



MUTARES

Global private equity special situations investor

Capital Markets Day, Frankfurt/Main, 12/10/2023



Content

MUTARES

Introduction

Company & Business Model

Portfolio Companies: Arriva & FerrAI United

Outlook & Guidance

Purpose: who we are

- Global private equity investor
- Acquisition of companies/assets that are deemed non-core by vendors with a clear potential for operational improvement
- Focus on companies with high development potential and an established business model
- Support of the portfolio companies with own investment and consulting teams and through strategic add-on acquisitions

OUR MISSION

To transform
distressed
companies

OUR VISION

To be the global
market leader
in special situations

OUR VALUES

Entrepreneurship
Collaboration
Sustainability
Integrity

OUR GOALS

Industry leading
risk-optimized
returns

Focus on four segments:



AUTOMOTIVE &
MOBILITY



ENGINEERING &
TECHNOLOGY



GOODS &
SERVICES



RETAIL & FOOD

Highly experienced and committed management board working together since mid 2019

Management interests fully aligned with external shareholders (37% ownership)

Today's presenter



CEO
ROBIN LAIK
is responsible
for strategy and business
development.

Today's presenter



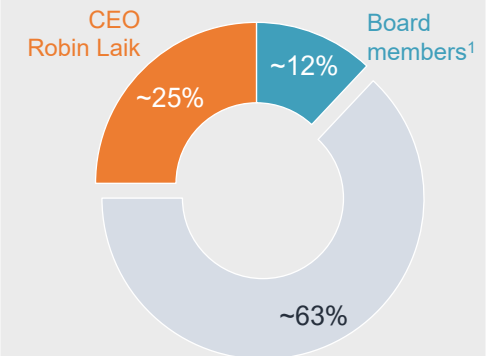
CIO
JOHANNES LAUMANN
is responsible for
M&A and investor relations,
as well as the
portfolio development.



CFO
MARK FRIEDRICH
is responsible for
finance as well as
consulting, HR and
compliance.

Shareholder structure
underlines management
commitment

CEO and management
are Mutares single largest
shareholders, holding
~37% of shares



Total registered shares:
20,918,756



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Financial highlights of H1 2023

HOLDING

REVENUES

EUR **52** million (H1 2022: 28)

PORTFOLIO INCOME

EUR **52** million (H1 2022: 32)

HOLDING NET INCOME

EUR **13** million (H1 2022: 14)

GROUP

REVENUES

EUR **2,274** million (H1 2022: 1,755)

EBITDA

EUR **405** million (H1 2022: 66)

ADJUSTED EBITDA

EUR **+41** million (H1 2022: -33)

EMPLOYEES (30/06/2023)



HOLDING

> 200 (H1 2022: >170)

GROUP

> 27,000 (H1 2022: >16,700)

EXITS

5 THEREOF 4
COMPLETED IN H1 2023

REALIZED ROIC

7-10x
ON AVERAGE

ACQUISITIONS



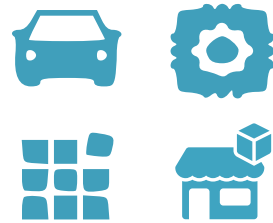
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THEREOF 5 CLOSED IN H1 2023

