

MUTARES

Earnings Call Q3 2023

November 9th, 2023



Company & Business Model

Key Highlights of Q3 2023

Financials of Q3 2023

Outlook

Clear identity and strong performance

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



European focus with global expansion



Four diversified segments



Company size
EUR 100-750m

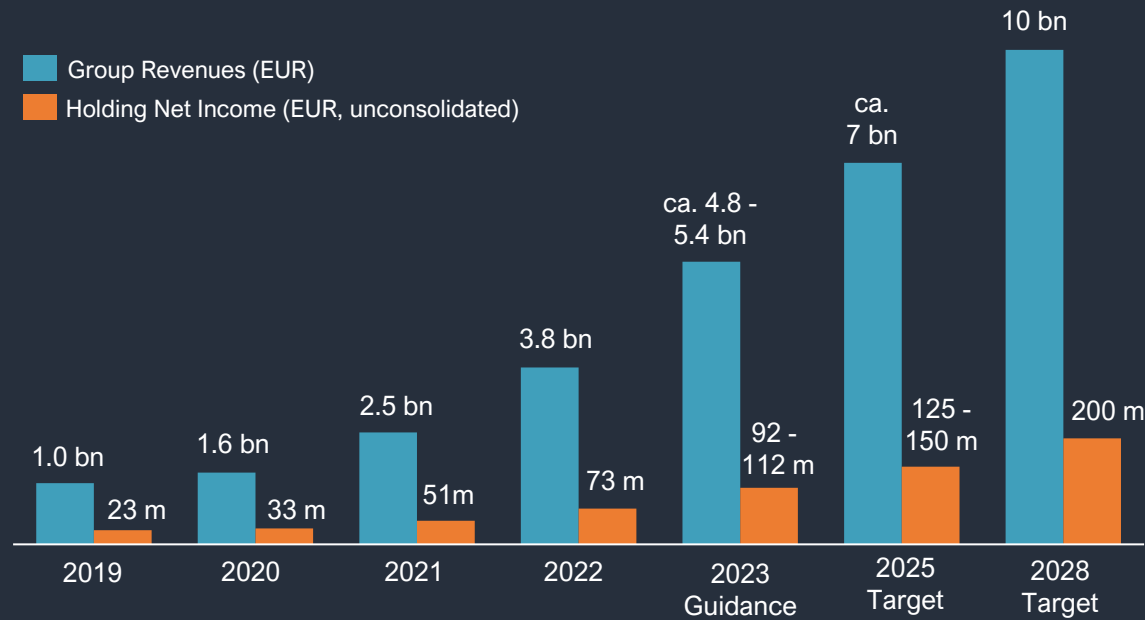


Turnaround hero

Development of Mutares Group Revenues and Mutares Holding Net Income

■ Group Revenues (EUR)

■ Holding Net Income (EUR, unconsolidated)



Portfolio growth drives predictable consulting revenues for servicing debt.



Ability to generate Holding net income across the whole investment lifecycle; resilience to economic cycles.

