

Investor Presentation Perlen Industrieholding AG



- 1. Perlen Industrieholding AG at a glance**
- 2. Perlen Papier AG**
- 3. Real estate**
- 4. ESG**
- 5. Outlook & goals**

Regional paper business

- Implementation of last man standing strategy
- High barriers to market entry (capital intensity) enable solid cash flows over the cycle, once supply and demand reach equilibrium
- Good competitiveness thanks to high productivity
- Solid balance sheet and strong anchor shareholder with long-term horizon

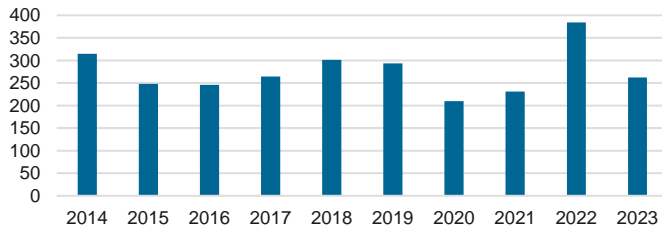
Exploiting the utilisation potential of real estate assets in Perlen

- Settlement of complementary industrial activities
- Attractive site, central location in the heart of Switzerland with good transport connections
- Own energy generation (electricity, heat) and water concessions

Key figures

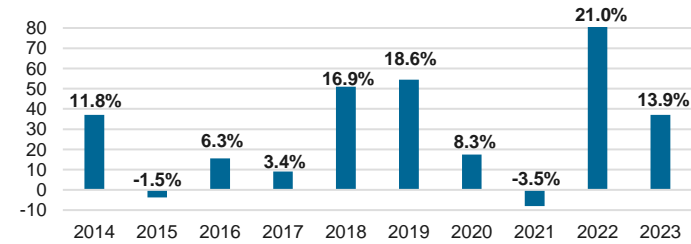
Sales

In CHF million



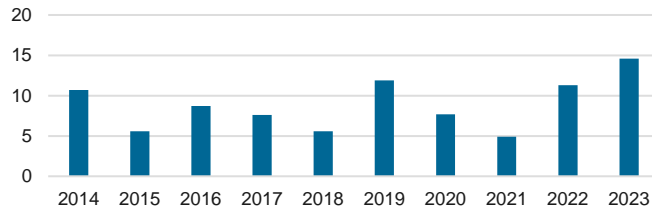
EBITDA and EBITDA margin

In CHF million / in %



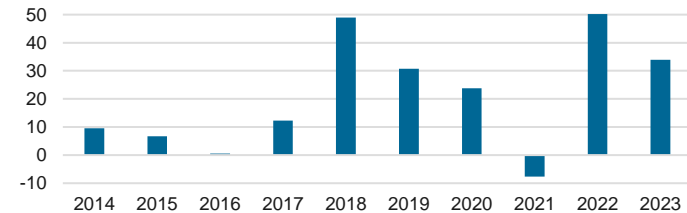
Capex

In CHF million



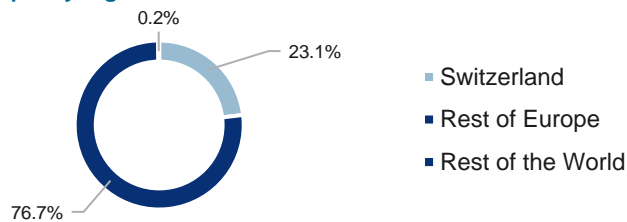
Operating cash flow¹

In CHF Million

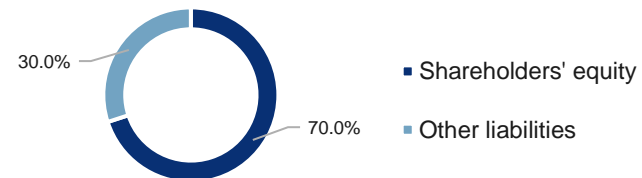


¹ EBITDA +/- change in net working capital - capex

Sales split by regions 2023



Solid equity ratio as of 30 June 2024



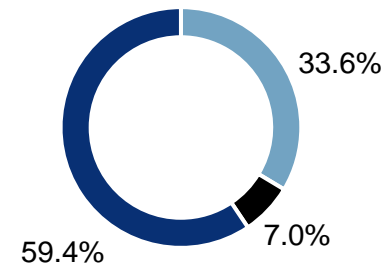
The shares of Perlen Industrieholding AG have been traded over the counter since 25 June 2024

