

Light Mobility Solutions

Capital Markets Day 2021



Deal overview

Facts and figures

**Asset deal /
Carve out**

**3 plants in
Germany**

10 m€

Mutarees

Commitment

~360 m€

revenues*

NewCo



(~35) m€

EBITDA

Vendor



~1750

employees

~150 m€

**Closing
July 2021**

**Expected Bargain
Purchase**

All plants with negative EBITDA but competitive capabilities, strong product portfolio and customer base



Status FY 2020

Obertshausen (inkl. MLC KK)



Sales	€ 196.2m
% sales	64%
EBITDA	€ (19.2)m
HC / FTE	1055

Key Products

- Light vehicle fascias
- Grilles
- Other

Key Customers

Key Capabilities

- Injection moulding (23 IMM 1.2 - 4 kt)
- Painting (2 shops)
- Engineering
- Tool maintenance
- Assembly
- JIS Sequencing

Sulzbach



Sales	€ 71.1m
% sales	23%
EBITDA	€ (9.2)m
HC / FTE	432

Key Products

- Rocker and side panels
- Spoilers
- Roof panels

Key Customers

Key Capabilities

- Injection moulding (9 IMM 0,32 – 4,0 kt)
- Painting
- Foaming facility
- Assembly
- JIS Sequencing

Idar-Oberstein



Sales	€ 39.7m
% sales	13%
EBITDA	€ (6.3)m
HC / FTE	222

Key Products

- Radiator grilles
- Chrome parts
- Bumper parts

Key Customers

Key Capabilities

- Injection moulding (14 IMM 0,5 – 2kt.)
- Chrome plating plastics
- Testing laboratory
- Hot stamping chrome foil
- Assembly

Key Products
Key Customers
Key Capabilities

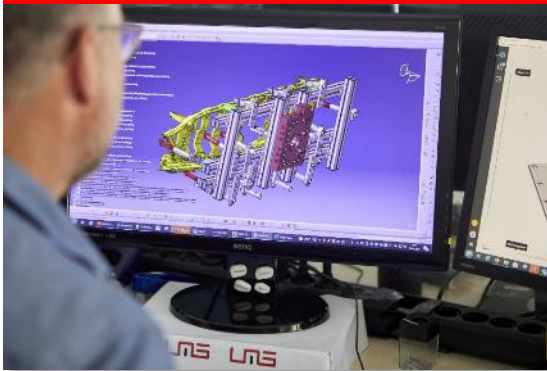
Obertshausen

Core technologies and capabilities that are in high demand in the automotive industry and beyond



From design to delivery. All in one hand.

Engineering



Testing



Injection Molding



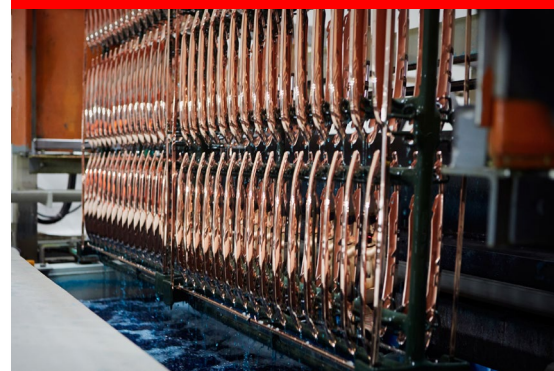
Painting



Hot Stamping Foil



Chrome Plating



Assembly



JIS Sequencing



Current product portfolio with a clear focus on exterior parts for the automotive industry



Customers



Product portfolio

- Bumper Systems
- Interior Parts
- Black parts
- Assembly carrier
- Exterior Chrome Plated Plastic Trim
- Radiator Grilles
- Chrome Parts
- Body Side Mouldings and Inserts
- Bumper Parts and Inserts
- Bezels and Emblems

