

Swiss Equity Conference 2020 ZKB

4 November 2020



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The CPH Group At a glance



The CPH Chemie + Papier Holding AG is a diversified and international operating industrial group founded in 1818 and headquartered in Switzerland. The CPH shares have been listed on the SIX since 2001 with the founding families as strong anchor shareholders.

524.7

Sales 2019 in CHF million

56.6

EBIT 2019 in CHF million

48.4

Net result 2019 in CHF million

3

Business Divisions

1086

Personnel

13

Production sites

The CPH Group Key figures



in CHF million	2018	2019	± in CHF	± in %
Net sales	533.5	524.7	-8.9	-1.7
EBITDA in % of net sales	83.1 15.6	88.0 16.8	+4.9	+5.9
EBIT in % of net sales	51.6 9.7	56.6 10.8	+5.0	+9.6
Net result (including minorities) in % of net sales	42.3 7.9	48.5 9.2	+6.2	+14.6
Cash flow	69.0	79.9	+10.9	+15.9
Adjusted free cash flow ¹⁾	19.5	39.9	+20.4	+104.6
Balance sheet total	800.5	702.7	-97.8	-12.2
Equity in % of the balance sheet total	407.1 50.9	441.3 62.8	+34.2	+8.4
Personnel	1081	1086	+5 FTEs	+0.5

¹⁾ 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 Broad and innovative product portfolio



