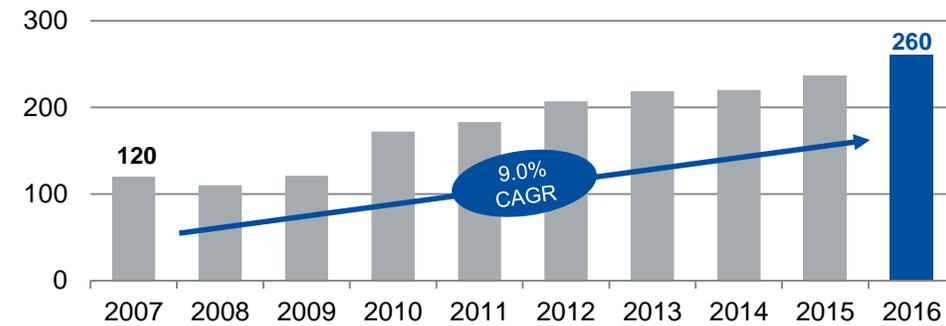
Share Buyback

Unique track record for continued profitability and added value

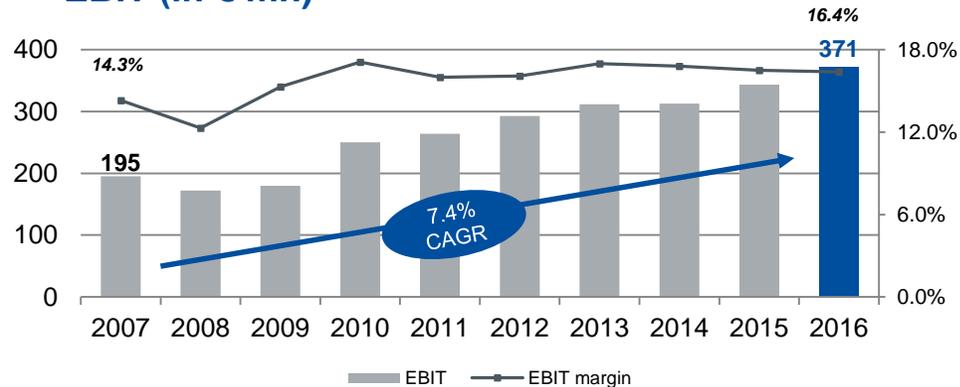
Sales (in € mn)



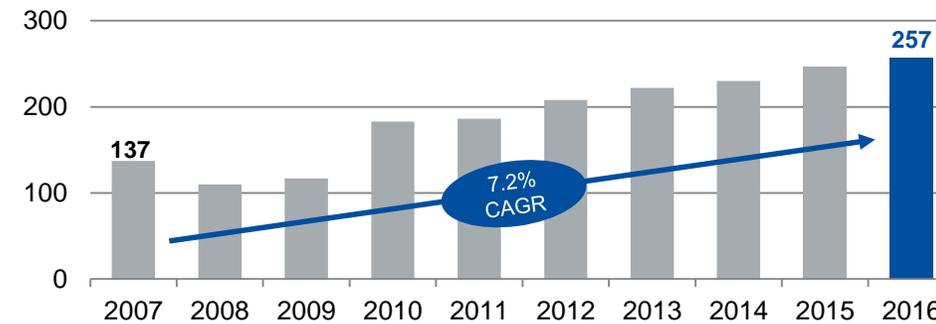
Earnings After Tax (in € mn)



EBIT (in € mn)



FVA (in € mn)



