

Mutares increases consolidated revenues by 60% in the first half of the year – Target of at least EUR 4.0 billion consolidated revenues for 2022

- Revenues from consulting services and management fees of Mutares Holding climb by more than 25% to EUR 28.7 million in the first half of 2022 (H1 2021: EUR 22.8 million)
- Net Income of Mutares Holding in the first half of 2022 at EUR 14.2 million (H1 2021: EUR 19.9 million)
- Group revenues increase by 60% to record level of EUR 1,754.6 million (H1 2021: EUR 1,093.9 million)

Munich, 11 August 2022 – Mutares SE & Co. KGaA (ISIN: DE000A2NB650) ("Mutares" or "Mutares Holding" and, together with its subsidiaries, "Mutares Group") today published its figures for the first half of the financial year 2022. The business performance in the first six months of the financial year 2022 was characterized in particular by further high transaction momentum.

Successful development at Holding and Group level

Mutares Holding's revenues from consulting services to affiliated companies and management fees increased by more than 25% to EUR 28.7 million in the first half of 2022 (H1 2021: EUR 22.8 million). The increase is a consequence of the high transaction activity in the past and a resulting enlarged portfolio. Revenues and dividends from the portfolio result in the so-called "Portfolio Income", which amounts to EUR 32.6 million for the first half of 2022 (H1 2021: EUR 23.0 million). As a result, the Net Income for the first half of 2022 amounts to EUR 14.2 million, compared to EUR 19.9 million in the same period of the previous year. The decrease is mainly attributable to the positive effect from the sale of shares in STS Group AG in the prior-year period.

The **Mutares Group** generated revenues of EUR 1,754.6 million in the first half of 2022 (H1 2021: EUR 1,093.9 million). The increase is mainly due to the high acquisition activity in the second half of 2021 as well as in the reporting period itself. Bargain purchases were again a key driver of the Group's EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization), which amounted to EUR 66.0 million in the first half of 2022. Group EBITDA of EUR 411.5 million in the first half of 2021 was mainly driven by the gain on the acquisition of Lapeyre. Adjusted EBITDA, adjusted in particular for the effects of business model-immanent regular changes in the composition of the portfolio, amounted to EUR -32.9 million for the first half of 2022 (H1 2021: EUR -4.6 million) and was heavily impacted by external conditions, first and foremost declining revenue volumes and significant price increases in the area of energy and raw materials, particularly in the Automotive & Mobility segment. In the second quarter of the financial year 2022, however,

profitability improved substantially compared to the beginning of the year, particularly in the Goods & Services segment.

High transaction dynamics on buy and sell side

On the transaction side, Mutares continues to show high momentum as announced: Thus, four acquisitions were successfully completed in the first half of 2022 and the portfolio was expanded accordingly. Toshiba Transmission & Distribution Europe, which now operates under the name Balcke-Dürr Energy Solutions, has strengthened the Balcke-Dürr Group as an add-on acquisition since February 2022. Frigoscandia completed the acquisition of Polar Frakt, a provider of logistics services in Norway, in April 2022. Mutares acquired a supplier of robust quality products in low-alloy steels, stainless steels, and nickel-based superalloys as a new platform investment in the Engineering & Technology segment with the acquisition of the Sheffield business of Allegheny Technologies Incorporated, now operating as Special Melted Products. Another platform was added with the acquisition of Vallourec Bearing Tubes under the future name VALTI.

In addition, Mutares signed agreements for four further platform acquisitions in the first half of 2022, which are expected to be completed in the second half of 2022. After the end of the first half of 2022, the acquisition of Sealynx International as an add-on acquisition for the SFC Solutions Group was completed and another add-on acquisition was signed with Sirti Energia, which is strengthening EXI in the Goods & Services segment.

On the exit side, two successful sales were already reported in the first half of 2022: The sale of the BEXity shares to the Dutch logistics company, the Raben Group, was completed at the end of February 2022. In June 2022, Frigoscandia also completed the sale of its French subsidiary to the French logistics company Olano Services.