Chemistry



Molecular sieves, chromatography gels, specialty zeolites, deuterated products



Industry, energy, pharmaceuticals



Paper



Newsprint and magazine paper



Publishing



Packaging



PVC monofilms, PVdC coated films

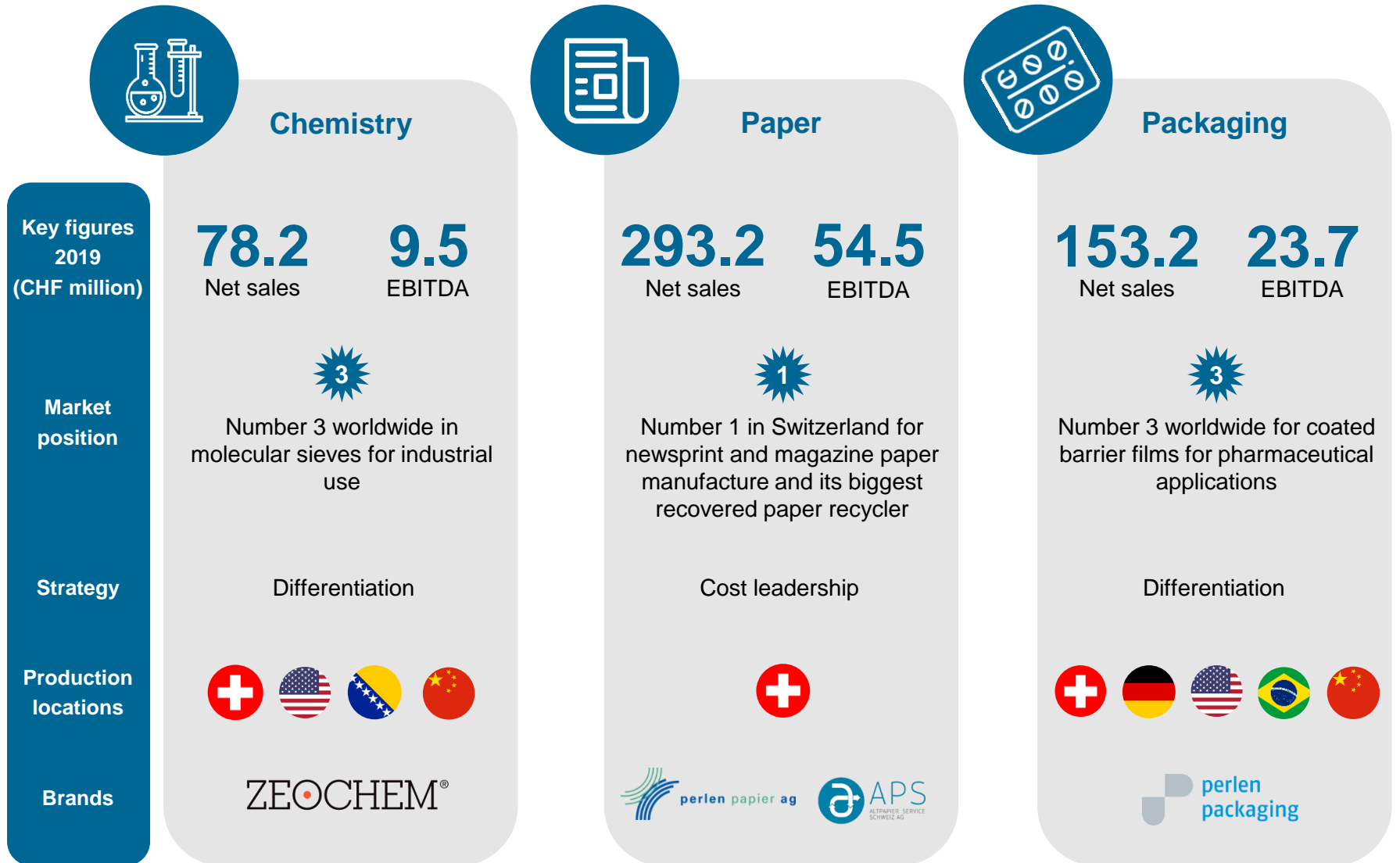


