

Half-year financial report as at June 30, 2021

# H1/2021

LUBRICANTS.  
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# 1

## Half-year management report

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## Half-year financial statements

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## FUCHS at a glance

### FUCHS Group

Amounts in € million	H1 2021	H1 2020	Change in %
<b>Sales revenues<sup>1</sup></b>	<b>1,411</b>	<b>1,120</b>	<b>26</b>
Europe, Middle East, Africa (EMEA)	850	690	23
Asia-Pacific	424	320	33
North and South America	224	181	24
Consolidation	-87	-71	-
<b>Earnings before interest and tax (EBIT)</b>	<b>191</b>	<b>112</b>	<b>71</b>
<b>Earnings after tax</b>	<b>136</b>	<b>79</b>	<b>72</b>
<b>Capital expenditure</b>	<b>32</b>	<b>58</b>	<b>-45</b>
<b>Free cash flow before acquisitions</b>	<b>12</b>	<b>15</b>	<b>-20</b>
<b>Earnings per share (in €)</b>			
Ordinary share	0.97	0.56	73
Preference share	0.98	0.57	72
<b>Employees as at June 30</b>	<b>5,767</b>	<b>5,792</b>	<b>0</b>

<sup>1</sup> By company location.

- Strong first half in challenging market environment
  - Sales revenues up 26 % or € 291 million year-on-year at € 1,411 million (1,120) after six months, driven by volume
  - Earnings (EBIT) increase disproportionately by 71 % to € 191 million (112)
- Full-year outlook specified or raised:**
- Sales revenues at the upper end of the € 2.7 billion to € 2.8 billion range
  - EBIT: € 350 million to € 360 million (previously: € 330 million to € 340 million)
  - FVA: around € 200 million (previously: around € 180 million)

“After a strong start to the year, our business performed well again in the second quarter of 2021. Overall, the Group generated earnings (EBIT) of € 191 million on sales revenues of € 1,411 million. Sales revenues and earnings were thus not only far higher than in the weak first half of 2020, they also outperformed the first half of 2019. Driven by the automotive industry in China, the region Asia-Pacific again saw the highest growth rates. EMEA and North and South America also improved their performance compared to the first half of 2020, which was burdened by the pandemic.”

The supply situation remains strained: The persistent and severe price increases negatively affect our gross margin. First price increases have been implemented, but more will have to follow. At the same time, there is no end in sight to supply bottlenecks for raw materials and packaging materials, which present our employees with new challenges on a daily basis. I am therefore extremely grateful to the FUCHS team, which makes every effort to supply our customers.

Given the positive business performance to date, we are optimistic about the months ahead and are raising our outlook for EBIT in the current financial year to the range from € 350 million to € 360 million.”

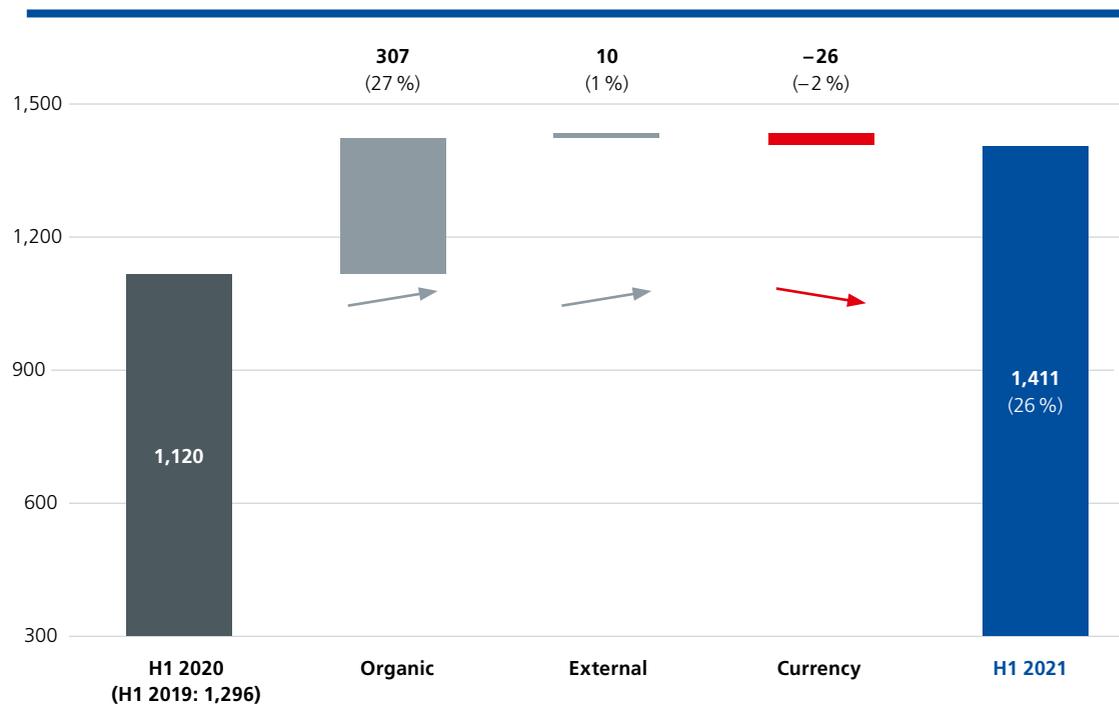
Stefan Fuchs, Chairman of the Executive Board of FUCHS PETROLUB SE

