



CABKA N.V. HY2024 Results

**Major improvement in
operating margins, but sales
behind last year**

Amsterdam, 13 August 2024

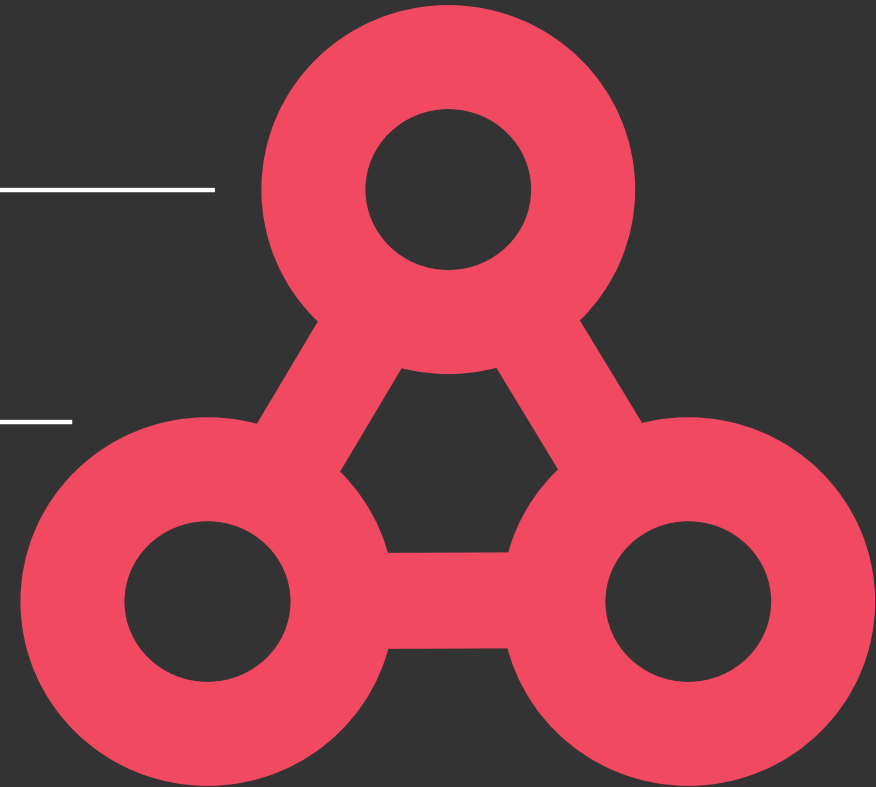
Agenda

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01

Introduction & Highlights HY 2024



Alexander Masharov

Chief Executive Officer

Introducing our new CEO

“I am honoured to take on the role of CEO at Cabka and to present the key developments from the first half of 2024. The first half of this year presented significant challenges in some of our key market segments. However, our dedicated team has shown remarkable resilience and innovation, positioning us for a promising future.”

Moving forward, I will focus on leveraging our strengths in innovation, exploring new opportunities, and ensuring sustainable growth. In November, we will host a Capital Markets Day to share an update on our strategy.”

Summary of key developments HY2024

Market demand

- Challenging market conditions, still posed uncertainty in some of our target markets, impacting topline in Customized Solutions for US and Contract Manufacturing
- Despite challenging markets, we have seen considerable growth in most key segments and order pipeline progressively filling up

Product pricing

- Energy and material prices started to normalize from the record highs of 2022/2023, intentional price reductions implemented on our product offering during the past year
- Revenue impact due to pricing reductions partially compensated by volume growth in most of our key segments

Profitability improvement

- Operational gross margin significantly improved. With our US plant now fully up and running our focus is back on our own in-house production capabilities
- Other operational efficiencies implemented contributed to the improved margin

