

Fuchs SE (HY Results 2025)
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Corporate Speakers:

- Lutz Ackermann; Fuchs SE; Head of Investor Relations
- Stefan Fuchs; Fuchs SE; Chief Executive Officer
- Esma Saglik; Fuchs SE; Chief Financial Officer

Participants:

- Martin Roediger; Kepler Cheuvreux; Analyst
- Constantin Hesse; Jefferies; Analyst
- Michael Schaefer; ODDO BHF; Analyst
- Oliver Schwarz; Warburg Research; Analyst
- Konstantin Wiechert; Baader-Helvea; Analyst

PRESENTATION

Operator^ Dear ladies and gentlemen, welcome to the Half Year Results 2025 Analyst Conference Call of FUCHS SE. This conference will be recorded. (Operator Instructions)

May I now hand you to Lutz Ackermann, Head of Investor Relations of FUCHS SE, who will start the meeting today. Please go ahead.

Lutz Ackermann^ Yes. Good afternoon, ladies and gentlemen. This is Lutz Ackermann speaking. On behalf of FUCHS SE, I wish you a very warm welcome to today's conference call on the half year figures. With me on the call today is our CEO, Stefan Fuchs, and for the first time our CFO, Esma Saglik. As always, Stefan and Esma will run you through the presentation, which is then followed by a Q&A session. All the documents for this call today you can find on the homepage on the IR section.

Having said this, I would like to hand over to Stefan. Stefan, please go ahead.

Stefan Fuchs^ Thank you very much, Lutz. And a very warm welcome from my side. You see here again our Executive Board. As you know, since March 7, we have two changes. The second change will start tomorrow morning. So Mathieu Boulandet, as you all know he's 42 years old. He's a chemist. He worked for 20 years in our industry. Tomorrow morning, he will have his first workday here in Mannheim. He moved to the region with his entire family. We very much look forward to welcoming him, and then there will be an orderly handover process from Sebastian to Matt.

The other change is already three months with us, and it's a pleasure working with Esma. And also, all of you might already know her and met her, it's good to say a few words to herself, and I hand over to Esma.

Esma Saglik^ Thank you very much, Stefan. Also a very welcome from my side. Quickly to my person, as you heard, my name is Esma Saglik. I'm now almost 25 years on the industrial -- in the international finance world. We're working in different branches like the automotive industry, the construction industry and metalworking industry. The last 5 years before I started with FUCHS, I was at the company, REHAU Industries as a Board member and CFO, and now three months here and I'm happy to be here.

Then I would say let's get started with the financials. Yes. We started our year on a positive note, I think, with a quite solid first quarter. But as we all know currently, we are navigating through a challenging market environment. Demand in different segments and industrial production across Europe are weak. And the continued discussion around tariffs brought a huge uncertainty into the market.

Also we at FUCHS faced effect in the second quarter, especially in June. And as a result, we didn't meet our expectations. This brought us also to the decision to revise our full year 2025 guidance as you do not -- as we do not expect a significant market recovery for the rest of the year. Nevertheless, we still managed to grow our sales in the first half year by 2% year-over-year. It was equally by internal growth, mainly volume-driven, and external growth through our recent acquisitions of BOSS, IRMCO, LUBCON and the STRUB Group.

And here, just as a side note, LUBCON and STRUB are now unified under the brand FUCHS SWISS LUBRICANTS. This consolidation strengthens our market presence in Switzerland and enables us to offer a comprehensive product portfolio across all industries.

But now turning back to the EBIT. This came below -- this came in below our expectations. While we saw a slight improvement in our gross margin, we had a shortfall unfortunately in our EBIT. Main drivers of that was mainly the unfavorable mix we have seen, especially in the U.S., along with a higher cost base from inflation and pre-investments we did into the future.

On a more positive note, our free cash flow before acquisitions remains strong, coming in above the prior year, however the drop in EBIT resulting in earnings per share falling by 7% compared to the last year. And as mentioned earlier, we've adjusted our 2025 outlook. We still expect the weak macroeconomical environment to continue into the second half year. Nevertheless, recent projects win we had and market share gains give us the confidence that we will achieve our sales level on par compared to the last year.

