

CPH Group AG

Summary Annual Report

2024



Key figures

remaining divisions ¹ , in CHF millions	2024	2023	2022	2021	2020
Net sales	323.3	361.5	340.9	265.8	235.6
Growth rate	-10.6%	6.1%	28.2%	12.8%	1.8%
EBITDA	53.8	65.0	50.2	32.9	37.7
EBITDA margin	16.6%	18.0%	14.7%	12.4%	16.0%
Operating result (EBIT)	39.2	51.9	37.1	21.4	26.6
EBIT margin	12.1%	14.4%	10.9%	8.1%	11.3%
Net result	34.4	45.1	26.0	18.9	32.7
Return on equity (ROE)	16.2%	n/a ²	n/a ²	n/a ²	n/a ²
Chemistry					
Net sales	117.3	124.2	110.3	95.1	73.3
EBITDA	22.8	22.1	19.1	20.5	9.5
EBITDA margin	19.5%	17.8%	17.4%	21.5%	12.9%
Packaging					
Net sales	206.0	237.3	230.6	170.7	162.3
EBITDA	33.3	42.9	31.4	11.9	27.8
EBITDA margin	16.1%	18.1%	13.6%	7.0%	17.1%
Cash flow³	42.9	51.6	n/a ²	n/a ²	n/a ²
Cash flow from operating activities	53.3	57.9	n/a ²	n/a ²	n/a ²
Capital expenditures for fixed assets	20.4	17.9	n/a ²	n/a ²	n/a ²
Free cash flow⁴	34.9	54.8	n/a ²	n/a ²	n/a ²
Free cash flow margin ⁴	10.8%	15.2%	n/a ²	n/a ²	n/a ²
Total assets	332.6	327.9	n/a ²	n/a ²	n/a ²
Shareholders' equity	209.4	216.8	n/a ²	n/a ²	n/a ²
Equity ratio	63.0%	66.1%	n/a ²	n/a ²	n/a ²
Net cash	12.7	34.7	n/a ²	n/a ²	n/a ²
Capital employed	208.3	192.8	207.0	207.4	190.2
Net operating profit after tax (NOPAT)	32.2	42.8	29.6	18.0	21.6
Return on capital employed (ROCE)	16.1%	21.4%	14.3%	9.1%	11.8%
Headcount (FTE)	959	841	809	746	731

¹ excluding the spun-off Paper Division; derived from the consolidated financial statements for 2020–2024 and the accounting records of CPH Group AG

² comparable value unavailable owing to spin-off of the Paper Division

³ before change in non-financial net working capital

⁴ before acquisition of subsidiaries

CPH Group AG in brief

CPH Group AG is a focused Swiss-based international industrial group which researches, develops, manufactures and distributes chemical products (www.zeochem.com) and pharmaceutical packaging (www.perlen-packaging.com). The company and its Zeochem and Perlen Packaging subsidiaries maintain production facilities in Switzerland, Germany, Bosnia and Herzegovina, Hungary, Israel, the USA, Brazil, China and India, and have a total worldwide workforce of some 1 200 personnel.

The company (which was then named CPH Chemie + Papier Holding AG) spun off its Paper Division (Perlen Papier AG) and the real-estate assets at its Perlen (Switzerland) operating site into the new OTC-traded Perlen Industrieholding AG at the end of June 2024, changing its name in the process to CPH Group AG. The spin-off of the former paper business has transformed the profile of the renamed company. Through its Zeochem and Perlen Packaging subsidiaries, CPH Group AG is well positioned with strong brands which, with their firmer product focus, should enable the company to profit from above-average growth opportunities in international niche markets.

The shares of CPH Group AG (ticker symbol: CPHN) are listed on the SIX Swiss Exchange. Further information will be found at www.cph.ch.

