

# **Investor Presentation**

## **Deutsches Eigenkapitalforum**

**Tobias Hoffmann-Becking, CEO**

 29 November 2022

**Blue Cap AG**

# ■ Agenda



## 01\_ Investment Highlights

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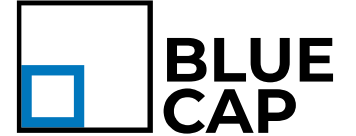
## 02\_ Portfolio Performance

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# 01 Investment Highlights

# ■ Investment Highlights

## Unique opportunity to invest in German SME companies



**01\_ Proven and unique business model**

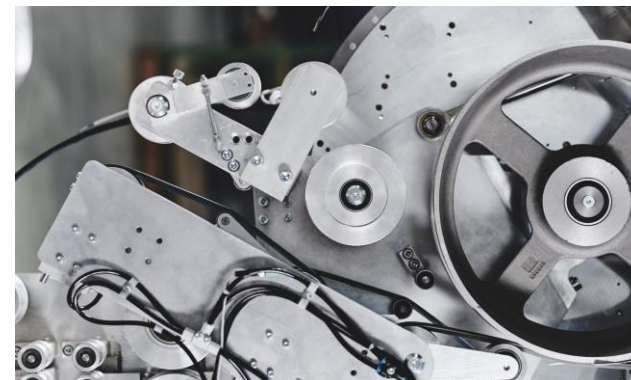
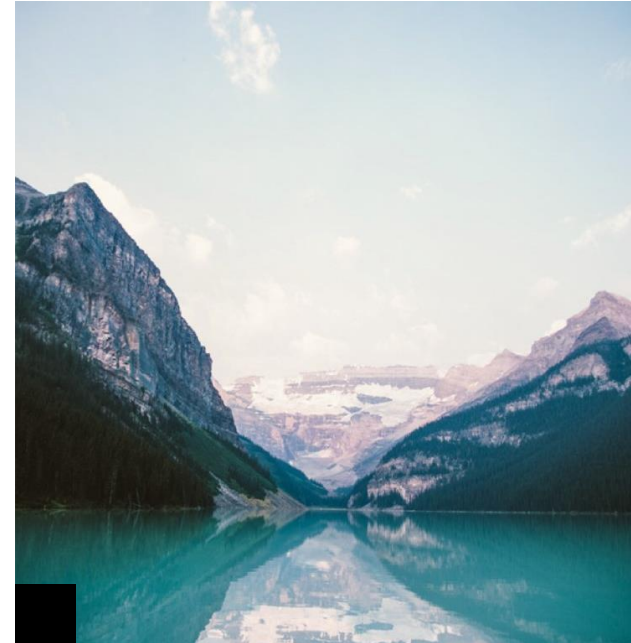
**02\_ Diversified portfolio with high value potential**

**03\_ Track record for value growth**

**04\_ Substantial earnings growth**

**05\_ Solid financial foundation**

**06\_ Attractive dividend yield**



# ■ 01\_ Proven and unique business model – Private Equity business model as public listed entity



## BUY

### ▪ Investment situations, among others:



Succession



Carve-Out



Growth challenges and internationalisation

### ▪ Investment criteria, among others:

- Fundamentally intact core business
- Potential for transformation & growth
- Majority stake
- Compatibility with ESG targets
- Size: Focus on SMEs with revenues < EUR 100 mn

## TRANSFORM

### Active development & implementation of individual strategies under independent management:



Strengthen growth



Focus on cash-flow metrics & management



Drive digitalisation



Boost sustainability



Drive to reach double-digit EBITDA margins

### Flexible holding period

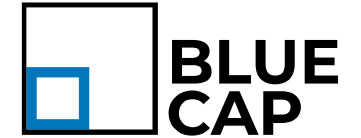
## SELL

### ▪ Active sales process: best-owner approach

### ▪ Passive sales process: Approach from strategic buyers

### ▪ Proceeds realized from exits are reinvested in new and existing companies

# ■ 01\_ Proven and unique business model: Differentiation to other listed investment companies

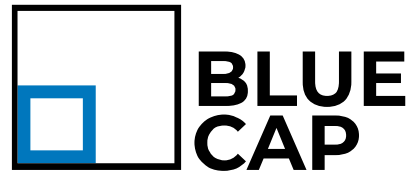


Buy, Turnaround, Sell

MUTARES



Buy, Transform, Sell



## "Best Owner" approach

- We keep our portfolio companies as long as we are the "Best Owner", and value creation is still possible with Blue Cap as main shareholder
- When our full potential is realized we actively look for the next owner who will further develop the company
- Realized proceeds from exits are reinvested in existing portfolio and new companies

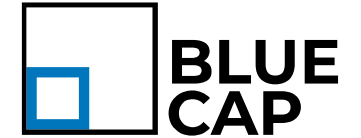
**Successful exits are the proof of concept of our business model.**

