

# Cabka

a leading integrated circular  
production company

**2021 preliminary results presentation**

**Strong post-Covid recovery**

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01 Introduction and overview **Cabka**

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02 Financial and operating review

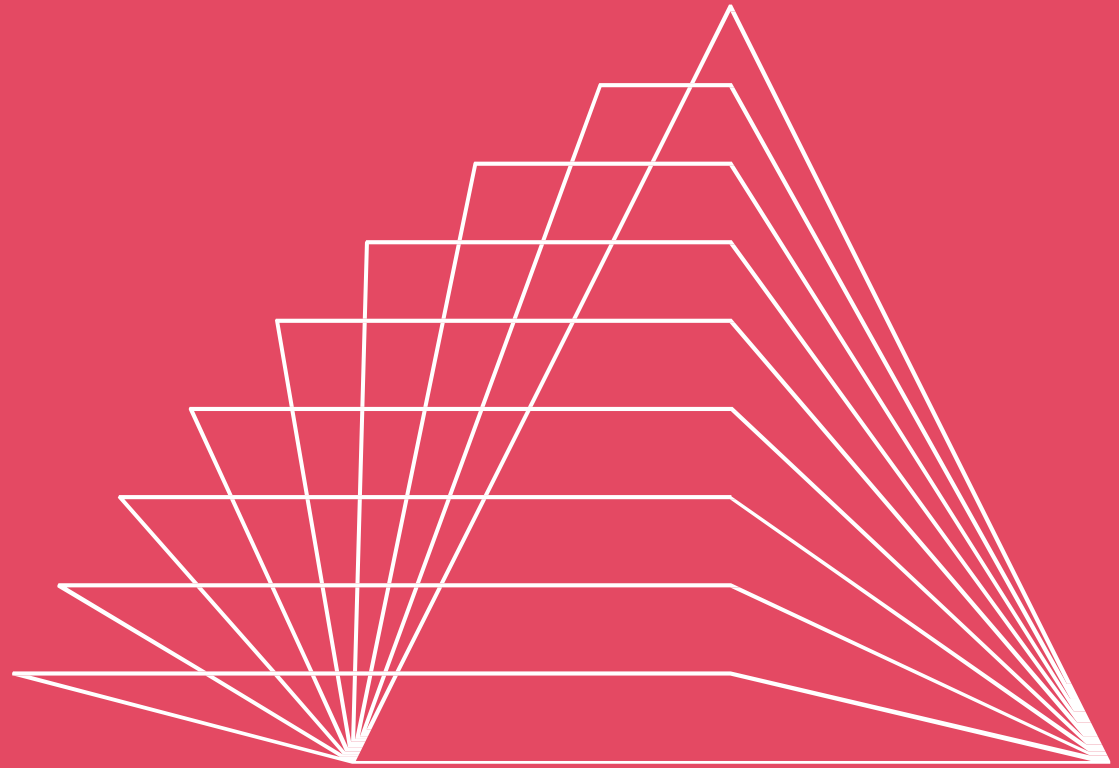
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03 Outlook 2022

