

Blue Cap AG

Outperform → | Target Price : € 26.5

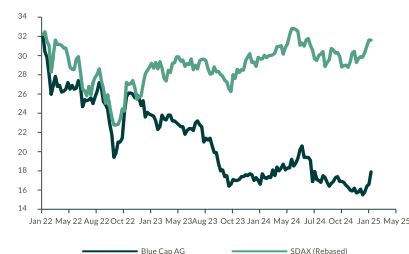
Price (07/02/2025): € 17.90 | Upside : 48%

Revision	12/24e	12/25e
EPS	ns	ns

An opportunity to invest in SME growth stories

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Sources: ODDO BHF Securities, SIX

Share data

B7E GR B7E.DE	
Market Cap (€m)	80
Enterprise value (€m)	102
Extrema 12 months (€)	15.30 - 20.80
Free Float (%)	33.6

Performance (%)	1m	3m	12m
Absolute	13.3	7.8	4.1
Perf. rel. Country Index	7.4	1.3	-6.9
Perf. rel. SDAX	8.6	-0.9	-2.4

P&L	12/24e	12/25e	12/26e
Sales (€m)	210	218	225
EBITDA (€m)	49.1	24.8	26.4
Current EBIT (€m)	34.2	11.3	12.4
Attr. net profit (€m)	18.7	3.9	4.9
Adjusted EPS (€)	4.21	0.88	1.12
Dividend (€)	0.75	0.70	0.75

P/E (x)	4.2	20.3	16.0
P/B (x)	0.8	0.8	0.8
Dividend Yield (%)	4.3	3.9	4.2
FCF yield (%)	ns	20.0	21.5
EV/Sales (x)	0.53	0.47	0.40
EV/EBITDA (x)	2.3	4.1	3.4
EV/Current EBIT (x)	3.2	9.1	7.3
Gearing (%)	34	24	12
Net Debt/EBITDA (x)	0.7	1.0	0.5

Next Events

30/04/2025	FY Results
27/06/2025	Annual General Meeting

Blue Cap AG is an investment company with a buy, transform & sell business model focusing on SMEs in special situations, which gives investors the opportunity to participate in its proven track record of restructuring SMEs. Based on the company's growing revenues (2024-2026e CAGR of 3.5%) and adj. EBITDA margin (+250bp, 2023 vs 2026e), as well as its sound financial profile (equity ratio of about 40%, average annual FCF of c. € 10.9m), we initiate coverage with an Outperform recommendation and a target price of € 26.5. We believe that its potential intensive M&A activities with regular divestments and reinvestment of the proceeds are not reflected in the current share price.

A buy, transform & sell business model with an active owner

Blue Cap generates revenue and value growth via its diversified portfolio of small and medium-sized enterprises (SMEs) in Germany. Since 2012, revenue and earnings (adj. EBITDA) have grown by an average of 12.5% and 14.1%, respectively (CAGR 2012-2023). Blue Cap aims to further increase the value of the company by implementing appropriate turnaround and transformation strategies in each of the portfolio companies and selling them in order to reinvest the proceeds in new SMEs.

Strategy "Blue Cap 2026" – increasing NAV

The "Blue Cap 2026" strategy aims to increase net asset value (NAV) per share to € 60 by the end of 2026 which seems too ambitious given the deterioration in sentiment in the German private equity market and compared to the last reported NAV of € 26 per share at the end of H1 2024. The core of the strategy is a significant increase in M&A transactions with a focus on companies in special situations with high growth potential. For 2026e, we anticipate revenue (excl. M&A) of € 225.5m (+7.1% vs 2024e) and an adjusted EBITDA margin of 11.0% (+250bp vs 2023) driven by continued active transformation of the portfolio companies. For 2024e, we are in line with the company's guidance (revenue in a range of € 200m to € 220m, adjusted EBITDA margin of 9.5% to 10.5%) and the consensus forecast for revenue (adj. EBITDA not available).

Appealing financial profile with a sustainable and attractive dividend policy

We assume that Blue Cap will report average annual FCF of € 10.9m, an equity ratio of about 40% and further improve its leverage (net debt ratio in years) from 1.4x to 0.5x over the 2024e to 2026e period. Including the sale of its portfolio companies nokra in September and Neschen in October 2024 (exit proceeds of € 30m), we forecast that Blue Cap will report cash funds of € 51.6m (2024e) which should enable it to invest in the attractive growth opportunities that the SME sector offers in the current phase of upheaval in the industry. When major exits are completed, the company aims to pay a special dividend if sales are successfully realised with a good return on capital. For 2024e, we estimate a dividend of € 0.75 (basic dividend of € 0.65 plus a special dividend of € 0.10).

Initiation with an Outperform rating and a target price of € 26.5

We determine the fair value of the shares via a SOTP approach. This gives us a target price of € 26.5 and justifies an Outperform rating. Our target price represents a discount of 20% to our estimated NAV at the end of 2025. As the company is expected to become more profitable in the coming years, we think that a lower discount to NAV of 20% compared to the average historical discount of 32% is justified.

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Blue Cap AG	Outperform
Holding companies Germany	Target price: € 26.5
Market Cap: € 80m	Price (07/02/2025): € 17.90

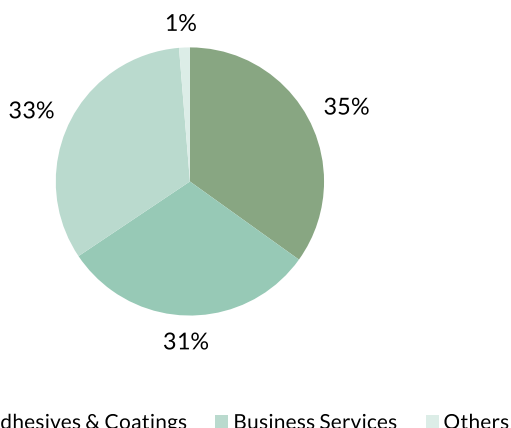
Company profile | Shareholders

Blue Cap is a Munich-based investment company founded in 2006. It acquires medium-sized companies from the B2B sector in special situations and supports them in their entrepreneurial development with the aim of selling them profitably at a later date. The acquired companies are headquartered in the DACH region, generate sales of € 20m to € 200m and have a sustainably stable core business. Blue Cap holds majority stakes in six companies from the Adhesives & Coating Technology, Plastics Technology, Production Technology, Life Sciences and Business Services sectors. It employs ca. 1,000 people in Germany and other European countries. Blue Cap AG is listed on the open market (Scale, Frankfurt).

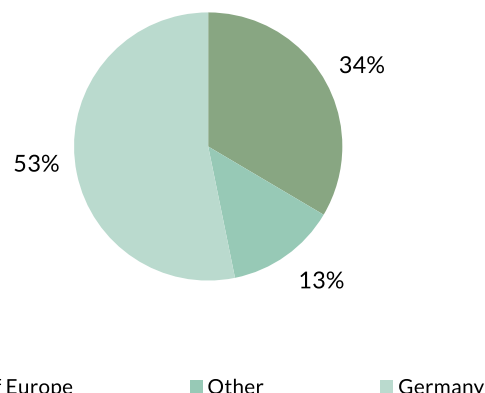
Free Float	33.60%
PartnerFonds AG i.L.	27.10%
JotWE GmbH	15.20%
Kreissparkasse Biberach	13.60%
Schüchl GmbH	10.50%

Sales breakdown(2023)

By business



By region



Investment case

Blue Cap AG is an investment company with a buy, transform & sell business model focusing on SMEs in special situations, which gives investors the opportunity to participate in its proven track record of restructuring SMEs. Since 2017, Blue Cap has successfully realised eight exits with a multiple on the invested capital of over 3x in each case. Based on the company's growing revenues (CAGR +3.5%, 2024e to 2026e) and adjusted EBITDA margins (+250bp, 2023 vs 2026e), as well as its sound financial profile (equity ratio of about 40%, average positive FCF of ca. € 10.9m for 2024e to 2026e), we initiate coverage with an Outperform recommendation. In addition, we believe that its potential intensive M&A activities, with regular divestments and reinvestment of the proceeds in new SMEs, are not reflected in the current share price.

SWOT

Strengths <ul style="list-style-type: none"> - Diversified product portfolio - Experienced management team - Proven track record 	Weaknesses <ul style="list-style-type: none"> - Cyclical business of some portfolio companies - Majority of sales in Germany
Opportunities <ul style="list-style-type: none"> - Growing number of SMEs need succession solutions due to demographics in Germany - Exits for the purpose of further growth in profitability 	Threats <ul style="list-style-type: none"> - Intense competition in core markets of subsidiaries - Economic uncertainty



ESG

Blue Cap firmly believes that long-term economic success can be achieved only if sustainability criteria are incorporated into business activities. The Blue Cap Group is therefore expressly committed to environmental, social and ethical responsibility. Sustainability has been an integral part of the corporate strategy since 2020.

ESG criteria are examined and taken into account in all parts of the company's value chain and also in every area of the portfolio companies. The main cornerstones of Blue Cap's sustainability strategy include:

- Portfolio company acquisition: inclusion of social, ethical, environmental and governance aspects in the investment review and identification of potential improvements at the target companies.
- Exclusion criteria: no consideration given to industries and companies that violate international standards of Blue Cap's values.
- Communication: regular dialogue with the management teams on environmental, social and governance aspects in the portfolio companies.
- Optimisation approach: identification and implementation of individual improvement measures at the companies.

Environment: Blue Cap is aware of its responsibility as regards the attainment of climate targets. It is committed to the targets of the Paris Agreement and is working on measures to ensure the necessary reduction in carbon emissions within the group. This includes intensively examining the use of renewable energies at the portfolio companies and supporting this process with other complementary measures at all times. In addition to reducing carbon emissions, lowering the impact that the group's other activities have on the environment plays an important role, especially for the portfolio companies in industry. At these companies, the focus is on both the manufacturing process and product development. The companies operating in the plastics and adhesives sector in particular now all have "green" product lines in their range as environmentally friendly alternatives, and these are constantly being improved.

Social: the corporate culture at the company boasts a streamlined hierarchical structure and a high level of openness and focus on employees. It is their skills and ideas that set the course for the company's success and significantly contribute to the attainment of medium-term and long-term targets. By offering its employees opportunities to advance their personal and professional development, Blue Cap increases their work satisfaction and ensures that as a company it can meet mounting market demands. In order to retain its employees and attract qualified new specialists, the company offers them a variety of duties, attractive areas of activity and performance-based pay.

Governance: Blue Cap's shareholders, customers, employees, business partners and the public put their trust in the company every day – and in the way that Blue Cap manages the company. The company has earned this trust partly due to its strict adherence to the laws, compliance principles and codes of conduct that the Blue Cap management board and supervisory board have committed to personally and that bring about a shared understanding of values that are lived within the organisation every day.



Contents

Initiation with an outperform rating and a target price of € 26.5	5
Share price development vs SDAX	5
Discount to NAV	6
Target price of € 26.5	6
Sale proceeds may create value for investors	8
Shareholder structure and profiles	9
Listed Private equity firm with its DNA in transformation and turnarounds	10
Focus on SMEs in special situations with high potential for growth enhancement	10
Plastics: ~49% of adj. EBITDA	12
Adhesives & Coatings: ~22% of adj. EBITDA	15
Business Services: ~28% of adj. EBITDA	17
Life Science	20
Members of the management board	22
Blue Cap's approach – Buy, Transform & Sell	23
A successful business model	23
“Blue Cap 2026” strategy	27
Investments in German SME growth stories create long-term value	28
Development of net asset value (NAV)	28
2024e and beyond – profitable growth ahead	29
Appealing financial profile	32



INITIATION WITH AN OUTPERFORM RATING AND A TARGET PRICE OF € 26.5

We determined the fair value of the company by using a SOTP valuation approach. In our view, a valuation based on a DCF may not adequately reflect Blue Cap's unique buy, transform & sell business model, as potential intensive M&A activities with regular divestments and reinvestment of the proceeds in new SMEs, are difficult to forecast. We initiate coverage with an Outperform recommendation and a target price of € 26.5. At the current share price, the discount to H1 2024 NAV per share is around 35% (above the average historical discount of 32%, period from FY 2020 to H1 2024).

Share price development vs SDAX

Since the beginning of 2023, Blue Cap has underperformed the SDAX. The share price reached an all-time high of close to € 35 in June 2021. YTD, Blue Cap has decreased by around 4% whereas the index was almost flat.