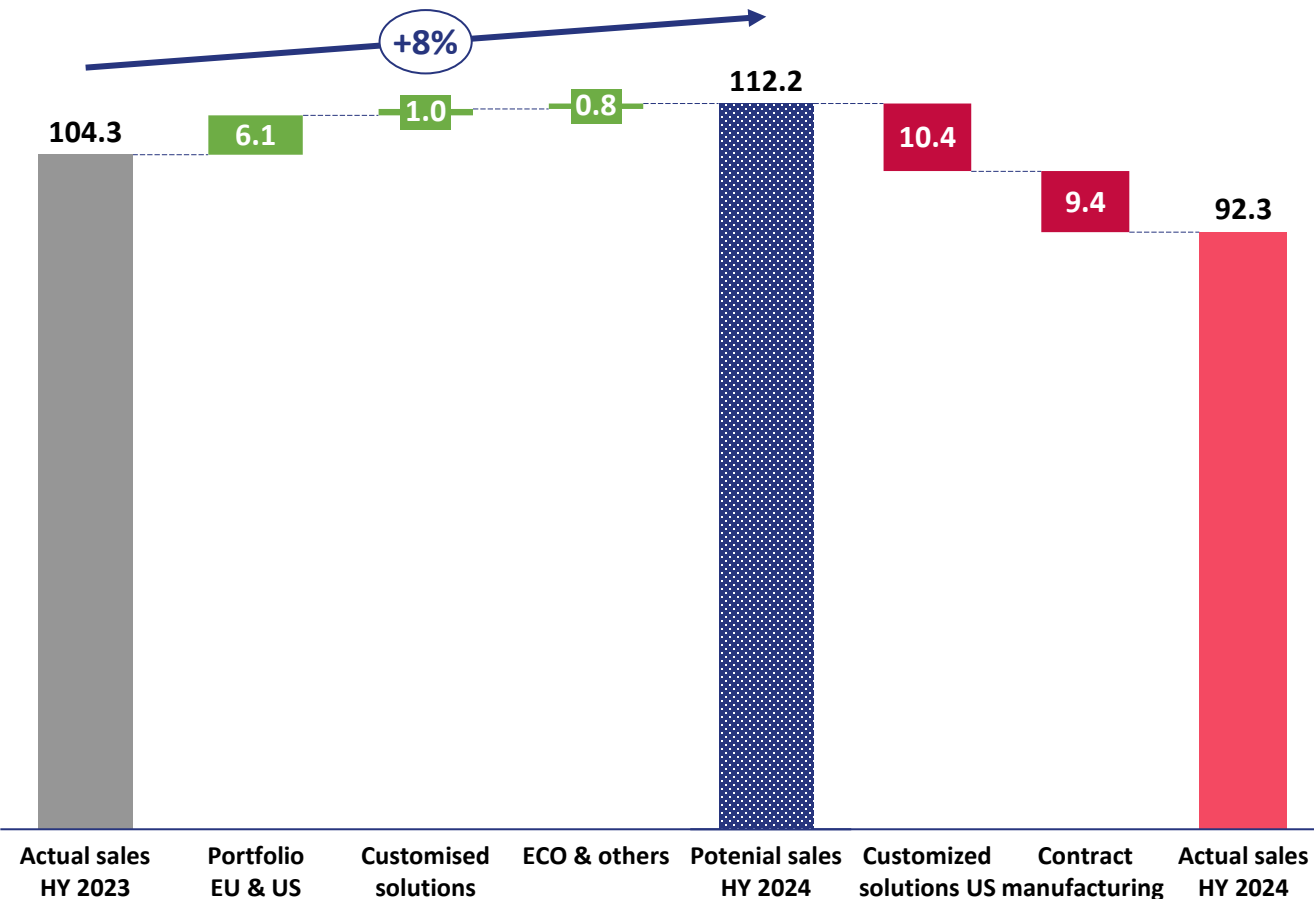
Cost developments

- Fixed cost base remained relatively stable despite the impact of inflation on wages and in the goods and services industries
- Focus in H2 will be to further enhance operational efficiencies and boost our sales organisation



Top line growth in performing segments

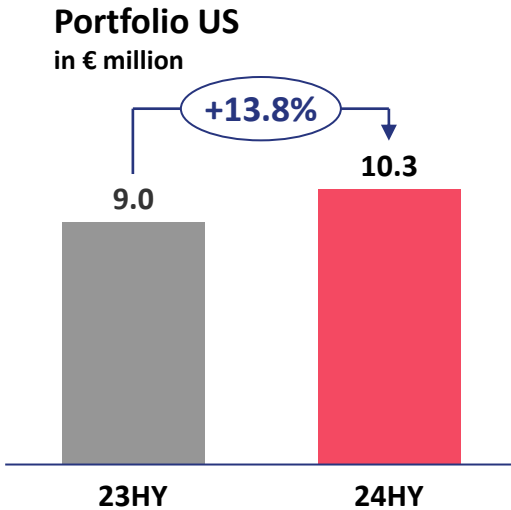
Growth in key segments offset by segments challenged by market conditions



