

CPH Group AG

Focused. Leading. Innovative.

ZKB Swiss Equity Conference, Zurich, 6 November 2024



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Agenda

- 1. The CPH Group**
- 2. Chemistry Division – Zeochem**
- 3. Packaging Division – Perlen Packaging**
- 4. Sustainability**
- 5. Outlook 2024 and mid-term targets**
- 6. Investment Case**
- 7. Q&A**

Back-up

Two industrial companies in growth markets

Holding

Strategic and financial management with focus on

- Innovation and product development
- Growth in attractive niche markets
- Operational excellence

Division

Chemistry

Packaging

Market position



Worldwide in molecular sieves for healthcare and industrial applications and in deuterated products for pharma



worldwide for coated barrier films for pharmaceutical applications

Brand

ZEOCHEM[®]



Strategy

Differentiation through high customer value

Differentiation through high customer value

Production and sites



Mid-term targets

Sales growth of 3-5%
EBITDA margins of 16-18%
Free Cashflow margins of 8-10% (before acquisitions)



Growth driver / Megatrends

- Demography
- Health
- Energy
- Mobility

Strategic roadmap

- Innovation and product development
- Organic growth
- Potential for non-organic growth



Leading market positions

- Top 3 positions in attractive niche markets
- Global presence
- Focus on growth markets
- Customer proximity

Corporate Governance

- Experienced, well-rehearsed management team
- Attractive employer
- Stable anchor shareholder
- Attractive dividend policy



Sustainability

- Striving for to achieve net zero
- Consideration of ESG in business decisions
- Long-term and sustainable value creation anchored in articles of association

Rationales for M&A and strategic partnerships

- Support transformation
- Consistent strategy implementation
- Generate enterprise value

Systematic and global approach

- Focus on growth markets in Chemistry and Packaging
- Ongoing market screening and target identification resulting in continuously updated long and short lists
- Thorough review of targets, due diligence, valuation, negotiations

Key criteria

- Strategic alignment and fit
- Good management and integrability
- Increasing enterprise value

Experienced and well-rehearsed management team



Peter Schildknecht
Group CEO since 2009



Gerold Brüttsch
Group CFO since 2022



Alois Waldburg-Zeil
Head of Chemistry since 2010



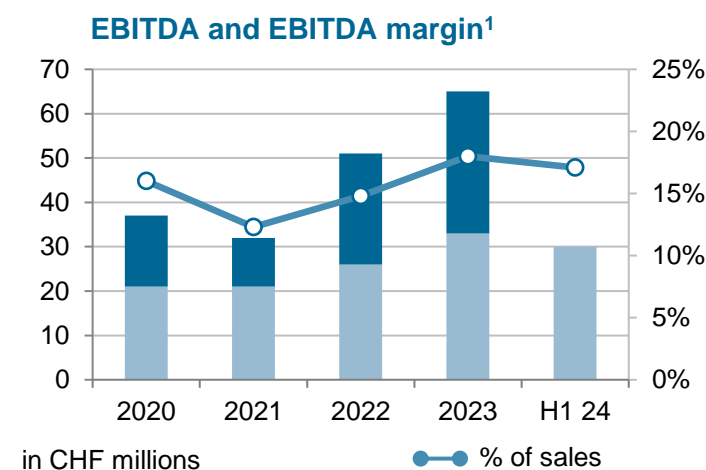
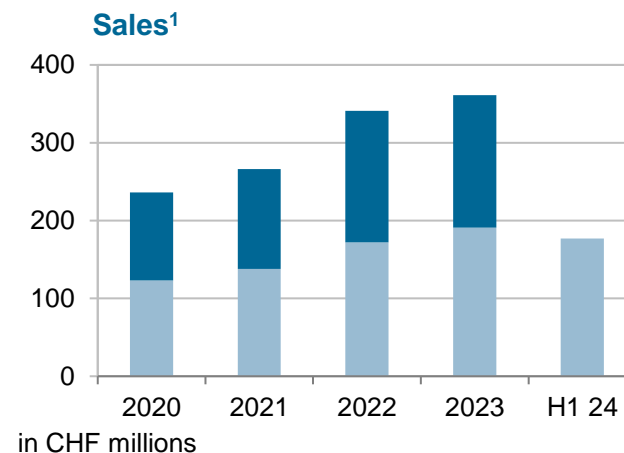
Marc Haller
Head of Packaging since 2022

Key figures for the first-half of 2024

01.01.-30.06., in CHF millions	2024	2023	±	± in %
Sales¹	177	190	-13	-6.9%
EBITDA¹	30	33	-3	-9.6%
EBITDA margin	17.1%	17.6%		
EBIT¹	24	28	-4	-14.4%
EBIT margin	13.3%	14.4%		
Result from discontinued operations	-30	29	-	n.a.
Net result	-9	61	-	n.a.
Free cash flow²	19	59	-40	-68.3%
Headcount (FTE)¹	904	820	+84	+10.2%
in CHF millions	30.06.24	31.12.23	±	± in %
Total assets	343	598	-255	-42.6%
Shareholders' equity	199	436	-237	-54.4%
Equity ratio	57.9%	72.9%		
Net cash	1	107	-106	-99.0%