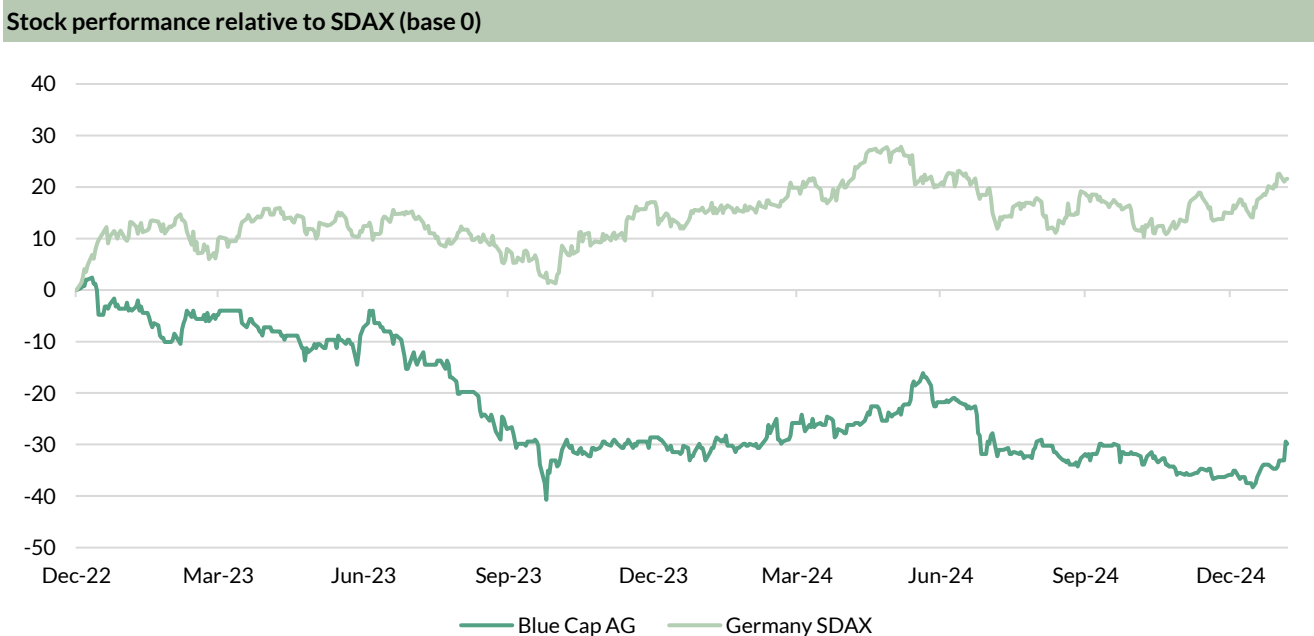


Chart 1 - Source: FactSet



Discount to NAV

Blue Cap calculates its net asset value (NAV) every six months. At the end of June 2024, the share price was at € 19.4, equivalent to a 25% discount to the reported NAV per share at that time, which is below the average historical discount (FY 2020 to H1 2024) of 32%. In our view, the lower discount reflects the focus on fewer business areas with companies generating higher profitability over time. At the current share price, the discount to H1 2024 reported NAV per share is around 32% and we think that it mirrors the deterioration of sentiment in the German private equity market.

Discount to NAV

€	NAV/share	Share price	Discount share price / NAV
June 2024	25.7	19.4	-25%
December 2023	25.0	17.7	-29%
June 2023	31.0	23.0	-26%
December 2022	36.6	24.8	-32%
June 2022	38.3	25.3	-34%
December 2021	39.3	31.0	-21%
June 2021	38.9	25.8	-34%
December 2020	38.5	17.8	-54%

Table 2 - Sources: company, FactSet, ODDO BHF Securities

Target price of € 26.5

We determine the fair value of the shares via a SOTP approach. We add the equity value (calculated by using median 2025e EV/EBITDA peer group multiples and 2025e EBITDA) of each segment (Plastics, Adhesives & Coatings, Business Services) to Blue Cap's reported NAV for inheco. Finally, we deduct 2025e net debt and apply a discount of 20% to the NAV. As the company is expected to become more profitable in the coming years, we think that a lower discount of 20% compared to the average historical discount of 32% is justified. This leads to a fair value of € 26.6. We initiate coverage with an Outperform recommendation and target price of € 26.5.

We included nine companies in our peer group analysis for the Plastics segment. The market cap of these companies ranges from € 52m (Polytec Holding) to € 10.1bn (Aptar Group). We used the 2025e EV/EBITDA median peer group multiple (6.2x) to calculate the equity value of the Plastics segment.

Plastics – peer group multiples

x	Price (€)	Market cap (€ m)	EV/Sales		EV/EBITDA		EV/EBIT	
			2025e	2026e	2025e	2026e	2025e	2026e
Silgan	52.9	5,652	1.43	1.39	8.9	8.5	12.3	11.6
Polytec Holding	2.3	52	0.25	0.23	3.5	2.9	10.9	6.9
Greif	58.9	2,823	1.28	1.14	9.1	7.8	14.0	11.6
AptarGroup	151.2	10,059	3.02	2.84	13.7	12.7	20.4	18.5
Myers Industries	11.6	432	0.98	0.95	6.5	5.8	9.6	8.0
CIE Automotive	25.8	3,091	1.12	1.08	5.9	5.6	7.9	7.4
Autoneum Holding	135.0	788	0.52	0.50	4.5	4.2	9.1	8.1
Autoliv	93.0	7,323	0.88	0.83	6.2	5.6	8.5	7.4
Novem	5.2	225	0.57	0.55	3.8	3.4	5.4	4.8
Average peer group			1.12	1.06	6.9	6.3	10.9	9.4
Median peer group			0.98	0.95	6.2	5.6	9.6	8.0

Table 3 - Source: FactSet



To determine the equity value of the Adhesives & Coatings segment, we take the median 2025e EV/EBITDA peer group multiple (9.0x) of the 8 listed companies in the table below. The market cap of these companies ranges from € 248m (Uzin Utz) to € 78.9bn (3M).

Adhesives & Coatings – peer group multiples

x	Price (€)	Market cap (€ m)	EV/Sales		EV/EBITDA		EV/EBIT	
			2025e	2026e	2025e	2026e	2025e	2026e
Henkel	74.5	34,360	1.66	1.61	9.1	8.7	11.3	10.8
Sika	247.1	39,662	3.54	3.34	17.8	16.3	22.9	20.6
Uzin Utz	49.2	248	0.63	0.60	5.3	5.1	7.8	7.4
3M	146.4	78,984	3.67	3.56	12.8	12.0	15.8	14.8
HB Fuller	60.7	3,320	1.55	1.49	8.8	8.3	13.0	11.5
Church & Dwight	101.5	24,869	4.29	4.13	18.3	17.3	21.9	20.5
BASF	46.6	41,663	0.93	0.89	7.4	6.6	14.4	11.9
Arkema	77.0	5,857	0.91	0.88	5.5	5.2	9.2	8.2
Average peer group			2.15	2.06	10.6	9.9	14.5	13.2
Median peer group			1.60	1.55	9.0	8.5	13.7	11.7

Table 4 - Source: FactSet

To calculate the equity value of the Business Services segment, we included 6 companies in our peer group. The market cap of these companies ranges from € 23m (Straker) to € 8.8bn (Brenntag). We use the median 2025e EV/EBITDA peer group multiple (8.0x) to calculate the equity value of this segment.

Business Services – peer group multiples

x	Price (€)	Market cap (€ m)	EV/Sales		EV/EBITDA		EV/EBIT	
			2025e	2026e	2025e	2026e	2025e	2026e
Avnet	49.7	4,320	0.32	0.30	9.5	7.2	10.8	8.2
Brenntag	60.8	8,776	0.67	0.64	7.2	6.8	9.7	8.9
WESCO International	178.0	8,720	0.63	0.60	8.9	8.3	10.2	9.5
FORTEC Elektronik	19.7	64	0.50	0.47	6.3	4.8	8.3	5.9
RWS	1.6	607	0.76	0.73	3.8	3.5	6.4	5.3
Straker	0.4	23	0.69	0.67	19.6	18.5	-18.5	-28.5
Average peer group			0.59	0.57	9.2	8.2	4.5	1.6
Median peer group			0.65	0.62	8.0	7.0	9.0	7.1

Table 5 - Source: FactSet

SOTP of Blue Cap

€ m	2025e Adj. EBITDA	2025e EV/EBITDA (x)	Valuation	Valuation method
Plastics	18.1	6.2	112.0	median peer group multiples
Adhesives & Coatings	3.5	9.0	31.8	median peer group multiples
Business Services	2.7	8.0	21.6	median peer group multiples
NAV of inheco			9.0	42% shareholding, NAV in H1 2024 reported
Sum of portfolio companies			174.4	
Net debt (-) / net cash (+)			-25.2	2025e
Blue Cap NAV			149.3	
NAV discount			-29.9	20% discount to NAV
Blue Cap incl NAV discount			119.4	
Number of shares ('000)			4,486	
Value per share (€)			26.6	

Table 6 - Source: ODDO BHF Securities



Sale proceeds may create value for investors

We believe that investors can benefit from the recent sale of Neschen and nokra as the proceeds from the sale (ODDO BHF€ € 30m) open up the possibility of investing in new portfolio companies. Blue Cap is focusing in particular on companies in special situations that offer high potential for value creation. The focus lies on companies with annual revenue of ca. € 20m to € 200m and an EBITDA margin of between 0% and 5%.

In a simple calculation, we assume that Blue Cap will invest the sale proceeds from Neschen and nokra in one or more companies. If we apply an EV/Sales multiple of 0.50x to the sale proceeds of € 30m, Blue Cap could target companies with combined revenues of € 60m.

In our scenario, we assume companies with revenues of € 55m (equivalent to invested sales proceeds of € 27.5m, after paying a special dividend of € 0.10 for 2024e) and an EBITDA margin of 2.5%, which is at the mid-point of the 0% to 5% range (see Year 0 in table below). Revenues would increase to € 70.2m and EBITDA to € 4.9m (EBITDA margin of 7.0%) in year 5 and the company or companies would be sold.

Depending on various EV/Sales multiples (ranging from 0.5x to 1.0x), shareholders would benefit from the increase in value as the multiple on invested capital would range from 1.3x to 2.6x. If we discount the average gain of € 25.1m (average of the EV based on the different EV/Sales multiples less invested capital) with a WACC of 9.45% to the end of 2025, it would add € 2.90 per share (after applying a discount of 20% to the NAV) to our target price of € 26.5.

P&L						
€ m	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	55.0	57.8	60.6	63.7	66.9	70.2
% Chg. y-o-y		5.0%	5.0%	5.0%	5.0%	5.0%
EBITDA	1.4	1.7	2.4	3.2	4.0	4.9
EBITDA margin	2.5%	3.0%	4.0%	5.0%	6.0%	7.0%
D&A		-2.9	-3.0	-3.2	-3.3	-3.5
As a % of revenue		5.0%	5.0%	5.0%	5.0%	5.0%
EBIT		-1.2	-0.6	0.0	0.7	1.4
EBIT margin		-2.0%	-1.0%	0.0%	1.0%	2.0%
Financial result		-0.5	-0.5	-0.5	-0.5	-0.5
EBT		-1.7	-1.1	-0.5	0.2	0.9
Income tax		0.5	0.3	0.2	-0.1	-0.3
Tax rate		30.0%	30.0%	30.0%	30.0%	30.0%
Net income		-1.2	-0.8	-0.4	0.1	0.6
Number of shares of Blue Cap (m)		4.486	4.486	4.486	4.486	4.486
EPS (€)		-0.26	-0.17	-0.08	0.03	0.14

Table 7 - Source: ODDO BHF Securities

Multiple on invested capital (€m)						
Revenue in Year 5	70.2	70.2	70.2	70.2	70.2	70.2
EV/Sales multiple	0.5	0.6	0.7	0.8	0.9	1.0
EV	35.1	42.1	49.1	56.2	63.2	70.2
Invested capital	27.5	27.5	27.5	27.5	27.5	27.5
Multiple on invested capital (x)	1.3	1.5	1.8	2.0	2.3	2.6

Table 8 - Source: ODDO BHF Securities



Shareholder structure and profiles

Blue Cap's share capital is divided into 4,486,283 ordinary bearer shares. The company was floated on the stock market on 10 October 2006 at an issue price of € 2.79. The shares are traded in the Scale segment. Blue Cap's shareholders include three anchors: JotWe GmbH (15.2%), Kreissparkasse Biberach (13.6%) and Schüchl GmbH (10.5%). All three shareholders pursue a long-term investment strategy. In addition, the share of PartnerFonds AG i.L., stands at 27.1%. The resolution to liquidate PartnerFonds AG i.L. was passed at an extraordinary general meeting held by the company in May 2020. The shares held by PartnerFonds AG i.L. will be sold during the course of the liquidation. There is currently no deadline for the completion of this process. The aim is for the sale to impact the Blue Cap share price as little as possible.

Shareholder structure (as of 31 December 2023)

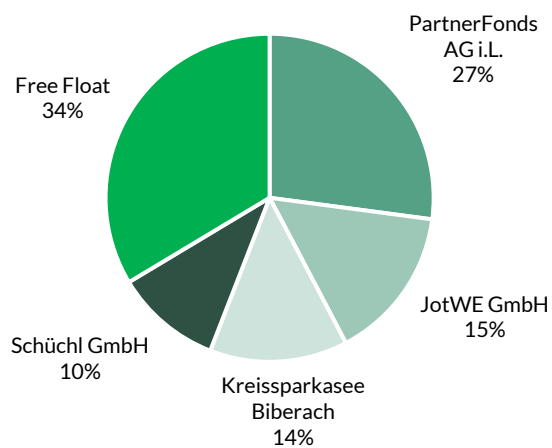


Chart 9 -Source: company



LISTED PRIVATE EQUITY FIRM WITH ITS DNA IN TRANSFORMATION AND TURNAROUNDS

Blue Cap generates exceptional revenue and value growth via its diversified portfolio of small and medium-sized enterprises (SMEs) in Germany. Since 2012, revenue and earnings (adj. EBITDA) have grown by an average of 12.5% and 14.1%, respectively (CAGR 2012 to 2023). Blue Cap aims to further increase the value of the company by implementing appropriate turnaround and transformation strategies in each of the portfolio companies and selling them in order to reinvest the proceeds in new SMEs.

Focus on SMEs in special situations with high potential for growth enhancement

Blue Cap AG is a listed investment company, established in 2006 and headquartered in Munich (Germany). The company acquires small and medium-sized enterprises (SMEs) in the B2B sector that are facing special situations and oversees their entrepreneurial development, the aim being to sell them at a profit at a later date. The companies acquired are primarily headquartered in Germany, Austria and Switzerland, generate revenue of between € 20m and € 200m and have a sustainable or intact core business. The group is active in five segments (Plastics, Adhesives & Coatings, Business Services, Life Science, Others), had an average of 1,241 employees in 2023 and operates in Germany, Europe and the US. Around 53% of its revenues is generated in Germany. In 2023, Blue Cap reported revenue of € 273.3m and an adjusted EBITDA margin (based on adjusted total output) of 8.5%.

