

Quaker Chemical Corporation

***Investor Conference Call
February 28, 2014***

***Fourth Quarter and Full Year
2013 Results***



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 fourth quarter earnings news release dated February 27, 2014, which has been furnished to the SEC on Form 8-K, and the Company's Form 10-K for the year ended December 31, 2013, which has been filed with the SEC.

Forward-Looking Statements

This presentation may contain forward-looking statements that 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 the Company's demand is largely derived from the demand for its customers' products, which subjects the Company 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, future terrorist attacks and other acts of violence. Other factors could also adversely affect us. 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.

Speakers



Michael F. Barry

Chairman of the Board, Chief Executive Officer & President

Margaret M. Loeb

Vice President, Chief Financial Officer & Treasurer

Robert T. Traub

General Counsel

Chart #1

Fourth Quarter 2013 Headlines



- **Quarterly net sales growth of 7% despite a challenging economic environment**
- **Significant earnings per share growth compared to fourth quarter 2012**
- **Strong quarterly performance drives year-to-date operating cash flow to \$73.8 million**

Chart #2

Chairman Comments

Q4 2013 And Full Year 2013



- **Q4 2013/Full Year**
 - ✓ **Solid sales/volume despite quarter seasonality**
 - ✓ **Strong margin levels continue in tough economy**
 - ✓ **Gaining share & leveraging acquisitions**
 - ✓ **Liquidity remains a Company strength**
 - ✓ **Very good year – revenue, net income, net operating cash flow and adjusted EBITDA**
- **2014 Outlook**
 - ✓ **Modest market growth amongst all regions**
 - ✓ **Furthering share gains and strategic initiatives**
 - ✓ **Competition /economic conditions /raw material costs – on-going challenges**

“We remain confident in our future and expect 2014 to be another good year for Quaker, as we strive to increase revenue and earnings for the fifth consecutive year.” -- Michael F. Barry, Chairman, CEO & President

