



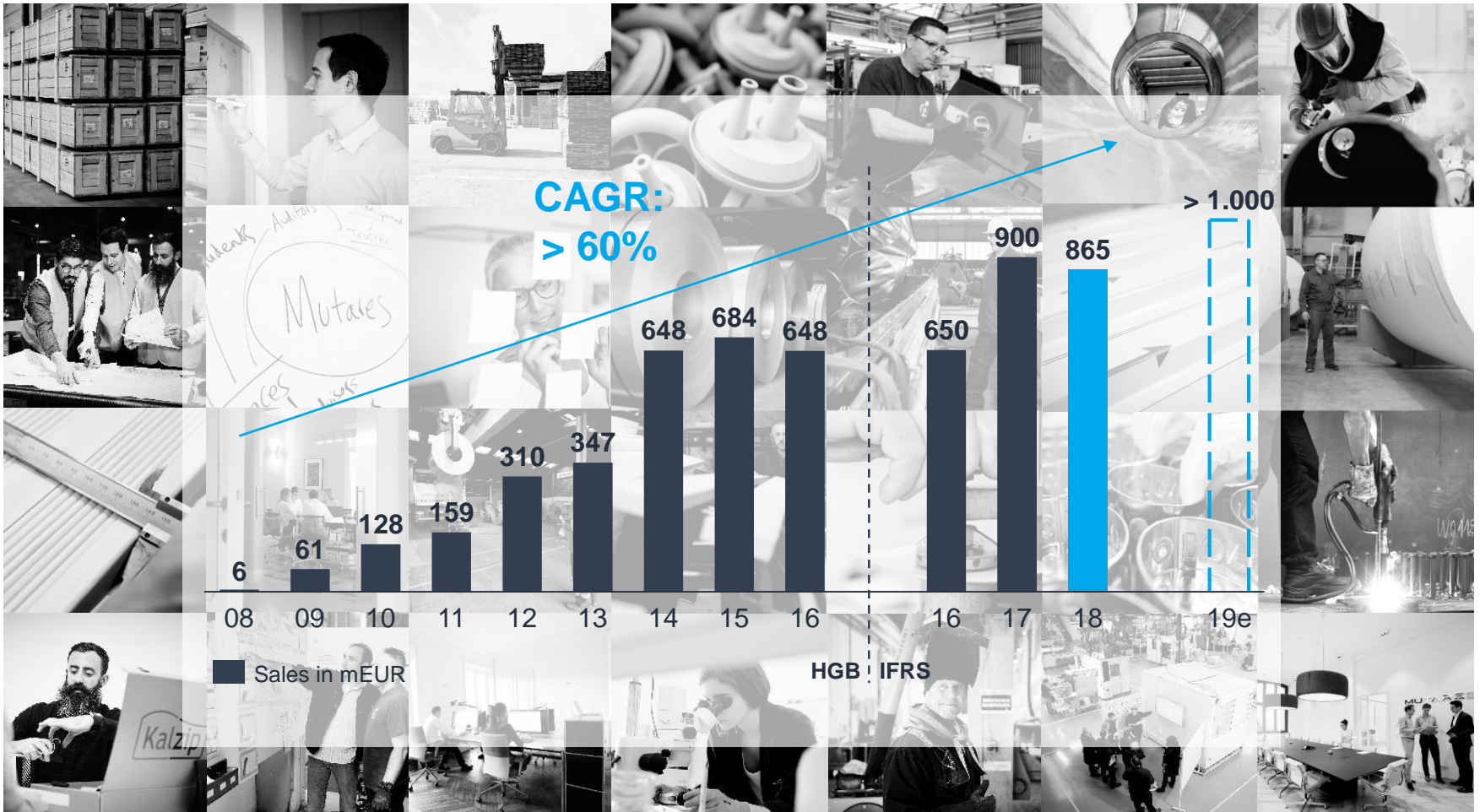
MUTARES

Capital Markets Day 2019 - Keynote
Realizing untapped value potential

Frankfurt/Main, 22nd October 2019

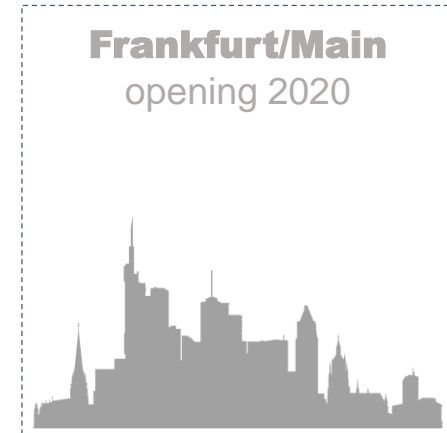
