

Financial Figures

H1 2023 (preliminary)

Earnings Call

Henning Eschweiler, COO
Tobias Hoffmann-Becking, CEO
Matthias Kosch, CFO

■ 26 July 2023 – 2:30pm CEST

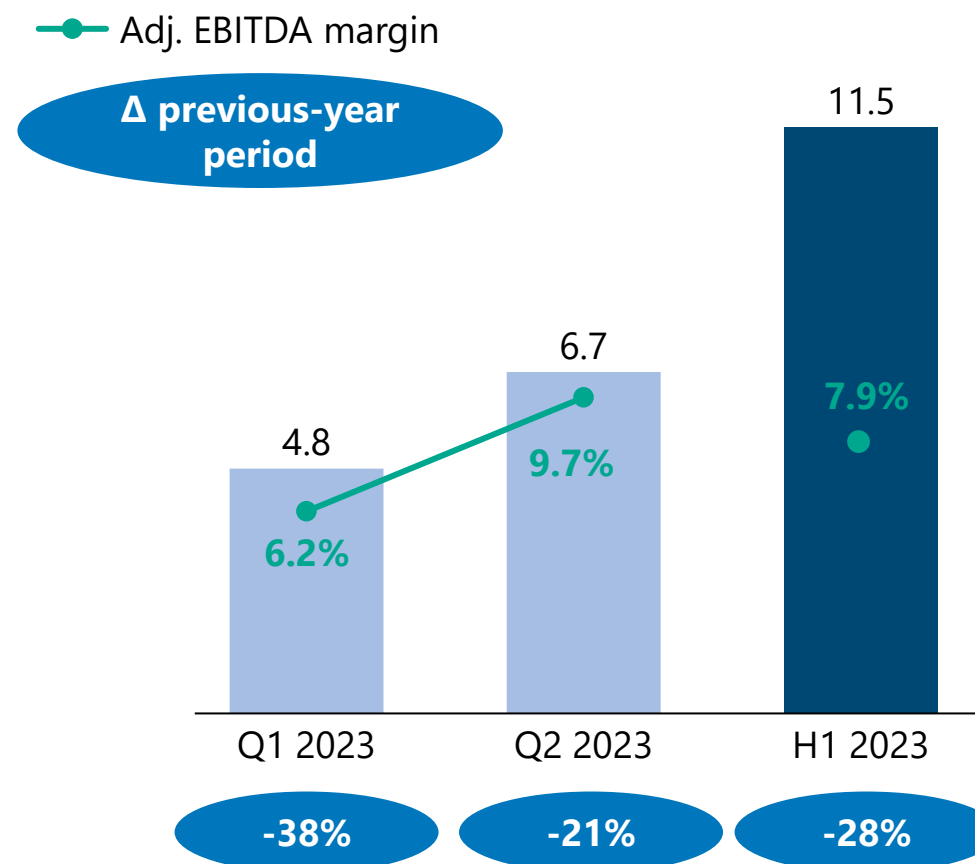
Blue Cap AG

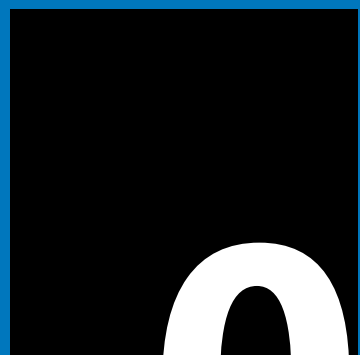
■ Margin improvement in Q2 2023 leads to an overall solid development in H1 2023

Margin increase in Q2 due to consequent transformation measures

- **Revenue in Q2 2023 with EUR 70 m** below Q1 2023 (EUR 76 m)
- However, **margin has substantially improved to 9.7%** (Q1 2023: 6.2%)
- Margin improvement is driven **by better price and cost management**, first results of measures implemented
- Gap versus previous year still substantial (but getting smaller), **primarily driven by lower volume at con-pearl**
- Overall figures **in line with internal plan and guidance**
- **Environment remains challenging**, continued focus on operational improvement and portfolio transformation

Development of adj. EBITDA (EUR m) and margin (%)





