

# Pennyhill 2021

MBB SE

7 December 2021

MBB offers sustainable Mittelstand companies long-term succession solutions



The central graphic features the MBB logo (a black square with 'MBB' in white) inside a white circle. This circle is centered on a background divided into four quadrants, each with a different image and text:

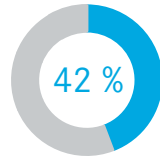
- Top-left quadrant:** Image of two hands shaking. Text: **Family business**  
Founded in 1995 and family-owned for the long term
- Top-right quadrant:** Image of a bull statue. Text: **Capital markets**  
Extraordinary growth and value creation potential through capital markets
- Bottom-left quadrant:** Image of a small green plant growing from soil. Text: **Long-term focus**  
Long-term investment horizon without intention to resell businesses
- Bottom-right quadrant:** Image of a globe. Text: **Sustainability**  
Entrepreneurial success through a focus on sustainable business models

# MBB benefits from its focus on long-term sustainability trends



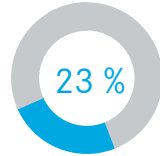
Revenue share  
(9M 2021)

ESG Impact



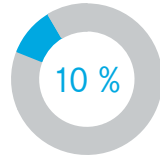
### Clean energy transition

Clean energy infrastructure for the decarbonized industry of the future



### E-Mobility transition

Automation solutions for E-mobility applications




### Ecological materials transition

Ecological system solutions made of sustainable materials

**~75 %**  
of revenues

Significantly driven by  
**sustainability trends (ESG)**

 Climate Change Conference in Glasgow

Temperature increase Global coal

**< 1.5°C** **phase-out**

 BCG study

BDI Study

**Additional investments of 860 billion euros are necessary to reach 2030 climate targets**

21. October 2021





### Electricity

**Creation of electricity highways** to distribute the increasing amount of green electricity from wind and solar from the production site to the largest consumer centers



### Natural gas

**Expansion of the natural gas network** to avoid critical supply gaps related to coal and nuclear phase-out



### Hydrogen

**Creation of a pan-European generation and transport network** to decarbonise industry, transport and buildings



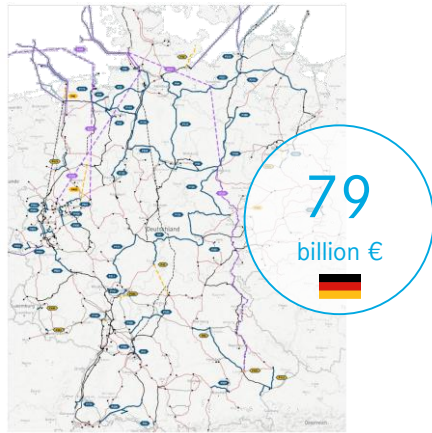
### District heating

**Expansion of district heating networks** for the effective use of industrial waste heat for sustainable decarbonization of the building sector

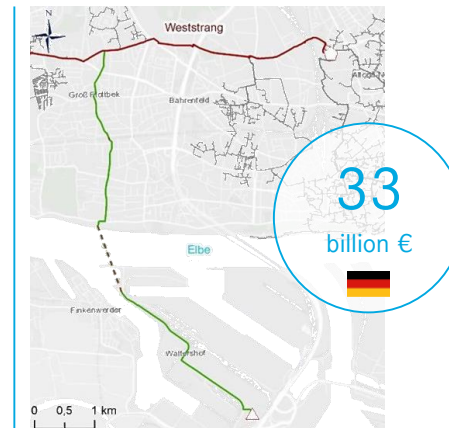
# The electricity and district heat markets face massive investments

Planned investments  
by 2030

## Electricity



## District heat



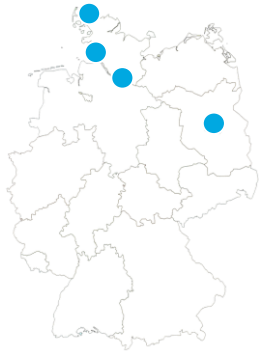
- ✓ Integration of increasing renewable energy into existing grid infrastructure
- ✓ Realization of massive north-south transmission lines to transport energy
- ✓ Substantial modernization and extension of distribution networks in metropolitan areas

