

Earnings Call Q1 2021

Munich, 11 May 2021



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Speakers Today
Management Board

Johannes Laumann
CIO



Mark Friedrich
CFO



1 Business Model

2 Development

3 Financials

4 Outlook

Who we are and what we do

Turnaround Investor

Our Values what we stand for

Entrepreneurship
Integrative Management
Sustainability
Personal Integrity

Our Vision what we strive for

to be „First in mind – first in Choice“ in Private Equity Turnaround.

Our Goals what we want to achieve

Creating maximum value for our shareholders through sustainably profitable businesses.

Our Mission what we do

Creating value by transforming risks into opportunities and successes.

Footprint

European focus with an international footprint

8

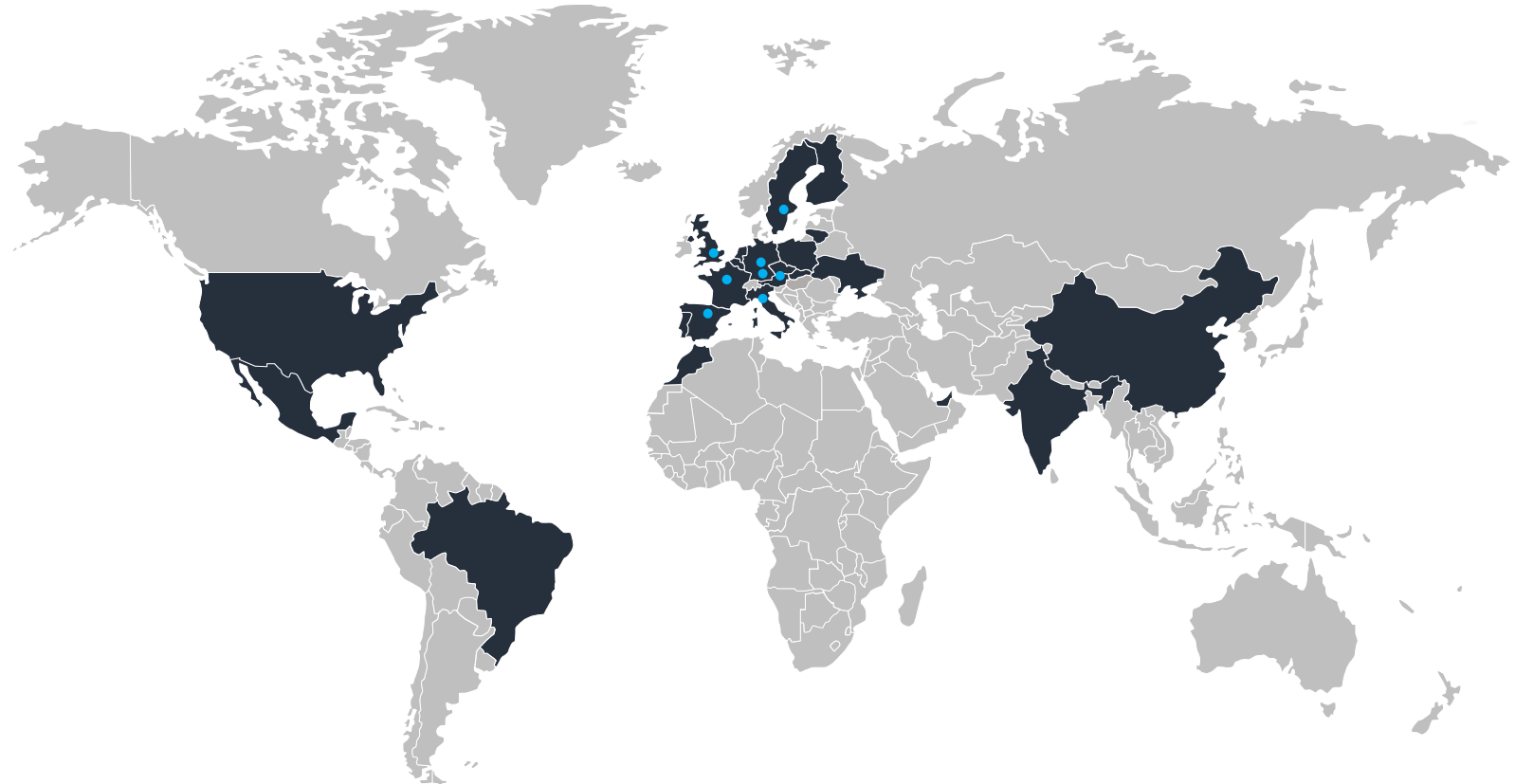
Mutares Offices
in Europe

24*

Portfolio companies
with HQ in Europe

> 12.000

employees
worldwide



*) incl. signed transactions

Company Goals

Our aim is to become the leading European Private Equity Turnaround Investor

6 Company Goals

EUR 3.0bn

Group revenues by
2023

EUR 100m