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Financial

Figures

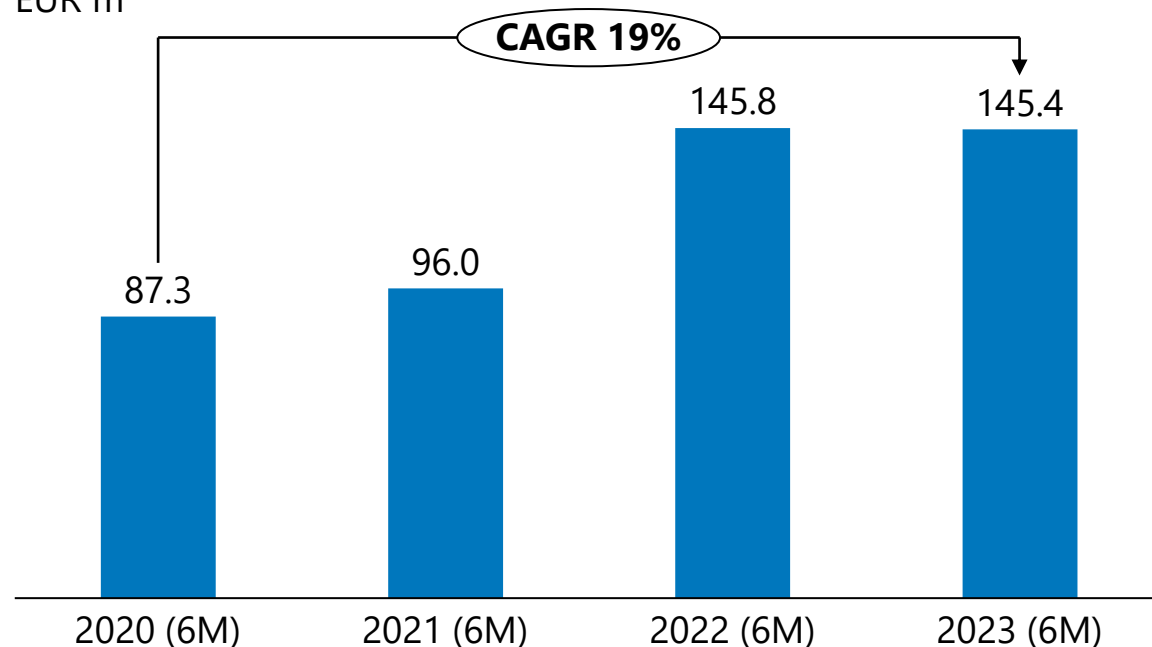
Matthias Kosch

■ Revenues in H1 2023 on prior year level despite economic headwinds, EBITDA below strong H1 2022



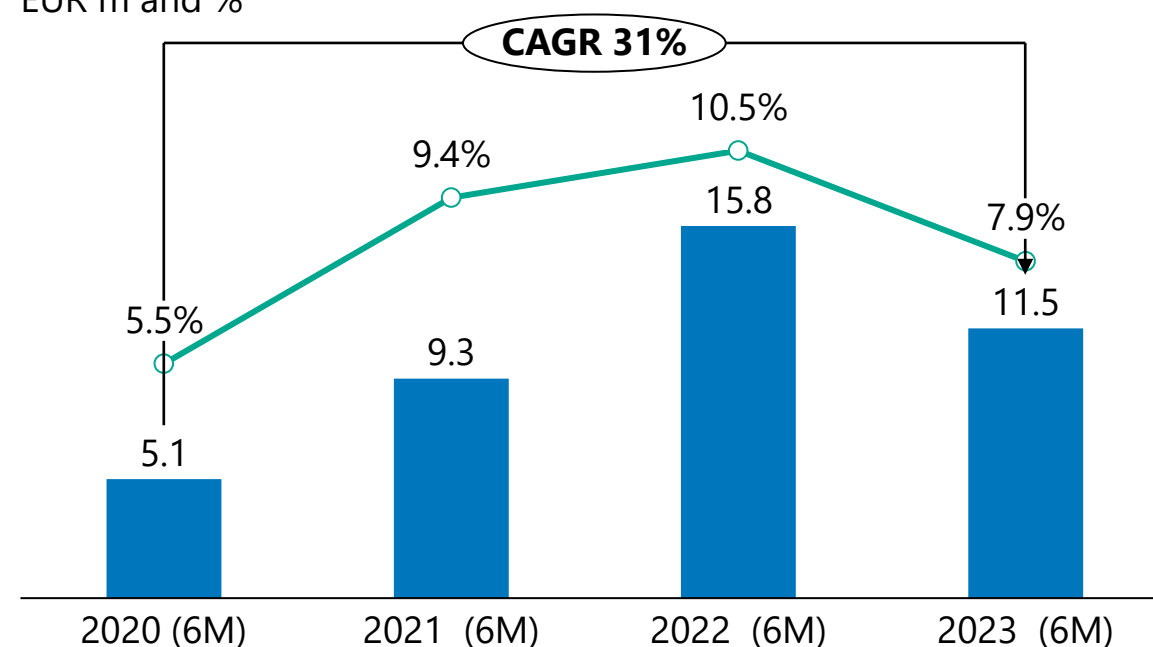
Revenue

EUR m



Adjusted EBITDA and adj. EBITDA margin

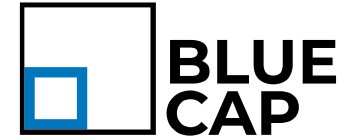
EUR m and %



- **Revenue unchanged yoy:** positive contribution of Business Services segment as well as full consolidation of Transline in the group figures offset reduced revenues in plastics and adhesives & coatings segment. **Organic revenue decline -3% like-for-like*.**
- **Adjusted EBITDA** decreased by 28% yoy, mainly due to lower contribution of Plastics (con-pearl) as well as Adhesives & Coatings segment.
- **Inorganic revenue growth** comes from the acquisition of **Transline** in March 2022.

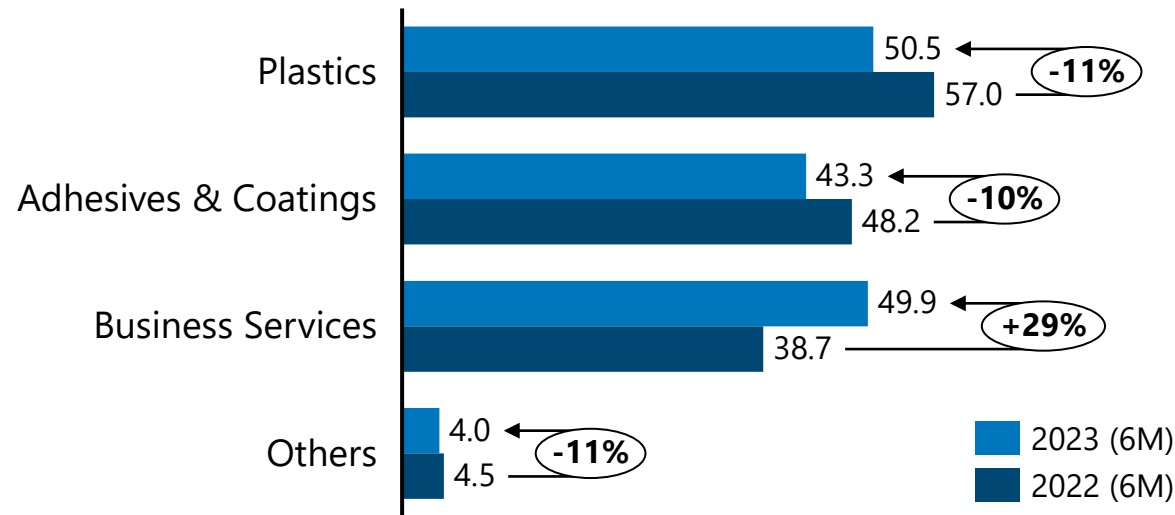
* Calculation is based on portfolio as of 30 June 2023

