




# Preliminary Figures FY 2023

**Dr. Henning von Kottwitz, CEO**  
**Henning Eschweiler, COO**

 13 March 2024 – 1:00pm CET

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# ■ Solid performance in difficult 2023 Implemented All-Weather Strategy lays foundation for 2024



## Main drivers and highlights 2023

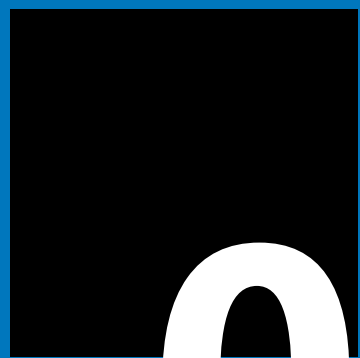
- Overall, **2023 was a challenging year** for Blue Cap with **economic headwinds** and **changes in management**. The anticipated economic recovery in the second half did not materialize as expected.
- Despite the difficult economic environment, Blue Cap has delivered **solid key figures** in 2023. Meanwhile, by executing on an “all-weather strategy” we have **increased our resilience** throughout the group.
- 2023 was marked by extensive **transformation and turnaround** measures, resulting in positive effects regarding our KPIs and liquidity towards the end of the year.
- Additionally, in Q4 momentum increased **as trading volume** picked up, leading to improved KPIs for the quarter.
- A strong finish in December, including **compensation settlements** with OEMs in the plastics segment, led to a better-than-expected **EBITDA margin (adj.) of 8.5%**.
- **Uniplast sale** was closed according to best owner approach.
- Dynamic from Q4 transitioned well into 2024, setting a promising perspective for **operational performance in Q1**.
- The portfolio has been screened for **“exit ready”** companies with one to two transactions on the sell side expected in 2024.
- Strategic update **“Blue Cap 2026”** to take Blue Cap to the next growth level.

Revenue  
273mn€

Adj. EBITDA  
margin  
8.5%

Leverage  
Ratio  
2.5x

Share Price  
17.70€  
(31/12/23)



