

# FUCHS GROUP

## Financial Results FY 2023

| Analyst Conference, 12<sup>th</sup> March 2024  
| Stefan Fuchs, Chief Executive Officer  
| Isabelle Adelt, Chief Financial Officer  
| Lutz Ackermann, Head of Investor Relations



# DR. TIMO REISTER ANNOUNCED AS DEPUTY CEO



**Stefan Fuchs**  
CEO

Human Resources  
Corporate Marketing  
Communication  
Strategy



**Dr. Timo Reister**  
Deputy CEO

Asia-Pacific  
North and South America  
OEM Division  
Automotive Aftermarket  
Division  
Mining Division



**Isabelle Adelt**  
CFO

Finance & Controlling  
Digitalization  
Legal & Compliance  
Internal Audit & Governance  
Investor Relations  
Tax



**Dr. Sebastian Heiner**  
CTO

R&D  
Product management  
Supply Chain  
Sustainability  
Quality management  
EH&S



**Dr. Ralph Rheinboldt**

EMEA  
Industry Division  
Speciality Division

# HIGHLIGHTS FY 2023

FUCHS SUCCESSFULLY CONCLUDES 2023 ON RECORD LEVELS

**€3,541 mn**

Sales up 4% yoy

**€413 mn**

EBIT up 13% yoy

**€465 mn**

FCF bef. acq. sig. up

## FY 2023

- Sales development strongly price-driven
- Price increases from 2022 drive 2023 EBIT to record-high
- FY EBIT margin at 11.7% reflecting margin recovery
- FCF bef. acq. significantly up due to NOWC release

