

Earnings Call Q3 2021

Munich, 9 November 2021



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Speakers Today
Management Board

Johannes Laumann
CIO



Mark Friedrich
CFO



1

Key Highlights

2

Company & Business Model

3

Financials & Outlook

Clear Identity and Strong Achievements

Mutares means unrivaled private equity carve outs

OUR MISSION

Transform distressed corporates and their ownership into sustainable, lasting and value accretive opportunities for shareholders

OUR VISION

Be the undisputed international leader in mid-market special situations driven by our sustainable investment principles

OUR GOAL

Sector leading risk adjusted returns and direct performance contribution for every shareholder driven by sustainable and rising dividends

OUR VALUES

Entrepreneurship, Integrative Management, Sustainability, Personal Integrity

EUR 1.8bn
Group Revenues
in YTD Q3 2021

EUR 17.6m
Holding Net Income
in YTD Q3 2021

EUR 100m
Capital Increase
in October 2021

Uplisting
to Prime Standard
in October 2021

11
signed Acquisitions
done in 2021

6
Exits
done in 2021

20
Portfolio Companies
as of 31 October 2021

Amsterdam & Vienna
opened
in 2021

Our Vision is to Become the Leading European Private Equity Special Situations Investor

Acceleration of growth will lead to new records: Guidance Update

Our Targets for FY 2023

Group Revenues

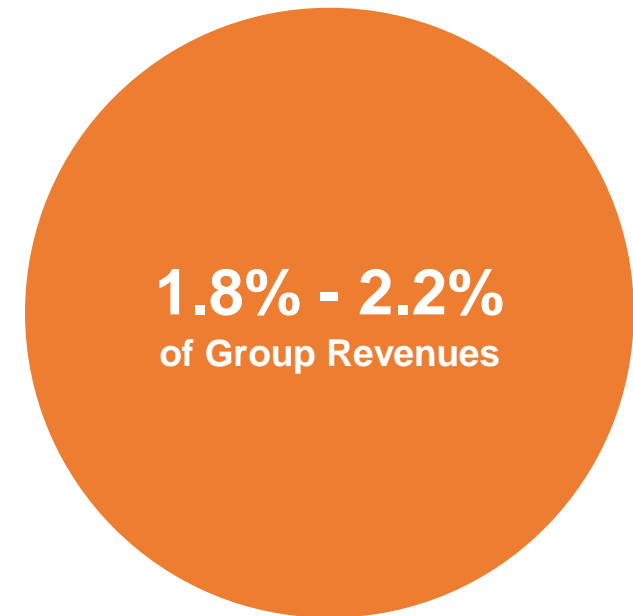


Portfolio Income + Exits



Our mid- to long-term Targets

Holding Net Income



Private Equity Special Situations Investor

Top player when it comes to carve-outs, restructuring and turnaround with ambitious growth targets

