

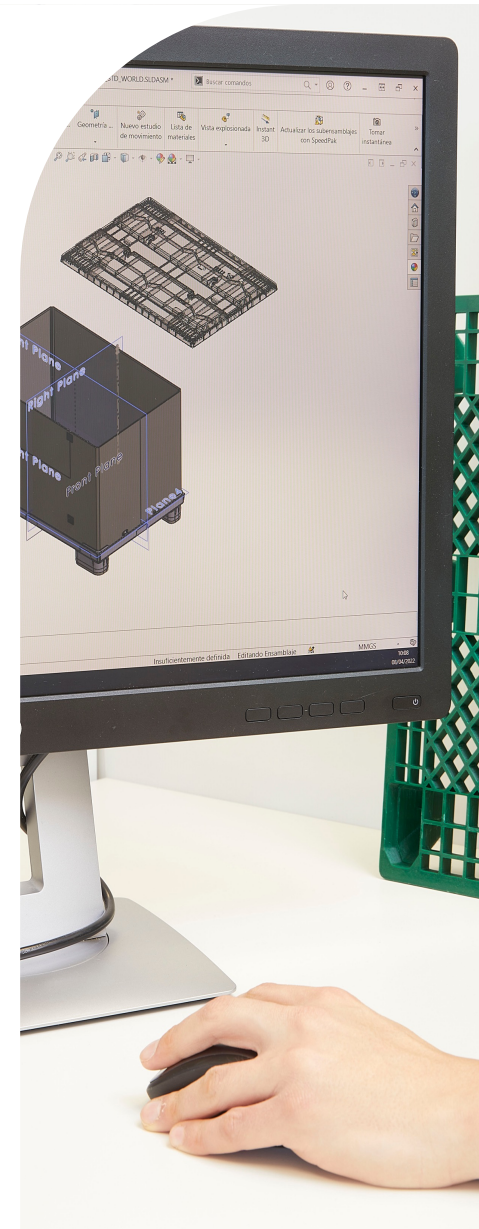
# Cabka

a leading integrated circular production company

## Dutch Star Companies Investor Meeting

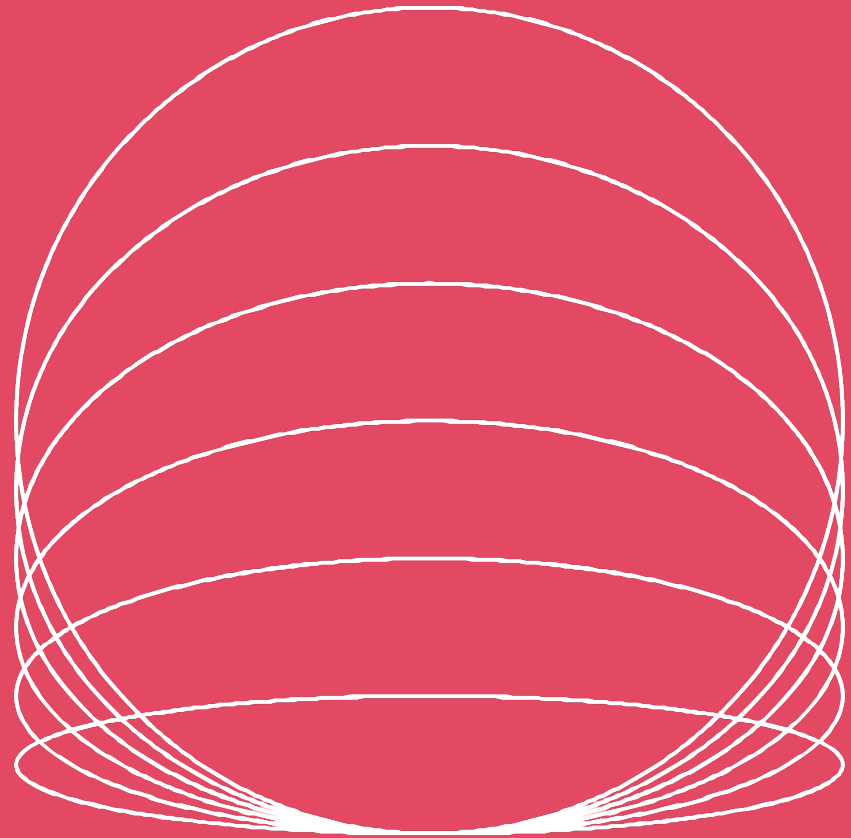
Tim Litjens, CEO

Breda, 21 June 2022



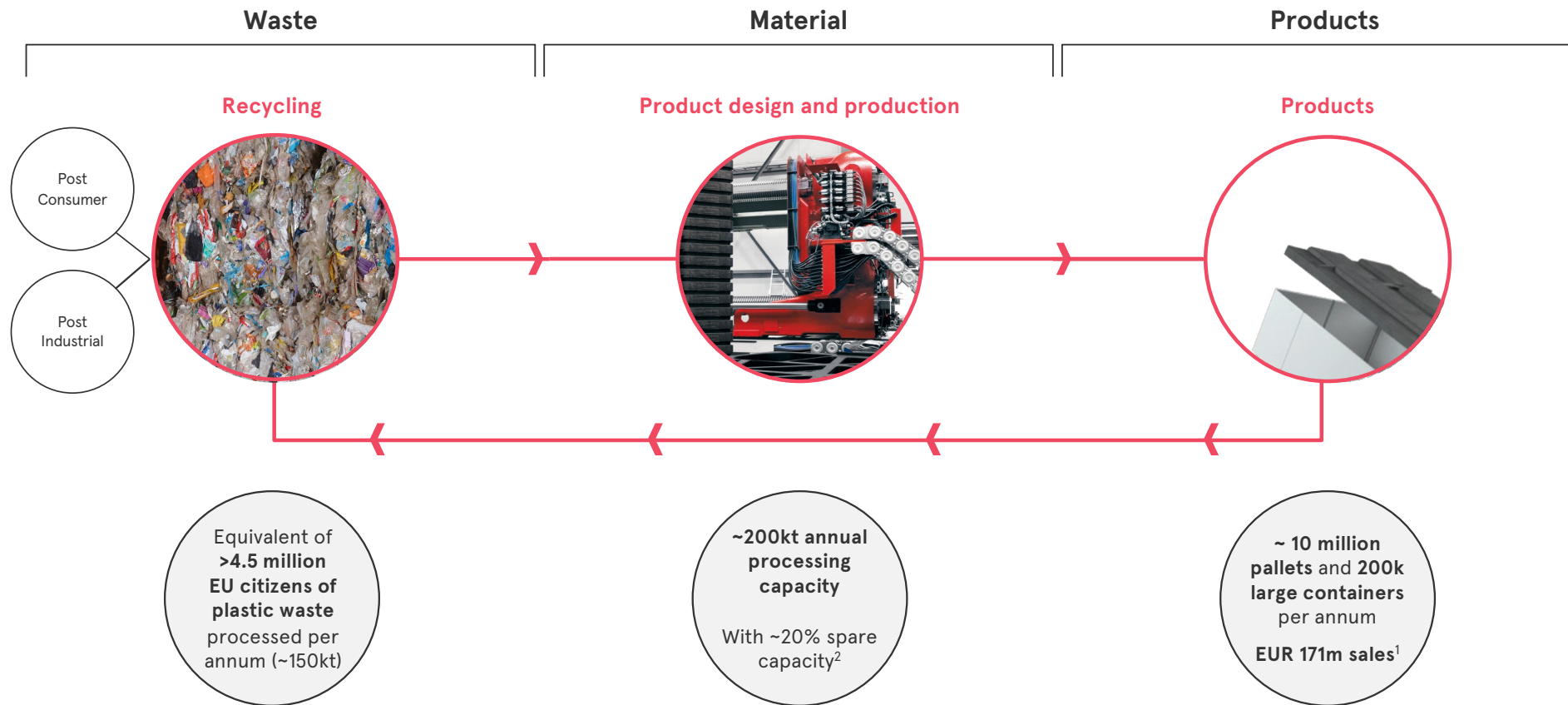
# 01

Leading in plastics  
recycling for smart  
logistics



