

Press Release

FUCHS generates considerable increases in sales volumes and sales revenues in the first quarter – significant negative exchange rate effects

“Operationally, we started good in the year 2018. We generated significant increases in sales volumes and sales revenues and exceeded the previous year’s EBIT after adjusting for currency effects. Sales revenues and earnings were significantly negatively impacted by the exchange rate development in the first quarter. This effect will diminish most likely over the course of 2018. In the coming quarters, we continue to expect strong growth in sales revenues and a positive earnings development. We confirm our forecast for the full year for sales and earnings growth,” states Stefan Fuchs, Chairman of the Executive Board of FUCHS PETROLUB SE.

- Sales revenues: +4% to € 643 million
- Currencies (-6%) burden organic growth (+10%)
- EBIT of € 92 million down 2% on previous year’s high level due to currency effects
- Outlook remains unchanged

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FUCHS at a glance

In € million	Q1 2018	Q1 2017	Change in %
Sales revenues ⁽¹⁾	643	618	4.0
Europe	396	368	7.6
Asia-Pacific, Africa	199	181	9.9
North and South America	95	104	-8.7
Consolidation	-47	-35	
Earnings before interest and tax (EBIT)	92	94	-2.1
Earnings after tax	67	66	1.5
Capital expenditure	18	14	28.6
Free cash flow before acquisitions	21	42	-50.0
Earnings per share in €			
Ordinary share	0.48	0.47	
Preference share	0.48	0.48	
Employees as at March 31	5,235	5,052	3.6

(1) By company location

Sales revenues and earnings

FUCHS PETROLUB increased its sales revenues by 4% to € 643 million (618) in the first quarter of 2018. The Group grew organically by 10%, mainly driven by volume. All three regions of the world contributed. As a result of the strong euro, there was a negative currency effect of -6% regarding translation into the Group currency.

The income statement for the first quarter was also significantly impacted by the effects of the exchange rate development. EBIT was therefore below previous year's level by 2% at € 92 million. Earnings after tax climbed to € 67 million (66) due to a decrease in the tax rate. Earnings per ordinary and preference share were on a par with the previous year at € 0.48 (0.47) and € 0.48 (0.48) respectively.

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At € 21 million (42), free cash flow before acquisitions was lower than in the previous year as expected. Main reason is the higher amount of funds tied up in working capital as a result of increased business volume.

Sales revenues and earnings in the regions

The Europe region posted organic growth in almost all countries. Sales revenues rose by 8% to € 396 million (368). With organic growth in sales revenues of 18%, the Asia-Pacific, Africa region saw the strongest growth in relative terms. This was countered by a significant negative currency translation effect of -8%. Overall, the region therefore grew by 10% to € 199 million (181). The North and South America region posted pleasing organic growth (+7%), particularly in North America. Sales revenues in the region declined by 9% overall to € 95 million (104) due to currency impacts.

The EBIT development was also impacted by negative currency translation effects outside Europe. EBIT in the Europe region increased by € 3 million to € 49 million (46). By contrast, EBIT in the Asia-Pacific, Africa region fell by € 1 million to € 33 million (34) and in the North and South America region it declined by € 3 million to € 14 million (17).

Outlook

The outlook for the entire year is confirmed. FUCHS PETROLUB is anticipating growth in sales revenues of between 3% and 6% and an increase in EBIT of between 2% and 4%. The Group expects the negative currency effect to weaken over the course of the year. With investments of around € 140 million, the planned expansion of capacities will be continued.

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The following information is available online:

Quarterly Statement as at March 31, 2018:

www.fuchs.com/group/financial-reports

Image and video material: www.fuchs.com/group/mediagallery/

About FUCHS

The FUCHS Group develops, produces and markets high-grade lubricants and related specialties for virtually all industries and areas of application. The company, which was founded in Mannheim in 1931, employs more than 5,000 people worldwide at 58 operating companies. FUCHS is the world's largest independent lubricant manufacturer. The most important markets in terms of sales revenues are Western Europe, Asia and North America.

Important note

This press release contains statements about future developments that are based on assumptions and estimates by the management of FUCHS PETROLUB SE. Even if the management is of the opinion that these assumptions and estimates are accurate, future actual developments and future actual results may differ significantly from these assumptions and estimates due to a variety of factors. These factors can, for example, include changes in the overall economic climate, changes in procurement prices, changes to exchange rates and interest rates, and changes within 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 press release and assumes no liability for such.