

CPH Investors' Day

18 June 2019



Agenda

- 14.00 Uhr Introduction
- 14.05 Uhr Strategy, Business developments, Q & A
- 14.30 Uhr Break
- 14.35 Uhr Introduction Chemistry Division, Q & A
- 15.30 Uhr Factory tour Zeochem AG
- 16.30 Uhr Aperitif

The CPH Group At a glance

200
Jahre CPH
1818-2018

cph

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.

533.5

Sales 2018 in CHF million

51.6

EBIT 2018 in CHF million

42.3

Net result 2018 in CHF million

3

Business Divisions

1081

Personnel

10

Production sites

The CPH Group Key figures

in CHF million	2017	2018	± in CHF	± in %
Net sales	469.8	533.5	63.7	13.6
EBITDA in % of net sales	33.8 7.2	83.1 15.6	49.3	146.2
EBIT in % of net sales	2.9 0.6	51.6 9.7	48.7	1679.8
Net result (including minorities) in % of net sales	16.2 3.4	42.3 7.9	26.1	161.3
Cash flow	14.5	69.0	54.5	376.7
Free cash flow	12.9	18.3	5.4	42.1
Balance sheet total	697.6	800.5	102.9	14.8
Equity in % of the balance sheet total	396.2 56.8	407.1 50.9	10.9	2.8
Personnel	1 019	1 081	62	6.1

The CPH Group Business Divisions

Divisions



Key figures 2018

Sales

EBITDA

Production

Personnel

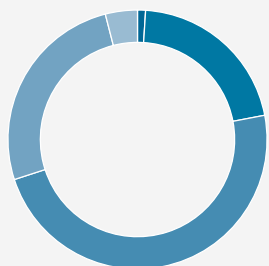
Chemistry

CHF 79.4 million

CHF 10.7 million

CH / USA / CN / BiH

293



- 1% Switzerland
- 21% rest of Europe
- 48% The Americas
- 26% Asia
- 4% rest of the world

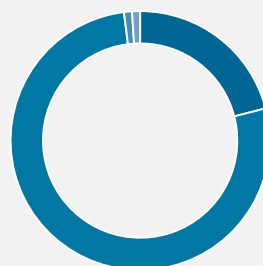
Paper

CHF 301.1 million

CHF 50.9 million

CH

369



- 21% Switzerland
- 77% rest of Europe
- 1% The Americas
- 1% Asia

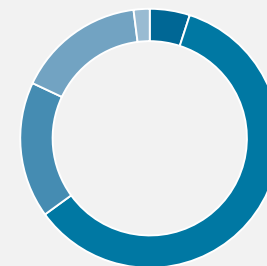
Packaging

CHF 153.0 million

CHF 21.6 million

CH / DE / USA / BRA / CN

413

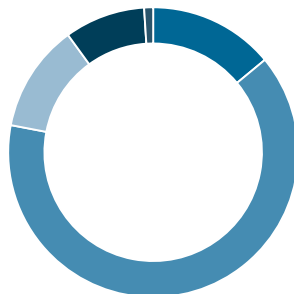


- 5% Switzerland
- 60% rest of Europe
- 17% The Americas
- 16% Asia
- 2% rest of the world

