

# ZKB - Swiss Equity and Real Estate Conference

3 November 2021



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# Agenda



## 1 The CPH Group

2 Focus on Packaging Division

3 Investment case

## The CPH Group At a glance



CPH Chemie + Papier Holding AG is a diversified and internationally active industrial company that was founded in 1818 and is headquartered in Switzerland. CPH shares have been listed on the SIX Swiss Exchange since 2001, with the founding families as strong anchor shareholders.

**243.7**

H1 2021 sales in CHF million

**5.7**

H1 2021 EBIT in CHF million

**5.9**

H1 2021 net result in CHF million

**3**

Business divisions

**1 101**

Personnel

**13**

Production sites

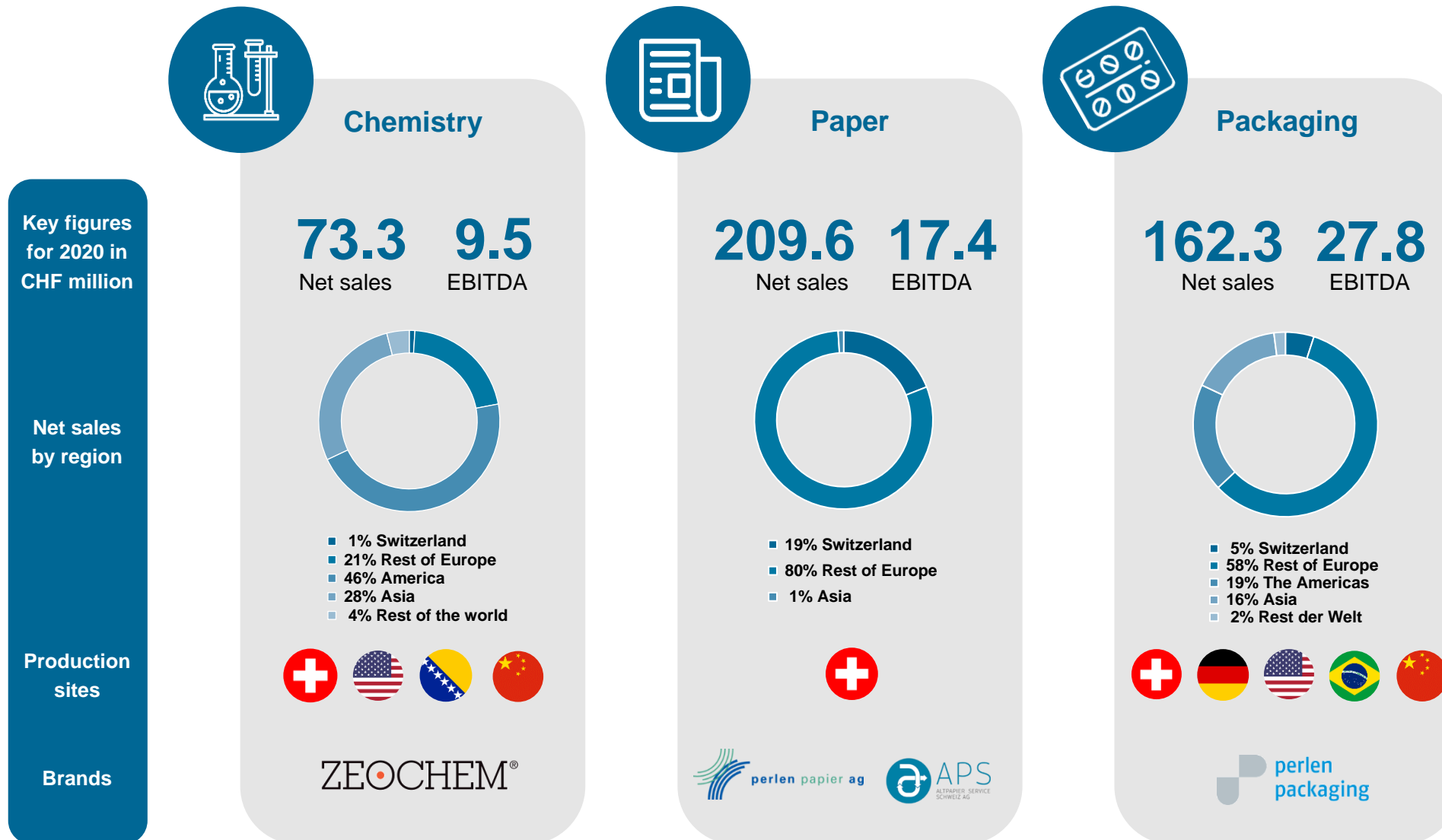
# The CPH Group Key figures



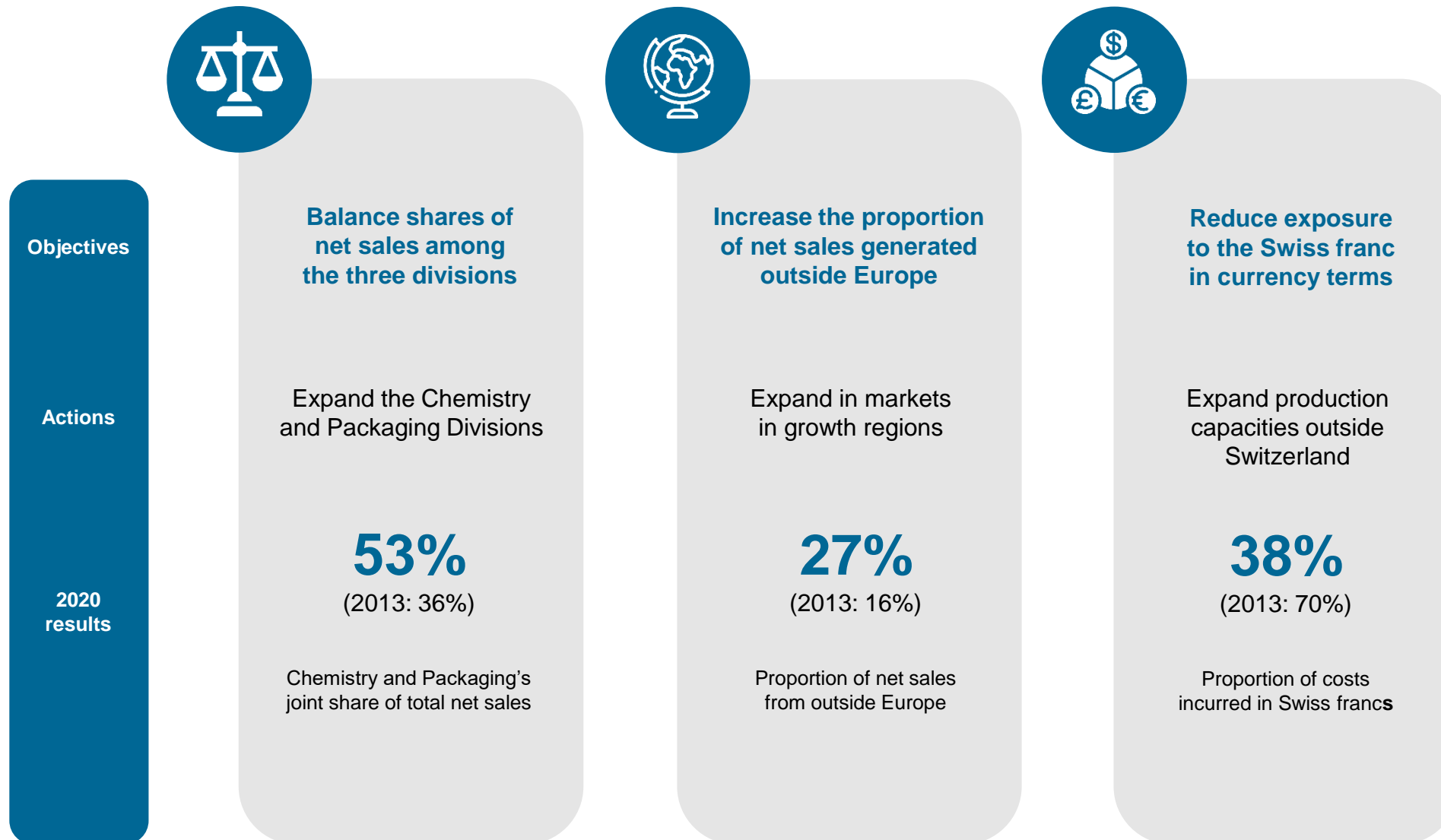