EBIT increase of 8% in 2016

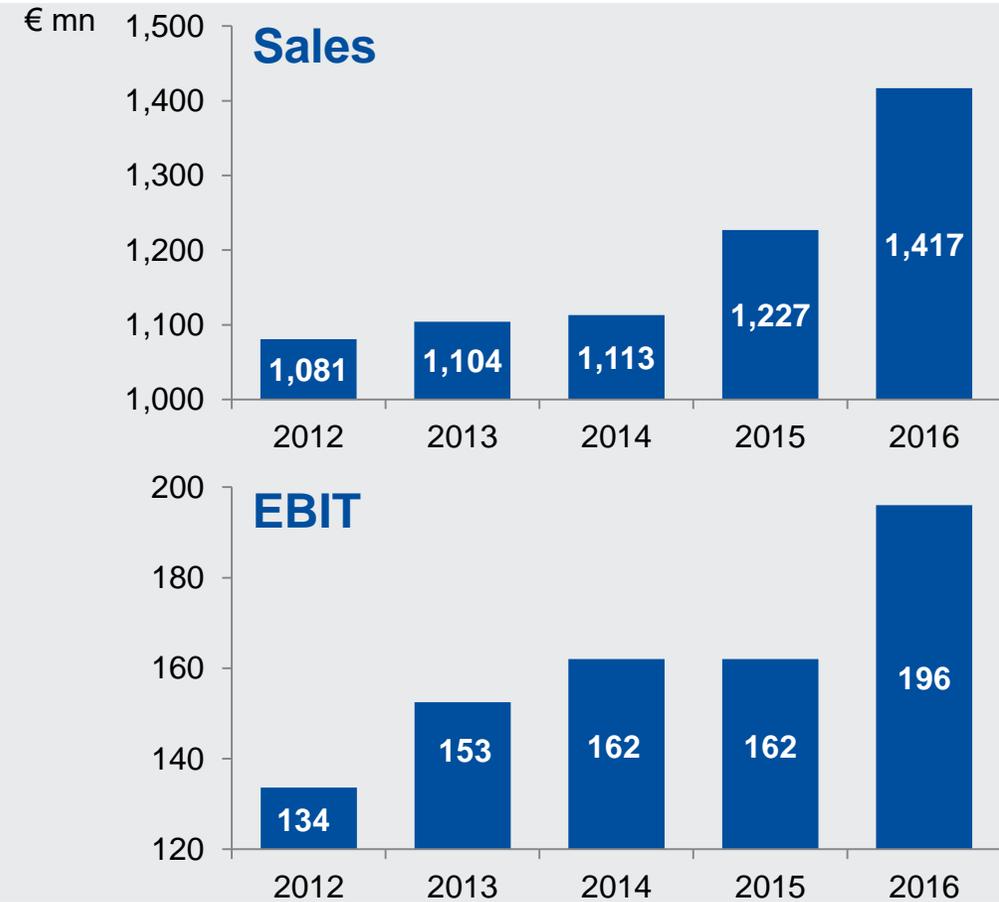
€ mn	2012	2013	2014	2015	2016	Δ 15/16
Sales	1,819	1,832	1,866	2,079	2,267	9.0%
Gross Profit	666	690	693	791	851	7.5%
Gross Profit margin	36.6%	37.7%	37.2%	38.1%	37.5%	-0.6 % points
Other function costs	-387	-391	-400	-467	-499	6.7%
EBIT before at Equity	279	299	293	324	352	8.6%
EBIT margin before at Equity	15.3%	16.3%	15.7%	15.6%	15.5%	-0.1 % points
At Equity	14	13	20	18	19	3.4%
EBIT	293	312	313	342	371	8.3%
EBIT margin	16.1%	17.0%	16.8%	16.5%	16.4%	-0.1 % points
EBITDA	320	340	343	381	418	9.6%
EBITDA margin	17.6%	18.6%	18.4%	18.3%	18.4%	+0.1 % points

Europe

2016 Sales + 15.5% / EBIT +21.0%



Employees 2016: 3,149 (3,112)