At the same time, we have revised our EBIT guidance, down by 6%, still aiming to match last year's peak earnings. To support this, we already initiated different measures to strengthen our profitability in the second half year. To add some context to the year-over-year sales performance, initially, we expected a typical seasonal pattern with sales raising through the year and a softer Q4. However Q2 remained largely flat compared to last year. Considering the broader economical climate and market headwinds we are having, I think this is still a solid result, but of course it was below our expectations. And looking

forward, we expect the second half year revenue to remain broadly in line with previous year. Then moving over to the EBIT.

Our -- on a quarterly basis, we are down compared to last year. The main reasons are inflationary-driven cost increases and the unfavorable mix, especially as I have mentioned, in Americas. We've seen some encouraging momentum in Asia Pacific, but unfortunately, it wasn't enough to fully offset these pressures. For the second half year, we expect EBIT to come in slightly above last year's level, and that means for Q2 -- for half year 2, sorry. To ensure this, we put tight cost control measures in place and will focus on the execution of our saving initiatives.

Looking to our group sales development, we are still pleased to report sales growth organically and external in the first half year despite all the tough market conditions we are facing. Strong momentum, as mentioned, in Asia-Pacific and South America, which underlines the success of our local-to-local strategy and the strategic investments we have made over the last year. It also underlines the importance to stay close to our customers. So customer proximity is key, which was the key success factor for our main organic growth.

On the external growth side, the main drivers were the successful integration of our acquisitions, LUBCON, STRUB, BOSS and IRMCO. The latest two ones were being added earlier this year. But unfortunately, the strong development of the euro translated into a reduction in our revenue. As already mentioned, sales and EBIT showed a mixed picture for the first half year. Unfortunately, functional cost increases at a higher pace driven by acquisitions, inflation and some one-off investments to new customer projects were the main driver.

Some of these costs are pre-investments and are expected to be -- to normalize over the upcoming months. However inflation remains still a concern and continues to impact our cost base. That's why we have already indicated different saving measures aiming to protect EBIT performance in the second half of the year.

Looking at our balance sheet KPIs, we are well on track. Let's have a look into our regions. The main growth in EMEA came from acquisitions, which helped to compensate the organic decline largely caused by economic softness across Europe and here, in particular, to mention the automotive sector in Germany. So the trend we have seen in Q1 is continuing for EMEA.

On the other hand, the acquisitions we made highlight the strategic value of our investments we have done and provide us a strong platform for future growth. Moving over to Asia-Pacific. Asia-Pacific delivered a very strong performance in the first half year, especially here to highlight China. Our decision to invest in local production continues to pay off, especially in our Specialty segment. India had also a strong first half year, and Australia showed solid momentum here, especially to mention the automotive aftermarket segment. So in summary, the development in Asia-Pacific was very positive, top and bottom line and confirms the strength of our potential to our regional strategy.

Looking over to the other side of the globe, North America is currently our challenging region. We were capable to grow our top line, but EBIT was significantly behind. Main drivers are the shift in the product mix we are seeing. We grow in our base business, but had a flat performance in high-margin segments. In addition to that, the cost base remains heavily impacted by inflationary increase and future investments we have done. Also South America continues to be a difficult economical environment. While its contribution to the group is limited, we are still monitoring it very closely. Moving over to the net liquidity.

With the contribution of all three regions and of course the group, our free cash flow before acquisitions was strong at EUR 81 million, well above last year's level, which was around EUR 69 million. This was mainly driven by net working capital reduction, which is in line with the expectations we had. Despite the solid operational cash flow, dividend payments and acquisition-related investments led us to an overall cash outflow, bringing the net liquidity to a negative EUR 59 million.

But that being said, we confirm our full year guidance and expect to close 2025 with a free cash flow before acquisitions of around \$260 million. Regarding the net working capital, it is typical to see an increase in the first half year and a reduction towards the year-end. Nevertheless, we are able -- we were able to improve our net working capital year-over-year and quarter-over-quarter. Here, we also expect the positive trends to continue and anticipate further improvements towards the year-end.

Looking to our raw material trends. In terms of raw material, we observed a slight price increase for base oils in dollars. However due to the devaluation of the dollar against the euro, prices in euro terms came slightly lower. On the other hand, additive prices and availability remained stable, which is a good news. And looking ahead, we expect raw material costs to stay relatively stable, while tariffs and FX development needs to be, of course watched closely.

