

Mutares SE & Co. KGaA reports preliminary figures for the financial year 2020 - new record revenue and strong increase in earnings at Holding Level

- **Group revenues grow by 57% to over EUR 1.5 billion (2019: EUR 1.0 billion) thanks to high transaction activity**
- **Dividend-relevant net income at Holding level increases by 48% to EUR 33.4 million (2019: EUR 22.5 million) and already meets target of 2% of Group revenues**

Munich, 17 March 2021 - Mutares SE & Co. KGaA (ISIN: DE000A2NB650) today published preliminary, unaudited figures for the fourth quarter of 2020 and the financial year 2020. The reporting period was characterized by accelerated transaction activity despite the constraints and additional challenges resulting from the COVID-19 pandemic. With a total of eleven acquisitions, including eight platforms and three add-on acquisitions, the Mutares Group significantly drove growth and exceeded the targets it had set itself.

Group revenues and net income of the Holding Company at record level

The strong recovery from the negative impact of the COVID-19 pandemic from the spring accelerated significantly again at the end of the year. In Q4 2020, the Mutares Group recorded a significant growth of 81% in revenues to EUR 522.0 million (Q4 2019: EUR 287.8 million).

Revenues from the Holding Company's consulting business amounted to EUR 8.9 million in the fourth quarter, an increase of 47% year-on-year (Q4 2019: EUR 6.0 million).

The management fees (consisting of consulting revenues and dividends) of the Holding Company increased disproportionately by 62% to EUR 66.5 million (2019: EUR 41.3) and lead to a dividend-relevant net income of EUR 33.4 million (2019: EUR 22.5 million) at the Holding Company level. The target return on sales of 2%, which was announced at the Capital Markets Day in October 2020 for the financial year 2023, was thus already slightly exceeded.

"2020 marked a challenging but absolutely successful year for us. In addition to the very strong growth in Group revenues and Holding Company earnings, we were able to increase our bond issued in 2020 to EUR 80.0 million in the meantime in order to tackle our targets of EUR 3.0 billion in Group revenues and at least EUR 60.0 million in Holding Company earnings even more aggressively by financial year 2023 at the latest. At the same time, we were able to further diversify our portfolio regionally and in the segments in order to be able to achieve our result in any situation," said Johannes Laumann, CIO of Mutares SE & Co. KGaA.

Record year for acquisitions, completion of four exits

In the past financial year, Mutares has driven the expansion of the Group with eight completed platform acquisitions (PrimoTECS, SFC Solutions, Nexive, SABO, Lacroix + Kress, Terranor, iinovis as well as Royal De Boer and Japy Tech). Moreover, Mutares

was able to announce further acquisitions, the closing of which was still pending as of the balance sheet date: agreements were signed to acquire Lapeyre, Primetals Technologies France, Ericsson Italia Services, La Rochette as well as a majority stake of 80% in the Carglass Maison Group.

In addition to the eight completed platform acquisitions, the Balcke-Dürr Group, keeper Group and Donges Group shareholdings were strengthened by further acquisitions as add-ons.

Furthermore, despite the uncertainties caused by the COVID-19 pandemic, Mutares managed to successfully close four exit transactions in financial year 2020, exceeding the targets of a seven to tenfold Return on Invested Capital (ROIC). These include the sale of the Polish company of the Balcke-Dürr Group to the Wallstein Group, the activities of BEXity in the Czech Republic as part of a management buy-out, the sale of KLANN Packaging to the investment holding Accursia Capital, and the sale of the STS Acoustics division.

The year 2021 also got off to an excellent start in the area of exits: In addition to the two transactions completed in January of Balcke-Dürr Rothemühle Deutschland to the Howden Group and the sale of Nexive to Poste Italiane, the sale of the shares in STS Group AG to the Adler Pelzer Group was announced in March.

Group revenues and Group-EBITDA

Group EBITDA, which includes bargain purchase gains, also reflected the brisk transaction activity with growth of 36% to EUR 7.8 million (Q4 2019: EUR 5.9 million). Adjusted EBITDA¹⁾, adjusted for non-recurring items, amounts to EUR -12.3 million (Q4 2019: EUR 1.9 million). This development is due in particular to the negative earnings contributions from new acquisitions and is therefore also a consequence of the high level of transaction activity.