# Cabka; Closing the loop from waste to products

Competitors only cover part of the value chain

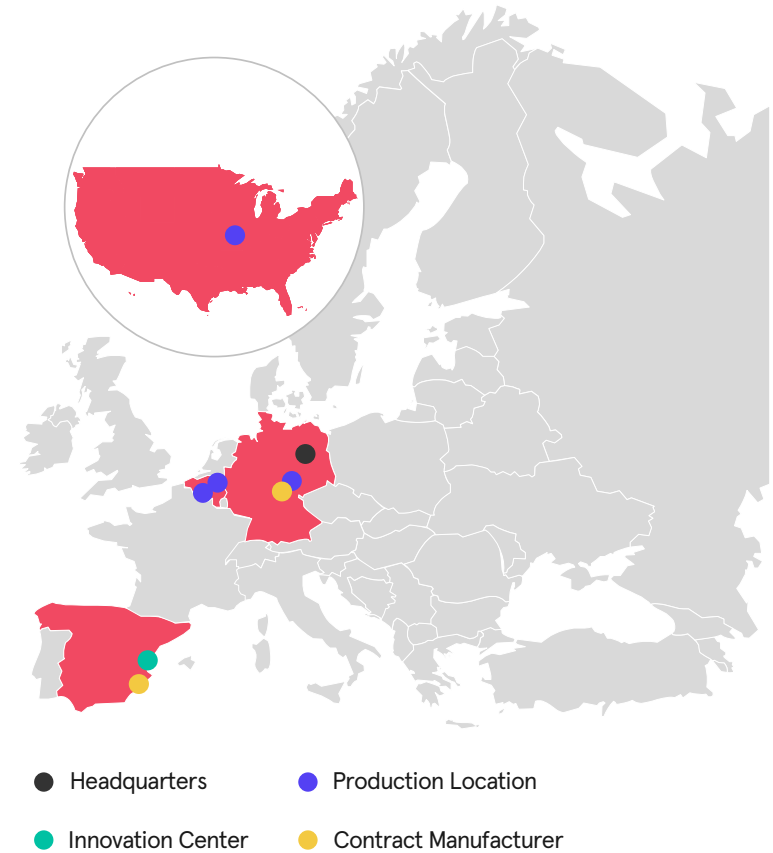
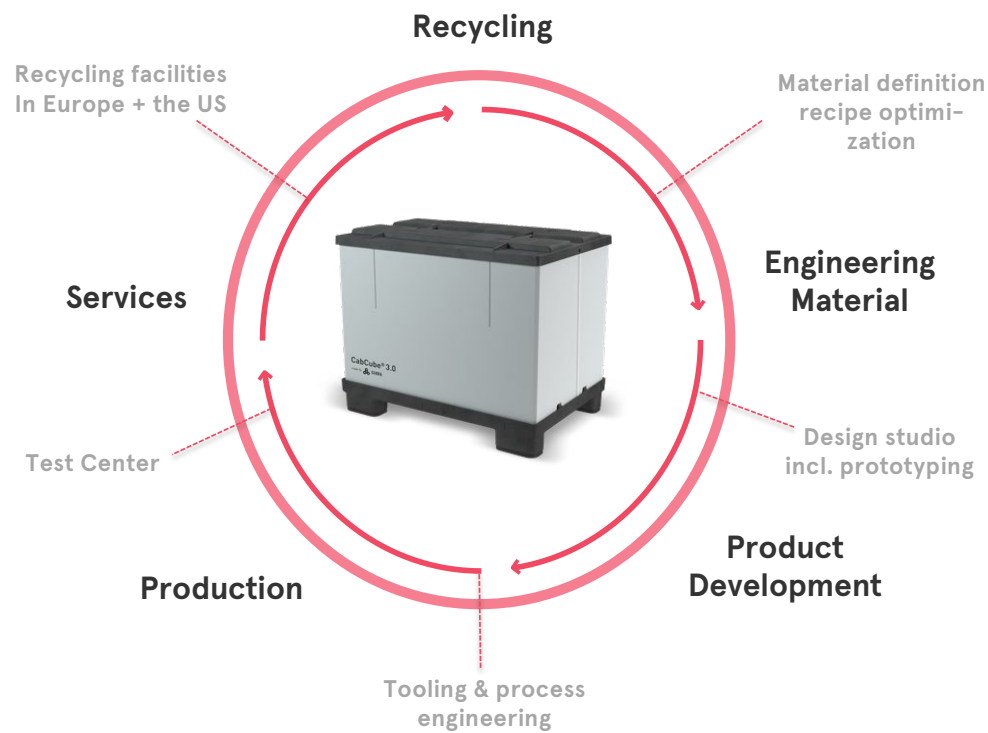


Sources: Eurostat: Packaging waste statistics, and management information.

Note 1: in 2021FY; Note 2: Spare capacity based on difference between 2021 processing capacity and max capacity. Max capacity calculated taking into account an overall equipment effectiveness per unit of 85% - 90%.

