

Mutares in the first half of 2020 with revenue growth of 40% due to brisk transaction activity, COVID-19 with negative impact on profitability

- Group revenues of EUR 620.5 million (H1 2019: EUR 443.2 million) - loss of revenues due to COVID-19 in the portfolio
- Group EBITDA of EUR 41.5 million (H1 2019: EUR 67.1 million) - four completed transactions lead to a gain on bargain purchases of EUR 65.8 million
- Adjusted EBITDA at Group level EUR -16.7 million (H1 2019: EUR 0.0 million) - negative earnings contributions from acquired companies and COVID-19 effects
- Cash and cash equivalents increase to EUR 109.3 million (31 December 2019: EUR 79.7 million) and offer scope for further value-enhancing investments
- Continued brisk transaction activity expected in the second half of 2020 and consolidated revenues of more than EUR 1.5 billion for the full year

Munich, 11 August 2020 - Mutares SE & Co. KGaA (ISIN: DE000A2NB650) looks back on a strong first half-year: despite a challenging market environment due to the COVID-19 pandemic, Mutares SE & Co. KGaA succeeded in further accelerating the high transaction activity of the previous year and increased revenues by 40.0% to EUR 620.5 million (H1 2019: EUR 443.2 million). The high transaction activity could more than compensate for the revenue losses due to the COVID-19 pandemic in numerous portfolio companies. In contrast, lockdowns and the use of short-time working slowed down the planned restructuring and development progress in various portfolio companies. The Group EBITDA of EUR 41.5 million (H1 2019: EUR 67.1 million) reflects the brisk transaction activity: on the buy-side Mutares generated a total of EUR 65.8 million in bargain purchases with four completed transactions. The resulting decline in Adjusted EBITDA₁ to EUR -16.7 million (H1 2019: EUR 0.0 million) is mainly due to the still negative earnings contributions of newly acquired entities as well as negative effects of the COVID-19 pandemic.

Brisk transaction activity in first half of 2020

With a total of eight successful transactions in the first half of 2020, Mutares was able to further increase the frequency of its M&A activities (H1 2019: five transactions). Of these, one transaction completed in the first half of the year and four more already signed on the buy-side lay the foundation for future growth and an increase in the shareholder value. In addition, three transactions on the buy-side, which were already signed last year, were successfully completed in the first half of the year. Three exits, two of which exceeded Mutares' ROIC targets of seven to ten times, underscore Mutares' ability to successfully close transactions even in challenging times. To finance further inorganic growth of the portfolio and value-enhancing investments, Mutares successfully placed a EUR 50.0 million senior secured four-year floating rate bond in February 2020. The bond is listed on the stock exchanges of Frankfurt and Oslo.

Operational successes in some areas despite challenges caused by COVID-19

In the Automotive & Mobility segment, revenue in the first half of 2020 was EUR 216.4 million, the same level as in the same period last year (EUR 214.5 million). Declining sales of the investments, particularly as a result of COVID-19, had a negative impact on profitability. EBITDA for the segment, benefiting from the acquisition of PrimoTECS, amounted to EUR 2.4 million (H1 2019: EUR 12.5 million). Due to the decline in revenues as a result of the lockdown in core markets, adjusted EBITDA was EUR - 13.8 million (H1 2019: EUR + 11.0 million).

The Engineering & Technology segment was much less affected by the corona pandemic but experienced a temporary slump in demand in some areas and delays in the completion of projects. Nevertheless, the Engineering & Technology segment generated revenues of EUR 241.6 million in the first six months of the financial year 2020 (H1 2019: EUR 208.2 million²). The add-on acquisitions of the Donges Group made in the previous year and the acquisitions of Loterios for Balcke-Dürr and Ruukki for Donges, both completed in the first half of 2020, contributed to this result. The increase in EBITDA to EUR 23.1 million (H1 2019: EUR 1.5

million) is mainly due to these two add-on acquisitions. The positive development of the Adjusted EBITDA from EUR -7.2 million (H1 2019) to EUR 0.7 million reflects the positive operational progress of the investments, in particular of the Donges Group.