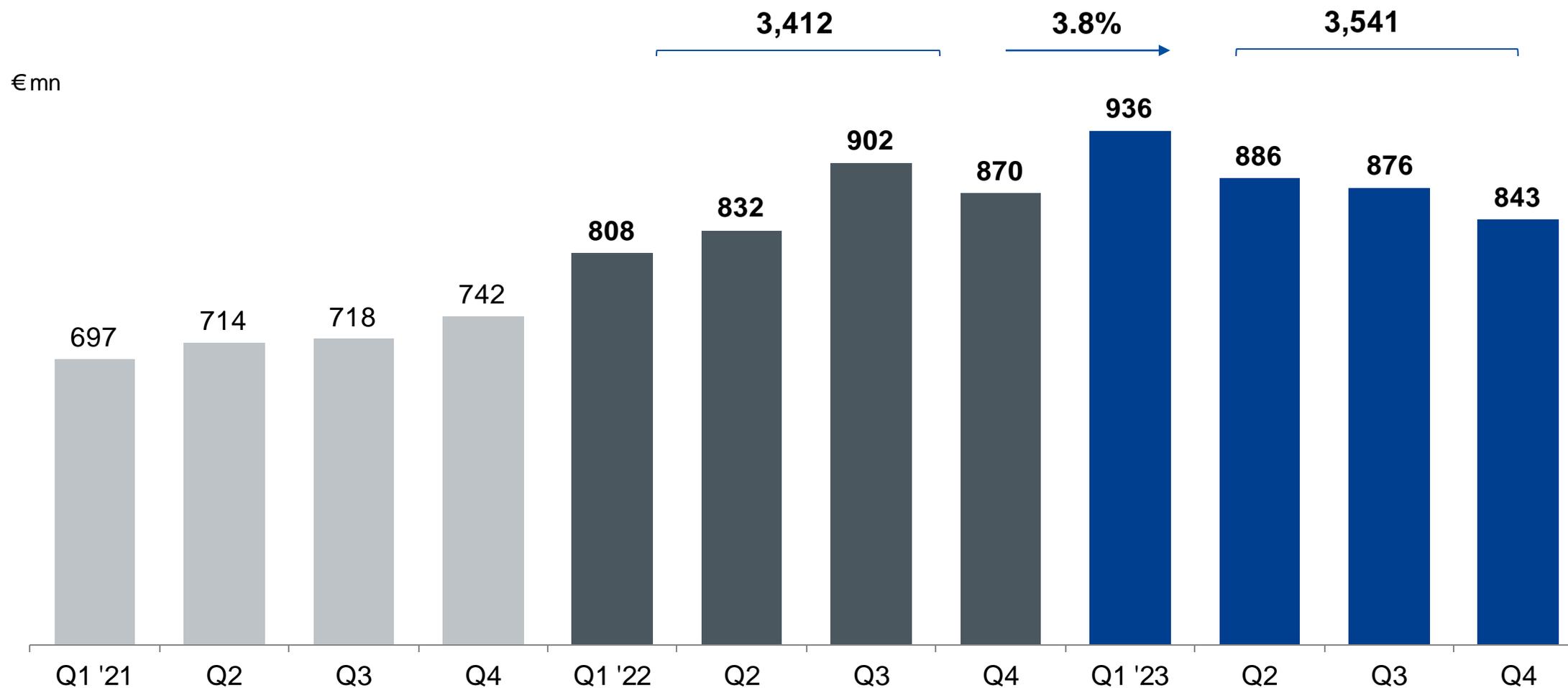
## Dividend proposal

- €1.11 (1.07) per preference share
- €1.10 (1.06) per ordinary share

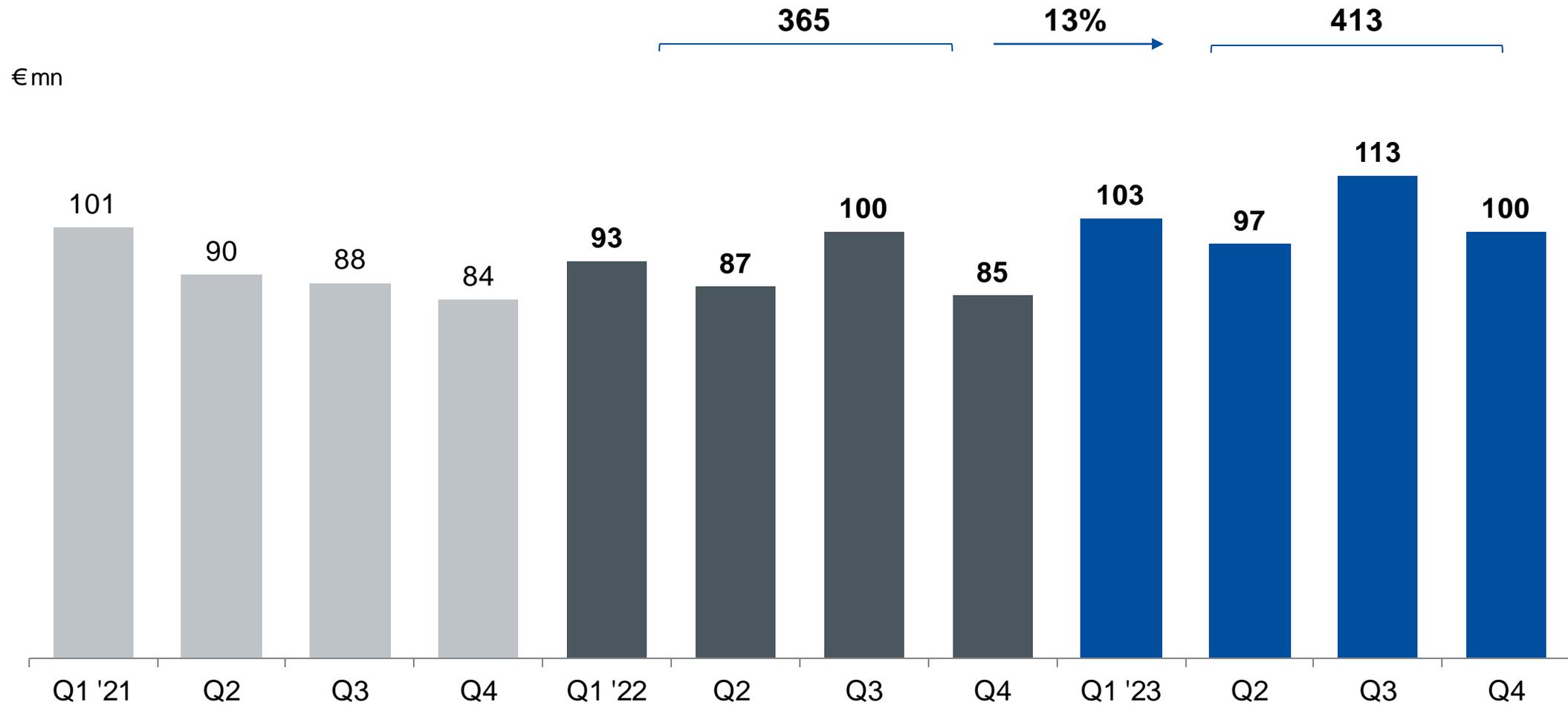
## Outlook FY 2024

- Sales: ~ €3.6 bn
- EBIT: ~ €430 mn
- FVA: ~ €240 mn
- FCF bef. acq.: ~ €250 mn

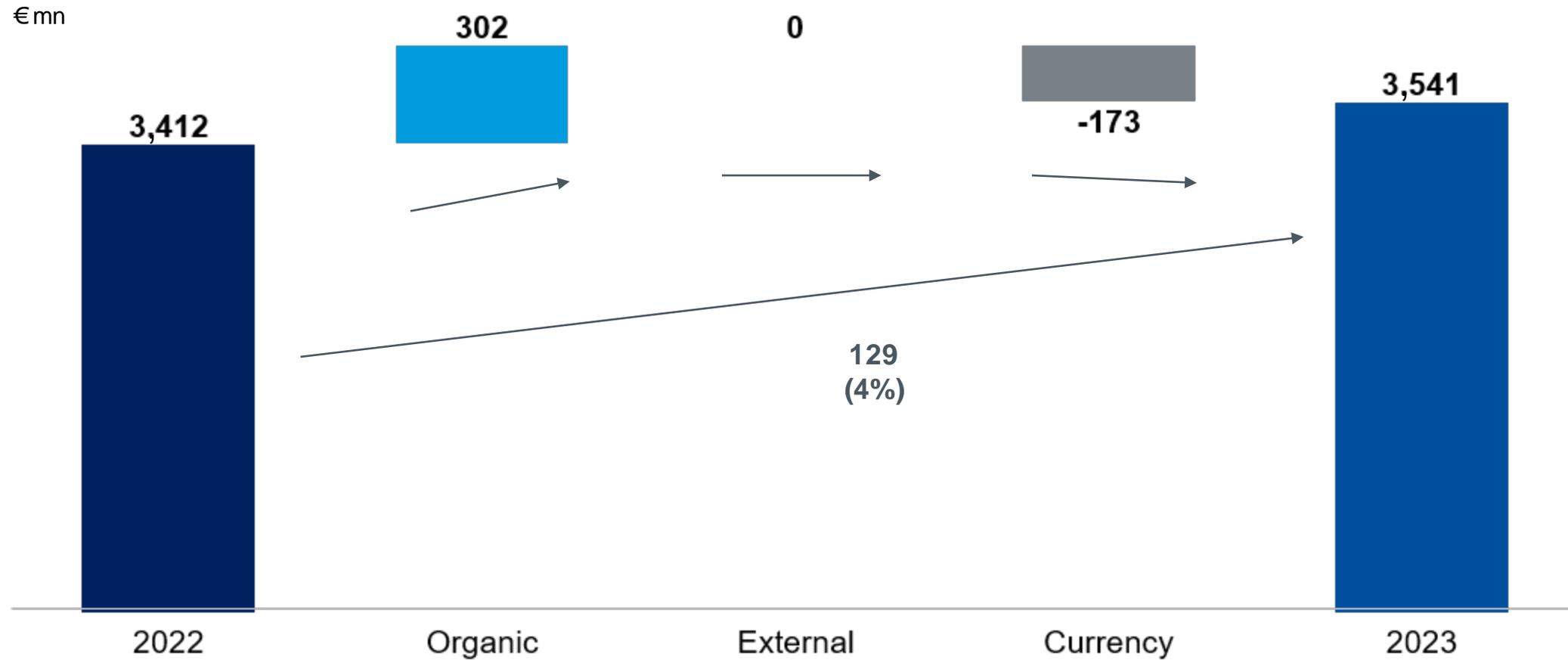
# SALES DEVELOPMENT



# EBIT DEVELOPMENT



# FY 2023 GROUP SALES



# FY 2023 KPI SUMMARY

KPI in €mn	FY 2023	FY 2022
<b>Sales</b>	<b>3,541</b>	<b>3,412</b>
Cost of sales	-2,396	-2,358
Gross profit	1,145	1,054
Other function costs	-739	-698
<b>EBIT bef. at Equity</b>	<b>406</b>	<b>356</b>
<b>EBIT</b>	<b>413</b>	<b>365</b>
Investments	83	79
NOWC	117	-206
<b>FCF bef. acq.</b>	<b>465</b>	<b>61</b>

