

## Press Release

### FUCHS confirms preliminary figures for 2018 financial year: Sales revenues increase to EUR 2.6 billion, earnings before one-off effect at previous year's level

- Sales revenues: +4% to EUR 2.6 billion
- Earnings (EBIT): +3% to EUR 383 million
- Dividend proposal: +4% to EUR 0.95 per preference share

#### FUCHS at a glance

EUR million	2018	2017	Change	Change %
<b>Sales revenues <sup>(1)</sup></b>	<b>2,567</b>	<b>2,473</b>	<b>94</b>	<b>4</b>
Europe	1,546	1,515	31	2
Asia-Pacific, Africa	783	733	50	7
North and South America	409	393	16	4
Consolidation	-171	-168	-3	-
<b>EBIT before one-off effect</b>	<b>371</b>	<b>373</b>	<b>-2</b>	<b>-1</b>
<b>EBIT</b>	<b>383</b>	<b>373</b>	<b>10</b>	<b>3</b>
<b>Earnings after tax</b>	<b>288</b>	<b>269</b>	<b>19</b>	<b>7</b>
<b>Investments</b>	<b>121</b>	<b>105</b>	<b>16</b>	<b>15</b>
<b>Free cash flow before acquisitions</b>	<b>147</b>	<b>142</b>	<b>5</b>	<b>4</b>
Acquisitions <sup>(2)</sup>	+12	-2	+14	-
<b>Free cash flow</b>	<b>159</b>	<b>140</b>	<b>19</b>	<b>14</b>
<b>Earnings per share in EUR</b>				
Ordinary share	2.06	1.93	0.13	7
Preference share	2.07	1.94	0.13	7
<b>Employees as of December 31</b>	<b>5,446</b>	<b>5,190</b>	<b>256</b>	<b>5</b>

(1) By company location

(2) Including divestments

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Group sales revenues for FUCHS PETROLUB SE increased again in the 2018 financial year, reaching a new record level of EUR 2.6 billion. EBIT amounted to EUR 383 million (373) and includes a one-off effect of EUR 12 million from the sale of an at equity share. The planned increase of the expense level and higher raw material costs caused earnings growth to be underproportionate relative to sales revenues growth.

### Investments

In the reporting year, FUCHS continued the investment initiative, which was initiated in the year 2016. Accounting for one third of capital expenditures, Germany was the focus of expansion and modernization measures. Overall, investments climbed as planned to EUR 121 million (105). Of this amount, EUR 26 million was attributable to the Mannheim site alone. Two plots of land were purchased for the construction of another fully automated AS/RS warehouse and additional office space. The site for specialty lubricants in Kaiserslautern was extended by additional storage and office space, and a coating plant was also integrated at the site.

FUCHS continued construction work on its new plant in Sweden, began the construction of a raw materials warehouse in the UK and completed a larger production capex project in Poland.

Investments in Asia-Pacific, Africa focused primarily on China, where construction work on the new plant in Wujiang was continued. The new plant in Beresfield in Australia and the grease plant at the Johannesburg site in South Africa started operation.

In North and South America projects related in particular to the plants in the US, where extensive modernization and expansion investments were made. In Harvey in the US, FUCHS continued its work on a new plant for the production of first fill automotive lubricants and its modernization efforts on a plant for metalworking fluids. In addition, the Huntington and Kansas City locations were modernized. Storage capacities were expanded in Canada.

### Outlook

In 2019, FUCHS expects to achieve further, albeit lower, sales revenues growth of between 2% and 4% and to see earnings decrease by -8% to -5% (EBIT comparable (before one-off income in 2018): -5% to -2%). The reasons for the weaker EBIT include non-recurring proceeds from the sale of an at equity share in 2018, the weakened economic climate particularly in China and growth-related cost increases. The growth initiative including investments in production facilities and IT infrastructure, increased research and development expenditure, and the recruitment of more em-

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ployees is resulting in a higher cost base. Given the profitability and financial strength of the company, the growth strategy will continue as planned until 2020, despite the weaker economic conditions. In this way, FUCHS aims to meet the increasingly complex future requirements at an early stage. The capital employed will increase further. The net operating working capital required for the increasing business volume will continue to grow. FUCHS is also planning investments of EUR 180 million. In particular these investments will target Germany, China, the US, Sweden, Russia and the UK. FUCHS therefore expects free cash flow before acquisitions of around EUR 100 million in 2019.

Mannheim, March 20, 2019

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### **About FUCHS**

The FUCHS Group develops, produces and markets high-grade lubricants and related specialties for virtually all industries and areas of application. Formed in Mannheim in 1931, the Group employs more than 5,000 people worldwide at 58 operating companies. FUCHS is the world's largest independent lubricant manufacturer. Its 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, in-

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clude changes in the overall economic climate, changes in procurement prices, changes in 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.