Pharmaceuticals

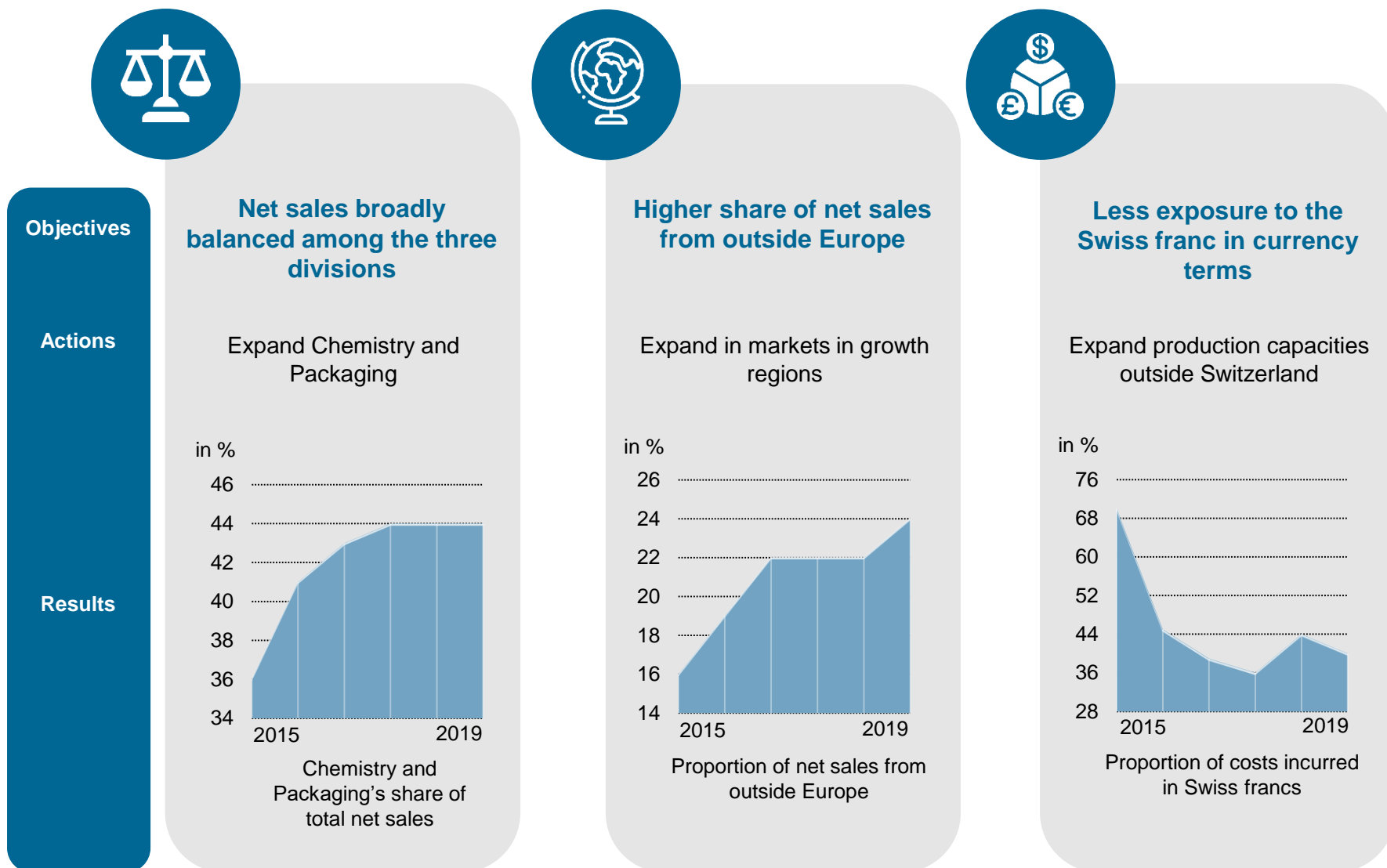
Products

Markets

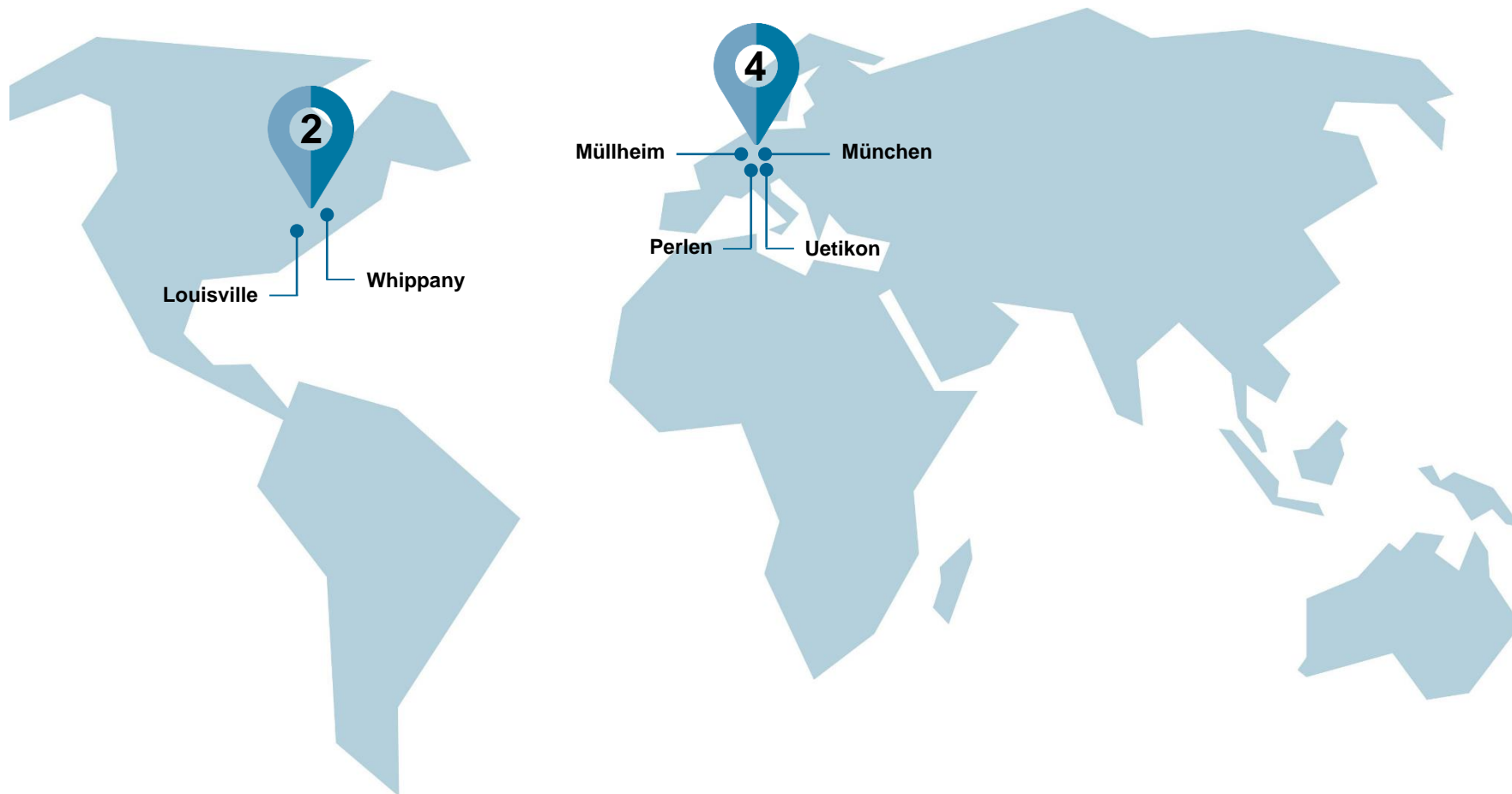
The CPH Group Business Divisions



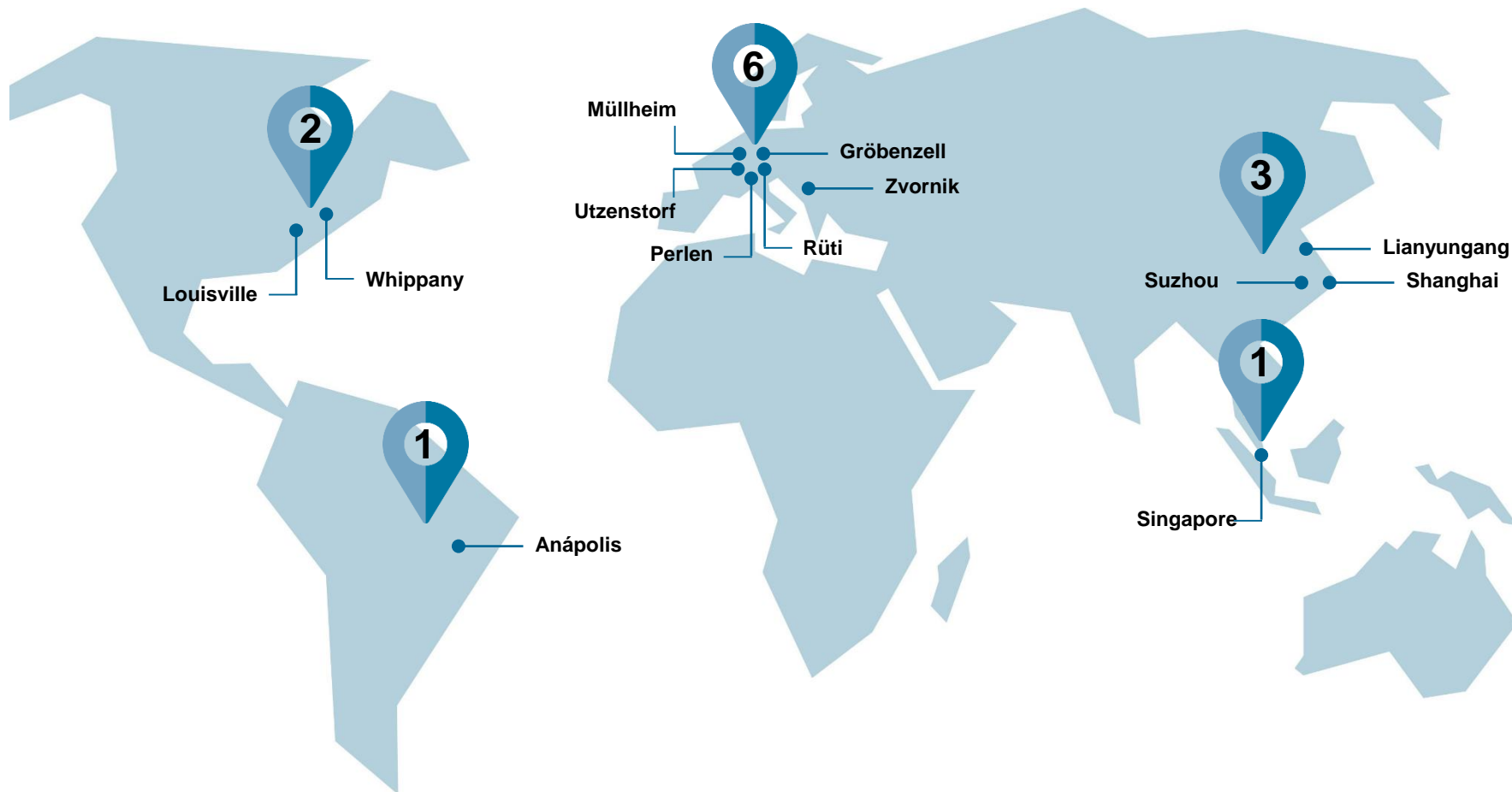
The CPH Group “Strategy 2024” approved



The CPH Group Worldwide sites in 2014



