

CABKA N.V. FY2022 Results

Proving Cabka's sound
fundamentals

Amsterdam, March 15, 2023

Agenda

01 Intro & Highlights of 2022 – Tim Litjens

02 FY2022 Financials – Frank Roerink

Q&A – Tim Litjens & Frank Roerink

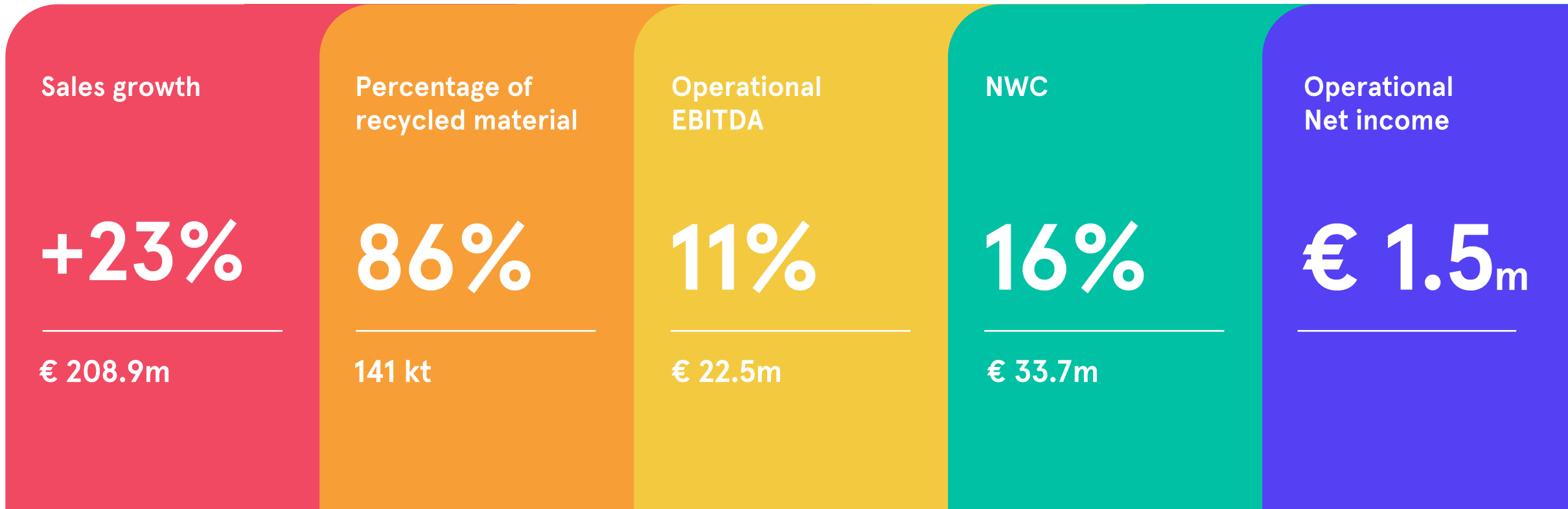


01

Intro & Highlights

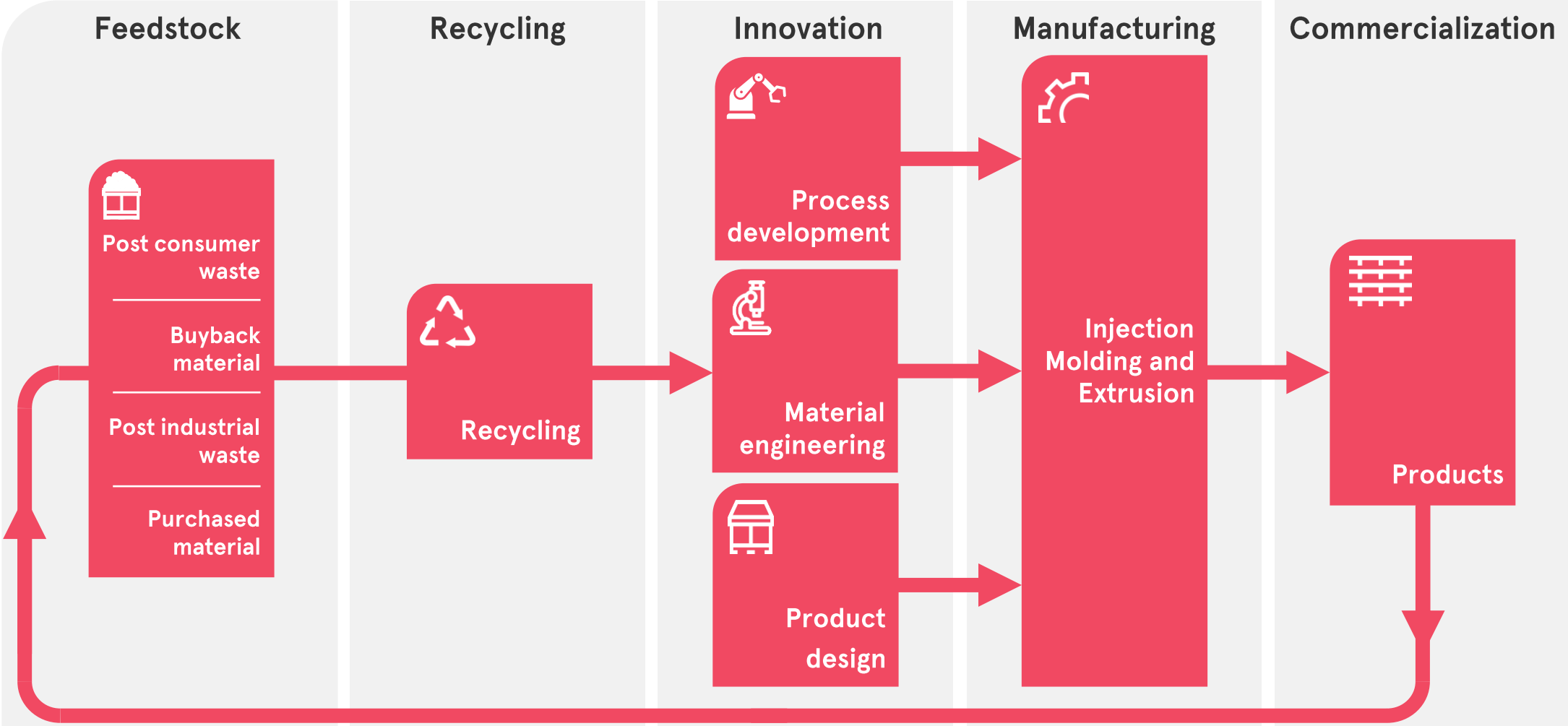
Proving Cabka's sound fundamentals

Highlights 2022



Turning hard to recycle plastic waste into innovative RTP