ROIC target of 7-10x

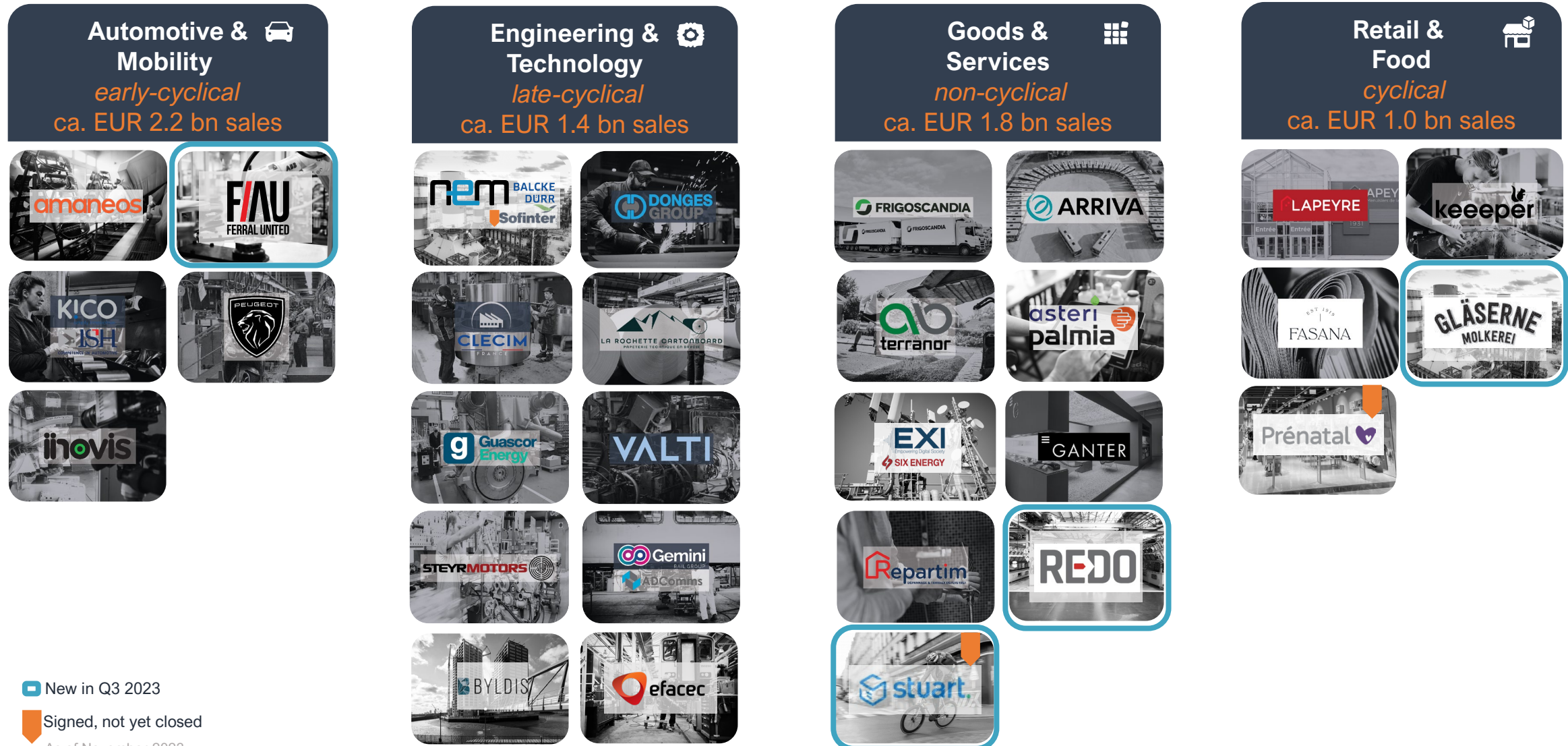
Creating successful turnarounds with our unique value creation lifecycle

Value creation




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

Well diversified portfolio across four segments



 New in Q3 2023

 Signed, not yet closed

As of November 2023



PEUGEOT
MOTOCYCLES

Mutares only OEM portfolio company with approx. EUR 120 million of revenues

Transformation guidance confirmed with an improvement of EUR 11 million in EBITDA in 10 months

MUTARES

PEUGEOT
MOTOCYCLES

2 & 3 wheelers
Sector

Mandeure, FRA
Headquarters

1898
Founded

320
Employees

Geographical presence



Leading manufacturer and distributor of 2 & 3 wheelers worldwide

Leading French Manufacturer of two and three wheelers ICE and electric scooters ranging from 50 cc to 400 cc. Peugeot Motorcycles has an international footprint covering 70 countries, has one operating facility in Mandeure, a Joint Venture with JNQQ in Jinan and long-term outsourcing agreements with THACO in Vietnam and SYM in China.



