

Focused. Leading. Innovative.

CPH Group is a leading and focused industrial company in its global niche markets in the field of pharmaceutical packaging and specialty chemicals. Offering innovative and sustainable solutions, it creates value for its stakeholders – and has been doing so for more than 200 years.

1. Vision

CPH Group is a growth-focused industrial company with corporate divisions that operate independently in the market. Exemplified by technological leadership and innovative products, CPH Group offers its customers clear added value and occupies a leading position in its market segments.

2. Strategy

CPH Group comprises the two divisions Zeochem (chemistry) and Perlen Packaging (packaging). They have both carved out leading positions in attractive global niche markets and follow a clear differentiation strat-

egy based on customer proximity, high-quality products and continuous innovation. Zeochem and Perlen Packaging rank among the top three in their markets worldwide.

CPH Group leverages its product portfolio to achieve a positive environmental impact. Sustainability is an essential part of its corporate strategy and an important foundation for ensuring the company's future success. Long-term and sustainable value creation is firmly anchored in its corporate culture.

2.1 Strategic thrusts

– *Top three in attractive niche markets:* CPH Group focuses on international growth markets offering high customer benefits. With its Zeochem and Perlen Packaging Divisions, it is one of the world's top three suppliers in its respective segments.

Zeochem develops, manufactures and supplies a wide range of first-class products in growth markets. These include high-quality molecular sieves for purifying natural gas and ethanol as well as lithium-based oxygen concentration for industrial and medical purposes. Deuterated products are used in manufacturing pharmaceuticals, in laboratory analysis and for OLED displays. Chromatography gels

Leading market positions in growth markets	
Group	Strategic and financial management with focus on <ul style="list-style-type: none"> – Innovation and product development – Growth in attractive niche markets – Operational excellence
Division	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>Zeochem </p> <p><i>In the top three worldwide</i> for molecular sieves for healthcare and industrial applications as well as for deuterated products</p> <p>ZEOCHEM®</p> <p>Differentiation through high customer benefits</p> <p></p> </div> <div style="width: 48%;"> <p>Perlen Packaging </p> <p><i>In the top three worldwide</i> for coated barrier films for pharmaceutical applications and complementary primary packaging for medicines</p> <p> </p> <p>Differentiation through high customer benefits</p> <p></p> </div> </div>
Market position	
Brand	
Strategy	
Production and locations	
Medium-term targets	Annual sales growth of 5-8% EBITDA margins of 16-18% Free cash flow margins of 8-10% (before acquisitions)

from Zeochem are employed for complex pharmaceutical separation processes. Zeochem makes targeted investments in customer-oriented product innovations and in expanding capacities.

Perlen Packaging is the only supplier of packaging materials worldwide that focuses exclusively on the pharmaceutical industry. It offers a comprehensive range of pharmaceutical packaging to meet the highest protection requirements, e.g. films with optimal barrier effect and complementary primary packaging for medications such as vials and containers. Perlen Packaging is the global number one in PVdC-coated high-barrier films and continues to gain additional market shares thanks to its unswerving focus on quality. Perlen Packaging specializes in upgrading monofilms with polyvinyl chloride (PVdC) coatings, providing medications with reliable protection against oxygen and water vapor. Perlen Packaging continually develops new and innovative solutions for demanding applications when packaging medicines.

CPH Group contributes to the circular economy with its products. The molecular sieves produced by Zeochem are of mineral origin. This means they can be regenerated, offering customers sustainable and durable solutions for adsorbing and concentrating gaseous substances. Perlen Packaging mainly manufactures PVC films that are combined with aluminum to form pharmaceutical blister packaging. Perlen Packaging has also launched alternatives for PVC monofilms on the market that boast an improved carbon footprint through the use of circular and biocircular raw materials.

- *Global megatrends driving growth:* CPH Group focuses its business activities on markets with above-average growth potential. The most important value drivers are the long-term megatrends “health & demographics” and “energy.”

Health & demographics

The world's population is growing by around 80 million people every year and it is getting older and older, with average life expectancy expected to rise to over 77 years in the next 30 years. Higher living standards, an increased focus on health and advances in medicine are leading to market expansion. According to Verified Market Research, the global healthcare sector is expected to grow by around 9 % annually to USD 782 billion by 2030. The pharmaceutical industry is therefore a key driver of growth – and a key market for CPH Group. Perlen Packaging is firmly focused on pharmaceuticals, and numerous Zeochem products also serve the healthcare sector.

