

Quarterly Statement as at September 30, 2023

Q3/2023

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Quarterly results

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1.1 FUCHS at a glance

1.1 FUCHS at a glance

FUCHS Group

Amounts in € million	Q1–3 2023	Q1–3 2022	Change in %
Sales revenues¹	2,698	2,542	6
Europe, Middle East, Africa (EMEA)	1,566	1,511	4
Asia-Pacific	738	706	5
North and South America	523	482	9
Consolidation	– 129	– 157	–
Earnings before interest and tax (EBIT)	313	280	12
Earnings after tax	219	199	10
Investments	50	42	19
Free cash flow before acquisitions	330	– 31	–
Earnings per share (in €)			
Ordinary share	1.61	1.42	13
Preference share	1.62	1.43	13
Employees as at September 30	6,261	6,094	3

¹ By company location.

- Sales revenues, driven by prices, at €2,698 million (2,542), up 6% or €156 million year-on-year
- Earnings (EBIT) improved by 12% or €33 million to €313 million (280)
- Forecast for free cash flow before acquisitions adjusted based on the very good nine months to date despite continuing uncertainty that surrounds the economic environment and the price of commodities and thus also sales:
 - Sales revenues: around €3.6 billion
 - EBIT: around €390 million
 - FVA: above the previous year (€172 million)
 - Free cash flow before acquisitions: around €380 million (previously: around €300 million)

“Following a good first half-year, in the third quarter we achieved a new record with an EBIT of €113 million. We thus close the first nine months with an EBIT of €313 million, an increase of 12% compared to the previous year. The EMEA region contributed significantly to this success across all sub-regions. Our cash flow also continues to develop very positively: uncertainties in the supply chain and the strong increase in raw material and consequently also in sales prices had led to an increase in net working capital as well as high cash outflows over the past two years. In the current year, we have turned the tide as expected. After nine months, we already record a free cash flow before acquisitions of €330 million. On this basis, we are raising our forecast for free cash flow before acquisitions for 2023 to around €380 million.

Geopolitically, in addition to the terrible war in Ukraine, a new crisis area has arisen in the Middle East. We condemn the terrorist attack by Hamas on Israel. We also see with horror the suffering of civilians in Israel and Gaza. It is difficult to judge from today’s perspective which impact this will have on economic development in general and raw material and sales prices in particular. In addition, there is a strike in the automotive industry in the USA. Despite all the uncertainties, we confirm our full-year forecast for both sales revenues and EBIT and raise our cash flow expectations.”

Stefan Fuchs, Chairman of the Executive Board of FUCHS SE

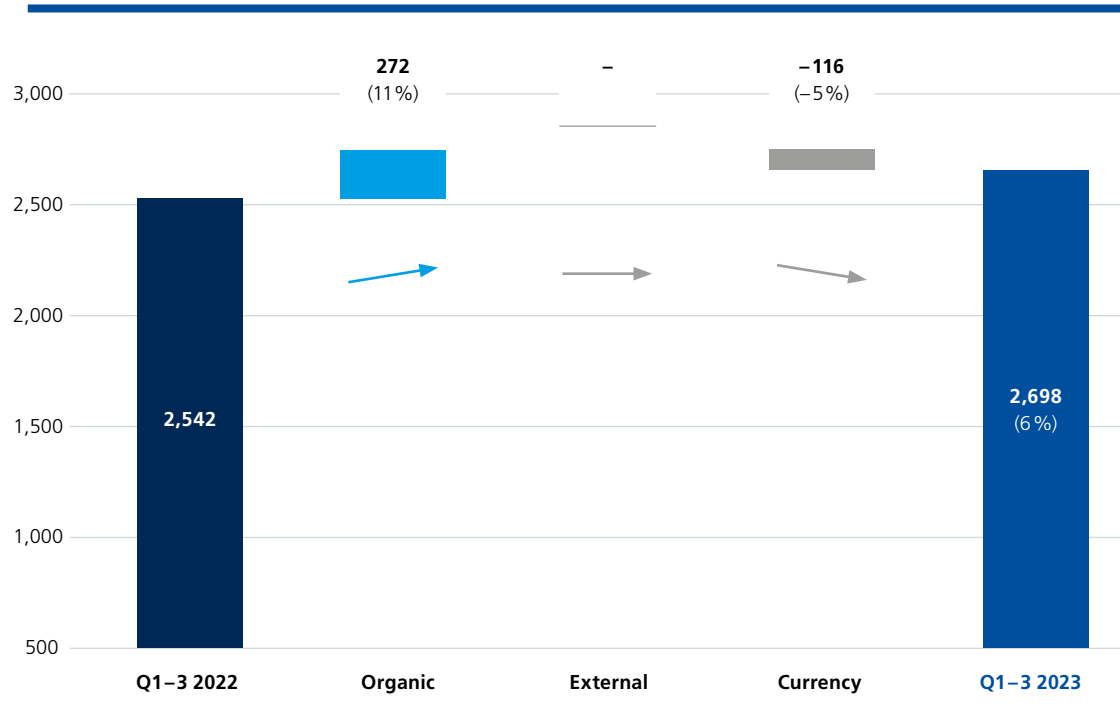
1.2 Business development in the first nine months of 2023

