

Mutares with high transaction activity and strong growth in the first nine months of 2022

- Revenues from consulting services and management fees of Mutares Holding increased by 28% to EUR 45.5 million in the first nine months of 2022 (previous year: EUR 35.6 million)
- Net Income of Mutares Holding after nine months of 2022 at EUR 16.2 million (previous year: EUR 17.6 million)
- Group revenues up 52% to EUR 2,677.6 million (previous year: EUR 1,762.7 million)
- Continued high transaction activity with twelve acquisitions already signed

Munich, 8 November 2022 – Mutares SE & Co. KGaA (ISIN: DE000A2NB650) ("Mutares" and, together with its consolidated subsidiaries, "Group") today published its figures for the first nine months of the financial year 2022 ("reporting period"). The course of business in the reporting period was characterized, in particular, by continued high level of transaction activity. With a total of twelve acquisitions signed and/or closed to date, Mutares is on track to achieve its growth targets for the financial year 2022.

Growth at Holding and Group level

Mutares Holding's revenues from consulting services to affiliated companies and management fees increased by 28% to EUR 45.5 million in the first nine months of 2022 (previous year: EUR 35.6 million). The increase is attributable to the high transaction activity and a consequently enlarged portfolio. Revenues and dividends from the portfolio represent the so-called "Portfolio Income", which amounts to EUR 49.4 million for the first nine months of 2022 (previous year: EUR 36.0 million). Accordingly, the net income for the first nine months of 2022 amounts to EUR 16.2 million, compared to EUR 17.6 million in the prior-year period. While the sale of the shares in STS Group AG resulted in a clearly positive effect in the prior-year period, the expanded consulting business is responsible for a considerably positive contribution in the reporting period. At the same time, dividends from portfolio companies and exit proceeds from the sale of portfolio companies are still expected for the fourth quarter of 2022.

The **Mutares Group** generated revenues of EUR 2,677.6 million in the first nine months of financial year 2022 (previous year: EUR 1,762.7 million). The significant growth is mainly a result of the high transaction activity in the second half of 2021 as well as in the reporting period. Bargain purchases¹ were again key drivers of the Group's EBITDA (earnings before interest, taxes, depreciation, and amortization), which amounted to EUR 149.2 million in the first nine months of 2022. Group EBITDA of EUR 496.5 million in the previous year's period was mainly driven by the gain from

¹ Preliminary value before finalization of purchase price allocations.

bargain purchase resulting from 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 -37.7 million for the first nine months of 2022 (previous year: EUR -30.3 million). Here, external conditions, first and foremost declining sales volumes and significant price increases for energy and raw materials, particularly in the Automotive & Mobility segment, had a major impact.

Sustained high transaction momentum and numerous opportunities in a challenging environment

Thanks to its international presence, Mutares is ideally positioned to realize a continuous flow of transactions and take advantage of the numerous opportunities offered by the current market and economic environment, and to further expand its portfolio. Mutares can currently draw from a deal pipeline with revenues of more than EUR 8 billion.

In the first nine months of the financial year 2022, Mutares signed agreements for eleven acquisitions (seven of which have already been closed), and a twelfth was already signed after the reporting date for the third quarter. Accordingly, the target for the current financial year of on average one transaction per month has already been met. In the coming months, the focus will be on generating further growth from the pool of opportunities, which is increasing strongly in these challenging times, and on expanding further, especially in European countries outside of Germany.

At the same time, Mutares managed to realize two successful exits despite the challenging environment. With the sale of 100% of Nordec Group to a consortium of buyers agreed upon in September, Mutares successfully signed the third exit with a ROIC within the target range of 7x to 10x. Also, for the following quarters, the Management Board anticipates promising opportunities to realize further exits of the portfolio companies in the Harvesting phase, such as Clecim, La Rochette, Terranor, or SABO.

Revenue growth in all three segments

Revenues in the **Automotive & Mobility** segment amounted to EUR 707.8 million in the reporting period (previous year: EUR 508.8 million). The revenue contributions of Light Mobility Solutions, which was acquired at the beginning of the second half of 2021, were the main reason for the increase in the segment's revenues. EBITDA amounted to EUR 48.3 million in the first nine months of 2022 (previous year: EUR 95.2 million) and was positively impacted by gains from bargain purchases from the acquisitions of the third quarter², in particular, MoldTecs as of 30 September 2022. By contrast, external factors, in particular, declining sales volumes and significant price increases in energy and raw materials, continued to have a negative impact on the segment's Adjusted EBITDA, which was, therefore, with EUR -47.9 million below the

² Preliminary value before finalization of purchase price allocations.

previous year (EUR -10.5 million), but at the same time has shown a positive trend over the quarters starting from the first quarter.

The portfolio companies of the **Engineering & Technology** segment generated revenues of EUR 880.3 million in the first nine months of 2022 (previous year: EUR 650.1 million). Major contributors to the revenue increase, in addition to pleasing organic growth, were the full consolidation of the portfolio companies acquired in the previous year (La Rochette Cartonboard and Clecim) as well as in the reporting period (Special Melted Products and VALTI). Gains from bargain purchases for completed acquisitions³ in the reporting period contributed to a clearly positive EBITDA of EUR 88.6 million (previous year: EUR 48.1 million). Adjusted EBITDA of EUR -2.0 million (previous year: EUR -9.9 million) showed a pleasing improvement, in particular, due to the positive development of La Rochette, Clecim, Royal de Boer, and Japy Tech, but was on the other hand burdened by the still negative earnings contributions of the acquisitions in the reporting period.

