BNP PARIBAS EXANE

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PAPER & PACKAGING

CABKA NV	PRICE	EUR7.4	VALUATION RANGE		EPS 23e	EPS 24e
	VALUATION (UPSIDE)	EUR10.7 (+45%) ▪ EUR11.1 (+51%)	↘ -4%	↘ -16%	↘ -12%	↘ -10%

Growth outlook confirmed

21 MARCH 2023 at 09:14*

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Enabling the plastic circular economy

Cabka produces reusable transport packaging (pallets and containers) from recycled plastic, a portion of which it recycles itself. During 2022 its products were made using ~86% recycled material, a sector-leading performance. During a turbulent 2022 management demonstrated their ability to navigate a challenging environment, delivering growth and important new contracts with blue-chip customers across a range of industries. This was achieved despite a flood which severely impacted its US operating base; despite this US sales were up ~30% y-o-y. The outlook for the business remains strong into 2023 driven by favourable demand trends as customers seek to reduce their carbon emissions, costs, and achieve circularity within their logistic chains.

Solid top-line growth in 2022, 2023 guidance in-line with our expectations

Top-line growth of ~23% in 2022 (8% vols, 15% price) was in-line with our forecasts, however, costs were a little ahead of our estimates in a year characterised by volatility, resulting in EBITDA ~14% below our forecasts. Operating cash generation was within EUR1.0m of our forecast. The business is set for continued growth with the 2023 guidance range (high single digit revenue growth and 13-15% EBITDA margins) in-line with our expectations. Stabilising energy prices and an expanded hedging program combined with structural growth in higher profitability business lines should underpin margin expansion through the medium-term.

Valuation range of EUR10.7-11.1/sh

We increase our sales forecasts ~4% for 2023-25 but temper our margin normalisation assumptions given costs running ahead of our forecasts. Our EBITDA forecasts therefore decline ~5% in 2023, are ~flat in 2024 and rise ~5% for 2025. Our valuation range falls marginally to EUR10.7-11.1/sh, from EUR11.1-13.2/sh, reflecting our updated forecasts and a modest increase in cost of capital assumptions.

Price (20 March 2023)	EUR7.4
Market cap (EURm)	182
Free float (EURm)	87
EV (EURm)	231
3m avg volume (EURm)	0.0
Refinitiv / Bloomberg	CABKA.AS / CABKA NA
Country	Netherlands

Performance[1]	1w	1m	3m	12m
Absolute(%)	9	6	7	(19)
Rel. Sector(%)	8	9	4	(2)
Rel. MSCI Small Cap(%)	10	13	3	(9)

Financials	12/23e	12/24e	12/25e	12/26e
EPS, Adjusted (EUR)	0.23	0.61	0.82	0.89
EPS, Company (EUR)	0.23	0.43	0.82	0.43
EPS - Refinitiv (EUR)	0.23	0.47	0.68	-
Net dividend (EUR)	0.15	0.18	0.25	0.27
Sales (EURm)	225	243	258	275
EBITA, Adj. (EURm)	9.9	21.3	30.0	32.1
Net profit, Adj.(EURm)	5.5	15.0	20.2	22.1
ROCE (%)	5.1	10.4	13.9	14.2
Net Debt/EBITDA, Adj. (x)	1.7	1.0	0.6	0.4

Valuation metrics	12/23e	12/24e	12/25e	12/26e
P/E (x)	32.5	12.1	9.0	8.2
Net yield (%)	2.0	2.5	3.3	3.6
FCF yield (%)	(1.8)	4.7	8.4	9.8
EV/Sales (x)	1.0	0.9	0.8	0.7
EV/EBITDA (x)	7.8	5.3	4.1	3.6
EV/EBITA (x)	23.3	10.6	7.2	6.4
EV/CE (x)	1.6	1.5	1.4	1.2

All valuation metrics based on adjusted figures

Source: BNP Paribas Exane (estimates), Refinitiv (consensus)   (1) In listing currency, with dividend reinvested

Investment thesis and results overview

Helping to solve the world's plastic waste problems – enabling the plastic circular economy

Recycled plastic accounted for 86% of the feedstock used to produce Cabka's reusable transport packaging (RTP) solutions in 2022, of this 46% was processed in-house and 40% was purchased.

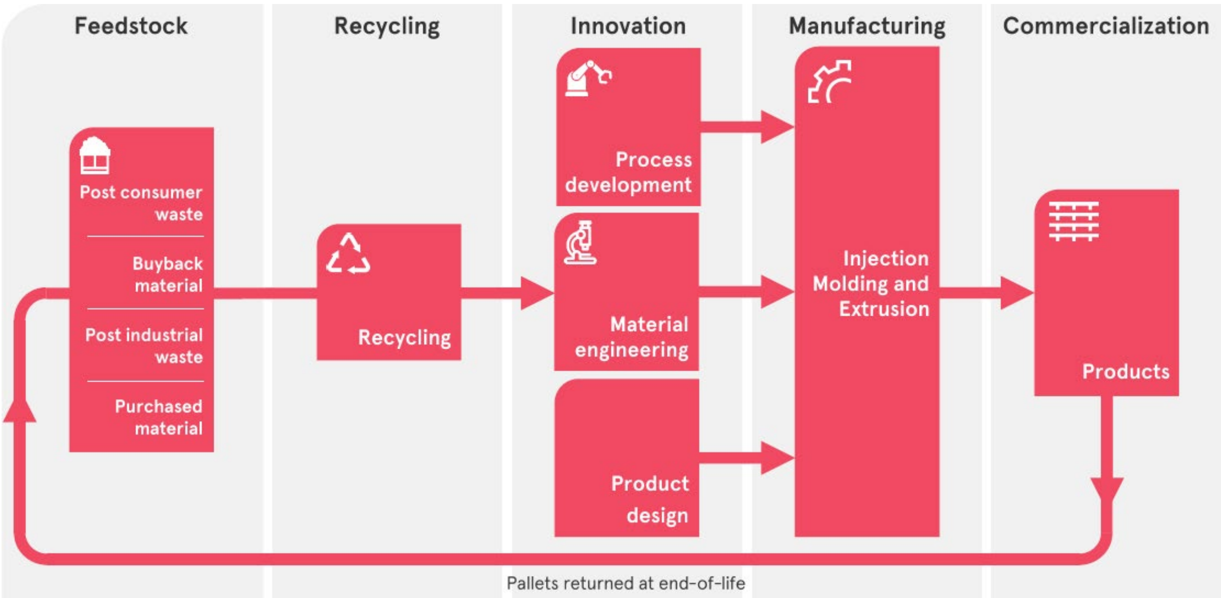
Regulations currently prevent the use of recycled plastic in some use cases (eg. food and pharma), necessitating the requirement for ~14% virgin plastic feedstock in 2022. Management hopes ongoing regulatory reviews will reduce the impact of these restrictions over time.

Globally <20% of plastic waste is currently recycled; this needs to increase substantially to transition to a circular economy. Across Europe plastic recycling rates averaged only 14% with an ambition to increase this to 33% by 2030.

Recycled plastic comprises a large number of waste streams of varying quality with different recycling rates achieved across these various streams. Relatively clean and well-sorted waste plastic (for example PET drinks bottles from well-sorted household recycling schemes) is relatively straightforward to recycle; this is not Cabka's area of focus. Cabka focuses on the more challenging waste streams; this makes an important contribution to global recycling rates which are typically hampered by an inability to recycle more challenging waste streams, and offer lower input costs versus product manufacturers reliant upon high purity recycled plastic waste.

It is simply not the case that any plastic product can be cost effectively manufactured from plastic waste streams which are challenging to recycle. Cabka has achieved these high recycling rates through the development of product families (reusable transport packaging) and manufacturing techniques which are specifically suited to manufacturing from more challenging plastic waste streams.

Figure 1: Cabka's value chain, turning hard to recycle plastic waste into innovative reusable transport packaging solutions



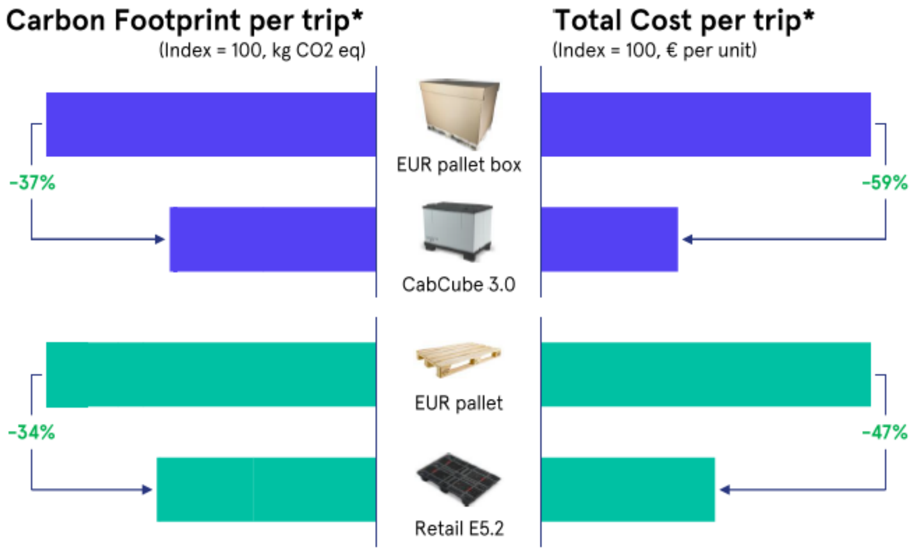
Source: Company

This focus on reusable transport packaging manufactured from recycled plastic offers cost and carbon emissions benefits to customers, ensuring growing demand for Cabka's products. Ensuring the circularity of these recycled plastic products Cabka offers to buyback pallets at the end of their life for recycling and re-use.