- **Sales growth of 8% in key segments**
 - Portfolio in EU and US demonstrated record growth
 - Customized Solutions EU remained resilient
 - ECO and other stable
- **Underperforming segments**
 - Customized Solutions US severely impacted by market conditions
 - Soft market conditions in Contract Manufacturing

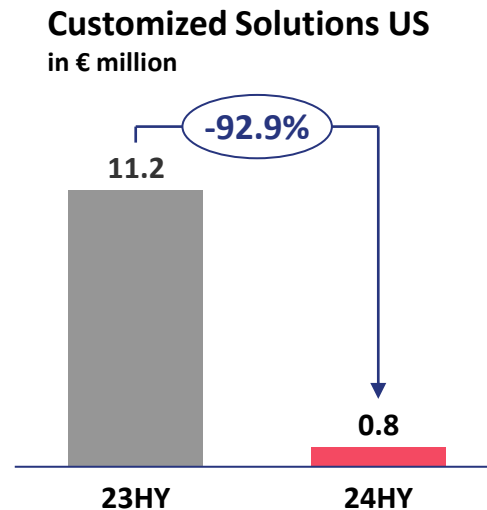
US: Market demand mixed

Portfolio strategy starting to bear fruits, whilst CS still severely impacted



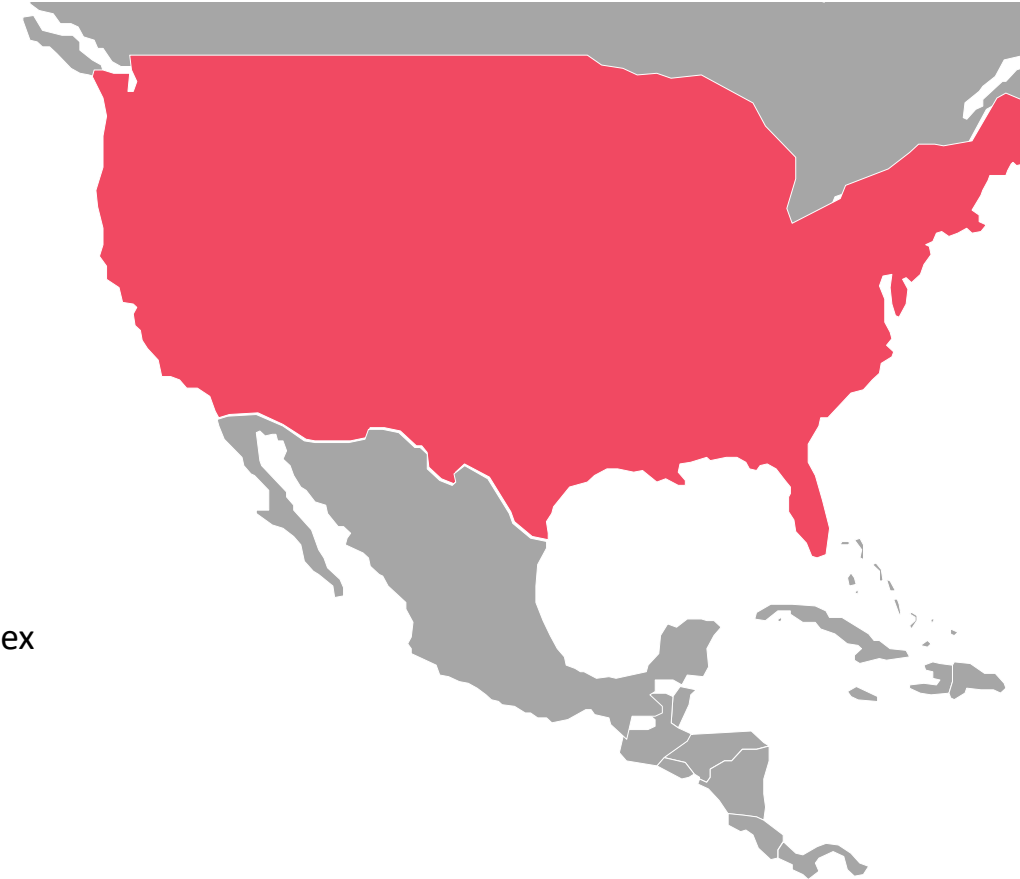
Portfolio US

- Our new sales strategy starts to bear fruits as we gain new customer deals in H1 2024



