

Mutares with new revenue record after the first nine months 2021 - full transaction pipeline in combination with successful capital increase accelerates growth course

- Mutares' consulting revenues grows 55% to record EUR 35.6 million (Q3 2020 YTD: EUR 23.0 million)
- Group revenues up 64% to EUR 1,762.7 million (Q3 2020 YTD: EUR 1,073.3 million)
- Full transaction pipeline and successfully placed capital increase lay foundation for accelerated growth
- Successful uplisting to the Prime Standard of the Regulated Market
- Forecast for the full year 2021 and increased guidance until 2023 reaffirmed

Munich, 9 November 2021 - Mutares SE & Co. KGaA (ISIN: DE000A2NB650) ("**Mutares**" and, together with its consolidated subsidiaries, "**Group**") generated consolidated revenues of EUR 1,762.7 million in the first nine months of financial year 2021 (Q3 2020 YTD: EUR 1,073.3 million). The significant revenue growth is primarily based on the continued high level of transaction activity, with ten acquisitions already completed.

Group EBITDA more than tripled year-on-year - also due to the high transaction activity - and amounted to EUR 496.5 million in the first nine months of financial year 2021 (Q3 2020 YTD: EUR 134.7 million). Adjusted EBITDA¹⁾ adjusted for special effects amounted to EUR -30.3 million (Q3 2020 YTD: EUR -16.6 million). As expected, the still negative earnings contributions from the recently acquired investments more than compensated for the restructuring successes at the existing investments.

Cash and cash equivalents in the Group amounted to EUR 171.2 million as of 30 September 2021 (31 December 2020: EUR 145.3 million), and the equity ratio of Mutares Group increased significantly to 27% compared to 16% as of 31 December 2020.

Mutares also recorded revenue growth of 55% to EUR 35.6 million (Q3 2020 YTD: EUR 23.0 million) in the first nine months of 2021 as a result of the portfolio being expanded through the transactions. The net result amounted to EUR 17.6 million (Q3 2020 YTD: EUR -5.6 million), mainly due to the profit contribution from the sale of the shares in STS Group AG.

High dynamics in transactions

The high momentum in transaction activity from the first half of 2021 continued in the third quarter. In total, Mutares successfully completed five exits and ten acquisitions in the first nine months of the financial year:

Following the sale of Balcke-Dürr Rothemühle to the Howden Group, of Nexive to Poste Italiane and the shareholding in STS Group AG to the Adler Pelzer Group in the first half of 2021, the exits of Cenpa as well as TréfilUnion, EUPEC and La Meusienne took place in the third quarter. The initiated sale of Norsilk to Protac was also successfully completed after 30 September 2021.

In addition, Mutares has consistently exploited the opportunities on the acquisition side in the first nine months of 2021 and made a total of ten acquisitions. The closing of the acquisitions of Rasche Umformtechnik GmbH & Co. KG as an add-on for PrimoTECS and Ganter Construction & Interior GmbH as a new platform acquisition for the segment Goods & Services also took place in the meantime. The announced acquisition of Toshiba Transmission & Distribution Europe S.p.A. as an add-on for Balcke-Dürr Group and the acquisition of Allianceplus AB as a new platform are still expected for the fourth quarter of financial year 2021.

Full transaction pipeline

The current market situation still offers unique opportunities to accelerate growth and strongly increase shareholder value. The M&A pipeline is currently very well filled with a large number of interesting projects with a cumulative revenue volume of around EUR 9 billion and offers Mutares numerous opportunities. In order to best exploit these unique opportunities, Mutares successfully placed a capital increase with a volume of around EUR 100 million in October 2021. In this context, Mutares was also uplisted to the Regulated Market (Prime Standard), which is associated with the highest transparency standards. This makes the Mutares share accessible to a broader and more international group of investors.

The growth plans at Mutares are also accompanied by an expansion of the regional presence: At the beginning of November, the ninth M&A location in Europe was opened in Amsterdam, with which the expansion in the Benelux region is to be driven forward. Further branches in Finland and Poland are currently being planned. The increased coverage of Europe should contribute to the achievement of the growth targets in accordance with the increased guidance until 2023.

Revenues grow significantly in all segments

In the **Automotive & Mobility** segment, revenues in the first nine months of financial year 2021 were EUR 508.8 million (Q3 2020 YTD: EUR 394.3 million). The main reason for the significant growth is the contribution of SFC Solutions and LMS, but also a slight organic revenue growth after the slump due to the COVID-19 pandemic in financial year 2020. The segment's EBITDA of EUR 95.2 million was above the prior-year figure (Q3 2020 YTD: EUR 56.8 million) due to the effects from favorable acquisitions ("bargain purchase") of LMS and ISH. Adjusted EBITDA adjusted for special effects improved to EUR -10.5 million (Q3 2020 YTD: EUR -16.7 million), to which the STS Group, which has since been sold, and KICO Group contributed in particular.

