

MUTARES
150230

WE PROMISED – WE DELIVERED

Conference Call FY 2021

Munich, 12 April 2022

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Speakers Today
Management Board

Johannes Laumann
CIO



Mark Friedrich
CFO



1 Key Highlights

2 Company & Business Model

3 Financials

4 Outlook

1 Key Highlights

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

MUTARES

Group Revenues
EUR 2.5 bn
FY 2021

guided:
min. EUR 2.4 bn

Target Group Revenues
min. EUR 5 bn
FY 2023

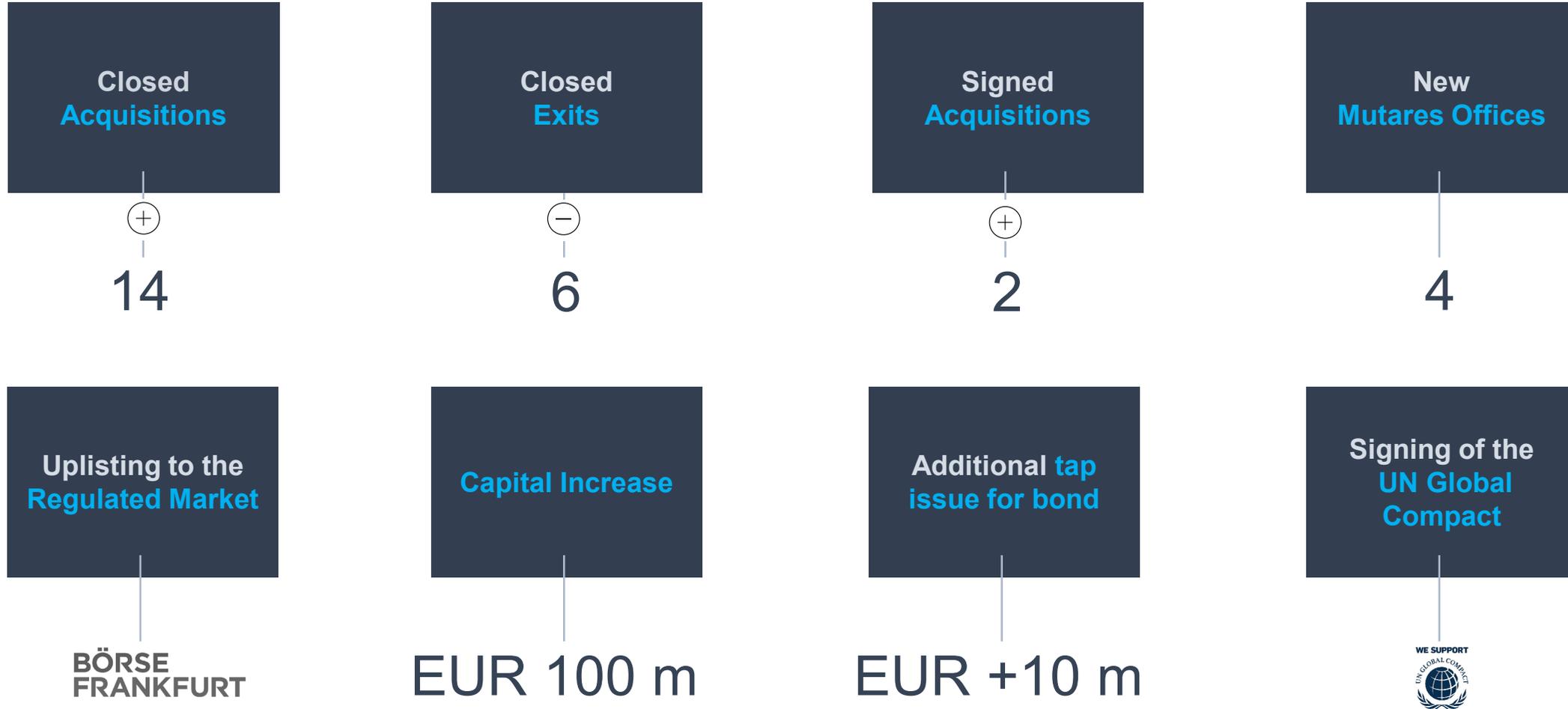
Holding Net Income
EUR 50.7 m
FY 2021

guided:
EUR 43 - 53 m

Target Holding Net Income
EUR 100 m
FY 2023

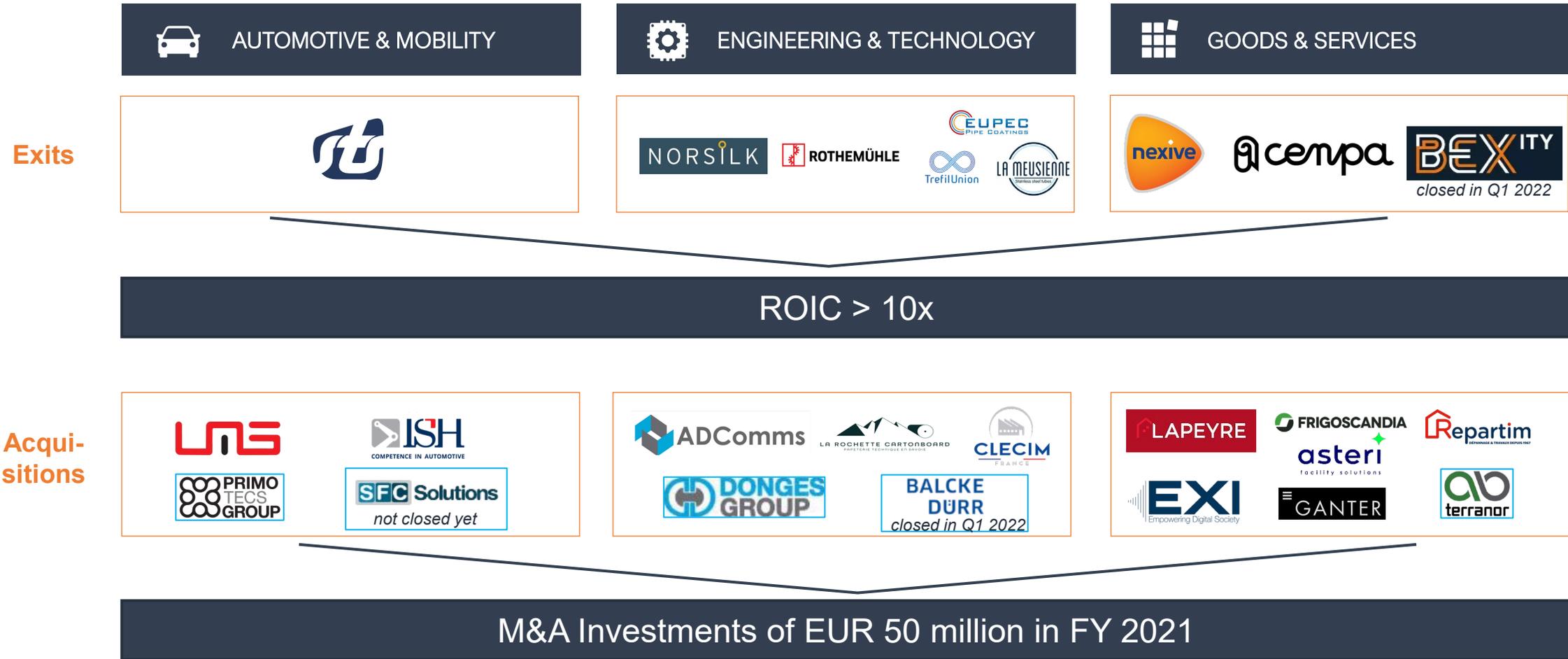
Highlights of FY 2021