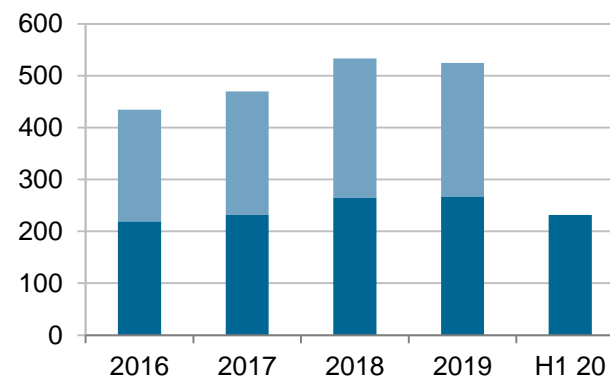
The CPH Group Worldwide sites in 2019



The CPH Group Key figures 1st half of 2020

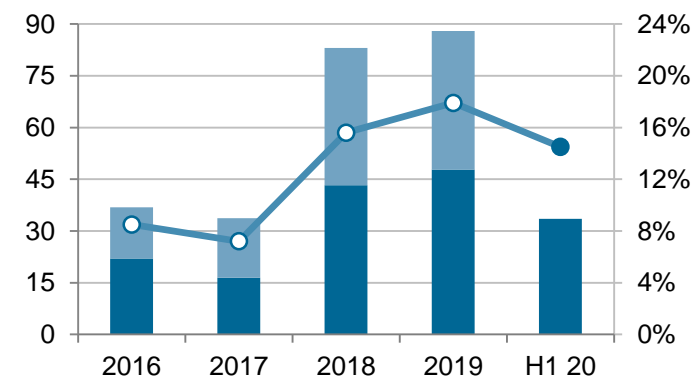
in CHF million	H1 19	H1 20	± in %
Net sales	267.5	231.8	-13.3
EBITDA	47.8	33.5	-29.9
EBITDA margin in %	17.9	14.5	
EBIT	32.0	17.8	-44.4
EBIT margin in %	12.0	7.7	
Net result (incl. minorities)	27.2	27.2	-0.2
in % of net sales	10.2	11.7	
Cash flow	42.3	27.5	-35.1
Free cash flow	21.4	22.9	7.0
Balance sheet total	815.8	691.1	-15.3
Equity	422.3	454.2	7.6
in % of balance sheet total	51.8	65.7	
Personnel	1092	1095	0.3