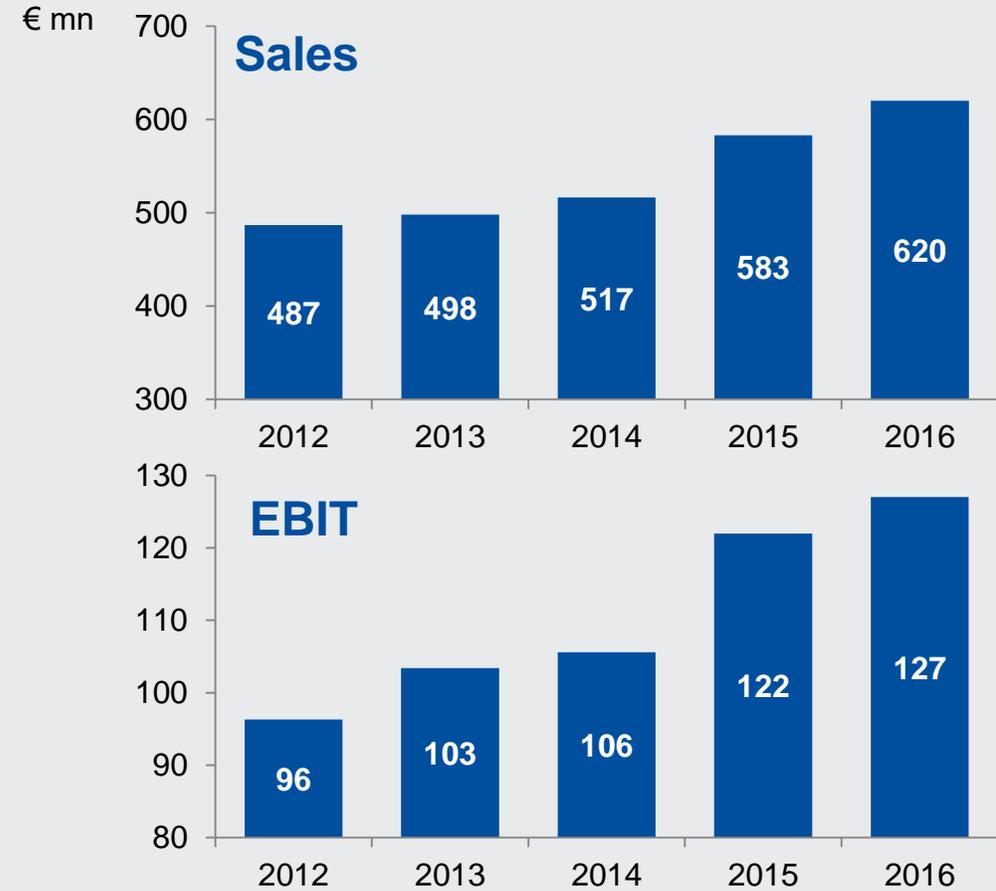


Asia-Pacific, Africa

2016: Sales + 6.3% / EBIT + 4.3%



Employees 2016: 1,040 (1,029)

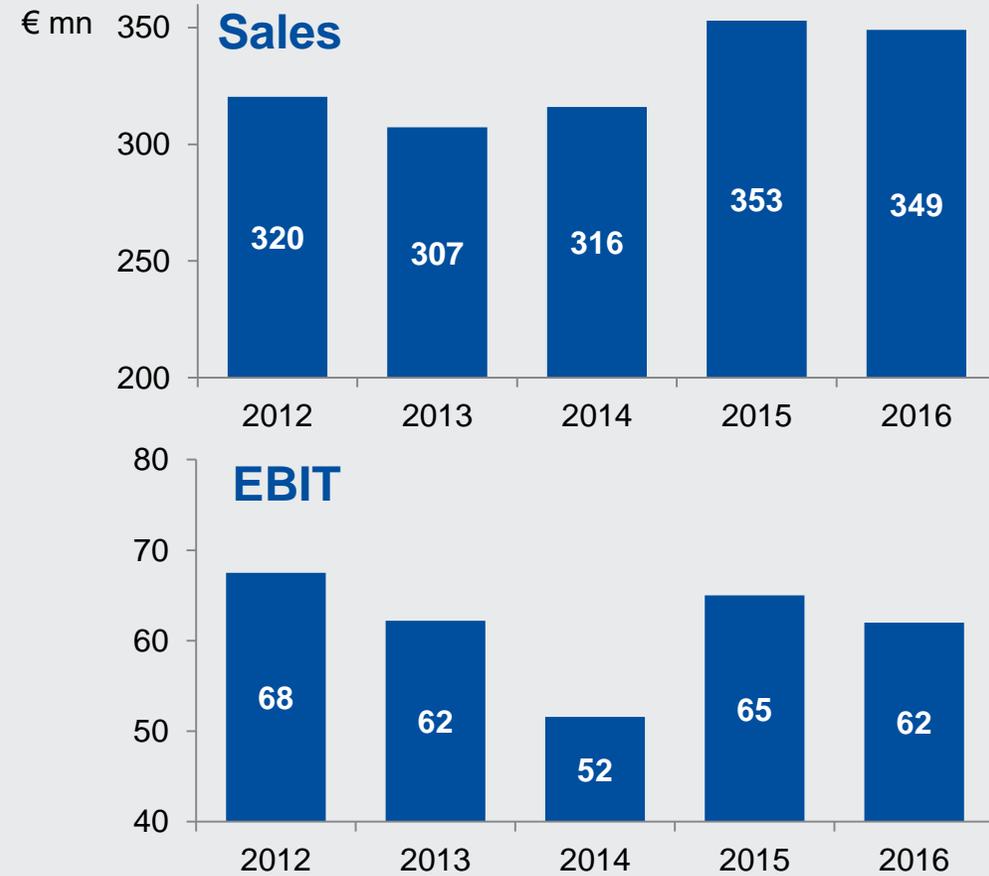


Americas

2016: Sales - 1.2% / EBIT - 4.0%



Employees 2016: 606 (588)