High transaction activity, expansion of Mutares presence and successful capital increase incl. uplisting



6 Exits and 14 Acquisitions Closed in FY 2021

Target ROIC of 7-10x overachieved and EUR 50 million invested in FY 2021



Add-on-Investments





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Outstanding, Diversified Growth and Maximum Momentum

Criteria for achieving sustainable value creation and successful turnaround

European Focus



Three Segments



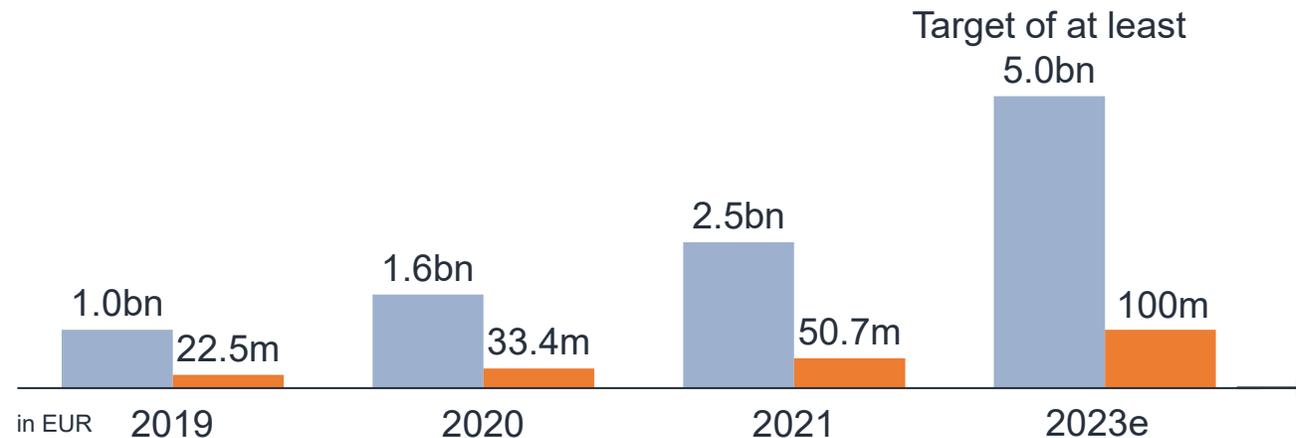
Company Size
EUR 100-500m



Turnaround Hero



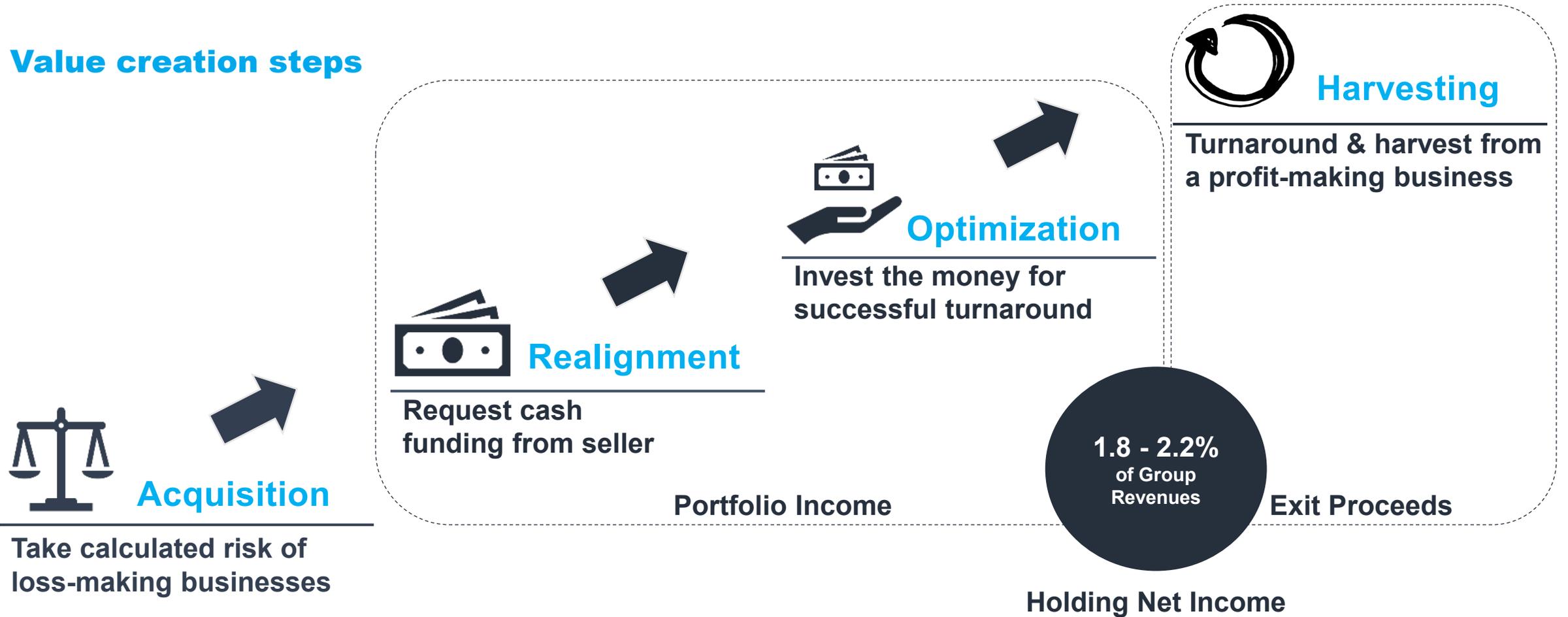
Development of Mutares Group Revenues and Mutares Holding Net Income



