# FUCHS GROUP

## A global Group with family roots

| March, 2021 | Mannheim

# Agenda


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Organization and management, facts and figures

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

**03** **Our FUCHS2025 strategy**
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**04** **Our contribution**
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**05** **Our understanding of sustainability**
Economic, ecological and social responsibility

**06** **Our motivation**
The trust of our customers and stakeholders

# 01 Our company

Organization and management,
facts and figures

LUBRICANTS.
TECHNOLOGY.
PEOPLE.

FUCHS

# FUCHS at a glance

LUBRICANTS. TECHNOLOGY. PEOPLE. FUCHS

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

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

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

Approx. **€2.4** bn sales in 2020

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

Approx. **6,000** employees

Preference share is listed in the MDAX

**69** companies worldwide

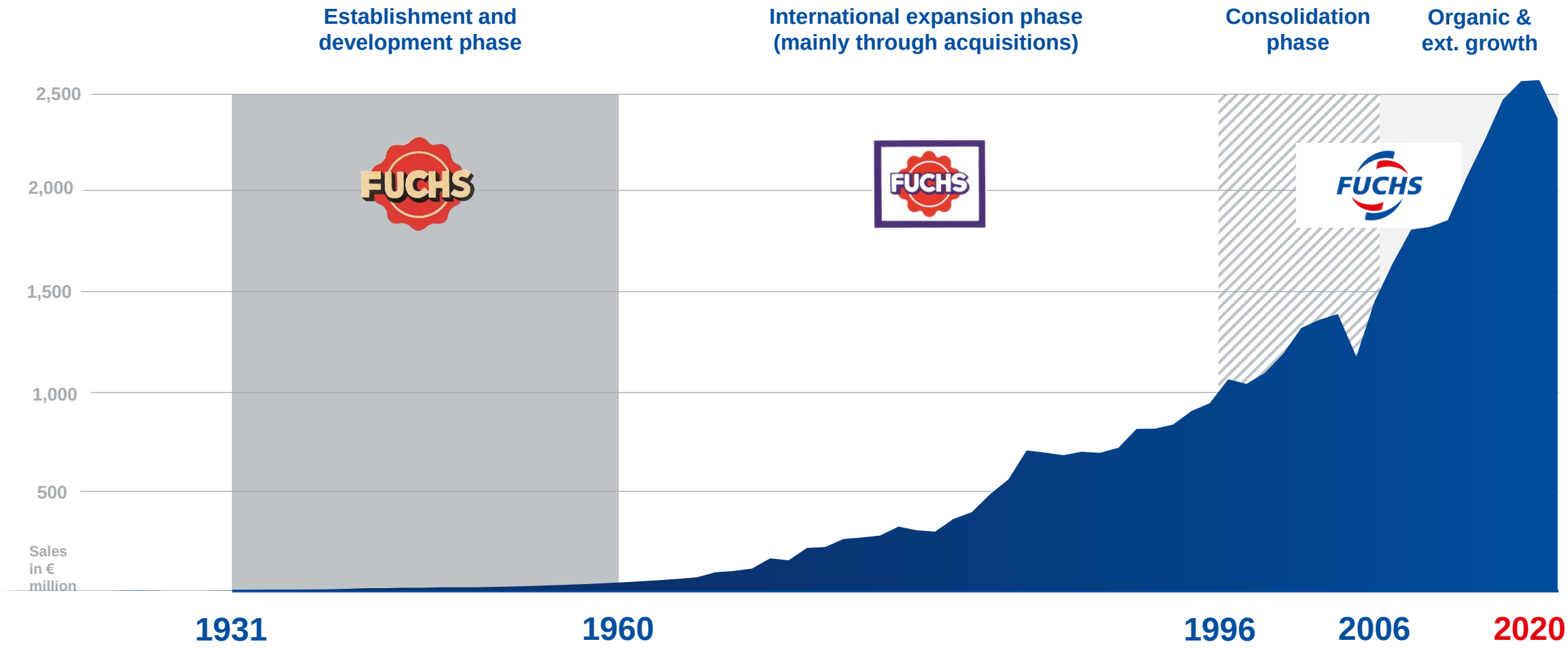
»We have relied on **continuity, reliability and proximity** – for 90 years.«