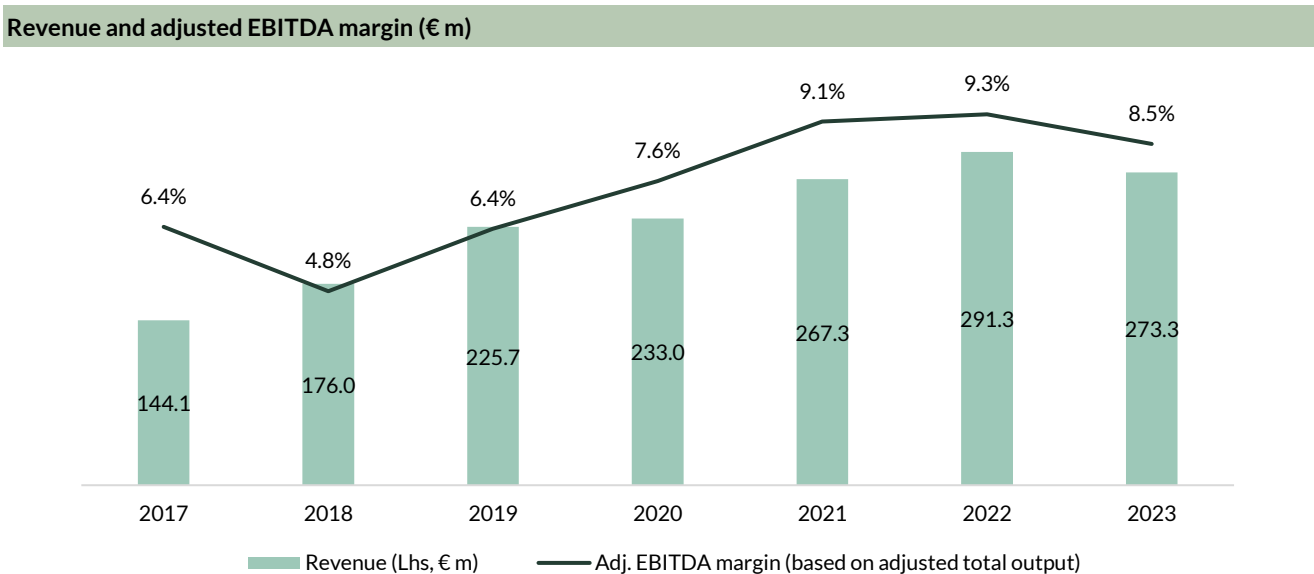


Chart 10 -Source: company



Blue Cap currently holds mostly majority stakes in six SMEs (small and medium-sized enterprises) operating in various sectors, sales markets and industry cycles. The structure of the business segments is as follows:

Structure of the group

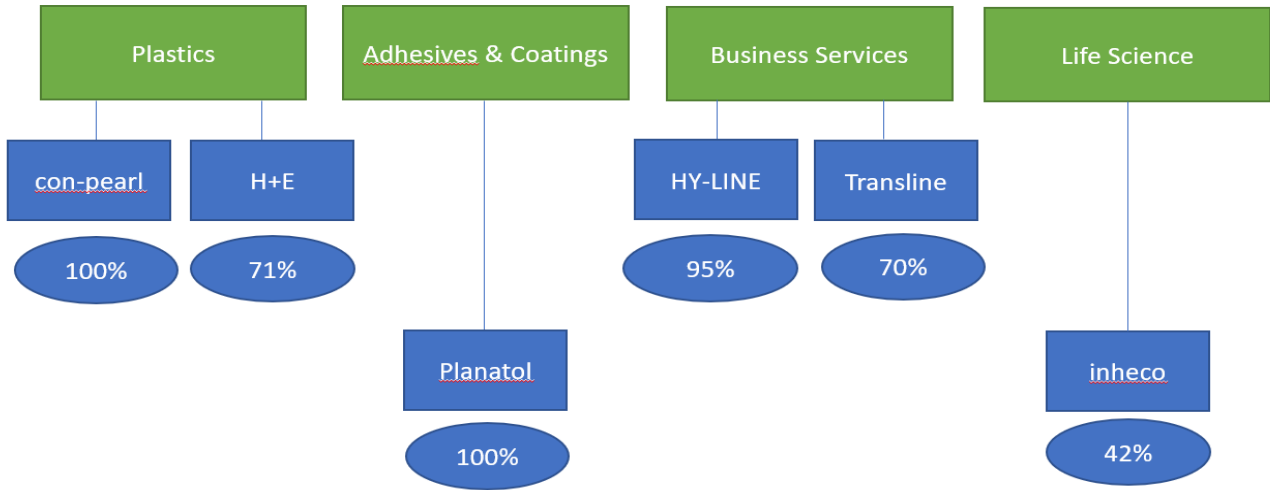
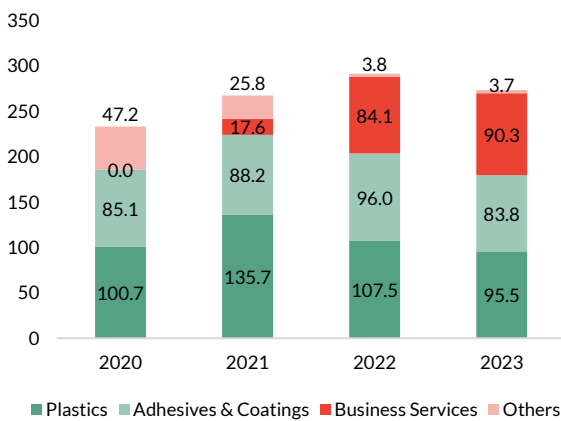


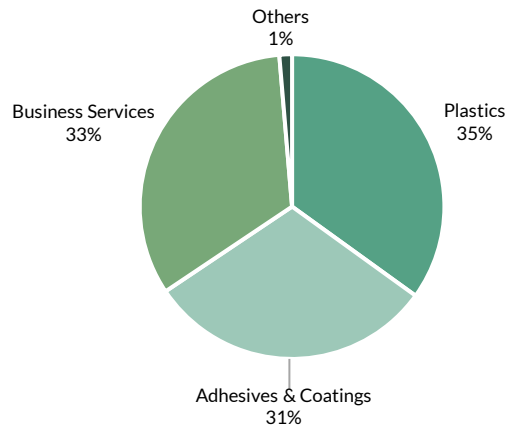
Chart 11 - Source: company

The charts and numbers below include Neschen, which was part of Adhesives & Coatings, and nokra, which was part of Others. Nokra was sold in September 2024 and Neschen in October 2024. Nokra, a global supplier of measuring and inspection systems for the manufacturing industry, generated revenue of € 3.5m in 2023 and was sold to Vishay Precision Group. Neschen, a specialist in modern self-adhesive products and coated media, was sold to strategic investor ATP adhesive systems AG. In 2023, Neschen reported revenue of € 51.5m.

Revenue by segment (€ m)



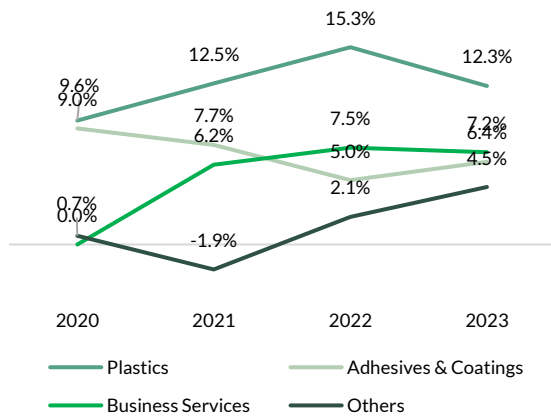
Breakdown of total revenue by segment (2023)



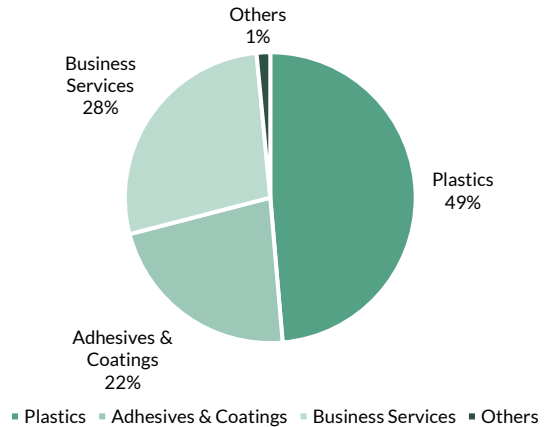
Charts 12 - Source: company



Adj. EBITDA margin by segment



Breakdown of Adj. EBITDA by segment (2023, excl. consolidation)



Charts 13- Source: company

Plastics: ~49% of adj. EBITDA

The Plastics segment comprises con-pearl, which produces innovative lightweight plastic products, and HE, a manufacturer of plastic parts and assemblies for the automotive and household appliance industry. In 2023, the segment reported revenue of ca. € 95.5m and an adjusted EBITDA margin (based on adjusted total output) of 12.3%.

Revenue (€ m) and adjusted EBITDA margin (%)

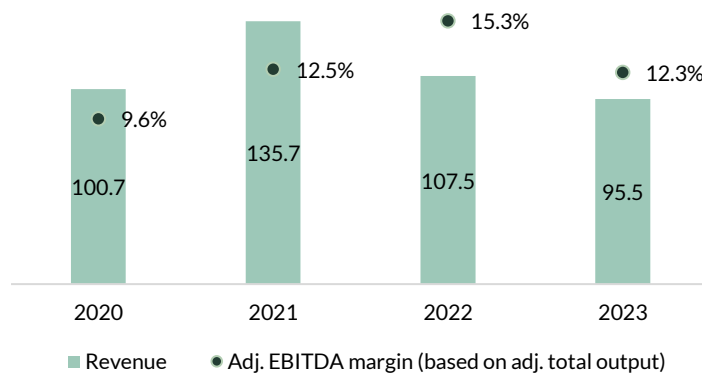


Chart 14 - Source: company

Con-pearl (100% shareholding)

Con-pearl was acquired in 2019 and Blue Cap holds a 100% stake in the company. Con-pearl's value-added process begins with the extraction of the raw material at the company's own recycling plants in Leinefelde and Hillscheid (formerly Recyplast GmbH, acquired in 2021). This process involves obtaining plastic granulate from post-industrial polypropylene and polyethylene waste. The granulate is either processed to meet customer-specific requirements and sold directly as a high-quality recycle or it is used in internal production at the main plant. Later on in the value chain, con-pearl specialises in the production of thermally laminated lightweight boards made of polypropylene foil layers.



The potential applications in the two main customer industries are diverse: in the automotive industry, the lightweight boards are used in van flooring, head liner covers and luggage area flooring in vans and buses. For the logistics industry, con-pearl develops and manufactures individual reusable packaging for transportation and storage.

Con-pearl GmbH (key data)

Activity	Manufacturer of innovative lightweight plastic products
Markets	Automotive, Logistics
Locations	Geismar (headquarters), Leinefelde, Greenville (USA)
Revenue in 2023	€ 54.6m
Employees in 2023	273 (incl. trainees)
Established	1990 (last change of name in 2019)
Joined portfolio	2019
Blue Cap shareholding	100%

Table 15 - Source: company

In 2023 revenues fell by almost 19% y-o-y to € 54.6m as major projects were postponed due to the economic uncertainty and the sharp reduction in demand in e-commerce (incl. an expected reduction in orders in the logistics sector). In addition, the market remained weak in the Materials Services sector. This was offset by positive momentum in the “Last Mile Logistics” segment. This trend is based on new logistics systems that are characterised in particular by smaller units and faster deliveries. For 2024, the company forecasts an increase in sales, mainly driven by its US business, with sustainably strong margins.

Corn-pearl revenue (€ m)

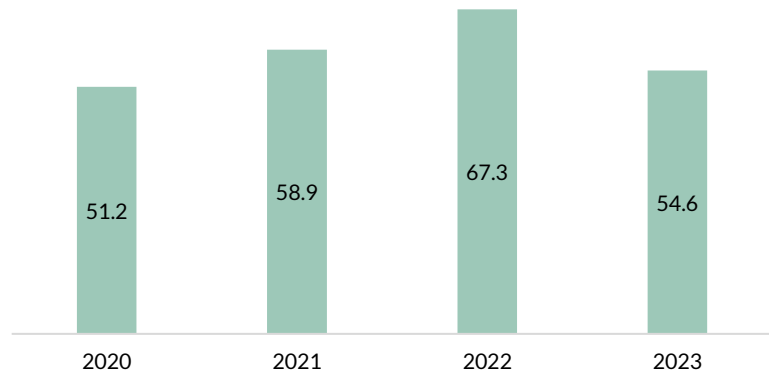


Chart 16 - Source: company

Con-pearl has an extraordinarily high level of sustainability expertise; this is not only significant from an ecological expertise standpoint but offers economic advantages as well. On the one hand, the company’s two recycling plants promote its independence from raw material procurement in the plastics market. On the other hand, con-pearl is able to offer its customers circular economy projects, taking advantage of the 100% recyclability of its products in the process. True to the motto “from plastic waste to resource”, the used products are recycled in the company’s own plants and turned into new products. The result is extreme frugality with raw materials, which proves its worth on all levels when raw materials are scarce and prices are increasing. The increased demand for sustainable concepts on the customer side, both in Europe and the US, confirms the high weighting of sustainability expertise in the company’s business model. The expansion into the US is already bearing fruit thanks to new projects won. The potential in this market is high, as there are hardly any suppliers of comparable products and customers are just beginning to appreciate con-pearl’s sustainability expertise.