# 1 Half-year management report

## 1.1 Development of sales revenues in the Group

### Development of sales revenues in the Group

(in € million)



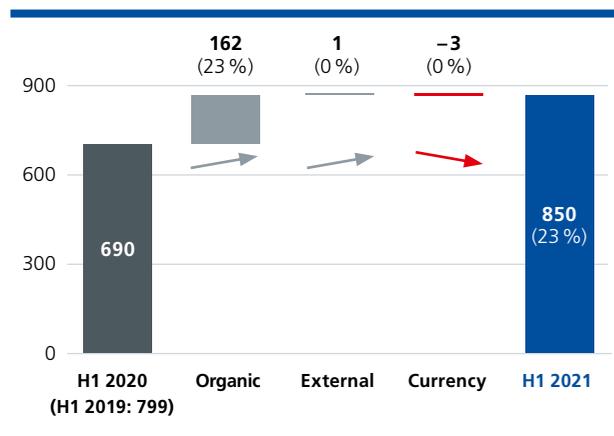
**Group** sales revenues reach € 1,411 million (1,120) after six months, up 26 % on the prior year, which was hit hard by the pandemic and 9 % up on the first half of 2019

- Significant year-on-year upturn in all regions; most dynamic performance seen in Asia-Pacific
- External growth of € 10 million, chiefly from previous year acquisitions in North America
- Negative currency effects mainly from North and South America

## 1.2 Development of sales revenues by regions/segments

### Europe, Middle East, Africa (EMEA)

(in € million)

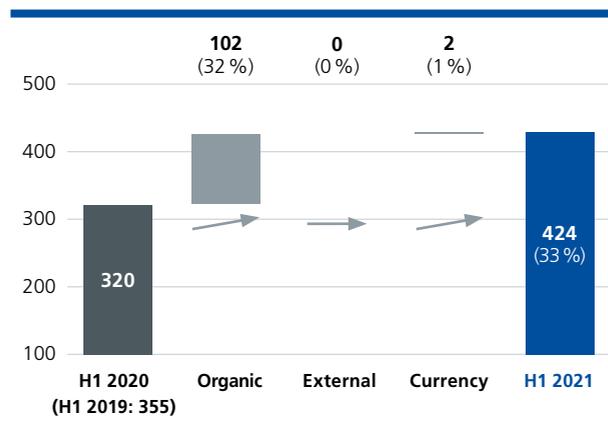


**EMEA** generates sales revenues of € 850 million (690), 23 % higher than first half of 2020, which was affected by the pandemic, and 6 % higher than first half of 2019

- Sales revenues up € 160 million on prior year, which was hit hard by Covid-19 pandemic
- Almost all countries achieve high double-digit growth
- Above-average rises in South Africa and Russia, as well as France, Spain and Italy – countries that were severely impacted by the pandemic in previous year
- Weak eastern European currencies cause strain, offset by good performance of the South African rand and the Swedish krona

### Asia-Pacific

(in € million)

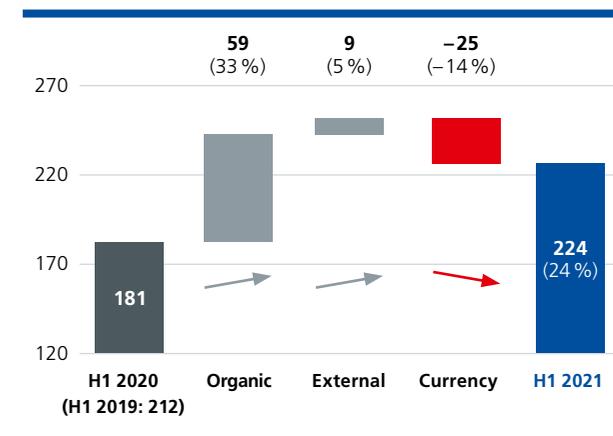


Strong first half for **Asia-Pacific**. Sales revenues up € 104 million (33 %) on first half of 2020 and € 69 million (19 %) on pre-crisis levels in first half of 2019

- China continues excellent performance after record sales revenues in first quarter thanks to strong demand in automotive sector
- Sales revenues higher than before the pandemic in almost all countries
- Positive currency effects from Australia largely offset by negative effects from Asia

### North and South America

(in € million)



**North and South America** generate sales revenues of € 224 million (181), around 24 % higher than in the previous year, which was severely impacted by the pandemic, and 6 % higher than first half of 2019 thanks to acquisitions

- Organic growth in South America; North America up on pre-crisis level thanks to external growth
- External growth of € 9 million due to the acquisition of two specialty lubricant manufacturers in the US in January and November of previous year
- Currency effects from North and South America total – 14 %

