

Q3 2017

Quarterly Statement
as at September 30

↑ Sales revenues
rise by 9 % to
€ 1,862 million

Earnings outlook
adjusted

+2%

Earnings (EBIT) increase
to € 281 million

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TECHNOLOGY.
PEOPLE.



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FUCHS at a glance

in € million	Q1-3 2017	Q1-3 2016	Change in %
Sales revenues¹	1,862	1,703	9.4
Europe	1,142	1,080	5.7
Asia-Pacific, Africa	544	451	20.7
North and South America	302	260	16.3
Consolidation	-126	-88	-
Earnings before interest and tax (EBIT)	281	276	1.6
Earnings after tax	198	191	3.4
Capital expenditure	66	53	25.0
Free cash flow before acquisitions	89	145	-38.5
Earnings per share in €			
Ordinary share	1.42	1.37	3.6
Preference share	1.43	1.38	3.6
Employees as at September 30	5,078	4,870	4.3

¹ By company location.

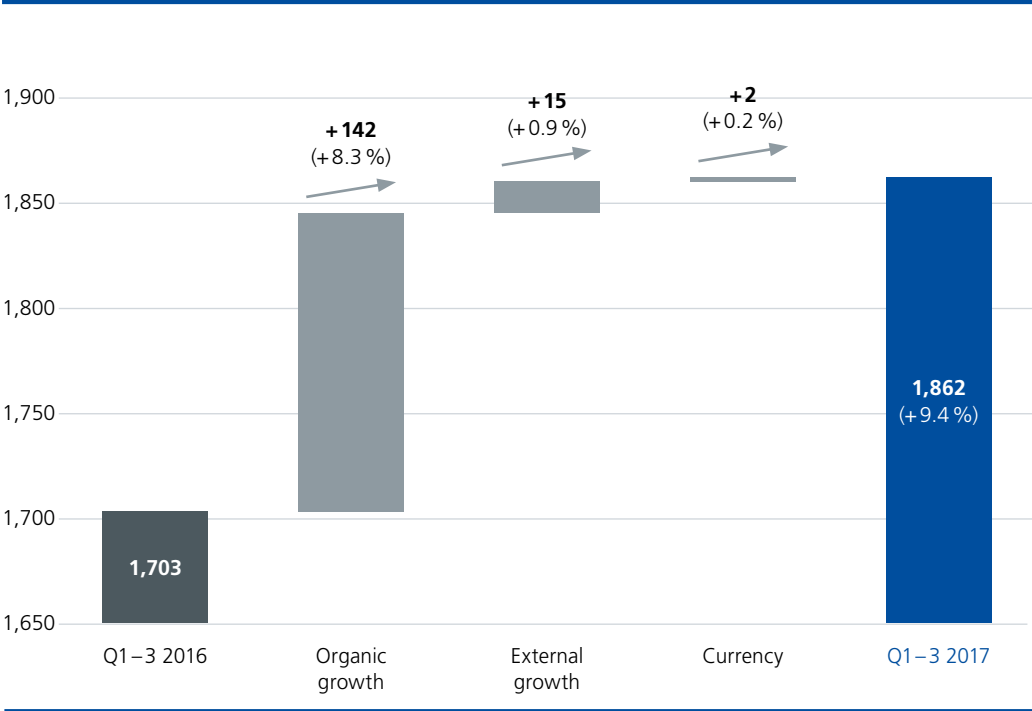
“FUCHS PETROLUB grows encouraging in all regions of the world, particularly in China and the USA. The future-oriented investments, this year focusing on Germany and Australia, are making progress. As a result of rising raw material costs, the strong euro and planned cost increases, growth in earnings is disproportionately. The free cash flow reflects our growth strategy.”

Stefan Fuchs, Chairman of the Executive Board of FUCHS PETROLUB SE

Business development in the first nine months of 2017

DEVELOPMENT OF SALES REVENUES IN THE GROUP

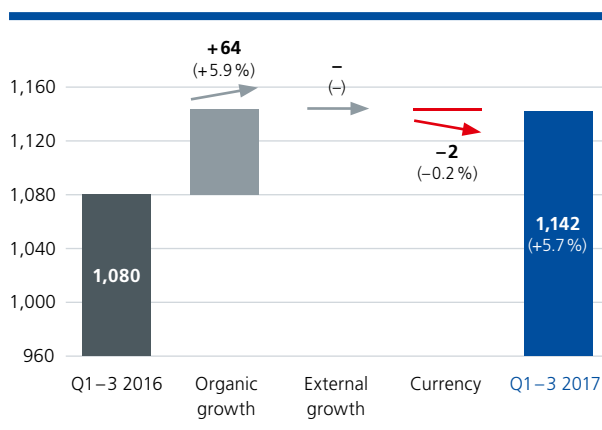
Development of sales revenues in the Group
(in € million)



- Significant, primarily volume-driven growth in sales revenues of 9.4 % to € 1,862 million (1,703)
- Particularly strong organic growth in Asia-Pacific, Africa and North and South America
- Slight external growth through acquisitions in 2016 in North America

DEVELOPMENT OF SALES REVENUES BY REGION / SEGMENT

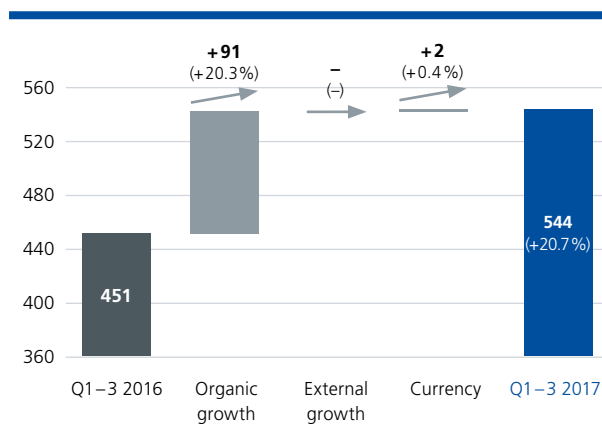
Europe (in € million)



Europe achieves a 5.7 % increase in sales revenues to € 1,142 million (1,080)

- Organic growth in sales revenues throughout the region, with the exception of Scandinavia
- Opposing currency effects, mainly from the Russian ruble (+) and the British pound (-), almost balance each other out

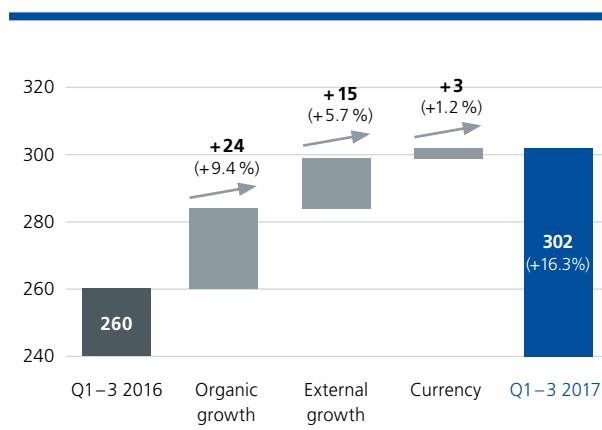
Asia-Pacific, Africa (in € million)



Asia-Pacific, Africa grows by 20.7 % to € 544 million (451)

- Strong organic growth in China, as well as high growth rates in Australia and South Africa
- Positive currency effect from the South African rand and the Australian dollar; largely eroded by the weaker Chinese renminbi

North and South America (in € million)



North and South America achieves growth of 16.3 % to € 302 million (260)

- Organic growth in North America in particular
- Additional growth due to company acquisitions in the USA in 2016
- Slightly positive currency contribution from the Brazilian real

GROUP RESULTS OF OPERATIONS

Income statement

(in € million)

	Q1–3 2017	Q1–3 2016
Sales revenues	1,862	1,703
Cost of sales	–1,195	–1,062
Gross profit	667	641
Selling and distribution expenses	–273	–256
Administrative expenses	–92	–89
Research and development expenses	–36	–32
Other operating income and expenses	1	–1
EBIT before income from companies consolidated at equity	267	263
Income from companies consolidated at equity	14	13
Earnings before interest and tax (EBIT)	281	276
Financial result	–2	–2
Earnings before tax (EBT)	279	274
Income taxes	–81	–83
Earnings after tax	198	191
Thereof		
Non-controlling interests	0	0
Profit attributable to shareholders of FUCHS PETROLUB SE	198	191
Earnings per share in € ¹		
Ordinary share	1.42	1.37
Preference share	1.43	1.38

¹ Basic and diluted in both cases.

- Increase in gross profit less than proportional at 4.0 % or € 26 million to € 667 million (641)
 - Implementation of sales price increases driven by raw material prices is taking effect with a time lag
 - Change in mix due to significantly increased share of business with key accounts
- Other function costs increase by 5.6 % or € 22 million to € 400 million (378) due to growth and inflation
- EBIT up by 1.6 % or € 5 million to € 281 million (276)
- Tax rate falls by 1.3 percentage points to 30.4 % (31.7)
- Earnings after tax increase by € 7 million or 3.4 % to € 198 million (191)
- Earnings per share increase to € 1.42 (1.37) for ordinary shares and € 1.43 (1.38) for preference shares

RESULTS OF OPERATIONS OF THE REGIONS / SEGMENTS

Segments

(in € million)

	Europe	Asia-Pacific, Africa	North and South America	Holding including consolidation	FUCHS Group
Q1–3 2017					
Sales revenues by company location	1,142	544	302	–126	1,862
EBIT before income from companies consolidated at equity	145	85	50	–13	267
<i>in % of sales</i>	12.7 %	15.7 %	16.5 %	–	14.3 %
Income from companies consolidated at equity	1	13	–	–	14
Segment earnings (EBIT)	146	98	50	–13	281
Investments in long-term assets	36	22	8	0	66
Employees as at September 30	3,263	1,069	635	111	5,078
Q1–3 2016					
Sales revenues by company location	1,080	451	260	–88	1,703
EBIT before income from companies consolidated at equity	148	78	47	–10	263
<i>in % of sales</i>	13.7 %	17.2 %	18.2 %	–	15.4 %
Income from companies consolidated at equity	1	12	–	–	13
Segment earnings (EBIT)	149	90	47	–10	276
Investments in long-term assets	26	9	16	2	53
Employees as at September 30	3,154	1,039	578	99	4,870

Europe records EBIT of € 146 million (149), down by € 3 million or 2.0 % on the previous year

- Significant increase in earnings in specialty business
- Reduced earnings contributions from Scandinavia, particularly due to sales revenue effects, and from the UK as a result of Brexit
- Sales price increases driven by raw material prices are taking effect only with a time lag

Asia-Pacific, Africa increases EBIT by € 8 million or 8.6 % to € 98 million (90)

- Increases seen primarily in China, Australia and South Africa
- EBIT growth in China cannot keep up with the high growth rates for sales revenues, mainly due to mix effects

North and South America generate year-on-year increase in EBIT of 5.5 % or € 3 million to € 50 million (47)

- Less than proportional EBIT development in North America due to mix effects and delayed sales price adjustments
- Positive effect from settlement of a tax dispute in South America

Outlook

Global macroeconomic conditions have improved further over the past few months. The International Monetary Fund (IMF) therefore raised its forecast for growth in the global economy in 2017 in October to 3.6 %.

The FUCHS Group's business performance in the first nine months of 2017 was also good and we expect the strong growth in sales revenues to continue.

So far, increases in raw material prices have not been passed on as quickly as expected. It will probably not be possible to compensate for the effects of this over the year as a whole.

In the third quarter, inventories recorded substantial growth, particularly in connection with the strong growth in sales revenues in the Asia-Pacific, Africa region. This effect is also likely to continue in the following months. In addition, we are continuing our investments in new plants and plant expansions.

In this context, we have updated our overall outlook:

- Growth in sales revenues of 7 % to 10 % for the year as a whole
- Sales revenue outlook includes only slight currency effects
- EBIT just under/on a par with the previous year (€ 371 million)
- Free cash flow before acquisitions probably not over € 150 million
- FUCHS Value Added slightly down year-on-year due to increased capital costs

With regard to the regional development, we expect the trend from the first three quarters to continue, meaning that growth in sales revenues and earnings will primarily be attributable to the Asia-Pacific, Africa region.

Balance sheet

in € million	Sept. 30, 2017	Dec. 31, 2016
Assets		
Intangible assets	296	317
Property, plant and equipment	447	427
Shares in companies consolidated at equity	39	38
Other financial assets	3	4
Deferred tax assets	26	27
Other receivables and other assets	1	1
Non-current assets	812	814
Inventories	367	325
Trade receivables	390	351
Tax receivables	7	4
Other receivables and other assets	23	23
Cash and cash equivalents	114	159
Current assets	901	862
Total assets	1,713	1,676
Equity and liabilities		
Subscribed capital	139	139
Group reserves	901	806
Group profits	198	259
Equity of shareholders of FUCHS PETROLUB SE	1,238	1,204
Non-controlling interests	1	1
Total equity	1,239	1,205
Pension provisions	35	35
Other provisions	3	3
Deferred tax liabilities	41	42
Financial liabilities	0	0
Other liabilities	4	4
Non-current liabilities	83	84
Trade payables	200	186
Provisions	42	43
Tax liabilities	26	29
Financial liabilities	6	13
Other liabilities	117	116
Current liabilities	391	387
Total equity and liabilities	1,713	1,676

Statement of cash flows

in € million	Q1–3 2017	Q1–3 2016
Earnings after tax	198	191
Depreciation and amortization of long-term assets	40	35
Change in long-term provisions and in other non-current assets (covering funds)	1	0
Change in deferred taxes	1	–2
Non-cash income from shares in companies consolidated at equity	–14	–13
Dividends received from companies consolidated at equity	12	12
Gross cash flow	238	223
Gross cash flow	238	223
Change in inventories	–57	–22
Change in trade receivables	–55	–37
Change in trade payables	21	14
Change in other assets and liabilities (excluding financial liabilities)	8	21
Net gain/loss on disposal of long-term assets	0	0
Cash flow from operating activities	155	199
Investments in long-term assets	–66	–53
Cash paid for shares in companies consolidated at equity	0	–1
Proceeds from the disposal of long-term assets	0	0
Cash paid for acquisitions	–1	–20
Cash acquired through acquisitions	0	0
Cash flow from investing activities	–67	–74
Free cash flow before acquisitions ¹	89	145
Free cash flow	88	125
Dividends paid for previous year	–123	–114
Changes in financial liabilities	–5	–9
Cash flow from financing activities	–128	–123
Cash and cash equivalents as at Dec. 31 of the previous year	159	119
Cash flow from operating activities	155	199
Cash flow from investing activities	–67	–74
Cash flow from financing activities	–128	–123
Effect of currency translations	–5	–4
Cash and cash equivalents at the end of the period	114	117

¹ Free cash flow before cash paid for acquisitions and before cash acquired through acquisitions.

Financial calendar

DATES 2017

October 27	Quarterly statement Q1–3 2017
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DATES 2018

February 22	Provisional figures for financial year 2017
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March 21	Annual report 2017
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April 27	Quarterly statement Q1 2018
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May 8	Annual General Meeting in Mannheim
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July 31	Half-year financial report 2018
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October 30	Quarterly statement Q1–3 2018
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The financial calendar is updated regularly. You can find the latest dates on the webpage at www.fuchs.com/financial-calendar

Contact and imprint

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NOTE REGARDING THE QUARTERLY STATEMENT

This quarterly statement is a translation from the German version. In the event of deviations, the 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 PETROLUB SE. Statements about future developments are all statements that do not refer to historical facts and events and such forward-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 PETROLUB 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.