CPH Group AG

Switzerland | Industrial Goods & Services

1HFY25 Results update

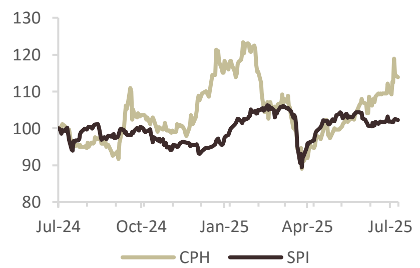
22 July 2025

Company Data

Price:	CHF 75.00
Market Cap:	CHF 449.5mn
Free Float:	69.4%
No. of shares:	6.0mn
Avg. traded volume (30 day):	1,213
Bloomberg:	CPHN SW
Reuters:	CPHN-EB
ISIN:	CH0001624714

Source: SIX Swiss Exchange and Bloomberg

Share Price Development



Source: Bloomberg

Key Financial Data

	2023	2024	2025E	2026E
Sales	361.5	323.3	344.7	367.1
EBITDA %	18.0%	16.6%	17.0%	17.3%
EBIT %	14.4%	12.1%	12.7%	13.1%
Net Margin %	12.5%	10.7%	10.2%	10.6%
Basic EPS	7.5	5.7	5.8	6.5
Diluted EPS	7.5	5.7	5.8	6.5
DPS	4.0	2.0	2.0	2.5
Equity Ratio %	72.9%	63.0%	65.9%	68.0%
Capex	(3.1)	(18.5)	(29.5)	(18.4)
P/Sales	1.1x	1.2x	1.3x	1.3x
P/E	8.8x	11.5x	13.1x	11.8x
EV/EBITDA	4.3x	5.3x	8.3x	7.7x

Source: Research Dynamics, Company data

Next Events

Investor Day	16 Sep 2025
Investor Equity Conference	17 Sep 2025
Annual Results	18 Feb 2026

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Advancing global expansion strategy and focus on operational efficiency

Muted results amid mixed market trends

CPH Group (CPH) reported net sales of CHF 176.0 mn for 1HFY25, marginally down by 0.5% year-on-year (YoY) or down 5.1% organically as 8.2% growth from acquisitions was offset by 3.5% FX headwinds. EBITDA remained unchanged at CHF 30.2 mn, resulting in an EBITDA margin of 17.2% (1H24: 17.1%), impacted by FX headwinds, an unfavourable product mix and a higher cost base following the spin-off of the Paper Division. Group EBIT declined 6.8% YoY to CHF 21.9 mn, with the margin narrowing to 12.5% (1H24: 13.3%) due to higher acquisition-related depreciation and amortisation. The net result came in at CHF 17.1 mn, down CHF 4.0 mn YoY, reflecting the absence of prior-year one-off gains and increased financial expenses from recent acquisitions. Free cash flow before acquisitions was CHF -1.8 mn due to seasonal working capital requirements. Net debt stood at CHF 30.3 mn with a solid equity ratio of 54.3%.

Segmental performance

Zeochem: Net sales declined 7.2% YoY to CHF 57.5 mn in (-8.3% organically), impacted by lower lithium prices, cautious customer ordering, weaker demand for industrial gas molecular sieves, and adverse FX effects. Although demand remained strong for high-value molecular sieves and deuterated solvents, demand for industrial gas sieves lagged prior-year levels. Additionally, overcapacity in China has led to ongoing pricing and margin pressure across the molecular sieve market. EBITDA rose 17.4% YoY to CHF 12.2 mn, with the margin expanding to 21.2% (1H24: 16.7%), while EBIT increased 15.0% YoY to CHF 8.0 mn (1H24: CHF 7.0 mn), with the corresponding margin at 14.0% (1H24: 11.3%). The ongoing integration of Sorbchem India is progressing as planned and supporting regional growth, with capacity utilisation remaining high at key production sites in Rüti and Louisville. Headcount grew 9.8% YoY to 393 FTEs during the period.