Cost and ESG factors continue to drive positive outlook

Cabka's total cost of ownership and life-cycle analysis in a standardised use case indicates both carbon and cost savings per trip from its recycled plastic pallets compared to conventional solutions.

Figure 2: Recycled plastic transport packaging offers cost and carbon savings



Source: Company

Clearly different use cases can result in differing carbon and cost benefits per trip for recycled plastic vs traditional products.

The company's products are seeing adoption across a large range of blue-chip customers operating in a range of industries.

Figure 3: Products attractive across blue-chip companies operating in a range of industries

Selected client base

Source: Company

Some significant contract awards during 2022 include:

– US retailer Target: development of a customised folding large container for their distribution network. The product is designed specifically for their automated system improving efficiency and saving labour costs. First deliveries were made in 3Q 2022.

– Pallet pooler CHEP: development of a customised foldable large container exclusively based on recycled content – a key reason Cabka was chosen. Deliveries are expected to commence in 4Q 2023 with an annualised revenue run-rate of ~EUR9m pa.

– BMW: customised foldable large container replacing metal 'gitterboxes' and servicing the entire supply chain. First deliveries are planned for 2Q 2023.

Recycled plastic transport solutions market growing at ~5-7.5% pa

The global reusable transport packaging market is estimated to be worth ~US$86bn in 2022 of which plastic has a ~9% share.

Consultants estimate the total RTP market is growing at ~5% pa, however, plastic products are expected to take increased market share, with consultants estimating growth rates for plastic pallets at up to ~7.5% pa, the fastest growing subsegment of the transport packaging industry.

2023 guidance range in-line with our expectations for the business

2023 guidance for high single digit sales growth with a recovery in the EBITDA margin towards 13-15% was in-line with our prior estimates.

A ~4% price increase was put through effective January 2023, reflecting broader inflationary pressures across the business. We anticipate the reversal in energy prices in particular will feed into lower prices during 2023 as prior price increases are reversed. We therefore anticipate volume growth could be in excess of top-line growth in 2023.

Mid-term guidance for high single digit revenue growth, EBITDA margins above 20%, maintenance and replacement capex ~4% of revenues, NWC ~20% of revenues and a 30-35% payout ratio was retained.

2022 results summary and impact on outlook

Cabka reported its first annual results under IFRS following the listing in March 2022. The reported figures incorporated a number of one-offs and an unanticipated accounting treatment for the IPO, resulting in sizeable non-cash accounting gains and losses.

2022 results were in-line with our forecasts at the top line, however, costs were higher than anticipated in a year characterised by input cost volatility.

Record revenues

Record revenues of EUR208.9m were 1% ahead of our EUR207.5m estimate and registered 23% growth y-o-y, of which 8% was organic growth with 15% driven by pricing/cost pass-through.

EBITDA below forecast; higher than anticipated cost impact during volatile 2022

Operational EBITDA (excluding company defined non-operating items) fell 22% y-o-y to EUR22.5m. The accompanying 10.8% operational EBITDA margin in 2022 is down from 17.0% in 2021, driven by the ~43% increase in expenses for materials, energy and purchased services.

2022 EBITDA, on a like-for-like basis, was ~14% below our forecast owing to higher than anticipated costs.

The reported cost of raw materials/consumables rose significantly, as a percentage of sales, in H2 2022 to 67.5%, from 58.2% in H1 2022. The reported figures included ~EUR3.3m of incremental costs associated with transferring US manufacturing to third party tollers following the flooding event which incapacitated Cabka's US facility, and EUR3.6m of clean-up costs related to flooding. Excluding these the cost of raw materials rose to 61.1% of reported sales in H2 2022.

The early part of H2 2022 saw significant volatility in energy prices, which Cabka has passed on but with a delay, resulting in a temporary negative impact upon reported margins. Furthermore an updated hedging policy (more on this later) may result in delayed flow-through of falling power prices. We do not believe this is an issue for the business, with visibility preferred over exposure to volatility, and the demonstrated ability to pass through cost inflation clearly beneficial to the business.

Cash generation largely in-line during challenging year

Operating cash-flow generation (post w/c) of EUR0.5m was only marginally below our EUR1.5m forecast, but in the context of the challenges to the business during 2022 this was an encouraging result.

Investments for growth ahead of forecast

Investing cash-flows of ~EUR27m were above our ~EUR20m forecast, however, this included a significant element of investment in capacity expansion.

The table below shows a breakdown by key category; as can be seen ~EUR10.1m, or over 50% of capex not dedicated to repair & maintenance, was allocated to expansion of capacity. In addition, an undisclosed portion of the ECO restructuring cost was allocated to expansion of capacity during transfer of equipment to the new consolidated facility; the expansionary capex total below excludes any contribution from this.

The bulk of the investment in machinery relates to expansion in the US to support growth, with this machinery expected to come into operation during H1 2023. Management noted on the conference call the opportunity to build back capacity in an improved fashion following the flood. Site logistics are being examined and improved, recycling capabilities are being upgraded and older equipment is being replaced with more efficient modern equipment. The flooding event provides the opportunity to rebuild using the existing site layout in a more optimal fashion.

The investment in new moulds relates to new product developments, some of which are undertaken in conjunction with clients as part of the offering of customised solutions. In some instances customers pre-pay a portion of the development costs, investing with Cabka in the development process with Cabka retaining exclusive rights to produce the customised product for the customer.

Figure 4: 2022 capex by type

EURm

	2022
Repl & maint	7.4
% of revs	*3.5%*
Machines (expansion)	5.6
Moulds (expansion)	4.5
ECO restructuring (incl element of expansion)	3.7
Process & automation	1.6
CNA shares	1.8
Other	2.0
Total	**26.6**
Total expansion	**10.1**
Expansion as % of capex excl repl/maint	*52.6%*

Source: Company, BNP Paribas Exane estimates

Capex guidance for 2023 has not been provided, beyond a reiteration of guidance for replacement and maintenance capex at around 4% of sales (we model 4% equating to ~EUR9m in 2023).

On the conference call management estimated ~10% spare capacity exists within the business today. With expectations of high single digit growth rates for the business over the medium-term, we anticipate additional investments in expansion will be required. We have increased our forecast for capex over and above maintenance levels to ~EUR16m in 2023 (i.e. total capex of ~EUR25m in 2023) to continue to build the business to deliver growth.

Management clearly stated investments will be made to deliver growth in areas where they see customer demand, but this growth potential needs to be clearly visible before investments will be sanctioned. There was a clear commitment not to invest too early on the hope of future growth. This can perhaps be correlated with the ~10% spare capacity in the business following not insubstantial investments in 2023, in the context of high single digit revenue growth expectations.

Net debt a little higher than forecast, principally driven by increased growth investments

Slightly lower than anticipated cash generation combined with higher than anticipated outgoings resulted in net debt (incl leases) of EUR44.6m, ~EUR6m above our ~EUR39m forecast. Investment in growth is the principal driver of this difference.

Distribution in-line with prior guidance, but includes a share component

A capital distribution of EUR0.15/sh was announced, consistent with prior guidance at the time of the listing and indicating confidence in the outlook. Following a challenging year the distribution comprises EUR0.05/sh cash and EUR0.1/sh in shares.

Insurance claims covering response to flood; potential future investment to mitigate risks

Flooding in late July 2022 halted operations at Cabka's US facility in St Louis, after which equipment was salvaged and relocated at third party sites to fulfil customer orders. This resulted in additional tolling and material costs since Cabka's US plastic recycling facilities were unavailable as a consequence.

US operations have recommenced following the flood and 30% growth was delivered in the US business during 2022 – quite an achievement in the context of the challenges. The Target contract was a significant driver of growth from 3Q 2022, with additional deliveries expected under the agreement in 2023.

The US business is expected to be fully operational back at the original site by the end of 2Q 2023.

On the conference call management provided further details regarding the response to the flood event. A leading water management company was engaged shortly after the event to study the causes and formulate actions to mitigate the future risk. This involved 2 workstreams:

- Near-term actions to protect operations prior to the start of the rain season in summer 2023 with an estimated ~5yr life
- Longer-term actions to provide longer-term solutions and protection

The near-term actions have been formulated and are expected to cost ~EUR0.8-1.0m, clearly a sensible investment to reduce the risk of a substantial interruption to operations. This compares to a total cost of the 2022 event, including direct costs (clean-up and impairment of machines) plus indirect costs (additional tolling fees to manufacture products through third party facilities) of EUR6.9m.

The longer-term actions are still being studied and no cost estimates have been provided for future investments in flood protection.

Reduced exposure to power price fluctuations through contracting, including increased renewable energy consumption

We have previously written – in some depth – about the challenges presented by last year's highly volatile power price market. These impacts were successfully passed through to end customers whilst delivering high levels of organic growth, minimising the impacts of this volatility. Extreme volatility is, however, clearly unwelcome from a business planning and execution perspective.