Net sales



in CHF million

EBITDA



in CHF million

— % of net sales

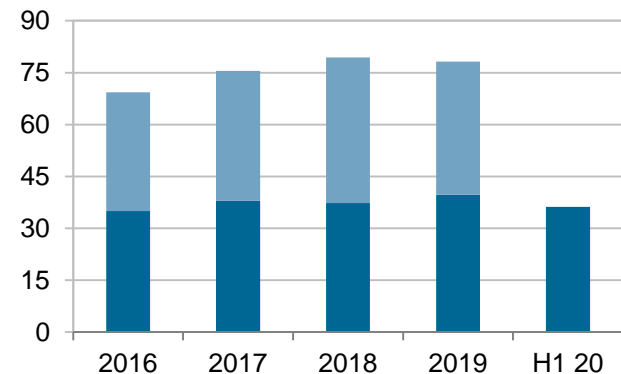
1st Half of 2020 Divisional results

in CHF million	CPH Group		Chemistry		Paper		Packaging	
	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020
Net sales	267.5	231.8	39.7	36.2	146.9	108.9	80.8	86.7
EBITDA	47.8	33.5	5.6	5.0	29.0	12.5	13.3	16.1
EBITDA margin in %	17.9	14.5	14.2	13.7	19.7	② 11.5	16.4	18.6
EBIT	32.0	17.8	3.1	2.5	19.0	2.3	10.1	13.1
EBIT margin in %	12.0	7.7	7.8	① 7.0	12.9	2.1	12.4	③ 15.0
Personnel	1092	1095	306	283	369	364	411	442

- ① Good value compared to industry development
- ② Best in European comparison
- ③ Record margin for the division

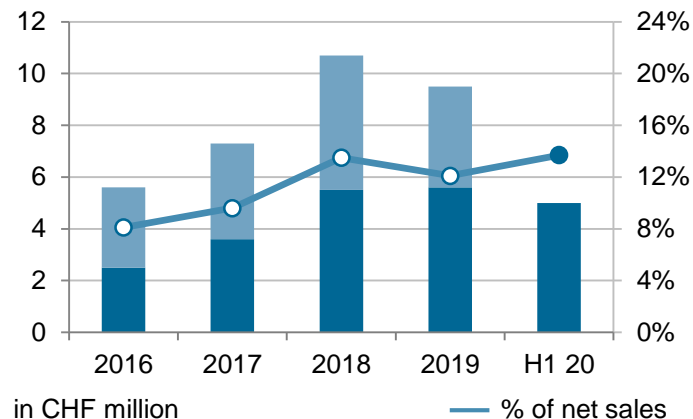
Chemistry Business developments

Net sales



in CHF million

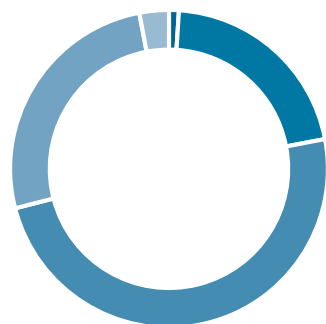
EBITDA



in CHF million

— % of net sales

Net sales 2019 by region



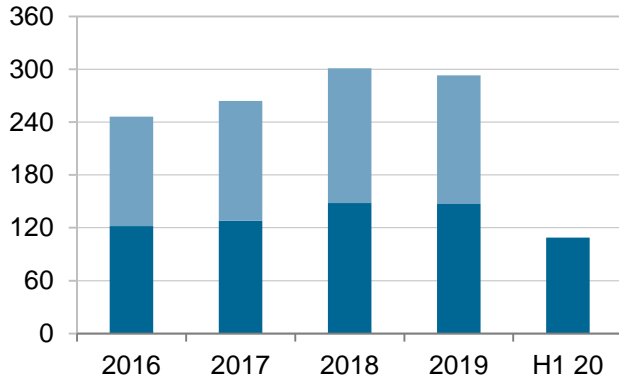
- 1% Switzerland
- 21% Rest of Europe
- 49% The Americas
- 26% Asia
- 3% Rest of the world

