

# FUCHS GROUP

## Financial Results H1 2022

| Analyst's Conference, 29<sup>th</sup> July 2022

| Dagmar Steinert, CFO



# HIGHLIGHTS H1 2022

SOLID FIRST HALF-YEAR IN CONTINUED DIFFICULT MARKET ENVIRONMENT

## €1,640 mn

Sales up 16% yoy

## €180 mn

EBIT down 6% yoy

## H1 2022

- Robust business development in a difficult market environment
- Sales development strongly price- and currency-driven
- Previous year's result benefited from catch-up effects
- Global crisis situations remain a factor of uncertainty

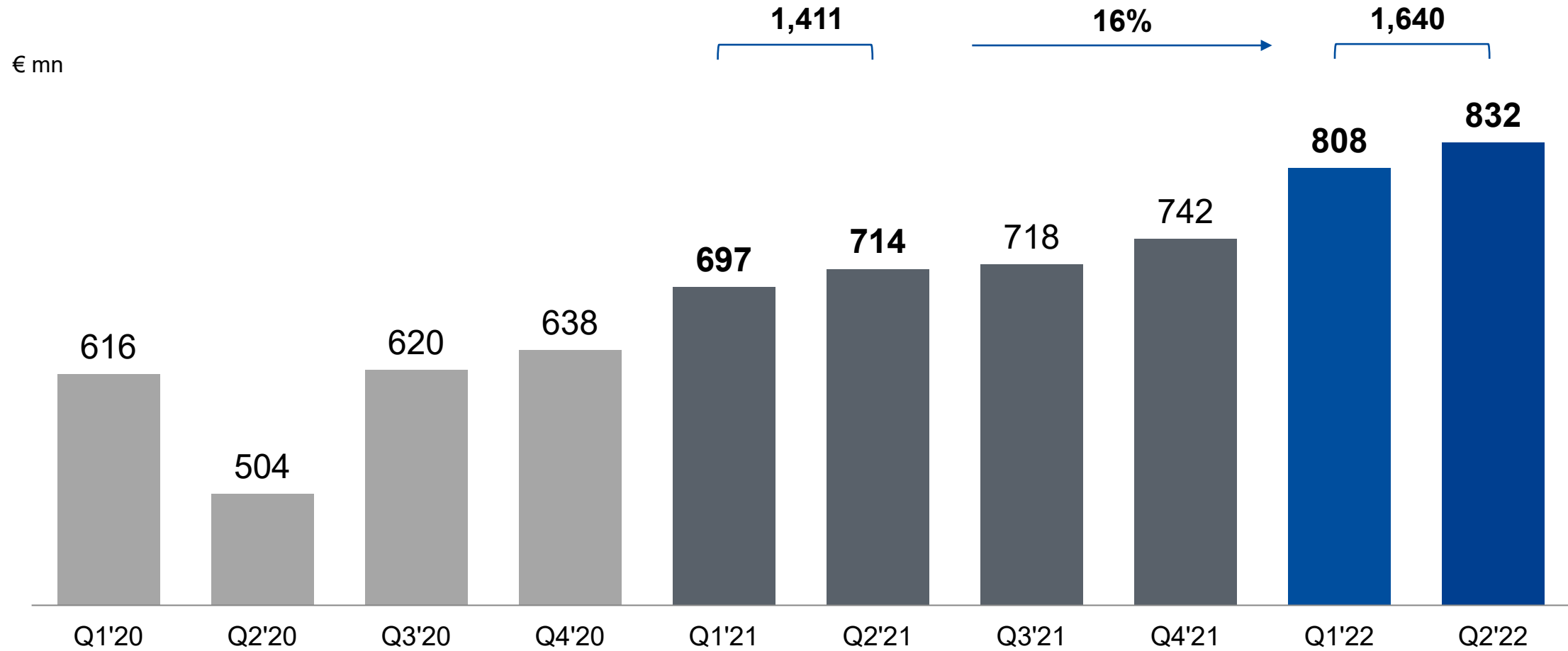
## Outlook FY 2022

- Sales: Sales: upper end of €3.0 - €3.3 bn range (previously: €3.0 - €3.3 bn)
- EBIT: prior-year level (lower end of the €360 - €390 mn range; unchanged)

