UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

August 1, 2019
Date of Report (Date of earliest event reported)

QUAKER CHEMICAL CORPORATION

(Exact name of Registrant as specified in its charter)

Commission File Number 001-12019

PENNSYLVANIA (State or other jurisdiction of incorporation or organization)	**No. 23-0993790** (I.R.S. Employer Identification No.)

One Quaker Park
901 E. Hector Street
Conshohocken, Pennsylvania 19428
(Address of principal executive offices)
(Zip Code)

(610) 832-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1 par value	KWR	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

INFORMATION TO BE INCLUDED IN THE REPORT

Item 8.01 Other Events.

On April 4, 2017, Quaker Chemical Corporation, a Pennsylvania corporation (the "**Company**"), entered into a Share Purchase Agreement (the "**Share Purchase Agreement**") with Gulf Houghton Lubricants, Ltd., an exempted company incorporated under the laws of the Cayman Islands ("**Gulf Houghton**"), Global Houghton Ltd., an exempted company incorporated under the laws of the Cayman Islands ("**Global Houghton**"), and certain members of the management of Global Houghton (collectively with Gulf Houghton, the "**Sellers**") and Gulf Houghton, as agent for the Sellers. On August 1, 2019, the parties consummated the transactions contemplated by the Share Purchase Agreement, substantially pursuant to the terms and conditions set forth in the Share Purchase Agreement. The Share Purchase Agreement was filed with the Securities and Exchange Commission ("**SEC**") as an exhibit to the Company's Current Report on Form 8-K filed on April 5, 2017, and is incorporated by reference as an exhibit to the Company's latest Annual Report on Form 10-K, as amended.

The Company released a press release providing information about the closing of the transactions on August 1, 2019. A copy of that document is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The Company made available on its website a slide presentation providing information about the closing of the transactions on August 1, 2019. A copy of that document is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

The information required by Item 2.01 will be filed in a separate Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

The following exhibits are included as part of this report:

Exhibit No.	Description
99.1	Press Release, dated August 1, 2019 (furnished herewith).
99.2	Slide Presentation, dated August 1, 2019 (furnished herewith).

Cautionary Statement Regarding Forward Looking Statements

This Current Report on Form 8-K contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the fact that they do not relate strictly to historical or current facts. We have based these forward-looking statements on our current expectations about future events. These forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, intentions, financial condition, results of operations, future performance, and business, including but not limited to statements relating to the potential benefits of the combination described above, our current and future results and plans, and statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan" or similar expressions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in such statements. A major risk is that demand for the Company's products and services is largely derived from the demand for its customers' products, which subjects the Company to uncertainties related to downturns in a customer's business and unanticipated customer production shutdowns. Other major risks and uncertainties include, but are not limited to, significant increases in raw material costs, customer financial stability, worldwide economic and political conditions, foreign currency fluctuations, significant changes in applicable tax rates and regulations, future terrorist attacks and other acts of violence. Furthermore, the Company is subject to the same business cycles as those experienced by steel, automobile, aircraft, appliance, and durable goods manufacturers. Our forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its operations that are subject to change based on various important factors, some of which are beyond our control. These risks, uncertainties, and possible inaccurate assumptions relevant to the Company's business could cause its actual results to differ materially from expected and historical results. Other factors beyond those discussed in this Current Report could also adversely affect us including, but not limited to, the following related to the combination described above:

- potential adverse effects on the Company's business, properties or operations caused by the implementation of the combination;
- the Company's ability to promptly, efficiently and effectively integrate the operations of Global Houghton and the Company;
- the ability to develop or modify financial reporting, information systems and other related financial tools to ensure overall financial integrity and adequacy of internal control procedures;
- the ability to identify and take advantage of potential synergies, including cost reduction opportunities, while maintaining legacy business and other related attributes;
- difficulties in managing a larger, combined company, addressing differences in business culture and retaining key personnel;
- risks related to each company's distraction from ongoing business operations due to the combination; and
- the outcome of any legal proceedings that may be instituted against the companies related to the combination.

Therefore, we caution you not to place undue reliance on our forward-looking statements. For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of our Form 10-K for the year ended December 31, 2018, as amended, and in our quarterly and other reports filed from time to time with the SEC. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

		QUAKER CHEMICAL CORPORATION
Date: August 1, 2019	By:	/s/ Robert T. Traub
		Robert T. Traub Senior Vice President, General Counsel and Corporate Secretary

News

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For Release: Immediate

Leaders in Industrial Process Fluids Combine
to Form Quaker Houghton

- Cost synergies estimate increased to $60 million from $45 million
- Combination enables continued above-market growth
- New executive team and Board members named
- Company expects its adjusted EBITDA to be over $300 million after two years

CONSHOHOCKEN, PA (August 1, 2019) /PRNewswire/ Quaker Chemical Corporation and Houghton International have combined to create Quaker Houghton (NYSE: KWR), the global leader in industrial process fluids to the primary metals and metalworking markets. Along with the new name, the company revealed a new logo and brand representing the combined companies. The company will continue to be listed on the New York Stock Exchange and trade under the "KWR" ticker symbol.

A Strategic Combination is Formed

The combined $1.6 billion revenue company employs 4,000 associates serving 15,000 customers worldwide. Quaker was founded in 1918 and Houghton in 1865.

“We are rooted in companies commonly acknowledged as authorities in industrial fluids and valued experts in customer processes,” said Michael F. Barry, Chairman, Chief Executive Officer, and President of the new company. Mr. Barry, who previously served Quaker Chemical in similar capacities, went on to say, “Our similar cultures and values, combined with the talent and resources we bring to Quaker Houghton, create exciting opportunities to deliver innovative solutions that will help our customers’ operations run even more efficiently and effectively.”

