

CPH Chemie + Papier Holding AG

Switzerland | Industrial Goods & Services

Event Update

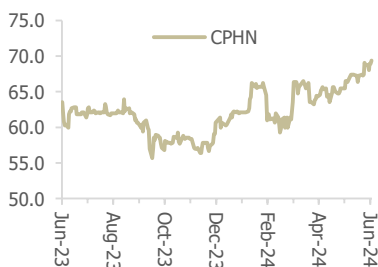
28 June 2024

Company Data

Price:	CHF 65.80
Market Cap:	CHF 394.8mn
Free Float:	69.4%
No. of shares:	6.0mn
Avg. traded volume (30 day):	2,775.0
Bloomberg:	CPHN SW
Reuters:	CPHN-EB
ISIN:	CH0001624714

Source: SIX Swiss Exchange and Bloomberg

Share Price Development



Source: Bloomberg

Key Financial Data

	2022	2023	2024E	2025E
Sales	725.4	624.0	355.4	371.4
EBITDA %	18.1%	16.3%	16.5%	20.5%
EBIT %	15.5%	13.3%	12.3%	16.3%
Net Margin %	13.9%	12.6%	1.4%	12.1%
Basic EPS	16.8	13.2	0.8	7.5
Diluted EPS	16.8	13.2	0.8	7.5
DPS	4.5	4.00	1.20	3.0
Equity Ratio %	59.8%	72.9%	58.8%	62.2%
Capex	(29.6)	(15.6)	(16.4)	(19.1)
P/Sales	0.7x	0.8x	1.1x	1.1x
P/E	5.0x	6.4x	81.3x	8.8x
EV/EBITDA	3.4x	4.4x	4.9x	3.8x

Source: Research Dynamics, Company data

Next Events

1H24 Results	18 July 2024
Capital Markets Day	24 Sep 2024
FY24 Results	25 Feb 2025

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Separation of Paper business from Chemistry and Packaging activities

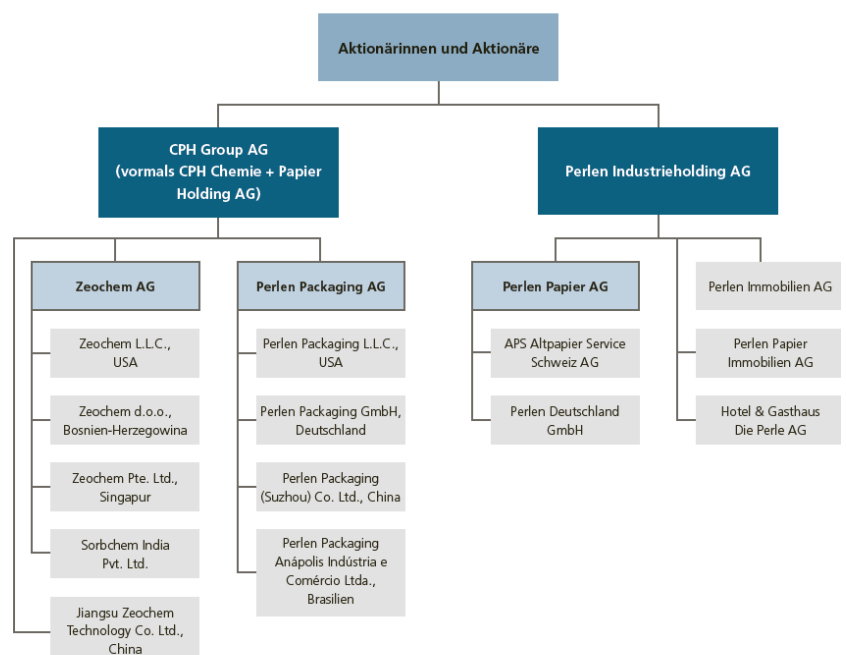
Deal Overview

On 20 June 2024, the spin-off was approved in an Extraordinary General Meeting with a high shareholder approval rate of 98.2%. The distribution of Perlen Industrieholding AG (PIHAG) shares to CPH Group AG shareholders will occur on 27 June 2024 on a 1:1 basis, meaning each shareholder will receive one share of CPH Group AG and one share of Perlen Industrieholding AG for each share held in CPH. The shares of the new Perlen Industrieholding AG have begun trading on 25 June 2024 at a price of CHF 24.50 per share, equivalent to a valuation of CHF 150 million for PIHAG. At the same time, CPH Group AG's opening price on 25 June amounted to CHF 71.00 per share, equivalent of a valuation of CHF 426 million.