Holding revenues
by 2023

EUR >60m

Holding profit by
2023

7-10x ROIC

Across all cycles

EUR 1.00

Basis dividend plus
performance
dividend

Sustainability

Integration of ESG
factors

Growth as Investment Focus

Criteria for sustainable Value Creation

European Focus



Three Segments



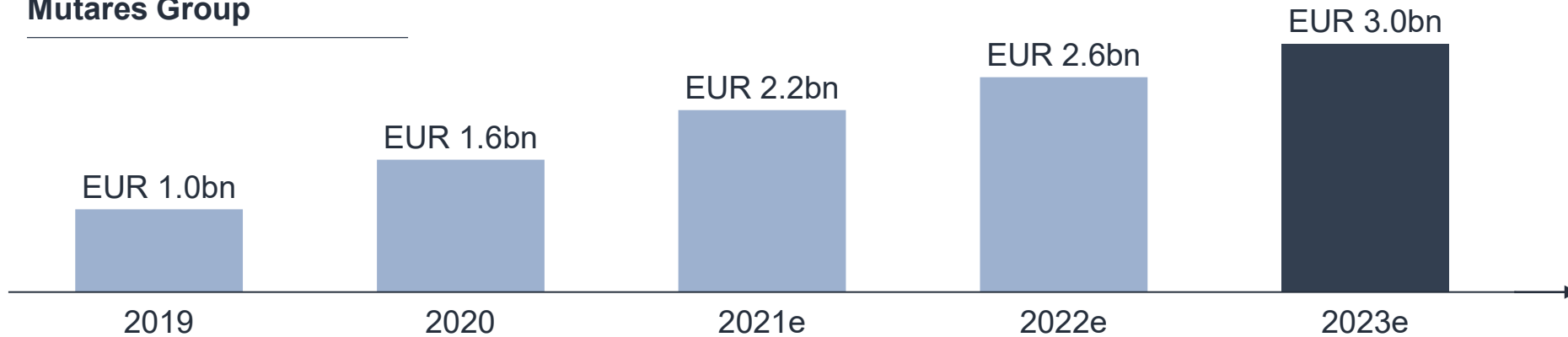
Company size
EUR 100-500m



Turnaround Hero



Revenue Development
Mutares Group



Value Creation Phases

Our success is based on four main sources of income

Deal Closure

01

Acquisition



1 x ROIC

Consulting
Income

02

Realignment



Portfolio
Dividends

03

Optimization



Exit Realization

04

Harvesting

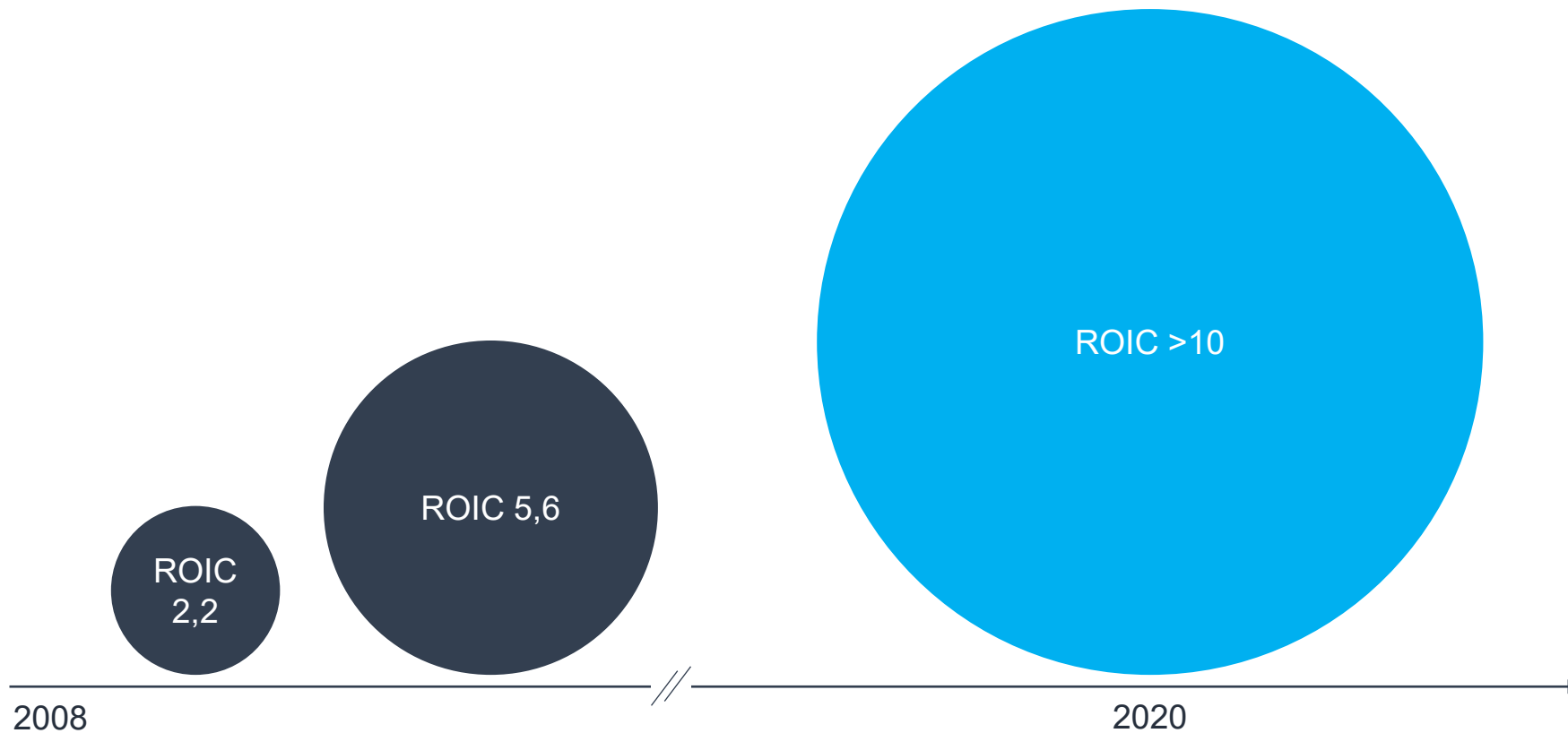


7-10 x ROIC

Successful Trackrecord with high return

Continuous increase in returns over the past 10 years

Above-average success in the last 24 months*



+ 21 Acquisitions

7 Exits

+ EUR 1.9bn sales

+ 202% Market Cap.

*) Assessment period: April 2019 until April 2021

Integration of ESG criteria

ESG creates sustainable value and mitigates risks, also for shareholders

Environmental

- Mutares takes measures to offset its CO₂ footprint
- More than 60% of the portfolio companies are certified according to ISO 14001:2015
- Energy efficiency programs through new product lines
- Further environmental certifications of many portfolio companies such as the FSC seal

Social

- Implementation of a zero-accident safety culture
- Diversity in terms of nationality, age and gender
- Regular donations and commitment within the region by Mutares and portfolio companies (e.g. Kinderhospitz München e.V.)

Governance

- Established compliance system, initiated with a code of conduct that focuses on all relevant areas (antitrust law, anti-corruption, capital market compliance, environmental protection and data protection, ...)
- Employee policy management tool
- Whistleblower protection through anonymous email service available to all employees (promotes transparency)

MUTARES

WE SUPPORT



Since 2021 Mutares has been **committed to the UN Global Compact** corporate responsibility initiative and its principles in the areas of **human rights, labour, the environment and anti-corruption.**