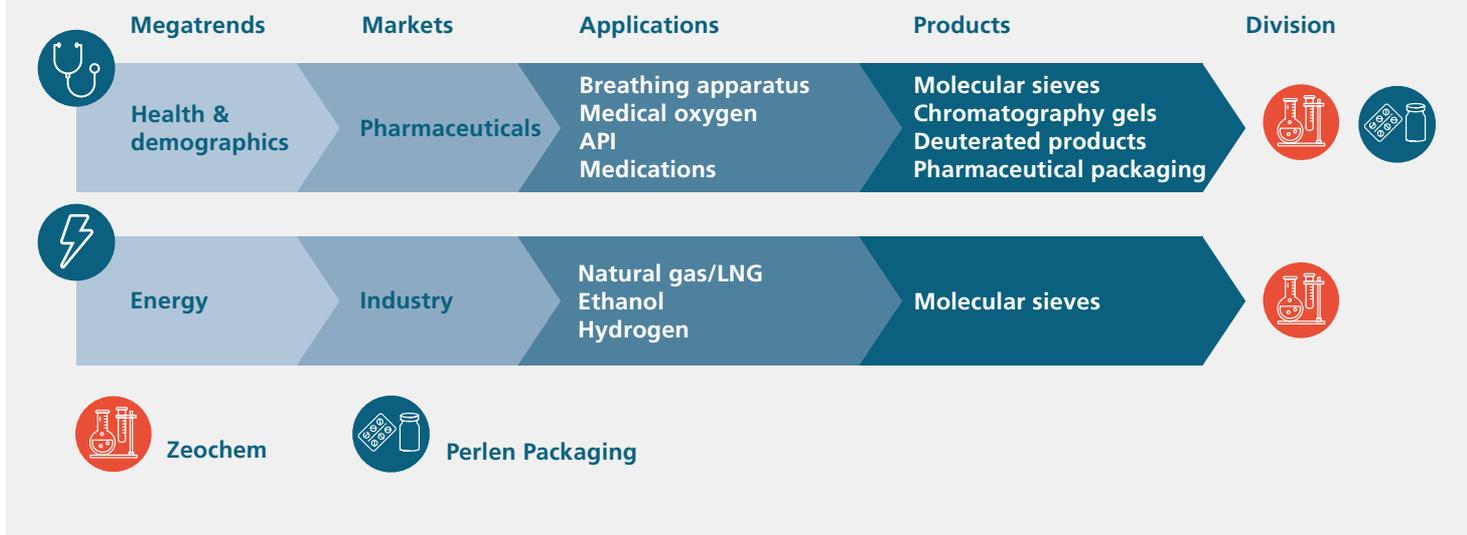
Energy

The increasing world population and the resulting higher global demand for energy mean that the supply of energy will be a key challenge moving forward. In order to meet the UN's climate targets and limit global warming, it is crucial to expand sustainable energy sources such as biomass, geothermal energy, hydropower, and solar

and wind power. Despite strong growth in sustainable energy sources, fossil fuels such as natural gas, oil and coal will remain the most important energy sources worldwide in the medium term. Zeochem adsorbents reliably remove unwanted substances such as water from natural gas and ethanol or other gaseous substances, rendering them viable for onward processing in industrial processes.

- *Expanded market position in growth regions:* Given the lower growth potential offered by the European markets, CPH Group is focusing on growth markets outside Europe and in emerging markets. Zeochem maintains a presence at eleven locations in Europe, North America, India, China and Singapore and utilizes the growth potential in these regions. With seven locations in Europe, the USA, China, Brazil and Israel, Perlen Packaging covers both the major and emerging pharmaceutical markets and shares in the above-average growth of the so-called pharmerging markets.
- *Strategic investments:* Zeochem and Perlen Packaging are planning further strategic investments to strengthen their position in the growth markets of Asia and Latin America. A key element of this growth strategy are acquisitions that increase the company's value, complement existing business operations, expand its market presence and enhance its product offering, such as the recent acquisitions in India, Israel, Hungary and Canada.
- *Financial strength:* CPH Group has a strong balance sheet and achieved an average annual sales growth of 5.9 % over the past five years, together with stable EBITDA, double-digit ROCE, a solid equity ratio and a sustainable dividend policy.
- *Attractive medium-term targets:* CPH Group aims to achieve annual sales growth of 5 to 8 %, EBITDA margins of 16 to 18 % and free cash flow margins of 8 to 10 % before acquisitions.
- *Customer-centric innovation:* The continuous improvement of product, process and service quality is one of the crucial factors in upholding a strong competitive position in the target markets with high-quality products. This is supported by ongoing research and development activities across both divisions. The company exhibits extraordinary power of innovation, as demonstrated by numerous product innovations such as spray drying that aids the rapid conversion of liquids into dry powders and solutions that optimize absorption capacity for customer applications at Zeochem, or high-barrier blisters, low-carbon films and PVdC films with improved antifriction properties at Perlen Packaging.