...and more

Example reference products

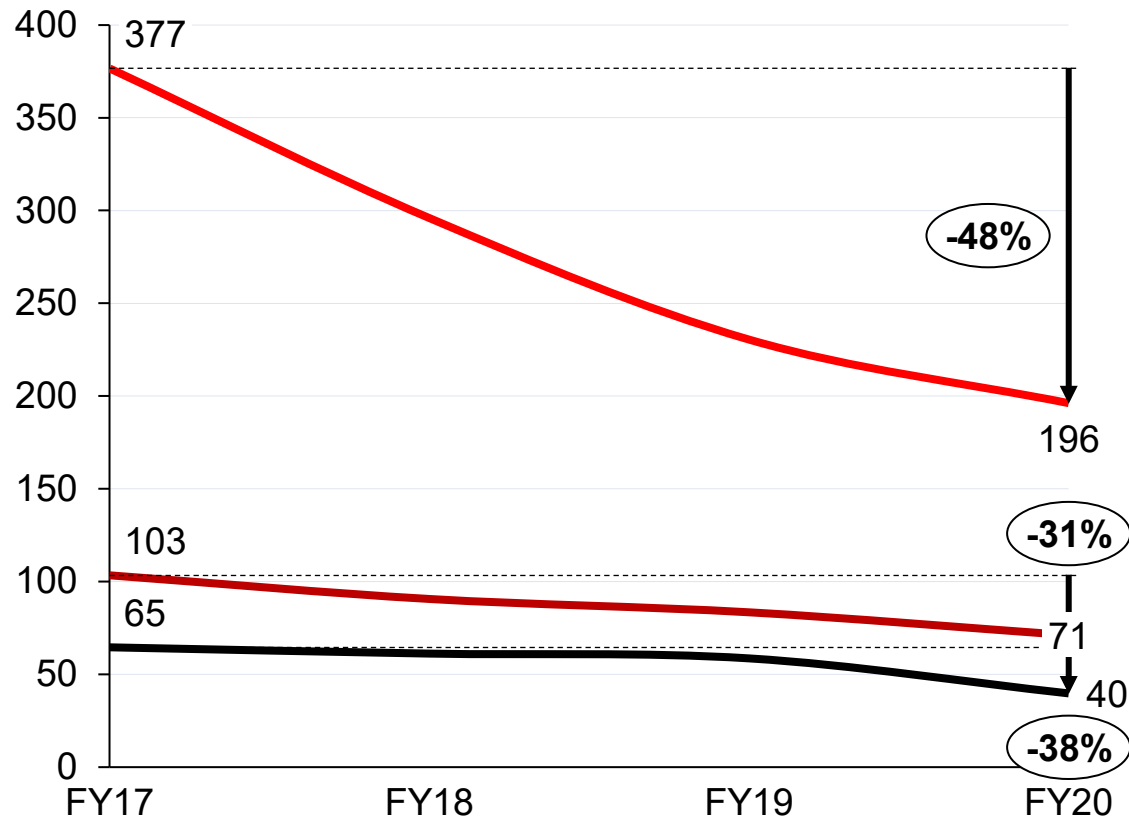


Obertshausen and Idar-Oberstein profitable before recent topline drop, Sulzbach long-term loss making

