



# CABKA N.V. FY2023 Results

**Strategy on track,  
driving improved profitability**

Amsterdam, 20 March 2024

# Agenda

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01 Introduction & Highlights of 2023 – Tim Litjens

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02 Full year 2023 Financials – Frank Roerink

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03 Q&A – Tim Litjens & Frank Roerink

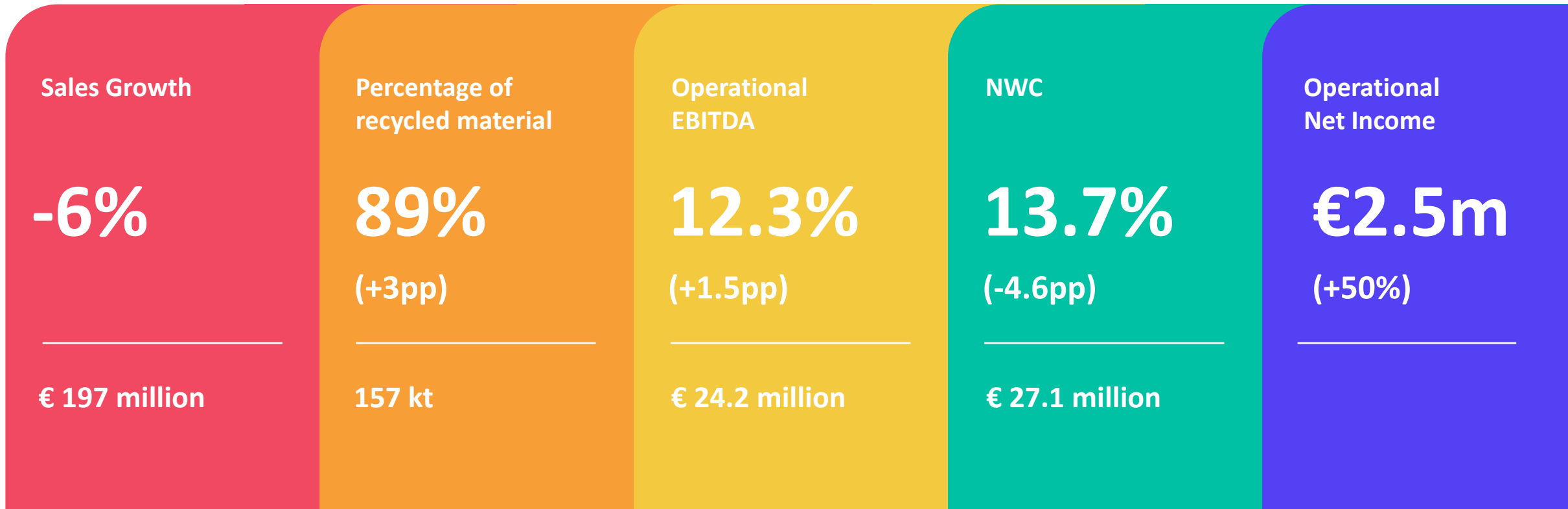
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# 01