Strong global corporate identity supported by financial performance

First in mind first in choice for private equity carve-outs



EUROPEAN FOCUS WITH
GLOBAL EXPANSION



FOUR DIVERSIFIED
SEGMENTS



COMPANY SIZE
EUR 100-750 million



TURNAROUND
HERO



ESG approach to support sustainable growth

KPIs measured in accordance with UN SDGs



SUSTAINABLE DEVELOPMENT GOALS

Signatory
since 2021



Environment

2022 highlight

38%

of portfolio
ISO 14001:2015
certified



Energy / CO₂ neutrality



Resource use

2022 highlight

> EUR 3m

energy efficiency
investments across
the portfolio

Social

2022 highlight

0

fatal accidents



Health & safety

Zero accident safety culture



Diversity

Promoting a diversified environment

2022 highlight

21%

women at Mutares
Holding



Employee satisfaction & wellbeing



Community engagement

Donations to children's hospice

BÖRSE FRANKFURT

Higher transparency
as a result of prime
standard uplisting

Governance



ESG management

Reportings and best practices



Compliance system

Code of Conduct and whistleblowing

2022 highlight

0

reported bribery
or anti-corruption
allegations

2022 highlight

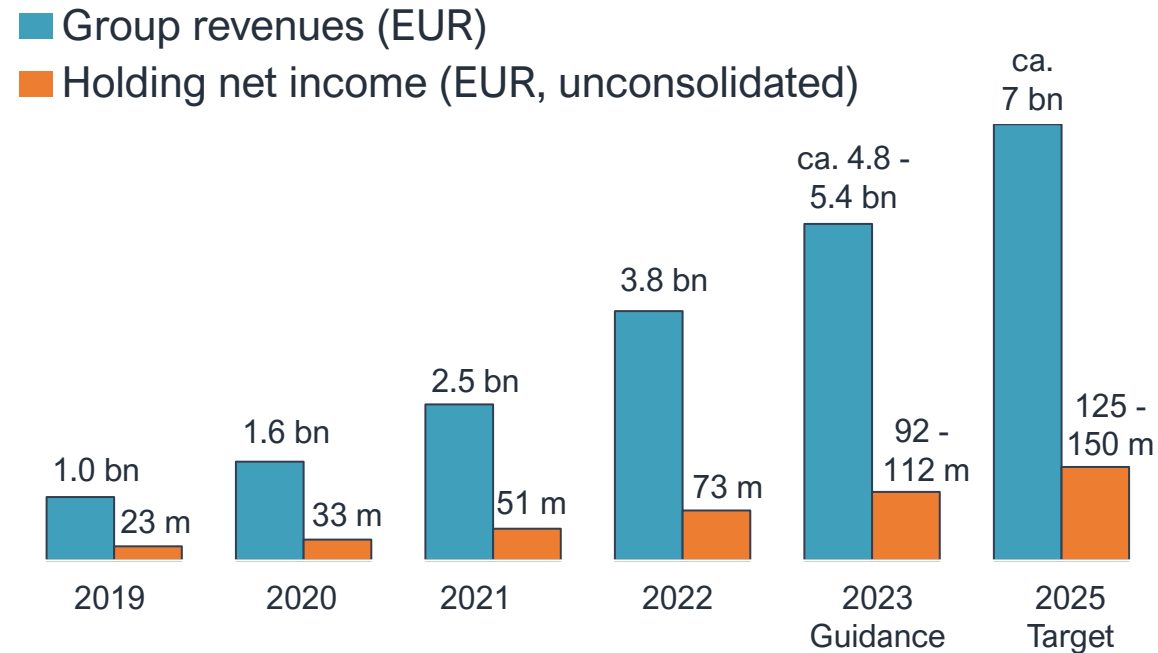
83%

of portfolio with a
Code of Conduct

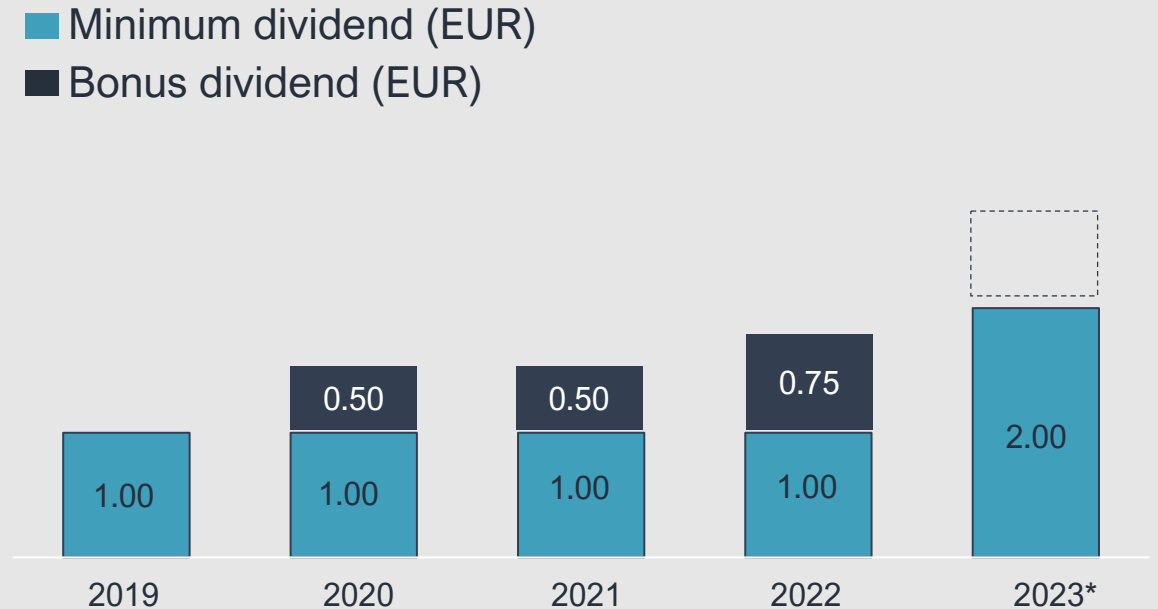
Strong development and revenue growth reflected in the sustainable dividend strategy

Minimum dividend of EUR 2.00 per share per fiscal year

Mutares Group revenues and Holding net income



Development of dividend per share (EUR)