# Integrating the entire chain in one-of-a-kind business model

Based on strong regional focus and over 25 years of experience and research



# Highly efficient State-of-the-Art mechanical recycling to end-products<sup>1</sup>

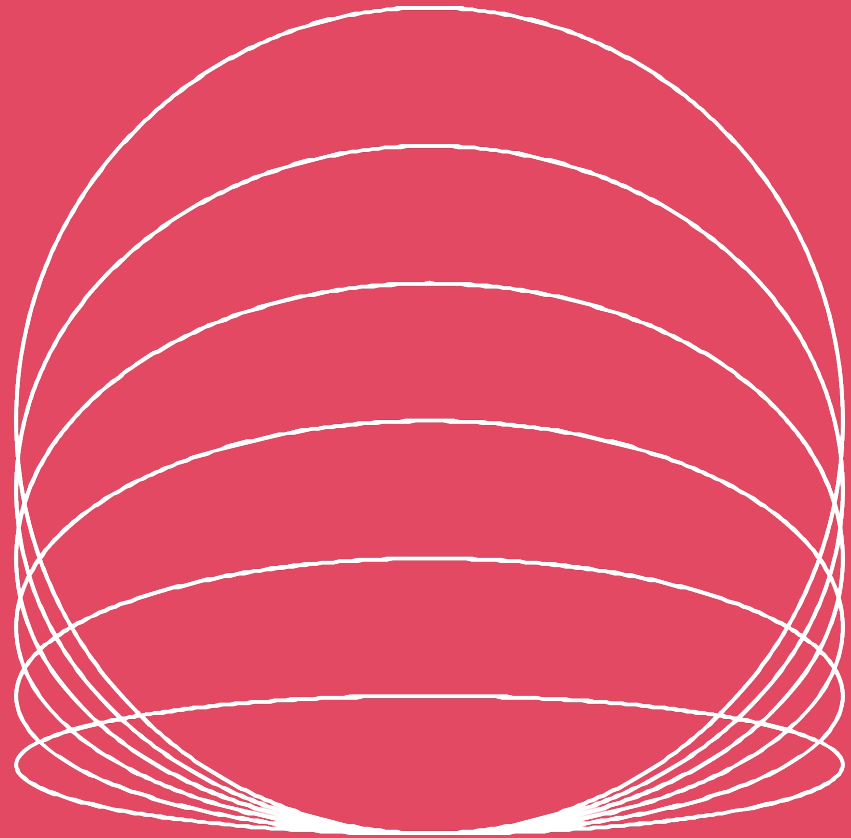
from reusable to recyclable to recycled and back