Earlier in the year, CPH Chemie + Papier Holding AG's (CPH) Board of Directors had announced its intention to separate the more volatile Perlen Paper business from the Chemistry and Packaging activities business through a spin-off. It was intended that, following the separation, CPH (excluding the Paper business) shall be renamed CPH Group AG and retain the Chemistry and Packaging divisions. The spin-off entity shall focus on the Paper business and real estate in Perlen, Switzerland, under the name Perlen Industrieholding AG.

The spin-off transaction separates the Paper business from the Chemistry and Packaging activities. This separation was achieved by distributing shares of Perlen Industrieholding AG (the spin-off entity) to all existing CPH shareholders as a dividend. According to the company's internal valuation, approximately 72% of CPH's value would be attributed to CPH Group AG, with the remaining 28% assigned to Perlen Industrieholding AG. Post separation, CPH Group AG continues to trade on SIX Swiss Exchange, while Perlen Industrieholding AG shares are available on OTC-X of the Berner Kantonalbank and LPZ-X of the Bank Lienhardt & Partner.

The transaction aligns with the Board of Directors' efforts towards refocusing the business by creating two independent companies aligned with their different strategic orientations of differentiation (Chemistry and Packaging) vs. cost leadership (Paper business). It will not impact the day-to-day operations of the Chemistry, Packaging, and Paper divisions. Market presence and brand identities will remain consistent, such as Zeochem for Chemistry, Perlen Packaging for Packaging, and Perlen Papier AG for Paper. The restructuring of the holding will not bring about any alterations for the independently operating companies' employees, customers, or business partners.



History and Deal Rationale

The history of the Group spans more than 200 years and has its roots in chemical activities. However, over time, the Paper Division became the cornerstone of CPH's business, operating in a highly competitive market. To mitigate the challenges of the dependency on this capital intensive and volatile business, CPH strategically expanded its Chemistry and Packaging divisions over the past decade. This shift is evident in the declining contribution of Paper to total revenues – from 59.0% in FY15 to ~42.0% in FY23. Concurrently, revenues from Chemistry grew from ~15.0% in FY19 to ~20.0% in FY23, and Packaging increased from ~26.0% in FY19 to 38.0% in FY23.

Recognising the pressures of the strong Swiss franc on profitability, CPH also expanded its capacities beyond Switzerland, aiming to diversify costs and reduce reliance on the Swiss franc. This expansion into international markets, particularly outside Europe, aligns with CPH's strategy to tap into higher-margin and growth-oriented markets.

The spin-off represents a natural progression of this strategic transformation. By separating the Paper Division, CPH can further focus on distinct market dynamics and implement targeted strategies for its Chemistry and Packaging businesses, ultimately enhancing profitability and growth potential.

Focus on high growth and superior margin business

CPH Group AG after the separation now consists of a Chemical and Packaging business. The segments have been performing well, with targeted revenue growth of 3.0%-5.0% per year, EBITDA margins of 16.0%-18.0% and high growth in free cash flows. In the Chemical segment, Zeochem is a leading global supplier of chemicals, offering diverse products across industries. In the Packaging division, Perlen Packaging ranks third globally in innovative high-barrier blister films, especially for pharmaceuticals known for their quality, reliability, and innovation. By combining the Chemical and Packaging divisions under one roof, CPH Group AG will continue to pursue its differentiation strategy with a focus on international niche markets that offer above-average growth opportunities both organically and through acquisitions. Post separation, CPH Group AG will emerge as a focused growth company that is well-positioned in attractive niche markets and equipped with the competitive advantages of ongoing innovation and global customer proximity.

