

FUCHS GROUP

Financial Results Q1 2019

| Analyst's Conference, 3rd May 2019

| Dagmar Steinert, CFO



Highlights Q1 2019

**Sales stable at
€643 mn**

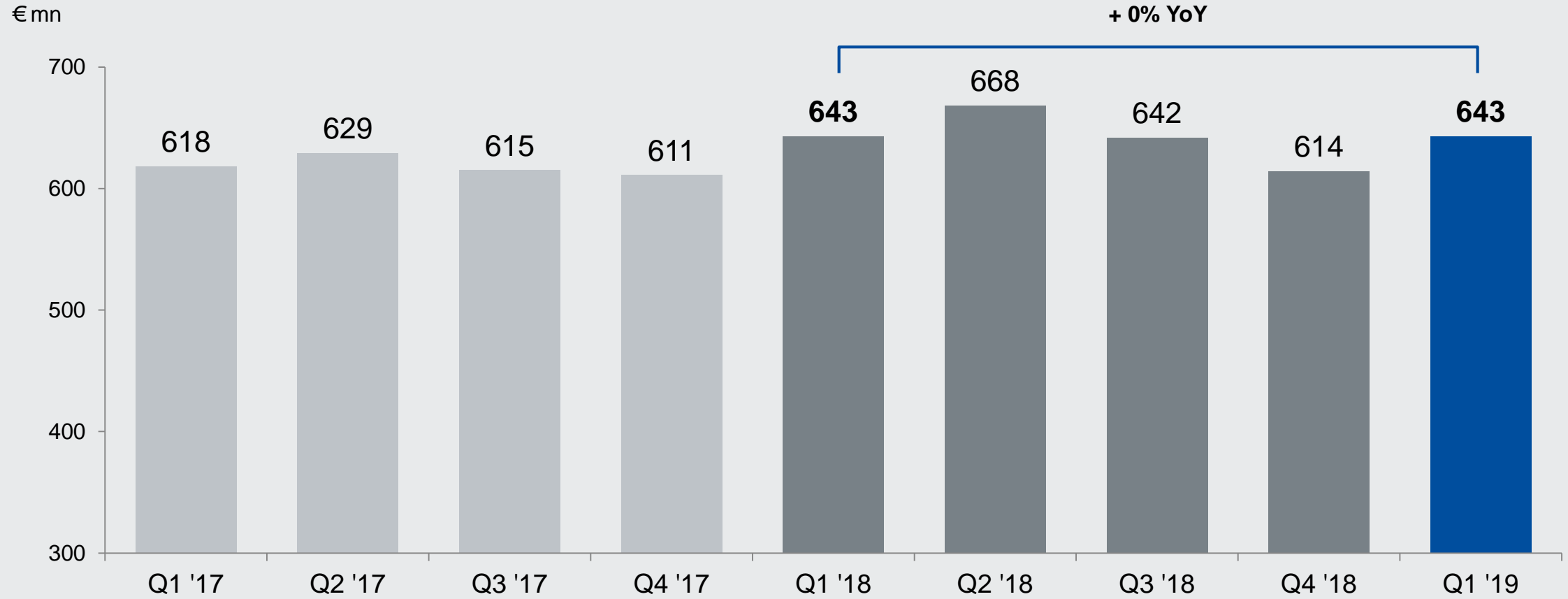
- Growth initiative results in costs increasing as planned
- Decline in sales in Europe and Asia due to weakness of automotive markets in Germany and China
- North and South America continues to grow organically

