

Baader Conference Swiss Equities

16 January 2020



Disclaimer



Investing in the shares of CPH Chemie + Papier Holding AG involves risks. Prospective investors are strongly requested to consult their investment advisors and tax advisors prior to investing in shares of CPH Chemie + Papier Holding AG. This document contains forward-looking statements which involve risks and uncertainties. These statements are made on the basis of current knowledge and assumptions. Various factors could cause actual future results, performance or events to differ materially from those described in these statements. No obligation is assumed to update any forward-looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments. The information contained in this document has not been independently verified and no representation or warranty, express or implied, is made to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. The information in this presentation is subject to change without notice, it may be incomplete or condensed, and it may not contain all material information concerning the CPH Group. Neither CPH Chemie + Papier Holding AG nor its affiliates shall have any liability whatsoever for any loss whatsoever arising from any use of this document or its content or otherwise arising in connection with this document. This document does not constitute or form part of an offer to sell or a solicitation of an offer to purchase any shares and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This information constitutes neither an offer to buy shares of CPH Chemie + Papier Holding AG nor a prospectus within the meaning of the applicable Swiss law.

Agenda



1 The CPH Group

2 Business divisions

3 Finances

The CPH Group At a glance

200
Jahre CPH
1818-2018

cph

CPH Chemie + Papier Holding AG is a diversified and internationally active industrial company that was founded in 1818 and is headquartered in Switzerland. CPH shares have been listed on the SIX Swiss Exchange since 2001, with the founding families as strong anchor shareholders.

533.5

2018 sales in CHF million

51.6

2018 EBIT in CHF million

42.3

2018 net result in CHF million

3

business divisions

1 081

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	1 679.8
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 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 Diversified in three industrial sectors

Division



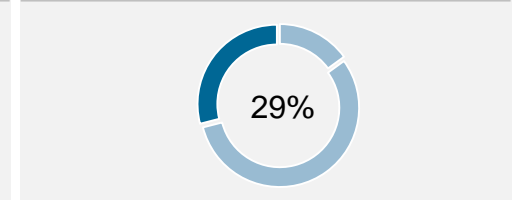
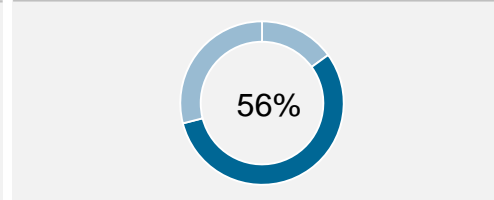
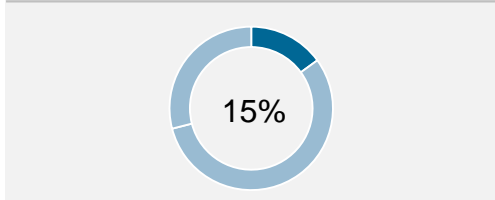
Key figures for 2018

Chemistry	
Sales	CHF 79.4 million
EBITDA	CHF 10.7 million
Production	CH / USA / CN / BiH
Personnel	293

Paper	
Sales	CHF 301.1 million
EBITDA	CHF 50.9 million
Production	CH
Personnel	369

Packaging	
Sales	CHF 153.0 million
EBITDA	CHF 21.6 million
Production	CH / DE / USA / BRA / CN
Personnel	413