Expanding the Chemical business inorganically in high-growth markets

Through its acquisitions of Sorbead India and Swambe Chemicals, CPH Group AG is positioned to accelerate its expansion in India's rapidly growing market. These acquisitions have broadened the company's product range in the Chemicals division, adding molecular sieves, packaging materials, and chromatography gels used in the packaging and pharmaceutical industries in India. The Indian chemical market, is expected to grow at a CAGR of 8.0% through 2030E, compared to the global CAGR of 1.0%. This positions the newly formed CPH Group AG to capitalise on significant growth opportunities in the region.

Strategic focus and prospects for Perlen Industrieholding AG post-separation

Conversely, the Paper division operates within an industry marked by intense competition, where companies vie for market share and profitability. Despite these challenges, the division is committed to attaining and upholding cost leadership within its sales markets, which primarily encompass Switzerland and the surrounding border regions.

Following the separation, Perlen Industrieholding AG continues to leverage its competitive advantages, such as Perlen Papier's nearly CO₂-neutral operations, distinguishing it from competitors. This capability allows Perlen Industrieholding AG to effectively navigate the paper industry's volatility amidst declining demand. Additionally, the strategic plan entails optimising the utilisation of the Perlen site and expanding complementary industrial activities.

The new entity is also nearly debt-free with substantial net liquidity, an equity ratio of close to 80%, and backing from the long-term family shareholders. Moreover, post-separation, Perlen Industrieholding AG plans to distribute dividends based on performance, free cash flow, and liquidity while providing regular updates on business performance, which will make it attractive to investors.

Mitigate valuation discount and enhance investor value

Management believes that by separation, the previously perceived valuation discount of the former parent CPH Chemie + Papier Holding AG should be mitigated as the Chemistry and Packaging segments' growth potential within appealing niche markets should now be more visible and earnings volatility should be diminished. As a result, CPH Group AG (ex-Paper) is expected to become more predictable, rendering its shares more appealing to investors in the capital market. Consequently, this increased attractiveness is anticipated to positively impact trading volumes and liquidity in the future.

Transaction details and timetable

The distribution was executed through a capital reduction aimed at lowering the nominal value and providing a dividend in kind via registered shares of the new Perlen Industrieholding AG. Specifically, the nominal value per share was decreased from CHF 0.20 to CHF 0.15 at the CPH level. The resulting difference was distributed to CPH shareholders as one registered share of the new Perlen Industrieholding AG, with a nominal value of CHF 0.05. A capital reduction amounting to CHF 300,000 was allocated to capital reserves. The distribution was recorded with CHF 300,000 booked to capital reserves and the remaining balance to retained earnings.

Timetable:

- By 24 June 2024: Entry of the capital reduction and the company name change into the Commercial Register.
- 25 June 2024: First day of trading for the registered shares of Perlen Industrieholding AG on off-exchange platforms, and for the registered shares of CPH Group AG (excluding the spun-off component) on the SIX Swiss Exchange
- By 27 June 2024: Delivery of the registered shares of Perlen Industrieholding AG to the shareholders of CPH Group AG.

CPH Group AG after the transaction

Post-separation, the CPH Group AG houses the Chemistry and Packaging divisions, which have demonstrated remarkable growth over the past five years. The Chemistry and Packaging divisions boast sales compound annual growth rates (CAGRs) of 12.2% and 11.6% from 2019 to 2023, respectively. Their strategic positioning within global niche markets has undoubtedly contributed to this success. Furthermore, a similarly positive trend is observed in the EBIT margin development across the Packaging and Chemical segments. In Packaging, the EBIT margin has more than doubled from 5.6% in FY19 to 12.7% in FY23, and in Chemical, it increased from 11.3% in FY19 to 15.2% in FY23.

However, in the short term, the spin-off is expected to adversely affect CPH Group AG's financial statements. The fair values of the spun-off division's net assets and the goodwill from the APS Altpapier Service Schweiz AG acquisition will be written off against the dividend-in-kind distributed to shareholders. The resultant non-cash expense of approximately CHF 20.0mn arising due to the recycling of goodwill is expected to negatively affect the operating result (EBITDA) for the first half of 2024 as an accounting expense. Consequently, both the EBIT and the net result of CPH Group AG are anticipated to be negative for this period. For the full year, the operating result of the CPH Group AG is expected to be in the low-double-digit million range after the transaction.