The **Engineering & Technology** segment recorded an increase in revenue to EUR 650.1 million in the first nine months of the financial year 2021 (Q3 2020 YTD: EUR 388.4 million). The new acquisitions, including Lacroix + Kress and La Rochette Cartonboard, were the main contributors to the increase. In the reporting period, segment EBITDA reached EUR 48.1 million (Q3 2020 YTD: EUR 27.3 million), driven in particular by the acquisitions of Clecim and La Rochette and the exit of Balcke-Dürr Rothemühle. Adjusted EBITDA was EUR -9.9 million compared to EUR 7.0 million in the previous year, also due to the still negative earnings contributions from the new acquisitions.

Revenues in the **Goods & Services** segment grew to EUR 603.3 million in the first nine months of financial year 2021 (Q3 2020 YTD: EUR 290.6 million). The increase is mainly due to the acquisitions of Lapeyre, Terranor and SABO. Segment EBITDA amounted to EUR 379.2 million (Q3 2020 YTD: EUR 56.6 million). The disposal of Nexive and the acquisition of Lapeyre had a positive effect here. Adjusted EBITDA was EUR -11.6 million after nine months in the financial year 2021 (Q3 2020 YTD: EUR -6.0 million). The still negative earnings contributions from the new acquisitions more than compensate for the pleasing restructuring successes at BEXity, Terranor and SABO.

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

Operational phase within the framework of the Mutares business model	Allocated investments as of 30 September 2021	Revenues in EUR million	Adj. EBITDA ¹⁾ in EUR million
Realignment	▪ Lapeyre ▪ LMS ▪ Royal de Boer & Japy Tech ▪ iinovis ▪ EXI ▪ Clecim ▪ Repartim Group	402.6	-38.7
Optimization	▪ Balcke-Dürr Group ▪ Gemini Rail Group & ADComms ▪ ESF Industrial Solutions Group ▪ Lacroix + Kress ▪ Terranor Group ▪ KICO Group and ISH ▪ PrimoTECS Group ▪ SABO ▪ La Rochette Cartonboard	676.8	-19.3
Harvesting	▪ Donges Group ▪ BEXity ▪ keeper Group	682.8	26.0

Outlook

Based on the high level of transaction activity and the overall successful development in the course of financial year 2021 to date, the Management Board continues to expect an extraordinary increase in consolidated revenues to at least EUR 2.4 billion in financial year 2021, with all segments contributing to revenue growth. Compared to the financial year 2020, growth of more than 50% is thus planned.

This guidance is subject to certain uncertainties in connection with the further development of the COVID-19 pandemic and, as a result, in particular the supply situation for raw materials and precursors. With limited capacities, the high demand means that the supply situation within the supply chains could remain tense. Although Mutares has taken precautionary measures in the portfolio companies, there is a risk of supply bottlenecks for individual portfolio companies in case of further aggravation.

The Management Board continues to expect that a dividend at least at the level of the market expectation is also ensured for the financial year 2021, in particular through successful exits.

Through the capital increase completed in October, Mutares has secured the financial flexibility to fully exploit the opportunities arising from the well-filled transaction pipeline. Therefore, the Management Board also confirms the medium-term Group revenues target for the financial year 2023 of at least EUR 5 billion, which was increased in September 2021, as well as the target to achieve a net result at Mutares level in the range of 1.8% to 2.2% of Group revenues.

Conference call today at 2:00 p.m.

A video and telephone conference (webcast) in English will be held today at 2:00 p.m. (CET) for analysts, investors and members of the press. Registration for this event is possible by sending an e-mail to ir@mutares.de. The webcast presentation can be downloaded at www.mutares.de/investor-relations.

¹⁾ Adjusted EBITDA is an EBITDA performance indicator adjusted for special factors. The calculation is based on reported Group EBITDA adjusted for transaction-related income (bargain purchases), restructuring and other non-recurring expenses, and deconsolidation effects.

Company profile of Mutares SE & Co. KGaA

Mutares SE & Co. KGaA, Munich (www.mutares.com), as a listed private equity holding company with offices in Munich (HQ), Amsterdam, Frankfurt, London, Madrid, Milan, Paris, Stockholm and Vienna, acquires small- and medium-sized companies and parts of groups in special situations with headquarters in Europe that show significant 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 operations teams as well as through acquisitions of strategic add-ons. With a focus on sustainable growth of the portfolio companies, the objective is to achieve a significant increase in value with a ROIC (*return on invested capital*) of 7 to 10 times on the total investment. In the financial year 2020, Mutares generated consolidated annual revenues of around EUR 1.6 billion with more than 12,000 employees worldwide in the Group. For the financial year 2021, consolidated revenues of at least EUR 2.4 billion are already expected. Based on this, consolidated revenues are to be expanded to at least EUR 5 billion by 2023. As the portfolio grows, so do consulting revenues, which together with portfolio dividends and exit proceeds accrue to the Mutares Holding. At this level, the medium- to long-term target for dividend-relevant net income is 1.8% to 2.2% of consolidated revenues. Mutares is strongly committed to a sustainable dividend policy consisting of a base dividend and an exit-dependent 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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