Strong brand name

The company owns a portfolio of more than 10 different vehicles with some models ranking among the top sales in Europe and China. Its iconic two wheeler, the Kisbee, is the best selling 50 cc two wheeler in France and second best selling in Europe and the Django is one of the fastest growing 125 250 cc vehicle in China.



Cash dowry and strong balance sheet received

In the acquisition, seller provided EUR 23 million of cash dowry and Mutares injected EUR 7 million as capital increase. The seller, who is still partially owner of the company, reimbursed all outstanding financial debt.

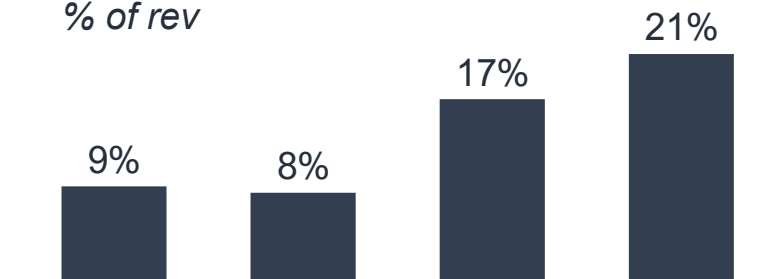


With return to profitability realignment measures well on track

Transformation is currently on track with a confirmed 2023 and 2024 guidance. Major improvement in gross margin due to fast action of the team to recover margins. 5 new vehicles launched in 2023 in relation with Mahindra previous investment over last 5 years.

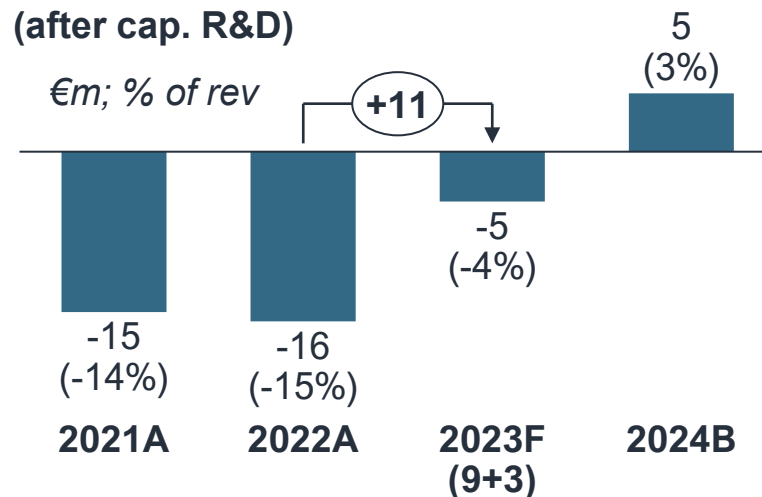
Gross profit

% of rev



EBITDA (after cap. R&D)