1 Business Model

2 Development

3 Financials

4 Outlook

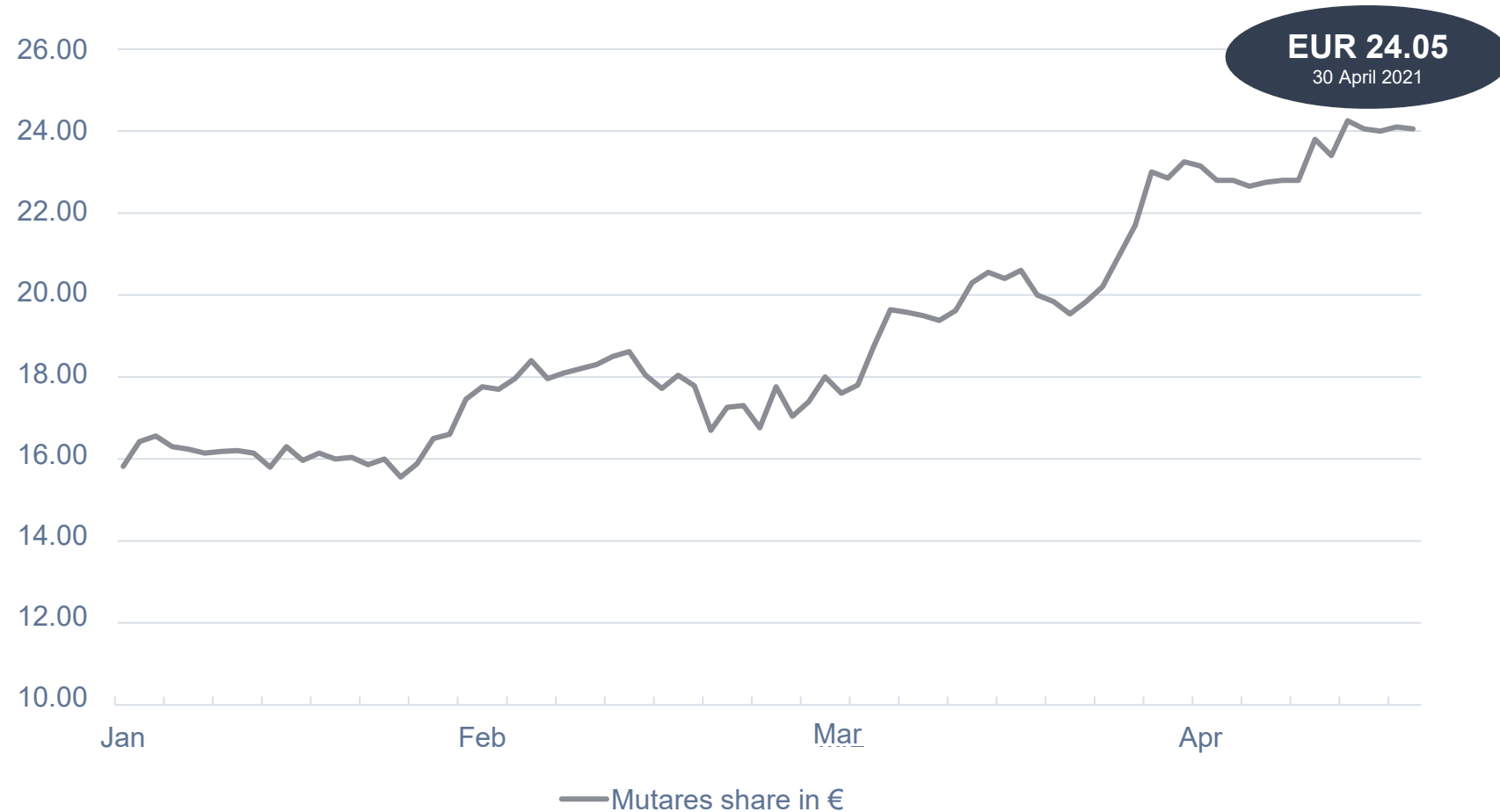
Mutares Share

Sustainable value creation for our Shareholders

+52%
since beginning of 2021
strong growth

EUR 28.00
latest analysts' price
expectations*

EUR 1.00
Dividend per share in the
last three years



*) M.M.Warburg Research as of 12 April 2021

Mutares Bond

Sustainable value creation for our Bond Investors

+37%

since March 2020

strong growth

EUR 10.0m

additional tap issue in Feb. 21

EUR 80.0m

total issue amount



Highlights of Q1 2021

High transaction activity on buy- and sell-side



Nexive case study: Mutares' fastest exit

Platform investment in the Goods & Services segment: Innovative postal service offerings for Italy

Company Profile



- Nexive provides postal services to Italian households and parcel services to the entire Italian market. The company is the second largest Italian mail and parcel delivery company, with 1,440 employees and over 2,000 outlets throughout Italy
- Nexive generated approx. EUR 230 million in revenues in 2019 and was 80% acquired by Mutares from PostNL in July 2020

Turnaround

- Nexive was severely impacted by the very difficult economic environment in the first half of 2020
- In just seven months, Mutares initiated numerous measures for a successful turnaround
- Mutares, together with the local management, focused on the consolidation of the core business and growth in the mail as well as in the parcel business with acknowledgement by the recipient as part of the restructuring plan
- After the initial negative impact of COVID-19, Nexive has been on a strong cyclical recovery path since the acquisition by Mutares

Exit

- Poste Italiane, the Italian market leader, took advantage of a limited window in Italian legislation. This legislation allows Poste Italiane to push ahead with its acquisition and consolidation plans for the Italian postal and parcel services market under certain conditions
- Mutares sold Nexive to Poste Italiane at a double-digit return. The transaction was closed in January 2021, making Nexive the fastest exit in Mutares' history.