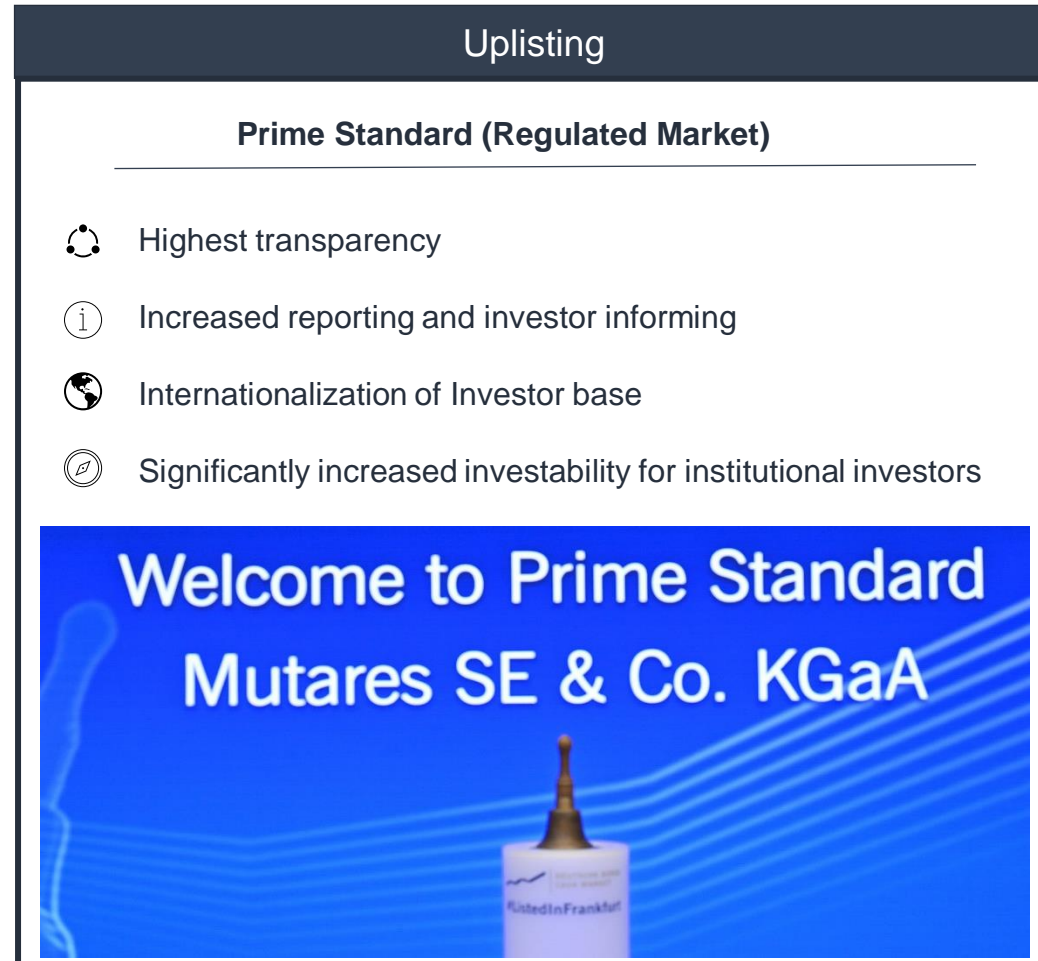
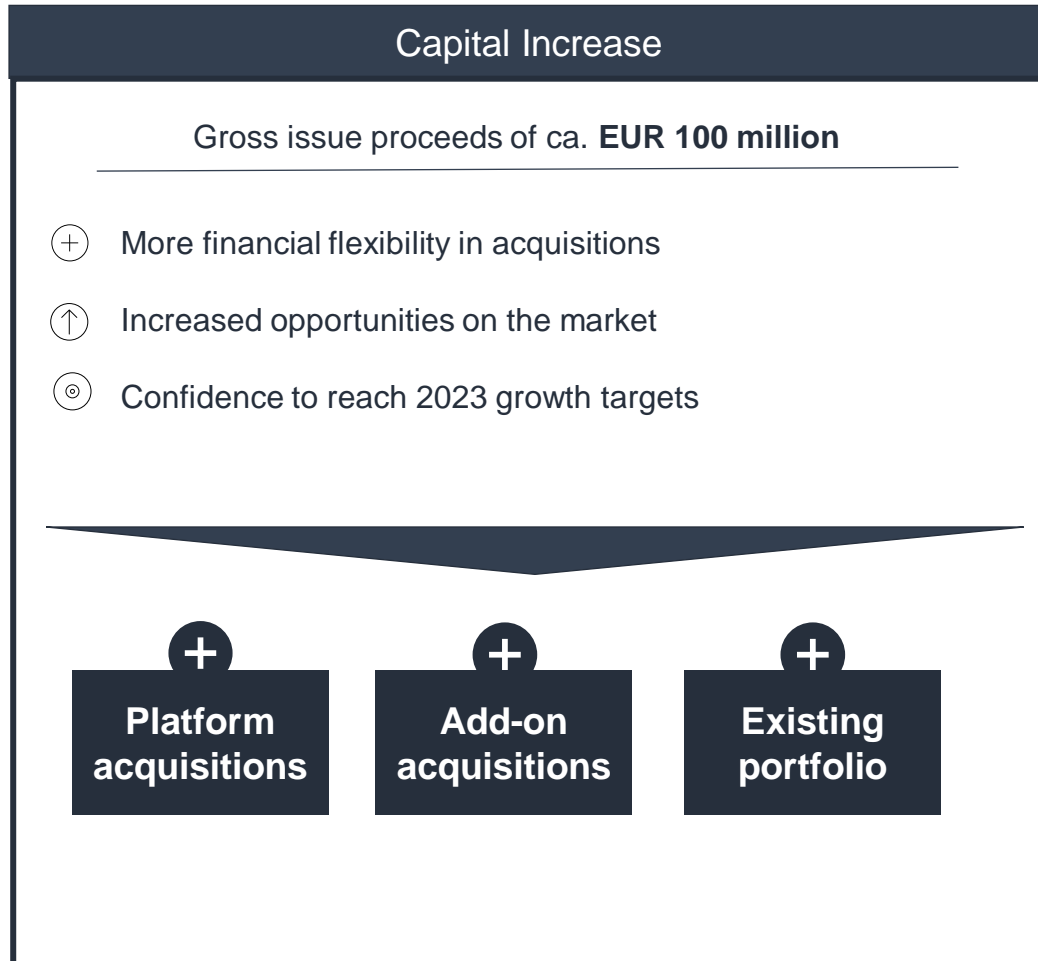
2020	8 Offices	EUR 1.6bn Group Revenues in FY 2020	EUR 88.2m Invested Capital end of FY 2020	20 Portfolio Companies	70 Consultants
2021	9 Offices	EUR >2.4bn Group Revenues expected in FY 2021	EUR >120m Invested Capital expected end of FY 2021	>20 Portfolio Companies	95 Consultants
2023	11 Offices	EUR >5.0bn Group Revenues expected in FY 2023	EUR 200m Invested Capital expected in FY 2023	30 Portfolio Companies	>200 Consultants