Business Services grows strongly but cannot compensate for decline in other segments



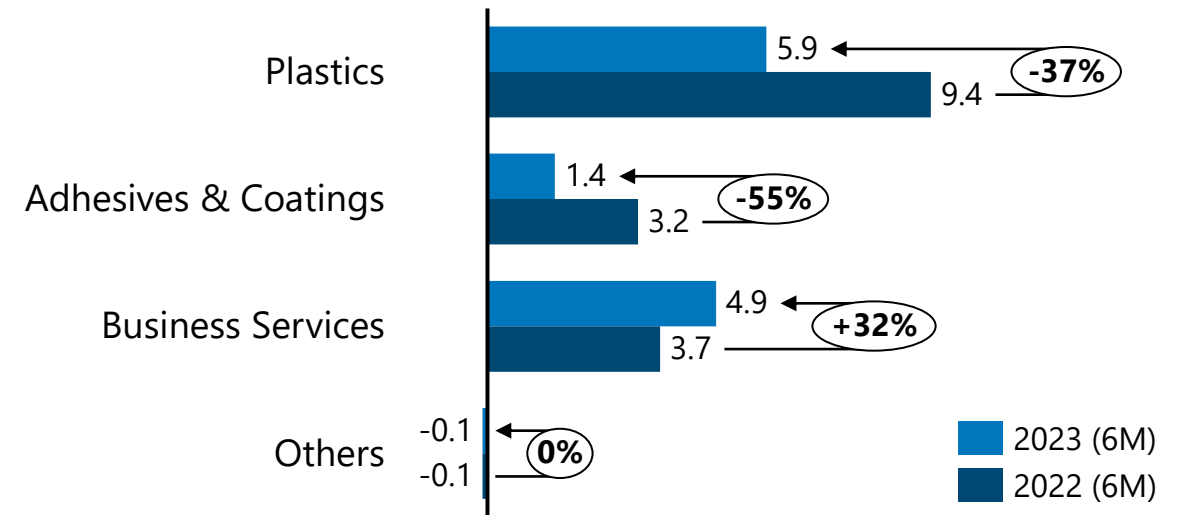
Revenue by segment

EUR m



Adjusted EBITDA by segment

EUR m



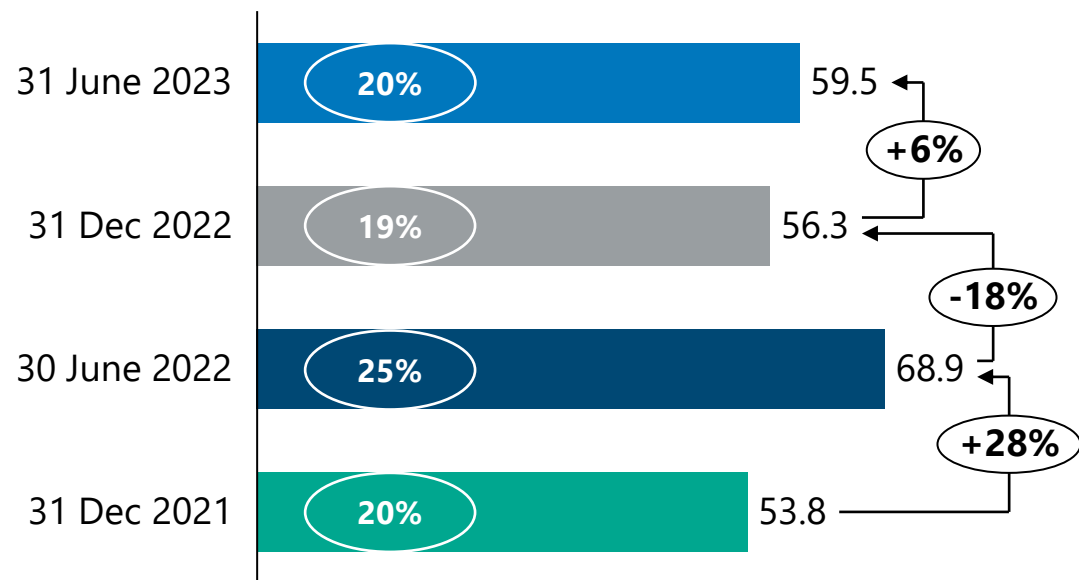
- **Plastics:** lower revenues and adj. EBITDA due to postponement of a large logistics order at **con-pearl** this year (as communicated, but better than expected). **H+E** implemented partial price increases and made a positive contribution to revenues and adj. EBITDA.
- **Adhesives & Coatings:** demand reduction both at **Neschen** and **Planatol** led to revenue and EBITDA below previous year. Moreover, the ongoing restructuring at **Neschen** affects earnings.
- **Business Services:** strong growth of revenue and EBITDA at **HY-LINE** as company continues to work off high order backlog; solid incoming orders at Transline.
- **Others:** Revenue and EBITDA of **nokra** due to postponements of orders lower than previous year.