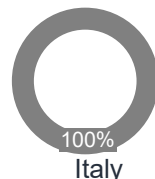
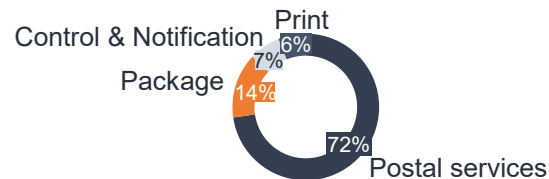
Services
Revenue breakdown

Postal services Print & Digital Control & Notification Package



By product

By country



ROIC >10

1 Business Model

2 Development

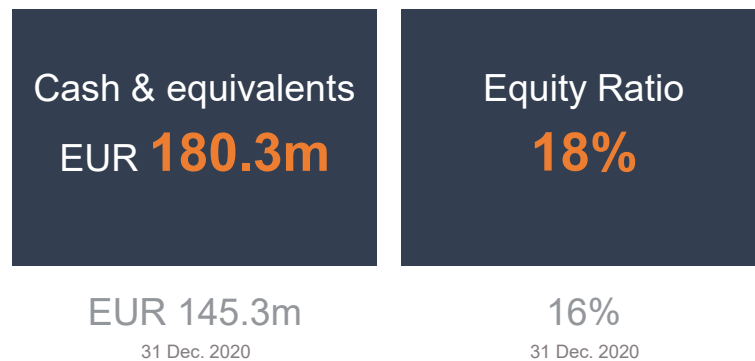
3 **Financials**

4 Outlook

Key financial data of Q1 2021

High transaction activity is driving key financials

Mutares Group



Mutares Holding



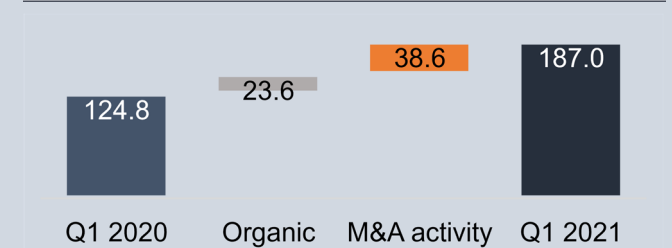
Segment Financials (1/3)

Automotive & Mobility



mEUR	Q1 2021	Q1 2020
Revenues	187.0	124.8
Cost of material	-112.1	-76.3
Personnel expenses	-59.4	-38.4
Other expenses	-26.3	-19.0
EBITDA	-1.6	34.8
Adjusted EBITDA	4.1	-3.3
in % of Revenues	2.2%	-2.6%

Revenue Bridge



Comments

- **Revenues** in FY 2020 hugely impacted by COVID-19, since Q3 2020 strong recovery and organic growth in Q1 2021 vs Q1 2020
- New platforms SFC Solutions and iinovis also driving revenue growth
- **EBITDA** in Q1 2020 benefits from bargain purchases
- Optimization successes at STS Group and KICO Group significantly improve **Adjusted EBITDA** together with positive contribution from SFC/Elastomer/Plati Group

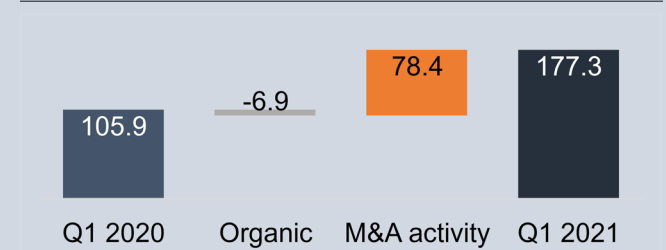
Segment Financials (2/3)