¹ From continuing operations

² Before acquisitions



Segment results for the first-half of 2024

	Chemistry			Packaging			CPH Group (Remaining divisions)			Spun-off divisions (Paper)		
	2024	2023	± %	2024	2023	± %	2024	2023	± %	2024	2023	± %
01.01.-30.06., in CHF millions												
Sales	62.0	57.5	+7.7%	114.9	132.5	-13.3%	176.9	190.0	-6.9%	124.6	141.7	-12.1%
EBITDA¹	10.4	9.4	+10.0%	20.4	24.1	-15.2%	30.2	33.4	-9.6%	-5.6	28.6	n.a.
EBITDA margin	16.7%	16.4%		17.8%	18.2%		17.1%	17.6%		-4.5%	20.2%	
EBIT¹	7.0	6.9	+1.8%	17.1	20.7	-17.3%	23.5	27.5	-14.4%	-9.2	25.5	n.a.
EBIT margin	11.3%	11.9%		14.9%	15.6%		13.3%	14.4%		-7.3%	18.0%	
Headcount (FTE)	358	288	+24.3%	539	525	+2.7%	904	820	+10.2%	352	364	-3.3%

¹ before non-cash expense from spin-off of paper division

Chemistry

- Demand remains high, except in construction
- Entry with own presence in the Indian chemical and pharmaceutical market
- Sales and EBITDA above previous year

Packaging

- High order backlogs in 2023 return to pre-corona levels in H1 2024 as expected
- Favourable product mix largely compensates for lower sales
- Decline in sales due to falling sales and raw material prices
- EBITDA margin slightly below previous year

Paper

- Further decline in demand for graphic papers and lower sales
- Accentuated predatory competition
- As expected, negative EBITDA before spin-off effects despite implemented optimisation and cost-saving measures

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Back-up

Zeochem

At a glance

Key figures 2023

- Sales CHF 124 million (+12.6%, currency adjusted +18.2%)
- EBITDA CHF 22 million (+15.2%)
- EBITDA margin: 17.8%
- Capex: CHF 11 million

Employees

- 358¹

Global presence close to customers

- 5 production sites
- 11 distribution offices
- Active on all continents

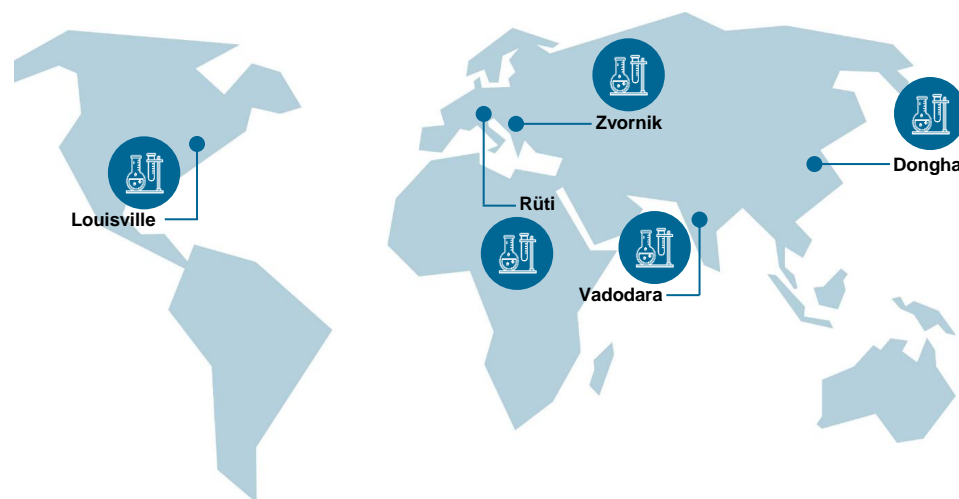
Market entry India in April 2024

- Acquisition of Sorbead India and Swambe Chemicals

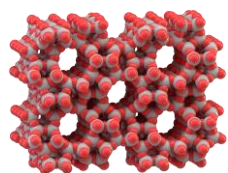
Top 3 worldwide in molecular sieves for healthcare and industrial applications and in deuterated products for the pharmaceutical industry²

¹ As of 30 June 2024

² Estimation of management



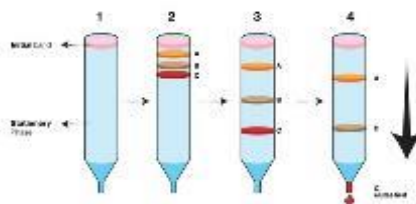
Molecular sieves



Zeolites

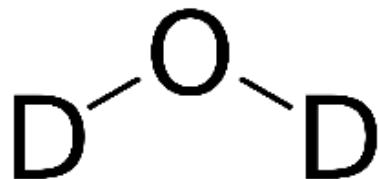
(Silicate crystals) with high adsorption properties