Perlen Packaging: Net sales increased 3.1% YoY to CHF 118.4 mn, though declined 3.4% on an organic, constant-currency basis. During the period, Perlen Packaging saw higher capacity utilisation across sites in Switzerland, Germany, and China, while sales volumes at its Brazilian plant nearly doubled YoY. With customer destocking largely complete, order volumes recovered compared to prior year period, while PVC prices remained stable albei at elevated levels following the pandemic. EBITDA fell 12.6% YoY to CHF 17.8 mn (1H24: CHF 20.4 mn), with the corresponding margin narrowing to 15.0% (H1 2024: 17.8%), impacted by FX headwinds, an unfavourable product mix, and higher costs following the Paper Division spin-off. EBIT fell by a more significant 20.2% to CHF 13.6 mn (1H24: CHF 17.1 mn), with the EBIT margin decreasing to 11.5% (1H24: 14.9%) due to higher acquisition-related depreciation and amortisation.

Outlook for FY2025

The first half of 2025 was characterised by an unfavourable economic climate, with mounting geopolitical tensions and trade disputes fuelling uncertainty and hindering global economic growth. This caused many companies to postpone orders and investments. CPH Group also experienced the impact of slowing demand in its key markets and the weaker US dollar. Although the outlook for the second half is encouraging, the environment remains volatile amid ongoing economic and geopolitical challenges.

Group: Despite ongoing economic and geopolitical uncertainties, the outlook for the second half of 2025 remains positive. The CPH Group reaffirms its initial projections for the year and continues to anticipate a modest improvement in both earnings and net results compared to 2024

Zeochem: The integration of Sorbchem and SiliCycle, along with capacity upgrades in Rüti and process improvements in the US, is scheduled for implementation in FY2025. Although net sales for the year are expected to be lower than in 2024, EBITDA is anticipated to exceed last year's levels.

Perlen Packaging: Perlen Packaging expects to see continued growth in new order volumes in 2HFY25 compared to the same period last year, thanks to the planned launch of a fully automated packaging plant in Brazil. Full-year 2025 net sales are expected to exceed 2024 levels, with EBITDA projected to remain broadly in line with the previous year.

Mid-term Outlook:

CPH has raised its mid-term outlook, which underpins the company's strategy to expand its geographic and product footprint, and augment its product mix. The company expects annual net sales growth of 5-8%, an EBITDA margin in the range of 16-18%, and a free cash flow margin of 8-10%. The company aims to keep the equity ratio above 50%. And, in addition to the projected organic sales growth of 5-8% p.a., external growth via acquisitions remains a key pillar of the growth strategy.

Other Highlights

Acquisition of SiliCycle: In July 2025, Zeochem signed an agreement to acquire the core assets of SiliCycle, a Canadian company that specializes in chromatography gels. This deal will enable Zeochem to expand its range of products with high-value offerings and strengthen its position in fast-growing specialty markets. The acquisition supports Zeochem's strategy to expand in higher-margin segments and is expected to close in the third quarter of FY25.

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.

We value CPH using DCF and relative valuation techniques. Our intrinsic value of CHF 92.5 per share implies an upside of 23.3% 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 8.3x (FY2025e), a 29.0% 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	3.8x	8.3x	7.7x	0.6x	1.3x	1.3x	11.7x	13.1x	11.8x
Chemistry peers:									
Honeywell International	16.6x	18.0x	16.8x	3.7x	3.9x	3.7x	24.4x	24.0x	22.6x
EMS Chemie	25.3x	24.6x	24.2x	7.0x	7.2x	7.5x	31.9x	33.1x	32.4x
Arkema	5.2x	5.1x	5.7x	0.6x	0.5x	0.5x	11.2x	7.5x	10.1x
Clariant AG	8.1x	6.6x	6.5x	1.0x	0.7x	0.7x	42.1x	10.4x	10.8x
Packaging peers:									
West Pharmaceutical Services	27.9x	20.9x	20.8x	8.2x	5.2x	5.1x	42.5x	31.8x	33.5x
Amcor Plc	10.5x	14.5x	13.0x	1.1x	1.6x	1.5x	18.2x	13.4x	13.0x
Berry Global Group	7.4x	7.0x	7.0x	0.6x	0.6x	0.8x	11.1x	8.9x	9.9x
DS Smith	6.6x	14.2x	13.0x	0.7x	1.2x	1.1x	13.1x	17.2x	21.0x
Gerresheimer AG	10.4x	8.9x	7.8x	1.5x	0.8x	0.7x	28.7x	10.5x	12.5x
Macfarlane Group	6.1x	5.3x	5.3x	0.6x	0.6x	0.5x	11.7x	9.1x	9.4x
Median	9.6x	11.7x	10.6x	1.2x	1.2x	1.2x	18.1x	13.0x	13.5x
High	27.9x	24.6x	24.2x	8.2x	7.2x	7.5x	42.5x	33.1x	33.5x
Low	5.2x	5.1x	5.3x	0.6x	0.5x	0.5x	11.1x	7.5x	9.4x
Premium (disc) to peers	(60%)	(29%)	(28%)	(46%)	8%	3%	(35%)	1%	(12%)