Mutares has grown from EUR 6m to > EUR 1'000m in 11 years

Growing from a purely Munich based to a European group



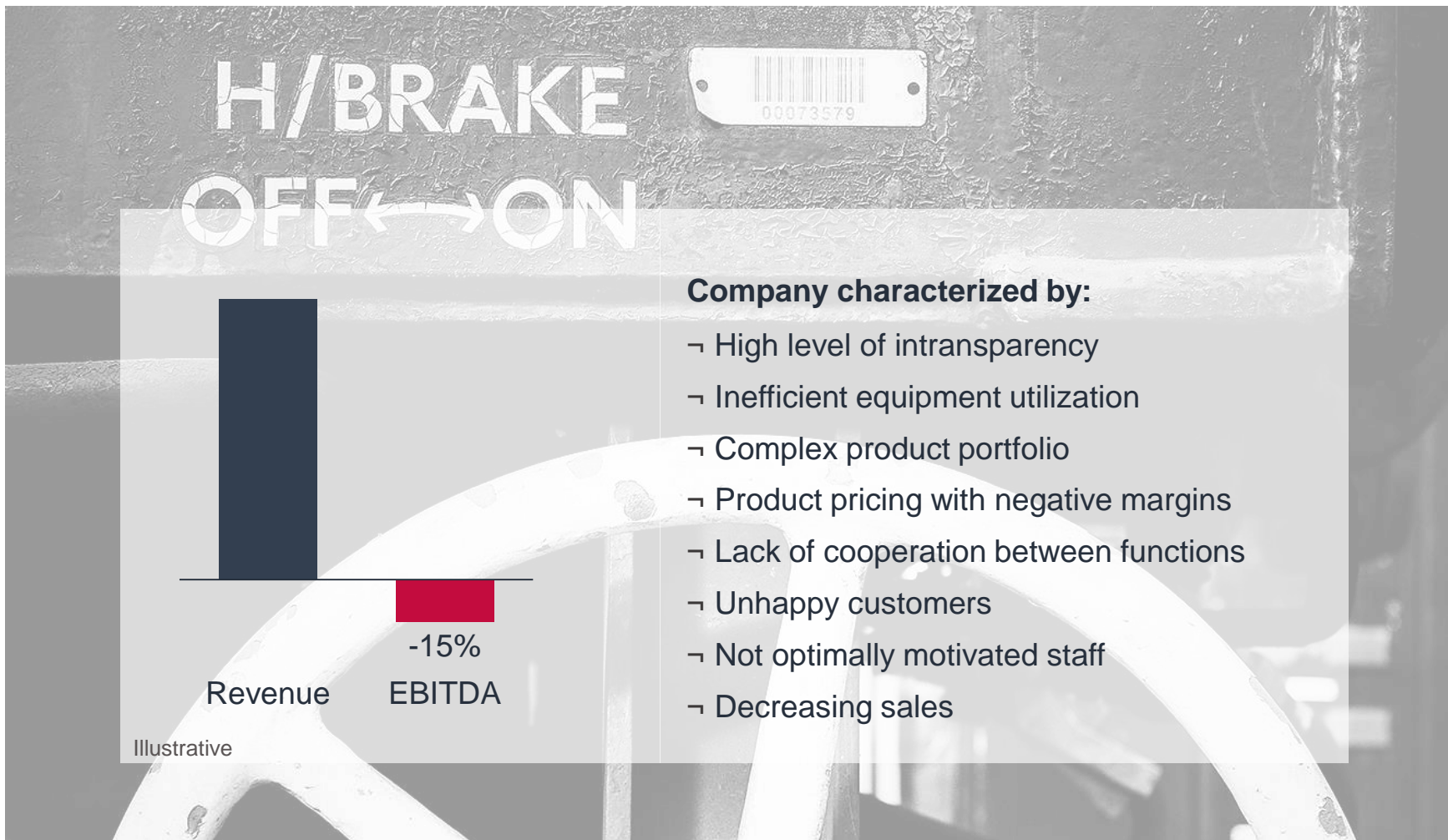
Today: European group with soon 6 offices