in CHF million	2019	2020	± in CHF	± in %
<b>Net sales</b>	<b>524.7</b>	<b>445.2</b>	<b>-79.5</b>	<b>-15.1</b>
<b>EBITDA</b> in % of net sales	<b>88.0</b> 16.8	<b>55.2</b> 12.4	<b>-32.8</b>	<b>-37.3</b>
<b>EBIT</b> in % of net sales	<b>56.6</b> 10.8	<b>24.7</b> 5.5	<b>-31.9</b>	<b>-56.4</b>
<b>Net result (including minorities)</b> in % of net sales	<b>48.5</b> 9.2	<b>47.0</b> 10.5	<b>-1.5</b>	<b>-3.1</b>
<b>Cash flow</b>	<b>79.9</b>	<b>45.8</b>	<b>-34.1</b>	<b>-42.7</b>
<b>Free cash flow</b>	<b>39.9<sup>1)</sup></b>	<b>39.7</b>	<b>-0.2</b>	<b>-0.6</b>
<b>Balance sheet total</b>	<b>702.7</b>	<b>704.2</b>	<b>1.5</b>	<b>0.2</b>
<b>Equity</b> in % of balance sheet total	<b>441.3</b> 62.8	<b>471.9</b> 67.0	<b>30.6</b>	<b>6.9</b>
<b>Personnel</b>	<b>1086</b>	<b>1098</b>	<b>12</b>	<b>1.1</b>

