

Quarterly statement as at September 30, 2019

Q3 / 2019

→ Sales revenues
at previous
year's level at
€1,952 million

- Earnings (EBIT) down 17 % year-on-year at €246 million; down 14 % year-on-year on comparable basis before one-off income

Outlook specified:

- Sales revenues (between –3 % to +0 %) and EBIT (between –30 % to –20 %) both expected to be at the upper end of the range

Content

FUCHS at a glance	03
Business development in the first nine months of 2019	04
▪ Development of sales revenues in the Group	04
▪ Development of sales revenues by region/segment	05
▪ Group results of operations	06
▪ Results of operations of the regions/segments	07
Outlook	08
Balance sheet	09
Statement of cash flows	10
Financial calendar, contact and imprint	11

FUCHS at a glance

in € million	Q1–3 2019	Q1–3 2018 ¹	Change in %
Sales revenues²	1,952	1,953	0
Europe, Middle East, Africa	1,201	1,237	–3
Asia-Pacific	535	542	–1
North and South America	320	304	5
Consolidation	–104	–130	–
Earnings before interest and tax (EBIT)	246	297	–17
Earnings after tax	176	219	–20
Capital expenditure	103	73	41
Free cash flow before acquisitions	94	121	–22
Earnings per share in €			
Ordinary share	1.26	1.57	–20
Preference share	1.27	1.58	–20
Employees as at September 30	5,636	5,386	5

¹ Prior-year figures adjusted.

² By company location.

“After a disappointing second quarter, we are satisfied with the results of the past months. We achieved organic growth of €1 million in the third quarter. Our strict cost control is starting to yield results without negatively impacting the modernization and expansion of our plants. EBIT for the first nine months was down 17 % year-on-year. The decline was thus not as significant as we had feared back in July. In this context, we are specifying our outlook for 2019 as a whole and expect sales and EBIT to be at the upper end of the forecast.

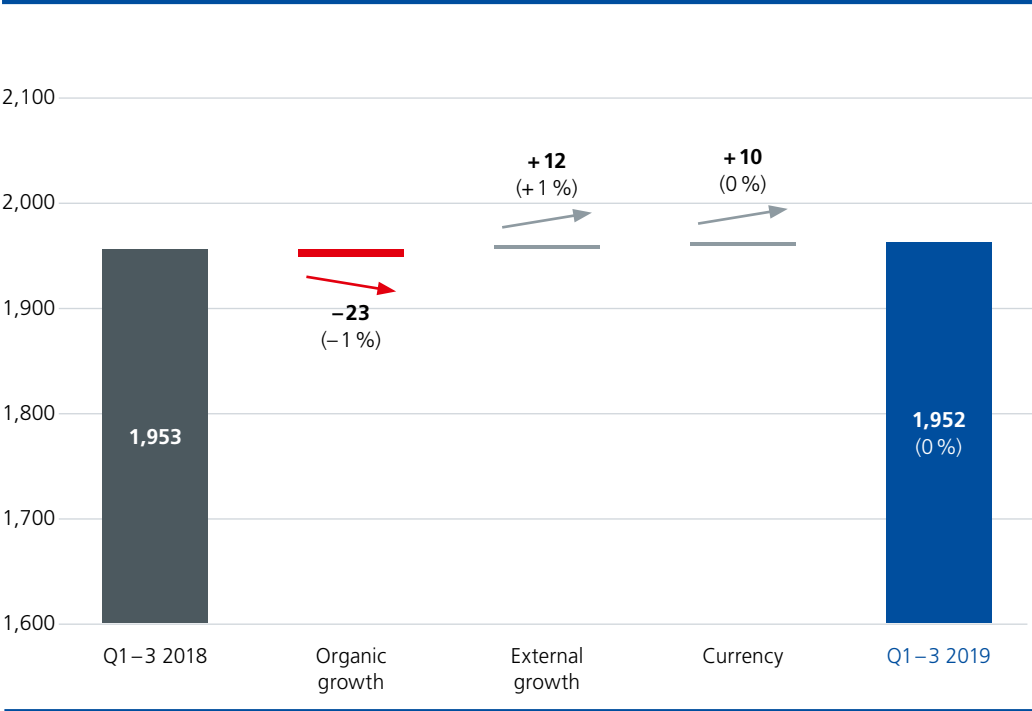
With an EBIT margin of 12.6 % and an extremely solid balance sheet, we have a healthy basis for the continuation of our growth and modernization program and for continued focus on our cultural, structural and strategic initiative FUCHS2025.”