Engineering & Technology



mEUR	Q1 2021	Q1 2020
Revenues	177.3	105.9
Cost of material	-117.3	-71.1
Personnel expenses	-40.1	-29.0
Other expenses	-22.1	-12.5
EBITDA	38.5	2.0
Adjusted EBITDA	-1.0	-4.2
in % of Revenues	-0.6%	-4.0%

Revenue Bridge



Comments

- ▮ Increase in **revenues** mainly driven by the new platform and add-on acquisitions
- ▮ **EBITDA** benefits from the gains from bargain purchase from the acquisition of Clecim and the gain from the Balcke-Dürr Rothemühle exit
- ▮ Despite a negative market environment at EUPEC and Gemini Rail Group and the still negative earnings contributions from Royal De Boer and Japy Tech, **Adjusted EBITDA** improved
- ▮ Encouraging progress in the development of the Donges Group and an already positive contribution from Lacroix + Kress

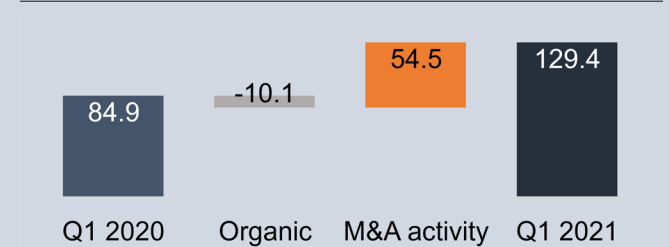
Segment Financials (3/3)

Goods & Services



mEUR	Q1 2021	Q1 2020
Revenues	129.4	84.9
Cost of material	-86.9	-51.2
Personnel expenses	-26.6	-16.4
Other expenses	-24.0	-18.6
EBITDA	16.7	2.6
Adjusted EBITDA	-3.0	-2.6
in % of Revenues	-2.3%	-3.0%