The company’s combined breadth of product and service offerings can be found in end-markets such as aerospace, aluminum, automotive, machinery, can manufacturing, industrial parts manufacturing, mining, offshore, steel, and tube and pipe industries.

With its expanded products and services portfolio, the company expects that cross-selling opportunities will facilitate continued above-market growth. Specific products the company offers include metal cutting and forming fluids, corrosion protection fluids, specialty hydraulic fluids, and steel and aluminum rolling oils. In addition, legacy-Houghton customers will benefit from Quaker’s strength in specialty greases, high-pressure die casting, mining specialties, surface treatment and bio-based lubricants, while legacy-Quaker customers will now have access to Houghton’s heat treatment quenchants, offshore hydraulic fluids, metal finishing products, and a broader metal removal fluids portfolio.

"Our foundation will be the same customer-intimate operating model that has been key to the success of our customers," Mr. Barry said. "Moving forward together, we will draw upon our rich history and shared expertise to enhance our product and service offerings and continue to deliver value-added service expertise to our customers."

Value Creation for Shareholders

The combination of Quaker Chemical and Houghton International nearly doubles the size of either company with trailing twelve month revenue as of June 30, 2019 of $1.6 billion. For additional information regarding historical financial performance of Quaker, Houghton, and proforma for the combined company, please see the investor presentation furnished concurrently with this press release.

The company expects to achieve significant cost reductions as a result of the combination and has increased its estimate of cost synergies to $60 million from $45 million. The cost synergies are broad based and are expected to come from three major areas: Asset Optimization (17%), Logistics and Procurement (35%) and Operational Efficiencies (48%). The cost synergies are expected to be fully realized on a run-rate basis by the end of year two; with ~$20 million being achieved in year one, ~$45 million in year two and the full $60 million in year three, reflecting 100% achievement as the company exits year two. On a calendar year basis, the cost synergies achieved are estimated to be ~$5 million in 2019, ~$35 million in 2020, ~$50 million in 2021, and $60 million in 2022. The company has utilized a top consulting firm over the past two years to help with its integration planning efforts and they will continue to assist the company during the integration.

In addition to cost synergies, the company expects that its growth strategy will create additional value over time. Revenue-based synergies, such as cross-selling, will be an important contributor to growth going forward. The legacy product portfolios of both Quaker and Houghton can now be offered to the combined, complementary customer base, where 14,000 of the 15,000 total customers are unique to one company or the other. The company believes the revenue synergies are achievable and will be significant over time, beginning after year one. In the first year, the company's focus will be to maintain service levels for its customers and ensure no supply chain disruptions, while successfully executing its integration plans. In year two, the revenue synergies will begin to be visible as the company expects to grow above the market by 2% to 4% as it has in the past.

The company also expects to continue to grow through acquisitions which remain part of its core growth strategy. In the short term, the company will focus on paying down debt, but will continue to consider smaller acquisitions that can create value. Both Quaker and Houghton have long histories of building value through acquisitions.

"Today is a historic day for our businesses," Mr. Barry said. "We are finally beginning our journey as Quaker Houghton, and are now the leading global supplier of industrial process fluids to the metals and metalworking markets. Two years from now, we expect to have an enterprise that will be integrated and generating over $300 million of adjusted EBITDA on a going-forward basis. More importantly, we will be well-positioned to continue to achieve above-market growth organically driven by our differentiated business model and the cross-selling opportunities created by our combination."

Mr. Barry continued, "While we are certainly a leader in our chosen markets, there is significant growth potential for this new company. We estimate that Quaker Houghton's revenue of $1.6 billion represents less than 20% market share in a more than ten billion dollar addressable market. The near-doubling of the size of the company today gives us greater scale to invest in new technologies and make future acquisitions. We are very excited about the future and the opportunities that lie ahead for Quaker Houghton and what it means for our customers, our employees, and our shareholders."

Transaction Details

The final purchase consideration at closing of the combination was comprised of: 1) approximately $170.8 million in cash; 2) the issuance of approximately 4.3 million shares of common stock to the Hinduja Group and other former owners of Houghton International, comprising 24.5% of the stock of the combined company; and 3) the refinancing of approximately $660 million of Houghton net indebtedness. This purchase consideration does not reflect the cash proceeds from the required divestiture which is discussed below.

To fund the purchase, the company borrowed a total of $930 million at close under its new $1.15 billion credit facility as follows: 1) $600 million U.S. dollar term loan; 2) $150 million (equivalent) euro term loan; and 3) $180 million revolving credit borrowing. The term loans and the multi-currency revolving credit facility each have a five-year maturity, and the revolving credit facility has remaining availability of approximately $220 million for additional liquidity. The company estimates that its annual interest expense at today's interest rates, including the cost to convert a portion of the term loan to a fixed rate as required by the lenders, will be in the range of 3.4-3.6%.

In addition, the company divested certain product lines at closing in compliance with the United States Federal Trade Commission and European Commission requirements. The company received approximately $37 million from the buyer, Total S.A., at close. The revenue of the divested product lines was approximately $50 million, approximately 3% of the combined company's revenue.

