

A tradition of innovation



+ QUALITY

Welcome
to Perlen Papier



perlen papier ag

Over 140 years of Perlen Papier



Raw materials

Water



Own capacities

Fibres



- Recovered paper #1
- Wood
- Pulp

Electricity



- Electricity market
- Biomass power plant
- Hydro power plants

Heat



- Steam from
- Renergia waste incinerator
 - Biomass power plant

Production



- **565 000 tonnes** on two paper machines (PMs)
- 365 000 tonnes of newsprint (PM 7)
- 200 000 tonnes of magazine paper (PM 4)
- **PM 7: most advanced machine in Europe**
- **Productivity** 2009-2019: **+72%**
- 360 employees
- ISO 9001, 14001 and 45001
- **Sustainability:** carbon footprint <76% of competitors
- Own recovered paper sorting plant in Utzenstorf

Sales

Logistics

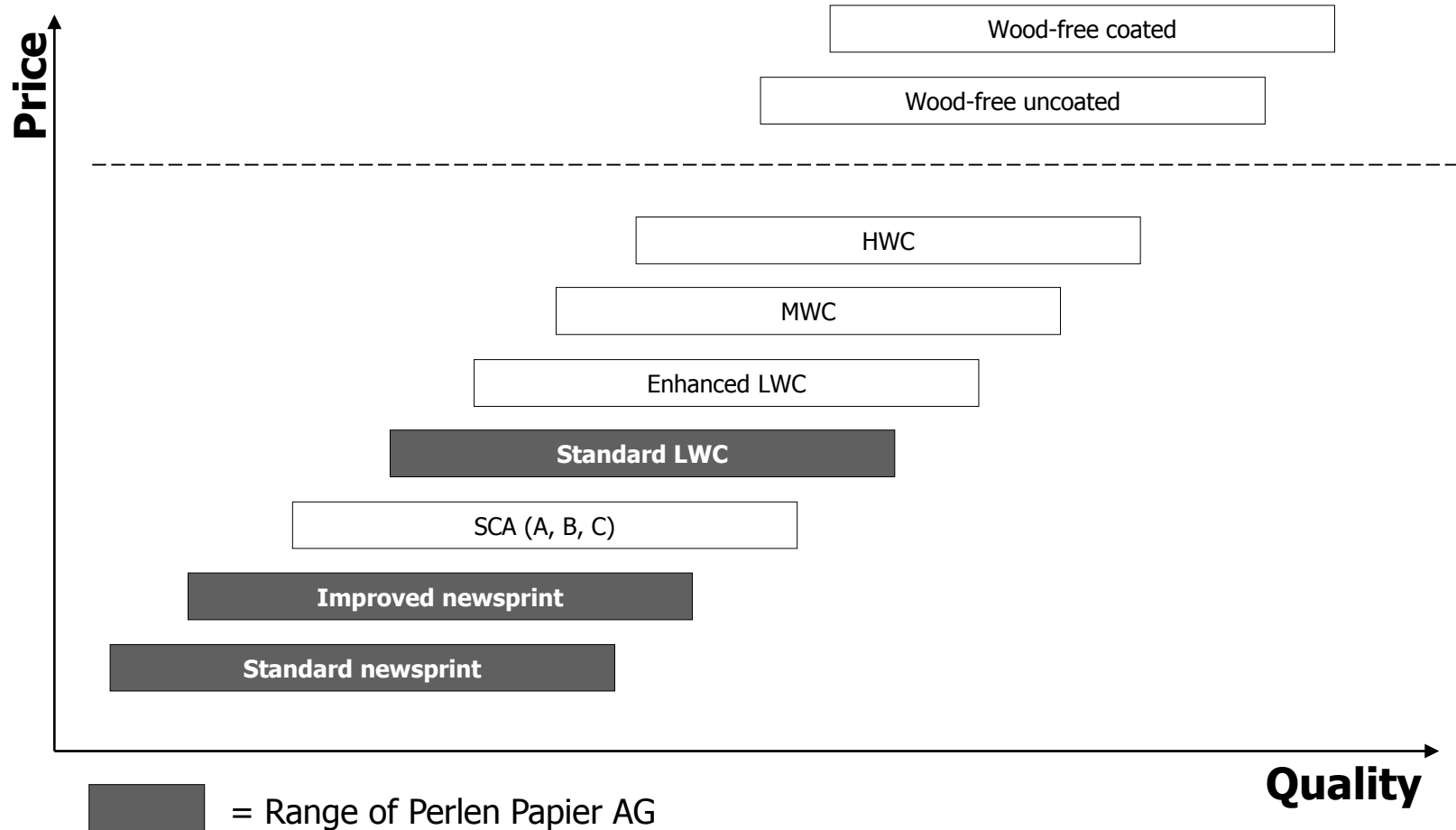


- 90% by truck
- 10% by rail
- Focus: core markets (in Switzerland and neighbouring countries)
- LOG auction platform