Blue Cap AG offers the company support with the following projects:

- Strategic further development with a focus on individual system solutions with and without the inclusion of circular economy services.
- Expansion of sales activities.
- Testing the use of renewable energies at two plants.
- Acquisition and integration of Recyplast GmbH and expansion of the recycling site.

H+E Group (71% shareholding)

H+E Group has been part of Blue Cap since 2021 with a shareholding of 71%. It develops and manufactures top-quality plastic parts and assemblies for car interiors and for the household appliance industry. Specialising in internal gas pressure moulding, H+E supports its customers from the product idea through to series production. Product expertise spans from simple plastic parts to complex assemblies featuring high-quality surfaces and an appealing feel. The product range includes interior door controls, roof grab handles, trim panels, lacquered and chromium-plated decorative elements as well as various handles and opening mechanisms. Other core competencies are toolmaking and process development.

H+E Group (key data)

Activity	Solutions provider of high-quality assemblies made from thermoplastics
Markets	Automotive, household
Locations	Ittlingen (headquarters), Sinsheim
Revenue in 2023	€ 40.9m
Employees in 2023	204 (incl. trainees)
Established	1976 (last change of name in 2021)
Joined portfolio	2021
Blue Cap shareholding	71%

Table 17 - Source: company

In 2023, revenues improved by 2.5% y-o-y to € 40.9m as the high proportion of sales in the cyclical automotive industry put pressure on the company. The decline in demand was exacerbated in the second half of the year by flooding in eastern Europe, which led to production stoppages at suppliers and OEMs. However, the withdrawal of some competitors from the market offered H+E good opportunities to take on projects and win new orders. Overall, the company has come closer to its goal of positioning itself as a development supplier. Although growth in the first 9 months of 2024 went well for H+E and led to an optimistic year-end outlook, volatility in demand remains high and makes forecasting increasingly hard. Securing margins has been set as the top priority in 2024 and, according to Blue Cap, will likely be achieved.

H+E Group revenue (€ m)

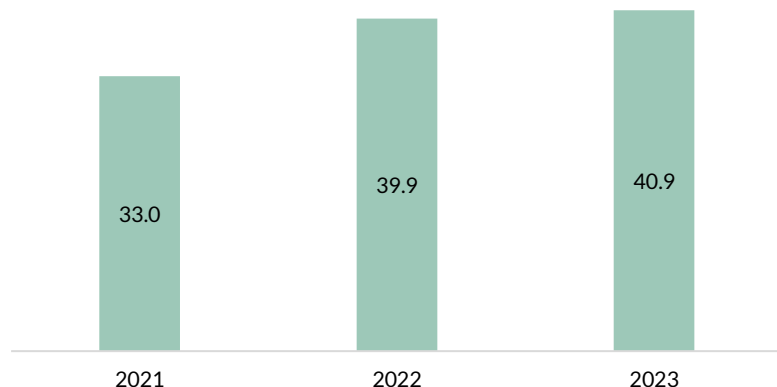


Chart 18 - Source: company



Thanks to decades of experience, the group of companies has extensive expertise in process technology. This enables H+E to meet even high complexity and quality requirements for its customers. The company uses this ability to position itself as a development supplier for OEMs. The current mixed market situation moves the company closer to this vision. This is because the pressure on competitors offers considerable potential for acquiring new customers and projects and for deepening value creation. The company gains a further competitive advantage from the fact that it generally delivers its products directly to the OEMs' production lines.

Blue Cap AG offers the company support with the following projects:

- Integration of the organisation and production of the three sub-companies.
- Expansion of sales activities and tapping into new markets.
- Examination of inorganic growth.
- Standardisation and modernisation of IT systems.
- Reviewing further improvements to sustainability, e.g. energy efficiency and the use of recycled raw materials.

Adhesives & Coatings: ~22% of adj. EBITDA

The Adhesives & Coatings segment comprises Planatol, a specialist for adhesives, applications and application systems and, until October 2024, Neschen Coating GmbH, a specialist in modern self-adhesive products and coated media. Neschen Coating GmbH was sold to strategic investor ATP adhesive systems AG in October 2024. The segment (incl. Neschen Coating GmbH) posted revenue of € 83.8m (with € 51.1m for Neschen Coating GmbH) and an adjusted EBITDA margin (based on adjusted total output) of 6.4% in 2023.

Revenue (€ m) and adjusted EBITDA margin (%) (including Neschen)

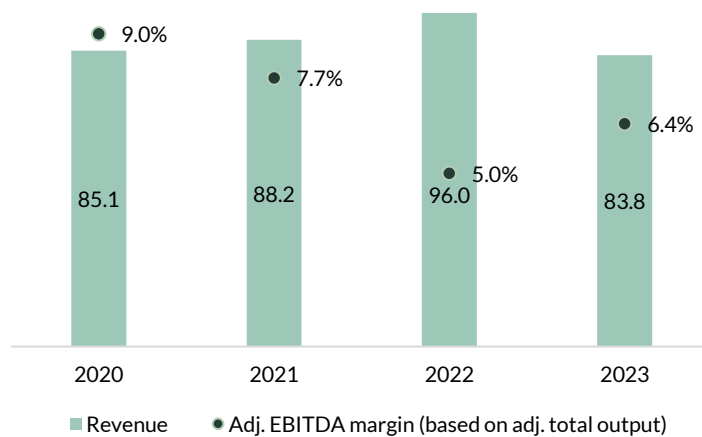


Chart 19 - Source: Company



Planatol (100% shareholding)

Planatol was added to the Blue Cap portfolio in 2009 (majority stake since 2011). The company is a global supplier of solvent-free adhesive products and application systems, and its customer industries are broadly diversified. Planatol's adhesives are used in book binding, for complex types of paper and for finished surfaces, as well as for other applications in the graphics sector. In the packaging industry, Planatol adhesives can be found in applications such as folding boxes and end-of-line packaging. The company also supplies the wood industry with adhesive solutions for furniture, kitchen fittings, wood-based materials, doors and windows. The industrial adhesives are used in the construction industry as well as in the textile sector. The range is rounded off by adhesive processing systems. Planatol continuously develops new solutions to enhance customer loyalty and meet even complex requirements with customised and individual products.

Planatol (key data)	
Activity	Specialist in adhesives, applications and application systems
Markets	Broadly diversified (graphics sector, packaging, wood, construction)
Locations	Rohrdorf-Thansau (headquarters), Herford, Paris (France), Milan (Italy)
Revenue in 2023	€ 32.7m
Employees in 2023	127 (incl. trainees)
Established	1932
Joined portfolio	2009 (majority stake since 2011)
Blue Cap shareholding	100%

Table 20 - Source: Blue Cap

Planatol fell short of expectations in 2023. The economic slowdown in Germany manifested itself in a significant reduction in demand. The main reasons for this were high inflation and the rise in interest rates, which led to a significant decline in consumption, particularly in the furniture and packaging sectors. As a result, revenue declined by almost 16% to € 32.7m. After the first three quarters in 2024, there is no visible market recovery, and the company is preparing itself for further quarters with similarly low sales levels. For 2025, Blue Cap does not expect sales to recover in the near future and is preparing for an equally challenging year.

Planatol revenue (€ m)

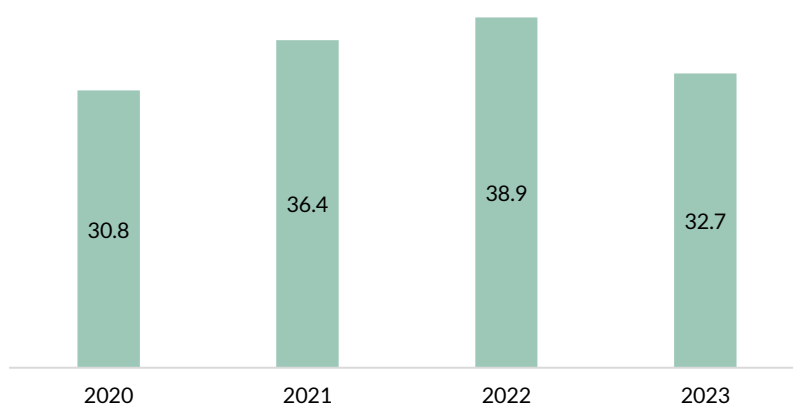


Chart 21 - Source: company



Thanks to customised solutions, Planatol is able to concentrate on niches where the cost advantages of major competitors often have little or no relevance. Planatol clearly differentiates itself through application expertise and a technically skilled sales force. This brings a competitive advantage in terms of customer acquisition and retention. Adhesive processing systems in the graphic arts sector increase vertical integration and hence also customer access. A key value driver for further development is the optimisation of the sales organization. The aim is to acquire new customers, particularly in the wood, industrial and bookbinding sectors. In addition, the extensive product and application portfolio has not yet been fully marketed abroad. This growth potential is set to be realised in the coming years by the new export sales team.

Blue Cap AG offers the company support with the following projects:

- Expansion of international sales activities.
- Optimisation of working capital management.
- Digitalisation of customer interface and sales processes.
- R&D projects in the field of sustainable adhesives.
- Optimisation of price management.
- Implementation of the use of regenerative energies at the Rohrdorf site.

Business Services: ~28% of adj. EBITDA

This segment consists of HY-LINE, an application specialist for electronic components and solutions, and Transline, a language service provided with a high degree of automation and digitalisation. In 2023, Business Services recorded revenue of € 90.3m and an adjusted EBITDA margin (based on adjusted total output) of 7.2% in 2023.

Revenue (€ m) and adjusted EBITDA margin

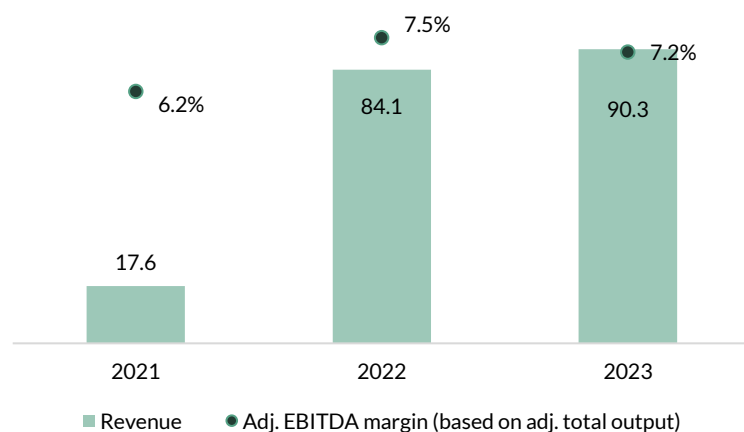


Chart 22 - Source: company



HY-LINE (95% shareholding)

HY-LINE (part of Blue Cap since 2021, current shareholding 95%) is a value-added electronic components distributor and systems supplier with a special focus on technical consulting and development expertise. This means that HY-LINE enters the value chain even earlier and creates additional added value for its customers by developing its own products and systems. Its customers come from any sector in which professional electronics are required. In particular, they are companies from the medical, automation, mechanical engineering and industrial truck sectors.

HY-LINE (key data)

Activity	Application specialist for electronic components and solutions
Markets	Medical sector, automation, mechanical engineering, industrial trucks
Locations	Unterhaching, Schaffhausen (Switzerland)
Revenue in 2023	€ 69.0m
Employees in 2023	95
Established	1988
Joined portfolio	2021
Blue Cap shareholding	95%

Table 23 - Source: company

HY-LINE's performance in 2023 was on par with the very strong previous year. As the company started the year with an extremely good order book, the first half of the year clearly stood out in terms of earnings. In the second half of 2023, there was a noticeable drop in demand across the entire product portfolio. Nevertheless, HY-LINE's revenue rose by more than 2% to € 69.0m. Due to a slump in the electronics industry, Blue Cap does not expect a recovery in 2024 and is preparing for an equally challenging 2025.

HY-LINE revenue (€ m)

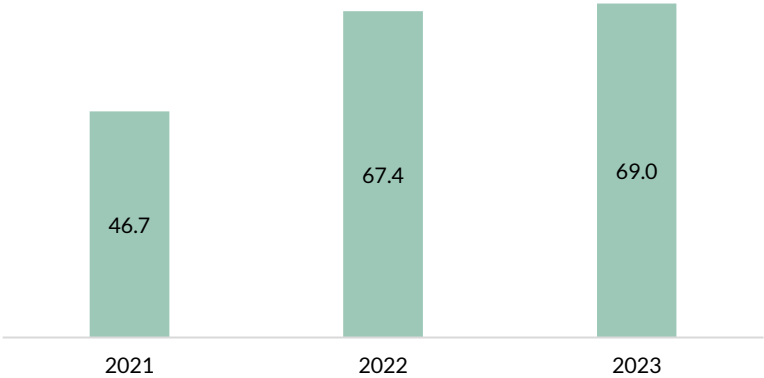


Chart 24- Source: company

An important driver of HY-LINE's success is its strong development and consulting expertise in the product design phase, which generates a high proportion of recurring sales over the product life cycle. The high level of diversification in terms of industries as well as long-standing and trusting business relationships with customers as well as suppliers strengthen the group as a whole. The transformation to ONE HY-LINE is paying off in terms of higher scalability, strong synergies and cross selling within the group of companies. A key related measure was the strengthening of the sales organisation in 2023. Focused strategic market development and optimised sales management while expanding the sales team will make a significant contribution to the company's success. Megatrends such as the Internet of Things and smart homes, as well as the long-term positive outlook for individual end markets such as medical technology, also create good opportunities for further growth.



Blue Cap AG offers the company support with the following projects:

- Development and expansion of systematic sales and new customer offensives.
- Organisational development.
- Repositioning and professionalisation of the marketing approach.
- International expansion in other European countries.
- Examination of inorganic growth.

