

FUCHS GROUP

Financial Results H1 2020

| Analyst's Conference, 30th July 2020

| Stefan Fuchs, CEO

| Dagmar Steinert, CFO



Agenda

01 | Financial Results H1 2020

02 | FUCHS2025

01 Financial Results H1 2020



Highlights H1 2020

€1,120 mn

Sales down by 14 %

€112 mn

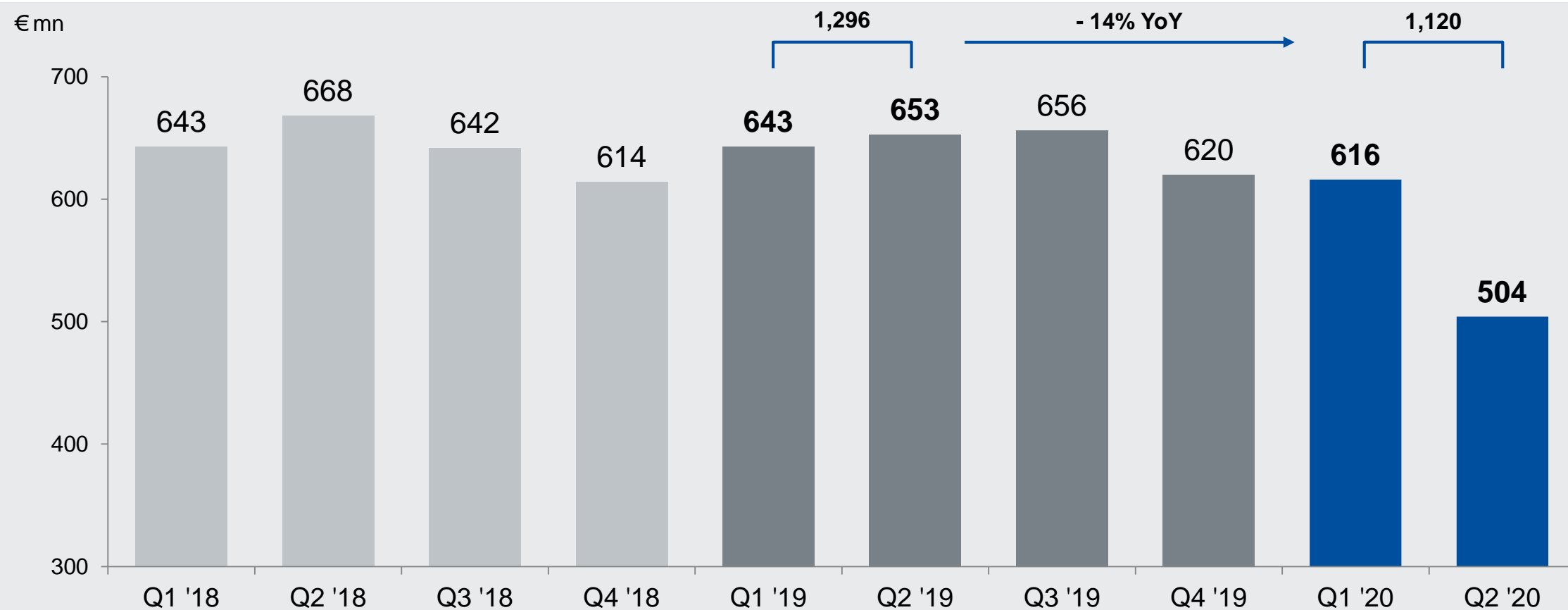
EBIT down by 29 %

New Outlook FY 2020

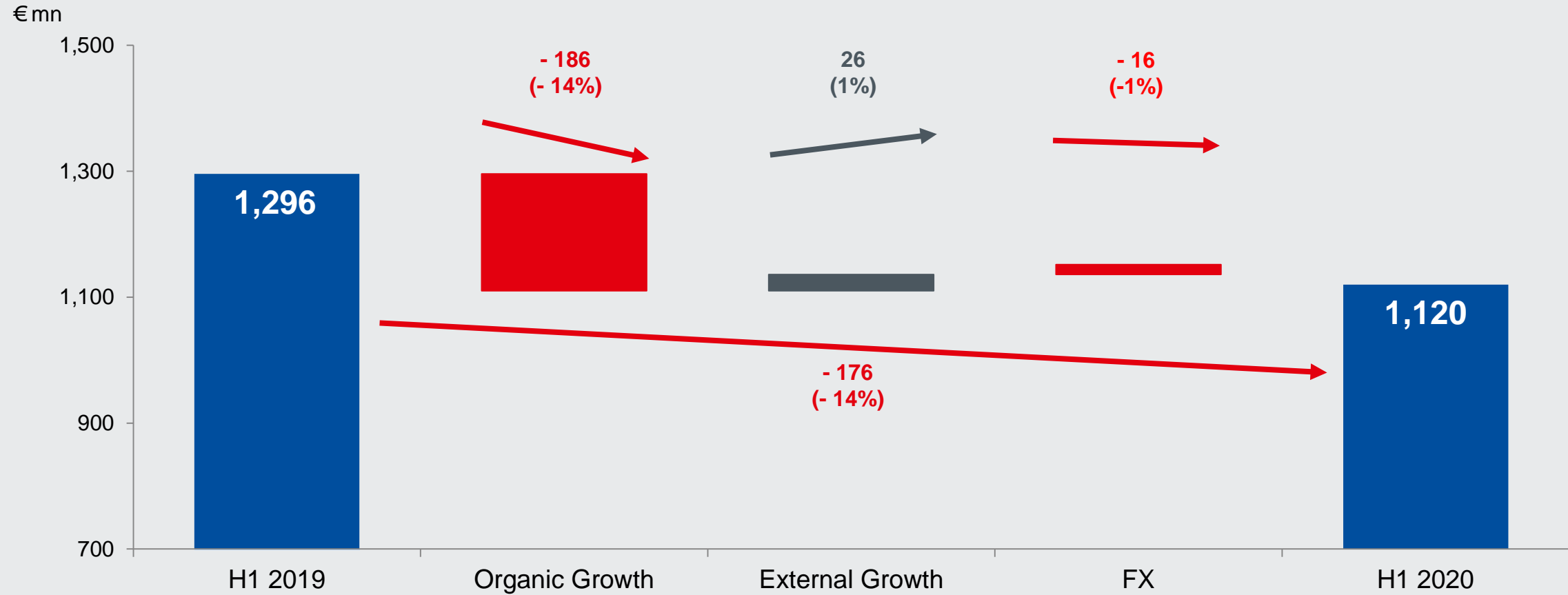
- EBIT decline in the range of 25%
(Based on today's assessment of the effects of the COVID-19 pandemic)
- A second pandemic wave is not taken into account in the forecast
- The effects of the crisis on supply chains, production and customer demand cannot be reliably estimated currently

- Sales revenues and earnings heavily impacted by COVID-19 pandemic
- Asia-Pacific records comparatively small decline in EBIT
- Continued very sound balance sheet structure and sufficient liquidity
- FUCHS2025 initiative further intensified and investment program continued