Customized Solutions US

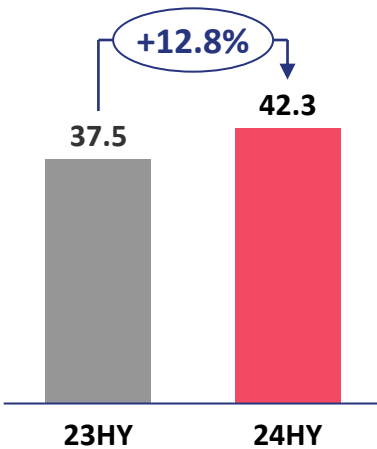
- Key customers in US restricted their capex spending for the time being
- Working on proof-of-concept trials with potential customers for existing development projects



Europe: growth in strategic segments

Portfolio and CS performing in line with plan, CM demand has dropped

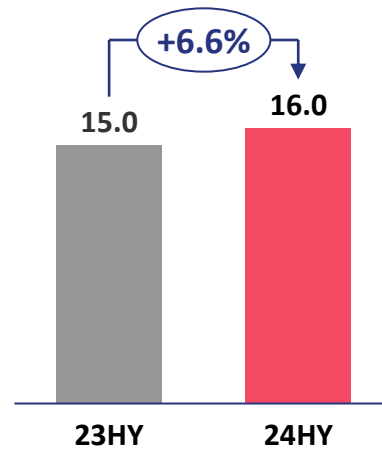
Portfolio sales
in € million



EU Portfolio

- Driven by new deals acquired

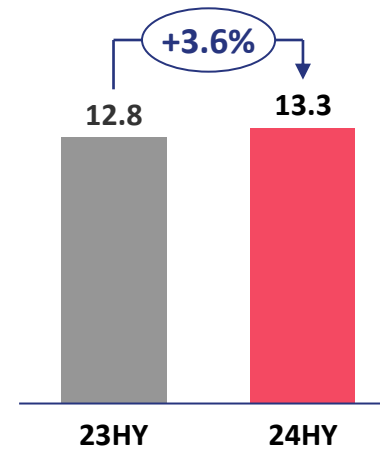
Customized solutions
in € million



Customized Solutions

- New products launched resulting from co-development programs with CHEP, Continental and BMW

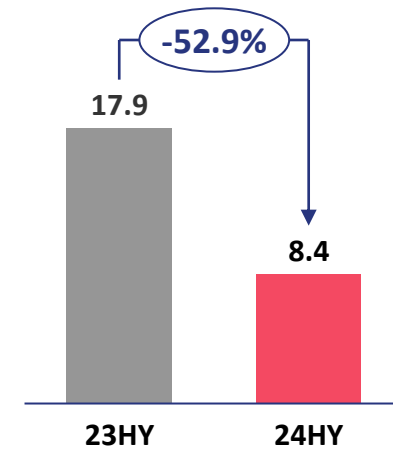
ECO products
in € million



ECO products

- Steady growth
- Orders from building & construction coming in slower than usual

Contract manufacturing
in € million



Strategic & non-strategic Contract Manufacturing

- Weak demand at our partners persisted
- Impact from exit PVC business (non-RTP legacy products)

Product pricing adjusted to reflect normalizing energy prices and material markets