1st half of 2020

- Good start, followed by slowdown due to the corona crisis
- Order intake in Medox segment at record level
- Energy industry's demand is collapsing
- Investments in industrial gas plants have been postponed

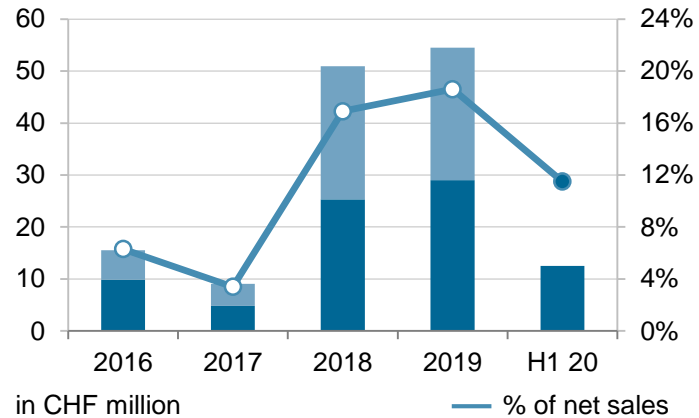
Paper Business developments

Net sales



in CHF million

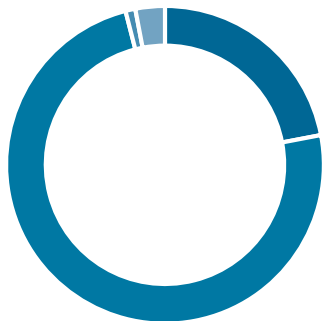
EBITDA



in CHF million

— % of net sales

Net sales 2019 by region



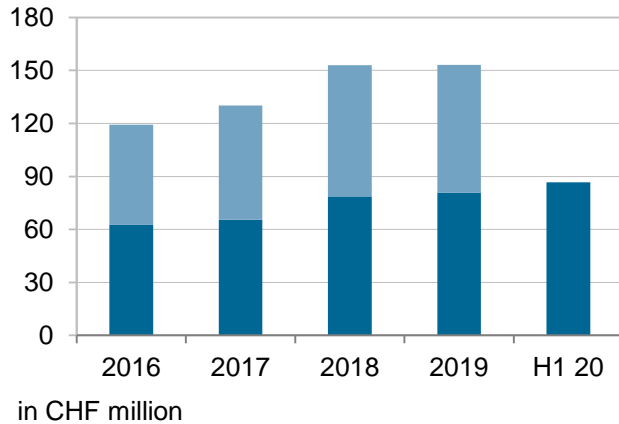
- 22% Switzerland
- 74% Rest of Europe
- 1% The Americas
- 3% Asia

1st half of 2020

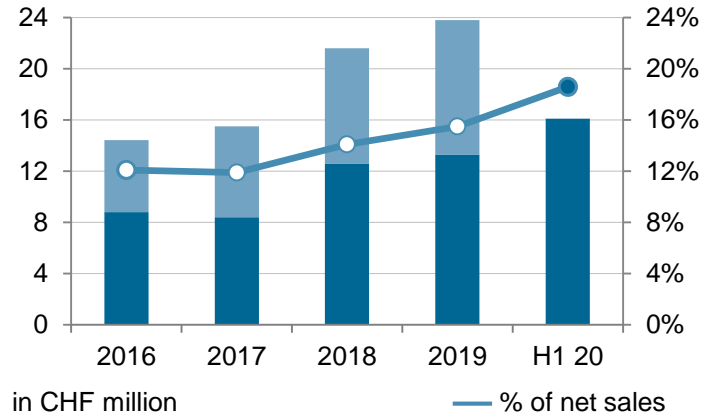
- Q1: Demand for paper already down by 10%
- Q2: Corona crisis causes demand for paper to fall by 40%
- Overcapacities force stoppages in production lasting for several days
- Prices for waste paper rose when the corona crisis started as collection activity was limited