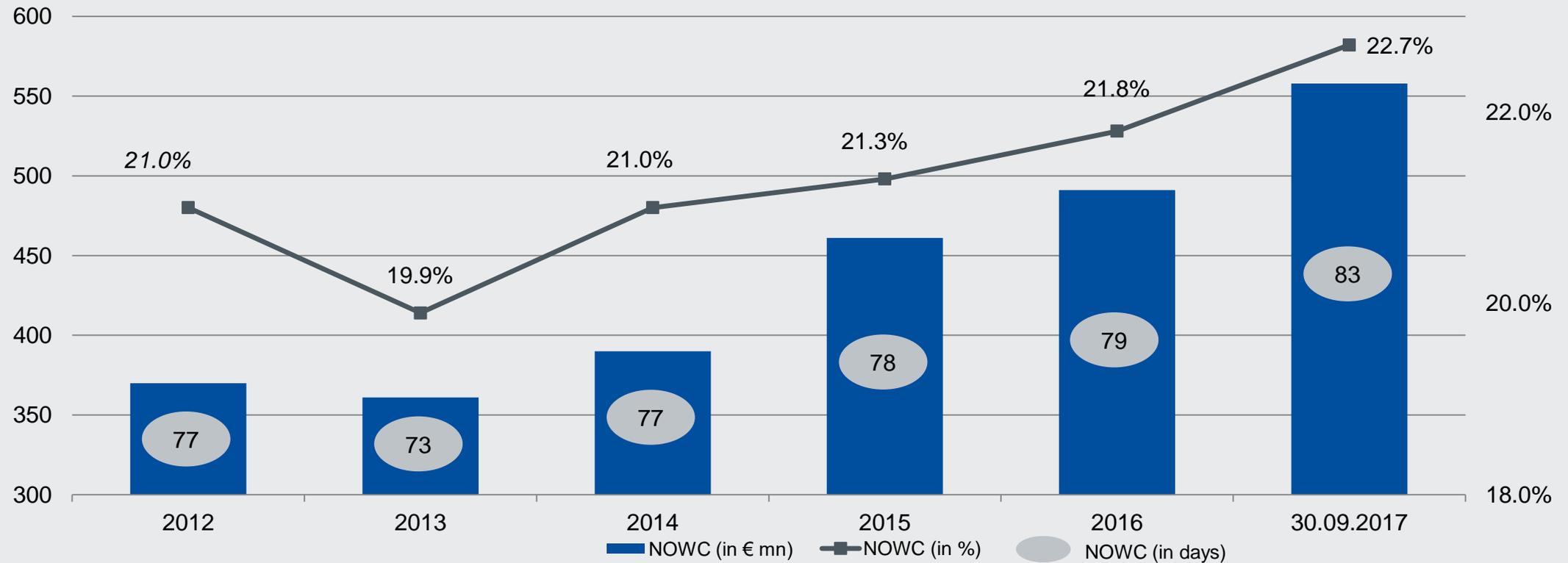


Solid balance sheet and strong cash flow generation

€ mn	2012	2013	2014	2015	2016
Total assets	1,109	1,162	1,276	1,490	1,676
Goodwill	85	82	88	166	185
Equity	782	854	916	1,070	1,205
Equity ratio	71%	74%	72%	72%	72%

€ mn	2012	2013	2014	2015	2016
Net liquidity	135	167	186	101	146
Operating cash flow	203	221	255	281	300
Free cash flow before acquisitions	141	150	210	232	205
Free cash flow after acquisitions	140	150	188	62	164