Transline (70% shareholding)

Transline, an established German translation service provider, was founded in 1986, and became part of Blue Cap in 2022. The current shareholding is 70%. For more than 35 years, Transline has been actively involved in the transformation of the language industry. What began with the typewriter has evolved to machine translation and AI. Today, the company is one of Germany's largest communications service providers and runs a proprietary digital order platform. A dedicated point of contact for each customer controls all process steps relating to language management, automated whenever possible. Transline is a language logistics provider that adapts its clients' messages intelligently, with cultural sensitivity, to the expectations and needs of the international target markets. Every year, the company delivers over 35m words in 160 languages around the world, from technical documentation and marketing texts to contract and patent documents. Its customers include many large, global customers such as Bosch, Miele and TeamViewer.

Transline (key data)

Activity	Language service provider with a high degree of automation and digitalisation
Markets	Strategic focus on growing markets such as medical technology, pharmaceuticals, e-commerce and software
Locations	Reutlingen, Munich, Walldorf, Cologne, Grünbach, Modena (Italy), Schiltigheim (France)
Revenue in 2023	€ 21.3m
Employees in 2023	155
Established	1986
Joined portfolio	2022
Blue Cap shareholding	70%

Table 25 - Source: company

Transline performed slightly better in 2023 (revenue +2.9% y-o-y to € 21.3m) than in the previous year. This was mainly due to the expansion of existing customers and the acquisition of some new ones. Overall, however, the tense economic situation had an impact on incoming orders. This is because the economic downturn led customers to postpone product launches, shelve medical studies, reduce their marketing budgets and so on. After reporting Q3 2024 numbers, Blue Cap expects that targets for margin and sales improvements will be missed, with no catch-up to be expected for the remainder of 2024. One of the key challenges for 2025 will be to compensate for lost volumes.



Transline revenue (€ m)

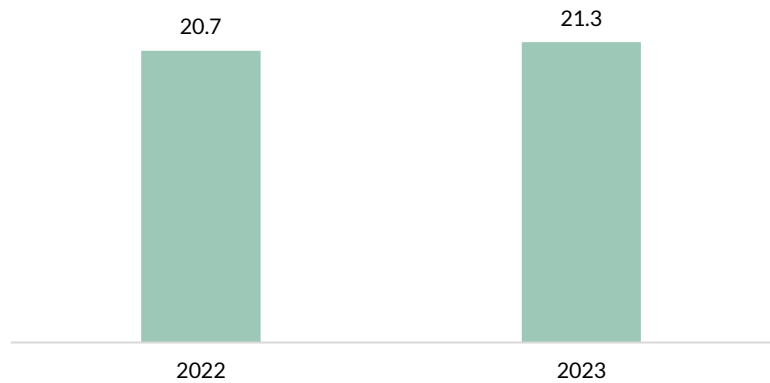


Chart 26 - Source: company

Transline operates in an attractive environment that is positively shaped by increasing digitalisation and globalisation. AI and the rapid development of large language models (LLMs – the best known LLM is currently OpenAI’s GPT family) are likely to be the biggest transformers in the language service market over the next few years. Transline sees this disruption as an opportunity to further improve its own productivity, while offering its customers even more services from a single source. In addition, further market consolidation among smaller service providers is expected. By establishing itself as a full-service provider for multilingual communication, Transline has the opportunity to gain market share and set itself apart from a large number of competitors in a highly fragmented market. The company’s proprietary digital platform also plays a key role here, ensuring a secure, certified infrastructure and high efficiency in order processing. Additional growth impetus may come from buy-and-build acquisitions, which serve to acquire new customers and tap into new sectors.

Blue Cap AG offers the company support with the following projects:

- Identification & review of acquisition options to be able to realise new technologies or growth in new markets (geographically/sectorally).
- Optimisation and further development of the sales organisation.
- Improvement of receivables management.

Life Science

This segment comprises the minority stake (42%) in inheco. In 2023, inheco generated revenue of € 21.2m.

inheco (42% shareholding)

In addition to the above-mentioned companies, Blue Cap has a minority stake of 42% in inheco (part of Blue Cap since 2006). Inheco is leading supplier of LabTech products for laboratory automation. Since it was founded in 2000, inheco has become an established player in the laboratory market. As a manufacturer of various instruments for the control and monitoring of bio-chemical reaction processes, the company supplies a broad customer group from the life sciences and diagnostics sectors. Products include heating, cooling and shaking assemblies, incubators and thermal cyclers. The range spans standard products and proprietary systems to customised OEM solutions. Among the numerous customers are renowned names such as Hamilton, Agilent, ThermoFisher and Roche.



Inheco (key data)

Activity	Supplier of LabTech products for laboratory automation
Markets	Life sciences and diagnostics sectors
Locations	Martinsried
Revenue in 2023	€ 21.2m
Employees in 2023	103 (incl. trainees)
Established	2000
Joined portfolio	2006
Blue Cap shareholding	42%

Table 27 - Source: Company

In 2023, inheco had to contend with a slowdown in the medical technology market and suffered from a significant decline in demand. This contrasted with the substantial investments and expansion in the previous year, which were made on the basis of the strong growth in earlier years. As a consequence, the management team immediately initiated the “Restart 2023” turnaround programme. Nevertheless, from a purely economic perspective, the year fell far short of expectations with a negative contribution to earnings. For 2024, Blue Cap expects that inheco will show a strong recovery. The company has a good order backlog, ensuring that sales are in line with current trading. However, no additional tailwinds are expected from the markets.

Inheco revenue (€ m)

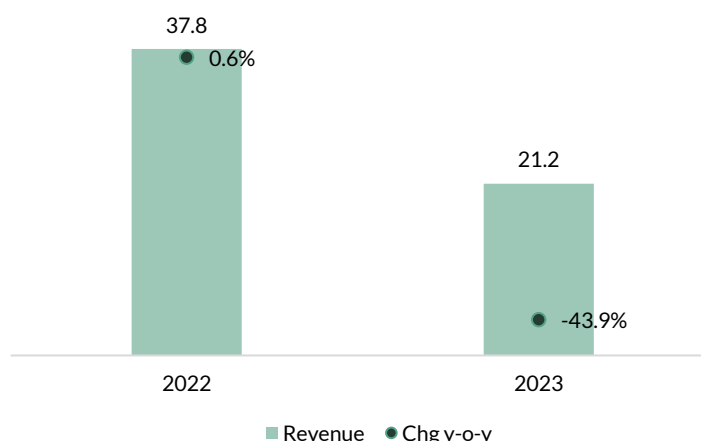


Chart 28 - Source: company

Although 2023 brought little success for inheco, the business model remains very promising. In light of the good medium to long-term sales prospects in the life sciences sector, the company has an optimistic view of the future. It has also laid the foundations for sustained positive development with its turnaround programme. In addition, its optimism is fuelled by an intact market trend overall, which is also in line with the expectations of major competitors. Laboratory automation is the main catalyst for the development of the life sciences industry and has developed rapidly in recent years. Inheco can benefit greatly from this future with an adapted, efficient corporate structure.



Members of the management board

Blue Cap's executive board consists of two members, that have varied professional backgrounds and many years of significant experience.

Management board



Chart 29 - Sources: company; From left to right: Henning Eschweiler (COO), Dr. Henning von Kottwitz (Chairman and CEO)

Dr. Henning von Kottwitz has been chairman and CEO of Blue Cap AG since October 2023. He is responsible for mergers & acquisitions, capital markets, finance and law. A lawyer with a doctorate, he has 10+ years of experience in the investment industry and in restructuring German medium-sized companies. He began his career at a leading strategy consultancy, where he particularly advised companies in the industrial goods sector, both on growth strategies and programmes to increase efficiency. In addition, he was active for many years in various management and leadership positions, including at medium-sized industrial and logistics companies.

Henning Eschweiler has been Chief Operating Officer since September 2022 and is responsible for portfolio management and sustainability at Blue Cap AG. Mr. Eschweiler is a trained industrial mechanic and studied mechanical engineering and business administration at RWTH Aachen University and ETH Zurich. In parallel to the completion of his studies, Mr. Eschweiler was involved in the conception of a mobility start-up before he joined Struktur Management Partner GmbH as a consultant. There he advised medium-sized companies in the food, trade and industry sectors in particular on the development of programmes to increase growth and earnings or, as CRO, was responsible for their implementation. More recently, Mr. Eschweiler worked at the Dutch-German private equity house Nimbus, where he was responsible for both M&A transactions and portfolio management. As a member of the advisory board or managing director, he has assumed responsibility in selected portfolio companies.



BLUE CAP'S APPROACH – BUY, TRANSFORM & SELL

Blue Cap acquires companies in the B2B sector that face special situations and stand at a crossroads in their corporate journey. As a temporary owner, it actively supports the portfolio companies in their development during the holding period of between three to seven years.

A successful business model

As an investment company, Blue Cap acquires and backs medium-sized companies in the B2B sector (industrial goods and service sector across all industries) in special situations that have clear potential to improve their earnings and growth prospects. These may include upheaval situations requiring extensive restructuring or unresolved succession situations and corporate carve-outs. Drawing on its cross-sector expertise, Blue Cap assists its portfolio companies in their strategic and operational development in order to actively increase their value with a view to selling the company at a profit a later date. As such, its business model is based on a Buy, Transform and Sell approach.

Buy – through a structured M&A process

The transformation of the portfolio involves active acquisitions. Blue Cap acquires companies which face special situations and stand at a crossroads in their corporate journey.

Focus on special situation targets with restructuring needs

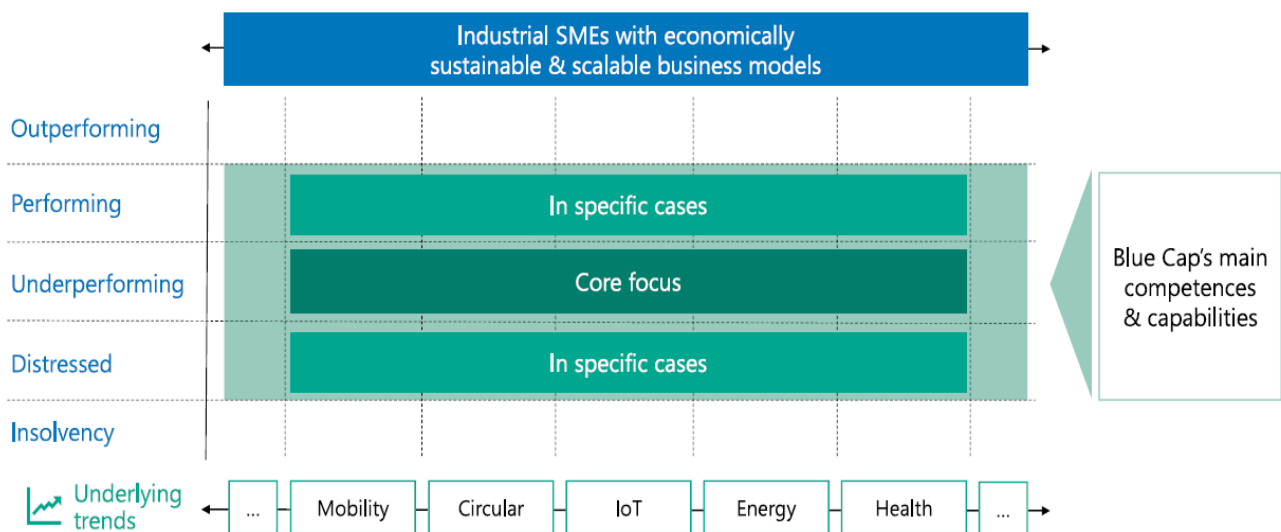


Chart 30 - Source: Company



Target companies are systematically identified and selected based on defined investment criteria. In particular, the potential for value enhancement and Blue Cap's turnaround and transformation expertise based on a sustainable business model are examined. Blue Cap works with a wide and varied network of consultants within a structured M&A process. The key characteristics of potential acquisitions of SMEs in the B2B sector are identified.

Blue Cap's focus is on SMEs in the B2B sector with the following criteria:

- Special situations.
- Intact core business.
- Discernible value enhancement potential.
- Attractive positioning in a market niche.
- Registered office in Germany, Austria or Switzerland.
- Annual revenue of approx. € 20m to € 200m.
- Adjusted EBITDA margin 0-5%.
- Majority interest.
- Compatibility with Blue Cap's sustainability objectives.

The initial situations are as diverse as the companies acquired. They may include upheaval situations with extensive restructuring requirements or unsolved succession situations and group spin-offs. What they have in common is an increased need for active management. Blue Cap adapts to individual circumstances and puts the company's potential at the forefront of its priorities.

- **Upheaval or crisis situation**, the aim being to future-proof the company economically and strategically.
- **Succession planning**, the aim being to successfully keep the company on track with a new shareholder and upgraded operations, while maintaining its core at the same time.
- **Group spin-off**, the aim being to establish the company on the market as a stand-alone entity with clear positioning and an independent structure.
- **Growth challenge**, the aim being to provide the company with the capital and all the skills it needs to successfully reach the next growth stage.

The investment process differs from case to case and is tailored to the individual situation. Typically, however, the process is divided into three main phases and usually takes three to six months from initial contact to completion of the transaction. Discretion takes top priority, and the exchange of information is confidential.

- **Phase 1: Discussion**

Initial contact is made via Blue Cap's broad network. It also continually screens for potential and suitable (add-on) acquisitions themselves. Blue Cap reviews the information at hand (product information, target market, organisational structure, finances), followed by a face-to-face meeting in which it compares the interests of the buyer and seller. Blue Cap takes economic parameters and its wealth of experience into consideration and submits a first indicative offer.