- Sales up price-driven by 3.8%
- Gross profit up 8.6% by compensation of sig. cost inflation through higher selling prices implemented in 2022, accordingly margin of 32.3% 1.4%-pts. higher yoy
- Other function costs 6% up, primarily driven by higher personnel costs and overall inflated cost-base
- EBIT up 13%; EBIT margin at 11.7%
- Investments above prior year level
- NOWC release vs. NOWC build-up in prior year period
- FCF bef. acq. sig. higher due to higher EBIT and NOWC release

# EUROPE, MIDDLE EAST, AFRICA

KPI in € mn	FY 2023	FY 2022
<b>Sales</b>	<b>2,041</b>	<b>2,036</b>
Organic growth	49 (2%)	317 (19%)
External growth	-	2 (0%)
FX effects	-44 (-2%)	7 (0%)
<b>EBIT bef. at Equity</b>	<b>206</b>	<b>161</b>
<b>EBIT</b>	<b>213</b>	<b>170</b>

- Sales on prior-year level
- Price-driven organic sales growth offset by by negative currency effects mainly from South Africa
- EBIT significantly up by 25%, benefitting from selling price increases of the previous year, that compensate raw material increases and overall cost inflation
- Earnings contribution especially from Germany, United Kingdom, Poland and Sweden

# ASIA-PACIFIC



KPI in € mn	FY 2023	FY 2022
<b>Sales</b>	<b>979</b>	<b>929</b>
Organic growth	124 (13%)	21 (3%)
External growth	-	-
FX effects	-74 (-8%)	53 (6%)
<b>EBIT bef. at Equity</b>	<b>111</b>	<b>113</b>
<b>EBIT</b>	<b>111</b>	<b>113</b>

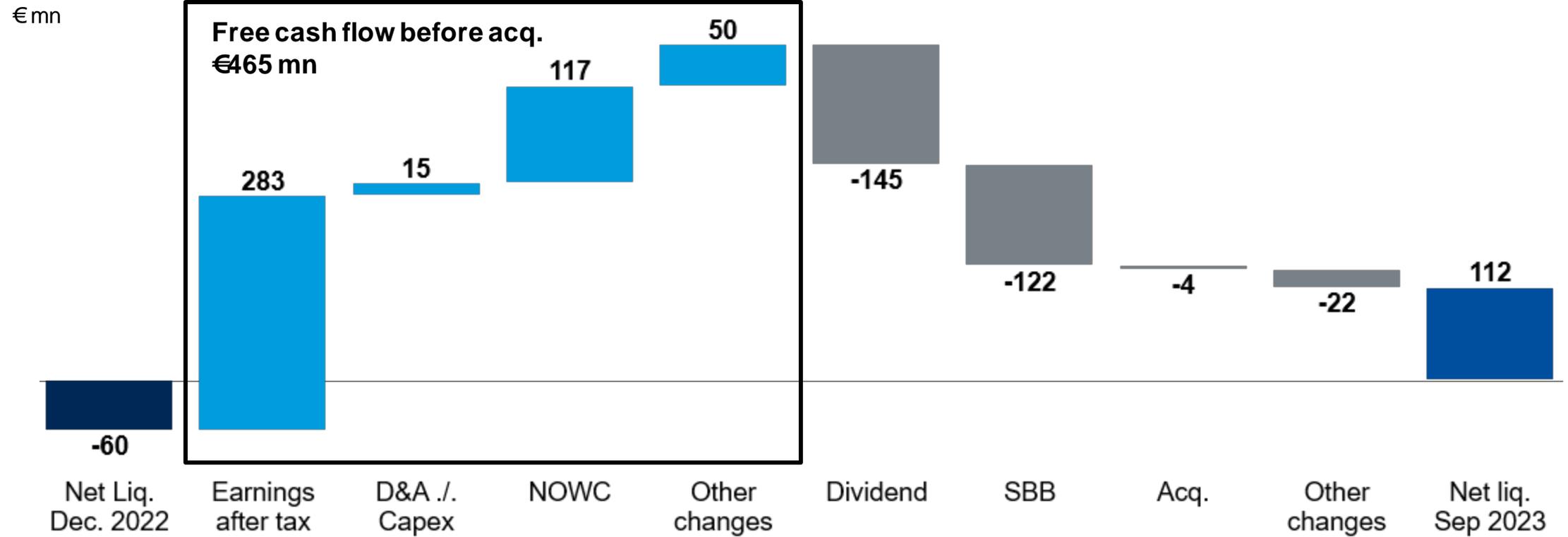
- Sales up 5% volume- and price-driven
- Especially Australia contributed to the region's growth; smaller- and fast-growing countries like India and South-East Asia with encouraging development; China with recovery in H2 2023
- Negative currency effects from all countries of the region
- EBIT negatively impacted from currency effects and China still being subdued in profitability; India, Korea and Japan recorded satisfactory earnings growth