Our value chain

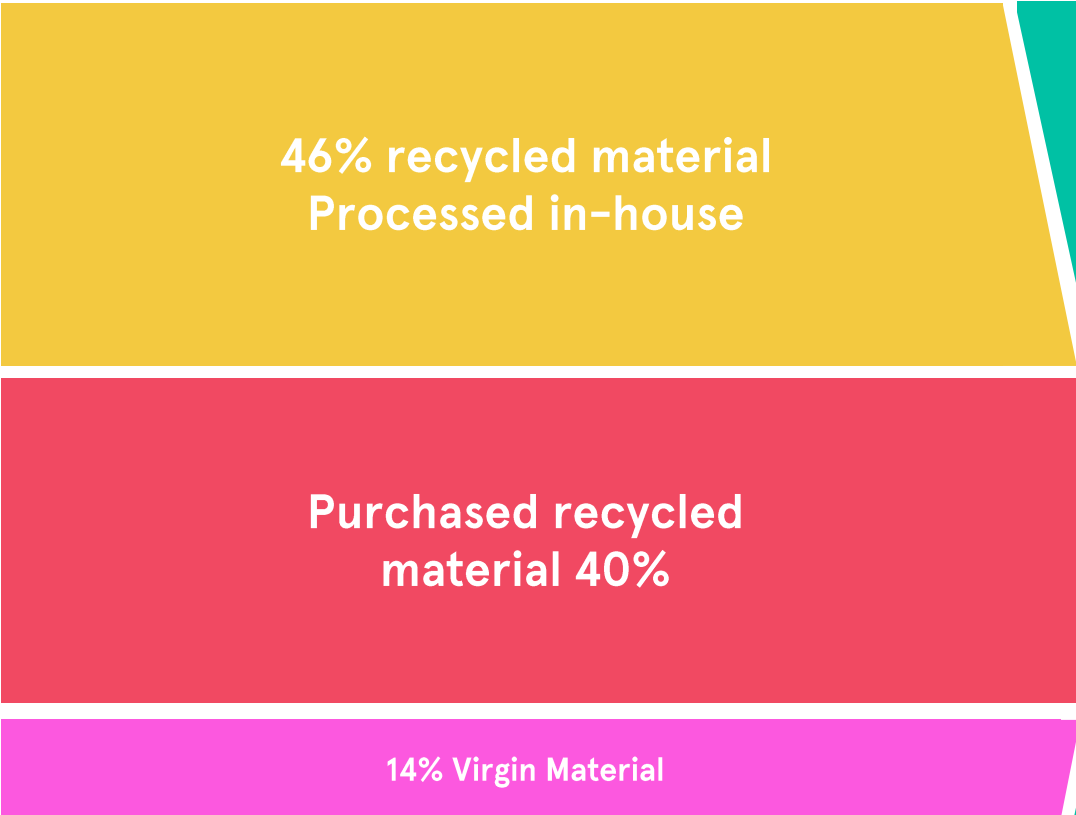


Pallets returned at end-of-life

Maximizing the use of recycled material

86% of recycled content, primarily recycled in-house

Material | 86% recycled



Products | 100% reusable



Offering high-performing products

Our product portfolio

Nest

Lightweight and nestable



Eco

Small price big loads



Endur

Robust premium products