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# Financial Figures

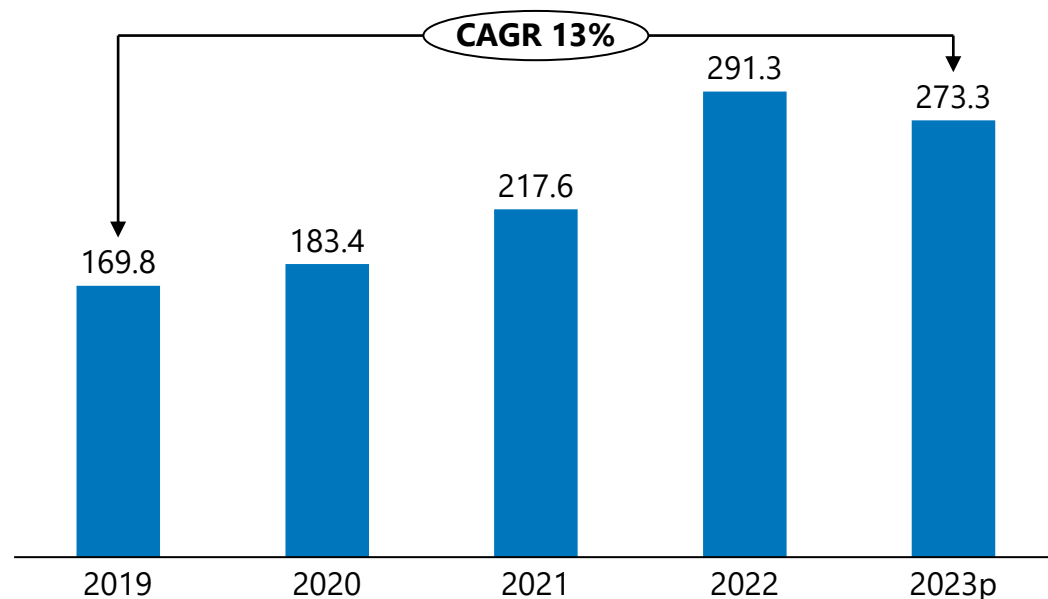
Dr. Henning von Kottwitz

# ■ Revenue driven by weak B2B environment, EBTIDA (adj.) secured by extensive cost management



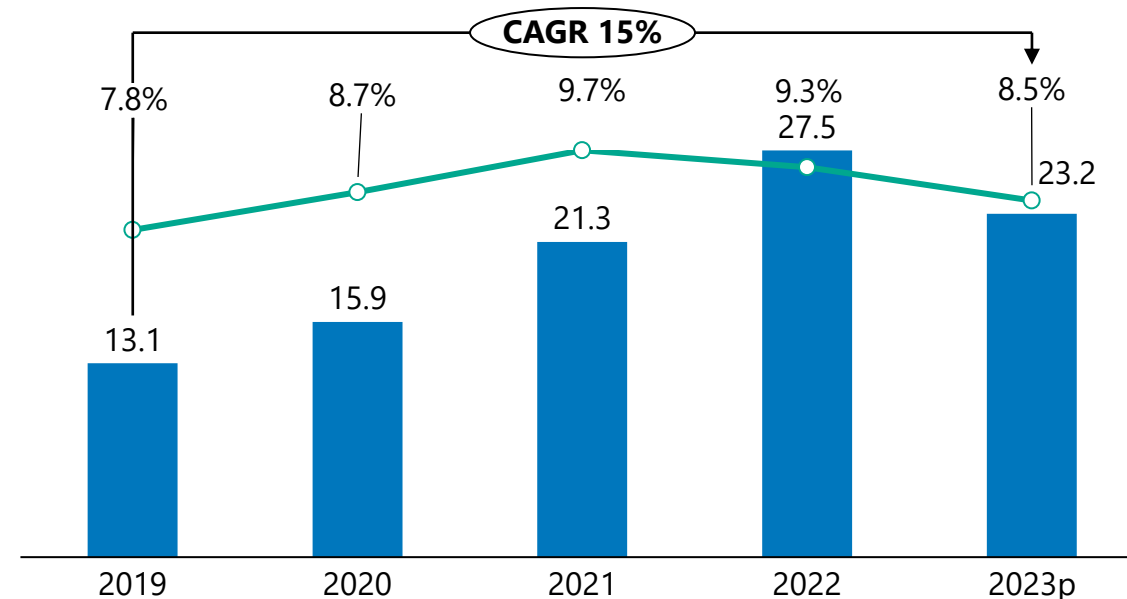
## Revenue

EUR m



## Adjusted EBITDA and adj. EBITDA margin

EUR m and %



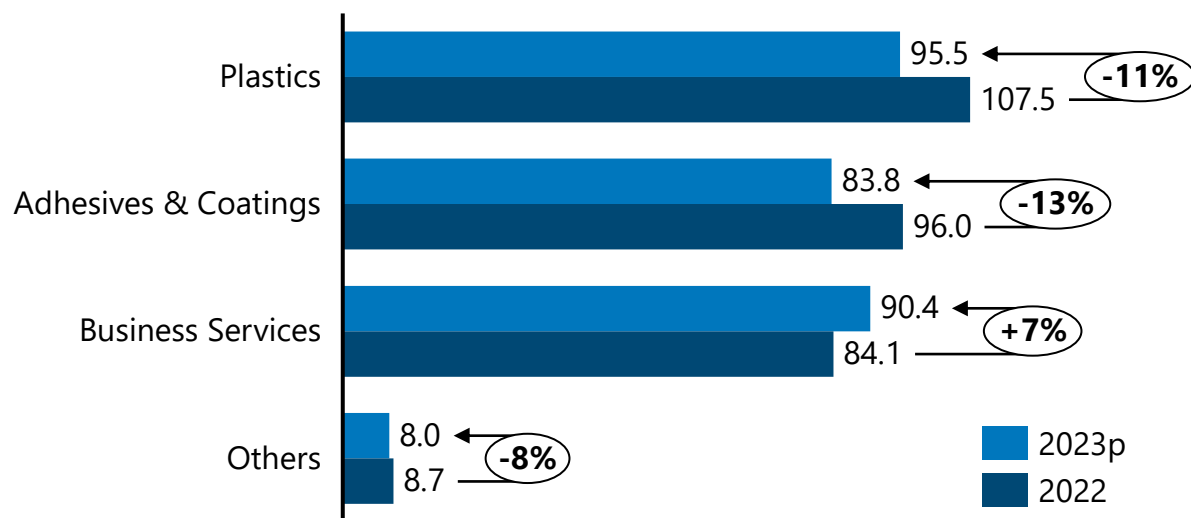
- The 5-year portfolio performance highlights our **successful approach to transform** - with both revenue and profitability (adj. EBITDA) showing **solid 2-digit annual growth** over a full economic cycle.
- Year-on-year decline in revenue reflects the **weak economic environment** with low demand at our logistics and OEM exposed portfolio companies (operations); whereas our **business services segment continued to grow in 2023**.
- **Adj. EBITDA decreased mostly attributable to Plastics** - whereas Adhesives & Coatings as well as Business Services segment improved results.

