

# FUCHS GROUP

## Financial Results H1 2021

| Analyst's Conference, 30<sup>th</sup> July 2021

| Dagmar Steinert, CFO

LUBRICANTS.  
TECHNOLOGY.  
PEOPLE.



# Highlights H1 2021

Strong H1 in challenging market environment

## €1,411 mn

Sales up 26% yoy

## €191 mn

EBIT up 71% yoy

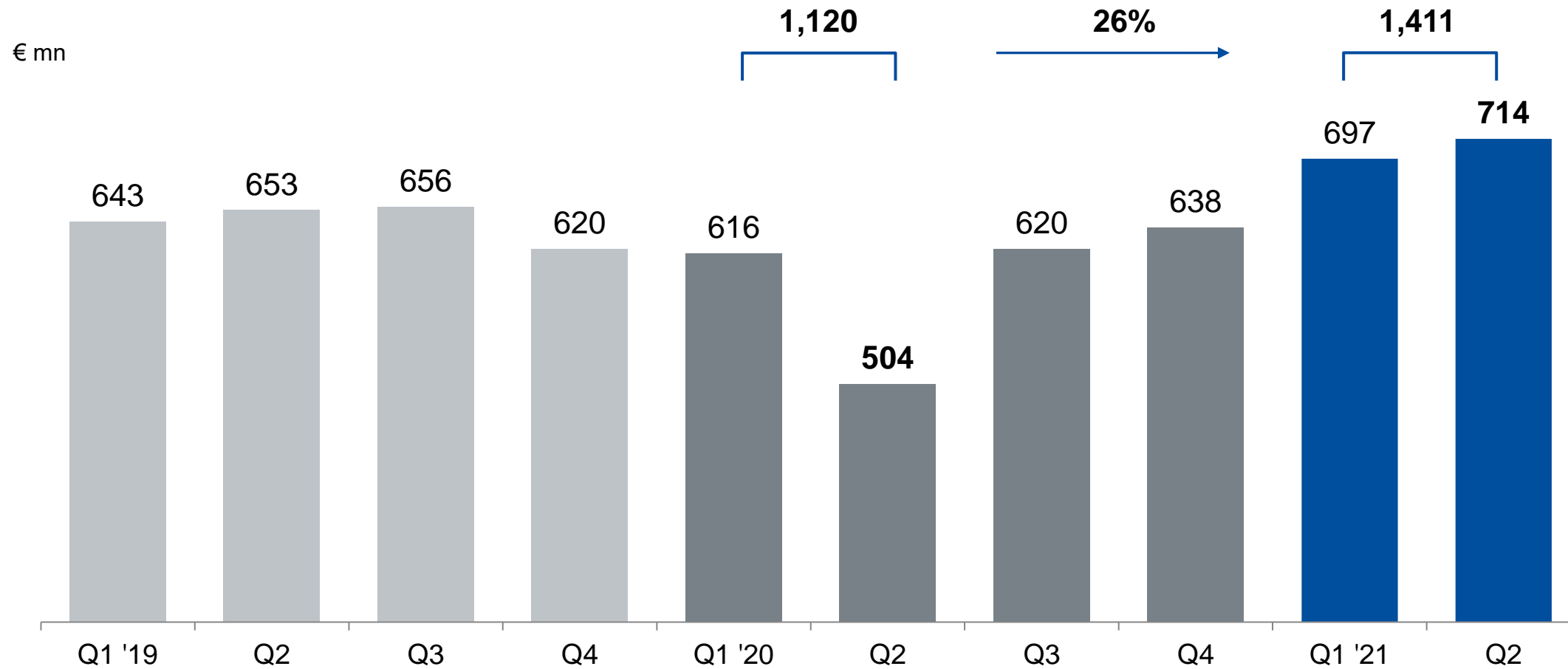
## H1 2021

- Growth strongly driven from automotive industry in China
- Q2 margin sequentially weaker due to higher raw. mat. prices
- First price increases implemented
- Sales and EBIT in H1 2021 also above prior-crisis H1 2019
- Supply chain situation continues to be tense