Chart #3

Product Volume by Quarter

Thousand Kilograms

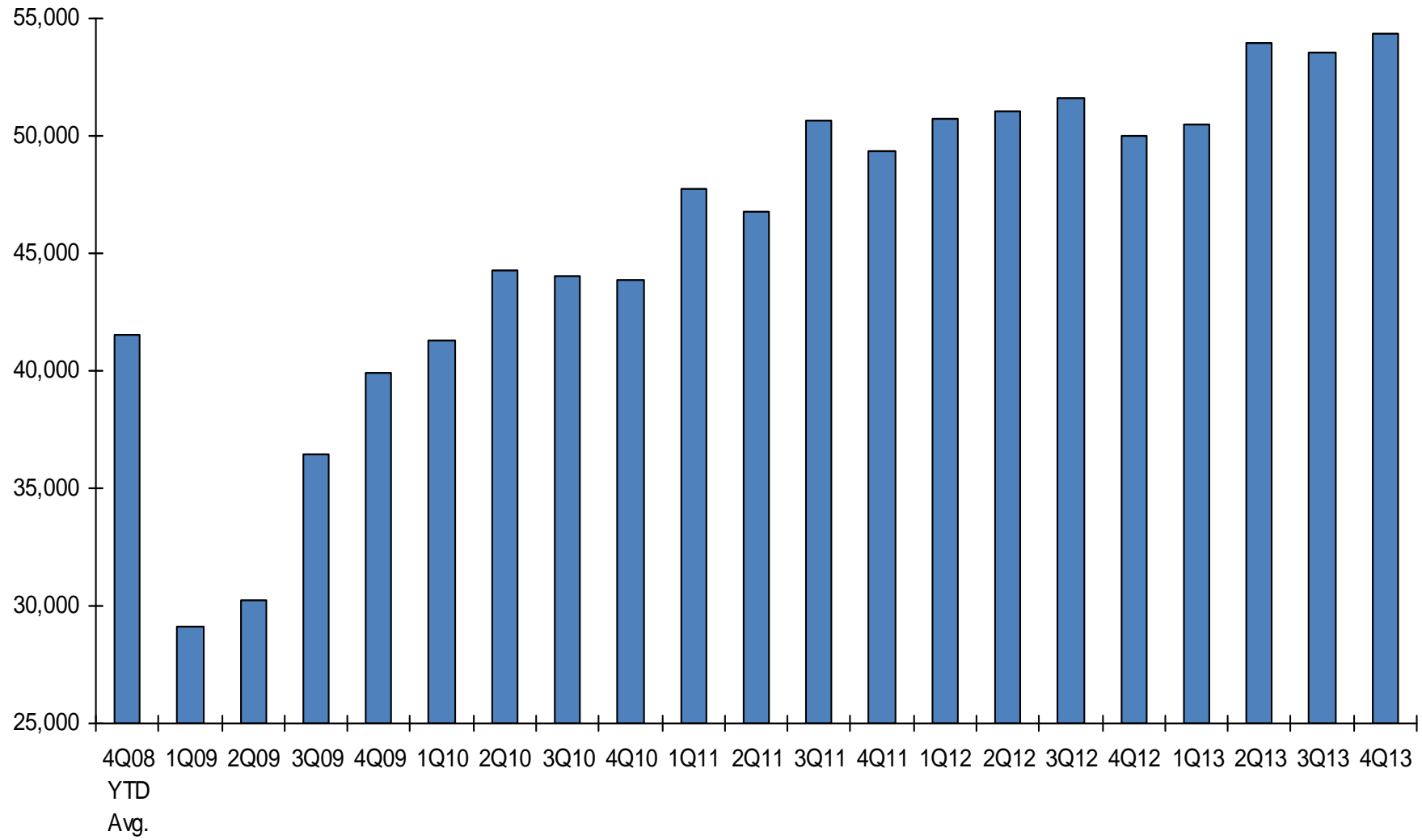


Chart #4

Financial Snapshot



	Q4 2013	Q4 2012	YTD 2013	YTD 2012
Net Sales (\$Mils.)	184.3	172.9	729.4	708.2
Gross Margin (%)	35.4	34.2	35.8	33.7
Operating Margin (%)	8.3	7.9	9.8	8.9
Net Income attributable to Quaker Chemical Corporation (\$Mils.)	14.1	13.0	56.3	47.4
Adjusted EBITDA (\$Mils.) – Trailing Twelve Months	89.6	80.9	--	--
Adjusted EBITDA Margin (%)	12.3	11.4	--	--
Earnings Per Diluted Share	1.07	0.99	4.27	3.63
Non-GAAP Earnings Per Diluted Share	0.98	0.87	3.84	3.49
Debt (\$Mils.)	18.7	31.5	--	--
Equity (\$Mils.)	345.0	289.7	--	--
Net Operating Cash Flow (\$Mils.)	21.8	21.1	73.8	62.9