Source: Bloomberg and Thomson Eikon (as on 21 July 2025)

Exhibit 2: CPH – Comparison with a weighted average of division peers

	EV/EBITDA			P/S			P/E		
	3 year average	CY2025E	CY2026E	3 year average	CY2025E	CY2026E	3 year average	CY2025E	CY2026E
Chemistry peers	12.4x	12.3x	11.6x	2.3x	2.3x	2.2x	28.1x	17.2x	16.7x
Packaging peers	7.0x	8.0x	7.4x	0.6x	0.7x	0.7x	12.4x	9.8x	11.2x

Source: Bloomberg and Thomson Eikon (as on 21 July 2025)

DETAILED FINANCIAL STATEMENTS

Income Statement

CHF mn (except per share)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Zeochem	73	95	110	124	117	116	124
Paper	210	231	384	262			
Perlen Packaging	162	171	231	237	206	229	243
Net Sales	**445**	**497**	**725**	**362**	**323**	**345**	**367**
Cost of Sales	(255)	(336)	(431)	(203)	(174)	(179)	(190)
Gross profit	**190**	**161**	**294**	**158**	**149**	**165**	**177**
Personnel cost	(93)	(92)	(102)	(66)	(67)	(76)	(81)
Outsourced maintenance/repairs	(17)	(18)	(28)	(9)	(8)	(8)	(9)
Other operating expense	(25)	(25)	(34)	(19)	(20)	(22)	(24)
Total operating costs	**(135)**	**(135)**	**(163)**	**(94)**	**(96)**	**(107)**	**(113)**
EBITDA	**55**	**26**	**131**	**65**	**54**	**59**	**64**
Depreciation	(29)	(27)	(16)	(12)	(13)	(13)	(13)
Amortization	(1)	(1)	(2)	(1)	(2)	(2)	(2)
Operating profit (EBIT) before impairment	**25**	**(3)**	**112**	**52**	**39**	**44**	**48**
Impairment	0	(150)	0	0	0	0	0
Operating profit (EBIT)	**25**	**(153)**	**112**	**52**	**39**	**44**	**48**
Finance costs	(5)	(5)	(4)	(2)	0	(2)	(1)
Finance income	0	1	0	0	0	0	0
Total financial inc/ (exp)	**(5)**	**(4)**	**(4)**	**(2)**	**0**	**(2)**	**(1)**
Profit before taxes	**20**	**(157)**	**108**	**50**	**40**	**42**	**47**
Non-operating items	19	7	(8)	8	0	0	0
Income taxes	8	(2)	1	(12)	(7)	(7)	(8)
Profit attributable to the parent	**47**	**(152)**	**101**	**45**	**34**	**35**	**39**
Basic EPS	7.8	(25.3)	16.8	7.5	5.7	5.8	6.5
Diluted EPS	7.8	(25.3)	16.8	7.5	5.7	5.8	6.5
DPS	1.8	1.3	4.5	4.0	2.0	2.0	2.5

Source: Research Dynamics, Company data

Balance Sheet

CHF mn	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Assets							
Non-current assets							
PPE	352.6	196.5	213.7	116.3	128.8	140.4	142.0
Intangible assets	5.6	5.8	4.5	2.6	6.3	9.2	10.6
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	180.2	186.2
Current assets							
Inventories	78.3	87.5	113.1	72.5	74.8	74.9	81.7
Trade accounts receivable	52.9	69.3	93.9	51.1	48.3	50.1	58.3
Other receivables	17.2	28.5	21.9	18.5	9.7	10.7	11.8
Prepaid exp 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	31.0	32.7
Total assets	**704.2**	**560.4**	**666.2**	**327.9**	**332.6**	**352.5**	**377.0**
Shareholders' Equity and Liabilities							
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	217.0
Net result for the year	46.9	(151.6)	0.0	0.0	0.0	35.0	38.8
Non-current liabilities							
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
Current liabilities							
Trade accounts payable	56.8	84.8	93.0	34.1	34.1	34.0	33.6
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
Total liabilities	**232.4**	**249.9**	**266.6**	**113.7**	**123.2**	**120.1**	**120.7**
Total equity and liab.	**704.2**	**560.4**	**666.2**	**327.9**	**332.6**	**352.5**	**377.0**