Hygienic

Clean and food safe



Large containers

More mass more class



Custom products

Specially designed for your needs

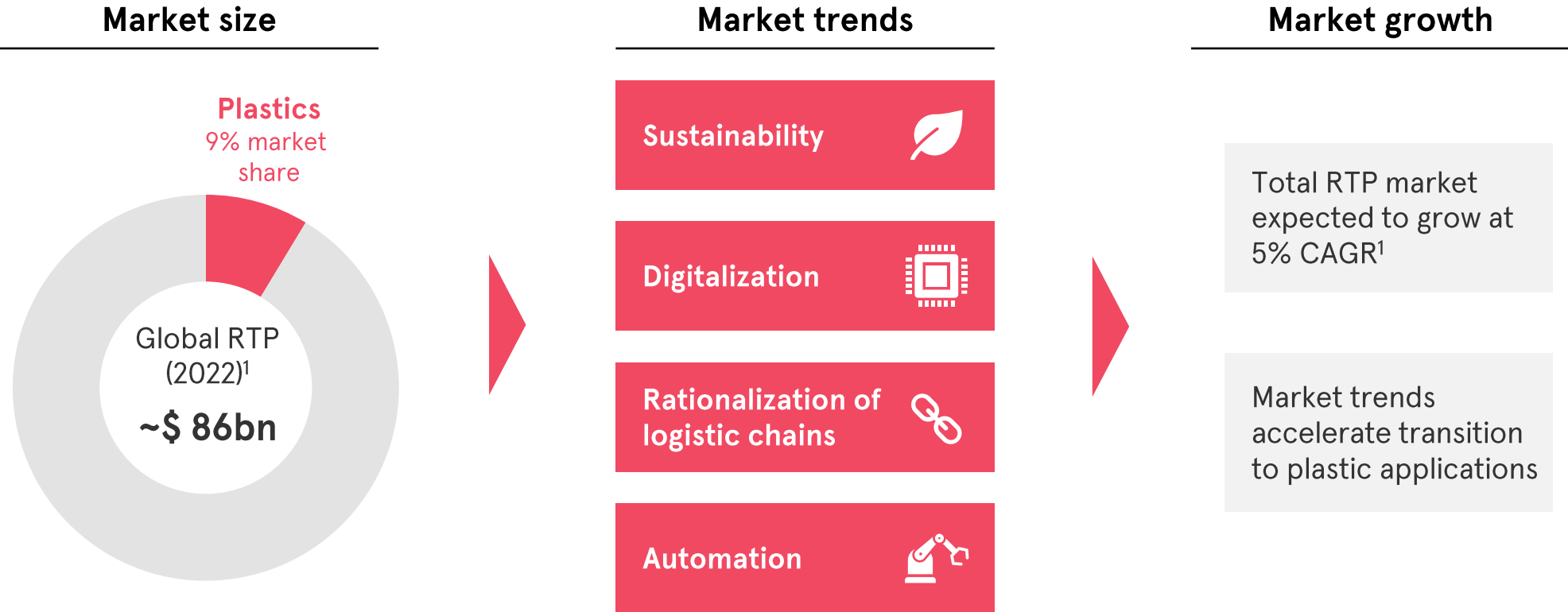


Eco products



Outpacing the global RTP market, driven by key trends

Plastic expected to outpace traditional feedstocks



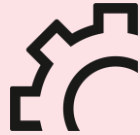
¹ Sources: Statista, Straits Research, Grand Views Research, Expert Market Research