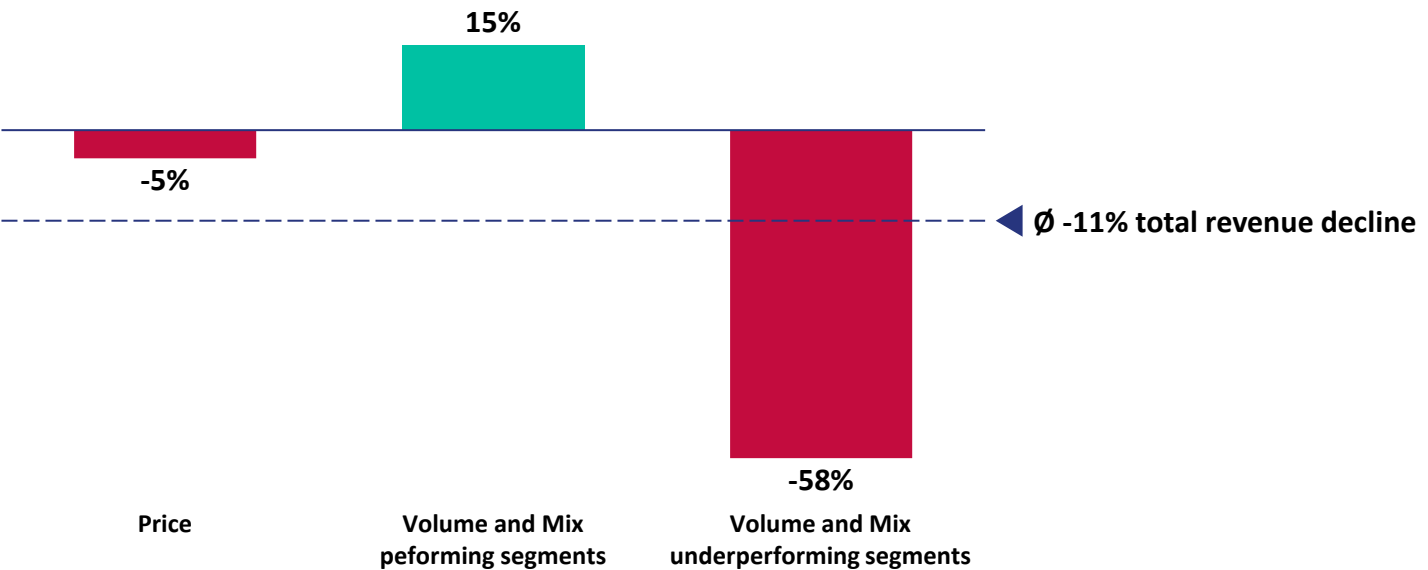


Product pricing

5% revenue impact

- After the record high prices for energy and raw materials in 2022/2023, prices have been gradually coming down in most of Europe
- Intentional price reductions applied in our product segments to reflect this normalization led to a 5% revenue decline in the first half of 2024, fully compensated by a 15% volume increase in our performing segments

Volume and Mix & Price adjustment impact on revenue as % of revenue



Major improvement in Gross Margin

Main drivers for improved operational efficiencies

In-house production capacity

- Our US plant fully on stream
- Utilized less toll manufacturing in Europe

New processing technology

- In the US we have a new raw material handling process, which generates additional cost and processing benefits in our production.

Higher value add products

- Our focus on innovation provides a gradual shift to higher value-add products, enhancing our pricing power and supporting a higher profit margin

Automation & robotization

- Several investments in Automation and Robotization, increasing our efficiencies and reducing labor costs at our plants



Revisiting our business strategy

Strategy 2030: Sustainable growth and value creation

Strategy review in Q3 2024

- Assess our current strategy to ensure alignment with our long-term goals of sustainable growth and value creation.
- In the meantime, continue to execute our existing strategy.

Realignment for Sustainable Growth

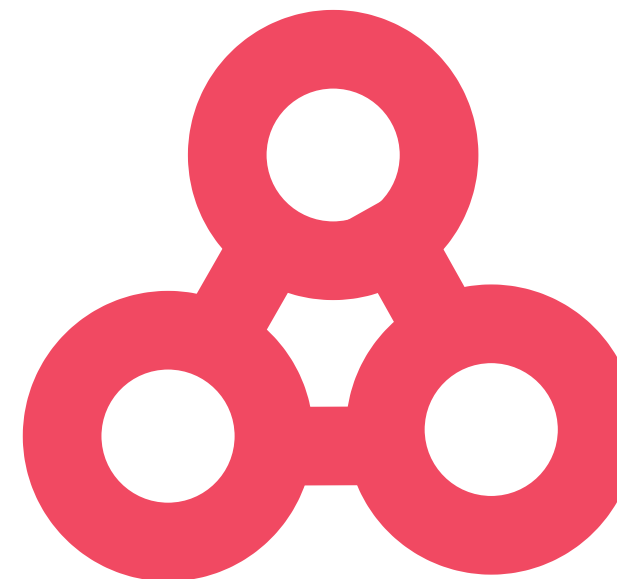
- We are refining our strategy to align with market conditions, competitive shifts, and regulatory changes, enhancing our agility and positioning us to thrive in a dynamic environment.