€m; % of rev





Company & Business Model

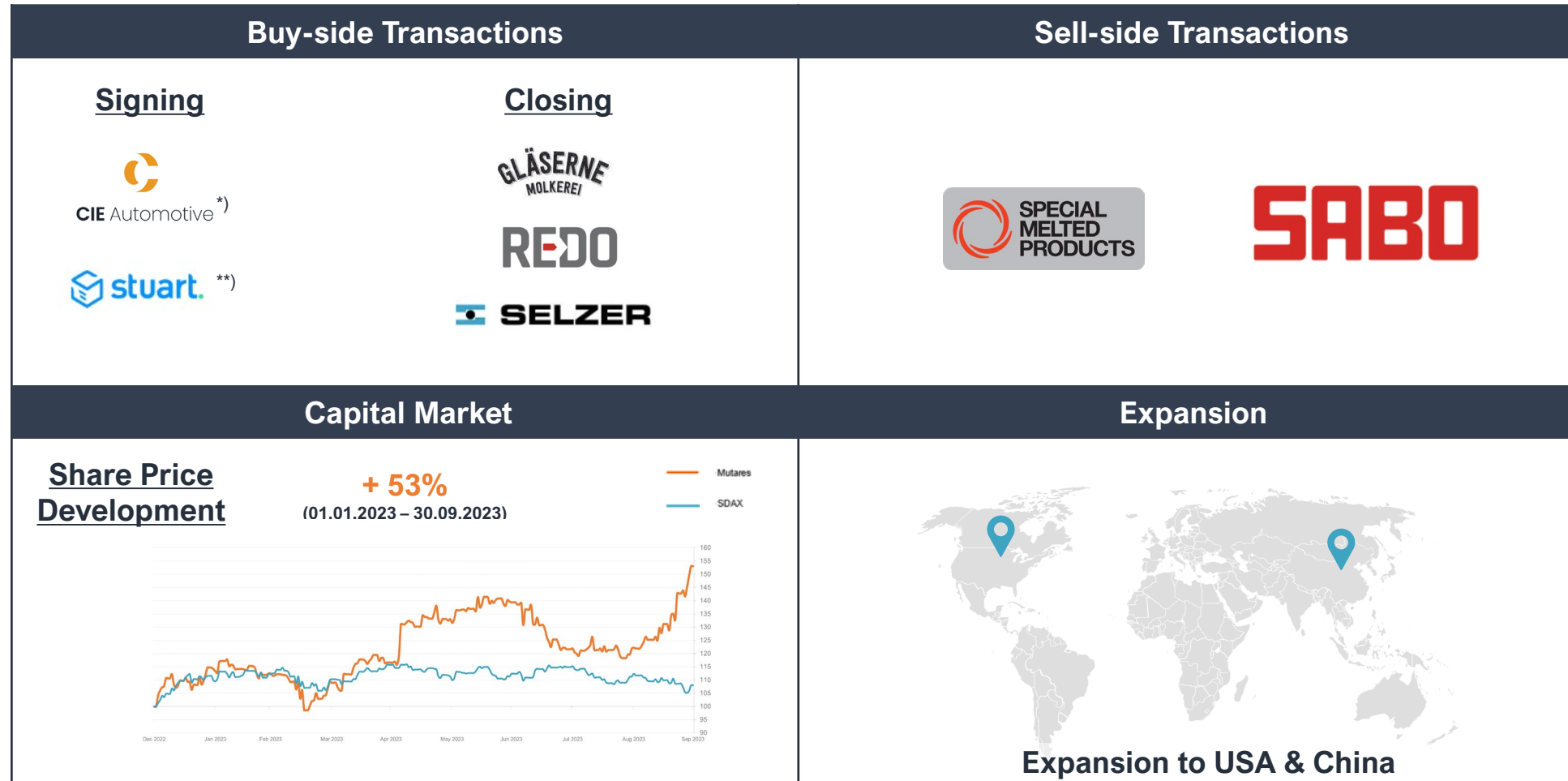
Key Highlights of Q3 2023

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Outlook

Key highlights of Q3 2023

Development well on track with high transaction activity



^{*)} Closed after 30/09/2023; ^{**)} Put-option signed



Company & Business Model

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Key financials for Mutares Group and Mutares Holding of Q3 2023

Net Income of Mutares Holding benefiting in particular from the exit of Special Melted Products (“SMP”)

EUR million	Q1 2023	Q2 2023	Q3 2023	Q3 2023 YTD	Q3 2022 YTD	Δ	2023e
Mutares Group							
Revenues	1,108.0	1,165.6	1,128.9	3,402.5	2,677.6	724.9	4,800 - 5,400
EBITDA	112.4	293.0	123.4	528.7	149.2	379.5	
Adjusted EBITDA	5.1	36.1	-21.7	19.4	-37.7	57.1	↗
Mutares Holding							
Revenues	27.1	25.0	23.4	75.5	45.4	30.1	↗
Portfolio Income	27.1	25.0	24.4	76.5	49.4	27.1	↗
Net Income	8.2	5.0	88.1	101.3	16.2	85.1	92.0 - 112.0