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 Portfolio has grown to 25 Companies

Risk diversification throughout segments across investments in all economic cycles

AUTOMOTIVE & MOBILITY	
	
	
	

ENGINEERING & TECHNOLOGY	
	
	
	
	
	

GOODS & SERVICES	
	
	
	
	
	

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Outlook

Key Financial Data of FY 2021 for Mutares Group and Mutares Holding

Solid connection between Group Revenues and Holding Net Income proved in past financial years

mEUR	2019	2020	2021	2022e
Mutares Group				
Revenues	1,015.9	1,583.9	2,504.0	min. 4,000.0
EBITDA	79.2	142.7	566.5	➔
Adjusted EBITDA	7.5	-28.8	-41.3	➔
Mutares Holding				
Revenues	19.3	31.9	50.5	➔
Portfolio Income (= Revenues + Dividends)	41.3	66.5	64.9	80.0 - 100.0
Net Income	22.5	33.4	50.7	72.0 - 88.0
Net Income (Holding) / Group Revenues	2.2%	2.1%	2.0%	1.8% - 2.2%

Segment Financials: Automotive & Mobility

Almost stable Adjusted EBITDA (in % of Revenues) besides new platform acquisitions and industry headwinds



mEUR	2021	2020
Revenues	719.9	602.4
Cost of material	-446.0	-349.7
Personnel expenses	-233.3	-173.1
Other expenses	-101.8	-101.5
EBITDA	86.4	65.7
Adjusted EBITDA	-20.0	-13.3
in % of Revenues	-2.8%	-2.2%

Revenue Bridge



Comments

- ▮ **Revenues** impacted by decreased market demand in connection with global chip shortage
- ▮ New platforms SFC Solutions and LMS drive revenue growth, partly offset by sale of STS Group end of H1 2021
- ▮ **EBITDA** benefits from bargain purchase gains at LMS and ISH
- ▮ Positive contribution to **Adjusted EBITDA** by STS Group (prior to exit) and KICO Group; recently acquired companies with still negative contribution
- ▮ Headwind from supply chain disruptions as well as increased raw material costs

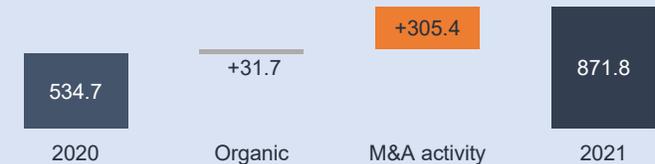
Segment Financials: Engineering & Technology

Promising potential along the lifecycle phases



mEUR	2021	2020
Revenues	871.9	534.7
Cost of material	-613.7	-344.1
Personnel expenses	-186.5	-134.7
Other expenses	-120.7	-68.0
EBITDA	64.3	59.6
Adjusted EBITDA	-2.0	7.6
in % of Revenues	-0.2%	1.4%

Revenue Bridge



Comments

- ▮ Increase in **revenues** mainly driven by the new platform and add-on acquisitions completed in Q4 2020 and FY 2021, namely Lacroix & Kress and La Rochette Cartonboard
- ▮ **EBITDA** benefits from the gains from bargain purchases, mainly from the acquisition of La Rochette Cartonboard and Clecim, as well as the gain from the Balcke-Dürr Rothemühle exit
- ▮ Positive contribution to **Adjusted EBITDA** from Lacroix + Kress and Donges Group
- ▮ Current development of Clecim after a successful turnaround very pleasing

Segment Financials: Goods & Services

Mutares largest transaction yet drives increase in revenues and pushes EBITDA



mEUR	2021	2020
Revenues	912.4	446.7
Cost of material	-520.0	-280.8
Personnel expenses	-211.7	-97.0
Other expenses	-249.5	-98.7
EBITDA	450.8	29.0
Adjusted EBITDA	-13.2	-17.0
in % of Revenues	-1.5%	-3.8%

Revenue Bridge

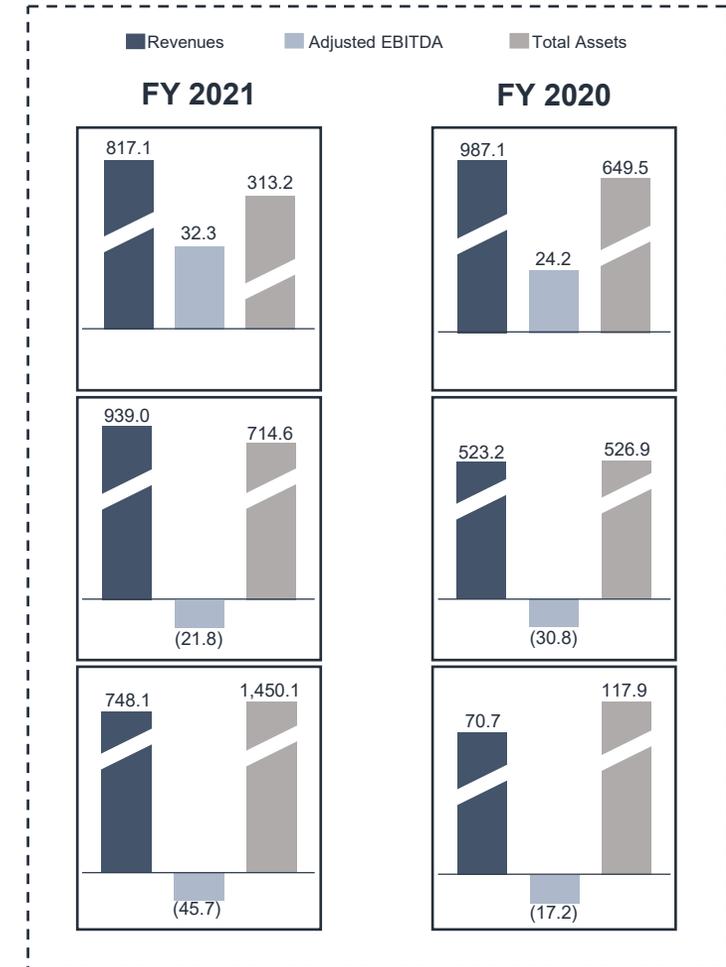
443.9	+11.9	+456.7	912.4
2020	Organic	M&A activity	2021