At a glance



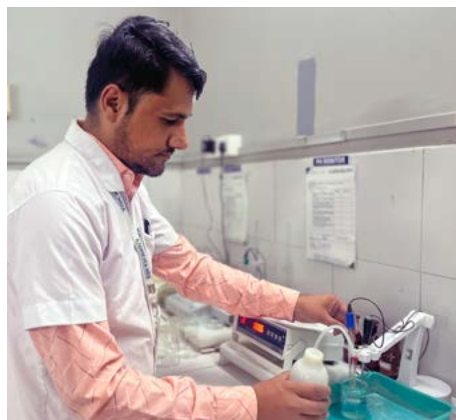
CPH Group AG

Business in 2024

- Lower raw materials costs lead to net sales decline
- Business mood dampened by geopolitical developments and economic trends
- Global expansion continued through chemistry and packaging acquisitions
- Positive net result despite CHF 22.3 million non-cash expense from spin-off of the Paper Division

in CHF millions ¹	2024	2023
Net sales	323.3	361.5
EBITDA	53.8	65.0
EBITDA margin	16.6 %	18.0 %
EBIT	39.2	51.9
EBIT margin	12.1 %	14.4 %

¹ remaining divisions, excluding the spun-off Paper Division



Chemistry

- Robust demand for molecular sieves and deuterated products
- Net sales impacted by steep decline in lithium costs
- Access gained via acquisition to the Indian chemistry and pharma markets
- Production facilities well utilized worldwide
- New record annual EBITDA achieved

in CHF millions	2024	2023
Net sales	117.3	124.2
EBITDA	22.8	22.1
EBITDA margin	19.5 %	17.8 %
EBIT	14.9	15.8
EBIT margin	12.7 %	12.7 %



Packaging

- Net sales reduced by customer destocking and lower raw materials prices
- Facilities increasingly underutilized (except in Brazil) as the year progressed
- New slitting and packaging operations commenced in Switzerland and the USA
- Israel- and Hungary-based LOG Pharma acquired
- Earnings broadly at 2022's solid levels

in CHF millions	2024	2023
Net sales	206.0	237.3
EBITDA	33.3	42.9
EBITDA margin	16.1 %	18.1 %
EBIT	26.6	36.1
EBIT margin	12.9 %	15.2 %

CPH Group AG further expands its international presence



Peter Schaub (left) and Peter Schildknecht

Dear shareholder, dear reader

We are pleased to present you with the first annual report of the newly formed CPH Group AG with its Chemistry and Packaging divisions. As many of you will know, the CPH Group's paper business, along with the real-estate assets at its Perlen site, were spun off from its chemistry and packaging activities in June 2024, and now constitute a separate company in the form of the newly founded Perlen Industrieholding AG.

Our motivation in spinning off the paper business was to transform the stock exchange-listed CPH Chemie + Papier Holding AG, which had evolved historically into an industrial conglomerate with three independent business divisions each operating in its own specialist markets, into two clearly focused new companies: CPH Group AG, with the remaining divisions of Chemistry and Packaging, as an innovative, globally active and rapidly growing company which remains listed on the Swiss stock exchange; and the OTC-traded Perlen Industrieholding AG, which is focused on the Western European paper business and on utilizing the further potential offered by the attractive Perlen industrial site.

We are convinced that, with its concentration on growth-oriented high-margin business activities, the new CPH Group AG will present a more predictable business proposition that should further enhance its capital market appeal. At Zeochem, for instance, we see good growth prospects for the deuterated products which the division manufactures for pharmaceutical industry, OLED screen and laboratory analysis purposes. Its molecular sieve products, too, show further growth potential within their medical and industrial applications. Perlen Packaging has also achieved above-average growth in the past few years with its high-quality blister film products, while other forms of medicine packagings such as bottles represent a further attractive market segment.

In addition to the ever-strong commitment of all our employees, it is the consistent pursuit of our overall corporate strategy and our corporate responsibility that are at the heart of our business success. Global expansion into attractive international niche markets is a cornerstone of this strategy. And Zeochem's acquisition of India-based Sorbchem India and Perlen Packaging's purchase of Israel- and Hungary-based LOG Pharma in the course of 2024 marked further key steps in our continual expansion of our global market presence in growth regions, and have further enhanced our overall competitive credentials.

Sustainability is a prerequisite to CPH Group AG's ability to continue to create value over the longer term. Our ambition here is to decarbonize our production and steadily reduce our emissions towards net-zero throughout the value chain, while simultaneously maintaining our competitive edge. With these aims in mind, we have further refined our sustainability reporting to align this even more closely to European sustainability standards, with a particular emphasis on climate protection. Our sustainability report for 2024 will be found from Page 23 onwards in the online Annual Report.