Buy, Improve, Hold

[INDUS]  
HOLDING AG



## ■ 02\_ Diversified portfolio with high value potential (1/4)



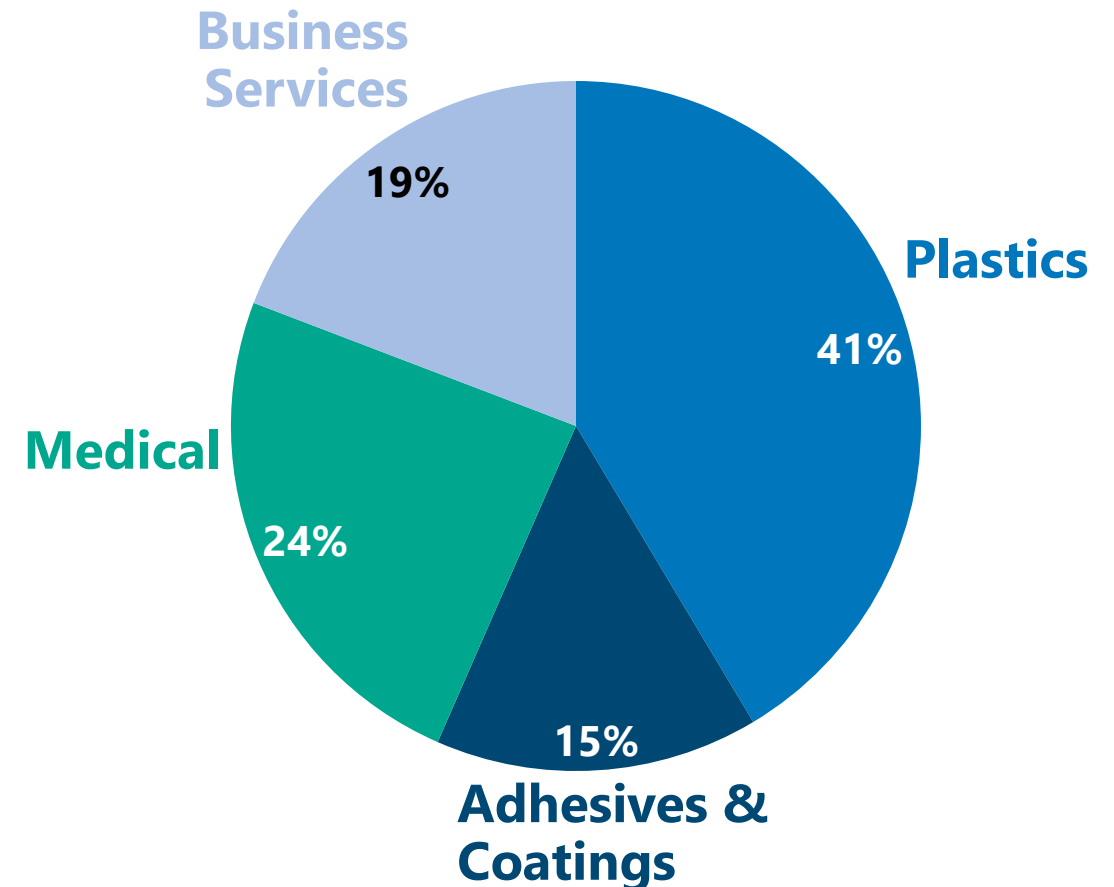
### Portfolio of

- 9 companies with headquarters in Germany
- More than 1,300 employees
- Four major segments represent the value of the group (\*)



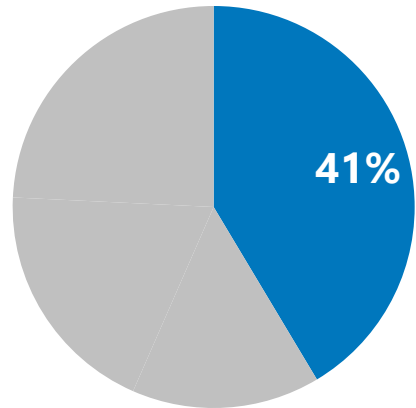
### Net asset value share by segment (\*)

%



(\*) % Shares of Group Net Asset Value as of 30 June 2022

## ■ 02\_ Diversified portfolio with high value potential (2/4)

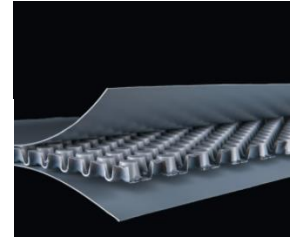


### Plastics: 41%\*

**con-pearl®**  
lightweight performance

Invest: 2019 / 100%  
Revenue: € 59 mn

- Manufactures lightweight plastic boards from recycled plastic primarily for the logistic and automotive industry
- **Equity story:** profits from sustainability trends, new applications/markets



**HE**

Invest: 2021 / 71%  
Revenue: € 33 mn

- Plastics expert with core competence in the development of flexible plastic parts
- **Equity story:** market rebound with automotive clients, new markets and customer groups, inorganic growth