1.2 Business development in the first nine months of 2023

Development of sales revenues in the Group

Development of sales revenues in the Group

(in € million)



Sales revenues in the **Group** at €2,698 million (2,542), 6% up year-on-year; negative exchange rate effects reduce significant organic growth

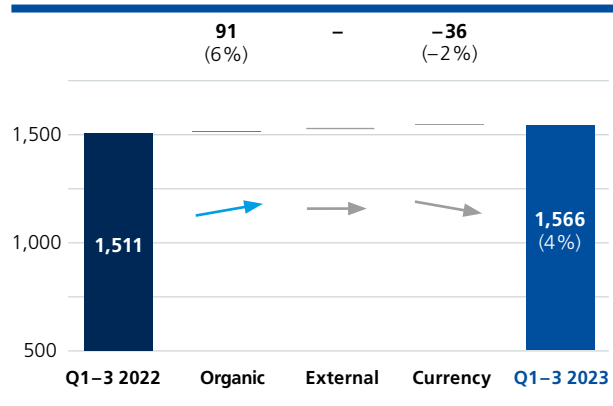
- Organic growth in the first nine months driven by price increases in the second half of 2022
- Currencies continued to weaken, especially in the Asia-Pacific and North and South America regions, with an increasingly negative impact over the first nine months

1.2 Business development in the first nine months of 2023

Development of sales revenues by regions/segments

Europe, Middle East, Africa (EMEA)

(in € million)

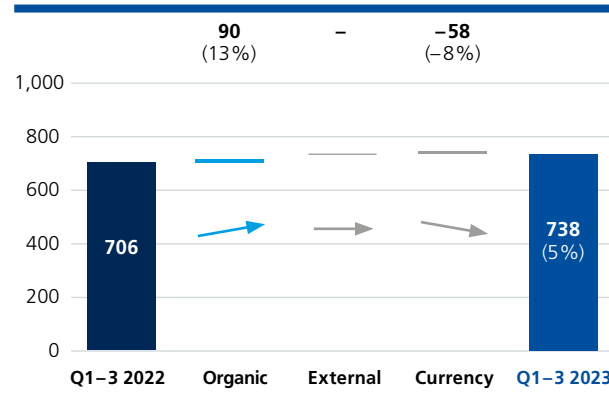


EMEA records increase in sales revenues of €55 million or 4% to €1,566 million

- Organic growth mainly as a result of price adjustments in the second half of 2022 and therefore with a downturn over the course of the year
- Almost all companies with significant growth; strong absolute and relative growth especially in Great Britain, Poland, France and Italy
- Negative currency effects mainly from South Africa, Sweden and Eastern Europe

Asia-Pacific

(in € million)

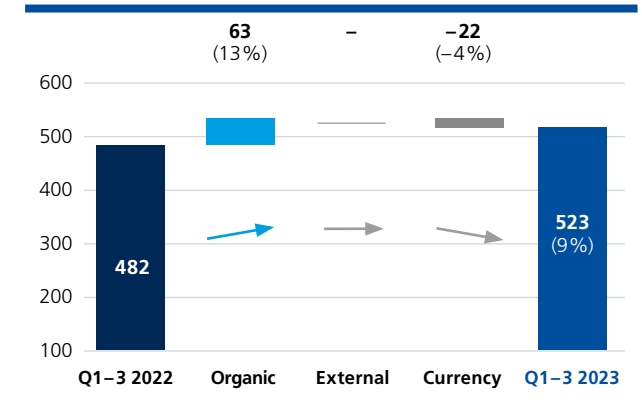


Asia-Pacific region with sales revenue of €738 million (706), up 5% or €32 million year-on-year despite high negative and strengthening currency exchange rate effects on sales revenues over the year

- Strong organic growth mainly price-driven
- Australia and Southeast Asia with strong business and pricing developments and marked double-digit organic gains
- Driven by the Chinese renminbi, Asian currencies continue to weaken significantly; headwinds also affecting the Australian dollar

North and South America

(in € million)



