

FAIRFORD PRIVATE

MAJORITY OWNED INVESTMENTS

AXEL is a leading and first choice supplier of customized lubricating greases to many of the largest and most prestigious companies in the world. Matching their demanding quality standards are second nature to AXEL.



THE LEADING LUBRICATING GREASE COMPANY

Axel Christiernsson, founded in 1888, is the leading lubricating grease manufacturer in Europe with production sites in Sweden, the Netherlands and France. As of 2011 a new operation was added in USA and further expansions are considered for the future.

The company is specialized as Customised Label™ supplier and do not promote any own product brands to end-users. Our production sites are among the most modern in the business with a combined capacity exceeding 45,000 metric tonnes.

Headquartered in Nol, Sweden (north of Gothenburg), AXEL is part of the Fairford Group and is, as such, an independent operator in the lubricating industry.

THREE YEAR REVIEW IN MSEK

	2010	2011	2012
Net Sales	526	789	839
EBITDA	55	63	52
EBITDA %	10,5	8,0	6,2
EBIT	42	48	36
EBIT %	8,0	6,0	4,3
Equity/Asset ratio	34%	31%	38%

Fairford's holding in %	99
Date of acquisition	1997
Chairman of the Board	Bengt A. Dahl
CEO	Johan Stureson

www.axelch.com
www.epochtechnology.info

AXEL

AXEL CHRISTIERNSSON

2012 has been a good year for AXEL, with all four operating units showing satisfactory results. The group benefitted from balancing a drop at ACAB, regular business at AXEL France and improvements at ACBV and AXEL Americas. In light of the weakening global economy we are pleased to see another year with volume growth.

The second year of operation in USA saw increased volume and profit growth under the leadership of our new President. The market is showing clear interest in AXEL's entry and several business development activities are on-going. We have also attracted new personnel in some key positions to strengthen the organization further. At Rosedale (MS) we have increased capacity with another kettle and enlarged warehouse capacity.

In the Netherlands we have also seen improvements across many areas, as consistent efforts from ACBV management are kicking in, and the company is now performing well and serves as internal benchmark in some aspects. A new cartridge filling machine was the most significant investment at Heijningen.

AXEL France has had a stable year and also carried out internal projects to prepare for the future in Niort. Final decision is expected in early 2013 and will be communicated then.

ACAB in Sweden suffered from unfortunate timing with regard to purchasing, regular price reviews and exchange rate movements in the first part of the year, with negative influence on the margin for a period. The position was recovered later in the year. The facilities in Nol were expanded with increased laboratory space with dedicated quality control and R & D areas, and also a larger area for cartridge filling. An application for increased permit is progressing.

Three new Group Manager positions were appointed in 2012 – Purchasing, Sales and Technology. This will continue to strengthen AXEL Group and leverage our growing scale of operation. Turbulent raw material cost and volatile exchange rates have also influenced the year. This has become a standard remark over the past years and we are directing even more efforts to manage these challenges.

The Board approved a new Business Plan in 2012 and as we now move into 2013 this serves as guidance for management in pursuing continued growth, both organic and through acquisition(s). The business is healthy with well-established customer relations and several new opportunities at hand. A visible sign of progress is when one of our prominent clients performs a global product launch based on AXEL's unique Epoch Technology™. We expect growing interest in products based on this concept in the next period.

AXEL is well established as a reliable supplier of quality products, flexible to handle changes in demand and we continuously strive to offer higher performance products and to further improve our services. Overall AXEL is regarded as the leading lubricating grease company in Europe, and with stronger presence in USA we have now started our journey towards the position as a global supplier.



Johan Stureson
CEO