# Business Services segment continues to grow, other segments benefit from cost cutting initiatives and focus on profitability



## Revenue by segment<sup>1)</sup>

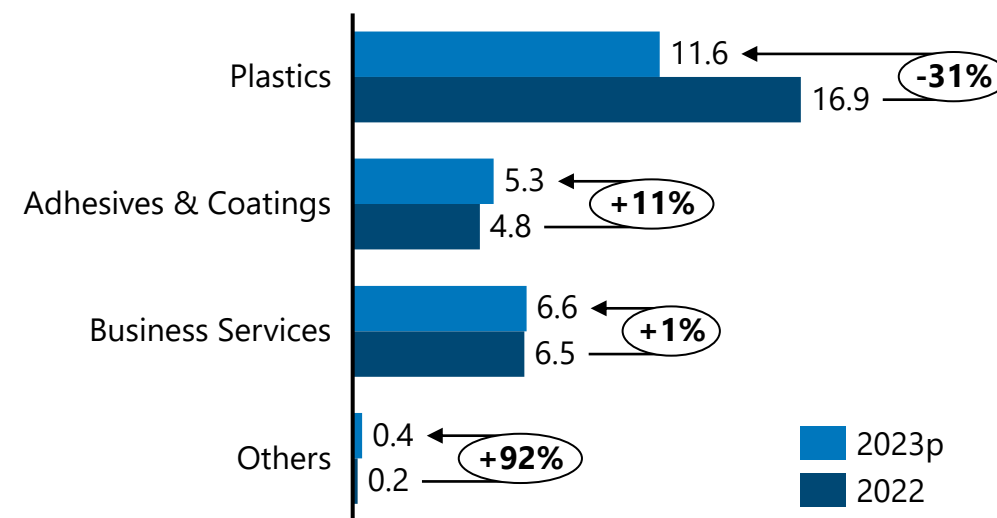
EUR m



1) Before consolidation, Others segment includes nokra, the Group's holding and real estate management companies

## Adjusted EBITDA by segment<sup>1)</sup>

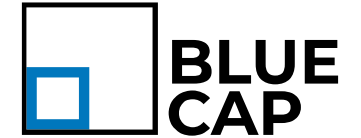
EUR m



1) Before consolidation, Others segment includes nokra, the Group's holding and real estate management companies

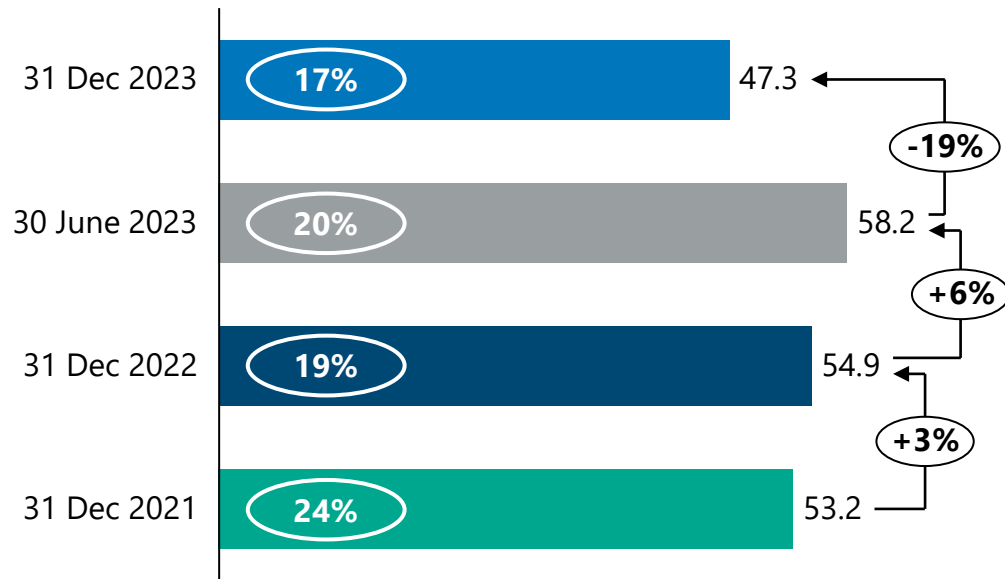
- **Plastics:** lower revenues and adj. EBITDA specifically affected by one high-volume logistics order in prior year at **con-pearl**. **H+E** continues to grow in revenue and EBITDA, however, benefits from compensation claims in Q4.
- **Adhesives & Coatings:** ongoing lower demand both at **Neschen** and **Planatol** led to declining year-on-year revenues. Focus on cost cutting and restructuring programs at Neschen led to higher productivity and further improved EBITDA (adj.).
- **Business Services:** strong growth of revenue and EBITDA at **HY-LINE** as company continues to work off high order backlog. **Transline** full-year consolidation with growth in revenue and EBITDA on a like-for-like basis.
- **Others:** Revenue of **nokra** on same level as previous year with lower EBITDA (adj.).

