

Press Release

FUCHS with a strong start into fiscal year 2021

- Sales revenues at EUR 697 million 13% above prior year
- EBIT at EUR 101 million 40% above prior year
- Full-year outlook raised:
 - Sales between EUR 2.7 billion and EUR 2.8 billion (previously: 2019 level (EUR 2.6 billion))
 - EBIT between EUR 330 million and EUR 340 million (previously: 2020 level (EUR 313 million))

FUCHS at a glance

EUR million	Q1 2021	Q1 2020	Change	Change %
Sales revenues ¹	697	616	81	13
Europe, Middle East, Africa	419	401	18	5
Asia-Pacific	213	146	67	46
North and South America	111	110	1	1
Consolidation	-46	-41	-5	-
EBIT	101	72	29	40
Earnings after tax	71	51	20	39
Capital expenditure	15	31	-16	-52
Free cash flow before acquisitions	31	-4	35	-
Earnings per share in EUR				
Ordinary share	0.51	0.36	0.15	42
Preference share	0.51	0.37	0.14	38
Employees as at March 31	5,742	5,873	-131	-2

¹ By company location.

“We had all expected a good start into the new fiscal year at FUCHS. However, the pleasing start to the year with sales revenues of EUR 697 million and earnings of EUR 101 million exceeded our expectations. This positive development was driven by China, which generated record quarterly sales revenues and significantly contributed to the Asia-Pacific region doubling its earnings compared to the previous year. EMEA and North and South America also developed extremely positively with an earnings

Press Release

growth of 14% and 33% respectively – especially given that, in contrast to earnings in the Asia-Pacific region, their prior-year quarters were not yet impacted by the COVID-19 pandemic.

We are optimistic for the coming months, too, and have therefore raised our outlook. However, the current shortages and noticeable price increases of raw materials and packaging materials will weigh on costs and margins of the financial year. The high quarterly sales revenues are therefore at least partly the result of early purchases by our customers in view of the already announced, necessary selling price increases.”

Stefan Fuchs, Chairman of the Executive Board of FUCHS PETROLUB SE

Business Development in the Group

FUCHS PETROLUB achieved sales of EUR 697 million (616) in the first quarter of 2021, which was 13% higher than in the previous year.

This development was driven in particular by record sales in the region Asia-Pacific, which was boosted by strong demand from the automotive sector in China. In addition, the strong demand in the first quarter can partly be explained by early purchases in view of expected selling price increases.

At EUR 101 million (72), EBIT was 40% higher than in the previous year. The Asia-Pacific region made a significant contribution to the strong quarterly result by doubling its earnings.

Earnings after taxes rose by 39% to EUR 71 million (51).

Earnings per ordinary share were EUR 0.51 (0.36), earnings per preference share were EUR 0.51 (0.37).

Free cash flow before acquisitions was EUR 31 million (-4), well above the previous year.

Sales and earnings in the regions

At EUR 419 million (401), sales in the region Europe, Middle East, Africa (EMEA) were 5% above the previous year's level. All major countries contributed to the growth. Germany benefited from high group deliveries to China. EBIT rose by 14% to EUR 49 million (43).

Asia-Pacific recorded a record quarter with sales growing 46% to EUR 213 million (146) compared to the quarter of the previous year, which had already been affected by the Covid-19 pandemic. Thanks to high sales in the automotive sector, China achieved the highest quarterly sales in the company's history. The EBIT developed very strongly and doubled to EUR 34 million (17) compared to the previous year.

Press Release

Sales in North and South America kept almost stable at EUR 111 million (110) compared to the previous year. Despite the massive freeze with supply bottlenecks, organic growth was achieved compared to the same period of the previous year. The region was also able to benefit from external sales growth. Negative currency effects, however, almost completely leveled out the growth. Thanks to the improved margin and cost savings, EBIT rose by a third to EUR 16 million (12) compared to the previous year, which was, however, burdened by bad debts.

Outlook

In its latest publication, the International Monetary Fund (IMF) raised its forecast for growth in the global economy in the current year from 5.5% to 6.0%. The driving forces behind this positive development were the US and particularly China.

FUCHS will also benefit from this positive growth trend. At the same time, however, we are facing huge price increases for raw materials and shortages of these, which will drive up costs and squeeze margins in the current financial year. This will necessitate increases in selling prices, which will impact our sales revenues. Purchase and selling price increases will lead to a higher level of tied-up funds. We expect our results in the first half of the year to significantly exceed the previous year's level, but in the second half we will have to measure up against high prior-year figures.

FUCHS is raising its forecast for the financial year 2021 as follows:

- Sales revenues: between EUR 2.7 billion and EUR 2.8 billion (previously: 2019 level (EUR 2.6 billion))
- EBIT: between EUR 330 million and EUR 340 million (previously: 2020 level (EUR 313 million))
- FVA: around EUR 180 million (previously: around EUR 160 million)
- Free cash flow before acquisitions: around EUR 110 million (previously: around EUR 160 million)

The effects of the crisis on supply chains, production and customer demand cannot be reliably estimated currently. The new forecast is based on the assumption that there will not be any major lockdowns in the key regions for FUCHS over the remainder of the year.

Press Release

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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 almost 5,800 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, actual future developments and results can 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 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.