The CPH Group Markets and Locations

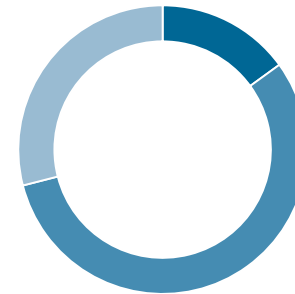


2018 sales by region



- 14% Switzerland
- 64% Europe
- 12% America
- 9% Asia
- 1% Rest of the world

2018 sales by division



- 15% Chemistry
- 56% Paper
- 29% Packaging

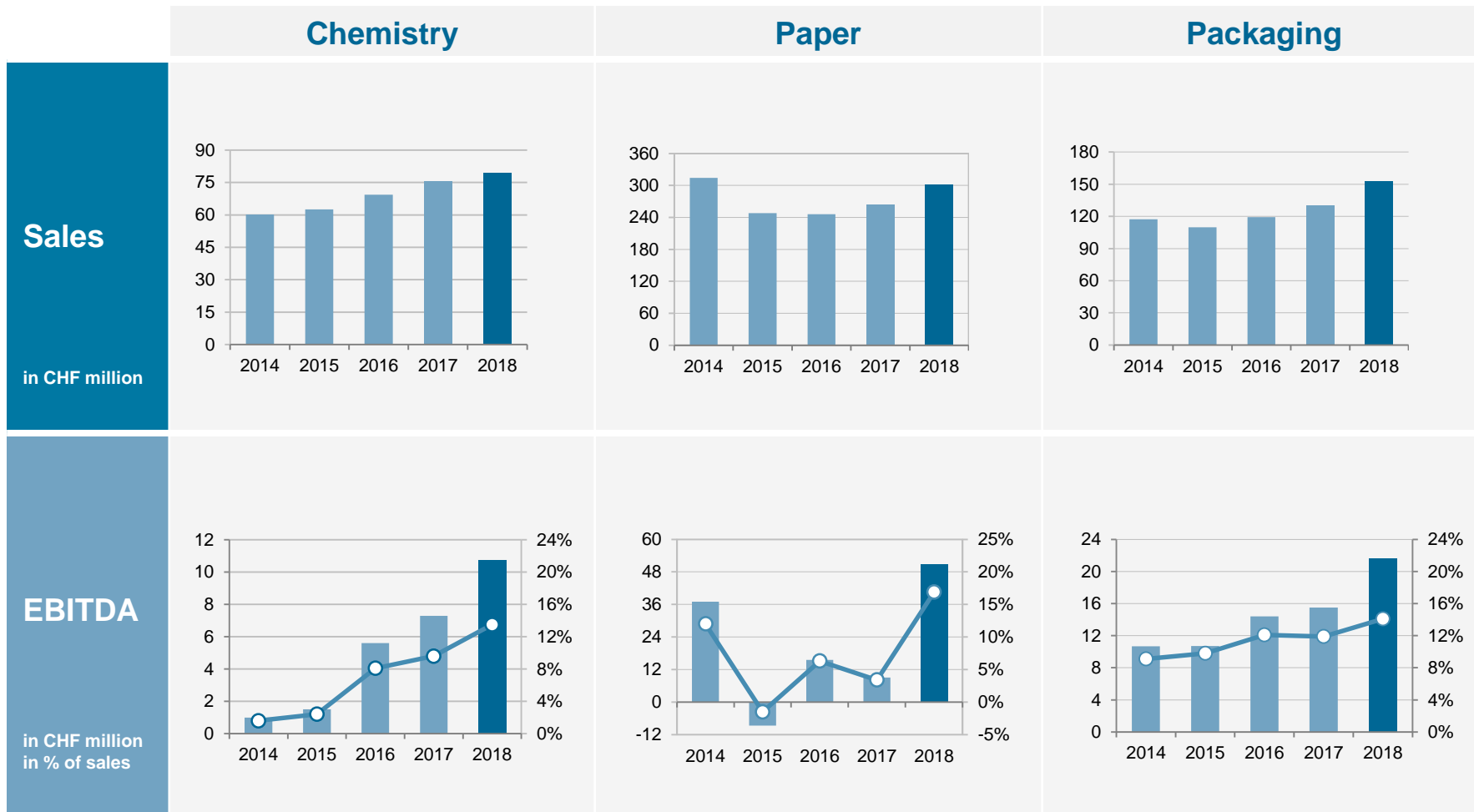
The CPH Group Strategic objectives

	1	2	3																																				
Objectives	Net sales broadly balanced among the three divisions	Higher share of net sales from outside Europe	Less exposure to the Swiss franc in currency movement terms																																				
Actions	Expand Chemistry and Packaging to counterbalance Paper	Expand in markets in growth regions	Expand production capacities outside Switzerland																																				
Results	<p>in %</p> <table border="1"> <caption>Chemistry and Packaging's share of total net sales</caption> <thead> <tr> <th>Year</th> <th>Share (%)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>35</td> </tr> <tr> <td>2015</td> <td>38</td> </tr> <tr> <td>2016</td> <td>41</td> </tr> <tr> <td>2017</td> <td>43</td> </tr> <tr> <td>2018</td> <td>44</td> </tr> </tbody> </table> <p>Chemistry and Packaging's share of total net sales</p>	Year	Share (%)	2014	35	2015	38	2016	41	2017	43	2018	44	<p>in %</p> <table border="1"> <caption>Proportion of net sales from outside Europe</caption> <thead> <tr> <th>Year</th> <th>Proportion (%)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>16</td> </tr> <tr> <td>2015</td> <td>18</td> </tr> <tr> <td>2016</td> <td>20</td> </tr> <tr> <td>2017</td> <td>21</td> </tr> <tr> <td>2018</td> <td>22</td> </tr> </tbody> </table> <p>Proportion of net sales from outside Europe</p>	Year	Proportion (%)	2014	16	2015	18	2016	20	2017	21	2018	22	<p>in %</p> <table border="1"> <caption>Proportion of costs incurred in Swiss francs</caption> <thead> <tr> <th>Year</th> <th>Proportion (%)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>68</td> </tr> <tr> <td>2015</td> <td>55</td> </tr> <tr> <td>2016</td> <td>45</td> </tr> <tr> <td>2017</td> <td>38</td> </tr> <tr> <td>2018</td> <td>36</td> </tr> </tbody> </table> <p>Proportion of costs incurred in Swiss francs</p>	Year	Proportion (%)	2014	68	2015	55	2016	45	2017	38	2018	36
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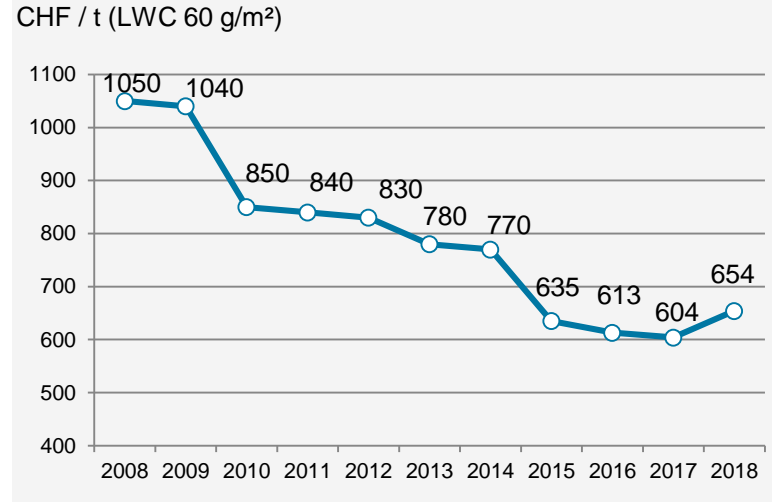
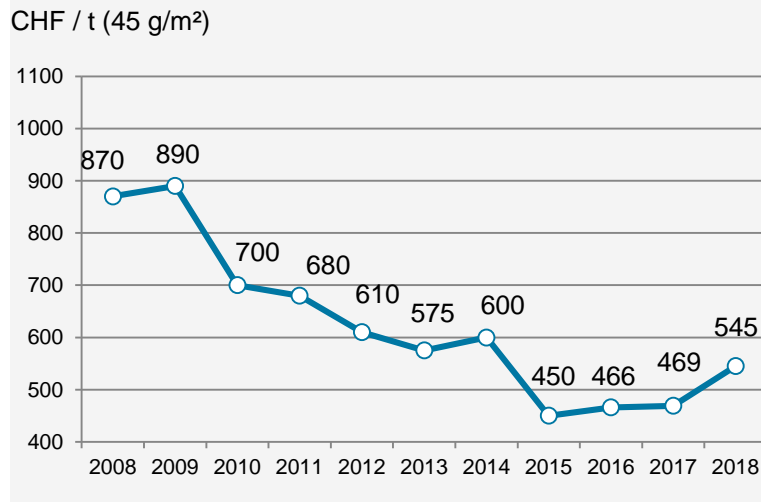
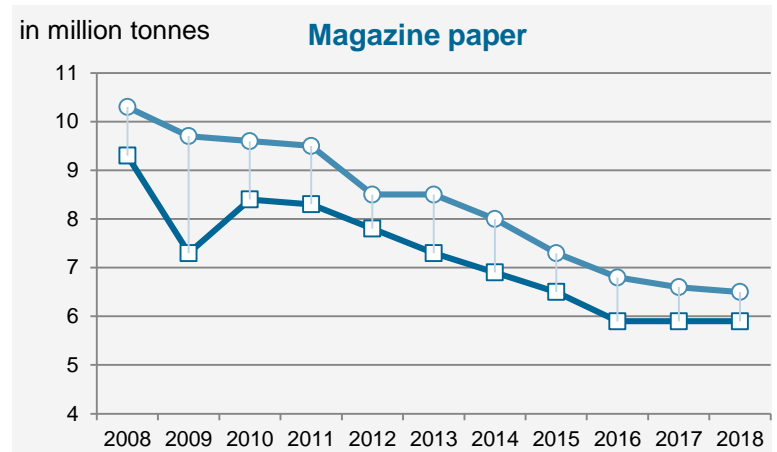
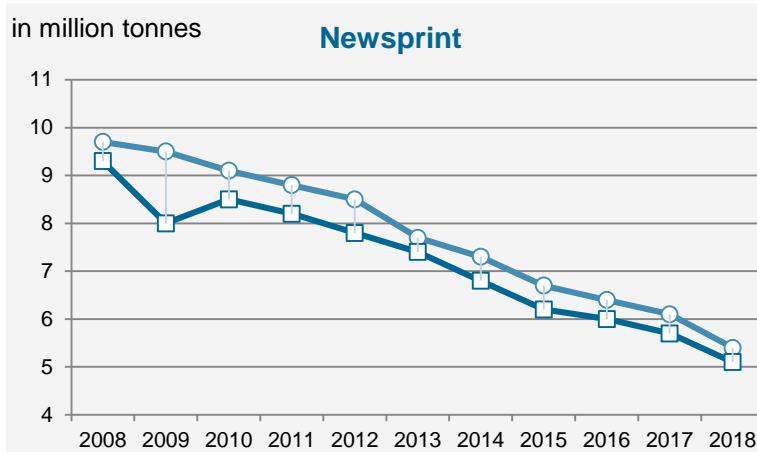
The CPH Group Divisional success