# Net working capital further improved due to successfully implemented transformation measures



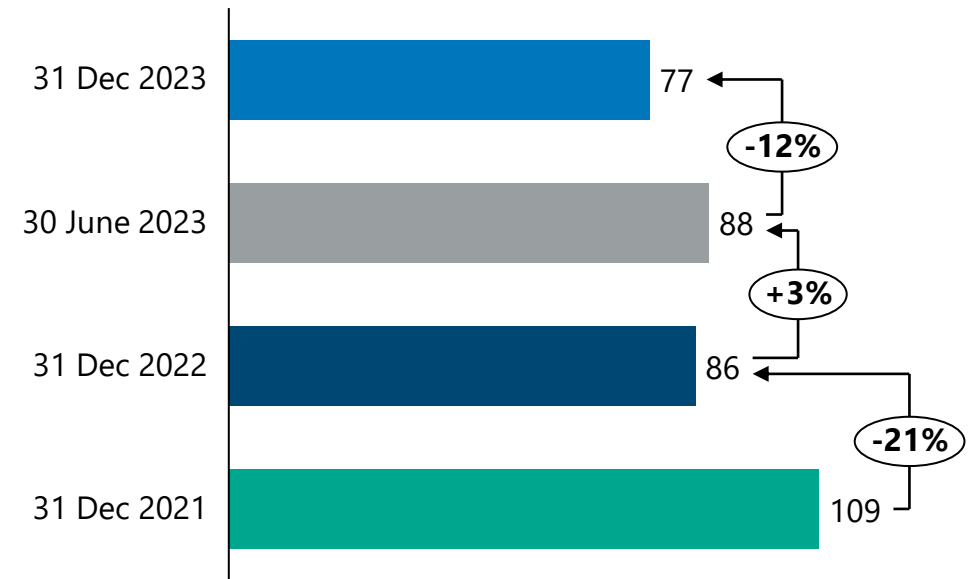
## Net working capital\*

EUR m and in % of total output (LTM)



## Cash conversion cycle

days



\*Net working capital incl. contract assets / liabilities

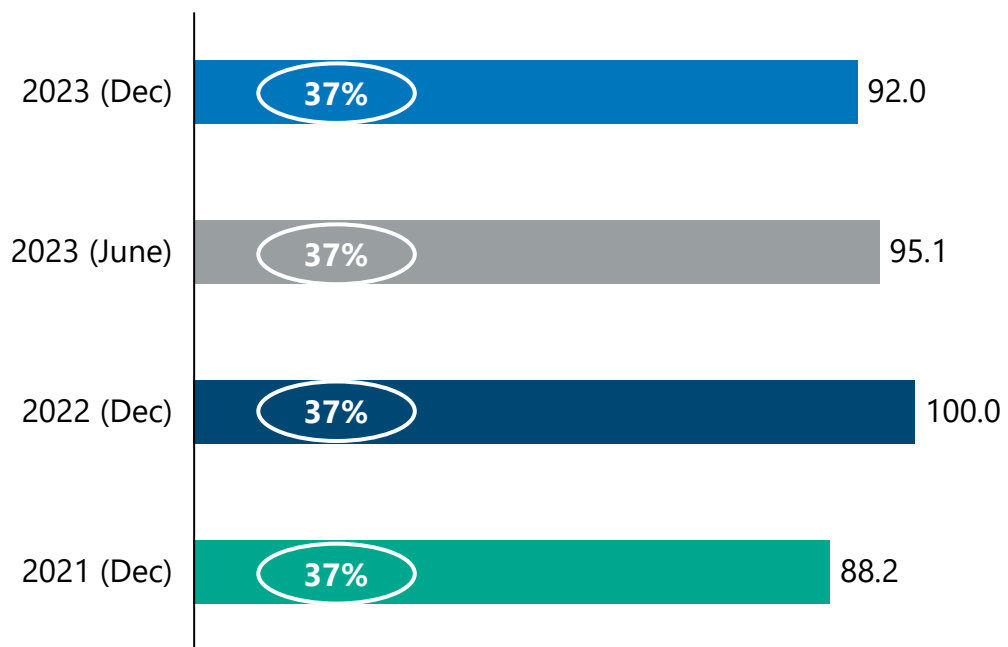
- Group benefiting from initiated **warehousing optimization** which led to an overall reduction in DIO (approx. 17% yoy).
- Furthermore, **factoring** was applied when reasonable providing additional cash flexibility on portfolio level.