**EBIT down by 16%
to €77 mn**

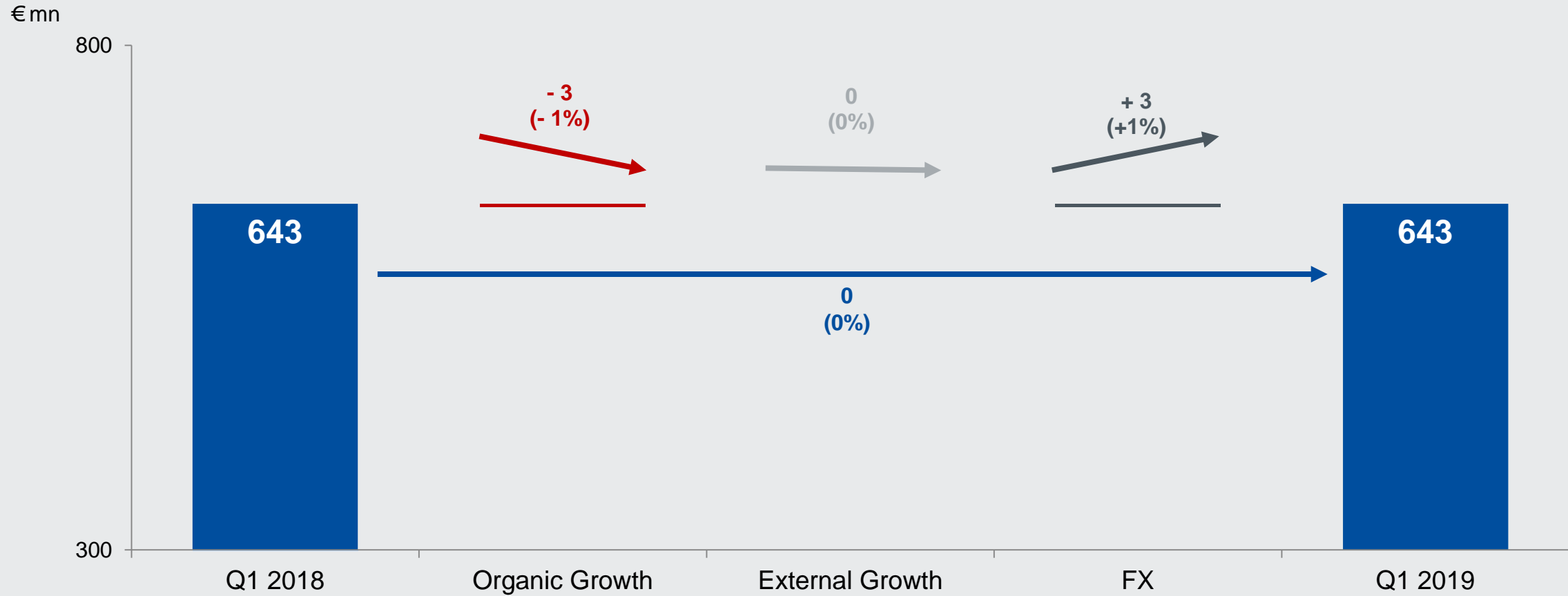
Outlook 2019 unchanged

- Sales +2% to +4%
- EBIT -8% to -5%

Sales development



Q1 2019 Group sales



Regional sales growth Q1 2019

New segment reporting as of 2019: EMEA, APAC, Americas

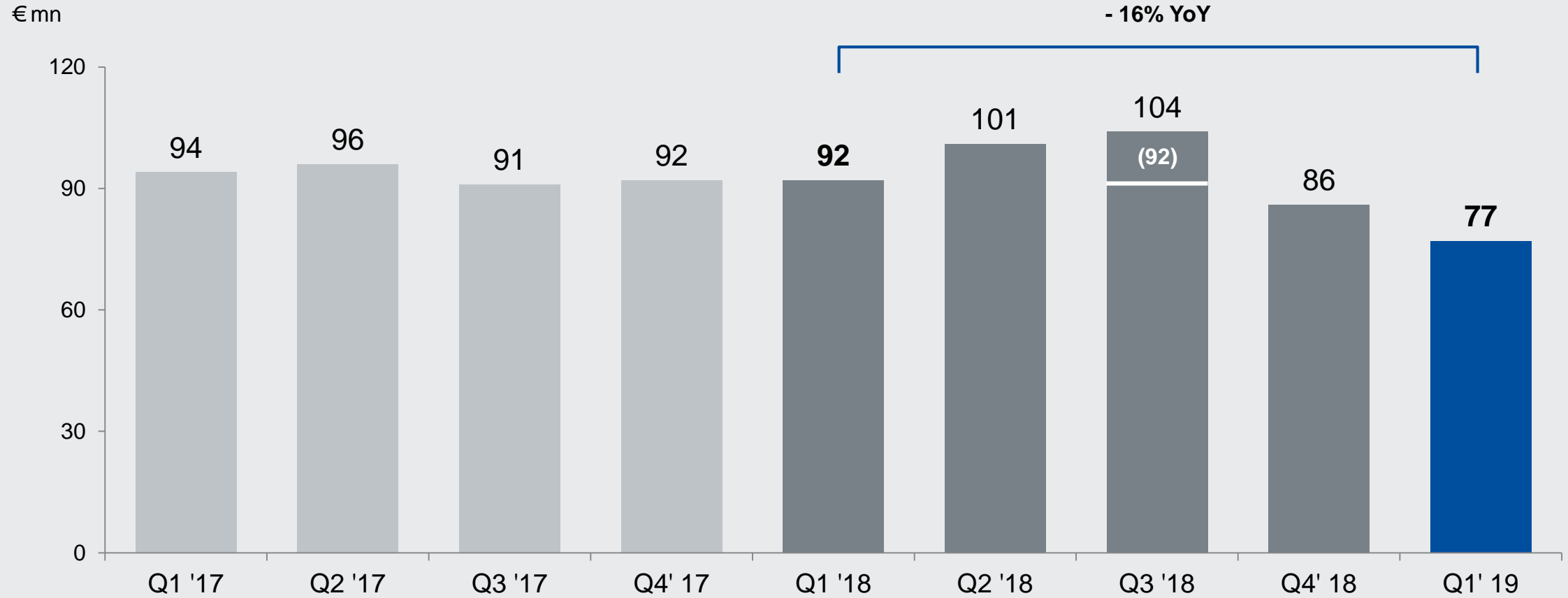
	Q1 2019 (€mn)	Q1 2018 (€mn)	Growth	Organic	External	FX
Europe, Middle East, Africa	400	415	-4%	-3%	-	-1%
Asia-Pacific	171	178	-4%	-5%	-	+1%
Americas	106	95	+12%	+8%	0%	+4%
Consolidation	-34	-45	-	-	-	-
Total	643	643	0%	-1%	0%	+1%

Income statement Q1 2019

€mn	Q1 2019	Q1 2018	Δ €mn	Δ in %
Sales	643	643	0	0
Gross Profit	217	225	-8	-4
<i>Gross Profit margin</i>	33.7 %	35.0 %	-	-1.3 %-points
Other function costs	-142	-136	-6	4
EBIT before at Equity	75	89	-14	-16
At Equity	2	3	-1	-33
EBIT	77	92	-15	-16
Earnings after tax	55	67	-12	-18