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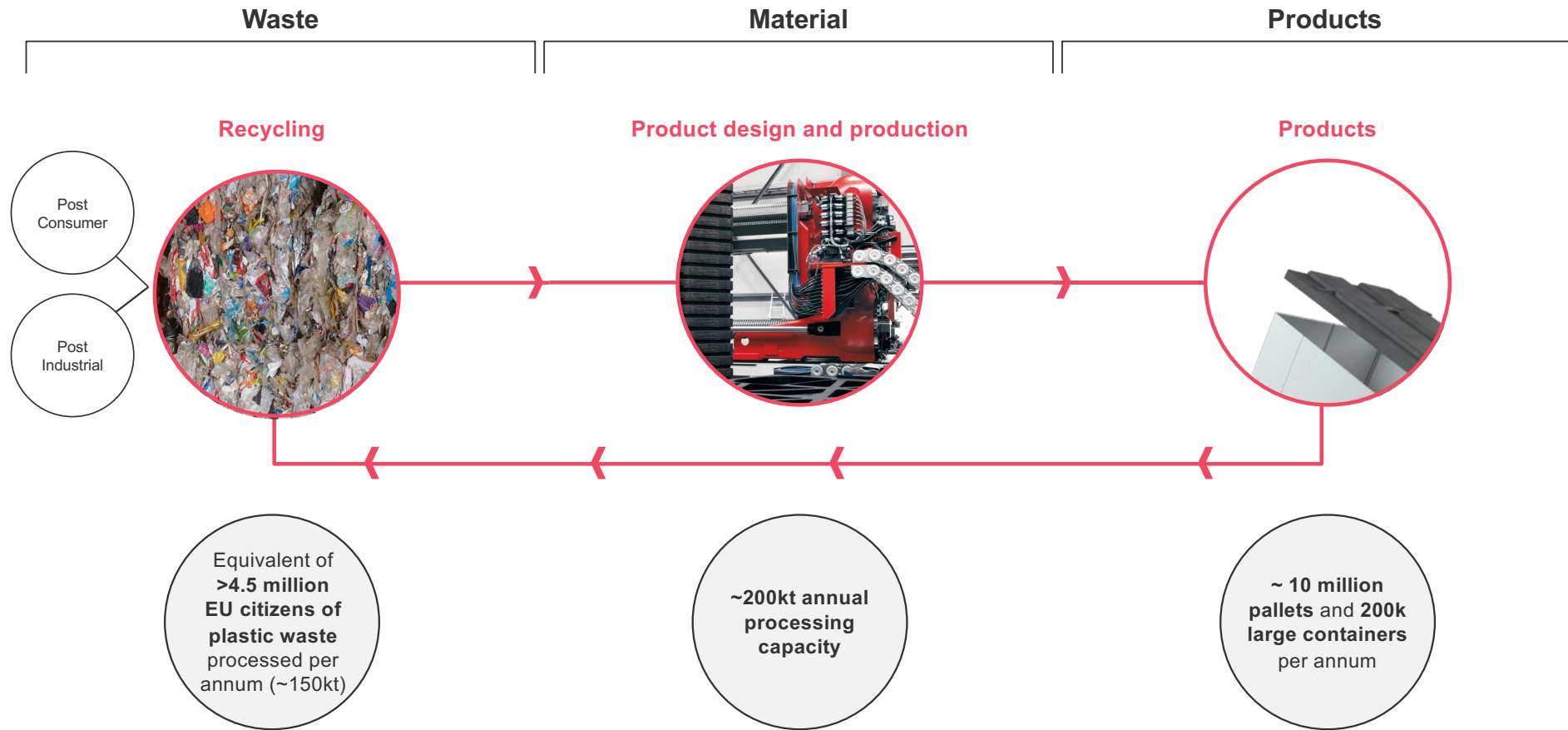
# 01