# NORTH AND SOUTH AMERICA

KPI in € mn	FY 2023	FY 2022
<b>Sales</b>	<b>687</b>	<b>653</b>
Organic growth	89 (14%)	119 (25%)
External growth	-	-
FX effects	-55 (-9%)	63 (14%)
<b>EBIT bef. at Equity</b>	<b>79</b>	<b>77</b>
<b>EBIT</b>	<b>79</b>	<b>77</b>

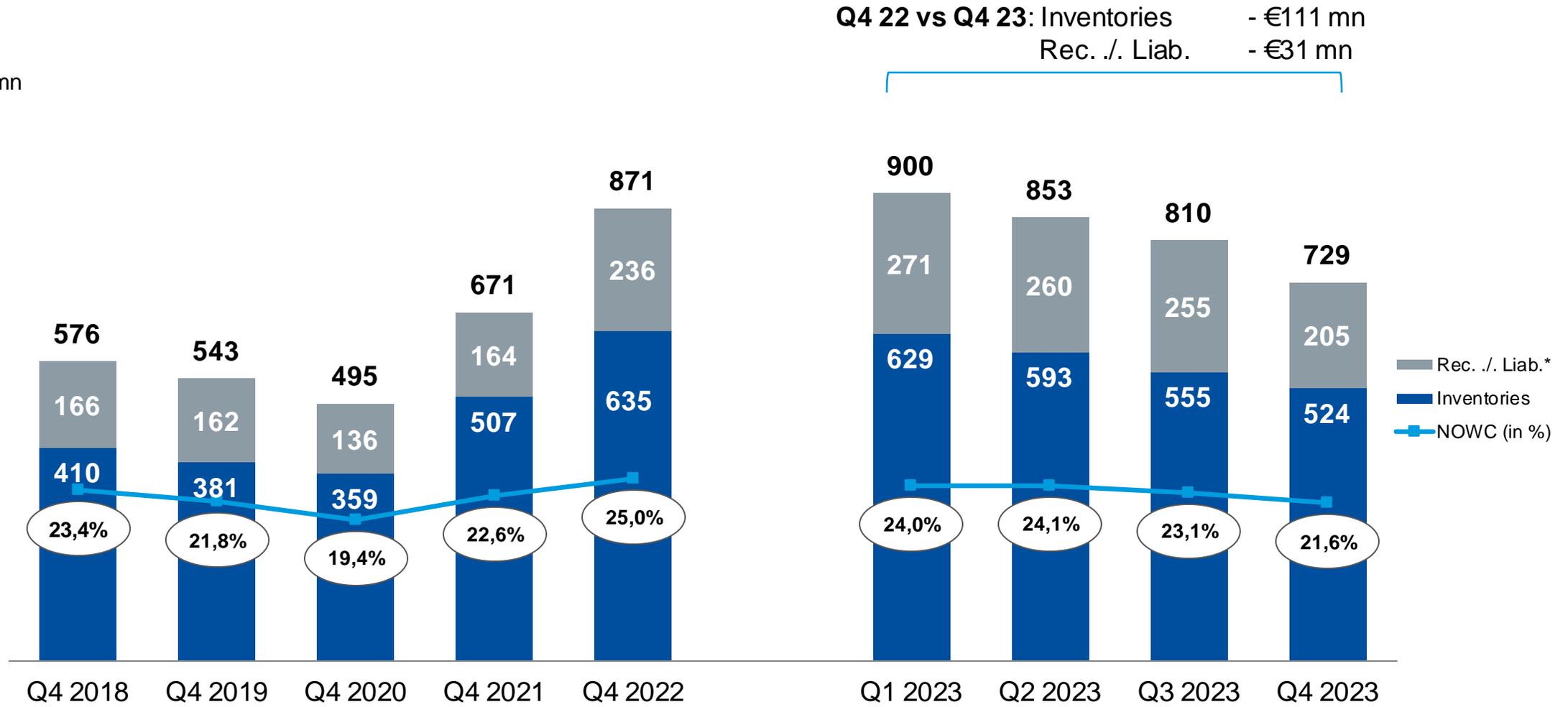
- Sales up 5% due to price increases and positive business development
- US, Brazil and especially Mexico with business expansion contributing to the region's growth
- High negative currency effects mainly from Argentina, but also from North America as a result of the weakening of the dollar
- As in the previous year, especially Nye, as well as the Mexican entity contributed to the positive earnings development and an 3% higher EBIT year-over-year