Note 1: All figures for 2021FY

# 02

Creating leading  
position in key  
markets



# Two global forces are reshaping the plastic transport packaging market

## Driving increased demand to replace wood by reusable and recyclable plastic



### Logistics chain rationalization

- Strategic relevance of logistics chains; driving need for innovative solutions
- Trend towards fully automated warehousing; zero tolerance for system failure
- Increasing demand for more hygienic pallet solutions; no mold, splinters etcetera
- Pallet pooling shifting towards plastic; larger players are integrating plastic into their strategy



### Sustainability

- Circular business models and sustainability in the core of corporate and regulatory agendas
- Strong interest in sustainable products; reusability, recyclability, recycled materials
- Superior CO<sub>2</sub> footprint of plastic in most applications, especially for recycled plastics
- Residual value management increasingly important

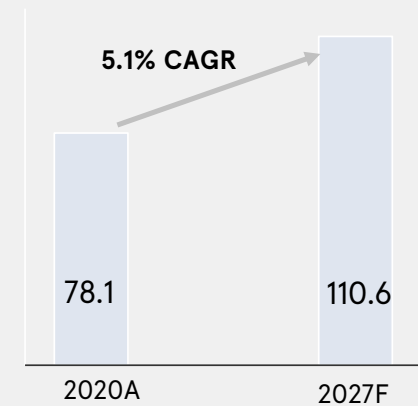
# Plastic gains ground over wood in logistics

**Growth of global pallets market**

**>5% CAGR<sup>1</sup>**

## Recycled plastic pallet segment leading the growth pace:

- Fuelled by overall lower costs of ownership, and more favourable carbon footprint
- Sustainability drives additional demand replacing wooden pallets
  - More efficient return logistics
  - Fully recyclable
  - More hygienic
  - Less damage – longer life time
  - Tailorable to ‘dark’ warehouses

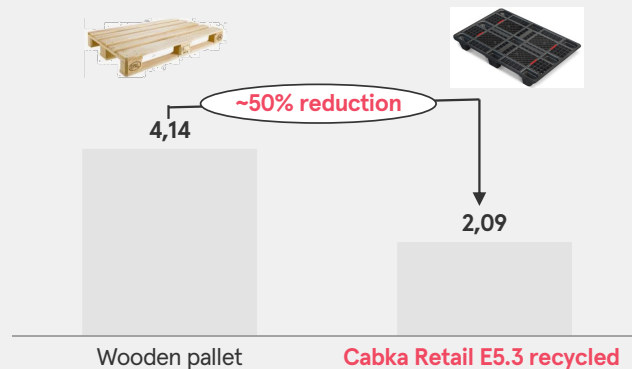


**Cabka Retail E5.3 recycled**

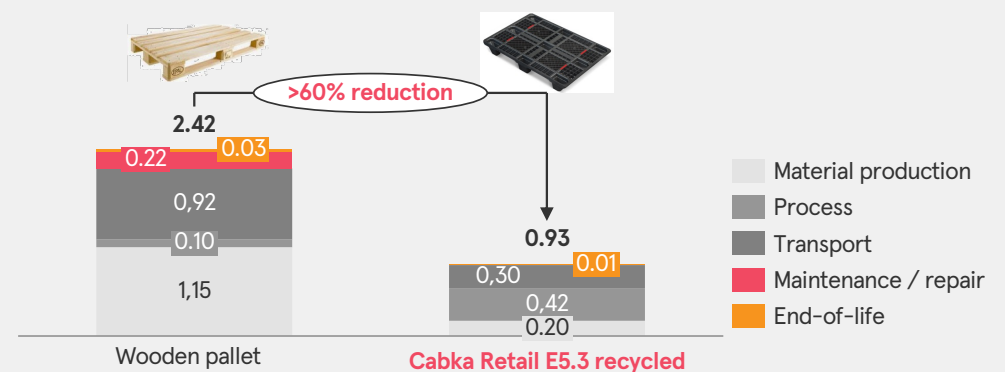
**versus**

**Wooden pallet**

## Total cost per pallet per trip (EUR)<sup>2</sup>



## Kg CO<sub>2</sub>-equivalent per trip<sup>2</sup>



Note 1: US\$ based. Allied Market Research, Pallets Market March 2021 and management information

Note 2: Derived from external Total Cost of Ownership and Life Cycle Analysis, in consultation with Cabka's management using assumptions on transport data, usage, processing time and durability.