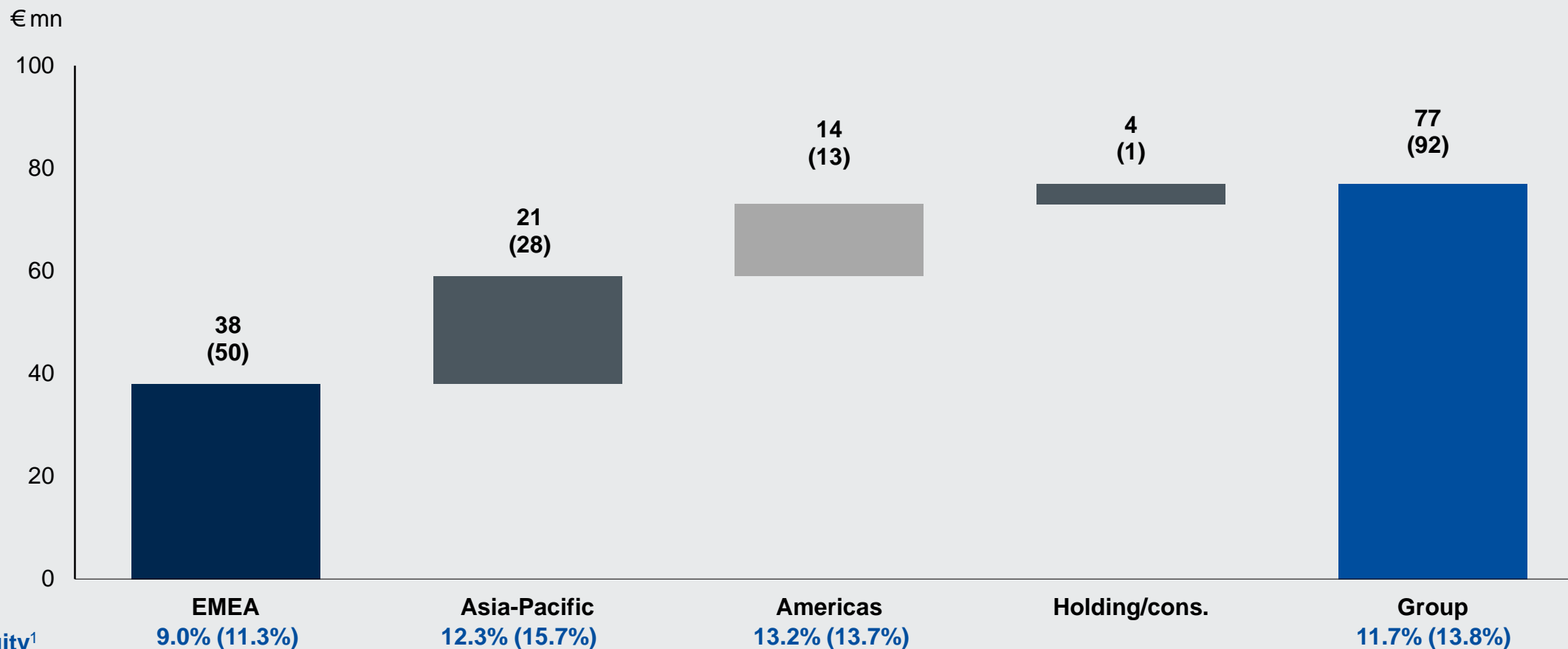
EBIT development

(Q3 2018: €12 mn one-off effect from sale of at equity share)