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

Business development in the first nine months of 2019

Development of sales revenues in the Group

Development of sales revenues in the Group
(in € million)



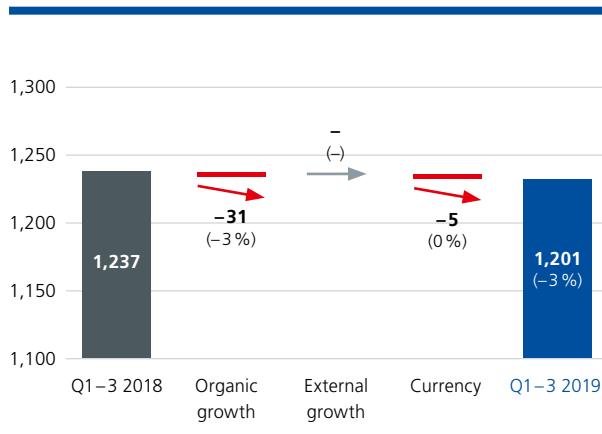
- Group sales revenues at previous year's level at €1,952 million (1,953)
- External growth of €12 million from acquisition in Australia
- Hardly any currency effects

Development of sales revenues by region / segment

Segments adjusted in line with the Group's internal organization and reporting structure from the financial year 2019; previous year stated like-for-like.

Europe, Middle East, Africa (EMEA)

(in € million)

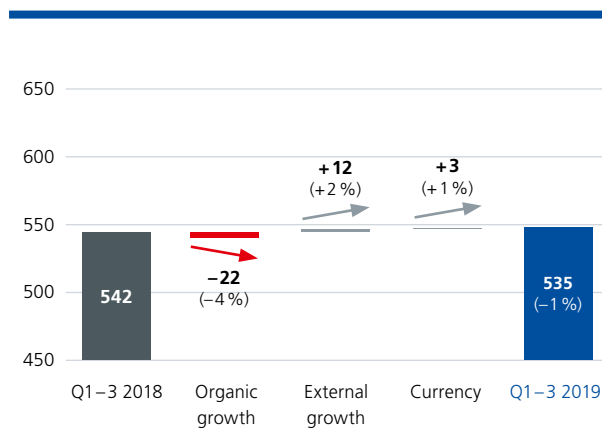


EMEA records decline in sales revenues of 3 % to €1,201 million (1,237)

- Decline in sales revenues slowed down in the third quarter
- Decreasing automotive demand weakens German business
- Negative currency effects, mainly from the South African rand and the Swedish krona

Asia-Pacific

(in € million)

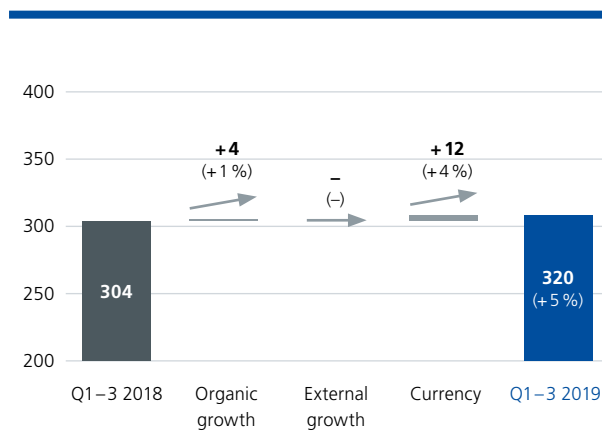


Asia-Pacific down slightly year-on-year at €535 million (542)

- Decline in sales revenues in China slowed down in the third quarter
- External growth from the acquisition of an Australian manufacturer of lubricants for the automotive retail sector

North and South America

(in € million)



North and South America increases sales revenues by 5 % to €320 million (304)

- Slight improvement in North America in comparison to the second quarter
- Positive currency effects in North America more than compensate for negative effects from South America