# Product portfolio helps to lower carbon footprint and costs of our customers

Of over 150 types of pallets, containers & ECO products

**Nest**  
Lightweight and nestable

**Eco**  
Small price big loads

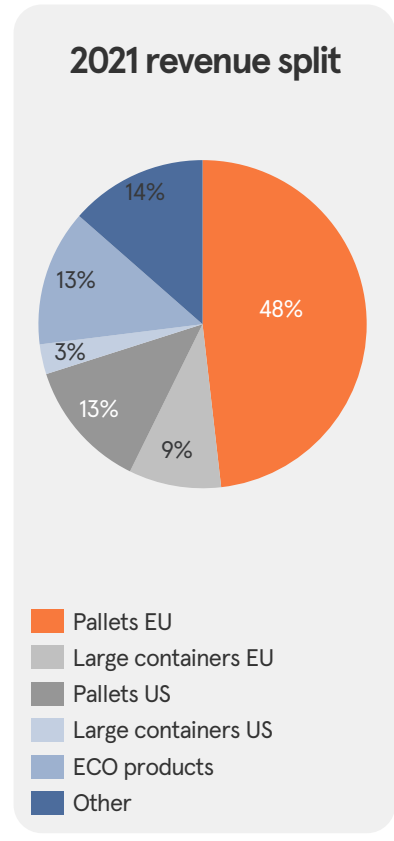
**Endur**  
Robust premium products

**Eco products**

**Hygienic**  
Clean and food safe

**Large containers**  
More mass more class

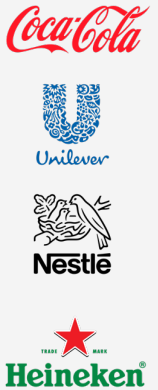



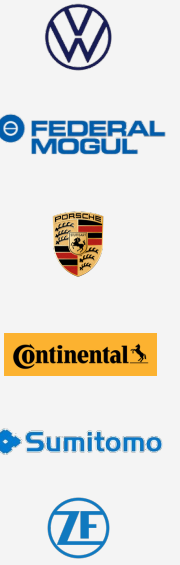
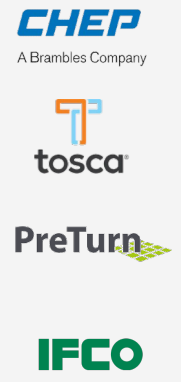
**Custom products**  
Specially designed for your needs

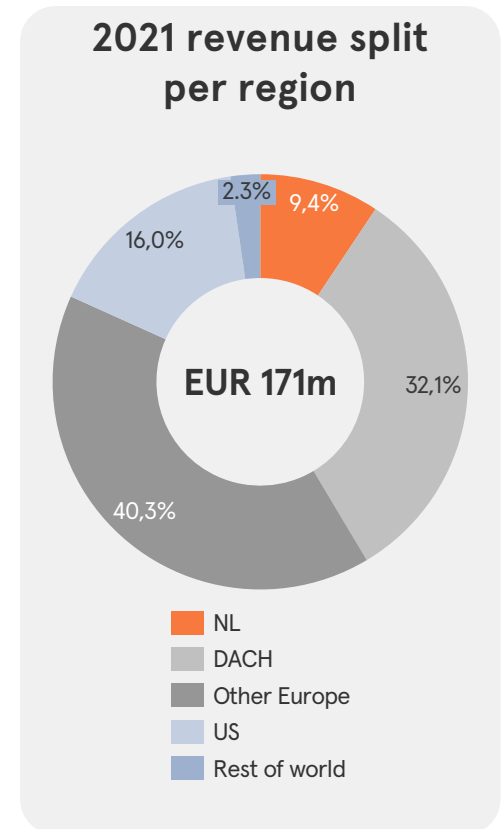


Note: Other component includes freight and packaging sales, raw materials sales.