in CHF million	CPH Group		Chemistry			Paper			Packaging		
	2017	2018	2017	2018	± in %	2017	2018	± in %	2017	2018	± in %
Net sales	469.8	533.5	75.5	79.4	5.3	264.1	301.1	14.0	130.2	153.0	17.5
EBITDA	33.8	83.1	7.3	10.7	47.6	9.1	50.9	459.0	15.5	21.6	39.1
EBITDA margin in %	7.2	15.6	9.6	13.5		3.4	16.9		11.9	14.1	
EBIT	2.9	51.6	3.8	6.1	60.6	-12.3	30.1	n.a.	9.6	15.4	61.2
EBIT margin in %	0.6	9.7	5.1	7.7		-4.7	10.0		7.3	10.1	
Personnel	1 019	1 081	302	293	-3.0	345	369	7.0	363	413	13.8

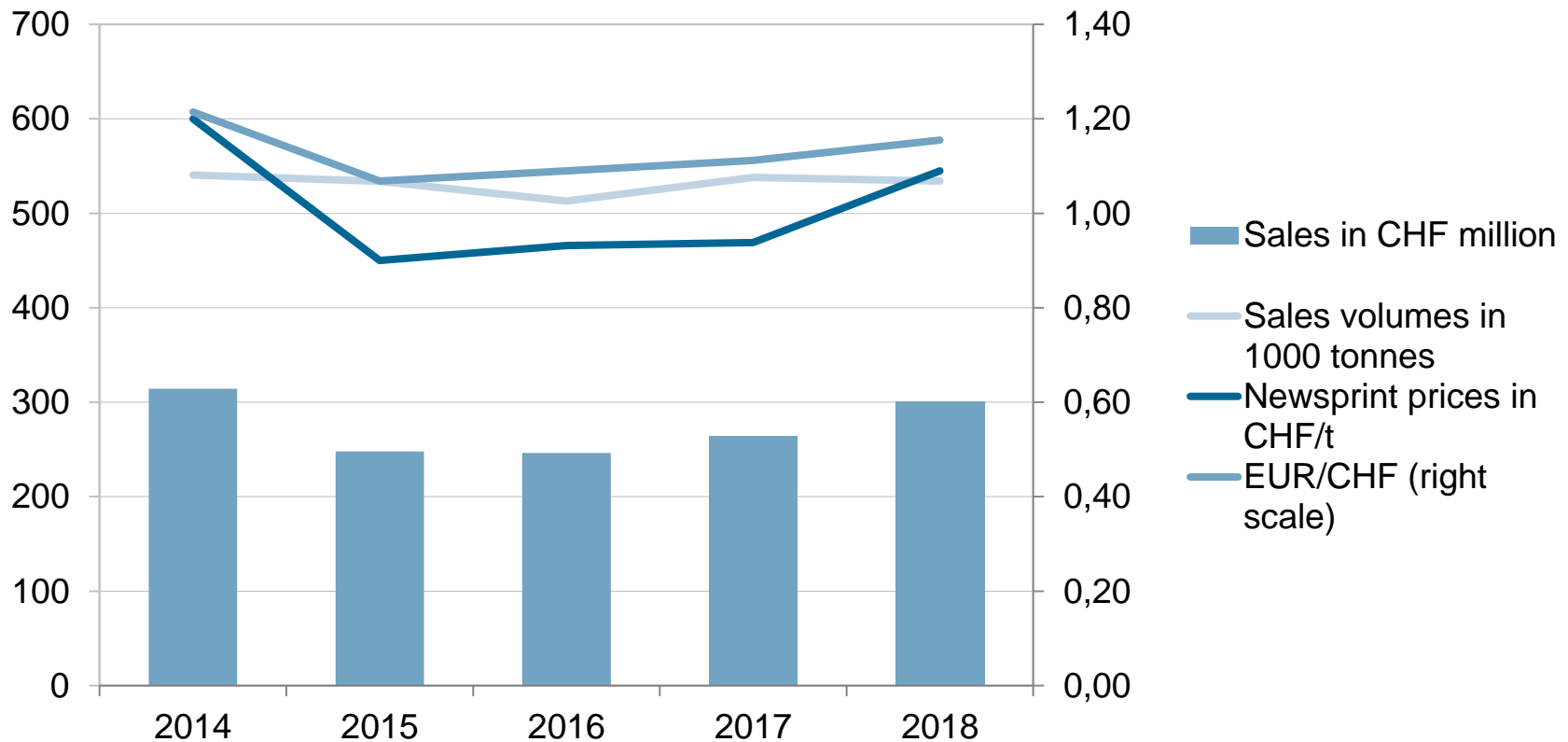
The CPH Group Business developments



Paper Market and price development in Europe



Paper Sales, Prices and Exchange Rates



As both paper machines are constantly operating at full capacity, sales are not driven by production volume but mainly by paper prices and exchange rates.

Outlook Encouraging prospects for 2019



Chemistry

- Strengthen sales activities in target markets
- More capacity expansion planned
- Division seeking to further raise net sales and maintain EBIT margin



Paper

- Further 6-8% decline expected in demand for newsprint and magazine paper
- CHF 14.3 million investments planned to further improve facilities and processes
- Steady net sales and EBIT margin slightly below 2018 expected for the year



Packaging

- 6.5% global growth expected in the pharmaceuticals packaging market
- Substantial increases likely in the Asian and Latin American shares of the overall market
- Above-market-average net sales growth sought with steady EBIT margin

The CPH Group

- Strong order volumes suggest favourable business developments in the first half of the year
- Provided currencies remain stable, total net sales should see a slight increase on 2018
- It may prove challenging to maintain EBIT margin at its prior-year level
- Net result for the year is likely to be broadly at its 2018 level