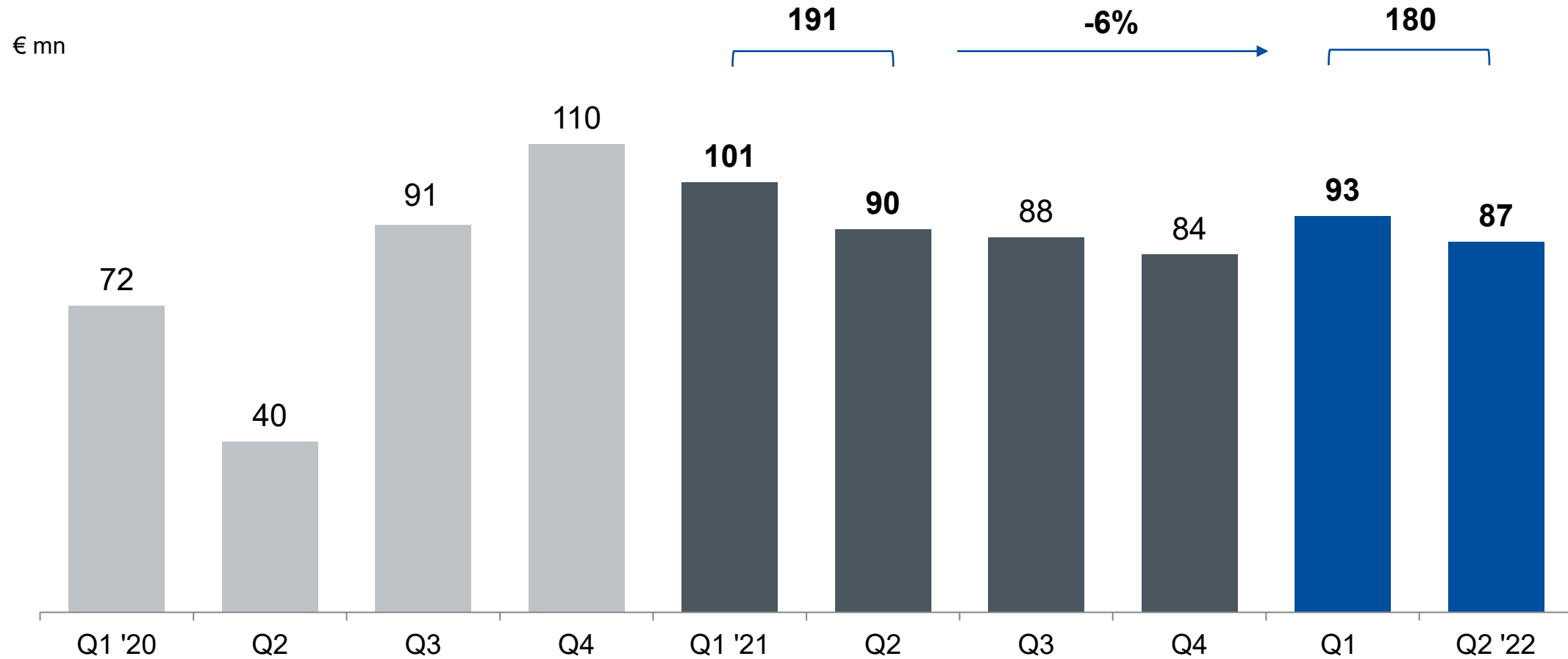
## Long-term financial targets

- €500 mn EBIT by 2025
- Long-term EBIT margin of ~ 15%
- Annual organic sales growth in the mid-single-digit percentage range
- Cash conversion rate of ~ 0.8