FIRST IN MIND – FIRST IN CHOICE FOR SPECIAL SITUATIONS IN EUROPE

Successful Capital Increase and Uplisting to the Prime Standard

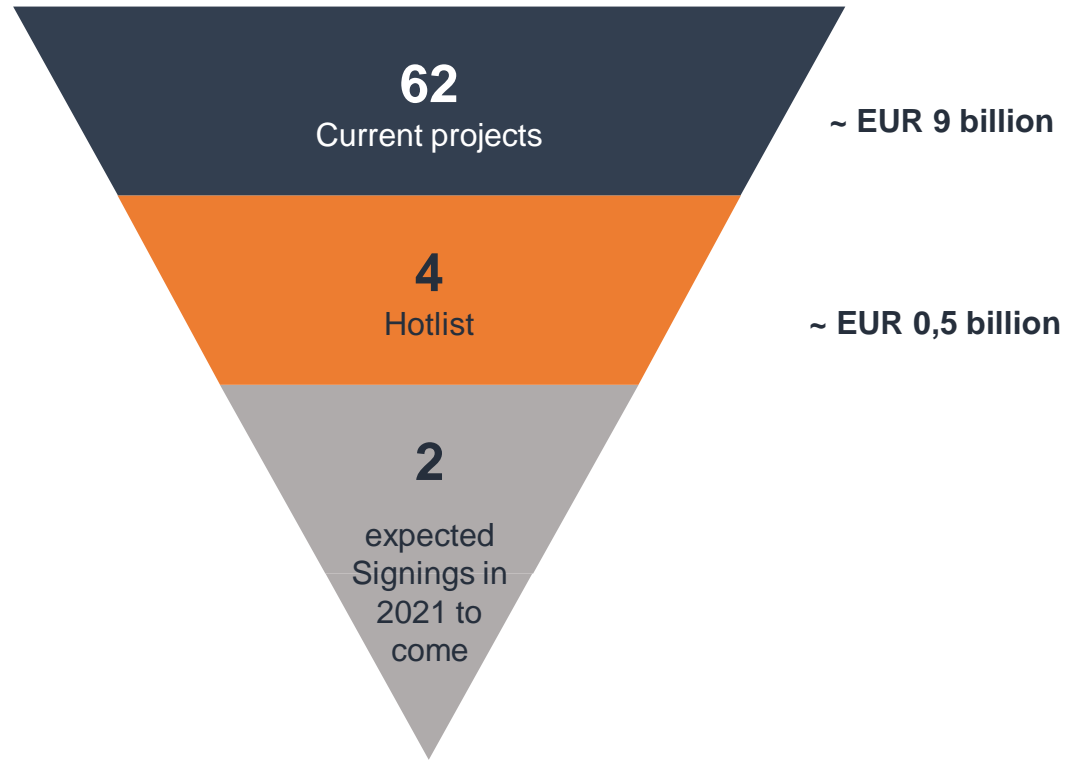
Accelerating future growth to reach target of EUR >5 billion by 2023



Transaction Outlook on Buy- and Sell-Side

Filled pipeline in order to foster growth and increase shareholder value

M&A Pipeline



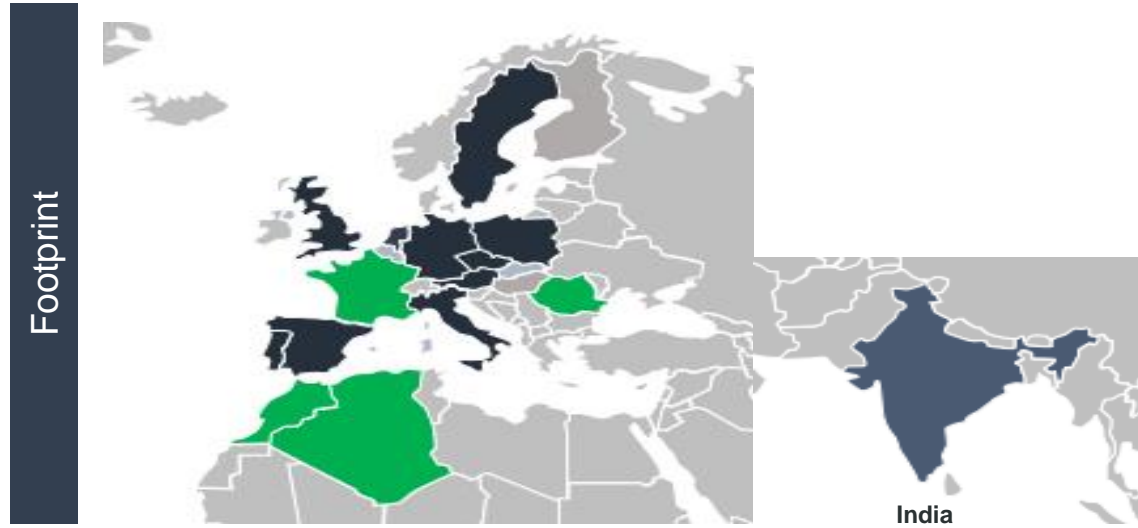
Exit Processes



We are confident to sign 2 more transactions in FY 2021 resulting in 14 buy-side transaction, marking a historical record for Mutares!

Case study: SFC Solutions Group (incl. Project Stromboli)



Worldwide supply of value-added elastomeric products



Financials

	2021	2024	Variance
Sales	EUR 252m	EUR 301m	+20%
EBITDA	EUR 5,5m	EUR 24,0m	+355%
Orderbook	ca. EUR 700m		

Products (samples)