Growth drivers supported by global megatrends



– *Sustainable corporate governance:* Long-term value creation at CPH Group is rooted in responsible corporate governance and is underpinned by governance aspects such as a consistent strategy, long-term anchor shareholders and an experienced management team.

2.2 Launched growth initiatives

CPH Group's future development is supported by a comprehensive set of growth initiatives:

- *Strengthening the sales organizations:* optimized on-site customer support through local presence in relevant regions
- *Expanding the product portfolio with customer orientation:* development of new products and processes hand-in-hand with customers
- *Increasing capacity utilization:* efficient use of established capacities at all production sites
- *Expanding market share in India through the acquisition of Sorbchem India in the prior year:* rapid development of the Indian market and exploitation of growth and business opportunities on the sub-continent
- *Supplementing the pharmaceutical packaging offering and gaining access to new markets through the acquisition of LOG Pharma in the reporting year:* more direct access to attractive Eastern European markets through own presence and unlocking of synergies with the existing business
- *Adding derivatized chromatography gels to the existing offering through the acquisition of SiliCycle in the reporting year:* strengthened position in markets with above-average growth potential as well as synergy effects in production and global sales

– *Ramping up the production facility in Brazil inaugurated in 2023 to full capacity (new-build project for the coating of pharmaceutical packaging):* exploitation of production capacities and further expansion of market position in Latin America

3. Markets

3.1 Two market segments

CPH Group focuses its offering on the pharmaceutical and industrial market segments. The core business of CPH Group is the pharmaceutical market segment, which accounts for around 76% of sales. Both segments benefit from the company's proximity to customers and its innovative strength.

Pharmaceuticals

The pharmaceutical industry plays a key role in providing healthcare to the aging population and is not heavily dependent on the economy. Perlen Packaging manufactures films for blister packaging, and through LOG Pharma it supplies vials and containers for the pharmaceutical industry. With the exception of the USA and Japan, where medicines are predominantly bottled, blisters are the preferred form of packaging for tablets. Perlen Packaging's production sites give it a valuable local presence in key markets, offering a wide range of pharmaceutical packaging that meets the highest barrier requirements. Zeochem produces molecular sieves for concentrating medical oxygen, chromatography gels for separating complex pharmaceutical ingredients, and deuterated solvents for the pharmaceutical industry (active pharmaceutical ingredients).

Industry

Gaseous substances are used in a wide range of processes in the petrochemical, chemical and manufacturing industries. For example, Zeochem manufactures molecular sieves that purify or concentrate gases such as natural gas, ethanol or methane on an industrial scale. Boasting a high level of innovation, Zeochem is the world leader in complex lithium-based molecular sieves for the concentration of industrial oxygen. The company fosters close collaboration with key customers in the development of new products.

3.2 Addressable markets

Zeochem

The global market for molecular sieves for healthcare and industrial applications amounts to CHF 500 to 700 million and is growing 2 to 3 % annually, according to management estimates. Zeochem is one of the three largest providers in this market segment, alongside Honeywell/UOP and Arkema/CECA. The global market for chromatography gels in pharmaceuticals is estimated by management to be worth between CHF 150 million and 250 million, with annual growth of 5 to 10 %. Zeochem also ranks among the top three in this market segment, with Qingdao Haiwan and Grace as leading competitors. Management estimates that the international market for deuterated solvents is in the range of CHF 100 to 150 million, growing by 10 % annually. Zeochem is likewise positioned in the top three for deuterated products. Its competitors in this market segment are CIL/Otsuka and Sigma Aldrich/Merck.

Perlen Packaging

Management estimates put the global market for pharmaceutical blister packaging at CHF 2 billion. Perlen Packaging is one of the three leading suppliers in this market, and is the global leader for highly complex, PVdC-coated high-barrier films. In its forecast for 2026, research company IQVIA revised the volume growth of global drug sales downwards. Nevertheless, Perlen Packaging still expects a continued medium-term growth in value of 3 to 6 % annually. Competitors include KP Klöckner Pentaplast and Liveo Research. Management estimates the global market for pharmaceutical vials to be worth CHF 8 billion. LOG Pharma's main competitors are Colorcon, Bormioli Pharma and Mitsubishi Gas Chemical.