Revenue Bridge

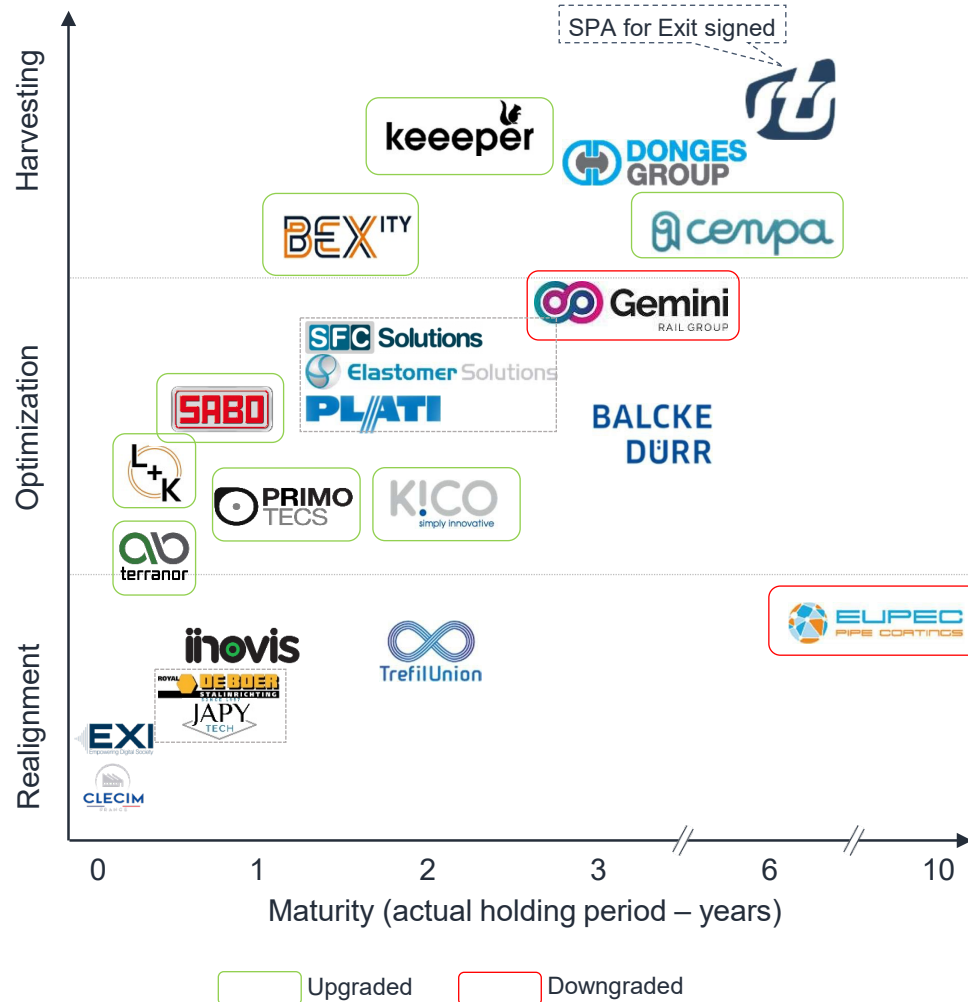


Comments

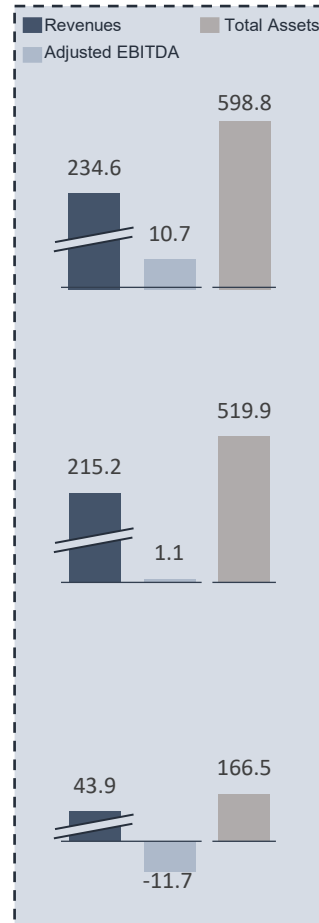
- ▮ Substantial increase in **revenues** due to the new acquisition of Terranor Group and SABO
- ▮ Successful exit of Nexive and the transaction-related income from the acquisition of EXI drive **EBITDA**
- ▮ **Adjusted EBITDA** was burdened by the significantly negative contribution from Nexive prior to the exit; development at BEXity and the new platform investments Terranor Group and SABO very pleasing

Lifecycle Financials

Diversified portfolio along the life cycle



Q1 2021



Comments

- Adjusted EBITDA differs significantly along the three lifecycle stages:
 - ✓ Realignment
 - ✓ Optimization
 - ✓ Harvesting
- Revised allocation of portfolio companies in Q1 2021 depending of the actual development status in the value creation
- Positive operational performance reflected by **upward move** especially at **BEXity** and **KICO Group**, **quick restructuring successes at Terranor Group, Lacroix + Kress and SABO**
- Development at **EUPEC** and **TréfilUnion** behind expectations; **Gemini Rail Group** with add-on acquisition of **ADComms** moved into optimization phase