**uniplast**  
Wir leben Becher

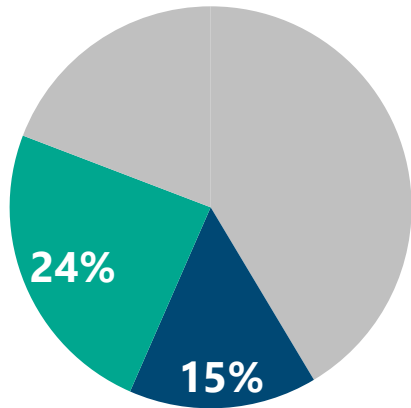
Invest: 2018 / 100%  
Revenue: € 50 mn

- Develops and manufactures plastic packaging for fast-moving consumer goods (FMCG)
- **Equity story:** improve profitability, process optimization, introduction of innovative products and processes



(\*) % Shares of Group Net Asset Value as of 30 June 2022; Revenue as of 31 December 2021

## ■ 02\_ Diversified portfolio with high value potential (3/4)



### Adhesives & Coatings: 15%\*

**PLANATOL®**  
smart gluing

Invest: 2009 / 100%  
Revenue: € 36 mn

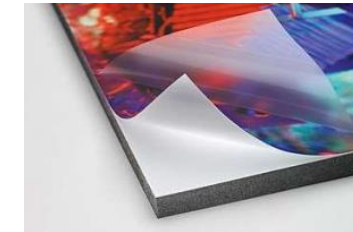
- Niche supplier of adhesive products for different industries
- **Equity story:** transformation of customer mix, boost international sales



**NESCHEN**

Invest: 2016 / 100%  
Revenue: € 52 mn

- Leading international company for self-adhesive media and coating solutions
- **Equity story:** profit improvement through focus on core business, internationalization, digitization



### Medical: 24%\*

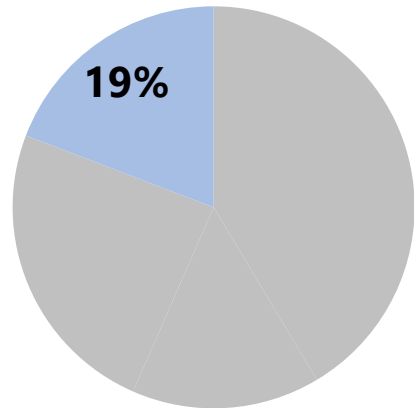
**inheco** ▶  
industrial heating & cooling

Invest: 2006 / 42%  
Revenue: € 38 mn

- Manufacturer of products for thermal management in the laboratory automation
- **Equity story:** product expansion, strong market growth from global trend for increased investments in labs



## ■ 02\_ Diversified portfolio with high value potential (4/4)



### Business Services: 19%\*



Invest: 2021 / 93%  
Revenue: € 51 mn

- Electronic product and systems distributor with a special focus on value-add through technical consulting and development expertise
- **Equity story:** further develop profitable growth story, product expansion, buy & build, geographical expansion



Invest: 2022 / 74%  
Revenue: € 21 mn

- One of the large German translation service providers with high degree of automatization
- **Equity story:** active market consolidation, disruption through digitization, expand service offering



### Others: 1%\*



Invest: 2014 / 90%  
Revenue: € 2 mn

- Manufactures inline measurement systems using optical lasers
- **Equity story:** introduce standard products and solutions, new customer groups



## ■ 03\_ Track record for value growth – high return on invested equity capital targeted



**GÄMMERLER**

*Production Technology*

- Investment: 2011
- Exit: 2022
- Buyer: Merten Group (Austria)
- Actual market value achieved as % of NAV ~ 130%
- Money multiple: ~ 3.3x



**CARL SCHAEFER**

GOLD UND SILBER SEIT 1861

*Metal Technology*

- Investment: 2016
- Exit: 2021
- Buyer: Bauer-Walser AG (Germany)
- Actual market value achieved as % of NAV: ~105%
- Money multiple: ~ 3.1x

**em-tec**

*Medical Technology*

- Investment: 2014
- Exit: 2020
- Buyer: Dover Corp. (USA)
- Actual market value achieved as % of NAV ~ 177%
- Money multiple: ~ 4.0x

**WISAP®**

*Medical Technology*

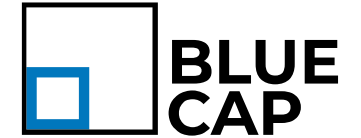
- Investment: 2012
- Exit: 2018
- Buyer: Aouha (China)
- Actual market value achieved as % of NAV: ~ 189%
- Money multiple: ~ 3.4x