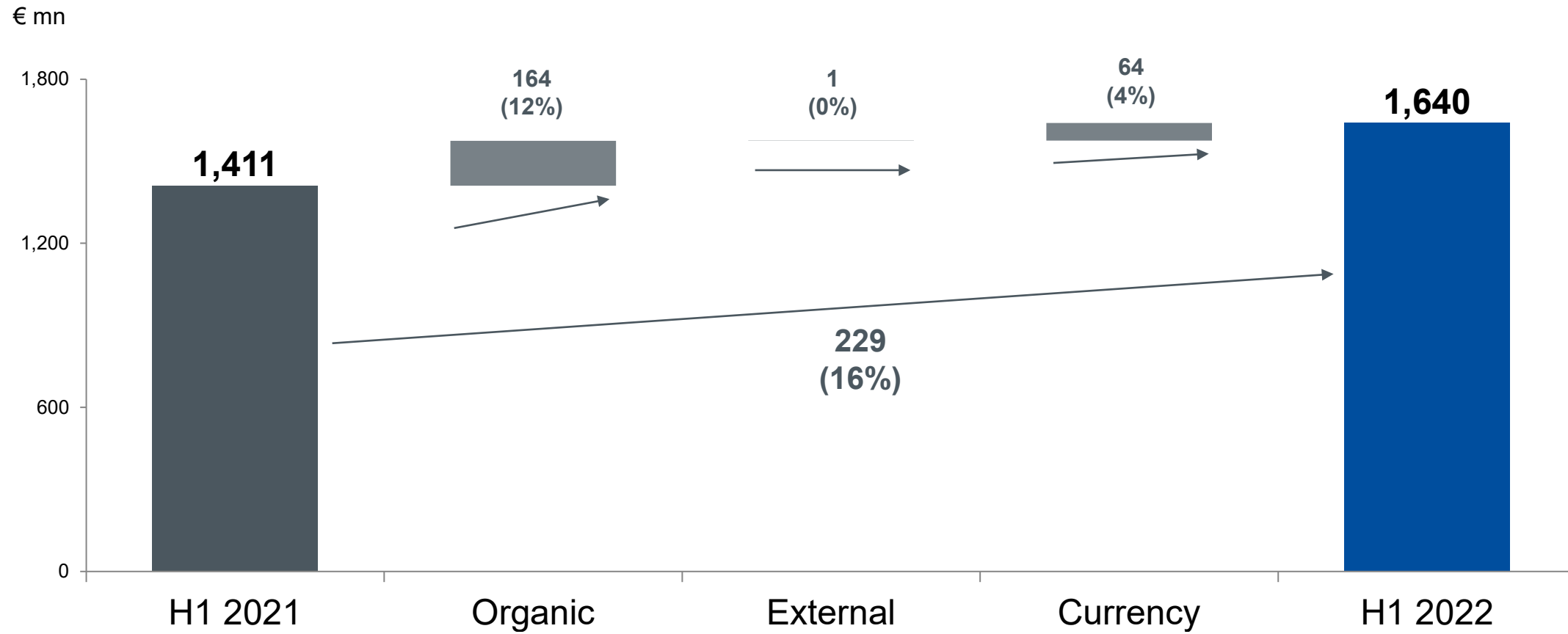
# SALES DEVELOPMENT



# EBIT DEVELOPMENT



# H1 2022 GROUP SALES



# H1 2022 EARNINGS SUMMARY

| KPI in € mn                | H1 2022      | H1 2021      |
|----------------------------|--------------|--------------|
| <b>Sales</b>               | <b>1,640</b> | <b>1,411</b> |
| Cost of sales              | -1,116       | -914         |
| Gross profit               | 524          | 497          |
| Other function costs       | -346         | -310         |
| <b>EBIT bef. at Equity</b> | <b>178</b>   | <b>187</b>   |
| <b>EBIT</b>                | <b>180</b>   | <b>191</b>   |
| CAPEX                      | -24          | -32          |
| NOWC                       | -147         | -116         |
| <b>FCF bef. acq.</b>       | <b>0</b>     | <b>12</b>    |

- Sales up 16% mainly price and currency-driven
- Gross profit up 5% yoy, however gross profit margin of 32.0% due to inflated sales 3.2%-pts. lower than the exceptionally strong H1 2021; price and mix-related deterioration in second quarter
- Other function costs 12% up yoy, driven by higher freight costs and sig. higher personnel costs
- EBIT down 6% yoy; EBIT margin at 11.0% in view of inflationary sales
- CAPEX lower yoy
- NOWC outflow 27% higher yoy reflecting sig. price increases
- FCF bef. acq. lower yoy due to massive NOWC build-up