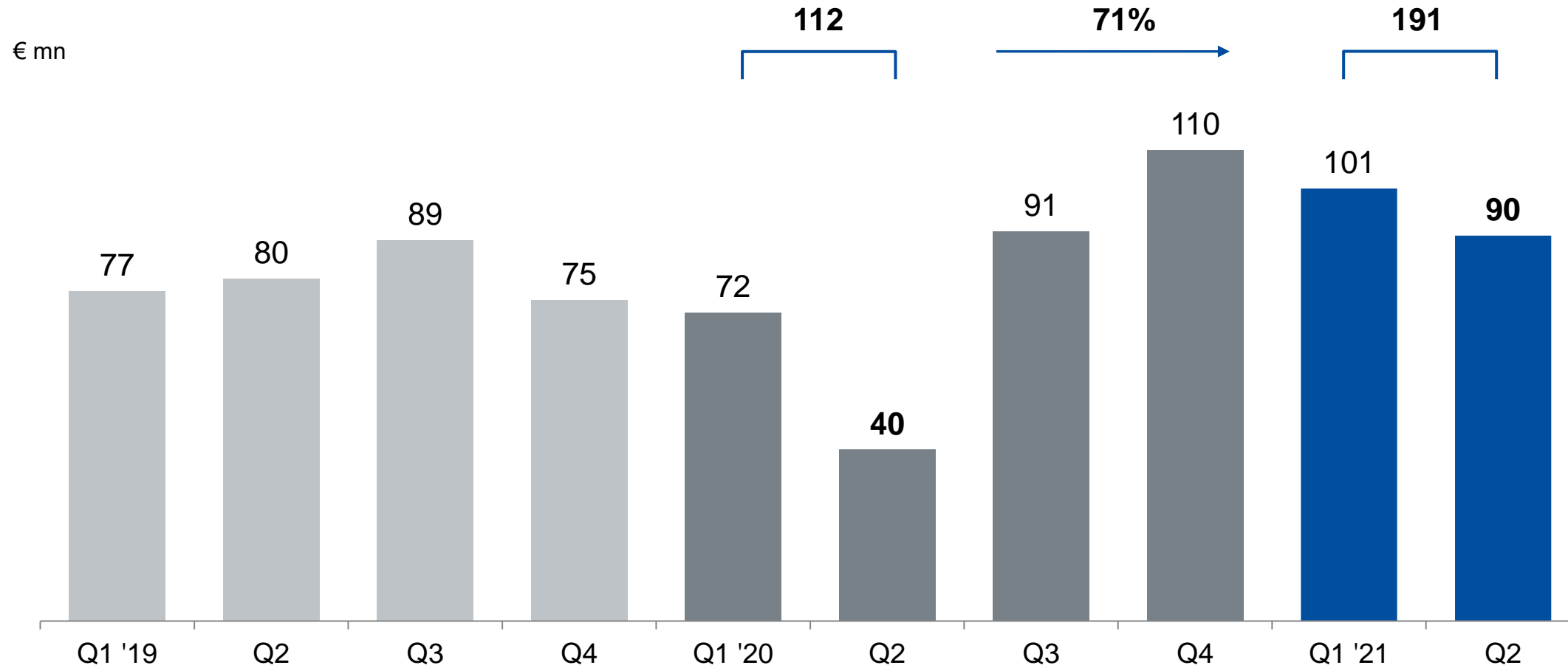
## Outlook FY 2021 raised

- Based on the positive business development in H1, optimistic view into H2:
  - Sales: upper end of €2.7 - €2.8 bn range
  - EBIT: €350 - €360 mn (prior: €330 - €340 mn)
  - FVA: around €200 mn (prior: around €180 mn)

