Press release

FUCHS successfully completes challenging year 2021

- Sales revenues increased significantly by 21% to EUR 2.9 billion
- EBIT of EUR 363 million up 16% year-on-year
- Dividend increase by 4% to EUR 1.03 per preference and EUR 1.02 per ordinary share
- Forecast 2022 with sales revenues between EUR 3.0 billion and EUR 3.3 billion and EBIT between EUR 360 million and EUR 390 million, subject to effects from the Russian invasion into the Ukraine
- Further milestones achieved with FUCHS2025

FUCHS at a glance

in EUR million	2021	2020	Change	Change in %
Sales revenues (1)	**2,871**	**2,378**	**493**	**21**
Europe, Middle East, Africa	1,710	1,446	264	18
Asia-Pacific	855	698	157	22
North and South America	471	387	84	22
Consolidation	-165	-153	-12	
EBIT before income from companies consolidated at equity	**354**	**303**	**51**	**17**
EBIT	**363**	**313**	**50**	**16**
Earnings after tax	**254**	**221**	**33**	**15**
Capital expenditure	**80**	**122**	**-42**	**-34**
Free cash flow before acquisitions	**90**	**238**	**-148**	**-62**
Acquisitions	-29	-114	85	
Free cash flow	**61**	**124**	**-63**	**-51**
FUCHS Value Added	**205**	**165**	**40**	**24**
Earnings per share in EUR				
Ordinary share	1.82	1.58	0.24	15
Preference share	1.83	1.59	0.24	15
Employees as of December 31	**5,976**	**5,728**	**248**	**4**

(1) By company location

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In what was once again a challenging environment, FUCHS generated sales revenues of EUR 2.9 billion in 2021. This meant that we did not only achieve an increase of 21% compared with a pandemic-dominated 2020, we also exceeded the level of the pre-crisis year of 2019 by 12%. We improved our EBIT by EUR 50 million to EUR 363 million. We thus exceeded our original forecast for 2021 and also the result from 2019. Steep increases in raw material prices tied up a lot of funds and thus led to a free cash flow before acquisitions of EUR 90 million.

The past year was marked by disruptions affecting our procurement markets. Extreme cold weather in Texas at the beginning of the year and the impact of the Covid-19 pandemic upset global supply chains. An unprecedented shortage of raw materials and packaging materials, as well as sharply rising purchase prices, were the consequences, which resulted in new challenges for our team on a daily basis. In addition, a continuing shortage of semiconductors had a negative impact in particular on our automotive customers worldwide. On top of this, towards the end of the year the Omicron variant and quarantine regulations put parts of our workforce out of action. When seen against the backdrop of all these adversities, the gains in sales revenues and earnings achieved are gratifying.

Business development in the regions
Despite the challenging environment, FUCHS significantly increased its sales revenues across all regions. The EMEA region saw its sales revenues climb to EUR 1,710 million in the completed financial year, amounting to growth of EUR 264 million or 18% compared to 2020. The region experienced significant increases in raw material prices and faced a considerable rise in transport and labor costs and fell short of the previous year's results by just EUR 2 million, reaching EBIT of EUR 166 million.

The Asia-Pacific region improved its sales revenues year-on-year by EUR 157 million, or 22%, posting EUR 855 million. The main driver here was China, making a major contribution to the increases. In terms of exchange rates, the price increases on the purchasing side were lower than in the other regions. EBIT improved by 22%, or EUR 22 million, rising to EUR 122 million.

The North and South American region was particularly affected by the Covid-19 pandemic in 2020 and recorded declines in sales revenues, despite strong external growth. In the reporting year 2021, these declines

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were offset and sales revenues increased to EUR 471 million, an increase of 22% or EUR 84 million compared to the previous year. Sales revenues were affected by currency translation losses. With a rise of 43% compared to 2020, the increase in earnings to EUR 60 million was particularly pronounced. Also contributing here was the pleasing development of specialty manufacturer Nye, which was acquired in the previous year.

20th consecutive increase in dividend

Again for 2021 FUCHS proposes to the Annual General Meeting that the dividend be increased by 4%, to EUR 1.03 (0.99) per preference share and EUR 1.02 (0.98) per ordinary share.