- **Phase 2: Investment decision**

Due diligence begins with a detailed examination of the company, sometimes with the help of external experts, reviewing the market, customers and competition (commercial due diligence), finances (financial due diligence), taxes and law (tax & legal due diligence). At this stage, the management team meets with its advisors to obtain as comprehensive as possible an overview of the company's key areas and in particular to draw up a joint strategy for its future. Once the due diligence process has been completed, the management board decides whether or not to submit a final offer based on the results of the due diligence review. After reaching an agreement on the final offer, negotiations and discussions on key contracts such as purchase price agreements, management participation and shareholders' agreements follow.

- **Phase 3: Completion**

Once contract negotiations are complete, the contracts are signed and usually notarised. In the event that certain steps are still required before the contracts can be completed, there may be a gap between the signing of the contracts and the completion of the transaction (closing). This can range from a few days to several months. Closing the transaction marks the economic transfer of the company and requires, among other things, payment of the purchase price.

Transform – active portfolio management

As a matter of principle, all portfolio companies pursue stand-alone, operational strategies which are driven forward independently by their management teams. At the same time, Blue Cap provides the portfolio companies with active, close support. Both immediately after the acquisition during the onboarding phase, and also as part of the companies' future strategic and operational development.

During the onboarding phase, Blue Cap supports each company closely with the commercial integration and achieves defined quick wins from the due diligence process. As early as the onboarding phase, Blue Cap defines the transformation projects together with the management team and devises a quantified vision. This is done with the Blue Cap transformation radar, which identifies value drivers across seven dimensions.

Established transformation radar for value creation

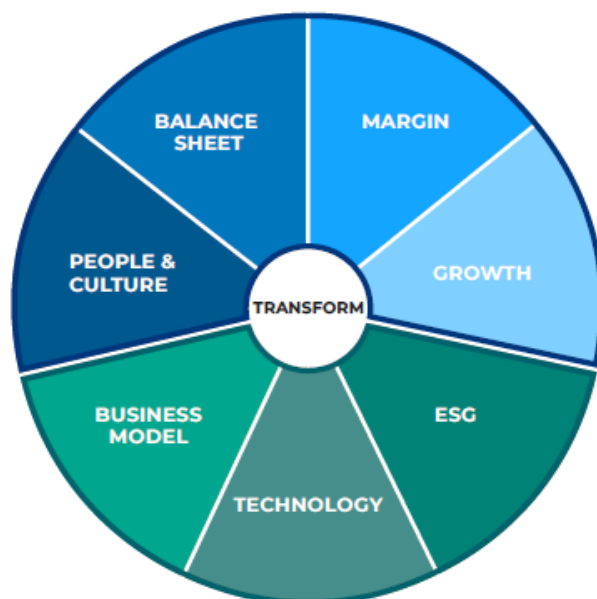


Chart 31 - Source: company



“People & Culture” as well as “Balance sheet”, “Margin” and “Growth” are the core of Blue Cap’s transformation skills and value creation expertise. Its team has experts with experience in these dimensions who provide the portfolio companies with direct support – these experts are the core of the active portfolio management. In the “Technology”, “ESG” and “Business Model” dimensions, Blue Cap draws on an excellent network of experts.

During the transformation process, Blue Cap acts as initiator and enabler for the portfolio and takes responsibility for project management to make the initiatives a success. The aim is to position the portfolio companies in all relevant dimensions in such a way that they can implement their strategies with their own resources – making them ready for their further sustainable development.

Portfolio approach – best owner

In contrast to other investment companies, Blue Cap firmly believes in keeping its investments in the portfolio precisely for as long as it can support them as best owners with a focus on long-term value growth, without being tied to rigid time periods. Being the best owner implies that Blue Cap is able to achieve a disproportionately high annual increase in the net asset value of each portfolio company. Typically, value-oriented transformation or an inorganic growth strategy calls for a holding period of between three to seven years. In principle, the portfolio companies are sold as soon as successful performance under a different ownership structure appears to make more sense and Blue Cap has been able to successfully implement large parts of the planned programme.

Sell – sale as proof of concept

Blue Cap looks at the exit strategy for a company as early as the acquisition phase and has the vision of a successful sale in mind from the outset. During the holding period, Blue Cap focuses all its efforts on a company’s successful performance. With the sale, it realises an increase in value – as a proof of concept. A successful exit shows that its investment theories for this company were correct and that the individual transformation programme has borne fruit.

The company has gained in value and its functioning business model holds further potential for a new owner. Blue Cap reinvests the freed-up capital in the existing portfolio and in new companies. In addition, it lets its shareholders participate in significant sales successes in accordance with its proven dividend policy.

Stringent exit strategy to capture transformation results









<p>2016 – 2024</p>  <p>NESCHEN</p> <p>Plastics</p> <p>Market value achieved as % of NAV: ~110%</p> <p>Money multiple: ~8x</p>	<p>2018 – 2023</p>  <p>uniplast</p> <p>Plastics</p> <p>Market value achieved as % of NAV: ~117%</p> <p>Money multiple: ~1x</p>	<p>2011 – 2022</p>  <p>GÄMMERLER</p> <p>Production Technology</p> <p>Market value achieved as % of NAV: ~130%</p> <p>Money multiple: ~3x</p>	<p>2016 – 2021</p>  <p>CARL SCHAEFFER</p> <p>Metal Technology</p> <p>Market value achieved as % of NAV: ~105%</p> <p>Money multiple: ~3x</p>
<p>2014 – 2024</p>  <p>nokra</p> <p>Others</p> <p>Market value achieved as % of NAV ~225%</p> <p>Money multiple: ~6x</p>	<p>2014 – 2020</p>  <p>em-tec</p> <p>Medical Technology</p> <p>Market value achieved as % of NAV ~177%</p> <p>Money multiple: ~4x</p>	<p>2012 – 2018</p>  <p>WISAP®</p> <p>Medical Technology</p> <p>Market value achieved as % of NAV: ~ 189%</p> <p>Money multiple: ~3x</p>	<p>2009 – 2017</p>  <p>BIOLINK</p> <p>tape solutions</p> <p>Adhesives Technology</p> <p>Market value achieved as % of NAV: N/A</p> <p>Money multiple: ~46x</p>

Chart 32- Source: company



“Blue Cap 2026” strategy

The “Blue Cap 2026” strategy aims to increase the net asset value (NAV) per share to € 60 by the end of the 2026 financial year (H1 2024: € 26). This ambitious target is underpinned by measures and milestones. The core of the implementation of the strategy is a significant increase in M&A transactions and the continued active transformation of the portfolio companies.

Use of expertise for portfolio acquisitions and consistent implementation of company sales as a lever for value realisation

An increased number of company acquisitions and the resulting potential for value appreciation should make a significant contribution to achieving the target by 2026. Blue Cap will expand its transaction radius to include special situations. The main objective with this decision is to significantly increase the return on invested capital (ROIC) in the future. Since 2017, Blue Cap has successfully realised eight exits with a multiple on the invested capital of over 3x in each case. Blue Cap attaches particular importance to acquisitions that are characterized by high value leverage in relation to the purchase price.

Increasing value through transformation is at the heart of the company’s DNA

Active portfolio management is the second key growth area for Blue Cap. The company’s proven transformation strength is characterised in particular by the rapid and consistent implementation of measures. This ability is based on comprehensive restructuring expertise, which has been successfully deployed in recent months via the Blue Cap Transformation Radar: this is based on key figure-based management of the portfolio companies.

Financing mainly via cashflow – Maintaining an attractive dividend policy

The financial resources for strategic development will be generated primarily from the proceeds of exits and the improved operating cash flow resulting from the transformation. Blue Cap will continue to allow its shareholders to participate appropriately in the company’s success by distributing dividends.



INVESTMENTS IN GERMAN SME GROWTH STORIES CREATE LONG-TERM VALUE

Blue Cap will benefit from its adapted acquisition focus, leverage transformation expertise and stringent examination of exits in the coming years. As a result, we expect 2026e revenue of € 225.4m (CAGR +3.5%, 2026e vs 2024e) and an adjusted EBITDA margin of 11.0% (+100bp vs 2024e).

Development of net asset value (NAV)

Over the last four years (2020 to 2023), NAV has declined from € 39 per share (2020) to € 25 per share (2023), equivalent to a drop of 36%. Whereas the NAV was stable over the 2020-2021 period, it started to decline in 2022.

The reduction in NAV in 2023 is partly because of an earnings-related decline in con-pearl, which is part of the Plastics segment. There was also a fall in the NAV in the Business Service division, which is due in particular to the decline in earnings and the multiples of Transline. In the Adhesives & Coatings division, the NAV of Neschen increased as a result of the completed restructuring programme. The NAV of Planatol in this segment developed in the opposite direction due to the weak operating performance in 2023.

According to KfW, sentiment in the German private equity market has deteriorated very significantly for the second straight quarter. In Q3 2024, the sentiment indicator plunged by 19.0 points to -39.6 balance points, a new four-year low. The only time sentiment was worse in recent years was during the Covid-19 shock. Current business situation assessments had already fallen in Q2 2024 though the outlook had not yet worsened quite as much, but expectations have now declined as well. The indicator for the current business situation shed 10.9 points, decreasing to -40.6 balance points, while the indicator for business expectations fell by 27.0 points to -38.6 balance points. However, the financing environment has brightened and positive expectations hinge on further interest rate cuts.

We find that a NAV of € 60 by the end of 2026 is too ambitious given the deterioration in sentiment in the German private equity market. If we apply median 2026e EV/EBITDA peer group multiples (which are lower than 2025e multiples) to our 2026e estimates (which are above 2025e), deduct 2026e net debt and assume all else equal, we would arrive at a NAV per share (excl. NAV discount) of € 35.



Trends in the private equity sentiment indicator

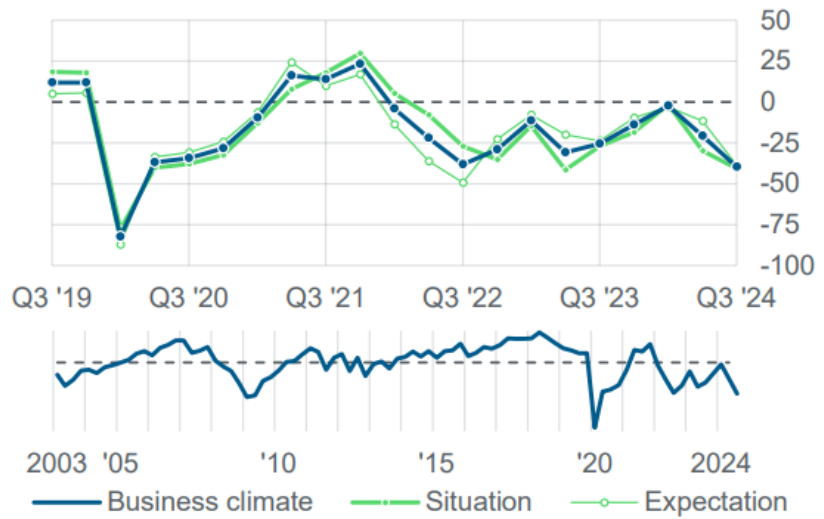


Chart 33 - Sources: KfW Research, BVK and DBVN

Net asset value per share (€)

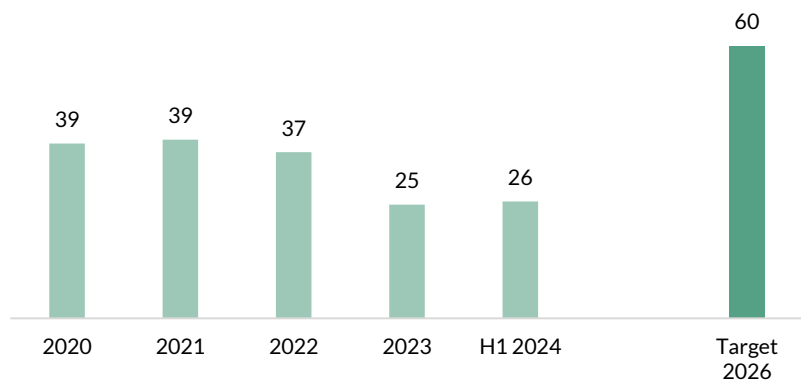


Chart 34 - Source: Company

2024e and beyond – profitable growth ahead

Significant improvement in 9M 2024 earnings

During the first nine months of 2024, Blue Cap (incl. portfolio companies Neschen and nokra) reported group revenue of € 195.3m (-6.6% y-o-y) primarily driven by lower revenues within the Business Service segment and Planatol. At the same time, adjusted EBITDA significantly improved y-o-y to € 19.0m (previous year: € 15.9m), of which € 7.8m was attributable to Q3 2024 (Q3 2023: € 4.4m). This improvement mainly reflected the successful transformation at Neschen and very favourable order development at con-pearl. As a result, the adjusted EBITDA margin for the first nine months increased to 9.5% (+190bp y-o-y) and from 7.0% to 11.8% in Q3 2024.



The Plastics segment continued its dynamic development from the first half of 2024, achieving notable gains in both revenue (€ 82.9m, +15.3% y-o-y) and earnings (adjusted EBITDA margin +430bp to 15.3%). The main driver of this upward trend was the portfolio company con-pearl, which also benefited in Q3 2024 from a very strong order situation in the logistics sector, particularly in the US. H+E also performed very well, slightly exceeding expectations in the persistently challenging automotive sector environment.

Adhesives & Coatings segment revenue (€ 61.2m, -3.6% y-o-y) was nearly at the previous year's level, but the segment was able to significantly improve earnings (adjusted EBITDA margin +480bp to 9.5%). This improvement was mainly due to the successful transformation of Neschen, which resulted in a marked increase in earnings. In contrast, Planatol continued to experience a significant drop in demand in Q3 2024, with revenue for the first nine months of 2024 falling slightly below the already weak prior year level.

In the Business Services segment, key figures for the first nine months were noticeably behind the prior year period with revenues down by 30.9% to € 49.3m and the adjusted EBITDA margin falling by 480bp to 3.8%. Both HY-LINE and Transline were more severely impacted than expected by the difficult economic environment and declining orders. The development at HY-LINE, in particular, put significant pressure on the segment's results. Both companies missed their targets due to declining revenues.