Our products and their use




Graphic printing paper types



Our fibre raw materials



Recovered paper **83.0 %**
500 000 tonnes a year
75% from 



Wood **16.7 %**
100 000 tonnes a year
85% from 



Pulp **0.3 %**
2 000 tonnes a year

The PM 7 newsprint paper machine

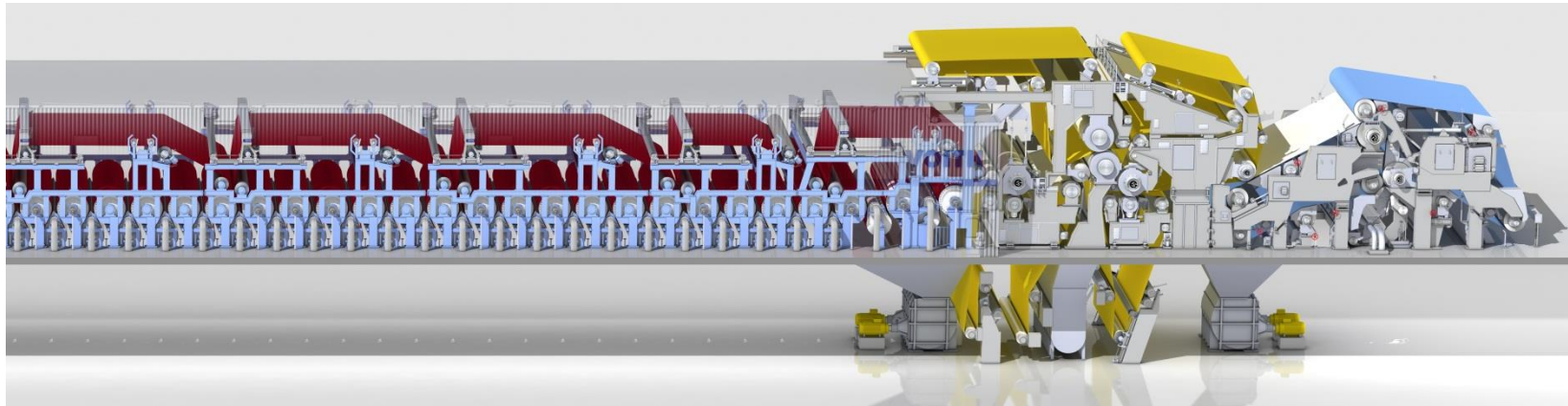
Europe's most advanced



Dryer section