Procurement markets normalized

A number of macroeconomic uncertainties and geopolitical conflicts combined in 2024 to present a challenging business environment. With a distinct absence of economic momentum, economic growth remained stagnant, especially in Europe, while even China's growth lay below expectations. The continuing war in Ukraine and the reignition of hostilities in the Middle East fostered further instability.

Despite such developments, conditions on the procurement markets continued to normalize in 2024 compared to previous years. With the construction sector still feeling the effects of the general economic malaise, demand was down for plastics such as PVC, and the procurement prices declined accordingly for this raw material. At the same time, however, lower

Net sales
in CHF millions¹

323

(prior year: 362)

EBITDA
in CHF millions¹

54

(prior year: 65)

EBIT
in CHF millions¹

39

(prior year: 52)

¹ remaining divisions

demand from the same construction sector reduced order volumes for Zeochem's molecular sieve powder products. The cost of lithium and energy costs were also slightly below their prior-year levels.

Restrained momentum in the global economy

With inflation rates worldwide having largely returned to more normal levels, the central banks in Europe and the USA began 2024 by cutting their base interest rates to help kickstart the economy and allay recession concerns. Economic development remained fragile, however, and contingent on trends in the US and Chinese economies. The International Monetary Fund (IMF) put the year's global economic growth at 3.2 %. The euro exchange rate, which is of major importance to CPH Group AG, showed a broadly sideways trend for the year as a whole, and closed at CHF 0.9380. The remaining divisions generated 56.7 % of their net sales in the eurozone in 2024, while 23.8 % of their costs were incurred in Swiss francs.

Income statement for the remaining divisions

The following income statement is for the remaining divisions of Chemistry and Packaging, excluding the spun-off Paper Division. It has been compiled on the basis of the fully consolidated financial statements for 2023 and 2024 and the corresponding CPH accounting records, to provide an appropriate picture of the newly formed CPH Group AG for 2023 and 2024.

in CHF thousands	2024	2023
Net sales	323 253	361 500
Other operating income	3 830	2 309
Change in inventories	506	-4 567
Total income	327 589	359 242
Cost of materials	-166 915	-189 569
Cost of energy	-11 295	-11 180
Personnel expense	-67 314	-65 922
Maintenance and repairs	-7 884	-8 671
Other operating expense	-20 398	-18 949
Operating result before depreciation and amortization (EBITDA)	53 783	64 951
Depreciation on tangible fixed assets	-12 637	-12 084
Amortization of intangible assets	-1 986	-989
Operating result (EBIT)	39 160	51 878

in CHF thousands	2024	2023
Operating result (EBIT)	39 160	51 878
Financial result	347	-2 012
Ordinary result	39 507	49 866
Non-operating result	2 062	7 696
Result before income taxes	41 569	57 562
Income taxes	-7 137	-12 425
Net result	34 432	45 137
Earnings per share (in CHF)	5.74	7.50

Net sales decline owing to lower materials costs

CPH Group AG with its remaining Chemistry and Packaging Divisions generated net sales for 2024 of CHF 323 million, an 8.5 % year-on-year decline at constant currency that was attributable to lower materials costs. EBITDA for the year declined CHF 11.2 million to CHF 53.8 million. The EBITDA result includes a non-recurring CHF 3.7 million expense for preparing and conducting the spin-off of the former Paper Division. EBITDA margin remained sound, however, at 16.6 %. EBIT for the year amounted to CHF 39.2 million, and the net result after taxes for the two remaining divisions totalled CHF 34.4 million. With recognition of the CHF -29.8 million net result of its subsequently spun-off Paper Division for the first six months of the year, CPH Group AG reported an overall net result for 2024 of CHF 4.6 million. With an equity ratio of 63 % the company remains in very sound financial health, and held net cash of CHF 12.7 million at year-end.

Zeochem and Perlen Packaging invested some CHF 20 million in productivity improvements, efficiency enhancements and their sustainable product development in the course of the year. Free cash flow for the remaining divisions declined from CHF 54.8 million to CHF 34.9 million, having been boosted in 2023 by proceeds from real-estate sales totalling CHF 19.1 million. Personnel expense amounted to CHF 67.3 million. Year-end headcount increased from 841 to 959 as a result of acquisitions.