Leadership and Governance

In addition to Mr. Barry, Quaker Houghton's management includes existing leaders from both legacy companies. The newly formed executive leadership team is comprised of:

Business Leaders

- Joseph A. Berquist, SVP, Global Specialty Businesses & Chief Strategy Officer
- Jeewat Bijlani, SVP, Managing Director – Americas
- Dieter Laininger, SVP, Managing Director – APAC
- Adrian Steeples, SVP, Managing Director – EMEA

Global Functional Leaders

- Mary Dean Hall, SVP, Chief Financial Officer & Treasurer
- Kym Johnson, SVP, Global Human Resources, CHRO
- Wilbert Platzer, SVP, Global Operations, EHS & Procurement
- Dr. Dave Slinkman, SVP, Chief Technology Officer
- Robert T. Traub, SVP, General Counsel & Corporate Secretary

Quaker Houghton now has an 11-member Board of Directors, consisting of the eight directors from Quaker Chemical and three directors nominated by the Hinduja Group. The three new independent directors of Quaker Houghton are the following former Board members of Houghton International:

- Sanjay Hinduja
- Ramaswami Seshasayee
- Michael J. Shannon

Conference Call and Webcast Information

Quaker Houghton has scheduled an investor call beginning at 7:30 a.m. Eastern time on Friday, August 2, 2019 to discuss Quaker's second quarter performance and the closing of the combination. The call can be accessed in the following ways:

Teleconference:	August 2, 2019, 7:30 a.m. (ET) Participate live by phone or listen to live audio webcast through the Investor Relations section of either www.quakerhoughton.com or www.quakerchem.com
Dial-in Number:	+1 877-269-7756 Please call 5-10 minutes prior to the scheduled start of call. No password required.

If unable to participate live, select from one of the following replay options:

Digital Replay:	Available through August 8, 2019 Call +1 877-660-6853 *(toll free);* Conference ID No. 13692496
Archived Webcast:	Visit the Investor Relations section of either www.quakerhoughton.com or www.quakerchem.com

Non-GAAP Measures

The information included in this public release references certain non-GAAP (unaudited) financial measures. The Company presents EBITDA which is calculated as net income attributable to the Company before depreciation and amortization, interest expense, net, and taxes on income before equity in net income of associated companies. The Company also presents adjusted EBITDA which is calculated as EBITDA plus or minus certain items that are not indicative of future operating performance or not considered core to the Company's operations. The Company believes the non-GAAP financial measures provide meaningful supplemental information as it enhances a reader's understanding of the financial performance of the Company, are more indicative of future operating performance of the Company, and facilitate a better comparison among fiscal periods, as the non-GAAP financial measures exclude items that are not indicative of future operating performance or not considered core to the Company's operations. Non-GAAP results are presented for supplemental informational purposes only and should not be considered a substitute for the financial information presented in accordance with GAAP.

Forward-Looking Statements

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in such statements. A major risk is that demand for the Company's products and services is largely derived from the demand for its customers' products, which subjects the Company to uncertainties related to downturns in a customer's business and unanticipated customer production shutdowns. Other major risks and uncertainties include, but are not limited to, significant increases in raw material costs, customer financial stability, worldwide economic and political conditions, foreign currency fluctuations, significant changes in applicable tax rates and regulations, future terrorist attacks and other acts of violence. Other factors could also adversely affect us, including those related to the Houghton Combination and the integration of the combined company. For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of our Form 10-K for the year ended December 31, 2018, the proxy statement the Company filed on July 31, 2017 and in our quarterly and other reports filed from time to time with the Securities and Exchange Commission. Therefore, we caution you not to place undue reliance on our forward-looking statements. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

About Quaker Houghton

Quaker Houghton (NYSE: KWR) is the global leader in industrial process fluids. With a robust presence around the world, including operations in over 25 countries, our customers include thousands of the world’s most advanced and specialized steel, aluminum, automotive, aerospace, offshore, can, mining, and metalworking companies. Our high-performing, innovative and sustainable solutions are backed by best-in-class technology, deep process knowledge and customized services. With 4,000 employees, including chemists, engineers and industry experts, we partner with our customers to improve their operations so they can run even more efficiently, even more effectively, whatever comes next. Quaker Houghton is headquartered in Conshohocken, Pennsylvania, located near Philadelphia in the United States. Visit quakerhoughton.com to learn more.

Exhibit 99.2

Quaker Houghton™
Forward Together™

Risks and Uncertainties Statement

Regulation G

The attached charts include Company information that does not conform to generally accepted accounting principles ("GAAP"). Management believes that an analysis of this data is meaningful to investors because it provides insight with respect to ongoing operating results of the Company and allows investors to better evaluate the financial results of the Company. These measures should not be viewed as an alternative to GAAP measures of performance. Furthermore, these measures may not be consistent with similar measures provided by other companies. This data should be read in conjunction with the Company's most recent annual report filed on form 10-K and 10-K/A as well as the second quarter earnings news release dated August 1, 2019, which has been furnished to the Securities and Exchange Commission ("SEC") on Form 8-K and the Company's Form 10-Q for the period ended June 30, 2019, which has been filed with the SEC.

Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the fact that they do not relate strictly to historical or current facts. We have based these forward-looking statements on our current expectations about future events. These forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, intentions, financial condition, results of operations, future performance, and business, including but not limited to statements relating to the potential benefits of the Combination described above, our current and future results and plans, and statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan" or similar expressions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in such statements. A major risk is that demand for the Company's products and services is largely derived from the demand for its customers' products, which subjects the Company to uncertainties related to downturns in a customer's business and unanticipated customer production shutdowns. Other major risks and uncertainties include, but are not limited to, significant increases in raw material costs, customer financial stability, worldwide economic and political conditions, foreign currency fluctuations, significant changes in applicable tax rates and regulations, future terrorist attacks and other acts of violence. Furthermore, the Company is subject to the same business cycles as those experienced by steel, automobile, aircraft, appliance, and durable goods manufacturers. Our forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its operations that are subject to change based on various important factors, some of which are beyond our control. These risks, uncertainties, and possible inaccurate assumptions relevant to the Company's business could cause its results to differ materially from expected and historical results. Other factors beyond those discussed in this Report could also adversely affect us including, but not limited to the following related to the Combination:

- potential adverse effects on the Company's business, properties or operations caused by the implementation of the Combination;
- the Company's ability to promptly, efficiently and effectively integrate the operations of Houghton and Quaker Chemical;
- the ability to develop or modify financial reporting, information systems and other related financial tools to ensure overall financial integrity and adequacy of internal control procedures;
- the ability to identify and take advantage of potential synergies, including cost reduction opportunities, while maintaining legacy business and other related attributes, as well as the risk that the costs to achieve synergies may be more than anticipated;
- difficulties in managing a larger, combined company, addressing differences in business culture and retaining key personnel;
- risks related to each company's distraction from ongoing business operations due to the Combination; and,
- the outcome of any legal proceedings that may be instituted against the companies related to the Combination.