Challenges due to external framework conditions

The aftermath of the COVID-19 crisis, the abnormal situation on the commodity markets and the war in Ukraine have a negative impact on the earnings as well as the cash flows of the portfolio companies in the Mutares Group. The war in Ukraine with all its indirect effects such as disruptions in supply chains, significant price increases for raw materials, intermediate products and energy, as well as the overall resulting weakening of the economy negatively affects the business performance in the Mutares Group.

Mutares has taken numerous measures with the entire management team and the management and staff of the portfolio companies to mitigate the direct and indirect effects on liquidity and profitability. Nevertheless, the Management Board believes that the future development of the portfolio companies and the Group as a whole in terms of financial position, net assets and earnings will be significantly influenced by the

further course of the war in Ukraine and the aforementioned indirect effects on supply chains, procurement prices and the overall economic situation.

Revenue growth in all three segments

Revenues in the **Automotive & Mobility** segment amounted to EUR 457.5 million in the reporting period (H1 2021: EUR 353.0 million). The revenue contributions of Light Mobility Solutions, which was acquired in the second half of 2021, were the main reason for the significant increase in the segment's revenues. Segment EBITDA amounted to EUR -40.3 million in the first half of 2022 (H1 2021: EUR -2.6 million), while Adjusted EBITDA was EUR -36.5 million (H1 2021: EUR 4.7 million). Both key figures were negatively impacted by external factors, in particular declining revenue volumes and significant price increases in the area of energy and raw materials.

The investments of the **Engineering & Technology** segment generated revenues of EUR 551.2 million in the first half of 2022 (H1 2021: EUR 413.1 million). The full inclusion of the investments acquired during the first half of 2021 (La Rochette Cartonboard and Clecim) and the acquisitions made during the reporting period (Balcke-Dürr Energy Solutions, Special Melted Products and VALTI) contributed especially to the increase in revenues. The acquisitions completed in the first half of 2022 resulted in gains from bargain purchases totalling EUR 104.8 million (H1 2021: EUR 53.8 million), which contributed to another clearly positive segment EBITDA of EUR 99.6 million (H1 2021: EUR 35.3 million). Adjusted EBITDA of EUR +0.9 million (first half of 2021: EUR -7.1 million) showed a pleasing increase, in particular due to the positive development of La Rochette, Royal de Boer and Clecim.

Revenues of the **Goods & Services** segment amounted to EUR 746.8 million in the first half of 2022 (H1 2021: EUR 327.9 million). The significant jump in revenues compared to the first half of 2021 is mainly acquisition-related and results, among other things, from the acquisition of Lapeyre as of 1 June 2021, which is the largest acquisition in Mutares' history in terms of revenues and number of employees. Furthermore, the acquisition of Frigoscandia at the end of the financial year 2021 also contributed to the increase in revenues in the reporting period. This more than offset in particular the effect of the exit of BEXity in the first quarter of the financial year 2022. Segment EBITDA amounted to EUR 6.1 million in the reporting period (H1 2021: EUR 404.0 million), while Adjusted EBITDA improved to EUR -0.2 million (H1 2021: EUR -3.8 million). With regard to EBITDA, it should be noted that in the prior-year period gains from bargain purchases in the amount of EUR 401.5 million, primarily for the acquisition of Lapeyre, had a positive impact on segment EBITDA. The improvement in Adjusted EBITDA is a consequence of the positive development, particularly at Frigoscandia, SABO and Terranor.