Zeochem: EBITDA at new record high

Geopolitical and macroeconomic trends impacted on business development at Zeochem in 2024. Several key forward economic indicators turned increasingly negative as the year progressed. Subdued activity in the construction sector and an unfavourable interest rate environment combined to depress many companies' inclinations to order and invest. Demand for industrial and medical oxygen saw a slight decline. The promotion of renewable energies, by contrast, continued to increase worldwide. And demand for the molecular sieves utilized in ethanol production remained robust, as did the market for deuterated compound applications.

Investments in CHF millions¹

20

(prior year: 18)

Free cash flow in CHF millions¹

35

(prior year: 55)

¹ remaining divisions

Business at Zeochem reflected these varying individual sector trends over the course of 2024. While the markets in Europe, North America and India showed favourable developments, the Chinese market proved tangibly more challenging as a result of the local economic mood. The business segments of deuterated solvents for use in OLED displays and laboratory analyses and of the high-value molecular sieves used in ethanol manufacture and the production of technical gases both raised their net sales for the year from their 2023 levels.

The weaker activity in the construction sector dampened the demand for molecular sieve powders. Lithium costs saw steep declines. This lowered Zeochem's net sales from its lithium-based products which are used to concentrate industrial and medical oxygen, as the benefits of the lower procurement prices were passed on to customers. Energy costs were also below their prior-year levels.

With its acquisition of Sorbead India and Swambe Chemicals in April 2024, Zeochem established a presence of its own in the Indian chemicals and pharmaceutical markets. The newly acquired businesses now both operate under the name Sorbchem India Pvt. Ltd. Sorbchem India sells and distributes molecular sieves and packaging materials and produces chromatography gels for the packaging and the pharmaceutical sectors. Its assimilation into Zeochem is proceeding as planned.

Zeochem generated total net sales for 2024 of CHF 117 million, a 9.1 % decline from the previous year at constant currency and net of acquisition effects. EBITDA was raised 3.5 % to a new record high of CHF 22.8 million, and EBITDA margin improved accordingly from 17.8 % to 19.5 %. The production facilities in Switzerland, China and the USA were well utilized throughout the year. Zeochem invested CHF 9.8 million in the course of 2024, primarily in raising capacities and in a desalination plant for processing waste water in China. The company employed 406 personnel at year-end (compared to 283 at the end of 2023). The increase is due largely to the addition to the workforce of the new Sorbchem India Pvt. Ltd. employees.

Zeochem: outlook for 2025

The economic and geopolitical environments remain challenging, and the development in demand is currently below the dynamic levels of the past few years. Zeochem expects to see continued pricing and margin pressures, along with stable energy and raw materials prices. The company plans total investments of some CHF 11 million on productivity increases and more in the course of the year. In what is expected to be a challenging business environment, Zeochem expects to post slight improvements for 2025 in both its net sales and its EBITDA compared to their prior-year levels.

Perlen Packaging: continued demand for high-barrier products

Business activity at Perlen Packaging felt the dual adverse impact in 2024 of the generally depressed global economic mood and a tendency among pharmaceutical manufacturers to reduce their safety stocks throughout the value chain. Raw materials such as PVC were widely available worldwide, and their prices returned to normal levels in the course of the year.

With medicines becoming ever more complex and with a growing need to protect them from high humidity and exposure to oxygen in emerging markets, the demand remained strong for high-barrier packaging products. Sales of over-the-counter (OTC) medicines and dietary supplements declined in 2024 in view of the guarded economic mood. And the demand for pharmaceutical packagings was further diminished by shortages of medicinal products and bottlenecks in their delivery, in Europe in particular. With the exception of Brazil, the utilization of the Packaging Division's production facilities declined accordingly as the year progressed.

Perlen Packaging acquired the LOG Pharma company with its production sites in Israel and Hungary at the end of 2024. In doing so, the Packaging Division has added bottles and containers as complementary primary packagings for medicines to its product range, while its new Hungarian operating site offers access to the attractive Eastern European pharmaceutical packaging market. The purchase transaction was successfully concluded at the beginning of February 2025.