EBIT by regions

Q1 2019 (Q1 2018)¹



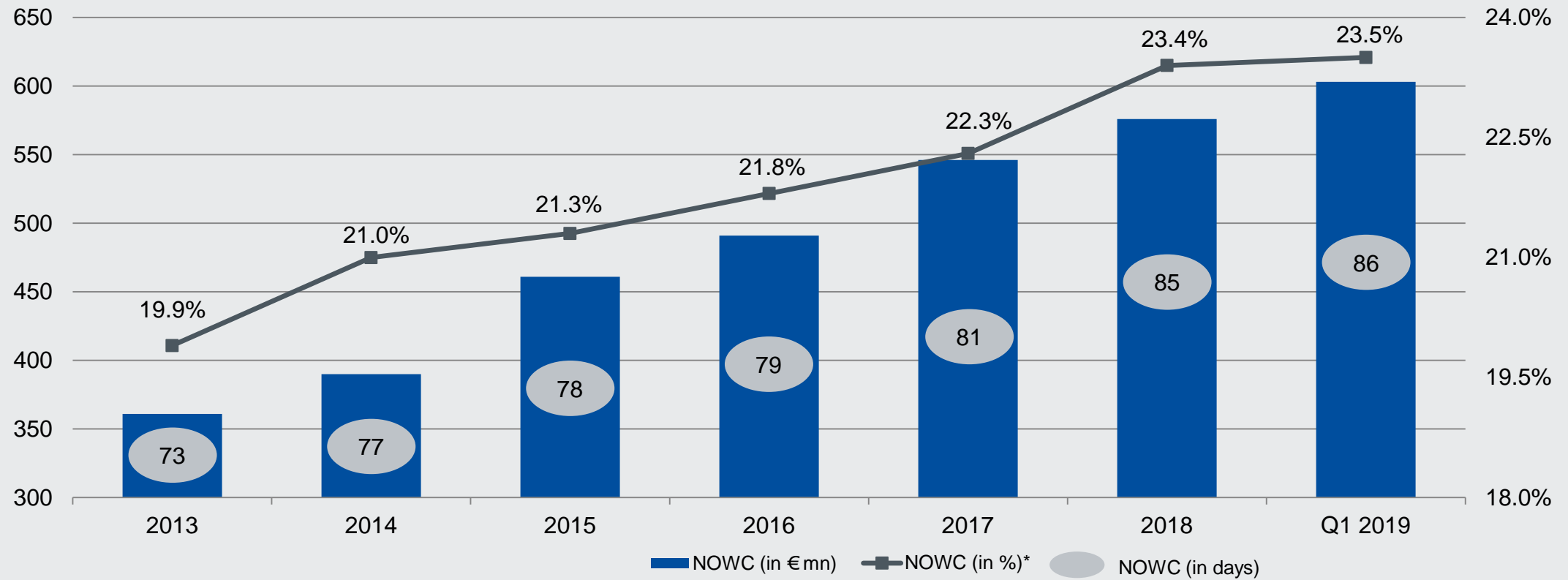
EBIT margin before at equity¹

¹ 2018 comparable

Cash flow Q1 2019

€mn	Q1 2019	Q1 2018	Δ in %
Earnings after tax	55	67	-18
Amortization/Depreciation	18	14	29
Changes in net operating working capital (NOWC)	-17	-33	48
Other changes	-9	-9	-
Capex	-34	-18	89
Free cash flow before acquisitions	13	21	-38
Acquisitions	0	-1	-
Free cash flow	13	20	-35

Net operating working capital (NOWC)*



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

Q1 2019 earnings summary

- Decrease in sales in EMEA and Asia-Pacific due to weakness of the automotive market in China and Germany
- North and South America continues to grow organic and offsets sales decrease in APAC and EMEA
- Positive FX effects North- and South America due to a strong US dollar, hardly any effect in EMEA and APAC
- Slightly increased raw material costs, which only can be passed on with a time lag, and increased costs due to the growth initiative result in a decrease of gross profit by 4% to €217 mn. Gross profit margin decreases to 33.7% (35.0)
- Additional D&A and higher staff costs increase other function costs by €6 mn to €142 mn (136)
- EBIT therefore lower y-o-y at €77 mn (92); Earnings after tax at €55 mn (67), down by 18%

Outlook 2019 unchanged

Presupposing a growth of the automotive industry by 1%

Performance indicator	Actual 2018	Outlook 2019
Sales	€2,567 mn	+2% to +4%
EBIT comparable (before one-off effect)	€371 mn	-5% to -2%
EBIT	€383 mn	-8% to -5%
FUCHS Value Added	€251 mn	~ €200 mn
Free cash flow before acquisitions	€147 mn	~ €100 mn

- Organic sales development in all the regions mainly volume driven
- Earnings decrease expected as a result of investments in new and existing plants, people, R&D and IT
- Planned capex on record level (€180 mn) with focus on: Germany, China, Sweden, USA, Russia and UK

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Adjusted 2018 quarterly figures accounting for the new segment reporting structure

2018 comparable
Sales by company location
EBIT before at equity income
<i>in % of sales</i>
Income from at equity companies
Segment earnings (EBIT)
<i>in % of sales</i>

EMEA				
Q1	Q2	Q3	Q4	FY
415	414	408	381	1,618
47	48	46	44	185
11.3	11.6	11.3	11.5	11.4
3	3	15	5	26
50	51	61	49	211
12.0	12.3	15.0	12.9	13.0

Asia-Pacific				
Q1	Q2	Q3	Q4	FY
178	191	173	164	706
28	28	24	22	102
15.7	14.7	13.9	13.4	14.4
-	-	-	-	-
28	28	24	22	102
15.7	14.7	13.9	13.4	14.4

North and South America				
Q1	Q2	Q3	Q4	FY
95	104	105	105	409
13	17	15	14	59
13.7	16.3	14.3	13.3	14.4
-	-	-	-	-
13	17	15	14	59
13.7	16.3	14.3	13.3	14.4

2018 comparable
Sales by company location
EBIT before at equity income
<i>in % of sales</i>
Income from at equity companies
Segment earnings (EBIT)
<i>in % of sales</i>

Holding / Consolidation				
Q1	Q2	Q3	Q4	FY
-45	-41	-44	-36	-166
1	6	3	1	11
-	-	-	-	-
0	-1	1	0	0
1	5	4	1	11
-	-	-	-	-

FUCHS Group				
Q1	Q2	Q3	Q4	FY
643	668	642	614	2,567
89	99	88	81	357
13.8	14.8	13.7	13.2	13.9
3	2	16	5	26
92	101	104	86	383
14.3	15.1	16.2	14.0	14.9