■ Net Working Capital stabilizing on lower level compared to H1 2022 due to implementation of measures



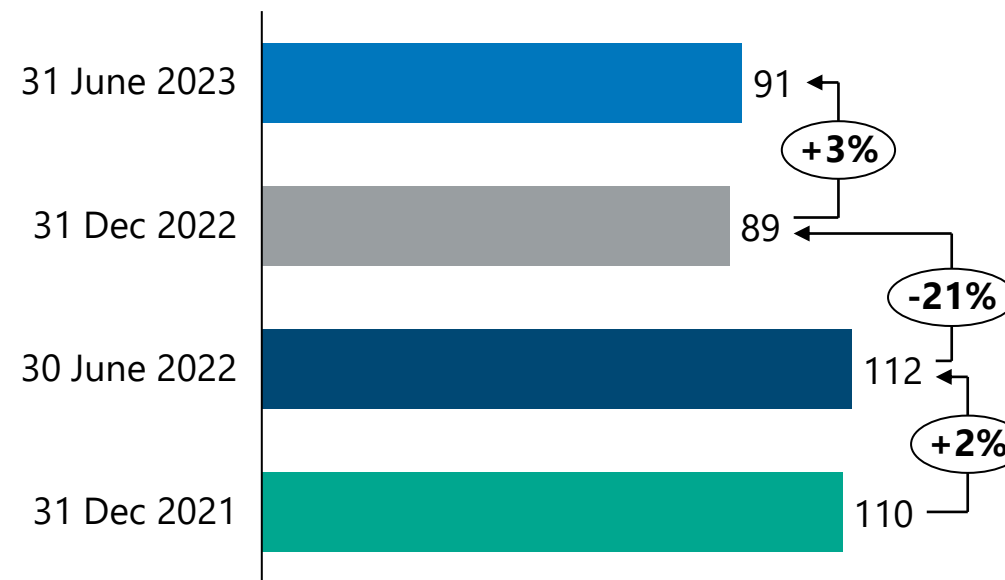
Net working capital*

EUR m and in % of total output (LTM)



Cash conversion cycle

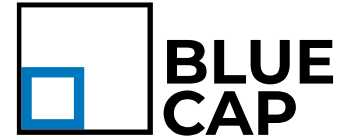
days



*Net working capital incl. contract assets/contract liabilities

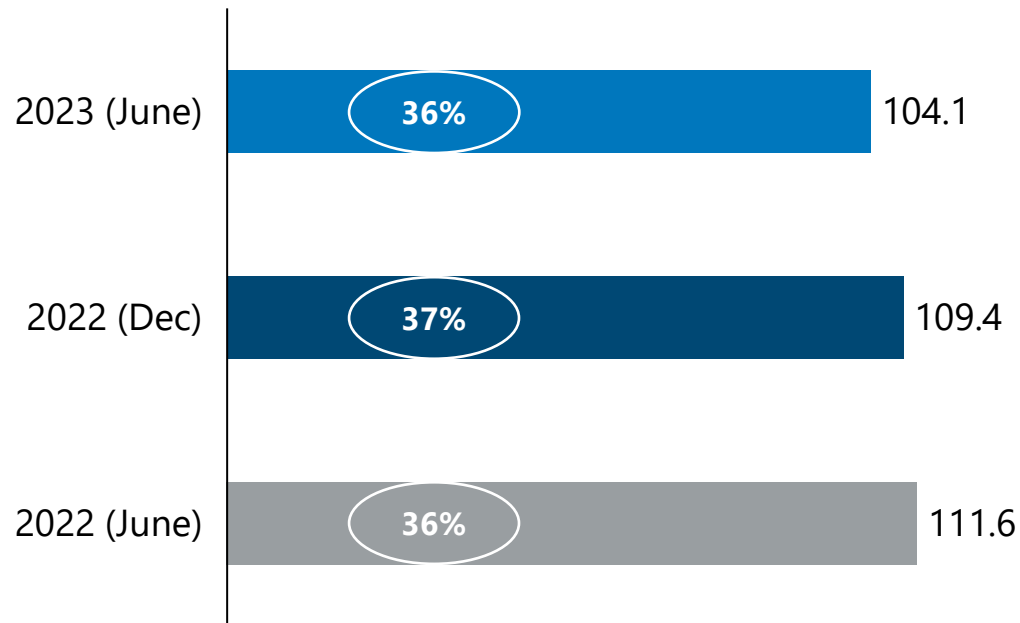
- In 2023 **continued focus** on further improvements of **working capital**
- **Factoring** is being considered or already implemented where applicable (e.g. HY-LINE, Neschen, con-pearl)
- **Reduction of inventories** and optimization of **warehousing processes** in several portfolio companies
- Optimization of **accounts receivables**