Press section

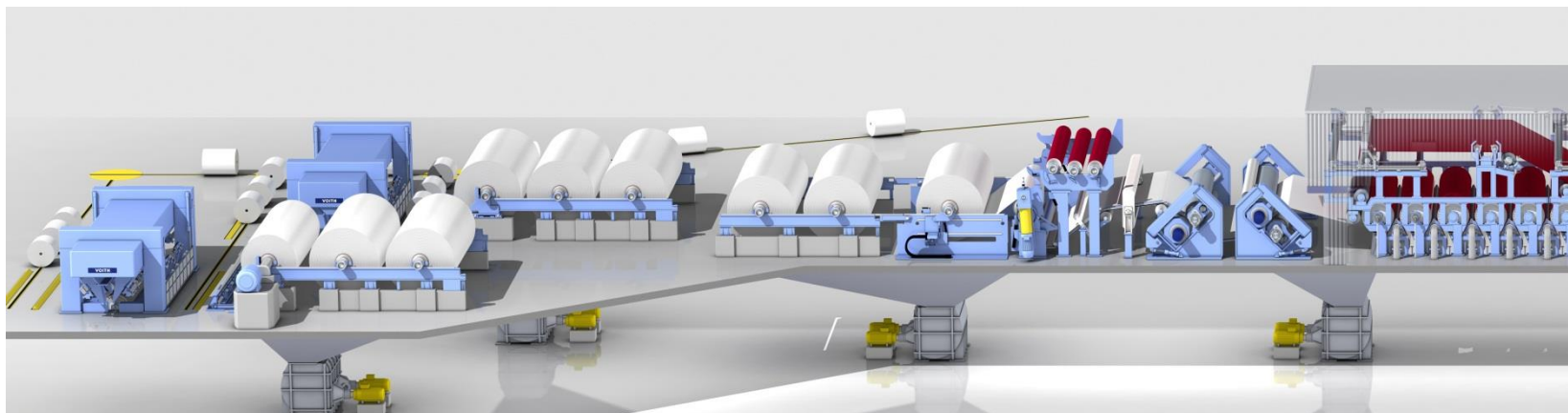
Wire section



Reelers

Reel section

Calender



Our sales network



D

35 %

I

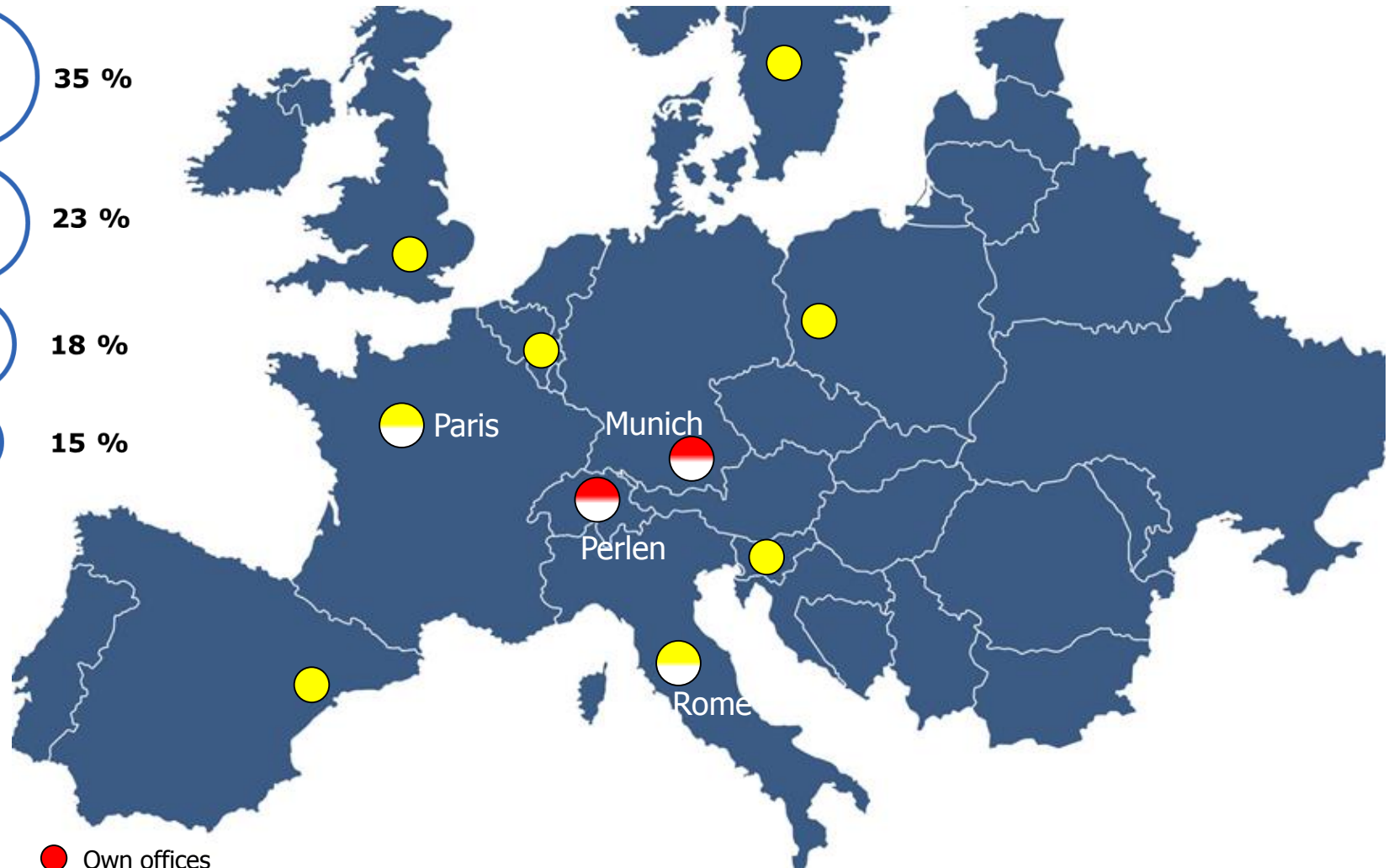
23 %

CH

18 %

F

15 %



● Own offices

○ Core market sales offices: Switzerland, Germany, Italy, France

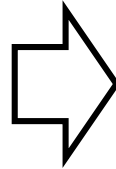
