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Corporate Speakers:

- Lutz Ackermann; Fuchs SE; Head of Investor Relations
- Stefan Fuchs; Fuchs SE; Chief Executive Officer
- Isabelle Adelt; Fuchs SE; Chief Financial Officer

Participants:

- Michael Schaefer; ODDO BHF; Analyst
- Martin Roediger; Kepler Cheuvreux; Analyst
- Matthew Yates; Bank of America; Analyst
- Lars Vom Cleff; Deutsche Bank; Analyst
- Sebastian Bray; Berenberg; Analyst

PRESENTATION

Operator^ Dear ladies and gentlemen, welcome to the First Quarter Results 2025 Analyst Conference Call of Fuchs SE. This conference will be recorded. (Operator Instructions) May I now hand over to Lutz Ackermann, Head of Investor Relations at Fuchs SE, who will start the meeting today. Please go ahead.

Lutz Ackermann^ Yes. Hello, everybody. So this is Lutz Ackermann speaking. On behalf of Fuchs SE, I wish you a very warm welcome to today's conference call on the Q1 figures. With me on the call today is Stefan Fuchs, our CEO; and Isabelle Adelt, our CFO. Stefan and Isabelle will run you through the presentation in a second, and then we are going to have a Q&A session afterwards. All the documents you can find on the IR section of our homepage. Having said that, I would like to hand over to Stefan. Stefan, please go ahead.

Stefan Fuchs^ Thank you very much, Lutz. And also a very warm welcome from my side. We are satisfied with our first quarter, which was in line with our planning and our expectations. I think the first good news is really the 5% sales growth, which also had a volume growth underneath, which was very important to us. From an EBIT standpoint, we had the best first quarter ever.

It's a little bit under proportionate compared to the sales growth, but we really kept with the number. And I think most important is that we have confirmed our outlook, which Isabelle will come to now.

Isabelle Adelt^ Thanks, Stefan, and a very warm welcome from my side as well. As already outlined by Stefan, we had a good start into the new year, which is completely in line with our expectations. And that's against the backdrop of a more than challenging market environment with weaknesses in a lot of economies as well as tariff discussions around the globe triggered by the U.S. government. And this is why we are more than happy to once again record record numbers for our Q1.

So when you look at sales, we are up 5% year-over-year, which was equally driven by internal growth, majorly volume growth, which was very pleasing. If you recall our full year number call we talked about big wins with large customers, key accounts we were able to secure last year, and we now see the volumes coming in, as expected, which is a very good addition to our high sales number.

And then in addition to the internal volume-driven growth, we, of course, saw external growth, too. This is obviously due to the fact of the number of acquisitions we closed last year with LUBCON and the Strub Group as well as beginning of this year with Boss Lubricants in Germany. And as you might have noticed, another one we already announced as of April 1, IRMCO will be part of the FUCHS Group, which is yet another acquisition in the U.S.

As Stefan already outlined, the EBIT grew slightly under proportionate to sales, but that was expected because, as you can imagine, securing large new contracts, you have to do some invest to be able to deliver the high volumes. We did some marketing. You saw in our full year numbers call with the Mercedes-Benz aftermarket business. So all of that is absorbed here already. Plus, of course, you can imagine, usually when we buy new companies, we try to integrate them into the FUCHS structures.

This, of course, comes with benefits later on, but of course, temporarily, costs you need to put into your P&L to make sure they really become a part of the FUCHS Group and are deeply integrated into our organization.

Last but not least, the free cash flow, which is slightly higher than last year. So I think no big surprises here as well given that usually, Q1 and Q2 is a little weaker when it comes to free cash flow and the higher numbers flow in, in the last half of the year. So completely in line with what we expected to see, even a little higher than prior year, which means slightly higher cash conversion and last but not least, of course, resulting in earnings per share being up 2% year-over-year given EBIT is up slightly, and we have a lower number of shares due to the share buyback concluded in Q3.

