

Financial year 2021: Net income of Mutares Holding rises to record level of EUR 50.7 million, further increase to at least EUR 72.0 million expected for 2022

- Revenues from consulting services and management fees of Mutares Holding grow by 58% to record level of EUR 50.5 million (previous year: EUR 31.9 million)
- Net income of Mutares Holding for financial year 2021 increases by 52% to EUR 50.7 million (previous year: EUR 33.4 million)
- Net income per share of EUR 2.46 (previous year: EUR 2.16), dividend of EUR 1.50 per share planned (previous year: EUR 1.50)
- Group revenues up 58% to EUR 2,504.0 million (previous year: EUR 1,583.9 million), Group EBITDA at EUR 566.5 million (previous year: EUR 142.7 million)
- Transaction pipeline with revenue volume of around EUR 11 billion
- Robust business model enables current forecast for net income of Mutares Holding for financial year 2022 between EUR 72 and 88 million with consolidated revenues of at least EUR 4 billion; guidance for financial year 2023 confirmed

Munich, 12 April 2022 – Mutares SE & Co. KGaA (ISIN: DE000A2NB650) today published its figures for the financial year 2021. Both on the level of the Company itself ("Mutares Holding") as well as in the Group ("Mutares Group") new record figures were registered.

High net income in Mutares Holding and dividend proposal of EUR 1.50 per share

The revenues of the **Mutares Holding**, which result from consulting services and management fees from the portfolio companies, increased to EUR 50.5 million in financial year 2021 (previous year: EUR 31.9 million). The 58% increase is due to the high transaction activity with 14 completed acquisitions and the correspondingly larger portfolio. The bottom line was a net income of EUR 50.7 million after EUR 33.4 million in the previous year or EUR 2.46 per share¹ (previous year: EUR 2.16).

The shareholders are to participate in the successful development and the lucrative exit transactions with above-plan ROIC in financial year 2021, above all the sale of the STS Group to the Adler Pelzer Group with a contribution to the net income of the Mutares Holding of EUR 25.4 million, in accordance with the sustainable dividend policy. The Management Board therefore proposes to distribute a dividend of EUR 1.50 per share for financial year 2021 (previous year: EUR 1.50 per share). Especially in challenging times - in particular against the backdrop of uncertainty due to the armed conflict in Ukraine, ongoing turbulences on the commodity markets and not yet fully overcome restrictions due to the COVID-19 pandemic - this underlines the robustness of the Mutares business model and the strong commitment of the Management Board to let the shareholders further participate in the success.

Furthermore, the Management will propose to the Annual General Meeting that Raffaella Rein be appointed as a new member to succeed Prof. Dr. Micha Bloching. Due to her education (CFA, Investment Management Certificate), Raffaella Rein has relevant competences in the field of investments and investment management. Due to her many years of experience as an entrepreneur, she is familiar with a large number of topics relevant for Mutares SE & Co. KGaA. Additionally, she has international experience and expertise in the fields of digitalization and sustainability.

"We would like our shareholders to participate in the outstanding success of Mutares also for the financial year 2021. In view of the current overall situation, we consider a dividend policy with a sense of proportion to be appropriate and feel well positioned to continue the Mutares

¹ In relation to the total number of shares as of 31 December 2021, including treasury shares held by the Company.

success and growth story. I am very proud of my employees and what we have achieved together in 2021," says Robin Laik, founder and main shareholder of Mutares SE & Co. KGaA.

Record figures also at Group level

At Group level, Mutares generated consolidated revenues of EUR 2,504.0 million in financial year 2021 (previous year: EUR 1,583.9 million). The significant growth is in particular the result of the sustained high acquisition activity.

Group EBITDA (earnings before interest, taxes, depreciation and amortization) amounted to EUR 566.5 million in financial year 2021 (previous year: EUR 142.7 million). The increase, almost quadrupling the previous year's figure, was mainly driven by the very high transaction activity and the bargain purchase gains associated with the extensive acquisitions.

Adjusted EBITDA² amounted to EUR -41.3 million (previous year: EUR -28.8 million) and was impacted in particular by price increases on the procurement markets and the still negative earnings contributions from the investments acquired in the past twelve months. Despite the COVID-19 pandemic, which has now been ongoing for two years, and major challenges on the procurement markets, key portfolio companies performed well in 2021. Comprehensive operational improvement programs were developed and implemented during 2021, with BEXity, Lacroix + Kress, KICO Group, SABO and Terranor Group, in particular, performing very well. The restructuring at Lapeyre is also progressing very promisingly to date.