● Agents: UK, Benelux, Spain, Eastern Europe, Turkey, India, China, Latin America

Our biggest competitor ... the internet



Overcapacities ... due to digitalization

Falling consumption



Overcapacity



Overcapacities and prices

Production

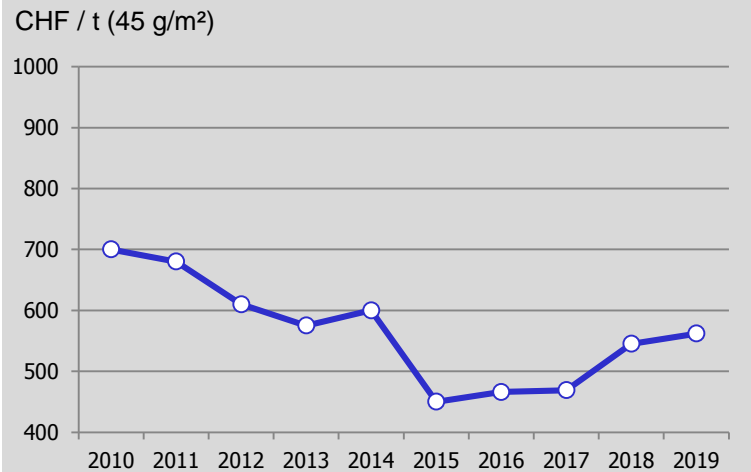
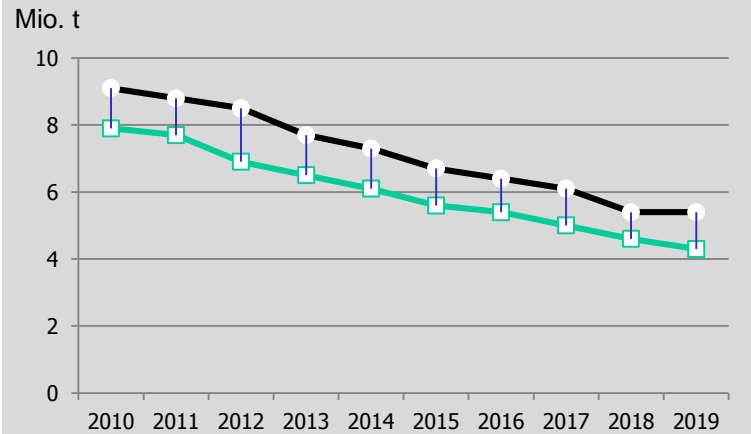
Consumption -8 to 10% a year