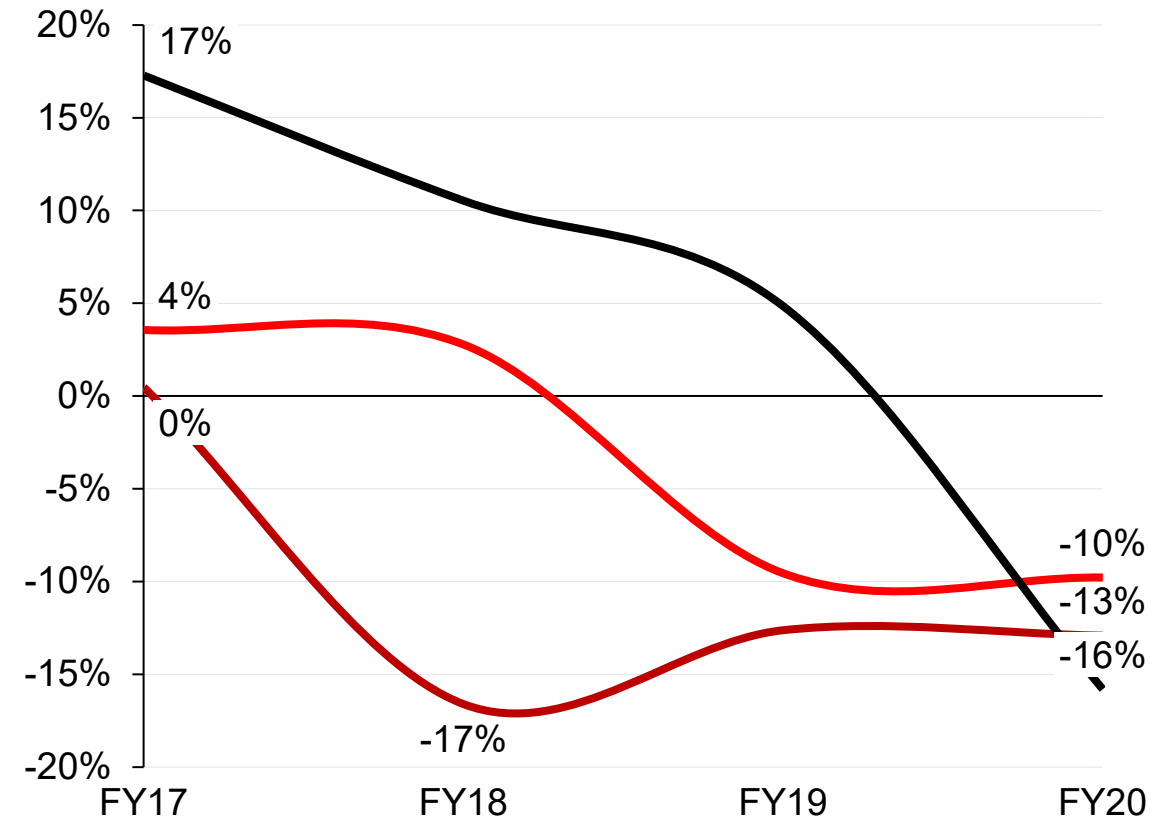


Historical financial situation

Production Sales (w/o tooling sales), m€



EBITDA, %

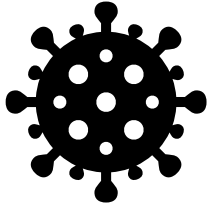


— OBH — SB — IDO

* Sales FCT M&A case

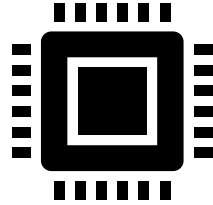
Three core short- and mid-term challenges impacting the automotive sector

Current situation



Covid-19 crisis

The international Corona crisis **disrupted supply chains** around the globe with severe effects on LMS's operations



Semi-Conductor shortage

Through a series of events the **international supply** of semi-conductors **unable to match demand** and leading to **plant closures for OEMs and LMS**



Raw Material prices

Market prices for raw material experienced the **highest price hike** in more than a decade, further **impairing LMS's cost competitiveness**



LMS has significant potential that will lead to long-term profitable growth



Technology Assets

High-end technology to set new standards in injection moulded design parts

Know-How

High expertise and deep knowledge to optimize product portfolio and drive innovations

Strong Customer Base

Long standing experience and established player with trusted customer relationships

M&A Add-on Acquisitions

Platform for strategic acquisitions to strengthen market position and enable profitable growth

Operational Improvements

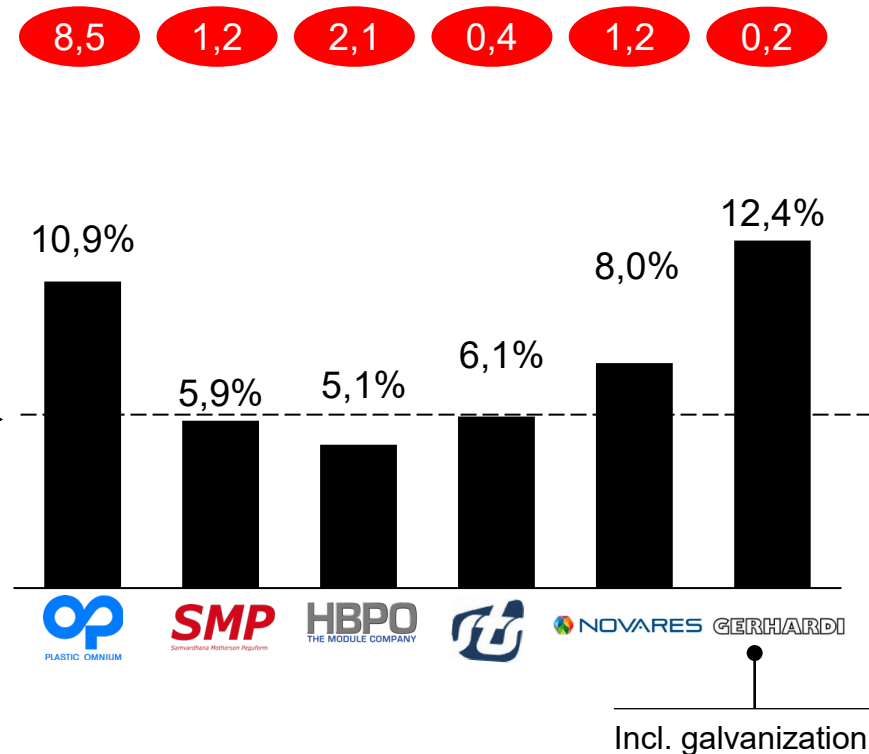
Clear operational improvement potential across all business areas