To give you some more details on how that looks like quarter-over-quarter, as already seen beforehand, 5% up in terms of sales development. And what we expect to see this year is a very similar seasonality to the years before. So this is just the start of the year with then hopefully, incremental sales number additions in Q2 and Q3, and then Q4 a little softer again. And then as already indicated, from an EBIT point of view, slightly above prior year and the best Q1 we clocked so far.

So something we are satisfied with, especially since cost increase majorly came from invest into new contracts as well as acquisitions, which is a good thing to invest into the future growth of the business.

The growth is equally distributed into organic growth and external growth, which, of course, is a good thing, too, that we say, on the one hand side, we invested into the group, as you know from our investment program, which is now really playing out in our favor given that we have fully-fledged operations, production sites in China, in the U.S., which is really putting us in a good position when it comes to local-for-local production and really making the best out of the tariff situation, which, if everything goes through, will not hit us as hard as a lot of other companies who are suffering quite bigly.

Now we really see that this local-for-local approach is the right thing since we are able to grow organically in such a challenging environment. External growth, of course, majorly contributed from a top line point of view by the LUBCON Group but then very nice contributions from Boss and from Strub in Switzerland as well. This results in, I think, what is a very healthy P&L. So we talked about sales and EBIT development already.

As said, unfortunately, functional costs still a little bit higher in terms of growth rates. But I think acquisitions and onetime start-up costs for large customer businesses, this is something that will turn around eventually. And of course, what you have to bear in mind, when volume is growing, of course, the variable costs related to that volume are growing, too. So in absolute numbers, this is, of course, something, 5% higher volume, that you can see in our variable cost as well. What is another thing we are very pleased with is that we saw a good development in all regions.

Looking into the EMEA region, of course, we see the biggest contribution by the acquisitions we did as majority of LUBCON and Strub, and now Boss as well are located in the EMEA region and are shown in those numbers. And against the backdrop of the economic development you see and the weakness in a lot of different industries, we are satisfied with the results we were able to record.

It was in line with our expectations with strong performances in almost all countries in the EMEA region. I think what we have to bear in mind is that the Q1 last year was extremely strong. I think the strongest quarter we have seen in EMEA so far. And this is why we expected the results to be a little lower this year. We'll, of course, see a slight compensation at least by the acquisitions, which contributed nicely this year already.

Then as last year, too, we see a very nice growth contribution by Asia Pacific and then, when it comes to top line, by North and South America, too. Asia Pacific, major driver behind that was definitely the development in China we are very pleased with. And especially in China, we now see that it was the right decision to invest into our factories in China.

We now have a fully-fledged production setup where we can produce, locally produce, almost the entire portfolio, which puts us in a very good position from a competitive point of view when it comes to the tariff situation since a lot of our competitors have to import from the U.S. So I think this is something we are very pleased with to now really see the good development and see that it was the right decision to invest into our Chinese business because they're really doing a stellar job right now in growing the business in a more than challenging environment.

Of course, China is still the heavy weight in that region. But not to forget, we had a very good development in India and then Australia, which is very important countries for us, especially due to the mining activities, too, and they all contributed to what is a major contributor to higher EBIT numbers.

Then last but not least, our colleagues in North and South America, sales up significantly. This is a lot, of course, driven by those nice customer contracts we talked about with high volumes related.

So very good to see our North American colleagues being back to volume growth in our base business, a very good quarter for metalworking as well. But of course, if you grow the base business and, at the same time the more profitable specialty business stays stable, you have some kind of mix effect in there. This is why, again, in the Americas region, we see an under-proportionate development of EBIT margins.

But nothing to worry about, no structural issues. This is really, on the one hand side, the mix effect and, on the other hand side, a slight effect from the investment into the new big customer contracts.

South America remains challenging. Of course, our biggest entities over there would be in Brazil, followed by Argentina. Luckily, not very significant for the results of the group, but this remains a challenging economic environment and it's a tough environment to navigate in, obviously.

The contributions by all three regions, and thus, by the group, led to a pleasing development of our free cash flow, too. As you might recall when we talked about the free cash flow and working capital development as of end year, end of 2024, we said that we were slightly above what we initially planned in terms of percentage of net working capital over revenue and that this was a planned uptick due to being prepared for this big customer contracts to be able to deliver once they call off the volumes. And we now saw that we could keep this nice level of working capital till end of Q1.