Equity ratio and leverage at a solid level



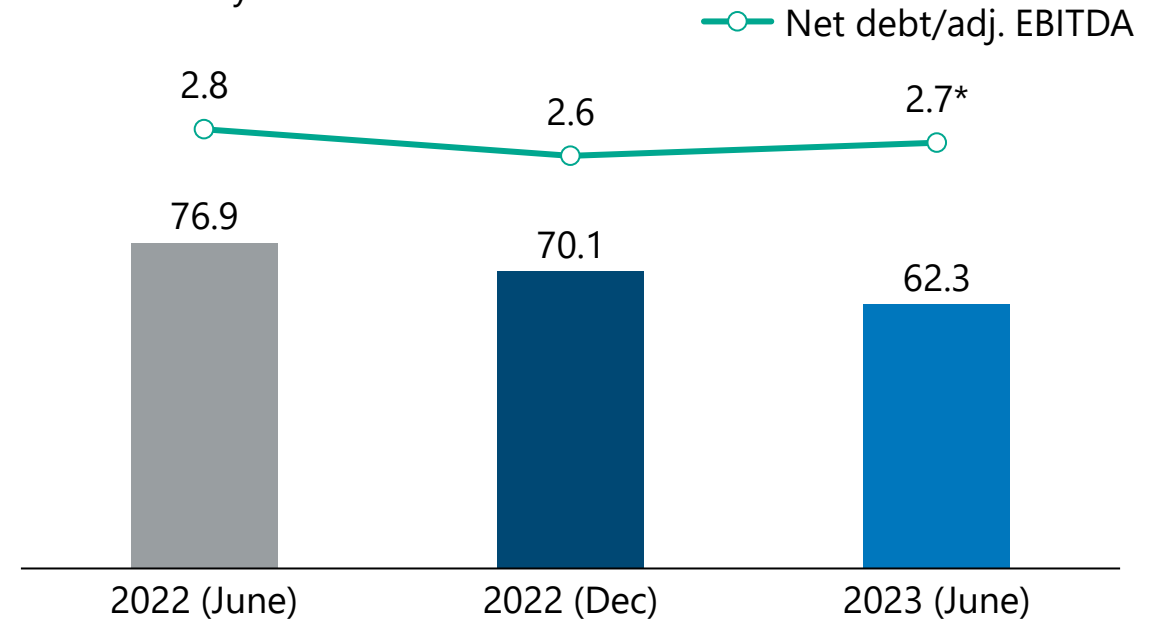
Equity and equity ratio

EUR m and in % of total assets



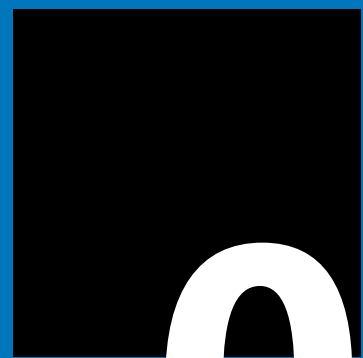
Net debt* and leverage ratio

EUR m and in years



* Net debt per June 23 includes anticipated net proceeds from sale of Uniplast, adj. EBITDA based on last 12 months

- **Equity decreased** mainly due to dividend payment and negative H1 result; however, **equity ratio** remains stable due to lower total assets.
- **Slight increase of net debt** mainly driven by higher net working capital (con-pearl, H+E and HY-LINE).
- **Net leverage ratio** of **2.7** below the target of **<3.5** based on net debt including anticipated net proceeds from sale of Uniplast.



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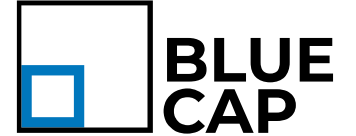
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Portfolio

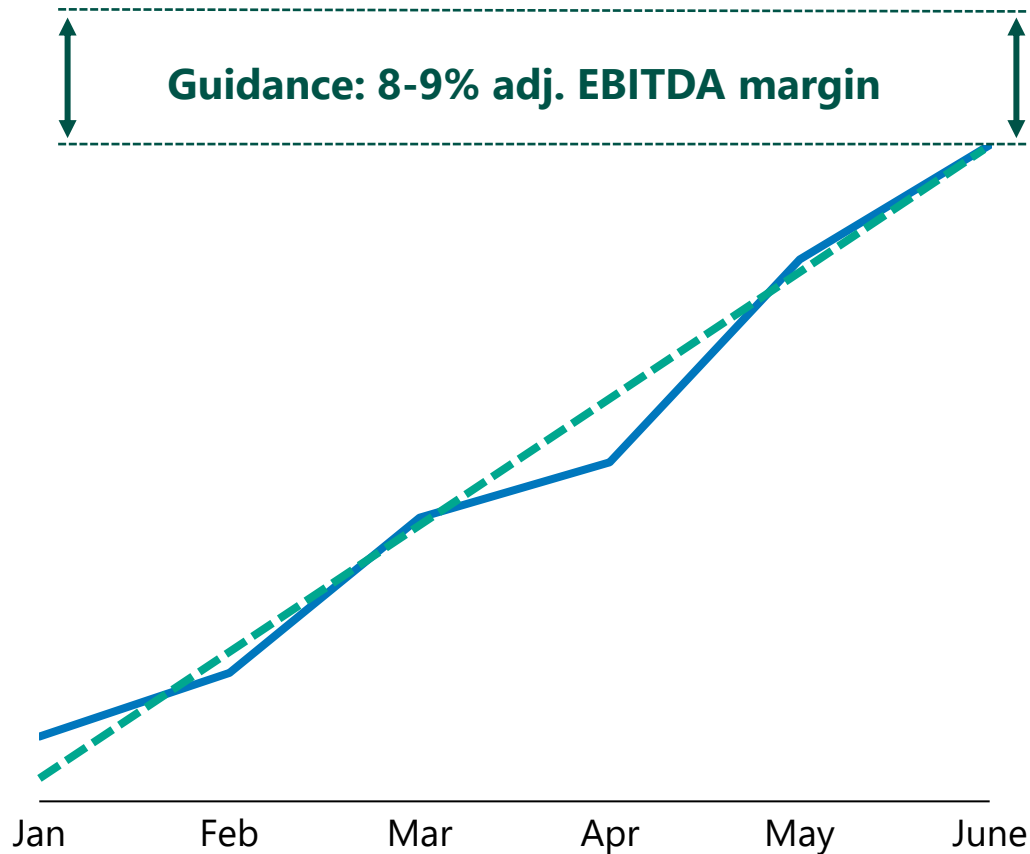
Update

Henning Eschweiler

■ H1 Wrap-up: continuous margin improvements in H1 2023



Development of cumulated absolute adj. EBITDA within the guidance



Achievements

- ✓ con-pearl and HY-LINE with better than expected revenue in H1 and strong margins
- ✓ Cost-down-projects at underperforming companies completed
- ✓ Senior management changes completed