## Introduction & Highlights

# Strategy on track, driving improved profitability

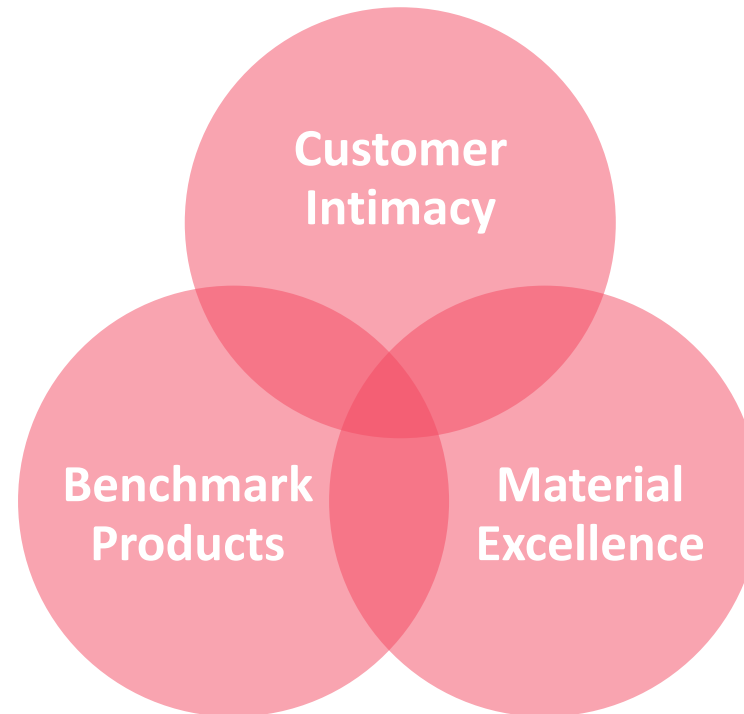
## Highlights 2023



# Cabka's Mission and Strategy

## Innovation driving transformation to sustainable RTP solutions

- In-depth knowledge of customer supply chains
- Collaborative design approach
- Providing detailed insight in TCO and LCA benefits

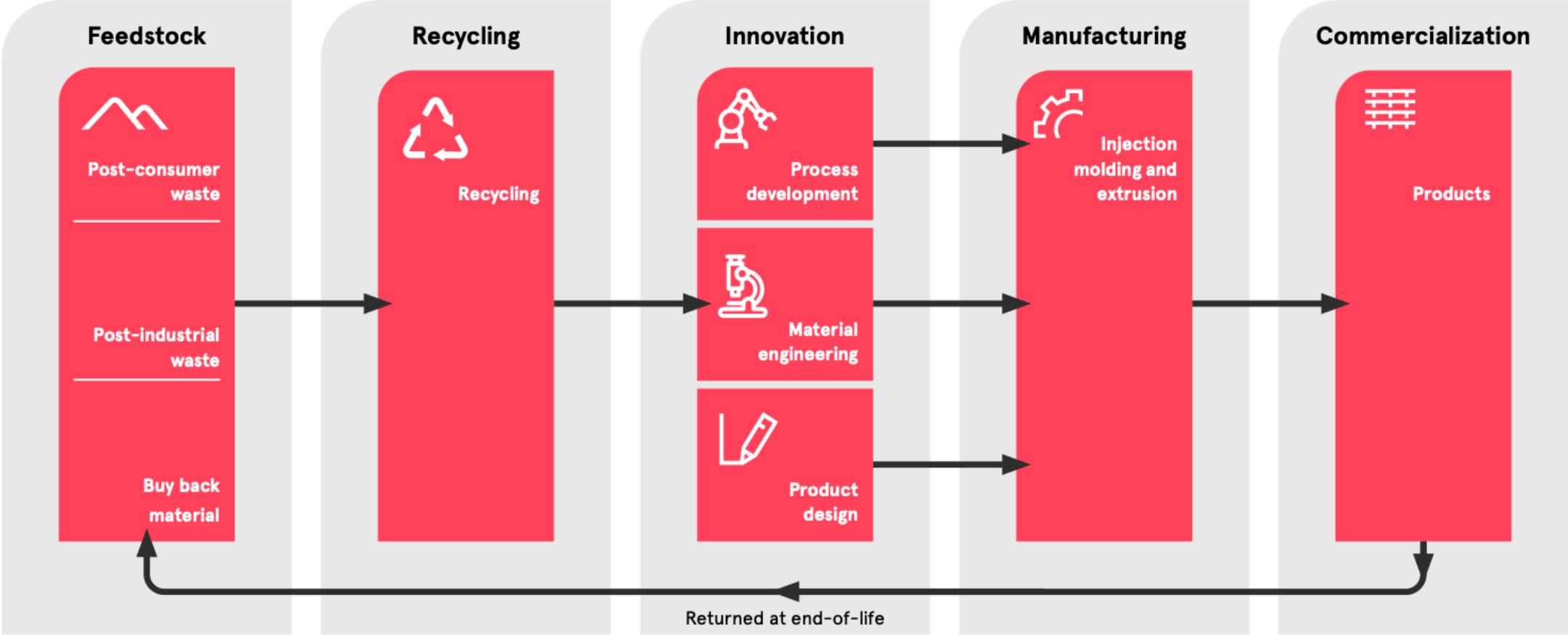


- Superior product design expertise
- Industry leading utilization of recycled content
- Offering full life-cycle services

- In-house recycling of hard to recycle plastic waste streams
- Extensive material formulation databank
- Industry leading know-how on processing of recycled plastics

