

# FUCHS GROUP

A global Group with family roots

| April, 2020 | Mannheim



# Agenda

**01**

## **Our company**

Organization and management, facts and figures

**02**

## **Our business model**

LUBRICANTS.TECHNOLOGY.PEOPLE.

**03**

## **Our contribution**

Solutions with added value

**04**

## **Our understanding of sustainability**

Economic, ecological and social responsibility

**05**

## **Our motivation**

The trust of our customers and stakeholders

**01** **Our company**  
Organization and management,  
facts and figures



# FUCHS at a glance

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

Approx. **5,600**  
employees

Preference share is listed  
in the MDAX

**No. 1**  
among the independent  
suppliers of lubricants

Approx. **€2.6** bn  
sales in 2019

**62** companies worldwide

The Fuchs family holds  
**55%** of  
ordinary shares

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

»We have relied on **continuity, reliability and proximity** – for more than 85 years.«

Stefan Fuchs, Chairman of the Board



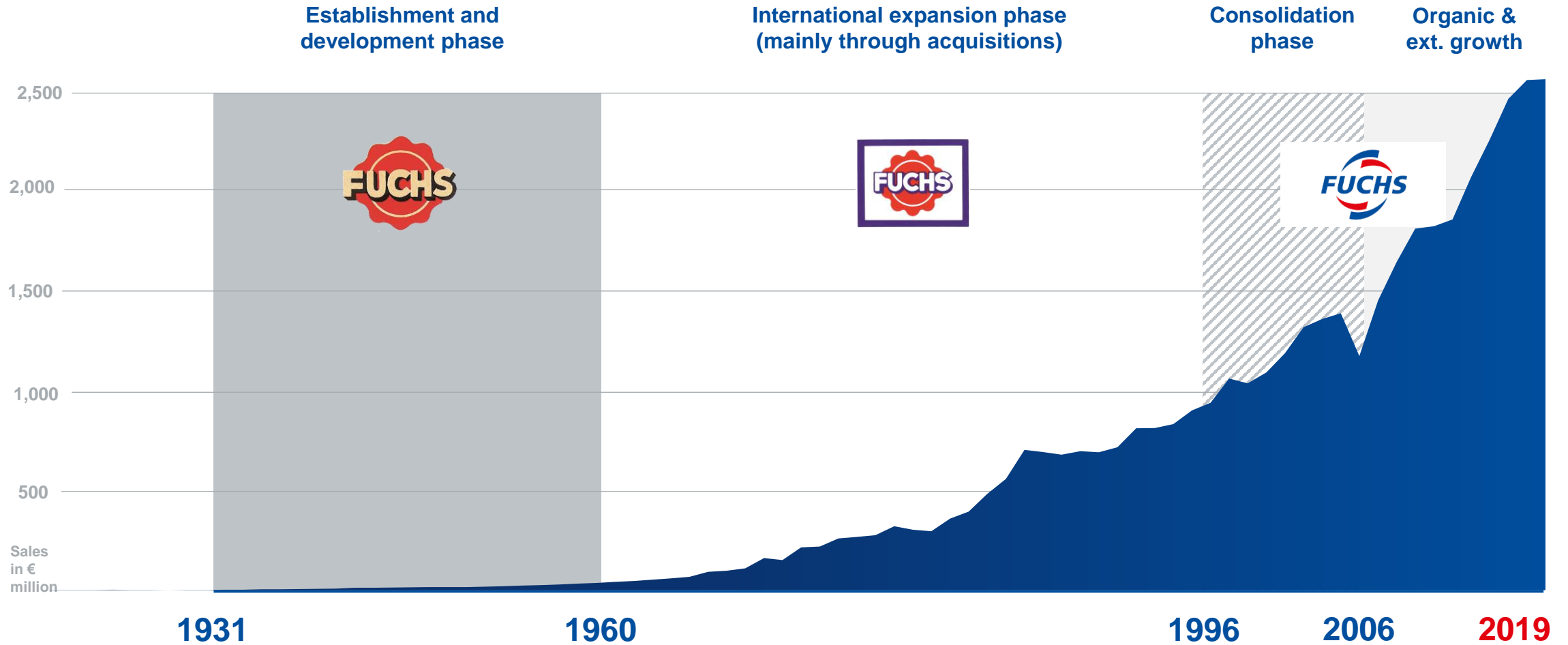
## Our business model

Since 1931



**LUBRICANTS.** 100% focus  
**TECHNOLOGY.** Holistic solutions  
**PEOPLE.** Personal commitment

# Tradition and growth Since 1931



**We are where our customers are**  
with 62 companies



**FUCHS PETROLUB SE**

Capital: €139 million

**5**

companies in Germany

**7**

companies in North and  
South America

**26**

companies in other  
European countries

**24**

companies  
in Asia-Pacific, Africa



# We are where our customers are in 50 countries



■ Production locations

# Management Executive Board



**Stefan Fuchs**

Chairman of the Executive Board, Corporate Group Development, Human Resources, PR & Marketing



**Dr. Lutz Lindemann**

R&D, Technology, Product Management, Supply Chain, Sustainability, Inoviga GmbH, Mining Division, OEM Division



**Dr. Timo Reister**

Region Asia-Pacific, North and South America, Industrial Sales Strategy



**Dr. Ralph Rheinboldt**

Region Europe, Middle East and Africa, FUCHS LUBRITECH Division



**Dagmar Steinert**

Finance, Controlling, IR, Compliance, Internal Auditing, IT (incl. SAP/ERP systems), Legal, Taxes