## Introduction and overview Cabka



# Cabka is closing the loop from waste to end-products

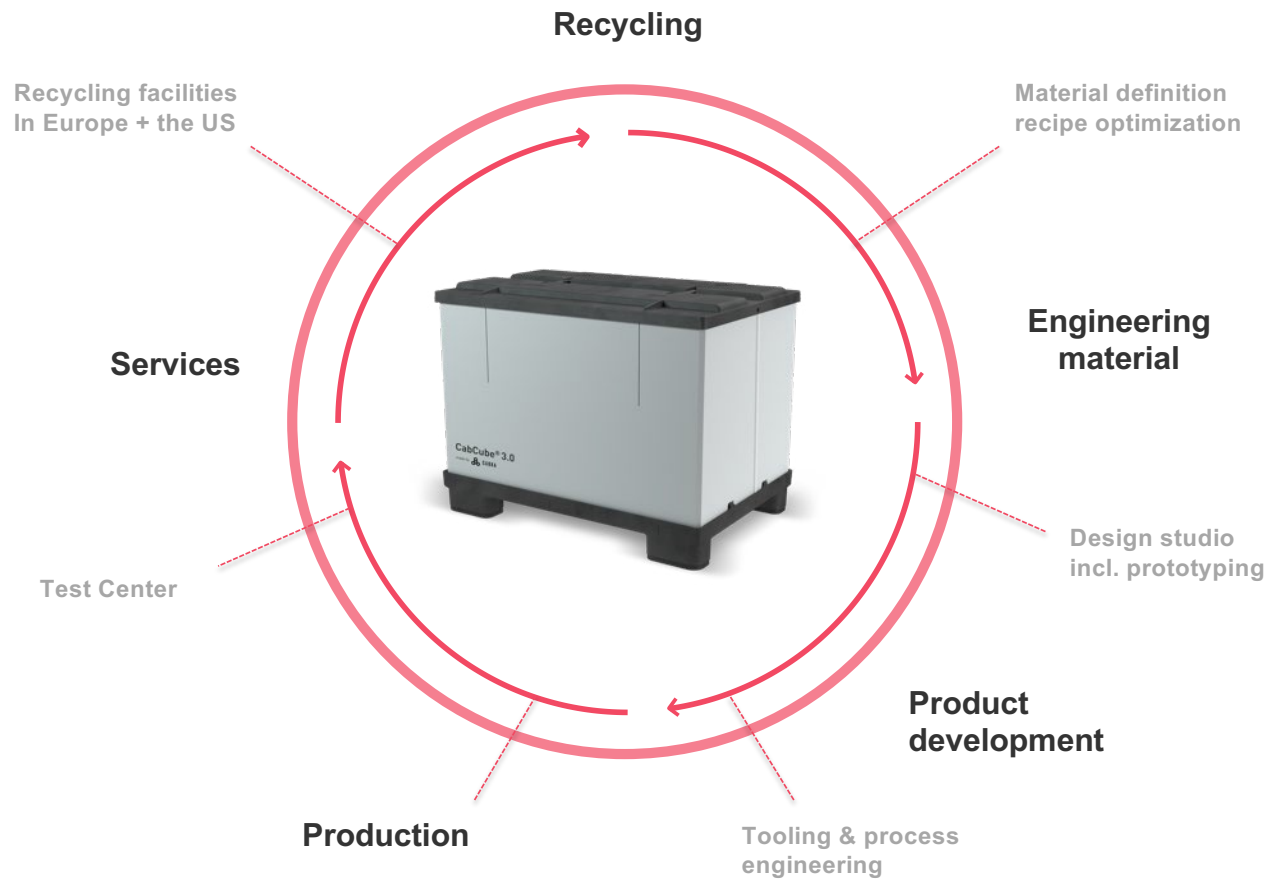
While competitors can only cover part of the value chain



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

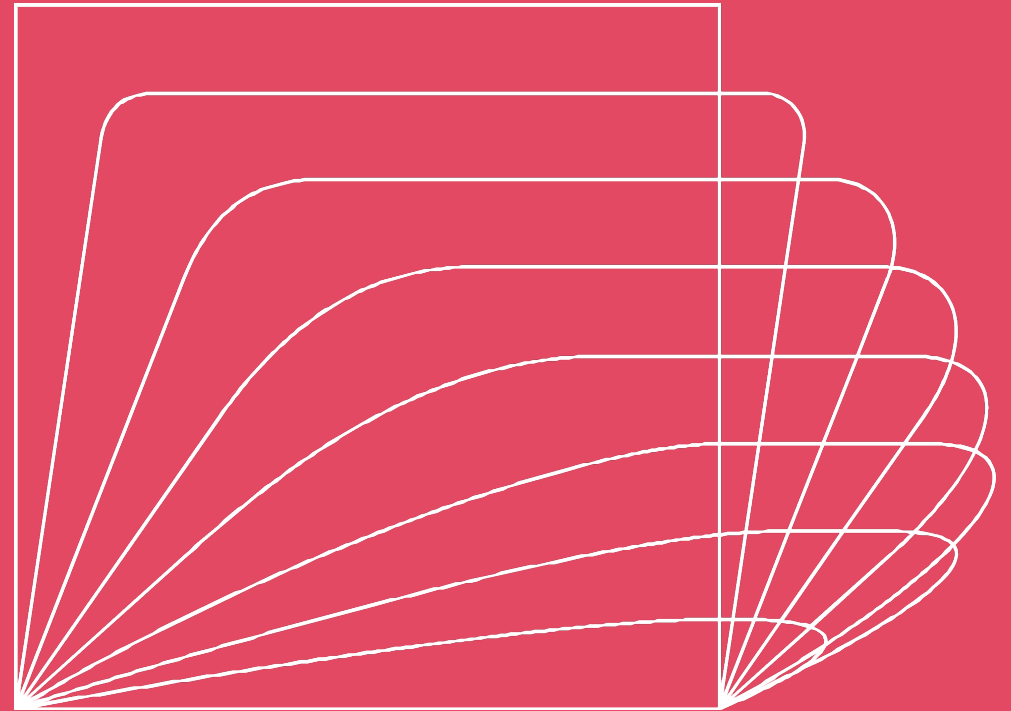
# Integrating the entire chain in a one-of-a-kind business model