Stefan Fuchs, Chairman of the Board

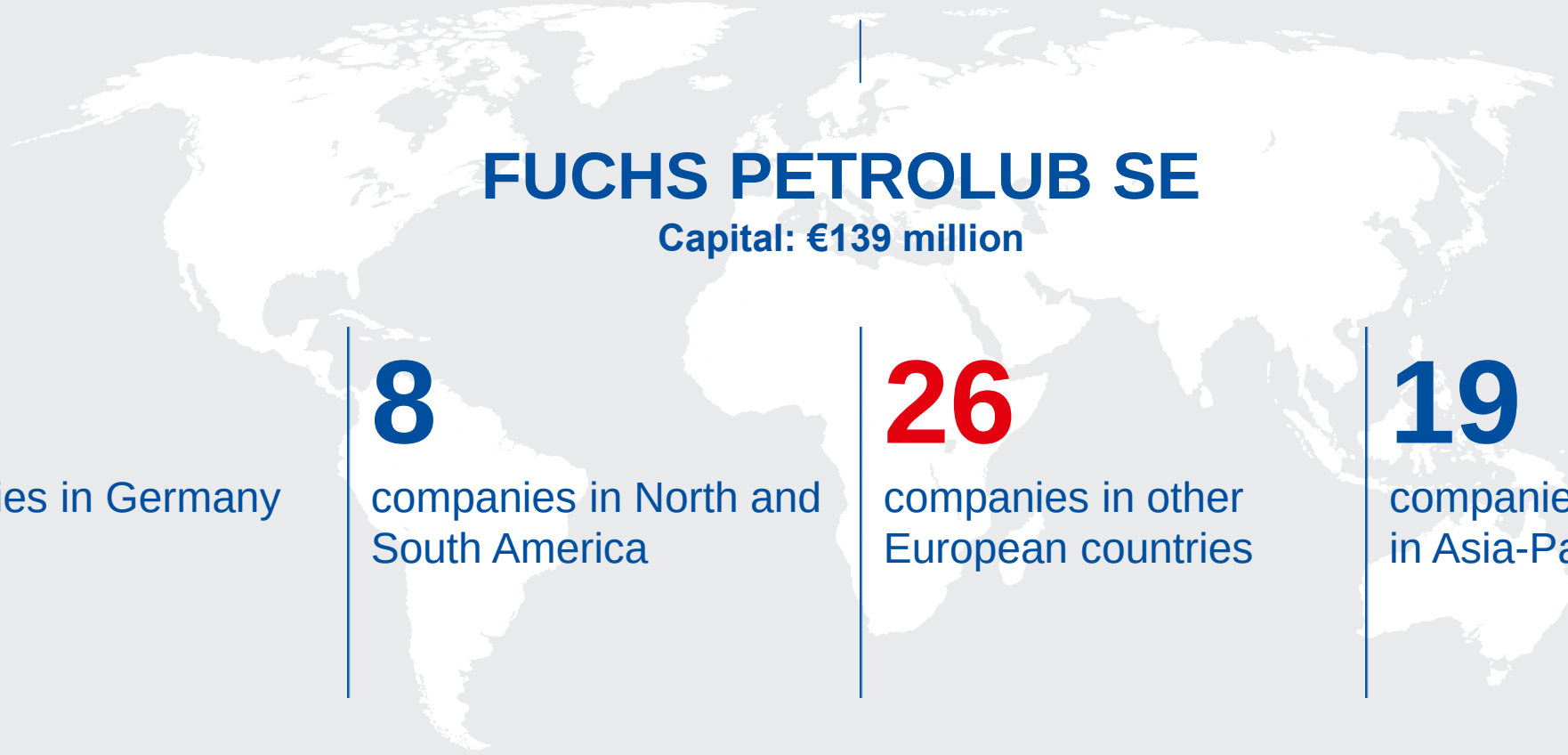
# Our business model

Since 1931

# Tradition and growth
## Since 1931



# We are where our customers are
with 58 operative companies



## FUCHS PETROLUB SE
**Capital: €139 million**

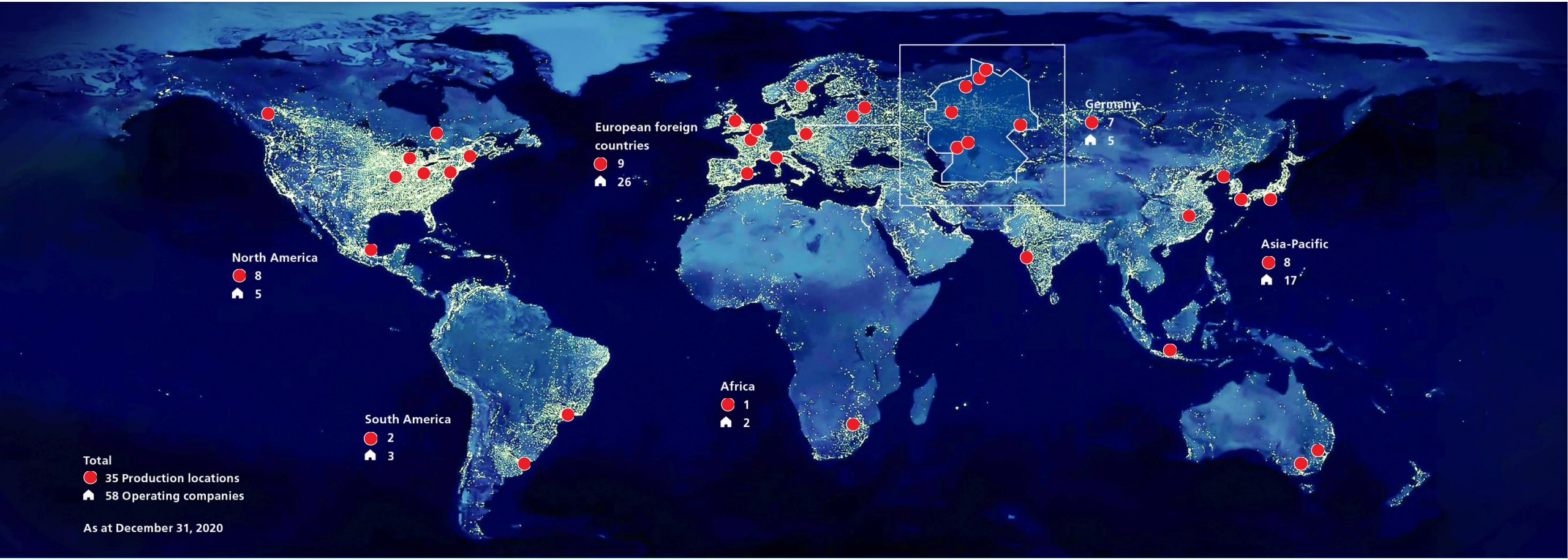
**5**
companies in Germany

**8**
companies in North and South America

**26**
companies in other European countries

**19**
companies in Asia-Pacific, Africa

# We are where our customers are
in over 50 countries



# Management
## Executive Board

**Stefan Fuchs**

Chairman of the Executive Board, Corporate Group Development, Human Resources, PR & Marketing, Strategy, Automotive Aftermarket Division

**Dr. Lutz Lindemann**

R&D, Technology, Product Management, Supply Chain, Sustainability, , EH&S, Mining Division, OEM Division

**Dr. Timo Reister**

East Asia, Australasia, North and South America, Industry Division

**Dr. Ralph Rheinboldt**

Region Europe, Middle East and Africa, FUCHS LUBRITECH Division

**Dagmar Steinert**

Finance, Controlling, Investor Relations, Compliance, Internal Auditing, Digitalization (IT, ERP systems, Big Data etc.), Legal, Taxes