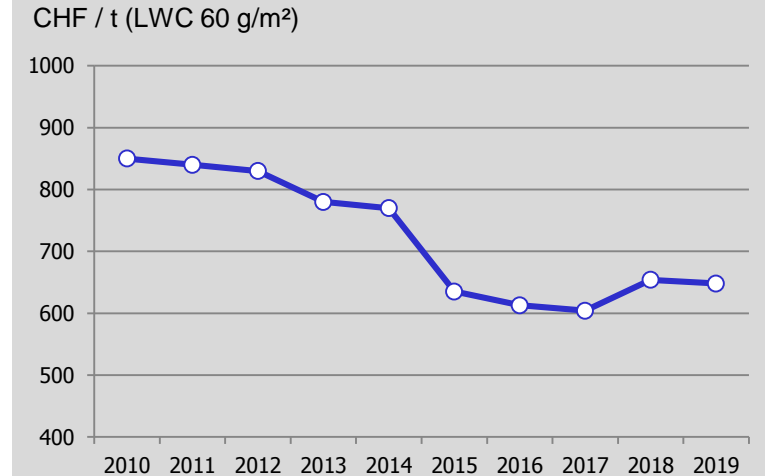
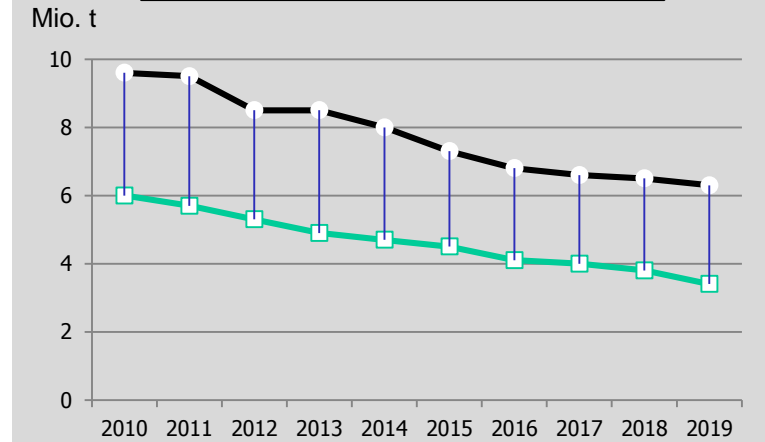
Capacity, demand and prices in Western Europe