Specialties



Chromatography gels

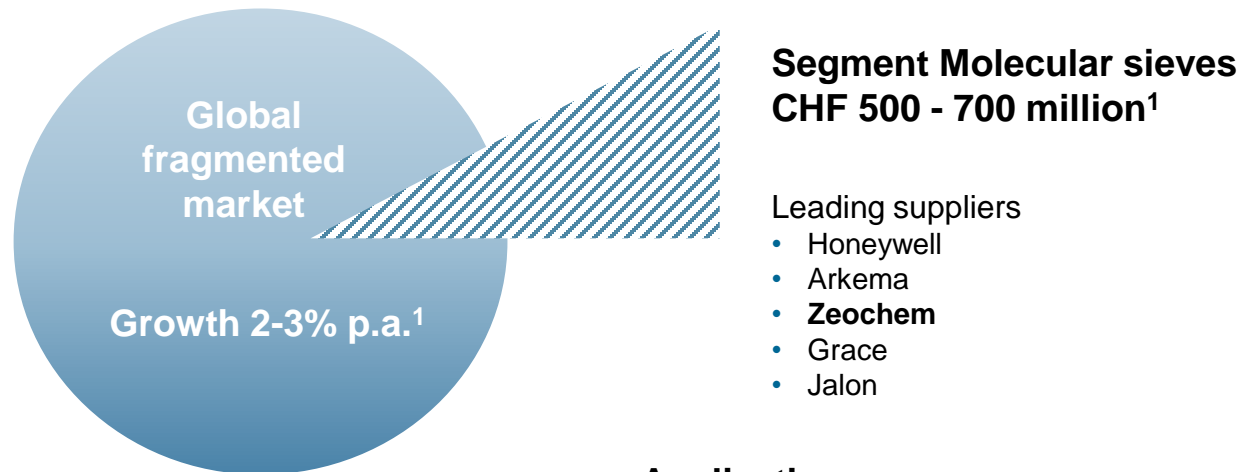
(highly porous gels for molecular separation)



Deuterated products

(hydrogen atom replaced by deuterium) for use in pharmaceuticals (API), electronics (OLED) and nuclear magnetic resonance (NMR)

Market overview



Industries

- Pharmaceuticals
- Electronics
- Petrochemistry
- Manufacturing industries (Glass, Steel)
- Automotive industry
- Construction industry
- Oxygen generation