Management has acted to address this by revising hedging policies to ensure a higher level of regional (country-specific) hedging, with the intention of largely fixing price exposure in the near-term. The extent to which prices are fixed declines over time, providing near-term visibility to run the business whilst retaining exposure to market prices over time.

This has been achieved through incorporating increased levels of renewable energy within the business; in Belgium solar power PPAs (power purchase agreements) are expected to account for ~30% of 2023 power demand, improving the environmental footprint of the manufacturing process. Cabka intends to publish its first ESG report in the 2022 annual report (25 April 2023) establishing base ambition levels for the business.

In Germany several options are being negotiated to secure renewable energy under PPAs. In addition, the national power price 'brake', which applies a EUR130/MWh cap on 70% of the prior year's consumption for medium-large industrial consumers, will reduce exposure to extreme price fluctuations.

These measures, alongside efficiency measures to reduce overall consumption and a transparent cost pass-through mechanism should significantly reduce exposure to near-term power price swings.

Key charts summarising forecasts

Growth rates and margins normalising on input cost stabilisation

We forecast a normalisation of growth rates in 2023 following two years of exceptionally high growth. During 2022 in particular this was impacted by zero-margin pass through of significant input cost inflation. It is worth noting that, despite this significant cost inflation, volumes accounted for ~8% of 2022 growth (with pricing accounting for ~15%).

Plastic resin costs are significantly down from peak levels attained in 2Q 2022 and have stabilised around 10% above pre-Ukraine war levels. Power prices remain significantly above pre-Ukraine levels, however, they are also significantly below peak levels reached in August 2022.

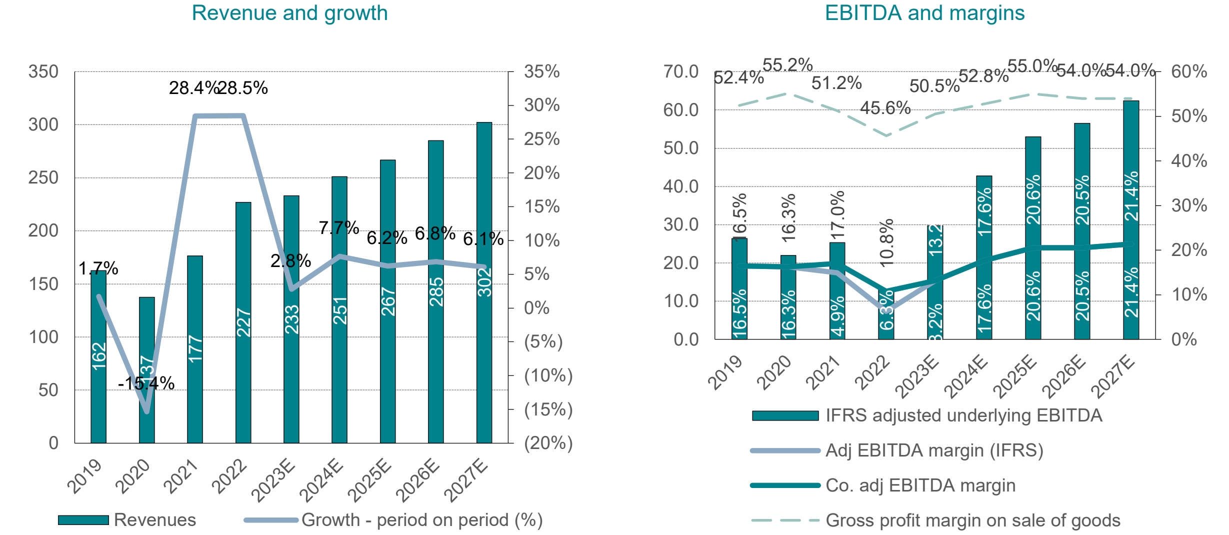
Furthermore, Cabka has substantially reduced its exposure to spot power prices through contracting (long-term PPAs), the adoption of price protection mechanisms in certain countries (eg German price cap of EUR130/MWh for 70% of consumption) and hedging.

A reduction in zero-margin cost pass-through should start to benefit margins in 2023.

The expansion of high margin business lines, including customised solutions and ECO products, should also benefit margins. In Europe customised solutions revenues grew 53% in 2022 with additional growth anticipated. Restructuring of the ECO products business during 2022 required a temporary shutdown of production which will not recur in 2023, and resulted in expanded production capacity post restructuring.

Whilst management noted some conservatism incorporated in guidance, there remains uncertainty in the economic outlook, not least around the broader cost of credit, the balance between central bank tightening and stimulus, and energy prices this winter. Reflecting this our 2023 margin forecast is towards the lower end of the range.

Figure 5: Anticipate reduced impact of zero-margin cost pass through, benefitting margin development as volumes continue to ramp-up



Source: BNP Paribas Exane estimates

Mid-term guidance is for EBITDA margins >20% and we forecast this being reached in 2025.

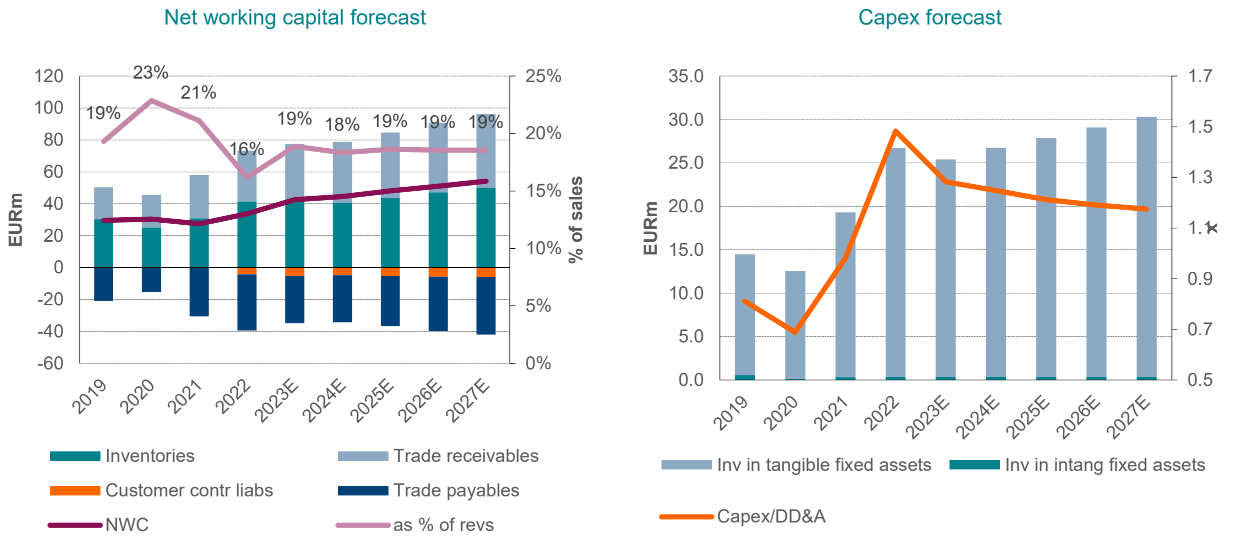
Top line growth and margin expansion drive a ~23% CAGR in operating EBITDA (company definition), or a ~36% CAGR in BNPPE adjusted EBITDA over the period 2022-27.

NWC and capex requirements to deliver growth

Tight working capital management in 2022 saw working capital fall to ~16% of revenues vs mid-term guidance of ~20%. Our forecasts incorporate a return to ~19% from 2023.

As noted previously we have increased our capex forecasts to maintain capacity as growth is delivered.

Figure 6: Estimates incorporate a return to more normalised NWC and increased capex vs our prior forecasts



Source: BNP Paribas Exane estimates

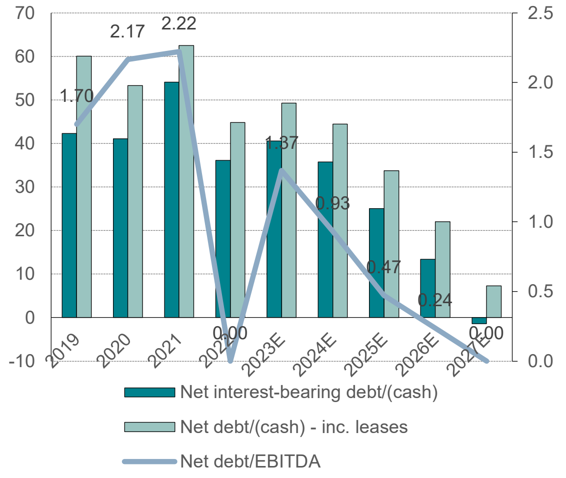
Cash generation and returns improving

Improving cash generation should drive debt reductions from 2024, after our forecast normalisation of working capital in 2023. The balance sheet could potentially support M&A activity across the fragmented plastic transport packaging market, including plastic recycling to ensure access to sufficient feedstock as growth is delivered.

