

Press Release

FUCHS generates sales revenues on the level of the previous year in the first quarter – growth initiative results in costs increasing as planned

“In a difficult economic environment, FUCHS made an expectedly weak start to 2019. Compared to the very strong first quarter of 2018, sales revenues in the first three months of this year were at the previous year’s level. We once again benefited from our global presence: Declines in sales revenues on the German and Chinese markets, which are suffering from a weak automotive demand, were compensated for by the continued growth in sales revenues in North and South America.

Costs increased as expected given our growth initiative, resulting in EBIT of EUR 77 million (92), a decrease of 16% year-on-year.

With confidence and foresight, we remain committed to our investments in future growth and efficiency increases”, states Stefan Fuchs, Chairman of the Executive Board of FUCHS PETROLUB SE.

- Sales revenues on previous year’s level at EUR 643 million
- Growth initiative results in costs increasing as planned
- Earnings (EBIT) decrease by 16% to EUR 77 million
- Outlook for 2019 as a whole unchanged

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FUCHS at a glance

in EUR million	Q1 2019	Q1 2018 ⁽¹⁾	Change %
Sales revenues ⁽²⁾	643	643	0
Europe, Middle East, Africa (EMEA)	400	415	-4
Asia-Pacific	171	178	-4
North and South America	106	95	12
Consolidation	-34	-45	-
Earnings before interest and tax (EBIT)	77	92	-16
Earnings after tax	55	67	-18
Capital expenditure	34	18	89
Free cash flow before acquisitions	13	21	-38
Earnings per share in EUR			
Ordinary share	0.39	0.48	-19
Preference share	0.39	0.48	-19
Employees as at March 31	5,456	5,235	4

(1) Prior-year figures adjusted.

(2) By company location.

Sales revenues and earnings

In the first quarter of 2019, FUCHS PETROLUB kept its sales revenues stable at the previous year's level at EUR 643 million (643) despite a difficult economic environment. The growth in the North and South America region continued and compensated for declines in sales revenues due to a weak automotive demand in China and Germany.

The income statement for the first three months is influenced by the planned increase in costs related to the growth initiative. EBIT is therefore down 16% year-on-year at EUR 77 million (92). Earnings after tax fell by 18% to EUR 55 million (67). Earnings per ordinary and preference share were down nearly 19% year-on-year at EUR 0.39 (0.48) in both cases.

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At EUR 13 million (21), free cash flow before acquisitions was lower than in the previous year as expected. This is due to the considerable increased investments in fixed assets of EUR 34 million (18).

Sales revenues and earnings in the regions

At EUR 400 million (415), the sales revenues of the Europe, Middle East, Africa (EMEA) region are down 4% year-on-year. The main reasons for this are the weakness of the automotive market in Germany and the declining automotive demand in China, which is weakening the intercompany business in Germany. At EUR 171 million (178), sales in the Asia-Pacific region declined by 4%. The North and South America region continues its positive growth. The region achieved organic growth of 8%. Due to the strength of the US dollar, the region saw currency effects of +4%. In total, the region's sales revenues therefore increased by 12% to EUR 106 million (95).

In addition to the planned increase in costs as a result of the growth initiative, EBIT in the EMEA and Asia-Pacific regions declined due to the weaker demand from the automotive industry. In Europe, Middle East, Africa, EBIT fell by 24% to EUR 38 million (50). The Asia-Pacific region's EBIT declined by 25% to EUR 21 million (28). In contrast, EBIT in the North and South America region increased by 8% to EUR 14 million (13).

Outlook

The outlook for the full year 2019 is being confirmed. FUCHS PETROLUB anticipates growth in sales revenues of between 2% and 4%. The Group expects a decrease in EBIT of between -8% and -5% (based on EBIT 2018 including one-off income). Despite more difficult conditions, the investment initiative for future growth and efficiency increases in the order of EUR 180 million will be continued.

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FUCHS PETROLUB SE

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The following information is available online:

Image and video material:

www.fuchs.com/group/mediagallery

www.presseportal.de/pm/110448/4215560

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.