Thank you for your attention

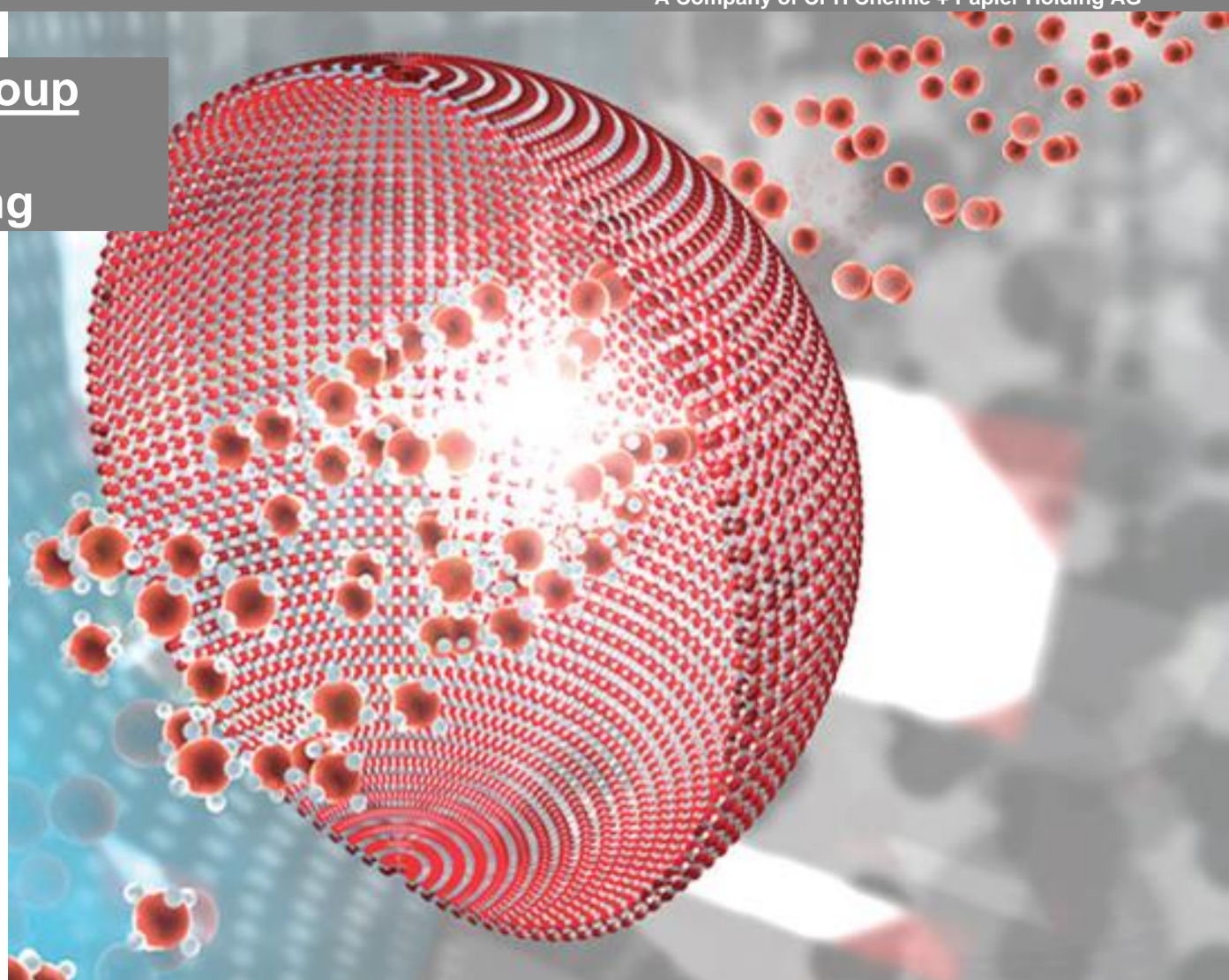
The CPH Group Key dates



19 July 2019	2019 Half-Year Report (to 30 June)
19 September 2019	Investora Investor Conference in Zurich
6 November 2019	ZKB Equity Conference in Zurich
16/17 January 2020	Baader Helvea Swiss Equities Conference
25 February 2020	Annual Report 2019 and CPH Investors' Day in Perlen
17 March 2020	CPH Chemie + Papier Holding AG Ordinary General Meeting in Lucerne

The Zeochem Group

Investors' Meeting



Rüti, 18 June 2019

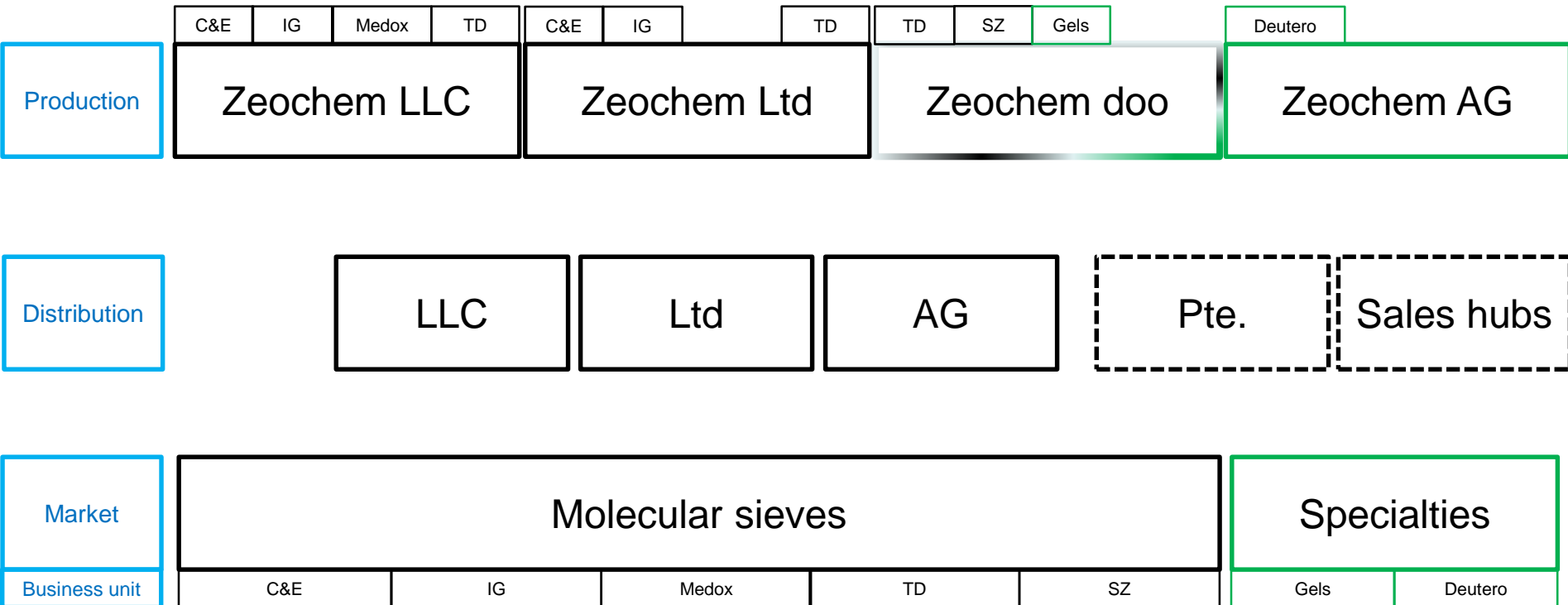
Agenda

- The Zeochem Group: what we do
- The strategic reshaping of the Zeochem Group and its impact on performance