North and South America region boosts sales revenues by 9% or €41 million thanks to strong organic growth

- Strong organic growth in North America predominantly due to significant price increases; auto industry strike starts affecting business at the end of the third quarter
- South America also reports strong price-driven growth
- Strong negative currency effects mainly from Argentina, but as a result of the weakening of the US dollar also from North America

1.2 Business development in the first nine months of 2023

Group results of operations

Income Statement

in € million	Q1–3 2023	Q1–3 2022	Change	
			absolute	relative in %
Sales revenues	2,698	2,542	156	6
Cost of sales	-1,836	-1,744	-92	5
Gross profit	862	798	64	8
Selling and distribution expenses	-359	-341	-18	5
Administrative expenses	-138	-128	-10	8
Research and development expenses	-56	-52	-4	8
Other operating income and expenses	-3	-3	0	-
EBIT before income from companies consolidated at equity	306	274	32	12
Income from companies consolidated at equity	7	6	1	17
Earnings before interest and tax (EBIT)	313	280	33	12
Financial result	-9	-5	-4	80
Earnings before tax (EBT)	304	275	29	11
Income taxes	-85	-76	-9	12
Earnings after tax	219	199	20	10
Thereof				
Non-controlling interests	1	1	0	-
Profit attributable to shareholders of FUCHS SE	218	198	20	10
Earnings per share in €¹				
Ordinary share	1.61	1.42	0.19	13
Preference share	1.62	1.43	0.19	13

¹ Basic and diluted in both cases.

- Sales revenues in the first nine months after price adjustments in the previous year 6% or €156 million over previous year, despite increasing pressure from currency effects
- Gross profit benefits from price adjustments, increasing at a slightly disproportionately high rate compared to that of sales revenues by €64 million or 8%
- Gross margin continues an upward trend through the year to date; a marked sequential improvement from 30.9% in the first quarter to 32.2% in the second quarter and 32.9% in the third quarter; overall margin after nine months at 31.9% by 0.5 percentage points above the previous year's value (31.4%)
- Primarily inflation-driven increase, in particular in personnel, freight and energy costs, results in a rise in other function costs of 6% or €32 million
- At equity income rises by €1 million to €7 million compared to the previous year, which was burdened by the devaluation of an African at-equity company
- EBIT increases by €33 million or 12% to €313 million (280); continued sequential improvement in EBIT relative to sales revenues to 12.9% in the third quarter; EBIT margin improves by 0.6 percentage points year-on-year to 11.6%
- Increased interest rates and greater financing requirements as a result of share buybacks rise financial costs by €4 million to €9 million
- Earnings after tax of €219 million, up by €20 million or 10% compared with the same period in the previous year (199)
- Earnings per ordinary share and per preference share each improved by €0.19 to €1.61 and €1.62 respectively

1.2 Business development in the first nine months of 2023

Results of operations of the regions / segments

in € million	EMEA	Asia-Pacific	North and South America	Holding/ consolidation	FUCHS Group
Q1–3 2023					
Sales revenues by company location	1,566	738	523	–129	2,698
EBIT before income from companies consolidated at equity	148	80	62	16	306
<i>in % of sales</i>	9.5%	10.8%	11.9%	–	11.3%
Income from companies consolidated at equity	7	–	–	–	7
Segment earnings (EBIT)	155	80	62	16	313
Investments	17	18	14	1	50
Number of employees as at September 30 ¹	3,899	1,045	1,162	155	6,261
Q1–3 2022					
Sales revenues by company location	1,511	706	482	–157	2,542
EBIT before income from companies consolidated at equity	117	88	59	10	274
<i>in % of sales</i>	7.7%	12.5%	12.2%	–	10.8%
Income from companies consolidated at equity	6	–	–	–	6
Segment earnings (EBIT)	123	88	59	10	280
Investments	17	14	6	5	42
Number of employees as at September 30 ¹	3,918	973	1,054	149	6,094

¹ Including trainees.

EMEA (Europe, Middle East, Africa) with a very strong third quarter after nine months significantly higher than the previous year: EBIT improved by 26 % or €32 million to €155 million

- A large majority of the companies with significant improvement in results; encouraging developments in Germany in particular; also Sweden, Great Britain, Poland and Italy with the highest absolute and relative growth rates
- At equity income increased by €1 million to €7 million (6)
- Slightly negative exchange rate effects

China's weakness as well as negative currency effects put a strain on **Asia-Pacific**. EBIT decreases by 9 % to €80 million (88) year-on-year

- China also down year-on-year in the third quarter
- India and Australia with high absolute and relative earnings growth rates
- Negative currency effects from all countries

North and South America with EBIT after nine months of €62 million (59) by €3 million or 5 % above the previous year

- Both North and South America with positive earnings contributions; at the end of the third quarter, the strike in the automotive industry in North America begins to affect our business
- Negative exchange rate effects intensified; especially South America but also North America with weakening currencies

[1.3 Employees](#)[1.4 Outlook](#)

1.3 Employees

Global workforce increases by 167 to 6,261 (6,094) employees compared with September 30, 2022, meaning 157 employees more than on December 31, 2022.