# Serving a broad portfolio of blue-chip customers

Tailored to European and US key markets

					
Food & Beverage	Retail	Chemical	Pharma	Automotive	Pooling



# Offering innovative customized solutions

Deeply embedded in clients core logistics chain

**Target Contract & Product USP's**

- Multi-year contract for large foldable containers
- Initial order of \$ 13m for 2022Q2/Q3, additional orders on quarterly basis as of 2022Q4
- Tailored for Target distribution needs
  - **Designed for extreme reusability**
  - **Superior protection during logistics**
  - **More efficient return logistics**
  - **Fully recyclable**
  - **Superior sustainability**



**Powered by**

- **Innovation Centre in Valencia**
  - Embedded consistent focus on R&D
  - Creating intellectual property re design, materials and process
  - Competitive edge through in-house developed, patented expertise

**Market opportunity**

- Established solutions also in European Retail, Automotive and Pooling
- More new contracts pending

# Strategy focused on creating market leading position in key markets

Existing competitive position provides strong basis for further expansion

- With ~90% share of recycled product input, Cabka is a unique company compared to its competitors
- Cabka is **market leader in** (recycled + virgin) **plastic pallets in Europe**
- Leveraging on that market leading position it envisages to become number 1 on large containers in Europe
- In the US, Cabka already has a strong offering but aims to become the market leader on pallets
- Furthermore, building on its European basis and project pipeline Cabka wants to get a **solid foothold in the large container market in the US**

Company	Competitive landscape			
	Pallets EU	Large containers EU	Pallets US	Large containers US
Cabka	Segment leader	Active	Strong offering	Active
Schoeller Allibert	Strong offering	Segment leader	Active	Strong offering
Lutz	Strong offering	Strong offering	Not active	Not active
CRAEMER	Strong offering	Active	Not active	Not active
KTP Packaging Solutions	Not active	Strong offering	Not active	Not active
ORBIS Powered by Manasha Corporation	Not active	Not active	Segment leader	Segment leader
SHUERT TECHNOLOGIES	Not active	Not active	Strong offering	Strong offering
Rehrig Pacific Company SINCE 1911	Not active	Not active	Strong offering	Active
GREYSTONE	Not active	Not active	Strong offering	Not active

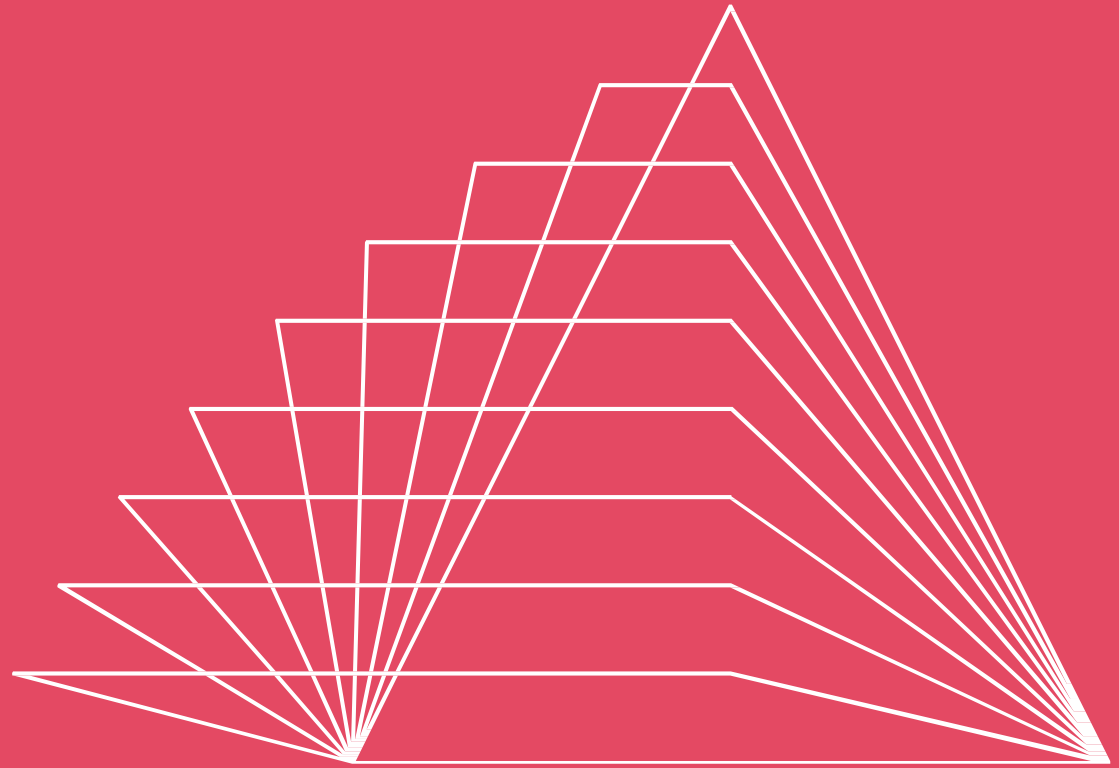
**Legend**

Segment leader	Strong offering	Active

Sources: Management estimates

# 03

## Perspective on future growth



# Cabka's key strategic objectives

providing strong basis for revenue growth, higher profitability and increased competitive edge

## Continuous innovation

- Leverage dedicated innovation center to further drive competitive edge
- Increase intellectual property position
- New formulations leveraging on one-of-a-kind plastic waste feedstock database