Chart #5

Gross Margin Percentage

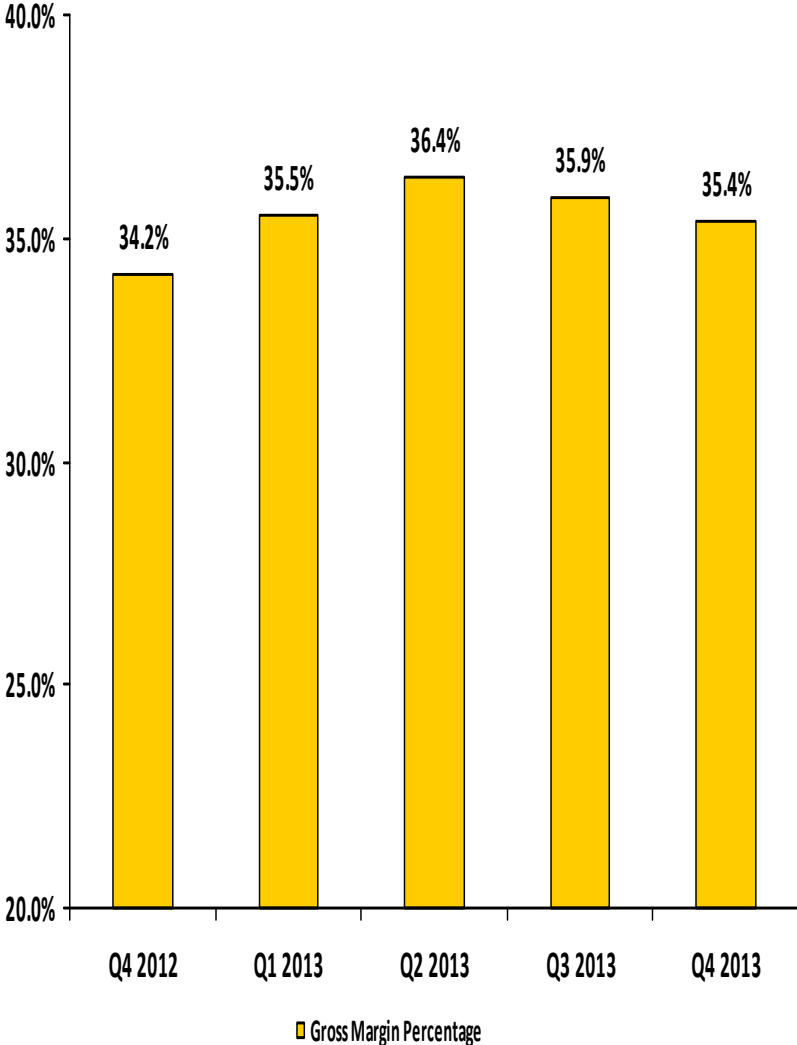
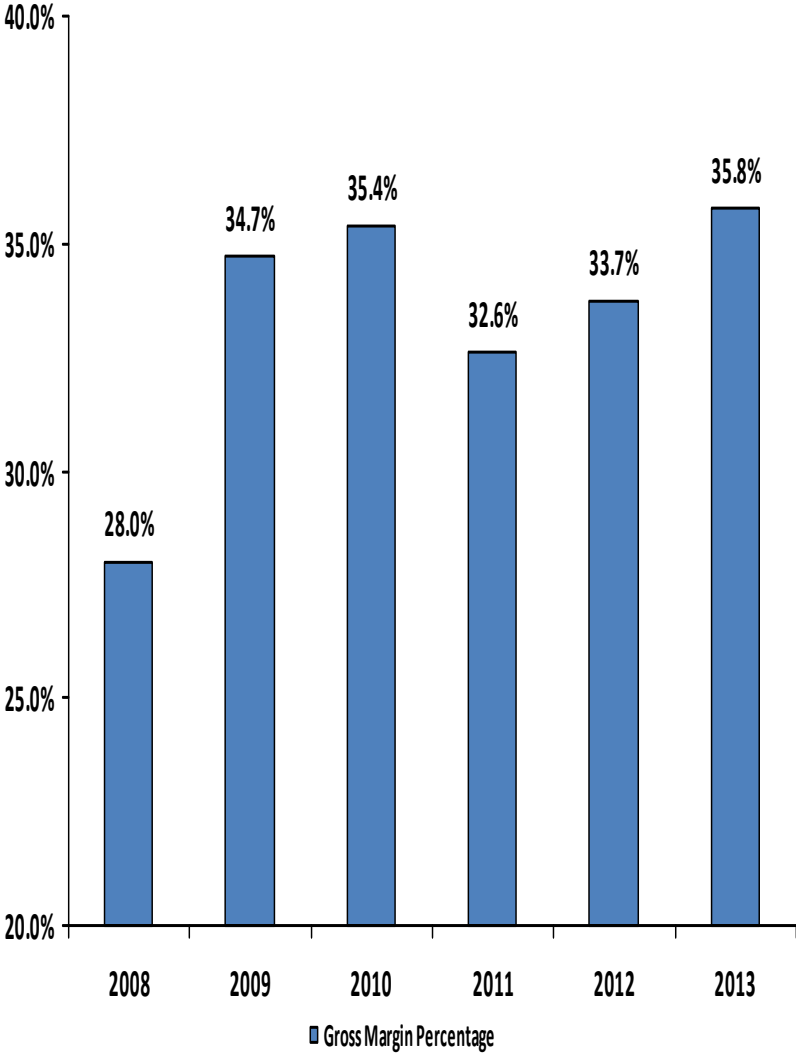