# Group Management Committee (GMC)

**Carsten Meyer**  
OEM Division, Mining Division

**Stefan Knapp**  
Germany, Benelux

**Bernhard Biehl**  
LUBRITECH Division

**Dagmar Steinert**  
CFO

**Keith Brewer**  
Americas

**Dr. Lutz Lindemann**  
CTO



**Dr. Timo Reister**  
Region Asia-Pacific,  
Industrial Sales Strategy

**Alf Untersteller**  
Turkey, Middle East,  
Central Asia, Africa

**Stefan Fuchs**  
CEO

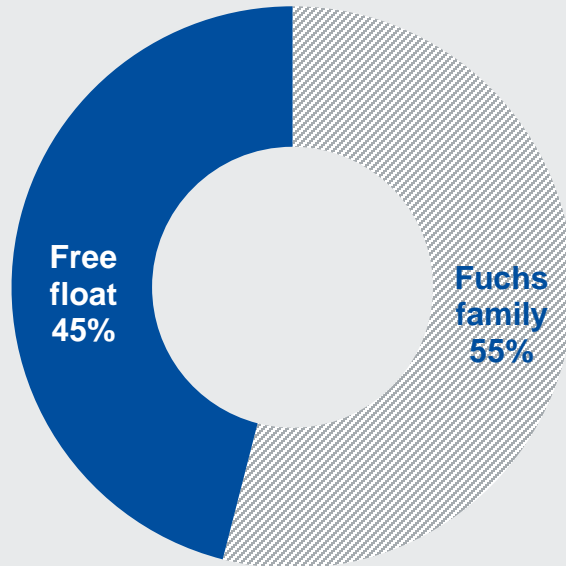
**Dr. Ralph Rheinboldt**  
Europe, Middle East, Africa