Segment Financials: Overview

Profitability in the Group YTD well on track besides lower activity during the summer months

EUR million	Q1 2023	Q2 2023	Q3 2023	Q3 2023 YTD	Q3 2022 YTD	Δ
Automotive & Mobility						
Revenues	448.7	483.3	425.1	1,357.1	707.8	649.3
Adjusted EBITDA	-6.9	18.4	-10.7	0.8	-47.9	48.7
Engineering & Technology						
Revenues	263.1	231.3	220.3	714.7	880.3	-165.6
Adjusted EBITDA	0.7	0.1	2.6	3.4	-2.0	5.4
Goods & Services¹⁾						
Revenues	190.4	239.6	283.0	713.0	485.2	227.8
Adjusted EBITDA	3.7	10.6	7.5	21.8	10.1	11.7
Retail & Food¹⁾						
Revenues	207.0	211.6	199.1	617.7	608.6	9.1
Adjusted EBITDA	-2.3	0.5	-12.2	-14.0	-5.7	-8.3
Mutares Group						
Revenues ²⁾	1,108.0	1,165.6	1,128.9	3,402.5	2,677.6	724.9
Adjusted EBITDA ²⁾	5.1	36.1	-21.7	19.4	-37.7	57.1

1) Segment Retail & Food has been established in July 2023. Due to the shift from already existing portfolio companies Lapeyre, keeper Group, FASANA and SABO from the Goods & Services segment to the new segment, the previous period financials have been adjusted and do longer match with prior publications; 2) After consolidation

Segment Financials: Automotive & Mobility

Substantial improvement in Adjusted EBITDA in light of successful transformation and improved market environment

amaneos

F/AU
FERRAL UNITED

PEUGEOT
MOTOCYCLES

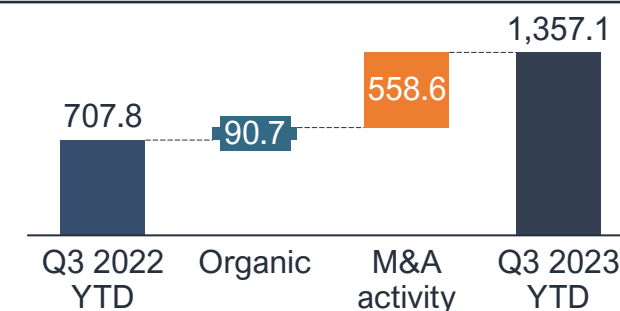
KICO
simply innovative
ISH
COMPETENCE IN AUTOMOTIVE

inovis

PLATI^{*)}

EUR million	Q1 2023	Q2 2023	Q3 2023	Q3 2023 YTD	Q3 2022 YTD	Δ
Revenues	448.7	483.3	425.1	1,357.1	707.8	649.3
Cost of material	-289.6	-301.7	-263.2	-854.5	-471.9	-382.6
Personnel expenses	-113.1	-124.6	-117.5	-355.2	-208.6	-146.6
Other expenses	-62.8	-59.1	-62.7	-184.6	-102.5	-82.1
EBITDA	65.9	62.8	42.6	171.3	48.3	123.0
Adjusted EBITDA	-6.9	18.4	-10.7	0.8	-47.9	48.7
in % of Revenues	-1.5%	3.8%	-2.5%	0.1%	-6.8%	6.9%

Revenue Bridge



Comments

- New acquisitions, mainly MoldTecs Group, Cimos Group and SFC Automotive Solutions (acquired in FY 2022) as well as Peugeot Motorcycles, MMT-B, BEW and SELZER Group (acquired in FY 2023) drive increase in revenues
- Increase in Adjusted EBITDA reflects successful implementation of transformation programs (especially at SFC and LMS as part of Amaneos) after significant price increases for energy and raw materials in FY 2022
- EBITDA benefits from gains from bargain purchase from the acquisitions (in particular MMT-B, SELZER and PMTC)