# EUROPE, MIDDLE EAST, AFRICA

| KPI in € mn                | H1 2022    | H1 2021    |
|----------------------------|------------|------------|
| <b>Sales</b>               | <b>987</b> | <b>850</b> |
| Organic growth             | 131 (15%)  | 162 (23%)  |
| External growth            | 1 (0%)     | 1 (0%)     |
| FX effects                 | 5 (1%)     | -3 (0%)    |
| <b>EBIT bef. at Equity</b> | <b>82</b>  | <b>89</b>  |
| <b>EBIT</b>                | <b>84</b>  | <b>93</b>  |

- Sales up 16% yoy mainly price-driven
- Most entities with double-digit growth rates, esp. the German specialties business, South Africa, Great Britain and Poland
- Positive currency effects from South Africa and Great Britain compensate for negative currency effects from Poland and Sweden
- EBIT lower 10% yoy due to decline in earnings especially in Germany and Southern Europe as well as €3 mn write-off for at Equity stake in Africa

# ASIA-PACIFIC



| KPI in € mn                | H1 2022    | H1 2021    |
|----------------------------|------------|------------|
| <b>Sales</b>               | <b>454</b> | <b>424</b> |
| Organic growth             | -1 (0%)    | 102 (32%)  |
| External growth            | 0 (0%)     | 0 (0%)     |
| FX effects                 | 31 (7%)    | 2 (1%)     |
| <b>EBIT bef. at Equity</b> | <b>55</b>  | <b>63</b>  |
| <b>EBIT</b>                | <b>55</b>  | <b>63</b>  |

- Sales up 7% yoy mainly driven by currency effects
- Sales growth driven by positive organic growth in South-East Asia and Australia
- China due partial lockdowns significantly below exceptionally strong H1 2021; price increases only partly compensate for the business volume declines yoy
- Positive exchange rate effects as a result of weak Euro
- EBIT 13% lower yoy due to lower contribution from China; South-East Asia and Australia with earnings growth