## 1.3 Group results of operations

### Income Statement

in € million	H1 2021	H1 2020	Change	
			absolute	relative in%
Sales revenues	1,411	1,120	291	26
Cost of sales	-914	-730	-184	25
<b>Gross profit</b>	<b>497</b>	<b>390</b>	<b>107</b>	<b>27</b>
Selling and distribution expenses	-203	-180	-23	13
Administrative expenses	-77	-71	-6	8
Research and development expenses	-30	-27	-3	11
Other operating income and expenses	0	-4	4	0
<b>EBIT before income from companies consolidated at equity</b>	<b>187</b>	<b>108</b>	<b>79</b>	<b>73</b>
Income from companies consolidated at equity	4	4	0	0
<b>Earnings before interest and tax (EBIT)</b>	<b>191</b>	<b>112</b>	<b>79</b>	<b>71</b>
Financial result	-2	-3	1	-33
<b>Earnings before tax (EBT)</b>	<b>189</b>	<b>109</b>	<b>80</b>	<b>73</b>
Income taxes	-53	-30	-23	77
<b>Earnings after tax</b>	<b>136</b>	<b>79</b>	<b>57</b>	<b>72</b>
<b>Thereof</b>				
Non-controlling interests	0	0	0	0
Profit attributable to shareholders of FUCHS PETROLUB SE	136	79	57	72
<b>Earnings per share in €<sup>1</sup></b>				
Ordinary share	0.97	0.56	0.41	73
Preference share	0.98	0.57	0.41	72

<sup>1</sup> Basic and diluted in both cases.

- Strong first half year: Driven by high volume growth, sales revenues rose by 26 % year-on-year from € 1,120 million to € 1,411 million, about 9 % higher than sales revenues in the first half of the pre-pandemic year 2019, organic growth 6 %
- Gross profit improves by 27 % or € 107 million to € 497 million (390)
- Gross margin of 35.2 % in first half up 0.4 percentage points on prior year but declining and 2.7 percentage points lower in second quarter than in first quarter of 2021 due to rising raw material prices and product mix
- Other function costs rise by € 28 million or approx. 10 % combined with increased volume, primarily due to higher selling expenses
- At equity income on par with previous year at € 4 million (4)
- EBIT rises by € 79 million or 71 % compared to the first half of 2020 to € 191 million (112); EBIT margin improves from 10.0 % to 13.5 %; € 34 million increase in EBIT compared to first half of 2019
- Earnings after tax up € 57 million or 72 % year-on-year at € 136 million (79)
- Earnings per ordinary share improve from € 0.56 to € 0.97 (+73 %), earnings per preference share increase from € 0.57 to € 0.98 (+72 %)

## 1.4 Results of operations of the regions/segments

in € million	EMEA	Asia-Pacific	North and South America	Holding/consolidation	FUCHS Group
<b>H1 2021</b>					
Sales revenues by company location	850	424	224	-87	1,411
EBIT before income from companies consolidated at equity	89	63	31	4	187
<i>in % of sales</i>	10.5%	14.9%	13.8%	-	13.3%
Income from companies consolidated at equity	4	-	-	-	4
Segment earnings (EBIT)	93	63	31	4	191
Investments in non-current assets	14	9	3	6	32
Number of employees as at June 30 <sup>1</sup>	3,818	933	881	135	5,767
<b>H1 2020</b>					
Sales revenues by company location	690	320	181	-71	1,120
EBIT before income from companies consolidated at equity	52	41	14	1	108
<i>in % of sales</i>	7.5%	12.8%	7.7%	-	9.6%
Income from companies consolidated at equity	4	-	-	-	4
Segment earnings (EBIT)	56	41	14	1	112
Investments in non-current assets	37	9	8	4	58
Number of employees as at June 30 <sup>1</sup>	3,815	934	907	136	5,792
<b>H1 2019</b>					
Segment earnings (EBIT)	80	44	29	4	157

<sup>1</sup>Including trainees.

**EMEA (Europe, Middle East, Africa)** boosts EBIT by € 37 million to € 93 million (56) compared to a weak previous year period; rise of around 16 % on first half of 2019

- Significant growth in earnings in almost all countries – including compared to first half of 2019

- At equity income on par with previous year

- Slightly negative currency effects mainly due to weak Ukrainian hryvnia and Russian ruble

**Asia-Pacific** improves EBIT by 54 % against previous year to € 63 million (41). Sharp rise of over 40 % or € 19 million compared to first half of 2019, the year before the crisis

- China continues to perform very well

- Significant earnings growth in almost all countries, highest absolute growth in China followed by India

- Currency effects negligible

EBIT in **North and South America** of € 31 million (14), more than double the figure for the previous year, which was shaped by the pandemic; € 2 million higher than first half of pre-pandemic year 2019 thanks to acquisitions

- North America doubles earnings compared to previous year, although this was impacted by bad debts as well as the pandemic

- Considerable recovery in all South American countries, which were hit particularly hard by the impact of Covid-19

- Weak dollar and continued high inflation in Brazil and Argentina seriously squeezing earnings

## 1.5 Employees

## 1.6 Net assets and financial position

## 1.5 Employees

As of June 30, 2021, the global workforce had grown by 39 employees to a total of 5,767 compared to December 31, 2020.