Comments

- Substantial increase in **revenues** due to the new acquisitions, mainly of Lapeyre, but also Terranor
- Gains from bargain purchases from the acquisitions (esp. Lapeyre) as well as the successful exit of Nexive drive **EBITDA**
- Adjusted EBITDA** impacted by the negative contribution from the recently acquired companies, as well as from Nexive's negative contribution prior to the exit
- Development at BEXity as well as Terranor and SABO very pleasing

Value Creation Life Cycle: Realignment, Optimization and Harvesting

Diversified portfolio along the life cycle stages of the value creation approach



One platform



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Key Highlights

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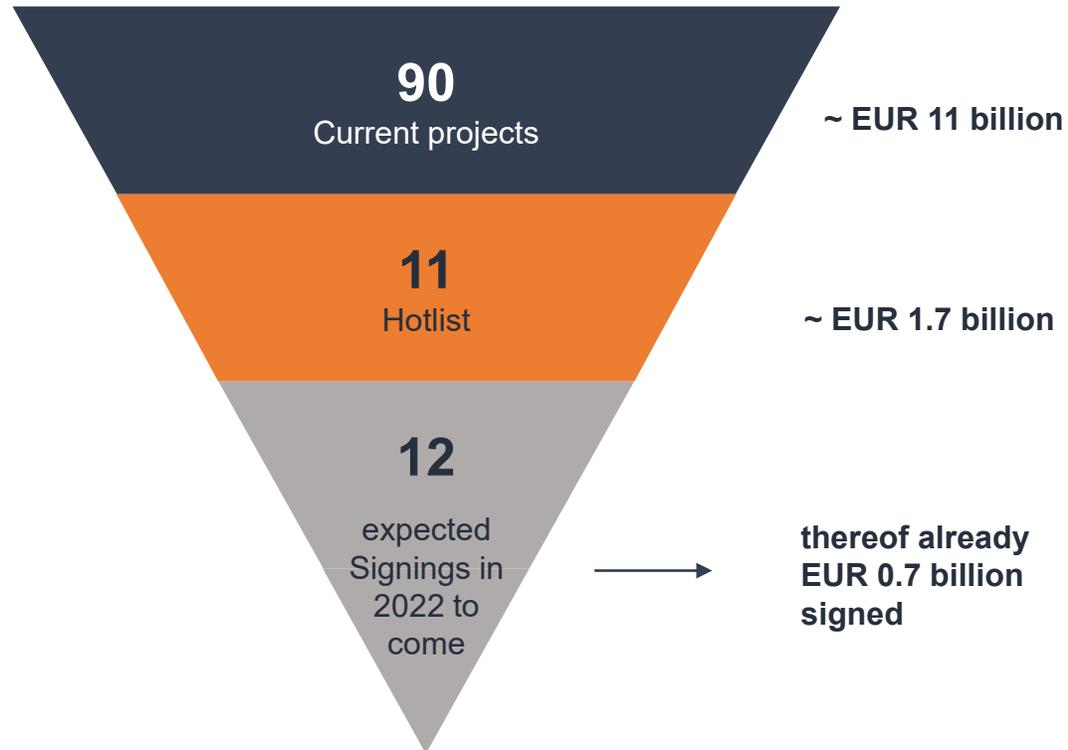
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Outlook

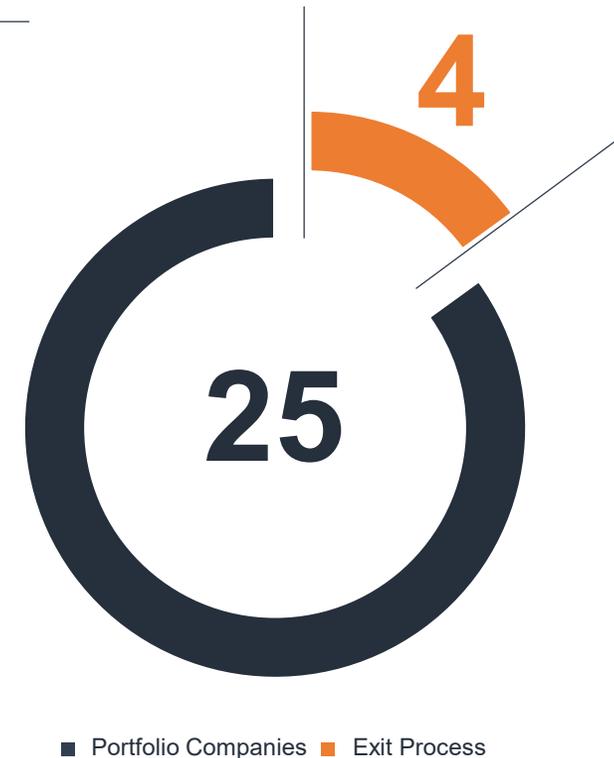
Transaction Outlook on Buy- and Sell-Side

Filled pipeline in order to foster growth and increase shareholder value

M&A Pipeline



Exit Processes



We promise – We will deliver again

Mutarens is the top player when it comes to carve-outs, restructuring and turnaround with ambitious growth targets

Guidance FY 2022

min. EUR 4.0 bn

Group Revenues
FY 2022

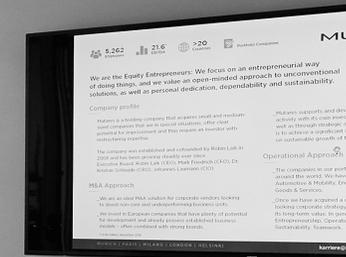
EUR 72 - 88 m

Holding Net Income
FY 2022



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





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: 19170284#

Press 01 to ask a question.

Please mute yourself on the webcast.

MUTARES

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Mutares Share

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

Independent Governance

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



Enhance Sustainability & Efficiency

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

Enhance Diversity & Talent

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

Mutares approach to ESG integration: Responsible Investment Strategy

Key engagement points through the investment life cycle



We aim to make our portfolio companies more sustainable across the entire investment lifecycle – creating sustainable value.