*) Exited in November 2023

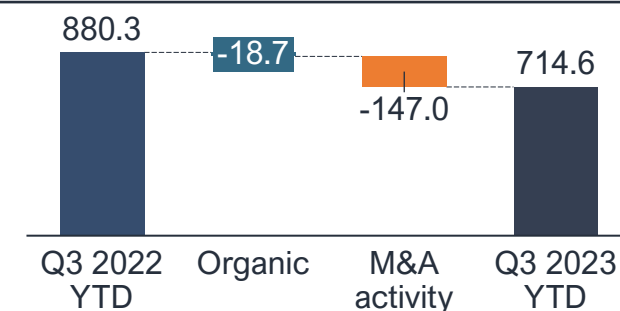
Segment Financials: Engineering & Technology

Successful exit of SMP; NEM Energy Group with positive impact, but still low activity in construction business



EUR million	Q1 2023	Q2 2023	Q3 2023	Q3 2023 YTD	Q3 2022 YTD	Δ
Revenues	263.1	231.3	220.3	714.7	880.3	-165.6
Cost of material	-207.6	-162.0	-152.4	-522.0	-605.1	83.1
Personnel expenses	-56.1	-47.7	-44.9	-148.7	-152.5	3.8
Other expenses	-33.6	-31.5	-24.6	-89.7	-102.3	12.6
EBITDA	10.2	-3.6	109.2	115.8	88.6	27.2
Adjusted EBITDA	0.7	0.1	2.6	3.4	-2.0	5.4
in % of Revenues	0.3%	0.0%	1.2%	0.5%	-0.2%	0.7%

Revenue Bridge



Comments

- Acquisitions of NEM Energy, Guascor Energy, SMP, Valti and Steyr Motors do not fully compensate the decrease in revenues as a result of the past exits of Nordec Group, Lacroix+Kress and Japy Tech
- EBITDA positively impacted especially by the gain from the exit of SMP
- Improvement in Adjusted EBITDA reflects restructuring successes at SMP and Steyr Motors as well as the continued positive contribution from La Rochette and Clecim; development at Guascor Energy with room for improvement

*) Exited in September 2023

Segment Financials: Goods & Services¹⁾

Turnaround in Adjusted EBITDA led by progress in transformation programs across the segment



EUR million	Q1 2023	Q2 2023	Q3 2023	Q3 2023 YTD	Q3 2022 YTD	Δ
Revenues	190.4	239.6	283.0	713.0	485.2	227.8
Cost of material	-115.4	-121.4	-134.5	-371.3	-313.3	-58.0
Personnel expenses	-57.7	-82.8	-107.2	-247.7	-120.4	-127.3
Other expenses	-20.1	-25.2	-34.0	-79.3	-52.2	-27.1
EBITDA	6.9	231.1	-31.4	206.6	33.8	172.8
Adjusted EBITDA	3.7	10.6	7.5	21.8	10.1	11.7
in % of Revenues	1.9%	4.4%	2.7%	3.1%	2.1%	1.0%

Revenue Bridge



Comments

- Increase in revenues due to recent acquisitions of the business activities of Arriva in Denmark, Poland and Serbia as well as Palmia and REDO
- Terranor Group with significant organic revenue growth in comparison to Q3 2022 YTD
- Strong development of profitability especially at Frigoscandia and Ganter lead to a significant increase in the segment's overall profitability and a positive Adjusted EBITDA

¹⁾ Segment Retail & Food has been established in July 2023. Due to the shift from already existing portfolio companies Lapeyre, keeper Group, FASANA and SABO from the Goods & Services segment to the new segment, the previous period financials have been adjusted and do longer match with prior publications