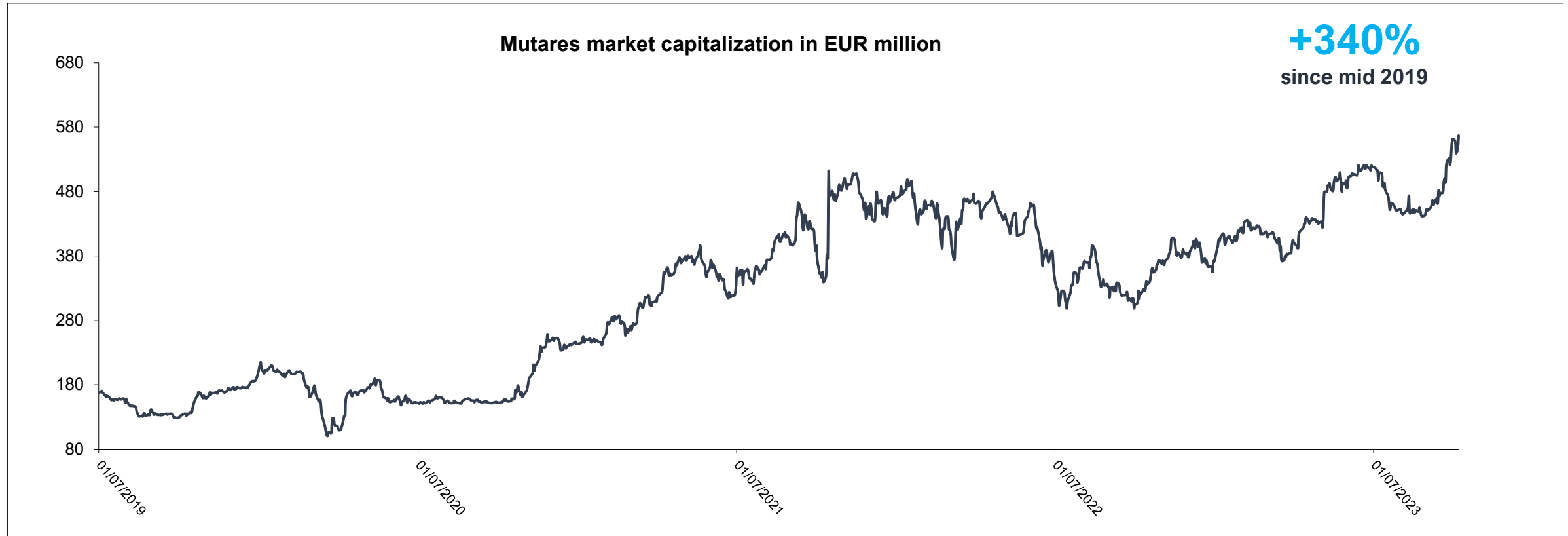


Total registered shares: **20,918,756**

*minimum dividend secured, potential bonus dividend dependent on outperformance

Successful market capitalization development with clear aim to enter the SDAX index

Strong market capitalization growth since beginning of the management board cooperation in mid 2019