## 1.6 Net assets and financial position

- Total assets up 4 % at € 2,206 million
- Property, plant and equipment increases by moderate € 15 million following end of growth program
- Cash and cash equivalents reduced by € 108 million to € 101 million, particularly as a result of dividend payment and higher net operating working capital
- Growth in sales revenue compared to fourth quarter of previous year push up trade receivables by € 87 million

- Inventories rise by € 92 million due to growth in sales revenues and higher purchase prices; turnover increases by five days compared to fourth quarter of 2020 to 87 days
- Equity ratio slightly lower than at the end of previous year, still at a very high level of 73 % (75 % on December 31, 2020)
- Non-current other liabilities down € 18 million at € 2 million, in part due to an earn-out paid for 2020
- Trade payables rise by € 50 million
- High tax liabilities decline by € 13 million
- Rise in net operating working capital increases non-current financial liabilities closing-date related by € 30 million to € 44 million

	June 30, 2021		December 31, 2020		Change	
	in € million	in %	in € million	in %	absolute	in %
<b>Assets</b>						
Non-current assets	1,162	53	1,146	54	16	1
Current assets	1,044	47	974	46	70	7
<b>Total assets</b>	<b>2,206</b>	<b>100</b>	<b>2,120</b>	<b>100</b>	<b>86</b>	<b>4</b>
<b>Equity and liabilities</b>						
Total equity	1,603	73	1,580	75	23	1
Non-current liabilities	113	5	131	6	-18	-14
Current liabilities	490	22	409	19	81	20
<b>Total assets</b>	<b>2,206</b>	<b>100</b>	<b>2,120</b>	<b>100</b>	<b>86</b>	<b>4</b>

## 1.6 Net assets and financial position

## Cash flow

in € million	H1 2021	H1 2020
Earnings after tax	136	79
Depreciation and amortization	42	40
Change of NOWC	-116	-39
Other changes	-18	-7
Investments in non-current assets	-32	-58
<b>Free cash flow before acquisitions</b>	<b>12</b>	<b>15</b>
Acquisitions	-9	-95
<b>Free cash flow</b>	<b>3</b>	<b>-80</b>

- Positive effects of earnings growth and lower investment volume
- Increase in NOWC due to considerable sales revenues growth and price rises reduces free cash flow

## 1.7 Opportunities and risks

On pages 52 to 62 of the 2020 annual report, FUCHS PETROLUB provided a detailed report on the opportunities and risks resulting from its international business operations. The statements made there still apply. Supply chain uncertainties and other possible effects of the Covid-19 pandemic on the global economy still cannot be reliably estimated.

## 1.8 Outlook

After raising its forecast for global economic growth to 6.0 % in April, the International Monetary Fund (IMF) has made no further changes in July to its outlook this year.

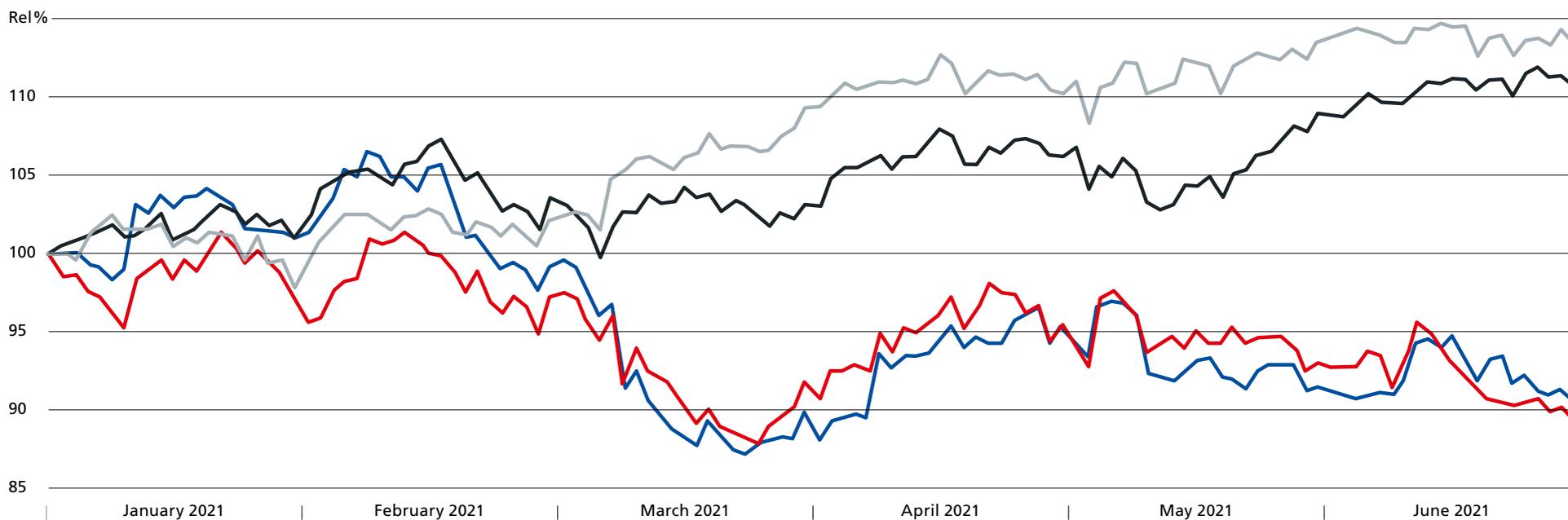
Given the positive business performance in spite of the challenging market environment, the FUCHS Group specifies or rather raises the outlook for the current year as follows:

- Sales revenues at the upper end of the € 2.7 billion to € 2.8 billion range
- EBIT: € 350 million to € 360 million  
(previously: € 330 million to € 340 million)
- FVA: around € 200 million  
(previously: around € 180 million)
- Free cash flow before acquisitions: around € 110 million  
(unchanged)

## 1.9 Share price development of FUCHS shares

### Performance\* of ordinary and preference shares in comparison with DAX and MDAX

(January 1 – June 30, 2021)



■ Preference share ■ Ordinary share ■ DAX ■ MDAX

\*Price trend including dividends.

