

Mutares Capital Markets Day 2019

DONGES GROUP

Bauteil 0C

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(PQT=12)
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Agenda

- 1 Donges Group – The Story**
- 2 Donges Group – Our Case**
- 3 Outlook**

1 The Story

Mutares real rationale at closing in November 2017

Donges SteelTec was a great fit to our investment strategy



Mutares strategy after 100-day plan

Mutares clearly outlined the steps to kickstart Donges' growth

The strategy after our first 100 days evaluation was based on **4 pillars of success:**



I.

Market

Use the market conditions on Steel Bridges in Germany and boost the sales of road bridges and enter the market of railway bridges for the first time after 5 years.



II.

Differentiation

Extend the footprint more internationally with a Western European focus being able to sell know-how and value rather than price sensitive products.



III.

Diversification

Enlarge sales close to core business and mitigate risk by add-on acquisitions outside the project business especially in roof and facade systems.



IV.

Products

Extend offering from steel structures into a system provider for complete envelope solutions including roof and facade products.

1 The Story

Donges Group's growth strategy

Donges followed Mutares' buy-and-build strategy and developed into a unique group



11/2017

10/2018

02/2019

03/2019

06/2019

Q1/2020*

Acquisition from **MHPS Europe**

Acquisition from **Tata Steel Europe**

Acquisition from **Intera Fund OY**

Acquisition from **private owner**

Acquisition from **Metsä Group**

Acquisition from **SSAB Corp.**

- Steel bridges and steel construction
- Management of structural steel engineering projects

- Tailormade aluminum roof & façade systems
- International leading manufacturer

- Glass façade solutions
- Steel bridges & steel construction
- Specialized in design, engineering and construction

- Supplier of flat roofing systems
- Roofing membranes
- Lighting systems
- Acid protection

- Knowhow in Nordic wood processing
- Complete range of wood products for garden, cladding, paneling

- Steel bridges and steel construction
- Specialized in design, engineering and construction

Focus: Germany

Focus: International

Focus: Finland, Sweden

Focus: International

Focus: France

Focus: Nordics, parts of Eastern Europe

*Subject to merger control

1 The Story












Donges product portfolio

Roofs, façade and bridges form the core products of Donges



Donges product portfolio

Donges operates 6 different brands within its core competences

Product	Description	Materials	Brands
Roofs	Customer-specific aluminum roofs and membrane roof systems	 Aluminum, membranes	 
Façade	Unique façade systems and glass façade solutions	 Aluminum, glass, wood	  
Construction	Donges serves various markets with its construction, e.g. steel construction, and bridges	 Steel	  

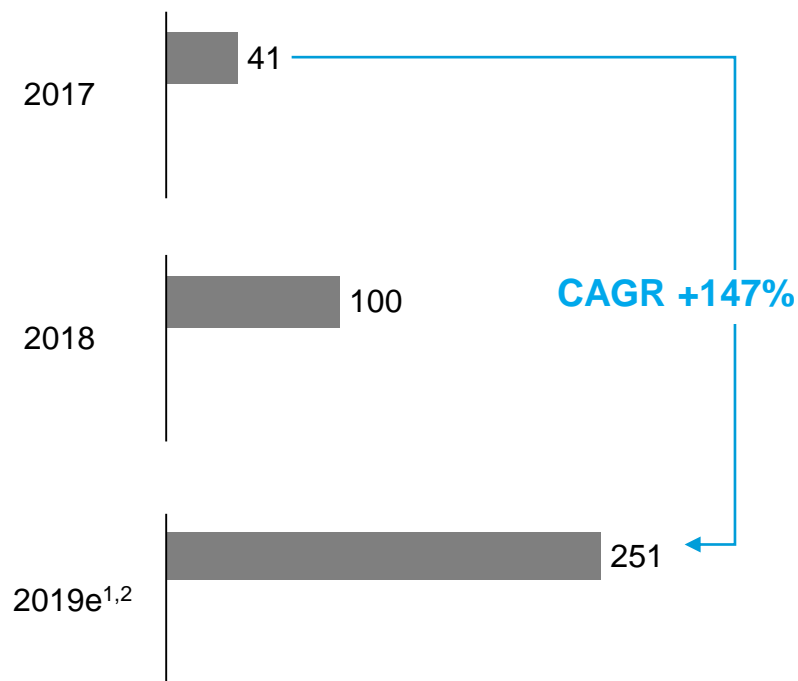
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Outstanding growth story was created in 2018/19

Since inception, the company grew at a CAGR of 147%

Revenues¹ in mEUR



Mutares operational excellence comprised entire company:

1. Reshape the organisation with lean leadership structure
2. Empower responsibility, trust and positive outlook in the organisation
3. Reposition products in market and price segment
4. Improve operational efficiency in manufacturing
5. Improve supply chain operations
6. Improve footprint to avoid overhead cost and lean the internal processes

Mutares M&A and Consulting support throughout complete lifecycle

1) Unconsolidated group figures

2) Forward looking statement based on current estimates and assumptions by management

How customers benefit from Donges Group synergies

Realized and potential projects combining products and services



EUR 290k **4Q19**

ORDER VALUE START OF PROD.

