

Ad hoc announcement pursuant to Art. 53 LR

2021 net result impacted by impairment

In view of the continuing predatory competition in the paper segment, the CPH Group expects an extraordinary impairment charge of CHF 150 million to its paper production fixed assets in the 2021 financial year. The impairment will impact the net result for the year, which is expected to be negative broadly in line with the impairment charge. The impairment will have no cash impact, however, and the Group's equity ratio remains sound at over 50%.

Perlen, 14 January 2022 – The European market for graphic printing paper has been in structural transition for years. Growing digitalization is prompting annual declines of between 6 and 8 per cent in the demand for newsprint paper. This in turn has created overcapacities at manufacturers and generated strong pricing pressures. The situation was further exacerbated in 2021 by steep increases in energy prices and raw materials costs. Although supply and demand in the paper market are currently almost evenly balanced following significant capacity reductions in 2021 and paper prices are thus set to rise in 2022, no medium-term easing of the present European market challenges is currently in sight. Demand will further decline over the next few years, and the resulting overcapacities are likely to keep pricing pressures high.

In view of this, the CPH Group has reassessed the value of its fixed assets. In doing so, it has concluded that an extraordinary impairment of CHF 150 million to its paper production fixed assets in Perlen is required. This will affect the Group's net result for 2021, which will be negative broadly in line with the impairment charge. The impairment does not, however, affect earnings before interest, taxes, depreciation and amortization (EBITDA), cash flow or the cash position of the Group, which further maintains a sound equity ratio of over 50% also after the impairment.

The Paper Division of the CPH Group pursues a volume-based strategy with the aim of maintaining cost leadership in the fiercely contested European paper market sustainably and in the long term. In doing so, the division does also continue to hold a number of competitive advantages in the long run. With its advanced paper machines, the division can manufacture paper at its Perlen site with considerable efficiency and almost zero net carbon emissions.



CPH Chemie + Papier Holding AG contacts

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

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).

Alternative performance measures

Definitions for the alternative performance measures used in this media release will be found on the CPH Group website at <https://cph.ch/en/investors/alternative-performance-measures/>

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.