# Cabka's Value chain

Turning hard to recycle plastic waste into innovative RTP



# Serving blue-chip customers across all industries

## Selected client base

Food & Beverage	Retail	Chemical	Pharma	Automotive	Pooling

# Summary of main events 2023

Strategy on track, driving improved profitability

## Sales

- Challenging general market circumstances
- Innovation sales are driving continued growth in our strategic segments
- Multiple new customer contracts with leading players across various industries

## Operations

- ECO business consolidated and expanded in Germany
- Reopening and expansion of our production site in US
- Launch of new recycling technology in US and EU
- Divestment of the PVC business and the Genthin site completed

## ESG

- Recycled content increased further to 89%
- Awarded Ecovadis gold status
- Awarded Climate Disclosure Program B-rating
- Executing roadmap to 100% green energy

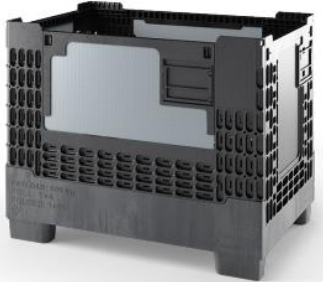
## Finance

- Cash from operations increased to €27m from improved operational results and lower working capital
- € 80m debt refinancing successfully secured
- Proposed dividend over 2023 of € 0.15 cash



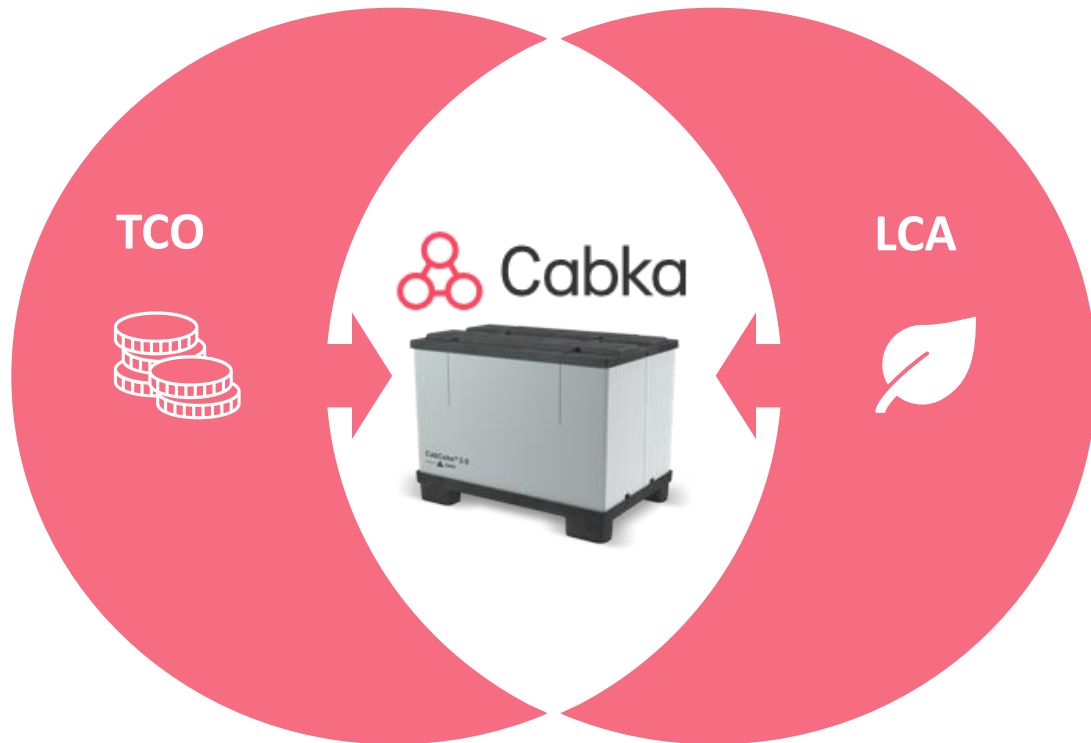
# Co-development highlights

Building on our innovation



# Quantifying the customer's benefits

Total Cost of Ownership (TCO) and Life Cycle Analysis (LCA) to drive change from wood to plastic



- Allowing detailed insight into the customer's supply chain
- Enabling Cabka to act as an Expert Consultant
- Positioning RTP as an asset, not an expense
- Offering solution on both cost & carbon savings