Therefore, we caution you not to place undue reliance on our forward-looking statements. For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of our Form 10-K for the year ended December 31, 2018 as well as the proxy statement the company filed on July 31, 2017 and in our quarterly and other reports filed from time to time with the SEC. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

Quaker Houghton. Forward Together

- **Transaction Overview**
- Value-Creating Combination
- Financial Performance
- Summary & Next Steps
- Appendix

Key Deal Terms

Purchase Price and Structure	• Houghton shareholders to receive ~$170.8 million in cash and 24.5% (~4.3 million shares) of Quaker Houghton; Quaker Houghton has refinanced Houghton's net debt of ~$660 million (versus $690 million at announcement) • Represents a transaction multiple at announcement of 11.9x Houghton's 2016 adjusted EBITDA and 7.9x with updated run-rate synergies
Leadership, Governance and Ownership	• Michael Barry is the Chairman, CEO, and President of the combined company • Executive leadership selected and in place on Day 1 • Quaker Board increased from 8 directors to 11 by adding 3 independent former Houghton directors
Financial Updates	• Cost synergy estimate of $60 million, approximately 7% of Houghton's 2018 revenue, exceeds initial $45 million estimate • Divested revenue of approximately $50 million in line with original expectations • Combined 2018 adjusted EBITDA of $236 million, net of divestiture and other adjustments, up 7% compared to 2017 and 10% from 2016
Financing and Leverage	• Quaker has secured $1.15 billion in committed financing from a syndicated group of banks • Leverage of ~3.4x net debt to 2018 adjusted EBITDA at close; ~2.7x with run-rate synergies • Attractive pricing and terms; cost of debt ~3.4% to 3.6% at today's rates

Quaker Houghton. Forward Together

Attractive Financing and Ample Liquidity

- **$1.15 billion syndicated bank facility**
  - $400 million revolver (~$180 million funded at close)
  - $600 million Term Loan A
  - $150 million (euro-equivalent) Term Loan A
- **$930 million in new debt to finance transaction**
  - ~$170.8 million for cash portion of purchase price, ~$700 million for refinancing of Houghton's gross debt, and ~$60 million for refinancing of existing Quaker debt, and fees and expenses
- **~$220 million remains undrawn on the revolver providing ample liquidity; also have ability to upsize by $300 million**
- **Attractive cost of debt and terms**
  - ~3.4% - 3.6% at today's rates

Quaker Houghton. Forward Together

Strategic Rationale: Creates a Clear Industry Leader

✓ Strong Talent and Cultural Fit	• Adds talent to our most precious asset - people • New Executive Leadership Team in place
✓ Increases Size and Scale	• Creates the global leader in industrial process fluids • Nearly doubles the revenue of Quaker today • Manufacturing and technical support on 5 continents
✓ Accelerates Growth Opportunities	• Revenue synergies expected from cross-selling • Expect continued above market growth of 2-4%
✓ Enhanced R&D Capabilities	• Ability to develop better products, faster • Ability to flex resources and bring deep expertise to solve customer problems
✓ Achieves Significant Cost Synergies	• Increased cost synergies estimate to $60mm from $45mm • Extensive integration plan developed with consultants; ready to execute
✓ Balanced Capital Structure Approach	• Disciplined leverage management • Improved balance sheet at closing vs. initial expectations due to strong cash flow
✓ Strong Free Cash Flow to De-lever Quickly	• Committed to 2x-2.5x target net debt / adjusted EBITDA within 2 years of close

Quaker Houghton.
Forward Together

Key Priorities to Unlocking Value Creation

1 Customer Focused	2 Execute Integration and Deliver Synergies	3 Growth Initiatives	4 Capital Allocation
• Retain current customers • No supply chain disruption • Deliver excellence in products and services	• $60mm run-rate cost synergies in 2 years • Detailed execution plan ready for action • Harmonize talent and culture • Maintain and enhance focus on safety, environment, social and governance	• Begin cross selling expanded portfolio • Develop better products through enhanced R&D • Continue to grow organically 2 to 4% above the market over the long-term	• Committed to de-lever to 2x-2.5x • Grow dividends with earnings • Continue to invest in organic growth • Make bolt-on acquisitions as opportunities arise

Quaker Houghton. Forward Together

- Transaction Overview
- **Value-Creating Combination**
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Quaker Houghton
Forward Together

Creates Leading Global Supplier of Industrial Process Fluids

15k customers

4k colleagues

$1.6 billion in sales

115 countries served around the world

35 manufacturing locations

Quaker Houghton.
Forward Together


Proven Executive Leadership Team
Business Leaders
Mike Barry - Chairman, Chief Executive Officer, and President
Jeewat Bijlani – SVP, Managing Director – Americas
Dieter Laininger – SVP, Managing Director – APAC
Adrian Steeples – SVP, Managing Director – EMEA
Joseph Berquist – SVP, Global Specialty Businesses & Chief Strategy Officer
Global Functional Leaders
Mary Dean Hall – SVP, CFO, & Treasurer
Kym Johnson – SVP, Global Human Resources, CHRO
Robert T. Traub – SVP, General Counsel & Corporate Secretary
Wilbert Platzer – SVP, Global Operations, EHS & Procurement
Dr. Dave Slinkman – SVP, Chief Technology Officer
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Expands Commercial Footprint Across Multiple Fronts

Customers
Increases global customer base from 3,500 to 15,000. Highly complementary with only 1,000 overlapping customers. Strengthens presence with OEM producers in all regions of the world.