Share of total group sales



Brands



The CPH Group Broad and innovative product portfolio

200
Jahre CPH
1818-2018

cph

Products



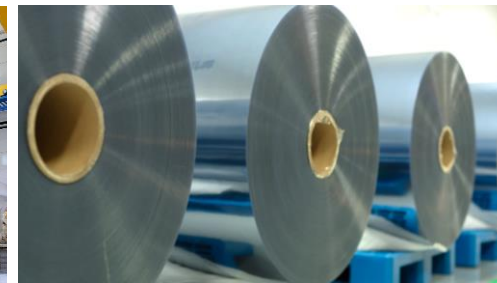
Chemistry

Molecular sieves, chromatography gels, specialty zeolites, deuterated products



Paper

Newsprint and magazine paper



Packaging

PVC monofilms, PVdC coated films

Markets



Industry, energy, pharmaceuticals





Publishing



Pharmaceuticals

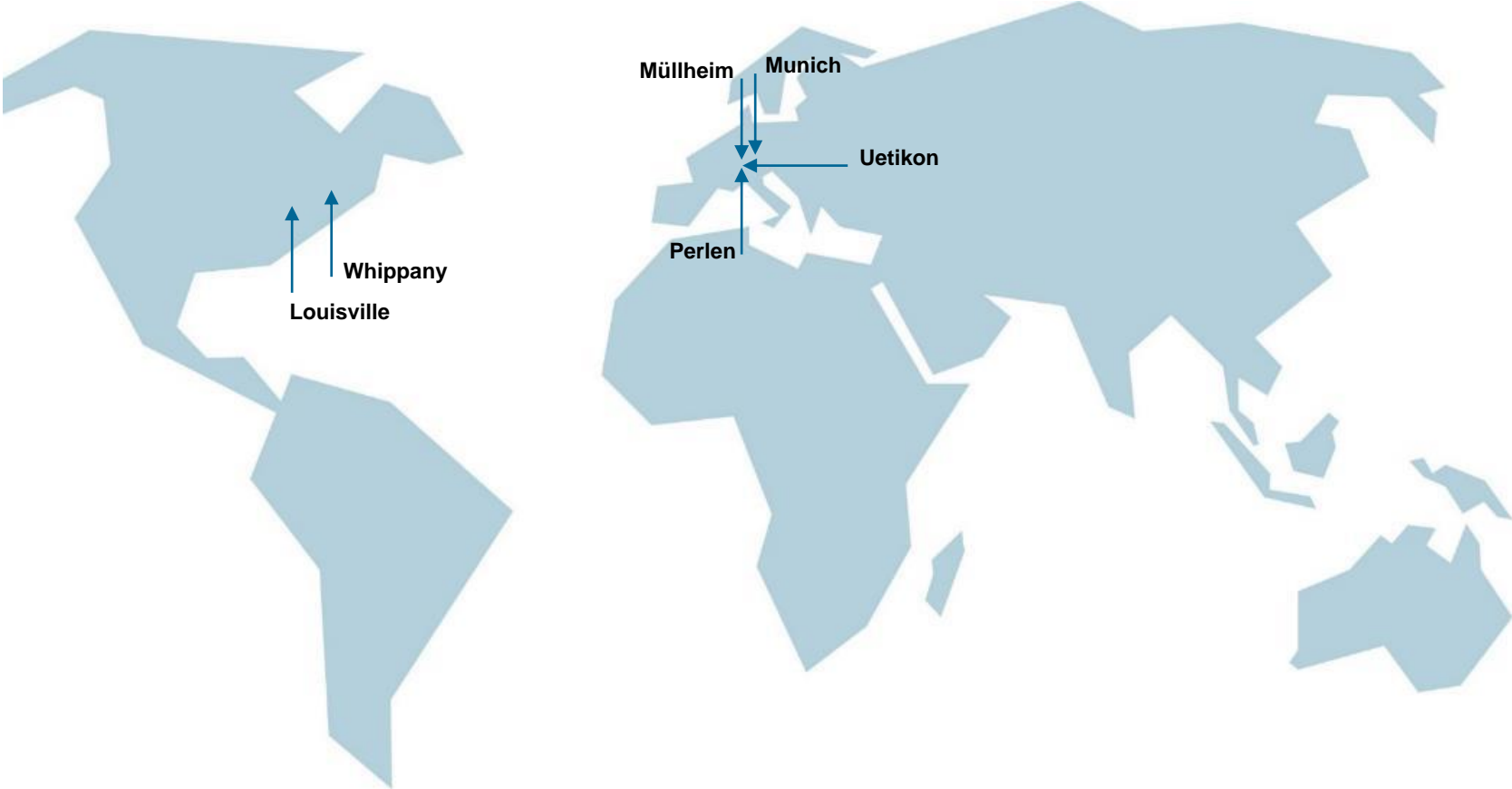
The CPH Group Divisions are leaders in their markets

<p>Division</p>	 <p>Chemistry</p>	 <p>Paper</p>	 <p>Packaging</p>
<p>Market position</p>	<p>3</p> <p>Number 3 worldwide in molecular sieves for industrial use</p>	<p>1</p> <p>Number 1 in Switzerland for newsprint and magazine paper manufacture and its biggest recovered paper recycler</p>	<p>3</p> <p>Number 3 worldwide for coated barrier films for pharmaceutical applications</p>
<p>Strategy</p>	<p>Differentiation</p>	<p>Cost leadership</p>	<p>Differentiation</p>

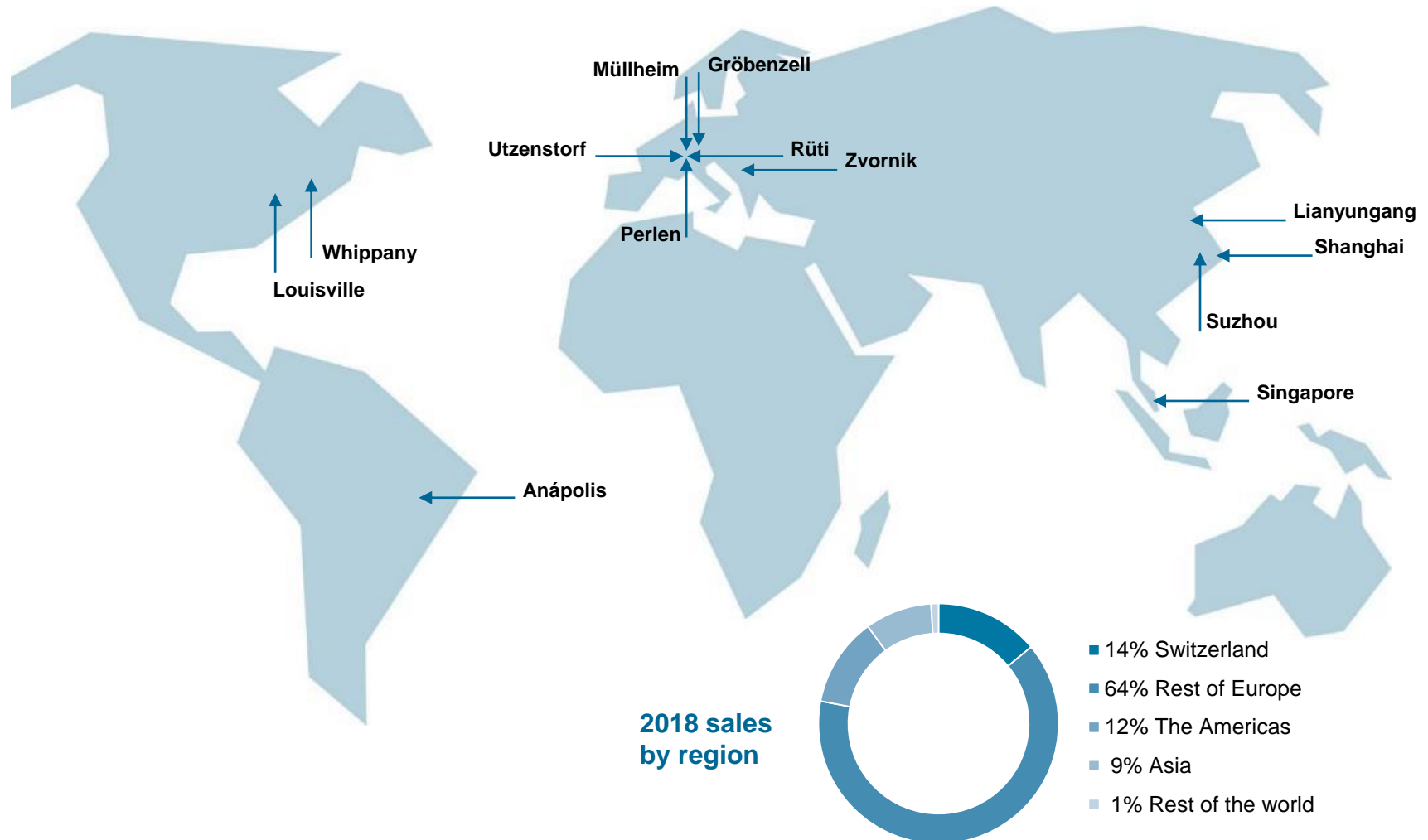
The CPH Group Strategy successfully pursued