# NET LIQUIDITY



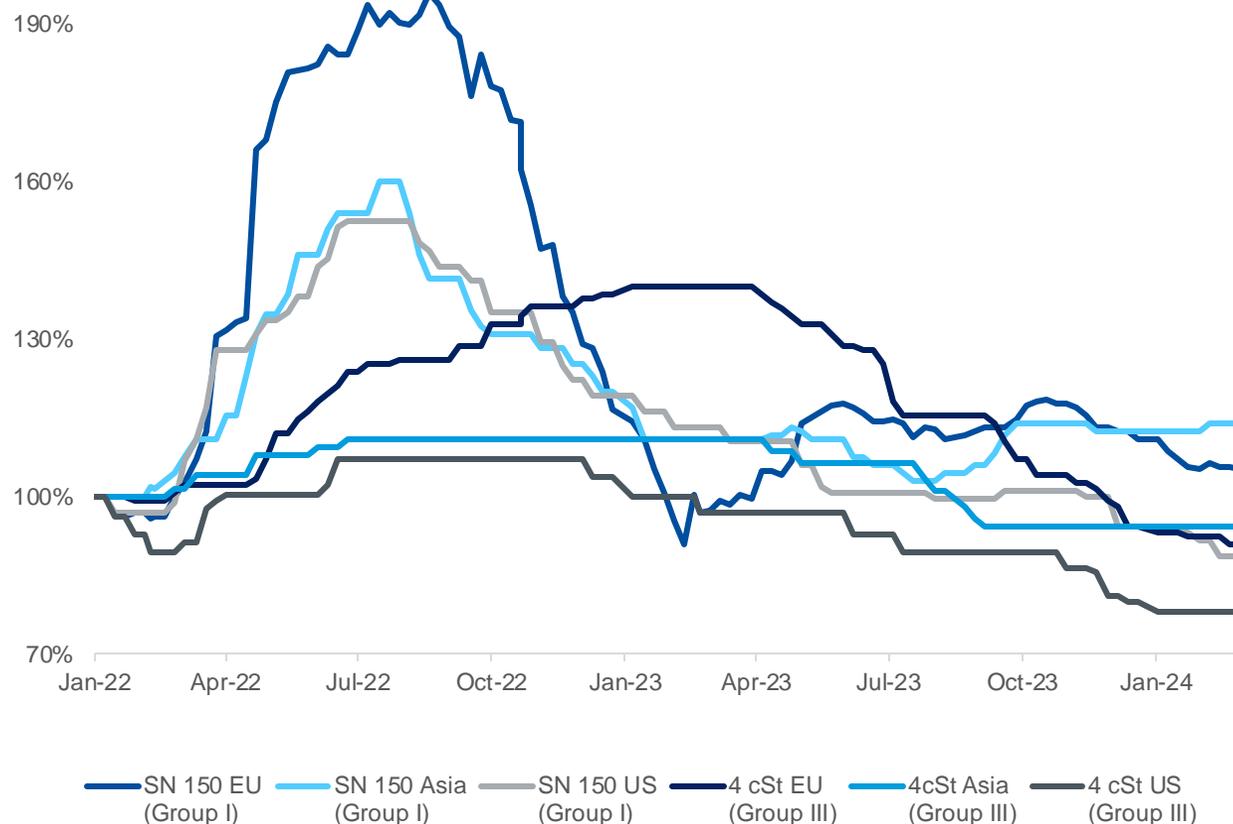
# NET OPERATING WORKING CAPITAL (NOWC)