Usually, we see a little uptick in terms of percentage of net working capital in Q1. This year, we didn't have that, which really shows that we were able to manage this thoroughly, and this was really just putting a little bit more to serve those big customers into our stock by year-end. Having said this, this means we are still in a net cash position as a group, which is a very good situation, and we were able to confirm the net liquidity position we had end of 2024 throughout Q1. This, as already indicated, of course, a slight step-up in total in terms of net working capital. This is why we saw the impact in the free cash flow.

But in a percentage of revenue, we kept the same level we had end of Q1 -- end of Q4, sorry. Last but not least, I think the one hardest to predict for us right now looking at raw material price development, what we saw throughout Q1 is, on average, a rather steady and stable price development, no big swings and roundabouts. From a supply-demand point of view, we expect the same situation throughout Q2 and beyond.

However we do not really know what tariffs will mean for this since it is not fully fixed. But you can be assured that we did a lot of scenario analysis. We know where the levers are, how the impact would look like. And as soon as the situation is more stable and we have more reliable statements, we are ready to pull the levers that were identified already.

I think good news behind is that, once again, this local-for-local setup is playing out in our favor. So compared to a lot of other companies, for us, from a direct impact, we would have a much lower impact than most of the other companies since we usually buy locally and sell locally. But of course, what still needs to be shown is what that does to our customers and to their supply chains, but it's still too early to talk about this.

Having said all this, that brings me to the end of the financial part of the presentation. And we are happy to reconfirm the outlook we gave to you a couple of weeks back. So around EUR 3.7 billion in sales with roughly 5% sales growth year-over-year, with an EBIT of EUR 460 million, and yes, FVA and free cash flow confirmed as well.

And of course, given we achieved those numbers, this would yet again mark another record year in the history of FUCHS when it comes to sales and EBIT achievement and something, as we speak, we are still confident we can reach. And this is why we now reiterate our guidance we gave to the capital markets a couple of weeks back. This brings me to the end of my presentation, and I will hand over to Stefan for an update on the rest of the FUCHS world.

Stefan Fuchs^ Thanks a lot, Isabelle. From my side, only a brief update since we just met a few weeks ago. We have the one mega trend of mobility change. And for me, it's always important, mobility change does not only refer to electric cars, electric-driven cars, but we also have the hydrogen engines. And it's very energy intensive to come up with hydrogen.

If it's done with clean electricity, I think it's a way to go forward, especially for the heavy-duty part. And we have the Dumarey Group in Belgium, we have a nice partnership formed to play in that field as well.

The other part, without going into the details, you know that we don't look or we don't buy the very large companies, but I think we make bolt-on acquisitions. For me, the highlight continues to be Nye, which we have done a few years ago. LUBCON is playing in a similar field and it's also high-end specialties, which we want to scale up in our infrastructure. Strub was troublesome to integrate, but we knew all of that because they didn't do very well financially. Therefore, it was a rather so-called cheap acquisition.

Boss is very nice. We call Boss like a little Nye in Germany, also in the medical field. And if we go to the last slide, we see IRMCO in the metalworking field where we are in.

We have a lot of chip removing, so cutting and grinding. But we have also a field of drawing and stamping where you have significantly less competitors compared to cutting and grinding. So that's a very interesting deal. We were, I think, number one. That person was number two. He thinks he was number one and we were number two.

It doesn't matter. We joined forces now. The seller and the former owner of IRMCO will work in our company. He will be responsible for the entire product line, in heavy-duty drawing and stamping. It's not only automotive, it's also many other fields. And this was a very nice and clean asset deal.

So we only took over the customers and we took over, let's say, a handful of people. And the company is located in Chicago. We have got no legal entity or any plant. They will manufacture for us for a few months and then we will integrate the business in Chicago. So that was my update, and we really look forward to your questions now. Thank you very much.