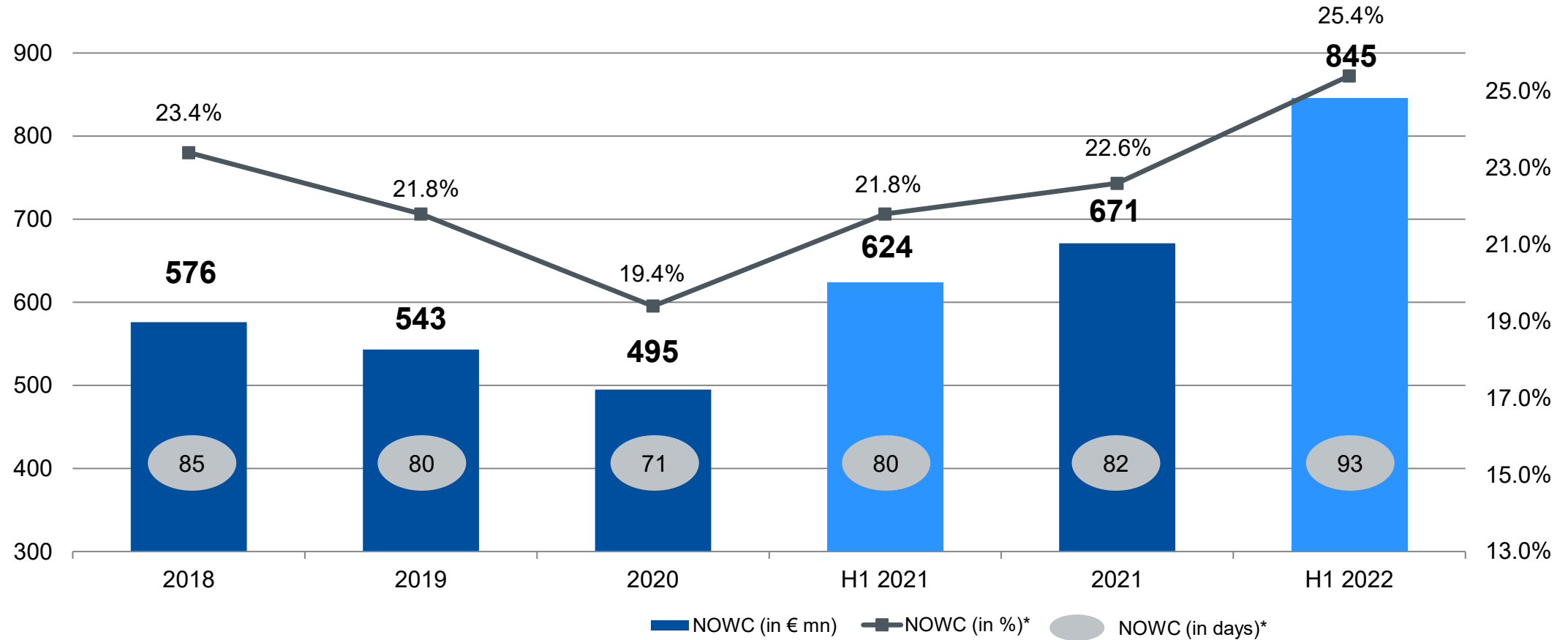


# NORTH AND SOUTH AMERICA

| KPI in € mn                | H1 2022    | H1 2021    |
|----------------------------|------------|------------|
| <b>Sales</b>               | <b>300</b> | <b>224</b> |
| Organic growth             | 48 (21%)   | 59 (33%)   |
| External growth            | 0 (0%)     | 9 (5%)     |
| FX effects                 | 28 (13%)   | -25 (-14%) |
| <b>EBIT bef. at Equity</b> | <b>35</b>  | <b>31</b>  |
| <b>EBIT</b>                | <b>35</b>  | <b>31</b>  |

- Sales up 34% yoy
- Organic growth primarily price-driven
- Strong positive currency effects mainly from North America
- EBIT slightly up yoy due to positive business development in South America and positive impact from US-dollar