So summarizing the financial part, we expect sales to remain flat year-over-year with slightly higher volumes, but being offset by negative currency effect. Also we expect EBIT and our FVA to remain at the strong level similar to last year, supported by saving measures we have initiated and a stable capital employed. And finally, our free cash flow before acquisitions is expected to normalize during the year and will end up around EUR 260 million.

So I came to the end of my financial presentation, and I would like to hand over to Stefan.

Stefan Fuchs^ Yes. Thank you, Esma. I just want to provide you with a brief update with things happened since our last meeting three months ago. First of all, as you all know FUCHS went to the stock exchange in 1985. So this year, we were celebrating our 40th birthday which we actually did at the Frankfurt Stock Exchange. I think we are really happy about that event because we -- in our entire tenure being a stock exchange

member, we never had a year with a loss, and we generated profits each single year, and we paid dividends each single year. And as you all know since 23 years in a row, we increased the dividend year-by-year.

We want to continue to do so to be the first, what many people would say the dividend aristocrat in Germany after 25 years. And all in all, if many people ask us, I think we take really the best out of both worlds. But the one world, I think from a family type company is the independence, which I think gives your employees, but also your customers security and a positive planning horizon in today's world, that's worth a lot, so we can concentrate on our business.

The other part that we fulfill all the capital market requirements, especially in having an independent Supervisory Board, which I personally think is a big asset, especially when you look at the interactions between me as the CEO and our Supervisory Board President, that's really positive challenging for and on behalf of the FUCHS Group.

So I think that's really good. The other part is that, as you know we made two acquisitions in Switzerland, the one indirectly through LUBCON. When we purchased LUBCON, they had a Swiss subsidiary. We had no own activities since 2018 in Switzerland. Then we acquired STRUB at the end of the year. We have now merged those two legal entities and have renamed the legal entity as FUCHS SWISS LUBRICANTS. We have a nice setup in Reiden near Lucerne, where we have a manufacturing site and a laboratory and an office and I think a very good team. And now we want to grow and go from strength to strength in that important market for us. The other part is Mexico.

As you all know our three large gorillas, what I always say from companies in the FUCHS Group is Germany, China and the U.S. with immediate followers like Poland and Mexico. So Mexico is a very important market for us. As you can already see from the picture, we are in Queretaro where we feel very comfortable, but we have now built on each single square meter available. So we have now opened a logistics warehouse. And we come to the end of the lollipop and therefore, we invested in a large piece of property in San Luis Potosí, which is a little bit north of Queretaro, which is a huge railway hub in the U.S., and we will go in steps. So this year, we make the railway connection. Next year, we do the next step. But I think that will be a very important site for us in the future.

That's all I had to say. And now Esma and I will look forward to get feedback from you and for your questions.

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) And now we're going to take our first question, and it comes from the line of Martin Roediger from Kepler Cheuvreux.

Martin Roediger^ Two questions, if I may. Can you talk a bit about the mix effects in Americas as the margins are heavily down in the second quarter? I guess this is related to

some low volumes in the mining industry and industrial activities, which have certainly higher margins and not so much to the automotive business, which has probably lower margins? That is my first question.

Second is a follow-up. Was there any destocking in volumes in the second quarter in Americas, given the low organic sales growth we saw of roughly 1% in Q2?

Stefan Fuchs^ Thanks, Martin, for your questions. The one part really is if you look at North and South America, we had no growth in the second quarter. If you look back, the organic growth in Q1 was 8%. In the second quarter, it was 1%. On the other hand, we were on top, we were hit on exchange rates. So we had a minus 7% exchange rate impact on the second quarter and plus 1% in the first quarter. So we see the whole trade barriers and tariffs have really a little impact. It's [far be less EUR 1 million] what we have seen on us directly because we are local for local, but the thing is with regard to consumption in the U.S. So the U.S. economy is down, especially we have experienced it, I would say in the second half of May and in June that the people are holding back on consuming certain things.

Yes, our almost entire existing business is down in the U.S., which is normally high margin. We have gained some larger volume business, which on purpose we did. This comes with a lower margin, especially since most of the stuff is toll manufactured for us in the U.S. But for us, it's a part of our strategy because on that business in other world markets, we earn very good money in Asia and in Europe. Therefore, we said as a part of FUCHS 2025 and preparing for FUCHS 100, we want to take on the business, learn with that business and then multiply it positively in the future as we did in other markets. That's the main reason behind.