Challenges





- 📍 Planatol and Inheco suffer from adverse market conditions

Outlook

- 🎯 While some (top-performing) companies expect market slow-down, biggest headaches are successfully removed and P&L improvements should continue to materialize in H2
- 🎯 Environment remains challenging, but overall performance expected to stay within guidance

■ Current developments in our portfolio

Plastics

Plastics	Development H1 2023	Outlook 2023
 <p>Invest: 2019 / 100% Revenue 2022: €67mn</p>	<ul style="list-style-type: none"> ▪ H1 better than expected, although significantly below previous year ▪ Margins are strong, as a result from a beneficial lag effect due to decreasing material costs ▪ Good order situation in the USA, major customer order above expectations (<PY) 	<ul style="list-style-type: none"> ▪ Material Services dropping behind plan ▪ DACH-markets difficult due to decreasing demand and postponed projects ▪ Margins will come under pressure with customers asking for cost reductions to be passed through 
 <p>Invest: 2021 / 71% Revenue 2022: €40mn</p>	<ul style="list-style-type: none"> ▪ Overall good H1, mainly due to a strong first quarter ▪ Cost-negotiations related to past events completed ▪ Nomination as development partner for new OEM customer 	<ul style="list-style-type: none"> ▪ Automotive industry expects weak H2, with immediate impact on H+E volumes ▪ Margins under pressure ▪ Implementation of new site structure in progress: reduce from 4 to 3 

■ Current developments in our portfolio

Adhesives & Coatings

Adhesives & Coatings



Invest: 2016 / 100%
Revenue 2022: €57mn

Development H1 2023

- **Q2 business recovery** visible in P&L
- **Fitness program completed**
- **Working capital management** and **cash management lead to business resilience**

Outlook 2023

- **Sales push in industrial segment** to gain new customers
- **Reduced cost structure** will materialize in H2
- Reorganization of **Filmolux group**
- Strengthening of **management team**



PLANATOL®
smart gluing

Invest: 2009 / 100%
Revenue 2022: €39mn

- **Decreased demand** in nearly **every segment**, adds up to challenging Q1
- **Downturn caused by cyclical** with various root causes: wood/furniture down because of **crisis in building industry**, with the remainder below plan because of **de-stocking**
- **New CEO**





- Full force on **sales activation**
- **Increase swiftness** of sales processes and **optimize sales structure**
- Focus on **export sales** and **OEM cooperations**
- Capitalize on **cooperation** with circular bioeconomy startup traceless®



■ Current developments in our portfolio

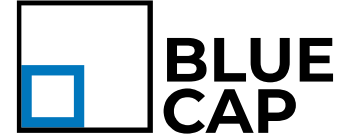
Business Services



Business Services	Development H1 2023	Outlook 2023
 <p>Invest: 2021 / 93% Revenue 2022: €67mn</p>	<ul style="list-style-type: none"> ▪ Very strong H1 in terms of revenue and margin ▪ ONE HY-LINE as physical business structure executed ▪ Improved supply chains ▪ Working capital management significantly improved 	<ul style="list-style-type: none"> ▪ Decreasing order intake as a clear presage for declining sales ▪ With sales decreasing, margins will come under threat due to economies of scale ▪ Strengthening of leadership team ▪ Examine add-on possibilities 
 <p>Übersetzen. Verstehen.</p> <p>Invest: 2022 / 74% Revenue 2022*: €21mn</p>	<ul style="list-style-type: none"> ▪ H1 slightly above previous year and increasing market dynamics noticeable ▪ Cost adjustments according to restructuring plan completed ▪ Margin improvements visible ▪ New CEO 	<ul style="list-style-type: none"> ▪ Focus on sales excellence as part of ongoing turnaround plan ▪ Strengthening of Purchasing and Technology as a foundation for continuous margin improvements ▪ Simplification of legal structure 

■ Current developments in our portfolio

Medical



Medical

inheco ▶
industrial heating & cooling

Invest: 2006 / 42%
Revenue 2022: €38mn

Development H1 2023

- Decline in sales due to **destocking / reduced new orders** (as for the entire industry)
- **Q2 expected to be rock bottom**
- Reduction in EBITDA margin **given increased cost base** due to team expansion, investment in products and sales for next growth phase

Outlook 2023

- Right sizing of cost structure w/o sacrificing the medium-term plan
- **Sales push in US** biotech market which is still backed by positive signals from US-market; **growth rationale in the field of medical analytics confirmed in the medium term**





03

Outlook

Tobias Hoffmann-Becking

■ Outlook 2023: guidance continued operations (excluding divested Uniplast)



Focus remains on operational improvement

- Still **challenging market** environment with high volatility
- **Active and stringent portfolio management** remains the day-to-day focus
- More positive **cost effects** expected to hit the P&L over the coming months, but...
- ... guidance for the rest of the year depends on **stabilization of order entry**
- **Uniplast exit requires technical adjustment of guidance:** IFRS reporting of continued operations after Uniplast exit

Adjusted guidance 2023

	Full year guidance continued operations (June 2023)	Discontinued operations / Uniplast H1 2023
Revenue in EUR m	275 – 295	26.8
Adjusted EBITDA margin	8 – 9 %	4.7 %
Net leverage	≤ 3,5x	