- Order acquired in Sep 19
- Project combining glass structure (Normek) and FC Façade (Kalzip)
- Production of the façade to be done at Normek



EUR 59k **4Q19**

ORDER VALUE START OF PROD.

- Kalzip won a project in Lübeck. Usually, the installation partner decides about roof lights
- Thanks to Donges Group sales, customer decided to buy from Donges' brand FDT instead of his preferred supplier



tbd **1Q20**

ORDER VALUE EXPECTED DECISION

- Kalzip established contact with architect, but due to greenroof being requested, FDT's product Rhepanol found as being more suitable
- Donges SteelTec as potential supplier for removable stands



tbd **1Q20**

ORDER VALUE EXPECTED DECISION

- Due to political tensions, all UAE competitors out of bidding process
- 4 companies involved: Donges SteelTec for steel work, Kalzip for roof, FDT for membrane, Normek for steel packages/curtain wall

Donges Group

- Provides **one-stop solutions** for customers
- Offers weight- and cost-optimized solutions by **common design of products**
 - Operates internationally with a **strong global footprint**

How Donges Group and shareholders benefit from synergies

Existing products will penetrate existing sales channels for common growth

Estimated synergies

Sales	> EUR 10.0m
EBITDA	> EUR 3.0m
Exit multiple	5,0x
Target shareholder value creation	> EUR 15.0m

"The build-up of Donges Group in less than 2 years was the most smart, efficient and best-in-class movement in the industry I have seen in the last 15 years. I am proud that I am leading such a great journey."

Peter Brechtelsbauer
CEO Donges Group

"When Mutares bought us, we were sceptical about our future. Today, we know that it was the best that could happen to us. We continue our great company history and for the first time in years, our people experience again success."

Ercan Kaya
Chair of Donges Group Works Council

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Donges group poised for accelerated growth

A great year 2020 is ahead for Donges Group!

Market Footprint



6
Brands

Turnover annualized



>365
mEUR

Workforce planned



>1,250
employees

Production sites



12
Plants

Adjusted EBITDA



>5.0
Percent

Shared experience

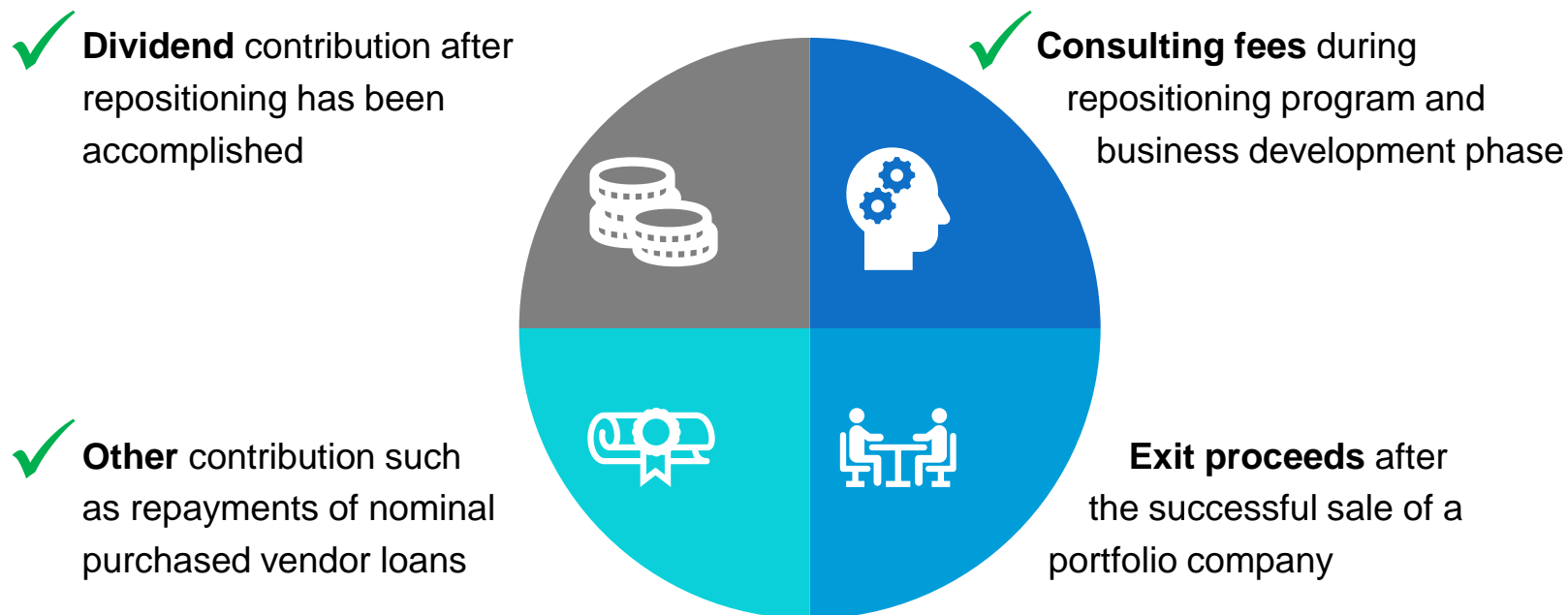


>400
Years

As part of Mutares, Donges Group contributes in four ways

Since acquisition, Donges Group already contributed significantly to Mutares' success

Four different streams of revenues to Mutares



Create.Success.Together.



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