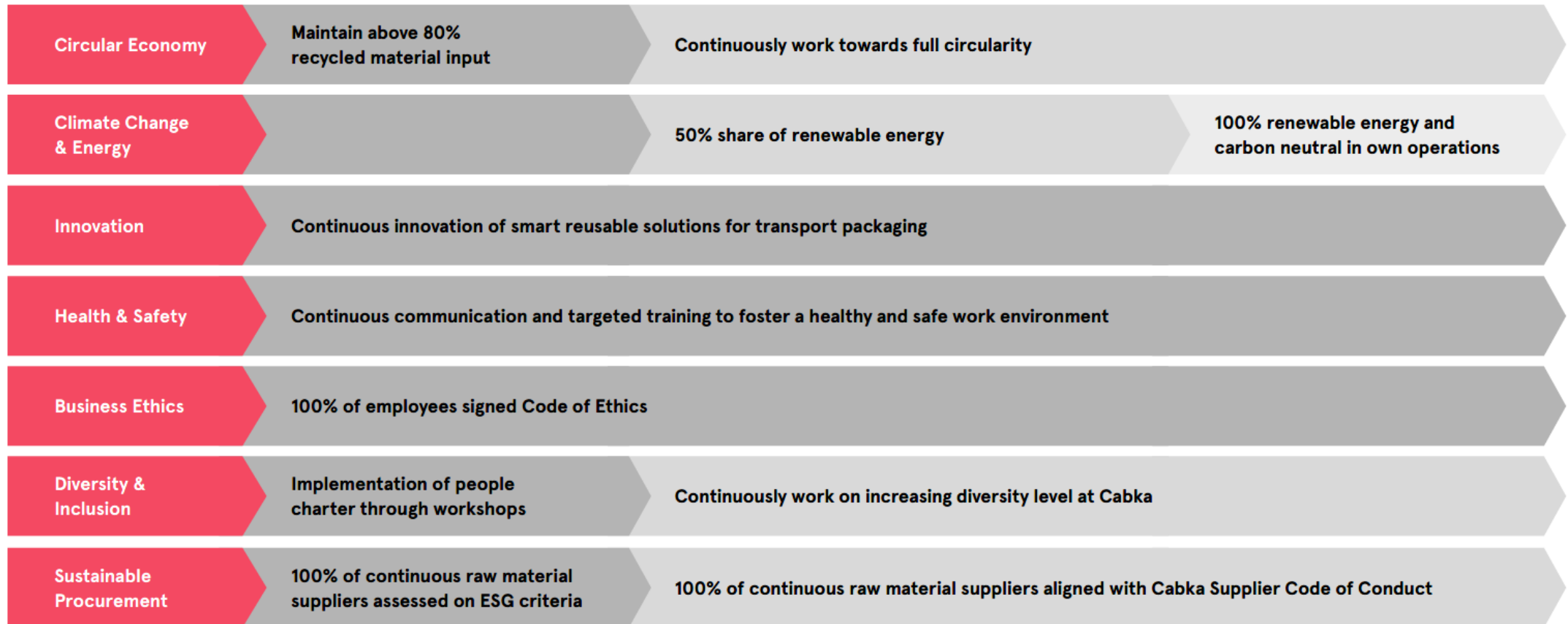
# Cabka ESG Roadmap

## Making progress on our ESG objectives

2023

2025

2030



# 02

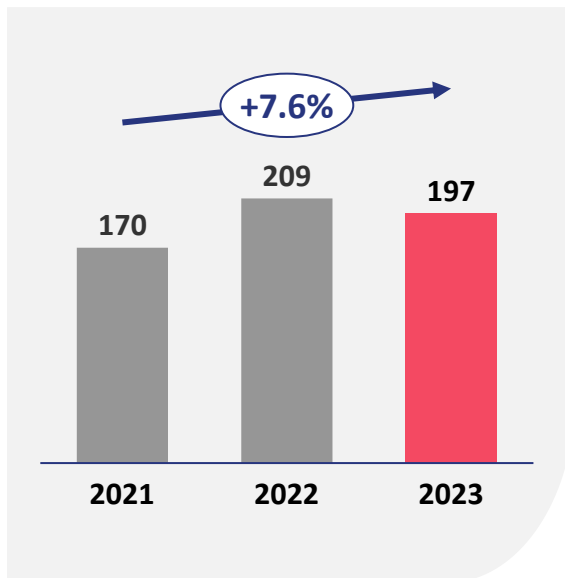
## Full year 2023 Financials

# Improving operational