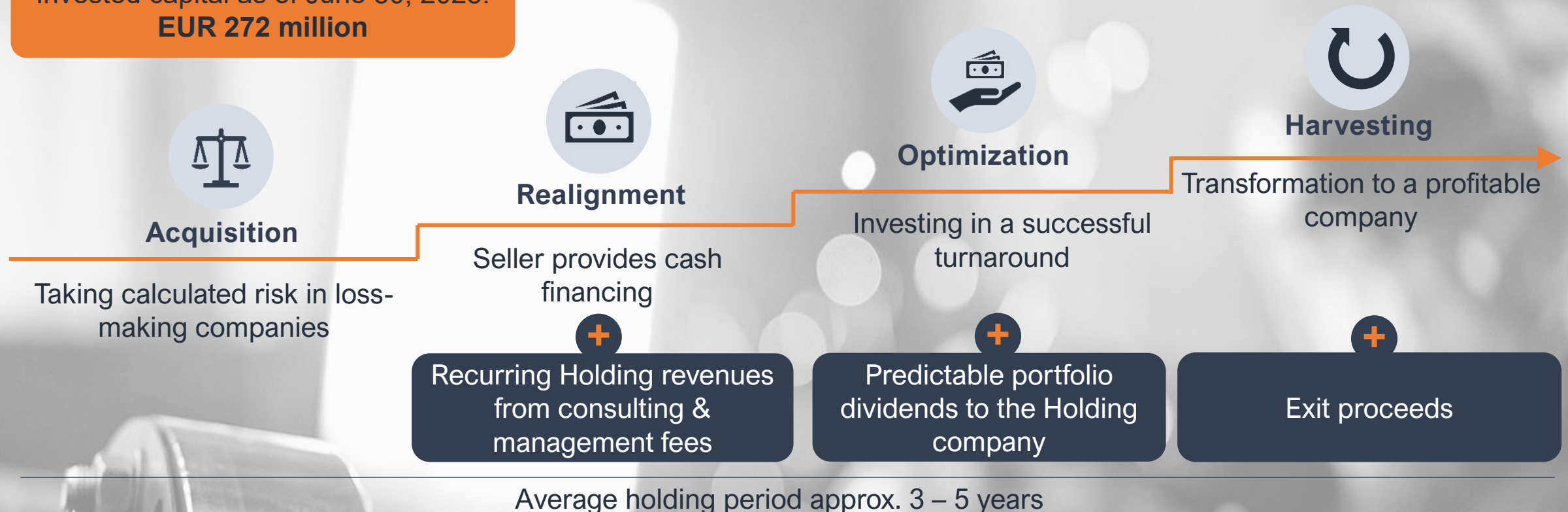


ROIC target 7-10x

Creating successful turnarounds with our unique value creation lifecycle

Value creation

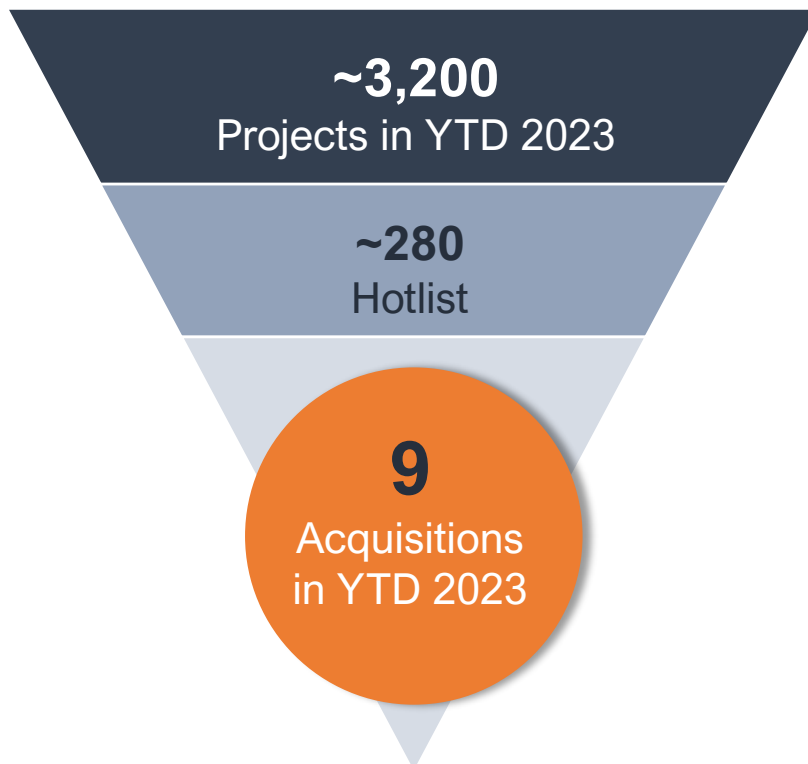
Invested capital as of June 30, 2023:
EUR 272 million



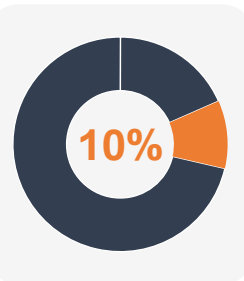
Reputable track record brings us the best deals

Unlocking shareholder value through successful exit solutions

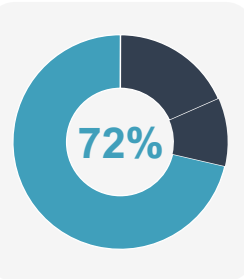
Local M&A approach secures pipeline



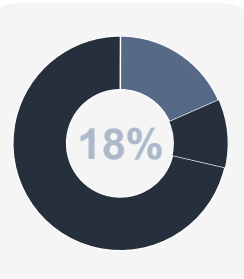
Mutares benefits from a strong reputation as trusted buyer and reliable partner



State-backed enterprises (sellers to & buyers from Mutares)



Multinational & large corporations (examples of sellers to Mutares)




































Private Equity, private individuals & family offices (examples)



Portfolio of 29 companies with annualized revenues of over EUR 6 billion

Well diversified portfolio across four segments

Automotive & Mobility <i>early-cyclical</i> ca. EUR 2.2 bn sales	Engineering & Technology <i>late-cyclical</i> ca. EUR 1.4 bn sales	Goods & Services <i>non-cyclical</i> ca. EUR 1.8 bn sales	Retail & Food <i>cyclical</i> ca. EUR 0.9 bn sales
 	 	 	 
 	 	 	 
 	 	 	
 	 	 	
 	 		

Portfolio allocation to the value creation lifecycle

Diversified portfolio in Realignment, Optimization and Harvesting phases





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The repositioning of European mobility providers

12 October 2023

Mutares has acquired Arriva Denmark, Poland and Serbia, 3 private public transport operators, from the Deutsche Bahn / Arriva Group



Revenues¹:
> 300m€



3 countries &
European capitals



3000+ FTE



50+ locations



+15m passengers
onboard¹



1000+ buses



59 trains



7 ferries



500+ cars



+80 million km
driven¹

With secured revenues and a strong focus on operations Arriva Denmark, Poland, Serbia are a perfect fit as part of the Mutares portfolio

Market of tomorrow with today's constraint

Mobility to move our society
Sustainability for our future
Opening of the markets

Revenue protection

Paid by vehicle hours driven
Creditworthy customers (PTA)
Long-term contract with indexation