Products
Adds new product lines such as quenchants, forging, and metal finishing products and deepens existing product portfolio including metal removal fluids and specialty hydraulic fluids.

Markets
Adds multiple markets including heat treatment, architectural aluminum, and offshore drilling while expanding important areas like aerospace and fabricated metal goods.

Geography
Strengthens presence in key strategic markets including Germany, Korea, Eastern Europe, Middle East, and Southeast Asia, with manufacturing and technical support on five continents.

Increased Scale and Diversity = More Opportunities, Less Risk

Quaker Houghton.
Forward Together

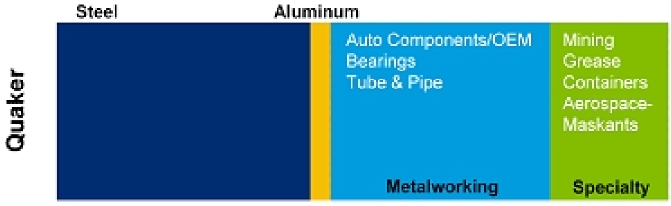
Diversifies and Expands Customer Base

Quaker		Quaker Houghton
• **3,500** customers	→	• **15,000** customers • Complementary - only 1,000 overlap
• Largest customer **~8%** of sales	→	• Largest customer **~4%** of sales
• Top 10 customers **~25%** of sales	→	• Top 10 customers **~17%** of sales
• **Steel** and **Automotive** major end markets	→	• Numerous markets expanded including **Aerospace, Offshore, Aluminum, Heat Treatment, Fabricated Metal Goods** and **Architectural Aluminum**

Quaker Houghton
Forward Together

Nearly Doubles Our Size and Scale

BEFORE:
Focused on a limited set of markets with primarily large customers



NOW:
At nearly 2x our previous size, we have a leadership position in a more diverse set of markets

Significantly increases presence in $10B+ market

Quaker Houghton. Forward Together

Increases Addressable Markets

- Steel
- Industrial
- Tube & Pipe
- Aluminum
- Offshore
- Can & Container
- Aerospace & Defense
- Architectural Aluminum
- Mining
- Transportation OEM
- Fire-Resistant Hydraulics
- Specialty Coatings
- Transportation Components
- Die Casting
- Specialty Greases

Company with Stronger Market Presence
- Quaker
- Houghton
- Both Strong

Quaker Houghton. Forward Together

The Combination Makes Us Stronger. Together.

Improves Leadership Position and Enhances Capabilities to Serve Customers Across End Markets

End Markets	Primary Metals Aluminum	Primary Metals Steel	Transportation Engine & Transmission	Transportation Components	General Industrial	Aerospace and Defense	Tube & Pipe	Metal Containers	Mining	Offshore Hydraulics & Sub-sea Control	Specialty Grease	Architectural Aluminum	Aerospace Maskants
Increased Market Leadership Position													
Market Leadership Position – Q	●	●●●	●●	●	●	●	●●	●	●●	○	●	○	●●●
Market Leadership Position – QH	●●●	●●●	●●●	●●●	●●●	●●●	●●	●●●	●●	●●●	●	●●●	●●●
Enhanced Capabilities													
Enhanced R&D capabilities	↑	↑	↑	↑	↑	↑	-	↑	↑	↑	-	↑	-
Greater ability to serve; people	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Greater expertise/ portfolio depth	↑	-	↑	↑	↑	↑	-	↑	-	↑	-	↑	-
Increased portfolio breadth	↑	↑	↑	↑	↑	↑	-	↑	-	↑	-	↑	-
Geographic market expansion	↑	↑	↑	↑	↑	↑	↑	↑	-	↑	↑	↑	-

Market Leadership Position
●●● High
●● Medium
● Low
○ No Presence

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Strengthens Product Portfolio: Broader and Deeper

Metalworking

	Metal Removal Fluids - Synthetic	Metal Removal Fluids - Soluble	Metal Removal - Neat Oils	Metal Cleaning	Corrosion Protection	Metal Drawing and Forming Fluids	Die Cast - Mold Release	Heat Treatment/ Quenchants	Metal Forging Fluids
Q	●	●●	●	●●	●●	●●	●●●	○	○
QH	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●

Industrial

	Synthetic Fire-Resistant Hydraulic Fluids	Water Glycol Fire-Resistant Hydraulic Fluids	Specialty Grease	Offshore Sub-Sea Control Fluids
Q	●●	●	●	○
QH	●●●	●●●	●	●●●