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) And your first question comes from the line of Michael Schaefer from ODDO BHF. Please go ahead your line is open.

Michael Schaefer^ Yes thanks for taking my two questions. Michael Schaefer from ODDO BHF. First one, coming back to your Q1 EBIT line, first of all, pleased to hear that this was in line with your internal planning. However what you have reported was, again, a record gross profit with a 7% growth, which you've reported in the first quarter. And then you ended up with plus 1%, as you said, on EBIT level. So looking into -- and also, on the slide deck, you're talking about temporarily higher other function costs.

I wonder whether you can give a bit more details on the kind of onetime character of costs, which are not reoccurring in the quarters ahead and how the kind of accumulated headwinds we should think about weighing on the Q1 results, in particular. And the second question is probably related and I'll address this to Stefan. On the Mercedes-Benz aftermarket partnership, it's now live, so to say. Can you give us a bit of more color on the KPIs and what you expect from this partnership? Thank you.

Stefan Fuchs^ Thanks a lot. I think, Michael, as you rightfully said, the Mercedes-Benz partnership, we call it an OEM business, but it's actually rather aftermarket business because they serve their aftermarket based on their private label. And we do it also for other companies like John Deere and many others.

The good thing is, with Mercedes, they have our own logo on their bottles and that helps because we are very well-known in the automotive aftermarket, in the FUCHS branded business in countries like -- or in regions like Europe, in China, in Australia and some Asian countries but not so much in the U.S. That's one part we want to push. And we won most of the U.S. with that business. So we find now millions of bottles within our overall market, which will help our brand equity.

We had to do some initial marketing, also expenses, which was part of what we mentioned in our quarterly report. This is quite a volume business, but I think it is good for our FUCHS 2025 strategic planning. When you think about when we said segmentation and those white pockets in the world map, we were not really good in the automotive aftermarket. Automotive was the fastest-growing business we had in 2024 from a volume perspective. And in the U.S., it's rather small.

Ours is doubling, but on a very small scale. Now with Mercedes-Benz, I think it will bring us on a different basis, which will also mean we become a more meaningful player for the refineries, which comes back to prices, also to the additive packages. So all in all, I find it a very attractive business.

At the moment, we work with some bottlers across the U.S. because we don't have all the capacity in-house. But it's really a business which fits to our strategic planning. And that was also part of what Isabelle mentioned on the volume growth, it's not all coming from Mercedes-Benz, but it was one part of it. But you have freight behind and you also had some marketing expenses behind. And therefore, the first quarter does not make us nervous. It was a different mix. And we have seen Europe perform extremely well in '23 and '24.

Now we were down in organic growth a little bit in the first quarter this year. We all know the European Union manufacturing standpoint in automotive business. And therefore, I think there were some special effects in the quarter. And I hope that I answered your question around those.

Operator^ Thank you. We will take our next question. And your next question comes from the line of Martin Roediger from Kepler Cheuvreux. Please go ahead your line is open.

Martin Roediger^ Yes hello good afternoon. I would like to start with the first question to Stefan Fuchs. Obviously the performance in Asia was very favorable with plus 8% sales growth and plus 14% EBIT growth in Q1. And I understand that this is largely driven by China and, to some extent, by India.

Isabelle Adelt already said that this is due to the fully-fledged production setup on the back of recent investments. But what are the key drivers of the volume growth in China? Is it due to the market share gains given your success with, for example, BYD? Or is it due to the stimulus program by the Chinese government triggering the economy?

Stefan Fuchs^ Thanks, Martin, for that question. I think it's a really good question, and the answer is probably both, but I would rather say more of the first part of your question. And if you really look nowadays, with all the customs and all the world trade barriers, I think we are extremely well positioned in China, for China. And we have put a lot of effort in the last couple of years, not only to put money in for plants and new developments, but also to localize a lot of existing business. And I think that went very well. And I always say we are in the fourth phase of China.