Operations spotlight

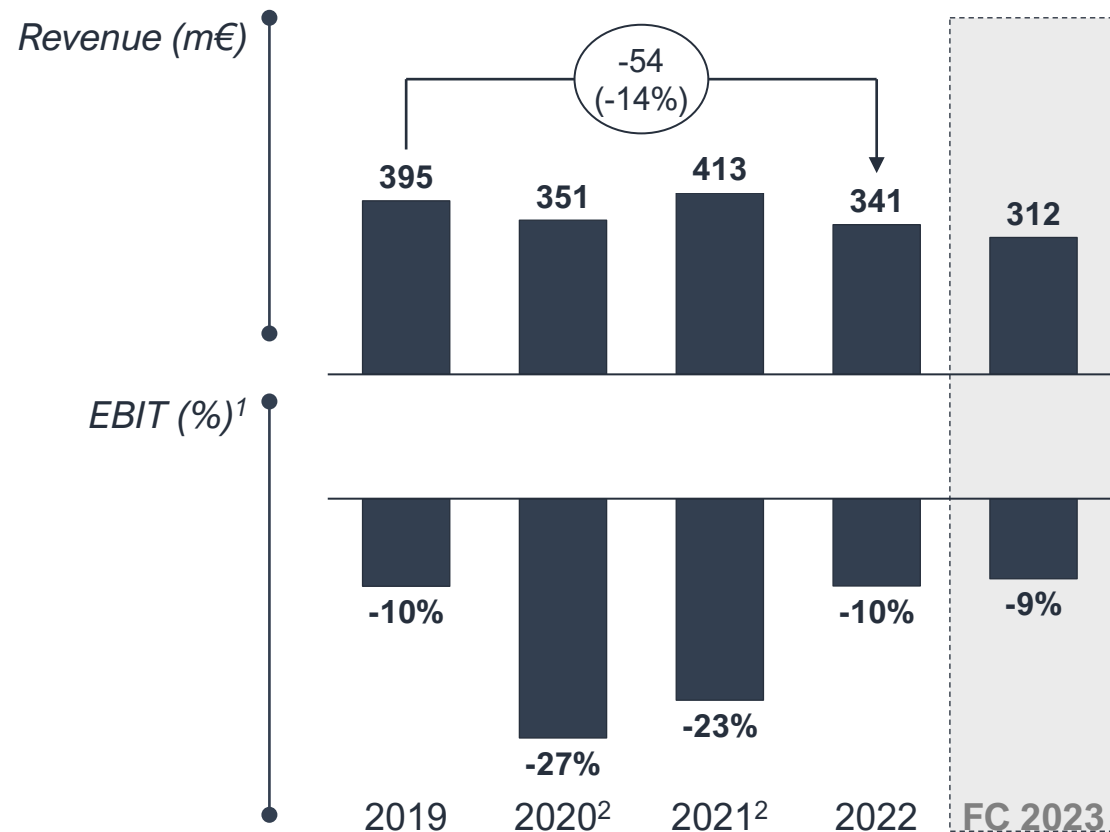
Punctuality & customer satisfaction
Asset utilisation
Driving efficiency

Strong balance sheet
but deteriorated profitability



The company has been underperforming and is in need of a large-scale transformation

DEVELOPMENT OVER LAST 4 YEARS PLUS FORECAST 2023



MAIN CHALLENGES

1. Declining revenues



2. Lack of discipline in tender and contract management



3. Inefficient organization & no profitability mindset



1) Excl. contract loss provisions started in 2020 2) Highly COVID-19 impacted incl. subsidies

We are in a 3-5 years Transformation and Relaunch journey structured around operational improvements drivers



1. Acquisition



May 2023



2. Realignment



We are here



3. Optimization



4. Harvesting

Focus next slides

It is critical to reach profitability within 12 to 18 months with strong focus on cost efficiency



Build the business foundation

- Leadership team evolution
- Set an operationally oriented organisation



Align the organisation towards profitability

- Reduce fixed costs and overheads
- Focus the strategy on profitable business units / contracts