Organization set up, supporting our Strategy

- Organizational setup aligned with our strategy, optimizing resource allocation to support key growth pillars.

FOCUSING ON:

- CUSTOMER relations
- PRODUCT Innovation
- MARKET expansion



Progress on our medium-term guidance

Key Performance Indicators

HY 2024 Performance

Medium-term guidance

Growth

-11%

High single-digit revenue growth

Operational EBITDA margin

11.3%

Towards 17% of revenue by 2026

CAPEX

5%*

~4% CAPEX maintenance and replacement as % of revenue

NWC

20%

~20% NWC as % of revenue

Dividend

€0.15

Dividend payable on 16 Aug 2024

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

*Excluding the restoration investments made in the US



Frank Roerink

Chief Financial Officer

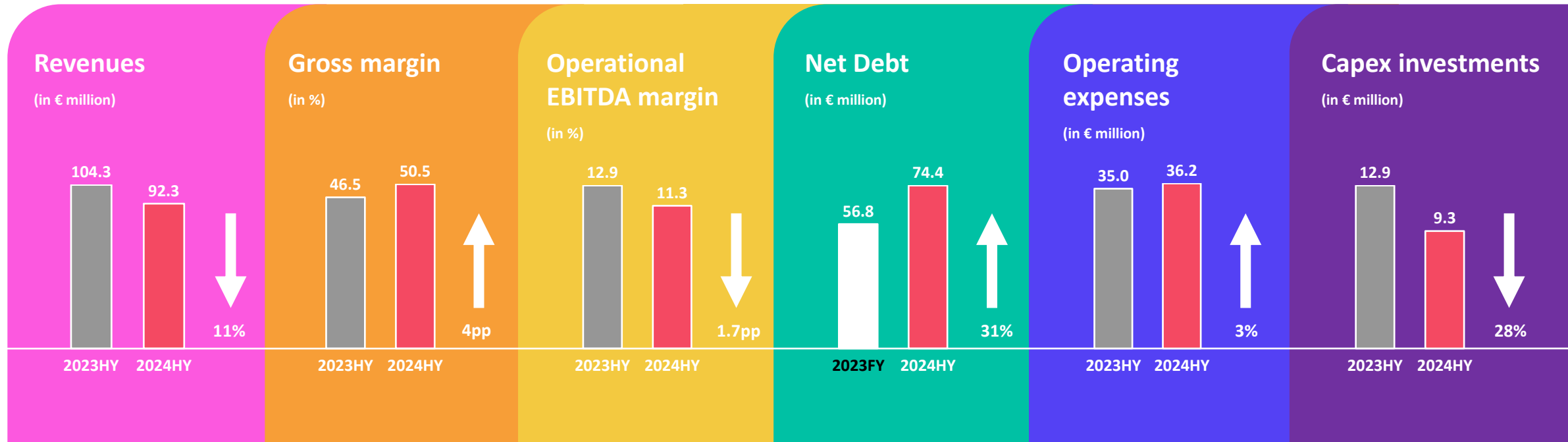


02

HY 2024
Financials

Half-year 2024 financials at a glance

Key Financials



Improved operating margin

Consolidated income statement bridge

<i>in € million</i>	2024 HY	2023 HY ¹	Change
Revenues	92.3	104.3	-11%
Other operating income items	1.7	0.2	645%
Total Operating Income	94.0	104.5	-10%
Expenses for materials, energy and purchased services	(47.5)	(56.0)	-15%
Gross Profit from operations	46.6	48.5	-4%
Operating expenses	(36.2)	(35.0)	3%
EBITDA from operations	10.4	13.5	-23%
Depreciation, amortization and impairment of intangible and tangible fixed assets	(9.7)	(8.0)	21%
EBIT /Operating Income	0.7	5.5	-87%
Financial results	(2.0)	(1.5)	40%
Earnings before taxes	(1.3)	4.0	-133%
Taxes	(0.6)	(1.0)	-37%
Net income from operations	(1.9)	3.0	-165%