Revenues of the **Goods & Services** segment amounted to EUR 1,091.1 million in the first nine months of 2022 (previous year: EUR 603.3 million). The acquisition of Lapeyre in June 2021 and the acquisition of Frigoscandia at the end of the financial year 2021 were primarily responsible for the increase. EBITDA of the segment amounted to EUR 9.5 million in the reporting period. The gain on bargain purchase from the acquisition of Lapeyre had a significant positive impact on the EBITDA of the prior-year period of EUR 379.2 million. Adjusted EBITDA was EUR +6.9 million in the reporting period (previous year: EUR -11.6 million), reflecting the pleasing operating development, particularly at Frigoscandia, Terranor, and SABO.

Adjusted EBITDA⁴ 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).

³ Preliminary value before finalization of purchase price allocations.

⁴ 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.

Operational phase within the value creation cycle	Allocated portfolio companies as of 30 September 2022	Revenues in EUR million	Adj. EBITDA in EUR million
Realignment	Automotive & Mobility <ul style="list-style-type: none"> ▪ LMS ▪ MoldTecs ▪ Cimos ▪ 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 	1,001.7	-50.9

Optimization	<p>Automotive & Mobility</p> <ul style="list-style-type: none"> ▪ ESF Industrial Solutions Group ▪ KICO & ISH Group ▪ Plati Group <p>Engineering & Technology</p> <ul style="list-style-type: none"> ▪ Lacroix+Kress ▪ Balcke-Dürr Group <p>Goods & Services</p> <ul style="list-style-type: none"> ▪ Frigoscandia Group ▪ keeper Group ▪ Ganter Group ▪ Repartim Group ▪ EXI & Sirti 	925.8	-26.1
Harvesting	<p>Engineering & Technology</p> <ul style="list-style-type: none"> ▪ Donges Group ▪ La Rochette Cartonboard ▪ Clecim ▪ Royal de Boer & Japy Tech Group <p>Goods & Services</p> <ul style="list-style-type: none"> ▪ Terranor Group ▪ SABO 	751.7	+34.1

Condensed consolidated income statement

mEUR	Q3 2022	Q3 2021
Revenues	2,677.6	1,762.7
+/- Change in inventories	-6.1	6.6
Other income	258.4	631.7
Cost of material	-1,729.1	-1,120.4
Personnel expenses	-642.9	-458.1
Other expenses	-408.7	-326.1
EBITDA	149.2	496.5
Depreciation & Amortisation	-128.4	-80.2
EBIT	20.8	416.3
Financial result	-25.6	-17.3
Income taxes	18.9	-4.8
Net income	14.1	394.2

Condensed consolidated balance sheet

mEUR	30/09/2022	31/12/2021
Intangible assets	130.4	134.0
PP&E	721.3	556.7
Right of use assets	320.3	318.6
Other	147.4	111.3
Non-current assets	1,319.4	1120.6
Inventories	589.3	423.2
Trade & other rec.	329.8	285.9
Contract Assets	74.5	50.6
Cash & equivalents	208.8	255.1
Assets held for sale	150.7	177.1
Other	269.9	247.9
Current assets	1,623.1	1439.8
Total assets	2,942.6	2,560.4

mEUR	30/09/2022	31/12/2021
Total equity	744.7	736.4
Financial liabilities	488.7	409.2
Provisions	238.2	241.9
Other	126.1	148.2
Non-current liabilities	853.1	799.3
Trade payables	484.2	372.2
Other financial liab.	308.9	201.3
Contract Liabilities	147.6	144.8
Provisions	82.9	80.5
Liabilities held for sale	113.5	74.5
Other	207.7	151.5
Current liabilities	1,344.8	1024.8
Total equity & liabilities	2,942.6	2,560.4

Outlook

Based on the development in the financial year 2022 to date and the completed and signed acquisitions, the Management Board confirms the forecast for the financial year 2022.

However, due to the still challenging environment, the Management Board sees the future development of the portfolio companies and the Group as a whole in terms of financial position, financial performance, and cash flows significantly influenced by the further course of the war in Ukraine and the associated indirect effects such as disruptions of the supply chains, significant price increases for raw materials, intermediate products and energy, interest rate increases and a continuing high inflation rate 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 portfolio companies' earnings and financial position and could slow down the restructuring processes.

Net income of Mutares Holding, which is fed by revenues from the consulting business on the one hand and, on the other hand, from dividends from portfolio companies as well as exit proceeds from the sale of portfolio companies, is expected to amount to EUR 72 million to EUR 88 million in the full financial year 2022. In addition, based on the current planning, the Management Board 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 the level of the market expectation.

The current market and economic environment offer extensive opportunities to significantly expand the portfolio. The portfolio growth is the basis for reliably predictable revenues from the consulting business as well as dividend and exit gains along the three phases of the value creation cycle. Against the backdrop of the emerging opportunities, the Management Board also confirms the medium-term targets, which envisage an increase in consolidated revenues to approx. EUR 7.0 billion and a net income of the Mutares Holding in the range of EUR 125 million to EUR 150 million by the financial year 2025.

Conference call today at 2:00 pm

A video and telephone conference (webcast) in English will be held today at 2:00 pm (CET) 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/>.

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 approx. 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 contribute to the net income of 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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