PROJECT „Stromboli“
Trunk seals

Sealing solutions



Liquid Systems



Grommets



Pedals and pedals covers



Door seals



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Key Highlights

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Financials & Outlook

Key Financial Data of YTD Q3 2021

High transaction activity is driving key financials

Mutares Group



EUR 1,073.3m
YTD Q3 2020

EUR 134.7m
YTD Q3 2020

EUR -16.6m
YTD Q3 2020



EUR 145.3m
31 Dec 2020



16%
31 Dec 2020

Mutares Holding



EUR 23.0m
YTD Q3 2020



70
31 Dec. 2020

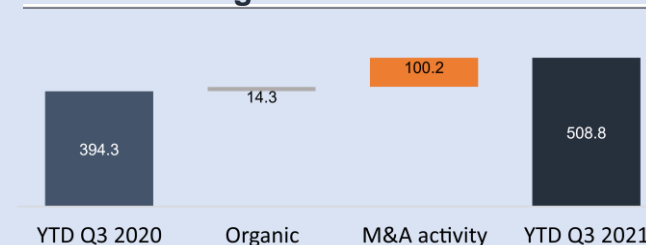
Segment Financials (1/3)

Automotive & Mobility



mEUR	YTD Q3 2021	YTD Q3 2020
Revenues	508.8	394.3
Cost of material	-312.0	-237.1
Personnel expenses	-160.9	-119.0
Other expenses	-74.4	-70.1
EBITDA	95.2	56.8
Adjusted EBITDA	-10.5	-16.7
in % of Revenues	-2.1%	-4.2%

Revenue Bridge



Comments

- **Revenues** impacted by decreased market demand in connection with global chip shortage; however, organic growth in Q3 2021 vs Q3 2020 due to recovery from COVID-19
- New platforms SFC Solutions and LMS drive revenue growth, partly offset by sale of STS Group
- **EBITDA** benefits from bargain purchase gains at LMS and ISH
- Positive contribution to **Adjusted EBITDA** by STS Group (prior to sale) and **KICO Group**; recently acquired companies with still negative contribution and generally headwind from supply chain disruptions as well as increased raw material costs

Segment Financials (2/3)

Engineering & Technology



mEUR	YTD Q3 2021	YTD Q3 2020
Revenues	650.1	388.4
Cost of material	-451.0	-254.6
Personnel expenses	-140.6	-94.3
Other expenses	-92.9	-42.6
EBITDA	48.1	27.3
Adjusted EBITDA	-9.9	7.0
in % of Revenues	-1.5%	1.8%

Revenue Bridge



Comments

- ▮ Increase in **revenues** mainly driven by the new platform and add-on acquisitions completed in Q4 2020 and Q3 2021 YTD
- ▮ **EBITDA** benefits from the gains from bargain purchases, mainly from the acquisition of Clecim and La Rochette Cartonboard, as well as the gain from the Balcke-Dürr Rothemühle exit
- ▮ Encouraging progress in the development of the **Donges Group** and an already positive contribution to **Adjusted EBITDA** from **Lacroix + Kress**

Segment Financials (3/3)

Goods & Services

BEXITY

ab
terrano

keeper

SABO

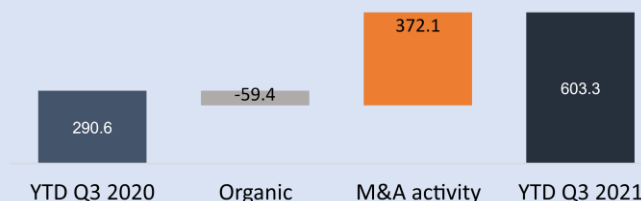
Repartim
REPARATION & TERRAIN REPAIRS DIV.

EXI
Empowering Digital Society

LAPEYRE

mEUR	YTD Q3 2021	YTD Q3 2020
Revenues	603.3	290.6
Cost of material	-357.1	-178.0
Personnel expenses	-138.5	-59.8
Other expenses	-154.1	-60.1
EBITDA	379.2	56.6
Adjusted EBITDA	-11.6	-6.0
in % of Revenues	-1.9%	-2.1%