1.4 Outlook

In its current October outlook, the International Monetary Fund (IMF) forecasts historically sluggish global economic growth for the current year of 3.4%, which is 0.4 percentage points below last year's growth. This forecast does not yet take into account the escalating clashes in the Middle East and their impact.

FUCHS thus continues to operate in a challenging environment with great uncertainties regarding economic development in general and changes in commodity prices in particular. The uncertain course of the war in the Middle East adds to these uncertainties.

However, due to the very good first nine months, we are slightly adjusting our forecast for the total year:

- Sales revenues: around €3.6 billion
- EBIT: around €390 million
- FVA: above the previous year (€172 million)
- Free cash flow before acquisitions: around €380 million (previously: around €300 million)

Our global track record and solid financial base remain robust, and FUCHS continues to focus on profitable growth and the implementation of FUCHS2025.

FUCHS SE

Mannheim, October 26, 2023

1.5 Balance sheet

in € million	Sept 30, 2023	Dec 31, 2022	Change	
			absolute	relative in %
Assets				
Goodwill	253	254	-1	0
Other intangible assets	79	93	-14	-15
Property, plant and equipment	738	751	-13	-2
Shares in companies consolidated at equity	58	54	4	7
Other financial assets	8	8	0	0
Deferred tax assets	37	38	-1	-3
Other receivables and other assets	7	7	0	0
Non-current assets	1,180	1,205	-25	-2
Inventories	555	635	-80	-13
Trade receivables	556	507	49	10
Tax receivables	8	8	0	0
Other receivables and other assets	34	42	-8	-19
Cash and cash equivalents	207	119	88	74
Assets held for sale	5	7	-2	-29
Current assets	1,365	1,318	47	4
Total assets	2,545	2,523	22	1

1.5 Balance sheet

in € million	Sept 30, 2023	Dec 31, 2022	Change	
			absolute	relative in %
Equity and liabilities				
Subscribed capital	139	139	0	0
Group reserves	1,433	1,440	-7	0
Group profits	218	259	-41	-16
Equity of shareholders of FUCHS SE	1,790	1,838	-48	-3
Non-controlling interests	3	3	0	0
Total equity	1,793	1,841	-48	-3
Pension provisions	6	7	-1	-14
Other provisions	8	9	-1	-11
Deferred tax liabilities	52	53	-1	-2
Financial liabilities	27	18	9	50
Other liabilities	3	1	2	> 100
Non-current liabilities	96	88	8	9
Trade payables	276	231	45	19
Other provisions	17	15	2	13
Tax liabilities	26	18	8	44
Financial liabilities	170	161	9	6
Other liabilities	167	169	-2	-1
Current liabilities	656	594	62	10
Total equity and liabilities	2,545	2,523	22	1

1.6 Statement of cash flows

1.6 Statement of cash flows

in € million	Q1–3 2023	Q1–3 2022
Earnings after tax	219	199
Depreciation and amortization of non-current assets	73	70
Change in non-current provisions and in other non-current assets (covering funds)	0	–1
Change in deferred taxes	–1	–1
Non-cash income from shares in companies consolidated at equity	–7	–6
Dividends received from companies consolidated at equity	3	6
Gross cash flow	287	267
Gross cash flow	287	267
Change in inventories	63	–185
Change in trade receivables	–57	–113
Change in trade payables and remaining other liabilities ¹	38	41
Change in other assets and other liabilities (excluding financial liabilities)	53	0
Net gain/loss on disposal of non-current assets	–3	0
Cash flow from operating activities	381	10
Investments in non-current assets	–55	–42
Proceeds from the disposal of non-current assets	4	1
Cash paid for acquisitions	–4	–1
Cash acquired through acquisitions	0	0
Cash flow from investing activities	–55	–42
Free cash flow before acquisitions ²	330	–31
Free cash flow	326	–32
Dividends paid for previous year	–144	–143
Purchase of own shares	–93	–31
Changes in financial liabilities	3	145
Purchase of non-controlling interests	–1	0
Cash flow from financing activities	–235	–29
Cash and cash equivalents as at Dec 31 of the previous year	119	146
Cash flow from operating activities	381	10
Cash flow from investing activities	–55	–42
Cash flow from financing activities	–235	–29
Effect of currency translations	–3	6
Cash and cash equivalents at the end of the period	207	91