- ✓ Effective utilization of excess heat from industrial processes
- ✓ Substantial upgrade and extension of existing district heat networks
- ✓ Upgrade and extension of existing heat distribution networks in metropolitan areas





# VORWERK's acquisition of Puhlmann offers many strategic advantages



## Locations



## Services

-  District heating
-  Cable infrastructure
-  Pipeline construction
-  Water construction

- ✓ 260+ qualified employees
- ✓ 30+ million € revenue (2020)
- ✓ Long-term customer relationships
- ✓ Attractive long-term service contracts



**Positioning in electricity and district heat**  
through long-term market presence and customer relationships of Friedrich Vorwerk and Puhlmann



**Access to attractive metropolitan region**  
like Berlin and Brandenburg with large planned energy infrastructure investments

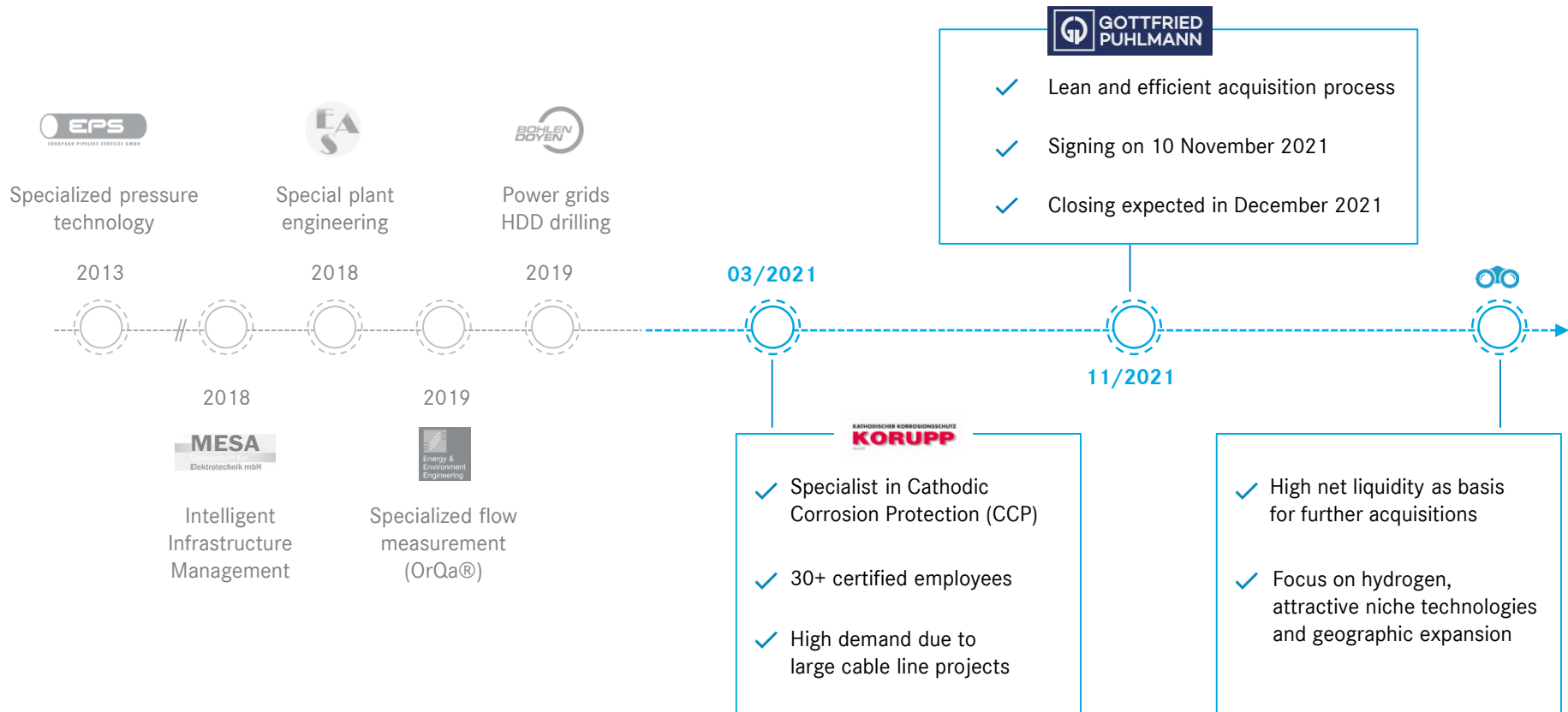


**Acquisition of 260+ qualified employees**  
thus securing critical capacities to meet rapidly growing demand for larger-scale projects