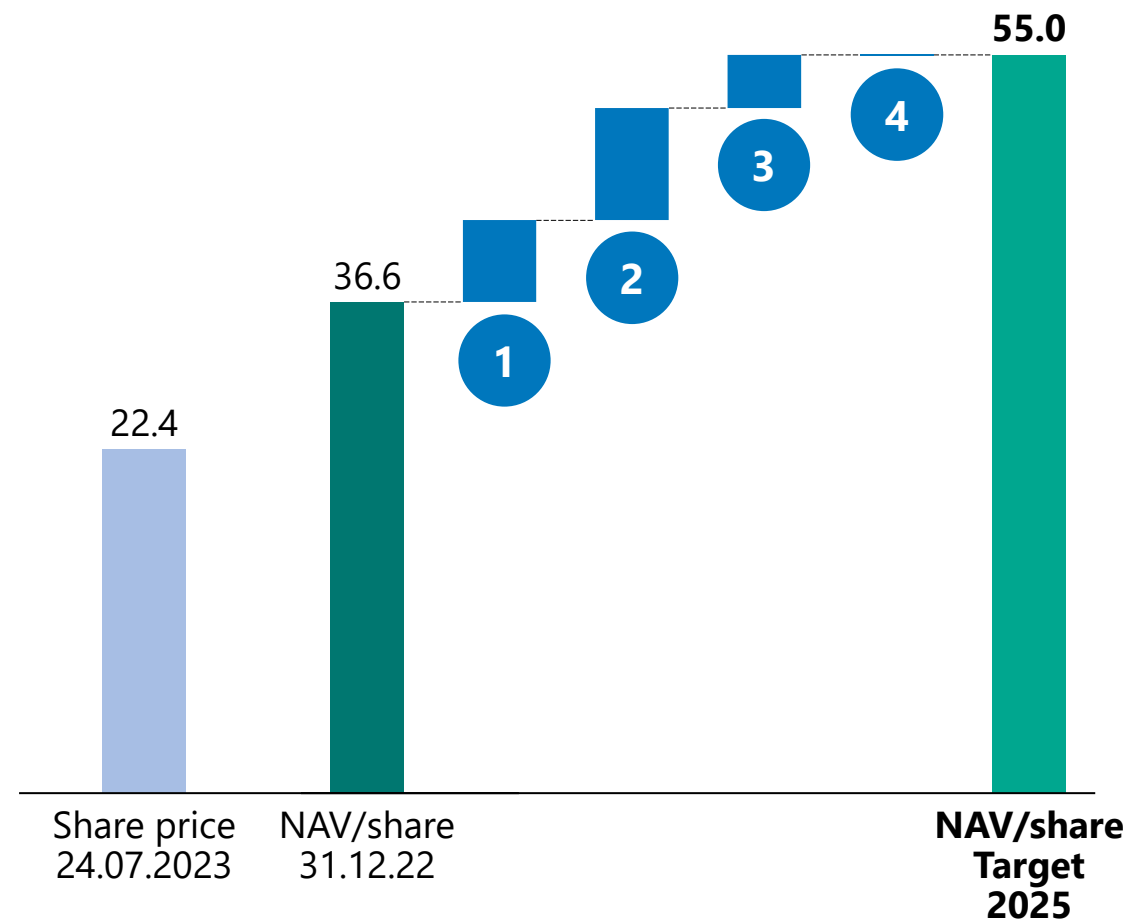
■ Medium term: NAV per share target of 55 Euro until 2025




Essential value drivers

- 1 Growth:** Growth initiatives and medium-term economic recovery
- 2 Margin:** Active cost and price management
- 3** Strong focus on cash flow enables consistent **de-leveraging**
- 4 Note:** without possible effects from M&A transactions, no change in valuation multiples

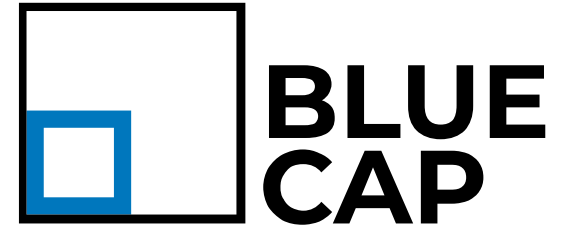
Net Asset Value target of EUR 55 per share





Questions and Answers

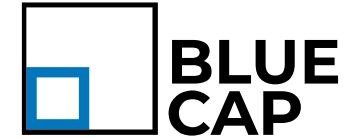
**Thank you for
your attention!**





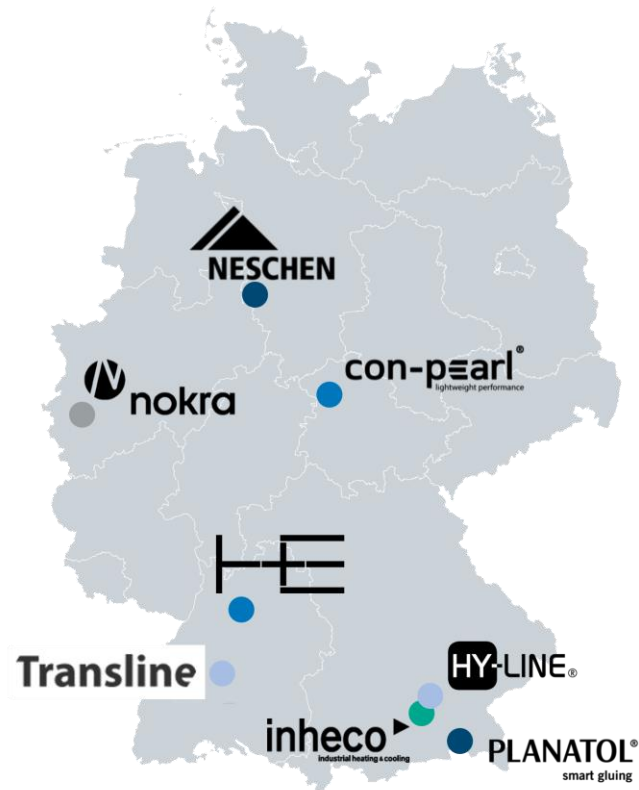
Appendix

■ Diversified portfolio allows our shareholders to participate in different sectors and economic cycles