Our ESG goals for a sustainable value creation



Environmental

- Reduce CO₂ by min. 10 % throughout portfolio
- Increase environmental certification standards
- Introduce energy efficiency programs



Social

- Zero-accident safety culture
- Increase diversity



Governance

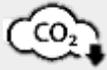
- Group-wide roll-out of Compliance Management System and Code of Conduct
- Supplier Code of Conduct and screening criteria

Group-wide integration of ESG practices and KPI reporting

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



Highlights in 2021



Environmental

74%

of Portfolio
ISO
14001:2015
certified

-7%

CO₂ through
flights at
Mutares
Holding



Social

0

fatal
accidents

21%

Women
at Mutares
Holding



Governance

0

reported
allegations of
bribery or
anti-
corruption

74%

of Portfolio with
Code of
Conduct

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Automotive & Mobility Portfolio I/III

MUTARES

Company	HQ	Acquired	Description
		2021	Tier 1 supplier of plastic components such as bumper- and exterior trims for renowned OEMs
		2009 2019	Automotive supplier for fluid transfer systems and sealing solutions
		2019	Tier-1 and Tier-2 supplier of forges for use in electric, hybrid and conventional powertrains for the automotive and truck industry as well as related industries
		2019 2021	Supplier of market-ready components for passenger cars (hinges, locking systems, mechatronic systems, etc.)
		2020	Service provider for the automotive industry, holistic car building on behalf of renowned OEMs
		2020	Manufacturer of wire and cable harnesses

Case Study

LMS in Automotive & Mobility segment, start of a restructuring case

Profile and USP

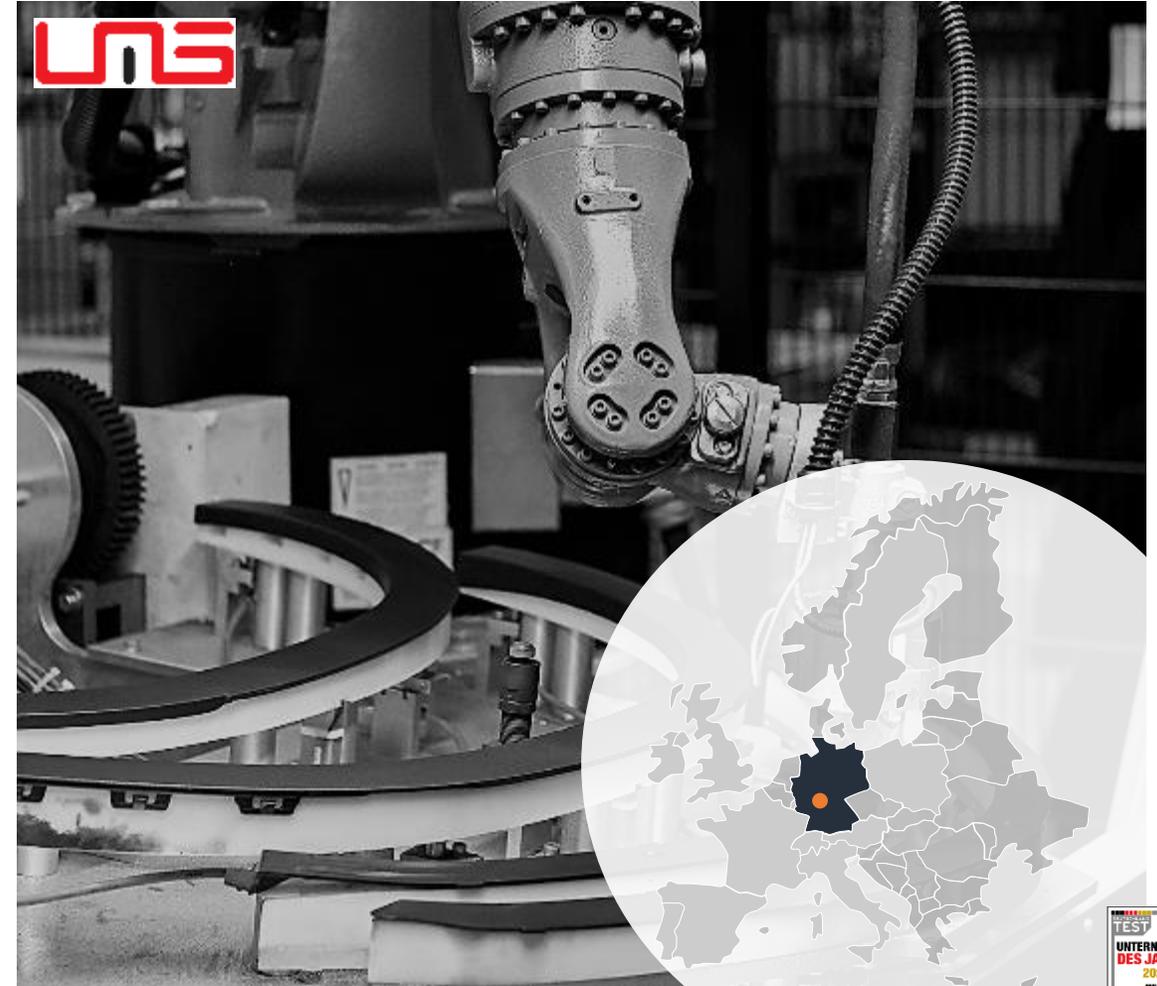
- LMS (Light Mobility Solutions GmbH) is a **global automotive supplier of plastic exteriors and systems** with products including fascias, grilles, rockers, side and class A body panels, exterior trim parts and modular systems.
- The three German production plants which Mutares acquired in an asset sale in July, 2021, generated EUR 307.0m in revenues in FY2020, serving well-recognized European automotive manufacturers.

Turnaround Strategy

- Within its restructuring plan for LMS, Mutares has **stipulated resolute staff downsizing and staff cost reduction measures**, as well as variable cost cuts to **improve contribution margins** and enhance financial performance.
- **Significant factoring potential** and a shift to a **more profitable product mix** is expected to release further capital to support optimization and growth.
- Using its in-house operative consulting team, Mutares intends to support cooperation with customers to aid product development and differentiation.

Prospective Market Opportunities

- Mutares anticipates the **restructuring, paired with an intensified leveraging of sophisticated in-house engineering and extensive design expertise to capitalize on automotive megatrends** such as fuel efficiency and increased demand for lightweight exterior plastics in the future.