Chart #6

Adjusted EBITDA Baseline Historical Performance

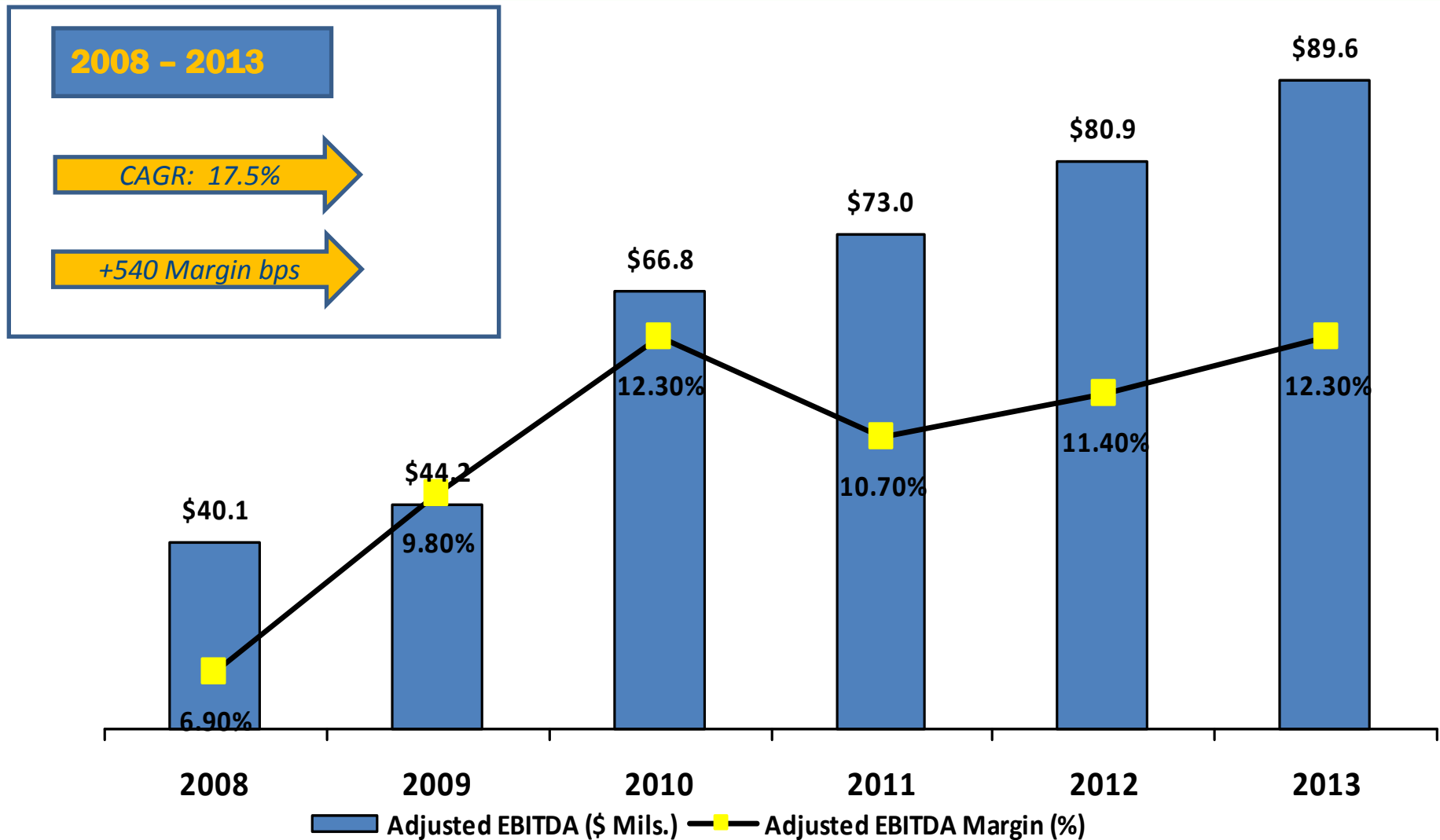


Chart #7

Balance Sheet

Net Cash / (Debt)