**Klaus Hartig**  
East Asia

# Shareholder structure

## Allocation of ordinary and preference shares\*

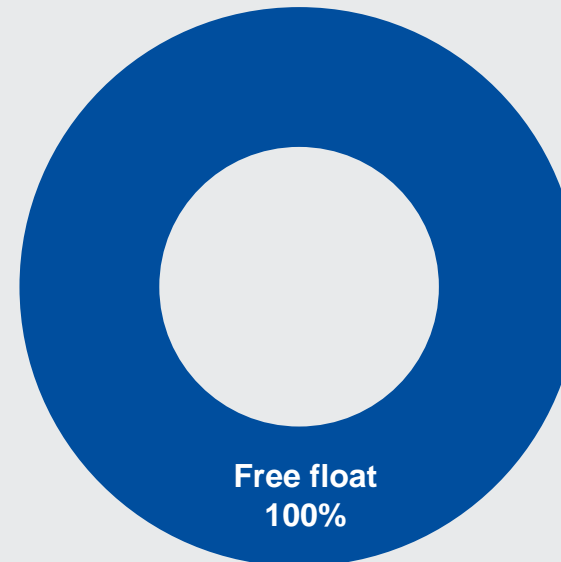
### Ordinary shares



Basis: 69,500,000 ordinary shares

### Preference shares

MDAX-listed



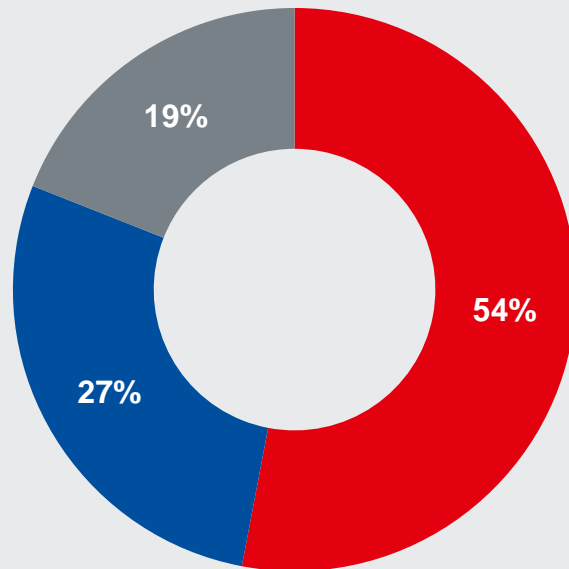
Basis: 69,500,000 preference shares

\*Securities registered at the stock exchanges in Frankfurt and Stuttgart

# World lubricant market 2018

## Regional breakdown

**36.4 million tons**  
**total market volume**



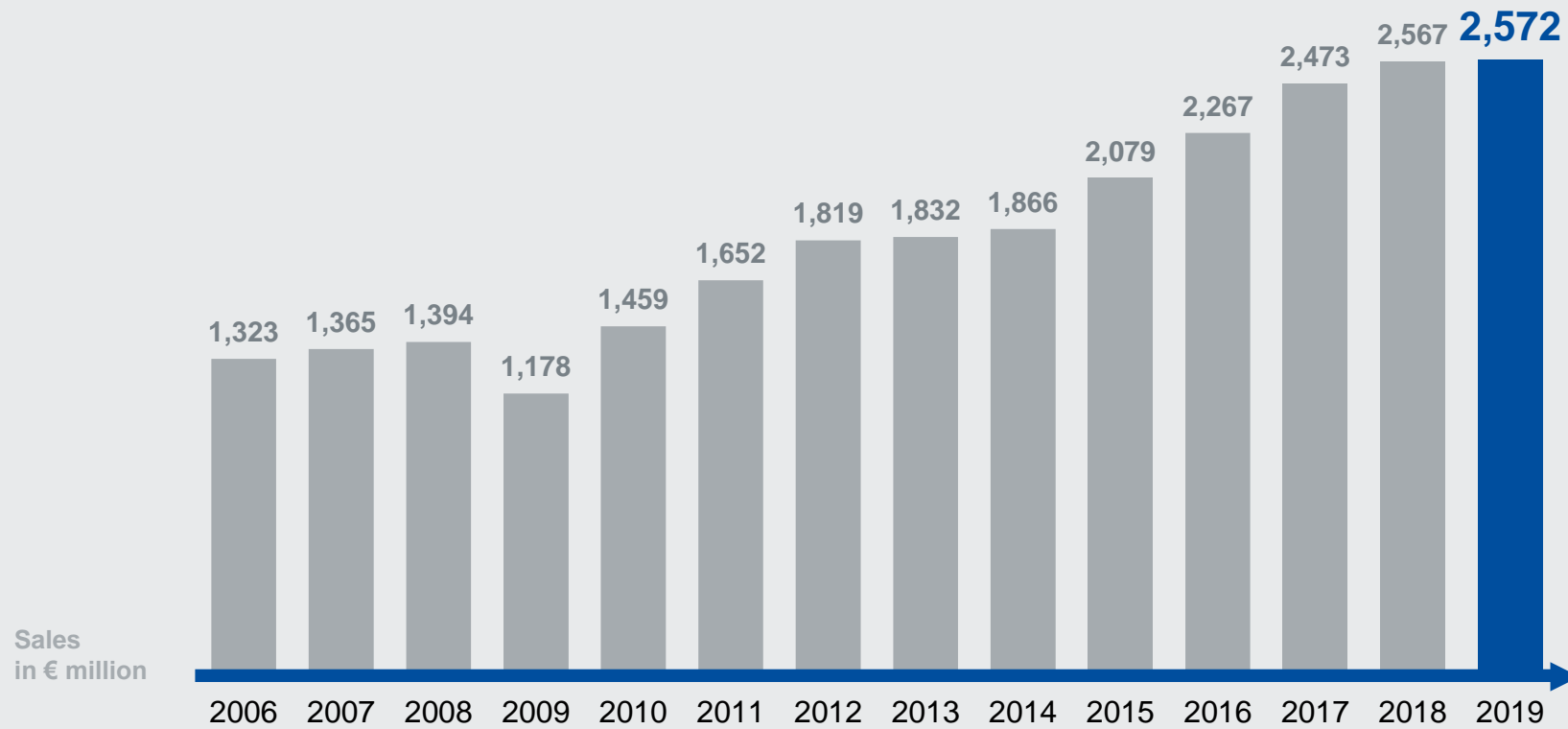
■ Asia-Pacific and rest of the world  
■ North & South America  
■ Europe

The largest and fastest-growing regional lubricant market is in the Asian-Pacific region.

North America and Western Europe are mature markets. The main focus is on higher-quality lubricants and specialties.