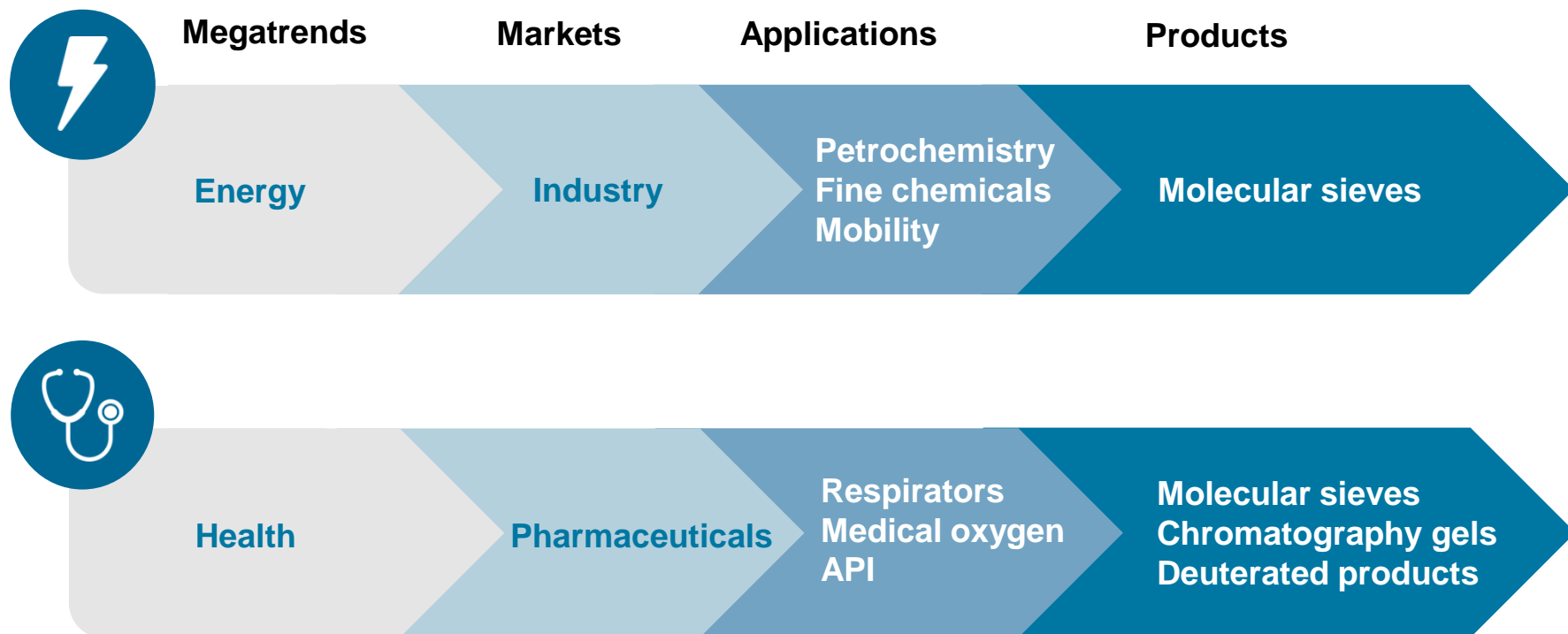
Applications

- Production of medical and industrial oxygen
- Natural gas processing
- Ethanol processing
- Purification of technical gases
- Industrial drying
- Air brakes for commercial vehicles

¹ Estimations of management

Zeochem

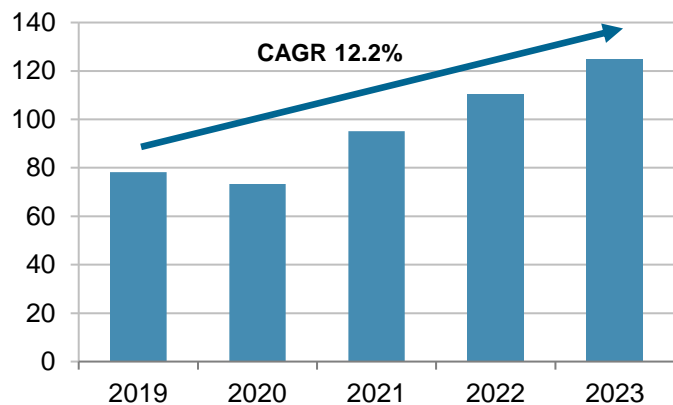
Growth drivers



Financial results

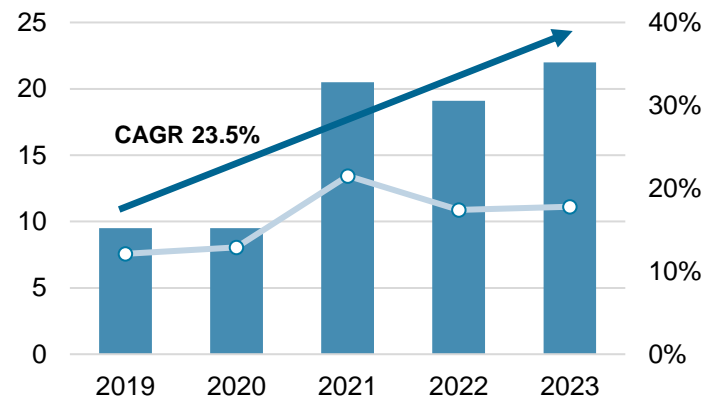
Sales

In CHF million / in %



EBITDA and EBITDA-Margin

In Mio. CHF / ● % of Sales



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Back-up

Perlen Packaging

At a glance

Key figures 2023

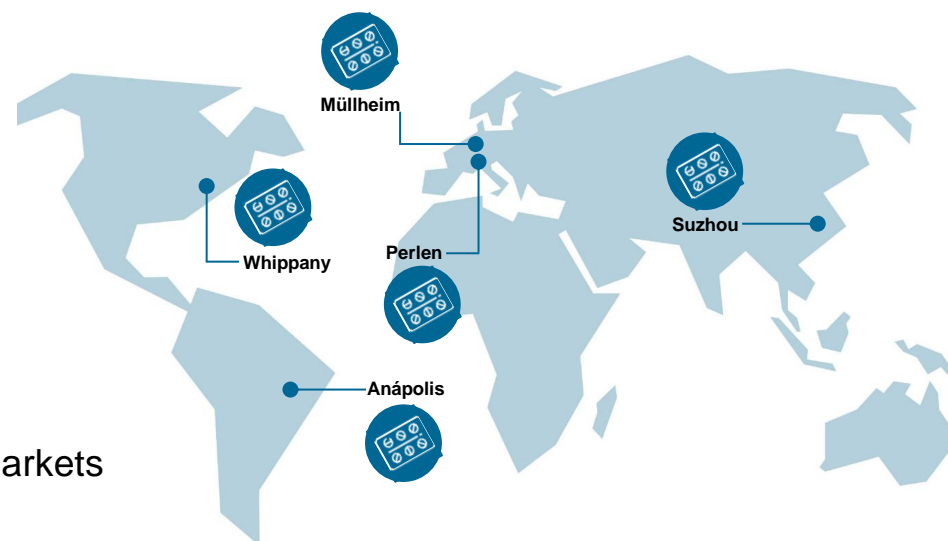
- Sales CHF 237 million (+2.9%, currency adjusted +7.1%)
- EBITDA CHF 43 million (+36.7%)
- EBITDA margin: 18.1%
- Capex: CHF 7 million

Employees

- 539¹

Global presence close to customers

- 5 production sites in key pharmaceutical markets
- 11 local cutting partners and distributors
- Local agents in more than 40 countries
- Active in more than 85 countries