€mn



\*Liabilities include advance payments received and liabilities from customer discounts

# DIFFERENT PRICE DEVELOPMENTS FOR RAW MAT. BASKET



## Market Development Q4

- After modest price increases of selected **base oils** of the beginning of the quarter, trend reversal at end of the quarter
- **PAO** prices slightly softer
- Stabilization of prices for **additive packages** and **other raw materials** detectable, but still on high level

## Outlook Q1 & beyond

- **Base oils:** Overall stable price assumption due to balanced to long markets at the moment
- **Additive packages & other raw materials:** Prices expected to stay stable, however lead times under observation due to the circumstances in the Red Sea

Data as at February 27<sup>th</sup>, 2024  
%-changes vs. Dec. 31st, 2021

# DIVIDEND PROPOSAL

## RELIABLE DIVIDEND POLICY

**22 consecutive years  
with dividend  
increases**

The Executive and  
Supervisory Board will  
propose an increase of €0.04  
to the Annual General Meeting

**4%**  
**higher dividend  
payment proposed**

**€1.11  
(1.07)**

**per preference share**

**€1.10  
(1.06)**

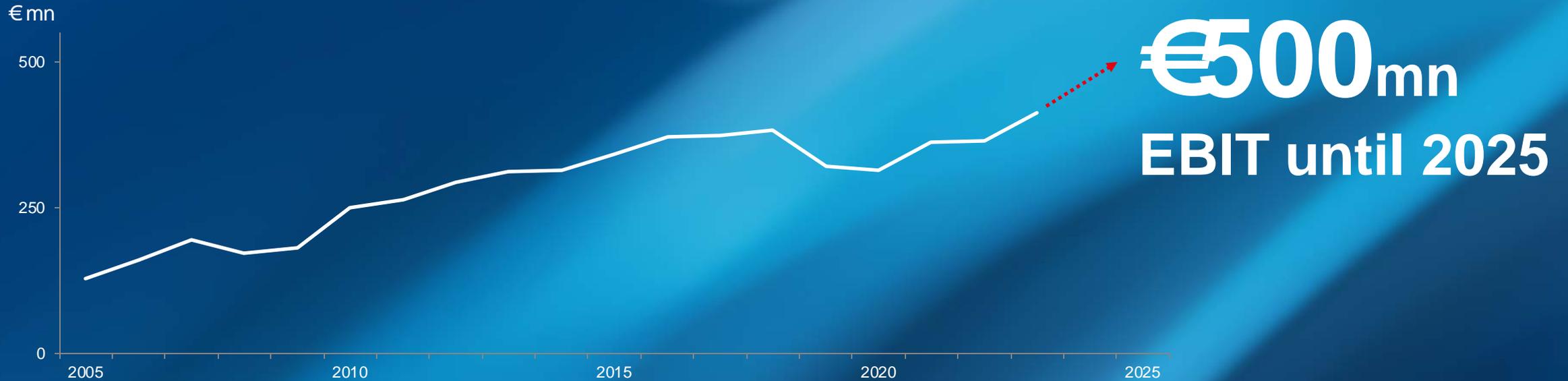
**per ordinary share**

# 2024 OUTLOOK MARKING A STEP TOWARDS EBIT TARGET 2025

KPI* in €mn	2023	March, 12 <sup>th</sup> 2024	
	Sales	3,541	~ 3,600
EBIT	413	~ 430	Strict cost management vs. inflation- and S/4 Hana rollout costs
FVA	212	~ 240	Higher earnings and lower capital employed
FCF bef. acq.	465	~ 250	Higher earnings and normalization of cash conversion rate towards 0.8x

\* The impact of the ongoing tense geopolitical situation on the global economy and FUCHS cannot be estimated at this time. In addition, the further development of raw material prices remains a matter of great uncertainty.

