

Successful first quarter of 2022 – High transaction activity and full acquisition pipeline with more than EUR 11 billion revenue volume

- Revenues from consulting services and management fees of Mutares Holding grow by 35% to EUR 14.7 million (previous year: EUR 10.9 million)
- Net Income of Mutares Holding increases to EUR 6.8 million in the first quarter of 2022 (previous year: EUR - 4.3 million)
- Group revenues up 73% to EUR 852.5 million (previous year: EUR 493.8 million), Group EBITDA at EUR - 14.3 million (previous year: EUR +53.8 million)
- Transaction pipeline with revenue volume of around EUR 11 billion

Munich, 10 May 2022 - Mutares SE & Co. KGaA (ISIN: DE000A2NB650) today published its figures for the first quarter of 2022. Both on the level of the company ("Mutares Holding") and in the Group ("Mutares Group") significant growth in revenues was recorded.

Successful development of Mutares Holding

Mutares Holding's revenues, which result from consulting services and management fees from the portfolio companies, increased to EUR 14.7 million in the first quarter of financial year 2022 (previous year: EUR 10.9 million). The 35% increase is due in particular to the high transaction activity in financial year 2021 with 14 completed acquisitions and the correspondingly larger portfolio. On this basis, net income for Mutares Holding amounted to EUR 6.8 million in the first quarter of 2022, compared to EUR - 4.3 million in the same period of the previous year.

High transaction activity in the year to date

In the first quarter of financial year 2022, Mutares successfully completed the acquisition of Toshiba Transmission & Distribution Europe S.p.A., which was already signed in October 2021, as an add-on acquisition for the Balcke-Dürr Group. The company, headquartered in Genoa (Italy), now operates under the name Balcke-Dürr Energy Solutions and is a provider of projects in the field of energy transmission and distribution, e.g. for high and medium voltage switch systems, battery storage systems, smart grids solutions and renewable energy systems.

In addition, Mutares showed a promising start to the financial year 2022 with four signed transactions on the acquisition side in the year to date: With the acquisition of Vallourec Bearing Tubes in France and ATI Sheffield in the UK, the Engineering & Technology segment will be strengthened with two new platform acquisitions. The transactions are each expected to be completed in the second quarter of the financial year 2022. With the agreement to acquire Siemens Energy Engines S.A.U. and related assets from the Spanish company of Siemens Energy, Mutares is making its first platform acquisition in Spain. The acquisition will also strengthen the Engineering & Technology segment and is expected to close in the third quarter of the financial year 2022. The acquisition of Polar Frakt as an add-on acquisition for Frigoscandia, which

was only acquired at the end of the financial year 2021, was already completed in April 2022.

On the exit side, Mutares was also successful and sold BEXity to Raben Group in February 2022. With this transaction, Mutares exceeded its issued target of a return on invested capital ("ROIC") of 7-10. The sale of the logistics company, which was only acquired by Österreichische Bundesbahnen-Holding Aktiengesellschaft ("ÖBB") at the end of 2019, represents a prime example of Mutares' extensive expertise in acquiring carve-outs from large corporations, successfully repositioning them as stand-alone companies and ultimately placing them in the hands of new owners.

Strong revenue growth also in the Group

At Group level, Mutares generated consolidated revenues of EUR 852.5 million in the first quarter of financial year 2022 (previous year: EUR 493.8 million). The significant growth of 73% is in particular due to the high acquisition activity in financial year 2021.

Group EBITDA (earnings before interest, taxes, depreciation and amortization) is regularly boosted by gains from bargain purchases of completed acquisitions. With four acquisitions already signed in the year to date, only one transaction was initially completed on the buy side in the first quarter of the financial year 2022 with the add-on acquisition for the Balcke-Dürr Group. Accordingly, Group EBITDA in the reporting period was less strongly driven by acquisition activity than in the comparable prior-year period, in which the acquisitions of EXI and Clecim in particular made a positive contribution to Group EBITDA with significant gains from bargain purchases. As a result, Group EBITDA amounted to EUR - 14.3 million in the first quarter of 2022 (previous year: EUR + 53.8 million).