- **Sales declined with 11% to € 92.3**
 - Driven by 5% price adjustment, 15% vol/mix increase in performing segments and -58% volume and mix decline in CS US and CM
- **Gross margin up 4pp from 46.5% to 50.5%**
 - Operating efficiencies and costs lead to continued recovery in gross margin
- **Operating expenses up 3%**
 - Inflationary adjustments on personnel and most other operating expenses
- **Operational EBITDA € 10.4m or 11.3% of sales**

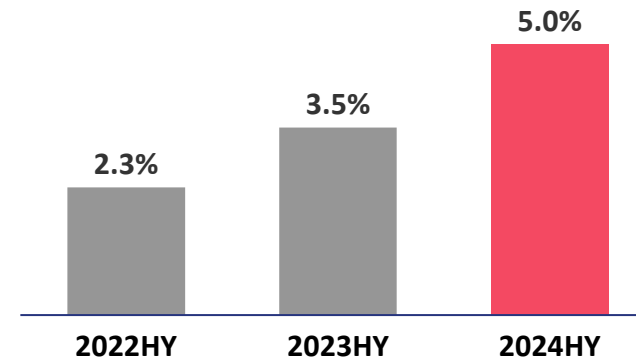
¹ The presentation of the income statement has been adjusted to align with the new classification of transportation cost and FX gains and losses.

Investing for the future

Replacement & Maintenance investments primarily to drive operational efficiencies

CAPEX in € million	2024 HY	2023 HY
Replacement & Maintenance	4.6	3.6
US Business*	1.2	4.6
ECO business	1.1	1.1
Expansion & Automation (mould & machines)	2.4	2.0
Others	-	1.6
Total Capital expenditures	9.3	12.9

Replacement & Maintenance investments excl. US restoration as % of revenue



Capital Expenditures | € 9.3m

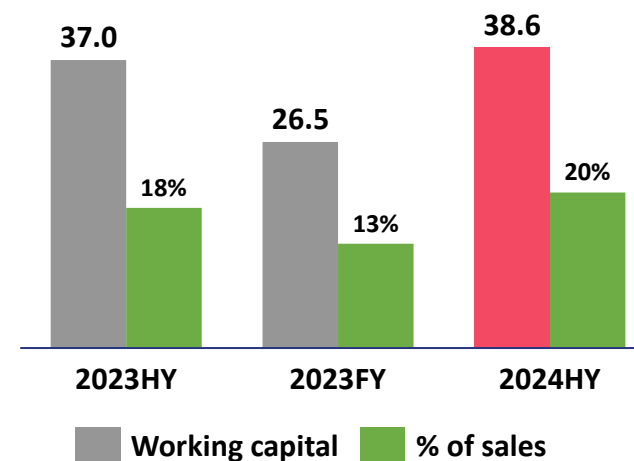
- Replacement & Maintenance investments were € 4.6 million or 5.0% of total sales, in our largest plants we increased on operational efficiencies (robotization)
- Final US investments made following the flooding were € 1.2 million (2023HY: € 4.6 million)
- Investment in new moulds linked to co-development projects (BMW, CHEP)
- ECO business investments are comparable to last year

Net Working Capital temporarily increased

NWC at 20% of sales

Net Working Capital in € million	2024 HY	2023 FY	2023 HY
Inventories	35.7	32.1	41.1
Trade receivables	31.9	27.6	26.8
Received prepayments	(1.7)	(0.5)	(4.0)
Trade payables	(27.3)	(32.6)	(26.8)
Total Net Working Capital	38.6	26.5	37.0
% Sales LTM	20%	13%	18%

Net Working Capital (2022HY – 2024HY)
in € million



Net Working Capital | € 38.6m at 20.0% of sales

- Net Working Capital position temporarily increased, still in line with target
- Higher inventory value due to additional raw materials acquired in anticipation of planned production runs for Q3 2024
- Higher trade receivables due to the timing of customer payments and a few large deliveries were concluded shortly before end Q2 2024
- Received prepayments decreased following the successful conclusion of development projects started in 2023

03

**Outlook &
Financial
calendar**

Outlook

Based on the current challenging market conditions, we expect the US customized solutions and contract manufacturing segments to remain under pressure, whilst our other strategic segments continue to perform well.

