

# CPH Group AG

Switzerland | Industrial Goods & Services

## Event Update

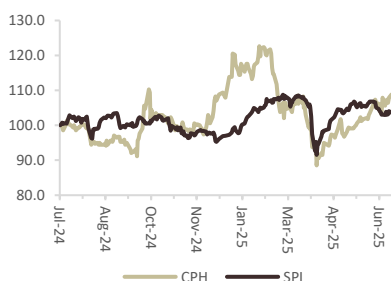
02 July 2025

### Company Data

Price:	CHF 74.00
Market Cap:	CHF 443.5mn
Free Float:	61.6%
No. of shares:	6.0mn
Avg. traded volume (30 day):	959
Bloomberg:	CPHN SW
Reuters:	CPHN-EB
ISIN:	CH0001624714

Source: SIX Swiss Exchange and Bloomberg

### Share Price Development



Source: Bloomberg

### Key Financial Data

	2023	2024E	2025E	2026E
Sales	361.5	323.3	363.0	386.6
EBITDA %	18.0%	16.6%	17.2%	17.3%
EBIT %	14.4%	12.1%	12.8%	13.1%
Net Margin %	12.5%	10.7%	10.3%	10.6%
Basic EPS	7.5	5.7	6.2	6.8
Diluted EPS	7.5	5.7	6.2	6.8
DPS	4.0	2.0	2.0	2.5
Equity Ratio %	72.9%	63.0%	65.4%	67.6%
Capex	(3.1)	(18.5)	(27.0)	(17.8)
P/Sales	1.1x	1.2x	1.2x	1.1x
P/E	8.8x	11.5x	11.7x	10.7x
EV/EBITDA	4.3x	5.3x	7.0x	6.5x

Source: Research Dynamics, Company data

### Next Events

1H25 Results	18 July 2025
Investor Day	19 Aug 2025

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## Zeochem to acquire SiliCycle Inc.

### Deal Overview

On July 1, 2025, the CPH Group, through its chemistry division Zeochem, announced an agreement for the acquisition of all substantial assets of SiliCycle Inc., (SiliCycle) a Canada-based global leader in high-value chromatography gels. The purchase price remains undisclosed, but the transaction is expected to be completed in 3QFY25.

This strategic acquisition will help Zeochem integrate SiliCycle's specialised expertise in the development, production, and distribution of sophisticated chromatography gels, primarily utilised in complex separation processes within the pharmaceutical sector. SiliCycle, which reported revenues of CAD 16 million for FY24 with a workforce of around 60 personnel, will be merged into Zeochem.

This acquisition marks a pivotal expansion of CPH Group's product portfolio, specifically enhancing its capabilities in derivatised chromatography gels, which are critical for analytical techniques such as liquid chromatography, prevalent in research and development (R&D) laboratories, process chemistry, and active pharmaceutical ingredient (API) manufacturing. This move aligns with CPH Group's broader global expansion strategy, bringing its total worldwide presence to 15 locations post-acquisition.

### Deal Rationale

Zeochem, the chemistry division of the CPH Group, is intrinsically focused on specialised chemical products, with chromatography gels representing a high-value and high-growth segment that is critical to its future trajectory.

SiliCycle possesses a distinct expertise in creating gels with outstanding physical and chemical properties, particularly its derivatised offerings. This niche specialisation provides CPH Group with immediate access to advanced materials and intellectual capital that are difficult to replicate organically. SiliCycle's established market presence and customer base within the pharmaceutical and chemical industries also present a direct pathway for Zeochem to expand its reach in critical, high-barrier-to-entry segments.

For the CPH Group as a whole, the acquisition of SiliCycle is a tangible manifestation of its strategy to expand its global market position by targeting products with high growth potential. This acquisition offers significant opportunities for leveraging synergies in both production capabilities and worldwide distribution networks. Following the acquisition, the CPH Group will operate from 15 locations globally, thereby enhancing its ability to serve a diversified customer base and capitalise on regional growth opportunities. This strategic integration of SiliCycle's specialised offerings into Zeochem's portfolio not only bolsters the chemistry division's revenue and profitability but also reinforces the CPH Group's overarching commitment to cultivating attractive niche markets with above-average growth potential, ultimately enhancing its overall market proposition and long-term shareholder value.