# Equity ratio and leverage constant and on solid level, leverage ratio below maximum target



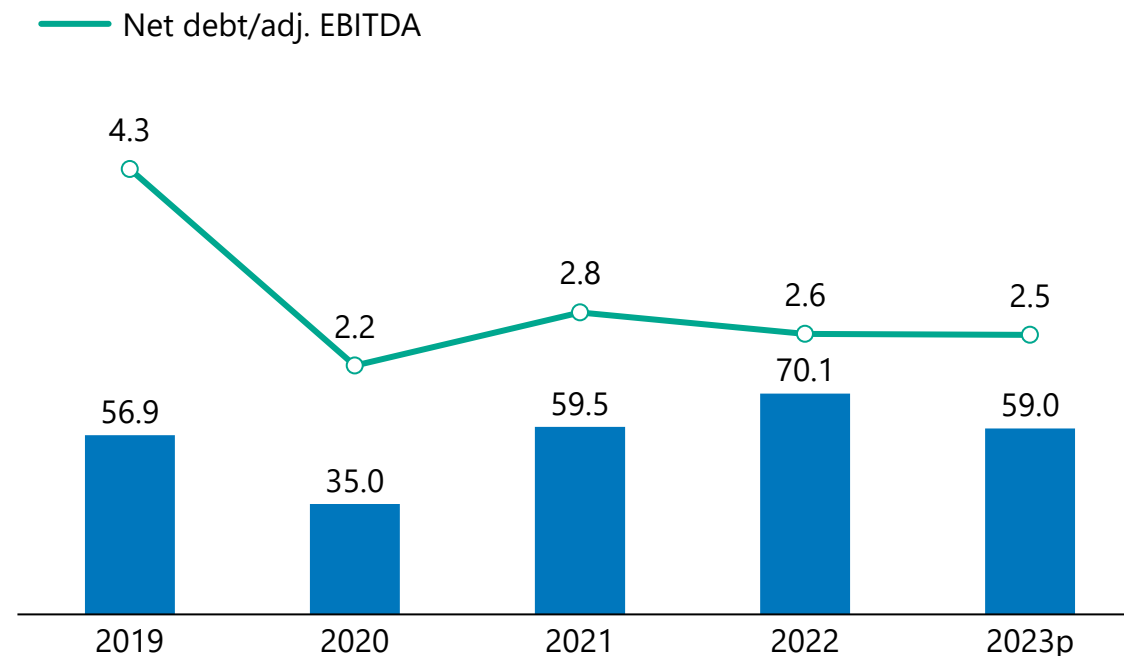
## Equity and equity ratio

EUR m and in % of total assets



## Net debt and leverage ratio

EUR m and in years



- **Decrease of net debt** benefitting from disposals and continuous **improvements** in **NWC management**.
- **Net leverage ratio of 2.5x** comfortably below target of < 3.5x.
- **Equity decreased** mainly due to dividend payment and lower FY-result with equity ratio stable at 37%.



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# Portfolio

# Update

## Henning Eschweiler



# ■ All-weather-strategy led to significantly improved KPIs resulting in solid 2023 and foundation for profitability uplift in 2024



## Transformation levers effectively implemented in 2023

1

### Balance Sheet

$\Delta$  yoy

**NWC<sup>1)</sup>** -8mn€

2/3 from improvements of DPO/DSO

**Operative cash flow** +16mn€

**Net debt<sup>1)</sup>** -11mn€

2

### Margin

**EBITDA effect > 10mn€**

enabled by portfolio transformation and mainly driven by corresponding PEX and OPEX adjustments

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### People & Culture

Changes in C-level in **4 out of 8** companies

Strengthened **2<sup>nd</sup> management level**

Leadership development programs in **4** companies

## Starting point and assumptions for 2024

- Q1 showing **good start** into 2024
- We expect **slight improvement regarding economic environment** – but rather **driven by a decrease of headwinds** than upcoming tailwinds
- Still no consistent indication how 2024 will evolve

→ While we remain **cautious regarding topline-development**, we expect to see a **lift-up in terms of profitability**. This is the result of our **successfully executed all-weather-strategy in 2023**.

## Main value drivers 2024





- **Continue** the KPI-driven '**all-weather-strategy**', as a **mindset** rather than a cure
- Focus on **top-line activation in particular at Planatol, con-pearl, Transline**
- While 2023 was all about PEX/OPEX, we started exploring levers to **improve gross margin** in 2024
- "**Exit Readiness**" becomes a milestone for every portfolio company, defined by a clear target state.