Net operating working capital (NOWC)*



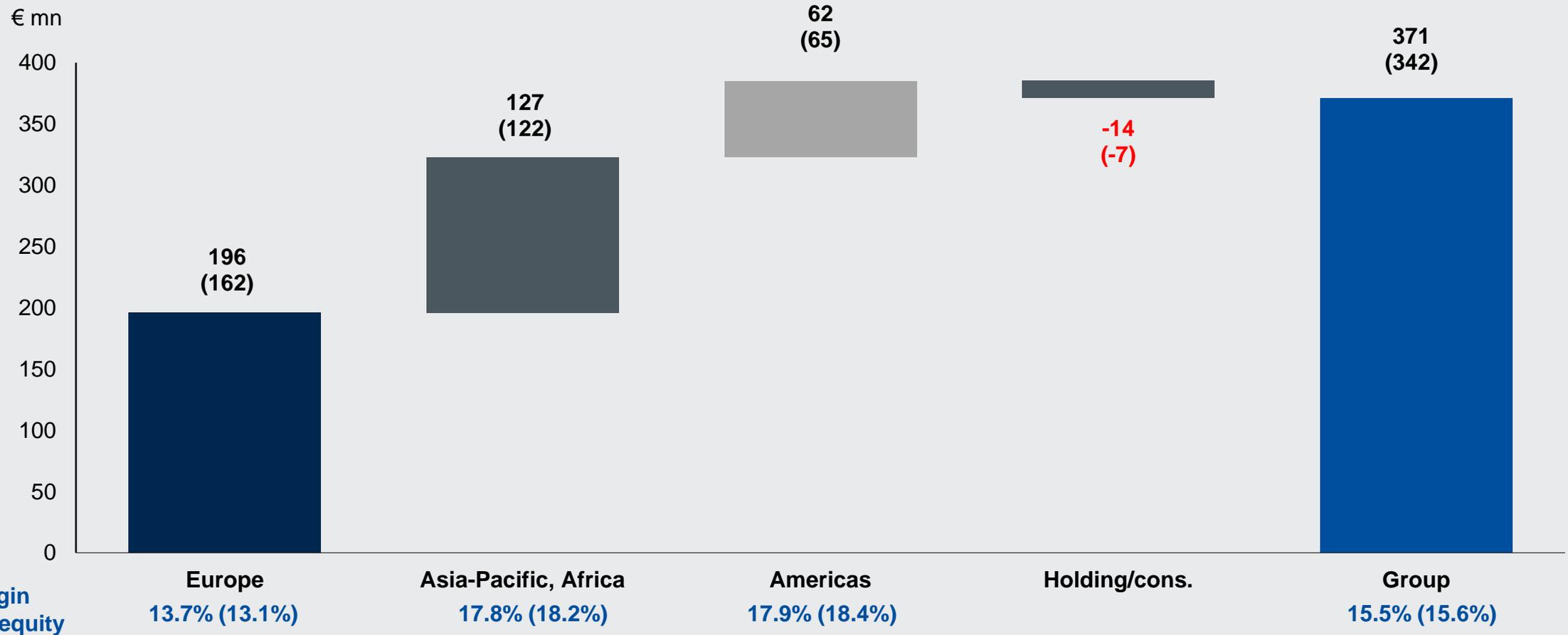
* In relation to the annualized sales revenues of the last quarter

Regional sales growth FY 2016

	2015 (€ mn)	2016 (€ mn)	Growth	Organic	External	FX
Europe	1,227	1,417	+15.5%	+3.5%	+14.0%	-2.0%
Asia-Pacific, Africa	583	620	+6.3%	+9.2%	+2.0%	-4.9%
Americas	353	349	-1.2%	-1.8%	+2.6%	-2.0%
Consolidation	-84	-119	-	-	-	-
Total	2,079	2,267	+9.0%	+3.3%	+8.6%	-2.9%

EBIT by regions

FY 2016 (FY 2015)



