

Strategic decisions in a challenging environment



Alois Waldburg-Zeil (left), Peter Schaub

Dear shareholder, Dear reader,

In a challenging market environment, CPH Group recorded a slight slowdown in business development in the reporting year. Nevertheless, it was able to successfully continue its global expansion strategy with the acquisition of two companies, expand the product range of both divisions, and strengthen its market position.

Muted global economic growth and market-specific challenges

Geopolitical tensions, trade conflicts and the resulting tariffs created uncertainties and dampened the global economy. According to the International Monetary Fund (IMF), global economic growth in the reporting year was on a par with the previous year at 3.2%, although many companies proved less willing to place orders and invest money. In this challenging environment, CPH Group was further affected by the strong Swiss franc, the weak US dollar and overcapacities in the pharmaceutical blister packaging market. Against this backdrop, the company recorded a temporary slowdown in business performance, particularly during the second half of the reporting year. A slightly higher cost base following the spin-off of the Paper Division and a downward trend in sales prices likewise impacted annual earnings.

Successful continuation of expansion strategy

However, CPH Group was also able to make significant strategic decisions during the reporting year: in February of the reporting year, it acquired LOG Pharma with production facilities in Israel and Hungary. In doing so, CPH Group is expanding the product range of Perlen Packaging to include vials and containers as complementary primary packaging for medicines. Zeochem also expanded its product portfolio: in July of the reporting year, CPH Group acquired the Canadian company SiliCycle, a producer of high-quality chromatography gels. With these two acquisitions, CPH Group was able to further expand the leading market positions of Zeochem and Perlen Packaging in growth regions and strengthen the competitiveness of both divisions. Operationally important initiatives in the reporting year also included the further development of activities in the Indian chemical and pharmaceutical markets following the acquisition of Sorbchem India in the previous year, including, among other things, the ramping up of local sales organizations.

Acquisitions strengthen CPH Group

CPH Group has acquired three companies on three continents within the space of two years, demonstrating the consistent implementation of its global expansion strategy and its ability to identify and integrate suitable takeover candidates. The strategic motivation for acquisitions is always to exploit the potential of the new companies in the area of technology and products, and to increase the value and future viability of CPH Group overall.

in CHF thousands	2025	2024 ¹
Net sales	334 062	323 253
Other operating income	3 204	3 830
Change in inventories	- 16	506
Total income	337 250	327 589
Cost of materials	- 161 194	- 166 915
Cost of energy	- 13 347	- 11 295
Personnel expense	- 79 517	- 67 314
Other operating expense	- 32 925	- 28 282
Operating result before depreciation and amortization (EBITDA)	50 267	53 783
Depreciation on tangible fixed assets	- 15 231	- 12 637
Amortization of intangible assets	- 2 271	- 1 986
Operating result (EBIT)	32 765	39 160
Financial result	- 2 784	347
Ordinary result	29 981	39 507
Non-operating result	- 116	2 062
Result before income taxes	29 865	41 569
Income taxes	- 6 441	- 7 137
Net result	23 424	34 432

¹ continued divisions

Increase in sales due to acquisitions

In the reporting year, CPH Group generated net sales of CHF 334 million, up 3.3 % (prior year: CHF 323 million). The acquisitions boosted net sales by 8.1 %, while the strong Swiss franc had a reducing effect of 3.8 %. Adjusted for currency effects and acquisitions, net sales declined by 1.0 % year on year. Among others, this is attributable to additional production capacities in the blister packaging market, which resulted in volume and price pressure. Although Zeochem once again achieved record EBITDA, particularly thanks to the positive development of business with deuterated compounds and chromatography gels, EBITDA at group level declined by 6.5 % to CHF 50.3 million. The EBITDA margin stands at 15.0 %, which is below the medium-term target range of 16 to 18 %. The lower EBITDA combined with higher depreciation and amortization due to acquisitions resulted in EBIT of CHF 32.8 million (prior year: CHF 39.2 million), down CHF 6.4 million or 16.3 %. Compared to the previous year, the elimination of one-time financial and non-operating income and higher financial expenses due to acquisitions impacted the net result: at CHF 23.4 million, CPH Group posted a net result 32.4 % below the previous year's level (CHF 34.4 million).