Offering additional value – beyond plastic benefits

Cabka's unique integrated capabilities



Material
expertise



Processing
technology



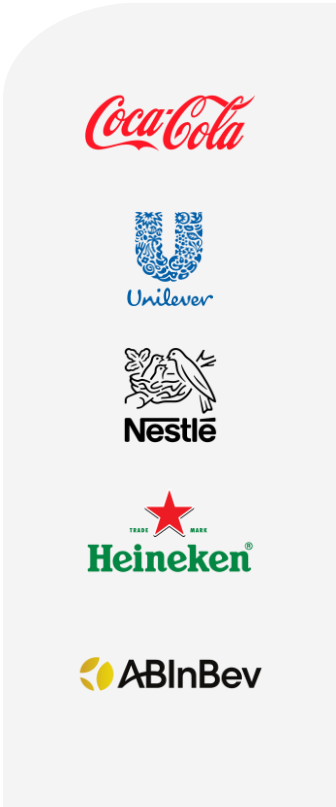
Product
design



Customer
intimacy

Serving blue-chip customers across all industries

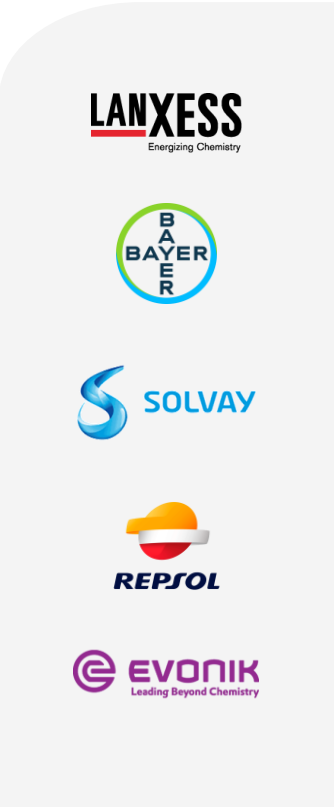
Selected client base



Food & Beverage



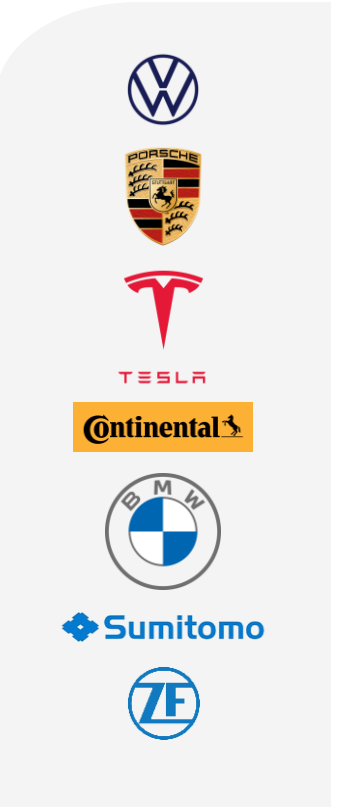
Retail



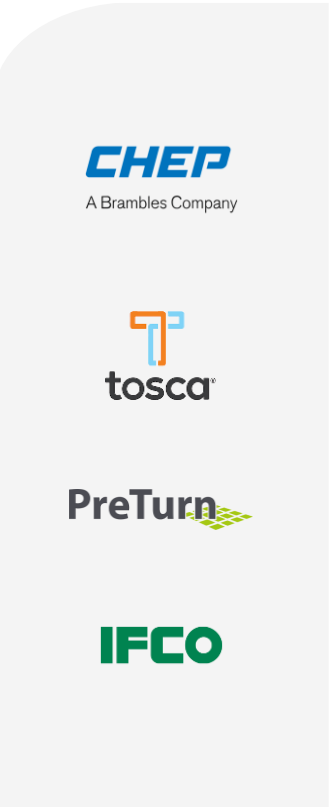
Chemical



Pharma



Automotive



Pooling

Developing products to build long-lasting partnerships

Major new contracts 2022



Retail

- Customized foldable large container for Target distribution network
- Enabling full automation for significant efficiency gains and savings in labor cost
- Durable solution to reduce transportation damages
- First deliveries Q3-2022



Pooling

- Customized foldable large container for new pool
- Exclusively based on recycled content
- Designed for extreme durability facilitating low damage rates
- First deliveries Q4-2023



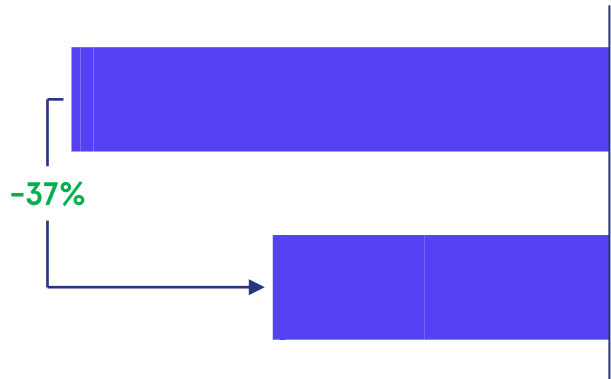
Automotive

- Customized foldable large container servicing full supply chain
- Replacing incumbent metal pallet box, with lighter, more efficient, and safer product
- First deliveries in Q2-2023

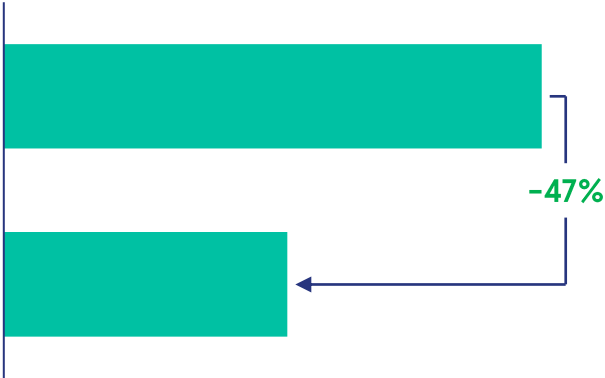
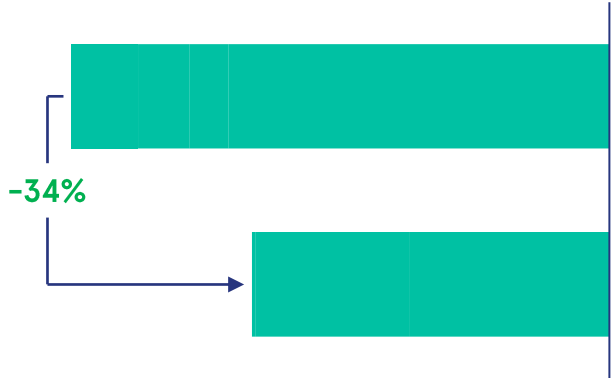
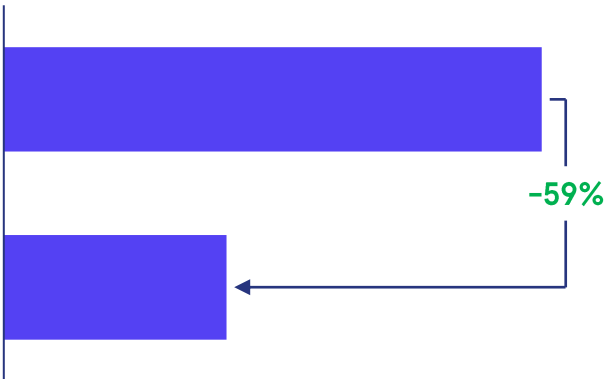
Leveraging benefits of recycled plastic in material handling