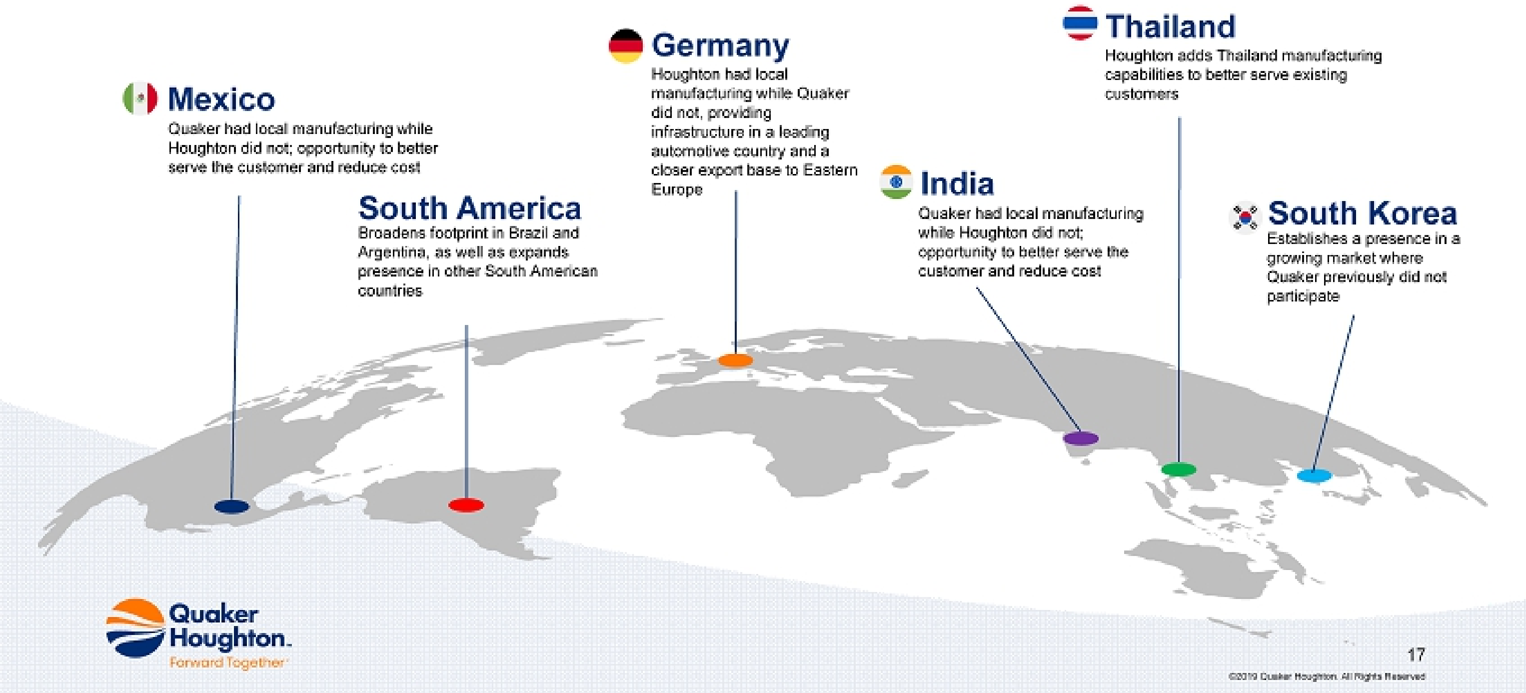
Metals

	Steel Rolling	Tinplate Rolling	Steel Surface Cleaners	Corrosion Protection	Ferrous Metal Surface Treatment	Aluminum Hot Rolling	Rod & Wire Drawing
Q	●●●	●●	●●	●●	●●	●●	○
QH	●●●	●●●	●●●	●●●	●●	●●●	●●

Product Portfolio Strength and Breadth

●●● High ●● Medium ● Low ○ No Presence

Enhances Global Footprint



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Growth Strategy Continues

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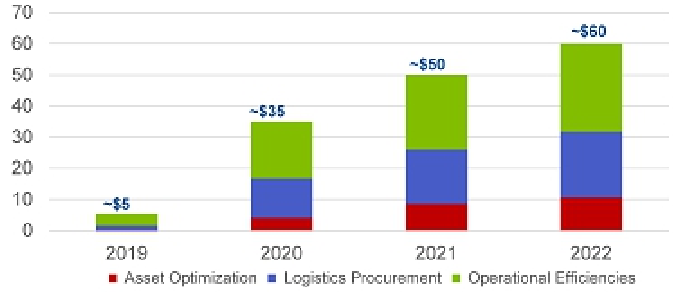
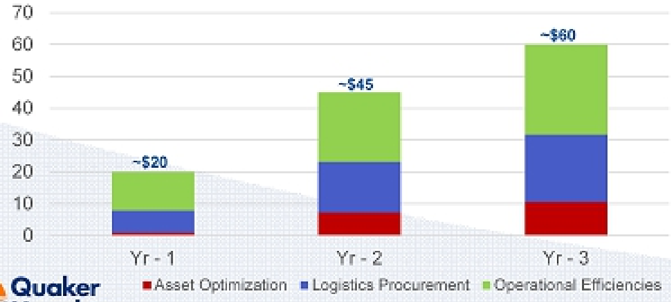
Significant Cost Synergies

Estimated Synergy Realization Timing





Sources of Synergy

Asset Optimization (17%)
- Manufacturing footprint optimization
- Optimize IT platforms

Logistics & Procurement (35%)
- Raw material purchasing
- Freight / warehousing
- Ester production

Operational Efficiencies (48%)
- Headcount reductions
- Non-labor SG&A

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Divestiture Update

- The U.S. Federal Trade Commission and European Commission required divestiture of certain steel and aluminum product lines in North America and Europe concurrent with close
- Revenue of ~$50 million represents ~3% of combined Quaker Houghton revenue as expected; EBITDA of ~$11 million excludes certain manufacturing costs and SG&A which will be part of cost synergies
- Buyer is TOTAL S.A.; sale proceeds of ~$37 million

Quaker Houghton Remains the Global Leader in Steel and Aluminum

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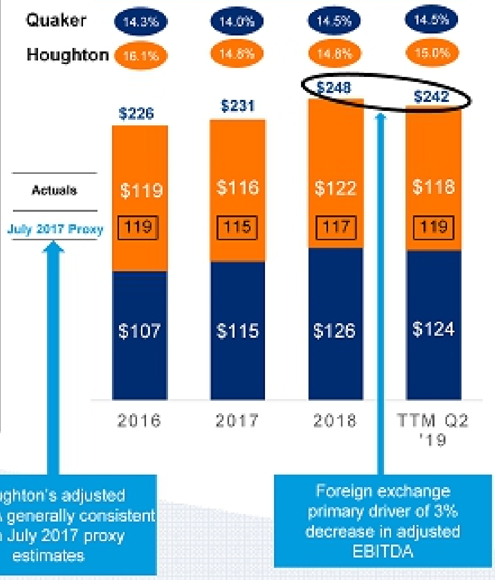
Historical Financial Performance Review