# FUCHS in figures

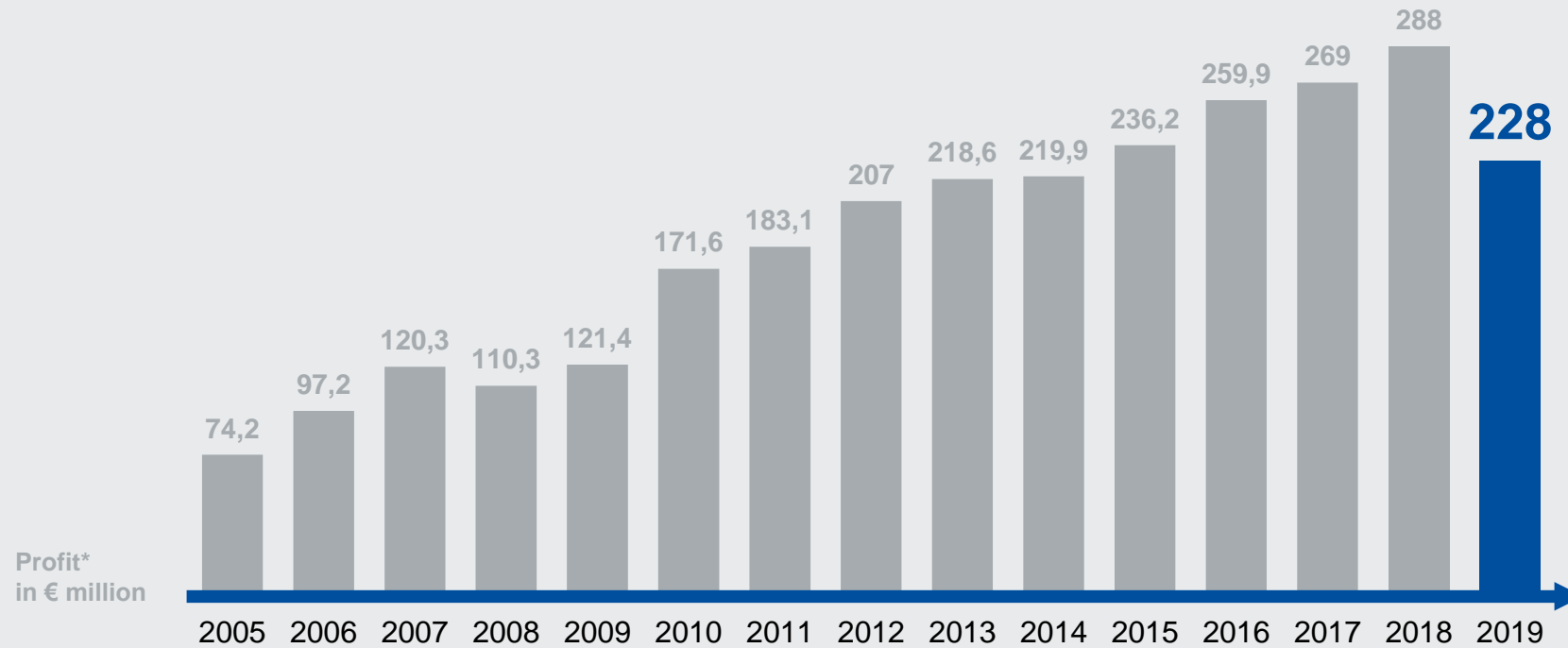
## Sales trends



# FUCHS in figures

## Profit trends\*

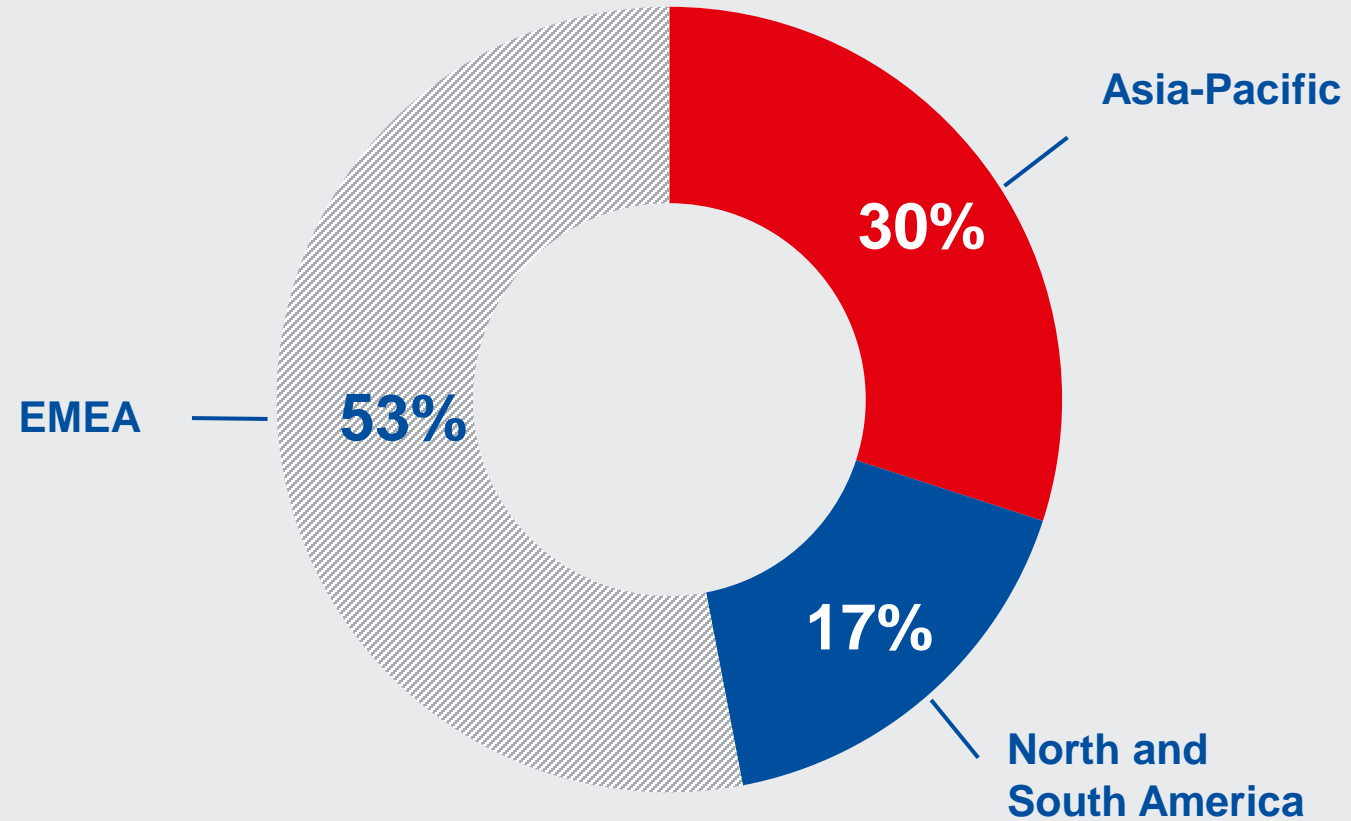
Profit growth 31.0% 23.8% -8.3% 10.1% 41.4% 6.7% 13.1% 5.6% 0.6% 7.4% 10.0% 3.5% 7.1% -20.8%



\*After tax

# FUCHS in figures

## Regional sales breakdown 2019\*



\*By customer location



**02** Our business model  
LUBRICANTS.TECHNOLOGY.PEOPLE.



# LUBRICANTS.

---

**100% focus** on high-quality lubricants and related specialties

---



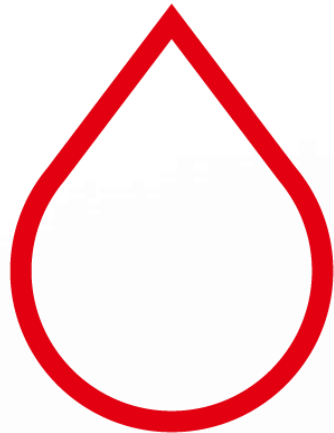
SI Analytics

Typ 501 11 /  $\Sigma\alpha$

App. Nr.. 1053941

# The main industries

Over 100,000 customers worldwide



- Mechanical engineering
- Construction sector
- Mining and exploration
- Glass industry
- Agriculture and forestry
- Accessories sector
- Transportation sector
- Food industry
- Energy generation
- Cement, lime and gypsum industry
- Steel and metals industry
- Forging industry
- Foundry industry
- Metal working sector
- Automobile sector
- Others