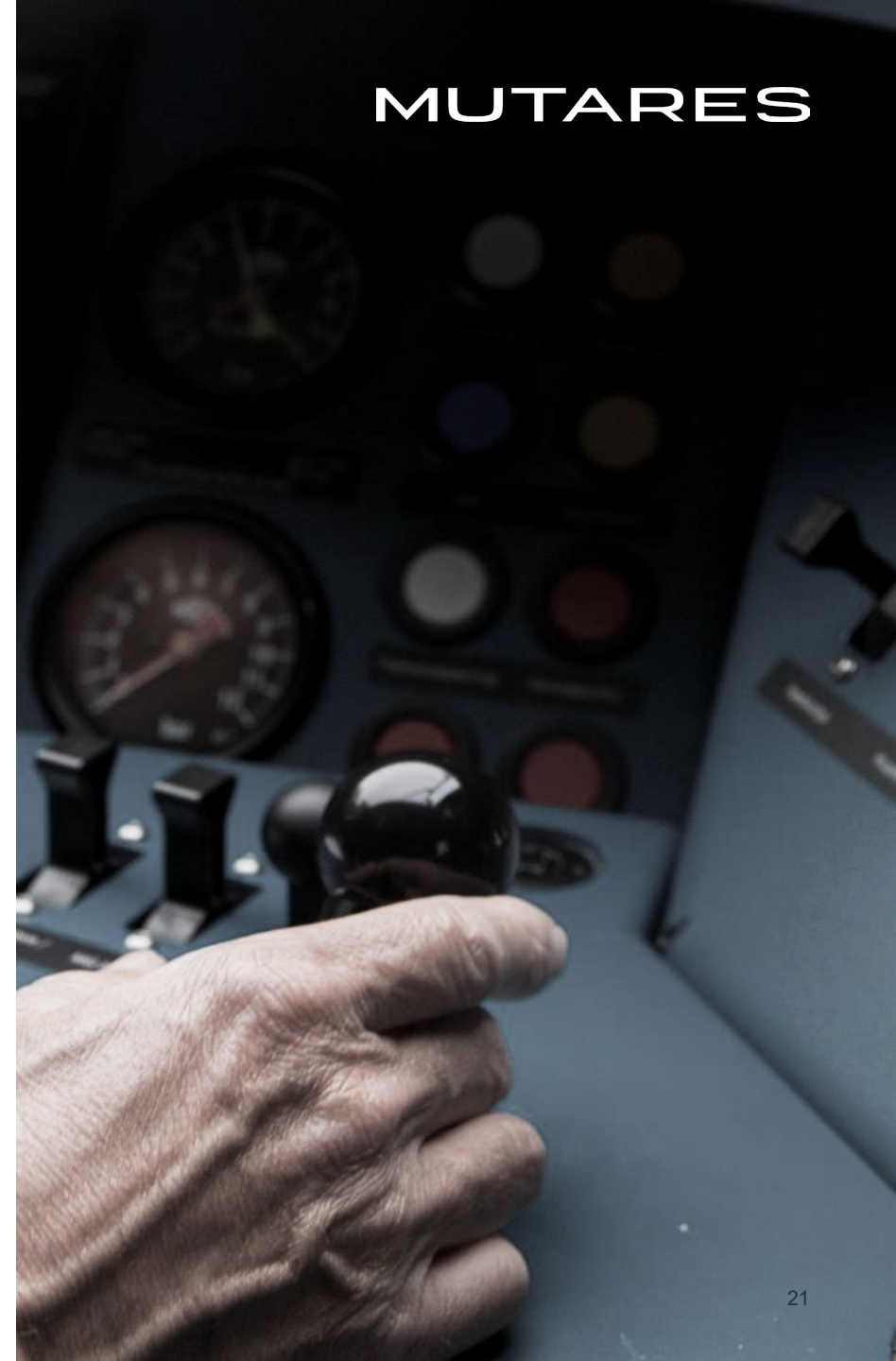


Initiate substantial operational improvements

- Established contract management
- Enhanced productivity through process & tools



MUTARES





Foundations for the relaunch are getting laid



Reposition the company in its market

- Define company values, mission, vision and name
- Autonomous businesses with dedication & entrepreneurial spirit



Renew the revenues through tender

- Participate and win (again) tender
- Rigid tender process to avoid loss-making contract



Move forward in sustainability and mobility

- Support local ambitious sustainability programmes
- Continue connecting people through mobility solutions



Accelerate growth through add-ons

- Diversify revenue strategy with international and mobility service developments
- Explore options to strengthen public transport platform

A clear path towards profitability has been defined and key strategic pillars set



Revenues: 400m€ EBIT: 5%



Reposition as essential business partner in each market



Support shift to more sustainability to reach climate targets



Mobility partner to develop the future of transportation





FerrAl United – Group presentation

Forging the Future of our Mobility

October 2023

A new identity for a vertically integrated group of experts in
automotive metal components



FERRAL UNITED: Forging the Future of our Mobility



Our unique approach involves bringing together independent category experts who through collaboration **drive customers' progress** by providing a **comprehensive fully vertically integrated local support**

6,000
employees

23+
locations

> €1.1bn
annually

Mutares Automotive & Mobility Segment

Portfolio I/IV



Company	HQ	Acquired	Description
PRIMO TECS GROUP		2019	Tier1 and Tier2 supplier of forgings for use in electric, hybrid and conventional powertrains for the Automotive and Heavy Truck industry as well as related industries
CIMOS		2022	Supplier of turbocharger, powertrain, steering, braking and chassis components for Automotive OEM's and major Tier1 suppliers
MMT Bordeaux		2022	Manufacturing and assembly of full manual transmissions and its related components for the Automotive industry; industrialization hub for local Start Up businesses
BEW		2023	Manufacturer of highly stressed forgings for the Automotive industry; the Off-Highway and general industrial markets
WALOR ^{*)}		2023	Manufacturing of forged and machined steel parts for powertrains, steering systems, body-in-white, and passive safety applications for passenger cars
SELZER		2023	Producer of ready-to-install metal components and assemblies for the Automotive industry, such as gears, brake and engine components as well as components for industrial applications.
CIE Forging Germany ^{*)}		2023	The businesses (Gesens Schmiede Aalen, Falkenroth & Schoeneweiss) are specialized in forging and machining with a focus on customers in the Heavy Truck market

^{*)} signed; not yet closed

FerrAl United – Forging the Future of our Mobility

Leveraging economies of scale to build and strengthen our global market position



Strategic Rationale

- FerrAl United is built from the portfolio companies focusing on high-spec metal parts and will be positioned as a global player with high synergy potential
- The strategic goal is to cover the entire value chain in the production of automotive metal parts, from steel forging to iron and aluminium die casting and machining to final assembly
- Leveraging a global footprint, product synergies and cross selling will transform FerrAl United from local built-to-print component manufacturer into a global co-developed products provider



Key Terms

Companies	FerrAl United	CIMOS	PRIMO Tecs GROUP	BEW	MMT Bordeaux	SELZER	WALOR	CIE Forging Germany
Turnover (EUR m)	1.110	200	140	55	200	66	230	220
Employees	5980	2100	800	160	720	400	1200	600
Acquisition Date*	-	2022	2020	2023	2023	2023	2023*	2023*