Revenue Bridge

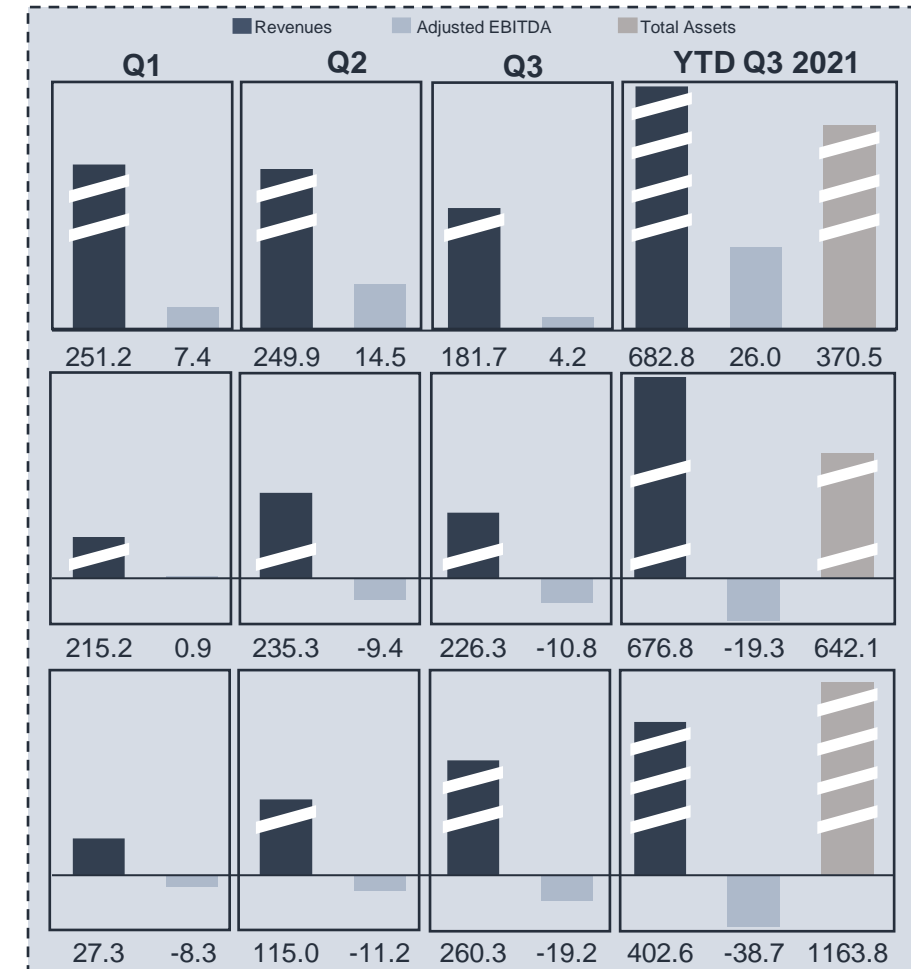
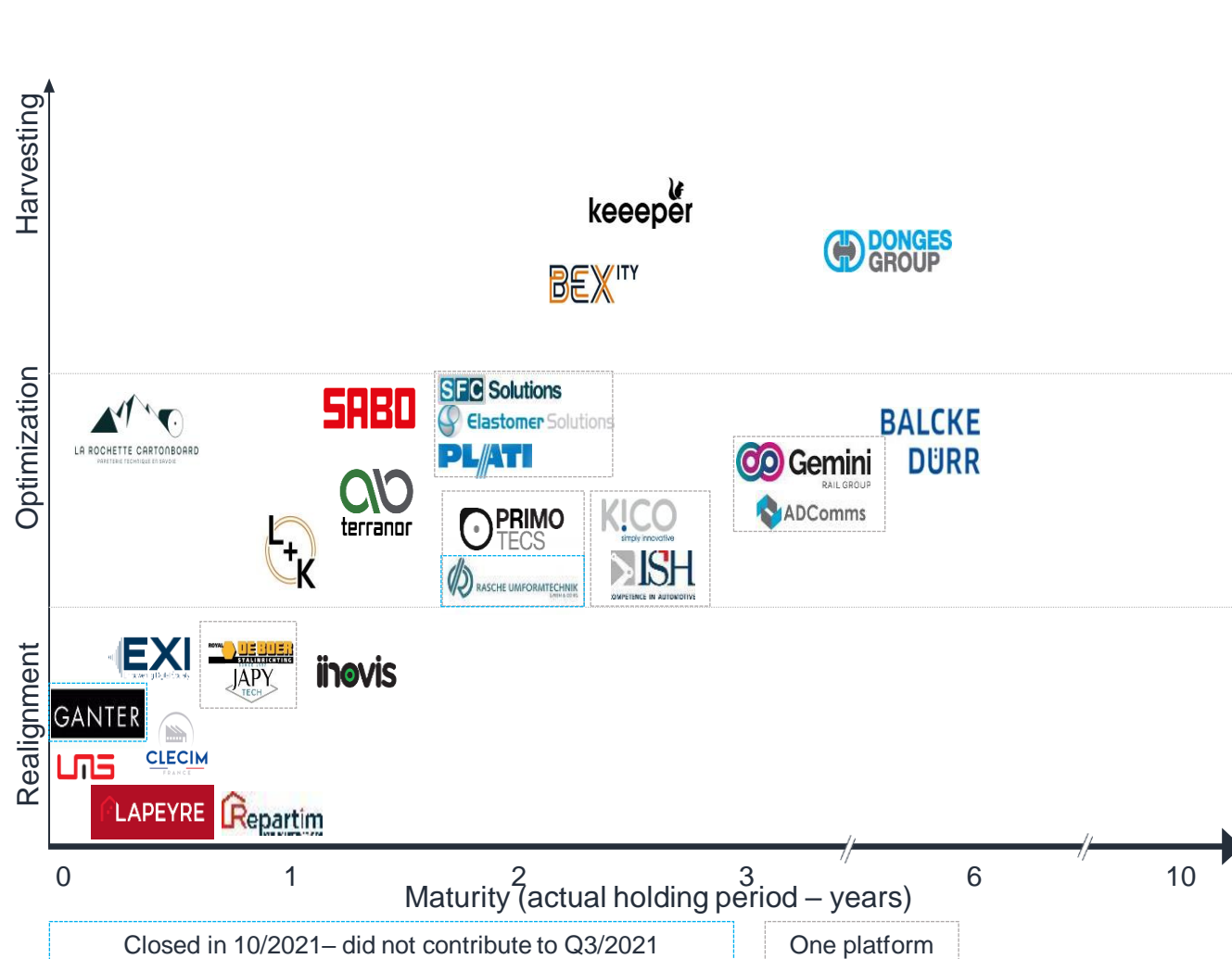


Comments

- Substantial increase in **revenues** due to the new acquisitions, mainly of Lapeyre, Terranor and SABO
- Successful exit of Nexive and the gain from bargain purchase from the acquisitions (esp. Lapeyre) drive **EBITDA**
- **Adjusted EBITDA** suffered from the significantly negative contribution from Nexive prior to the exit; development at **BEXity** and the new platforms of **Terranor** and **SABO** very pleasing