# Group Management Committee (GMC)

**Dr. Lutz Lindemann**
CTO

**Stefan Knapp**
Germany, Benelux

**Bernhard Biehl**
LUBRITECH Division

**Dr. Ralph Rheinboldt**
EMEA

**Dagmar Steinert**
CFO

**Stefan Fuchs**
CEO

**Dr. Timo Reister**
Asia-Pacific, North and South America

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

**Carsten Meyer**
OEM Division, Mining Division

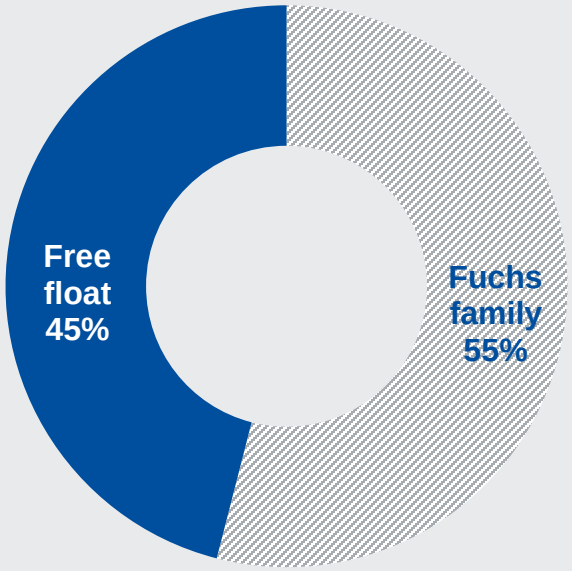
**Klaus Hartig**
East Asia

**Keith Brewer**
America

# Shareholder structure

## Allocation of ordinary and preference shares*

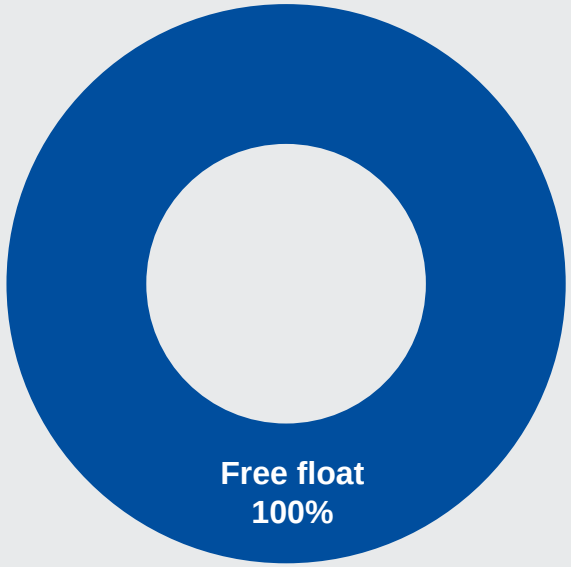
### Ordinary shares




Basis: 69,500,000 ordinary shares

### Preference shares

MDAX-listed



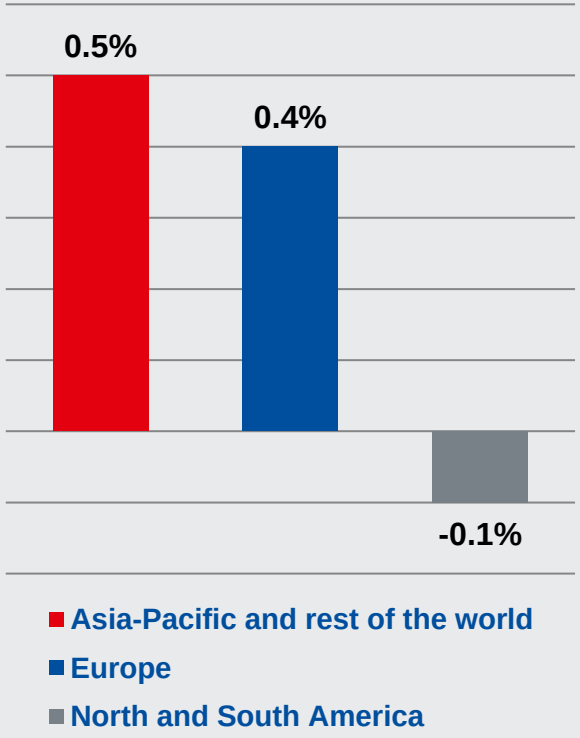

Basis: 69,500,000 preference shares

*Securities registered at the stock exchanges in Frankfurt and Stuttgart

# World lubricant market

## Development of lubricant requirements

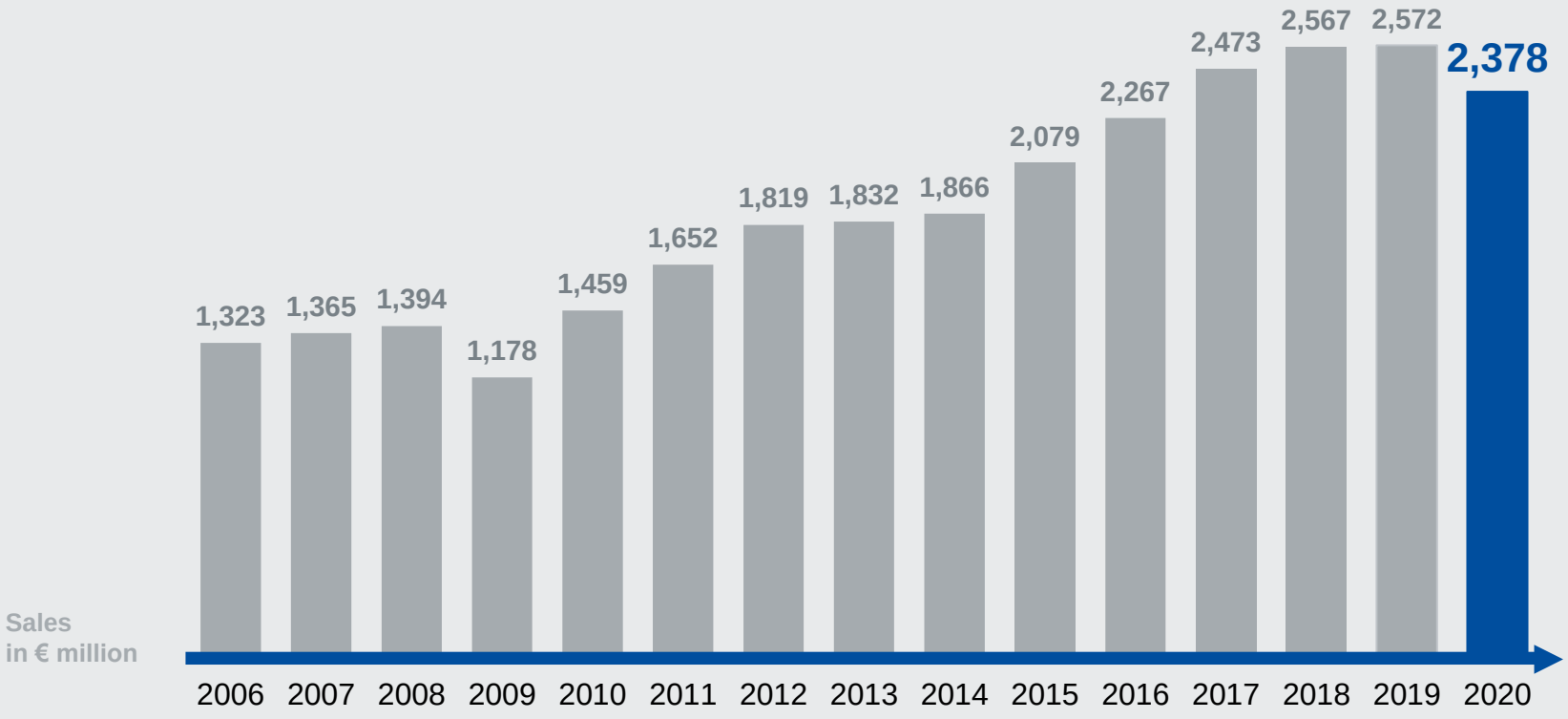
**Compound annual growth rate (2019 – 2023)**