Superior in economics and carbon footprint

Carbon Footprint per trip* (Index = 100, kg CO2 eq)



Total Cost per trip* (Index = 100, € per unit)



Main value drivers

- Recycled raw material
- Foldable and nestable
- Superior durability
- Better repair rate
- 100% recyclability at end-of-life

* Derived from internal Total Cost of Ownership and Life Cycle Analysis using a standardized use case scenario with the same conditions. Results can vary based on individual use cases. For its Life Cycle Analysis, CABKA follows the Circular Footprint Formular (CFF) developed by the European Commission. The CFF excludes carbon capture effects of materials if the resulting product lasts less than 300 years, which is the case for wood pallets

Navigating a turbulent year

Main events 2022

Stock Listing

- Listing of CABKA N.V. on Euronext Amsterdam
- Inflow of € 45m
- Improved organizational strength:
 - 2-tier board structure
 - Management appointments
 - ESG and risk framework

Macro dynamics

- Geopolitical tensions driving up energy rates
- Increasing material prices
- Tight labor markets and wage increases
- Price increases mitigated higher input cost

Flooding

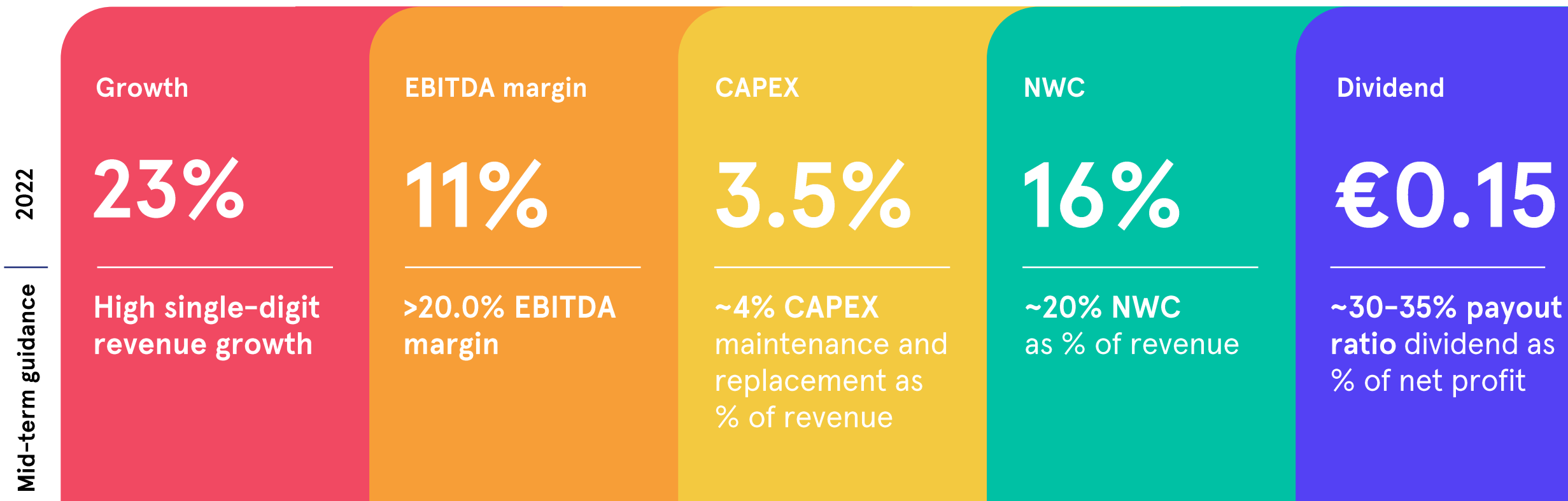
- St. Louis plant shut down
- Insurance in place, covering out of pocket cost
- Full capacity expected for end of Q2
- Flood protection measures in execution with water management experts

ECO Restructuring

- Concentration of ECO production at Weira site
- Impact:
 - € 0.6m one-off cost
 - 11 weeks down time
- Increasing processing capacities
- Enhancing economies of scale

Continuing to deliver on our mid-term guidance

Forward looking KPIs



Outlook

Based on Cabka's strong fundamentals we reiterate our mid-term guidance. Barring unforeseen circumstances, for 2023 we expect to deliver on high-single digit sales growth, with a recovery of EBITDA margin towards 13-15%