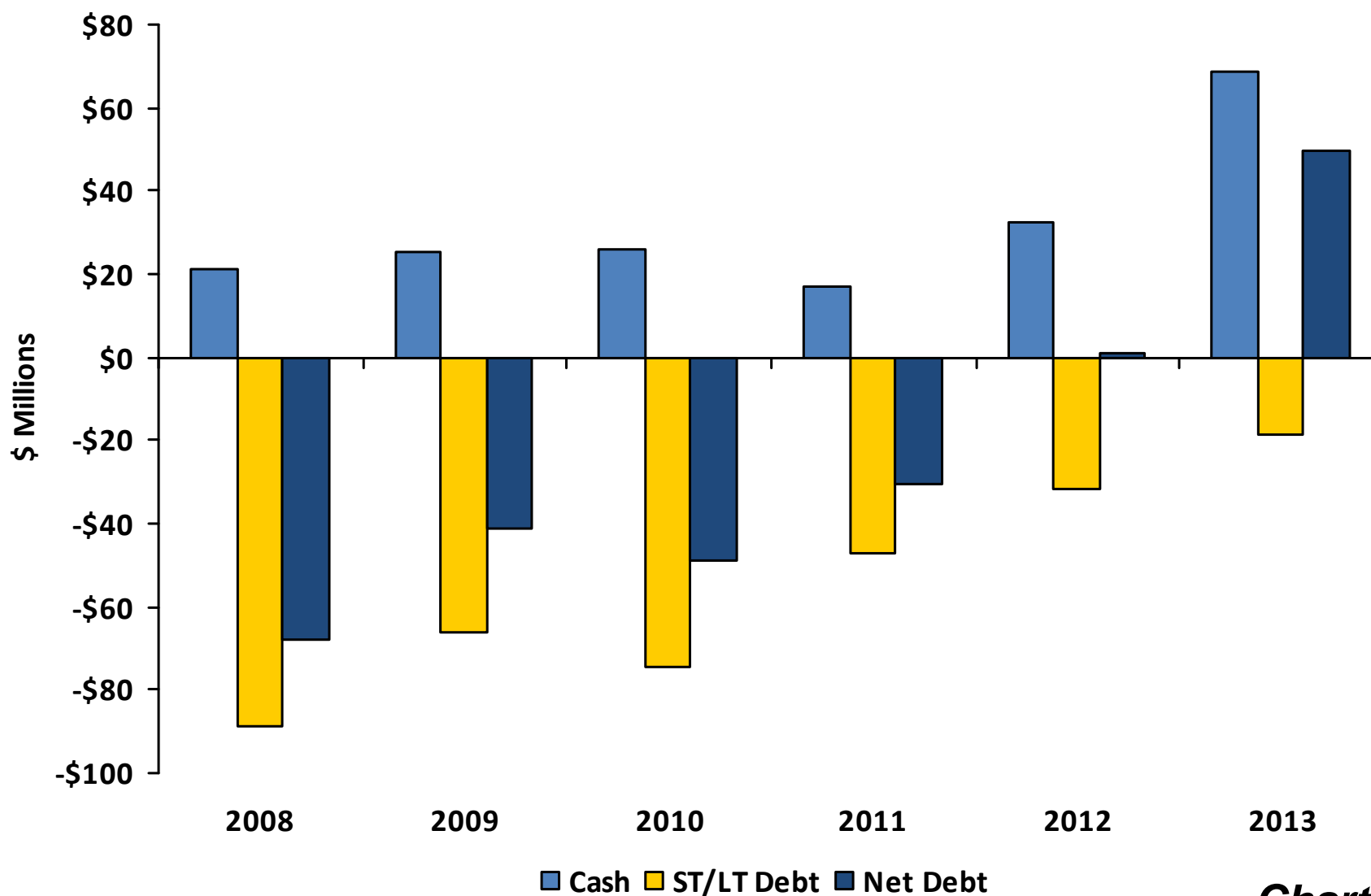


Chart #8

Net Cash Flow From Operations