Packaging Business developments

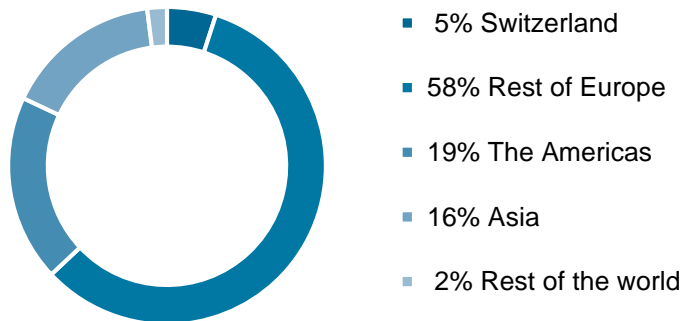
Net sales



EBITDA



Net sales 2019 by region



1st half of 2020

- Demand for medication sharply increased during the corona crisis
- Order intake on record level
- Capacity balancing within the production facilities secured delivery capability
- Expansion of capacities in Brazil by means of new coating plant



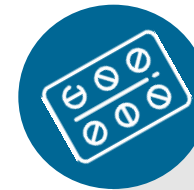
Chemistry

- Speed and extent of recovery from corona crisis crucial for investment demand
- Rigorous cost control
- Sales will decrease compared to previous year
- EBIT margin planned to be within the scope of previous year



Paper

- Demand for magazine and newsprint paper expected to slightly recover in H2
- Massive overcapacities put pressure on paper prices
- Market consolidation becomes inevitable
- Sales will be below 2019 figures
- EBIT will be negative



Packaging

- Demand is expected to return to normal once the corona crisis subsides
- Further expansion of the high-barrier segment
- Construction of a coating plant planned in Brazil
- Significant increase in revenue and higher EBIT planned



The CPH Group

Sales and operating result will decline significantly in 2020. The net result is expected to be around CHF 40 Mio. due to non-recurring income of CHF 26 Mio.

The CPH Group Focused on sustainability



<p>Products</p>			
<p>Raw materials</p>	<p>Chemistry</p> <p>Aluminium silicate naturally extracted or synthetically manufactured</p>	<p>Paper</p> <p>Waste paper and wood are of organic origin</p>	<p>Packaging</p> <p>Polyvinylchloride is manufactured from oil and salt</p>
<p>Cycle</p>	<p>Regenerable</p>	<p>Recyclable and biodegradable</p>	<p>Recyclable</p>
<p>Results</p>	<ul style="list-style-type: none"> Zvornik and Donghai sites now ISO 14001 eco-certificated Intermediate products sourced directly in Bosnia/Herzegovina and China to cut transports Coal replaced with gas at the Donghai (China) site Dust emissions reduced at the US and Chinese plants thanks to new filter facilities Former waste disposal site in Meilen to be cleaned up in 2020 	<ul style="list-style-type: none"> 144 kg of CO₂ per ton of paper (616 kg is CEPI industry average) 75% of recovered paper used is sourced from Switzerland 85% of wood used is sourced from Switzerland, 70% from certificated forestry operations ISO 14001 eco-certificated Steam procured from Renergia Own biomass plant Own hydroelectric power stations 	<ul style="list-style-type: none"> Müllheim site ISO 50001 energy-certificated and switched 100% to eco-power 99% utilization rate for PVC PVC waste used to make cores onto which the films are rolled

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