# Our six product categories

Over 10,000 products

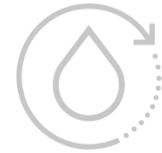


# Automotive lubricants



- Engine Oils
- Gear Oils
- Shock Absorber Fluids
- Central and Mobile Hydraulic Oils
- Greases
- Motorcycle Lubricants
- Lubricants for Agricultural Machinery
- Service Fluids
- Rapidly Biodegradable Lubricants

# Industrial lubricants



- Hydraulic Oils
- Compressor Oils
- Slideway Oils
- Gear Oils
- Turbine Oils
- Machine Oils

- Cylinder Oils
- Transformer Oils
- Tacky Oils
- Heat Transfer Oils
- General Lubricating Oils
- Refrigeration Oils

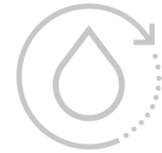
- Rapidly Biodegradable Lubricants
- Textile Oils
- Greases

# Lubricating greases



- Multi-Purpose / Longlife Greases
- Greases for Plain and Roller Bearings
- Wheel Bearing Greases
- Gear Box
- Food Grade Greases
- Rapidly Biodegradable Greases
- Greases for Machine Tools
- Greases for Rail Vehicles
- Greases for Extreme Temperatures
- Greases for Central Lubricating Systems
- Greases with Solid Lubricants
- Perfluorinated Pastes
- Greases in Spray Cans or Rattle Cans
- Assembly Pastes
- Pastes for Extreme Temperatures

# Metal processing lubricants



- **Cutting and Grinding Lubricants (incl. Rapidly Biodegradable Fluids)**
- **Forming Lubricants**
- **Corrosion Preventives**
- **Cleaners**
- **Quenching Oils**
- **Minimal Quantity Lubrication (MQL) Products**



# Special application lubricants



- Open Gear Lubricants
- Hot Metal Forming Lubricants
- Food Grade Lubricants
- Glass Lubricants
- Dry Coating Lubricants
- Railway Lubricants
- Concrete Release Agents
- Chain Lubrication
- Windpower Lubricants
- Other Specialties
- Greases
- Pastes

# Services



- **Analytical Services**
- **Chemical Process Management (CPM)**
- **Condition Monitoring**
- **Tailor-Made Development**
- **Technical Services**
- **Open Gear Services – Failure Analysis & Repair / App**
- **Coating Services**

# TECHNOLOGY.

In pursuit of technology and innovation  
leadership with **holistic solutions**



# Research and development

## Application-oriented

**521**

**engineers and  
scientists in R&D worldwide**

Around **600**  
R&D projects

**€55**  
million  
R&D budget

laboratories in **22** countries

# PEOPLE.

---

**Personal commitment** based on  
cooperation and trust

---



**5,627 employees in 50 countries**

A common mission statement

---

**Trust**  
**Creating Value**  
**Respect**  
**Reliability**  
**Integrity**

---

**LUBRICANTS.TECHNOLOGY.PEOPLE.**

**5,627 employees in 50 countries**  
A common mission statement

**Trust**

**Creating Value**

**Respect**

**Reliability**

**Integrity**

Trust is the basis of our  
self-understanding.



**5,627 employees in 50 countries**  
A common mission statement

**Trust**

**Creating Value**

**Respect**

**Reliability**

**Integrity**

We deliver leading technology and first class service to our customers. Identify and create FUCHS Value Added. Provide space for innovation to explore new paths. Act with an entrepreneurial spirit. Empower employees with responsibility and accountability.



**5,627 employees in 50 countries**  
A common mission statement

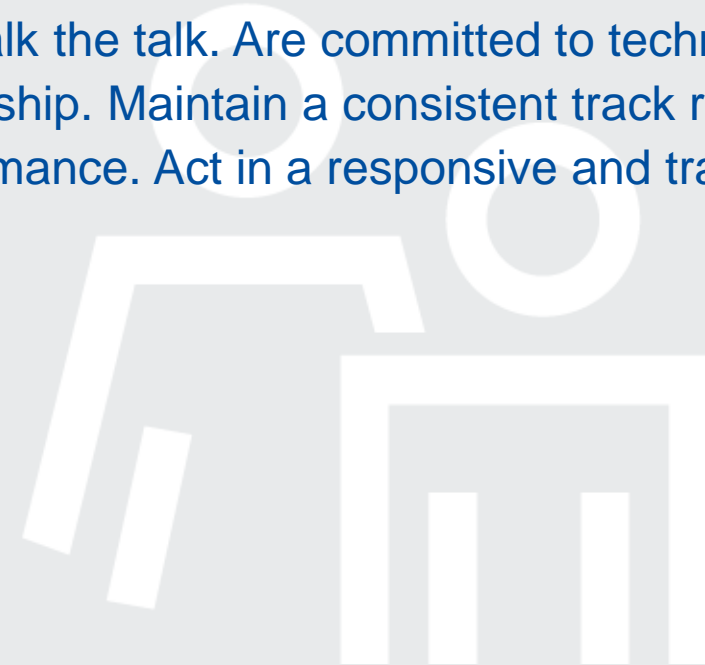
**Trust**  
**Creating Value**  
**Respect**  
**Reliability**  
**Integrity**

We acknowledge our responsibility towards our stakeholders, society and environment. Show appreciation and recognition. Act with fairness towards our partners and employees. Foster an open-minded discussion culture.

**5,627 employees in 50 countries**  
A common mission statement

**Trust**  
**Creating Value**  
**Respect**  
**Reliability**  
**Integrity**

We walk the talk. Are committed to technical leadership. Maintain a consistent track record of performance. Act in a responsive and transparent way.