### Valuation and conclusion

The Packaging and Chemistry divisions offer a favourable long-term outlook, and the operating results of these divisions are expected to remain resilient. Apart from a supportive outlook, the cost optimisation efforts are expected to result in margin improvement for the EBITDA margins to remain in the 16-18% range going forward, which should lead to solid earnings growth. In addition, the acquisition of high-growth assets like SiliCycle should further boost long-term growth.

We value CPH using DCF and relative valuation techniques. We are not considering the incremental impact of SiliCycle in our forecast and valuation and would assess its impact after the company announces 1H25 results and the closing of the acquisition. Accordingly, our intrinsic value remains unchanged at CHF 92.5 per share, implying an upside of 25.0% 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 7.0x (FY2025e), a 30.0% 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	CY2025E	CY2026E	3 year average	CY2025E	CY2026E	3 year average	CY2025E	CY2026E
CPH Chemie & Paper	4.1x	7.0x	6.5x	0.6x	1.2x	1.1x	8.1x	11.7x	10.7x
<b>Chemistry peers:</b>									
Honeywell International	16.8x	16.3x	15.1x	3.7x	3.6x	3.4x	21.7x	20.3x	18.5x
EMS Chemie	22.6x	24.9x	23.3x	7.1x	7.2x	7.0x	33.0x	31.0x	28.4x
Arkema	5.1x	5.7x	5.4x	0.7x	0.6x	0.6x	9.6x	9.6x	8.9x
Clariant AG	8.7x	7.9x	7.1x	1.1x	0.9x	0.8x	13.1x	13.1x	11.3x
<b>Packaging peers:</b>									
West Pharmaceutical Services	29.0x	21.9x	21.9x	8.7x	5.5x	5.5x	33.3x	36.1x	31.5x
Amcor Plc	10.5x	10.9x	10.9x	1.1x	1.1x	1.1x	14.7x	13.9x	12.9x
Berry Global Group	7.4x	7.5x	8.7x	0.5x	0.7x	0.8x	9.6x	11.5x	10.7x
DS Smith	6.6x	nm	nm	0.7x	1.2x	nm	17.2x	23.9x	21.0x
Gerresheimer AG	10.7x	9.5x	7.5x	1.5x	1.3x	1.1x	17.7x	14.8x	12.2x
Macfarlane Group	6.4x	5.7x	5.2x	0.7x	0.6x	0.5x	9.4x	8.8x	8.4x
Median	9.7x	10.0x	9.2x	1.2x	1.3x	1.3x	16.3x	14.8x	13.0x
High	29.0x	24.9x	23.3x	8.7x	7.2x	7.0x	33.3x	36.1x	31.5x
Low	5.1x	5.7x	5.2x	0.5x	0.6x	0.5x	9.4x	8.8x	8.4x
Premium (disc) to peers	(58%)	(30%)	(29%)	(51%)	(10%)	(13%)	(50%)	(21%)	(18%)

Source: Bloomberg and Thomson Eikon (as on 02 July 2025)

**Exhibit 2: CPH – Comparison with a weighted average 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	12.3x	7.7x	6.3x	1.8x	0.7x	0.7x	28.3x	12.6x	14.2x
Packaging peers	10.8x	8.8x	8.3x	1.3x	1.1x	1.0x	18.7x	14.6x	12.0x

Source: Bloomberg and Thomson Eikon (as on 02 July 2025)