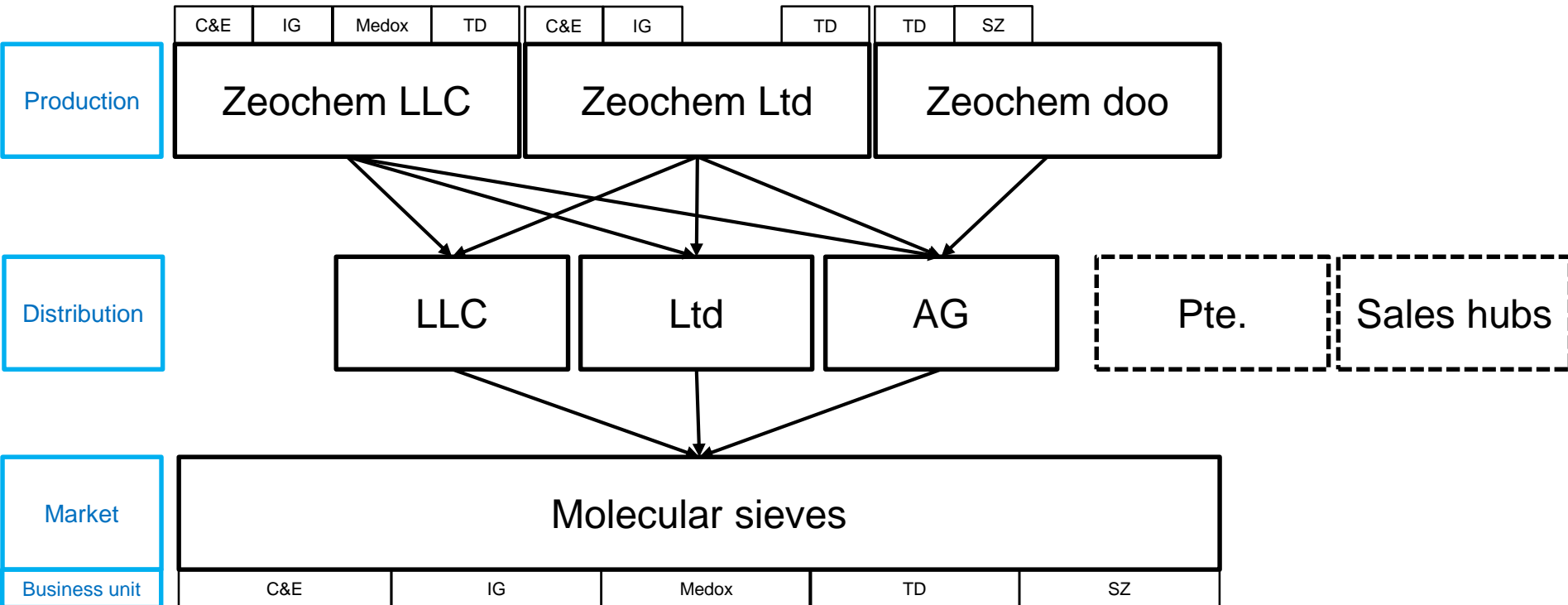
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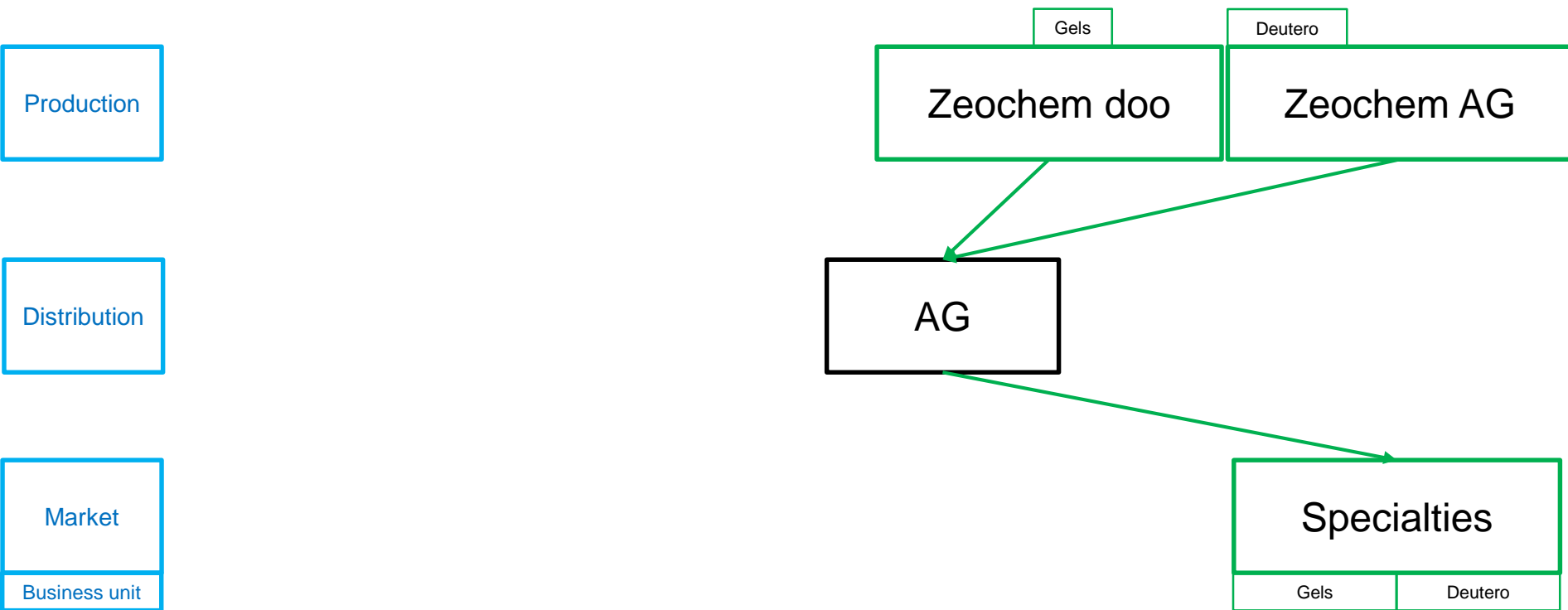
Zeochem's global production and distribution



Zeochem's global production and distribution: **molecular sieves**



Zeochem's global production and distribution: specialties



Zeochem's global markets

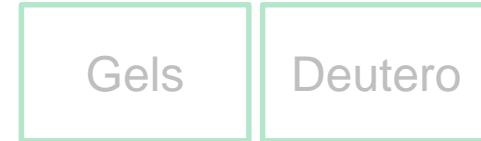
Market	Molecular sieves					Specialties	
Business unit	C&E	IG	Medox	TD	SZ	Gels	Deutero
	Ethanol Natural gas Olefin	Cryogas VPSA	Sodium Lithium	Purmol Air brakes Packaging Window beads	Adsorbents Custom	Irregular Spherical	NMR Pharma Electronics
Applications	Ethanol plants Natural gas plants	Oxygen generation	Oxygen generation	Air drying for truck brakes Window beads	Odor removal	Separation of active ingredients	NMR: laboratory Pharma: APIs Electronics: OLEDs

Zeochem's global markets

Molecular sieves



Specialties



Applications

Removal of moisture, hydrocarbons, carbon dioxide and sulfur in ethanol production and natural gas treatment