Net sales
in CHF millions¹

334

(prior year: 323)

EBITDA
in CHF millions¹

50

(prior year: 54)

EBIT
in CHF millions¹

33

(prior year: 39)

Investments
in CHF millions¹

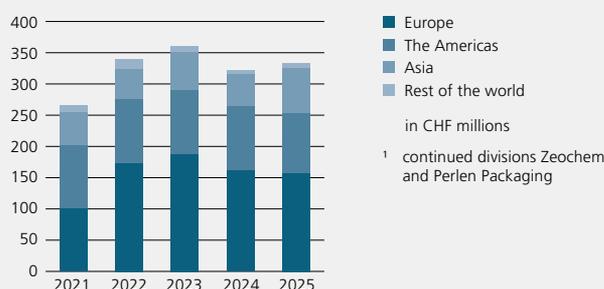
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(prior year: 20)

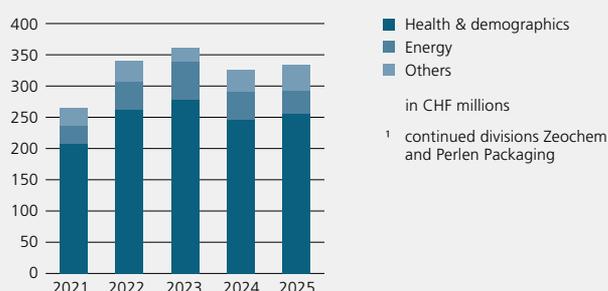
¹ continued divisions Zeochem and Perlen Packaging

CPH Group

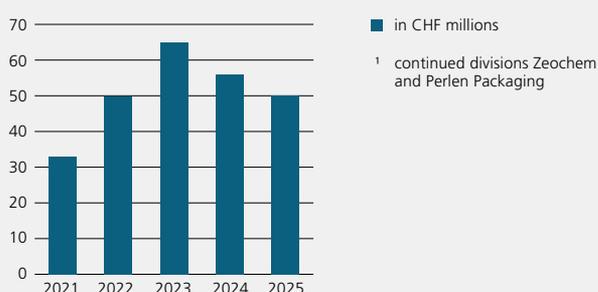
Net sales by region¹



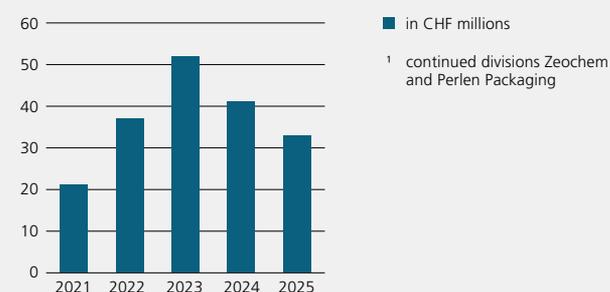
Net sales by application¹



EBITDA¹



EBIT¹



Targeted investments with solid financing

In the reporting year, CPH Group invested CHF 21.2 million in capacity and efficiency improvements as well as in product developments (prior year: CHF 20.0 million). This corresponds to 6.3 % of net sales. Investments are broken down as follows: 42 % for capacity upgrades, 33 % for efficiency improvements, 15 % for replacement investments and 10 % for product developments, the environment or safety. The share of investments outside Europe was 38 %. Free cash flow before acquisitions decreased from CHF 34.9 million to CHF 16.4 million (-53.0 %). The decline is primarily attributable to an increase in net working capital of CHF 8.4 million, following a decrease of CHF 10.4 million in the previous year due to the reporting date. The acquisitions of SiliCycle and LOG Pharma were funded by free cash flow and by increasing financial liabilities. As a result, net debt was CHF 26.2 million at the end of the reporting year, which corresponds to a low debt factor ratio of 0.5x (Net debt/EBITDA). Together with an equity ratio of 55 % (prior year: 63 %), CPH Group thus continues to enjoy solid financing. The headcount increased from 959 to 1244 as a result of the acquisitions, resulting in an increase in personnel expenses of CHF 12.2 million to CHF 79.5 million (+18.1 %). The euro exchange rate, an important metric for CPH Group, trended sideways over the year and was CHF 0.9300 at the end of the reporting year, while the US dollar weakened from CHF 0.9060 to CHF 0.7920. During the reporting year, CPH Group generated 48 % of sales in euros and 35 % in US dollars, while 41 % of costs were in euros, 18 % in US dollars and 18 % in Swiss francs.

EBITDA margin above 20 % at Zeochem

Despite challenging conditions, the financial year was positive for Zeochem. Strong momentum was recorded in Asia, particularly China and India, while the largely project-driven European and American markets were slightly more subdued. The market environment for applications for deuterated compounds and chromatography gels remained intact. Moreover, profitable annual sales growth of 21 % on average has been achieved for deuterated compounds over the past five years. In the molecular sieves business, many customers remained cautious and projects were postponed due to economic uncertainty, which led to dampened demand and corresponding pressure on prices. While the business with high-quality molecular sieves for natural gas purification followed a growth trajectory, the sales performance of molecular sieves for industrial gases declined. In addition, lithium-based products for industrial and medical oxygen concentration experienced a price-driven decline in net sales. This was because further declines in lithium costs over the reporting year were passed on to customers. Deuterated solvents for use in OLED displays and in pharmaceutical applications again posted higher net sales compared to the previous year. The acquisition of Sorbchem India in the previous year and SiliCycle in the reporting year led to a clear strengthening of the market position in the chromatography gel business as well as significant sales growth.