Source: Bloomberg

## 2 Half-year financial statements

### 2.1 Consolidated financial statements

#### Income statement

in € million	H1 2021	H1 2020	Change	
			absolute	relative in %
Sales revenues	1,411	1,120	291	26
Cost of sales	-914	-730	-184	25
<b>Gross profit</b>	<b>497</b>	<b>390</b>	<b>107</b>	<b>27</b>
Selling and distribution expenses	-203	-180	-23	13
Administrative expenses	-77	-71	-6	8
Research and development expenses	-30	-27	-3	11
Other operating income and expenses	0	-4	4	-
<b>EBIT before income from companies consolidated at equity</b>	<b>187</b>	<b>108</b>	<b>79</b>	<b>73</b>
Income from companies consolidated at equity	4	4	0	0
<b>Earnings before interest and tax (EBIT)</b>	<b>191</b>	<b>112</b>	<b>79</b>	<b>71</b>
Financial result	-2	-3	1	-33
<b>Earnings before tax (EBT)</b>	<b>189</b>	<b>109</b>	<b>80</b>	<b>73</b>
Income taxes	-53	-30	-23	77
<b>Earnings after tax</b>	<b>136</b>	<b>79</b>	<b>57</b>	<b>72</b>
<b>Thereof</b>				
Non-controlling interests	0	0	0	0
Profit attributable to shareholders of FUCHS PETROLUB SE	136	79	57	72
<b>Earnings per share in €<sup>1</sup></b>				
Ordinary share	0.97	0.56	0.41	73
Preference share	0.98	0.57	0.41	72

<sup>1</sup> Basic and diluted in both cases.

## Statement of comprehensive income

in € million	H1 2021	H1 2020
<b>Earnings after tax</b>	<b>136</b>	<b>79</b>
<b>Other comprehensive income</b>		
<b>Amounts of other comprehensive income that may be reclassified to profit or loss in future periods</b>		
Change in foreign currency translation adjustments		
Foreign subsidiaries	24	-29
Shares in companies consolidated at equity	0	0
<b>Amounts of other comprehensive income that will not be reclassified to profit or loss in future periods</b>		
Remeasurements of defined benefit pension commitments	0	0
Fair value changes of equity instruments	0	0
Deferred taxes on these amounts	0	0
<b>Total other comprehensive income</b>	<b>24</b>	<b>-29</b>
<b>Total income and expenses for the period</b>	<b>160</b>	<b>50</b>
<b>Thereof</b>		
Non-controlling interests	0	0
Profit attributable to shareholders of FUCHS PETROLUB SE	160	50

## Balance sheet

in € million	June 30, 2021	Dec 31, 2020	Change	
			absolute	relative in %
<b>Assets</b>				
Goodwill	240	236	4	2
Other intangible assets	111	117	-6	-5
Property, plant and equipment	715	700	15	2
Shares in companies consolidated at equity	55	53	2	4
Other financial assets	7	7	0	0
Deferred tax assets	33	32	1	3
Other receivables and other assets	1	1	0	0
<b>Non-current assets</b>	<b>1,162</b>	<b>1,146</b>	<b>16</b>	<b>1</b>
Inventories	451	359	92	26
Trade receivables	456	369	87	24
Tax receivables	6	7	-1	-14
Other receivables and other assets	30	30	0	0
Cash and cash equivalents	101	209	-108	-52
<b>Current assets</b>	<b>1,044</b>	<b>974</b>	<b>70</b>	<b>7</b>
<b>Total assets</b>	<b>2,206</b>	<b>2,120</b>	<b>86</b>	<b>4</b>

## 2.1 Consolidated financial statements

in € million	June 30, 2021	Dec 31, 2020	Change	
			absolute	relative in %
<b>Equity and liabilities</b>				
Subscribed capital	139	139	0	0
Group reserves	1,327	1,220	107	9
Group profits	136	220	-84	-38
Equity of shareholders of FUCHS PETROLUB SE	1,602	1,579	23	1
Non-controlling interests	1	1	0	0
<b>Total equity</b>	<b>1,603</b>	<b>1,580</b>	<b>23</b>	<b>1</b>
Pension provisions	42	43	-1	-2
Other provisions	11	11	0	0
Deferred tax liabilities	43	41	2	5
Financial liabilities	15	16	-1	-6
Other liabilities	2	20	-18	-90
<b>Non-current liabilities</b>	<b>113</b>	<b>131</b>	<b>-18</b>	<b>-14</b>
Trade payables	283	233	50	21
Other provisions	18	18	0	0
Tax liabilities	27	40	-13	-33
Financial liabilities	44	14	30	214
Other liabilities	118	104	14	13
<b>Current liabilities</b>	<b>490</b>	<b>409</b>	<b>81</b>	<b>20</b>
<b>Total equity and liabilities</b>	<b>2,206</b>	<b>2,120</b>	<b>86</b>	<b>4</b>