	1	2	3																																				
Objectives	Net sales broadly balanced among the three divisions	Higher proportion of net sales from outside Europe	Less exposure to the Swiss franc in currency terms																																				
Actions	Expand Chemistry and Packaging to counterbalance Paper	Expand in markets in growth regions	Expand production capacities outside Switzerland																																				
Results	<p>Chemistry and Packaging's share of total net sales</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>36</td> </tr> <tr> <td>2015</td> <td>41</td> </tr> <tr> <td>2016</td> <td>43</td> </tr> <tr> <td>2017</td> <td>44</td> </tr> <tr> <td>2018</td> <td>44</td> </tr> </tbody> </table>	Year	Share (%)	2014	36	2015	41	2016	43	2017	44	2018	44	<p>Proportion of net sales from outside Europe</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>21</td> </tr> <tr> <td>2017</td> <td>22</td> </tr> <tr> <td>2018</td> <td>22</td> </tr> </tbody> </table>	Year	Proportion (%)	2014	16	2015	18	2016	21	2017	22	2018	22	<p>Proportion of costs incurred in Swiss francs</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>45</td> </tr> <tr> <td>2016</td> <td>40</td> </tr> <tr> <td>2017</td> <td>38</td> </tr> <tr> <td>2018</td> <td>36</td> </tr> </tbody> </table>	Year	Proportion (%)	2014	68	2015	45	2016	40	2017	38	2018	36
Year	Share (%)																																						
2014	36																																						
2015	41																																						
2016	43																																						
2017	44																																						
2018	44																																						
Year	Proportion (%)																																						
2014	16																																						
2015	18																																						
2016	21																																						
2017	22																																						
2018	22																																						
Year	Proportion (%)																																						
2014	68																																						
2015	45																																						
2016	40																																						
2017	38																																						
2018	36																																						

The CPH Group Locations worldwide in 2013



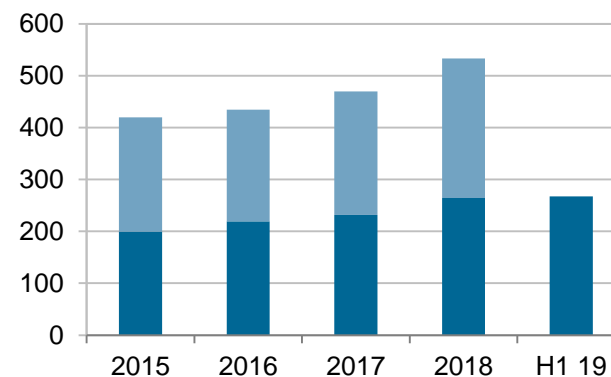
The CPH Group Locations worldwide in 2018



The CPH Group 2019 first-half results

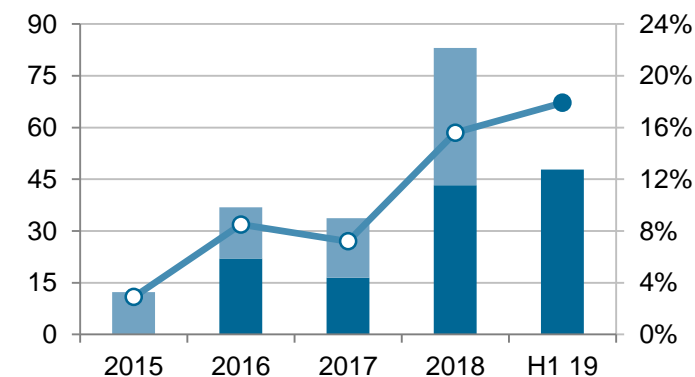
in CHF million	H1 18	H1 19	± in %
Net sales	264.1	267.5	1.3
EBITDA in % of net sales	43.3 16.4	47.8 17.9	10.3
EBIT in % of net sales	27.8 10.5	32.0 12.0	15.0
Net result (including minorities) in % of net sales	22.6 8.6	27.2 10.2	20.1
Cash flow	33.4	42.3	26.7
Free cash flow	0.9	21.4	2 277.8
Balance sheet total	697.1	815.8	17.0
Equity in % of balance sheet total	394.2 56.5	422.3 52.0	7.0
Personnel	1 055	1 092	3.5