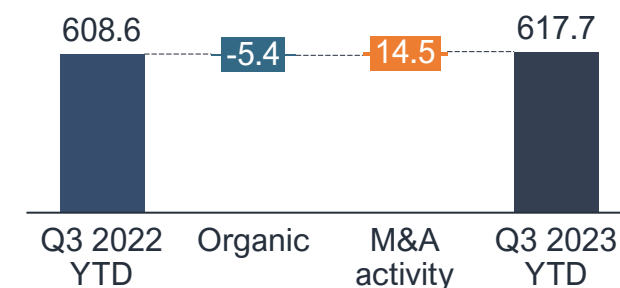
Segment Financials: Retail & Food¹⁾

New segment with beginning of H2 2023



EUR million	Q1 2023	Q2 2023	Q3 2023	Q3 2023 YTD	Q3 2022 YTD	Δ
Revenues	207.0	211.6	199.1	617.7	608.6	9.1
Cost of material	-118.5	-111.4	-103.1	-333.0	-338.9	5.9
Personnel expenses	-48.7	-50.1	-43.7	-142.5	-138.3	-4.2
Other expenses	-64.7	-54.6	-68.3	-187.6	-187.2	-0.4
EBITDA	20.1	-3.6	11.9	28.4	-24.0	52.4
Adjusted EBITDA	-2.3	0.5	-12.2	-14.0	-5.7	-8.3
in % of Revenues	-1.1%	0.2%	-6.1%	-2.3%	-0.9%	-1.3%