One part, stocking on lubricants plays no role. Our customers don't stock up or down on lubricants. They have only a certain space available. You find that sometimes with distributors in automotive aftermarket that they stock up or down if they expect a price increase. But in all our B2B business, which is 75%-plus, they have no -- they have only that amount of tanks or storage space available. So there is no direct impact on stocking.

Operator^ (Operator Instructions) And now we're going to take our next question, and it comes from the line of Constantin Hesse from Jefferies.

Constantin Hesse^ I have three. So the number one would be, I just want to have a quick chat and understand if there are currently any structural issues ongoing either in your Asia-Pac business, EMEA or in the Americas, particularly related to the automotive business?

And second question would be on the guidance cut that you did. It wasn't a very significant cut. So I am curious to know how conservative you're currently being for the second half? And if there is still risk based on -- if we were to take the June month and we were to run rate that to the end of the year, is that guidance kind of in line with that? Or is there still risk potentially to the bottom line there?

The third question would be on the [medium-term], the guidance that you used to have, the EUR 500 million in EBIT. Is that something that you believe you can achieve with the operating leverage by growing volumes alone? Or do you still need other levers to play here to basically support that level?

Stefan Fuchs^ Okay. I'll take the easy one on the structural issues in the auto business. There are none. I mean auto business is down in Europe. That part we see on the industrial side as well as on some of the (inaudible) parts of freezes or shock absorbers. In Asia, it's a little bit different. The good thing is being very local in China, we have very good approval landscapes and relationships to Chinese OEMs, and we want to go with them, as you know on the international expansion. So that should help us.

The other thing which helps us, I think in China is that we have put a lot of effort in the last 5-plus years into deep localizations in China. And still many specialty lubricants are imported from the U.S. and those market participants have a problem at the moment due to the tariffs. So we might get the one or the other opportunity. So the main part why Europe is down is really mainly around automotive and the industrial sector. As you know a large piece of our OEM business is aftermarket business, which we call Genuine brand or private label. So that's a little bit decoupled from the car manufacturing.

On the EUR 500 million EBIT to be honest, a, there will be a new profit goal coming with FUCHS 100. That is linked to conditions, what we done -- what we have not done with the FUCHS 2025 part. That will be most likely in the second quarter of next year, be published. So that's this part.

When you talk about top line and margin because if you look at the margin, 35.1% on the gross profit, we are right in our target area. Margin is not a problem. The problem is that the top line is not there where we have anticipated it to be and all our expenses are inflated, especially on the personnel side and on the freight side. That's one part where we have a serious look at the moment to make sure we have a better conversion from additional sales and margins into the profit part. The easy question with the guidance of 2025, I'm happy to hand over to Esma.

Esma Saglik^ Thank you. If it comes to the risk regarding bottom line, what you have asked, I think it would be wrong to take June as a single point and extrapolate the number towards end of this year. As I've mentioned before, we have, of course in the first half year, also a couple of one-off investments. These were also mentioned in the Q1 call. This is a one-off which will be not repeating and it will level out.

Secondly, looking in our order pipeline, we have won new businesses. We are doing still share gains. With the local-to-local approach, what we are having, we see actually for -- in the market where competitors are exporting that we don't have this, and this helps us also to gain some share.

So all in all, we still believe that we will be capable to reach actually last year's numbers on the bottom line. Of course if you just take half year one multiplied by 2, that's actually still a gap. But there are, as we said, one-off effects in the first half year 1. And additionally, we mentioned that we have put measures in place doing tighter or actually cautious cost spend, let's say it this way which will help us also to bring an uptick in the second half year.

Constantin Hesse^ So if I may just a follow up on that. So your guidance for the second half really takes into account no recovery whatsoever and it's solely based on your own initiatives of cost savings.

Esma Saglik^ Constantin, if we get a recovery, we will be happy to take it. But looking into the market right now it would be actually a bit -- yes, it would be not cautious enough to say -- yes, I can just say I think first -- I think we have to be careful right now because we don't see what the market is doing. It's very volatile, and it would be difficult to say we see an uptick in the second half year. So therefore, we confirm last year.

Operator^ Now we're going to take our next question, and it comes from the line of Michael Schaefer from ODDO BHF.

Michael Schaefer^ My two questions, basically all related to the Americas. I want to come back to the mix effect which you have seen in the second quarter. And given the decline also in EBIT, which you have shown also quarter-over-quarter and the drop-through rates from lower sales. Esma, I was intrigued basically to hear that from a volume perspective that your base business was growing, but that you had flat specialties.