Newsprint

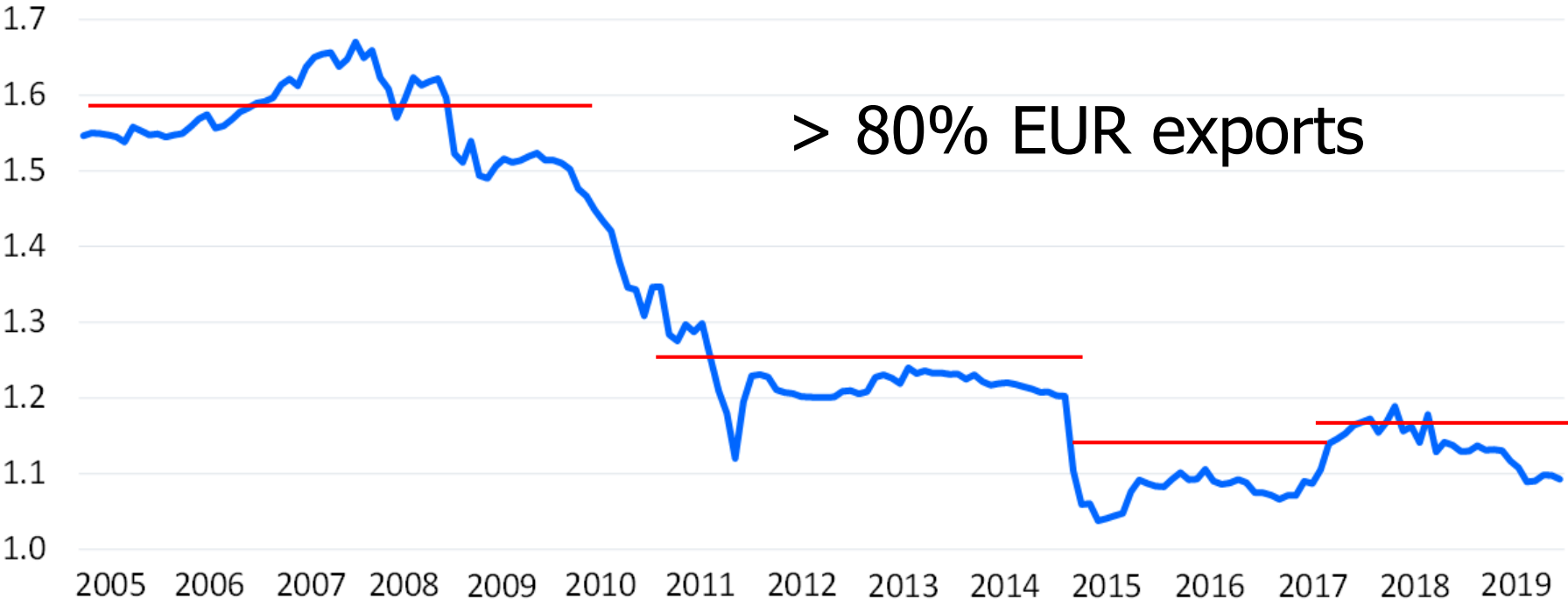


Magazine paper





EUR/CHF, 2005-2019



Our response to market developments

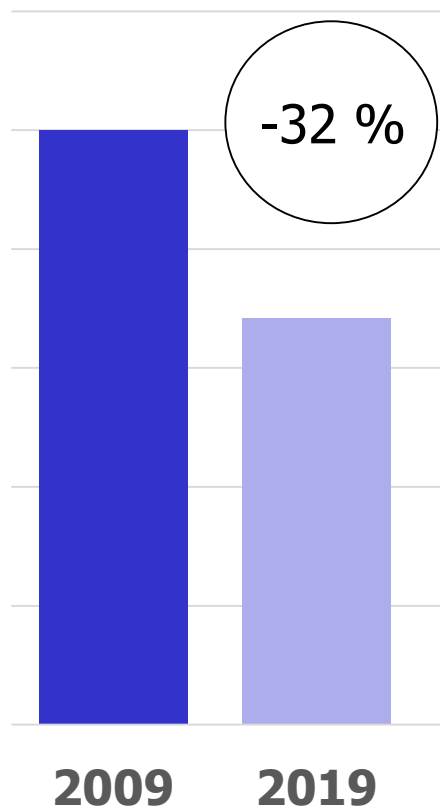
Our key strategic thrusts

- **Cost leadership** in sales markets through efficient structures and processes
- Raising **market share** in a shrinking market
- Direct **customer contacts** and efficient customer services
- Flexible and **swift decision-making**
- **Digitalizing** our core processes
- **Differentiation** through modified and eco-efficient products
- **Sustainability** and reducing our emissions