Source: Wikipedia

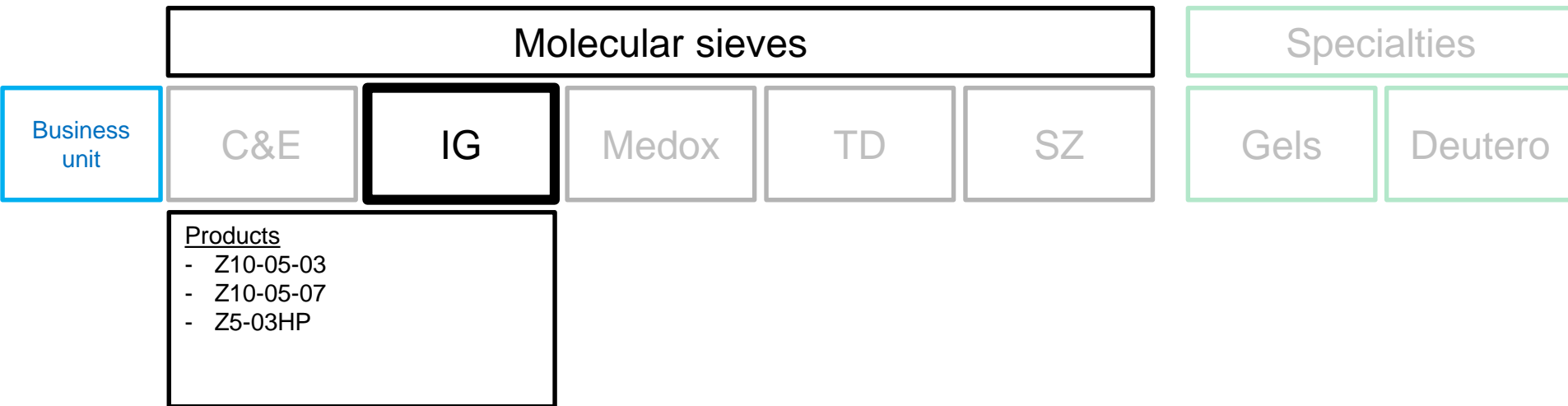


© CropEnergies AG Mannheim 2017



Source: CropEnergies

Zeochem's global markets



Applications

Air separation (removal of CO₂ and N₂) to increase oxygen content or to produce hydrogen

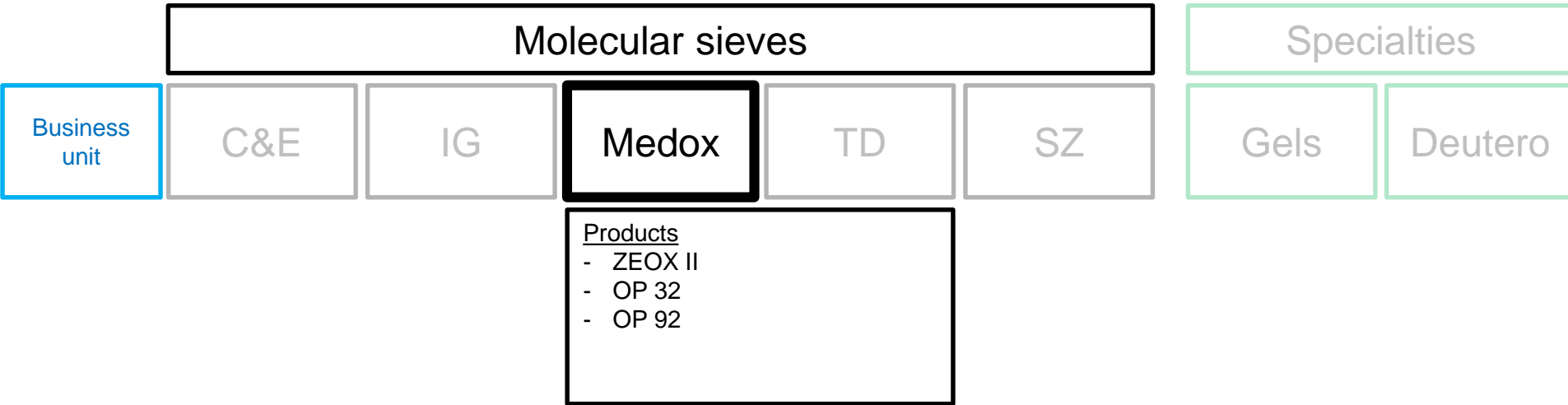


Source: Messergroup



Source: Linde AG

Zeochem's global markets



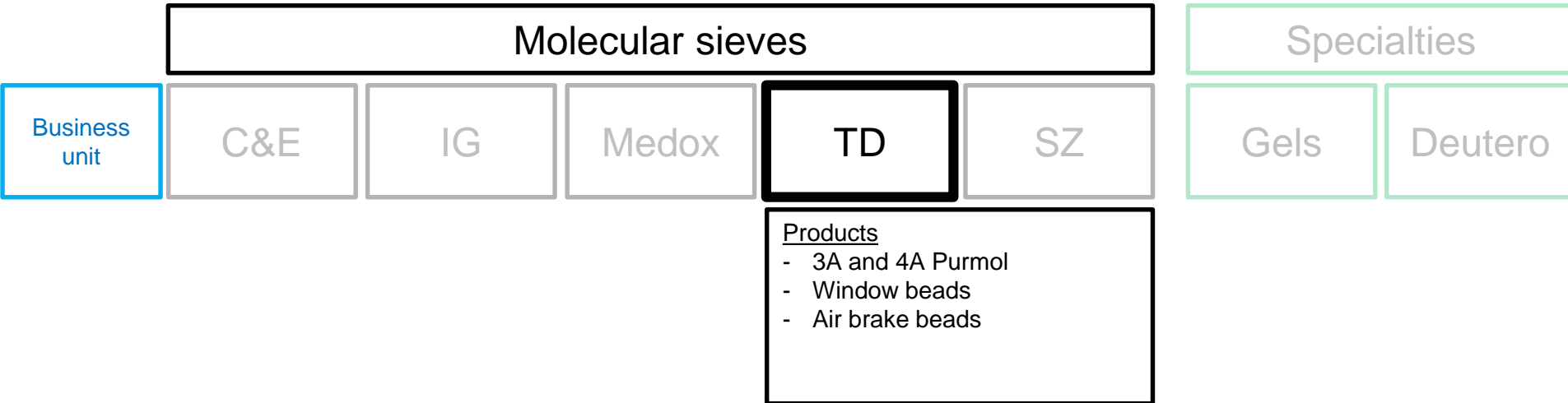
Applications

- Air separation (removal of CO₂ and N₂) to increase oxygen content for use in mobile oxygen concentrators




Source: DeVilbiss

Zeochem's global markets

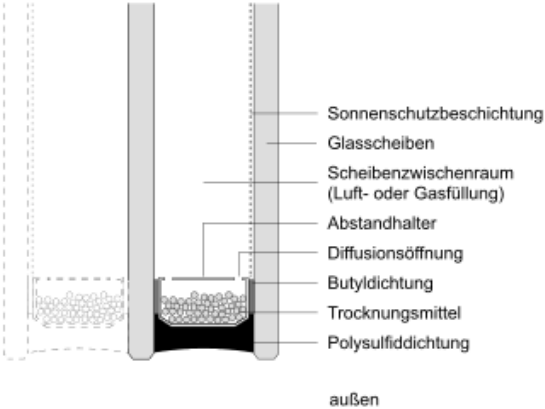


Applications


- Absorption of moisture in air brake systems, in refrigeration and in double-glazed windows
- Adsorbing moisture in polyurethane