# Sales development

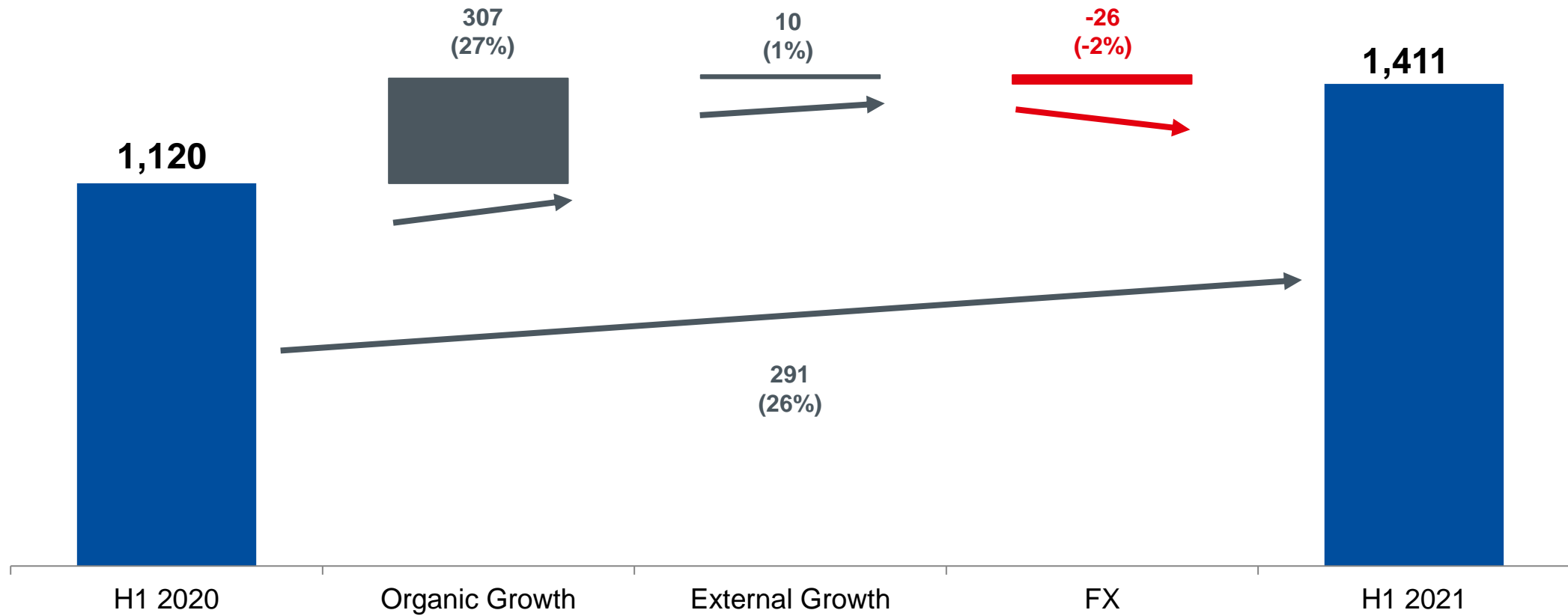


# EBIT development

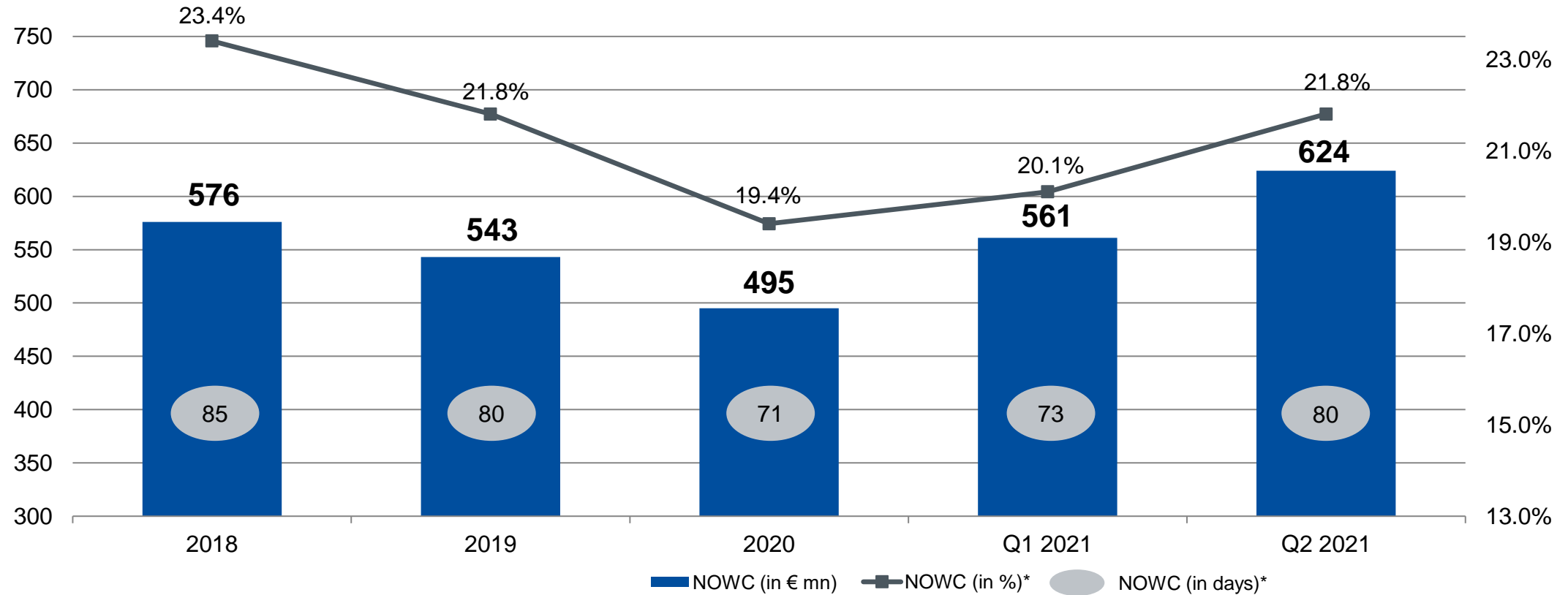


# H1 2021 Group sales

€ mn



# Net operating working capital (NOWC)



\* In relation to the annualized sales revenues of the last quarter

# H1 2021 earnings summary

KPI in € mn	H1 2021	H1 2020
<b>Sales</b>	<b>1,411</b>	<b>1,120</b>
Cost of sales	-914	-730
Gross profit	497	390
Other function costs	-310	-282
<b>EBIT bef. at Equity</b>	<b>187</b>	<b>108</b>
<b>EBIT</b>	<b>191</b>	<b>112</b>
CAPEX	-32	-58
NOWC	624	574
<b>FCF bef. acq.</b>	<b>12</b>	<b>15</b>

- Sales growth strongly driven by automotive industry from China
- H1 gross profit margin of 35.2% 0.4 %-points up yoy; Q2 margin with 33.9% 2.7%-points lower qoq due to increasing raw material prices and product mix
- With increased business volume, other function costs up by €28 million, primarily due to higher selling expenses
- EBIT up 71% yoy; EBIT margin of 13.5%
- CAPEX lower by around 45% yoy
- NOWC 11% higher qoq (Q1: €561 mn) due to higher sales and prices
- FCF bef. acq. lower yoy: Higher earnings vs. NOWC build-up and tax reversal

## Europe, Middle East, Africa

KPI in € mn	H1 2021	H1 2020
<b>Sales</b>	<b>850</b>	<b>690</b>
Organic growth	162 (23%)	-100 (-13%)
External growth	1 (0%)	0 (0%)
FX effects	-3 (0%)	-9 (-1%)
<b>EBIT bef. at Equity</b>	<b>89</b>	<b>52</b>
<b>EBIT</b>	<b>93</b>	<b>56</b>