Net Sales

($ in millions)

Adjusted EBITDA & Margin

($ in millions)



Key Drivers of Changes to Houghton's Adjusted EBITDA

(Changes from 2016 to TTM Q2 '19)

- **Korea equity affiliate*** - ~$5 million decline in adjusted EBITDA largely due to slowdown in its markets
- **Offshore hydraulics*** - ~$3 million decline due to reduced offshore drilling resulting from lower oil prices
- **Foreign exchange** - ~$1 million decline in adjusted EBITDA due to strengthening of US dollar
- **Organic growth** - ~$8 million increase helps offset negatives above

*Note: Korea and Offshore are not expected to decline further

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Quaker Houghton's Pro-Forma Adjusted EBITDA

Note: Estimated pro-forma adjusted EBITDA represents full year performance for both Quaker and Houghton and adjusts for divestiture and other accounting adjustments during each respective period ($ in millions). See appendix for reconciliations.

- Estimated pro-forma 2018 adjusted EBITDA of ~$236 million decreased to ~$230 million for TTM Q2'19
  - $6 million decline largely due to foreign exchange impacts
- Full year 2019 pro-forma adjusted EBITDA estimated to somewhat exceed the $236 million achieved in 2018
  - Current year challenges due to global automotive market and foreign exchange begin to subside due to year-over-year comparisons (headwinds began at the end of Q2'18)
  - Expectation reflects ~$5 million cost synergy estimate

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Enhanced Financial Profile, Better Together

($ in millions)	Quaker	Houghton	Quaker Houghton[(a)]	Δ vs. Quaker standalone
Net Sales	$851	$786	$1,584	~2x
Gross Profit	$307	$267	$589	~2x
Gross Margin	36.1%	34.0%	37.2%	~1% pts
Adjusted EBITDA	$124	$118	$290	~2.5x
Adjusted EBITDA Margin	14.5%	15.0%	18.3%	~4% pts

[(a)] Column includes Quaker and Houghton's TTM 6/30/2019 financials as presented, adjusted for synergies and divestiture estimates.

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Accounting and Other Adjustments to Financials

- Net sales decrease of ~$30-$40 million due to conforming of accounting policies including revenue recognition; minimal impact to consolidated EBITDA
- Total depreciation and amortization expense estimate at close of ~$85 million per year, including ~$10 million due to estimated purchase accounting adjustments
- One-time expenses related to integration and achieving cost synergies estimated to be ~1x cost synergies (~$60 million); timing of one-time expenses will be front loaded in 2019 and 2020
- Interest expense of ~3.4-3.6% reduces combined interest cost by $20-25 million per year
- Non-GAAP tax rate estimates: Q3 '19: 25-27%; Q4 '19: 19-21%; Full year 2020: 22-24%
- Share count increases ~4.3 million shares to ~17.6 million shares

Strong Free Cash Flow Supports Key Capital Allocation Priorities

- De-lever to 2x - 2.5x net debt to adjusted EBITDA within two years
- Combined company has asset-lite profile with expected capex of ~1.5% of sales after two years; expect ~2.5% in first two years
- Pay dividends consistent with Quaker's practice over past 47 years
- Continue strategic acquisitions considering leverage and liquidity

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Quaker Houghton Combination Summary

- Combination nearly doubles the size of either company
- Cost synergies increased to $60 million from $45 million
- Continued above market growth of 2-4% expected beginning year 2
  - Differentiated customer intimate business model
  - Cross-selling synergies become visible after year 1
- Debt structure flexible and low cost to meet strategic needs going forward
  - Allows for continued strategic investments and smaller acquisitions in the short term
  - Expect to be below 2.5x net debt to adjusted EBITDA within 2 years

Quaker Houghton: A Market Leader Positioned for Growth

By August 2021, we expect:

- To have achieved our cost synergies and be a $300+ million EBITDA company on a going forward basis
- Be positioned for organic growth 2 to 4% above the market
- Be at our target leverage range and positioned for greater acquisition opportunities

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Adjusted EBITDA Reconciliation – 2016

($ in millions, unless otherwise noted)

	2016 [a]				
	Quaker	Houghton	Divestitures	Other [c]	NewCo
Net Income Attributable to Quaker Houghton	61	(37)	(8)	3	19
Depreciation and Amortization	20	55	-	10	85
Interest Expense, Net	1	51	-	(14)	37
Taxes on Income [d]	23	(5)	(2)	1	17
EBITDA	105	64	(10)	0	158
Equity Income in a Captive Insurance Company	(2)	-	-	-	(2)
Combination and Other Acquisition-Related Expenses	2	3	-	-	5
Pension and Postretirement Benefit Costs, Non-Service Components	2	(1)	-	-	1
Cost Reduction Activities	-	4	-	-	4
Impairment of Goodwill and Intangible Assets	-	41	-	-	41
Affiliate Management Fees	-	2	-	-	2
Non-Income Tax Settlement Expense	-	2	-	-	2
Full-Year Impact of Wallover Acquisition	-	3	-	-	3
Other Addbacks [b]	(0)	1	-	-	1
Adjusted EBITDA	107	119	(10)	0	215
Adjusted EBITDA margin (%)	14.3%	16.1%	21.6%	0.0%	15.0%

(a) In the first quarter of 2019, the Company updated its calculation methodology to include the use of interest expense net of interest income compared to the historical use of only interest expense, and also to include the non-service component of the Company's pension and postretirement benefit costs. Prior year amounts have been recast for comparability purposes.

(b) Other Addbacks includes a charge related to a legal settlement, a charge related to inventory fair value adjustments in the Wallover acquisition, offset by a gain on the sale of an asset, currency conversion impacts of hyper-inflationary economies and a restructuring credit.