profitability

## Key financials 2023

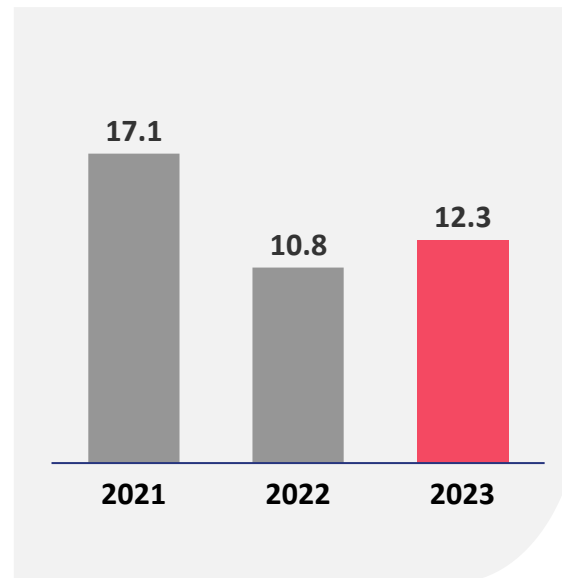
### Revenue

(in € million)



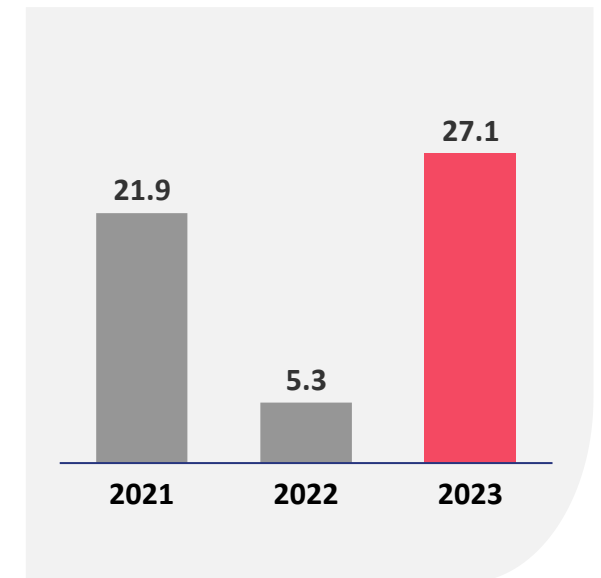
### Operational EBITDA margin

(in %)



### Cash from operations

(in € million)