The lower sales volumes and lower raw materials prices combined to reduce net sales for 2024 to CHF 206 million, a 10.7 % year-on-year decline at constant currency. While the product mix showed encouraging trends, this was not sufficient to fully offset the lower sales volumes in the second half of the year. Net sales were down in Europe (as they were for all manufacturers in this market segment), while demand in Latin America remained intact. With customers opting to reduce their high safety stocks, incoming order volumes returned broadly to their pre-COVID-pandemic levels.

EBITDA declined 22.4 % as anticipated to a still-strong CHF 33.3 million, giving an EBITDA margin of 16.1 % (prior year: 18.1 %). Earnings for 2024 were thus largely in line with their solid 2022 levels, following the exceptional earnings result achieved in 2023. Perlen Packaging invested CHF 10.6 million in the course of the year on capacity expansions and further product development. Year-end headcount decreased from 551 to 546 employees.

Perlen Packaging: outlook for 2025

The IQVIA research company expects the value of the global medicine sales market to see annual growth of some 3 % to 6 % over the next few years.

**Net result
in CHF millions¹**

34

(prior year: 45)

**Equity ratio
in %¹**

63

(prior year: 66)

**Net cash
in CHF millions¹**

13

(prior year: 35)

¹ remaining divisions

Perlen Packaging will continue to steadily invest in developing innovative new products, in its production facilities and in reducing its products' carbon footprints. The company expects to report year-on-year increases in both its net sales and its EBITDA for 2025.

Dividend proposed of CHF 2.00 per share

The Board of Directors of CPH Group AG will propose to the Annual General Meeting of 18 March 2025 that a dividend of CHF 2.00 per share be distributed for the 2024 business year. This would represent a dividend yield of 2.7 %.

Outlook for 2025

The IMF expects the global economy to grow by 3.3 % in 2025. Following the central banks' initial actions to lower interest rates to generate economic momentum and with uncertain recent market trends, the business outlook remains vague. The still gloomy economic mood and the associated uncertainties, coupled with the geopolitical conflicts in Eastern Europe, the Middle East and Asia, only add to the general caution in the current economic environment.

CPH Group AG nonetheless expects demand in 2025 for the products of its Zeochem and Perlen Packaging companies to be at least as high as its prior-year levels. Net sales and EBITDA at Zeochem are expected to be slightly above their 2024 equivalents, while Perlen Packaging anticipates an easing of market tensions from mid-2025 onwards and, as a consequence, year-on-year increases in both its net sales and its EBITDA results. The earnings and the net result for CPH Group AG should both be improvements on 2024. Further investments are also planned in the course of 2025 in tangible fixed assets to further raise productivity and enhance efficiency.

Sincere thanks

The challenging business environment and the spin-off of our paper business demanded additional dedication, flexibility and creativity from our employees in 2024. We offer them all our deepest thanks for all their exceptional energies and endeavours day after day. Our thanks also go to our customers and our further business partners for their loyalty and our many years of fruitful collaboration. And to you, our shareholders, we offer particular thanks for your continued confidence and trust and your commitment to our company.



Peter Schaub
Chairman of the Board of Directors



Peter Schildknecht
CEO

Financial information for the remaining divisions (unaudited)

Consolidated income statement

in CHF thousands	2024	2023
Net sales	323 253	361 500
Other operating income	3 830	2 309
Change in inventories	506	-4 567
Total income	327 589	359 242
Cost of materials	-166 915	-189 569
Cost of energy	-11 295	-11 180
Personnel expense	-67 314	-65 922
Maintenance and repairs	-7 884	-8 671
Other operating expense	-20 398	-18 949
Operating result before depreciation and amortization (EBITDA)	53 783	64 951
Depreciation on fixed assets	-14 623	-13 073
Operating result (EBIT)	39 160	51 878
Financial result	347	-2 012
Ordinary result	39 507	49 866
Non-operating result	2 062	7 696
Result before income taxes	41 569	57 562
Income taxes	-7 137	-12 425
Net result	34 432	45 137