Number 1 worldwide for PVC/PVdC films with highest barrier for medicine blisters²

¹ As of 30 June 2024

² Estimation of management

Perlen Packaging

Product portfolio: Focus 100% on Pharma

Plastic films for tablet blisters



Barrier effect



Mono



Duplex



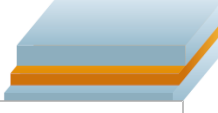
Tristar



Starflex



Tristar ultra



MultiLayer ultra



Ultra protect



Perlen Packaging No. 1 worldwide for PVC/PVdC films with highest barrier for pharma blister¹

Global pharmaceutical market

The largest markets – outlook 2026²

1: USA

2: China

3: Germany

4. Japan

5: France

6: Brazil

7: UK

8: Italy

9: India

**Global pharmaceutical blister market:
CHF 2 billion²**

Growth 3-6% p.a.²

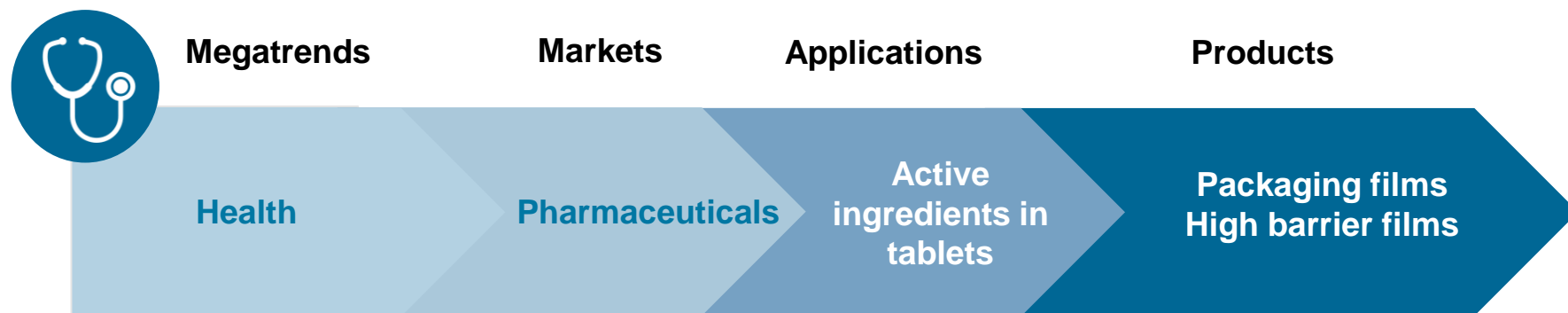
Leading suppliers in the plastic blister segment:

- KP Klöckner Pentaplast
- Liveo (formerly Bilcare)
- **Perlen Packaging**
- TeknipleX Gallazzi
- ACG

¹ Estimation of management

² IQVIA Market Prognosis

Perlen Packaging Growth drivers



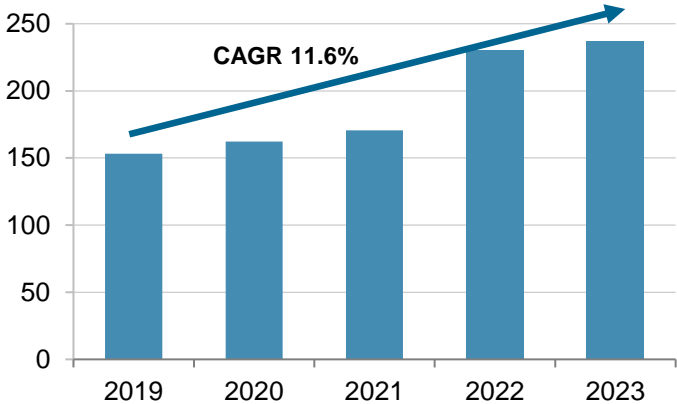
Perlen Packaging

Business development

Financial results

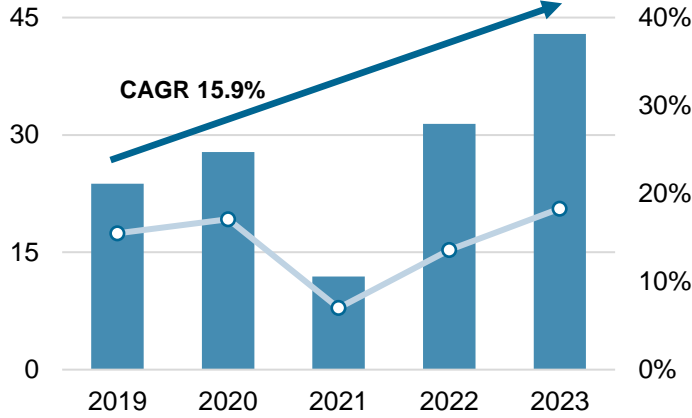
Sales

In CHF million / in %



EBITDA and EBITDA-Margin

In Mio. CHF / ● % of Sales



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Back-up

- Long-term and sustainable value creation anchored in the articles of association at AGM 2023 as a corporate purpose
- Striving for to achieve net zero, developing an appropriate stage plan, while maintaining competitiveness
- Examination and exploitation of ESG-driven market opportunities by the divisions
- Attractive employer that addresses ESG issues appropriately
- Considering environmental aspects in every business decision
- ESG reporting:
 - 2022 and 2023: Development and expansion of non-financial reporting
 - Short and mid-term:
 - Implementation of EU sustainability directives (CSRD/ESRS) and SBTi
 - Further expansion of the circular portfolio
 - Continuous improvement in sustainable supplier management
 - Ensuring ethical business behaviour