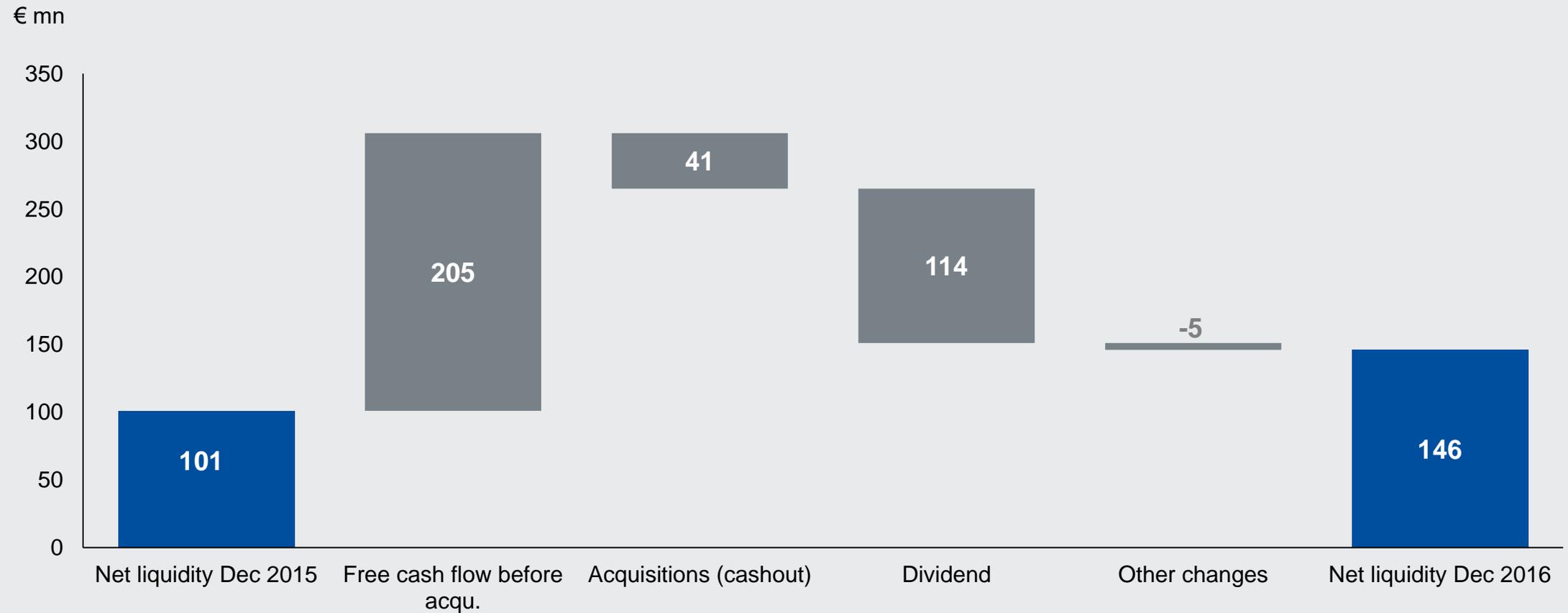
Income Statement FY 2016

€ mn	FY 15	FY 16	Δ € mn	Δ in %
Sales	2,079	2,267	188	9.0 %
Gross Profit	791	851	60	7.5 %
<i>Gross Profit margin</i>	<i>38.1%</i>	<i>37.5%</i>	-	<i>-0.6 % points</i>
Other function costs	-467	-499	-32	6.7 %
EBIT before at Equity	324	352	28	8.6 %
At Equity	18	19	1	3.4 %
EBIT	342	371	29	8.3 %
Earnings after tax	236	260	24	10.0 %

Cash flow

€ mn	FY 15	FY 16
Gross cash flow	274	298
Changes in net operating working capital	-1	-22
Other changes	8	24
Operating cash flow	281	300
Capex	-50	-93
Other changes	1	-2
Free cash flow before acquisitions	232	205
Acquisitions	-170	-41
Free cash flow	62	164