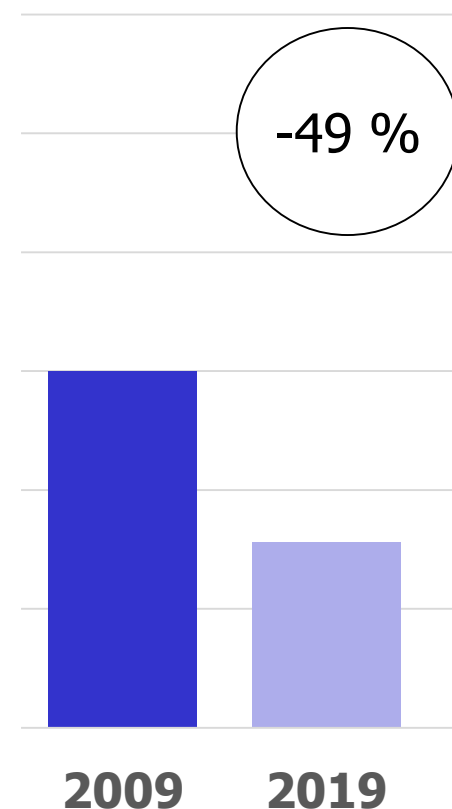
Costs per tonne of paper



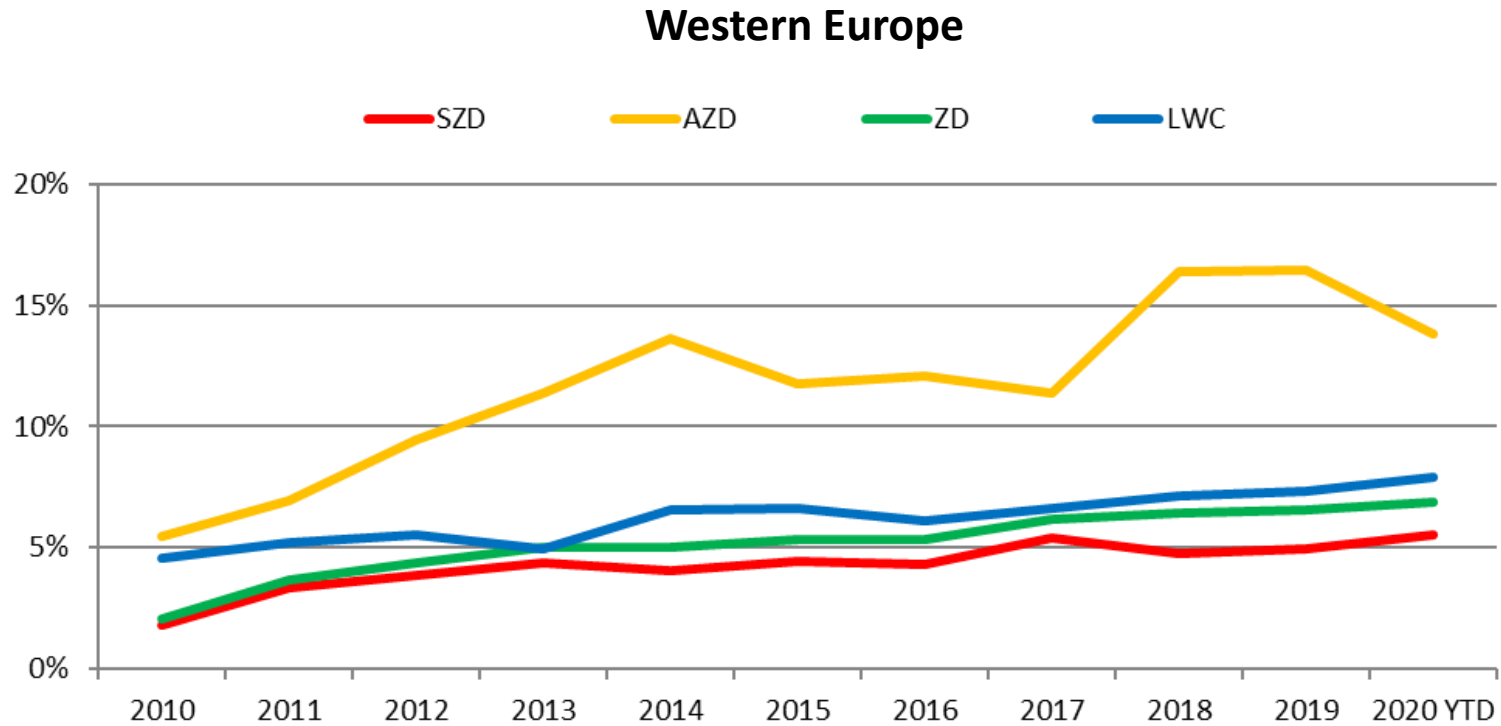
variable



fixed



Market shares in Western Europe



Digitalizing core processes



Industry 3.0

Machines & plant

Planning & steering

Industry 4.0

Customer connections

Supplier connections

LOG auction platform

Sustainability and carbon emissions



Reducing greenhouse gas emissions is our daily mission.

Since 2013, we have reduced our fossil CO₂ emissions by 84%, stopped using heavy oil and far exceeded the agreed upon targets set forth by the Swiss Federal Office for the Environment.

We take our responsibility seriously and attach great importance to continuously improving our CO₂ balance.

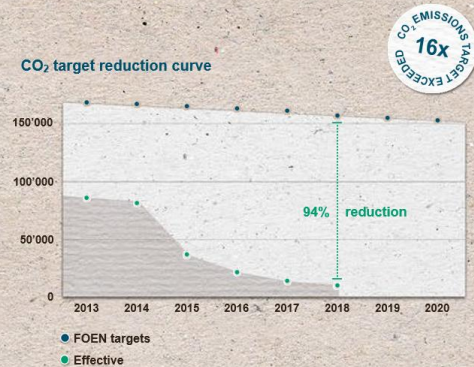
Greenhouse gas emissions (kg CO₂-eq/t paper)



The agreed upon CO₂ targets were exceeded by a factor of 16

Together with the Swiss Federal Office for the Environment, we established a target, which obliges us to sustainably reduce CO₂ emissions. The considerably lower CO₂ level achieved in 2018 (-94%) can be mainly attributed to the consistent implementation of ecological and economic energy efficiency measures in production facilities in addition to the substitution of natural gas.