## Customized solutions

- Invest in and focus on marketing of customized solutions
  - Higher margins
  - High customer loyalty
  - Large accounts
  - Increased stickiness
  - Increased entry barriers

## Expand large container position

- Invest in large foldable containers
  - Less competitive space
  - Higher value add
  - Good fit with current asset base
  - Leverage existing customer base

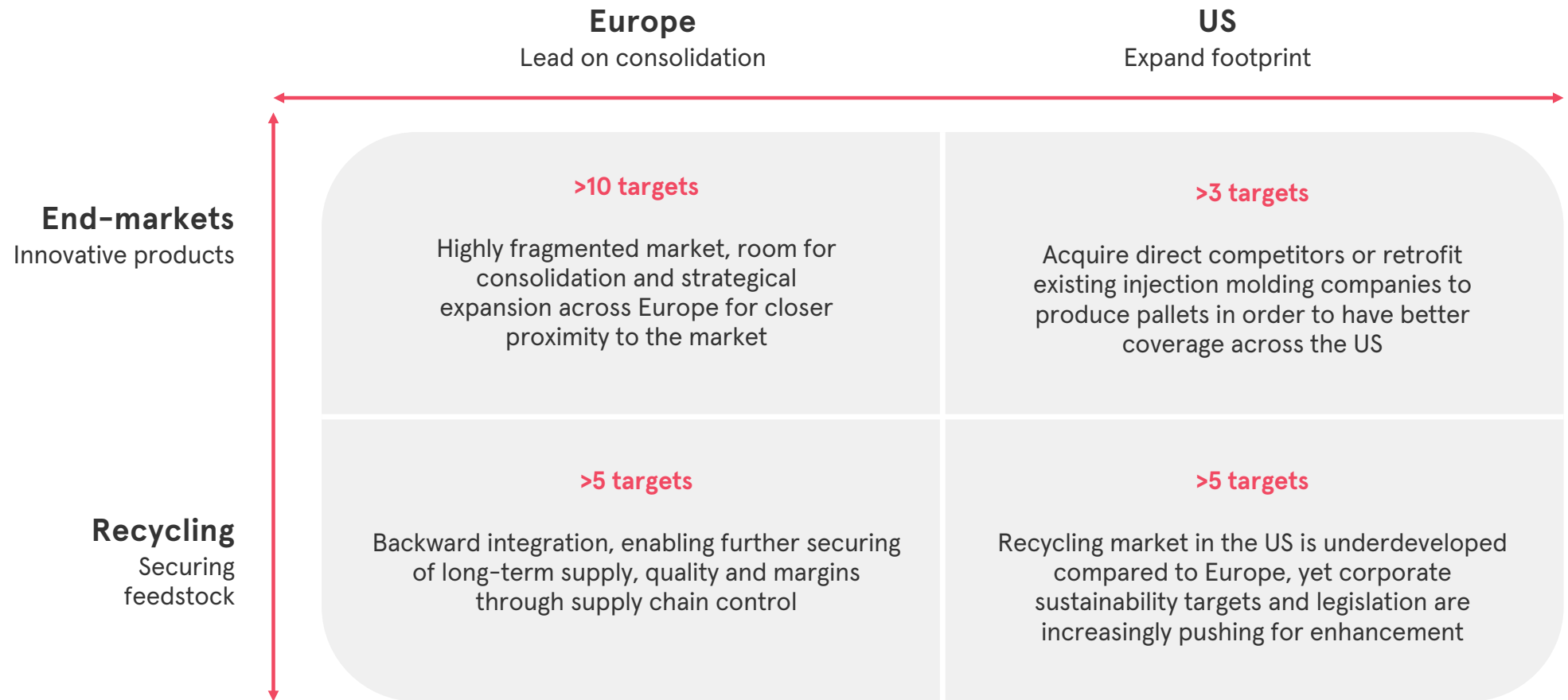
## Leverage on ECO products

- Driving significant efficiency improvements, lowering fixed costs while expanding capacity
- Further improving already highly attractive EBITDA margin



# Attractive M&A landscape to further propel growth

Identified M&A strategy focused on value creating opportunities across 4 buckets



## Four operational levers to enhance margins and cashflow

### Formulation

- Engineering recycled plastic products, complemented by in-house recycling, shifting towards lower value waste streams
- Lower material costs, increased competitiveness, higher security of supply

### Automation

- Target to reduce >30% of manual labour through automation
- >15 projects to be executed by 2024

### Enhanced efficiency

- Driving significant efficiency improvements, leveraging the existing asset base
- Closure of Genthin site and concentration of ECO products in Weira