- OTC-X of Berner Kantonalbank
- LPZ-X of Bank Lienhardt & Partner

Share information

- Number of shares outstanding: 6,000,000 registered shares
- Nominal value: CHF 0.05 per registered share
- ISIN: CH1350861261
- Ticker: PERL
- Market capitalisation: CHF 138.0 million (as of 30.06.2024)

Shareholder structure



- Shareholders' group Elly Schnorf-Schmid Stiftung and Swiss Industrial Finance AG (represented by Peter Schaub)
- Safra Sarasin Investmentfonds AG
- Free float



- Market presence since 1873
- Switzerland's only producer of newsprint paper and largest Swiss waste paper recycler
- Two paper machines at the Perlen site with an annual capacity of 560,000 tons of newsprint and magazine paper
- Paper machine 7, in operation since 2010, is the most modern machine for newsprint paper in continental Europe, with an annual capacity of 360,000 tons
- Every year, Perlen processes up to 500,000 tons of waste paper, 50% of which is collected from Switzerland, into newsprint paper
- Differentiation through sustainability: Perlen Papier's production is almost CO₂-neutral



- **Strong market position** with long-term customer relationships
- **Cost-leadership strategy**
- Most modern newspaper printing press (PM7) in continental Europe
- **Regional volume strategy**
- Share of sales in Switzerland approx. 20%, rest of Europe approx. 80%; low transport costs as a competitive advantage thanks to proximity to customers and geographically good location
- Broad expertise in the circular economy and largest waste paper recycler in Switzerland
- **High entry barriers** with simultaneous consolidation pressure due to overcapacity
- Market trend towards lighter papers produced by Perlen Papier

Perlen Papier AG

Strengths and brand positioning 2/2

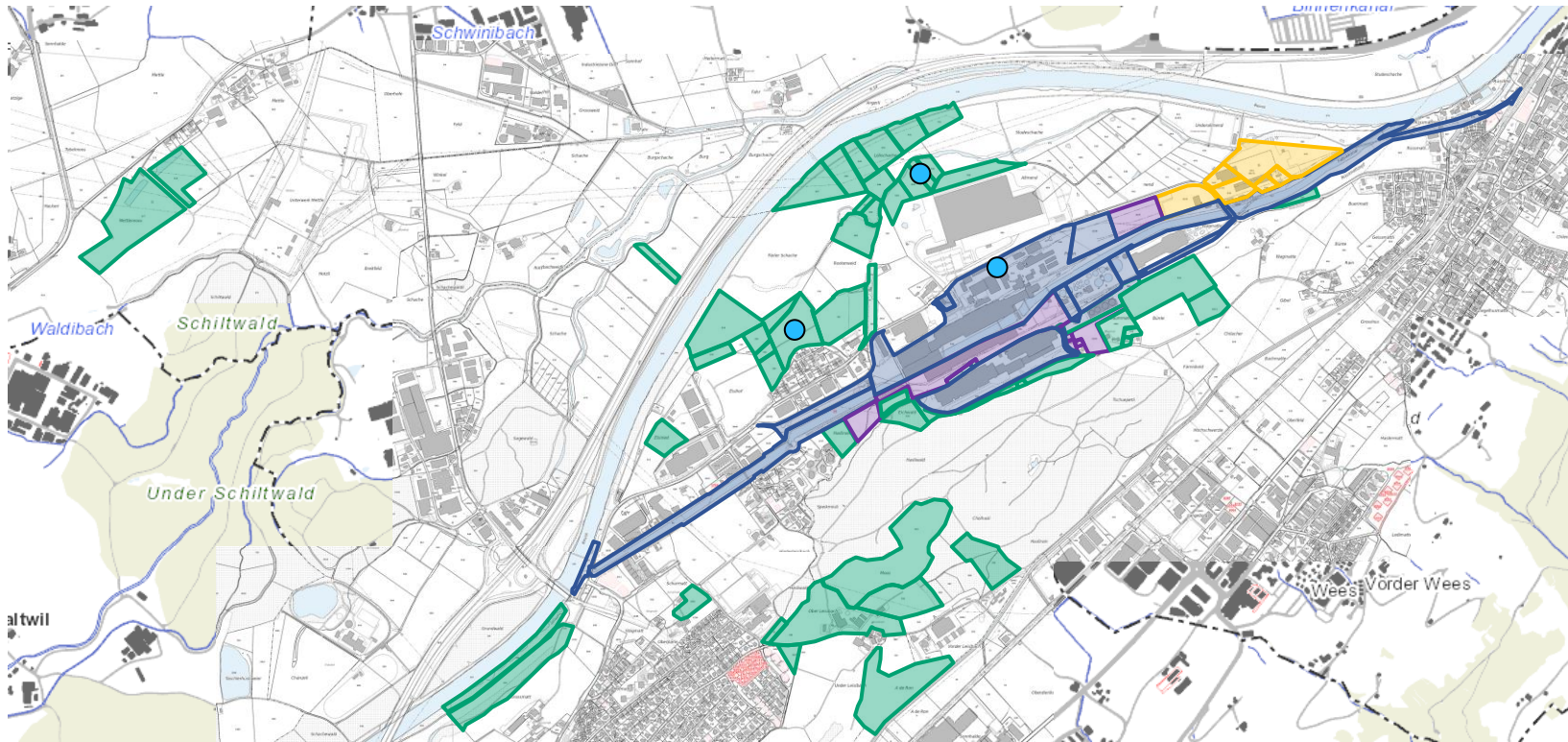
- **Solid balance sheet** to absorb volatility and implement last man standing strategy
 - Debt-free
 - Cash and cash equivalents of CHF 69 million¹
 - Equity ratio of 70%¹
- Experienced, “battle-tested” **team with experience in a declining market**
 - 352 employees¹
 - Leadership structure unchanged, consisting of the current members of the Board of Directors of CPH
 - Group management unchanged, consisting of Peter Schildknecht, Gerold Brüttsch and Klemens Gottstein
 - Leadership structure will be reviewed in the coming months