## DETAILED FINANCIAL STATEMENTS

### Income Statement

CHF mn (except per share)	FY20A	FY21A	FY22A	FY23	FY24E	FY25E	FY26E
Chemistry sales	73	95	110	124	117	122	130
Paper sales	210	231	384	262			
Packaging sales	162	171	231	237	206	241	257
<b>Net Sales</b>	<b>445</b>	<b>497</b>	<b>725</b>	<b>362</b>	<b>323</b>	<b>363</b>	<b>387</b>
Cost of Sales	(255)	(336)	(431)	(203)	(174)	(198)	(210)
<b>Gross profit</b>	<b>190</b>	<b>161</b>	<b>294</b>	<b>158</b>	<b>149</b>	<b>165</b>	<b>176</b>
Personnel cost	(93)	(92)	(102)	(66)	(67)	(73)	(77)
Outsourced maintenance/repairs	(17)	(18)	(28)	(9)	(8)	(8)	(9)
Other operating expense	(25)	(25)	(34)	(19)	(20)	(22)	(23)
<b>Total operating costs</b>	<b>(135)</b>	<b>(135)</b>	<b>(163)</b>	<b>(94)</b>	<b>(96)</b>	<b>(103)</b>	<b>(109)</b>
<b>EBITDA</b>	<b>55</b>	<b>26</b>	<b>131</b>	<b>65</b>	<b>54</b>	<b>62</b>	<b>67</b>
Depreciation on tangible fixed assets	(29)	(27)	(16)	(12)	(13)	(13)	(13)
Depreciation on intangible assets	(1)	(1)	(2)	(1)	(2)	(3)	(3)
<b>Operating profit (EBIT) before impairment</b>	<b>25</b>	<b>(3)</b>	<b>112</b>	<b>52</b>	<b>39</b>	<b>46</b>	<b>50</b>
Impairment	0	(150)	0	0	0	0	0
<b>Operating profit (EBIT)</b>	<b>25</b>	<b>(153)</b>	<b>112</b>	<b>52</b>	<b>39</b>	<b>46</b>	<b>50</b>
Finance costs	(5)	(5)	(4)	(2)	0	(1)	(1)
Finance income	0	1	0	0	0	0	0
<b>Total financial income (expenses)</b>	<b>(5)</b>	<b>(4)</b>	<b>(4)</b>	<b>(2)</b>	<b>0</b>	<b>(1)</b>	<b>(1)</b>
<b>Profit before taxes</b>	<b>20</b>	<b>(157)</b>	<b>108</b>	<b>50</b>	<b>40</b>	<b>46</b>	<b>50</b>
Non-operating items	19	7	(8)	8	0	0	0
Income taxes	8	(2)	1	(12)	(7)	(8)	(9)
<b>Profit attributable to the parent</b>	<b>47</b>	<b>(152)</b>	<b>101</b>	<b>45</b>	<b>34</b>	<b>37</b>	<b>41</b>
<b>Basic EPS</b>	<b>7.8</b>	<b>(25.3)</b>	<b>16.8</b>	<b>7.5</b>	<b>5.7</b>	<b>6.2</b>	<b>6.8</b>
<b>Diluted EPS</b>	<b>7.8</b>	<b>(25.3)</b>	<b>16.8</b>	<b>7.5</b>	<b>5.7</b>	<b>6.2</b>	<b>6.8</b>
<b>DPS</b>	<b>1.8</b>	<b>1.3</b>	<b>4.5</b>	<b>4.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.5</b>