Environmental

- High climate awareness
- Continuous initiatives for energy consumption reductions
- Resource-efficient use of materials
- Economical use of water in closed circuits
- Reduction of transport distances and use of environmentally friendly options of transport

Social

- Sustainable relationships with clients, suppliers, employees, and communities
- Promoting and continuing education of employees
- High quality apprenticeship training
- Occupational health and safety
- Diversity and equal opportunities
- Fair salary policy
- Open communication culture
- Continuous improvement process (CIP)
- Regular employee surveys

Governance

- Registered shares as single class share category
- Neither registration nor voting restrictions
- Opting out
- Chairman of Board of directors represents anchor shareholders (33.6% of shares)
- Compensation model with appropriate long-term orientation
- Code of conduct and anti-corruption policy
- Comprehensive transparency for all stakeholders

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Back-up

CPH Group

- Geopolitical instability and uncertain economic outlook
- Sales below previous year due to falling raw material prices
- EBITDA in the mid double-digit millions
- Positive net result despite result from spun-off Paper business of CHF -30 million in the first half of 2024
- Further investments in property, plant and equipment for capacity expansion and efficiency improvements
- Solid financing with an equity ratio of 58%

Chemistry Division

- Sales and EBITDA in the range of the record year of 2023

Packaging Division

- Net sales below previous year's figure (lower sales volumes and falling raw material prices)
- EBITDA below the exceptional high of 2023

Mid-term targets

- Sales growth of 3-5% per year
- **EBITDA margins of 16-18%**
- **Free Cash flow margins of 8-10%¹**
- **Equity ratio of >50%**
- Targeted acquisitions in line with respective strategy of the two divisions
- Attractive dividend policy in the range of 25-50% of net income, taking liquidity into account

¹ Before acquisitions

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Back-up

Market capitalisation as of 30.06.2024 in CHF million

411

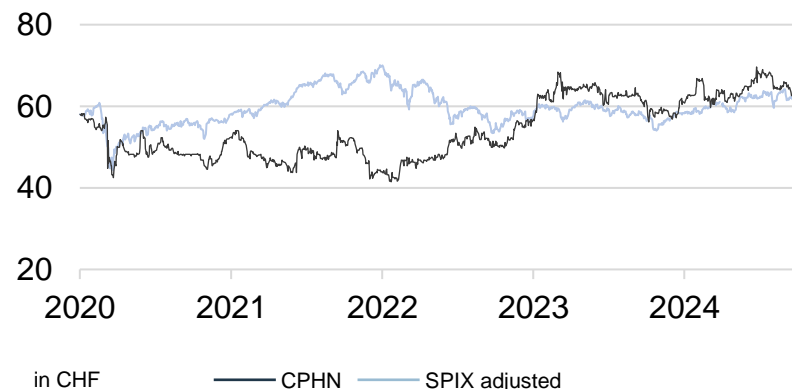
6,000,000 Ordinary Shares with nominal value of CHF 0.15 each

Dividend policy and dividend

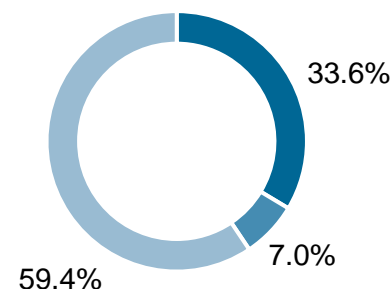
Dividend policy: payout ratio of 25% to 50% of net income, taking into account liquidity, free cash flow, and the relevant forecasts

	2023	2022	2021	2020	2019
Distribution per share (in CHF)	4.00	4.50	1.30	1.80	1.80
Dividend yield (as of 31.12.)	4.7%	5.8%	2.1%	2.5%	2.3%

Share price development 01.01.2020-21.10.2024



Shareholder structure



- Shareholder group Elly Schnorf-Schmid Stiftung and Swiss Industrial Finance AG (represented by Peter Schaub)
- J. Safran Sarasin Investmentfonds AG
- Free float

Investment Case

7 Reasons to Invest

1. **Potential for value increase** by focusing on continued organic growth, combined with targeted acquisitions
2. **Leading** market position in the relevant sales markets with independent, established brands
3. Consistent implementation of **international expansion strategy and diversification** primarily in growth markets in Asia, in the US, and in South America
4. Further growth supported by global megatrends such as health, energy, and mobility
5. Combined sales are growing at 3-5% per year, with **EBITDA margins of 16-18%** and **free Cashflow margins of 8-10%**¹
6. Strong balance sheet with leverage potential
7. Sustainable corporate management, agile organisation