Engineering & Technology Portfolio II/III

Company	HQ	Acquired	Description
		2017	A leading full-service provider for bridge and steel constructions as well as roof and facade systems
		2021	Producer of folding boxboard based on virgin fibers
		2020	Leading oxygen free copper drawing manufacturer for diversified industries
		2016	A manufacturer of power station components for improving efficiency and filter systems for reducing emissions
		2022	Production of robust quality products from low-alloy steels, stainless steels and nickel-based superalloys
		2018 2021	Industrial, technological, and infrastructure service provider for the UK rail industry
		2020	Leading manufacturer of barn equipment
		2022	Leading manufacturer of seamless precision steel tubes
		2022	Leading global supplier of high-end steel processing line solutions

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Case Study

Donges Group in Engineering & Technology segment, harvesting stage platform

Profile and USP

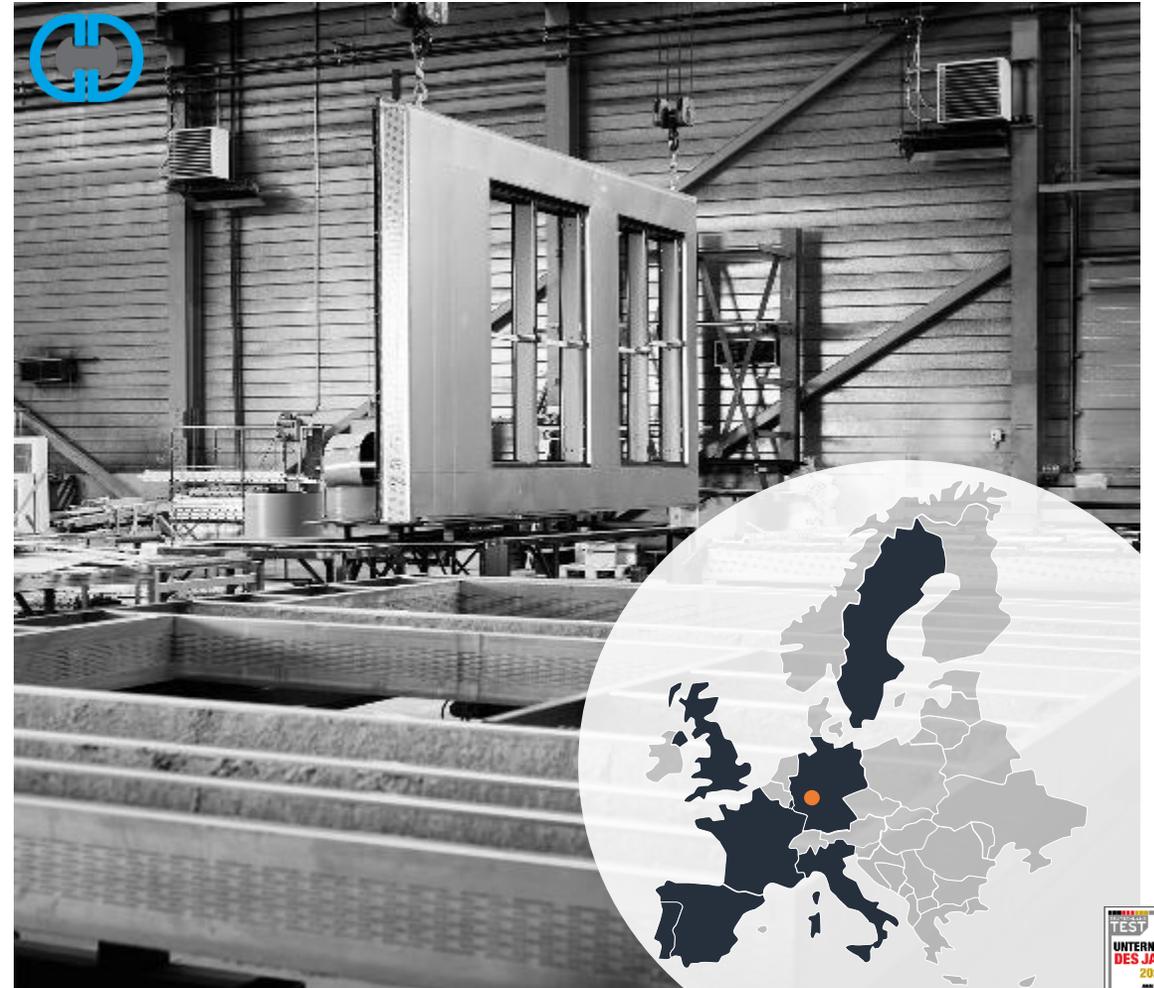
- Donges Group designs, engineers and manufactures encompassing product systems and solutions involving steel, aluminum, glass, wood and timber.
- The company's vision is to provide a „one-stop shop“ solution for **envelope and steel structures** comprising frames, aluminum & glass facades, roofs etc.

Turnaround Strategy

- Initially acquired as a pure play steel civil engineering service provider Mutares has successfully integrated the company with a total of **six add-on acquisition** by July 2021, targeting **annualized revenues of over EUR 400m** in FY2021.
- A multi-faceted strategic rationale facilitated an **extensive expansion of the company's product portfolio, value chain and customer coverage**, allowing for entry into new and further penetration of existing European and international markets.
- Mutares' niche conglomerate strategy for Donges exploits the entire spectrum of synergies, enabling innovative and technological differentiation whilst reaping both scale and scope economies.

Prospective Market Opportunities

- Donges employed on average 1,274 employees in FY2020 at 11 production plants in Europe (10) and India (1) and is **advantageously positioned to capture a promising market share in untapped overseas locations**.



Case Study

Balcke-Dürr Group in Engineering & Technology segment, Buy and build strategy

Profile and USP

- Balcke-Dürr Group provides **highly specialized integrated services, engineering, components and spare parts for innovative solutions that improve energy efficiency levels** in utilities, Oil & Gas and the chemical industry.
- With its **four add-ons**, the group now offers a **large patent portfolio and international manufacturing capabilities for heat exchangers, cooling towers, nuclear decommissioning etc.**, meeting standards of blue chip clients.

Turnaround Strategy

- Balcke-Dürr's turnaround involves **further existing market penetration** and establishment as leader in the nuclear energy industry; **expansion of nuclear power plant decommissioning** as a profitable service segment; as well as increased catering of existing and new clients in Oil & Gas and chemicals.
- Turnaround measures included **plant relocation and outsourcing** as well as a **consolidation from five underutilized production** facilities to two production sites in Germany and Italy, generating EUR 134.3m in revenues in FY2020.

Prospective Market Opportunities

- Entering new markets and areas of application for existing products and services, as well as expanding the product portfolio are exemplary targets.