Sales development



H1 2020 Group sales



Regional sales growth H1 2020

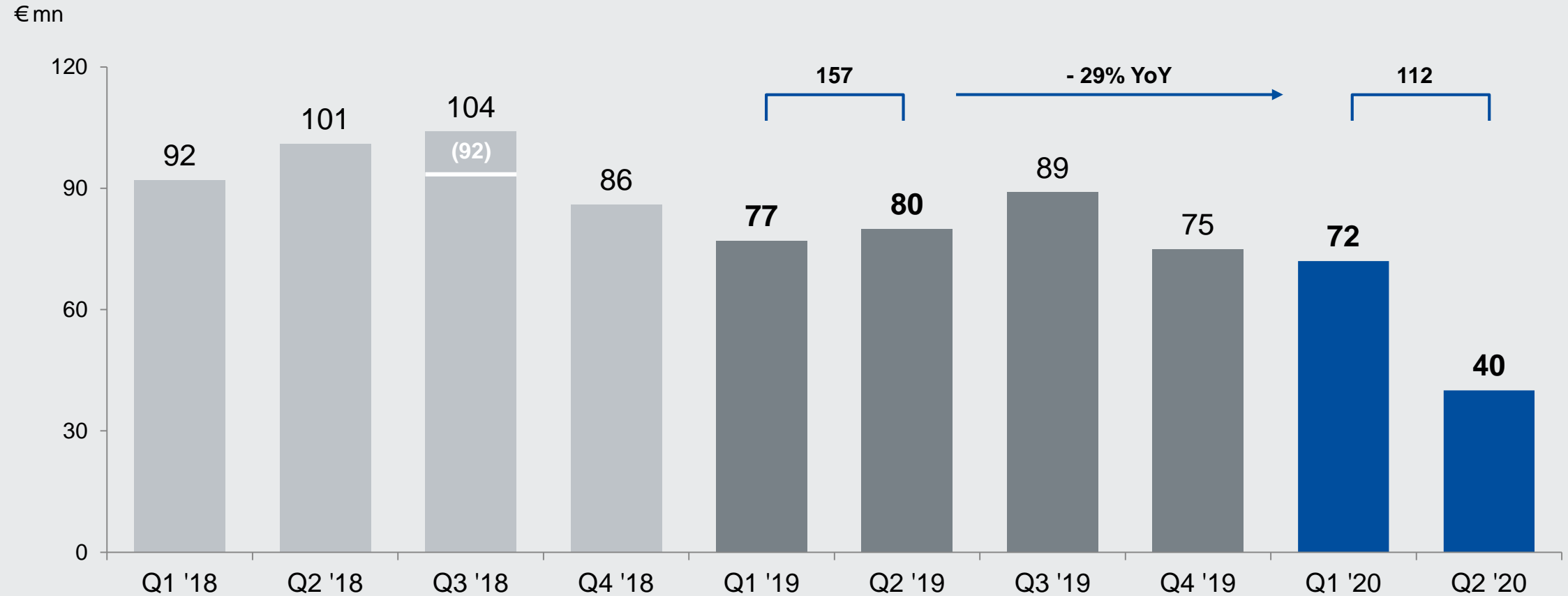
	H1 2020 (€mn)	H1 2019 (€mn)	Growth	Organic	External	FX
Europe, Middle East, Africa	690	799	-14%	-13%	-	-1%
Asia-Pacific	320	355	-10%	-10%	+2%	-2%
Americas	181	212	-15%	-24%	+10%	-1%
Consolidation	-71	-70	-	-	-	-
Total	1,120	1,296	-14%	-14%	+1%	-1%

Income statement H1 2020

€mn	H1 2020	H1 2019	Δ €mn	Δ in %
Sales	1,120	1,296	-176	-14
Gross Profit	390	441	-51	-12
<i>Gross Profit margin</i>	34.8 %	34.0 %	-	+0.8 %-points
Other function costs	-282	-289	7	-2
EBIT before at Equity	108	152	-44	-29
At Equity	4	5	-1	-20
EBIT	112	157	-45	-29
Earnings after tax	79	112	-33	-29