¹ Before acquisitions

Financial calendar



08.01.2025	Baader Helvea Swiss Equities Conference, Bad Ragaz
25.02.2025	Media and Investors' Conference, 2024 Annual Report
18.03.2025	Annual General Meeting, Lucerne

Contacts



CPH Group AG

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CPH Group AG

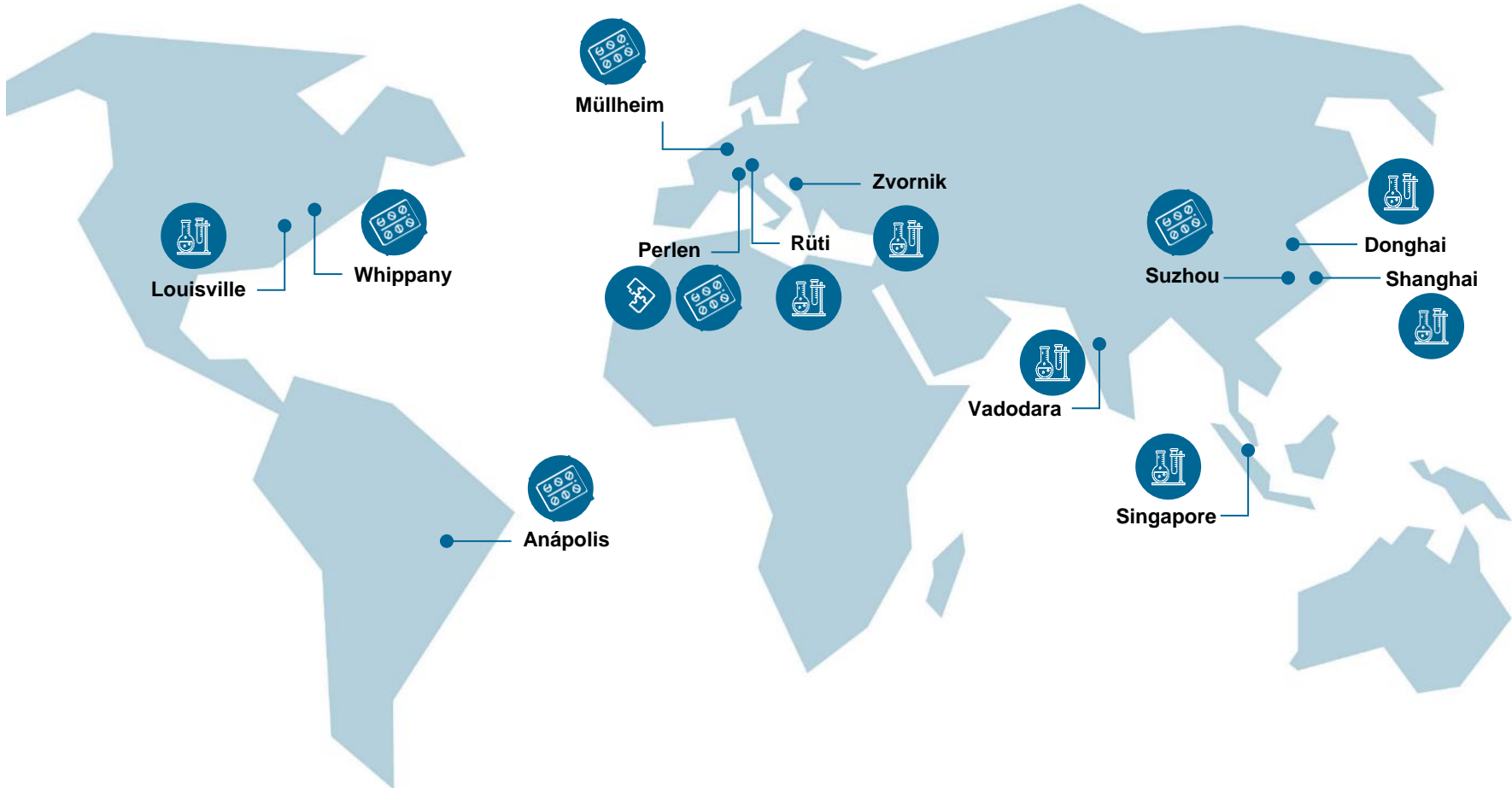
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Back-up

Business and operating locations



Consolidated income statement I (remaining divisions)

01.01.-30.06., in CHF millions		2024	%	2023	%	±	±%
Net sales	1	176.9	100.0	190.0	100.0	-13.1	-6.9%
Other operating income		1.4	0.8	1.1	0.6		
Change in inventories		-2.5	-1.4	1.0	0.5		
Cost of materials	2	-91.6	-51.8	-106.4	-56.0		
Cost of energy		-6.0	-3.4	-6.2	-3.3		
Gross profit	3	78.2	44.2	79.5	41.8	-1.3	-1.5%
Personnel expense		-33.8	-19.1	-32.9	-17.3		
Maintenance and repairs		-4.0	-2.3	-4.4	-2.3		
Other operating expense		-10.2	-5.7	-8.8	-4.6		
EBITDA	3	30.2	17.1	33.4	17.6	-3.2	-9.6%