Revenue Bridge



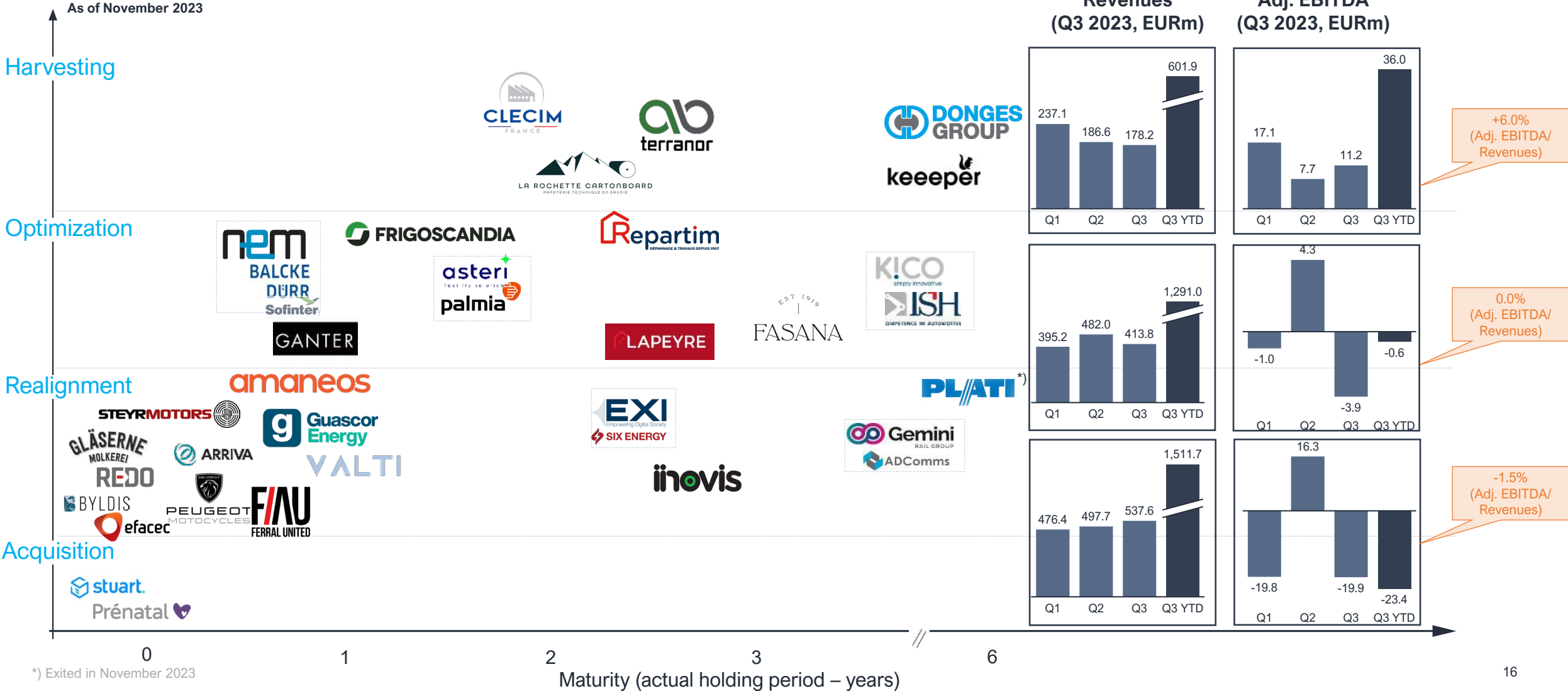
Comments

- Slight increase in revenues due to recent acquisition of Gläserne Molkerei
- Exit of SABO completed in Q3 2023
- Stabilized performance at keeper and FASANA; changed market conditions in the construction sector in France leads to negative contribution in Adjusted EBITDA

1) Segment Retail & Food has been established in July 2023. Due to the shift from already existing portfolio companies Lapeyre, keeper Group, FASANA and SABO from the Goods & Services segment to the new segment, the previous period financials have been adjusted and do longer match with prior publications; 2) Exited in October 2023

Current portfolio allocation to the value creation life cycle

Diversified portfolio in Realignment, Optimization and Harvesting phases





MUTARES

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Outlook

Investment summary



Attractive access to the private equity market



Attractive dividend strategy



Successful track record & proven industry knowledge



High transparency



Focus on growth



Strong share and bond performance



Family and owner managed company



Sustainability oriented

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 and fiscal year

Base dividend
EUR 2.00
(Prev. EUR 1.00)

+

Bonus dividend
→ *dependent on outperformance*

Q&A

Thank you for your questions.



If you want to ask a question, please register in the contact section in the webcast to receive the telephone dial ins.

Please mute yourself on the webcast.

Appendix: Group Financials

Condensed consolidated statement of profit and loss

EUR million	Q3 2023 YTD	Q3 2022 YTD
Revenues	3,402.5	2,677.6
+/- Change in inventories	36.4	-6.1
Other income	599.4	258.4
Cost of material	-2,081.0	-1,729.1
Personnel expenses	-935.9	-642.9
Other expenses	-492.7	-408.7
EBITDA	528.7	149.2
Depreciation & Amortisation	-177.4	-128.4
EBIT	351.4	20.8
Financial result	-41.9	-25.6
Income taxes	3.0	18.9
Net income	312.4	14.1

Appendix: Group Financials

Condensed consolidated balance sheet

EUR million	30/09/2023	31/12/2022
Intangible assets	175.1	143.9
PP&E	1,038.7	764.2
Right of use assets	405.0	375.6
Other	125.1	93.5
Non-current assets	1,744.0	1,377.2
Inventories	596.6	560.7
Trade & other rec.	457.5	407.1
Contract Assets	84.2	46.8
Cash & equivalents	365.4	246.4
Assets held for sale	4.5	115.0
Other	363.4	276.4
Current assets	1,871.6	1,652.4
Total assets	3,615.6	3,029.6

EUR million	30/09/2023	31/12/2022
Total equity	1,057.2	714.0
Financial liabilities	627.6	480.0
Provisions	251.2	213.7
Other	138.4	122.6
Non-current liabilities	1,017.1	816.3
Trade payables	523.4	588.0
Other financial liab.	380.0	366.1
Contract Liabilities	165.8	156.7
Provisions	146.8	109.8
Liabilities held for sale	0.0	97.0
Other	325.4	182.0
Current liabilities	1,541.3	1,499.6
Total equity & liabilities	3,615.6	3,029.6

MUTARES

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