Group results of operations

Income statement

in € million	Q1–3 2019	Q1–3 2018
Sales revenues	1,952	1,953
Cost of sales	–1,280	–1,267
Gross profit	672	686
Selling and distribution expenses	–286	–275
Administrative expenses	–102	–97
Research and development expenses	–41	–39
Other operating income and expenses	–4	1
EBIT before income from companies consolidated at equity	239	276
Income from companies consolidated at equity	7	21
Earnings before interest and tax (EBIT)	246	297
Financial result	–3	–2
Earnings before tax (EBT)	243	295
Income taxes	–67	–76
Earnings after tax	176	219
Thereof		
Non-controlling interests	0	0
Profit attributable to shareholders of FUCHS PETROLUB SE	176	219
Earnings per share in €¹		
Ordinary share	1.26	1.57
Preference share	1.27	1.58

¹ Basic and diluted in both cases.

- Sales revenues at previous year's level at €1,952 million
- Gross profit down by €14 million (–2 %) at €672 million (686). Decline is mainly attributable to higher manufacturing costs, particularly staff costs and amortization/depreciation, as a result of the growth programm
- Gross margin of 34.4 % (35.1) has improved further over the course of the year, but is still below the previous year's level
- Growth programm and acquisition in Australia impact other function costs, which are up €23 million (6 %) at €433 million (410)
- Previous year's at equity income includes positive one-off effect from the sale of an equity share (€12 million). Current at equity income negatively impacted by the economic crisis in Turkey
- With increased costs, EBIT declines significantly by 17 % (51) year-on-year to €246 million (297), or by 14 % (39) on a comparable basis before one-off income
- Earnings after tax down 20 % year-on-year at €176 million (219)
- Earnings per ordinary share decrease from €1.57 to €1.26, earnings per preference share decrease from €1.58 to €1.27

Results of operations of the regions / segments (previous year comparable)

Segments

in € million	EMEA	Asia-Pacific	North and South America	Holding including consolidation	FUCHS Group
Q1–3 2019					
Sales revenues by company location	1,201	535	320	–104	1,952
EBIT before income from companies consolidated at equity	123	67	41	8	239
<i>in % of sales</i>	10.2%	12.5%	12.8%	–	12.2%
Income from companies consolidated at equity	7	–	–	–	7
Segment earnings (EBIT)	130	67	41	8	246
Investments in non-current assets	67	19	15	2	103
Employees as at September 30 ¹	3,853	948	706	129	5,636
Q1–3 2018²					
Sales revenues by company location	1,237	542	304	–130	1,953
EBIT before income from companies consolidated at equity	141	80	45	10	276
<i>in % of sales</i>	11.4%	14.8%	14.8%	–	14.1%
Income from companies consolidated at equity	21	–	–	–	21
Segment earnings (EBIT)	162	80	45	10	297
Investments in non-current assets	35	26	11	1	73
Employees as at September 30 ¹	3,702	885	683	116	5,386

¹ Including trainees.

² Prior-year figures adjusted.

EBIT in **EMEA (Europe, Middle East, Africa)** down 20 % year-on-year at €130 million (162), down 13 % year-on-year on comparable basis before one-off income

- Substantial declines in Germany as a result of ailing automotive industry, although these are tailing off over the course of the year. In addition, Sweden in particular is down year-on-year and below expectations
- Previous year's at equity income was positively influenced by the sale of an equity share in the amount of €12 million. Worse economic conditions are reflected in earnings in Turkey
- Currency effects negligible

Asia-Pacific records 16 % decline in EBIT to €67 million (80)

- EBIT also down year-on-year in third quarter, but decline is much lower than in first half of the year
- Slightly positive currency effects

North and South America with EBIT down by €4 million year-on-year at €41 million (45)

- EBIT in North America negatively impacted by increased risk of default by a customer
- South America still posting pleasing growth
- Positive currency effects from North America more than compensate for negative effects from South America

Outlook

In mid-October, the IMF lowered its forecast for global economic growth for the fourth time in a row. In view of trade conflicts and growing geopolitical tensions it decreased its expectations from 3.2 % to 3.0 %.

Given the economic situation, and particularly the continuing crisis in the automotive industry, FUCHS continues to anticipate a significant decline in earnings in comparison to the previous year.