### Asset light

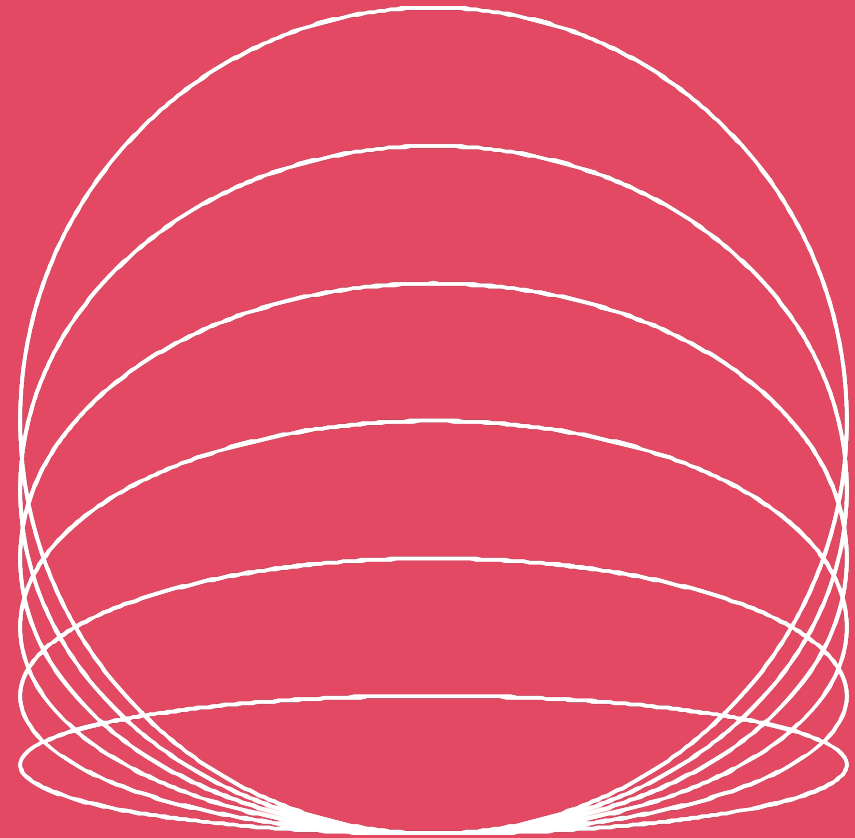
- Outsourcing of production with limited specialized know-how (e.g. tolling)
- Lower capital intensity, focusing capex on new products and automation thereby increasing cash conversion





# 04

## Financial Highlights



## FY2021 KPI's | Showing strong post-Covid recovery

### Revenue & profit

• Revenues	€ 170.6m	+26.8%
• Gross profit	€ 88.2m	+18.7%
• Underlying EBITDA	€ 28.0m	+38.5%
• IFRS Adjusted Underlying EBITDA	€ 31.0m	+41.4%
• Net profit	€ 4.6m	+€7.8m

### CAPEX, NWC & net debt

- **Capital expenditures € 19.3m**  
€ 7.1m maintenance and replacement
- **Net Working Capital € 32.5m** (19% of revenue)
- **Net debt** per year end 2021 € 62.4m (IFRS-16 adjusted, similar to 2020YE)
- Business Combination provided € 45 m cash inflow per 1 March 2022

## 2022Q1: Sales show short term strong double-digit growth

Margins on target for mid-term

### Strong sales continued

- Record sales of **€ 50m** in 2022Q1 up almost **30%** compared to 2021Q1
- Record new multi-year sales contract with Target, a leading US retailer
- Well-filled pipeline for 2022/2023

### Lagging effect for margins

- Absolute impact of steep price increases for energy and materials
  - partly covered in 2022Q1, due to delay in price increases
  - fully mitigated by 2022Q2
- Genthin closure gives temporarily lower fees for recycling mixed plastics
- Total impact partly mitigated by improved product mix (shift to customized solutions)

## Good progress towards mid-term organic financial guidance

### Mid-term guidance

High single-digit revenue growth

>20.0% IFRS Adjusted EBITDA margin

~4% CAPEX maintenance and replacement as % of revenue<sup>1</sup>

~20% NWC as % of revenue

~30-35% pay-out ratio dividend as % of net profit

### Reported results

2021FY: 27%  
2022Q1: ~30%

2021FY: 18.2% IFRS Adjusted EBITDA margin

2021FY: 4.2% CAPEX maintenance and replacement as % of revenue<sup>1</sup>

2021FY: 19% NWC as % of revenue

EUR 0.15 indicated over FY22

Note 1: Excluding growth and cost reduction capex

## 2022 outlook as per 13 April 2022 confirmed

“The first quarter of 2022 is characterized by high overall inflation, particularly manifesting itself through significantly higher energy, material, and labor costs. In anticipation Cabka announced price increases in the fourth quarter of 2021, effective per January 2022, followed by another round of price increases effective per mid-March.

As these price increases are lagging the rapidly increasing input costs, there is an expected delay in the full conversion to the market, impacting relative margins on the shorter term. That said, supported by further revenue growth and mitigating actions focused on enhancing our product mix and efficiencies, we stick to the mid-term guidance as provided earlier”

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