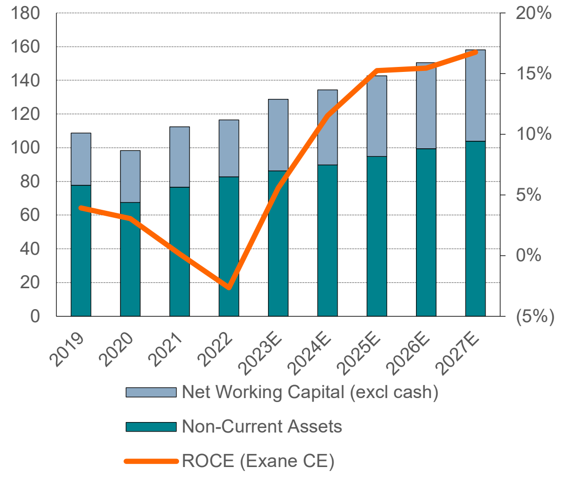
Top line growth and margin expansion is expected to drive increasing returns, as illustrated below.

Figure 7: Strengthening balance sheet could support M&A; growth expected to drive improving returns

Net debt/(cash)



Capital employed and ROCE



Source: BNP Paribas Exane estimates

Valuation range EUR10.7-11.1/sh

We set our valuation range at EUR10.7-11.1/sh offering ~45%-50% upside, down from EUR11.1-13.2/sh previously. Our valuation range is bounded by our EBITA multiple and DCF based approaches.

Our DCF valuation decreases from EUR13.2/sh to EUR11.1/sh offering 50% upside vs the current share price. We roll forward our DCF to 2024 and update for movements in risk free rates and equity risk premia.

We present below our DCF valuation for Cabka, which incorporates our explicit forecasts to 2028.

Figure 8: DCF valuation

		2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenues		**243**	**258**	**275**	**292**	**310**	**329**	**349**	**370**	**388**	**404**	**416**
Growth in sales from goods (%)		8%	6%	7%	6%	6%	6%	6%	6%	5%	4%	3%
Adjusted EBITDA		**43**	**53**	**57**	**62**	**69**	**74**	**79**	**84**	**89**	**92**	**95**
EBITDA margin (%)		**17.6%**	**20.6%**	**20.5%**	**21.4%**	**22.2%**	**22.5%**	**22.7%**	**22.8%**	**22.8%**	**22.8%**	**22.8%**
(DD&A, excl right of use assets)	(21)	(21)	(23)	(24)	(26)	(27)	(28)	(30)	(31)	(33)	(34)	(36)
(Tax)		(2)	(8)	(8)	(10)	(12)	(13)	(14)	(15)	(15)	(16)	(16)
Operating CF, pre WC		41	45	48	52	57	61	66	70	73	76	79
WC		(2)	(4)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)
Operating CF		**39**	**42**	**45**	**49**	**54**	**58**	**62**	**66**	**69**	**72**	**74**
(add back provisions)		1	1	1	0	0	0	0	0	0	0	0
Underlying cash flow		**39**	**42**	**46**	**49**	**54**	**58**	**62**	**66**	**69**	**72**	**74**
(Acquisitions/disposals)		0	0	0	0	0	0	0	0	0	0	0
(Capex)		(27)	(28)	(29)	(30)	(33)	(34)	(36)	(38)	(39)	(40)	(40)
FCF to the firm		**13**	**15**	**17**	**19**	**21**	**23**	**25**	**27**	**30**	**32**	**34**
Discounted FCF		13	13	14	14	15	15	15	15	15	15	14
NPV	144											
Terminal value	202											
DCF value	**346**											
Adjusted (net debt)/cash	(41)							Cost of equity	10.7%			
Modelled equity raise post BS date	0							Cost of debt (post tax)	4.4%			
Lease liabilities	(9)							Target debt %	25.0%			
Revalued minority interests	0							Tax rate	27.5%			
Assoc & revalued investments	0							**WACC**	**9.1%**			
Pension obligations	0							**LT growth**	2.0%			
Equity Value	**296**											
Basic NOSH	24.7											
NOSH to be issued at TP	1.9											
DCF valuation	**11.1**											
Up/(down)side to current price	50%											

Source: BNP Paribas Exane estimates

We show below the sensitivity of our DCF valuation to WACC and terminal growth rate assumptions.

Figure 9: Sensitivity of our DCF valuation (EUR/sh) to WACC and terminal growth rate

WACC → **Terminal growth ↓**	**8.1%**	**8.6%**	**9.1%**	**9.5%**	**9.9%**
1.00%	11.4	11.5	11.0	10.3	9.7
1.50%	12.0	11.6	11.0	10.7	10.1
2.00%	12.7	11.5	11.1	10.7	10.5
2.50%	13.5	12.2	11.7	11.2	10.9
3.00%	14.1	13.0	11.7	11.4	11.0

Source: BNP Paribas Exane estimates

We apply a target multiple to 2024 earnings to derive our multiples-based valuation

We show below our multiples-based valuation which applies a 33:67 weighted waste management and recycling peer-group multiple to our 2024 earnings forecasts. Our analysis incorporates the impact of dilutive securities which would be in the money at our target price.

Figure 10: Multiples based valuation range of EUR10.7-11.4 /sh

Tgt EBITDA multiple	**8.1**	**Tgt EBITA multiple**	**14.5**
2024 EBITDA	42.8	2024 EBIT	21.3
EV @ tgt multiple	**347.0**	**EV @ tgt multiple**	**309.7**
Adjusted (net debt)/cash	-35.8	Adjusted (net debt)/cash	-35.8
Modelled equity raise post BS date	0.0	Modelled equity raise post BS date	0.0
Lease liabilities	-8.7	Lease liabilities	-8.7
Revalued minority interests	0.0	Revalued minority interests	0.0
Assoc & revalued investments	0.0	Assoc & revalued investments	0.0
Pension obligations	0.0	Pension obligations	0.0
Equity value	**302.6**	**Equity value**	**267.2**
NOSH incl dilution	26.6	NOSH incl dilution	24.7
Value/sh after dilution (EUR/sh)	**11.4**	**Value/sh after dilution (EUR/sh)**	**10.7**
Up/(down) side	53%	Up/(down) side	45%

Source: BNP Paribas Exane estimates

Financial statements

Figure 11: Summary of changes to estimates

EURm, unless otherwise noted

	Old			New			Variance (absolute)			Variance (%)		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Sales	217.6	232.6	247.1	225.2	242.5	257.6	7.7	9.9	10.5	4%	4%	4%
Gross income	227.3	243.0	258.1	233.2	251.1	266.6	5.9	8.0	8.5	3%	3%	3%
Adjusted EBITDA	31.2	42.9	50.3	29.7	42.8	53.0	(1.5)	(0.1)	2.7	(5%)	(0%)	5%
EBITDA margin	14.4%	18.5%	20.4%	13.2%	17.6%	20.6%	(1.2%)	(0.8%)	0.2%	(1.2%)	(0.8%)	0.2%
Adjusted EBIT	10.9	23.1	30.4	9.9	21.3	30.0	(1.0)	(1.7)	(0.4)	(9%)	(8%)	(1%)
EBIT margin	5.0%	9.9%	12.3%	4.4%	8.8%	11.6%	(0.6%)	(1.1%)	(0.7%)	(0.6%)	(1.1%)	(0.7%)
EPS (Co def'n)	0.26	0.50	0.86	0.23	0.61	0.82	(0.03)	0.11	(0.04)	(12%)	22%	(5%)
EPS (Exane)	0.26	0.68	0.86	0.23	0.61	0.82	(0.03)	(0.07)	(0.04)	(12%)	(10%)	(5%)
Op CF (pre w/c)	29.6	34.1	42.5	33.1	39.6	48.7	3.5	5.4	6.2	12%	16%	15%
Op CF (post w/c)	28.2	32.1	39.1	24.4	37.6	45.2	(3.7)	5.5	6.1	(13.3%)	17.2%	15.6%
Net cash from inv activities	(19.2)	(20.2)	(21.1)	(25.3)	(26.7)	(27.8)	(6.1)	(6.5)	(6.7)	31.8%	31.9%	31.5%
Net cash from financing	(10.4)	(11.9)	(18.0)	(3.9)	(10.9)	(17.4)	6.5	0.9	0.6	(62.2%)	(7.9%)	(3.2%)
Net debt/(cash) - inc. leases	35.7	29.7	18.6	49.3	44.4	33.7	13.6	14.8	15.1	38.1%	49.7%	80.9%

