**"Success comes to those who work every day"**

CEO Ernst Prost on the success of LIQUI MOLY

**March 2018 – year by year, LIQUI MOLY reports new record sales. The German oil and additive specialist is debt-free and recently paid every employee a bonus of 11,000 euros. Success seems to have become a certainty. CEO Ernst Prost reveals the secret to this success that isn't actually a secret at all.**

**Since 2006, LIQUI MOLY has tripled its sales – and done so in an industry that isn't exactly known for its strong growth. How did that happen?**

Ernst Prost: Through hard work. It's that simple. And also that hard. There is no resting on our laurels for us. We want to march onwards, not stand still. We employ people, we develop new products, we develop new markets and we increase our production quantity. We have practiced this for years. Our growth is organic. No acquisitions, no debt. We are running all by ourselves, under our own steam. We have 120 million euros equity with a balance sheet total of 160 million euros. That is an equity ratio of 75 percent – we can weather any storm.

**Success through hard work –that sounds very old-fashioned.**

Ernst Prost: Could be. Perhaps hard work has actually fallen out of fashion for one or the other. Over my career I have learned that success doesn't come to layabouts, who put their feet up and wait for things to happen for them. Success comes to those who work like a horse every day, regardless of whether you're running a company, visiting customers or working in production. If every individual employee behaves in this way, then success will come by itself.

**And a bonus of 11,000 euros increases motivation.**

Ernst Prost: Yes, of course. The company's success is the success of each individual colleague. Therefore it is only fair that each individual should share in their success. And do so by the same amount. Of course, the 11,000 euros make more of a difference to my colleagues in production than those in management. For the colleagues that work at our subsidiary in South Africa in a warehouse this represents up to two annual salaries. Even our trainees and temps get a bonus of 3,300 euros.

**Temps?**

Ernst Prost: In addition to the 835 permanent employees, we always employ around 20 to 30 temps in order to absorb production peaks and fill in for colleagues with long-term illnesses. They receive an hourly wage of between 11 euros and 15.41 euros. But this is only ever a stop-gap. If we need the support of a temp permanently, we employ them ourselves. We would be pretty stupid if we didn't hold on to trained people that we needed. Over the past three years we have permanently employed 27 temps, so almost one in three.

**A strong togetherness, a big bonus, continuous growth – that almost sounds like heaven on earth.**

Ernst Prost: That's taking it a bit far. A self-built paradise. It is very fulfilling if you can identify yourself with your task. But our little paradise can only exist so long as we are commercially successful. The money for our bonus didn't come from nowhere, but had to be earned beforehand. Just like the almost 10 million euros for investment, the around 5 million euros for research and product development and the 20 million euros for marketing and advertising. The supplies we need for our production alone are worth 43 million euros. This is all money that we earned beforehand.

**Are you not worried that other companies will copy your recipe for success?**

Ernst Prost: But that would be nice. I would be pleased if all companies paid their employees comfortable salaries and the bonuses that they deserve.

**And do you not have any worries for the future? Such as rising oil prices, Brexit, growing conflicts in many countries?**

Ernst Prost: You know, uncertainty is a part of doing business. It is not something to be feared, but something to be managed. If risks rise somewhere, then opportunities rise somewhere else. You can't just blindly chase every euro. I'd rather miss out on a sale from which I don't earn anything. That's why we have practically no payment defaults. That's not only good for us, but also for our suppliers and customers. They know that, in us, they have a reliable and stable partner on their side, that doesn't waver, even when the wind is blowing in their face.

**In January you sold your LIQUI MOLY shares to the Würth Group, but continue on as CEO.**

Ernst Prost: The sale to Würth was an important step to securing the long-term future of LIQUI MOLY, beyond my own time. However, this only means a change of owner behind the scenes. LIQUI MOLY continues to remain independent, I continue to decide the fate of the company and we continue to maintain our successful sales model via wholesalers. Everything is staying as it is – only more secure.

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| **LIQUI MOLY in figures** | **2017** |
| Sales  | 532 m euros |
| Revenue before tax | 52 m euros |
| Balance sheet total | 160 m euros |
| Equity | 120 m euros |
| Bank debt | 0 euros |
|  |  |
| Lubricant production | 81,495 t |
| Additive production | 16.7 m cans |
| Inventory levels | 42.8 m euros |
|  |  |
| Employees | 824 |
| Investment in fixed assets | 9.7 m euros |
| Spending on marketing and advertising | 19.8 m euros |
| Spending on research and development | 5.3 m euros |

**About LIQUI MOLY**

With around 4,000 items, LIQUI MOLY offers a global, uniquely broad range of automotive chemicals: Motor oils and additives, greases and pastes, sprays and car care, glues and sealants. Founded in 1957, LIQUI MOLY develops and produces exclusively in Germany. There it is the undisputed market leader for additives and is repeatedly voted the best oil brand. The company led by Ernst Prost sells its products in more than 120 countries and generated 532m euros in sales in 2017.

**For more information, please contact:**

LIQUI MOLY GmbH

Peter Szarafinski

Jerg-Wieland-Str. 4

89081 Ulm-Lehr

Germany

Tel.: +49 7 31/14 20 189

Fax: +49 7 31/14 20 82

Peter.Szarafinski@liqui-moly.de