**BIOLINK**  
tape solutions

*Adhesive Technology*

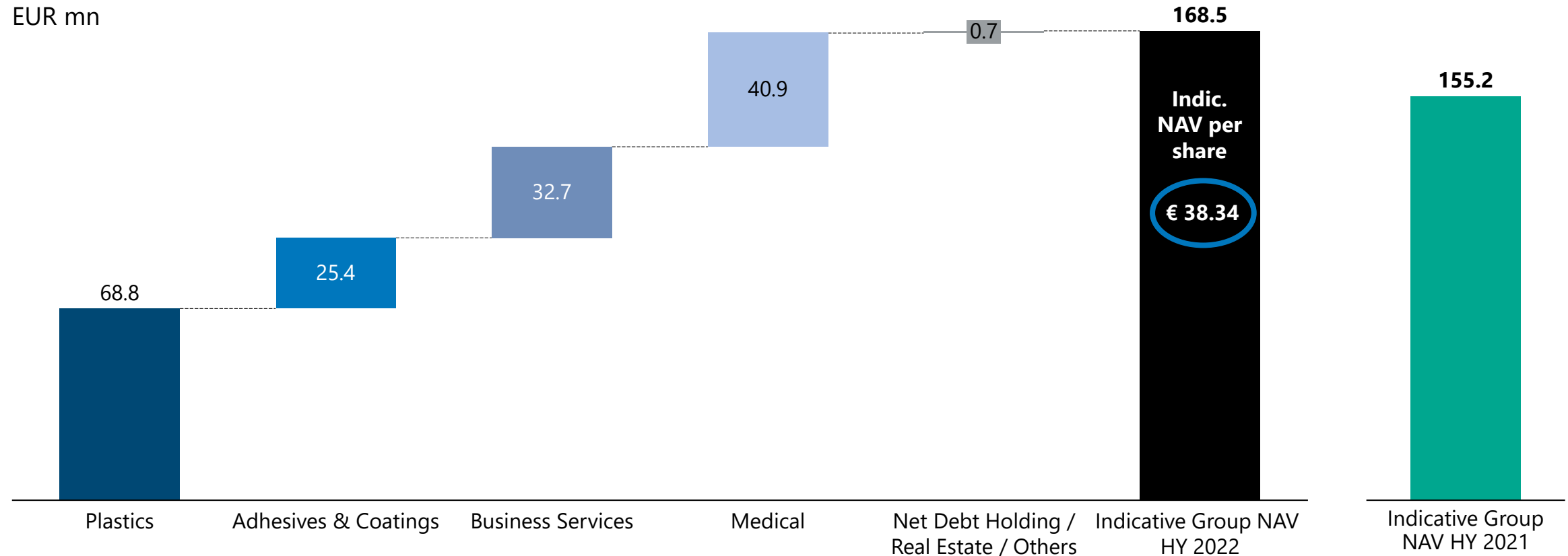
- Investment: 2009
- Exit: 2017
- Buyer: St. Gobain (France)
- Actual market value achieved as % of NAV: N/A
- Money multiple: ~ 45.9x

## ■ 03\_ Track record for value growth – diversified portfolio with indicative high value per share



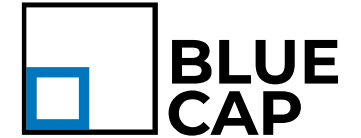
### Net Asset Value as of June 30, 2022

EUR mn



Note: A detailed description of the calculation of the NAV is published in our Half Year Report 2022 on page 14. The valuation methodology is based on the IPEV (International Private Equity and Venture Capital Valuation) valuation standards.

## ■ 04\_ Substantial earnings growth: 9M 2022 figures confirm positive effects from transformation



### Growth Rates 2019-2022

9M 2019 – 9M 2022

**Revenue**  
**+63%**



9M 2019 – 9M 2022

**Adj. EBITDA**  
**+120%**



9M 2019 – 9M 2022

**Adj. EBIT**  
**+123%**



30 Sept 2019 – 30 Sept 2022

**Leverage\***  
**-53 %**



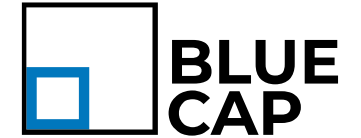
**We have built a strong group during the last 3 years**

- **Since end of 2019 strong growth** in all key metrics despite Covid-19 impacts
- **Risk significantly reduced** given reduction in leverage
- 3 underperforming platforms have been **replaced by 3 new stronger companies**
- Portfolio is **more diversified** than ever