<sup>1)</sup> excluding CHF 100 million fixed-term deposit of funds generated by corporate bond issue of 12.10.2018, repaid 9.7.2019

# The CPH Group Business divisions



# The CPH Group Strategy implementation



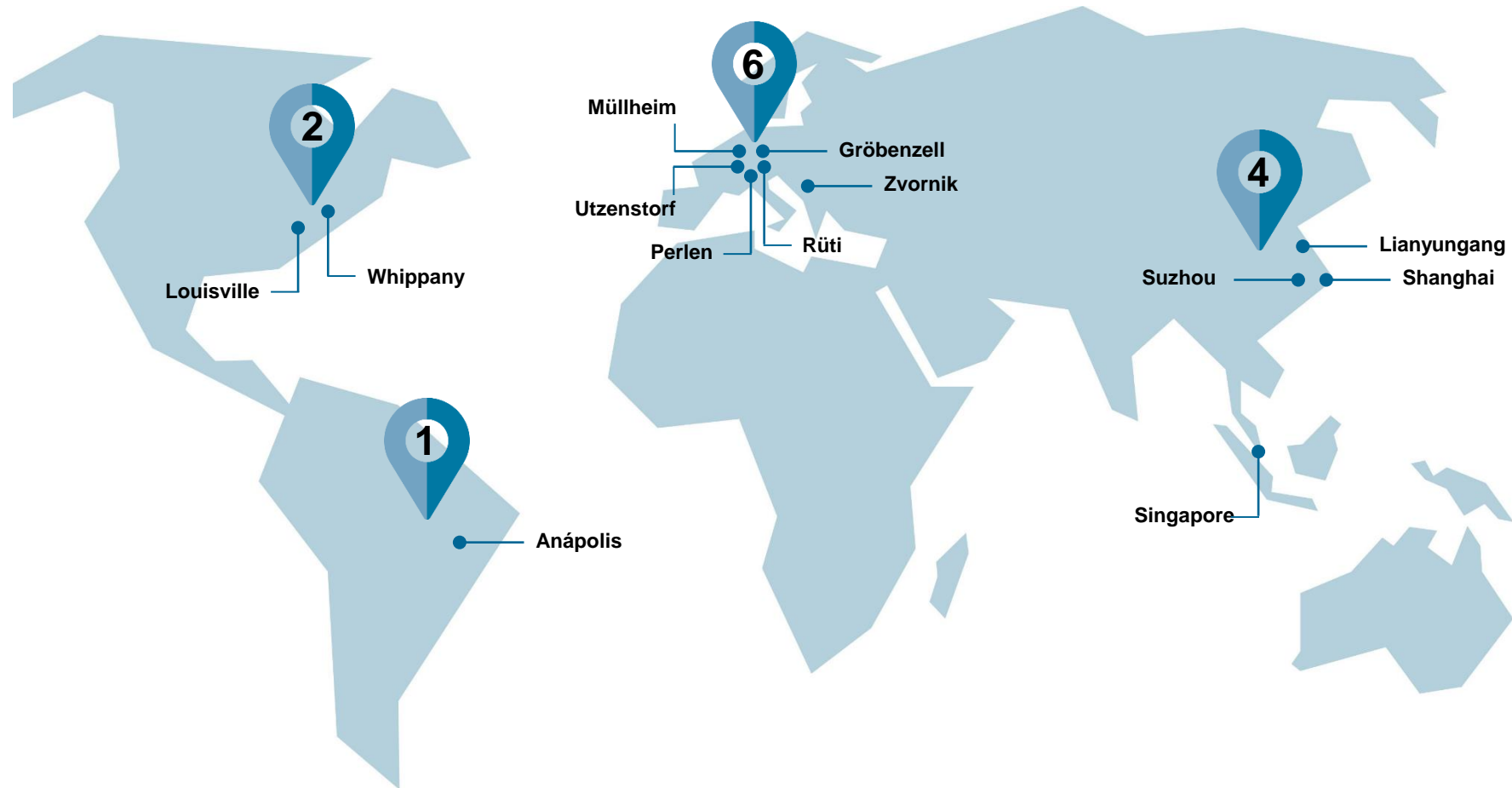


## The CPH Group 2014 Six locations on two continents





# The CPH Group 13 locations on four continents

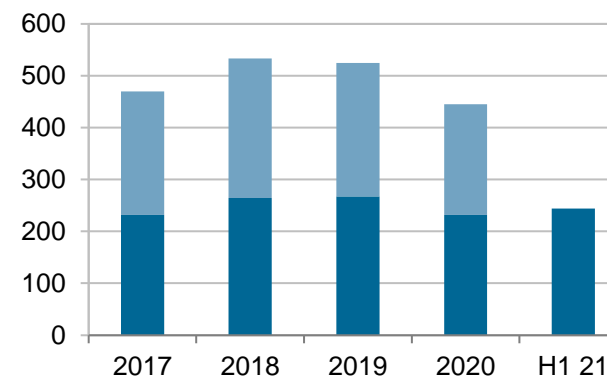


# The CPH Group 2021 first-half results



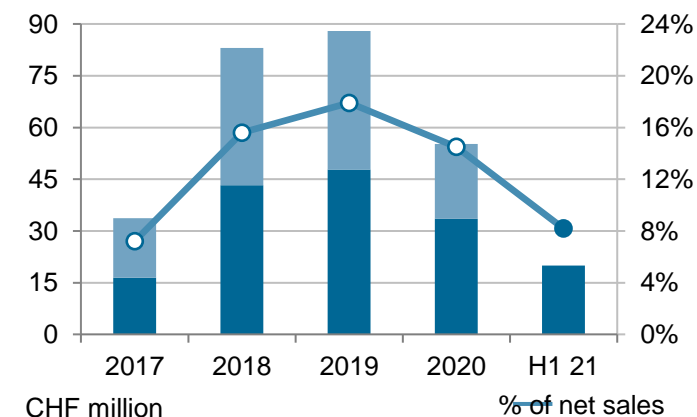
in CHF million	H1 20	H1 21	± in %
<b>Net sales</b>	<b>231.8</b>	<b>243.7</b>	5.1
<b>EBITDA</b> in % of net sales	<b>33.5</b> 14.5	<b>20.0</b> 8.2	-40.4
<b>EBIT</b> in % of net sales	<b>17.8</b> 7.7	<b>5.7</b> 2.4	-67.8
<b>Net result (including minorities)</b> in % of net sales	<b>27.2</b> 11.7	<b>5.9</b> 2.4	-78.3
<b>Cash flow</b>	<b>27.5</b>	<b>15.5</b>	-43.8
<b>Free cash flow</b>	<b>22.9</b>	<b>8.7</b>	-62.0
<b>Balance sheet total</b>	<b>691.1</b>	<b>722.1</b>	4.5