Cash and cash equivalents in the Group amounted to EUR 255.1 million as of 31 December 2021 (31 December 2020: EUR 145.3 million). The equity ratio increased to 29% compared to 16% as of 31 December 2020, benefiting from the capital increase and a positive consolidated result for financial year 2021.

High momentum in acquisitions and exits

The financial year 2021 was the most transaction-rich year in the history of Mutares. On the acquisition side, Mutares successfully completed a total of 14 acquisitions in the three segments Automotive & Mobility, Engineering & Technology and Goods & Services. With EXI, Clecim, Repartim, Lapeyre, La Rochette, ADComms, Innomotive Systems Hainichen, Ganter Construction & Interiors, LMS, Asteri and Frigoscandia, Mutares completed eleven platform investments and with Permasteelisa España, Rasche Umformtechnik and NCC Road Services in Denmark three add-on investments for Donges Group, PrimoTECS Group and Terranor Group. The acquisition of Toshiba Transmission & Distribution Europe, agreed in the fourth quarter of the financial year 2021, was completed after the balance sheet date in the first quarter of 2022; the company now operates as Balcke-Dürr Energy Solutions. The closing of the acquisition of Sealynx International announced in November 2021 as an add-on acquisition for the SFC Solutions Group, which in turn is allocated to the ESF Industrial Solutions Group in the Automotive & Mobility segment, is expected to be completed in the second quarter of 2022.

The increasing maturity of the investments in the life cycle of the Mutares business model is also reflected in the numerous transactions on the exit side. In total, Mutares was able to transfer six companies into the hands of new owners in financial year 2021. Thus, Balcke-Dürr Rothemühle Germany was successfully sold to Howden Group, Nexive to Poste Italiane and STS Group to Adler Pelzer Group. This was followed by the exits of TréfilUnion, EUPEC and La Meusienne to LiCap and of Cenpa to Accursia Capital. Finally, Donges Group sold its

² 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.

subsidiary Norsilk to Protac. The closing of the sale of BEXity to Raben Group, which had already been agreed in December, took place after the closing date in February 2022.

Full transaction pipeline with promising acquisition opportunities also for financial year 2022

In the first quarter of 2022, agreements have already been signed for two transactions: the acquisition of Vallourec Bearing Tubes from Vallourec and the ATI Sheffield business from Allegheny Technologies Incorporated as new platform investments for the Engineering & Technology segment. Further material acquisitions are at an advanced stage with revenue volumes approaching EUR 1.0 billion and Mutares is confident to announce additional transactions during the second quarter of 2022. The current pipeline comprises a revenue volume of more than EUR 11.0 billion and mainly relates to the Automotive & Mobility and Engineering & Technology segments, well-balanced across all active markets. The published medium-term forecast of at least EUR 5 billion in consolidated revenues in financial year 2023 can therefore be confirmed. On the exit side, Mutares continues to evaluate possible options for the exit-ready investments of the portfolio, in particular for the Donges Group, one of Europe's leading full-service providers of steel bridges, steel structures as well as roof and facade systems, including a possible IPO of the Donges Group or individual parts thereof. Until a final decision has been made, the Donges Group will continue to focus on implementing its strategy of profitability and growth.

Positive development in the segments

In the **Automotive & Mobility** segment, revenues increased to EUR 719.9 million in financial year 2021 (previous year: EUR 602.4 million). The main reason for the significant growth is the contribution from the acquisitions of LMS in the financial year 2021 and SFC Solutions in the previous year. The segment's EBITDA of EUR 86.4 million was higher than the previous year's figure of EUR 65.7 million due to the gains from bargain purchases of LMS and ISH. Adjusted EBITDA adjusted for special effects amounted to EUR -20.0 million (previous year: EUR -13.3 million) due to higher raw material and energy prices and the still negative earnings contributions from the new acquisitions.

The **Engineering & Technology** segment recorded an increase in revenues to EUR 871.9 million in the reporting year (previous year: EUR 534.7 million). The main contributors to the increase were the acquisitions from the reporting year and the previous year, including Lacroix + Kress and La Rochette Cartonboard. Segment EBITDA reached EUR 64.3 million in the reporting period (previous year: EUR 59.6 million), benefiting in particular from bargain purchase gains from the acquisitions of Clecim and La Rochette and the exit of Balcke-Dürr Rothemühle. Adjusted EBITDA was EUR -2.0 million, compared to EUR 7.6 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 912.4 million in financial year 2021 (previous year: EUR 446.7 million). The increase is mainly due to the acquisitions of Lapeyre, Terranor and SABO. Segment EBITDA amounted to EUR 450.8 million (previous year: EUR 29.0 million). Above all, the positive consolidation effects from the acquisition of Lapeyre and the sale of Nexive had a positive impact on this. Adjusted EBITDA was EUR -13.2 million in financial year 2021 (previous year: EUR -17.0 million). The still negative earnings contributions from the new acquisitions more than offset the pleasing restructuring successes at BEXity, Terranor Group and SABO.