**Group is significantly stronger and more resilient than in 2019**

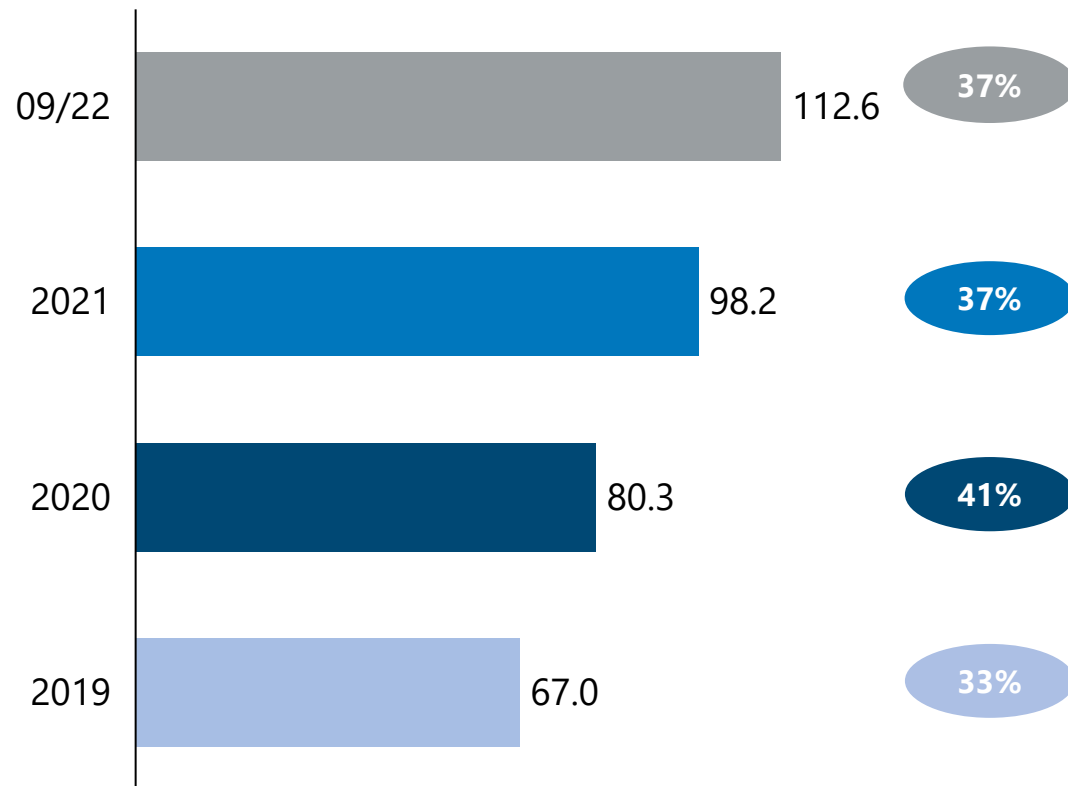
\* Including leasing liabilities

## ■ 05\_ Solid financial foundation – strong equity and leverage ratios



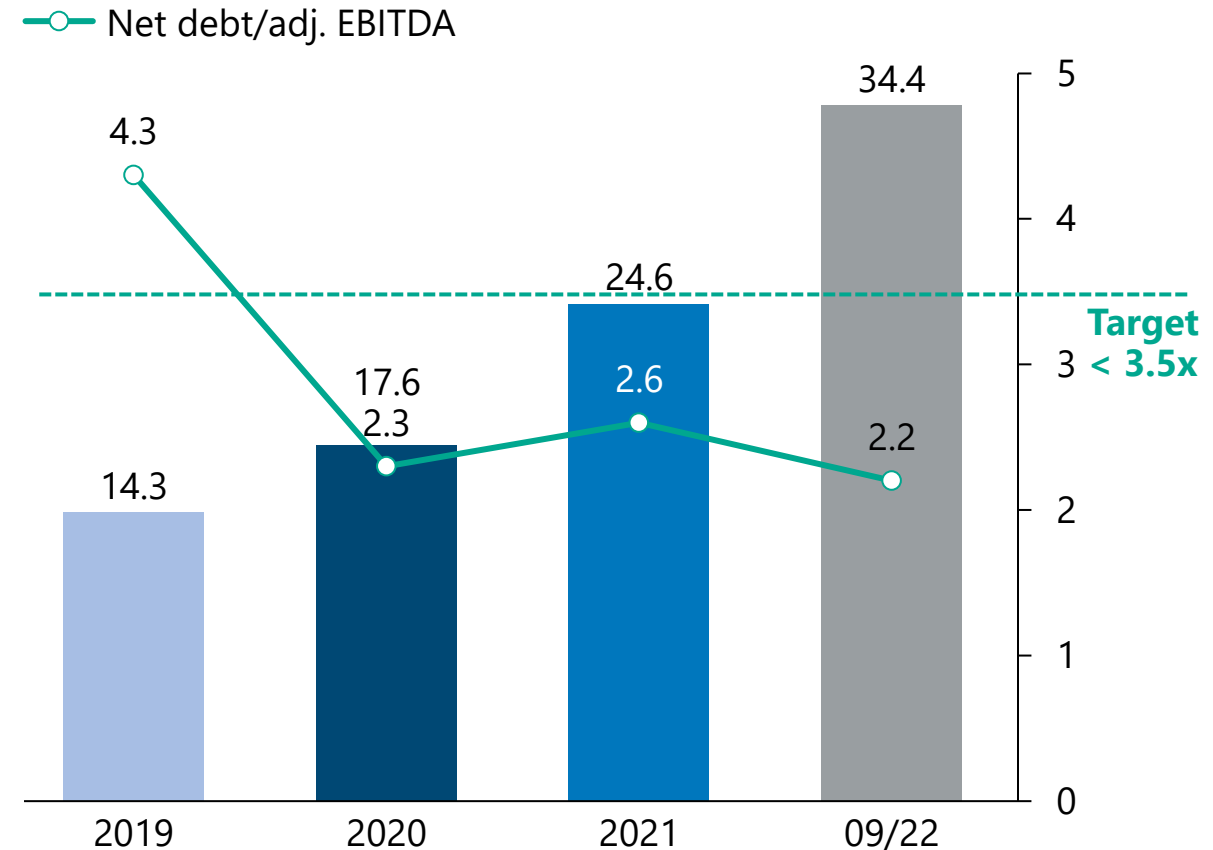
### Equity and equity ratio

EUR m and in % of total assets



### Adj. EBITDA and leverage ratio (rS)

EUR m and in years (rS)

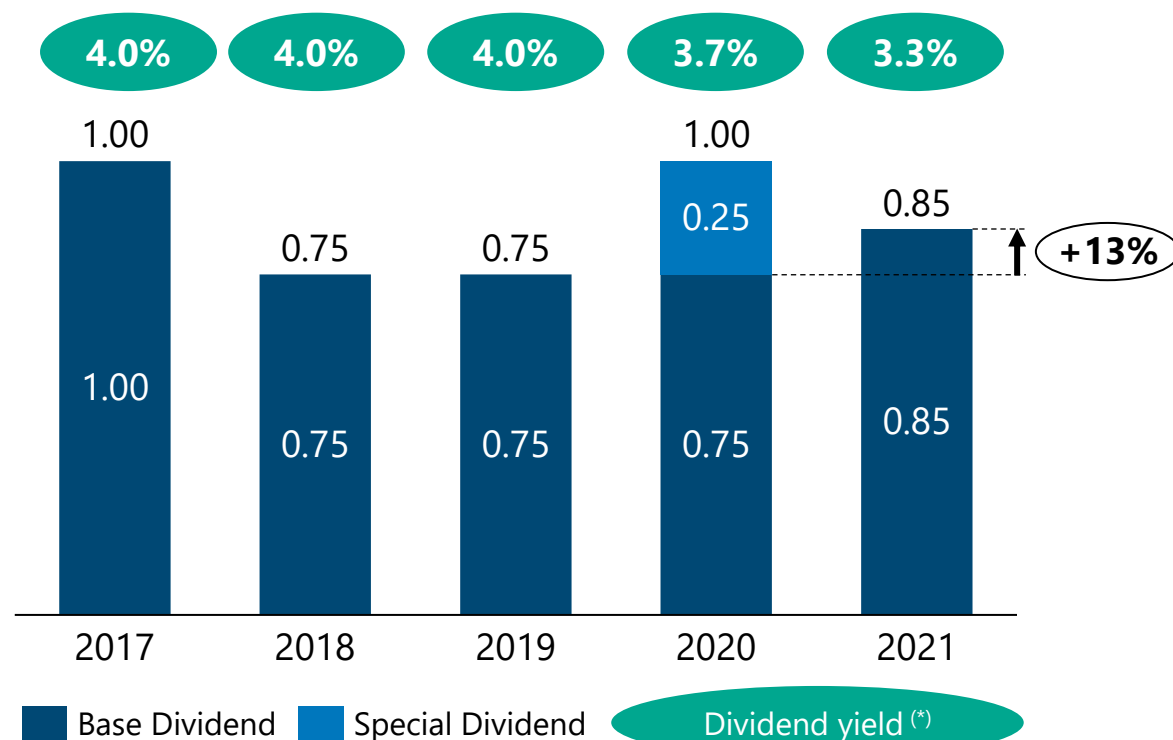


## ■ 06\_ Attractive dividend yield



### Dividend per share and dividend yield

EUR and %



### Investors should participate in our success

#### 0.85 Euro per share for FY 2021

- Increase of the base dividend by 13%
- A special dividend was not considered as no significant holdings were sold in the past fiscal year

#### Stable and sustainable dividend policy

- Blue Cap AG targets a stable base dividend over the cycle
- Over time with a growing portfolio base dividend shall increase
- Special dividends from successful exits can be paid in addition to base dividend
















(\*) dividend yield is based on XETRA closing price of the day of the respective AGM