- 1 Adjusted for currency and acquisition effects, sales 5.0% below the strong previous year (Chemistry +8.0%, Packaging -10.7%), decline due in particular to lower material costs and lower packaging sales
- 2 Raw material prices significantly below previous year (lithium and plastics), reduction in material ratio to 51.8%
- 3 EBITDA margin of 17.1% in the targeted range of 16-18%, gross profit and EBITDA slightly below the high level of the prior-year period, following on from 2022

01.01.-30.06., in CHF millions	2024	%	2023	%	±	±%
EBITDA	30.2	17.1	33.4	17.6	-3.2	-9.6%
Depreciation expense	-6.7	-3.8	-5.9	-3.1		
Operating result EBIT	23.5	13.3	27.5	14.4	-4.0	-14.4%
Financial result	0.6	0.4	-0.9	-0.5		
Non-operating result	1	1.6	0.8	13.3	7.1	
Result before income taxes	25.7	14.5	39.9	21.0	-14.2	-35.6%
Income taxes	2	-4.6	-2.6	-8.0	-4.2	
Net result	21.1	11.9	31.9	16.8	-10.8	-33.8%
Net result from spun-off divisions	3	-29.8	-16.8	28.7	15.1	
Net result CPH Group total	-8.7	-4.9	60.7	31.9		
Earnings per share CPH Group total (in CHF)	-1.44		10.10			
Earnings per share remaining divisions (in CHF)	3.52		5.31		-1.79	-33.7%

- 1 In the previous year, sale of industrial land at the former production site in Full-Reuenthal, Switzerland
- 2 Income tax expense of 17.7% at the lower end of the expected medium-term range of 18-20%
- 3 Non-cash expenses of CHF 22.3 million from the spin-off of the Paper Division, negative net result of CHF 7.5 million in the Paper Division due to the ongoing price pressure and rising material and energy costs

Half Year 2024

Consolidated balance sheet

in CHF millions	30.06.2024	%	31.12.2023	%	±	±%	
Cash and cash equivalents	30	8.7	108	18.0			
Trade receivables	1	62	18.1	71	11.9		
Inventories	1	75	21.9	102	17.1		
Other current assets		16	4.7	25	4.1		
Fixed assets		160	46.6	292	48.9		
Total assets		343	100.0	598	100.0	-255	-42.6%
Financial liabilities	2	29	8.4	1	0.1		
Trade payables		41	12.0	71	11.9		
Other payables		36	10.6	40	6.7		
Provisions		38	11.1	50	8.4		
Shareholders' equity	3	199	57.9	436	72.9	-237	-54.4%
Total liabilities and equity		343	100.0	598	100.0	-255	-42.6%
Net cash	4	1	0.3	107	17.9	-106	-99.0%
Capital employed	1	208	60.5	325	54.4	-117	-36.1%

- 1 Significant reduction in the balance sheet due to the spin-off of the Paper Division
- 2 Raising of bank liabilities to finance the acquisition of Sorbead India and Swambe Chemicals in India
- 3 Continued solid equity financing with an equity ratio of 58%
- 4 Positive net cash of CHF 1 million

Half Year 2024

Consolidated cash flow statement

01.01.-30.06., in CHF millions	2024	%	2023	%	±	±%	
Net result	-9	-100.0	61	100.0	-69.4	n.a.	
Non-cash items	1	26	296.6	-9	-14.0		
Cash flow	17	196.6	52	86.0	-35.2	-67.4%	
Change in net working capital	8	88.4	-1	-2.0			
Cash flow from operating activities	25	285.0	51	84.0	-26.2	-51.5%	
Cash flow from investing activities	2	-39	-444.1	8	12.5	-46.1	n.a.
Free cash flow	-14	-159.1	59	96.5	-72.3	n.a.	
Repayment of financial liabilities	3	28	326.5	-17	-27.2		
Distribution to shareholders	-24	-277.1	-27	-44.5			
Other	4	-69	-799.8	-0	-0.3		
Cash flow from financing activities	-65	-750.4	-44	-72.0	-21.3	+48.8%	
Currency translation	1	12.6	-1	-1.0			
Change in cash and cash equivalents	-78	-896.9	14	23.5	-92	n.a.	

- 1 Non-cash item from spin-off of Paper Division of CHF 22.3 million
- 2 Acquisition of Sorbead India and Swambe Chemicals in India, investments to expand capacities in Chemistry and Packaging and to increase process efficiency, cash inflow from the sale of CO₂ certificates
- 3 Raising of bank liabilities to finance the acquisition of Sorbead India and Swambe Chemicals in India
- 4 Cash and cash equivalents of the spun-off Paper Division