Just to briefly summarize, I said 40 years ago, when [BASF] started selling German products manufactured in Germany in China. The second phase was we manufactured the German products in China. And then the third phase was that we really developed in China, for China, for Chinese OEMs. And now the fourth phase is that we help the Chinese OEMs with the international expansion. And we have now also put liaison officers, Chinese people into Mexico, into Thailand, into South Africa and into Hungary and to help us to service Chinese OEMs and customers in those countries.

We have the approved products out of China, and we can then manufacture them in those countries where the Chinese OEMs will move to. If you look today, and I mentioned that before, all or most of the new windmills established all over the world is from Chinese origin.

We have the approvals. And what we also now observed is that a lot of our competitors, Western competitors in China, they sold still products manufactured from outside of China. And we get a lot of requests now because we are in an ideal position that what we have established in China, being able to manufacture locally based on, and Isabelle mentioned that, almost all Chinese raw materials.

Unfortunately, in the U.S., I always say 99% is available in the U.S. from the petrochemical standpoint. In China, I would say maybe 70% to 80% is available, and they still are dependent on some imports, which come from the U.S. And that will also hit us or maybe also the competitors who import finished products with regard to the tariffs. But all in all, we are positive about China and the development.

Martin Roediger^ Thank you. My second and last question is for Isabelle Adelt. And it's related to the gross margin development, which was quite positive, plus 50 basis points in Q1 year-over-year. I'm keen about the prospects for your gross margin.

Oil price came down in recent weeks. That means base oil prices should also come down as well. And maybe also there is an impact on the additive prices. Many of these raw materials are dollar-denominated, and the dollar, the U.S. dollar, is weakening, as we speak. That means, in Europe, raw material prices should decrease significantly in the months to come.

And I know that globally, 25% of your portfolio is based on price variation clauses, but 75% is not. These 75% are based on individual pricing with customers who have no pricing power. So you should keep your selling prices stable, which widens the gap. My question is, should we expect a clear improvement in gross margin in the quarters to come, thanks to lower input costs?

Isabelle Adelt^ Let's try to answer the last question because I think that summarizes it quite nicely. Of course, I mean what we can’t do is just take the development of crude oil and somehow try to conclude what does that mean for our input costs. What we saw throughout quarter one is rather stable cost for base oils as well as additives. Of course, with some smaller things and roundabouts in the region, looking at the group overall, our basket overall, it was rather stable.

When we now talk to our procurement department and see what the suppliers are doing, we expect that situation to remain very similar throughout the rest of the year, just from a demand and supply perspective. Of course, what we can’t say yet is what kind of role the tariffs will play in that discussion. So on the one hand side, directly, where we say, "Okay. We will have the tariffs.

Once they're finally completed, what does that do to our costs?" Luckily, we are in a position, as Stefan outlined, where we buy most of the material we need in a country in that country. So the impact we will have will be rather small compared to a lot of our competitors and compared to other industries for that matter. But that, of course, brings me to the second part of your question. We will not have a huge benefit from currencies either.

For example, when you look at the U.S., we buy in U.S. dollar. We manufacture in the U.S. and sell in U.S. dollar. Of course, we have a small exposure in Europe where we buy in U.S. dollar, but there is no very significant contribution. So I would say, in the summary, we saw a very good gross profit in the first quarter, and we do not expect a steep uptake in net profit in the quarters to come.

Martin Roediger^ Thank you.

Operator^ Thank you. We will take our next question. Your next question comes from the line of Matthew Yates from Bank of America. Please go ahead your line is open.

Matthew Yates^ Hey, a couple of questions, please. I'd like to come back on the onetime operating cost investments, if I can. It sounds like that is predominantly sort of marketing spend in nature rather than personnel. Can you help me disaggregate that regionally? I'm trying to understand the magnitude, particularly as to the extent it weighed on either the EMEA or the Americas margin.

Because the latter, Isabelle, I think as you called out, the operating leverage was fairly underwhelming despite the good top line. And then second question, you've got your AGM coming up in a week or so. I see the agenda.

One of the items is you're asking for approval for up to a 10% buyback. What are your thoughts on actioning such a buyback if you get the approval? I mean the business is well capitalized, continues to generate cash. Did you see a very strong M&A pipeline? Or do you think over the course of the year, you may announce an incremental buyback if shareholders approve it? Thank you.