<sup>1)</sup>Effect since August 2022: NWC -23,1mn€ and net debt -21,7mn€

# ■ Current developments in our portfolio

## Plastics



Plastics	Development 2023	Outlook 2024
 <p>Invest: 2019 / 100% Revenue 2023p: €55mn</p>	<ul style="list-style-type: none"> <li>▪ <b>Overall solid performance in 2023, mainly driven by CPNA</b> (having anticipated a decline in demand already in 2022)</li> <li>▪ <b>Postponed (new) projects</b> due to economic uncertainty and <b>underperforming Material Services</b> hurt in particular domestic business</li> <li>▪ Major investment in <b>PV system</b> at Geismar site and <b>energy-saving projects</b> initiated, delivering to our <b>circular economy strategy</b> with con-pearl</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>2024 started strong</b> in terms of sales, resulting from good <b>order intake</b> in particular for <b>CPNA</b> and <b>spill over</b> business <b>from 2023. Mid-term outlook with high uncertainty</b></li> <li>▪ <b>Margins in core business under pressure.</b> Actual product mix CPNA with less own value creation and customers requesting price adjustments</li> <li>▪ <b>Material services</b> segment remains <b>challenging</b>. Fully depended on raw material prices</li> </ul> <p>→ We expect 2024 to be better than 2023 due to volume increase</p> 
 <p>Invest: 2021 / 71% Revenue 2023p: €41mn</p>	<ul style="list-style-type: none"> <li>▪ Overall <b>decline in demand</b> due to economic downturn and lost China volumes</li> <li>▪ Two <b>new OEM customers won</b> with <b>start of production in 2026/27</b></li> <li>▪ Beneficial <b>agreements</b> with <b>OEM customers</b> on pain share for <b>underutilization in 2023</b> concluded</li> <li>▪ <b>Site-merger already completed</b>, which simplifies processes and improves cost structure</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Automotive industry will remain under pressure</b></li> <li>▪ <b>Short term demand is slightly increasing</b> but with high mid-term uncertainty. <b>Margins remain under pressure</b></li> <li>▪ <b>Funnel</b> with projects from <b>new customers</b> filling up</li> </ul> <p>→ Sales team delivered very well in 2023, but success will only come with production start. Margin recovery top priority in 2024</p> 

# ■ Current developments in our portfolio

## Adhesives & Coatings

### Adhesives & Coatings

#### Development 2023

#### Outlook 2024



Invest: 2016 / 100%  
Revenue 2023p: €51mn

- **'Fitness Program'** completed
- **Effects are fully visible since Sep 2023**
- Divestment of loss-making **Filmolux France**

- Good start **mainly driven by Industrial Applications**
- **Reduced cost structure** significantly improves profitability
- Value driver remains **sales activation** with focus on Industrial Applications

→ **Strong 2024 expected, mainly driven by significantly improved profitability and modest increase in volumes**



Invest: 2009 / 100%  
Revenue 2023p: €33mn

- Planatol negatively developed in 2023, due to **economically caused decrease in demand** in nearly **every segment. Company factually paid the bill for a static sales approach in the past year**
- **New CEO** at the helm since July: identification of measures focusing on **optimizing the sales structure** and **improving financial management**
- **Sidestep-merger (Planatol GmbH + System)** completed

- **Slightly optimistic view on 2024** as overall demand should recover and underpinned by solid forecast for Q1
- Value driver remains **sales activation** that concentrates on **internationalization/ increase of export sales** and **OEM cooperations**
- **Data driven approach** to improve sales effectiveness and inventory levels





→ **Ambitious management case sets the target for the year ahead, mainly driven by the structured sales approach, that is expected to materialize in H2**



# ■ Current developments in our portfolio

## Business Services



Business Services	Development 2023	Outlook 2024
 <p>Invest: 2021 / 93% Revenue 2023p: €69mn</p>	<ul style="list-style-type: none"> <li>2023 performed <b>as expected</b>, driven by exceptionally <b>strong H1</b></li> <li><b>ONE HY-LINE</b> as physical business structure executed</li> <li><b>Working capital management</b> significantly <b>improved</b></li> </ul>	<ul style="list-style-type: none"> <li>Primary focus is on <b>acquiring new customers and projects</b> in the Solutions-Business</li> <li>ONE HY-LINE will facilitate <b>cross-selling effects</b> and <b>strengthen sales side</b></li> <li>Analysis of <b>product and customer mix towards higher-margin projects</b></li> </ul> <p>→ With low stock levels at the customer-side, we expect the business to pick-up from Q2, as a result of replenishment orders. Mid-term outlook positive, but yet not clearly visible in sales KPI</p> 
 <p>Übersetzen. Verstehen.</p> <p>Invest: 2022 / 74% Revenue 2023p: €21mn</p>	<ul style="list-style-type: none"> <li>Slight improvement in 2023 compared to previous year, mainly due to <b>expansion of customer base</b> and <b>some new customers</b></li> <li>However, economic downturn led <b>to delays in product launches, suspended medical studies, and reduced marketing budgets</b> among Transline's customers</li> <li><b>Cost adjustments</b> and <b>legal reorganization</b> completed</li> </ul>	<ul style="list-style-type: none"> <li>Critical value driver is pricing and purchasing, with both benefitting from improved TBlue – should result in <b>margin uplift</b></li> <li>Focus on sales excellence</li> </ul> <p>→ <b>Margin and sales improvement are top priority for 2024. With the team being complete since Q4 2023, Transline now has to deliver</b></p> 

# ■ Current developments in our portfolio

## Medical

### Medical

**inheco** ▶  
industrial heating & cooling

Invest: 2006 / 42%  
Revenue 2023p: €21mn

### Development 2023

- **Turnaround concept** “Restart 2023” implemented
- Focus on a **swift return to profitability**, by **reducing headcount and floor space** on the one hand and take the opportunity to **improve productivity for manufacturing processes** on the other