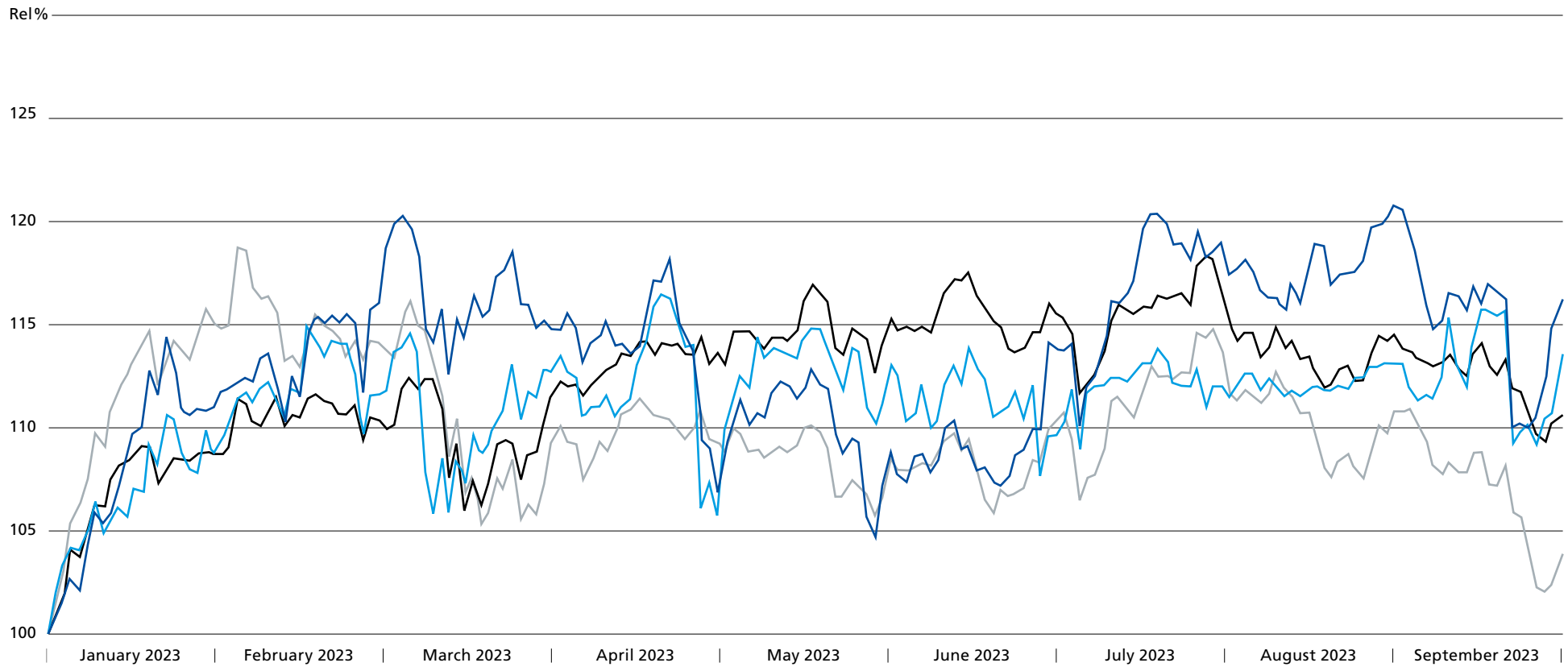
¹ Remaining other liabilities relate to advance payments received and liabilities from customer discounts.

² Free cash flow before cash paid for acquisitions and before cash acquired through acquisitions.

1.7 Share price development of FUCHS shares

1.7 Share price development of FUCHS shares

Performance* of ordinary and preference shares in comparison with DAX and MDAX
(January 1, 2023–September 30, 2023)



■ Preference share ■ Ordinary share ■ DAX ■ MDAX

*Price trend including dividends.

Source: Bloomberg

Financial calendar

Dates 2024

March 12, 2024	Annual Report 2023
April 30, 2024	Quarterly Statement as at March 31, 2024
May 8, 2024	Annual General Meeting
July 30, 2024	Half-year Financial Report as at June 30, 2024
October 30, 2024	Quarterly Statement as at September 30, 2024

The financial calendar is updated regularly. You can find the latest dates on the webpage at
 → www.fuchs.com/financial-calendar

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 SE. Statements about future developments are all statements that do not refer to historical facts and events and contain such for-

ward-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 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.

Contact and imprint

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