



Cabka: Record sales and resilient operational results in first six months of 2022

August 17, 2022

Amsterdam 17 August 2022. Cabka N.V. (together with its subsidiaries, the “Company”), a leading integrated circular production company, listed at Euronext Amsterdam, announces its non-audited results for the first six months ended 30 June 2022, today.

Financial Highlights

- Record sales of EUR 102.2 million representing a 27% Year-on-Year (YoY) top-level growth consisting of 12% YoY organic growth, well outperforming mid-term guidance of high single digit growth, and 15% YoY price effects
- Various rounds of price increases and indexation successfully implemented, covering the rapidly rising costs for energy and materials, albeit with some delay effect
- Gross profit up EUR 5 million at EUR 47.3 million (2021HY: EUR 42.3 million), gross margin at 46%, without dilution effect of higher pricing and costs 52% (2021HY: 52%)
- Resilient operational EBITDA at EUR 13.1 million (2021HY: EUR 14.7 million); EBITDA margin lower at 13%, due to inflation, ECO restructuring and higher costs for IT, medical & safety, and marketing (post-Covid) (2021HY: 18%)
- Net Income from operations EUR 0.7 million (2021H1: EUR 2.6 million) or EUR 0.03 per share. Net result after non-operational items mainly related to IPO cost EUR -1.9 million
- Net Working Capital at EUR 38.8 million or 20% of sales, in line with mid-term guidance
- Total CAPEX of EUR 13 million at HY2022 including maintenance & replacement investments of EUR 2.4 million, 2% of sales, (mid-term guidance: ~4%)

Strategic & Market Highlights

- Listing of Cabka N.V. on 1 March 2022 after 100% support of Dutch Star Companies shareholders for a business combination of Cabka Group GmbH and Dutch Star Companies TWO B.V. bringing in EUR 45.2 million in new capital (excluding IPO costs)
- Two-tier Board installed with a Management Board consisting of Mr. Tim Litjens CEO and Mr. Necip Küpcü CFO and a Supervisory Board consisting of: Mr. Manuel Beja (Chair) Mr. Gat Ramon (Vice-Chair), Mr. Niek Hoek (Vice-Chair), Mrs. Tova Posner Henkin, Mrs. Jeanine Holscher, and Mr. Stephan Nanninga
- Order intake up 36% compared to same period last year showing continued high growth supported by several high-volume multi-year commercial agreements, like Target announced 16 May, gradually kicking in over the coming years. Facilitates key strategic objectives of continuous innovation, expanding Cabka’s position in large containers and customized solution
- Leverage on ECO products; Restructuring of Eco business completed, leading to closure of Genthin site and consolidation of production capacity in Weira (Germany) enhancing efficiency

Sustainability

- Use of recycled material in products at 87% of total compared to a European average^[1] of 14%
- ESG Strategy Project started establishing ESG KPIs; reporting and governance structure on track for publication of first ESG policy and reporting for 2022 to be published in 2023

Relevant events after 30 June 2022

- On 27 July Cabka's Hazelwood (MO, USA) plant was forced to shut down due to extreme rainfall and floods. All essential injection molding tools have been successfully recovered and are used to continue supply to key customers using alternative production capacities
- Mr. Wouter van der Woerd was appointed Chief People Officer responsible for HR and organizational development as of 1 July 2022. He is a former member of the Executive Board and VP Human Resources at SHV N.V.

Cabka CEO Tim Litjens, commented: *"The first six months of 2022 have shown operational resilience and strong delivery on strategic objectives. The listing on Euronext Amsterdam was a milestone for the company enhancing opportunities for growth as well as consolidating its position as a listed leading innovative circular production company with production output made from 87% recycled materials."*

New business continues to come in very strong, leading to record sales of over EUR 102.2 million and good expectations going further powered by our customized solutions knowledge and our highly capable innovation center.

Furthermore, Cabka made a major step in the consolidation of its Eco business driving economies of scale. Although the transition temporarily reduced our recycling capacity we are now back on track and the enhanced synergies will pay out. Regrettably, at the start of the third quarter exceptional floods damaged our production facilities in the US. Also, here Cabka showed resilience quickly securing alternative production capacities to maintain supply to key clients."

Outlook

The first half of 2022 has been characterized by high overall inflation, particularly manifesting itself through significantly higher energy, material, and labor costs. In response Cabka announced multiple rounds of price increases effective per January, April, and August this year.

While the material markets are starting to plateau, or even show some relief, the energy market remains highly volatile, recently moving to new highs. As a result, margins will continue to be impacted short-term until prices stabilize.

That said, we reiterate our mid-term guidance with the note that relative EBITDA margin is subject to inflationary developments.

Financial Calendar

- 20 October 2022 Trading update third quarter 2022
- 15 March 2023 Publication preliminary full year results 2022 Cabka N.V. (IFRS)
- 25 April 2023 Publication Annual Report 2022 and Trading Update first quarter 2023
- 8 June 2023 Annual General Meeting
- 12 June 2023 Ex-Dividend Date
- 4 July 2023 Dividend Payment Date

- 22 August 2023 Publication Half Year Results 2023

[\[1\]](#) Systemiq April 2022 report Reshaping plastics. Pathway to a circular climate neutral plastics system in Europe

Key figures first six months 2022 including split in operational and non-operational items

Condensed income statement³			
<i>in EURm</i>	2022HY	2021HY	Change
Sales	102.2	80.7	27%
Own work capitalized	1.6	0.6	159%
Amortization/depreciation	2.1	-5.0	<i>n.m.</i>
Other operating Income	0.8	1.5	-48%
Total Operating Income	106.8	77.9	37%
Expenses for materials, energy and purchased services	59.5	35.6	67%
Gross Profit	47.3	42.3	12%
Personnel expenses	21.1	16.5	28%
Other Operating expenses	13.1	11.1	19%
EBITDA	13.1	14.7	-11%
Depreciation	9.3	9.9	-6%
EBIT /Operating Income	3.7	4.8	-22%
Financial results	-1.1	-1.1	-6%
Earnings before taxes	2.6	3.7	-30%
Taxes	1.9	1.1	71%
Net income from operations	0.7	2.6	-74%
Non-operational items			
Extraordinary items (IPO related costs)	5.1	1.2	<i>n.m.</i>
Taxes on VSOP	1.0	-0.1	<i>n.m.</i>
Changes in value of Warrants	-3.5	-	<i>n.m.</i>
Minority interest	-0.1	-0.1	-
Net result	-1.9	1.7	<i>n.m.</i>

³ The condensed income statement provides operational and non-operational result items for insight on underlying operational performance. The attached statements I to IV in the half year report provide integral IFRS statements without this distinction.

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About Cabka

Cabka is in the business of recycling plastics from post-consumer and post-industrial waste into innovative reusable transport packaging (RTP), like pallets- and large container solutions enhancing logistics chain sustainability. Cabka is leading the industry in its integrated approach closing the loop from waste, to recycling, to manufacturing. Backed by its own innovation center it has the rare industry knowledge, capability, and capacity of making maximum use bringing recycled plastics back in the production loop at attractive returns. Cabka is fully equipped to exploit the full value chain from waste to end-products.

Cabka employs some 700 FTE in Europe and the US recycling 150 kT of plastics into some 10 million pallets and 200,000 large containers realizing EUR 170m in revenues in 2021 and EUR 102m in the first half of 2022.

Cabka is listed at Euronext Amsterdam as of 1 March 2022 under the CABKA ticker with international securities identification number NL00150000S7.

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