¹ As of 30 June 2024

- **Clear commitment to paper business**
 - Debt-free
 - High barriers to market entry (capital intensity) enable solid cash flows over the cycle, once supply and demand reach equilibrium
 - Good competitiveness thanks to high productivity
 - Solid balance sheet and strong anchor shareholder with long-term horizon
- **Distance protection**
 - Regional business in Switzerland and neighbouring markets (plus: European competitors are closing capacities due to high transport costs and high energy prices)
 - Waste paper recycling plant in Switzerland (Utzenstorf) as a strategic competitive advantage
- **Response to structurally declining demand**
 - Defending margins through continuous cost optimisation strategy
 - Ongoing measures to increase operational excellence
 - Differentiation opportunities thanks to sustainability efforts and pursuit of CO₂ neutrality in production




- 340,000 sqm for paper production (incl. additions such as fibre and/or energy projects)
- 70,000 sqm leased under leasehold
- Site utilisation: Exploiting the **utilisation potential of real estate in Perlen** with the settlement of complementary industrial activities
 - Attractive site, central location in the heart of Switzerland with good transport connections
 - Own energy generation (electricity, heat) and water concessions
 - Optimisation of site utilisation through settlement of complementary industrial activities
- Property income from third parties consisting of ground rent, lease income, income from property management, and various rental income (CHF 0.5 million per year)