Sales



in CHF million

EBITDA



in CHF million

— in % of sales

Agenda



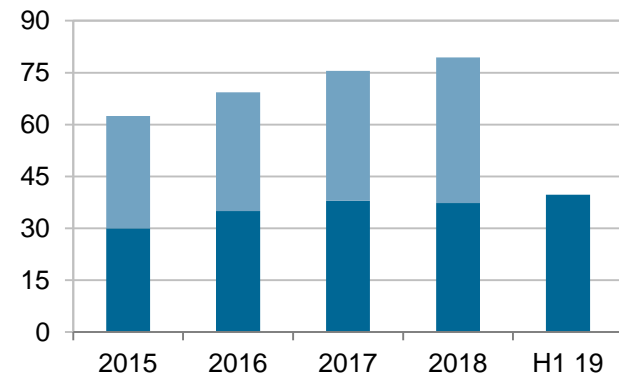
1 The CPH Group

2 Business divisions

3 Finances

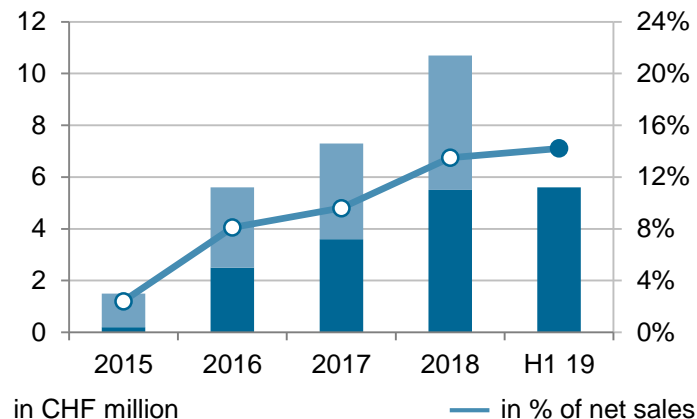
Chemistry Business development

Sales



in CHF million

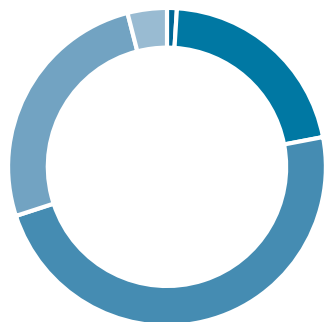
EBITDA



in CHF million

— in % of net sales

2018 sales by region



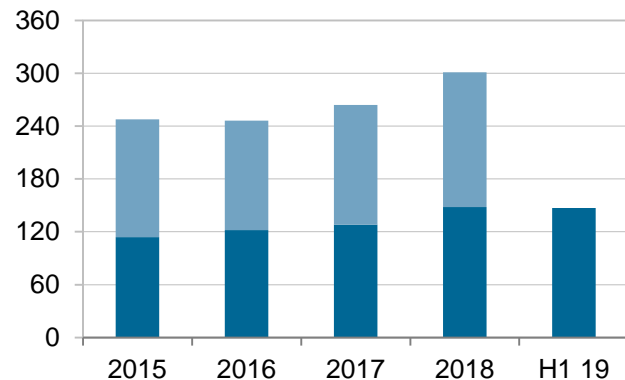
- 1% Switzerland
- 21% Rest of Europe
- 48% The Americas
- 26% Asia
- 4% Rest of the world

1st half of 2019

- Strong demand for molecular sieves for purifying ethanol and natural gas and for oxygen concentration
- Distribution network expanded in Brazil, Bahrain and the Czech Republic
- Production facilities well utilized