Goods & Services Portfolio III/III

Company	HQ	Acquired	Description
 LAPEYRE		2021	A manufacturer and distributor of home improvement products on the French market
 FRIGOSCANDIA		2021	Leading logistics company for temperature-controlled food
 ab terranor		2020	A leading provider of road operations and maintenance in the Nordics
 GANTER		2021	Service provider of interior fittings, planning, construction and renovation
 keeper		2019	Operates two injection moulding facilities and is a leading supplier of plastic household products
 Repartim		2021	A renowned French home repair and emergency specialist
 FASANA		2020	Manufacturer of innovative and high-quality paper napkins
 SABO		2020	A manufacturer of high-quality lawnmowers and other outdoor power products
 EXI Empowering Digital Society		2021	Service provider of information and communication technology
 asteri facility solutions		2021	Service provider in the Swedish Soft Facility Management industry

Case Study

Lapeyre in Goods & Services segment, Mutares largest transaction yet

Profile and USP

- Lapeyre is a **leading manufacturer and distributor of indoor and outdoor furniture**, such as windows, bathroom and kitchen furniture.
- A **nationwide retail network** of 130 stores paired with an extensive production capacity across 10 manufacturing sites positions the company uniquely to capture solid market shares between 1-12% in a very fragmented business environment.

Turnaround Strategy

- When Mutares signed a put option for purchase in November 2020, Lapeyre exhibited EUR 604.9m in pro-forma FY 2020 revenues.
- The Mutares team is defining the overarching transformation plan for Lapeyre, while focusing on **destocking activities, mitigating raw material price increases, renewing the key logistics contracts** and defining "war plans" for loss-making categories and activities.
- Mutares anticipates its **restructuring measures to boost the return to profitability** of Lapeyre in 2023 and to reestablish the brand as a market leader.

Prospective Market Opportunities

- Within the next three years, Mutares plans to further develop Lapeyre's product range, distribution network and support systems, leveraging on Lapeyre's fundamental strengths and capabilities.



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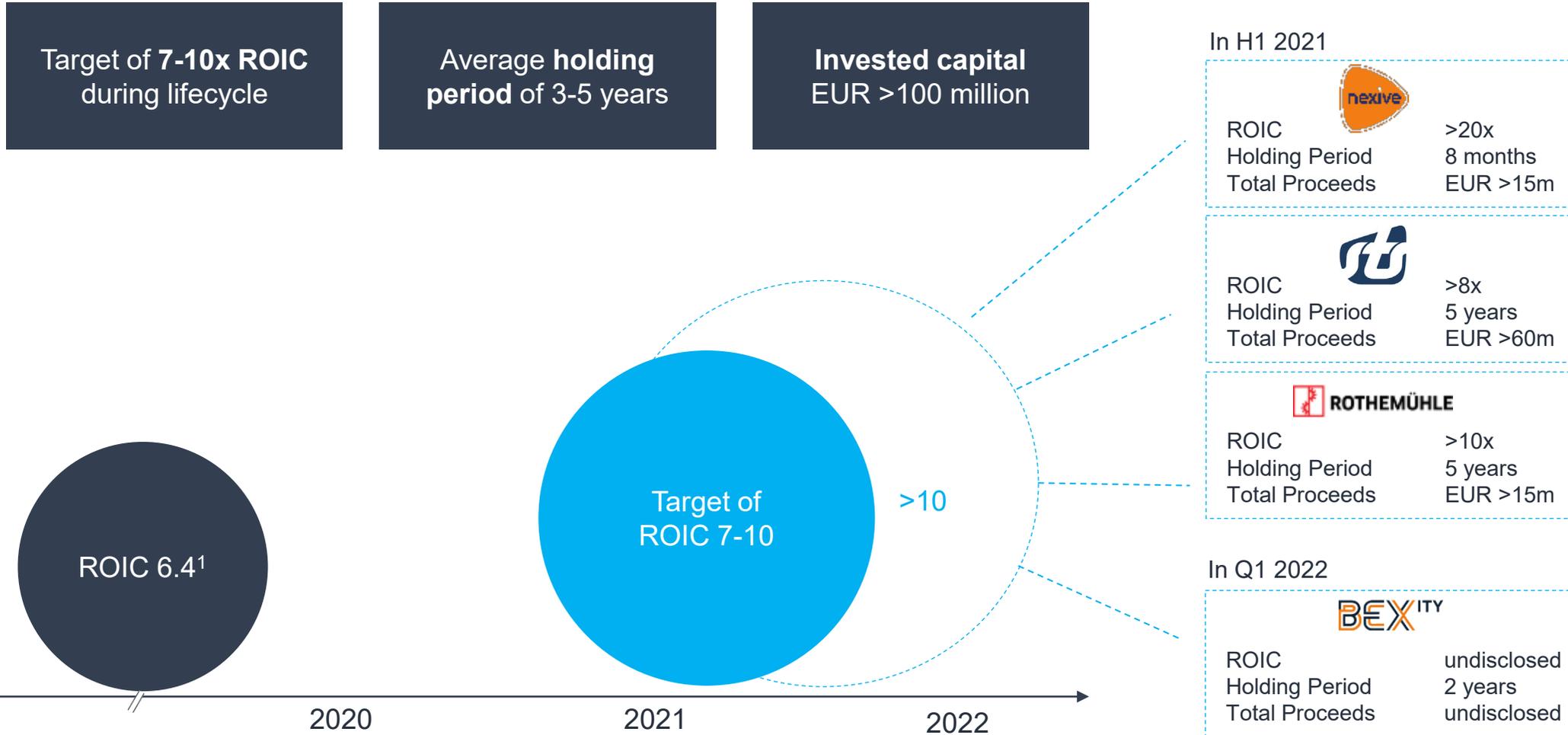
Track Record