Source: Audi

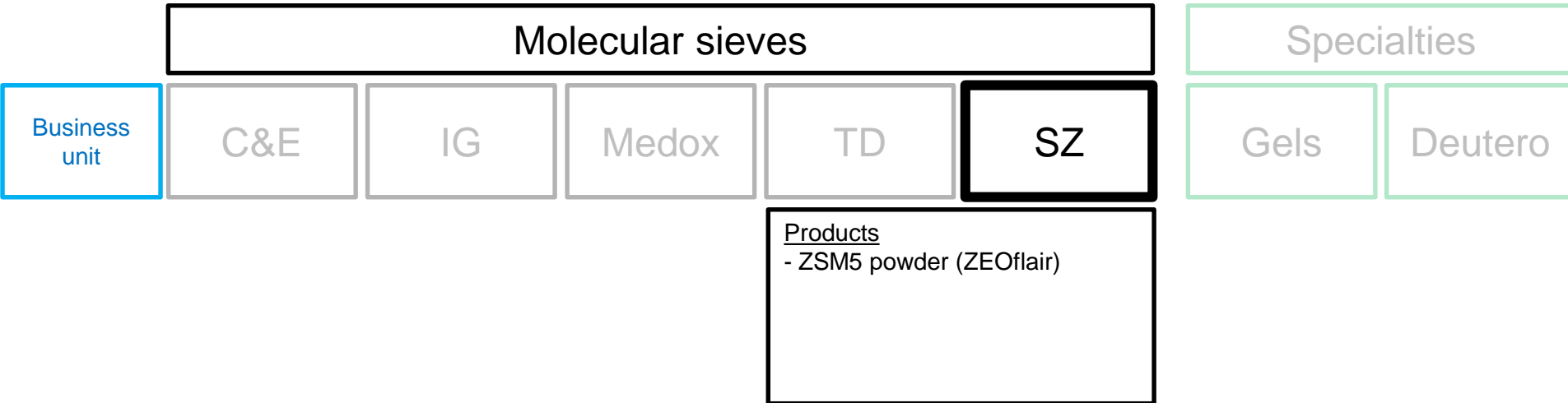


Labels in diagram:
 Sonnenschutzbeschichtung
 Glasscheiben
 Scheibenzwischenraum (Luft- oder Gasfüllung)
 Abstandhalter
 Diffusionsöffnung
 Butyldichtung
 Trocknungsmittel
 Polysulfidichtung
 außen



Source: Knorr-Bremse

Zeochem's global markets



Applications

Removal of undesirable odors, flavors and volatile organic components
(in plastics, carpets, plasterboards and similar)

The first image shows a large quantity of small, multi-colored plastic pellets. The second image shows a person's hand unrolling a roll of beige carpet. The third image shows a stack of white, rectangular plasterboard sheets.

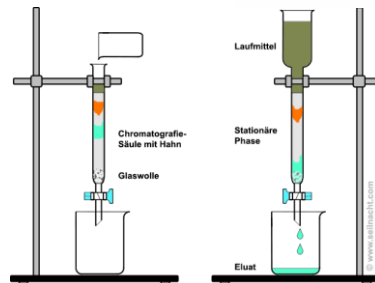
Zeochem's global markets



Applications

Separation of ingredients such as:

- APIs (insulin, peptides)
- small molecules
- natural products
- lipids
- carbohydrates
- pigments



Source: seilnacht.com



Source: Pall

Zeochem's global markets



Applications

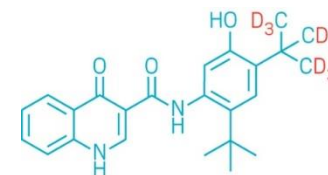
- Neutral testing liquids for NMR spectroscopy
- Improving the longevity and color quality of OLED screens
- Improving the properties of new APIs while replacing H₂O by D₂O, resulting in better compatibility in the human body



Source: LG



Source: Bruker



Agenda

- The Zeochem Group: what we do
- The strategic reshaping of the Zeochem Group and its impact on performance

Acquisition and integration of Alsio

Canton Zurich's new cantonal high school project opened up new prospects for Zeochem's historic Uetikon site. To continue the molecular sieves business and also gain better access to the Asian market, it was decided to acquire a competitor in China and move molecular sieve production from Switzerland to this low-cost country.



Setting up of Zeochem Pte. in Singapore

Zeochem's market share in Southeast Asia was not commensurate with its position as a global player in the molecular sieves market. To increase this regional market share, an experienced sales executive was appointed to develop a new Zeochem Pte. business based in Singapore. Since then, sales in the region have been rapidly increasing.



Construction of the new Zvornik site

To continue and further expand the chromatography gel, zeolite powder and specialty zeolite businesses, a new production site had to be found. To this end, Zeochem signed a long-term agreement with its supplier in Zvornik, Bosnia and Herzegovina and moved production there from its Uetikon site. The project took just 19 months from the initial idea (a call to a local lawyer in Bosnia) to the first trucks delivering finished goods to clients.



Capacity expansion in Louisville

The production capacity in Louisville has been expanded to meet the increasing demand for lithium products (for industrial gas and medical oxygen applications).



Move to Rüti

In order to continue and further expand the deuterio business, the production of deuterated components and high-performance gels was moved from Uetikon to Rüti, together with the global management and administration of the Zeochem Group.

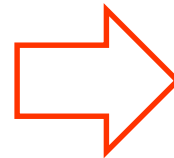


Merger of Uetikon companies

With the closure of the Uetikon site, the companies previously domiciled in Uetikon were merged into Zeochem AG to simplify the organizational structure.