# Operational results improving profitability

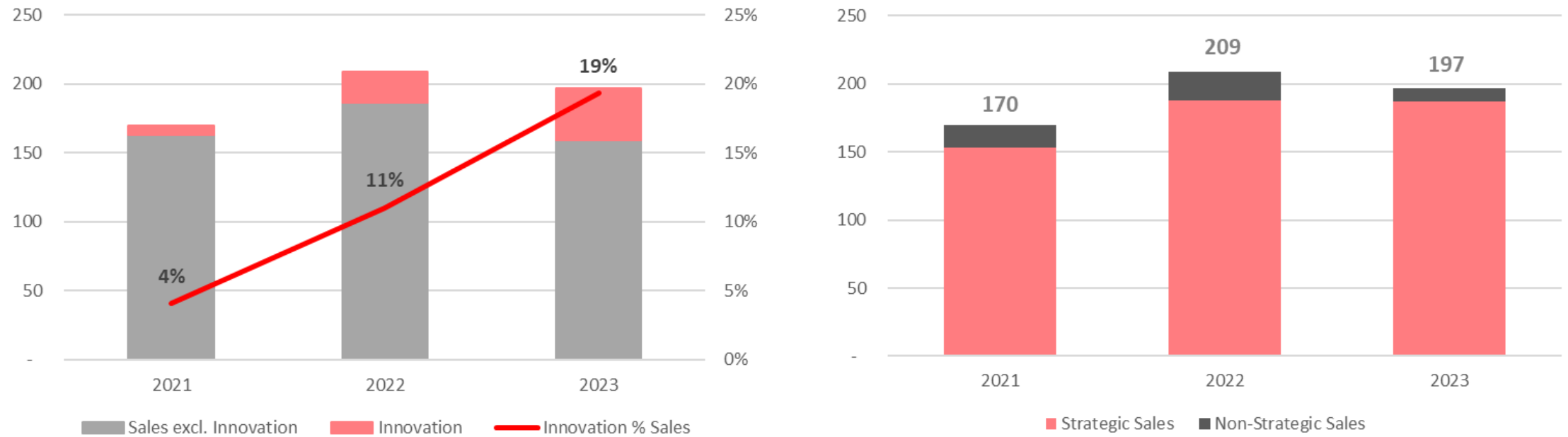
## Cabka Income from Operations

<i>in € million</i>	2023	2022	Change
<b>Revenues</b>	<b>196.9</b>	<b>208.9</b>	-6%
Other operating income items	3.4	11.9	-72%
<b>Total Operating Income</b>	<b>200.3</b>	<b>220.8</b>	-9%
Expenses for materials, energy and purchased services	(100.5)	(128.2)	-22%
<b>Gross Profit</b>	<b>99.8</b>	<b>92.6</b>	8%
Operating expenses	(75.6)	(70.0)	8%
<b>Operational EBITDA</b>	<b>24.2</b>	<b>22.5</b>	7%
Depreciation, amortization and impairment of intangible and tangible fixed assets	(16.9)	(18.0)	-6%
<b>EBIT /Operating Income</b>	<b>7.3</b>	<b>4.5</b>	60%
Financial results	(4.0)	(2.4)	69%
<b>Earnings before taxes</b>	<b>3.3</b>	<b>2.2</b>	51%
Taxes	(0.8)	(0.5)	52%
<b>Net income from operations</b>	<b>2.5</b>	<b>1.6</b>	50%

- **Sales declined with 6% to € 196.9**
  - Driven by divested PVC business and non-strategic contract manufacturing
- **Gross profit up € 7.2m**
  - Lower variable costs lead to continued recovery in gross margin
  - Margin from 44% to 51%
- **Operating expenses up 8%, driven by**
  - Inflationary adjustments on personnel and all other operating expenses
  - Key vacancies filled in sales
- **Operational EBITDA € 24.2m or 12.3% of sales**

# Investments in product innovations basis for future growth

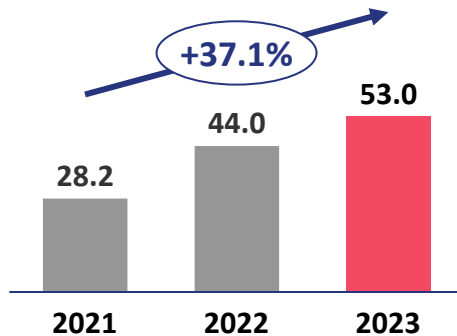
Stable sales across our strategic segments in challenging general market circumstances



# Stable sales across strategic segments

## Customized Solutions, Portfolio EU and ECO sound growth

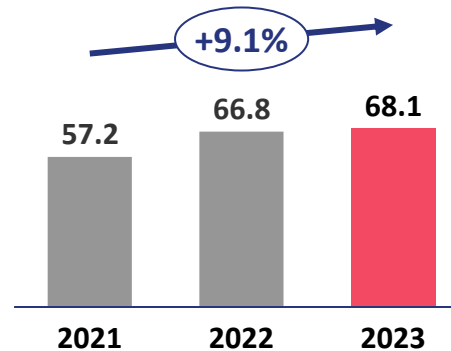
**Customized solutions**  
in € million



### Customized solutions +20.3% (22-23)

- Predominantly driven by new products launched, such as:
  - CHEP
  - Continental
  - BMW
  - Target (US)

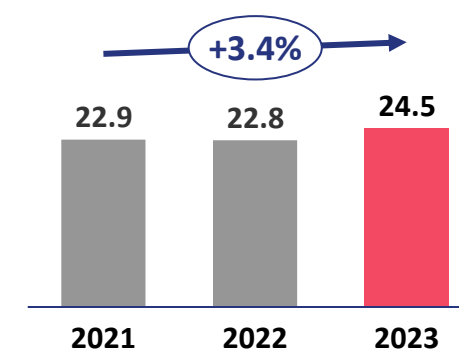
**Portfolio sales EU**  
in € million



### Portfolio +1.9% (22-23)

- Portfolio sales remained robust, given the challenging market circumstances
- Strong sales especially noted within Southern Europe