Overall, Zeochem's net sales declined by 2.2% to CHF 115 million in the reporting year. Adjusted for currency effects and acquisitions, net sales remained stable (0.0%). EBITDA increased by 4.5% to CHF 23.9 million – a new high. The EBITDA margin climbed to 20.8% (prior year: 19.5%). EBIT amounted to CHF 15.1 million (prior year: CHF 14.9 million); the EBIT margin was 13.2% (prior year: 12.7%).

Production facilities in Switzerland, China and India were well utilized in the reporting year. Zeochem invested CHF 7.9 million, primarily in capacity expansions, efficiency improvements and replacement investments. At the end of the reporting year, Zeochem employed 452 people (prior year: 406). This increase is due in particular to the integration of new employees at SiliCycle.

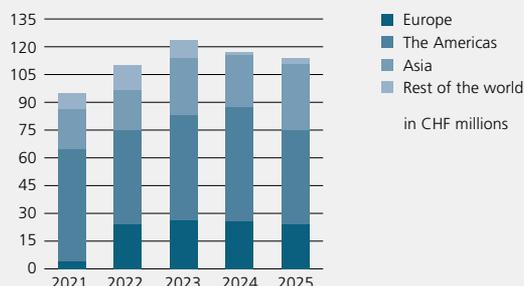
Course set at Perlen Packaging with acquisition of LOG Pharma

With the acquisition of LOG Pharma, which was completed at the start of the reporting year, Perlen Packaging expanded its range of pharmaceutical primary packaging for medicines to include vials and containers. The strategic acquisition strengthened Perlen Packaging in a market environment characterized by trade tariffs and pressure on prices and margins, which also gave a mixed picture in terms of costs: energy costs and land transport costs increased, while raw material prices tended to fall thanks to good availability. Overall, global blister sales at Perlen Packaging increased in the reporting year compared with the previous year, resulting in a shift in the sales mix towards monoblister packaging. Viewed over the entire financial year, incoming orders were higher again compared to the previous year, which is reflected in the reduction of safety stocks built up at customers during the pandemic. However, LOG Pharma's business performance specifically did not yet fully meet internal expectations in the reporting year due to customer-related order adjustments.

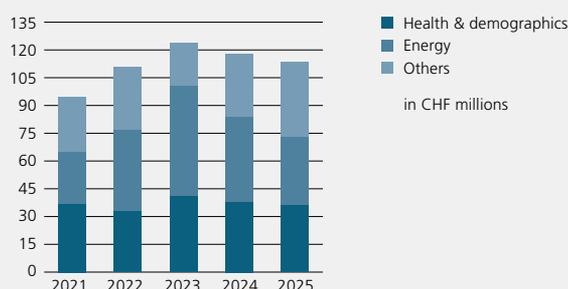
Net sales at Perlen Packaging increased by 6.5% to CHF 219 million (prior year: CHF 206 million). Adjusted for currency effects and acquisitions, net sales fell by 1.5%. EBITDA declined by 22.2% to CHF 25.9 million (prior year: CHF 33.3 million), which in addition to the shift in the sales mix mentioned above is also attributable to additional production capacities in the market. A slightly higher cost base following the spin-off of the Paper Division also had a negative impact on EBITDA. Accordingly, the EBITDA margin of 11.8% was significantly lower than in the previous year (prior year: 16.1%). EBIT reached CHF 17.1 million, down 35.7% on the previous year due to lower EBITDA and higher depreciation and amortization due to acquisitions (prior year: CHF 26.6 million).