Extensive and regionally-oriented M&A network for deal sourcing



Searching for hidden value gems

Who takes over a company like this?



Mutares Mission: A+F as example for driving change for success German producer for end-of-line packaging machines

What we found

Unbalanced customer portfolio: customers in dairies contributing >70% to sales

Claims and loss of customers about late deliveries and quality problems

Lack of cooperation between design, production and project management

No clear purchasing strategy, sourcing focused on suppliers next door

Sales focusing on selling machines, **unused sales potential** for higher share of service

High share of **value creation** (engineering) taking place **inhouse**

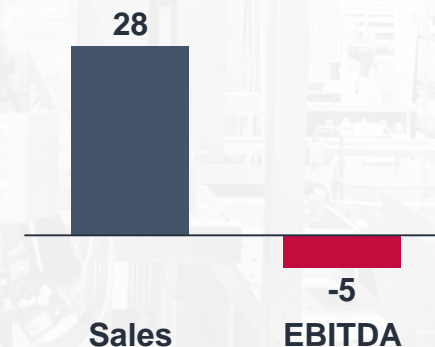


Acquisition rationale of Mutares





HQ in core market:	Germany	✓
Weak P&L:	High indirect costs	✓
Strategic issues:	Changes in management	✓
Operative issues:	Weak project management	✓
Strong brand:	Solid client relationships	✓

Financials at acquisition

In € m



Already 7 transactions in 2019, bid submitted for 8th transaction
Strategy of international hub of M&A offices delivering convincing results

	Normek	FDT	TrefilUnion	Plati
Sales	EUR 65m	EUR 54m	EUR 42m	EUR 38m
Products	Roof and facade systems	Roofing membranes	Steel ropes and wires	Cable harnesses and connectors
Seller	Fund and private persons	Private person	Arcelor Mittal Europe	Deren Group
Type	Add-on to	Add-on to	Platform	Platform
Portfolio				
Segment	Engineering & Technology	Engineering & Technology	Goods & Services	Automotive & Mobility

Already 7 transactions in 2019, bid submitted for 8th transaction

Strategy of international hub of M&A offices delivering convincing results

	keeper	KICO	Ruukki ¹⁾	Q Logistics ²⁾
Sales	EUR 65m	EUR 110m	EUR 130m	EUR 250m
Products	Household plastic products	Safety, locking & joining systems	Steel construction solutions	Logistics and warehousing
Seller	Wrede Holding	Family	SSAB Group	Fed. Austrian Railway (ÖBB)
Type	Platform	Platform	Add-on to	Potential new platform
Portfolio				
Segment	Goods & Services	Automotive & Mobility	Engineering & Technology	Goods & Services

1) Subject to merger control; 2) Binding bid submitted, acceptance subject to seller's committees' approvals

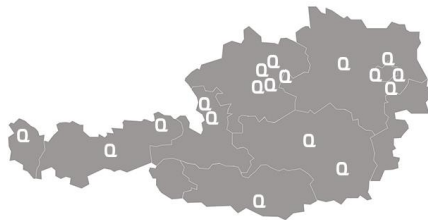
Q-Logistics GmbH **Q**LOGISTICS

Potential first transaction involving a state-owned company (ÖBB)

Details of binding offer

- Potential new platform investment, transaction still subject to approval by seller's committees
- Seller is state-owned Austrian Federal Railways (ÖBB)
- Q-Logistics with annual sales of ca. EUR 250m in FY2018 and ca. 920 employees
- HQ and operations in Austria, plus a Czech subsidiary
- Core business comprises transport, charter and warehousing services
- Deal rationale:
 - Typical Mutares platform deal
 - Significant value potential along value chain
 - Strengthen Goods & Services segment