**ECO sales**  
in € million



### ECO +7.6% (22-23)

- ECO increased as a result of the consolidation and expansion of capacity

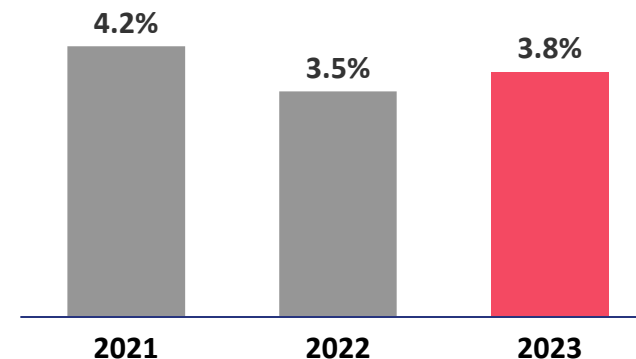


# Investing for growth

## Main investments to reopen and expand facilities in the US

CAPEX (including intangible assets)		
<i>in € million</i>	2023	2022
Replacement & Maintenance	16.2	7.4
Machines (expansion)	6.9	5.6
Mold (expansion)	6.5	4.5
ECO Restructuring	0.1	3.7
Process Automation	1.2	1.6
CNA shares	-	1.8
<b>Total Capital expenditures</b>	<b>30.9</b>	<b>24.6</b>

### Replacement & maintenance investments excl. US restoration as % of revenue



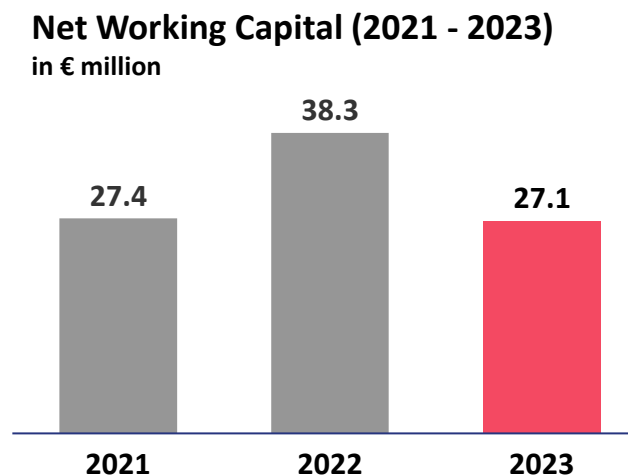
### Capital Expenditures | € 30.9m

- Total replacement & maintenance investments were € 16.2 million: excluding the US this amounts to € 7.4 million or 3.8% of total sales
- Total US investments to reopen and expand were € 12.1 million, reducing our average age of our machine park from 13 to 3 years
- Total ECO business investment was € 2.3 million

# Net Working Capital well within medium-term guidance

at 14% of sales

Net Working Capital in € million	2023	2022
Inventories	32.1	41.4
Trade receivables	27.6	31.8
Trade payables	(32.6)	(35.2)
<b>Total Net Working Capital</b>	<b>27.1</b>	<b>38.3</b>
% Sales LTM	13.7%	18.3%



## Net Working Capital | € 27.1m at 13.7% of sales

- Solid Net Working Capital position, leading to a strong improvement in cash flow from operations to € 27.1 million
- Lower inventory value due to active inventory management, stabilizing costs, and delivery of moulds to our customers
- Lower trade receivables due to diligent management
- Decrease in trade payables due to an active reduction in our raw materials inventory

# Significant improvement in operational cash flow

## Operating activities funded investments in restoring US operation and future growth

- **Cash flow from operating activities improved with € 21.8m to € 27.1m**
  - € 24.2m operational EBITDA
  - € 11.2m positive movement in NWC
  - € -4.7m other working capital movements
- **Cash flow from investing activities | € -30.0m**
  - € -30.4m related to capital investment
  - € -0.5m intangible assets
  - € 0.9m from asset disposals and interest
- **Cash flow from financing activities | € -11.1m**
  - € -7.2m repayments of banking debt facilities incl. interest
  - € -2.7m settlement of lease facilities

# € 80 million Debt refinancing at improvement terms

## Trust and support from financial partners

### Lead by a consortium of banks

- Total initial debt facility of € 80 million for four years
- Including extension options for up to two years and an extra € 20 million for further financial flexibility.