### Outlook 2024

- 2024 started well
  - **Sales expectations** backed by positive market-signals
- **2024 will show a strong recovery from a challenging previous year, first and foremost driven by significant adjustments to the cost structure.**  
**While volumes seem to pick-up as expected, Inheco needs to focus on maintaining the margin**





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# Outlook

Dr. Henning von Kottwitz

# ■ In 2024, Blue Cap is off to a good start: we will continue to work on our value drivers to turn around the growth trend

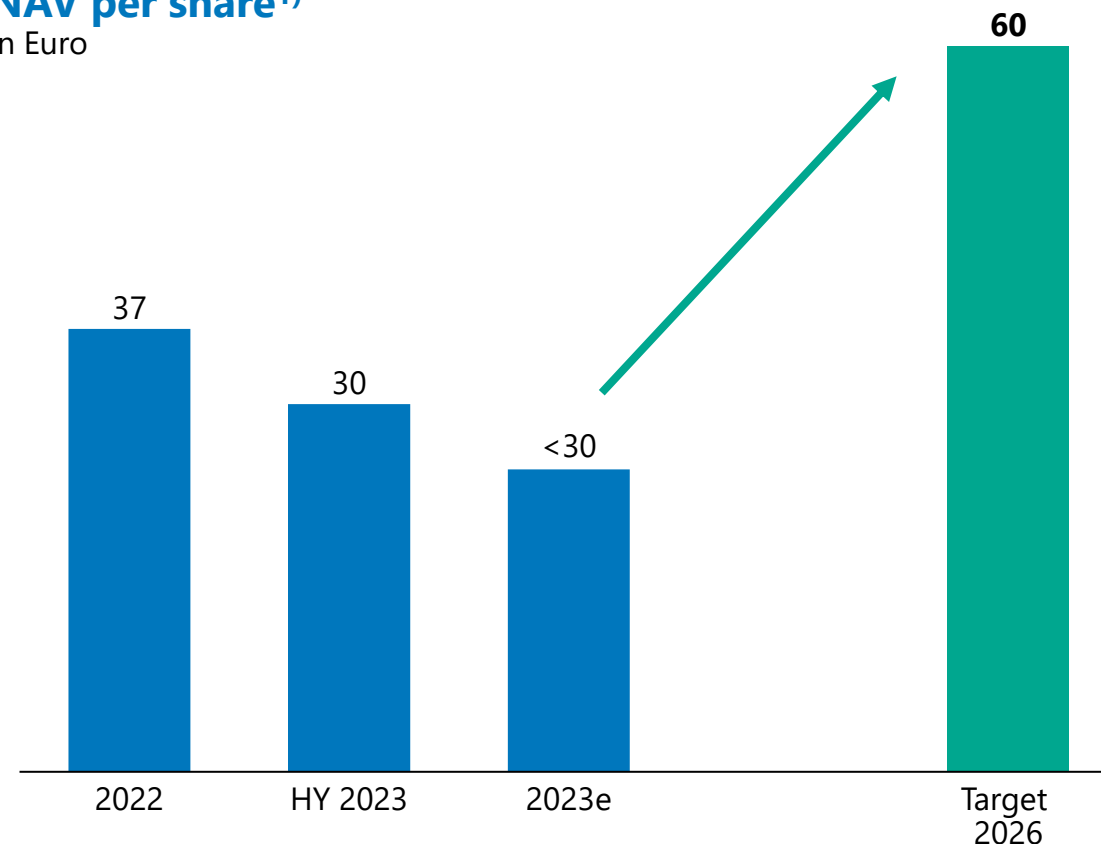


## Situation and Outlook 2024

- **Good Q1 expected** (with EBITDA ytd significantly better than Jan-Feb 2023) with headwinds decreasing: **portfolio companies operate as expected or slightly better**
- For 2024, we currently expect **revenue only slightly above 2023 level** with **an improved EBITDA margin (adj.)**
- Based on current assumptions, **2024 budget is likely to result in NAV increase already in first half of the year**
- We continue to follow our proven **dividend policy**
- We aim for ...
  - **1-2 exits** executed with good return at or above last reported NAV level
  - **1-2 acquisitions**, value creation turnaround initiated
  - **Solid financing** of holding and portfolio
- **Economic recovery** is part of premise
- Dividend proposal and guidance 2024 will be published **end of April**

## Strong mid-term value creation potential

**NAV per share<sup>1)</sup>**  
in Euro



<sup>1)</sup> Adjusted for future dividend payments

# ■ Our ambition and our mission “Blue Cap 2026”: Creating more shareholder value along our value chain



## BUY



### Adapted acquisition focus

- **Realigned investment focus** from performing and sunset assets to **special situations targets with higher restructuring need**
- **Revenue 20-200mn€** and **EBITDA margin 0-5%**
- **Industrial goods and services** remain key focus - where we have considerable know-how and a proven track record