The minority stake in inheco has shown improvements in all key metrics following the completion of transformation measures in H1 2024. The continued focus on operational improvements and productivity, combined with a solid order intake in line with expectations, provides a good foundation for a return to a profitable growth trajectory.

New 2024 guidance reflects strong EBITDA development and recent exits

Considering the divestments mentioned and the expected business developments, Blue Cap adjusted its FY 2024 forecast on 7 October. In addition to the required exclusion of the discontinued operations nokra and Neschen in accordance with IFRS guidelines, this adjustment is reflected in a higher than originally anticipated adjusted EBITDA margin and a slightly lower revenue forecast. For the 2024 fiscal year (excluding Neschen and nokra), the company now expects group revenue in a range of € 200-220m (previously € 270-290m) and an adjusted EBITDA margin of 9.5-10.5% (previously 8.5-9.5%).

Due to the sale of nokra (30 September 2024) in Q3 and Neschen (7 October 2024) in Q4 2024, the contributions of these companies will be consolidated as discontinued operations for both the current year and the previous year, in accordance with IFRS standards. Consequently, all other portfolio companies will be classified as continuing operations.

For 2024e, we assume that Blue Cap will print revenue of € 210.5m (-23.0% y-o-y) and an adjusted EBITDA margin of 10.0% (+150bp y-o-y). Note that 2023 numbers include Neschen and nokra. We are in line with the company's guidance and consensus revenue forecasts.

Company guidance vs estimates

€ m	2023	2024 guidance mid-point	Y-o-y	2024e	ODDO BHF vs guidance	2024e css	ODDO BHF vs css
Revenue	273.3	210.0	-23.2%	210.5	0.2%	209.1	0.7%
Adj. EBITDA margin	8.5%	10.0%	+150bp	10.0%			

Table 35 - Sources: company ODDO BHF Securities, FactSet



2025 and beyond: higher revenues and earnings assumed

For the following years (2025e to 2026e), we expect that Blue Cap will increase its revenue and adj. EBITDA margin, driven by a potential significant increase in M&A transactions and the continued active transformation of the portfolio companies. In addition, the company aims to increase net asset value (NAV) per share to € 60 by the end of the 2026 (vs. € 25 at the end of 2023). See our comment on the "Blue Cap 2026" strategy. As such, we project 2026e revenue of € 225.4m (CAGR +3.5%, 2026e vs 2024e) and an adjusted EBITDA margin of 11.0% (+100bp vs 2024e).

Earnings summary

€ m	2019	2020	2021	2022	2023	2024e	2025e	2026e
Revenue	225.7	233.0	267.3	291.3	273.3	210.5	217.8	225.4
Chg. y-o-y		3.2%	14.7%	8.9%	-6.2%	-23.0%	3.5%	3.5%
Adjusted total output of continuing operations	224.1	232.0	271.5	296.6	272.2	247.8	225.2	233.0
Chg. y-o-y		3.5%	17.0%	9.2%	-8.2%	-9.0%	-9.1%	3.4%
Adjusted EBITDA	14.3	17.6	24.6	27.5	23.2	24.8	23.6	25.6
Chg. y-o-y		22.9%	39.9%	11.4%	-15.6%	6.9%	-4.6%	8.4%
Adjusted EBITDA margin (based on total output)	6.4%	7.6%	9.1%	9.3%	8.5%	10.0%	10.5%	11.0%
Net financial debt	48.9	39.8	63.9	73.4	59.0	35.3	25.2	13.2
Chg. y-o-y		-18.7%	60.8%	14.9%	-19.7%	-40.1%	-28.8%	-47.5%
FCF	-4.9	6.4	6.8	8.8	13.6	-0.3	15.9	17.0
Chg. y-o-y		-229.2%	6.7%	29.1%	54.6%	-102.0%	-6063.6%	7.1%

Table 36 - Sources: company, ODDO BHF Securities

From revenue to EPS

€ m	2019	2020	2021	2022	2023	2024e	2025e	2026e
Revenue	225.7	233.0	267.3	291.3	273.3	210.5	217.8	225.4
Chg. y-o-y		3.2%	14.7%	8.9%	-6.2%	-23.0%	3.5%	3.5%
Change in inventories	-2.1	-1.8	2.1	2.2	-3.7	2.1	2.2	2.3
Other services provided by company and capitalised	0.0	0.0	0.2	0.5	0.4	0.2	0.2	0.2
Other income	6.9	25.9	7.4	20.5	6.1	35.0	5.0	5.0
Total output	230.4	257.1	277.1	314.5	276.2	247.8	225.2	233.0
Chg. y-o-y		11.6%	7.8%	13.5%	-12.2%	-10.3%	-9.1%	3.4%
Cost of materials	-123.9	-123.7	-144.3	-160.5	-141.8	-107.3	-111.1	-115.0
as a % of total output	-53.8%	-48.1%	-52.1%	-51.0%	-51.3%	-43.3%	-49.3%	-49.4%
Chg. y-o-y		-0.1%	16.6%	11.2%	-11.6%	-24.3%	3.5%	3.5%
Gross profit	106.6	133.4	132.8	154.0	134.4	140.4	114.1	118.0
Gross profit margin (as a % of total output)	46.2%	51.9%	47.9%	49.0%	48.7%	56.7%	50.7%	50.6%
Personnel expenses	-58.3	-60.5	-67.5	-68.2	-70.0	-56.7	-57.8	-59.0
as a % of total output	-25.3%	-23.5%	-24.4%	-21.7%	-25.3%	-22.9%	-25.7%	-25.3%
Chg. y-o-y		3.9%	11.5%	1.0%	2.7%	-19.0%	2.0%	2.0%
Other expenses	-33.3	-38.3	-39.9	-45.9	-49.3	-34.7	-31.5	-32.6
Chg. y-o-y		15.3%	4.2%	14.9%	7.3%	-29.6%	-9.1%	3.4%
as a % of revenue	-14.7%	-16.5%	-14.9%	-15.8%	-18.0%	-16.5%	-14.5%	-14.5%
EBITDA	15.0	34.5	25.4	40.0	15.2	49.1	24.8	26.4
EBITDA margin (as % of total output)	6.5%	13.4%	9.2%	12.7%	5.5%	19.8%	11.0%	11.3%
Chg. y-o-y		129.7%	-26.3%	57.3%	-62.0%	223.3%	-49.5%	6.5%
D&A	-10.7	-13.0	-19.1	-19.9	-20.0	-14.9	-13.5	-14.0
Chg. y-o-y		21.3%	47.4%	4.4%	0.1%	-25.5%	-9.1%	3.4%
Impairment losses and reversals	0.0	-1.6	-0.3	-4.3	-6.3	-2.5	-2.5	-2.5
Share of profit/loss of associates	0.4	1.4	1.8	1.0	-2.5	0.0	0.0	0.0
EBIT	4.6	21.4	7.8	16.7	-13.5	31.7	8.8	9.9
EBIT margin (as a % of total output)	2.0%	8.3%	2.8%	5.3%	-4.9%	12.8%	3.9%	4.3%
Chg. y-o-y		359.8%	-63.4%	113.5%	-180.9%	-324.6%	-72.3%	13.0%
Impairment losses according to IFRS 9	-0.4	-1.3	-0.5	-0.5	-0.4	-0.6	-0.6	-0.6
Financing income	0.1	0.3	0.2	1.4	1.3	2.0	2.2	2.2
Financing expenses	-2.0	-2.8	-2.4	-2.9	-5.5	-5.1	-4.6	-4.1
EBT	2.4	17.5	5.1	14.8	-18.2	28.1	5.9	7.4
Income tax	0.4	-1.0	-0.4	-4.6	-2.4	-8.4	-1.8	-2.2
Tax rate	16.4%	-5.9%	-7.5%	-31.2%	13.0%	30.0%	30.0%	30.0%
Earnings after taxes from continuing operations	2.8	16.5	4.7	10.2	-20.5	19.6	4.1	5.2
Consolidated net income	2.8	16.5	4.7	10.4	-20.3	19.6	4.1	5.2
EPS (€), undiluted	0.71	4.15	1.24	2.78	-4.02	4.21	0.88	1.12
EPS (€), diluted	0.71	4.15	1.24	2.78	-4.02	4.21	0.88	1.12

Table 37 - Sources: company, ODDO BHF Securities



Appealing financial profile

With an equity ratio of more than 35% (2019 to 2023), Blue Cap boasts solid equity, while its free cash flow is positive and its leverage (net debt ratio in years) is projected to improve over the 2024e to 2026e period.

Sound financial position

At the end of 2023, the company reported cash funds of ca. € 27.9m vs. ca. € 23.9m a year ago. The increase is due to a higher cash flow from operating activities (working capital measures of ca. +€ 9.5m offset a decrease in adjusted EBITDA of ca. € 4.3m) and positive cash flow from investing activities (purchase payment from a portfolio company and sale of property and agricultural land) which offset a significantly higher negative cash flow from financing activities compared to 2022. For 2024e, we forecast cash funds of € 51.6m (incl. according to Blue Cap, a cash inflow of € 30m for the sale of Neschen and nokra).

Liquidity development

€ m	2019	2020	2021	2022	2023	2024e	2025e	2026e
Cash flow from operating activities	1.8	12.6	12.4	15.2	19.6	6.3	22.5	23.6
Cash flow from investing activities	-18.9	14.1	-18.9	-7.0	8.8	25.2	-4.6	-4.6
Cash flow from financing activities	9.0	-9.2	7.3	-13.3	-24.4	-7.8	-7.8	-7.1
Changes in cash funds due to FX fluctuations	0.0	0.1	-0.1	0.1	-0.1	0.0	0.0	0.0
Cash funds at the beginning of the period	17.1	9.0	26.5	28.9*	24.0	27.9	51.6	61.7
Cash funds at the end of the period	9.0	26.5	27.3*	24.0	27.9	51.6	61.7	73.7

Table 38 - Sources: company, ODDO BHF Securities; * Blue Cap adjusted its 2021 FY report

Working capital at a healthy level

In 2023, working capital (company definition) declined by almost 24% to € 47.3m. The successful reduction in inventories and trade receivables was offset by a decrease in trade payables. For 2024e, we see working capital at a ratio of 24.9% of revenue vs. an average of 18.9% over the last five years (2019 to 2023). Our 2024e to 2026e forecast is based on average historical absolute values. Contract assets arise from the application of revenue recognition over a period of time. Contract liabilities mainly result from advance payments received from customers if they are related to a customer order and the products have not yet been delivered or the service has not yet been rendered.

Working capital (company definition)

€ m	2019	2020	2021	2022	2023	2024e	2025e	2026e
Trade receivables	21.8	16.6	25.7	29.2	27.0	24.0	24.0	24.0
Inventories	30.5	27.5	40.4	47.2	28.8	34.8	34.8	34.8
Contract assets	0.0	0.0	13.2	8.4	7.9	9.8	9.8	9.8
Trade payables	-11.7	-9.2	-17.0	-21.5	-15.7	-15.0	-15.0	-15.0
Contract liabilities	0.0	0.0	-1.4	-1.3	-0.6	-1.1	-1.1	-1.1
Working capital	40.6	35.0	60.9	62.1	47.3	52.5	52.5	52.5
As a % of revenues	18.0%	15.0%	22.8%	21.3%	17.3%	24.9%	24.1%	23.3%
Chg. y-o-y	0.0%	-13.8%	74.3%	1.8%	-23.8%	11.1%	0.0%	0.0%

Table 39 - Sources: company, ODDO BHF Securities



Stable equity ratio

Blue Cap's equity decreased from € 109.4m to € 87.3m in 2023. The lower equity is due to the negative annual result and the dividend distributed for the 2022 financial year. This was offset by the capital increase against contributions in kind through the contribution of dividend entitlements by Blue Cap AG shareholders. As a result, the equity ratio has slightly decreased to 35.8% (vs. 36.6% at the end of December 2022). For the next three years (2024e to 2026e) we assume an average equity ratio of 40.2%.

Equity ratio

€ m	2019	2020	2021	2022	2023	2024e	2025e	2026e
Total equity	67.0	80.3	98.2	109.4	87.3	103.5	104.5	106.3
Total assets	201.3	198.5	268.0	298.7	243.9	259.4	260.4	262.2
Equity ratio	33.3%	40.5%	36.7%	36.6%	35.8%	39.9%	40.1%	40.5%

Table 40 - Sources: company, ODDO BHF Securities

Improvement in leverage

The ratio (leverage) of net financial debt (incl. leasing) to adjusted EBITDA stood at 2.5x at 31 December 2023. As the company is expected to become more profitable in the coming years, we anticipate a further improvement in this ratio. In 2024, the leverage will reach 1.4x which is below the company's target ratio of below or equal to 3.5x. Our 2024e forecast includes the sale proceeds of Neschen and nokra. A ratio of 3.5x would imply net financial debt (incl. leasing) of ca. € 86m, which means that Blue Cap could spend around € 50m.