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

Operational phase within the framework of the Mutares business model	Allocated investments as of 31 December 2021 ³	Revenues in EUR million	Adj. EBITDA in EUR million
Realignment	<ul style="list-style-type: none"> ▪ Lapeyre ▪ LMS ▪ Royal de Boer & Japy Tech ▪ iinovis ▪ EXI ▪ Clecim ▪ Repartim ▪ FASANA ▪ Ganter ▪ Asteri ▪ Frigoscandia 	748.1	-45.7 (-6.1%)
Optimization	<ul style="list-style-type: none"> ▪ Balcke-Dürr ▪ Gemini Rail & ADComms ▪ ESF Industrial Solutions ▪ Lacroix + Kress ▪ Terranor ▪ KICO and ISH ▪ PrimoTECS ▪ SABO ▪ La Rochette Cartonboard 	939.0	-21.8 (-2.3%)
Harvesting	<ul style="list-style-type: none"> ▪ BEXity ▪ Donges ▪ keeper 	817.1	+32.3 (+4.0%)

³ The investments sold in the course of the financial year 2021 contribute pro rata temporis, i.e. until completion of the respective exit, to revenue and adjusted EBITDA in the respective value creation phase.

Outlook

Mutares achieved another record year in 2021 in the most difficult market environment. This is not only a confirmation of the growth strategy combined with the robustness of a broad, risk diversified portfolio and business model, but also the basis for the further growth story on the way to another record year in 2022.

The net income of Mutares SE & Co. KGaA is regularly expected to be in a range of 1.8% to 2.2% of the consolidated revenues of the Mutares Group. Based on expected revenues for the Mutares Group of at least EUR 4 billion, the Management Board therefore expects a net income of EUR 72 million to EUR 88 million in financial year 2022, with a contribution of the portfolio income⁴ of EUR 80 million to EUR 100 million. Based on the current planning, the Management Board thus assumes that a sufficiently high net income can also be achieved for financial year 2022 in order to ensure the ability of Mutares SE & Co. KGaA to pay dividends at least at the level of market expectations.

At the same time, the conflict between Russia and Ukraine, which started with the military invasion of Russian forces on 24 February 2022, leads to great uncertainty regarding the future geopolitical and economic development. Although the direct effects of this conflict only affect a small share of the Mutares Group's revenue with customers in Ukraine and the Ukrainian plant of the Plati Group, the indirect effects - in particular due to the international sanction measures on the supply chains of the portfolio companies and the demand for their products and services by their customers - cannot be reliably estimated at present. The Management Board's forecast therefore also expressly assumes that risks from the armed conflict between Russia and Ukraine will not materialize to an extent significant for the financial position, performance and cash flows of Mutares.

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. (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 is available to download at <https://ir.mutares.de/en/veroeffentlichungen/>.

Company profile of Mutares SE & Co. KGaA

Mutares SE & Co. KGaA, Munich (www.mutares.de), as a listed private equity holding company with offices in Munich (HQ), Amsterdam, Frankfurt, London, Madrid, Milan, Paris, Stockholm and Vienna, acquires medium-sized companies in special situations, based in Europe, which show significant operational improvement potential and are sold again after undergoing a repositioning and stabilization process. Mutares actively supports and develops the 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 return on invested capital (ROIC) of 7 to 10 times on the total investment. In the financial year 2021, the Mutares Group generated consolidated revenues of EUR 2.5 billion with an average of around 14,000 employees worldwide. For the financial year 2022, consolidated revenues of at least EUR 4 billion are 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

⁴ Revenues and dividends from the portfolio result in portfolio income.

portfolio dividends and exit proceeds accrue to the Mutares Holding. At this level, the medium- to long-term target for the Holding Company's dividend-relevant net income is in a range of 1.8% to 2.2% of consolidated revenues. Mutares relies strongly on a sustainable dividend policy consisting of a base dividend and a performance dividend. The Management Board and Supervisory Board together hold more than one third of all Mutares shares with voting rights. The shares of Mutares SE & Co. KGaA are traded on the Regulated Market of the Frankfurt Stock Exchange under the symbol "MUX" (ISIN: DE000A2NB650).

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