Portfolio Allocation to the Value Creation Life Cycle

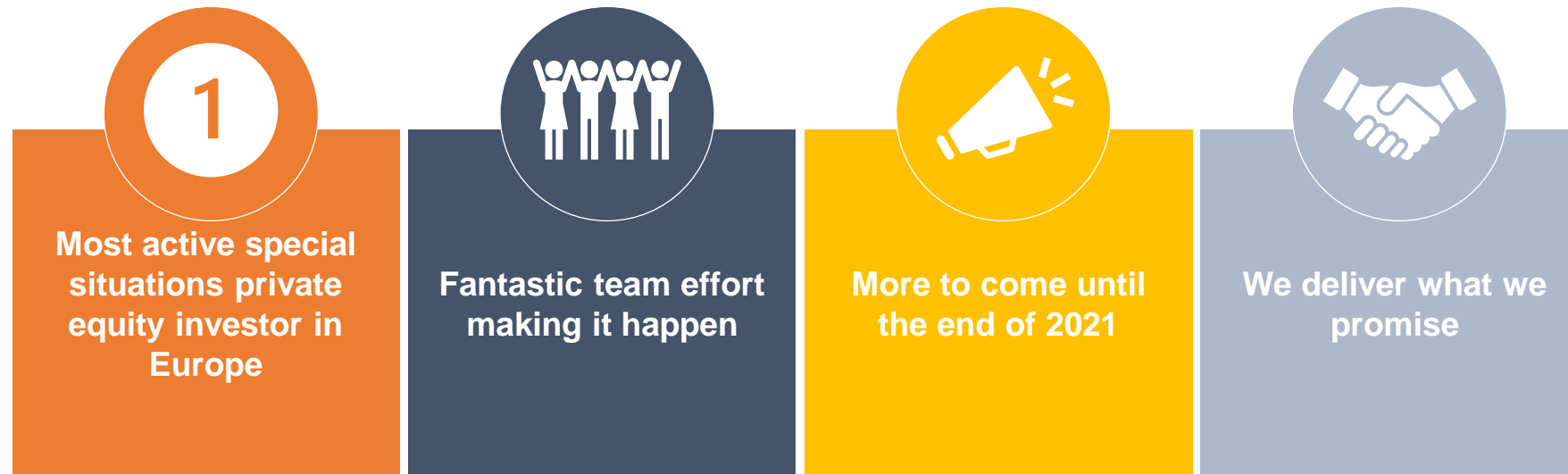
Diversified portfolio in Realignment, Optimization and Harvesting phases



1) Defined as EBITDA (earnings before interest, taxes, depreciation and amortization) adjusted for bargain purchase gains restructuring and other non-recurring expenses, and deconsolidation effects

We Will Continue our Path for Sustainable Growth...

...and to increase the attractiveness of the Mutares share for investors to be **FIRST IN MIND – FIRST IN CHOICE**



Our Vision what we strive for

To be the undisputed international leader in mid-market special situations driven by our sustainable investment principles

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: 99850555#

Press 01 to ask a question.

Please mute yourself on the webcast.

MUTARES

Mutares Principles Follow a Sustainable Corporate and Investment Charta

Our aim is sustainable value creation for all stakeholders in our portfolio companies and beyond

Drive Sustainable Value

Increase shareholder value through successful operational restructurings for employees and stakeholders

Enhance Sustainability & Efficiency

Reduce CO₂-emissions, water, plastic usage, while increase sustainable energy sources across all portfolio companies

Independent Governance

We drive turnarounds and provide a future for companies and their employees

Enhance Diversity & Talent

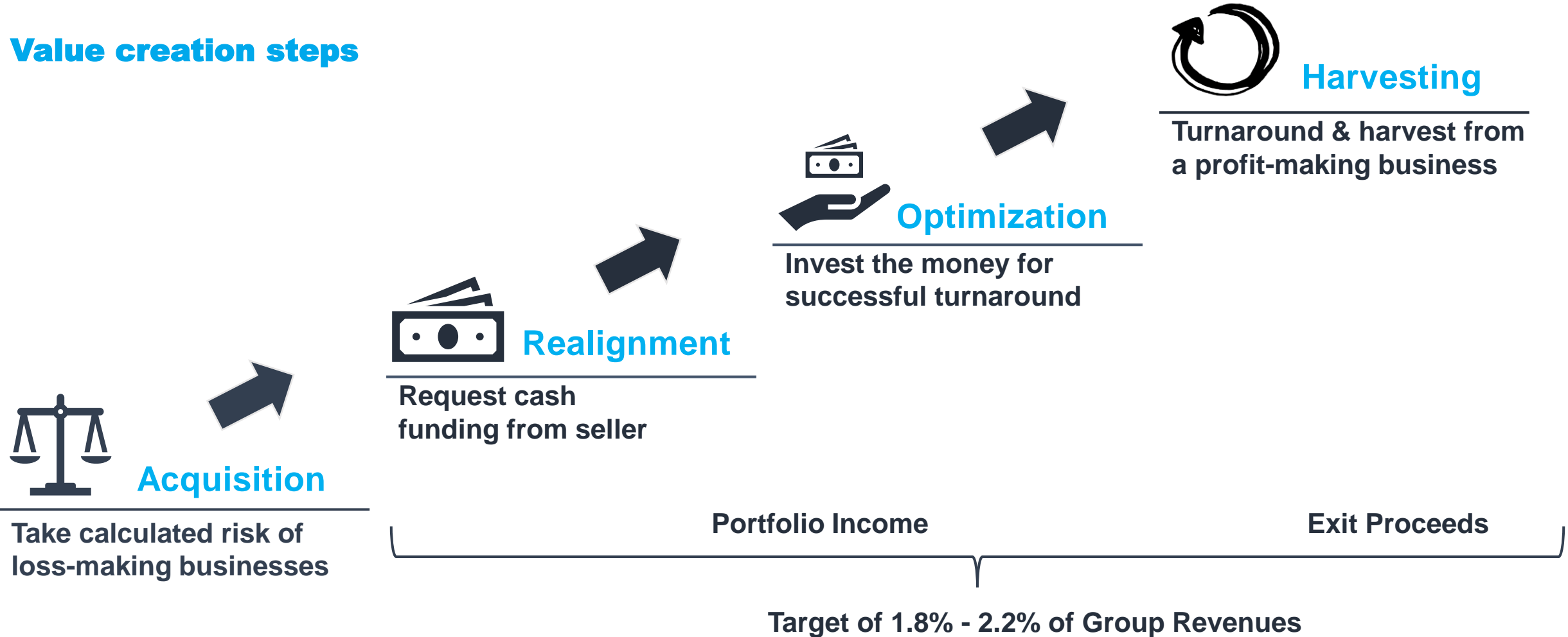
Our international, diversified expertise of our key talent is our most important equity and driver of superior excellence