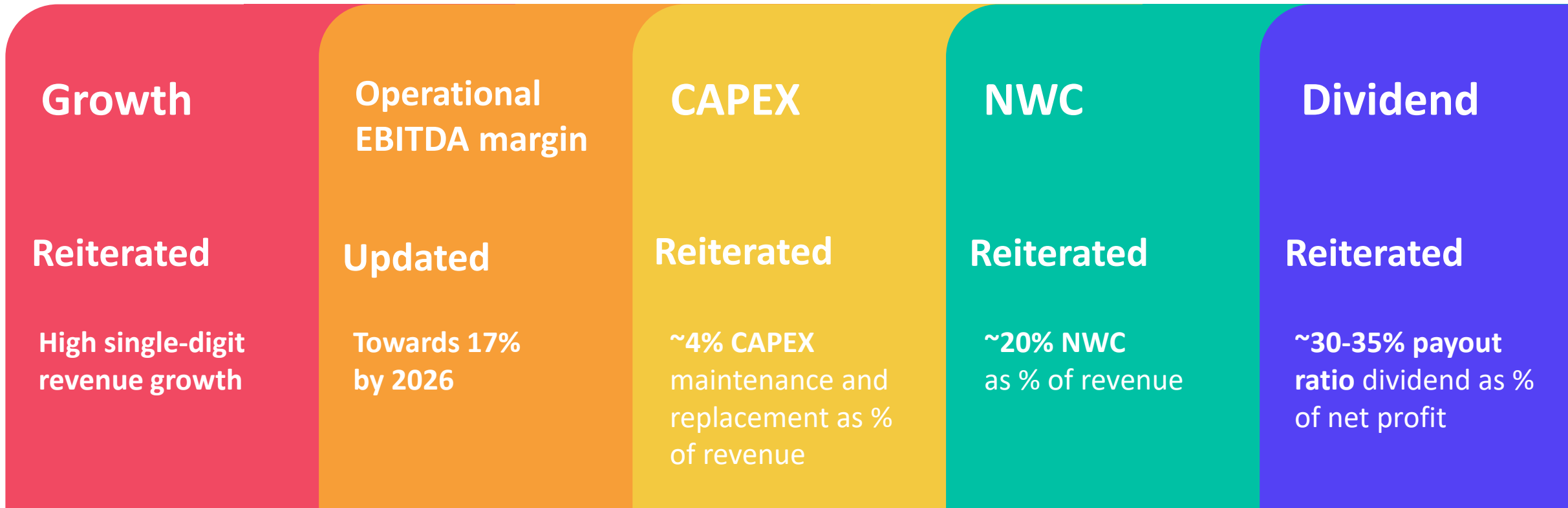
### The new initial facility of € 80 million consists of two parts

- € 30 million term facility (replacing outstanding € 27 million debt facility)
- € 50 million revolving credit facility, (replacing the current € 30 million revolving credit facility).



# Medium-term guidance update

In light of inflationary pressure impacting industry medium-term guidance 2021-2026 reviewed



# 2023 Performance on our medium-term guidance

## Key Performance Indicators

2023 Performance

Medium-term guidance

Growth

# -6%

High single-digit  
revenue growth

Operational  
EBITDA margin

# 12.3%

Towards 17% of  
revenue by 2026

CAPEX

# 3.8%\*

~4% CAPEX  
maintenance and  
replacement as %  
of revenue

NWC

# 13.7%

~20% NWC  
as % of revenue

Dividend

# €0.15

~30-35% payout  
ratio dividend as %  
of net profit

\*Excluding the restoration investments made in the US

# Outlook

After a slow start of 2024, full year mid-single digit sales growth expected, and EBITDA margin within the 13-15% range.

# Financial Calendar 2024

**18 April 2024**

Publication Annual Report 2023 and Trading Update Q1-2024

**30 May 2024**

Annual General Meeting

**13 August 2024**

Publication Half Year Results 2024

**21 October 2024**

Trading Update Q3 2024





# Q & A



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