1 Business Model

2 Development

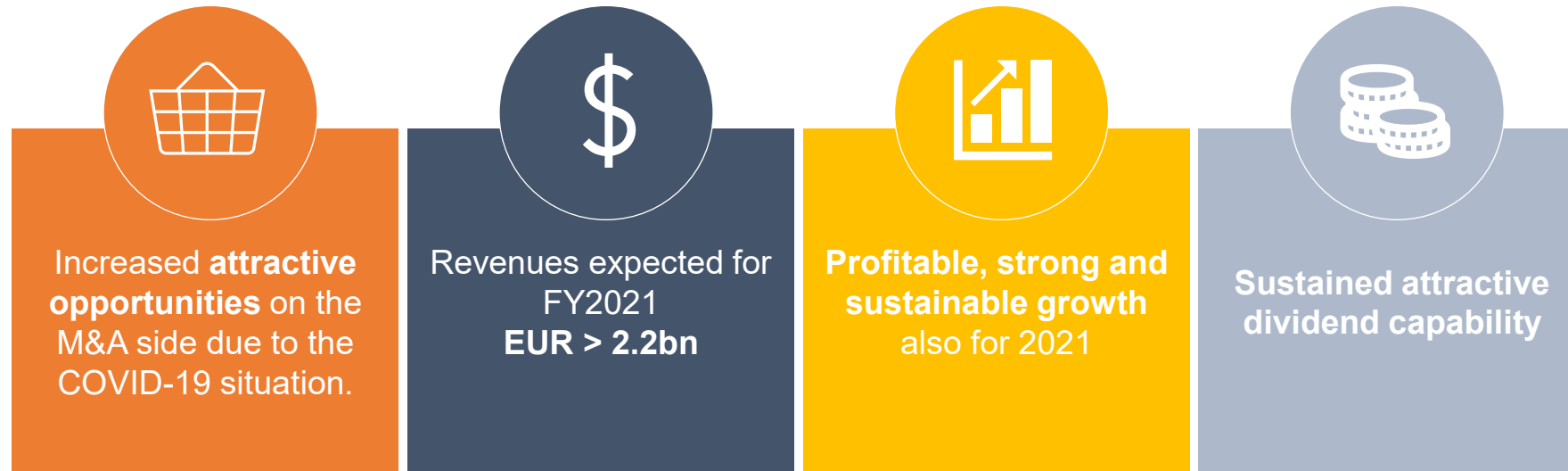
3 Financials

4 Outlook

Achievements beyond Q1 2021

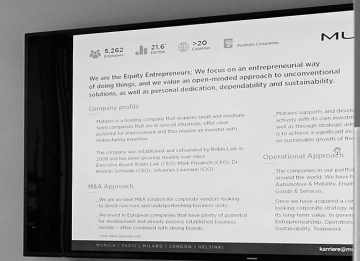


We will continue our path for sustainable growth... ...and to increase the attractiveness of the Mutares share for investors



Our Vision what we strive for

To be the market leading Private Equity
Turnaround Investor.
„First in mind – first in Choice“



Q&A

Thank you for your questions.

If you want to ask a question
please dial in from your phone:

DE: +49 69 2017 44220

UK: +44 203 0092470

US: +1 877 4230830

CH: +41 445 806522

PIN: 63845446#

Press 01 to ask a question.

Please mute yourself on the webcast.

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Consolidated Statement of Profit and Loss

mEUR	Q1 2021	Q1 2020
Revenues	493.8	315.7
+/- Change in inventories	6.2	-2.5
Other income	68.2	58.6
Cost of material	-316.3	-199.0
Personnel expenses	-133.6	-88.4
Other expenses	-64.5	-45.4
EBITDA	53.8	39.0
Adjusted EBITDA	0.3	-10.4
Depreciation & Amortisation	-23.6	-18.2
EBIT	30.2	20.7
Financial result	-5.2	-4.8
Income taxes	-1.4	-0.3
Net income	23.6	15.7

Comments

- ▮ Revenue growth mainly attributable to high transaction activity in FY 2020
- ▮ Gains from bargain purchases and exits are recorded within other income
- ▮ Increase of cost of material, personnel expenses and other expenses in connection with higher revenues
- ▮ Adjusted EBITDA improved significantly thanks to the partly very positive development in the portfolio companies
- ▮ Depreciation & amortisation includes those for leases according to IFRS
- ▮ Increased financial expenses linked to the bond

Consolidated Adjusted EBITDA

mEUR	Q1 2021	Q1 2020
EBITDA	53.8	39.0
Income from bargain purchases	-36.9	-53.6
Restructuring and other non-recurring expenses	7.9	4.1
Deconsolidation effects	-24.5	0.0
Adjusted EBITDA	0.3	-10.5

Comments

- ▣ Reported EBITDA highly influenced by extraordinary effects related to transactions, restructuring and other one-off expenses; Adjusted EBITDA adjusted for these one-off effects
- ▣ Effects from COVID-19 are not eliminated and thus negatively impact Adjusted EBITDA
- ▣ Three categories of adjustments:
 - ✓ Transaction related income from bargain purchases results from the acquisitions
 - ✓ Restructuring and other non-recurring expenses mainly in connection with measures on personnel reduction
 - ✓ Successful exits led to a significant positive effect on EBITDA

Consolidated Balance Sheet

mEUR	31/03/2021	31/12/2020
Intangible assets	74.8	76.0
PP&E	249.4	242.6
Right of use assets	142.7	147.4
Other	30.9	32.3
Non-current assets	497.9	498.3
Inventories	227.6	203.5
Trade & other rec.	282.5	256.6
Cash & equivalents	180.3	145.3
Other	131.9	223.5
Current assets	822.4	828.9
Total assets	1,320.2	1,327.2

mEUR	31/03/2021	31/12/2020
Total equity	235.6	207.2
Financial liabilities	240.1	231.3
Provisions	160.9	156.5
Other	22.1	17.5
Non-current liab.	423.1	405.4
Trade payables	259.4	250.0
Other financial liab.	152.8	143.1
Provisions	58.1	50.2
Other	191.3	271.3
Current liabilities	661.6	714.6
Total equity & liab.	1,320.2	1,327.2