<b>Equity</b> in % of balance sheet total	<b>454.2</b> 65.7	<b>471.6</b> 65.3	3.8
<b>Personnel</b>	<b>1095</b>	<b>1101</b>	0.5

## Sales



CHF million

## EBITDA



CHF million

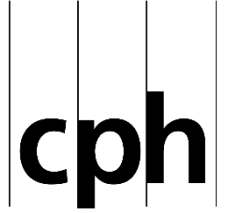
% of net sales

# The CPH Group Income statement business divisions H1 2021



in CHF million	CPH Group		Chemistry		Paper		Packaging	
	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021
<b>Net sales</b>	<b>231.8</b>	<b>243.7</b>	<b>36.2</b>	<b>47.5</b>	<b>108.9</b>	<b>105.4</b>	<b>86.7</b>	<b>90.8</b>
<b>EBITDA</b>	<b>33.5</b>	<b>20.0</b>	<b>5.0</b>	<b>9.9</b>	<b>12.5</b>	<b>-1.5</b>	<b>16.1</b>	<b>11.6</b>
EBITDA margin in %	14.5	8.2	13.7	20.8	11.5	-1.5	18.6	12.7
<b>EBIT</b>	<b>17.8</b>	<b>5.7</b>	<b>2.5</b>	<b>7.4</b>	<b>2.3</b>	<b>-10.1</b>	<b>13.1</b>	<b>8.4</b>
EBIT margin in %	7.7	2.4	7.0	15.7	2.1	-9.6	15.0	9.3
<b>Personnel</b>	<b>1095</b>	<b>1101</b>	<b>283</b>	<b>289</b>	<b>364</b>	<b>359</b>	<b>442</b>	<b>446</b>