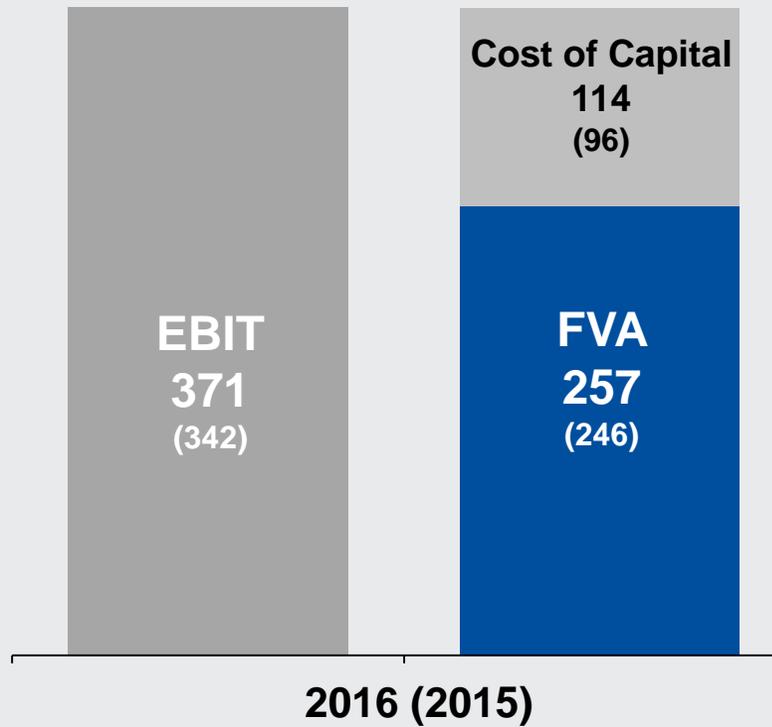
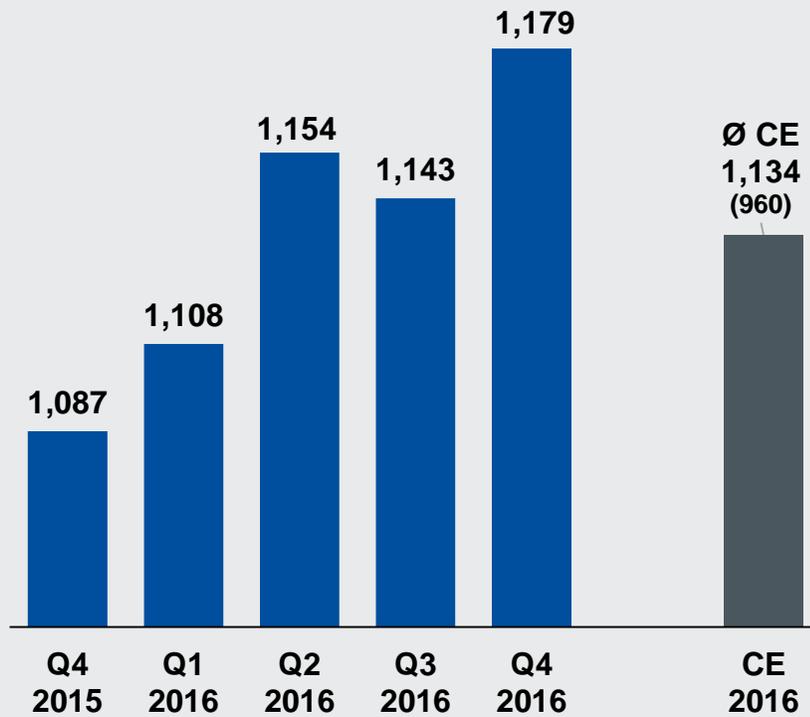
Net Liquidity 2016



FUCHS Value Added (FVA)

Increase by 5%

Capital Employed



Cost of Capital = CE x WACC (10%)

Quarterly income statement

€ mn	2015				2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	493	515	531	540	550	586	567	564	618	629	615	
Gross Profit	188	200	203	200	206	221	214	210	226	226	215	
<i>Gross Profit margin (in %)</i>	<i>38.1</i>	<i>38.8</i>	<i>38.2</i>	<i>37.1</i>	<i>37.4</i>	<i>37.7</i>	<i>37.8</i>	<i>37.1</i>	<i>36.6</i>	<i>35.8</i>	<i>35.0</i>	
Other function costs	-110	-113	-118	-126	-126	-128	-125	-120	-137	-134	-129	
EBIT before at Equity	78	87	85	74	80	93	89	90	89	92	86	
<i>EBIT margin before at Equity (in %)</i>	<i>15.8</i>	<i>16.8</i>	<i>16.0</i>	<i>13.9</i>	<i>14.6</i>	<i>15.8</i>	<i>15.8</i>	<i>15.9</i>	<i>14.5</i>	<i>14.5</i>	<i>14.1</i>	
At Equity	4	3	4	7	5	5	5	4	5	4	5	
EBIT	82	90	89	81	85	98	94	94	94	96	91	
<i>EBIT margin (in %)</i>	<i>16.6</i>	<i>17.5</i>	<i>16.8</i>	<i>15.0</i>	<i>15.5</i>	<i>16.6</i>	<i>16.5</i>	<i>16.8</i>	<i>15.3</i>	<i>15.1</i>	<i>14.8</i>	
EBITDA	90	99	100	92	97	109	105	107	107	109	105	
<i>EBITDA margin (in %)</i>	<i>18.3</i>	<i>19.1</i>	<i>18.8</i>	<i>17.1</i>	<i>17.6</i>	<i>18.7</i>	<i>18.6</i>	<i>18.8</i>	<i>17.4</i>	<i>17.3</i>	<i>17.0</i>	

Quarterly sales by regions

Sales (€ mn)	2015					2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Europe	278	293	321	335	1,227	349	372	359	337	1,417	368	383	391		
Asia-Pacific, Africa	147	155	141	140	583	144	154	153	169	620	181	182	181		
Americas	88	88	91	86	353	85	87	88	89	349	104	101	97		
Consolidation	-20	-21	-22	-21	-84	-28	-27	-33	-31	-119	-35	-37	-54		
FUCHS Group	493	515	531	540	2,079	550	586	567	564	2,267	618	629	615		