We believe an EBITDA margin of 6-7% as achievable, in line with market comparison and historic best

Percentage

xx Sales 2019, mrd €

Competitors



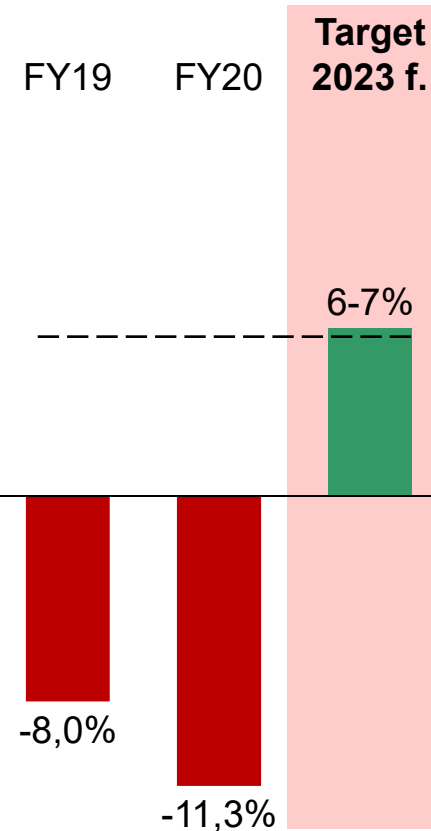
Historic best



6,6%

Best OBH (FY14) OBH

Target EBITDA



- Biggest competitors with EBITDA margins of 5 – 7% in pre-Covid market situation (2019; 2020 heavily effected by Covid)
- In line with historic best of Obertshausen plant prior to substantial sales drop

EBITDA improvement will be achieved by three levers – operational, organizational and top-line improvements



achieved by measures such as...

...cost reduction in OPEX and direct materials combined with VA/VE activities

...change in make or buy strategy, e.g. insourcing of chrome business

...increasing production efficiency and effectiveness as well as reduction of logistic cost

for future business flexibility and agility, is based on...

...consolidation and centralization of indirect functions

...re-organization incl. streamlining of roles and responsibilities

...a social plan to enable the overall workforce reduction

to drive and ensure long-term profitability by...

...increase in tender success rate

...leveraging opportunities with other Mutares portfolio companies

...business development in current markets and entering new segments

...add-on acquisitions and strategic partnerships to drive innovations

Our capabilities allow growth in product portfolio, customer segments and new markets



Potential sales, m€ ■ ~5-10 ■ ~10-15 ■ ~50+ Potential EBITDA, % XX

Products / Markets

New

Motorcycles



Agricultural machines



Toys



Home appliances

Vans & Sprinters



4-6%

>10%

Cars & commercial vehicles



4-6%

6-10%

Cars & commercial vehicles



Existing

Existing

New

Customers

LMS aims to be recognized as the best in class plastics solutions partner when it comes to design, reliability, innovation and efficiency

LMS is a tier-1 supplier for bumper, front modules and other exterior parts for large automotive OEMs.

Our capabilities cover the whole value chain from design to delivery for design plastic parts.

Its high level of technology, product and process know-how, provide the best foundation to extend current business within and beyond current markets and to drive innovations.

WIS