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

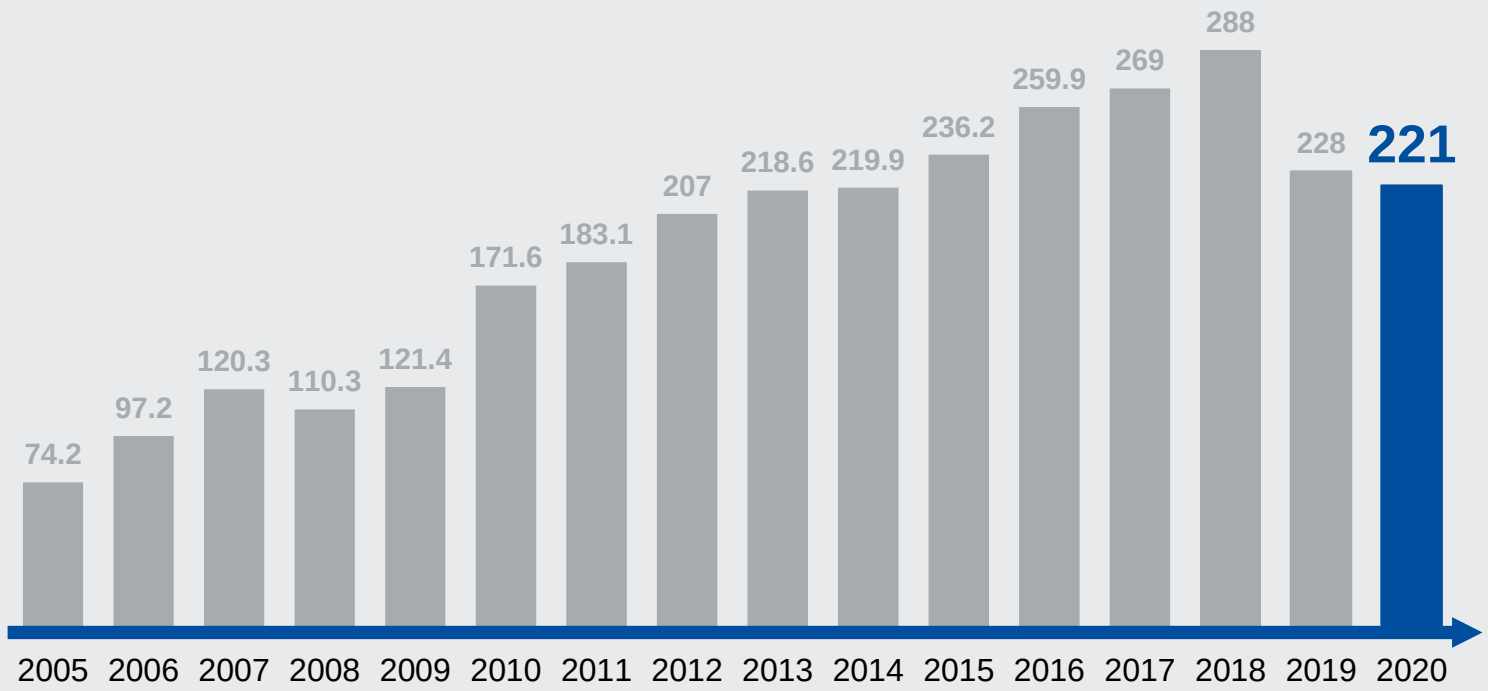
North America and Western Europe are mature markets. The main focus is on higher-quality lubricants and specialties.

# 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% | -3% |

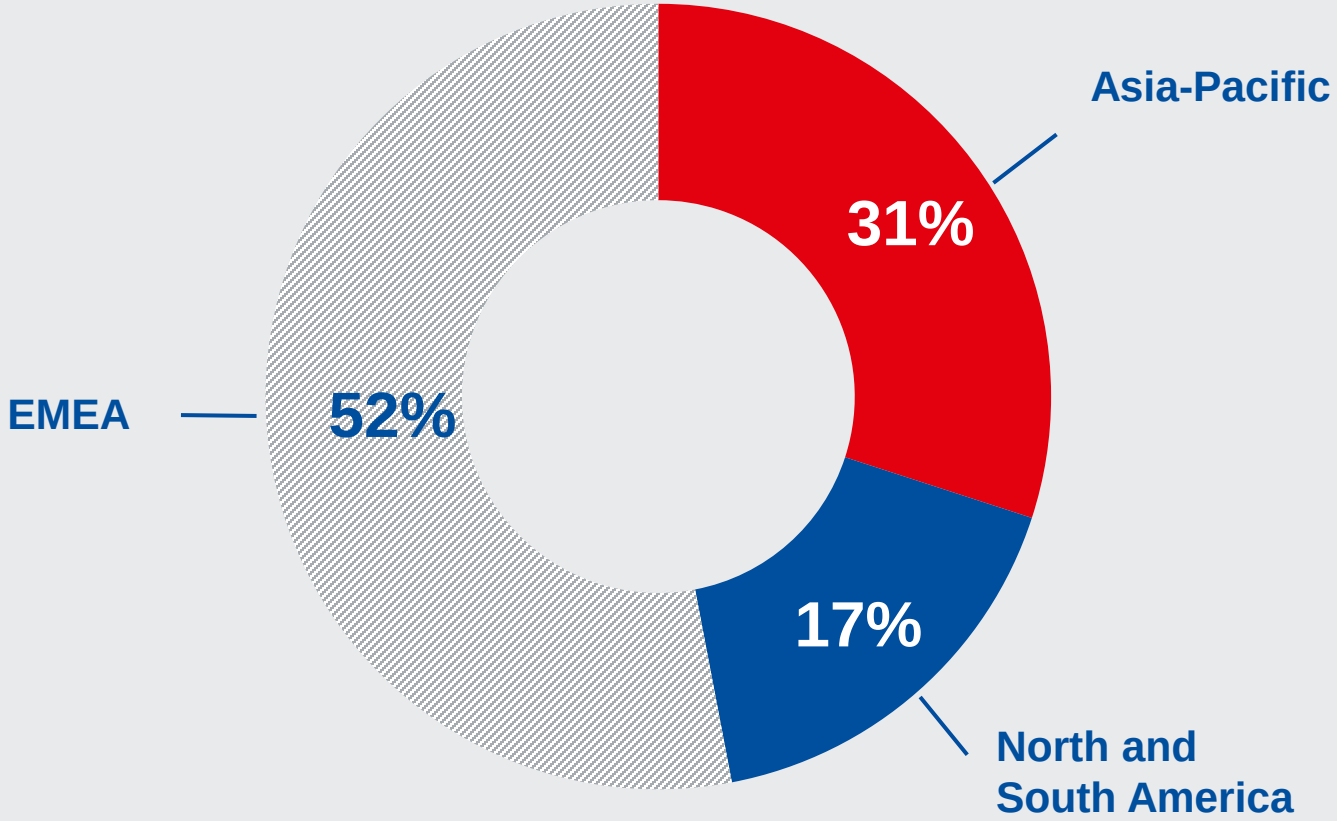



Profit*
in € million

*After tax

# FUCHS in figures

## Regional sales breakdown 2020*




*By customer location

# 02 Our business model

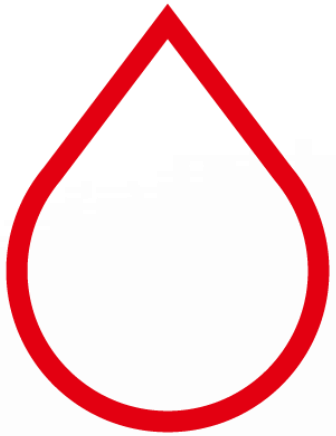
LUBRICANTS.TECHNOLOGY.PEOPLE.