Isabelle Adelt^ Thanks for your questions, Matthew. So I think the easy one first. For the share buyback program, this is just something we always have in our drawer that we are theoretically authorized to do a share buyback. But as it stands today, there are no further plans to issue a new share buyback program. So this is really just so we have it in case we need it.

But given we just concluded one in Q3, of course, we always need to balance, on the one hand side, establishing trust in the market but, on the other hand side, liquidity of all share classes, too. M&A pipeline, I think you saw that we bought a lot of smaller companies. This is always hard to predict because a lot of them, they are family-owned businesses where we have long-standing relationships usually with the former owners.

So what we can only say is that the current situation will not change our behavior in terms of do we buy a company or not. We will not become more hesitant. And we will, in case there's a chance to acquire somebody, of course, go for it in case we believe it's a good fit for the company.

Stefan Fuchs^ The onetime cost you asked, Matthew, was in North America. And that's also where you see the discrepancy of the 8% sales growth and 0% profit growth.

Matthew Yates^ Thank you. Thank you both.

Operator^ Thank you. We will take our next question. Your next question comes from the line of Lars Vom-Cleff from Deutsche Bank. Please go ahead your line is open.

Lars Vom Cleff^ Thank you very much good afternoon. Two quick questions remaining, if I may. I'll ask them one by one. I mean looking at the 22.4% ratio of net working capital to annualized sales revenues, it is slightly above your target corridor. But shall we expect you to try to enter the 21% to 22% corridor again at some stage? Or is somewhere between 22% and 23% the new normal?

Isabelle Adelt^ Thanks for your question, Lars. So the 22% we usually iterate is the level at year-end, so as of December 31. But of course, we always have some swings and some roundabouts throughout the year. So this is why, with the level we currently see, we are very satisfied for end of Q1 number.

I think you might remember, as at end of Q4, we would have wished for a little lower level, but we're okay with something slightly above 22% to stock up for those big new contracts. We now luckily see them coming in. So this is why I think the guidance that we say we'd like to achieve a net operating working capital level below 22% at year-end is still good.

Of course, there can be swings and roundabouts throughout the year. So of course, it's always, for us, important to balance being able to deliver to our customers, being a reliable partner, on the one hand side. So we need to have enough force to do this and, on the other hand side, of course, manage our cash wisely, too.

Lars Vom Cleff^ Understood thank you very much. And then the second question, you confirmed your full year guidance. And then looking at the growth rates in Q1, I mean these are the growth rates that will more or less bring you to your full year guidance and to reach your full year guidance. So shall we, for the coming three quarters, expect kind of a linear growth when it comes to the percentage rate or something between 5% to 7%? Or could you even imagine that momentum is gaining pace?

Isabelle Adelt^ I mean linear is always a difficult thing, Lars, right? So I mean we are very satisfied with how Q1 turned out, and this was exactly in line with our expectations. What we expect is, basically, from a seasonality point of view, a very similar behavior to what we saw in the years before.

So Q2 slightly stronger than Q1, Q3 stronger again, and then Q4 slightly weaker due to the number of working days. But of course, I mean what we currently can do, only openly speaking, is navigating by site. Every month, there are new regulations, there are new discussions around tariffs. So we really have to see how that plays out. I think we have our ducks in a row when it comes to navigating our own impacts.

We did a lot of analysis, a lot of impact assessments when it comes to our own supply chain, and we are very confident the tariffs will not hit us very hard. But what we don't know yet and what is incredibly hard to anticipate is obviously what that will do to our customer base and their supply chains, respectively.

And this will, in the months to come, I think, clarify a little bit so we can be more confident around the seasonality. From what we currently see is that, with the full year numbers, basically, we have our eyes on achieving. We are still confident. We are still confident with the budget we have for this year. And I think if you assume a seasonality that is very similar to the years before, this shouldn't be too wrong.

Lars Vom Cleff^ Okay (inaudible) very helpful thank you very much.