Selected financial figures of CPH Group AG (chemistry + packaging)

<i>Income Statement (in CHF mn)</i>	FY19	FY20	FY21	FY22	FY23
Sales volume	231.4	235.6	265.8	340.9	361.5
EBITDA	33.5	37.6	32.8	50.4	64.9
EBITDA-Margin	14.5%	16.00%	12.30%	14.80%	18.00%
EBIT	21.9	26.5	21.4	37.3	51.9
EBIT-Margin	9.5%	11.3%	8.0%	11.0%	14.3%
Personnel numbers (VBE)	710	731	747	809	841

<i>Balance sheet (in CHF mn)</i>	31.12.2023
Liquid assets	35.4
Other current assets	146.5
Capital assets	146.1
Total assets	327.9
Financial liabilities	0.7
Other liabilities	110.4
Equity capital	216.8
Total liabilities	327.9

Perlen Industrieholding AG after the transaction

The Paper Division, now part of Perlen Industrieholding AG, has faced significant volatility in recent years. This instability stems from a market environment of declining demand and fluctuating capacity as more and more companies exit the market. As per the proforma statement, Perlen Industrieholding AG's EBIT margin stood at 11.8% in FY23. It has exhibited high volatility in the last years due to its market environment.

Selected financial figures of Perlen Industrieholding AG

<i>Income Statement (in CHF mn)</i>	FY19	FY20	FY21	FY22	FY23
Sales volume	293.2	209.6	230.9	384.5	262.5
EBITDA	54.5	17.6	(7.1)	80.7	37.1
EBITDA-Margin	18.6%	8.4%	-3.1%	21.0%	14.1%
EBIT	34.7	(1.9)	(174.0)	75.1	30.9
EBIT-Margin	11.8%	-0.9%	-75.4%	19.5%	11.8%
Personnel numbers (VBE)	376	367	357	372	354

Balance sheet (in CHF mn) 31.12.2023

Liquid assets	72.3
Other current assets	51.9
Capital assets	146.1
Total assets	270.3
Financial liabilities	-
Other liabilities	50.8
Equity capital	219.5
Total liabilities	270.3

Valuation and conclusion

Separation of the Paper division is expected to support the value unlocking of CPH Group as the Packaging and Chemistry division offers a favourable long-term outlook. The operating results of the Packaging and Chemistry divisions are expected to remain resilient. Apart from a supportive outlook, the cost optimisation efforts are expected to result in margin improvement to the 16-18% range going forward, which should lead to solid earnings growth.

We value CPH using DCF and relative valuation techniques. Our intrinsic value of CHF 86.1 per share implies an upside of 30.8% from current levels. For relative valuation, since the Group operates in two entirely different divisions, we compare CPH's divisions with various sets of relevant industry peers. We have employed three parameters – EV/EBITDA, P/S, and P/E – to analyse the relative valuation of the Group. CPH currently trades at an EV/EBITDA multiple of 4.9x (FY2024e), a significant 44.0% discount to the weighted average multiple of division peers.