Based on over 25 years of experience and research



# 02

## Financial and operating review



## FY21 preliminary results | Strong post-Covid recovery (1/2)

### Basis of preparation

- Figures comprise consolidated figures for Cabka Group GmbH
- All figures presented are based on German GAAP accounting principles
- As Cabka will transition to IFRS reporting for FY22 figures, IFRS 16-adjusted EBITDA and net debt figures<sup>1</sup> are presented to provide an insight in these metrics under both reporting principles

### Revenue & profit

- Revenue of EUR 170.6m for FY21, up 26.8% from FY20
- Gross profit of EUR 87.8m for FY21, up 18.2% from FY20
- Underlying EBITDA of EUR 28.0m for FY21, up 38.5% from FY20
- IFRS Adjusted Underlying EBITDA of EUR 31.0m, up 41.4% from FY20
- Net profit of EUR 4.5m for FY21, up EUR 7.8m from a net loss of EUR 3.2m in FY20

## FY21 preliminary results | Strong post-Covid recovery (2/2)

### CAPEX and NWC

- Capital expenditures of EUR 16.9m, of which:
  - EUR 7.1m maintenance and replacement
  - EUR 9.8m growth and cost reduction
- Net Working Capital of EUR 32.9m as per year end 2021, equaling 19.3% of revenue

### Net debt

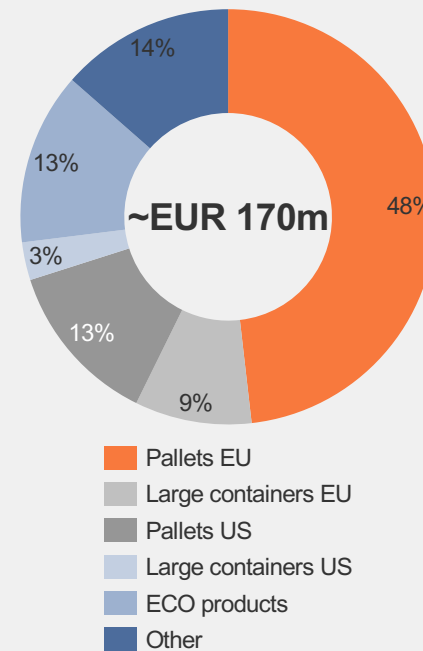
- Net debt as per year end of EUR 54.0m and EUR 62.4m for German GAAP and IFRS-16 adjusted respectively
- Similar levels as per year end 2020
- Envisaged Business Combination with DSC2 will result in approx. EUR 45m of cash inflow as per 1 March 2021



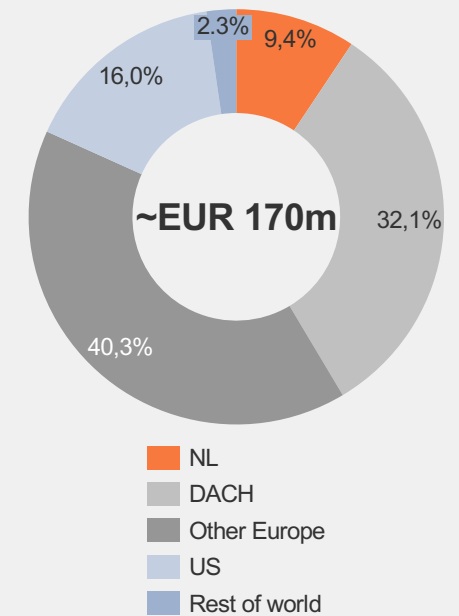
## Alternative performance measures and revenue breakdowns

Alternative performance measures (EURk, %)			
	2021	2020	Change %
Revenue	<b>170,644</b>	134,552	27%
Gross profit	<b>87,837</b>	74,283	18%
Underlying EBITDA	<b>27,989</b>	20,204	39%
IFRS Adjusted Underlying EBITDA	<b>31,010</b>	21,934	41%
<i>As % of revenue</i>			
Gross Margin	<b>51.5%</b>	55.2%	
Underlying EBITDA	<b>16.4%</b>	15.0%	
IFRS Adjusted Underlying EBITDA	<b>18.2%</b>	16.3%	

