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## **Ad hoc announcement pursuant to Art. 53 LR**

### **CPH Chemie + Papier Holding AG: Plans to separate the paper business from the chemistry and packaging activities**

- **Creation of two independent companies with the listed CPH Group AG and the over-the-counter traded Perlen Industrieholding AG**
- **Split by distributing the paper business to shareholders in the form of a dividend in kind**
- **CPH Group AG with a clear focus on the chemistry and packaging business and its attractive growth potential in global niche markets**
- **Perlen Industrieholding AG is concentrating on the paper business and the consistent implementation of the existing last-man-standing strategy. In addition, the potential of the Perlen industrial site will be further exploited by establishing complementary industrial activities**
- **The market presence under the established brands Zeochem, Perlen Packaging and Perlen Papier will remain unchanged**
- **Extraordinary General Meeting on 20 June 2024 to vote on the planned transaction**

Perlen, 20 March 2024 - CPH Chemie + Papier Holding AG (CPH) is today a listed industrial holding company with three independent divisions operating in different markets. The fast-growing Chemistry and Packaging divisions, which are well positioned in global niche markets, contrast with the regional paper business, which focuses on cost leadership and is more volatile. The fluctuations in the paper business make it increasingly difficult to predict the development of earnings at Group level.

The Board of Directors of CPH therefore intends to change the current structure and to create two focused companies from CPH Chemie + Papier Holding AG, which will be able to successfully implement their respective strategies in the future: The globally active growth company under the new name of CPH Group AG with the Chemistry and Packaging Divisions, and Perlen Industrieholding AG, in which the paper business and the real estate in Perlen will be bundled.



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It is planned to separate the paper business from the chemistry and packaging activities in the form of a dividend in kind, whereby each existing CPH shareholder will automatically receive shares in Perlen Industrieholding AG. While CPH Group AG will continue to be listed on SIX Swiss Exchange, the shares of Perlen Industrieholding AG will be tradable over-the-counter via an appropriate platform.

### **Operating business will continue unchanged**

The operating business of the individual divisions Chemistry, Packaging and Paper will not be affected by the planned transaction. The market presence will remain unchanged and the businesses will continue to operate under the established brands of Zeochem (Chemistry), Perlen Packaging (Packaging) and Perlen Papier AG (Paper). The reorganisation of the two holding structures will not result in any changes for the employees, customers and business partners of the independently operating companies.

### **CPH Group AG – a focused growth company with good market positions in attractive niche markets**

CPH Group AG continues to pursue its proven differentiation strategy in its two divisions, Chemistry and Packaging, with a consistent focus on international niche markets that offer above-average growth opportunities, both organically and through acquisitions, as well as continuous innovation and customer proximity. Combined revenues are growing at 3-5% per year. EBITDA margins of 16-18% and high free cash flows are achieved. In the 2023 financial year, turnover totalled CHF 361 million and EBITDA reached CHF 65 million.

Zeochem is very well positioned in the chemicals sector as a global supplier of molecular sieves, chromatography gels and deuterated products. The company is also well diversified thanks to the versatility of its products in numerous industries. In the packaging sector, Perlen Packaging has established itself as the world's number three innovative supplier of high-barrier blister films, primarily for the pharmaceutical industry. Perlen Packaging is known for its high level of innovation combined with quality, high reliability and security of supply.



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### **Perlen Industrieholding AG – Consistent implementation of the last-man-standing strategy combined with targeted further development of the industrial site in Perlen**

The paper business of Perlen Papier AG and the real estate at the Perlen site will in future be bundled in Perlen Industrieholding AG. The establishment of an independent holding company goes hand in hand with a clear commitment to the paper business.

The Board of Directors is convinced that Perlen Papier can operate successfully in the relevant markets by consistently implementing its last-man-standing strategy. Thanks to the pursuit of a cost leadership strategy, long-term customer relationships, a strong balance sheet and excellent know-how, it should be able to outperform its competitors during the consolidation process and thus continue to generate sufficient margins over the cycle in the future. In addition, Perlen Papier already operates in a virtually CO<sub>2</sub>-neutral manner and thus differentiates itself from the competition. With this strategy, Perlen Papier is in a position to master the volatility of the paper business with a downward trend in demand. In the 2023 financial year, the paper business generated revenues of CHF 262 million and an EBITDA of CHF 37 million.

At the same time, the highly attractive and logistically well-developed industrial site in Perlen shall be better utilised and further developed through the establishment of complementary industrial activities.

As a virtually debt-free company with substantial net liquidity, an equity ratio of around 80% at the time of the spin-off and the support of a long-term oriented family anchor shareholder, this strategic orientation can be implemented in a more targeted manner in an off-market environment.

It is planned that Perlen Industrieholding AG will distribute a regular dividend linked to business performance, free cash flow and liquidity. The company will continue to report regularly on the course of business.

### **Increased visibility and clear focus favour reduction of the valuation discount**

The Board of Directors is convinced that the current valuation discount of CPH Chemie + Papier Holding AG can be reduced by focusing on the Chemistry and Packaging segments, both of



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which offer high growth potential in attractive niche markets, while at the same time reducing earnings volatility. CPH Group AG will become more predictable, which will increase the attractiveness of the share for capital market participants. This should also have a positive effect on trading volumes and liquidity in the future.

### **Convening of an Extraordinary General Meeting**

Subject to shareholder approval at an Extraordinary General Meeting on 20 June 2024, each CPH shareholder will receive one registered share of Perlen Industrieholding AG for each registered share held. Further information and details on the planned transaction and the governance structures will be published together with the invitation to the Extraordinary General Meeting. If approved by shareholders, the transaction is expected to be completed by the end of the second quarter of 2024, subject to customary regulatory approvals.

Peter Schaub, Chairman of the Board of Directors of CPH Chemie + Papier Holding AG, emphasises: "CPH is acting with foresight and from a position of strength, having achieved the second-best result in the company's history in 2023 with a significant increase in earnings compared to the pre-pandemic period. With the planned transaction, the Group's high-growth and high-margin businesses will remain bundled in one company, with corresponding revaluation potential. The strategy of the more volatile paper business can be implemented in a more targeted manner as an unlisted company. The anchor family shareholders support this transaction and remain invested in both companies."

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### **About CPH**

CPH is an internationally active and diversified industrial group which is headquartered in Switzerland. The CPH Group develops, manufactures and distributes chemical products, wood-based paper and pharmaceutical packaging films. The Group and its subsidiaries maintain production facilities in Switzerland, Germany, Bosnia and Herzegovina, the USA, Brazil and China. The shares of its holding company CPH Chemie + Papier Holding AG are listed on the SIX Swiss Exchange (ticker: CPHN).



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