Unique Value Creation Life Cycle with ROIC Target of 7-10x

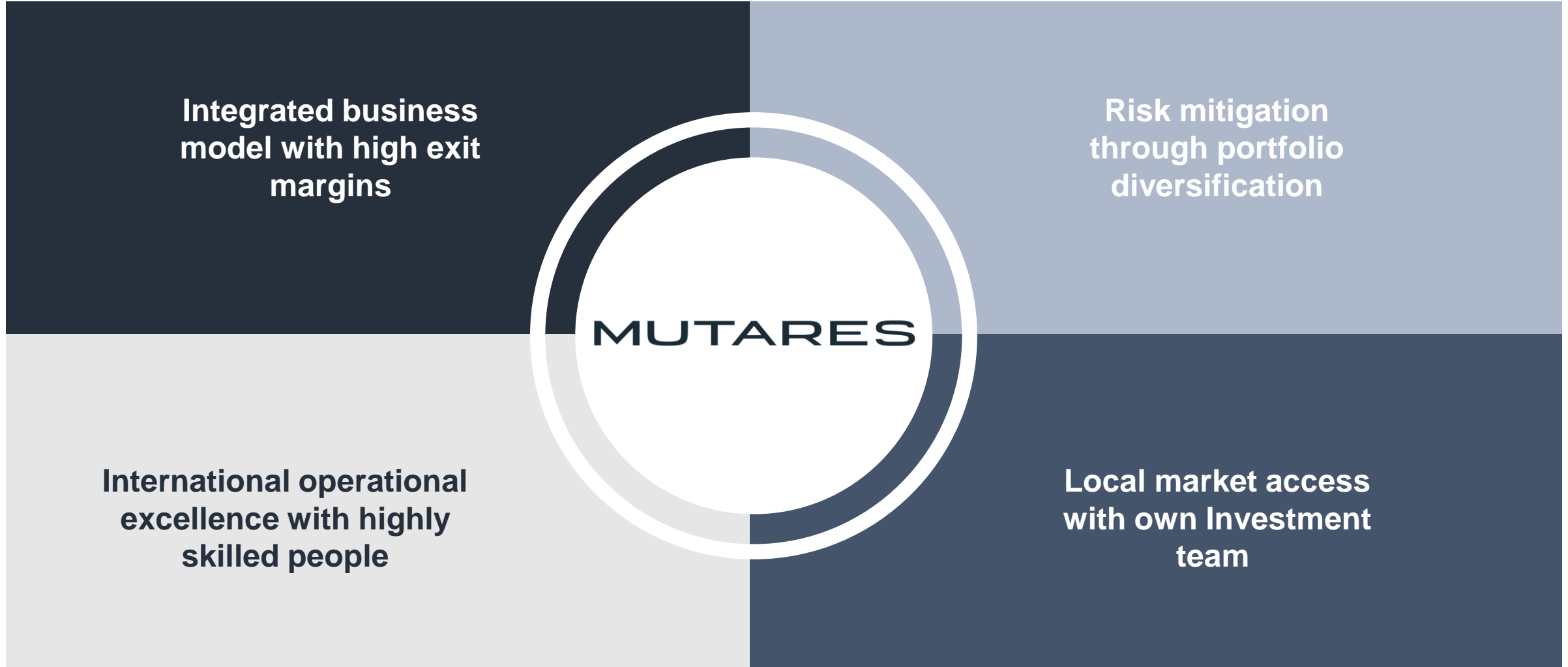
Taking calculated risks and losses and turning them into opportunities and success