Locations



Products and markets

- Transport: Groupage goods & charter (including cross border services)
- Warehousing: Warehouses in strategic locations in Austria
- Clients in various industries, e.g. pharma, food and fast-moving consumer goods

Service portfolio



Financials

in EURm



Target

- Illustrative -



European group with international footprint

Currently, five Mutares offices and 13 portfolio companies with activities worldwide



ElastomerSolutions



BALCKE
DÜRR



DONGES
GROUP



Gemini
RAIL GROUP



PLATI



EUPEC
PIPE COATINGS



cempa



KLANN



Trefil Union



keepèr



KICO
simply innovative



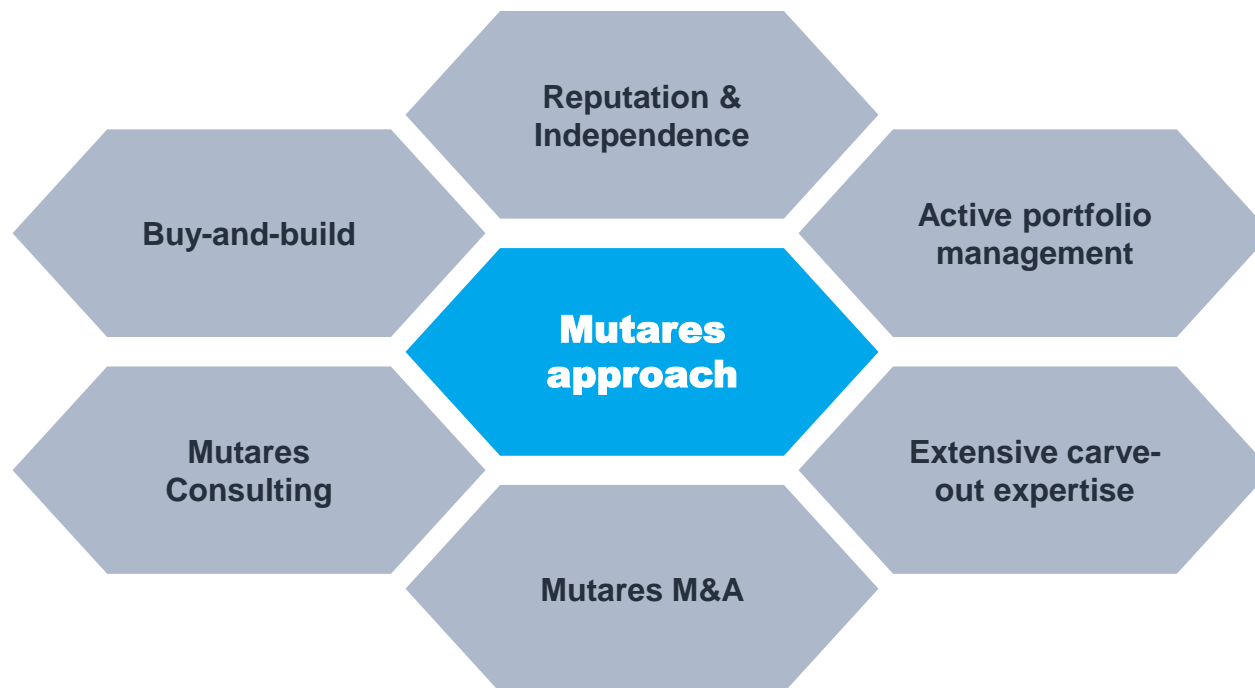
- Mutares HQ
- Mutares offices
- Planned Mutares office

Value creation based on entrepreneurial approach

Strong links between M&A and consulting for a strategic and hands-on approach

Mission of Mutares:

Realize untapped value potential and help seller to focus on core activities and actively support acquired companies to get back on track



Operational value creation translates into sustainable dividends

2019 dividend yield of 11%; in last four years, a total of EUR 45.2m was payed out