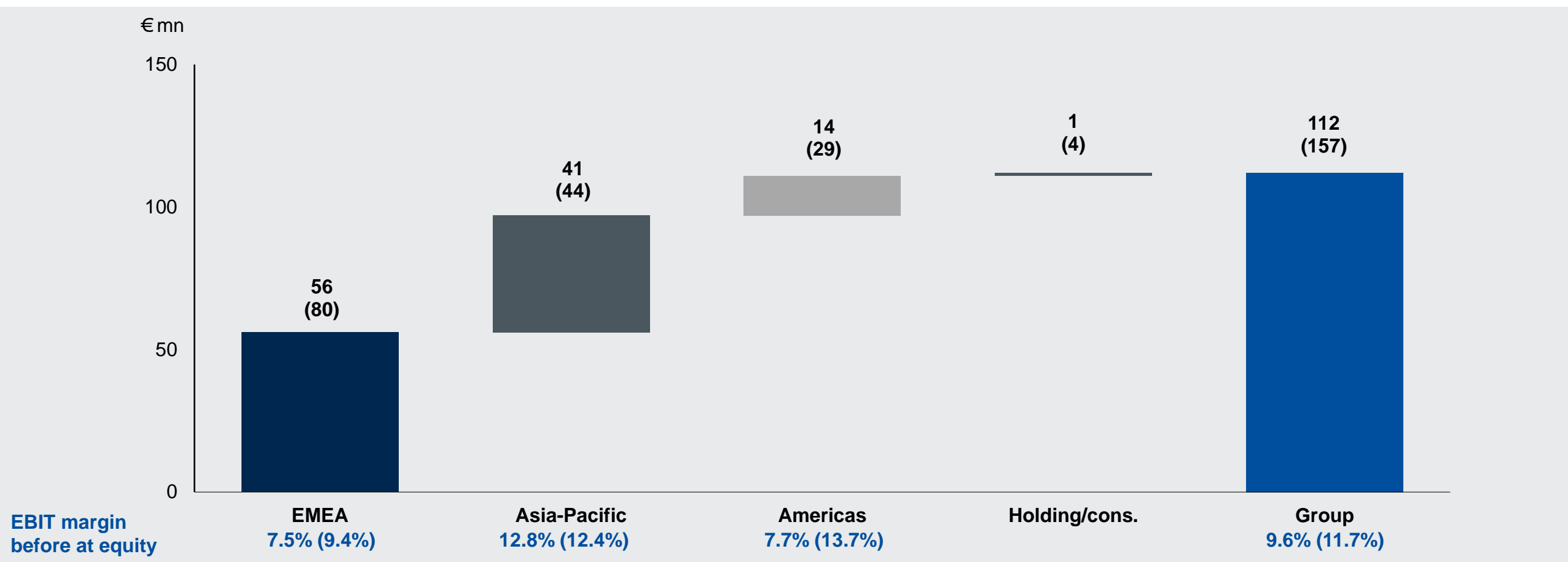
EBIT development

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



EBIT by regions

H1 2020 (H1 2019)