Value creation steps



Mutares Pursues a Unique Investment Approach

Our key strengths, manifested by our investment principles



Integration of ESG Criteria Creates Sustainable Value and Mitigates Risks

ESG Group guidance KPI's to track and report in accordance with UNSDGs

ENVIRONMENTAL



Energy / CO₂ Neutrality

360.000 kg CO₂ compensated for FY2020



Resource Use

Energy efficiency programs



SOCIAL



Health & Safety

Zero accident safety culture



Diversity

Promoting a diversified environment



Employee satisfaction and wellbeing



Community Engagement

Donations to children's hospice



GOVERNANCE



ESG Management

Reportings and best practices



Compliance System

Code of conduct and whistleblowing



Consolidated Statement of Profit and Loss

mEUR	YTD Q3 2021	YTD Q3 2020
Revenues	1,762.7	1,073.3
+/- Change in inventories	6.6	-3.6
Other income	631.7	187.1
Cost of material	-1,120.4	-671.4
Personnel expenses	-458.1	-287.8
Other expenses	-326.1	-162.8
EBITDA	496.5	134.7
Adjusted EBITDA	-30.3	-16.6
Depreciation & Amortisation	-80.2	-82.1
EBIT	416.3	52.7
Financial result	-17.3	-16.5
Income taxes	-4.8	-4.7
Net income	394.2	31.1

Comments

- ▮ Revenue growth mainly attributable to high transaction activity of the last 21 months
- ▮ Gains from bargain purchases are recorded within other income
- ▮ Increase of cost of material, personnel expenses and other expenses in connection with higher revenues
- ▮ Adjusted EBITDA impacted by high transaction volume of past months: Recently acquired companies with still negative contribution. In addition, supply chain disruptions as well as increased raw material costs put pressure on Adjusted EBITDA
- ▮ Depreciation & amortisation includes those for leases according to IFRS 16
- ▮ Financial result includes cost related to the bond

Consolidated Adjusted EBITDA

mEUR	YTD Q3 2021	YTD Q3 2020
EBITDA	496.5	134.7
Income from bargain purchases	-572.2	-168.2
Restructuring and other non-recurring expenses	47.5	18.4
Deconsolidation effects	-2.2	-1.6
Adjusted EBITDA	-30.3	-16.6

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 (in particular Lapeyre and LMS)
 - ✓ Restructuring and other non-recurring expenses mainly in connection with measures on personnel reduction
 - ✓ The effects of the exits on EBITDA are adjusted as well

Consolidated Balance Sheet

mEUR	30/09/2021	31/12/2020
Intangible assets	124.9	76.0
PP&E	492.1	242.6
Right of use assets	269.4	147.4
Other	67.0	32.3
Non-current assets	953.3	498.3
Inventories	401.9	203.5
Trade & other rec.	284.3	256.6
Cash & equivalents	171.2	145.3
Other	383.1	223.5
Current assets	1240.5	828.9
Total assets	2,193.9	1,327.2

mEUR	30/09/2021	31/12/2020
Total equity	585.9	207.2
Financial liabilities	357.8	231.3
Provisions	226.3	156.5
Other	116.9	17.5
Non-current liabilities	701.1	405.4
Trade payables	336.6	250.0
Other financial liab.	179.8	143.1
Provisions	72.6	50.2
Other	317.9	271.3
Current liabilities	906.9	714.6
Total equity & liabilities	2,193.9	1,327.2

Add-on Acquisitions	Acquisitions of companies or parts of groups as part of our build-and-buy strategy to strengthen our existing Portfolio Companies
Adjusted EBITDA	EBITDA adjusted for purchase gains, restructuring and other non-recurring expenses, and gain/loss divestiture of subsidiaries
Bargain Purchase Gains	Income from bargain purchases arise if the acquisition cost is less than the fair value of the net assets of the Portfolio Company acquired. Such difference is recognized directly as "other income" within the consolidated statement of income
Company	Mutares SE & Co. KGaA
Consulting Revenues	Consulting fees charged to the Portfolio Companies on a daily basis for the day-to-day work of our operations team on-site implementing the operational turnaround measures
Dividend Yield	Distributed dividend as a percentage of the closing price of the shares (XETRA) on the last trading day (XETRA) of the respective financial year
Dowry Deals	Platform Acquisitions where the seller agrees to leave liquidity in the Portfolio Company to fund our initial turnaround measures and where the acquired equity is higher than the purchase price
FY	Financial year
Group	The Company together with its consolidated subsidiaries
Group Revenues	Consolidated revenues of the Group
H1	Six-month period ended 30 June of the respective financial year
Holding	Mutares SE & Co. KGaA ("Mutares")
Holding Revenues	Unconsolidated revenues of the Company, meaning Consulting Revenues and Management Fees
Holding Net Income	Unconsolidated net income of the Company
Invested Capital	Invested capital in Portfolio Companies at the reporting date in the form of purchase price, equity contribution or loans
Management Fee	Flat fee charged to the Portfolio Companies on a monthly basis for general management services rendered
Payout Ratio	Total amount of dividends distributed to shareholders as a percentage of the Holding Net Income in the respective financial year
Platform Acquisition	Acquisitions of new Portfolio Companies intended to strengthen our portfolio
Portfolio Companies	Companies or parts of groups in which we are invested from time to time
Portfolio Dividends	Income from Portfolio Companies
Portfolio Income	Sum of the Holding Revenues, comprising Consulting Revenues and Management Fees, and Portfolio Dividends
ROIC	Return on Invested Capital
Transactions	Platform Acquisitions, Add-on Acquisitions and exits