**5,627 employees in 50 countries**  
A common mission statement

**Trust**  
**Creating Value**  
**Respect**  
**Reliability**  
**Integrity**

We believe in a high level of ethics and adhere to our Code of Conduct.



# We promote personal commitment

---

**22% women  
in management**

---

**Internal staffing**

---

**FUCHS ACADEMY**



---

**Health management**

---

**Compatibility of  
family and work**

---

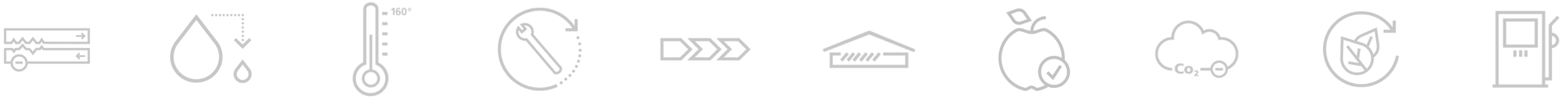
**Global talent  
management concept**

**03** Our contribution  
Solutions with added value



# FUCHS lubricants

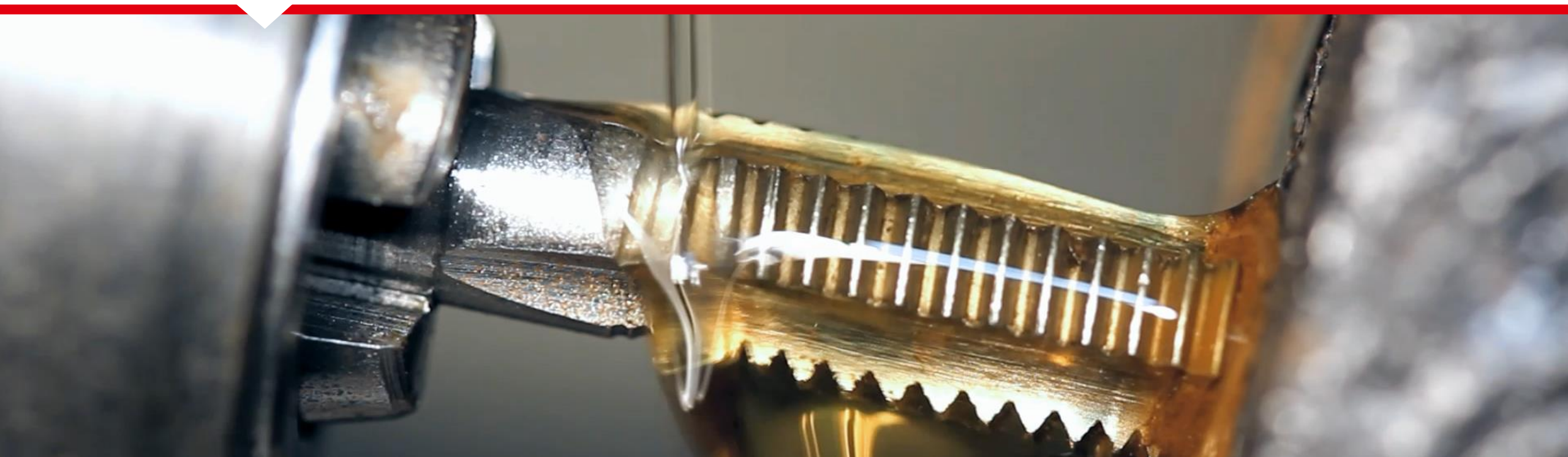
A full range to meet numerous requirements