## The CPH Group Sustainability KPIs



34

Nationalities in workforce

568

Continuous Improvement ideas submitted

51

Apprentices in training

21

% of staff with 20+ years of service

1 110

Energy consumption in GWh

11

Training occupations

14 785

CO<sub>2</sub> emissions in tonnes

99

PVC recycling rate in %

391 231

Waste paper recycled in tonnes

# Agenda

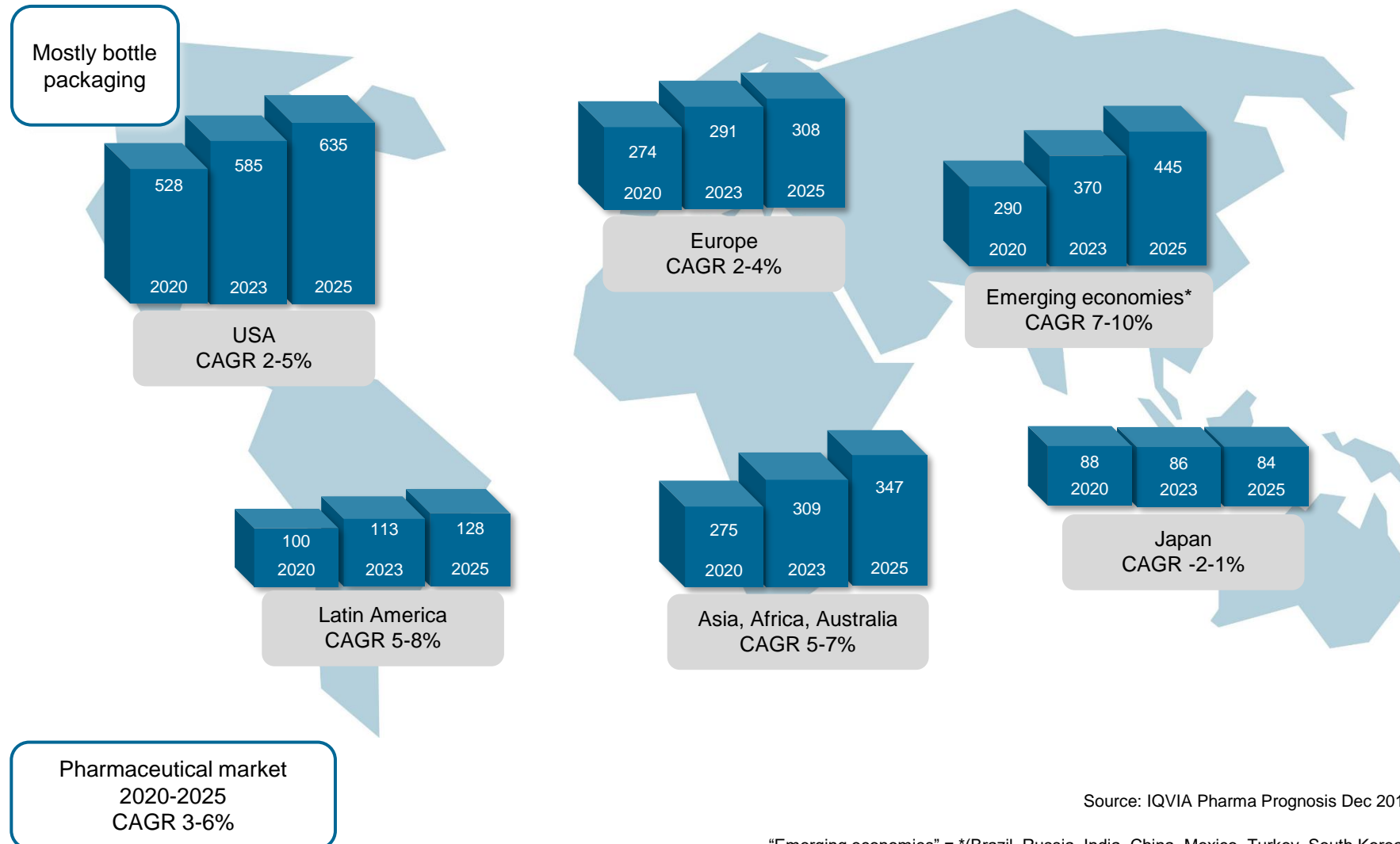