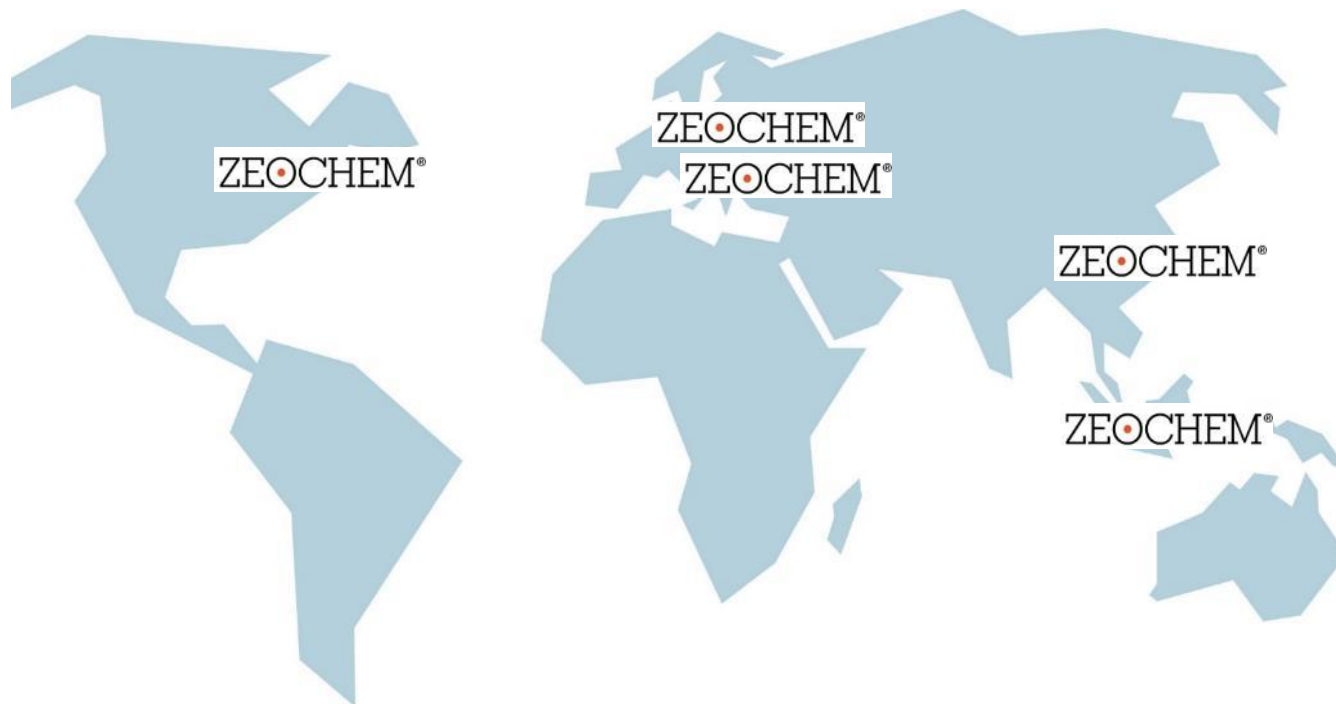
Chemie Uetikon AG
CU Deutero + Agro AG



ZEOCHEM®

Renamings of Zeochem Group companies

With its increasingly global presence, it became important to sharpen the Zeochem Group's global profile, too. So all its constituent companies were renamed "Zeochem" in 2018.



Closure of the Uetikon site

To prepare its handover to Canton Zurich, Zeochem cleaned up the Uetikon site and removed plant and equipment for further use in China, Bosnia and the USA. Unusable equipment was sold. 75% of the workforce had to be laid off. But a severance benefits plan combined with outplacement support helped the large majority of employees to find new opportunities with other employers or enabled them to receive a retirement package.



Acquisition of Armar

Business partner Armar AG was acquired under the strategy of growing the high-margin business. Armar and Zeochem have been working together for more than 30 years, and have now agreed to combine their businesses in the new Rütli premises.



Acquisition of Shanghai Yusheng

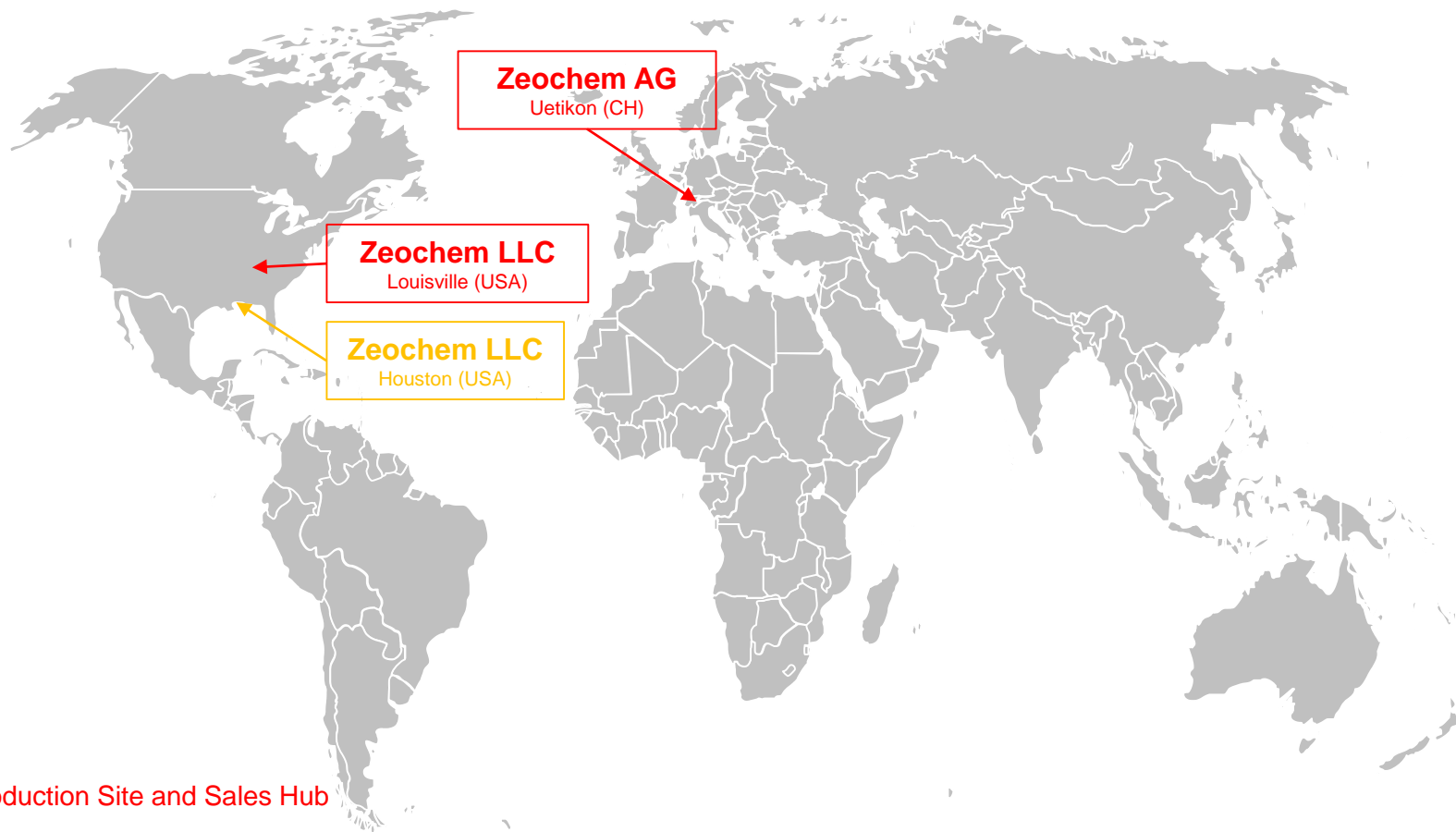
To expand its business activities in China, Zeochem acquired the molecular sieve distribution business of its distribution partner Shanghai Yusheng Chemical.



Sales force expansion

Parallel to these strategic projects, we have also been increasing our sales force globally:

The Zeochem Group's global presence in 2015



■ Production Site and Sales Hub

■ Sales Hub

The Zeochem Group's global presence in 2019