Strong growth in sales revenues and earnings, despite inflation and supply chain issues, underpin the robustness and success of FUCHS's business model and confirm the policy of a steadily rising and at least stable dividend. For FUCHS, continuity in dividend policy is a key pillar of the company's philosophy of allowing its shareholders to participate in the company's success.

Investments reduced as planned

In the first year after the completion of the major investment offensive, in which FUCHS invested close to EUR 600 million from 2016 to 2020, investments in property, plant and equipment and intangible assets were significantly reduced in 2021. At around EUR 80 million, it was 34% below the previous year (122) and as planned at a comparable level of depreciation and amortization. The largest individual investment of the past financial year was made by the holding, where in Mannheim works on the new company headquarters progressed, paving the way for moving in during the first half of 2022.

Forecast 2022 before impact of Russia-Ukraine war: Sales revenues and EBIT with range

The FUCHS Group forms its outlook for 2022 based on the anticipated development of the global economy, the growth of the lubricants market, and the Group's own global and broadly diversified base.

The war in the Ukraine and the sanctions already imposed on Russia, as well as a potentially worsening situation in the supply chains and the raw materials market, had not been factored into the outlook at the beginning of the year.

Stefan Fuchs, Chairman of the Executive Board at FUCHS: “We are shocked by the events in Ukraine these days. Our first concern is for the

Ukrainian population and in particular our 55 Ukrainian colleagues. We condemn the Russian invasion into the Ukraine. The direct economic impact of the war in the Ukraine and the sanctions against Russia on our Ukrainian and our Russian subsidiary as well as their indirect effects on the rest of the world cannot yet be estimated."

Subject to the not yet assessable impact from the war in Ukraine and the sanctions imposed against Russia, the FUCHS Group currently anticipates organic growth in sales revenues of EUR 3.0 billion to EUR 3.3 billion for 2022. This growth is forecasted mainly based on a further rise in business volume, but also taking account of further increases in sales prices. As a result, FUCHS expects an EBIT of between EUR 360 million and EUR 390 million. This will be facilitated through continued rigorous cost management and a sharp limitation on new hires. At the same time, however, we have to bear inflation-related increases in costs, particularly relating to staff and freight, and we face a continuing volatile environment on the raw materials front, particularly in terms of their availability and possible price increases.
Given the expected growth in sales revenues, we also expect more cash tied up in net operating working capital (NOWC) during 2022, but at a significantly lower level than in 2021. Capital expenditure will be at the level of the previous year and are planned to be around EUR 80 million. Capital employed will increase as a result of growth in sales revenues, which, given a weighted average cost of capital that remains unchanged, will result in higher capital costs. With an EBIT forecast between EUR 360 million and EUR 390 million, an FVA at the level of the previous year (205) is expected. The FUCHS Group anticipates a significant increase in free cash flow before acquisitions. Given the forecast result, constant investments and a significantly lower build-up of NOWC compared with the previous year, we are expecting free cash flow before acquisitions of EUR 220 million (90).

Further milestones achieved with FUCHS2025
2021 again saw the FUCHS2025 journey continued with a target-based focus. For more than three years now, the Group has been working with the three pillars culture, structure and strategy as part of FUCHS2025, and achieved further important milestones in all three areas in 2021.

Regarding culture, numerous initiatives and the latest means of communication have allowed us to continue growing together as a global team despite limited travel possibilities and we have further developed our positive

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FUCHS culture. Structurally, we have strengthened our automotive after-market business, and, with additional business segment managers, further solidified our market segmentation as well as our consistent focus on specific customer groups. On the strategic side, we have in particular looked at how to address the profound disruptive changes that characterize the times we are in and how to capitalize the three megatrends mobility transformation, digitalization and sustainability as an opportunity for our further development.

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The following information can be found on the Internet:
Image and video material: www.fuchs.com/en-en/photo-gallery/

About FUCHS
The FUCHS Group develops, manufactures and distributes high-quality lubricants and related specialties for virtually all industries and applications. Founded in Mannheim in 1931, the company employs nearly 6,000 employees worldwide in 57 operating subsidiaries. FUCHS is the world's largest supplier among the independent lubricants manufacturers. The most important markets based on 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.