2021 revenue split per product type<sup>1</sup>



2021 revenue split per region



## Capital expenditures and net working capital

### Capital expenditures

- Total capital expenditures of EUR 16.9m
- Maintenance and replacement CAPEX equals EUR 7.1m or 4.2% of revenue, in line with Cabka's mid-term guidance
- Growth and cost reduction CAPEX comes in at EUR 9.8m, including the restructuring of the ECO business

### Net Working Capital

- Net Working Capital improved in 2021 to 19.3% of revenue, in line with the mid-term guidance

#### Capital Expenditures (EURk, %)

	2021	2020	Change %
Capital Expenditures	<b>(16,940)</b>	(12,550)	35%
of which maintenance and replacement	<b>(7,134)</b>	(5,559)	28%
of which growth and cost reduction	<b>(9,807)</b>	(6,991)	40%
<i>As % of revenue</i>			
of which maintenance and replacement	<b>4.2%</b>	4.1%	
of which growth and cost reduction	<b>5.7%</b>	5.2%	

#### Net Working Capital (EURk, %)

	2021	2020	Change %
Raw materials, consumables and supplies	<b>13,323</b>	8,349	60%
Work in progress / Services	<b>2,374</b>	2,012	18%
Finished goods and merchandise	<b>15,439</b>	14,792	4%
Trade receivables	<b>27,114</b>	20,484	32%
Trade payables	<b>(25,372)</b>	(15,230)	67%
<b>Total</b>	<b>32,878</b>	30,406	8%
<i>As % of revenue</i>	<b>19.3%</b>	22.6%	

## Strong liquidity position with substantial cash inflow following Business Combination with Dutch Star Companies TWO

### Net debt

- Net debt of EUR 54.0m under German GAAP
- EUR 62.4m IFRS-16 Adjusted net debt
- Business Combination with DSC2 results in approx. EUR 45m cash inflow

### Leverage ratio

- Cabka well within financial covenants as per YE21

Net debt overview (EURk, %)		
	2021	2020
Liabilities to banks	(56,448)	(50,254)
Liabilities from lease financing	(7,556)	(12,215)
Cash and cash equivalents	9,961	9,178
<b>German GAAP net debt</b>	<b>(54,043)</b>	(53,291)
IFRS-16 adjustment	(8,387)	(8,800)
<b>IFRS-16 adjusted net debt</b>	<b>(62,430)</b>	(62,091)

Financial Covenants		
	YE21	>FY22
Equity Ratio	> 30.0%	> 30.0%
Interest Cover Ratio	> 2.75x	> 3.25x
Senior Leverage	< 3.50x	< 2.75x