# Less wear



# Reduction in oil consumption





# High thermal load capacity



# Low maintenance requirements



# Process compatibility



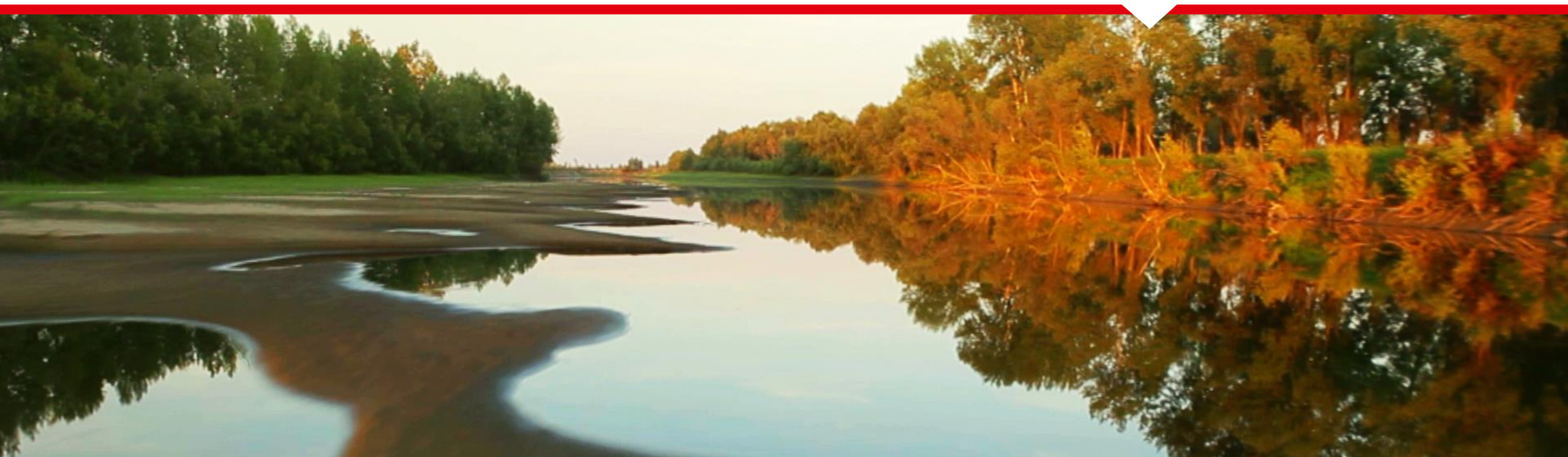
# Corrosion protection



# Food grade



# CO<sub>2</sub> reductions



# Rapidly biodegradable



# Fuel savings



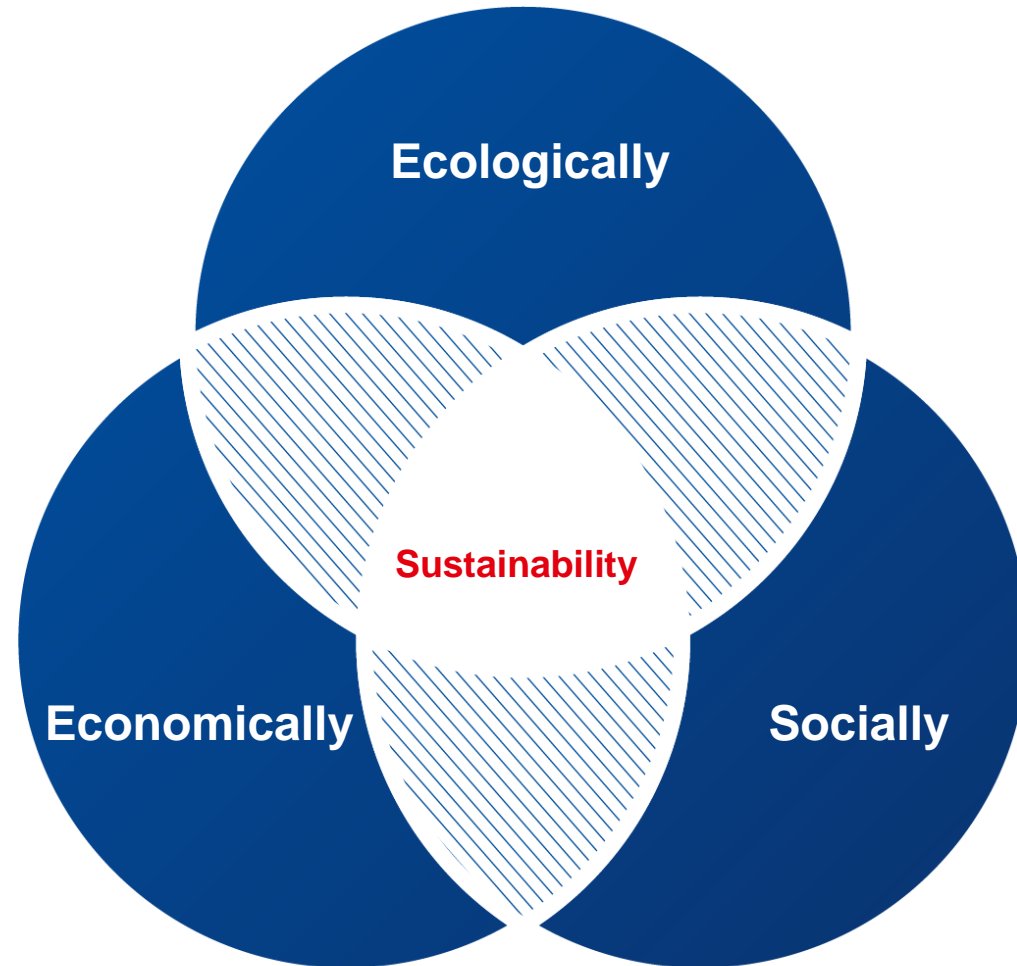


## 04 Our understanding of sustainability

Economic, ecological and social responsibility



# We think and act ...



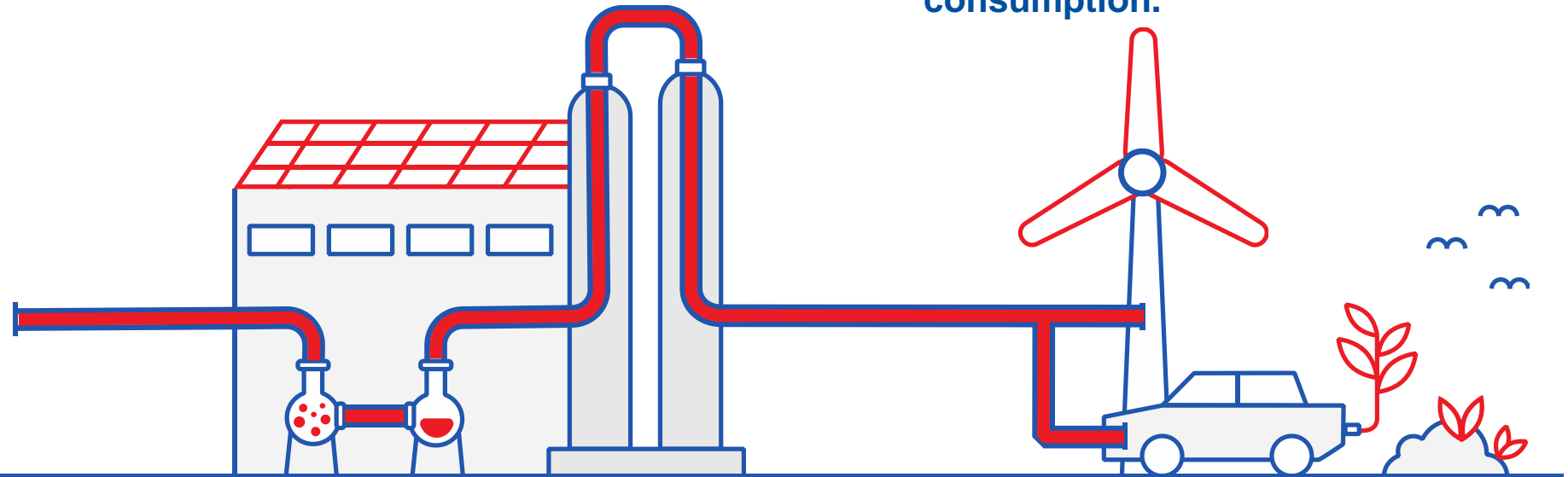
# Ecological vision

Along the entire added value chain

We support our suppliers and engage in sustainable purchasing.

