

Ad hoc announcement pursuant to Art. 53 LR

The 2022 business year

Net sales and net result raised to new record highs

The CPH Group increased its net sales to CHF 725 million, its EBIT to CHF 112 million and its net result to CHF 101 million – all new record highs – for the 2022 financial year. The 2023 Annual General Meeting will be asked to approve a dividend distribution for 2022 of CHF 4.50 (prior year: CHF 1.30) per share.

in CHF millions	2021	2022	±	± in %
Net sales	497	725	+228	+46.0%
EBITDA	26	131	+105	+410%
EBITDA margin	5.2%	18.1%		
Operating result (EBIT)	-3 ¹	112	+115	n.a.
EBIT margin	-0.5%	15.5%		
Net result	-151	101	+252	n.a.
Return on equity (ROE)	-38.7%	28.4%		

¹ before impairment

Perlen, 21 February 2023 – The CPH Group generated total net sales of CHF 725 million for 2022, a 46.0% increase on the prior year (or 50.4% at constant currency). The increase was achieved solely through organic growth, but is primarily attributable to higher sales prices.

“All three of our business divisions recorded double-digit percentage growth in their net sales for the year,” reports CPH Group CEO Peter Schildknecht. “The greatest growth was achieved by our Paper Division, which raised its net sales 66.5 per cent.”

Chemistry Division continues to expand

The Chemistry Division raised its net sales 15.9% to CHF 110 million and gained further market share, most notably in the USA. Deuterated products, molecular sieve powders, molecular sieves for purifying natural gas and ethanol and lithium-based products for concentrating industrial oxygen all saw high order volumes, while the easing of the coronavirus pandemic prompted demand from the medical field to return to more normal levels. The division expanded its capacities at all its operating sites. Despite rising input costs,

the division's EBIT for the year of CHF 14 million was virtually unchanged from its record prior-year level.

Paper Division's net sales raised by higher paper prices

In a market with declining demand, the Paper Division's total sales volume for the year of 473 500 tonnes was slightly below its 2021 level. Substantial reductions were seen in Western European paper production, however, with capacities withdrawn and one competitor's factories the subject of strike action. Steep rises in the prices of recovered paper and other raw materials had to be offset by raising paper sales prices. As a result, the division's net sales for the year increased CHF 153 million to CHF 384 million and annual EBIT before impairment was improved from the CHF -25 million of 2021 to CHF 75 million. The division benefited from its policy of procuring its electricity on the liberalized market up to four years in advance, with the future volumes secured declining with the increasing futurity of the periods concerned.

Packaging Division's order volumes at new record high

The production facilities of the Packaging Division were very well utilized, operating almost at full capacity. The division's order volumes also reached new record highs. The new coating plant in Brazil commenced operations in the fourth quarter of 2022, and will provide further production capacities. Total sales volumes were up on 2021; but the 35.1% increase in net sales for the year to CHF 231 million was primarily attributable to the greater proportion of higher-value products in the sales mix and to the price increases effected. The situation on the procurement markets remained tight into the fourth-quarter period. But the division was largely able to pass on the higher raw materials and transport costs to the market, and EBIT for the year was quadrupled to a new record high of CHF 24 million.

Investments in facilities at Chemistry and Packaging

The CPH Group invested CHF 34 million in its fixed assets in 2022 to raise the capacities in its Chemistry and Packaging divisions and further enhance the production efficiency of the Paper Division's facilities. Cash flow was raised from CHF 17 million to CHF 129 million, while free cash flow rose from CHF -3 million to CHF 68 million. Personnel expense as a percentage of group sales was reduced from 19% to 14% of net sales. With capacities expanded (above all in Brazil), year-end headcount rose from 1 104 to 1 181 employees.

Net result increased to CHF 101 million

With a large part of the increased expense passed on to the markets, EBITDA for the year was raised CHF 105 million to CHF 131 million. After ordinary depreciation and amortization of CHF 19 million, earnings before interest and taxes (EBIT) amounted to CHF 112 million, a CHF 115 million improvement on the prior-year EBIT (before impairment). The net result after taxes amounted to CHF 101 million. With an equity ratio of 60% the CPH Group remains in very sound financial health. It eliminated all its net debt in 2022, and held year-end net liquid assets of CHF 45 million.