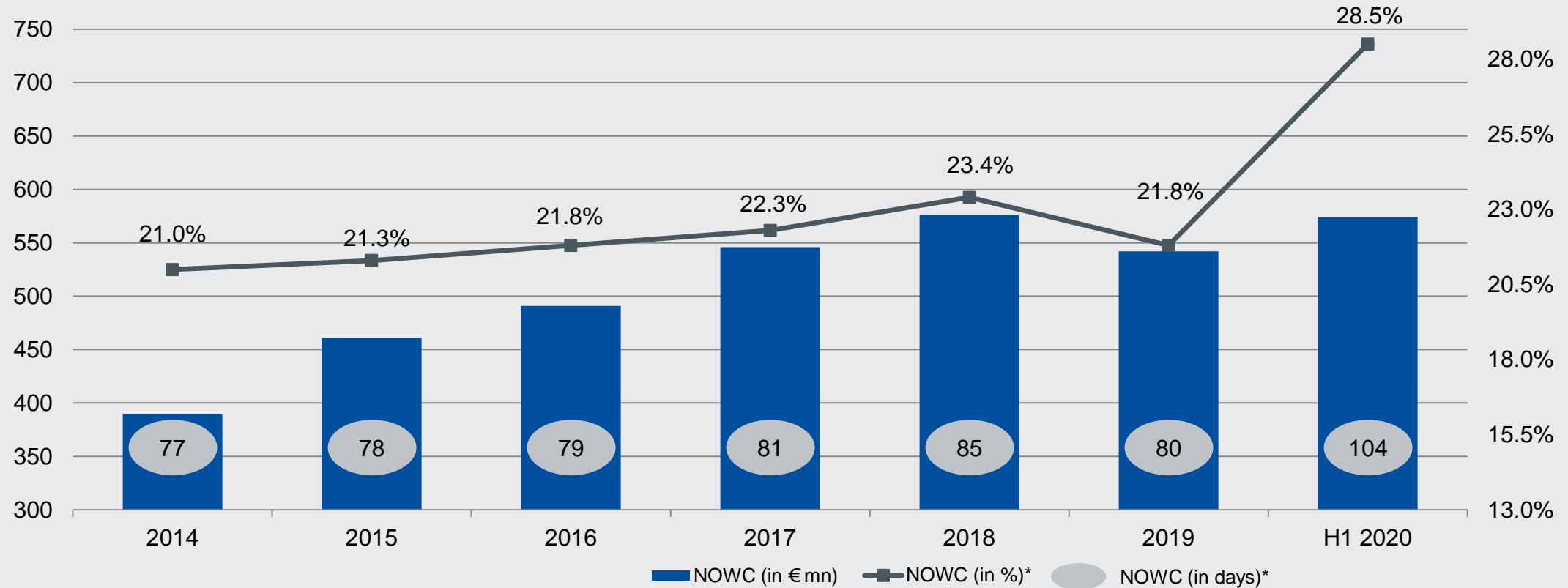


Cash flow H1 2020

€mn	H1 2020	H1 2019	Δ in €mn	Δ in %
Earnings after tax	79	112	-33	-29
Amortization/Depreciation	40	36	4	11
Changes in net operating working capital (NOWC)	-39	-20	-19	95
Other changes	-7	-36	29	-81
Capex	-58	-76	18	-24
Free cash flow before acquisitions¹	15	16	-1	-6
Acquisitions	-95	-10	-85	>100
Free cash flow	-80	6	-86	>-100

¹ Free cash flow before cash paid for acquisitions and before cash acquired through acquisitions

Net operating working capital (NOWC)



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

H1 2020 earnings summary

- Organic sales decrease in all three regions; Americas and EMEA impacted the most by the spreading of the COVID-19 pandemic; June in APAC on pre-crisis level mainly due to China
- External growth in APAC (NULON) and Americas (ZIMMARK & NYE)
- Slight decrease of Gross Margin in Q2 due to product mix changes; Gross margin at 34.8% (34.0) above HY 2019
- Cost savings take effect; Other function costs down by €7 million despite increased cost base driven by Capex and M&A (Australia and North America)
- Depreciation and amortization higher due to the investment program
- EBIT at €112 mn (157) and Earnings after tax at €79 mn (112) down by 29% as a result of the COVID-19 pandemic
- New Outlook for FY 2020 after suspending the FY outlook in April; EBIT decrease in the range of 25% for FY 2020

Outlook 2020 – New Outlook for FY 2020

Performance indicator	Actual 2019	Outlook 2020 (Pre-COVID-19)	Outlook H1 - 2020	Outlook FY - 2020
Sales	€2,572 mn	+0% to +4%		
EBIT	€321 mn	+0% to +4%	~ -30% ✓	~ -25%
FUCHS Value Added	€174 mn	~ €170 mn		
Free cash flow before acquisitions	€175 mn	~ €130 mn		
Capex	€154 mn	€120 mn		
		As of March 4, 2020	As of April 30, 2020	As of July 27, 2020

- In April 2020 Outlook for the FY 2020 was suspended due to COVID-19
- Earnings decline in the order of 25% (Based on today's assessment of the effects of the COVID-19 pandemic)
- Effects of the crisis on supply chains, production and customer demand cannot currently be reliably estimated
- Statement is subject to great uncertainty and a second pandemic wave is not considered in the current forecast for FY