## 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

### FY21 results

**27% revenue growth**

**18.2% IFRS Adjusted EBITDA margin**

**4.2% CAPEX**  
maintenance and replacement as % of revenue<sup>1</sup>

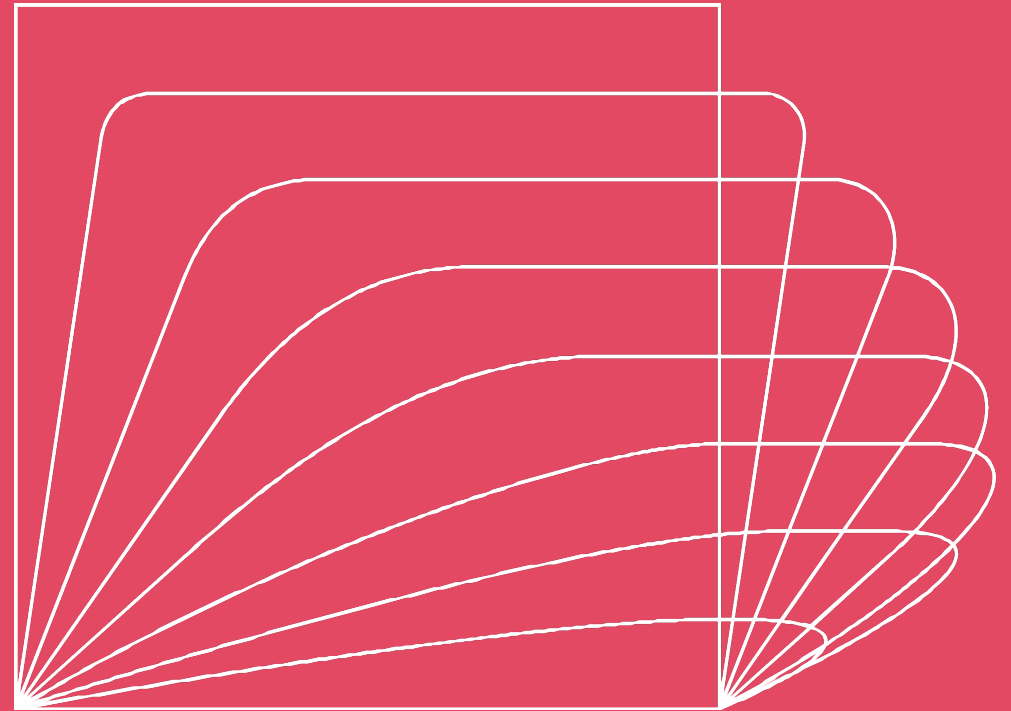
**19.3% NWC**  
as % of revenue

**Only applicable as of FY22**

Note 1: Excluding growth and cost reduction capex

# 03

## Outlook 2022



## 2022 outlook

“The start to 2022 is characterized by high overall inflation, particularly manifesting itself through significantly higher energy and material costs. In anticipation Cabka announced a round of price increases in the fourth quarter of 2021, effective per January 2022.

However, as these inflationary effects came in even stronger than anticipated, there is an expected delay in the full conversion to the market, impacting our gross margin on the shorter term. That said, supported by further mitigating actions focused on enhancing our product mix and efficiencies, we stick to the mid-term guidance as provided earlier.”



[www.cabka.com](http://www.cabka.com)

## Appendix | P&L 2021

P&L Cabka under German GAAP (EURk, %)			
	2021	2020	Change %
<b>Revenue</b>	<b>170,644</b>	<b>134,552</b>	<b>26.8%</b>
Inventory changes	979	(1,188)	-182.4%
Own work capitalized	2,104	2,496	-15.7%
Other operating income	3,773	2,927	28.9%
Cost of raw materials, consumables and supplies and purchased goods	(75,350)	(54,725)	37.7%
Cost of purchased services	(14,312)	(9,780)	46.3%
<b>Cost of goods sold</b>	<b>(82,807)</b>	<b>(60,269)</b>	<b>37.4%</b>
<b>Gross profit</b>	<b>87,837</b>	<b>74,283</b>	<b>18.2%</b>
<i>Gross margin</i>	<i>51.5%</i>	<i>55.2%</i>	
Wages and salaries	(27,218)	(26,353)	3.3%
Social security and old age pension cost	(5,198)	(4,752)	9.4%
Personnel expenses	(32,416)	(31,106)	4.2%
Other operating expenses	(28,421)	(24,209)	17.4%
<b>EBITDA</b>	<b>27,000</b>	<b>18,968</b>	<b>42.3%</b>
<i>% of revenue</i>	<i>15.8%</i>	<i>14.1%</i>	
Depreciation	(16,693)	(18,220)	-8.4%
<b>EBIT</b>	<b>10,307</b>	<b>748</b>	<b>nm</b>
<i>% of revenue</i>	<i>6.0%</i>	<i>0.6%</i>	
Other interest and similar income	9	9	-0.8%
Interest and similar expenses	(1,955)	(2,350)	-16.8%
Taxes on income	(2,255)	(813)	177.3%
Other taxes	(813)	(807)	0.7%
Existing VSOP accrual	(750)	0	nm
<b>Net income</b>	<b>4,542</b>	<b>(3,214)</b>	<b>-241.3%</b>
<i>% of revenue</i>	<i>2.7%</i>	<i>-2.4%</i>	
Deduction of minority interests at annual result	323	183	76.5%

EBITDA adjustments reconciliation (EURk, %)			
	2021	2020	Change %
Adjustments non-recurring costs	988	1,236	nm
<b>Underlying EBITDA</b>	<b>27,989</b>	<b>20,204</b>	<b>38.5%</b>
<i>% of revenue</i>	<i>16.4%</i>	<i>15.0%</i>	
IFRS-16 adjustment	3,022	1,730	nm
<b>IFRS Adjusted Underlying EBITDA</b>	<b>31,010</b>	<b>21,934</b>	<b>41.4%</b>
<i>% of revenue</i>	<i>18.2%</i>	<i>16.3%</i>	