# 02\_ Portfolio Performance

# ■ Current developments in our portfolio











## Plastics



Plastics	Market trends	Financial development 9M 2022	Key topics for 2022/23
	<b>Short-term</b> 	<ul style="list-style-type: none"> <li>Benefits from <b>large logistics</b> order</li> <li><b>Pressure on margin</b> due to                             <ul style="list-style-type: none"> <li>Reduced availability of <b>recycling material</b></li> <li>Rising <b>logistic costs</b></li> </ul> </li> </ul> 	<ul style="list-style-type: none"> <li>Substantial reduction of project business, <b>postponement of larger orders</b></li> <li>Filling the pipeline with <b>new orders</b></li> <li>Sales push in the <b>US market</b></li> </ul> 
	<b>Long-term</b> 		
	<b>Short-term</b> 	<ul style="list-style-type: none"> <li>Increasing <b>raw material prices</b></li> <li><b>Pass through</b> with delay</li> </ul> 	<ul style="list-style-type: none"> <li>Introduction of <b>innovations</b> to the market</li> <li>Pass through of <b>energy prices</b></li> <li>Ongoing reduction of <b>working capital</b></li> </ul> 
	<b>Long-term</b> 		
	<b>Short-term</b> 	<ul style="list-style-type: none"> <li><b>Reduced volumes</b> because of <b>supply chain issues</b></li> </ul> 	<ul style="list-style-type: none"> <li>Optimization of <b>site structure</b></li> <li>Improvement of medium-term <b>sales pipeline</b></li> <li>Ongoing discussion with customers on <b>claims</b> and <b>pass-through of prices increases</b></li> <li>Review of <b>working capital</b></li> </ul> 
	<b>Long-term</b> 		

# ■ Current developments in our portfolio

## Adhesives & Coatings

Adhesives & Coatings	Market trends	Financial development 9M 2022	Key topics for 2022/23
 <b>NESCHEN</b>	<b>Short-term</b> 	<ul style="list-style-type: none"> <li>▪ <b>Production</b> and <b>sales</b> increased in Q3</li> <li>▪ Ongoing <b>restructuring effects</b> on production, sales and overhead </li> </ul>	<ul style="list-style-type: none"> <li>▪ Implementing adjusted <b>business model</b>, focus on production <b>without own distribution</b></li> <li>▪ Adjust <b>cost structure</b> to new model</li> <li>▪ <b>De-bottleneck production</b></li> <li>▪ <b>Improve sales structure</b> </li> </ul>
	<b>Long-term</b> 		
 <b>PLANATOL®</b> smart gluing	<b>Short-term</b> 	<ul style="list-style-type: none"> <li>▪ After period of supply chain issues and raw material price increases now <b>reduction of demand and increased price competition</b></li> <li>▪ Upgrade <b>sales team</b> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Pass through of <b>energy prices</b></li> <li>▪ <b>Adjust</b> to reduced demand and extensive price competition</li> <li>▪ Unlock untapped potential in <b>international sales</b> </li> </ul>
	<b>Long-term</b> 		

# ■ Current developments in our portfolio

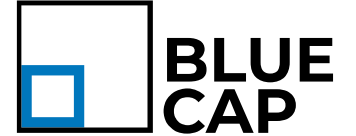
## Business Services



Business Services	Market trends	Financial development 9M 2022	Key topics for 2022/23
	<b>Short-term</b>	<ul style="list-style-type: none"> <li>Continued strong <b>order entry and backlog</b></li> <li>Eased <b>supply chains increase revenue</b></li> </ul>	<ul style="list-style-type: none"> <li><b>CEO</b> hired (Oct/22) to build strong group</li> <li>Definition of new structure to support <b>organic and inorganic growth</b></li> <li><b>Delivery of existing high order backlog</b> in 2023 </li> </ul>
	<b>Long-term</b>		
	<b>Short-term</b>	<ul style="list-style-type: none"> <li><b>Project postponements</b> reduce revenues</li> <li>Roll-out of new <b>workflow software</b> until year-end</li> <li>First add-on: <b>Micado</b></li> </ul>	<ul style="list-style-type: none"> <li>Improve <b>sales pipeline, upgrade of stringent sales process</b></li> <li>Detailed <b>cost control</b> and <b>counter measures to adjust for revenue level</b></li> <li>Examination of further <b>add-ons</b> </li> </ul>
	<b>Long-term</b>		

# ■ Current developments in our portfolio

## Medical



Medical	Market trends	Financial development 9M 2022	Key topics for 2022/23
The logo for Inheco, with the word "inheco" in a bold, lowercase sans-serif font and "industrial heating & cooling" in a smaller font below it, all on a teal background.	<b>Short-term</b> A teal circle containing a white right-pointing arrow.	<ul style="list-style-type: none"><li>▪ <b>Stable revenue</b> until Q3</li><li>▪ <b>2<sup>nd</sup> location Taiwan</b> up and running</li><li>▪ Significant <b>team expansion</b> for next growth phase (~ +100 employees)</li></ul>	<ul style="list-style-type: none"><li>▪ Continued investments in <b>R&amp;D, sales and processes</b></li><li>▪ Implementation of <b>product strategy, IoT ready products</b></li><li>▪ Increase sales with <b>new products and applications</b> A teal circle containing a white right-pointing arrow.</li></ul>
	<b>Long-term</b> A teal circle containing a white upward-pointing arrow.	A teal circle containing a white right-pointing arrow.	