Zeochem

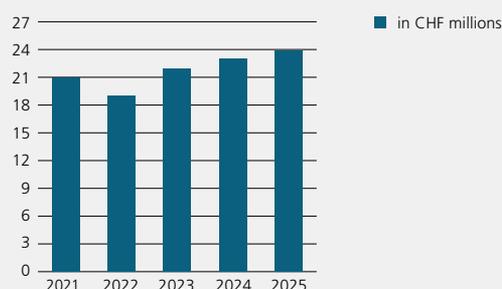
Net sales by region



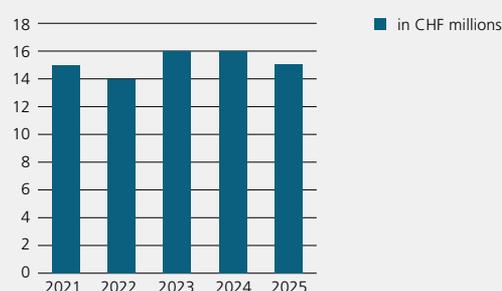
Net sales by application



EBITDA

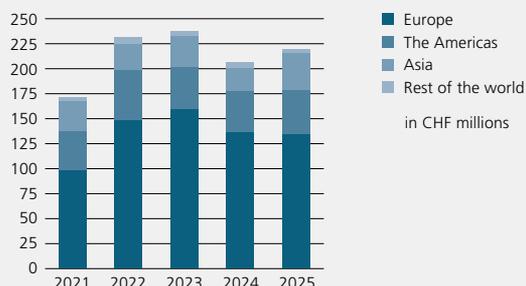


EBIT

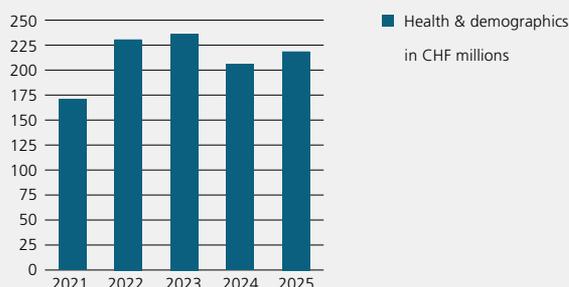


Perlen Packaging

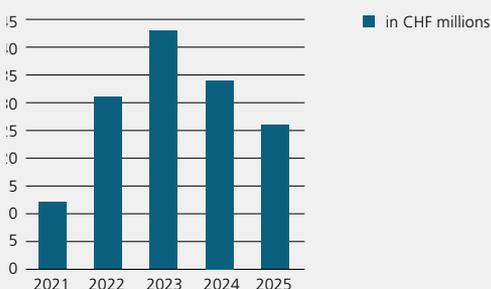
Net sales by region



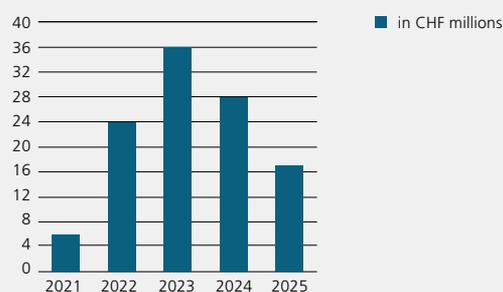
Net sales by application



EBITDA



EBIT



Accordingly, cost reductions were initiated in the Perlen Packaging division. Investments of CHF 13.3 million in capacity expansions, rationalizations and product development also helped to secure profitability. Other important process optimizations included the commissioning of new fully automated packaging plants in Switzerland and Brazil as well as a new cutting and automatic packaging plant in the USA. The headcount increased from 546 to 784, mainly due to the integration of LOG Pharma employees.

Unchanged dividend of CHF 2.00 per share proposed

The Board of Directors of CPH Group will propose to the General Meeting on March 17, 2026 an unchanged distribution of CHF 2.00 per share for the reporting year, despite the decline in earnings. This is at the upper end of the communicated dividend policy of 25 to 50 % of the net result. The proposal reflects the company's confidence that the expanded portfolio and increased presence in niche markets will enable growth at attractive margins.

Progress in implementing the sustainability strategy

CPH Group is convinced that sustainable business activity forms the basis for the long-term value creation for the company. Its sustainability strategy, which was further developed in the previous year, focuses on climate change mitigation and is committed to decarbonizing its production and reducing emissions throughout the value chain to net zero – while safeguarding its own competitiveness. The relevant key figures and information on sustainability, as well as information on the progress made, are disclosed from page 21 of this year's sustainability report of CPH Group, which is based on the European Sustainability Reporting Standards (ESRS).

Outlook for 2026

Economic and geopolitical uncertainties continue to have an impact on the behavior of customers. The environment for CPH Group remains challenging, with the long-term megatrends "health & demographics" and "energy" representing intact growth drivers whose potential can be exploited by the globally present CPH Group, which is strongly positioned in its market segments. CPH Group therefore expects a positive trend in demand and net sales. Both EBITDA and EBIT as well as the net result at group level are expected to exceed the result of the reporting year. For 2026, both divisions expect net sales and EBITDA to outperform the previous year.

Sincere thanks

Our employees once again exemplified outstanding performance and commitment in the reporting year, for which we would like to express our sincere thanks. We are also especially grateful to our customers and business partners for their long-standing collaboration and the good business relationships we have cultivated with them over the years. We would also like to thank you, our shareholders, for your continued trust and loyalty to our company.



Peter Schaub
Chairman of the Board of Directors



Alois Waldburg-Zeil
Chief Executive Officer

Net result
in CHF millions¹

23

(prior year: 34)

Free cash flow
in CHF millions¹

16

(prior year: 35)

Equity ratio
in %

55

(prior year: 63)

Net debt
in CHF millions

26

(prior year: -13)

¹ continued divisions Zeochem and Perlen Packaging