## Statement of cash flows

in € million	H1 2021	H1 2020
<b>Earnings after tax</b>	<b>136</b>	<b>79</b>
Depreciation and amortization of non-current assets	42	40
Change in non-current provisions and in other non-current assets (covering funds)	-1	0
Change in deferred taxes	0	0
Non-cash income from shares in companies consolidated at equity	-4	-4
Dividends received from companies consolidated at equity	1	1
<b>Gross cash flow</b>	<b>174</b>	<b>116</b>
Gross cash flow	174	116
Change in inventories	-84	-26
Change in trade receivables	-78	30
Change in trade payables	46	-43
Change in other assets and other liabilities (excluding financial liabilities)	-14	-4
Net gain/loss on disposal of non-current assets	0	0
<b>Cash flow from operating activities</b>	<b>44</b>	<b>73</b>
Investments in non-current assets	-32	-58
Proceeds from the disposal of non-current assets	0	0
Cash paid for acquisitions	-9	-96
Cash acquired through acquisitions	0	1
<b>Cash flow from investing activities</b>	<b>-41</b>	<b>-153</b>
Free cash flow before acquisitions <sup>1</sup>	12	15
<b>Free cash flow</b>	<b>3</b>	<b>-80</b>
Dividends paid for previous year	-137	-134
Changes in financial liabilities	22	83
<b>Cash flow from financing activities</b>	<b>-115</b>	<b>-51</b>
<b>Cash and cash equivalents as at Dec 31 of the previous year</b>	<b>209</b>	<b>219</b>
Cash flow from operating activities	44	73
Cash flow from investing activities	-41	-153
Cash flow from financing activities	-115	-51
Effect of currency translations	4	-3
<b>Cash and cash equivalents at the end of the period</b>	<b>101</b>	<b>85</b>

<sup>1</sup> Free cash flow before cash paid for acquisitions and before cash acquired through acquisitions.

## Statement of changes in equity

in € million	Outstanding shares (units)	Subscribed capital	Capital reserves	Equity capital generated in the Group	Currency translation <sup>1</sup>	Shareholders' equity of FUCHS PETROLUB SE	Non-controlling interests	Total equity
<b>As at December 31, 2019</b>	139,000,000	139	97	1,347	-23	1,560	1	1,561
Dividend payments				-134		-134	0	-134
Earnings after tax H1 2020				79		79	0	79
Change in other comprehensive income				0	-29	-29	0	-29
<b>As at June 30, 2020</b>	139,000,000	139	97	1,292	-52	1,476	1	1,477
<b>As at December 31, 2020</b>	139,000,000	139	97	1,427	-84	1,579	1	1,580
Dividend payments				-137		-137	0	-137
Earnings after tax H1 2021				136		136	0	136
Change in other comprehensive income				0	24	24	0	24
<b>As at June 30, 2021</b>	139,000,000	139	97	1,426	-60	1,602	1	1,603

<sup>1</sup> Income and expenses recognized in equity of shareholders of FUCHS PETROLUB SE.

## Segments

in € million	EMEA	Asia-Pacific	North and South America	Holding/consolidation	FUCHS Group
<b>H1 2021</b>					
Sales revenues by company location	850	424	224	-87	1,411
EBIT before income from companies consolidated at equity	89	63	31	4	187
<i>in % of sales</i>	10.5%	14.9%	13.8%	-	13.3%
Income from companies consolidated at equity	4	-	-	-	4
Segment earnings (EBIT)	93	63	31	4	191
Investments in non-current assets	14	9	3	6	32
Number of employees as at June 30 <sup>1</sup>	3,818	933	881	135	5,767

in € million	EMEA	Asia-Pacific	North and South America	Holding/consolidation	FUCHS Group
<b>H1 2020</b>					
Sales revenues by company location	690	320	181	-71	1,120
EBIT before income from companies consolidated at equity	52	41	14	1	108
<i>in % of sales</i>	7.5%	12.8%	7.7%	-	9.6%
Income from companies consolidated at equity	4	-	-	-	4
Segment earnings (EBIT)	56	41	14	1	112
Investments in non-current assets	37	9	8	4	58
Number of employees as at June 30 <sup>1</sup>	3,815	934	907	136	5,792

<sup>1</sup> Including trainees.

## 2.2 Notes to the consolidated financial statements

The half-year financial statements of FUCHS PETROLUB SE, Mannheim, are prepared in accordance with the principles of the International Financial Reporting Standards (IFRS). They take account of the standards and interpretations of the International Accounting Standards Board (IASB), London, applicable at the end of the reporting period, as adopted by the EU. The half-year financial statements have been prepared in accordance with the rules of International Accounting Standard 34 (IAS 34) in abridged form. The accounting policies and calculation methods applied remained unchanged from the consolidated financial statements for 2020; we therefore refer to the notes to the consolidated financial statements made there.

The half-year financial statements and the half-year management report were not subject to examination by the auditor.

### Application of new accounting standards

The accounting standards relevant to the FUCHS Group that are to be applied for the first time in the financial year 2021 have no effects on the FUCHS Group's net assets, financial position and results of operations.