Our production: Responsible and CO<sub>2</sub>-neutral.

What our customers contribute: Less friction, reduced energy consumption.



We share the results of our research and support our suppliers in developing and using sustainable and carbon-neutral precursors.

We focus on resource conservation and energy savings within our production operations.  
We compensate for unavoidable CO<sub>2</sub> emissions with selected, certified climate protection projects.

The use of our products makes a strong contribution toward helping the environment. Our environmental performance analyses show: Thanks to factors including friction reduction, the CO<sub>2</sub> savings are significantly greater than with conventional products.

# CO2-neutrality strategy

Reductions where possible - compensation where necessary

# CO<sub>2</sub>neutral

## Lubricants from CO<sub>2</sub>-neutral production

We invest in the **energy efficiency** of our locations and are further increasing our use of energy from renewable sources.

# - 15%

Energy savings  
per ton of lubricant produced\*



# 6 Climate protection projects

Continuous reduction  
of our carbon footprint  
since 2010

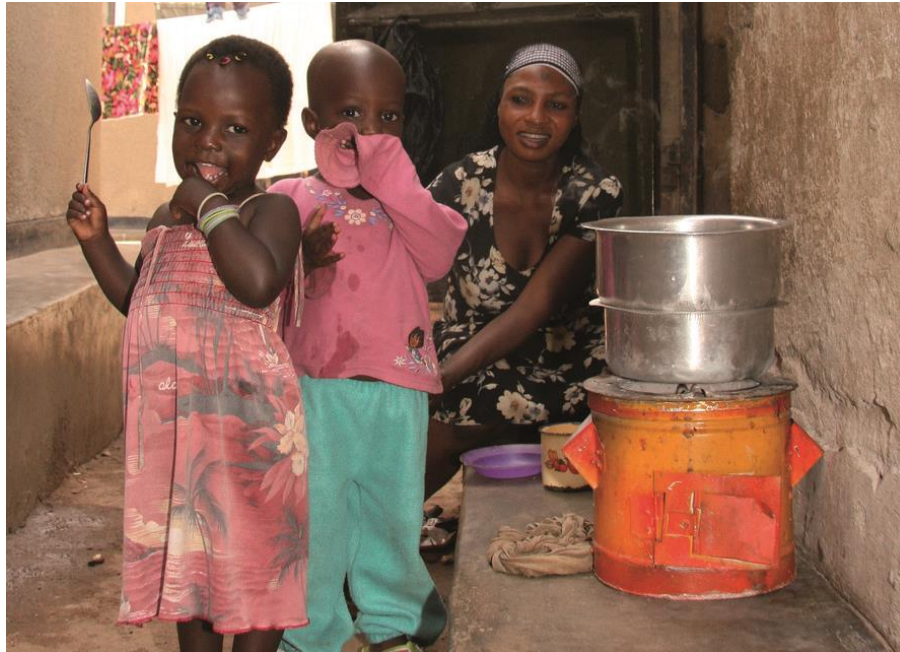
CO<sub>2</sub> emissions  
cannot be avoided  
altogether...



We compensate for  
unavoidable CO<sub>2</sub>  
emissions. With selected  
climate protection projects.

# CO<sub>2</sub>-neutrality strategy

## We support six selected climate protection projects



### Stoves for Peru and Uganda

Two projects, one idea: Instead of continuing to cook on open fires, families are given efficient stoves with a chimney. The result? Reduced energy consumption and a healthier environment for the families – free of toxic vapors and smoke.



### Heat from biogas in China

Farmers are being supported in constructing methane fermenters, which are used to produce biogas from waste. Fossil fuels are no longer required.



### Solar power plants for Namibia

28 GWh of clean solar power per year – this is the contribution of the two new solar power plants in the east of Namibia



### Run-of-the-river hydroelectric power plant in India

Clean energy for heating instead of classic heating with wood. Construction of the run-of-the-river hydroelectric power plant allows some 37,278 tons of greenhouse gas emissions to be saved each year.



### Reforestation in Mexico

Just under 10,000 acres are being replanted with teak trees. This forest area will store approximately 37,000 tons of greenhouse gas emissions over a period of 36 years.

# Economic Key figures



**€134 million**  
dividend paid out

## Our objective

To continually increase company value, as well as creating shareholder value.



**321**  
Earnings before interest and tax  
(EBIT) in € million

# Social

## Key figures

Average period of **10 years**  
of employment



**43**

Average age of  
employees



**22%**

women in executive positions

Average of **13 hours**  
of further training per employee

## 05 Our motivation

The trust of our customers  
and stakeholders

LUBRICANTS.  
TECHNOLOGY.  
PEOPLE.





**For our customers and stakeholders  
we are ...**



**Innovation  
driver & solution  
provider**

**For our customers and stakeholders  
we are ...**



**Development partner &  
idea generator**

For our customers and stakeholders  
we are ...



Thank you very much for your attention.