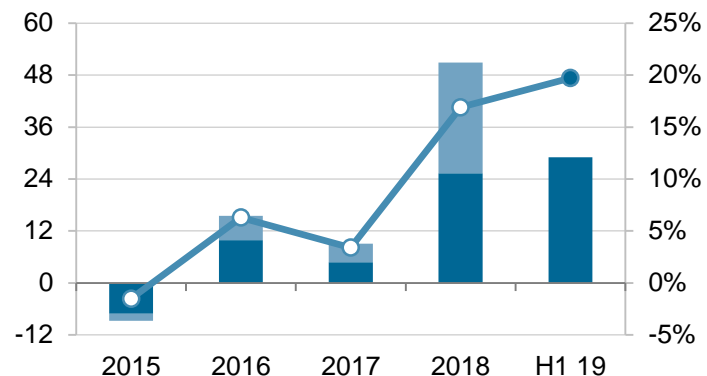
Paper Business development

Sales



in CHF million

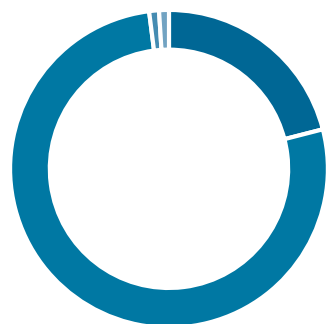
EBITDA



in CHF million

— in % of net sales

2018 sales by region

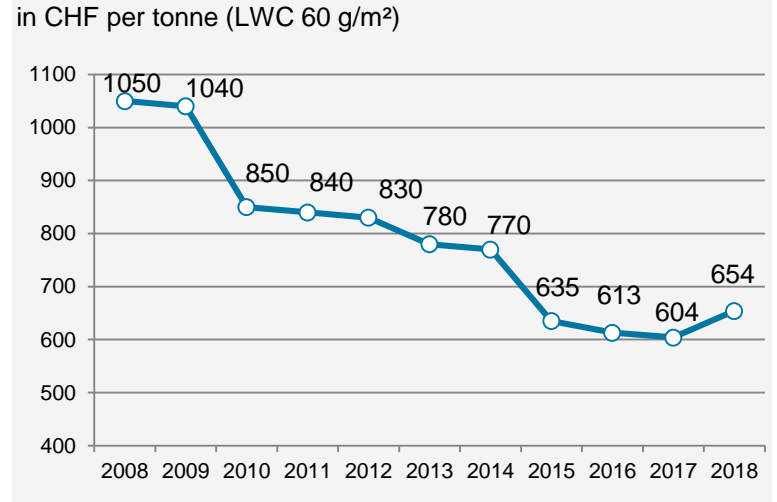
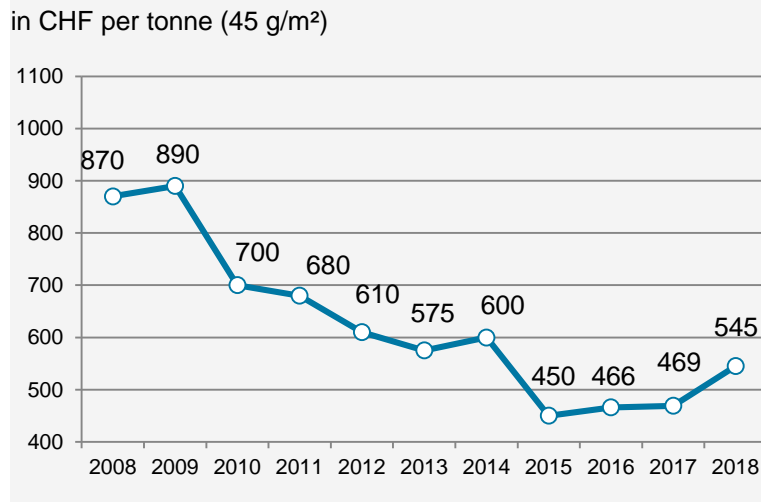
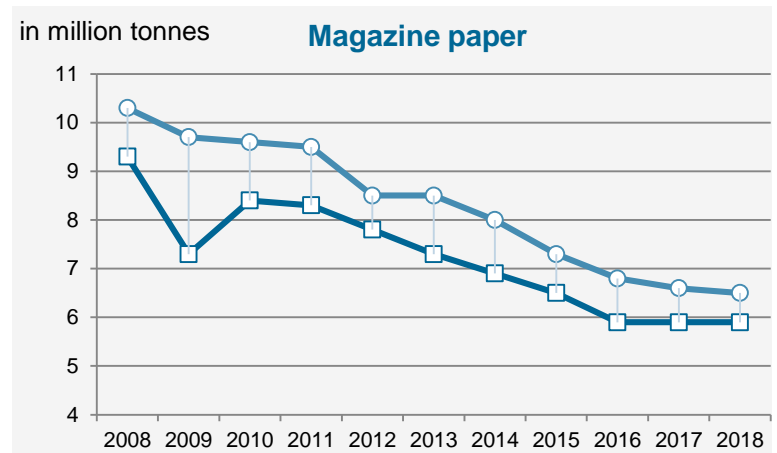
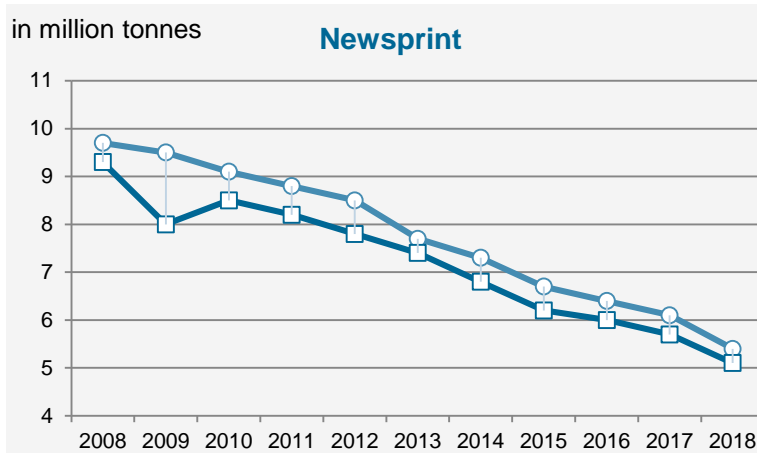


- 21% Switzerland
- 77% Rest of Europe
- 1% The Americas
- 1% Asia

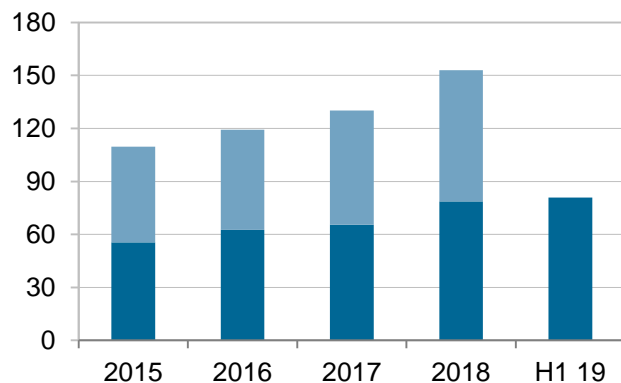
1st half of 2019

- Supply and demand for newsprint and magazine paper broadly balanced at the start of the year; rising paper prices
- Decline in demand for wood-based graphical printing paper in Europe, leading to overcapacities and pricing pressures