### Changes in the scope of consolidation

With effect from May 21, 2021, the FUCHS Group acquired 70 % of the lubricants business of STD & S Co., LTD., a distributor of speciality lubricants based in Vietnam, for a purchase price of € 1.5 million. Purchase price allocation was not yet complete at the date of first-time consolidation. The business will be integrated into the subsidiary FUCHS LUBRICANTS VIETNAM COMPANY LTD., in which the owners of STD & S Co., LTD, acquired 30 % of shares for the purchase price of € 0.3 million. The change to the percentage of shares held from 100 % to 70 %, which did not lead to a loss of control, was treated as a transaction between shareholders and recognized directly in equity.

FUCHS EGYPT LUBRICANTS LLC, the new distribution company founded by FUCHS OIL MIDDLE EAST LTD, has been operational since 2021 and already supplies important customers in Egypt. Its head office and a central warehouse are located in Cairo, Egypt. Products are imported from Saudi Arabia and Europe. As FUCHS PETROLUB SE holds 50 % of shares in FUCHS OIL MIDDLE EAST LTD, both companies are included in the FUCHS consolidated financial statements under shares in companies consolidated at equity.

With effect from July 1, 2021, FUCHS LUBRICANTS SWEDEN AB acquired all shares in Gleitmo Technik AB, Kungsbacka, Sweden, for a purchase price of € 3 million. The business, which includes mainly the customer base, the product portfolio and staff, will be integrated into the subsidiary FUCHS LUBRICANTS SWEDEN AB. Gleitmo Technik AB's assets and liabilities and income and expenses will be included in the consolidated financial statements from July 1, 2021. Purchase price allocation has not yet been prepared.

### Significant discretionary decisions, estimates and assumptions

The general statements made in the notes to the consolidated financial statements as at December 31, 2020, continue to apply, according to which the preparation of the consolidated financial statements requires judgments to be made regarding accounting policies for some items, which affect recognition and measurement in the balance sheet and the income statement. The estimates and assumptions are based on experience values, the current level of knowledge, information currently available, as well as other factors which the Executive Board deems to be applicable under the respective circumstances. Due to the currently unforeseeable global effects of the Covid-19 pandemic, these estimates and judgments are subject to increased uncertainty. The amounts that actually arise may differ from the estimates and judgments.

## 2.2 Notes to the consolidated financial statements

## Sales revenues

Sales revenues can be broken down by product group and geographic region as follows:

### Sales revenues by product group

H1 2021	EMEA		Asia-Pacific		North and South America		FUCHS Group	
	in € million	in %	in € million	in %	in € million	in %	in € million	in %
Automotive lubricants	351	46	242	57	36	16	629	45
Industrial lubricants and specialties	375	49	182	43	183	82	740	52
Other products	38	5	0	0	4	2	42	3
	<b>764</b>	<b>100</b>	<b>424</b>	<b>100</b>	<b>223</b>	<b>100</b>	<b>1,411</b>	<b>100</b>

H1 2020	EMEA		Asia-Pacific		North and South America		FUCHS Group	
	in € million	in %	in € million	in %	in € million	in %	in € million	in %
Automotive lubricants	279	45	187	58	31	17	497	45
Industrial lubricants and specialties	310	50	130	41	147	82	587	52
Other products	31	5	3	1	2	1	36	3
	<b>620</b>	<b>100</b>	<b>320</b>	<b>100</b>	<b>180</b>	<b>100</b>	<b>1,120</b>	<b>100</b>

The automotive lubricants category particularly includes engine oils, gear oils and shock-absorber fluids. The industrial lubricants and specialties product group mainly

comprises metalworking fluids, corrosion preventatives, hydraulic and gear oils, greases, and other specialties.

## Other operating income and expenses

Other operating income and expenses include the following items:

in € million	H1 2021	H1 2020
Net amount of currency gains/losses	1	-1
(Net) write-downs of receivables	-1	-2
Net amount of miscellaneous items	0	-1
<b>Other operating income and expenses</b>	<b>0</b>	<b>-4</b>

## Financial result

The financial result includes the following items:

in € million	H1 2021	H1 2020
Interest income	0	0
Interest expense (excluding pensions)	-2	-3
Net interest expense from defined benefit plans	0	0
Interest expense from leases	0	0
<b>Financial result</b>	<b>-2</b>	<b>-3</b>

The net interest expenses from defined pension plans are the balance of

- interest expenses from the interest accrued on pension obligations of € 1 million (2)
- interest income from the return on plan assets of € 1 million (2).

## Income taxes

Income taxes break down as follows:

in € million	H1 2021	H1 2020
Germany	-22	-13
International	-31	-17
<b>Income taxes</b>	<b>-53</b>	<b>-30</b>
<b>Adjusted rate of taxation (in %)<sup>1</sup></b>	<b>29</b>	<b>29</b>

<sup>1</sup> Actual tax expense relative to earnings before tax (EBT) adjusted by the income from companies consolidated at equity.