Source: BNP Paribas Exane estimates

Figure 12: Income statement

	Unit	2019	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Revenue from sale of goods	EURm	**160.6**	**134.6**	**170.0**	**225.2**	**242.5**	**257.6**	**275.2**	**292.0**	**225.2**
Growth (period on period)	%	2.3%	-16.2%	26.3%	7.8%	7.7%	6.2%	6.8%	6.1%	7.8%
Growth (y-o-y)	%	2.3%	-16.2%	26.3%	7.8%	7.7%	6.2%	6.8%	6.1%	7.8%
Own work capitalised				3.0	0.0	0.0	0.0	0.0	0.0	0.0
Inventory changes				0.7	4.5	4.9	5.2	5.5	5.9	4.5
Other op income		1.9	2.9	2.9	3.4	3.6	3.9	4.1	4.4	3.4
Other op income - % of sales		*1.2%*	*2.2%*	*1.7%*	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Gross Income	EURm	**162.4**	**137.5**	**176.6**	**233.2**	**251.1**	**266.6**	**284.9**	**302.2**	**233.2**
Growth - period on period (%)		*1.7%*	*-15.4%*	*28.4%*	2.8%	7.7%	6.2%	6.8%	6.1%	2.8%
COGS	**EURm**	**(78.2)**	**(63.2)**	**(89.5)**	**(119.4)**	**(123.1)**	**(124.9)**	**(136.2)**	**(144.5)**	**(119.4)**
% of sales		*-48.7%*	*-47.0%*	*-52.7%*	-53.0%	-50.7%	-48.5%	-49.5%	-49.5%	-53.0%
Gross profit	**EURm**	**84.2**	**74.3**	**87.1**	**113.8**	**128.0**	**141.7**	**148.7**	**157.7**	**113.8**
Gross profit margin on sale of goods	*%*	*52.4%*	*55.2%*	*51.2%*	50.5%	52.8%	55.0%	54.0%	54.0%	50.5%
Personnel expenses	EURm	(34.4)	(31.1)	(37.0)	(42.6)	(46.4)	(43.9)	(45.5)	(47.0)	(42.6)
IPO listing expenses		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other op expenses	EURm	(25.0)	(24.2)	(25.7)	(41.4)	(43.2)	(44.8)	(46.7)	(48.4)	(41.4)
Rptd EBITDA	**EURm**	**24.8**	**19.0**	**24.3**	**29.7**	**38.4**	**53.0**	**56.5**	**62.4**	**29.7**
Rptd EBITDA margin	*%*	*15.5%*	*14.1%*	*14.3%*	13.2%	15.8%	20.6%	20.5%	21.4%	13.2%
Co. adj EBITDA margin (IFRS)	*%*	*16.5%*	*16.3%*	*17.0%*	13.2%	17.6%	20.6%	20.5%	21.4%	13.2%
DD&A		(17.8)	(18.2)	(19.7)	(19.8)	(21.4)	(23.0)	(24.4)	(25.8)	(19.8)
DD&A - IFRS basis		(19.3)	(20.0)	(19.7)						
EBIT	**EURm**	**7.0**	**0.7**	**4.7**	**9.9**	**16.9**	**30.0**	**32.1**	**36.6**	**9.9**
EBIT margin	*%*	*4.4%*	*0.6%*	*2.7%*	4.4%	7.0%	11.6%	11.7%	12.5%	4.4%
Net interest cost	EURm	(3.6)	(2.3)	(2.1)	(2.3)	(2.3)	(2.1)	(1.6)	(1.3)	(2.3)
Net other financial items	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income (loss) before tax	**EURm**	**3.5**	**(1.6)**	**2.5**	**7.6**	**14.6**	**27.9**	**30.5**	**35.3**	**7.6**
Income tax	EURm	(1.4)	(0.8)	(2.5)	(2.1)	(4.0)	(7.7)	(8.4)	(9.7)	(2.1)
Other taxes		(0.8)	(0.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss) from continuing operations	**EURm**	**1.3**	**(3.2)**	**0.1**	**5.5**	**10.6**	**20.2**	**22.1**	**25.6**	**5.5**
Profit (loss) from discontinued operations	EURm									
Net income (loss) for the period	**EURm**	**1.3**	**(3.2)**	**0.1**	**5.5**	**10.6**	**20.2**	**22.1**	**25.6**	**5.5**
Basic EPS	EUR/sh.				0.2	0.4	0.8	0.9	1.0	0.2
Adjusted EPS	EUR/sh.				0.2	0.6	0.8	0.9	1.0	0.2
Dividend declared per share	EUR/sh.	0.00	0.00	0.00	0.15	0.18	0.25	0.27	0.31	0.15
Payout ratio	%				66%	30%	30%	30%	30%	66%

Source: Company, BNP Paribas Exane estimates

Figure 13: Adjusted income statement - co. definitions

Co. adjusted Income Statement		2019	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Co. adj Revenue	**EURm**	**160.6**	**134.6**	**170.0**	**208.9**	**225.2**	**242.5**	**257.6**	**275.2**	**292.0**
Co. adj EBITDA	**EURm**	**24.9**	**20.2**	**28.9**	**22.5**	**29.7**	**42.8**	**53.0**	**56.5**	**62.4**
Co. adj EBITDA margin	*%*	*15.5%*	*15.0%*	*17.0%*	*10.8%*	13.2%	17.6%	20.6%	20.5%	21.4%
Co. adj underlying EBITDA (IFRS)	**EURm**	**26.4**	**21.9**	**28.9**	**22.5**	**29.7**	**42.8**	**53.0**	**56.5**	**62.4**
Co. adj EBITDA margin (IFRS)	*%*	*16.5%*	*16.3%*	*17.0%*	*10.8%*	13.2%	17.6%	20.6%	20.5%	21.4%
Co. adj EBIT	**EURm**	**7.1**	**2.0**	**9.3**	**4.5**	**9.9**	**21.3**	**30.0**	**32.1**	**36.6**
Co. adj EBIT margin	*%*	*4.4%*	*1.5%*	*5.4%*	*2.2%*	4.4%	8.8%	11.6%	11.7%	12.5%
Co. adj net income ex. NCI	**EURm**	**1.3**	**(2.2)**	**3.4**	**1.5**	**5.5**	**15.0**	**20.2**	**22.1**	**25.6**
Co. adj basic EPS					**0.1**	**0.2**	**0.6**	**0.8**	**0.9**	**1.0**

Source: BNP Paribas Exane estimates

Figure 14: Cash flow statement

		2019	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Net income	EURm	1.3	(3.2)	0.1	(34.1)	5.5	10.6	20.2	22.1	25.6
DD&A	EURm	17.8	18.2	19.7	18.0	19.8	21.4	23.0	24.4	25.8
Inc in LT accruals	EURm	1.1	0.4	3.5	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	EURm	3.1	2.1	1.7	2.4	2.3	2.3	2.1	1.6	1.3
Profit/(loss) on equity investees	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Gains)/losses on disposals of fixed assets	EURm	(0.0)	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Sales gains / (losses)	EURm				0.0	0.0	0.0	0.0	0.0	0.0
Income tax expense	EURm	1.4	0.8	2.5	0.2	2.1	4.0	7.7	8.4	9.7
Income tax (paid)/refunded	EURm	(1.1)	(2.6)	(3.7)	0.0	0.0	(2.2)	(7.7)	(8.4)	(9.7)
Other	EURm	0.0	0.6	(1.4)	27.0	3.4	3.4	3.4	3.4	3.4
Op CF (pre w/c)	**EURm**	**23.6**	**16.5**	**22.5**	**13.5**	**33.1**	**39.6**	**48.7**	**51.5**	**56.1**
Changes in working capital	EURm	(2.6)	0.2	(5.1)	(13.0)	(8.7)	(1.9)	(3.5)	(3.1)	(3.1)
Op CF (post w/c)	**EURm**	**21.0**	**16.8**	**17.4**	**0.5**	**24.4**	**37.6**	**45.2**	**48.4**	**53.0**
Acqn/disposal of subsidiaries, net of cash	EURm	0.0	0.0	2.4	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from sale of PPE	EURm	0.0	0.0	0.0	1.5	0.0	0.0	0.0	0.0	0.0
Acquisition of PPE	EURm	(13.9)	(12.4)	(19.0)	(26.3)	(25.0)	(26.4)	(27.5)	(28.7)	(29.9)
Investment in intangibles	EURm	(0.6)	(0.1)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Disposal of intangibles	EURm	0.3	4.1	2.4	0.0	0.0	0.0	0.0	0.0	0.0
Change in current interest bearing receivables	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash interest received	EURm	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Sub-lease income received	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	EURm	0.0	0.0	0.0	(1.9)	0.0	0.0	0.0	0.0	0.0
Net cash from investing activities	**EURm**	**(14.1)**	**(8.5)**	**(14.5)**	**(27.1)**	**(25.3)**	**(26.7)**	**(27.8)**	**(29.0)**	**(30.2)**
Change in external borrowings	**EURm**	**20.5**	**(17.1)**	**1.6**	**(4.8)**	**(0.3)**	**(4.8)**	**(10.7)**	**(8.7)**	**0.0**
Acquisition of non-controlling interests	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transactions in own shares	EURm	0.0	0.0	0.0	45.2	0.0	0.0	0.0	0.0	0.0
Dividends paid to non-controlling interests	EURm	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends to shareholders	EURm	0.0	0.0	0.0	0.0	(1.2)	(3.7)	(4.5)	(6.1)	(6.6)
Cash interest paid	EURm	(3.1)	(2.1)	(1.7)	(1.8)	(2.4)	(2.4)	(2.1)	(1.7)	(1.4)
Leases paid	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	EURm	0.0	0.0	0.0	(0.9)	0.0	0.0	0.0	0.0	0.0
Net cash from financing	**EURm**	**17.3**	**(19.4)**	**(0.2)**	**37.7**	**(3.9)**	**(10.9)**	**(17.4)**	**(16.4)**	**(8.0)**
FX effects	EURm	(0.2)	0.8	(0.9)	0.0	0.0	0.0	0.0	0.0	0.0
Other	EURm	(11.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash	**EURm**	**12.7**	**(10.3)**	**1.9**	**11.1**	**(4.8)**	**0.0**	**0.0**	**3.0**	**14.8**
Cash at the beginning of the period	EURm	6.8	19.5	9.2	10.0	21.0	16.2	16.2	16.2	19.2
Cash at the end of the period	**EURm**	**19.5**	**9.2**	**10.0**	**21.0**	**16.2**	**16.2**	**16.2**	**19.2**	**33.9**