Adjusted EBITDA adjusted for special effects¹⁾ was EUR - 30.7 million (previous year: EUR + 0.3 million) and was influenced by price increases on the procurement markets for raw materials and energy. At the same time, the still negative earnings contributions of the newly acquired investments (in particular from the financial year 2021) also counteracted the positive effects of the optimization programs at all portfolio companies here. La Rochette, Lacroix + Kress, KICO Group, SABO and Terranor Group in particular are showing pleasing and promising developments in this respect.

Cash and cash equivalents in the Group amounted to EUR 248.5 million as of 31 March 2022 (31 December 2021: EUR 255.1 million), and the equity ratio was 27% (31 December 2021: 29%).

Promising pipeline for acquisitions and further exits

Mutares is confident to announce further transactions in the further course of the financial year and to maintain the frequency of more than one transaction per month on average achieved in the last two financial years. Currently, the Mutares team is working on more than 80 acquisition projects, the current pipeline of the buy side comprises a revenue volume of more than EUR 11 billion p.a. and mainly includes target companies from the segments Automotive & Mobility as well as Engineering & Technology. Mutares therefore fully adheres to the communicated medium-term forecast of at least EUR 5.0 billion in consolidated revenues in the financial year 2023. Mutares expects an extremely high transaction activity for the second quarter, which could secure the target of one transaction per month for the full year early on.

On the exit side, Mutares continues to evaluate possible options for the "mature" investments of the portfolio and partial disposals of non-strategic assets. This includes, for example, the strategic realignment of Frigoscandia, which will be reported as completed in the short term with a view to a partial divestment. For the whole portfolio, Mutares sees six investments in the so-called harvesting phase, highlighting the Donges Group, for which both a sale and an IPO of the entire Donges Group or individual parts thereof are being evaluated.

Development in the segments partly burdened by exogenous influences

In the **Automotive & Mobility** segment, revenues increased to EUR 234.1 million in the first quarter of 2022 (previous year: EUR 187.0 million). The contribution of LMS and ISH, which were acquired in the second half of 2021, was particularly responsible for the significant increase. The segment's EBITDA of EUR - 20.5 million (previous year: EUR - 1.6 million) was also down on the previous year's figure, as was the Adjusted EBITDA of EUR - 19.0 million (previous year: EUR + 4.1 million) after adjustment for special effects. On the one hand, this was due to the successful exit of the STS Group in the financial year 2021, so that it no longer made a positive contribution to earnings in the reporting period. On the other hand, the results of the portfolio companies from this segment were burdened by the increased raw material and energy prices, the shortage of semiconductors, which has still not been fully overcome, and the still negative earnings contributions from the new acquisitions.

The **Engineering & Technology** segment recorded an increase in revenues to EUR 243.4 million in the first quarter of 2022 (previous year: EUR 177.3 million). The main contributors were the acquisitions of La Rochette Cartonboard and Clecim in the second quarter of the financial year 2021. Segment EBITDA reached EUR 8.9 million in the reporting period (previous year: EUR 38.5 million) and benefited from bargain purchases from the add-on acquisition for Balcke-Dürr Group. In the comparable period, the acquisition of Clecim and the disposal of Balcke-Dürr's German

Rothemühle business had a positive impact on the segment's EBITDA. At EUR - 1.6 million, Adjusted EBITDA in the reporting period was at the level of the previous year's period (EUR -1.0 million).

Revenues in the **Goods & Services** segment almost tripled in the first quarter of 2022 compared to the same period of the previous year to EUR 375.1 million (previous year: EUR 129.4 million). The development was mainly boosted by the acquisitions of Lapeyre and Frigoscandia in the financial year 2021. Segment EBITDA amounted to EUR 0.5 million (previous year: EUR 16.7 million), benefiting from the positive contribution from the disposal of BEXity. Terranor Group and SABO in particular showed a very pleasing operating performance and made a significant positive contribution to the segment's Adjusted EBITDA. Overall, this amounted to EUR - 11.2 million (previous year: EUR - 3.0 million) due to the partially still negative earnings contributions of the acquisitions in the financial year 2021 and due to increased procurement prices for raw materials and energy for the first quarter of the financial year 2022.