Source: Research Dynamics, Company data

### Balance Sheet

CHF mn	FY20A	FY21A	FY22A	FY23	FY24E	FY25E	FY26E
<b>Assets</b>							
<b>Non-current assets</b>							
PPE	352.6	196.5	213.7	116.3	128.8	137.8	138.7
Intangible assets	5.6	5.8	4.5	2.6	6.3	8.4	8.8
Long-term financial assets	10.0	10.0	10.0	27.2	27.8	30.6	33.7
Long-term financial receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-current assets	64.8	58.4	55.8	0.0	0.0	0.0	0.0
Total non-current assets	432.9	270.7	284.0	146.1	163.0	176.8	181.2
<b>Current assets</b>							
Inventories	78.3	87.5	113.1	72.5	74.8	84.1	92.1
Trade accounts receivable	52.9	69.3	93.9	51.1	48.3	54.7	61.4
Other receivables	17.2	28.5	21.9	18.5	9.7	10.7	11.8
Prepaid expenses and accrued income	6.7	9.2	9.6	4.4	5.2	5.7	6.3
Short-term financial receivables	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Liquid funds and Securities	116.3	95.1	143.6	35.4	31.6	27.1	32.9
<b>Total assets</b>	<b>704.2</b>	<b>560.4</b>	<b>666.2</b>	<b>327.9</b>	<b>332.6</b>	<b>359.1</b>	<b>385.7</b>
<b>Shareholders' Equity and Liabilities</b>							
Share capital	1.2	1.2	1.2	0.9	0.9	0.9	0.9
Capital reserves	4.2	(0.1)	(0.1)	(0.5)	(0.5)	(0.5)	(0.5)
Profit reserves	418.5	459.5	397.1	216.3	209.0	197.0	219.4
Net result for the year	46.9	(151.6)	0.0	0.0	0.0	37.4	40.9
<b>Non-current liabilities</b>							
Long-term financial liabilities	109.7	106.6	0.0	0.0	8.0	6.7	6.7
Pension scheme liabilities	1.2	1.4	1.7	0.0	0.0	0.0	0.0
Other long-term liabilities	0.4	0.3	0.0	0.0	0.0	0.0	0.0
Long-term provisions	31.5	24.1	31.4	32.3	33.8	33.8	34.8
<b>Current liabilities</b>							
Trade accounts payable	56.8	84.8	93.0	34.1	34.1	38.2	37.9
Other payables	4.6	3.9	6.5	2.4	2.4	2.4	2.4
Accrued liabilities and deferred income	16.8	18.3	27.2	31.4	31.4	31.4	31.4
Short-term financial liabilities	8.1	3.2	98.9	11.0	11.0	9.2	9.2
Short-term provisions	3.3	7.4	7.8	2.6	2.6	2.6	2.6
<b>Total liabilities</b>	<b>232.4</b>	<b>249.9</b>	<b>266.6</b>	<b>113.7</b>	<b>123.2</b>	<b>124.3</b>	<b>125.0</b>
<b>Total equity and liab.</b>	<b>704.2</b>	<b>560.4</b>	<b>666.2</b>	<b>327.9</b>	<b>332.6</b>	<b>359.1</b>	<b>385.7</b>

Source: Research Dynamics, Company data

### Cash Flow Statement

CHF mn	FY20	FY21	FY22	FY23*	FY24E	FY25E	FY26E
Net profit for the period	47.0	(151.4)	101.0	45.1	34.4	37.4	40.9
Non-cash adjustments:	(2.2)	169.5	28.4	9.6	8.1	15.9	16.5
<b>Change in CA and CL:</b>							
(Increase)/ decrease in inventories	(4.1)	(9.6)	(27.2)	3.3	(0.4)	(9.3)	(8.0)
Decrease in trade accounts receivable	20.5	(15.5)	(26.7)	3.6	6.0	(6.4)	(6.7)
Increase/ (decrease) in trade accounts payable	(9.0)	30.7	6.9	(12.0)	(1.7)	4.1	(0.3)
Other changes in working capital	2.8	(7.9)	15.3	8.2	6.9	(4.3)	(3.7)
<b>CFO</b>	<b>55.0</b>	<b>15.8</b>	<b>97.6</b>	<b>57.9</b>	<b>53.3</b>	<b>37.5</b>	<b>38.6</b>
Investments in tangible fixed assets	(17.5)	(23.0)	(32.9)	(17.4)	(19.8)	(21.9)	(14.5)
Disposals of tangible fixed assets	5.2	5.2	4.3	14.8	2.0	0.0	0.0
Investments in intangible assets	(1.3)	(1.6)	(1.0)	(0.4)	(0.6)	(5.1)	(3.4)
Sale of subsidiary/ Divestiture of interests	0.1	0.2	0.0	0.0	(32.8)	0.0	0.0
Investments in business activities	(1.6)	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of long-term financial receivables	(0.3)	(0.1)	0.0	(2.4)	0.0	0.0	0.0
<b>CFI</b>	<b>(15.3)</b>	<b>(19.2)</b>	<b>(29.6)</b>	<b>(5.5)</b>	<b>(51.3)</b>	<b>(27.0)</b>	<b>(17.8)</b>
Increase/ (Decrease) in short-term financial liabilities and receivables	(4.4)	(6.9)	(3.2)	4.6	10.2	(1.7)	0.0
Increase/ (Decrease) in long-term financial liabilities	0.0	0.0	(6.5)	(98.7)	7.9	(1.3)	0.0
Increase in other long-term liabilities	(0.4)	(0.3)	(1.3)	0.0	0.0	0.0	0.0
Dividends to shareholders	(10.8)	(10.8)	(7.8)	(27.0)	(24.0)	(12.0)	(15.0)
<b>CCF</b>	<b>(15.6)</b>	<b>(18.0)</b>	<b>(19.0)</b>	<b>(121.7)</b>	<b>(6.4)</b>	<b>(15.0)</b>	<b>(15.0)</b>
Exchange (losses)/gains	(0.9)	0.2	(0.5)	(2.1)	0.5	0.0	0.0
<b>Net change in cash</b>	<b>23.2</b>	<b>(21.2)</b>	<b>48.5</b>	<b>(71.4)</b>	<b>(3.8)</b>	<b>(4.5)</b>	<b>5.7</b>
Opening cash balance	93.1	116.3	95.1	106.8	35.4	31.6	27.1
<b>Closing cash balance</b>	<b>116.3</b>	<b>95.1</b>	<b>143.6</b>	<b>35.4</b>	<b>31.6</b>	<b>27.1</b>	<b>32.9</b>