Revenues of the Goods & Services segment increased significantly in the first half of 2020 to EUR 162.5 million (H1 2019: EUR 20.5 million²). The strong increase in revenues is due to the new platform investments of keeper Group and BEXity in the previous year. EBITDA amounts to EUR 23.2 million (H1 2019: EUR 55.9 million), benefiting from the add-on acquisition for keeper Group. With the exception of TréfilUnion, all investments generated a positive Adjusted EBITDA, that amounts to EUR -1.5 million (H1 2019: EUR -1.7 million) for the segment as a whole.

Operational phase within the Mutares business model	Allocated investments at H1 2020	Revenues in EUR million	Adj. EBITDA in EUR million
Realignment	KICO Group PrimoTECS TréfilUnion BEXity	16.7	-12.7
Optimization	Plati Group keeper group Cenpa Balcke-Dürr Group	130.6	-7.2
Harvesting	Elastomer Solutions Group STS Group Gemini Rail Group Eupec Donges Group	325.3	+5.0

Cash and cash equivalents amounted to EUR 109.3 million as of 30 June 2020 (31 December 2019: EUR 79.7 million). The equity ratio of Mutares Group decreased to 16.3% (31 December 2019: 24.5%) mainly due to the balance sheet extension as a result of the high acquisition activity as well as the successful bond placement in February 2020 and the decrease in equity as a consequence of the negative net result.

In June, Mutares published a further developed communication strategy that focuses on transparency with clear key figures. In addition to increasing revenues in the Group and the holding company, Mutares is aiming for a multiple on the Capital Invested (ROIC) of at least 7-10. Both components contribute to the Company's leading position in dividend yield and to create maximum shareholder value in the future.

General outlook for 2020 confirmed

COVID-19 poses operational challenges for the Mutares Group, but offers significant opportunities, especially on the buy-side. The Management Board expects an increased M&A activity in the second half of 2020 compared to the first six months of the year. After the end of the reporting period, Mutares has already successfully closed two transactions from the first half of the year and has signed a further transaction, which is expected to be completed also in the current financial year. In view of the course of business so far, the Management Board is confident to achieve consolidated revenues of at least EUR 1.5 billion in the financial year 2020. As only about one-third of Mutares' value creation is subject to the classical economic cycle and is based to a large extent on special situations, the Management continues to adhere to its sustainable dividend policy.

¹⁾ Adjusted EBITDA is a key EBITDA performance indicator adjusted for special effects in order to present the operating developments of the subsidiaries in a transparent manner and to make operating earnings power comparable. The calculation is

based on reported Group EBITDA adjusted for transaction-related income (bargain purchases), restructuring and other one-time expenses as well as deconsolidation effects. EBITDA differs significantly along the three phases of value creation that investments typically go through during their membership in Mutares Group (realignment, optimization and harvesting).

2) For better comparability, the previous year's figures of La Meusienne are allocated to the Engineering & Technology segment, although the integration into the Balcke-Dürr Group did not take place until December 2019.

Conference call today at 2 p.m.

A conference call for analysts, investors and press representatives will be held today at 2:00 p.m. (CEST) in English. It is possible to register for the event by e-mail to ir@mutares.com. The webcast presentation can be downloaded from www.mutares.de/investor-relations.

The half-year report 2020 is available for download on the Mutares website at mutares.de/investor-relations/downloads/.

Company profile of Mutares SE & Co. KGaA

Mutares SE & Co. KGaA, Munich (www.mutares.com), acquires medium-sized companies and parts of groups with headquarter in Europe that are being sold in the course of a repositioning process at their owners and show a clear potential for operational improvement. Mutares actively supports and develops its portfolio companies with its own investment and consulting teams as well as through acquisitions of strategic add-ons. The aim is to achieve a clear value increase with a focus on sustainable, long-term growth of the portfolio company. In 2019, Mutares' portfolio companies generated consolidated revenues of EUR 1,016 million and employed more than 6,500 people worldwide. The shares of Mutares SE are listed on Frankfurt Stock Exchange under the ticker symbol "MUX" (ISIN: DE000A2NB650).

For further information:

Mutares SE & Co. KGaA

Investor Relations

Tel.: +49 89 9292 7760

Email: ir@mutares.com

www.mutares.com

Contact Press

CROSS ALLIANCE communication GmbH

Susan Hoffmeister

Tel. +49 89 1250 90330

Email: sh@crossalliance.de

www.crossalliance.de