02 FUCHS2025



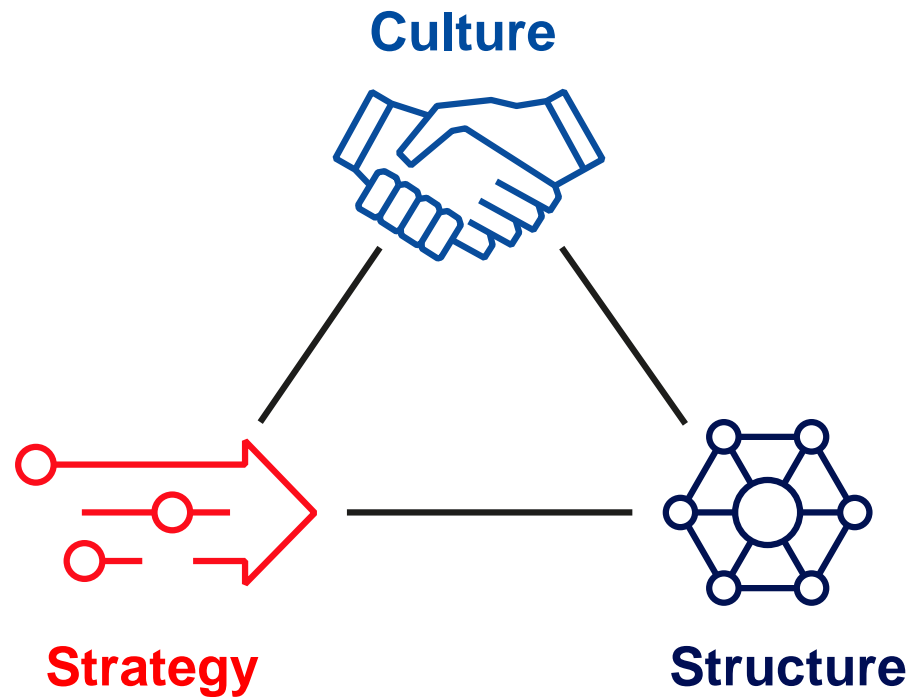
New Mindset for Future Challenges

The FUCHS2025 Strategy



FUCHS2025

Key Elements



We want to use these challenges as an opportunity. That is why we are responding to them with a new mindset – an attitude that brings strategy, structure and culture into line in a purposeful way.

FUCHS2025

Vision – Being First Choice

“ We want to build on our strengths and globally align our organization to make our vision come true: ‘Being First Choice.’ ”

Stefan Fuchs, CEO FUCHS Group



FUCHS2025 – growing from a solid foundation

Based on ...

- Our full product offering and global setup
- Our local entrepreneurship in 60+ subsidiaries
- Our performance driven culture and loyal employee base

We want to ...

- Be the partner of our customers around their needs in lubrication solutions
- Achieve a better global alignment through harmonized standards and procedures
- Leverage our experience and explore existing opportunities, especially in Asia and the Americas
- Continuously improve the CO₂ footprint of our products based on a lifecycle assessment
- Become the employer of choice

FUCHS2025 Strategy

Strategic Pillars

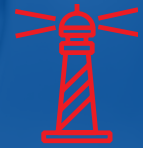
Six strategic pillars form the base of our strategy. They are the guiding principles for our strategic actions to reach our vision for FUCHS2025.



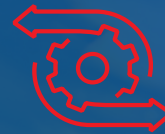
**Global
Strength**



**Customer &
Market Focus**



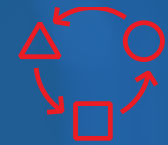
**Technology
Leader**



**Operational
Excellence**



**People &
Organization**



Sustainability

FUCHS2025 Strategy

Global Strength



Strategic Objectives:

- Use market segmentation as basis for strategic and global business development, achieve better market penetration
- Grow above Group average in Asia-Pacific and the Americas, achieve a better balance between all three world regions by 2025
- Further refine the brand profile, strengthen brand equity and attractiveness

FUCHS2025 Strategy

Customer & Market Focus



Strategic Objectives:

- Achieve maximum customer proximity, further utilize cross-selling opportunities, become the full-line supplier for our customers
- Develop global service portfolio up to 2025, change from product-driven approach to solution-driven approach
- Grow market shares to be amongst the leaders in the segments we target
- Systematically introduce new business models within the broader world of lubrication

FUCHS2025 Strategy

Technology Leader



**Technology
Leader**

Strategic Objectives:

- Increase our innovation power in R&D and beyond. Be technology leader in the segments we target until 2025
- Innovate products and operational performance to make our customers more connected with us beyond lubricants by introducing digital solutions and platforms
- Bring all three R&D centers in China, USA and Germany to the same level of expertise until 2025

FUCHS2025 Strategy

Operational Excellence



Strategic Objectives:

- Strengthen our global manufacturing and distribution network to achieve self-sufficient supply and technology hubs in Asia-Pacific, EMEA and the Americas until 2025
- Further standardize manufacturing and procurement procedures, equipment and output to achieve a more efficient supply chain
- Expand data transparency based on further globalization of structures and harmonization of systems