So I wonder whether you can give a bit of color basically how the specialties business may perform looking into the months ahead and whether we have seen whether this is returning then to the growth with, let's say more visibility and maybe also some clarity on the tariff side of things?

And the second related is those kind of one-off costs, and you mentioned that in the -- I presume that this is the Mercedes aftermarket deal we talked about in Q1 and affecting basically already the Q1 cost base. Can you quantify basically the release or the relief we should expect in the second half from those kind of initiatives or basically the kind of Mercedes investments?

And maybe a third question, if I can squeeze this in. You talked about a substantiation of the expectations maybe on the cost base for the second half in order to make your reduced guidance working basically. Can you quantify what's your plan in terms of cost outs for the second half compared to the first half, leaving aside basically the Mercedes costs, which are going out of the market?

Stefan Fuchs^ I think when you come back, Michael, to the U.S. business, it was all with regard to what we would say more on the special side because it was what we call specialty, so wind, food, et cetera, it was metalworking industrial and it was underground

coal mining. So normally, you have a higher margin, but also higher expenses. But the operating profit is pretty healthy. Last year, the Americas had the best year ever. And now this year, all of those parts are down.

If you take our automotive business and especially those deals which you have mentioned, they come with a lower gross profit percentage, but you normally can leverage it through the size through your own expenses. And at the end, the EBIT percentage is not so much different.

Now in the U.S., we don't have all the manufacturing capabilities. I think there were some overpromises done by the customer. So we stocked up in the beginning. We had to do some advertising in the beginning. I don't want to quantify that. But we had some ramp-up costs, plus we import still a few products from Europe, which are all exempted interestingly enough. Many chemicals are exempted from all the tariffs, whether they are 15% or 25% and those lubricants fall underneath that bracket. But we don't have all the capabilities yet in the U.S., and that's one part which we want to establish because on that part, we earn very good money in other parts of the world.

Therefore, for the U.S., it's a big learning curve. If you stay into that example, we now deal with 160 Mercedes garages where we send hundreds of products to, which is pretty rough for our U.S. colleagues. We use 15 large distributors for that part. We get the products full manufactured. So the profit generated in the U.S. is not very big, but the learning curve is quite nice because, as I said before, we earn very good money in other world regions on that business. Therefore, we have done it, and that's the whole reason behind that mix part.

Esma Saglik^ And coming to your third question, where you said, okay how you want to substantiate your -- or the cost base you mentioned and substantiating the EBIT. We've been with all regions and all departments and functions, of course for the list of initiatives what we can take, where we do have potentials to postpone costs, reduce cost, push the break. We made a huge list, I can assure you. That's actually what we are going to deploy just as a -- roughly, it will be around a higher 1-digit million or even up to a double-digit million of initiatives what we are having. Of course depending how the business will evolve, we will accordingly decide it.

Operator^ (Operator Instructions) Now we're going to take our next question, and it comes from the line of Oliver Schwarz from Warburg Research.

Oliver Schwarz^ I have two. Firstly, can you give us, let's say more details about the upcoming savings that will help you to navigate H2 in the currently rather difficult conditions. You alluded to not only, let's say I wouldn't say one-off costs or extraordinary costs going down, but also savings. I'm wondering whether those savings have, let's say a onetime nature or whether they will also be prolonged or also help, let's say oncoming earnings generation in the respective regions where you implement them? That would be my first question. So the nature of the savings. Perhaps you could give some examples or so.

Secondly, sorry to come back on this topic of the U.S. I hope I heard all your answers on the questions, but I'm still a bit curious. Normally, I'd say FUCHS is a company that is rather as supplied, at least in the chemical sector and hence, flexibility, operational flexibility should be high. The story in the U.S. to be volume related and not so much price related. You had some fallout from FX, and I can understand that. I heard what you said, Mr. Fuchs about having to import some products from Europe, which is currently obviously a burden on the margin. But nevertheless, the decline in the U.S. strikes me as having been very sharp, especially when compared on a sequential basis.

So I'm just wondering, I mean especially specialty products, they should be employed by the respective customer nonetheless, whether the, let's say the underlying economy is more, let's say growing to a larger than to a lesser extent because those are products which need to be implemented in the respective products of your customer base. So I'm still wondering why, especially in Specialty Chemicals, this volume growth didn't lead to, let's say a stabilization of the EBIT margin in Q2, but saw it basically drop by almost 50%.