Paper Market and pricing trends in Europe

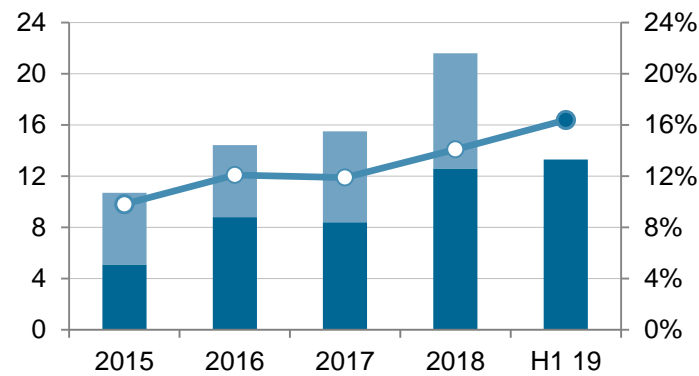


Sales



in CHF million

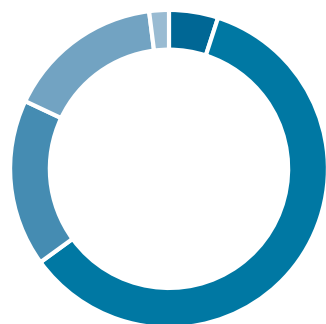
EBITDA



in CHF million

— in % of net sales

2018 sales by region



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

1st half of 2019

- New first-half sales record despite slower pharmaceuticals market growth
- Further growth in sales share of higher-value products and further margin increase
- Suzhou coatings plant awarded product licences for distribution in China

Agenda



1 The CPH Group

2 Business divisions

3 Finances

1st half of 2019 Consolidated income statement

in CHF million	H1 2018	H1 2019	± in CHF	± in %
1 Net sales	264.1	267.5	3.4	1.3
Changes to semi-finished and finished inventories/ other operating income/goods and services on own account	10.0	15.5	5.5	53.9
Total income	274.1	282.9	8.8	3.2
2 Operating expense	-230.8	-235.1	- 4.3	1.9
EBITDA	43.3	47.8	4.5	10.3
Depreciation and value adjustments	-15.5	-15.8	-0.3	1.9
EBIT	27.8	32.0	4.2	15.0
3 Financial result	-2.3	-3.5	-1.2	52.2
Earnings before taxes and non-operating items	25.5	28.5	3.0	11.7
Non-operating result	-0.2	0.5	0.7	
Extraordinary result	0	0	0	
Earnings before taxes	25.3	29.0	3.7	14.3
4 Income tax	-2.7	-1.8	0.9	-33.3
Net result (including minorities)	22.6	27.2	4.6	20.1

① Net sales: +1.3%, currency-adjusted +2.1% (Chemistry +4.9%, Paper -0.6%, Packaging +5.9%)

② Higher materials costs

③ Double interest costs through bond issue in first half of 2019

④ Offsetting of losses carried forward, improved earnings mix; tax rate 6.1%, prior year 7.5%

1st half of 2019 Income statement by division

in CHF million	The CPH Group		Chemistry		Paper		Packaging	
	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018	H1 2019
Net sales	264.1	267.5	37.3	39.7	148.1	146.9	78.7	80.8
EBITDA	43.3	47.8	5.5	5.6	25.3	29.0	12.6	13.3
in % of net sales	16.4	17.9	14.7	14.2	17.1	② 19.7	16.1	16.4
EBIT	27.8	32.0	3.4	3.1	14.8	19.0	9.6	10.1
in % of net sales	10.5	12.0	① 9.2	7.8	10.0	12.9	12.3	③ 12.4
Personnel	1 055	1 092	286	306	360	369	402	411

- ① Prior-year adjustment to other operating income (around CHF 1.0 million) => 6.5%
- ② Strongest result in Europe
- ③ Record for the division

1st half of 2019 Consolidated balance sheet

in CHF million	31.12.2018	30.06.2019	± in CHF	± in %
① Liquid funds	89.0	95.5	6.5	7.3
② Other current assets	264.3	281.9	17.6	6.7
③ Fixed assets	447.2	438.4	-8.8	-2.0
Total assets	800.5	815.8	15.3	1.9
Current liabilities	220.8	223.9	3.1	1.4
Long-term liabilities	172.5	169.6	-2.9	-1.7
④ Equity	407.1	422.3	15.2	3.7
Equity ratio in %	50.9	51.8		0.9
Total equity and liabilities	800.5	815.8	15.3	1.9

- ① Up CHF 6.5 million despite special dividend payment and further repayment of short-term financial debt
- ② Increase attributable to a rise in trade accounts receivable (all divisions) and higher inventories (especially for Paper)
- ③ Investments of CHF 7.8 million were less than depreciation for the period of CHF 15.8 million
- ④ Equity further increased (net result of CHF 27.2 million, dividend distribution of CHF -10.8 million)

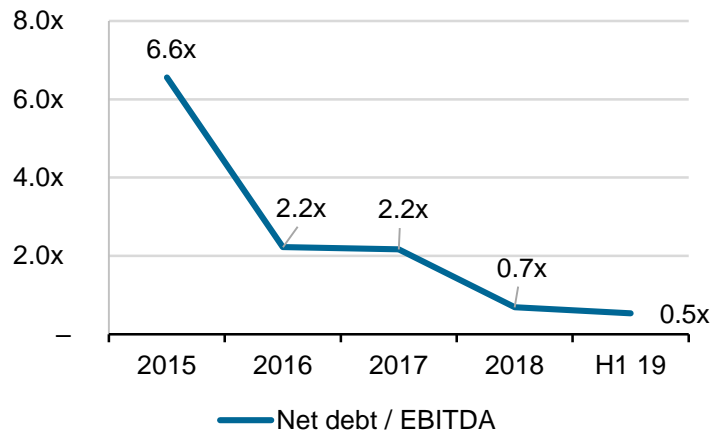
1st half of 2019 Consolidated cash flow statement