Exhibit 1: CPH – Comparison with division peers

Company	EV/EBITDA			P/S			P/E		
	3 year average	CY2024E	CY2025E	3 year average	CY2024E	CY2025E	3 year average	CY2024E	CY2025E
CPH Chemie & Paper	5.8x	4.9x	3.8x	0.8x	1.1x	1.1x	8.3x	81.3x	8.8x
Chemistry peers:									
Honeywell International	8.4x	15.2x	14.2x	1.4x	3.6x	3.4x	14.2x	21.2x	19.3x
Clariant AG	6.6x	7.9x	6.9x	0.6x	1.1x	1.0x	11.1x	16.7x	13.3x
Arkema	5.4x	6.1x	5.6x	0.7x	0.7x	0.6x	9.8x	9.3x	8.2x
Lanxess AG	7.8x	7.6x	5.8x	1.7x	0.3x	0.3x	15.9x	66.1x	14.1x
Packaging peers:									
Berry Global Group	6.0x	7.5x	7.3x	0.7x	0.6x	0.5x	13.7x	7.8x	7.2x
Macfarlane Group	5.8x	0.1x	0.1x	0.2x	0.0x	0.0x	7.7x	10.1x	9.7x
Gerresheimer AG	7.0x	9.8x	8.1x	1.0x	1.6x	1.4x	14.2x	19.7x	15.2x
West Pharmaceutical Services	9.9x	28.7x	24.5x	1.7x	8.1x	7.4x	20.1x	43.0x	36.9x
Amcor Plc	8.4x	10.6x	10.4x	0.4x	1.0x	1.0x	NA	13.7x	13.2x
Mold-Tek Packaging Ltd	3.3x	16.8x	13.5x	0.2x	3.2x	2.7x	2.7x	32.3x	24.9x
Median	6.6x	8.7x	8.1x	0.7x	1.0x	1.0x	12.4x	16.7x	13.3x
High	9.9x	28.7x	24.5x	1.7x	8.1x	7.4x	20.1x	66.1x	36.9x
Low	3.3x	0.1x	0.1x	0.2x	0.0x	0.0x	2.7x	7.8x	7.2x
Premium (disc) to peers	(12%)	(44%)	(53%)	20%	8%	7%	(33%)	386%	(34%)

Source: Bloomberg and Refinitiv (as on 27 June 2024)

Exhibit 2: CPH –Median of division peers

	EV/EBITDA			P/S			P/E		
	3 year average	CY2024E	CY2025E	3 year average	CY2024E	CY2025E	3 year average	CY2024E	CY2025E
Chemistry peers	7.2x	7.8x	6.3x	1.1x	0.9x	0.8x	12.7x	19.0x	13.7x
Packaging peers	6.0x	9.8x	8.2x	0.4x	1.0x	1.0x	11.5x	13.7x	13.2x

Source: Bloomberg and Refinitiv (as on 27 June 2024)

DETAILED FINANCIAL STATEMENTS

Income Statement

CHF mn (except per share)	FY19	FY20	FY21	FY22	FY23	Ex-Paper	
						FY24E	FY25E
Chemistry sales	78	73	95	110	124	120	125
Paper sales	293	210	231	384	262		
Packaging sales	153	162	171	231	237	235	247
Net Sales	525	445	497	725	624	355	371
Cost of Sales	(298)	(255)	(336)	(431)	(364)	(196)	(199)
Gross profit	227	190	161	294	260	159	173
Personnel cost	(93)	(93)	(92)	(102)	(103)	(66)	(61)
Outsourced maintenance/repairs	(20)	(17)	(18)	(28)	(22)	(10)	(15)
Other operating expense	(26)	(25)	(25)	(34)	(33)	(25)	(20)
Total operating costs	(139)	(135)	(135)	(163)	(158)	(100)	(96)
EBITDA	88	55	26	131	102	59	76
Depreciation on tangible fixed assets	(30)	(29)	(27)	(16)	(18)	(14)	(14)
Depreciation on intangible assets	(1)	(1)	(1)	(2)	(1)	(1)	(1)
Operating profit (EBIT) before impairment	57	25	(3)	112	83	44	61
Impairment	0	0	(150)	0	0	0	0
Operating profit (EBIT)	57	25	(153)	112	83	44	61
Finance costs	(6)	(5)	(5)	(4)	(4)	(1)	(1)
Finance income	0	0	1	0	1	0	0
Total financial income (expenses)	(6)	(5)	(4)	(4)	(3)	(0)	(0)
PBT (pre exceptional items)	51	20	(157)	108	80	43	60
Discontinued Operation	1	19	7	(8)	12	(28)	0
Income taxes	(3)	8	(2)	1	(13)	(11)	(15)
Net Profit	48	47	(152)	101	79	5	45
Basic EPS	8.1	7.8	(25.3)	16.8	13.2	0.8	7.5
Diluted EPS	8.1	7.8	(25.3)	16.8	13.2	0.8	7.5
DPS	1.8	1.8	1.3	4.5	4.0	1.2	3.0