## TRANSFORM



### Leverage transformation expertise

- Based on the dimensions of our **transformation radar**
- Strong **track record of Blue Cap team** with regard to **restructuring programs and cost management**

## SELL



### Stringent examination of exits


- **Exit plan** from day one of acquisition
- **Best owner** approach
- **Regular screening for exit opportunities** influenced by maturity level, growth potential, macro environment



### Key value drivers to achieve '60 in 26'

- Value creation by **more transactions** and **including turnaround cases** into our acquisition focus, based **on competences and capabilities** of Blue Cap team
- Work on “**exit readiness**” as a milestone for many portfolio companies: **proof of value capture**
- **2024 marks important year**: we aim **for selling 1-2 companies** with good return and at least on last reported NAV and **acquiring at least 1 suitable company**



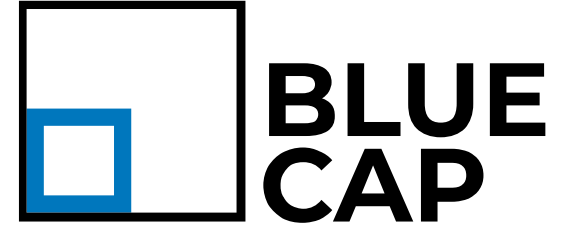


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# Questions and Answers

**Thank you for  
your attention!**

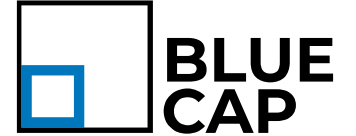
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# Appendix

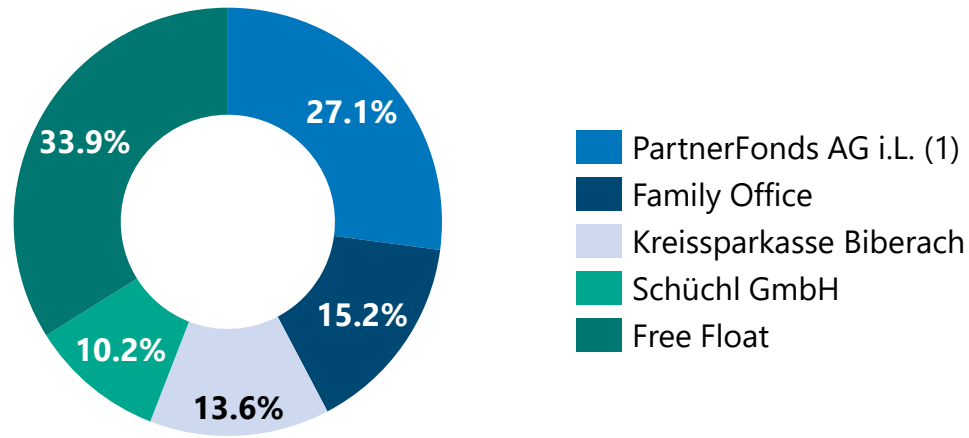
# Blue Cap on the stock market



## 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



(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

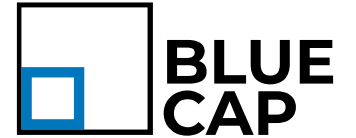
Analyst	Date	Rating	Target Price
M.M. Warburg	23 Jan 2024	Buy	30.00 €
SMC Research	23 Jan 2024	Buy	32.40 €

## Share Price Development LTM



Source: Stock Exchange Frankfurt (XETRA)

# ■ Management Board



## Dr. Henning von Kottwitz

Chief Executive Officer



### Main Responsibilities

M&A, Finance, Capital Market & Investor Relations, Law

### Before

- Ex BCG – industrial goods core group
- 10+ years experience in restructuring and investing
- Corporate lawyer by education

## Henning Eschweiler

Chief Operating Officer



### Main Responsibilities

Portfolio Management, ESG, IT, People & Culture

### Before

- Ex Nimbus hands-on investors and ex Struktur Management Partner
- 10+ years experience in private equity and turnaround management
- Mech. engineer and business economist by education

# ■ Financial calendar and contact details



Date	Event	Location
April 2024	Annual Report 2023	Publication
25 April 2024	37 <sup>th</sup> Munich Capital Markets Conference	Munich
07 May 2024	Q1 2024	Publication and Earnings Call
13-15 May 2024	Equity Forum Spring Conference	Frankfurt / Main
24 June 2024	Annual General Meeting	Munich / physical
03 July 2024	m:access Conference Investment Companies	Munich / hybrid



## Lisa Marie Schraml

Investor Relations & Corporate Communications

[ir@blue-cap.de](mailto:ir@blue-cap.de)

+49 89 288909-24

### Blue Cap AG

Ludwigstraße 11  
80539 Munich

[office@blue-cap.de](mailto:office@blue-cap.de)  
[www.blue-cap.de/en](http://www.blue-cap.de/en)

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