# LUBRICANTS.

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

# The main industries

## Over 100,000 customers worldwide

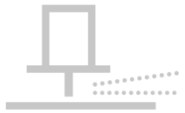


- Mechanical engineering
- Construction sector
- Mining and exploration
- Glass industry
- Agriculture and forestry
- Accessories sector
- Transportation sector
- Food industry
- Energy generation
- Cement, lime and gypsum industry
- Steel and metals industry
- Forging industry
- Foundry industry
- Metal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

**535**

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

Around **600** R&D projects

**€54** million R&D budget

laboratories in **22** countries

# PEOPLE.

**Personal commitment based on cooperation and trust**

# 5,728 employees in over 50 countries

## A common mission statement

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

**LUBRICANTS.TECHNOLOGY.PEOPLE.**

# 5,728 employees in over 50 countries

## A common mission statement

**Trust**

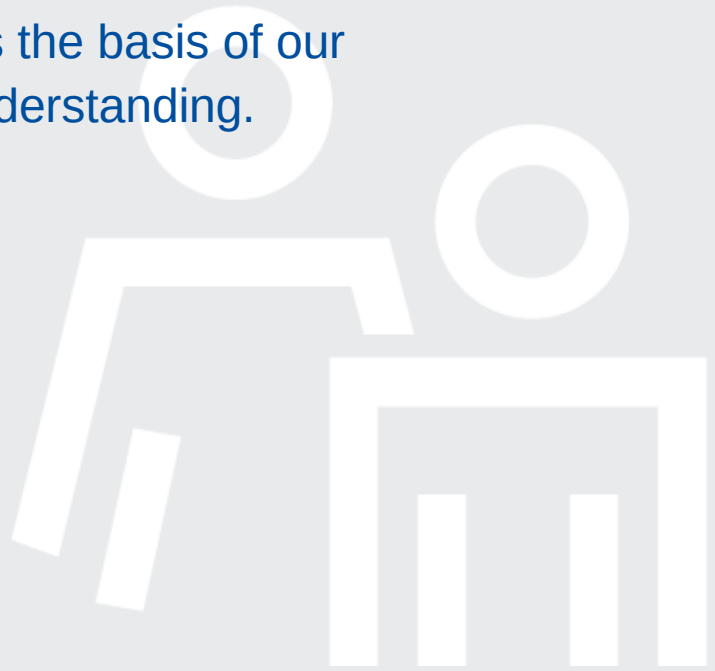
**Creating Value**

**Respect**

**Reliability**

**Integrity**

Trust is the basis of our self-understanding.