1 The CPH Group

**2 Focus on Packaging Division**

3 Investment case

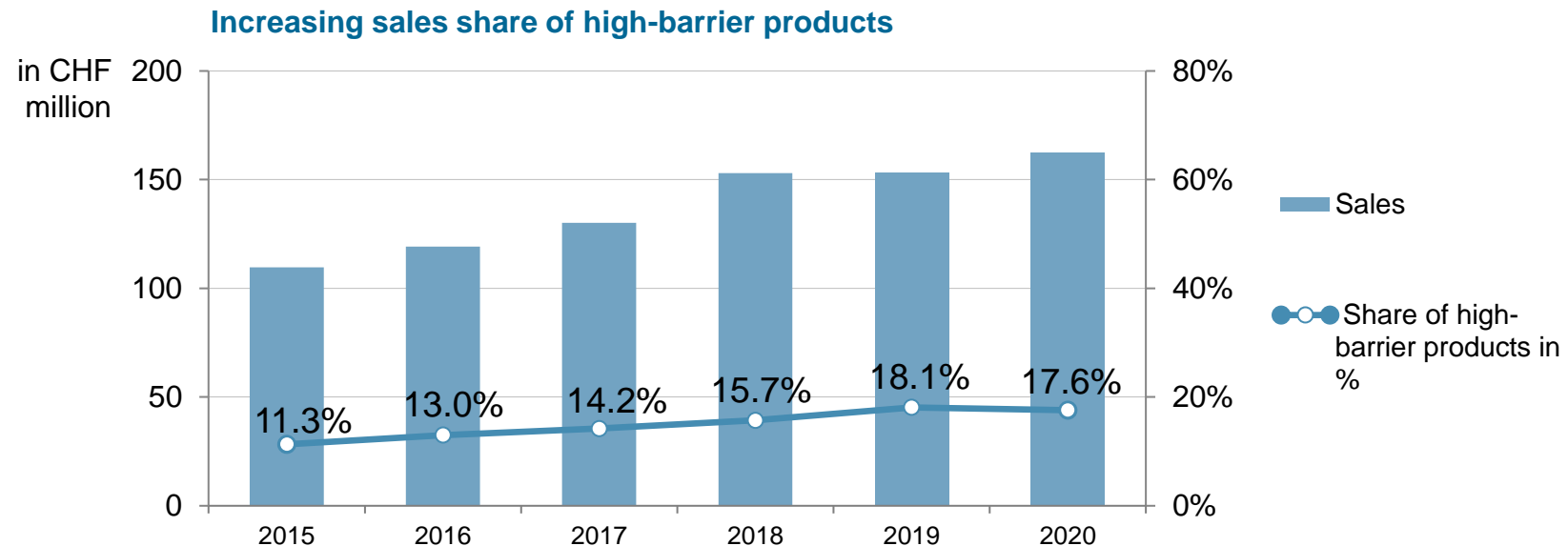
# Packaging Pharmaceutical markets 2020-2025 in billion USD



Source: IQVIA Pharma Prognosis Dec 2019

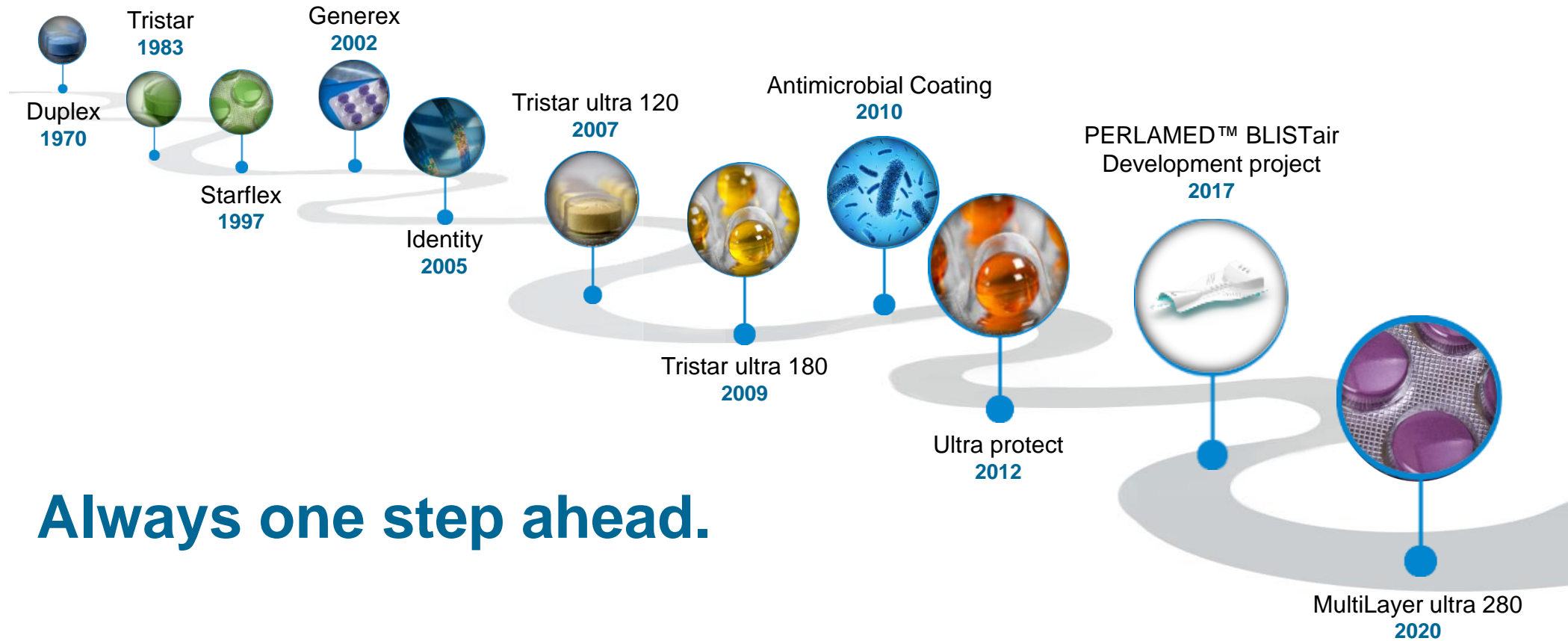
\*"Emerging economies" = \*(Brazil, Russia, India, China, Mexico, Turkey, South Korea) included in other regions