02

FY2022 Financials

Operational results underlining solid fundamentals

Cabka Income Statement

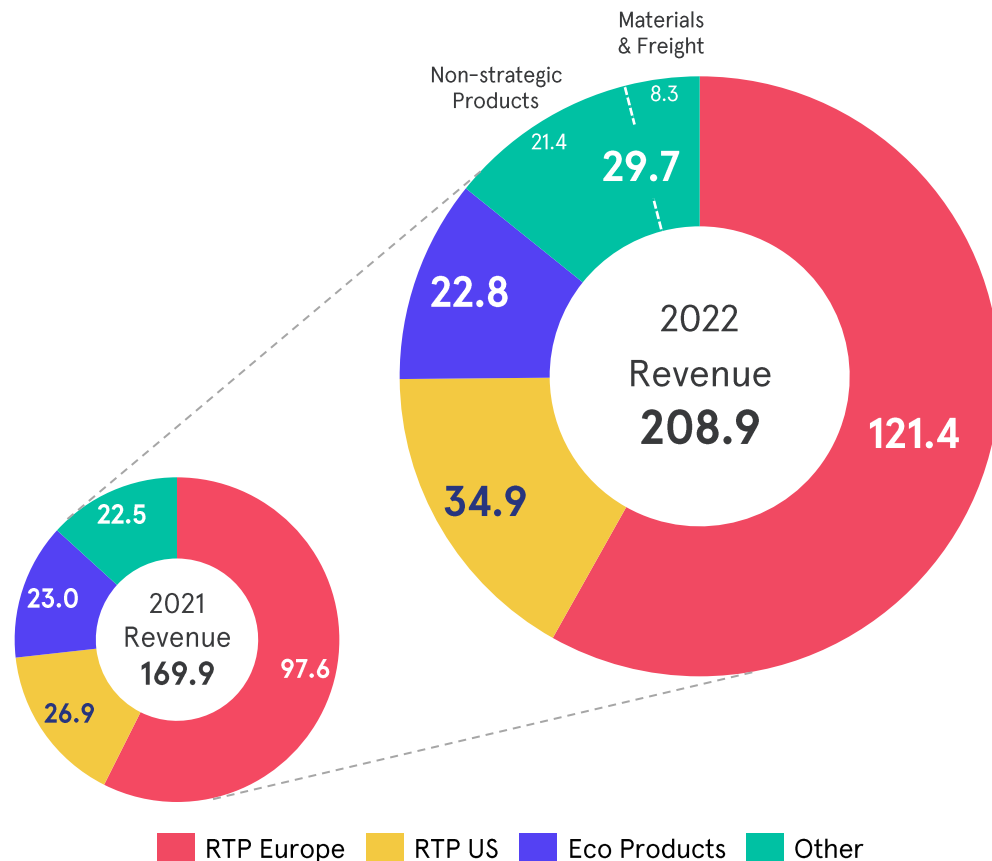
Condensed income statement			
<i>in € million</i>	2022	2021	Change
Sales	208.9	170.0	23%
Other operating income items	11.9	6.6	80%
Total Operating Income	220.8	176.6	25%
Expenses for materials, energy and purchased services	-128.2	-89.5	43%
Gross Profit	92.6	87.1	6%
Operating expenses	-70.0	-58.1	21%
EBITDA	22.5	29.0	-22%
Depreciation	-18.0	-19.7	-9%
EBIT /Operating Income	4.5	9.3	-52%
Financial results	-2.4	-2.1	13%
Earnings before taxes	2.2	7.2	-70%
Taxes	-0.7	-3.8	-82%
Net income from operations	1.5	3.4	-56%

- **Record sales of € 208.9 up 23%**
 - 8% organic growth on target
 - 15% pricing effect
- **Gross profit up € 5.5m**
 - Margin from 51% to 44% due to higher input cost
 - Excluding cost effect margin remained stable
- **Operating expenses up 21%, driven by**
 - Growth
 - Inflationary adjustments
 - Post-COVID ramp-up
 - Organizational requirements of listed company
- **Operational EBITDA € 22.5m or 11% of sales**