Source: Company, BNP Paribas Exane estimates

Figure 15: Balance sheet

		2019	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Assets										
Property, plant and equipment	EURm	73.9	64.3	65.6	78.0	83.2	88.1	92.6	96.9	101.0
Intangible assets	EURm	2.1	1.1	0.6	0.1	0.5	0.9	1.3	1.7	2.1
Right-of-use assets & investment property	EURm	0.0	0.0	8.3	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	EURm	0.0	0.0	1.9	3.9	1.8	0.0	0.0	0.0	0.0
Lease receivables	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	EURm	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other investments / Inv. in associates & JVs	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses	EURm	1.6	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-current assets	EURm	0.0	0.0	0.0	0.7	0.7	0.7	0.7	0.7	0.7
Interest bearing receivables	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total non-current assets	**EURm**	**77.7**	**67.5**	**76.5**	**82.8**	**86.3**	**89.8**	**94.7**	**99.4**	**103.9**
Current tax assets	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inventories	EURm	30.3	25.2	30.8	41.4	41.6	40.7	43.6	47.2	50.1
Trade receivables	EURm	20.1	20.5	27.2	31.8	35.8	37.9	41.0	43.5	46.1
ST financial assets	EURm				0.0	0.0	0.0	0.0	0.0	0.0
Other ST assets	EURm	2.2	1.7	6.5	10.4	10.4	10.4	10.4	10.4	10.4
Customer contract assets and other receivables	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepayments (current)	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derivative financial instruments	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest-bearing receivables	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retained assets of businesses sold		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents	EURm	19.5	9.2	10.0	21.0	16.2	16.2	16.2	19.2	33.9
Total current assets	**EURm**	**72.0**	**56.6**	**74.7**	**104.6**	**104.0**	**105.2**	**111.2**	**120.3**	**140.6**
Total assets	**EURm**	**149.7**	**124.1**	**151.2**	**187.4**	**190.4**	**195.1**	**205.9**	**219.7**	**244.4**
Liabilities										
Non-current borrowings	EURm	61.8	50.3	39.6	32.6	32.6	32.6	32.6	32.6	32.6
Non-current lease liabilities	EURm	17.8	12.2	5.5	5.9	5.9	5.9	5.9	5.9	5.9
Pension obligations	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax liabilities	EURm	0.5	0.5	1.7	1.8	1.8	1.8	1.8	1.8	1.8
Other non-current liabililities	EURm	2.6	0.6	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total non-current liabilities	**EURm**	**82.6**	**63.6**	**47.0**	**40.3**	**40.3**	**40.3**	**40.3**	**40.3**	**40.3**
ST fin liabs	EURm	0.0	0.0	24.4	24.6	24.2	19.4	8.7	0.0	0.0
Current lease liabilities	EURm	0.0	0.0	2.9	2.7	2.7	2.7	2.7	2.7	2.7
Provisions	EURm	0.0	0.0	1.0	0.7	0.7	0.7	0.7	0.7	0.7
Customer contr liabs	EURm	0.0	0.5	2.2	5.9	6.7	6.6	6.9	7.4	7.7
Trade payables	EURm	20.8	15.2	30.7	35.2	30.0	29.3	31.4	34.0	36.1
Other payables	EURm	0.1	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current tax liabilities	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derivative financial instruments	EURm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabs	EURm	7.9	8.1	9.4	9.6	9.6	9.6	9.6	9.6	9.6
Total current liabilities	**EURm**	**28.8**	**26.7**	**70.7**	**78.7**	**74.0**	**68.4**	**60.0**	**54.4**	**56.8**
Total liabilities	**EURm**	**111.5**	**90.3**	**117.6**	**119.0**	**114.3**	**108.7**	**100.3**	**94.7**	**97.1**
Equity										
Total equity attributable to the parent	EURm	37.3	33.4	33.6	68.4	76.1	86.4	105.6	125.0	147.3
Non-controlling interests	EURm	0.9	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total S/H equity	**EURm**	**38.3**	**33.8**	**33.6**	**68.4**	**76.1**	**86.4**	**105.6**	**125.0**	**147.3**
Total liabilities and equity	**EURm**	**149.7**	**124.1**	**151.2**	**187.4**	**190.4**	**195.1**	**205.9**	**219.7**	**244.4**

Source: Company, BNP Paribas Exane estimates

Investment case, valuation and risks

Cabka NV

Investment case

Cabka produces value-adding transport packaging solutions from recycled plastic, contributing to the circular economy whilst also targeting high-growth markets. The business is set for substantial growth driven by increased (recycled) plastic penetration of the transport packaging market, and provision of customised solutions to modern, automated, logistic chains.

Valuation methodology

We use a combination of multiples and DCF to value the business.

Risks

To the upside:
Input costs: pass through of cost inflation is driving top-line growth in the near-term; the impact of this could be greater than we assume.

Growth rates: Cabka targets high single digit growth rates, but has recently delivered well in excess of this with strong volume growth aided by cost pass-through. Growth could surprise to the upside.

Margin expansion: Higher than anticipated growth rates, a stronger performance passing through input costs, and/or better cost management within the business could all drive margins ahead of our expectations. Input costs have begun to fall which should help margins; we could have underestimated this impact. Management targets growth in higher margin areas, for example customised solutions and Eco Products, which could contribute in excess of our forecasts.

Economic growth: The market may overestimate the extent to which economic growth slows, or the impact of any such slowdown on the business.

M&A: M&A is part of the strategy and could offer additional growth to the business.

Regulatory: changes in legislation, particularly with regards to recycling, could impact the business. Cabka's business model is broadly aligned with the general regulatory aims, particularly in Europe, to increase recycling/re-use and eventually transition towards a circular economy.

To the downside:
Input costs: Continued ability to pass on cost inflation and the evolution of those input costs. There is a lag impact on cost pass-through which could impact near-term margins. Recycled plastic waste, energy and labour costs are significant input costs to the business, although the breakdown is not disclosed. Rapidly increasing wood prices - a key input cost for wooden pallets with which recycled plastic pallets compete, have made it easier to pass through significant price increases for recycled plastic pallets. Rising prices for wood and recycled plastic are reversing; if they were to diverge recycled plastic pallets could become less competitive compared to wood pallets.

Execution: Delivery of growth ambitions, both top line and margin expansion.

Economic growth: impact of economic cycles on the outlook for the business. The target markets are forecast to grow in excess of GDP, however, they are still exposed to levels of economic activity.

Competition: the market is fragmented, with a small number of large competitors. Cabka has a leading position in terms of recycled plastic provision, but competitors are moving more towards recycled plastic. Cabka notes competing products in the nestable pallets segment, in particular, are expected to enter the market. The focus on customised solutions embedded in the clients' supply chain logistics, and Eco Products made from waste streams which are challenging to recycle, provide some protection from competitive threats.

M&A: The success of any particular transaction will be driven by the merits of that particular transaction, and its integration into the business. Targeted growth opportunities/synergies may not be delivered.

Safe execution of industrial manufacturing operations: the business has industrial manufacturing and materials handling operations across several sites (two of which are operated by third parties). The continued safe operation of these sites is necessary to ensure uninterrupted supply of products. Flooding caused by heavy rain in summer 2022 has severely impacted the company's US manufacturing facility. Insurance coverage is in place.

Regulatory: changes in legislation, particularly with regards to recycling, could impact the business. Increased competition for waste plastic streams could increase pricing but regulation is also likely to be targeted to increase overall recycling rates. Cabka's strategy is to target waste streams which are more challenging to recycle and are, therefore, typically lower cost.

Key shareholders: The company's founder Gat Ramon retains a 46% interest in the business and a seat on the Supervisory Board, consequently he will be able to exert substantial influence over the business. He could vote his shares in a way in which other shareholders do not agree.

Dilution from dilutive instruments: The capital structure incorporates a number of potentially dilutive instruments which could dilute existing shareholders as share price rise. If all of these instruments were to vest, which would require the share price to increase to EUR20/sh, the share count would increase by ~25% (6.098m shares) to ~30.5m shares. We incorporate the impact of these instruments into our forecasts.

DISCLOSURE APPENDIX

Analyst Certification

I, Thomas Martin, (authors of or contributors to the report) hereby certify that all of the views expressed in this report accurately reflect my personal view(s) about the company or companies and securities discussed in this report. No part of my compensation was, is, or will be, directly, or indirectly, related to the specific recommendations or views expressed in this research report.

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Thomas Martin	Exane SA London branch

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Companies	Disclosures
Cabka NV	6; 12; 13

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13 – Sections of this report, with the research summary, target price and rating removed, have been presented to the subject company/ies prior to its distribution, for the sole purpose of verifying the accuracy of factual statements.
14 – Following the presentation of sections of this report to this subject company, some conclusions were amended.
15 – A member for Exane senior management is a member of the Board of the issuer.