in CHF million	H1 2018	H1 2019	± in CHF	± in %
Net result (including minorities)	22.6	27.2	4.6	20.4
Depreciation, changes in provisions	10.8	15.1	4.3	
1 Cash flow	33.4	42.3	8.9	26.7
Changes to net current assets	-5.7	-13.6	-7.9	
Cash flow from operating activities	27.7	28.7	1.0	3.6
2 Cash flow from investment activities	-26.8	-7.3	19.5	
Free cash flow	0.9	21.4	20.5	2 277.8
3 Financial liabilities/other long-term liabilities	-3.1	-4.0	-0.9	
Dividends to shareholders	-3.9	-10.8	-6.9	
Cash flow from financing activities	-7.0	-14.8	-7.8	n.a.
Currency translation effects	0.6	-0.1	-0.7	
Net change in cash and cash equivalents	-5.6	6.5	12.1	n.a.

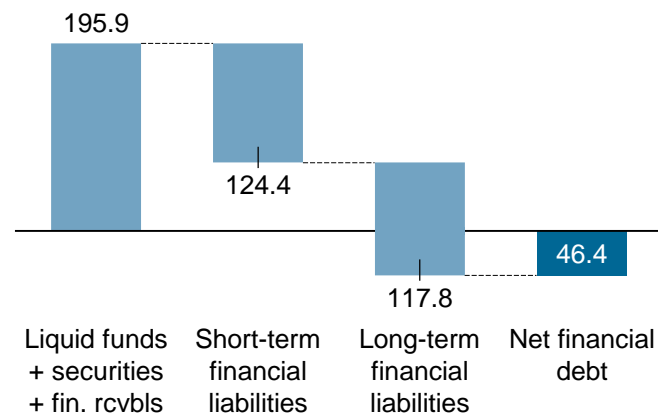
- 1 Substantially higher cash flow from business operations; prior-year provision payments for closure of Uetikon site
- 2 Prior-year investments of CHF 24.5 million in business activities; 2019 investments in assets only
- 3 Further CHF 4.0 million reduction in financial liabilities owing to favourable liquid funds levels

Net debt and leverage

Leverage



Net financial debt for H1 2019 (in CHF million)



Remarks

- Leverage substantially reduced over the past few years
- 10.7.2019: CHF 120 million (2014-2019) bond repaid => gross debt now around CHF 120 million
- Additional CHF 40 million Swiss bank credit facility since mid-2019