**Substantial productivity and synergy potentials**  
through integration of Puhlmann into the Friedrich Vorwerk Group

# VORWERK continues M&A success with the acquisition of Gottfried Puhlmann



The highlights of the year 2021 show the potential of the MBB companies

### Service & Infrastructure



Clean energy transition

**+9%**

Increase in EBITDA 9M 2021 compared to previous year



IT-Security

**15%**

EBITDA margin with stable revenue development despite chip shortage

### Technological Applications



E-Mobility

**+43%**

Increase in order intake since the beginning of 2021



Ecological system solutions

**+42%**

Revenue increase in the first half of the year before supply chain disruptions in Q3



Specialty chemicals for tooling

**+24%**

Increase in EBITDA 9M 2021 compared to the same period of the previous year

### Consumer Goods



Tissue products

**-4%**

Decline in revenue due to weak demand caused by COVID



Mattresses for e-commerce

**+51%**

Increase in EBITDA 9M 2021 compared to the same period of the previous year



Despite demand and high order backlogs some MBB companies were unable to tap their full potential



## High market demand & Full order books

Tuesday, October 5<sup>th</sup>

**Order intake increases by almost half: German manufacturers are experiencing high demand**

Automobilwoche

## Order backlog in German industry at record-high

REUTERS

## Temporary supply bottlenecks & project delays

Automotive industry

**This is how much the semiconductor crisis slows down car production**

WirtschaftsWoche



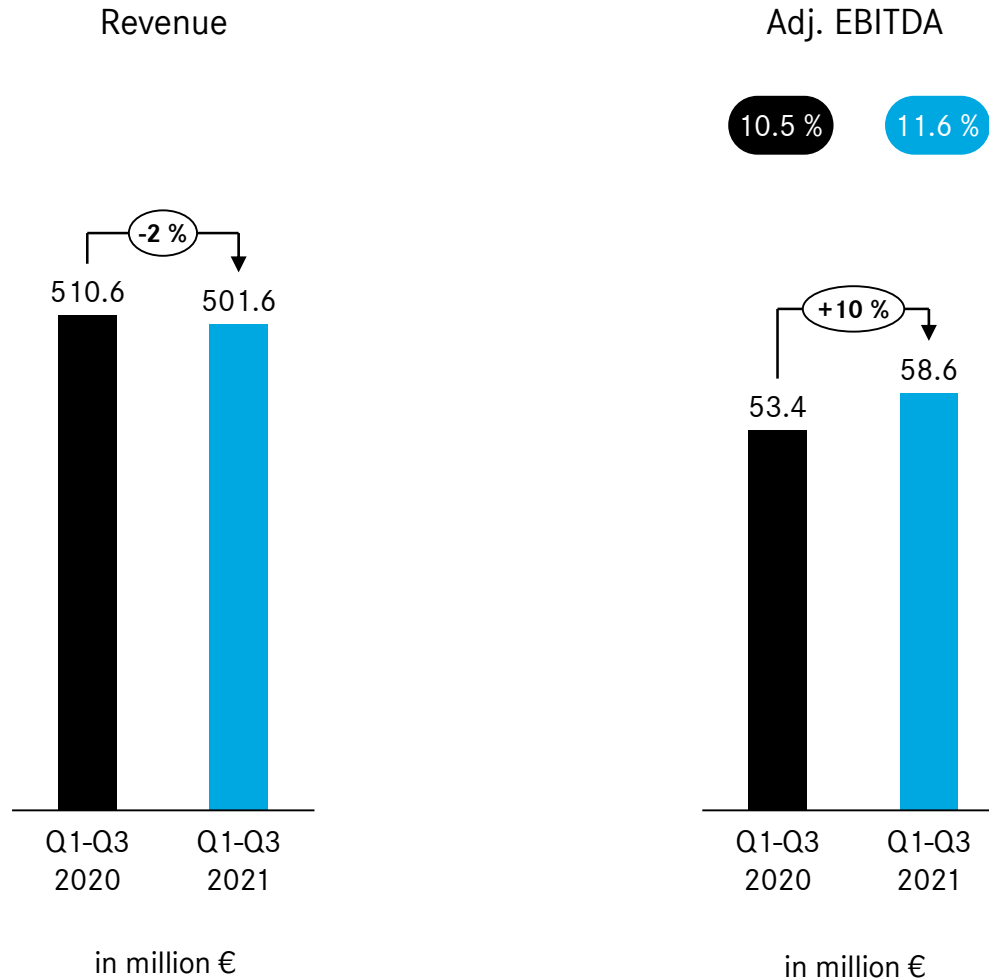
Renewable energies

## Traffic jam on the electricity highway

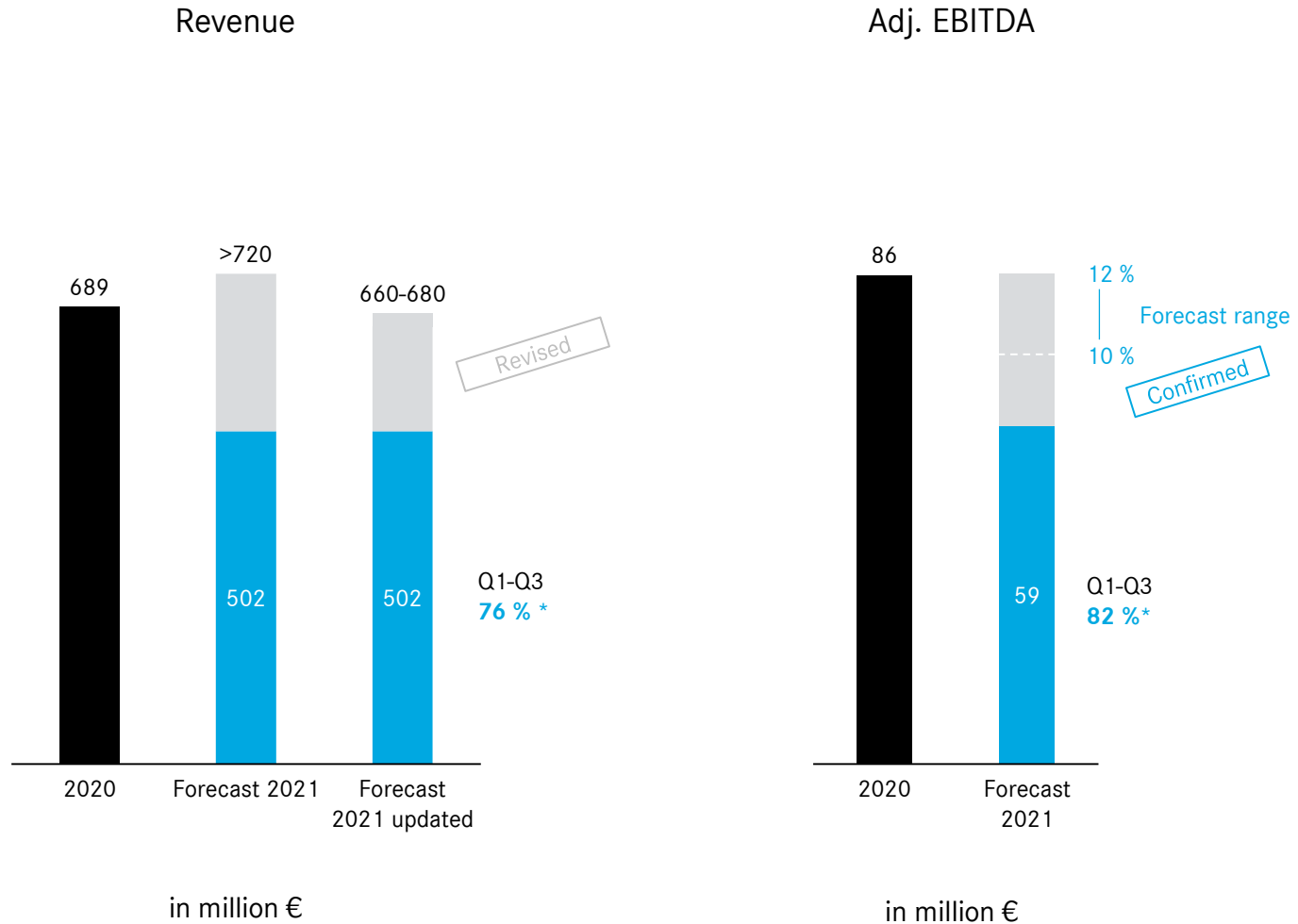
New transmission lines are supposed to bring wind energy from the north of Germany to the south – but there has been resistance to the construction of the lines for years. Does the delay in network expansion endanger the climate targets?