# ■ Outlook

## Continued focus on operating performance:

Inflation, energy crisis, supply chain issues and upcoming recession shift **focus to operational performance**



Price management, pass through of energy prices



Cost control



Working capital and liquidity management



Cash flow



Sales pipeline

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**Fewer new platform purchases, delayed exits,  
rather rounding off existing portfolio companies  
through add-on acquisitions**

## Confirmation of guidance 2022

- **Confirmation of guidance 2022:** Sales of **EUR 335-350 mn** and EBITDA (adj.) margin of **8-9%**
- Net debt/EBITDA adj.  $\leq$  **3.5**

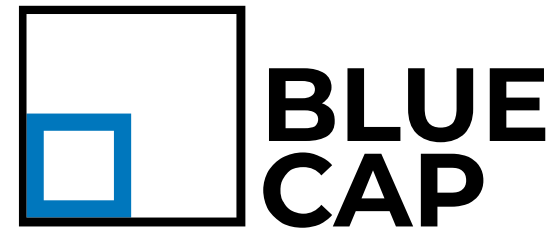
## Medium/long term outlook

- High **uncertainty of macroeconomic development**
- **Recession** will have an impact on parts of the portfolio, however, **diversification** will continue to help and reduce overall impact
- Long term goal remains intact - net asset value of more than **EUR 200 mn**



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# Questions and Answers



**Thank you for  
your attention!**

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## **Tobias Hoffmann-Becking**

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**+49 89 288909-10**



### **Blue Cap AG**

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80539 München

office@blue-cap.de  
**www.blue-cap.de**

A solid black square is positioned to the left of the word 'Appendix'.

# Appendix

## ■ Experienced management team with complementary skills



### Tobias Hoffmann-Becking

*Chief Executive Officer*



#### Main Responsibilities

- M&A Business
- Capital Market & Investor Relations

#### Professional Experience

- Managing Director Rothschild & Co.
- Partner Odewald & Cie.
- Investment Manager Candover plc.
- Associate Bain Capital Ltd
- Consultant Boston Consulting Group

### Henning Eschweiler

*Chief Operating Officer*



#### Main Responsibilities

- Portfolio Management
- ESG

#### Professional Experience

- Investment Manager Nimbus hands-on investors
- Senior Manager Struktur Management Partner GmbH

### Matthias Kosch

*Chief Financial Officer*



#### Main Responsibilities

- Finance and Accounting
- IT/Risk/Compliance

#### Professional Experience

- CFO Blue Cap AG
- Investment Manager Blue Cap AG
- Financial Analyst CMP Capital Management-Partners GmbH

# ■ Blue Cap on the stock market

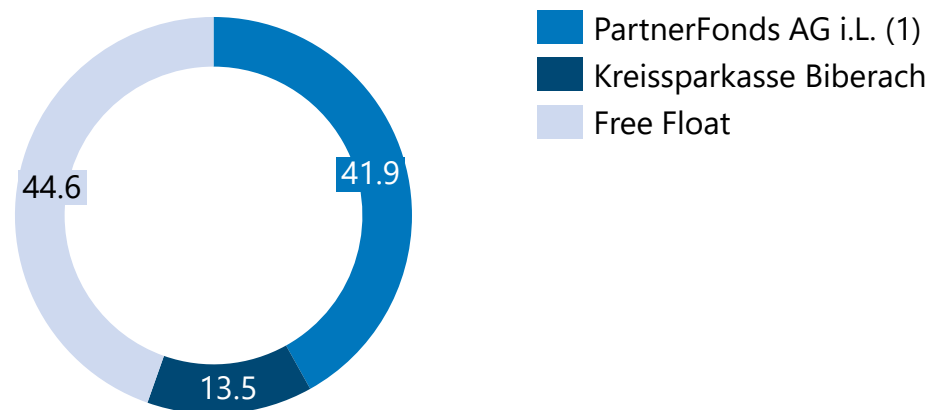


## Reference Data

- ISIN/WKN: DE 00A0JM2M1 / A0JM2M
- Ticker: B7E, B7E.DE (Reuters), B7E:GR (Bloomberg)
- Share Capital: 4,396,290.00 Euro / 4,396,290 pcs
- Market Segment: Scale (Frankfurt), m:access (Munich)
- Designated Sponsor: BankM AG
- Stock Exchanges: XETRA, Frankfurt, Munich, Hamburg, Düsseldorf, Berlin, Stuttgart, Tradegate

## Shareholder Structure

In %



(1) In an extraordinary meeting on May 6, 2020, it was decided to liquidate PartnerFonds AG with effect from January 1, 2021.

## Positive Recommendations by Analysts

Analyst	Date	Rating	Target Price
M.M. Warburg	03.11.2022	Buy	40.00 €
SMC Research	25.10.2022	Buy	38.00 €

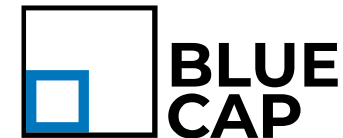
## Share Price Development

EUR



Source: Börse Frankfurt

## ■ Financial calendar and contact details



Date	Event	Location
28-30 November 2022	Deutsches Eigenkapitalforum	Frankfurt / Main



### Lisa Marie Schraml

Investor Relations & Corporate Communications

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