(c) Other includes estimated increases to depreciation and amortization due to purchase accounting fair value adjustments and a reduction of interest expense based on the average borrowings of the period plus the purchase consideration under the Quaker Houghton facility estimated interest rates.

(d) Taxes on Income related to the Divestitures and Other, as described above, each tax effected at the U.S. tax rate of 21%.

*EBITDA and Adjusted EBITDA may not calculate due to rounding.

Quaker Houghton. Forward Together

Adjusted EBITDA Reconciliation – 2017

($ in millions, unless otherwise noted)

	2017				
	Quaker	Houghton	Divestitures	Other [b]	NewCo
Net Income Attributable to Quaker Houghton	20	(47)	(9)	5	(30)
Depreciation and Amortization	20	55	-	10	85
Interest Expense, Net	1	51	-	(16)	37
Taxes on Income [c]	42	42	(2)	1	83
EBITDA	83	102	(11)	0	175
Equity Income in a Captive Insurance Company	(3)	-	-	-	(3)
Combination and Other Acquisition-Related Expenses	30	10	-	-	40
Pension and Postretirement Benefit Costs, Non-Service Components	4	(1)	-	-	4
Cost Reduction Activities	0	2	-	-	2
Loss on Disposal of Held-for-Sale Asset	0	-	-	-	0
Insurance Insolvency Recovery	(1)	-	-	-	(1)
Affiliate Management Fees	-	2	-	-	2
Non-Income Tax Settlement Expense	-	1	-	-	1
Other Addbacks [a]	0	0	-	-	1
Adjusted EBITDA	115	116	(11)	0	221
Adjusted EBITDA margin (%)	14.0%	14.8%	20.4%	0.0%	14.2%

(a) Other Addbacks includes charges related to inventory fair value adjustments in the Wallover acquisition, currency conversion impacts of hyper-inflationary economies and other non-recurring charges.

(b) Other includes estimated increases to depreciation and amortization due to purchase accounting fair value adjustments and a reduction of interest expense based on the average borrowings of the period plus the purchase consideration under the Quaker Houghton facility estimated interest rates.

(c) Taxes on Income related to the Divestitures and Other, as described above, each tax effected at the U.S. tax rate of 21%.

*EBITDA and Adjusted EBITDA may not calculate due to rounding.

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Adjusted EBITDA Reconciliation – 2018

($ in millions, unless otherwise noted)

	2018				
	Quaker	Houghton	Divestitures	Other [(b)]	NewCo
Net Income Attributable to Quaker Houghton	59	0	(9)	11	62
Depreciation and Amortization	20	54	-	10	85
Interest Expense, Net	4	56	-	(25)	35
Taxes on Income [(c)]	25	3	(2)	3	29
EBITDA	108	114	(12)	(0)	210
Equity Income in a Captive Insurance Company	(1)	-	-	-	(1)
Combination and Other Acquisition-Related Expenses	16	7	-	-	23
Pension and Postretirement Benefit Costs, Non-Service Components	2	(2)	-	-	1
Cost Reduction Activities	-	0	-	-	0
Currency Conversion Impacts of Hyper-Inflationary Economies	1	0	-	-	1
Affiliate Management Fees	-	2	-	-	2
Other Addbacks [(a)]	(1)	0	-	-	(0)
Adjusted EBITDA	126	122	(12)	(0)	236
Adjusted EBITDA margin (%)	14.5%	14.8%	22.6%	0.0%	14.4%

(a) Other Addbacks includes charges related to non-recurring non-income tax and VAT charges, an insurance insolvency recovery and a gain on the liquidation of an inactive legal entity.

(b) Other includes estimated increases to depreciation and amortization due to purchase accounting fair value adjustments and a reduction of interest expense based on the average borrowings of the period plus the purchase consideration under the Quaker Houghton facility estimated interest rates.

(c) Taxes on Income related to the Divestitures and Other, as described above, each tax effected at the U.S. tax rate of 21%.

* EBITDA and Adjusted EBITDA may not calculate due to rounding.

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Adjusted EBITDA Reconciliation – TTM Q2 '19

($ in millions, unless otherwise noted)

	TTM Q2 2019				
	Quaker	Houghton	Divestitures	Other [(b)]	NewCo
Net Income Attributable to Quaker Houghton	57	1	(9)	12	61
Depreciation and Amortization	19	53	-	10	83
Interest Expense, Net	3	57	-	(26)	35
Taxes on Income [(c)]	26	(2)	(2)	3	24
EBITDA	105	109	(11)	(0)	203
Equity Income in a Captive Insurance Company	(1)	-	-	-	(1)
Combination and Other Acquisition-Related Expenses	16	8	-	-	24
Pension and Postretirement Benefit Costs, Non-Service Components	3	(1)	-	-	2
Currency Conversion Impacts of Hyper-Inflationary Economies	1	1	-	-	1
Affiliate Management Fees	-	1	-	-	1
Other Addbacks (a)	-	0	-	-	0
Adjusted EBITDA	124	118	(11)	(0)	230
Adjusted EBITDA margin (%)	14.6%	15.0%	22.0%	0.0%	14.6%

(a) Other Addbacks includes an insurance insolvency recovery, a gain on the liquidation of an inactive legal entity, charges related to the settlement of a non-core equipment sale and cost reduction activities.

(b) Other includes estimated increases to depreciation and amortization due to purchase accounting fair value adjustments and a reduction of interest expense based on the average borrowings of the period plus the purchase consideration under the Quaker Houghton facility estimated interest rates.

(c) Taxes on Income related to the Divestitures and Other, as described above, each tax effected at the U.S. tax rate of 21%.

*EBITDA and Adjusted EBITDA may not calculate due to rounding.

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