Adjusted EBITDA fluctuates 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 value creation cycle	Allocated investments as of 30 June 2022	Revenues in EUR million	Adj. EBITDA¹ in EUR million
Realignment	Automotive & Mobility <ul style="list-style-type: none"> ▪ LMS ▪ PrimoTECS Group ▪ iinovis Group Engineering & Technology <ul style="list-style-type: none"> ▪ Special Melted Products ▪ Gemini Rail & ADComms Group ▪ VALTI Goods & Services <ul style="list-style-type: none"> ▪ Lapeyre Group ▪ FASANA ▪ Asteri Facility Solutions 	660.6	-38.0
Optimization	Automotive & Mobility <ul style="list-style-type: none"> ▪ ESF Industrial Solutions Group ▪ KICO & ISH Group ▪ Plati Group Engineering & Technology <ul style="list-style-type: none"> ▪ Lacroix+Kress ▪ Balcke-Dürr Group Goods & Services <ul style="list-style-type: none"> ▪ Frigoscandia Group ▪ keeper Group ▪ Ganter Group ▪ Repartim Group ▪ EXI 	600.0	-19.1
Harvesting	Engineering & Technology <ul style="list-style-type: none"> ▪ Donges Group ▪ La Rochette Cartonboard ▪ Clecim ▪ Royal de Boer & Japy Tech Group Goods & Services <ul style="list-style-type: none"> ▪ Terranor Group ▪ SABO 	494.9	+21.2

¹⁾ Adjusted EBITDA is an EBITDA performance indicator adjusted for special factors, in particular due to the effects of regular changes in the composition of the portfolio that are inherent in the business model. The calculation is based on reported Group EBITDA adjusted for transaction-related effects (bargain purchases or deconsolidation effects) and restructuring and other non-recurring expenses.

Outlook

With the opportunities presented by the external environment, in particular the weakening economic situation, and in combination with a well-filled pipeline for acquisitions, the Management Board, as announced, continues to expect to achieve a transaction volume for the full year 2022 at least at the level of the financial year 2021.

However, the Management Board sees the future development of the portfolio companies and the Group as a whole with regard to the financial position, net assets and earnings significantly influenced by the further course of the war in Ukraine and the associated disruptions of the supply chains as indirect effects, significant price increases for raw materials, intermediate products and energy, as well as an overall weakening of the economy. There is therefore a risk for individual portfolio companies in the Mutares Group that the significant increase in procurement prices and the loss of revenues will have a negative impact on the earnings and financial position of the companies and slow down the restructuring processes.

The Net Income of Mutares Holding is regularly expected to be in the 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 4.0 billion, the Management Board therefore expects a Net Income in the amount of EUR 72 million to EUR 88 million in the financial year 2022. All sources from which the Net Income of the Mutares SE & Co. KGaA is basically fed, namely revenues from the consulting business on the one hand and dividends from portfolio companies as well as exit proceeds from the sale of investments on the other hand, are expected to contribute to this. A large number of investments have reached the last of the three phases of Mutares' value creation cycle, the so-called Harvesting phase. Thus, it can be assumed that the contributions of exit proceeds from the sale of investments will increase in the coming years. However, by nature, these represent the most volatile part with a usually significantly positive contribution to the Net Income of a financial year. Based on the current planning, the Management Board therefore assumes that a sufficiently high Net Income can also be generated for the financial year 2022 to ensure the ability of Mutares SE & Co. KGaA to pay dividends at least at the level of the market expectation.

With the growing local presence, in combination with the trust built up and the track record to date, there are extensive opportunities for growth. These are also reflected in the ambitious growth targets, the horizon of which has been expanded: by the financial year 2025, this envisages an increase in Group revenues to at least EUR 7.0 billion. The Management Board is convinced that particularly in the coming years the

rewards of the very successful acquisition phase starting in 2020 will be harvested, not least with two of the largest investments, Lapeyre Group and LMS.

Conference call today at 2:00 pm

A video and telephone conference (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://ir.mutares.de/en/publications/>.

Capital Markets Day on 20 October 2022

The Capital Markets Day 2022 of the Mutares SE & Co. KGaA will take place on 20 October 2022 at FIFTY HEIGHTS in Frankfurt am Main. During the Capital Markets Day, the Management Board will provide insights into recent developments and outline the future strategy. In addition, portfolio managers will also provide an in-depth impression of the current developments of selected portfolio companies.

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, Helsinki, 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. 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 7 billion by 2025. As the portfolio grows, so do consulting revenues, which together with portfolio dividends and exit proceeds accrue to the Mutares Holding. Accordingly, a net income in the holding company in the range of EUR 125 million to EUR 150 million is expected for the financial year 2025. 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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