Healthy growth in strategic core segments in EU and US

Revenue per product group

Revenue per product group (2021 vs. 2022), in € million

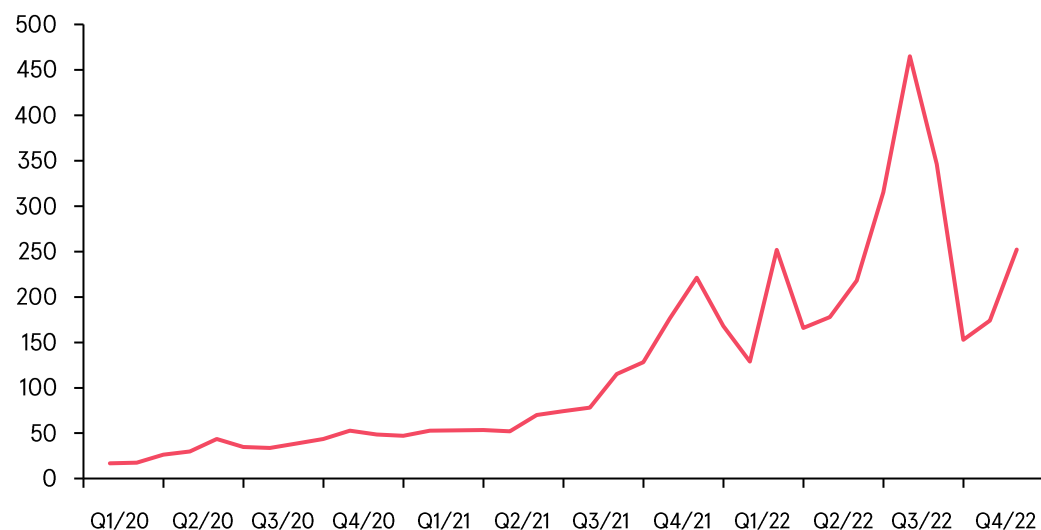


- **RTP Europe | +24%**
 - Overall growth above mid-term guidance
 - Strong growth in Customized Solutions underpinning strategic focus
- **RTP US | +30%**
 - Growth despite flooding in July
 - Target agreement as central driver
- **ECO business | -1%**
 - 11 weeks downtime, resulting in lower material intake and recycling fees; compensated by pricing
 - Efficiency gains from restructuring expected in 2023
- Others driven by one-off sales peak in Non-strategic Products and inflationary effects on Materials & Freight

Managing a challenging cost environment

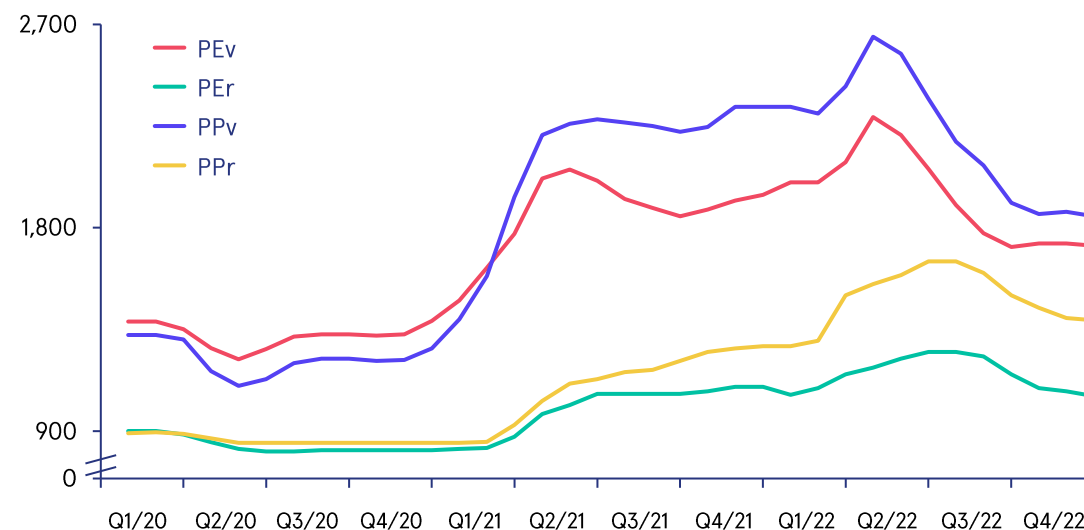
Volatile energy and material markets throughout 2022

Energy Cost Development (Q1/2020–Q4/2022)¹, in €/MWh



- After gradual increase since beginning of the Ukraine war, spot prices reached new highs in August of up to 700 €/MWh
- Through contractual provisions and other measures, average energy price for FY2022 kept below spot
- Rates meanwhile have come down

Material Cost Development (Q1/2020–Q4/2022)², in €/t



- Virgin prices nearly doubling coming out of pandemic
- Recycled prices steadily increasing in same period
- Backward integration reduces exposure to market volatility
- Prices meanwhile have stabilized some ~10% above the levels before the war in Ukraine

¹ Germany only, Source: Statista ² Source: PIE Index

Mitigating energy exposure

Overview of energy related measures

Energy reduction and price predictability

- Reducing energy consumption through efficiency and modernization
- Introduced adaptive and transparent price increases throughout 2022, with indexation for energy and material costs
- German energy price cap (130 €/MWh on 70% of consumption)

Increased use of renewable energy

- Belgium operations to source ca. 30% solar energy in 2023
- German operations several options in negotiation

Hedging

- Initiated transition to long-term PPAs to ensure stable rates
- Rolled out updated energy hedging strategy

Net income affected by extraordinary items

Extraordinary non-operational one-offs with € -35.5m net effect

Non-operational Items in P&L		
<i>in € million</i>	2022	2021
IPO listing expenses	-26.8	
IPO transaction related cost	-1.3	-0.2
Bonuses and VSOP incl. tax charges, triggered by IPO	-3.4	-3.8
ECO restructuring	-0.6	-0.6
St. Louis flooding	-6.9	
Changes in value of Special Shares	1.6	
Tax on non-operational items	1.9	1.3
<i>Non-controlling interest</i>	<i>0.1</i>	<i>0.3</i>
Total effect	-35.5	0.4
of which non-cash impact	-30.0	0.0

- IPO related cost mostly non-cash listing expenses
- ECO restructuring comprises closing of Genthin site and moving of assets to Weira
- Cost of flooding include direct, such as clean up and impairments of machines, and indirect cost, such as additional tolling fees
- Changes in value of Special Shares result from revaluation at year end
- Non-controlling interest regards minority shareholders of CNA until end of March 2022