FUCHS2025 Strategy

People & Organization



People & Organization

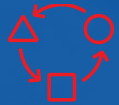


Strategic Objectives:

- Be the employer of choice for our existing and future workforce
- Further improve working environments and global collaboration
- Strengthen global talent acquisition and retention, enhance our development programs, competence models and succession planning
- Endorse internationalization of entities, remote leadership, international job rotation

FUCHS2025 Strategy

Sustainability



Sustainability

Strategic Objectives:

- **Economical Sustainability**

- Generate sustainable revenue growth at 15% EBIT margin with a corresponding increase of our FUCHS Value Added

- **Ecological Sustainability**

- CO₂-neutral production (“gate-to-gate”) since 2020 and carbon-neutral products (“cradle-to-gate”) by 2025. Foster additional ecological sustainability projects

- **Social Sustainability**

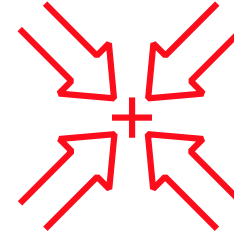
- Further promote Corporate Social Responsibility projects

FUCHS2025 Strategy

Highlights



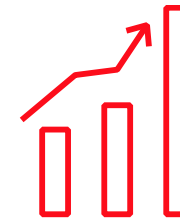
**Sustainable revenue growth
with operational excellence
at a 15% EBIT margin and
corresponding FVA growth**



**Better market penetration
through market
segmentation**



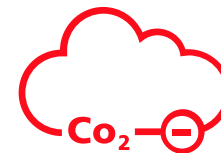
**Technology leadership
in the segments we target
until 2025**



**Overproportionate growth in
Asia-Pacific & the Americas**



**Be the employer of choice
for our existing and future
workforce**



**CO₂-neutrality in production
“gate-to-gate” since 2020
and CO₂-neutral products
“cradle-to-gate” by 2025**

FUCHS2025 Strategy

Actions



Extensive market segment approach: holistic segmentation of all operations regarding customers and markets and effective alignment of organization towards it



In addition initiation of several strategic initiatives with globally staffed cross-functional teams to introduce the strategic objectives from a group perspective



Stronger emphasis on innovation, service solutions and new market perspectives to expand full-line supplier claim



Joint approach with continuous development of corporate culture program to be able to leverage our strong cultural foundation for further strategy execution

Thank you very much for your attention.



Financial Calendar & Contact

Financial Calendar 2020

July 30, 2020	Half-year Financial Report 2020
----------------------	---------------------------------

November 3, 2020	Quarterly Statement Q3 2020
-------------------------	-----------------------------

Financial Calendar 2021

March 9, 2021	Annual Report 2020
----------------------	--------------------

May 4, 2021	Annual General Meeting in Mannheim
--------------------	------------------------------------

The financial calendar is updated regularly. You can find the latest dates on the webpage at www.fuchs.com/financial-calendar

Investor Relations Contact

FUCHS PETROLUB SE

Friesenheimer Str. 17
68169 Mannheim
www.fuchs.com/group/investor-relations



Thomas Altmann
Head of Investor Relations
thomas.altmann@fuchs.com



Andrea Leuser
Manager Investor Relations
andrea.leuser@fuchs.com



Kelvin Jörn
Junior Manager Investor Relations
kelvin.joern@fuchs.com

Disclaimer

The information contained in this presentation is for background purposes only and is subject to amendment, revision and updating. Certain statements and information contained in this presentation may relate to future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. In addition to statements which are forward-looking by reason of context, including without limitation, statements referring to risk limitations, operational profitability, financial strength, performance targets, profitable growth opportunities, and risk adequate pricing, other words such as "may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, or continue", "potential, future, or further", and similar expressions identify forward-looking statements.

By their very nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These factors can include, among other factors, changes in the overall economic climate, procurement prices, changes to exchange rates and interest rates, and changes in the lubricants industry. FUCHS PETROLUB SE provides no guarantee that future developments and the results actually achieved in the future will match the assumptions and estimates set out in this presentation and assumes no liability for such. Statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

The company does not undertake any obligation to update or revise any statements contained in this presentation, whether as a result of new information, future events or otherwise. In particular, you should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation.