

Quarterly statement as at September 30, 2018

Q3 / 2018



Sales revenues
up by 5 % to
€ 1,953 million

+ 6 %

Earnings (EBIT) increase
to € 297 million
(including one-off effect)

Outlook updated:

- Sales revenue guidance of 3 % to 5 %
for the full year
- EBIT guidance of +2 % to +4 %
(including one-off effect)

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FUCHS at a glance

in € million	Q1–3 2018	Q1–3 2017	Change in %
Sales revenues¹	1,953	1,862	5
Europe	1,181	1,142	3
Asia-Pacific, Africa	601	544	10
North and South America	304	302	1
Consolidation	– 133	– 126	
Earnings before interest and tax (EBIT)	297	281	6
Earnings after tax	219	198	11
Capital expenditure	73	66	11
Free cash flow before acquisitions²	121	89	36
Earnings per share in €			
Ordinary share	1.57	1.42	11
Preference share	1.58	1.43	11
Employees as at September 30	5,386	5,203	4

¹ By company location.

² Including divestments.

“The FUCHS Group grew strongly organically in the first nine months. Over the course of the year, the growth has slowed down slightly. We also increased our operating results, according to plan and due to investments at a lower rate than sales revenues. Due to the income from the sale of an at equity share, EBIT increased significantly.

Currently, the generally positive economic environment is clouding over due to increasing trade disputes and economic uncertainties in different countries. We expect a slowdown of the sales growth in the automotive sector, particularly in Germany and China, and therefore the organic sales growth will not be as strong for FUCHS in the remaining months of the year.

This should also burden earnings in the fourth quarter. Before taking the one-off effect from the sale of the equity share into account, we are currently expecting EBIT for the full year to be on a par with the previous year. Due to the one-off income, the EBIT forecast remains at the previously communicated +2 % to +4 %.

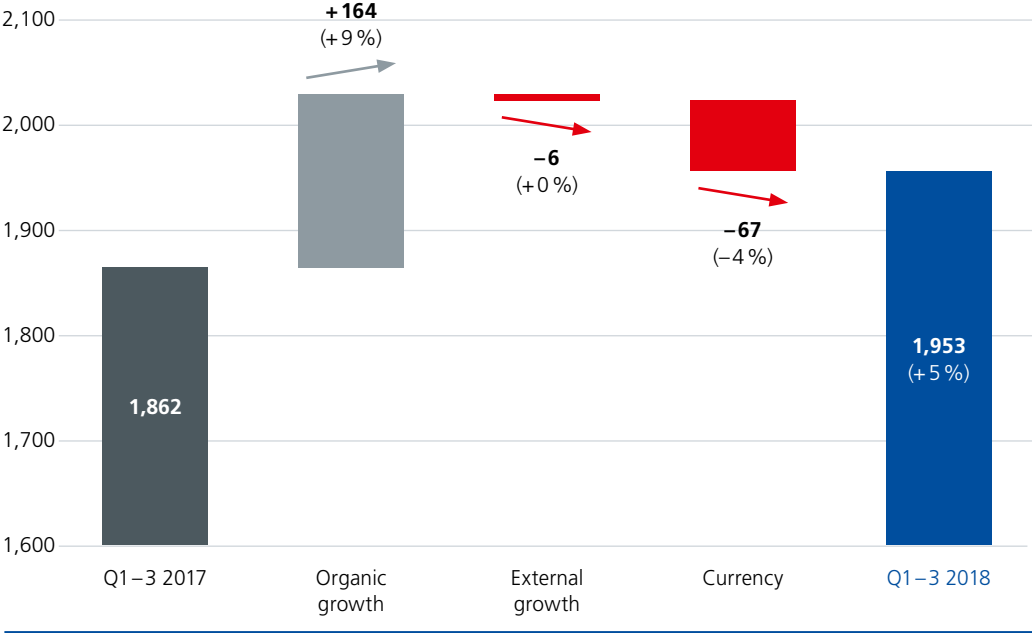
As planned, we are implementing our projects focusing on modernization and expansion of production – in particular at our German, Chinese and American locations – and are continuing to work on various initiatives to secure the Group’s future.”

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

Business development in the first nine months of 2018

Development of sales revenues in the Group

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

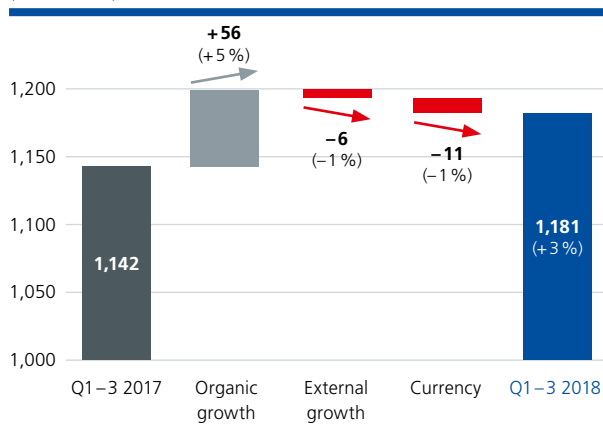


High organic sales revenues growth of 9 %

- Growth rate decreased in the third quarter
- Accelerated growth in North America, declining momentum in Asia-Pacific, Africa and Europe
- Declining negative currency effects

Development of sales revenues by region / segment

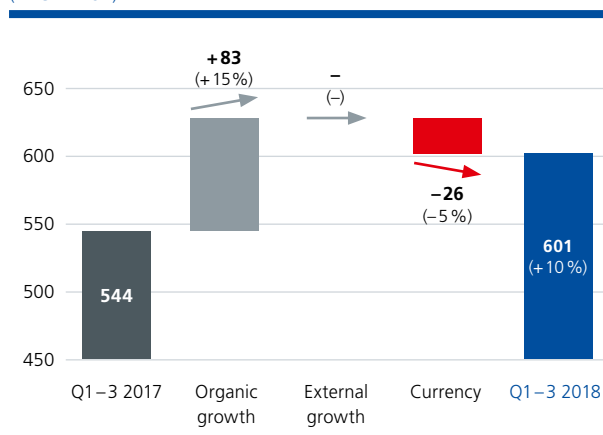
Europe (in € million)



Europe increases sales revenues by 3 % to € 1,181 million (1,142)

- Organic growth in sales revenues in almost all countries
- Growth rate in Germany decreased over the course of the year
- Negative currency effects from the Russian ruble and Swedish krona

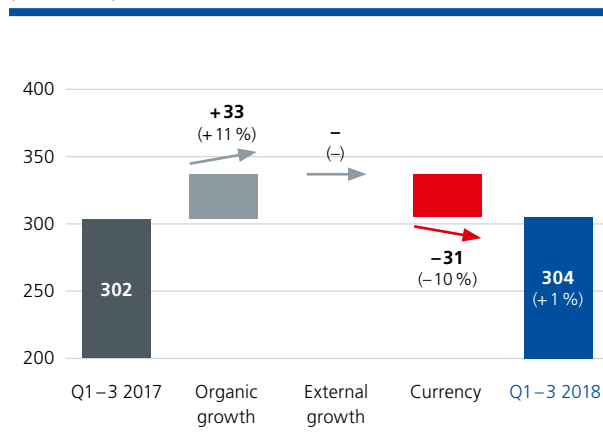
Asia-Pacific, Africa (in € million)



Asia-Pacific, Africa grows by 10 % to € 601 million (544)

- Continuing high organic growth in Australia, South Africa and India
- High organic growth rate also in China, weaker in the third quarter than in the first half of the year
- Negative currency effects in the region ease

North and South America (in € million)



North and South America up 1 % year-on-year at € 304 million (302)

- Strong organic growth in North America
- High negative currency effects largely erode organic growth

Group results of operations

Income statement (in € million)

	Q1–3 2018	Q1–3 2017
Sales revenues	1,953	1,862
Cost of sales	–1,267	–1,195
Gross profit	686	667
Selling and distribution expenses	–275	–273
Administrative expenses	–97	–92
Research and development expenses	–39	–36
Other operating income and expenses	1	1
EBIT before income from companies consolidated at equity	276	267
Income from companies consolidated at equity	21	14
Earnings before interest and tax (EBIT)	297	281
Financial result	–2	–2
Earnings before tax (EBT)	295	279
Income taxes	–76	–81
Earnings after tax	219	198
Thereof		
Non-controlling interests	0	0
Profit attributable to shareholders of FUCHS PETROLUB SE	219	198
Earnings per share in €¹		
Ordinary share	1.57	1.42
Preference share	1.58	1.43

¹ Basic and diluted in both cases.

- Income statement continues to be negatively impacted by negative translation effects, but weaker than at the beginning of the year
- Gross profit increases volume and price related by 3 % or € 19 million to € 686 million (667); at 35.1 % (35.8), the gross margin is impacted by increasing raw material costs, higher depreciation and amortization due to investment and a change in product mix
- Other function costs increase according to plan by 3 % or € 10 million to € 410 million (400)
- EBIT before income from companies consolidated at equity up by 3 % or € 9 million to € 276 million (267)
- At equity income reached € 21 million (14); € 12 million as a result of a positive one-off effect from the sale of an equity share; negative impact from the economic situation in Saudi Arabia and a weak Turkish lira
- EBIT up by 6 % or € 16 million to € 297 million (281)
- Tax rate reduced to 28 % (31) primarily due to lower US corporate tax and lower withholding taxes on dividends
- Earnings after tax increase by € 21 million or 11 % to € 219 million (198)
- Earnings per ordinary share increase to € 1.57 (1.42), earnings per preference share increase to € 1.58 (1.43)

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 2018					
Sales revenues by company location	1,181	601	304	–133	1,953
EBIT before income from companies consolidated at equity	144	90	48	–6	276
<i>in % of sales</i>	12.2%	15.0%	15.8%	–	14.1%
Income from companies consolidated at equity	14	7	–	–	21
Segment earnings (EBIT)	158	97	48	–6	297
Investments in non-current assets	33	28	11	1	73
Number of employees as at September 30 ¹	3,434	1,153	683	116	5,386
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%	15.6%	16.6%	–	14.3%
Income from companies consolidated at equity	1	13	–	–	14
Segment earnings (EBIT)	146	98	50	–13	281
Investments in non-current assets	36	22	8	0	66
Number of employees as at September 30 ¹	3,367	1,081	642	113	5,203

¹ Including trainees. Prior-year figures adjusted accordingly.

Europe increases EBIT by € 12 million or 8 % to € 158 million (146)

- Operating improvements and declines at individual companies largely offset each other
- Increase in EBIT due to sale of an at equity share
- Hardly any currency effects

Asia-Pacific, Africa with 1 % decrease in EBIT to € 97 million (98)

- EBIT before income from companies consolidated at equity up by € 5 million or 6 % particularly due to the strong growth in China
- At equity income decreases by € 6 million or 46 % due to economic weakness in Saudi Arabia and from a weak Turkish lira
- Strong euro negatively impacting on the translation of results into Group currency

North and South America records EBIT of € 48 million (50), down on the previous year

- Growth in operating earnings eroded by exchange rate development

Outlook

At the beginning of October, the IMF slightly lowered its forecasts for global economic growth for the current year and the subsequent year to 3.7 %. Important reasons for this are the global trade disputes and increasing uncertainties such as Brexit.

The performance of the FUCHS Group is not completely unaffected by these developments. Due to declining automotive demand in China, our growth in this market is expected to be less dynamic during the rest of 2018 than previously, and the current difficulties of automobile manufacturers in Germany also suggest lower growth rates for the fourth quarter. Thus, the earnings growth in the FUCHS Group which exceeds the planned inflation and cost increases related to growth is likely to be lower than previously expected.

Our updated guidance for the full year 2018 is as follows:

- Increase in sales revenues of 3 % to 5 % for the full year
- EBIT before one-off effect at previous year
- EBIT including one-off effect (€ 12 million) increase by 2 % to 4 %
- Investments of approximately € 130 million
- Free cash flow before acquisitions¹ and FVA at the previous year's level

FUCHS PETROLUB SE

Mannheim, October 29, 2018

¹ Including divestments.

Balance sheet

in € million	Sept. 30, 2018	Dec. 31, 2017
Assets		
Intangible assets	281	287
Property, plant and equipment	503	471
Shares in companies consolidated at equity	41	37
Other financial assets	9	2
Deferred tax assets	23	23
Other receivables and other assets	1	1
Non-current assets	858	821
Inventories	396	366
Trade receivables	411	374
Tax receivables	7	7
Other receivables and other assets	25	22
Cash and cash equivalents	172	161
Current assets	1,011	930
Total assets	1,869	1,751
Equity and liabilities		
Subscribed capital	139	139
Group reserves	1,033	898
Group profits	219	269
Equity of shareholders of FUCHS PETROLUB SE	1,391	1,306
Non-controlling interests	1	1
Total equity	1,392	1,307
Pension provisions	27	26
Other provisions	4	4
Deferred tax liabilities	35	34
Financial liabilities	0	0
Other liabilities	3	3
Non-current liabilities	69	67
Trade payables	215	194
Other provisions	39	39
Tax liabilities	28	28
Financial liabilities	7	1
Other liabilities	119	115
Current liabilities	408	377
Total equity and liabilities	1,869	1,751

Statement of cash flows

in € million	Q1–3 2018	Q1–3 2017
Earnings after tax	219	198
Depreciation and amortization of non-current assets	42	40
Change in non-current provisions and in other non-current assets (covering funds)	1	1
Change in deferred taxes	0	1
Non-cash income from shares in companies consolidated at equity	–8	–14
Dividends received from companies consolidated at equity	2	12
Gross cash flow	256	238
Gross cash flow	256	238
Change in inventories	–37	–57
Change in trade receivables	–44	–55
Change in trade payables	24	21
Change in other assets and other liabilities (excluding financial liabilities)	6	8
Net gain on disposal of shares in companies consolidated at equity	–12	0
Net gain/loss on disposal of non-current assets	0	0
Cash flow from operating activities	193	155
Investments in non-current assets	–73	–66
Proceeds from the disposal of non-current assets	1	0
Cash paid for acquisitions	–2	–1
Proceeds from divestments	14	0
Cash flow from investing activities	–60	–67
Free cash flow before acquisitions ¹	121	89
Free cash flow	133	88
Dividends paid for previous year	–126	–123
Changes in financial liabilities	6	–5
Cash flow from financing activities	–120	–128
Cash and cash equivalents as at Dec. 31 of the previous year	161	159
Cash flow from operating activities	193	155
Cash flow from investing activities	–60	–67
Cash flow from financing activities	–120	–128
Effect of currency translations	–2	–5
Cash and cash equivalents at the end of the period	172	114

¹ Free cash flow before cash paid for acquisitions and before proceeds from divestments.

Financial calendar

DATES 2018

October 30	Quarterly statement Q3 2018
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DATES 2019

February 21	Preliminary figures for financial year 2018
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March 20	Annual report 2018
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May 3	Quarterly statement Q1 2019
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May 7	Annual General Meeting in Mannheim
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August 1	Half-year financial report 2019
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October 30	Quarterly statement Q3 2019
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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

If you have any questions regarding the company or should you wish to be added to our mailing list for corporate publications, please contact our Investor Relations team:

E-Mail: ir@fuchs-oil.de

Thomas Altmann
Head of Investor Relations
Phone +49 621 3802-1201
Fax +49 621 3802-7274
thomas.altmann@fuchs-oil.de

Dr. Karen Bogdanski
Manager Investor Relations
Phone +49 621 3802-1205
Fax +49 621 3802-7274
karen.bogdanski@fuchs-oil.de

Andrea Leuser
Specialist Investor Relations
Phone +49 621 3802-1105
Fax +49 621 3802-7274
andrea.leuser@fuchs-oil.de

PUBLISHER
FUCHS PETROLUB SE
Friesenheimer Straße 17
68169 Mannheim, Germany
www.fuchs.com/group

NOTE REGARDING THE QUARTERLY STATEMENT

In case of deviations between this English translation and the original German version of this quarterly statement, the original German version takes precedence.

NOTE ON ROUNDING

Due to rounding, numbers presented in this quarterly statement may not add up precisely to totals provided, and percentages stated may not precisely reflect the absolute figures to which they refer.

DISCLAIMER

This quarterly statement contains statements about future developments that are based on assumptions and estimates by the management of FUCHS PETROLUB SE. Statements about future developments are all statements that do not refer to historical facts and events and contain 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.