Δ Y-o-Y in %	2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Europe	+25.5	+26.8	+11.8	+0.7	+15.5	+5.3	+3.1	+8.7		
Asia-Pacific, Africa	-1.4	-1.1	+7.9	+21.1	+6.3	+25.1	+18.8	+18.6		
Americas	-4.3	-0.5	-3.0	+3.3	-1.2	+22.7	+15.4	+10.9		
Consolidation	-	-	-	-	-	-	-	-		
FUCHS Group	+11.7	+13.8	+6.7	+4.4	+9.0	+12.4	+7.3	+8.6		

Quarterly sales growth split by regions

Organic Growth (in %)	2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Europe	1.8	4.7	4.7	2.7	3.5	5.5	3.3	9.0		
Asia-Pacific, Africa	2.0	2.5	11.0	22.5	9.2	20.9	17.1	23.0		
Americas	-3.4	1.8	-4.0	-1.5	-1.8	9.0	6.4	12.7		
FUCHS Group	1.1	3.7	3.0	5.2	3.3	9.3	5.7	10.2		

External Growth (in %)	2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Europe	24.9	24.4	9.3	-	14.0	-	-	-		
Asia-Pacific, Africa	2.9	4.8	-	-	2.0	-	-	-		
Americas	2.0	3.4	2.1	3.0	2.6	7.4	5.5	4.3		
FUCHS Group	13.7	14.9	6.0	0.5	8.6	1.1	0.8	0.7		

FX Effects (in %)	2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Europe	-1.2	-2.3	-2.2	-2.0	-2.0	-0.2	-0.2	-0.3		
Asia-Pacific, Africa	-6.3	-8.4	-3.1	-1.4	-4.9	4.2	1.7	-4.4		
Americas	-2.9	-5.7	-1.1	1.8	-2.0	6.3	3.5	-6.1		
FUCHS Group	-3.1	-4.8	-2.3	-1.3	-2.9	2.0	0.8	-2.3		

Quarterly EBIT by regions

EBIT (€ mn)	2015					2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Europe	39	44	45	34	162	43	52	54	47	196	46	48	52		
Asia-Pacific, Africa	27	32	28	35	122	29	32	29	37	127	34	32	32		
Americas	17	16	17	15	65	15	17	15	15	62	17	15	18		
Consolidation	-1	-2	-1	-3	-7	-2	-3	-4	-5	-14	-3	+1	-11		
FUCHS Group	82	90	89	81	342	85	98	94	94	371	94	96	91		

Δ Y-o-Y in %	2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Europe	+9.4	+19.6	+19.8	+35.2	+20.5	+6.0	-7.3	-3.3		
Asia-Pacific, Africa	+9.8	-2.2	+2.9	+7.1	+4.3	+15.4	+2.5	+8.3		
Americas	-8.5	0	-9.7	+3.4	-4.0	+11.9	-6.7	+12.0		
Consolidation	-	-	-	-	-	-	-	-		
FUCHS Group	+4.3	+8.5	+4.7	+16.2	+8.3	+10.8	-2.4	-2.8		

The Executive Board



Stefan Fuchs: CEO, Corporate Development, HR, PR, Americas



Dr. Lutz Lindemann: R&D, Technology, Supply Chain, Sustainability, OEM, Mining



Dr. Timo Reister: Asia-Pacific, Africa



Dr. Ralph Rheinboldt: Europe, LUBRITECH, SAP/ERP-Systems



Dagmar Steinert: CFO, Finance, Controlling, IR, Compliance, Internal Audit, IT, Legal, Tax

Executive Compensation & FUCHS Shares

Executive Board

25%

of variable compensation

must be invested in FUCHS preference shares with a 3 year lock-up period

Supervisory Board

50%

of variable compensation

must be invested in FUCHS preference shares with a lock-up period of 5 years. The vesting period is waived when the member leaves the Supervisory Board

Disclaimer

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

Financial Calendar & Contact

Financial Calendar 2018

February 22, 2018	Preliminary figures for the Full Year 2017
March 21, 2018	Full Year Results 2017
April 27, 2018	Quarterly Statement Q1 2018
May 8, 2018	Annual General Meeting 2018
June 18, 2018	FUCHS Capital Market Day
July 31, 2018	Financial Report H1 2018
October 30, 2018	Quarterly Statement Q1-3 2018

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