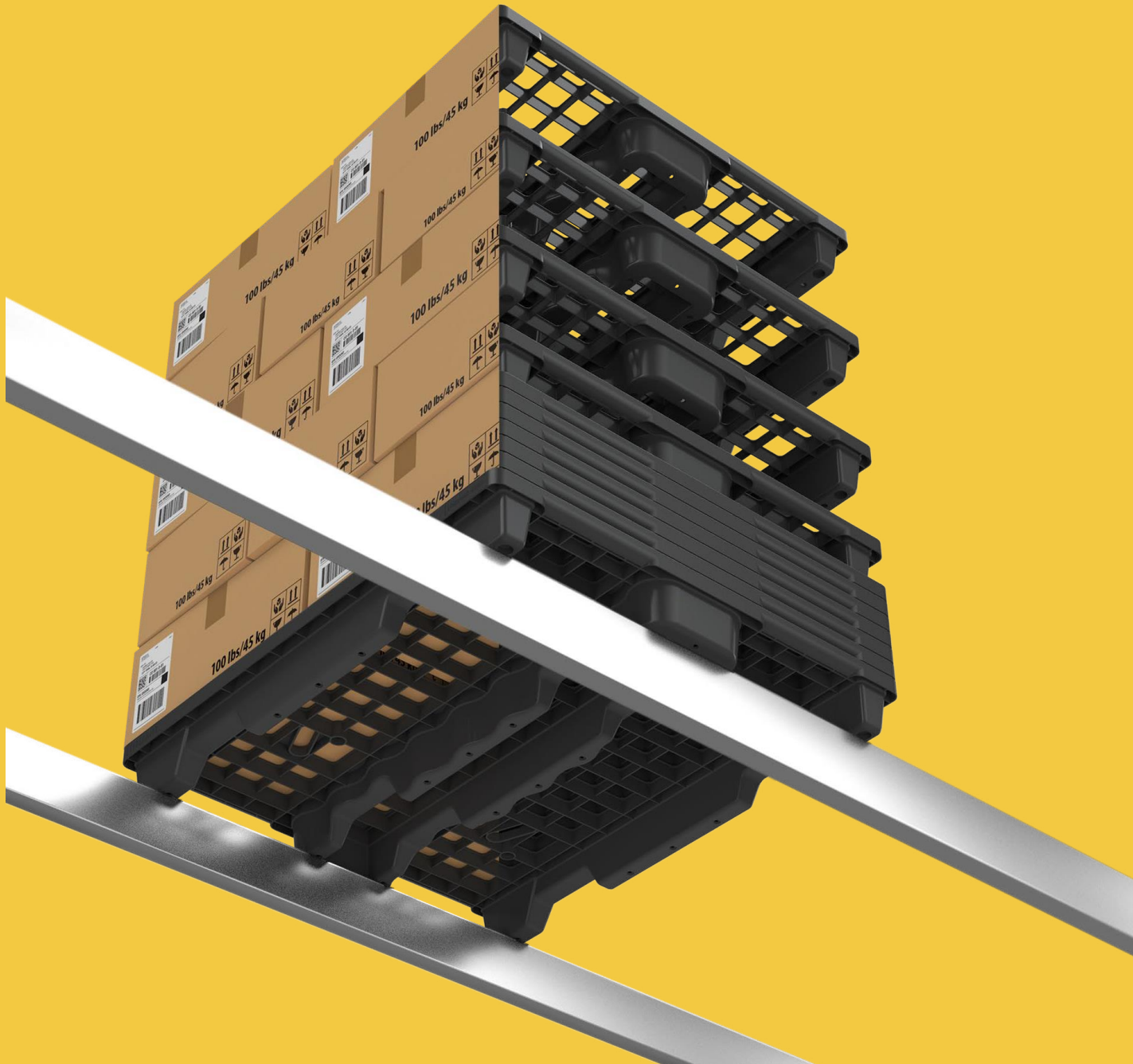
In light of this, we expect sales to be in the range of € 180-185 million, with a recovery in our EBITDA margin towards 13-15%, reflecting an estimated EBITDA range of € 23-27 million.

Financial Calendar 2024/2025

Financial Calendar 2024

- 16 August Dividend* Payment Date
- 21 October Trading Update Q3 2024
- 25 November Capital Markets Day
- 18 March 2025 Publication Preliminary results 2024

** Reference to 'dividend' refers to proposed distribution*



Q & A

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