Leverage

€ m	2019	2020	2021	2022	2023	2024e	2025e	2026e
Non-current financial liabilities	43.0	46.7	60.8	52.8	53.3	53.3	53.3	53.3
Current financial liabilities	31.0	17.8	23.4	33.8	21.7	21.7	21.7	21.7
Cash and cash equivalents	-25.1	-36.3	-41.4	-35.1	-38.6	-62.3	-72.4	-84.4
Net financial debt (excl. leasing)	48.9	28.3	42.9	51.4	36.5	12.8	2.6	-9.3
Lease liabilities	0.0	11.5	21.1	22.0	22.5	22.5	22.5	22.5
Net financial debt (incl. leasing)	48.9	39.8	63.9	73.4	59.0	35.3	25.2	13.2
Adjusted EBITDA	14.3	17.6	24.6	27.5	23.2	24.8	23.6	25.6
Net debt ratio in years (x)	3.4	2.3	2.6	2.7	2.5	1.4	1.1	0.5

Table 41 - Sources: company, ODDO BHF Securities

Solid cash flows

After strong FCF (excl. M&A) of € 13.6m in 2023 (which was mainly driven by a high cash flow from operating activities), we believe that the company will report average positive FCF of € 10.9m (2024e to 2026e). In our view, higher cash flows from operating activities will offset stable investments in intangible assets and PP&E. Over the last five years (2019 to 2023), Blue Cap spent an average of 2.6% of adjusted total output on investments in intangible assets and PP&E.

Development of free cash flow

€ m	2019	2020	2021	2022	2023	2024e	2025e	2026e
Cash flow from operating activities	1.8	12.6	12.4	15.2	19.6	6.3	22.5	23.6
Payments (-) for investments in PP&E	-8.0	-6.1	-5.3	-4.7	-5.0	-5.8	-5.8	-5.8
Payments (-) for investments in intangible assets	-0.4	-0.1	-0.7	-1.7	-1.1	-0.8	-0.8	-0.8
Proceeds (+) from disposals of PP&E	1.7	0.1	0.4	0.0	0.1	0.0	0.0	0.0
Free cash flow	-4.9	6.4	6.8	8.8	13.6	-0.3	15.9	17.0
Total payments (-) for investments in PP&E and intangible assets	-8.5	-6.3	-6.1	-6.4	-6.1	-6.6	-6.6	-6.6
<i>as a % of adjusted total output</i>	<i>-3.8%</i>	<i>-2.7%</i>	<i>-2.2%</i>	<i>-2.2%</i>	<i>-2.2%</i>	<i>-2.7%</i>	<i>-2.9%</i>	<i>-2.8%</i>

Table 42 - Sources: company, ODDO BHF Securities



Sustainable and attractive dividend policy

A balanced and attractive dividend policy is part of the company's investment story. The idea is that shareholders participate in the operating performance of the group with a regular basic dividend. In addition, Blue Cap also generally aims to pay a special dividend if sales are successfully completed with a good return on capital during the financial year. For the 2024e financial year, we estimate a dividend of € 0.75 (basic dividend of € 0.65 plus a special dividend of € 0.10) which is equivalent to a payout ratio of ca. 18% (vs an average of ca. 28% over the 2021 to 2023 period).

Dividend growth (€)

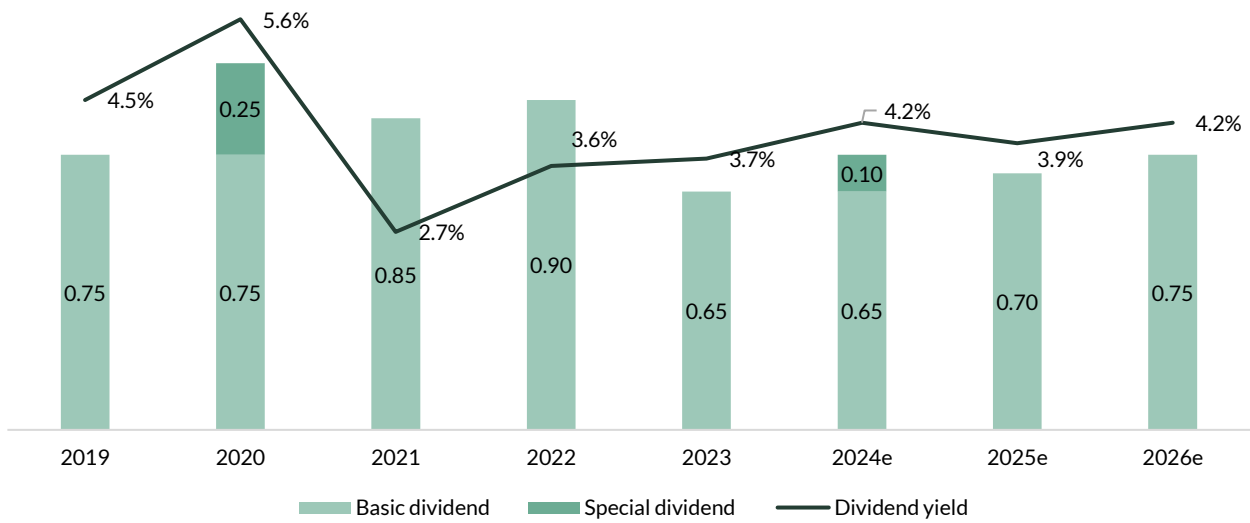


Table 43 - Sources: company, ODDO BHF Securities



Blue Cap AG Holding companies | Germany

Outperform

Price 17.90 €

Upside 48.04%

TP 26.5 €

PER SHARE DATA (€)	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
Adjusted EPS	0.71	4.15	1.24	2.78	-4.02	4.21	0.88	1.12
Reported EPS	0.71	4.15	1.24	2.78	-4.02	4.21	0.88	1.12
Growth in adjusted EPS	-	ns	-70.1%	ns	ns	ns	-79.1%	26.8%
Net dividend per share	0.75	1.00	0.85	0.90	0.65	0.75	0.70	0.75
FCF to equity per share	-1.23	1.61	1.64	1.99	3.08	-0.07	3.58	3.85
Book value per share	16.79	20.08	22.42	23.58	18.91	22.59	22.81	23.22
Number of shares market cap (m)	3.98	4.00	4.40	4.40	4.49	4.49	4.49	4.49
Number of diluted shares (m)	3.98	4.00	4.40	4.40	4.49	4.49	4.49	4.49
VALUATION (€m)	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
12m highest price (€)	20.70	20.70	34.60	32.20	25.40	20.80	18.20	
12m lowest price (€)	14.00	10.00	18.05	18.50	14.70	15.70	15.30	
(*) Reference price (€)	17.43	17.42	26.70	25.99	21.10	17.63	17.90	17.90
Capitalization	69.4	69.6	117	114	94.6	79.1	80.3	80.3
Restated Net debt	48.9	39.8	63.9	73.4	59.0	35.3	25.2	13.2
Minorities (fair value)	0.2	0.1	5.2	5.7	3.5	3.5	3.5	3.5
Financial fixed assets (fair value)	0.0	26.1	33.4	26.6	12.1	12.1	12.1	12.1
Provisions	9.2	9.0	9.0	6.1	5.4	5.4	5.4	5.4
Enterprise Value	128	92.4	162	173	150	111	102	90.3
P/E (x)	24.6	4.2	21.5	9.4	ns	4.2	20.3	16.0
P/CF (x)	36.7	5.6	3.5	6.7	21.9	7.7	3.5	3.4
Net Yield	4.3%	5.7%	3.2%	3.5%	3.1%	4.3%	3.9%	4.2%
FCF yield	ns	9.2%	6.1%	7.6%	14.6%	ns	20.0%	21.5%
P/B incl. GW (x)	1.04	0.87	1.19	1.10	1.12	0.78	0.78	0.77
P/B excl. GW (x)	1.04	0.87	1.19	1.10	1.12	0.78	0.78	0.77
EV/Sales (x)	0.57	0.40	0.61	0.59	0.55	0.53	0.47	0.40
EV/EBITDA (x)	8.5	2.7	6.4	4.3	9.9	2.3	4.1	3.4
EV/Current EBIT (x)	29.5	4.3	25.7	8.6	ns	3.2	9.1	7.3
(*) historical average price								
PROFIT AND LOSS (€m)	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	226	233	267	291	273	210	218	225
EBITDA	15.0	34.5	25.4	40.0	15.2	49.1	24.8	26.4
Depreciations	-10.7	-13.0	-19.1	-19.9	-20.0	-14.9	-13.5	-14.0
Current EBIT	4.3	21.5	6.3	20.0	-4.8	34.2	11.3	12.4
Published EBIT	4.6	21.4	7.8	16.7	-13.5	31.7	8.8	9.9
Net financial income	-2.2	-3.8	-2.7	-1.9	-4.6	-3.6	-2.9	-2.5
Corporate Tax	0.4	-1.0	-0.4	-4.6	-2.4	-8.4	-1.8	-2.2
Net income of equity-accounted companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss of discontinued activities (after tax)	0.0	0.0	0.0	0.3	0.2	0.0	0.0	0.0
Minority interests	0.0	0.1	0.4	1.8	2.5	-1.0	-0.2	-0.3
Attributable net profit	2.8	16.6	5.2	12.2	-17.8	18.7	3.9	4.9
Adjusted attributable net profit	2.8	16.6	5.2	12.2	-17.8	18.7	3.9	4.9
BALANCE SHEET (€m)	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	0.0	0.0	10.4	28.6	23.6	23.6	23.6	23.6
Other intangible assets	6.9	2.3	23.6	39.5	33.5	29.4	25.7	21.8
Tangible fixed assets	90.7	82.1	85.0	82.6	61.9	62.7	64.0	65.2
WCR	49.6	49.3	68.9	70.7	55.4	59.2	59.2	59.2
Financial assets	17.3	19.4	21.8	20.7	15.2	7.3	0.5	-6.9
Ordinary shareholders equity	66.8	80.2	93.1	104	83.8	100	101	103
Minority interests	0.2	0.1	5.2	5.7	3.5	3.5	3.5	3.5
Shareholders equity	67.0	80.3	98.2	109	87.3	104	104	106
Non-current provisions	48.7	33.0	47.6	59.3	43.3	43.3	43.3	43.3
Net debt	48.9	39.8	63.9	73.4	59.0	35.3	25.2	13.2
CASH FLOW STATEMENT (€m)	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
EBITDA	15.0	34.5	25.4	40.0	15.2	49.1	24.8	26.4
Change in WCR	0.0	0.3	-19.6	-1.9	15.4	-3.8	0.0	0.0
Interests & taxes	-2.2	1.5	0.6	4.8	3.1	3.1	2.4	2.0
Others	-10.9	-23.6	6.0	-27.8	-14.7	-42.1	-4.7	-4.7
Operating Cash flow	1.9	12.6	12.4	15.2	19.6	6.3	22.5	23.7
CAPEX	-6.8	-6.2	-5.6	-6.4	-6.0	-6.6	-6.6	-6.6
Free cash-flow	-4.9	6.4	6.8	8.7	13.6	-0.3	15.9	17.1
Acquisitions / disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	-3.0	-3.0	-4.0	-3.7	-2.0	-2.9	-3.4	-3.1
Net capital increase	0.0	0.2	10.8	0.0	0.0	0.0	0.0	0.0
Others	-4.1	-4.6	-10.7	-9.2	-12.2	-4.9	-4.4	-3.9
Change in net cash	-	9.1	-24.2	-9.5	14.4	23.7	10.2	11.9
GROWTH MARGINS PRODUCTIVITY	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales growth	-	3.2%	14.7%	8.9%	-6.2%	-23.0%	3.5%	3.5%
Lfl sales growth	-	-	-	-	-	-	-	-
Current EBIT growth	-	ns	-70.7%	ns	ns	ns	-67.1%	10.1%
Growth in adjusted EPS	-	ns	-70.1%	ns	ns	ns	-79.1%	26.8%
Net margin	1.3%	7.1%	1.9%	4.2%	-6.5%	8.9%	1.8%	2.2%
EBITDA margin	6.7%	14.8%	9.5%	13.7%	5.6%	23.3%	11.4%	11.7%
Current EBIT margin	1.9%	9.2%	2.4%	6.9%	-1.7%	16.2%	5.2%	5.5%
CAPEX / Sales	-3.7%	-2.7%	-2.3%	-2.2%	-2.2%	-3.1%	-3.0%	-2.9%
WCR / Sales	22.0%	21.2%	25.8%	24.3%	20.3%	28.1%	27.2%	26.2%
Tax Rate	-16.2%	5.4%	7.1%	24.2%	-19.9%	27.5%	21.0%	22.4%
Normative tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Asset Turnover	-	1.7	1.7	1.4	1.4	1.2	1.3	1.3
ROCE post-tax (normative tax rate)	-	10.7%	2.7%	6.8%	-1.7%	13.7%	4.5%	5.1%
ROCE post-tax hors GW (normative tax rate)	-	10.7%	2.8%	7.6%	-1.9%	15.8%	5.3%	5.9%
ROE	-	22.5%	5.9%	12.4%	-19.0%	20.3%	3.9%	4.8%
DEBT RATIOS	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
Gearing	73%	50%	65%	67%	68%	34%	24%	12%
Net Debt / Market Cap	0.70	0.57	0.54	0.64	0.62	0.45	0.31	0.16
Net debt / EBITDA	3.26	1.15	2.52	1.84	3.89	0.72	1.02	0.50
EBITDA / net financial charges	8.1	13.7	11.5	27.6	3.6	16.1	10.8	14.1

Sources: ODDO BHF Securities, SIX



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Our target prices are established on a 12-month timeframe and we use three valuation methods to determine them. First, the discounting of available cash flows using the discounting parameters set by the Group and indicated on ODDO BHF's website. Second, the sum-of-the-parts method based on the most pertinent financial aggregate depending on the sector of activity. Third, we also use the peer comparison method which facilitates an evaluation of the company relative to similar businesses, either because they operate in identical sectors (and are therefore in competition with one another) or because they benefit from comparable financial dynamics. A mixture of these valuation methods may be used in specific instances to more accurately reflect the specific characteristics of each company covered, thereby fine-tuning its evaluation.

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Neutral: performance expected to be comparable to that of the benchmark index, sectoral (large caps) or other (small and mid caps).

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Date	Reco	Price Target (EUR)	Price (EUR)	Analyst
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		Outperform	Neutral	Underperform
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