# Packaging Sales development of barrier packaging





# Packaging Innovations since 1970



**Always one step ahead.**

# Packaging Third barrier centre of excellence currently under construction



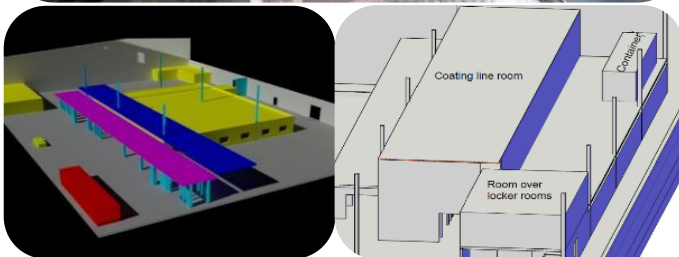
## **Perlen Packaging AG global competence centre, Perlen | Switzerland**

- World's biggest coating plant for thermoformable blister pack materials
- R&D centre for multilayer and ultra-high-barrier structures



## **Perlen Packaging (Suzhou) Co., Ltd. Asian competence centre, Suzhou | China**

- Longest coating plant specializing in medium-barrier products
- Most advanced plant in Asia



## **Perlen Packaging Ltda. South American competence centre, Anápolis | Brazil**

- South America's newest plant with the highest manufacturing standards
- Production due to begin in the second quarter of 2022



## Continued profitable growth with a firm focus on the pharmaceutical sector

- Growth through further market penetration in existing business
- Market development in regional “white spots” including Africa, the Middle East, India and Australia
- Original strategy goals of 2012 achieved with development of the new Brazil operation

## Further business expansion thrusts being studied

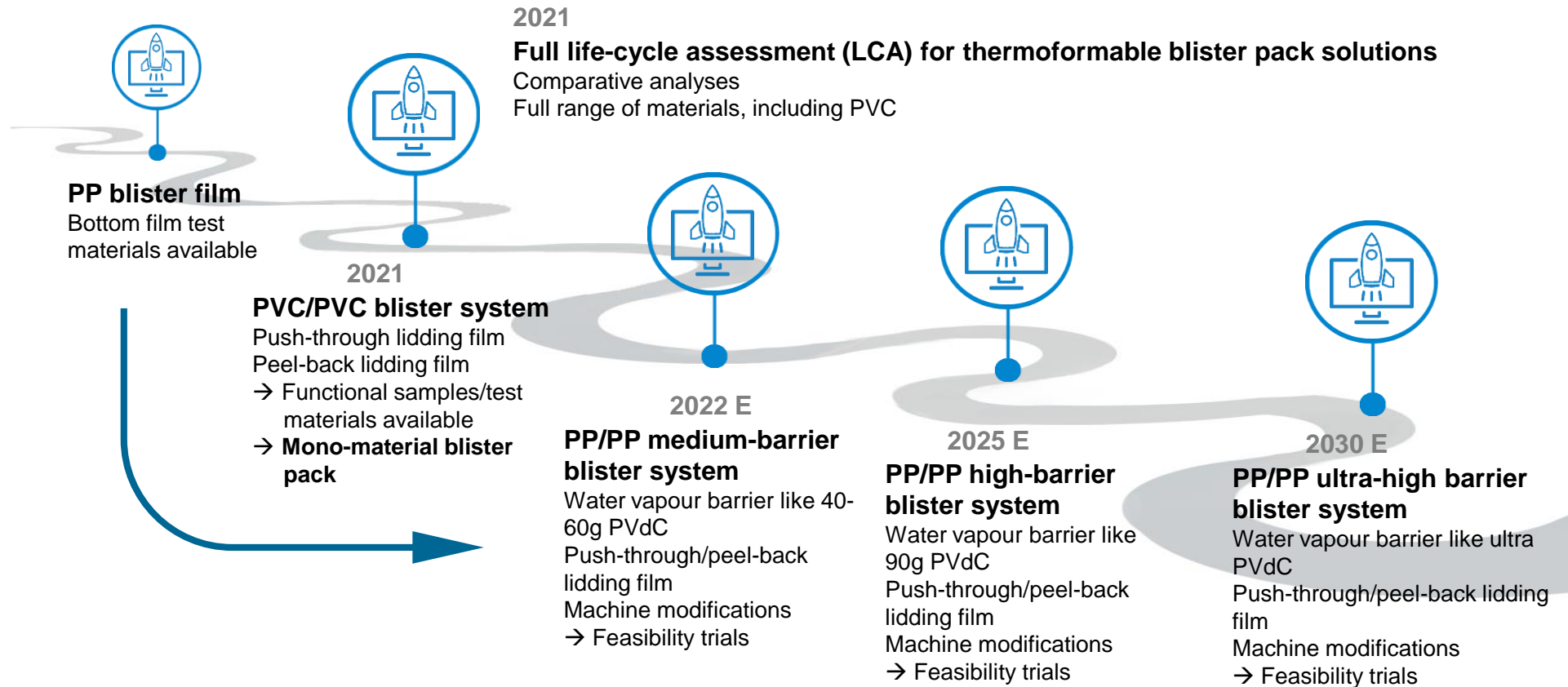
- **Blister pack specialist** (independent of product/market): use of blister packs for new products/markets