Addressing IFRS-driven non-cash impact listing expense

Breakdown of IPO related cost

IPO related cost (detailed)			
<i>in € million</i>	P&L	Balance Sheet	Cash flow
Net equity received from listing	-	45.2	45.2
Listing expenses	-26.8	-	-
IPO related transaction cost	-1.3	-2.9	-2.9
Warrant and Special Shares liabilities at listing	-	-6.0	-
Special Shares liability fair value change at year end	1.6	-1.6	-

Listing expense

- At listing, March 1st, net cash consideration of € 102.4m:
 - € 108.5m cash consideration
 - € -6.0m financial liabilities of DSC2 for outstanding Warrants and Special Shares
- IFRS considers market value of all shares received by DSC2 shareholders of € 129.2m
- Difference € 26.8m is value of the 'service' of providing Cabka with a listing
 - No balance sheet impact
 - No cashflow impact

Investing for growth

CAPEX breakdown

CAPEX	
<i>in € million</i>	2022
Replacement & Maintenance	7.4
Machines (expansion)	5.6
Mold (expansion)	4.5
ECO Restructuring	3.7
Process & Automation	1.6
CNA shares	1.8
Others	2.0
Total Capital expenditures	26.6

- R&M CAPEX at 3.5% of sales
- Investments in machinery predominantly driven by US expansion
- Investments in molds resulting from new product developments
- ECO restructuring costs include installing of equipment in Weira and capacity expansions

Net Working Capital maintained stable

NWC well on track at 16% of sales

Net Working Capital		
<i>in € million</i>	2022	2021
Inventories	41.4	30.8
Trade receivables	31.8	27.2
Received prepayments	4.2	0.0
Trade payables	35.2	30.7
Total Net Working Capital	33.7	27.4
% Sales LTM	16%	16%

Net Working Capital | € 33.7m at 16% (in line with 2021)

- Higher inventory value predominantly caused by increased sales, increased cost of goods, and higher safety stocks
- Higher receivables and payables reflecting higher sales and input cost
- Received prepayments, predominantly funding the investments in molds from joint development agreements, included in contract liabilities

IPO proceeds allowed for further investing in growth

Condensed cash flow statement

Condensed consolidated statement of cash flow		
<i>in € million</i>	2022	2021
Cash flows from operating activities		
Net loss / income for the period	-34.0	0.1
Interest paid	2.4	1.9
Taxes	0.2	-1.5
Amortization/depreciation of intangible and tangible fixed assets	18.0	19.7
Cash flow	-13.4	20.2
Increase (-) / decrease (+) of inventories, trade receivables, trade payables, and other assets & liabilities	-13.0	2.6
IPO cost charged to Equity	-1.7	
Other non-cash transactions	28.6	-0.9
Cash flow (used in)/from operating activities	0.5	21.9
Cash flow from investing activities		
Cash outflow from tangible and intangible assets	-25.3	-17.6
Cash inflow/outflow from investments in fully consolidated companies	-1.9	0.0
Net cash from/(used in) investing activities	-27.1	-17.6
Cashflow from financing activities		
Proceeds from issue of share capital	108.5	
Cash outflow from buy out of Cabka minority shareholders	-63.3	
Cash outflow for the repayment of liabilities to banks and other financial liabilities	-10.2	-4.5
Cash inflow from receipt of liabilities to banks	4.5	2.9
Interest paid	-1.8	-1.9
Net cash from/(used in) financing activities	37.7	-3.5
Changes in cash and cash equivalents	11.1	0.8

- **Cash flow from operating activities | € 0.5m**
 - € 22.5m operational EBITDA
 - € -5.3m IPO related or triggered cost
 - € -6.4m increase in NWC
 - € -6.6m other liabilities
 - € -3.7m indirect cost from flooding
- **Cash flow from investing activities | € -27.1m**
 - € 26.7m related to capital investment
 - € 1.9m buyout of shareholders of Cabka NA
 - € 1.5m others
- **Cash flow from finance activities | € 37.7m**
 - € 45.2m net proceeds from IPO excl. cost
 - € -12.0m repayments of banking debt facilities incl. interest and exchange rate differences
 - Lease facilities increased by € 4.5m

Financial Calendar 2023/24

25 April 2023

Publication Annual Report 2022 and
Trading Update Q1-2023

8 June 2023

Annual General Meeting

13 June 2023

Capital Markets Day

17 August 2023

Ex-Dividend* Date

18 August 2023

Dividend* Record Date

22 August 2023

Publication Half Year Results 2023

25 August 2023

Dividend* Payment Date

19 October 2024

Trading Update Q3 2023

20 March 2024

Publication Preliminary Results 2023



Q & A



ir@cabka.com
investors.cabka.com

Disclaimer

No representation, warranty or undertaking is given as to the accuracy or completeness of the information or opinions contained in this document by any of Cabka N.V., its representatives, founders or employees and no liability is accepted by such persons for the accuracy and completeness of any such information or opinions.

The content of this presentation may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth or strategies.

Readers are cautioned that any forward-looking statements are not guarantees of future performance. Given these uncertainties, the reader is advised not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date of publication of this presentation.