\*Group Cash flow

### Key Ratios

	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Growth Ratios</b>							
Sales Growth	(15%)	12%	46%	(14%)	(11%)	12%	6%
Chemistry division	(6%)	30%	16%	13%	(6%)	4%	7%
Paper division	(29%)	10%	67%	(32%)	(17%)	24%	9%
Packaging division	6%	5%	35%	3%	(13%)	17%	7%
Operating Profit Growth	(56%)	NM	NM	(54%)	(25%)	19%	9%
Net Income Growth	(3%)	NM	NM	(55%)	NM	9%	9%
<b>Profitability Ratios (%)</b>							
Operating margin (%)	6%	(1%)	16%	14%	12%	13%	13%
Chemistry division	6%	16%	13%	13%	13%	13%	13%
Paper division	(1%)	(11%)	20%	12%	(7%)	6%	9%
Packaging division	13%	3%	10%	15%	13%	13%	13%
EBITDA Margin %	12%	5%	18%	18%	17%	17%	17%
Net Margin (%)	11%	(31%)	14%	12%	11%	10%	11%
<b>Return Ratios</b>							
Profit Margin	11%	(31%)	14%	12%	11%	10%	11%
Asset Turnover	0.6x	0.8x	1.2x	0.6x	0.7x	1.0x	1.0x
Financial Leverage	1.5x	1.6x	1.7x	1.5x	1.4x	1.6x	1.5x
Dupont ROE (%)	10%	(39%)	28%	11%	11%	17%	16%
ROCE (%)	4%	(1%)	28%	12%	18%	19%	19%
ROA (%)	7%	(24%)	16%	7%	7%	11%	11%
<b>Leverage Ratios</b>							
Debt - Equity Ratio	0.2x	0.4x	0.2x	0.0x	0.1x	0.1x	0.1x
Net Debt - Equity Ratio	0.0x	0.0x	(0.1x)	(0.2x)	(0.1x)	(0.0x)	(0.1x)
Interest Coverage	9.1x	(1.1x)	46.8x	19.9x	nm	53.3x	75.1x
<b>Liquidity Ratios</b>							
Current Ratio	3.0x	2.5x	1.6x	2.5x	2.1x	2.2x	2.4x
Quick Ratio	2.2x	1.7x	1.2x	1.7x	1.2x	1.2x	1.3x
<b>Valuation Ratios</b>							
EV/EBITDA	5.1x	11.0x	2.2x	4.3x	5.3x	7.0x	6.5x
P/E	8.5x	nm	3.9x	8.8x	11.5x	11.7x	10.7x

Source: Research Dynamics, Bloomberg, Company data

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