

## Press Release

### FUCHS confirms preliminary figures for the financial year 2019: Sales revenues of EUR 2.6 billion at previous year's level, EBIT 16% below previous year

- Sales revenues: +0% to EUR 2.6 billion
- Earnings (EBIT): -16% to EUR 321 million
- Dividend proposal: +2% to EUR 0.97 per preference share
- Annual General Meeting postponed

#### FUCHS at a glance

in EUR million	2019	2018	Change	Change %
<b>Sales revenues <sup>(1)</sup></b>	<b>2,572</b>	<b>2,567</b>	<b>5</b>	<b>0</b>
Europe, Middle East, Africa	1,579	1,618	-39	-2
Asia-Pacific	718	706	12	2
North and South America	418	409	9	2
Consolidation	-143	-166	23	-
<b>EBIT before one-off effect</b>	<b>321</b>	<b>371</b>	<b>-50</b>	<b>-13</b>
<b>EBIT</b>	<b>321</b>	<b>383</b>	<b>-62</b>	<b>-16</b>
<b>Earnings after tax</b>	<b>228</b>	<b>288</b>	<b>-60</b>	<b>-21</b>
<b>Capital expenditure</b>	<b>154</b>	<b>121</b>	<b>33</b>	<b>27</b>
<b>Free cash flow before acquisitions</b>	<b>175</b>	<b>147</b>	<b>28</b>	<b>19</b>
Acquisitions <sup>(2)</sup>	-13	+12	-25	-
<b>Free cash flow</b>	<b>162</b>	<b>159</b>	<b>3</b>	<b>2</b>
<b>Earnings per share in EUR</b>				
Ordinary share	1.63	2.06	-0.43	-21
Preference share	1.64	2.07	-0.43	-21
<b>Employees as at December 31</b>	<b>5,627</b>	<b>5,446</b>	<b>181</b>	<b>3</b>

(1) By company location; previous year figures comparable

(2) Including divestments

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In the 2019 financial year, FUCHS' sales revenues of EUR 2.6 billion (2.6) remain stable at the high level of the previous year. Earnings before interest and tax (EBIT) decreases by 16% to EUR 321 million (383). On a comparable basis, excluding the one-off effect from the sale of the trading joint venture in Switzerland in 2018, EBIT is -13% or EUR 50 million below the previous year (371). The decline in earnings at constant sales is due to the planned increase in the cost base, the growth and investment program and the decline in volume as a result of the weak economic environment.

### Investments

In 2019, FUCHS continued its investment program started in 2016 for the fourth year. As planned, investments, primarily in property, plant and equipment, rose to the record level of EUR 154 million in the reporting year.

The region Europe, Middle East and Africa (EMEA) was the focus of the expansion and modernization measures, accounting for around 60% of the expenditure. The largest single investment in the region was in Sweden where the construction of a new plant is well underway. In Kaiserslautern, the construction of a new high-bay warehouse, new production and office space was completed, and work continued on a new polyurea specialty grease plant, with which Kaiserslautern will further expand its position as a location for specialty lubricants. At the Mannheim site, work continued on optimizing internal processes in various ways and the tank farm was modernized and expanded. The UK continued the construction of its new raw material warehouse, while in Russia, construction work began on the plant expansion.

Investments of EUR 31 million were carried out in Asia-Pacific. FUCHS opened one of its most modern production plants with an automated high-bay warehouse and fully automated production in Wujiang, China. It replaces the previous plant in Shanghai and has almost twice the capacity. The administration and research and development laboratories remaining in Shanghai were expanded in 2019.

Around EUR 22 million was invested in the region North and South America. In the US, work at the Harvey site continued on a plant for the production of lubricants for OEM customers as well as the modernization of the metalworking fluids plant, and investments were made in additional office space. In Kansas City the modernization of the site continued.

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### Outlook

FUCHS expected growth in sales revenues of between +0% and +4% for the year 2020 when the 2019 annual financial statements were prepared on March 4. This is based both on organic volume growth and external growth. The latter is mainly due to the acquisition of NYE, a manufacturer of synthetic high-performance lubricants in the US, which was completed at the end of January 2020. FUCHS also expected a slight increase in EBIT of between +0% and +4%. The strict cost management will continue, and new hires will be kept to a minimum. The negative effects of the coronavirus on the global economy and the FUCHS Group cannot be estimated at present. However, they will at least temporarily lead to significant declines in sales and earnings.

The extensive investments in production plants and IT infrastructure will continue as part of our growth strategy, and research and development activities will also be strengthened. One of the objectives is to actively shape the increasingly complex requirements of the future. Given the profitability and financial strength of the Group, this process, which temporarily involves higher cost increase than earnings increase, will continue despite the slowdown in the global economy. FUCHS plans to invest EUR 120 million, particularly in Germany, the US, China, South Africa, Russia and Sweden. Capital employed will continue to increase and the net working capital required for the growing volume of business will also rise. For the 2020 financial year, FUCHS therefore anticipated a free cash flow before acquisitions of EUR 130 million when the annual financial statements were prepared. This expectation also does not take into account the negative effects of the coronavirus on the global economy.

### Postponement of the Annual General Meeting 2020 due to the coronavirus pandemic

Against the background of the spreading coronavirus and the current nationwide ban on events, FUCHS PETROLUB SE will not hold the Annual General Meeting on May 5, 2020 as planned in order to protect the health of all participants. Subject to the further development of the corona pandemic and related regulatory requirements, the Annual General Meeting will probably take place in the second half of June. The new date will be set and communicated in due course. This will inevitably result in a corresponding postponement of the resolution on the appropriation of profits and the dividend payment.

## Press Release

Mannheim, March 19, 2020

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The following information is available online:

**Image and video material:** [www.fuchs.com/group/mediagallery](http://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. Formed in Mannheim in 1931, the Group employs more than 5,600 people worldwide at 62 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, 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.