3.3 A global presence

CPH Group has a global presence spanning 13 production sites and several sales companies in industrial centers. This enables it to exploit the advantages offered by locations in different countries, while at the same time limiting exchange rate risks. International customers place great emphasis on on-site support and appreciate the short and direct communication channels this provides. A local presence is crucial to ensure prompt response to customer concerns. In addition, short transport routes effectively reduce environmental impact. Close proximity to customers also provides the basis for lasting relationships built on trust and respect. In addition to experienced local sales and service specialists who are well versed in local cultures and customs, CPH Group can also count on an extensive network of sales partners in all target markets.

3.4 A consistent branding policy

Corporate brands

The company has a clear brand policy. At the corporate level, there are three brands that are geared to specific markets and target groups. CPH Group sees itself as a strategic management holding company. It acts as the umbrella brand of the industrial group to stakeholders.

The business divisions operate under the trademarked corporate brands "Zeochem" and "Perlen Packaging." The corporate brands are synonymous with innovation and tradition, and enjoy excellent acceptance and high recognition in their target markets. The Packaging Division has been operating under the brand name Perlen Packaging since 2010, but has been active since 1954. LOG Pharma has been a sub-brand of Perlen Packaging since the reporting year. Zeochem has been present as a brand based out of the USA since 1979, although its origins date back to 1818 in Uetikon on Lake Zurich.

Product brands

The companies follow a product brand architecture that is based on a uniform assignment for product identification in each division. For example, most Zeochem product names begin with a letter and a numerical code derived from the chemical element in question, e.g. Z10-02ND. Perlen Packaging products often begin with the prefix "Perla-".

Corporate brands

cph group

Chemistry & Packaging

ZEOCHEM®

 **perlen
packaging**

4. An over 200-year history

The Schnorf brothers began producing sulfuric acid, iron vitriol and copper vitriol in Uetikon on Lake Zurich in 1818. At around the turn of the twentieth century, the chemicals factory in Uetikon was the largest producer of hydrochloric, sulfuric and nitric acid in Switzerland.

In 1954, the company diversified into the packaging business in Perlen, subsequently specializing in plastic coatings. The production of molecular sieves began in Uetikon am See in 1973. In 1979, a joint venture in the USA (100% takeover in 1997) gave rise to Zeochem, under which name the Chemistry Division operates on the market today.

The past ten years have been characterized by international market development and expansion, with company acquisitions and the establishment of production plants in Germany, China, Bosnia-Herzegovina, Brazil, India, Israel, Hungary and Canada, and the closure of the founding site in Uetikon.

The shareholder group of Swiss Industrial Finance AG and Elly Schnorf-Schmid Foundation provides a stable shareholder base, accounting for 33.6% of shares. Swiss Industrial Finance AG belongs to the family branch of Chairman of the Board of Directors Peter Schaub, who represents the shareholder group and thus ensures continuity within the company. More about the company's history can be found on its homepage at <https://cph.ch/cph-group/history/>.

5. Attractive to investors

CPH Group is a leading global industrial company focused on international growth markets in the field of pharmaceutical packaging and specialty chemicals. Here are seven reasons to invest in CPH Group:

- *Potential for increasing value by focusing on organic growth combined with targeted acquisitions:* With targeted positioning in thematic and geographical growth markets, CPH Group aims to achieve annual organic sales growth of 5 to 8% in the medium term, supported by strategic acquisitions.
- *Leading market positions in relevant markets with established brands:* CPH Group's business model focuses on international niche markets with above-average growth potential where the company is positioned in the top three.
- *Consistent implementation of international expansion strategy and diversification mainly into future markets in Asia, the USA and Latin America:* CPH Group is continuously expanding its leading market positions with a focus on growth regions and emerging markets outside of Europe.
- *Continued momentum supported by global megatrends such as "health & demographics" and "energy.":* CPH Group focuses its business activities on attractive niche markets. The key value drivers are the long-term megatrends "health & demographics" and "energy."
- *Stable margins and consistent dividend policy:* Through ongoing alignment of the portfolio to market needs, targeted operational investments in replacement and expansion, and a focus on efficiency improvement programs, CPH Group aims to achieve EBITDA margins of 16 to 18% and free cash flow margins of 8 to 10% before acquisitions. CPH Group pursues an attractive dividend policy with a payout ratio in the range of 25 to 50% of the net result, taking into account liquidity, free cash flow and related outlooks.
- *Strong balance sheet with leverage potential:* CPH Group enjoys solid financing with a targeted equity ratio exceeding 50% and significant leverage potential.
- *Sustainable corporate governance and agile organization:* CPH Group is backed by a long-standing shareholder group comprised of descendants of the founding family. Represented by the Chairman of the Board of Directors, it steers the company's direction moving forward. The members of the management team and the Board of Directors are individuals with entrepreneurial mindsets and established track records. They have many years of management and industry experience and are keenly familiar with the specific challenges of the markets.