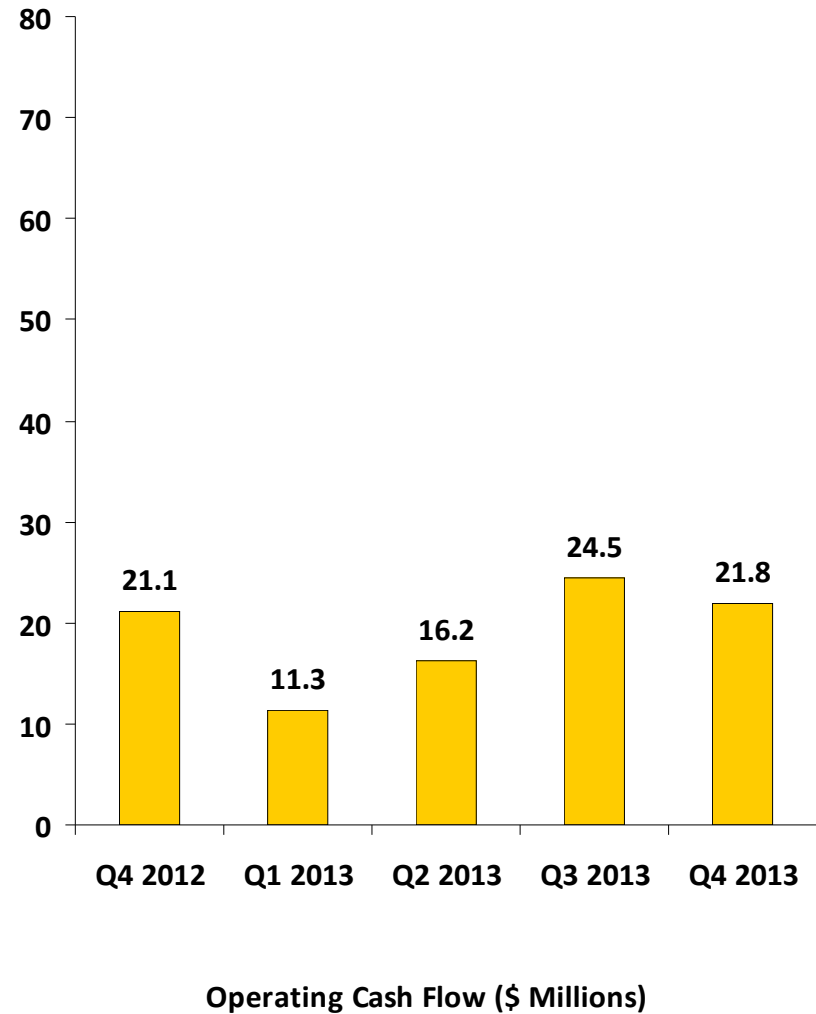
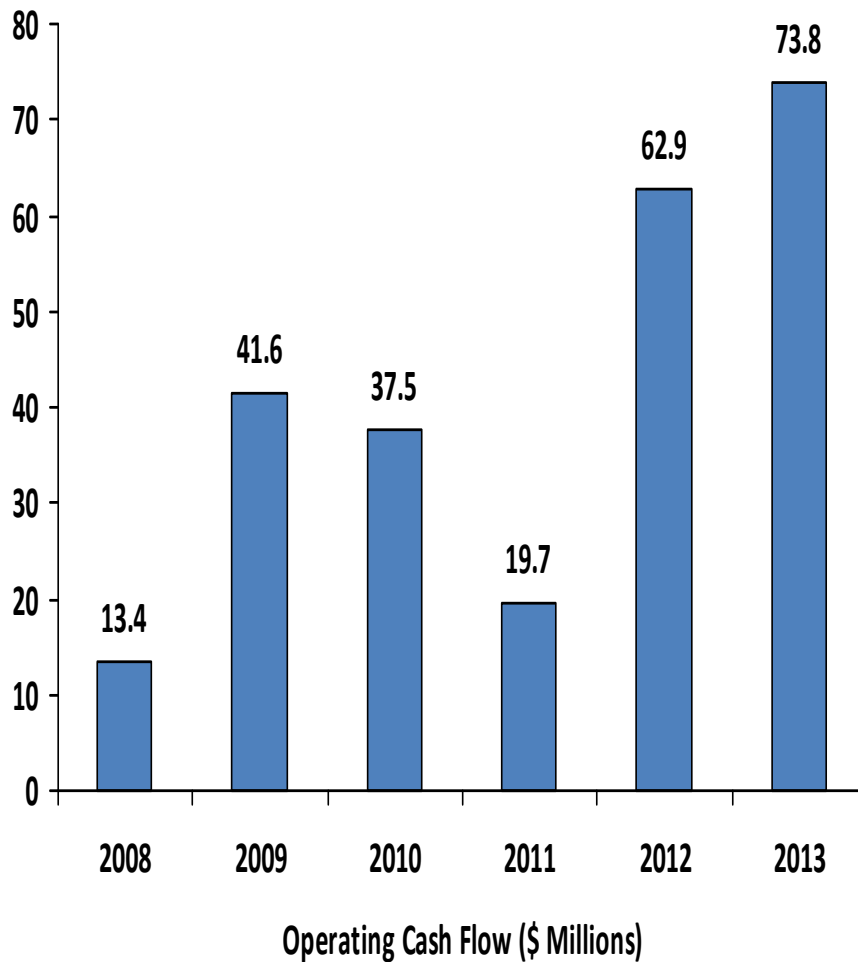