Consolidated balance sheet

in CHF thousands	31.12.2024	31.12.2023
Cash and cash equivalents	31 602	35 379
Trade receivables	48 280	51 143
Inventories	74 837	72 479
Other current assets	14 913	22 831
Total current assets	169 632	181 832
Total fixed assets	162 978	146 099
Total assets	332 610	327 931
Financial liabilities	10 986	723
Trade payables	34 099	35 970
Other current liabilities	36 334	42 193
Total current liabilities	81 419	78 886
Financial liabilities	7 952	-
Provisions	33 792	32 274
Total non-current liabilities	41 744	32 274
Total liabilities	123 163	111 160
Total Shareholders' equity without minorities	209 447	216 771
Minorities	-	-
Total Shareholders' equity	209 447	216 771
Total equity and liabilities	332 610	327 931

The consolidated financial statements above present the values indicated for the remaining Chemistry and Packaging divisions, excluding those for the spun-off Paper Division. They have been derived from the full consolidated financial statements for 2023 and 2024 and the corresponding accounting records of CPH Group AG to permit a financial picture to be provided of the newly formed CPH Group AG for 2023 and 2024.

See also the full consolidated income statement which forms part of the consolidated financial statements of CPH Group AG and will be found in the online 2024 Annual Report from Page 72 onwards.

Consolidated financial statements

Income statement

in CHF thousands	2024	2023
Net sales	447 857	623 982
Other operating income	15 879	13 422
Change in inventories	302	-7 896
Total income	464 038	629 508
Cost of materials	-233 392	-303 185
Cost of energy	-52 457	-66 169
Personnel expense	-86 742	-102 912
Maintenance and repairs	-15 648	-22 064
Other operating expense	-27 571	-33 173
Result from spin-off of Paper Division	-22 326	-
Operating result before depreciation and amortization (EBITDA)	25 902	102 005
Depreciation on fixed assets	-18 224	-19 202
Operating result (EBIT)	7 678	82 803
Financial result	1 946	-2 821
Ordinary result	9 624	79 982
Non-operating result	2 239	11 998
Result before income taxes	11 863	91 980
Income taxes	-7 215	-12 974
Net result	4 648	79 006

Balance sheet

in CHF thousands	31.12.2024	31.12.2023
Cash and cash equivalents	31 602	107 640
Trade receivables	48 280	71 100
Inventories	74 837	102 077
Other current assets	14 913	25 132
Total current assets	169 632	305 949
Total fixed assets	162 978	292 242
Total assets	332 610	598 191
Financial liabilities	10 986	723
Trade payables	34 099	71 039
Other current liabilities	36 334	48 850
Total current liabilities	81 419	120 612
Financial liabilities	7 952	-
Provisions	33 792	41 260
Other non-current liabilities	-	48
Total non-current liabilities	41 744	41 308
Total liabilities	123 163	161 920
Total Shareholders' equity without minorities	209 447	436 271
Minorities	-	-
Total Shareholders' equity	209 447	436 271
Total equity and liabilities	332 610	598 191

The consolidated income statement and consolidated balance sheet above contain not only the figures for the remaining Chemistry and Packaging Divisions but also those for the spun-off Paper Division until its spin-off on 25 June 2024. They have been abridged, and should be viewed in connection with the full consolidated financial statements and the corresponding notes to the various items therein, which will be found in the online CPH Group AG 2024 Annual Report from Page 72 onwards.

Please note:

This is a short version of the CPH Group AG Annual Report containing an excerpt from the full online 2024 Annual Report. The further sections thereof will be found in the online Annual Report as follows:

Highlights of 2024 from Page 12
Internationalization from Page 16
Strategy and markets from Page 18
Sustainability report from Page 23
Corporate governance report from Page 46
Remuneration report from Page 57
Financial report from Page 67

The full CPH Group AG 2024 Annual Report is available for download in PDF form at:
<https://reports.cph.ch/24/en/download-center-en>

Disclaimer

This report contains future-oriented statements. These reflect CPH Group AG's views and assessments at the time of the report's compilation of the market environment, economic developments and future events. Such future-oriented statements are subject to economic, regulatory and political risks, uncertainties, influencing factors and assumptions over which CPH Group AG has no influence. As a result, actual developments may deviate substantially from the future-oriented statements made and the information published in this report. In view of this, CPH Group AG accepts no liability for such future-oriented statements, and is under no obligation to update them. This report does not constitute either an offer or a solicitation for the sale or the purchase of CPH Group AG shares.

This Summary Annual Report is available in German and in English. In the event of any discrepancy, the online German version of the full CPH Group AG 2024 Annual Report shall prevail.

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