# FINANCIAL TARGETS



Mid single-digit  
percentage



annual sales growth

Long-term EBIT  
margin

~15%

Average cash  
conversion rate

0.8x

Increase of dividend



each year

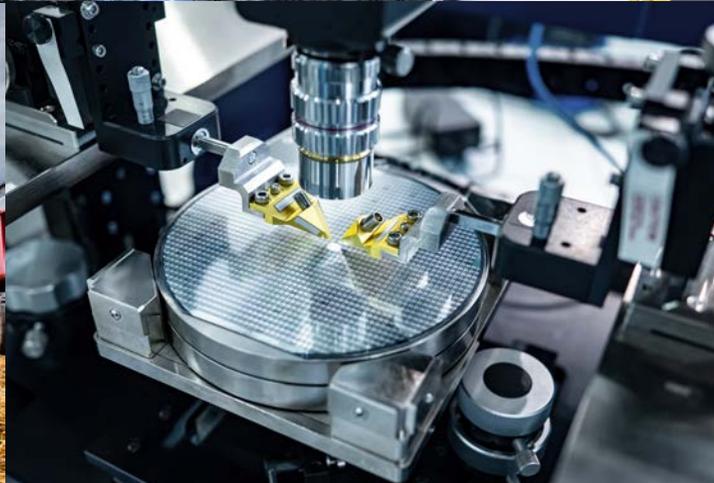
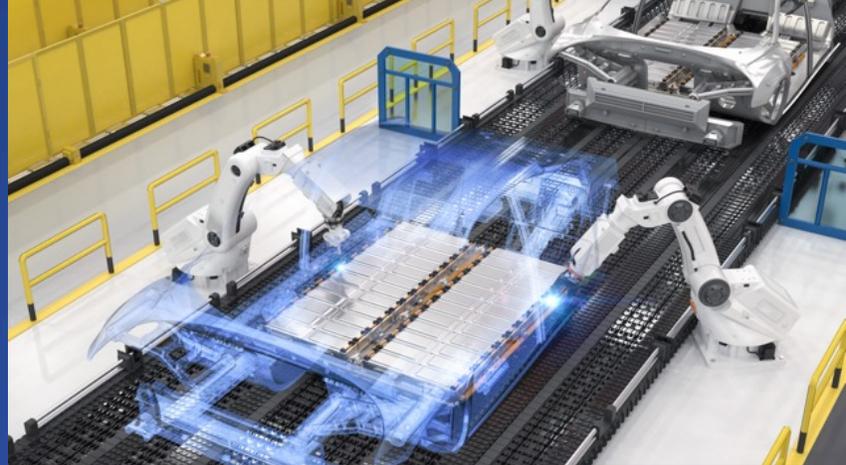
A skateboarder wearing a black beanie, a brown and black jacket, and dark pants is captured mid-air, performing a trick in a concrete skate bowl. The skateboarder is positioned in the upper right quadrant of the frame. The bowl's curved walls are visible on the left and right sides. The sky is a clear, light blue with a few wispy white clouds. A dark blue rectangular box is overlaid on the lower left side of the image, containing white text.

# News from the FUCHS world

*MOVING YOUR WORLD*



**Customer focus and  
holistic approach  
pay off**



# Awards & honours

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**DMG Mori Partner Award  
& 10-year anniversary**



**Supplier Award  
from Hitachi Astemo**



**Supplier of the year  
from John Deere**



## Strategic Partnership FUCHS x VALEO

Joint development of high-quality technologies and solutions for customers in the fields of automotive battery systems, energy storage and data centres.

# FINANCIAL CALENDAR & CONTACT

## Financial Calendar 2024

<b>April 30, 2024</b>	Quarterly Statement Q1 2024
<b>May 8, 2024</b>	Annual General Meeting
<b>July 30, 2024</b>	Half-year 2024 Financial Statement
<b>October 30, 2024</b>	Quarterly Statement 9M 2024

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)

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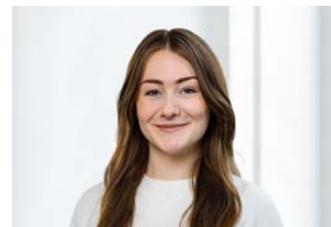
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