Proposed dividend of CHF 4.50 per share

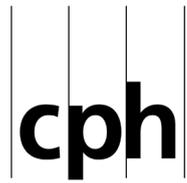
The Board of Directors will recommend to the Annual General Meeting of 14 March 2023 that a dividend of CHF 4.50 per share be distributed for the 2022 business year.

Outlook for 2023 holds many uncertainties

The International Monetary Fund currently forecasts global economic growth of 2.9% for 2023. Following the steep increases in interest rates in response to recent inflation, it is far from easy to determine at present whether local economies in various countries will cool, and if so to what extent.

“The CPH Group expects to report further net sales growth in 2023,” says Peter Schildknecht. “But business performance within our three divisions will be heavily contingent on the availability of raw materials and energy supplies, on their further pricing trends and on the extent to which higher costs can be passed on to the market. And with all the present economic uncertainties, a reliable business forecast is almost impossible to make.”

The Paper Division expects its profitability and thus its EBIT result to fall short of their 2022 levels. EBIT for the Chemistry Division is likely to be broadly at its prior-year level, while the Packaging Division is confident of achieving a further profitability improvement. Both group EBIT and the group net result for 2023 are likely to be in the mid-to-higher double-digit-million range. Investments in tangible fixed assets of some CHF 42 million are planned, to further expand capacities and further enhance efficiencies.



Contacts

CPH Chemie + Papier Holding AG

Dr. Peter Schildknecht, CEO, +41 41 455 8757

Gerold Brüttsch, CFO, +41 41 455 8756, investor.relations@cph.ch

Christian Weber, Head of Corporate Communications, +41 41 455 8751, medien@cph.ch

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).

This media release contains future-oriented statements about the CPH Group that are subject to risk and uncertainties. These statements reflect the management's opinions at the time of the release's compilation, but actual future events may deviate therefrom.

Key figures

in CHF millions	2021	2022	±	± in %
Net sales	497	725	+228	+46.0%
Gross profit	161	294	+133	+83.3%
Gross profit margin	32.3%	40.6%		
EBITDA Chemistry	20	19	-1	-6.4%
EBITDA Paper	-8	81	+89	n.a.
EBITDA Packaging	12	31	+19	+163%
EBITDA Other/Consolidation	2	-	-2	n.a.
EBITDA	26	131	+105	+410%
EBITDA margin	5.2%	18.1%		
EBIT	-3¹	112	115	n.a.
EBIT margin	-0.5%	15.5%		
Net result	-151	101	+252	n.a.
Return on equity (ROE)	-38.7%	28.5%		
Cash flow²	17	129	+112	+677%
Cash flow from operating activities	16	98	+82	+516%
Capital expenditures for fixed assets	25	34	+9	+37.4%
Free cash flow	-3	68	+71	n.a.
Total assets	560	666	+106	+18.9%
Shareholders' equity	310	400	+90	+28.7%
Equity ratio	55.4%	60.0%		
Net liquid assets	-15	45	+60	n.a.
Capital employed	319	344	+25	+7.7%
Net operating profit after tax (NOPAT)	-2	97	+99	n.a.
Return on capital employed (ROCE)	-0.6%	29.2%		
Headcount (FTE)	1 104	1 181	+77	+7.0%
Share information (in CHF)				
Share price as at 31.12	61.00	78.00	+17.00	+27.9%
Price-earnings ratio as at 31.12	-2.4	4.6		n.a.
Earnings per share	-25.26	16.83	+42.07	n.a.
Dividend per share	1.30	4.50 ³	+3.20	+246%
Dividend yield	2.1%	5.8%		
Market capitalization at 31.12 (in CHF millions)	366	468	+102	+27.9%

¹ before impairment

² before change in non-financial net working capital

³ Board of Directors' proposal to the Annual General Meeting of 14 March 2023

For supplementary definitions of financial ratios (alternative performance measures) please see Page 81 of the 2022 Annual Report.