Chart #9



APPENDIX

Non-GAAP Earnings Per Diluted Share Reconciliation



	Q4 2013		Q4 2012		YTD 2013		YTD 2012	
GAAP Earnings Per Diluted Share	\$	1.07	\$	0.99	\$	4.27	\$	3.63
CFO Transition costs per diluted share	\$	-	\$	-	\$	-	\$	0.03
Customer bankruptcies per diluted share	\$	-	\$	-	\$	-	\$	0.06
Mineral oil excise tax refund per diluted share	\$	-	\$	-	\$	(0.14)	\$	-
Non-income tax contingency charge per diluted share	\$	0.04	\$	-	\$	0.04	\$	-
Change in acquisition-related earnout liability per diluted share	\$	(0.06)	\$	(0.09)	\$	(0.03)	\$	(0.09)
Cost streamlining initiatives per diluted share	\$	0.01	\$	-	\$	0.08	\$	-
Devaluation of the Venezuelan Bolivar Fuerte per diluted share	\$	-	\$	-	\$	0.03	\$	-
Equity income in a captive insurance company per diluted share	\$	(0.08)	\$	(0.03)	\$	(0.41)	\$	(0.14)
Non-GAAP Earnings Per Diluted Share	\$	0.98	\$	0.87	\$	3.84	\$	3.49

Chart #10

Annualized Adjusted EBITDA Reconciliation



	2008	2009	2010	2011	2012	2013
Net income	9,833	16,058	32,120	45,892	47,405	56,339
Depreciation	10,879	9,525	9,867	11,455	12,252	12,339
Amortization	1,177	1,078	988	2,338	3,106	3,445
Interest expense	5,509	5,533	5,225	4,666	4,283	2,922
Taxes on income	4,977	7,065	12,616	14,256	15,575	20,489
Restructuring and related activities	2,916	2,289	-	-	-	-
Non-income tax contingency charge	-	-	4,132	-	-	796
Equity affiliate out of period charge	-	-	564	-	-	-
Mineral oil excise tax refund	-	-	-	-	-	(2,540)
Transition costs related to key employees	3,505	2,443	1,317	-	609	-
Non-cash gain from the purchase of an equity affiliate	-	-	-	(2,718)	-	-
Change in acquisition-related earnout liability	-	-	-	(595)	(1,737)	(497)
Equity loss (income) from a captive insurance company	1,299	162	(313)	(2,323)	(1,812)	(5,451)
Devaluation of the Venezuelan Bolivar	-	-	322	-	-	357
U.S customer bankruptcies	-	-	-	-	1,254	-
Cost streamlining initiatives	-	-	-	-	-	1,419
Adjusted EBITDA	40,095	44,153	66,838	72,971	80,935	89,618
Adjusted EBITDA Margin	6.9%	9.8%	12.3%	10.7%	11.4%	12.3%
Multiply Adjusted EBITDA by Annual Run Rate	1	1	1	1	1	1
Annualized Adjusted EBITDA	40,095	44,153	66,838	72,971	80,935	89,618

Chart #11