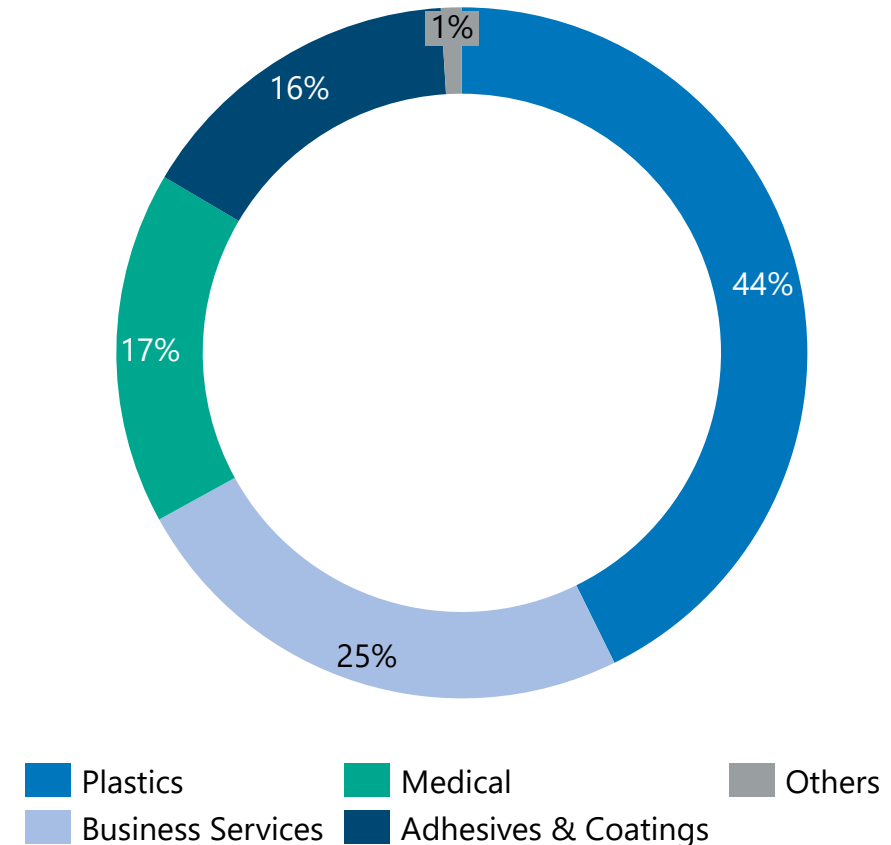


Portfolio of

- 8 companies with headquarters in Germany
- More than 1,000 employees
- Four major segments represent the value of the group

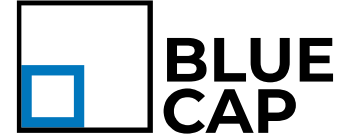


Net Asset Value share by segment (*)



(*) % shares of Group Net Asset Value as of 31 December 2022, includes Uniplast which was sold in June 2023

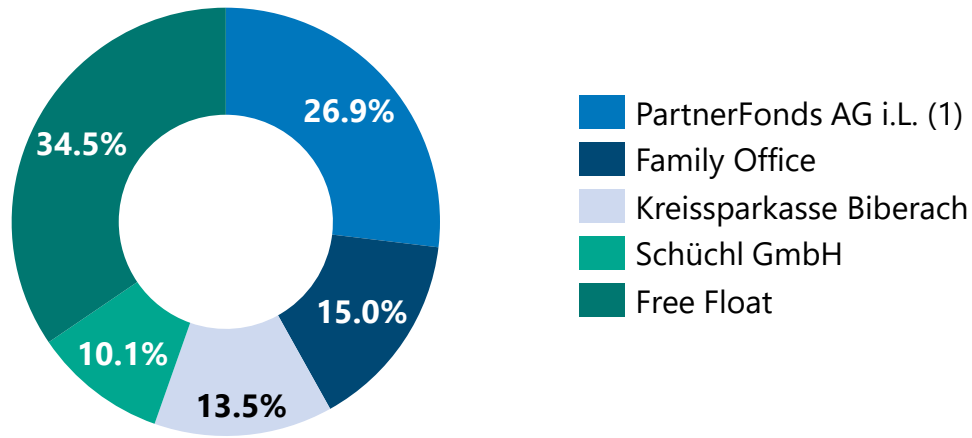
■ Blue Cap on the stock market



Reference data

- ISIN/WKN: DE 00A0JM2M1 / A0JM2M
- Ticker: B7E, B7E.DE (Reuters), B7E:GR (Bloomberg)
- Share Capital: 4,486,283.00 Euro / 4,486,283 pcs
- Market Segment: Scale (Frankfurt), m:access (Munich)
- Designated Sponsor: BankM AG
- Stock Exchanges: XETRA, Frankfurt, Munich, Hamburg, Düsseldorf, Berlin, Stuttgart, Tradegate

Shareholder structure (as of 24 July 2023)



(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 our analysts

Analyst	Date	Rating	Target Price
M.M. Warburg	11.05.2023	Buy	40.00 €
SMC Research	19.06.2023	Buy	36.00 €

Share Price Development LTM

EUR



Source: Börse Frankfurt

■ Financial calendar and contact details



Date	Event	Location
22 August 2023	Publication Half Year Report 2023	Publication
23-24 August 2023	10th Hamburg Investor Day – HIT	Hamburg
27-29 November 2023	German Equity Forum	Frankfurt/Main



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