*Walor and CIE not yet closed

Technologies & Applications

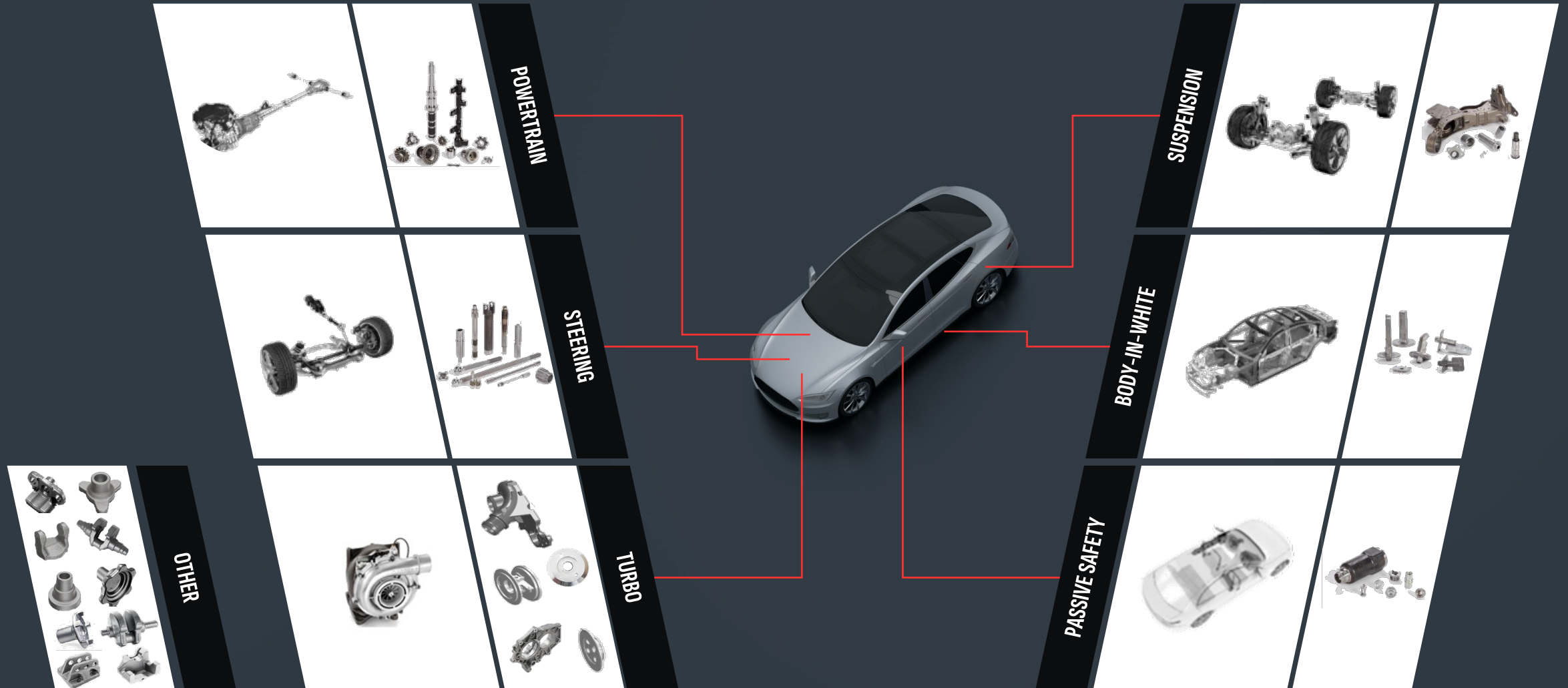
Technologies	Cold, Warm & Hot Forging	Grey Iron Casting	Stainless Steel Casting	Aluminium Casting
	Heat Treatment	Welding	Full Machining Range	Testing & Assembly