Deutschlandfunk

By the end of Q3 MBB was able to significantly increase EBITDA at largely stable revenues



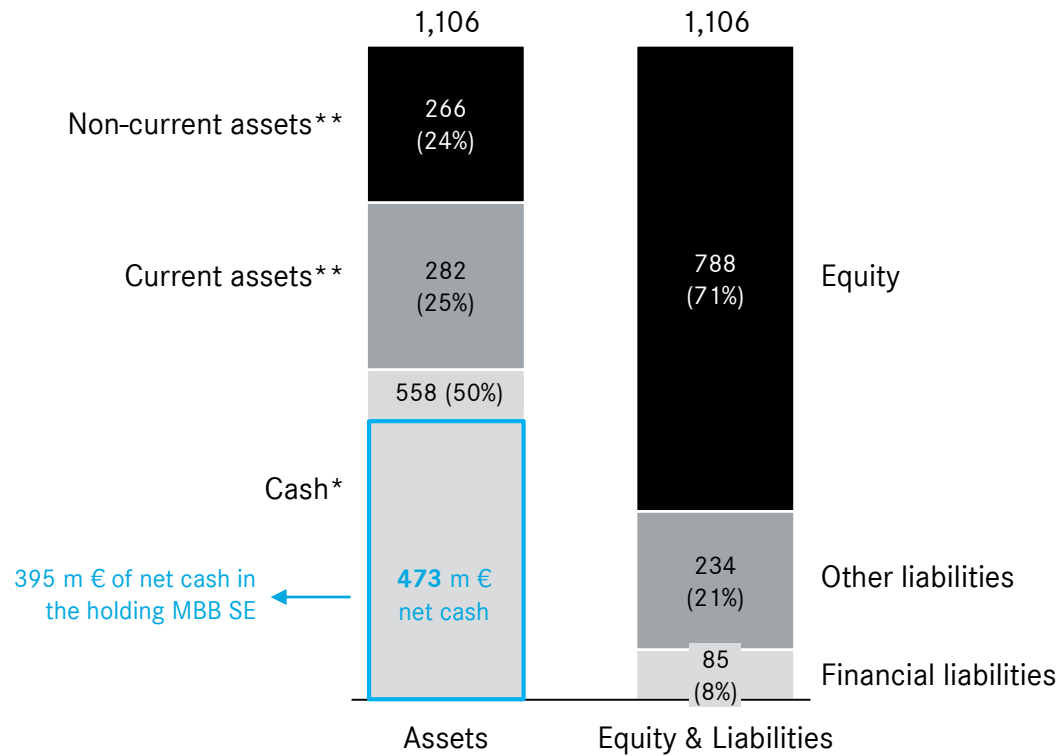
While revenue lags behind, the EBITDA target has already been largely achieved



\* Based on the lower end of the forecast range for 2021

# After the Friedrich Vorwerk IPO MBB's balance sheet is better positioned than ever

Balance sheet as per September 2021  
in million €



\* Liquidity incl. securities & gold  
\*\* Without cash positions

MBB has unique selling points and an excellent reputation as buyer



### Current developments in the M&A market



#### **More opportunities**

In the medium term, COVID-19 will lead to an increase in company sales



#### **Business models under scrutiny**

The distinction between temporary crisis and structural problem becomes more important