## Dividend distribution

In accordance with the resolution of the Annual General Meeting on May 4, 2021, FUCHS PETROLUB SE distributed the following dividend from the unappropriated profit for the financial year 2020:

in €	
Distribution of a dividend of € 0.98 for each ordinary share entitled to dividend payments on the balance sheet date; these are 69,500,000 shares	68,110,000
Distribution of a dividend of € 0.99 for each preference share entitled to dividend payments on the balance sheet date; these are 69,500,000 shares	68,805,000
<b>Total distribution</b>	<b>136,915,000</b>

## Contingent liabilities and other financial obligations

Contractual obligations of around € 28 million for the purchase of property, plant and equipment are in place on June 30, 2021 (€ 31 million as at December 31, 2020). These essentially relate to our companies in Germany, Belgium, China and South Africa. Besides this, there were no significant changes as compared to the contingent liabilities described and disclosed in the 2020 annual report.

## Financial instruments

The FUCHS Group's financial assets and financial liabilities measured at fair value through profit and loss consist of contingent consideration from company acquisitions and forward currency transactions, which are used to hedge foreign currency receivables and liabilities. Forward currency transactions are valued based on generally recognized valuation models using the latest market data. As of June 30, 2021, the forward currency transactions display positive fair values of € 0 million (as of December 31, 2020: 3), which are disclosed under other short-term assets, and negative fair values of € 3 million (as of December 31, 2020: 4), which are disclosed under other short-term liabilities. Contingent consideration of € 18 million (December 31, 2020: € 25 million non-current and current other liabilities) is also recognized under other current lia-

bilities. This relates to contingent purchase price liabilities in connection with the acquisition of NYE LUBRICANTS INC., USA. The profit-neutral decline relates to the first part payment in the second quarter of 2021. The subsequent measurement of contingent consideration as of June 30, 2021 did not result in any notable need for adjustments through profit and loss.

Non-current financial liabilities break down as follows:

in € million	June 30, 2021	Dec 31, 2020
Financial liabilities to banks	2	5
Financial liabilities from leases	13	11
<b>Non-current financial liabilities</b>	<b>15</b>	<b>16</b>

Current financial liabilities break down as follows:

in € million	June 30, 2021	Dec 31, 2020
Financial liabilities to banks	37	8
Financial liabilities from leases	7	6
<b>Current financial liabilities</b>	<b>44</b>	<b>14</b>

### Relationships with related parties

The FUCHS Group has trade receivables of € 6 million (December 31, 2020: 5) and other receivables of € 0 million (December 31, 2020: 0) from companies consolidated at equity. The nonconsolidated portion of sales revenues from deliveries of goods to companies consolidated at equity was € 13 million (10) in the first half of 2021. The corresponding portion of other operating income was € 0 million (0) in the first half of 2021.

### Exchange rate development

The exchange rates that have a significant impact on the consolidated financial statements have moved against the euro as follows:

#### Closing rate

€ 1	June 30, 2021	Dec 31, 2020
US dollar	1.188	1.227
British pound	0.858	0.899
Chinese renminbi yuan	7.674	8.023
Australian dollar	1.585	1.590
South African rand	17.011	18.022
Polish zloty	4.520	4.560
Brazilian real	5.905	6.374
Argentinean peso	113.498	102.701
Russian ruble	86.773	91.467
South Korean won	1,341.410	1,336.000
Swedish krona	10.111	10.034

#### Average exchange rate

€ 1	H1 2021	H1 2020
US dollar	1.206	1.102
British pound	0.868	0.875
Chinese renminbi yuan	7.797	7.748
Australian dollar	1.563	1.678
South African rand	17.533	18.357
Polish zloty	4.537	4.414
Brazilian real	6.491	5.420
Argentinean peso	110.037	71.111
Russian ruble	89.593	76.683
South Korean won	1,347.29	1,328.85
Swedish krona	10.131	10.657

### Events after the reporting period

No significant events occurred after the reporting period.

Mannheim, July 29, 2021

FUCHS PETROLUB SE  
The Executive Board

S. Fuchs

D. Steinert

Dr. L. Lindemann

Dr. R. Rheinboldt

Dr. T. Reister

## Responsibility statement

To the best of our knowledge we declare that, in accordance with the applicable accounting principles for half-year financial reporting, the half-year financial statements give a true and fair view of the net assets, financial position, and results of operations of the FUCHS Group, and the half-year management report of the FUCHS Group

includes a fair view of the development and performance of the business and the position of the FUCHS Group, together with a description of the principal opportunities and risks associated with the expected development of the FUCHS Group for the remaining months of the financial year.

Mannheim, July 29, 2021

FUCHS PETROLUB SE  
The Executive Board

S. Fuchs

D. Steinert

Dr. L. Lindemann

Dr. R. Rheinboldt

Dr. T. Reister

## Financial calendar

### Dates 2021

July 30, 2021	Half-year financial report 2021 as at June 30, 2021
October 29, 2021	Quarterly statement Q3 2021 as at September 30, 2021
March 18, 2022	Annual report 2021

The financial calendar is updated regularly. You can find the latest dates on the webpage at

→ [www.fuchs.com/financial-calendar](https://www.fuchs.com/financial-calendar)

### Note regarding the half-year financial report

In case of deviations between this English translation and the original German version of this half-year financial report, the original German version takes precedence.

### Note on rounding

Due to rounding, numbers presented in this half-year financial report may not add up precisely to totals provided, and percentages stated may not precisely reflect the absolute figures to which they refer.

### Disclaimer

This half-year financial report 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 half-year financial report and assumes no liability for such. We do not assume any obligation to update the future-oriented statements made in this half-year financial report.

## Contact and imprint

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