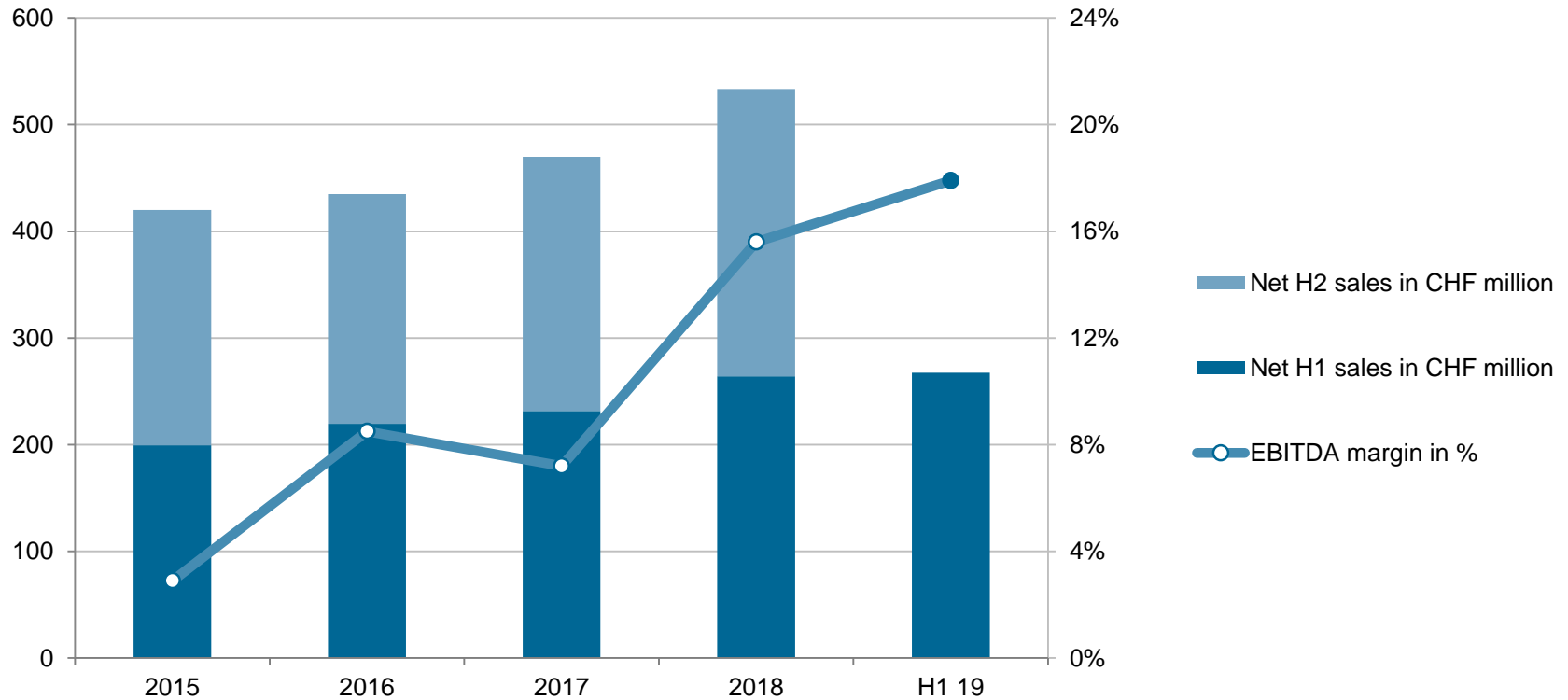
Still financially strong in H1 2019

14.2%	EBITDA margin for Chemistry, confirming prior-year progress
19.7%	EBITDA margin for Paper, the highest in Europe's paper sector
16.4%	EBITDA margin for Packaging, a further record result
12.0%	group EBIT margin, the highest since CPH's stock exchange listing
CHF 27.2m	net result, giving a net result per share of CHF 4.52
60%	equity ratio, after the bond repayment of 10.7.2019
CHF 7.3m	of investments in efficiency enhancements and higher capacities
CHF 21.4m	free cash flow, with liquid funds of CHF 95.5 million
0.5x	net debt ratio, with net debt of CHF 46.4 million
CHF 100(+40)m	of financing secured early on favourable terms until 2023

Target financial KPIs

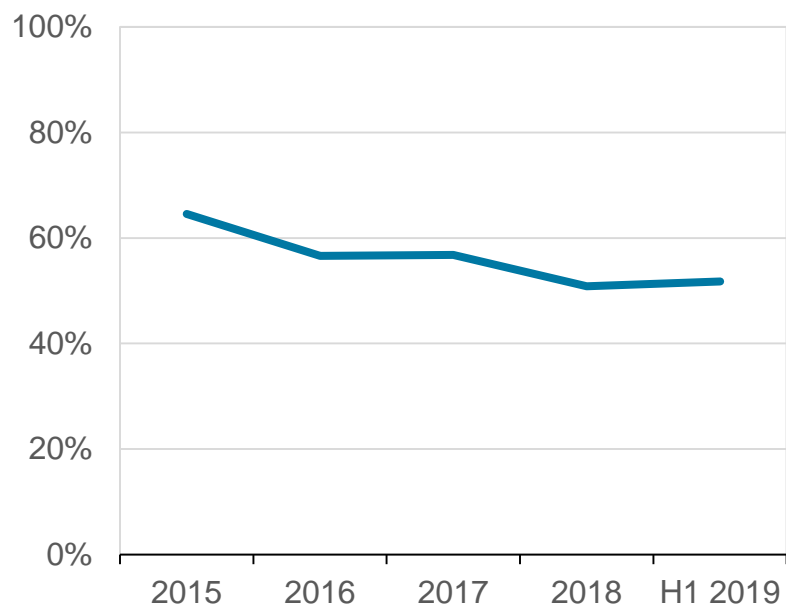
- Organic sales growth of over 3% a year
- EBITDA margin of over 10%
- Equity ratio of over 50%
- Liquidity of at least CHF 30-50 million
- Annual operating investments of CHF 20-25 million

Financial profile shows results of pursuit of corporate strategy



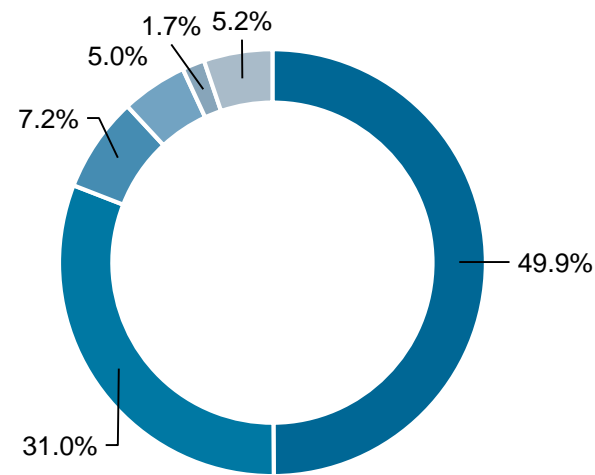
Solid KPIs and stable anchor shareholders with a long-term commitment

Equity ratio



Equity ratio increased to around 60% following bond repayment on 10 July 2019

Shareholders (as of 31 December 2018)



- Uetikon industrial holding
- Publicly-held shares
- Ella Schnorf-Schmid
- J. Safra Sarasin Investmentfonds
- Board/GEM members and related parties
- Other (including currently unregistered shares)

Dividend and share price development

Dividends distributed

Fiscal year	2014	2015	2016	2017	2018
Dividend per share (in CHF)	0.65	0.60	0.65	0.65	1.80
Dividend yield (in % as of 31.12)	1.2	1.9	1.6	1.2	2.2

- Dividend policy: distribution of 25% to 50% of net result, with due regard to liquidity and free cash flow
- Consistent dividend policy
- Distributions in recent years from tax-exempt capital contribution reserve
- Tax-exempt capital contribution reserve after 2019 AGM: CHF 4.2 million (CHF 0.70 per share)
- 2018: CHF 1.80 payment included special CHF 0.50 dividend for CPH's 200th anniversary

Share price trends 1.1.2015 - 30.8.2019



An attractive investment

- Leading competitive positions in three industrial sectors with three distinct brands
 - Cost leader in the predatory newsprint and magazine paper market and Switzerland's biggest recovered paper recycler
 - Expansion of Chemistry and Packaging divisions reducing dependence on Paper
 - Expanding (Chemistry and Packaging) production capacities outside Switzerland to reduce currency risks
 - Investing in growth markets
 - Sound equity base
 - Stable anchor shareholders with long-term commitment
- Solid dividend levels (around 2%) with further share price rise potential



Thank you for your attention.