# 5,728 employees in over 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.

# 5,728 employees in over 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.

# 5,728 employees in over 50 countries

## A common mission statement

**Trust**

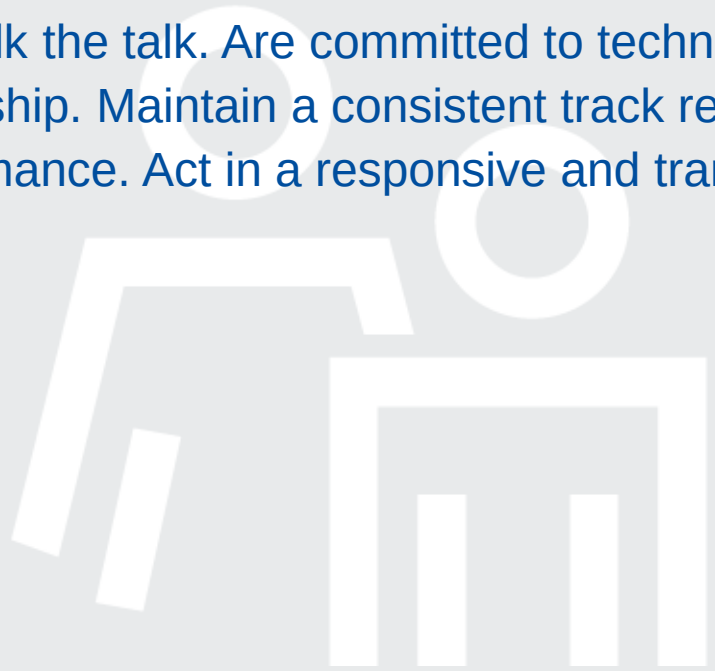
**Creating Value**

**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.



# 5,728 employees in over 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

**24% women in management**

**Internal staffing**

**FUCHS ACADEMY**

**Health management**

**Compatibility of family and work**

**Global talent management concept**

# 03 Our FUCHS2025 strategy

## New mindset for future challenges

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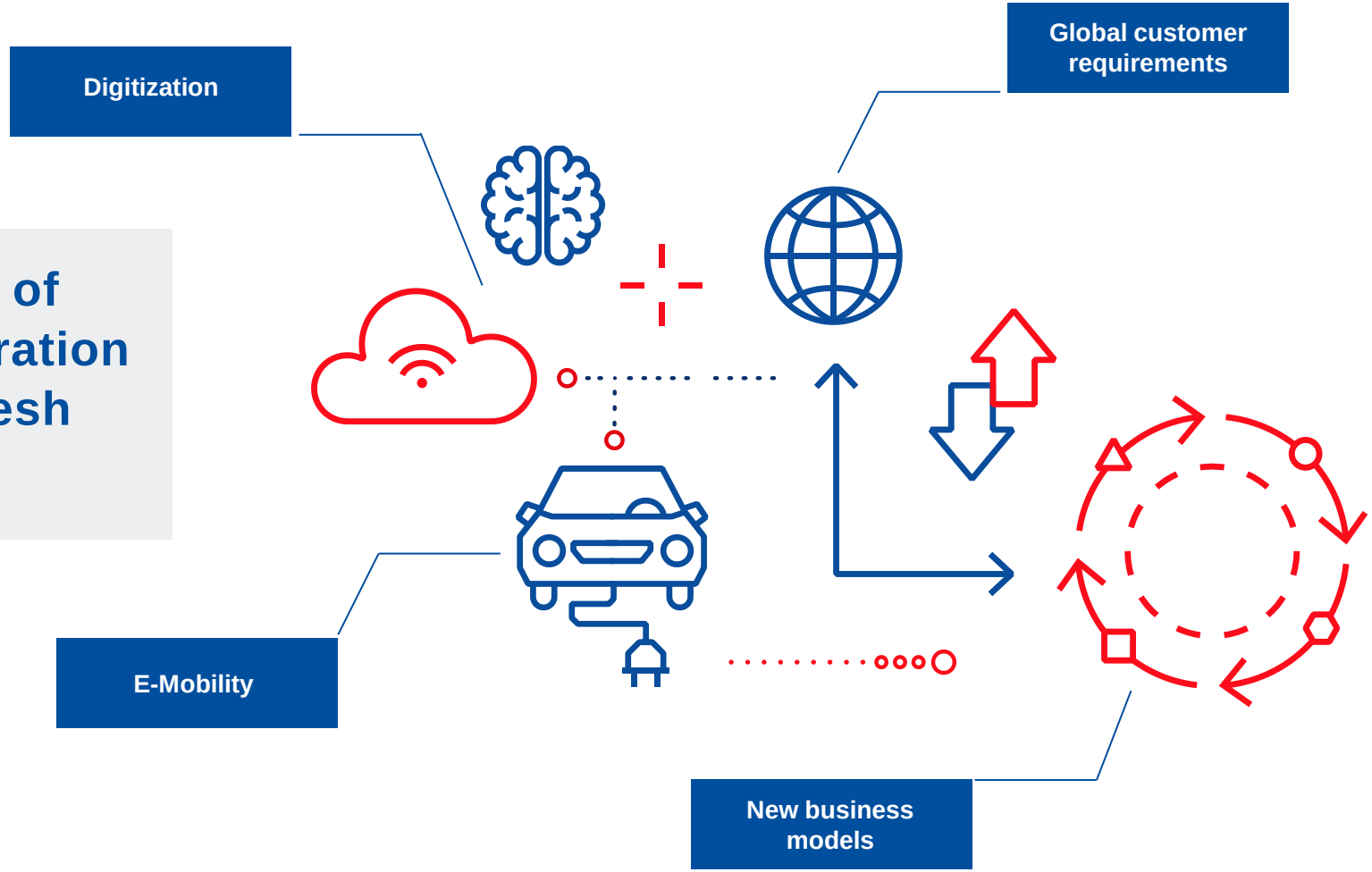
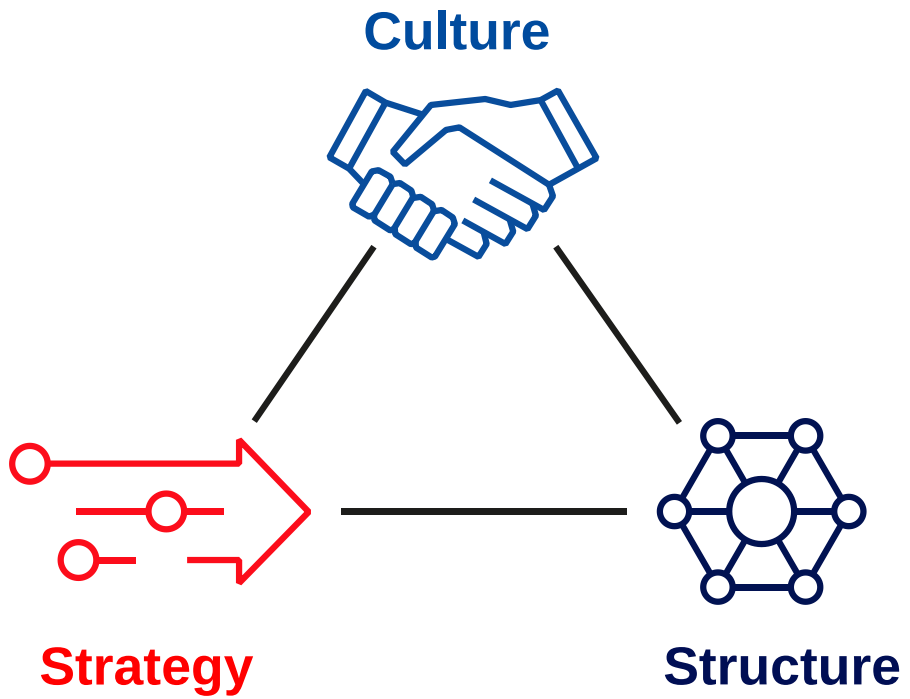
# FUCHS2025

## New mindset for future challenges

**New solutions require new ways of operating. And new ways of operation require a new approach and a fresh mindset.**



# FUCHS2025
## Key elements




**We want to use these challenges as an opportunity. That is why we are responding to them with a new mindset – an attitude that brings strategy, structure and culture into line in a purposeful way.**

# FUCHS2025
## Vision – Being First Choice

“We want to build on our strengths and globally align our organization to make our vision come true: ‘Being First Choice.’”

Stefan Fuchs, CEO FUCHS Group

# FUCHS2025 Strategy
## 6 Strategic Pillars

### Global Strength

**“We want to unlock the full potential of our global presence to grow further, to reach our strategic objectives and to become equally strong around the globe.”**

### Customer & Market Focus

**“A cornerstone in our strategy will be the focus on customers and markets. Market segmentation will allow us to further increase the proximity towards our customers.”**

### Technology Leader

**“We will further increase our technology leadership to set us apart from our competitors. We will position ourselves as technology leader in our target segments.”**

# FUCHS2025 Strategy
## 6 Strategic Pillars

### Operational Excellence

**“We will promote operational excellence. We will increase the robustness of our supply chain, as well as improve the reliability and availability of our existing plant base.”**

### People & Organization

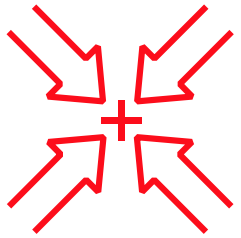
**“To reach our strategic objectives, we need to bring out the best in our people and need to rely on a strong organization. Our aspiration is to become the employer of choice.”**

### Sustainability

**“We will make sustainability an integral part of our strategy. Only by creating value for all stakeholders – economy, environment and society – will we become truly successful as a company.”**

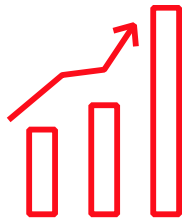
# FUCHS2025 strategy
## Highlights

**Sustainable revenue growth with operational excellence at a 15 % EBIT margin and corresponding FVA growth**

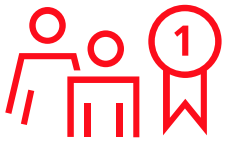


**Better market penetration through market segmentation**

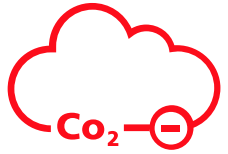
**Technology leadership in the segments we target until 2025**



**Overproportionate growth in Asia-Pacific & the Americas**



**Be the employer of choice for our existing and future workforce**




**$CO_2$-neutrality in production “gate-to-gate” since 2020 and $CO_2$-neutral products “cradle-to-gate” by 2025**

# 04 Our contribution

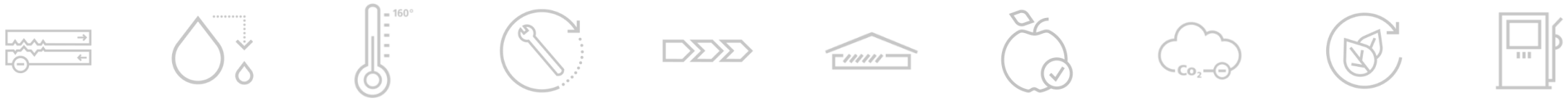
## Solutions with added value

LUBRICANTS.
TECHNOLOGY.
PEOPLE.