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 framework of the Mutares business model	Allocated investments as of 31 March 2022	Revenues in EUR million	Adj. EBITDA in EUR million
Realignment	<ul style="list-style-type: none"> ▪ Lapeyre Group ▪ LMS ▪ PrimoTECS Group ▪ Gemini Rail & ADComms ▪ iinovis ▪ Asteri Facility Solutions ▪ FASANA 	322.1	-24.6
Optimization	<ul style="list-style-type: none"> ▪ Balcke-Dürr Group ▪ ESF Industrial Solutions ▪ Plati ▪ Lacroix + Kress ▪ KICO and ISH ▪ EXI ▪ Repartim ▪ Ganter Group ▪ keeper ▪ Frigoscandia Group 	285.3	-13.5
Harvesting	<ul style="list-style-type: none"> ▪ Donges Group ▪ SABO ▪ Terranor Group ▪ Royal de Boer & Japy Tech ▪ Clecim ▪ La Rochette Cartonboard 	24 5.2	+6.3

Condensed consolidated income statement

mEUR	Q1 2022	Q1 2021
Revenues	852.5	493.8
+/- Change in inventories	7.0	6.2
Other income	37.2	68.2
Cost of material	-549.3	-316.3
Personnel expenses	-218.9	-133.6
Other expenses	-142.8	-64.5

EBITDA	-14.3	53.8
Adjusted EBITDA	-30.7	0.3
Depreciation & Amortization	-34.7	-23.6
EBIT	-49.0	30.2
Financial result	-6.9	-5.2
Income taxes	10.0	-1.4
Net income	-45.8	23.6

Condensed consolidated balance sheet

mEUR	31/03/2022	31/12/2021
Intangible assets	131.6	134.0
PP&E	561.2	556.7
Right of use assets	317.9	318.6
Other	205.3	111.3
Non-current assets	1,216.0	1,120.6
Inventories	457.3	423.2
Trade & other rec.	303.5	285.9
Contract Assets	56.6	36.7
Cash & equivalents	248.5	255.1
Assets held for sale	47.2	117.6
Other	213.1	321.4
Current assets	1,326.2	1,439.8
Total assets	2,542.3	2,560.4

mEUR	31/03/2022	31/12/2021
Total equity	690.8	736.3
Financial liabilities	403.4	409.2
Provisions	232.0	241.9
Other	132.6	148.2
Non-current liabilities	767.9	799.3
Trade payables	420.2	372.2
Other financial liab.	207.2	201.3
Contract Liabilities	166.4	68.6
Provisions	90.3	80.5
Liabilities held for sale	0.8	107.6
Other	198.7	194.6
Current liabilities	1,083.7	1,024.8
Total equity & liabilities	2,542.3	2,560.4

Outlook

Mutares remains on a growth path with regard to the acquisitions already signed and the promising acquisition pipeline. The emerging opportunities pave the way for another record year in 2022. Therefore, the Management confirms the annual guidance published with the Annual Report 2021.

The net profit of Mutares SE & Co. KGaA 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 continues to expect a net income of EUR 72 million to EUR 88 million in the financial year 2022, with a contribution of the Portfolio Income²⁾ of EUR 80 million to EUR 100 million. Based on the current planning, the Management Board thus assumes that also for the financial year 2022 the ability of Mutares SE & Co. KGaA to pay dividends is ensured at least at the level of the market expectation.

The Management Board's forecast is subject to the proviso that risks from Russia's war of aggression in Ukraine do not materialize further to an extent significant for the financial position, financial performance and cash flows of Mutares. This also applies to the indirect effects, in particular price increases on the procurement markets for raw materials and energy.

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 via e-mail to ir@mutares.de. The webcast presentation can be downloaded from <https://ir.mutares.de/veroeffentlichungen/>.

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.

²⁾ Revenues and dividends from the portfolio result in the so-called Portfolio Income of Mutares Holding.

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. 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 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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