

Mutares publishes Annual Report 2020 – Group revenues at new record level and highest holding result in the Company's history

- **Group revenues at new record level of EUR 1,583.9 million (previous year: EUR 1,015.9 million), up 56% year-on-year**
- **Group EBITDA also at record level of EUR 142.7 million (previous year: EUR 79.2 million)**
- **Dividend-relevant net income at Holding level increases by 48% to EUR 33.4 million (previous year: EUR 22.5 million) and already meets target of 2% of Group revenues**
- **Dividend proposal of EUR 1.50 per share underlines sustainable and performance-oriented dividend policy**

Munich, 8 April 2021 - Mutares SE & Co. KGaA (ISIN: DE000A2NB650) has published its annual report for the year 2020. Despite the restrictions imposed by COVID-19, the financial year 2020 was characterized by accelerated transaction activity, as evidenced by a total of eleven successfully completed acquisitions, including eight platform and three add-on acquisitions. Due to the positive business development, the Management Board and the Supervisory Board will propose to the Annual General Meeting on 20 May 2021, a dividend consisting of a basis dividend plus a performance dividend totaling to EUR 1.50 per share.

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). In addition, the portfolio companies Balcke-Dürr Group, keeeper Group and Donges Group were strengthened through further add-on acquisitions.

In addition to the eleven completed acquisitions, Mutares was able to announce further acquisitions for which closing took place after the balance sheet date or is still pending: Agreements were signed for the acquisition of Lapeyre, Clecim France (formerly: Primetals Technologies France), EXI (formerly: Ericsson Italia Services), La Rochette and a majority stake of 80% in the Carglass Maison Group.

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 buyout, 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 with regard to 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.

Annual net profit of the Holding Company at record level

The management fees (consisting of consulting revenues and dividends) of the Holding Company increased disproportionately by 61% to EUR 66.5 million (previous year: EUR 41.3 million) and led to a dividend-relevant net income of EUR 33.4 million (previous year: EUR 22.5 million) at the Holding Company level. The target figure for the total return on revenues of 2%, which was announced at the Capital Markets Day in October 2020 for the financial year 2023, was thus already slightly exceeded. Due to the positive business development, the Management Board and Supervisory Board will propose to the Annual General Meeting on 20 May 2021, a dividend consisting of a basis dividend plus a performance dividend totaling to EUR 1.50 per share.

Group revenues and Group EBITDA at record levels

In the financial year 2020, the Mutares Group achieved revenue growth of 56% to EUR 1,583.9 million (previous year: EUR 1,015.9 million). Group EBITDA, which includes gains from bargain purchases, grew by 80% to EUR 142.7 million (previous year: EUR 79.2 million), reflecting the brisk transaction activity. Adjusted EBITDA¹⁾ adjusted for one-off effects amounted to EUR -28.8 million (previous year: EUR 7.5 million). This development is mainly due to the negative earnings contributions of the new acquisitions and thus also a consequence of the high transaction activity.

Group key figures for the financial year 2020:

in EUR million	2020	2019
Revenues	1,583.9	1,015.9
EBITDA	142.7	79.2
Income from bargain purchases	-207.8	-102.6
Restructuring and other non-recurring expenses	41.1	31.0
Deconsolidation effects	-4.9	0.0
Adjusted EBITDA¹⁾	-28.8	7.5
Consolidated annual result	19.7	16.7
Earnings per share ²⁾ (EUR)	1.78	1.37
	31.12.2020	31.12.2019
Balance sheet total	1,327.2	848.5
thereof cash and cash equivalents	145.3	79.7
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.

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 keeper Group Plati Group Cenpa	274.3	-13.0
Harvesting	Donges Group STS Group Gemini Rail Group Elastomer Solutions Group EUPEC	720.5	+29.6

Gratifying operational development

Key figures 2020 by segments:

in EUR million	Revenues	Adjusted EBITDA
Automotive & Mobility	602.4	-13.3
Engineering & Technology	534.7	7.6
Goods & Services	446.7	-17.0
Corporate & Consolidation	0,0	-6.1
Total	1,583.9	-28.8

Revenues in the **Automotive & Mobility** segment climbed to EUR 602.4 million (previous year: EUR 450.4 million) due to the inclusion of the new platform investments. Segment EBITDA amounted to EUR 65.7 million (previous year: EUR 13.6 million). This includes gains from bargain purchases from the platform acquisitions of SFC Solutions Group, PrimoTECS and iinovis. Adjusted EBITDA adjusted for special effects declined (EUR -13.3 million; previous year: EUR 15.6 million) due to the negative impact of the COVID-19 pandemic and the still negative earnings contributions from the new acquisitions.

The **Engineering & Technology** segment recorded an increase in revenues to EUR 534.7 million in 2020 (previous year: EUR 482.0 million). The increase is due to the full-year effect of the add-on acquisitions made in the course of the previous year and

the first-time inclusion of the platform investment Lacroix + Kress acquired in the financial year 2020. The significant increase in EBITDA to EUR 59.7 million (previous year: EUR -3.8 million) is also attributable to this. The significant increase in Adjusted EBITDA to EUR 7.6 million (previous year: EUR 4.7 million) primarily reflects the successfully completed restructuring at the Donges Group, while the Balcke-Dürr Group and EUPEC burdened the operating result with lower activity in the context of the COVID-19 pandemic.

Revenues of the **Goods & Services** segment amounted to EUR 446.7 million in the financial year 2020 (previous year: EUR 83.5 million). Three platform investments strengthened the segment: Nexive Group, Terranor Group and SABO. EBITDA amounted to EUR 29.0 million (previous year: EUR 79.5 million), Adjusted EBITDA was EUR -17.0 million (previous year: EUR -7.3 million) and influenced in particular by the still negative earnings contributions of the new investments in the financial year 2020.

Outlook

Against the background of the acquisitions of the current financial year 2021 completed and signed by the preparation date and the planning of the individual segments, the Management Board expects a significant increase in revenues for the Mutares Group in the financial year 2021. All three segments are again expected to contribute to this. At the same time, the Management Board also confirms the communicated expectations for the annual result of Mutares SE & Co. KGaA ("Mutares Holding") of an exit-independent net return on Group revenues of 1%. This is based on management fees (consisting of consulting revenues and dividends). Based on current planning, the Management Board assumes that the ability of Mutares SE & Co. KGaA to pay dividends is also ensured for the financial year 2021 at least at the level of market expectations.

Invitation to Annual General Meeting with dividend proposal

The Management Board and Supervisory Board have decided to propose to this year's Annual General Meeting on 20 May 2021 that the shareholders of Mutares SE & Co. KGaA participate appropriately in the success of the successful financial year 2020. A dividend of EUR 1.50 per share will therefore be proposed to the Annual General Meeting. It will consist of a basis dividend of EUR 1.00 per share and a performance dividend of EUR 0.50 per share. Based on the closing price of the Mutares share as of March 31, 2021, the planned distribution corresponds to a dividend yield of 7.5%.

Conference call today at 14:00

A conference call (webcast) in English will be held today at 2:00 pm (CEST) for analysts, investors and members of the press. Registrations for this are possible by e-mail to ir@mutares.de. The presentation shown via webcast can be downloaded at <https://mutares.de/en/investor-relations/>.

The Annual Report 2020 is available for download on the Mutares website at <https://mutares.de/en/investor-relations/#download>.

Company profile Mutares SE & Co. KGaA

Mutares SE & Co. KGaA, Munich (www.mutares.com), 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. 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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