FUCHS

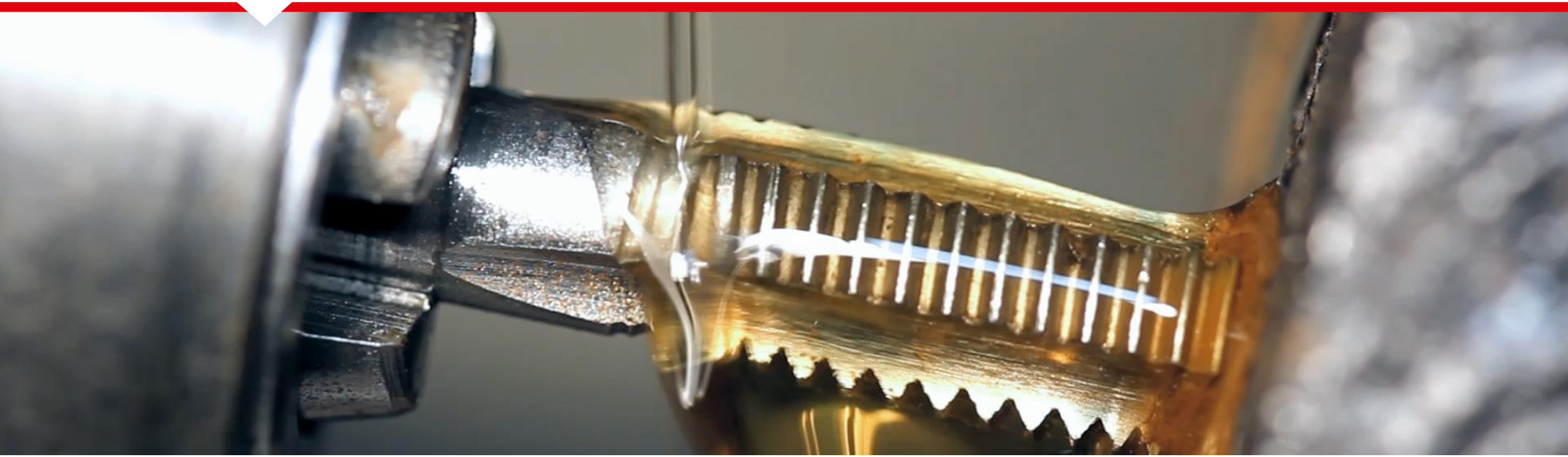
# FUCHS lubricants

## A full range to meet numerous requirements



# Less wear

# Reduction in oil consumption



# High thermal load capacity

# Low maintenance requirements

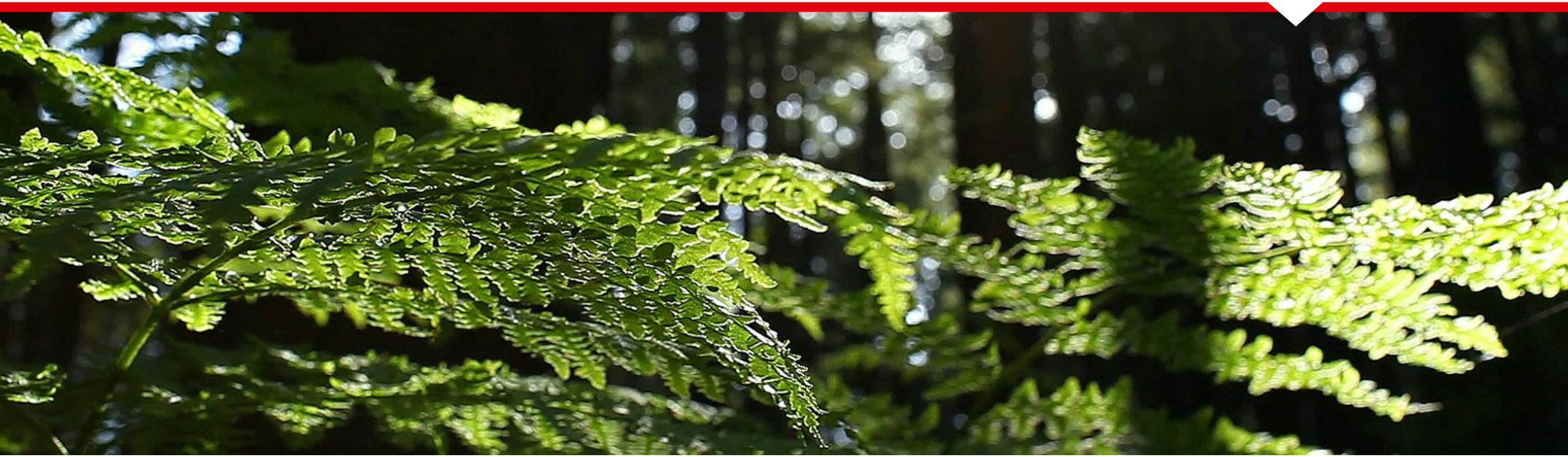
# Process compatibility

# Corrosion protection

# Food grade

# $CO_2$ reductions

# Rapidly biodegradable



# Fuel savings

# 05 Our understanding of sustainability

Economic, ecological and social responsibility

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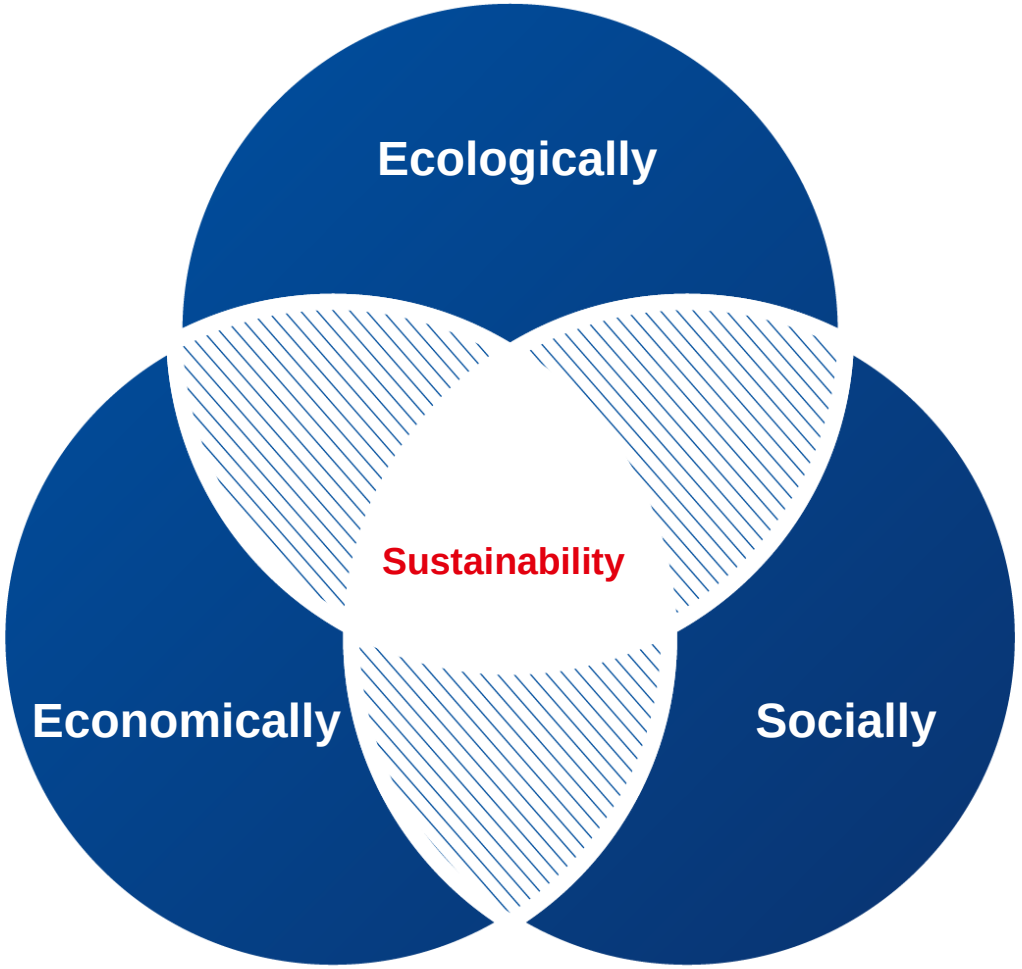
TECHNOLOGY.
PEOPLE.

FUCHS

# We think and act …



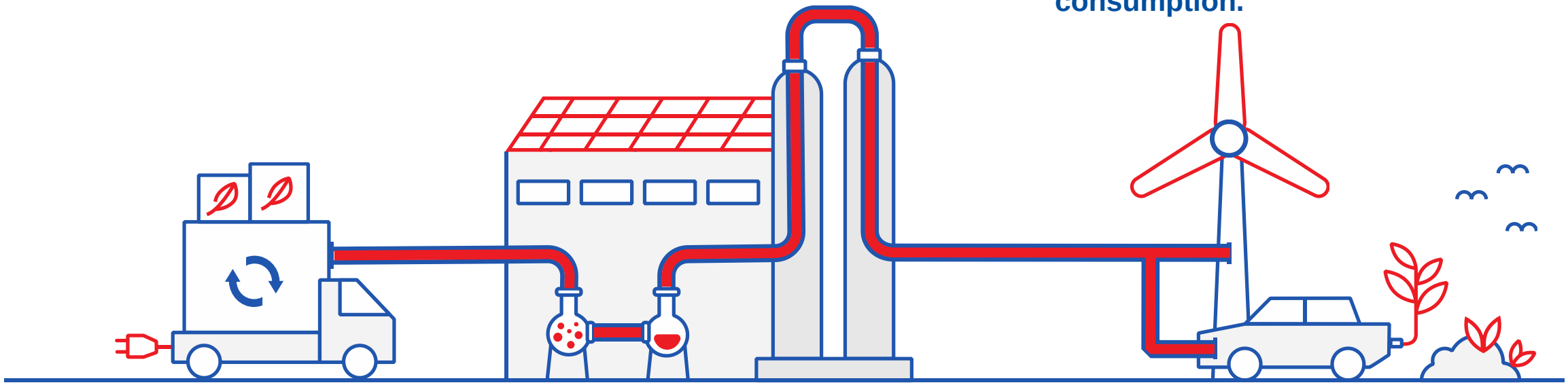
# Ecological vision

## Along the entire added value chain

### We support our suppliers and engage in sustainable purchasing.

### Our production: Responsible and $CO_2$-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 **$CO_2$** 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 **$CO_2$** savings are significantly greater than with conventional products.

# CO2-neutrality strategy

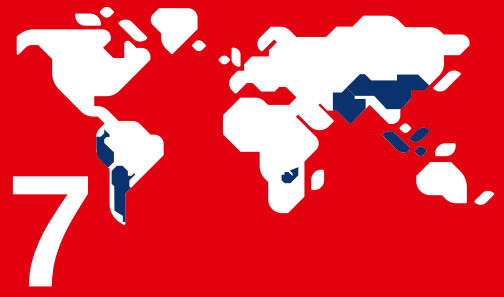
## Reductions where possible - compensation where necessary

**CO2neutral**

**in production since 2020**
**(„Gate-to-Gate“)**

**Conversion of our European sites to**
**"green" power supply through**
**purchase of certificates of origin from wind energy**

**- 9%**
**Energy savings**
per ton of lubricant produced*



**7**
**Climate protection projects**

**Corporate Carbon Footprint (CCF)** scope of data collection expanded

**- 18%**
**Reduction** of the Corporate Carbon Footprint

**We compensate for unavoidable $CO_2$ emissions. With selected climate protection projects.**



*Rounded figure
Comparison year: 2019

# $CO_2$-neutrality strategy

## We support six selected climate protection projects

### Cooking stoves in Zambia

Within the scope of the project, around 50,000 cooking stoves will be made available, which, due to their design, offer effective heat conduction and enable far better utilization of the utilized fuel