Stefan Fuchs^ The reason behind the U.S. business is that on your existing sales, we saw a reduction of sales with the same profit base. Therefore, the profit goes down. Then you add a large volume business, which is not yet a really of a booster that's -- mathematically, that's the explanation. You have an existing business, which is down across the board because the economy is down. Then you add a new business at larger volume, which is not yet fully accretive. I think that's the reason behind.

Esma Saglik^ And coming to your saving questions, I mean Oliver, I apologize if I'm not going to details and call about costs, which cost it is. But I mean we all know we have running costs in the business, and we definitely will push the brake there. I don't want to talk about typic consulting costs or T&Es, et cetera, the typic ones. They will be definitely prolonging into also the next year. So we will steer our running costs on the one hand. We have, on the other hand, of course project starters, you can run full speed or you can also push here the brake in regards to external spend. These are the main topics which we will follow up in the next months.

Stefan Fuchs^ But I think it's also important to mention is that we won't do stupid things because we believe in our business model, time will progress. And for example, our Transform to Grow, where we invest significant money, we will just continue. If we run a cost acquisition, we will continue.

So we have lowered our guidance by 6% to a level of 2024, which was an all-time high. So we don't want to have all our team panicking around the world who is next to go. Therefore, we don't run folks in a crisis scenario. We went out Ad hoc because this is the [part in] regulation. And as you have seen in the share price, it was good that we went out Ad hoc, but we are not in a crisis mode, and we won't do any stupid things just for the short run.

Operator^ (Operator Instructions) And now we take our next question, just give us a moment, and the question comes from the line of Konstantin Wiechert from Baader-Helva.

Konstantin Wiechert^ Most answered, one remaining. In the second half, in the savings that you will realize, is there any sort of resolution of bonus provisions that you have already built in the first half included in that? Or is that already reversed with the second quarter?

Esma Saglik^ Clear question. No. There is nothing where we play with accruals, et cetera. I mean we are talking about savings where we want to put our cost baseline down, and this is how we are driving actually our initiatives and not playing with accruals.

Operator^ And now we're going to take our next question, and it comes from the line of Martin Roediger from Kepler Cheuvreux.

Martin Roediger^ Sorry, just one clarification question. You have cut your EBIT guidance, but you keep your free cash flow guidance unchanged. Is the reason for that, that you expect some net working capital reduction by year-end?

Stefan Fuchs^ Mathematically, if you take down your sales, you gain 20% on those reduced sales. Cash flow from reduced sales is not totally to my liking, but probably that's one part of the answer behind.

Esma Saglik^ Roediger, you answered also by yourself. The net working capital, I mentioned in the presentation as well we are expecting to reduce down further. This is one of the elements which will contribute towards positive.

Operator^ Dear speakers, there are no further questions for today. I would now like to hand the conference over to Esma Saglik for any closing remarks.

Esma Saglik^ Thank you very much. Thanks for the meeting, but I think we have here another special topic. Lutz, it's your last conference this time. And again I would like to thank you for joining. As you all probably know Lutz will leave the company by end of September.

Just as a side note, we are already in the last stages of our succession planning. And hopefully, the next time we can announce this person soon. But I think Lutz that's your stage now. I would like to thank you for all the efforts you have done and for all the good jobs you have done so far. It's a crying eye for me, even I don't know you for a long time. But nevertheless, I wish you all the best in your new job and your new challenge, and I'm sure you will rock it and you will make it. Thank you very much.

Lutz Ackermann^ Yes. Thank you, Esma and Stefan, for the kind words, which I would like to give back to you. So thank you for the trust. Thank you for the very good

collaboration that we had. I think we have come a long way and we have achieved a lot. I'm sure we will stay in touch in the future. And yes, thank you again for that.

Stefan Fuchs^ I'm also sure very unhappy to lose you, but we wish you all the best. I'm sure the water is a little bit colder over there, but well done. Thank you very much and really all the best to you.

Lutz Ackermann^ Thank you. With this, we have come to the end of today's conference call. If there are any questions left, don't hesitate to contact the IR department. Otherwise, you may now disconnect. Bye bye.

Operator^ This concludes today's conference call. Thank you for participating. You may now all disconnect. Have a nice day.