Operator^ (Operator Instructions) We will take our next question, and the question comes from the line of Sebastian Bray from Berenberg. Please go ahead your line is open.

Sebastian Bray^ Hello good morning and than you for taking my questions. I have two, please. The first is near term on April trading. Has this broadly developed in line with expectations? We are almost the end of the month now. And my second is on the balance of top line growth versus margin relief from lower raw materials. And it comes back to some of what Martin was asking.

Is there anything unusual going on in the base oil market that would mean much lower crude prices, wouldn't mean lower base oil markets? Because my understanding, historically, has been, that only Europe is really short base oil capacity because it hasn't invested enough in refineries. But both China and Europe are a bit longer markets.

And the reason that I ask this is that sequentially, it looks like automotive might have a much weaker Q2. And at the same time you might end up with some cost relief on the raw material side. So can you talk a little bit about how April has begun and how you see the base oil market developing? Thank you.

Stefan Fuchs^ Thank you, Sebastian. I will comment on the base oil market and then Isabelle will say something but not comment on April. On the base oil market, I think the interesting part will really be what ways all the people will find to surround the tariff situation. And if you look for China, still some specialty base oils get imported into China. They are now available in China. We work on expedited approval from our Chinese customers.

So I think bearing in mind potential price increases, they will be willing to it. That's the one part. What the impact then will be in the U.S. because they won't sell it abroad, I can't significantly really tell you. I think Isabelle profoundly answered the question on our raw material expectations. If raw materials soften, we normally get a nice tailwind.

So if that would be an upward situation at the moment, we don't see massive changes moving forward. I think Isabelle has just answered that. And April, we have not yet visibility, but we continue to go month for month. We started the year with a record January and then we had a relatively normal February, that was for all the companies, and we had a good March. So it's really difficult to predict at the moment.

I think on the tariff side, it's exactly like Isabelle said, if there would be an impact to us, it would be economic, not so much on the direct tariff related because, if there's a company with potential tariffs, it's us, because we have really localized everything in the last 10 years, and I think that is good for us.

We don't have one plant in China doing all the pieces, all the U.S. doing all the networking tools. We do everything in all the regions, and I think that should help us. And therefore, on that part, it should be okay.

Isabelle Adelt^ Yes. I think maybe to add to that, as Stefan said, so when it comes to tariffs, and I think this will be the most interesting thing and highest impact we will potentially see throughout the years once this has settled, we said from a direct impact, we are well prepared and the impact will not be too big.

But I think what is important to understand, from an indirect impact, there are chances as well as risks. And this is why we decided to confirm basically our outlook. Yes, of course, I mean there are risks.

We are all aware of this, and this is what you first think of when you think of tariffs, and that general economic output will go down. And this can happen in specific industries, obviously looking at how countries and basically how general economic development will react. But of course, as Stefan outlined, we are mostly localized in almost all of the countries. So of course, that opens a lot of doors for us, too.

For example, looking at China, we have this fully-fledged production setup. A lot of our competitors are importing from the U.S. And the products we are talking about do have a tariff of 150%.

And this, of course, opens new doors for us, too. And I think what we need to figure out and really need to see, how are those stores correlated, what are the economies that are a little weaker, the industries, and what are the chances we can take from those tariffs where we can jump in because of our localized supply chain. And I think this will be the most interesting one to watch in the next couple of months.

Sebastian Bray^ That's helpful. Just a follow-on, can I confirm that the pricing was roughly flat across the portfolio in the organic growth given for Q1? Is that a reasonable assumption?

Isabelle Adelt^ That's reasonable, yes.

Sebastian Bray^ That’s helpful thank you for taking my questions.

Operator^ Thank you. There are no further questions. I would like to hand back for closing remarks.

Lutz Ackermann^ Yes. Thanks for your participation in the conference call today. We have come to the end of today's conference call. Thank you again for being in the call and you may now disconnect. Bye, bye.

Stefan Fuchs^ Thanks a lot. Bye, bye.

Isabelle Adelt^ Thank you.

Operator^ This concludes today's conference call. Thank you for participating. You may now disconnect.