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NONE	

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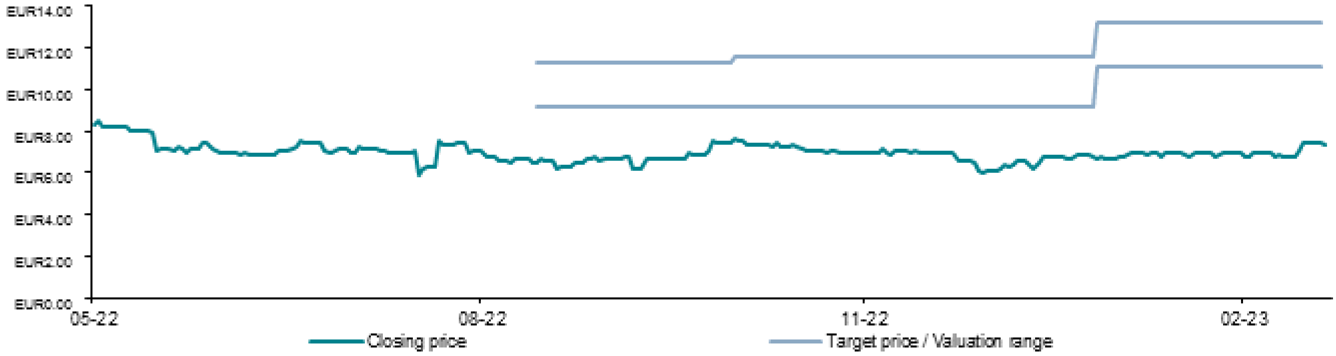
Price and Ratings Chart

Cabka NV

Historical closing price & target price **(as of 20/03/2023)**



Source: BNP Paribas Exane

Historical rating & target price changes

The latest company-specific disclosures, valuation methodologies and investment case risks for all other companies covered by this document are available on http://cube.exane.com/compliance.

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CABKA NV

Price at 20 Mar. 23: EUR7.4

Paper & Packaging - Netherlands

EUR10.7 (+45%) | EUR11.1 (+51%)

Company description

The business is integrated from plastic recycling through to the manufacture of transport packaging solutions. The company contributes to the circular economy, deliberately targeting plastic w aste streams w hich are challenging to recycle, minimising input costs and increasing overall recycling rates across society. ESG is at the heart of the company's business. Plastic packaging solutions comprise a small fraction of the market today, but are grow ing at above market rates - they have attractive characteristics for hi-tech logistic chains. Customised solutions offer high margins and offer high retention, being integrated into supply chains.

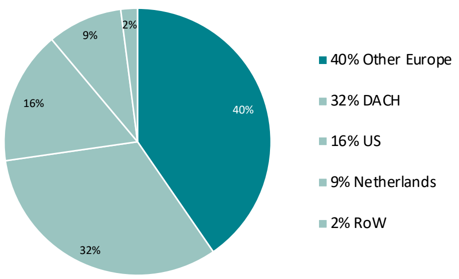
Management

Tim Litjens, CEO

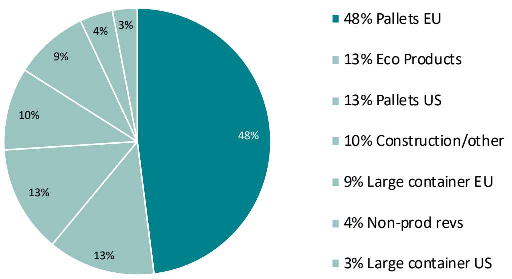
Necip Kupcu, CFO

Ownership structure

RAM.ON Holdings	46.6%
DSC Executive Holding BV	5.7%
Eikenbosch Holding BV	4.3%
Other employees	1.7%
Other Shareholders	41.7%



Product line



Analyst

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Sector calendar

28 Mar. 23	**Holmen B**: AGM
31 Mar. 23	**Ence**: AGM
19 Apr. 23	**Verallia**: Q1 Results 2023 (18:00 CET)
25 Apr. 23	**Cabka NV**: Q1 Results 2023
	Ence: Q1 Results 2023
	Verallia: AGM
	Stora Enso: STERV FH - Results 2023 Q1 (08:30 CET)
	UPM-Kymmene: UPM FH - Results 2023 Q1 (09:30 CET)
26 Apr. 23	**Billerud**: Q1 Results 2023 (07:00 CET)
27 Apr. 23	**Vidrala**: Q1 Results 2023 (10:00 CET)
	Vidrala: AGM (12:00 CET)
	SCA: SCAB SS - Results 2023 Q1 (20:30 CET)
	Aptargroup Inc: Q1 Earnings 2023 (22:00 CET)
	Avery Dennison : AGM (22:30 CET)
28 Apr. 23	**Holmen B**: Q1 Results 2023 (07:30 CET)
	Smurfit Kappa: SKG ID - Trading Statement 2023 Q1 (08:00 CET)
	Smurfit Kappa: AGM (11:00 CET)
03 May 23	**Aptargroup Inc**: AGM (16:00 CET)
04 May 23	**Mondi Plc**: MNDI LN - Trading update 2023 Q1 (08:00 CET)
24 May 23	**Billerud**: AGM
08 Jun. 23	**Cabka NV**: AGM
22 Jun. 23	**DS Smith**: SMDS LN - Preliminary Results 22/23 FY (08:00 CET)
21 Jul. 23	**SCA**: SCAB SS - Results 2023 Q2 (01:00 CET)
	Stora Enso: STERV FH - Results 2023 Q2 (01:00 CET)
25 Jul. 23	**UPM-Kymmene**: UPM FH - Results 2023 Q2 (09:30 CET)
02 Aug. 23	**Smurfit Kappa**: SKG ID - Results 2023 H1 (01:00 CET)
03 Aug. 23	**Mondi Plc**: MNDI LN -Results 2023 H1 (01:00 CET)
05 Sep. 23	**DS Smith**: SMDS LN - Trading Statement Q1 23/24 (01:00 CET)
19 Oct. 23	**Mondi Plc**: MNDI LN - Trading Update 2023 Q3 (01:00 CET)
24 Oct. 23	**Stora Enso**: STERV FH - Results 2023 Q3 (01:00 CET)
	UPM-Kymmene: UPM FH - Results 2023 Q3 (09:30 CET)
27 Oct. 23	**SCA**: SCAB SS - Results 2023 Q3 (01:00 CET)
01 Nov. 23	**Smurfit Kappa**: SKG ID - Trading Statement 2023 Q3 (01:00 CET)
07 Dec. 23	**DS Smith**: SMDS LN - Preliminary Results 23/24 H1 (01:00 CET)

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Price at 20 Mar. 23: EUR7.4

Valuation range (EUR): 10.7 (+45%) | 11.1 (+51%)

Refinitiv / Bloomberg: CABKA.AS / CABKA NA   Analyst: Thomas Martin (+44) 203 430 8435

CABKA NV

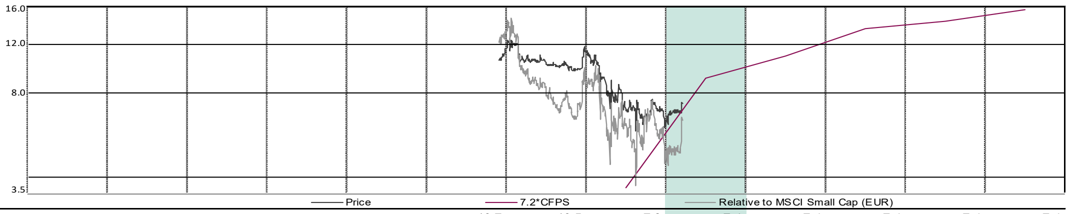
Paper & Packaging - Netherlands

Company Highlights	**EURm**
Enterprise value	231
Market capitalisation	182
Free float	87
3m average volume	0.0

Performance (*)	**1m**	**3m**	**12m**
Absolute	6%	7%	(19%)
Rel. Sector	9%	4%	(2%)
Rel. MSCI Small Cap	13%	3%	(9%)