# NET OPERATING WORKING CAPITAL (NOWC)



\* In relation to the annualized sales revenues of the last quarter

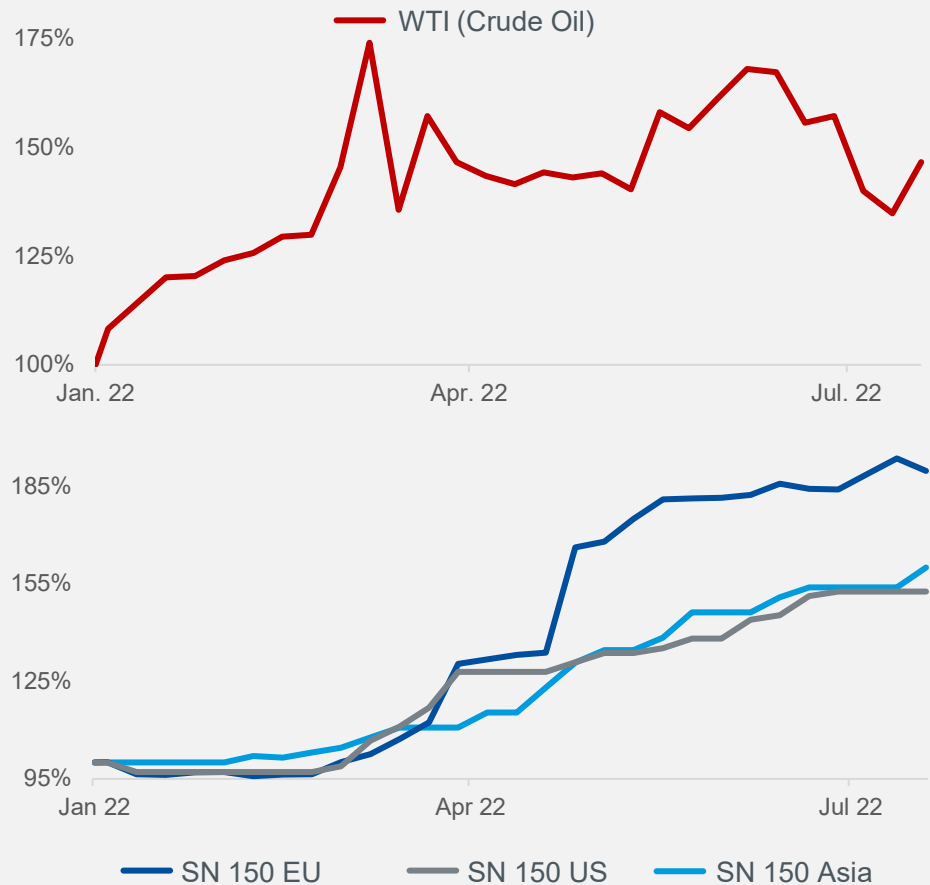
# EXTERNAL UNCERTAINTIES IMPEDE OUTLOOK

- **War in Ukraine** and sanctions against Russia
- Further strong **increases in raw material prices** and significant **cost inflation** expected
- Impact of a potential **reduction of gas supplies** from Russia cannot be estimated at present

**High uncertainties regarding full year development remain**

- **China's zero-covid** strategy with high-risk potential for the local and global economy
- Tightening of the **supply chain situation** and problems with **raw material availability** due to the geopolitical crises; availability problems also at customers affect demand

# RAW MATERIAL PRICE DISLOCATIONS TO CONTINUE



- Crude oil with significant price increase since war in Ukraine and sanctions against Russia
- FUCHS does not buy crude oil, however higher feedstock costs combined with good base oil demand lead to higher base oil price in 2022
- Base chemical and additive prices also rise in '22

Data as of July 19<sup>th</sup>, 2022  
%-changes vs. Dec. 31st, 2021

# OUTLOOK FOR 2022 REFLECTS UNCERTAIN ENVIRONMENT\*

| KPI in € mn   | 2021  | March, 18 <sup>th</sup> | April, 29 <sup>th</sup>                  | July 29 <sup>th</sup>                    |  |
|---------------|-------|-------------------------|--|--|--|
|               |       | 2022                    | 2022                                     | 2022                                     |  |
| Sales         | 2,871 | 3.0 - 3.3 €bn           | 3.0 - 3.3 €bn                            | Upper end of 3.0 - 3.3 €bn range         | Sales growth mainly price-driven   |
| EBIT          | 363   | 360 - 390               | Prior yr. level (lower end of 360 - 390) | Prior yr. level (lower end of 360 - 390) | Strict cost management vs. inflation, strong increases in raw mat. prices, transportation and energy costs |
| FVA           | 205   | On prior-year level     | below prior year                         | below prior year                         | According to EBIT outlook; slightly higher capital employed  |
| FCF bef. acq. | 90    | ~220                    | sig. below 220                           | sig. below 220                           | Due to strong increase in raw mat. prices and supply chain issues  |

\* Updated outlook on the assumption of no further aggravation of the situation

# FINANCIAL CALENDAR & CONTACT

## Financial Calendar 2022

|                         |  |
|-------------------------|--|
| <b>July 29, 2022</b>    | Half-year financial report as at June 30, 2022 |
| <b>October 28, 2022</b> | Quarterly statement as at Sept. 30, 2022       |
| <b>March 8, 2023</b>    | Annual Report 2022                             |

The financial calendar is updated regularly. You find the latest dates on the webpage at [www.fuchs.com/financial-calendar](http://www.fuchs.com/financial-calendar)

## Investor Relations Contact

### FUCHS PETROLUB SE

Einsteinstraße 11  
68169 Mannheim  
Phone: +49 (0) 621 3802-1105  
[www.fuchs.com/group/investor-relations](http://www.fuchs.com/group/investor-relations)



#### Lutz Ackermann

Head of Investor Relations  
[lutz.ackermann@fuchs.com](mailto:lutz.ackermann@fuchs.com)



#### Andrea Leuser

Manager Investor Relations  
[andrea.leuser@fuchs.com](mailto:andrea.leuser@fuchs.com)



#### Claudia Rippke

Specialist Investor Relations  
[claudia.rippke@fuchs.com](mailto:claudia.rippke@fuchs.com)

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