### Hydropower in India

The Hydropower Project is a run-of-river power plant with an installed capacity of 300 MW. The project will save 1.052.463t of CO2 emissions per year

### Hydropower in Argentina and China

Hydropower has the potential to make a significant contribution to sustainable energy supply. By feeding it into the regional power grid, electricity is displaced from conventional power plants

### Rainforest protection in Peru

The project helps to increase the value of the healthy forest as well as the income from the sustainable harvest of Brazil nuts. Smallholders are thus enabled to protect and preserve their forest

### Wind power from Indonesia

Indonesia's energy mix is dominated by fossil fuels, as the country is the fourth largest coal producer in the world. This is why the switch to renewable energies is so important for Indonesia

### Efficient gas power plant in India

The present power plant project uses state-of-the-art combined cycle technology to increase the efficiency of the energy supply and significantly improve the emissions balance compared to oil and coal-fired power plants

# Economic
## Key figures

**165**

**FUCHS Value Added (FVA) in € million**

## Our objective

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

**€137 million**

dividend paid out

**313**

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

# Social
## Key figures

**Average period of 10 years**
**of employment**

**44**

**Average age of employees**

**24%**

**women in executive positions**

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

# 06 Our motivation

The trust of our customers and stakeholders

LUBRICANTS.
TECHNOLOGY.
PEOPLE.

FUCHS

# For our customers and stakeholders
we are …

# For our customers and stakeholders
we are …

# For our customers and stakeholders
we are …

Thank you very much for your attention.
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