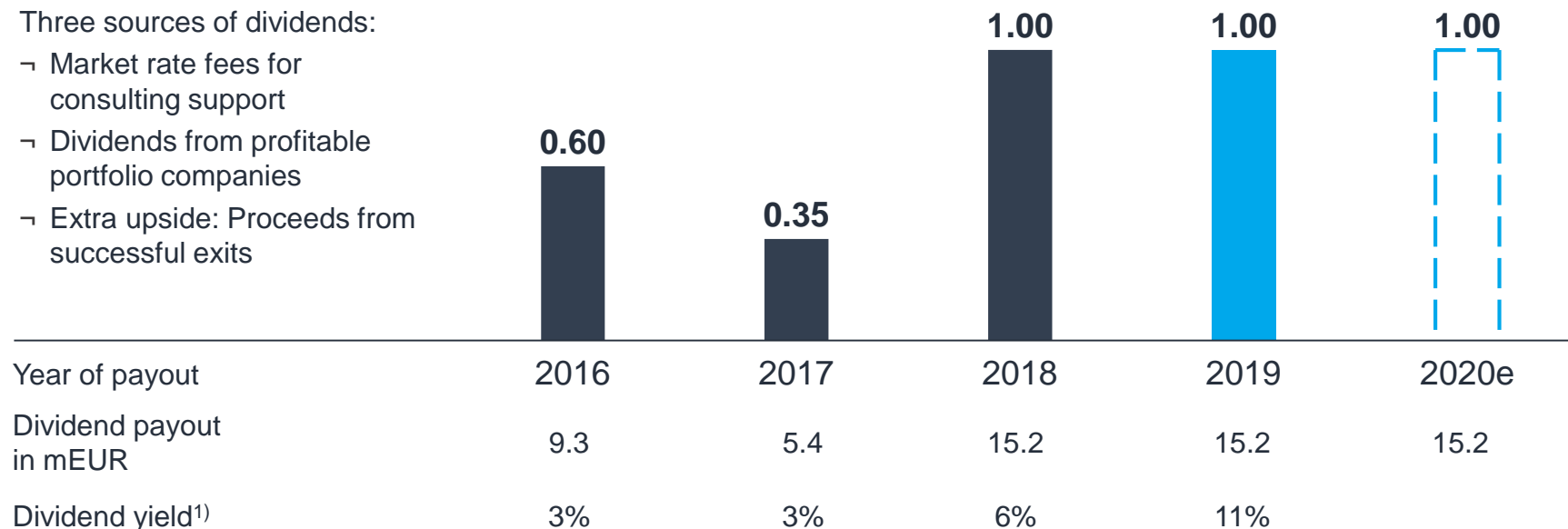
Objective: High and sustainable dividend capacity

Since its foundation, Mutares let shareholders participate in the company's success – like in the previous years, also in 2020 payout of EUR 1 per share as objective

Dividend per share (in EUR)

Three sources of dividends:


- Market rate fees for consulting support
- Dividends from profitable portfolio companies
- Extra upside: Proceeds from successful exits



1) Based on year-end share price of most recent ended FY

Ambition for 2019 overshoot, for 2020 keeping momentum is objective

Our objective is even more active portfolio management for sustained value creation

	2019e	2020e
Dividend	Ensure & prepare payout of EUR 1.00/share in 2020	
Transactions	8	Buy- and sell-side 
Buyside: new platforms	5	In 2019 acquired platforms resulted in ca. EUR 500m additional annualized group sales
Buyside: new add-ons	3	In 2019 acquired add-ons resulted in ca. EUR 250m new annualized sales
Operations/ Portfolio	For 2019, optimization programs mainly on track For 2020, expected successful realignment of platforms acquired in 2019 creating basis for more transaction activity	
Organization		
Consulting team	Ensure readiness of organization for more M&A activity	
M&A team	Adapt M&A offices to market reach of Mutares and foster presence in relevant countries	

Summary

Mission: Realize untapped value potential

- ✓ Mutares core competency is realizing untapped value potential
- ✓ 2019ytd with record number of acquisitions
- ✓ Integrated approach of M&A and hands-on consulting is key value driver
- ✓ Active life cycle management of portfolio is key value driver
- ✓ Dividend capacity and shareholder value are management objective

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