Source: Research Dynamics, Company data

Balance Sheet

CHF mn	FY19	FY20	FY21	FY22	FY23	Pro-forma	Ex-Paper
						FY24E	FY25E
Assets							
Non-current assets							
PPE	366.4	352.6	196.5	213.7	125.0	126.0	129.3
Intangible assets	5.6	5.6	5.8	4.5	12.0	12.2	12.6
Long-term financial assets	10.0	10.0	10.0	10.0	0.0	0.0	0.0
Long-term financial receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-current assets	54.0	64.8	58.4	55.8	24.4	24.4	24.4
Total Non Current Assets	436.0	432.9	270.7	284.0	161.4	162.6	166.3
Current assets							
Inventories	78.5	78.3	87.5	113.1	80.0	75.6	77.1
Trade accounts receivable	72.4	52.9	69.3	93.9	55.0	48.7	50.9
Other receivables	14.0	17.2	28.5	21.9	14.2	14.2	14.2
Prepaid expenses and accrued income	8.6	6.7	9.2	9.6	4.3	4.3	4.3
Short-term financial receivables	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Liquid funds and Securities	93.1	116.3	95.1	143.6	21.0	31.0	49.1
Total assets	702.7	704.2	560.4	666.2	336.0	336.5	361.9
Equity and Liabilities							
Share capital	12.0	1.2	1.2	1.2	0.9	0.9	0.9
Capital reserves	4.2	4.2	(0.1)	(0.1)	(0.8)	(0.8)	(0.8)
Profit reserves	375.2	418.5	459.5	397.1	200.0	192.8	179.7
Net result for the year	48.3	46.9	(151.6)	0.0	0.0	4.9	45.1
Non-current liabilities							
Long-term financial liabilities	116.8	109.7	106.6	0.0	0.0	0.0	0.0
Pension scheme liabilities	0.7	1.2	1.4	1.7	0.0	0.0	0.0
Other long-term liabilities	0.6	0.4	0.3	0.0	0.0	0.0	0.0
Long-term provisions	47.5	31.5	24.1	31.4	37.3	37.3	37.3
Current liabilities							
Trade accounts payable	66.3	56.8	84.8	93.0	40.0	42.8	41.1
Other payables	3.6	4.6	3.9	6.5	5.3	5.3	5.3
Accrued liabilities and deferred income	16.3	16.8	18.3	27.2	22.2	22.2	22.2
Short-term financial liabilities	5.9	8.1	3.2	98.9	25.0	25.0	25.0
Short-term provisions	3.8	3.3	7.4	7.8	6.1	6.1	6.1
Total liabilities	261.4	232.4	249.9	266.6	135.8	138.7	137.0
Total equity and liab.	702.7	704.2	560.4	666.2	336.0	336.5	361.9