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Mutares Share

Successful Track Record with High Return to Reach Target of ROIC of 7-10x

Mutares has exceeded its ROIC target of 7-10x within the last 12 months

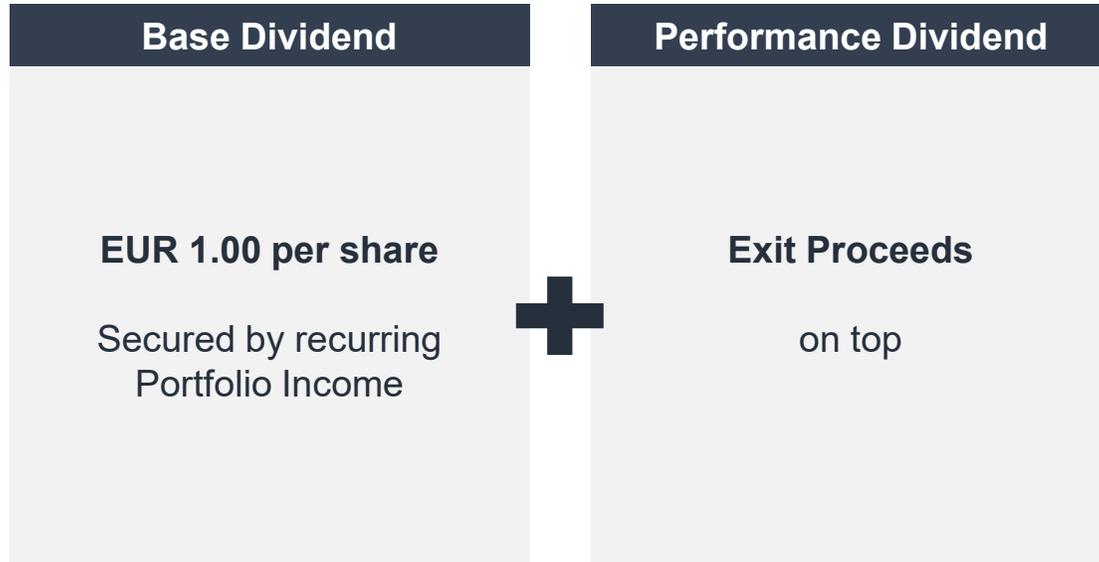


1) on average, based on 5 completed exits between 2018 and 2020

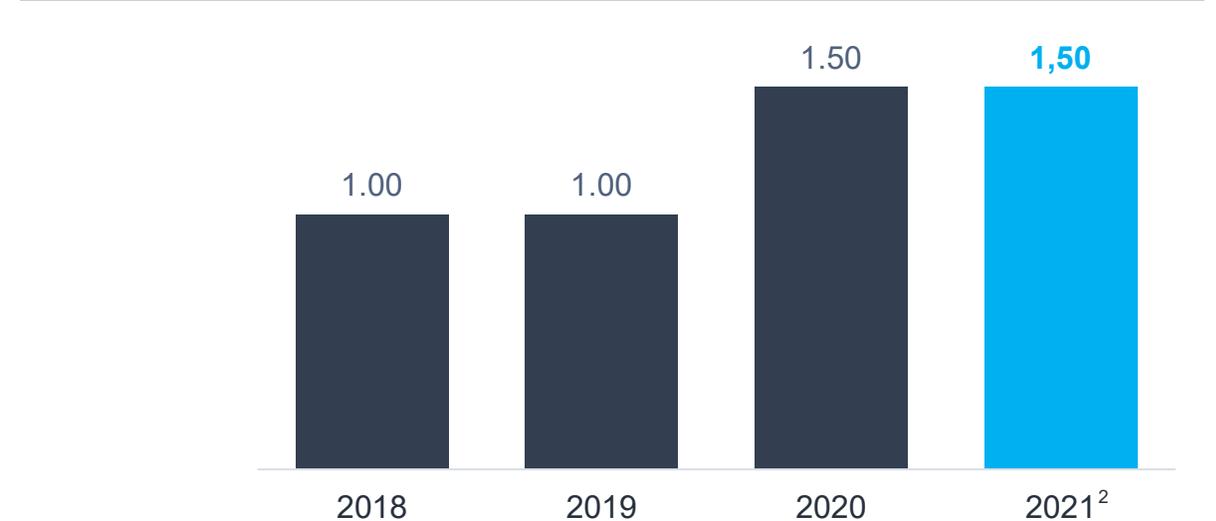


Focus On Shareholder Value With A Sustainable And Attractive Dividend Policy

Base dividend and additional performance dividend



Development Of Dividend Per Share (EUR)



Total dividend (EURm)	15.2	15.2	23.1	30.9
Payout ratio¹	75.6%	67.6%	69.2%	60%

1) defined as total amount of dividends distributed to shareholders as a percentage of the unconsolidated net income of the company in the respective financial year

2) Proposal from Management Board

APPENDIX

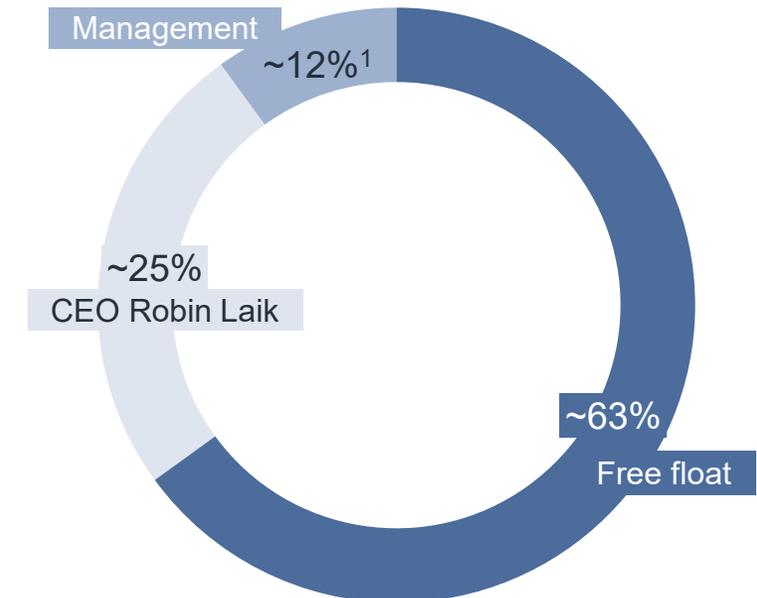
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Mutares Share

Master Data	
Symbol	MUX
WKN	A2NB65
ISIN	DE000A2NB650
Index membership	Prime All Shares
Transparency level	Prime Standard
Market segment	Regulated Market
Stock exchanges	Xetra, Frankfurt, Berlin, Düsseldorf, Munich, Stuttgart, Tradegate
Sector	Corporate Investments
Number of shares	20,636,731 (10,475 treasury shares)
Share class	Registered shares
Designated Sponsors	Hauck Aufhäuser Lampe Privatbank AG, Pareto Bank, M.M. Warburg

Shareholder Structure



1) Management and Supervisory Board

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