#### **Bank independence as an advantage**

Especially in times of uncertainty it pays off to be independent from banks

### Unique selling points of MBB



#### **Long-term perspective**

MBB acquires businesses without the intention to sell in the future



#### **Equity-based financing**

MBB funds its acquisitions primarily through equity and without structured finance

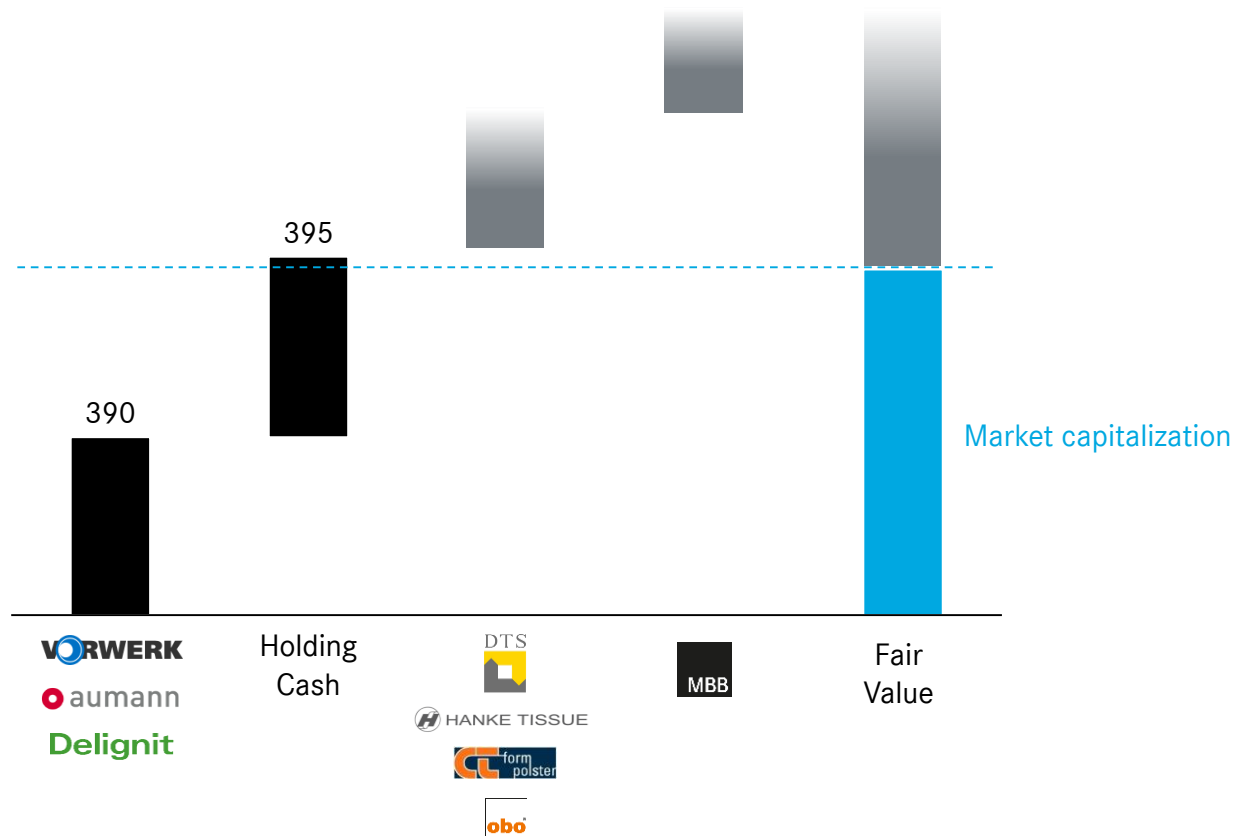


#### **...from family to family...**

As family-run Mittelstand company MBB maintains an entrepreneurial culture

# A large part of the value of MBB is transparent

Sum-of-the-parts  
in € million\*



\* Market capitalizations of the listed companies as of 19 November 2021; Holding Cash as of the balance sheet date 31.09.2021

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In case of any questions in relation to this document, please contact:

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