Based on the third quarter, we are specifying our forecast for the current year as follows:

- Growth in sales revenues at the upper end of the range (between –3 % to +0 %)
- EBIT decline at the upper end of the range (between –30 % to –20 %, comparable before one-off income –27 % to –17 %)

FUCHS PETROLUB SE

Mannheim, October 30, 2019

Balance sheet

in € million	Sept 30, 2019	Dec 31, 2018
Assets		
Intangible assets	276	279
Property, plant and equipment	607	521
Shares in companies consolidated at equity	45	38
Other financial assets	8	8
Deferred tax assets	30	26
Other receivables and other assets	1	1
Non-current assets	967	873
Inventories	404	410
Trade receivables	409	379
Tax receivables	9	6
Other receivables and other assets	30	28
Cash and cash equivalents	145	195
Current assets	997	1,018
Total assets	1,964	1,891
Equity and liabilities		
Subscribed capital	139	139
Group reserves	1,195	1,028
Group profits	176	288
Equity of shareholders of FUCHS PETROLUB SE	1,510	1,455
Non-controlling interests	1	1
Total equity	1,511	1,456
Pension provisions	34	25
Other provisions	4	4
Deferred tax liabilities	36	34
Financial liabilities	12	0
Other liabilities	2	3
Non-current liabilities	88	66
Trade payables	216	213
Other provisions	23	24
Tax liabilities	23	29
Financial liabilities	14	4
Other liabilities	89	99
Current liabilities	365	369
Total equity and liabilities	1,964	1,891

Statement of cash flows

in € million	Q1–3 2019	Q1–3 2018
Earnings after tax	176	219
Depreciation and amortization of non-current assets	54	42
Change in non-current provisions and in other non-current assets (covering funds)	0	1
Change in deferred taxes	1	0
Non-cash income from shares in companies consolidated at equity	–7	–8
Dividends received from companies consolidated at equity	0	2
Gross cash flow	224	256
Gross cash flow	224	256
Change in inventories	14	–37
Change in trade receivables	–23	–44
Change in trade payables	–2	24
Change in other assets and other liabilities (excluding financial liabilities)	–16	6
Net gain on disposal of shares in companies consolidated at equity	0	–12
Net gain/loss on disposal of non-current assets	0	0
Cash flow from operating activities	197	193
Investments in non-current assets	–103	–73
Proceeds from the disposal of non-current assets	0	1
Cash paid for acquisitions	–11	–2
Cash acquired through acquisitions	1	0
Proceeds from divestments	0	14
Cash flow from investing activities	–113	–60
Free cash flow before acquisitions ¹	94	121
Free cash flow	84	133
Dividends paid for previous year	–131	–126
Changes in financial liabilities	–3	6
Cash flow from financing activities	–134	–120
Cash and cash equivalents as at Dec 31 of the previous year	195	161
Cash flow from operating activities	197	193
Cash flow from investing activities	–113	–60
Cash flow from financing activities	–134	–120
Effect of currency translations	0	–2
Cash and cash equivalents at the end of the period	145	172

¹ Free cash flow before cash paid for acquisitions (and before cash acquired through acquisitions) and before proceeds from divestments.

Financial calendar

DATES 2019

October 30	Quarterly statement Q3 2019
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DATES 2020

February 20	Preliminary figures for financial year 2019
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March 19	Annual report 2019
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April 30	Quarterly statement Q1 2020
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May 5	Annual General Meeting in Mannheim
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July 30	Half-year financial report 2020
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November 3	Quarterly statement Q3 2020
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The financial calendar is updated regularly. You can find the latest dates on the webpage at www.fuchs.com/financial-calendar

Contact and imprint

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NOTE REGARDING THE QUARTERLY STATEMENT

In case of deviations between this English translation and the original German version of this quarterly statement, the original German version takes precedence.

NOTE ON ROUNDING

Due to rounding, numbers presented in this quarterly statement may not add up precisely to totals provided, and percentages stated may not precisely reflect the absolute figures to which they refer.

DISCLAIMER

This quarterly statement contains statements about future developments that are based on assumptions and estimates by the management of FUCHS PETROLUB SE. Statements about future developments are all statements that do not refer to historical facts and events and contain such forward-looking formulations as "believes," "estimates," "assumes," "expects," "anticipates," "forecasts," "intends," "could," "will," "should," or similar formulations. 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 quarterly statement and assumes no liability for such. We do not assume any obligation to update the future-oriented statements made in this quarterly statement.