In addition to their barrier function, blister packs are primarily used to protect from contamination and/or for transport. Use in markets such as medicinal technology.

- **Packaging specialist** for primary pharmaceutical packagings (independent of dosage form)

New primary packaging forms such as containers, bottles, ampoules, syringes, etc. made of plastic or other materials such as glass, metal or paper for the pharmaceutical market.

# Packaging Project roadmap



Mono-material blister systems meet the requirements of the recycling economy

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# CPH share Dividend and share price development



## Distributions

	2016	2017	2018	2019	2020
Distribution per share (in CHF)	0.65	0.65	1.80 <sup>1</sup>	1.80 <sup>2</sup>	1.80 <sup>3</sup>
Distribution yield (in %, as of 31.12).	1.6	1.2	2.2	2.3	2.5

<sup>1</sup> Including special dividend of CHF 0.50

<sup>2</sup> Nominal value reduction

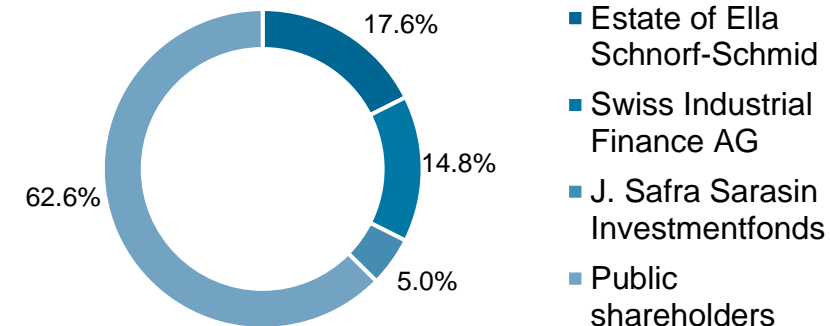
<sup>3</sup> Of which CHF 0.70 from capital contribution reserve

- Dividend policy: distribution of 25% to 50% of the net result, with due regard to liquidity and free cash flow
- Consistent distribution policy
- Distributions up to 2018 from tax-exempt capital contribution reserve
- 2019: instead of a dividend, reduction in nominal value of CHF 1.80 per share
- 2020: following distribution of CHF 4.2 million (CHF 0.70 per share), the tax-exempt capital contribution reserve is now exhausted

## Share price trends 30.06.2016 – 30.06.2021



## Shareholders



## CPH Target financial KPIs



- Organic sales growth of over 3% a year
- EBITDA margin of over 12%
- Equity ratio of over 50%
- Liquidity of at least CHF 30-50 million
- Annual operating investments of CHF 20-25 million



## CPH share An attractive investment



- Leading competitive positions in three industrial sectors with three distinct brands
  - Cost leader in the predatory newsprint and magazine paper market and Switzerland's biggest recovered paper recycler
  - Expansion of Chemistry and Packaging divisions reducing dependence on Paper
  - Expanding (Chemistry and Packaging) production capacities outside Switzerland to reduce currency risks
  - Investing in growth markets
  - Sound equity base
  - Stable anchor shareholders with long-term commitment
- Solid dividend levels (around 2-3%) with further share price rise potential



Thank you for your attention.