- Sales up 23% on prior-year period, which was hit hard by Covid-19 pandemic; 6% higher than first half of 2019
- Almost all countries achieve high double-digit growth
- Above-average rises in South Africa and Russia, as well as France, Spain and Italy – which were severely impacted by the pandemic in prior year
- Weak eastern European currencies cause strain, offset by good performance of the South African rand and the Swedish krona
- Significant growth in earnings in almost all countries – also vs. H1 2019



# Asia-Pacific

KPI in € mn	H1 2021	H1 2020
<b>Sales</b>	<b>424</b>	<b>320</b>
Organic growth	102 (32%)	-34 (-10%)
External growth	0 (0%)	5 (2%)
FX effects	2 (1%)	-6 (-2%)
<b>EBIT bef. at Equity</b>	<b>63</b>	<b>41</b>
<b>EBIT</b>	<b>63</b>	<b>41</b>

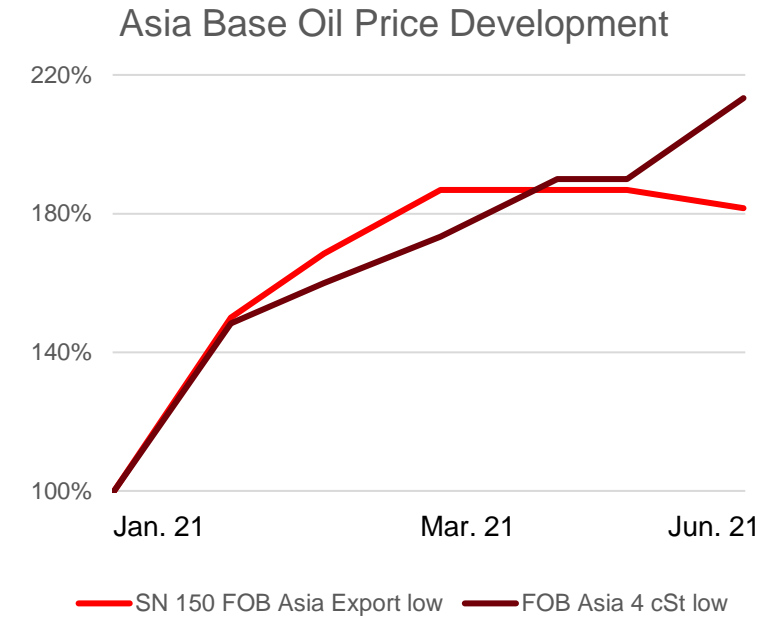
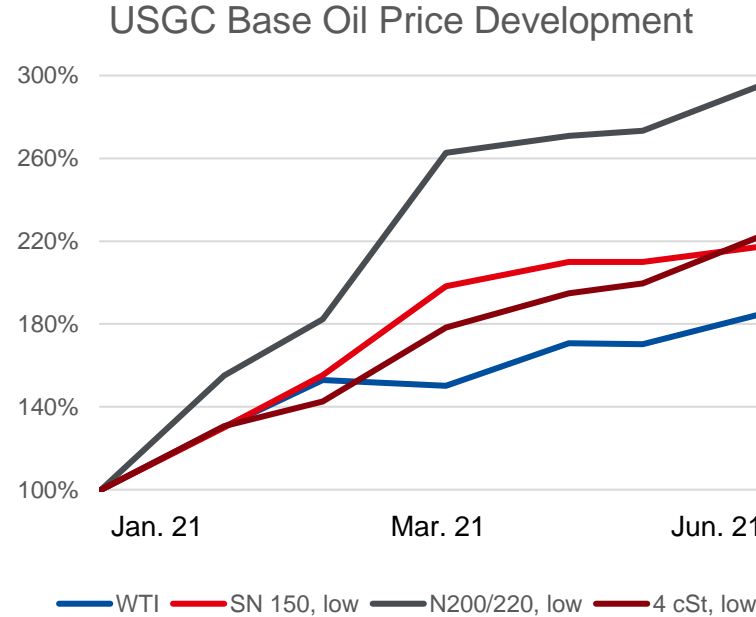
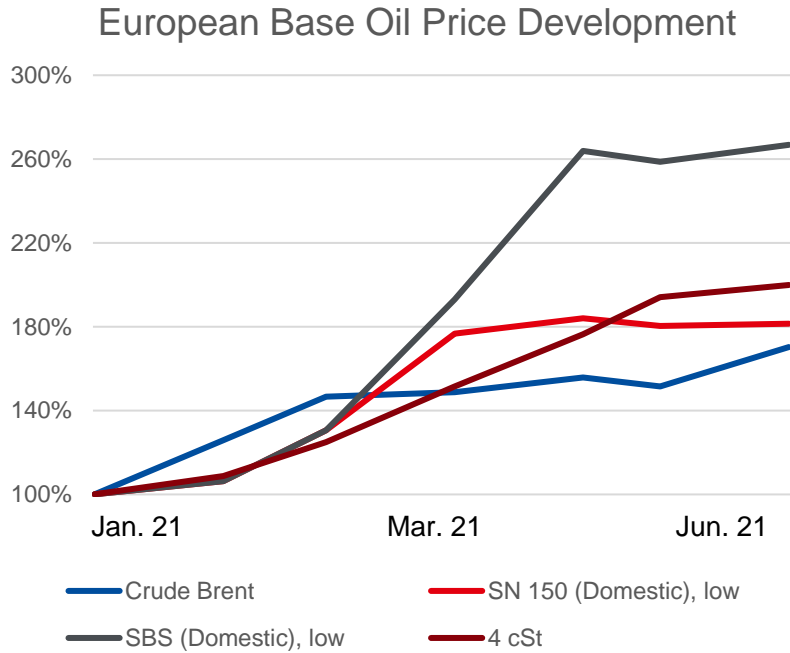
- Strong first half with sales up 33% on first half of 2020; 19% up on pre-crisis levels in first half of 2019
- China remains to benefit from strong demand of automotive sector
- Sales higher than before the pandemic in almost all countries
- Positive currency effects from Australia largely offset by negative effects from Asia
- Significant earnings growth in almost all countries, highest absolute growth in China followed by India