CO₂ target reduction curve



Reduce your CO₂ footprint by 76% using paper from Perlen Papier.

By comparing our fossil CO₂ footprint at Perlen Papier to that of our competitors using the 'Ten Toes' method from CEPI (www.cepi.org), Perlen Papier's footprint is 76% smaller than the industry average.

CO₂ footprint based on the Ten Toes by CEPI



Comparisons were made against fossil fuel emissions produced during the manufacture of paper, fuel usage, power and thermal consumption and supplier transportation.

We are certified in accordance with FSC-COC (SQS-COC-100420), PEFC-COC (reg. no. 38761), Blue Angel RAL-UZ 72, EU Ecolabel DE/011/073 and 074, and Klimaschutz Schweiz (www.EnAW.ch)

Climate-neutral paper?

Our partner Renergia



Energy from waste means per year:

250 000 tonnes of waste disposed of in Central Switzerland

160 gigawatt-hours of electricity generated, enough for 38 000 homes

30 million litres of heating oil saved

90 000 tonnes fewer CO₂ emissions

Costs - quality - service



A competitive cost structure



Top quality



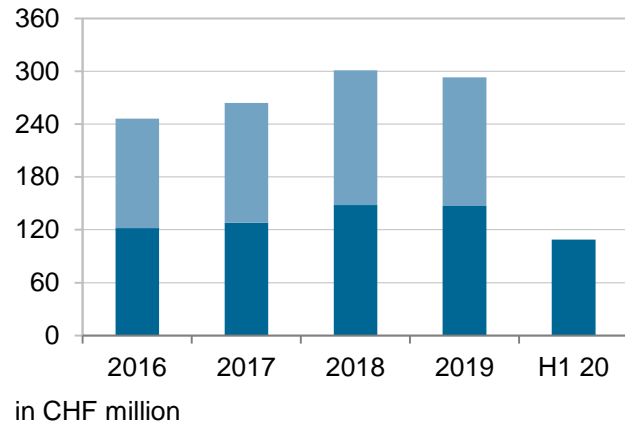
Flexible customer service



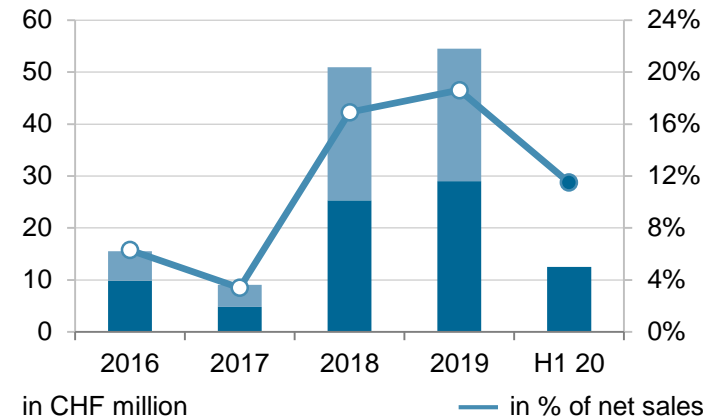
Business development



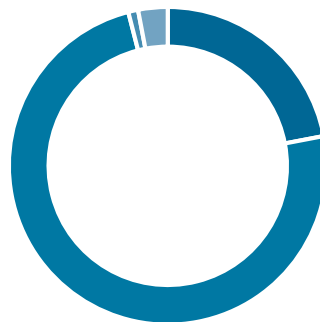
Net sales



EBITDA



2019 net sales by region



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

1st half of 2020

- Demand for paper products already down 10% in Q1
- Q2 demand down 40% as a result of the coronavirus crisis
- Overcapacities forced production to be halted for days at a time
- Recovered paper prices rose again at the start of the coronavirus crisis, owing to restricted collections

Earnings benchmarks

Q1/18 – Q2/20



EBITDA in % of sales

UPM :	News, SC, LWC, h'frei	Stora Enso:	News, SC, h'frei
SAPPI:	LWC, h'frei	Holmen:	News, SC, Buchdruck, Specialities (Primärfaser)
Norske Skog:	News, SC, LWC	Perlen:	News, LWC