12m Hi/Lo (EUR) : 9.1 -19% / 5.8 +26%

CAGR	**2018/2023**	**2023/2027**
EPS restated	NC	46%
CFPS	NC	15%



	Dec. 17	Dec. 18	Dec. 19	Dec. 20	Dec. 21	Dec. 22	Dec. 23e	Dec. 24e	Dec. 25e	Dec. 26e	Dec. 27e
Price (yearly avg from Dec. 20 to Dec. 22)				*10.7*	*10.5*	*7.9*	*7.4*	*7.4*	*7.4*	*7.4*	*7.4*
PER SHARE DATA (EUR)	**Dec. 17**	**Dec. 18**	**Dec. 19**	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**	**Dec. 26e**	**Dec. 27e**
No of shares year end, basic, (m)						23.982	24.693	24.693	24.693	24.693	24.693
Avg no of shares, diluted, excl. treasury stocks (m)						21.189	24.352	24.693	24.693	24.693	24.693
EPS reported, Gaap						*(1.44)*	*0.23*	*0.43*	*0.82*	*0.43*	*0.47*
EPS company definition						*(1.44)*	*0.23*	*0.43*	*0.82*	*0.43*	*0.47*
EPS restated, fully diluted						(0.34)	0.23	0.61	0.82	0.89	1.04
% change						*NS*	*NS*	*168.5%*	*34.9%*	*9.1%*	*15.9%*
Book value (BVPS) (a)						2.9	2.9	3.2	3.9	4.5	5.3
Net dividend	0.00	0.00	0.00	0.00	0.00	0.15	0.15	0.18	0.25	0.27	0.31
STOCKMARKET RATIOS	**Dec. 17**	**Dec. 18**	**Dec. 19**	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**	**Dec. 26e**	**Dec. 27e**
P / E (P/ EPS restated)						NC	32.5x	12.1x	9.0x	8.2x	7.1x
P / E relative to MSCI Small Cap						NC	256%	110%	90%		
P / CF						15.5x	5.8x	4.9x	3.9x	3.6x	3.3x
FCF yield						(17.3%)	(1.8%)	4.7%	8.4%	9.8%	11.8%
P / BVPS						2.76x	2.50x	2.28x	1.91x	1.63x	1.39x
Net yield				0.0%	0.0%	1.9%	2.0%	2.5%	3.3%	3.6%	4.2%
Payout						NC	66.2%	30.0%	30.0%	30.0%	30.0%
EV / Sales						1.01x	1.03x	0.93x	0.84x	0.74x	0.65x
EV / Restated EBITDA						16.0x	7.8x	5.3x	4.1x	3.6x	3.0x
EV / Restated EBITA						NS	23.3x	10.6x	7.2x	6.4x	5.2x
EV / NOPAT						NS	32.2x	14.6x	9.9x	8.8x	7.1x
EV / OpFCF						NS	NS	17.3x	8.6x	7.3x	5.8x
EV / Capital employed (incl. gross goodwill)						1.7x	1.6x	1.5x	1.4x	1.2x	1.1x
ENTERPRISE VALUE (EURm)						**212**	**231**	**226**	**215**	**204**	**189**
Market cap						167	182	182	182	182	182
+ Adjusted net debt	54	62	60	53	62	45	49	44	34	22	7
+ Other liabilities and commitments				0	0	0	0	0	0	0	0
+ Revalued minority interests				1	0						
- Revalued investments				0	0	0	0	0	0	0	0
P & L HIGHLIGHTS (EURm)	**Dec. 17**	**Dec. 18**	**Dec. 19**	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**	**Dec. 26e**	**Dec. 27e**
Sales	**139**	**157**	**161**	**135**	**170**	**209**	**225**	**243**	**258**	**275**	**292**
Restated EBITDA (b)	**18**	**19**	**25**	**20**	**25**	**13**	**30**	**43**	**53**	**57**	**62**
Depreciation	(14)	(16)	(18)	(18)	(20)	(16)	(20)	(21)	(23)	(24)	(26)
Restated EBITA (b)	**4**	**4**	**7**	**2**	**6**	**(3)**	**10**	**21**	**30**	**32**	**37**
Reported operating profit (loss)	4	8	7	1	5	(34)	10	17	30	32	37
Net financial income (charges)	(2)	(2)	(4)	(2)	(2)	(1)	(2)	(2)	(2)	(2)	(1)
Affiliates											
Other											
Tax	(2)	(3)	(2)	(2)	(2)	0	(2)	(4)	(8)	(8)	(10)
Minorities	(0)	(0)	(0)	(0)	(0)	0	0	0	0	0	0
Net attributable profit reported	(0)	3	1	(3)	(0)	(34)	6	11	20	22	26
Net attributable profit restated (c)	**(0)**	**(2)**	**1**	**(2)**	**1**	**(7)**	**6**	**15**	**20**	**22**	**26**
CASH FLOW HIGHLIGHTS (EURm)	**Dec. 17**	**Dec. 18**	**Dec. 19**	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**	**Dec. 26e**	**Dec. 27e**
EBITDA (reported)	**18**	**24**	**25**	**19**	**24**	**(16)**	**30**	**38**	**53**	**57**	**62**
EBITDA adjustment (b)	**0**	**(5)**	**0**	**1**	**1**	**29**	**0**	**4**	**0**	**0**	**0**
Other items	(1)	2	(0)	(1)	1	0	3	(1)	3	3	3
Change in WCR	(1)	(1)	(3)	0	(5)	(13)	(9)	(2)	(4)	(3)	(3)
Operating cash flow	**15**	**20**	**22**	**19**	**21**	**1**	**24**	**40**	**53**	**57**	**63**
Capex	(15)	(26)	(14)	(13)	(19)	(27)	(25)	(27)	(28)	(29)	(30)
Operating free cash flow (OpFCF)	**0**	**(7)**	**8**	**7**	**2**	**(26)**	**(1)**	**13**	**25**	**28**	**32**
Net financial items + tax paid	(0)	(3)	(4)	(5)	(5)	(3)	(2)	(5)	(10)	(10)	(11)
Free cash flow	**0**	**(9)**	**3**	**2**	**(4)**	**(29)**	**(3)**	**9**	**15**	**18**	**21**
Net financial investments & acquisitions	1	0	0	0	2	2	0	0	0	0	0
Other	0	1	(2)	5	(8)	2	0	0	0	0	0
Capital increase (decrease)	0	0	0	0	0	43	0	0	0	0	0
Dividends paid	0	0	0	(0)	0	0	(1)	(4)	(5)	(6)	(7)
Increase (decrease) in net financial debt	**(1)**	**7**	**(2)**	**(7)**	**9**	**(18)**	**4**	**(5)**	**(11)**	**(12)**	**(15)**
Cash flow, group share	**16**	**18**	**20**	**14**	**14**	**11**	**31**	**37**	**47**	**50**	**55**
BALANCE SHEET HIGHLIGHTS (EURm)	**Dec. 17**	**Dec. 18**	**Dec. 19**	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**	**Dec. 26e**	**Dec. 27e**
Net operating assets	69	79	76	65	66	78	84	89	94	99	103
WCR	30	30	32	29	34	48	57	59	63	66	69
Restated capital employed, incl. gross goodwill	**99**	**110**	**108**	**95**	**101**	**127**	**141**	**148**	**156**	**164**	**172**
Shareholders' funds, group share	33	36	37	33	34	68	73	80	95	111	130
Minorities	1	1	1	0	0	0	0	0	0	0	0
Provisions/ Other liabilities	11	11	11	10	14	18	23	29	32	36	39
Net financial debt (cash)	54	62	60	53	62	45	49	44	34	22	7
FINANCIAL RATIOS (%)	**Dec. 17**	**Dec. 18**	**Dec. 19**	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**	**Dec. 26e**	**Dec. 27e**
Sales (% change)	NC	12.6%	2.3%	(16.2%)	26.3%	22.9%	7.8%	7.7%	6.2%	6.8%	6.1%
Organic sales growth											
Restated EBITA (% change)	NS	(8.6%)	89.7%	(72.0%)	184.8%	NC	NC	115.6%	40.5%	7.0%	14.0%
Restated attributable net profit (% change)	NC	NC	NC	NC	NC	NC	NC	172.2%	34.9%	9.1%	15.9%
Personnel costs / Sales	22.2%	21.1%	21.4%	23.1%	21.8%	19.3%	18.9%	19.1%	17.0%	16.5%	16.1%
Restated EBITDA margin	13.0%	12.3%	15.5%	15.0%	14.9%	6.3%	13.2%	17.6%	20.6%	20.5%	21.4%
Restated EBITA margin	2.9%	2.4%	4.4%	1.5%	3.3%	(1.5%)	4.4%	8.8%	11.6%	11.7%	12.5%
Tax rate	NC	53.1%	63.1%	NC	NC	NC	27.5%	27.5%	27.5%	27.5%	27.5%
Net margin	0.0%	(1.1%)	0.8%	(1.5%)	0.6%	(3.4%)	2.4%	6.2%	7.9%	8.0%	8.8%
Capex / Sales	10.7%	16.8%	9.0%	9.3%	11.4%	12.8%	11.3%	11.0%	10.8%	10.6%	10.4%
OpFCF / Sales	0.3%	(4.2%)	4.8%	5.1%	1.0%	(12.5%)	(0.4%)	5.4%	9.7%	10.1%	11.1%
WCR / Sales	21.8%	18.8%	19.7%	21.8%	20.0%	23.2%	25.3%	24.3%	24.3%	23.9%	23.5%
Capital employed (excl. gdw./intangibles) / Sales	68.6%	67.9%	65.7%	69.5%	58.6%	60.5%	62.5%	61.0%	60.7%	59.6%	58.8%
ROE	(0.1%)	(5.0%)	3.5%	(6.5%)	2.2%	(10.4%)	7.6%	18.9%	21.2%	19.8%	19.6%
Gearing	161%	168%	157%	158%	186%	65%	68%	56%	35%	20%	6%
EBITDA / Financial charges	9.1x	8.7x	7.0x	8.6x	12.0x	16.5x	13.0x	18.6x	25.8x	35.0x	49.3x
Adjusted financial debt / EBITDA	3.0x	3.2x	2.4x	2.6x	2.5x	3.4x	1.7x	1.0x	0.6x	0.4x	0.1x
ROCE, excl. gdw./intangibles	3.1%	2.5%	4.9%	1.5%	4.1%	(1.8%)	5.1%	10.5%	13.9%	14.2%	15.4%
ROCE, incl. gross goodwill	3.0%	2.5%	4.7%	1.5%	4.1%	(1.8%)	5.1%	10.4%	13.9%	14.2%	15.4%
WACC	5.8%	6.0%	5.8%	5.7%	6.1%	6.7%	6.9%	6.9%	6.9%	6.9%	6.9%

Latest Model update: 21 Mar. 23

(a) Intangibles: EUR0.10m, or EUR0 per share. (b) adjusted for capital gains/losses, exceptional restructuring charges, capitalized R&D; EBITA also adjusted for impairments and am. of intangibles from M&A
(c) after EBITA adjustments and financial result/tax adjustments, (*) In listing currency, with div. reinvested