Source: Research Dynamics, Company data

Cash Flow Statement

CHF mn	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Net profit for the period	47.0	(151.4)	101.0	45.1	34.4	35.0	38.8
Non-cash adjustments:	(2.2)	169.5	28.4	9.6	8.1	15.1	15.5
Change in CA and CL:							
(Increase)/ decrease in inventories	(4.1)	(9.6)	(27.2)	3.3	(0.4)	(0.1)	(6.8)
Decrease in trade accounts receivable	20.5	(15.5)	(26.7)	3.6	6.0	(1.8)	(8.3)
Increase/ (decrease) in trade accounts payable	(9.0)	30.7	6.9	(12.0)	(1.7)	(0.1)	(0.4)
Other changes in working capital	2.8	(7.9)	15.3	8.2	6.9	(4.3)	(3.7)
CFO	**55.0**	**15.8**	**97.6**	**57.9**	**53.3**	**43.9**	**35.1**
Investments in tangible fixed assets	(17.5)	(23.0)	(32.9)	(17.4)	(19.8)	(24.5)	(14.7)
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)	(3.7)
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
CFI	**(15.3)**	**(19.2)**	**(29.6)**	**(5.5)**	**(51.3)**	**(29.5)**	**(18.4)**
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)
CFF	**(15.6)**	**(18.0)**	**(19.0)**	**(121.7)**	**(6.4)**	**(15.0)**	**(15.0)**
Exchange (losses)/gains	(0.9)	0.2	(0.5)	(2.1)	0.5	0.0	0.0
Net change in cash	**23.2**	**(21.2)**	**48.5**	**(71.4)**	**(3.8)**	**(0.6)**	**1.7**
Opening cash balance	93.1	116.3	95.1	106.8	35.4	31.6	31.0
Closing cash balance	**116.3**	**95.1**	**143.6**	**35.4**	**31.6**	**31.0**	**32.7**

Key Ratios

	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Growth Ratios							
Sales Growth	(15%)	12%	46%	(14%)	(11%)	7%	6%
Chemistry division	(6%)	30%	16%	13%	(6%)	(1%)	7%
Paper division	(29%)	10%	67%	(32%)	(17%)	24%	9%
Packaging division	6%	5%	35%	3%	(13%)	11%	7%
Operating Profit Growth	(56%)	NM	NM	(54%)	(25%)	11%	10%
Net Income Growth	(3%)	NM	NM	(55%)	NM	2%	11%
Profitability Ratios (%)							
Operating margin (%)	6%	(1%)	16%	14%	12%	13%	13%
Chemistry division	6%	16%	13%	13%	13%	15%	15%
Paper division	(1%)	(11%)	20%	12%	(7%)	6%	9%
Packaging division	13%	3%	10%	15%	13%	12%	12%
EBITDA Margin %	12%	5%	18%	18%	17%	17%	17%
Net Margin (%)	11%	(31%)	14%	12%	11%	10%	11%
Return Ratios							
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%	16%	16%
ROCE (%)	4%	(1%)	28%	12%	18%	18%	18%
ROA (%)	7%	(24%)	16%	7%	7%	10%	11%
Leverage Ratios							
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)	(0.1x)	(0.1x)
Interest Coverage	9.1x	(1.1x)	46.8x	19.9x	nm	25.0x	35.8x
Liquidity Ratios							
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	1.4x
Valuation Ratios							
EV/EBITDA	5.1x	11.0x	2.2x	4.3x	5.3x	8.3x	7.7x
P/E	8.5x	nm	3.9x	8.8x	11.5x	13.1x	11.8x

Source: Research Dynamics, Bloomberg, Company data

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