Based on the full year 2020, the Mutares Group achieved revenue growth of 57.0% to EUR 1,595.3 million (2019: EUR 1,015.9 million). In this context, Group EBITDA increased to EUR 142.7 million (2019: EUR 79.2 million), benefiting from the transactions, while full-year Adjusted EBITDA was impacted by the negative earnings contributions of the newly acquired companies as well as the effects of the COVID-19 pandemic and amounted to EUR -28.8 million (2019: EUR 7.5 million).

The Adjusted EBITDA differs significantly along the three phases of value creation that investments usually go through during their ownership of the Mutares Group (Realignment, Optimization and Harvesting).

Operational phase within the framework of the Mutares business model	Allocated investments as of 31 December 2020	Revenues in EUR million	Adj. EBITDA in EUR million
Realignment	Nexive BEXity SFC Solutions Group Lacroix + Kress Terranor Group KICO Group PrimoTECS Royal de Boer & Japy Tech iinovis TréfilUnion SABO	586.2	-39.6
Optimization	Balcke-Dürr Group keepper Group Plati Group Cenpa	274.3	-13.0
Harvesting	Donges Group STS Group Gemini Rail Group Elastomer Solutions Group Eupec	731.9	+29.6

Preliminary, unaudited Group key figures for financial year 2020:

in EUR million	2020	2019
Revenues	1,595.3	1,015.9
EBITDA	142.7	79.2
Income from bargain purchases	-207.8	-102.6
Restructuring and other non-recurring expenses	41.2	30.9
Deconsolidation effects	-4.9	0.0
Adjusted EBITDA	-28.8	7.5
Consolidated annual result	19.7	16.7
Earnings per share ²⁾ (EUR)	1.65	1.37
	As of 12/31/2020	As of 12/31/2019
Balance sheet total	1,327.2	848.5
thereof cash and cash equivalents	145.3	79.9
thereof equity	207.2	208.2
Equity ratio	16%	24%

¹⁾ Adjusted EBITDA is an EBITDA performance indicator adjusted for special factors that presents the operating performance of the shareholdings in a transparent manner and makes operating earnings power comparable. The calculation is based on reported Group EBITDA adjusted for transaction-related income ("bargain purchases"), restructuring and other non-recurring expenses, and deconsolidation effects.

²⁾ Diluted as well as undiluted.

Shareholder Value Creation and Dividend Policy

The capital market strategy communicated in October 2020 includes operating targets for revenues and profitability as well as a split between the basis dividend and the performance dividend. The foundation for the basis dividend is the income from management fees in the reporting year. In addition, the performance dividend represents a further shareholder participation in significant exit successes.

Mutares SE & Co. KGaA will publish the audited figures for the financial year 2020, the annual report and the dividend proposal on 8 April 2021. On this date, the Management will present the business development 2020 and provide an outlook for the financial year 2021.

Company profile Mutares SE & Co. KGaA

Mutares SE & Co. KGaA, Munich (www.mutares.de), as a listed private equity holding company with offices in Munich (HQ), Frankfurt, London, Madrid, Milan, Paris, Stockholm and Vienna, acquires medium-sized companies and parts of larger groups with headquarters in Europe that show a clear potential for operational improvement and are sold again after undergoing a repositioning and stabilization process. Mutares actively supports and develops its portfolio companies with its own investment and consulting teams as well as through acquisitions of strategic add-ons. With for aim a ROIC (Return on Invested Capital) of 7 to 10 times on the total investment with a focus on sustainable growth of the portfolio companies. In 2020, Mutares SE & Co. KGaA generated consolidated revenues of approx. EUR 1.6 billion employing more than 12,000 people worldwide. Based on this, consolidated revenues are expected to increase to approximately EUR 3.0 billion by 2023. Mutares is strongly committed to a sustainable dividend policy consisting of a base dividend and a performance dividend, which has been stable above 10% dividend yield in the past years. The shares of Mutares SE & Co. KGaA are listed on the Frankfurt Stock Exchange under the ticker symbol "MUX" (ISIN: DE000A2NB650).

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