## North and South America

KPI in € mn	H1 2021	H1 2020
<b>Sales</b>	<b>224</b>	<b>181</b>
Organic growth	59 (33%)	-51 (-24%)
External growth	9 (5%)	21 (10%)
FX effects	-25 (-14%)	-1 (-1%)
<b>EBIT bef. at Equity</b>	<b>31</b>	<b>14</b>
<b>EBIT</b>	<b>31</b>	<b>14</b>

- Sales around 24% higher than in the prior-year period, which was severely impacted by the pandemic; 6% higher than H1 2019 thanks to acquisitions
- External growth of €9 million due to the acquisition of two specialty lubricant manufacturers in the US in the previous year
- Currency effects from North and South America in total -14 %
- N. America doubles earnings compared to previous year, which was impacted by bad debts as well as the pandemic; considerable recovery in all S. American countries, which were hit particularly hard by Covid-19

# Significant raw material price increases in 2021



- Significant price increases in relevant raw materials in first six months – recently increases more moderate
- Margin pressure expected to continue into second half of 2021
- Ongoing selling price increases implemented to mitigate margin compression

%-changes vs.  
2020 avg. prices (=100%)

# Outlook FY 2021

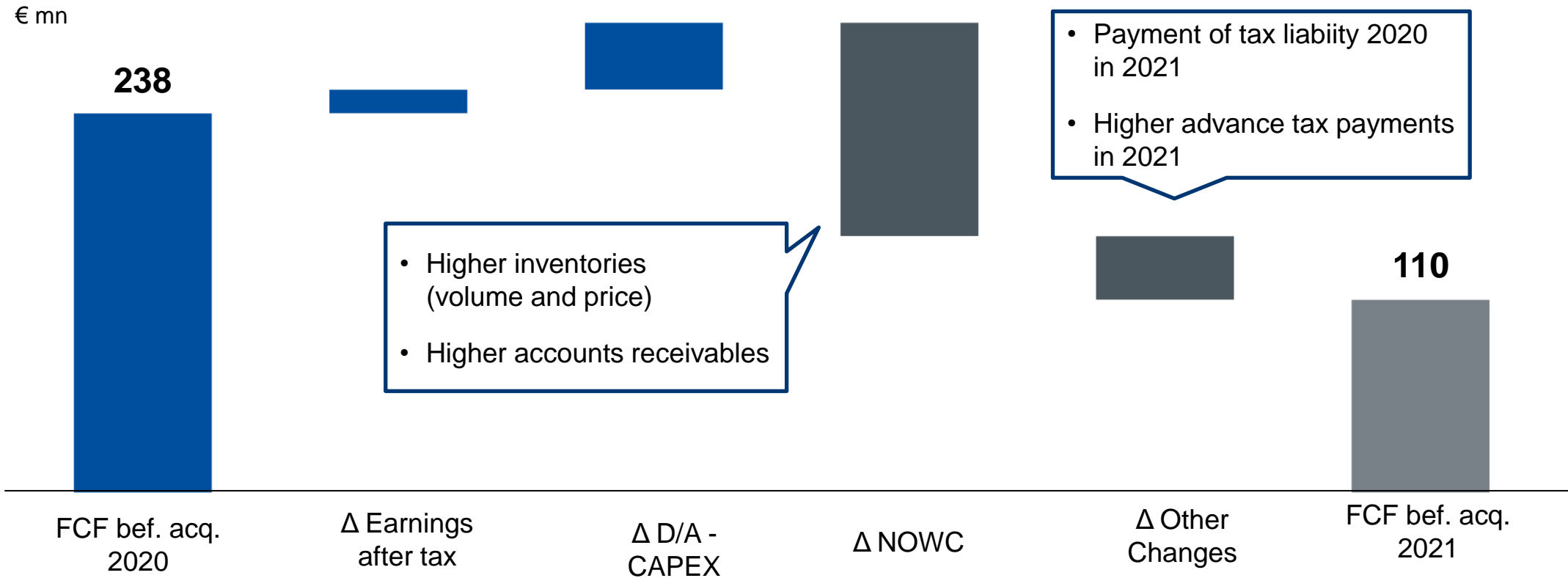
Strong demand across all regions vs. raw material price increases and stressed supply chains

KPI* in € mn	2020	March, 9 <sup>th</sup>	April, 29 <sup>th</sup>	July, 30 <sup>th</sup>	
		2021	2021	2021	
Sales	2,378	2019 level	€2.7-2.8 bn	upper end	Strong demand and price increases
EBIT	313	2020 level	330-340	350-360	Higher sales vs. sig. higher raw mat. costs and supply chain disruptions
FVA	165	~160	~180	~200	Higher earnings vs. slightly higher cost of capital
FCF bef. acq.	238	~160	~110	~110	Higher EAT and reduced capex vs. NOWC build-up and higher taxes

\* Supply chain uncertainties and other possible effects of the Covid-19 pandemic on the global economy still cannot be reliably estimated.

# FCF outlook 2021 burdened by NOWC build-up and tax payments

Bridge 2021 vs 2020



# Financial Calendar & Contact

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## Financial Calendar 2021

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**October 29, 2021**      Quarterly statement Q3 2021

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**March 18, 2022**      Annual report 2021

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The financial calendar is updated regularly. You find the latest dates on the webpage at [www.fuchs.com/financial-calendar](http://www.fuchs.com/financial-calendar)

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