Global Geographic Footprint

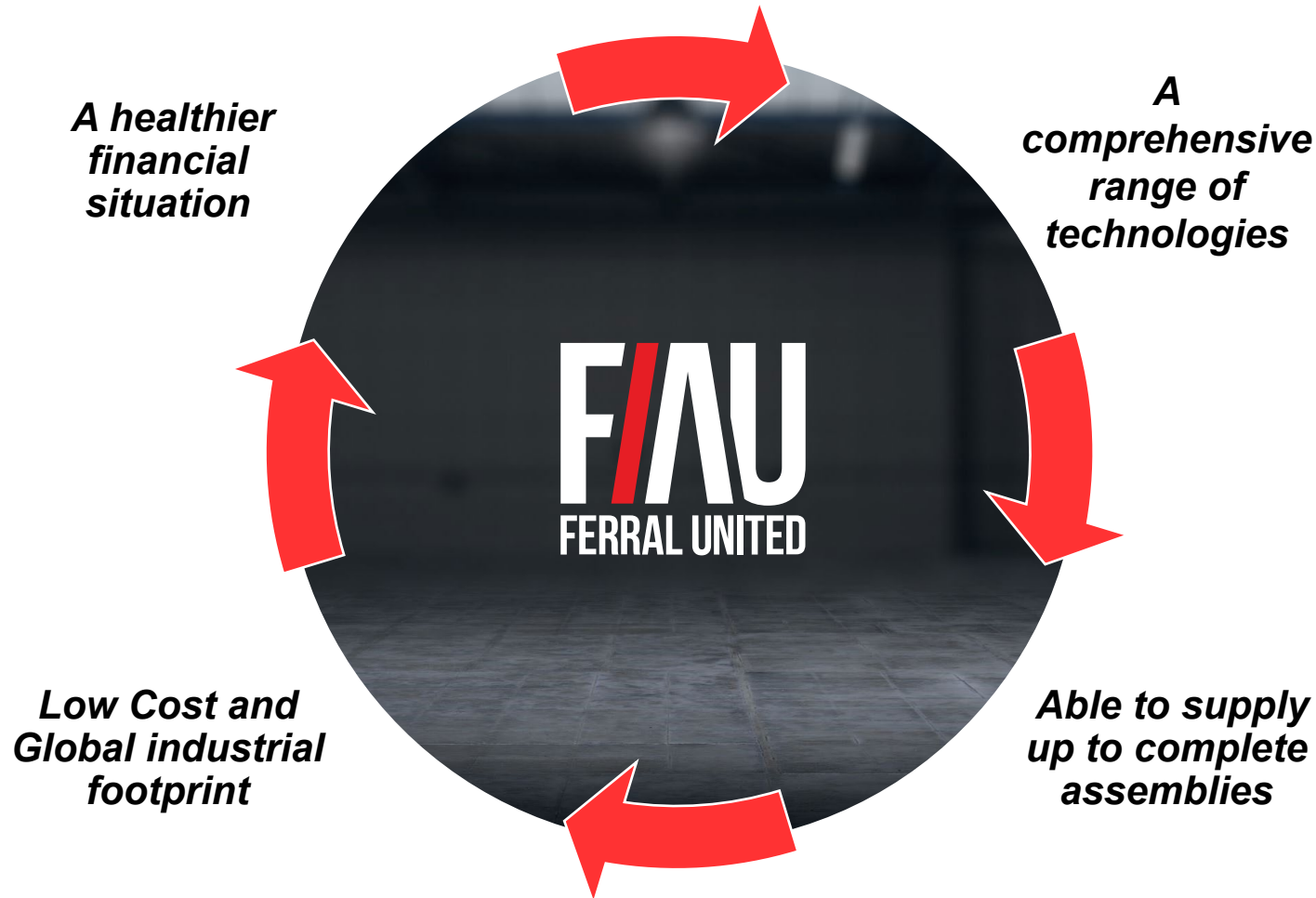


FerrAl United – Supplying coverage from raw parts to complete assemblies



FerrAl United – Our ambition

Become the preferred partner for Automotive OE and Tier1 Manufacturers



*FerrAl United has all the forging, casting, machining and assembly skills needed to offer **high-precision parts***

F/AU, an innovative and revolutionary entity

Forging the Future of our Mobility



Transforming Challenges into Opportunities: A Unique Approach in the Metals Industry for automotive components

In the fast-paced world of OEMs, every day presents fresh and urgent challenges that demand swift and reliable solutions. These challenges require a partner with scale and agility, who can rise to the occasion. That's why we have chosen a different path.

Our foundation is built upon a lean and proficient management team, boasting decades of specialized engineering expertise.

- Unified approach, delivering skills and flexibility across markets
- Excited for the future and grateful for your partnership

Ready to embark on this transformative journey together!

A stylized, handwritten signature in white ink, which appears to read 'Markus Wermers'.

Markus Wermers
CEO, Ferral
United



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Investment summary



Attractive access to the private equity market

The Mutares share offers easy and convenient access to the private equity market and diversified portfolio.



Attractive dividend strategy

Mutares has set a sustainably designed dividend strategy, which provides for a minimum annual dividend of EUR 2.00 per dividend-bearing share for the shareholders in the future.



Successful track record & proven industry knowledge

Mutares can point to a correspondingly successful track record. The sale of SMP in 2023 with proceeds for the Mutares Holding of ca. EUR 150 million marks the most successful exit in the Company's history.



High transparency

Strict disclosure requirements and transparency standards ensures a high level of information security for investors and partners.



Focus on growth

Mutares is pursuing ambitious growth targets. The international M&A approach ensures consistent deal flow, resulting in 224% YTD growth in net holding income since 2019.



Strong share and bond performance

The increase in the annual minimum dividend and the early refinancing of the bond well ahead of maturity even in times of economic challenges affirms the growth aspirations.



Family and owner managed company

Around 37% of the shares are owned by the founding family and management, reaffirming their confidence in the strategy and outlook for Mutares' growth value.



Sustainability oriented

Mutares sees sustainable action and management as an integral part of its corporate philosophy. The three sustainability-related areas of ESG-responsibility provide the guidelines.

We deliver what we promise and will continue the growth path towards 2028

Difficulties and uncertainties are Mutares opportunities and sweet spots

	Revenues Mutares Group	Net Income Mutares Holding
2019	EUR 1.0 bn	EUR 22.5 m
2023	EUR 4.8 – 5.4 bn	EUR 92 – 112 m
2028	EUR 10.0 bn	EUR 200 m

Updated dividend strategy:
Minimum dividend of EUR 2.00 per share per fiscal year

Base dividend
EUR 2.00
(Prev. EUR 1.00)

+

Bonus dividend
→ dependent on outperformance



MUTARES



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