Source: Research Dynamics, Company data

Cash Flow Statement

CHF mn	FY19	FY20	FY21	FY22	FY23	Ex-Paper	
						FY24E	FY25E
Net profit for the period	48.5	47.0	(151.4)	101.0	79.0	4.9	45.1
Non-cash adjustments:	31.2	(2.2)	169.5	28.4	11.3	15.2	15.5
Change in current assets and liabilities:							
(Inc)/ dec in inventories	(10.2)	(4.1)	(9.6)	(27.2)	7.4	4.4	(1.5)
Decrease in trade accounts receivable	(1.3)	20.5	(15.5)	(26.7)	18.7	6.3	(2.2)
Inc/(dec) accounts payable	(2.8)	(9.0)	30.7	6.9	(17.1)	2.8	(1.7)
Other changes in working capital	(4.3)	2.8	(7.9)	15.3	10.5	0.0	0.0
Cash flows from operating activities	61.0	55.0	15.8	97.6	109.9	33.7	55.2
Investments in tangible fixed assets	(21.9)	(17.5)	(23.0)	(32.9)	(33.8)	(15.0)	(17.6)
Disposals of tangible fixed assets	0.8	5.2	5.2	4.3	19.1	0.0	0.0
Investments in intangible assets	(1.0)	(1.3)	(1.6)	(1.0)	(0.9)	(1.4)	(1.5)
Sale of subsidiary/ Divestiture of interests	0.0	0.1	0.2	0.0	0.0	0.0	0.0
Investments in business	0.0	(1.6)	0.0	0.0	(2.4)	0.0	0.0
Repayment of long-term financial receivables	100.9	(0.3)	(0.1)	0.0	0.0	0.0	0.0
Cash flow generated (used) in investment activities	78.9	(15.3)	(19.2)	(29.6)	(18.0)	(16.4)	(19.1)
Inc/(Dec) in short-term financial liabilities and receivables	(123.4)	(4.4)	(6.9)	(3.2)	0.7	0.0	0.0
Increase/ (Decrease) in long-term financial liabilities	(1.1)	0.0	0.0	(6.5)	0.0	0.0	0.0
Increase in other long-term liabilities	(0.2)	(0.4)	(0.3)	(1.3)	(98.7)	0.0	0.0
Dividends to shareholders	(10.9)	(10.8)	(10.8)	(7.8)	(27.0)	(7.2)	(18.0)
Cash flow generated (used) in financing	(135.6)	(15.6)	(18.0)	(19.0)	(125.7)	(7.2)	(18.0)
Exchange (losses)/gains	(0.2)	(0.9)	0.2	(0.5)	(2.2)	0.0	0.0
Net change in cash	4.1	23.2	(21.2)	48.5	(36.0)	10.0	18.1
Opening cash balance	89.0	93.1	116.3	95.1	143.6	21.0	31.0
Closing cash balance	93.1	116.3	95.1	143.6	107.6	31.0	49.1

Key Ratios

	FY19	FY20	FY21	FY22	FY23	Ex-Paper	
						FY24E	FY25E
Growth Ratios							
Sales Growth	(2%)	(15%)	12%	46%	(14%)	(2%)	4%
Chemistry division	(2%)	(6%)	30%	16%	13%	(3%)	4%
Paper division	(3%)	(29%)	10%	67%	(32%)	(17%)	24%
Packaging division	0%	6%	5%	35%	3%	(1%)	5%
Operating Profit Growth	10%	(56%)	NM	NM	(26%)	(17%)	39%
Net Income Growth	14%	(3%)	NM	NM	(22%)	NM	829%
Profitability Ratios (%)							
Operating margin (%)	11%	6%	(1%)	16%	13%	12%	16%
Chemistry division	6%	6%	16%	13%	13%	11%	15%
Paper division	12%	(1%)	(11%)	20%	12%	(7%)	6%
Packaging division	11%	13%	3%	10%	15%	13%	17%
EBITDA Margin %	17%	12%	5%	18%	16%	17%	20%
Net Margin (%)	9%	11%	(31%)	14%	13%	1%	12%
Return Ratios							
Profit Margin	9%	11%	(31%)	14%	13%	1%	12%
Asset Turnover	0.7x	0.6x	0.8x	1.2x	1.0x	0.8x	1.1x
Financial Leverage	1.8x	1.5x	1.6x	1.7x	1.5x	1.5x	1.7x
Dupont ROE (%)	11%	10%	(39%)	28%	19%	2%	21%
ROCE (%)	10%	4%	(1%)	28%	19%	22%	27%
ROA (%)	6%	7%	(24%)	16%	12%	1%	13%
Leverage Ratios							
Debt - Equity Ratio	0.3x	0.2x	0.4x	0.2x	0.0x	0.1x	0.1x
Net Debt - Equity Ratio	0.1x	0.0x	0.0x	(0.1x)	(0.2x)	(0.0x)	(0.1x)
Interest Coverage	9.1x	9.1x	(1.1x)	46.8x	31.7x	NM	NM
Liquidity Ratios							
Current Ratio	2.8x	3.0x	2.5x	1.6x	2.5x	1.7x	2.0x
Quick Ratio	2.0x	2.2x	1.7x	1.2x	1.7x	1.0x	1.2x
Valuation Ratios							
EV/EBITDA	4.9x	7.9x	16.8x	3.3x	4.2x	4.9x	3.8x
P/E	10.5x	10.8x	NM	5.0x	6.4x	81.3x	8.8x

Source: Research Dynamics, Bloomberg, Company data

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