 **Paper production: 260,000 sqm industrial space**
(plus 100,000 sqm factory canal)

 **Reserve areas: 80,000 sqm industrial space**

 **Water sources with concession rights**
(5.3 million qbm drinking water, 7.1 million qbm service water)

 **Building lease: 70,000 sqm industrial space**

 **Agriculture: 640,000 sqm**



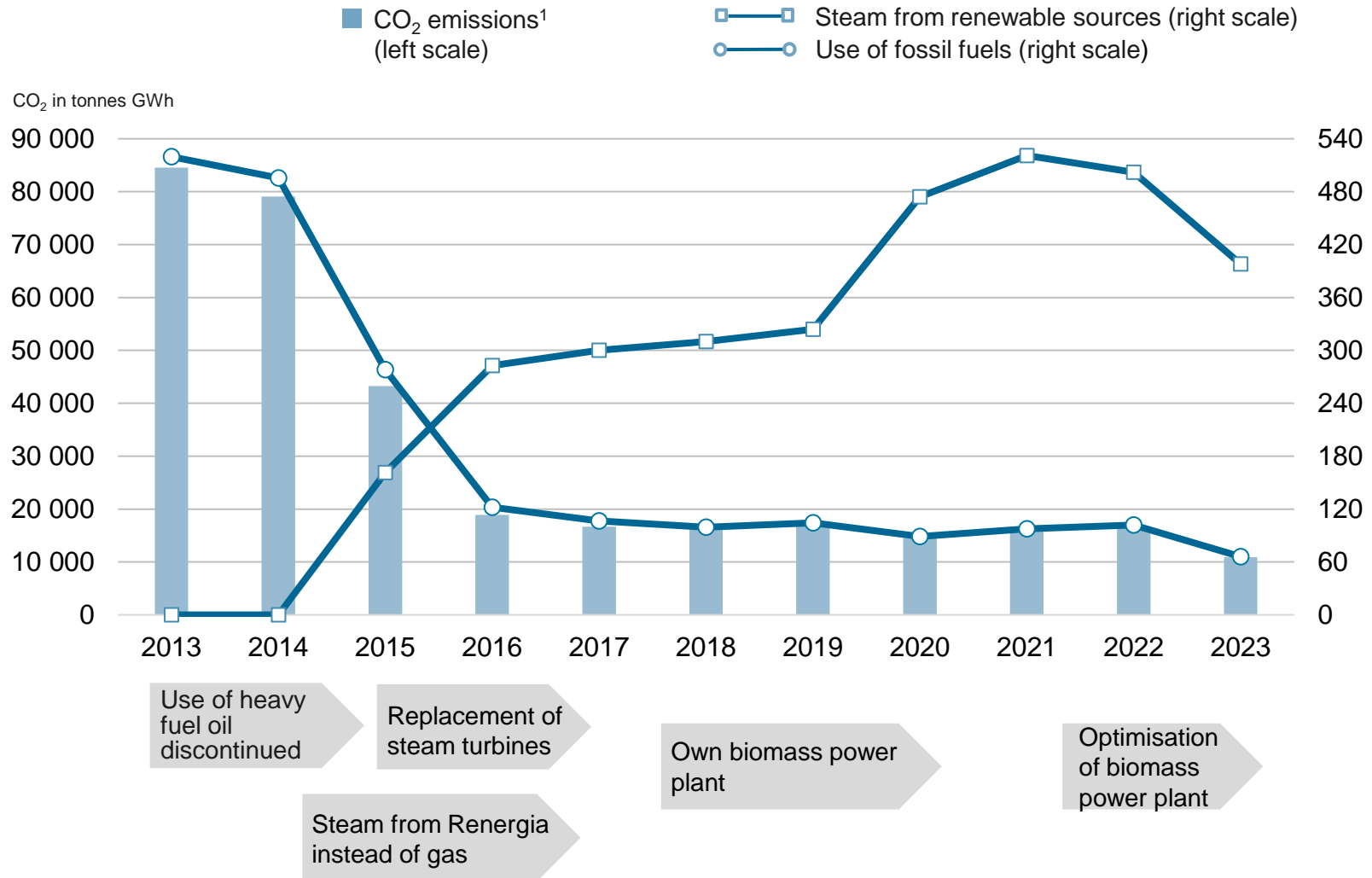
- The only waste paper recycler in Switzerland
- Steam supply from Renergia, own biomass power plant, and hydroelectric power plant
- The carbon footprint of Perlen Papier is 76% lower than the European average, according to data from the European Paper Industry Association CEPI
- Since 2021, customers have been able to offset remaining CO₂ via certified reforestation project

Eco-friendly backing papers for label

- Paper and polyethylene are the most important carrier materials for adhesive labels
- The Paper division is developing a backing paper based on waste paper and waste wood; the production and marketing launch have begun in earnest
- The papers enable suppliers of release liners to significantly reduce their ecological footprint



Sustainability as a success factor for market positioning



¹ Scope 1 emissions

Outlook 2024

- Further decline in demand for graphic printing papers in Europe/worldwide
- Consolidation pressure intensifies
- Net sales 2024 significantly below previous year
- Waste paper and energy costs are likely to further increase
- Negative EBITDA expected in 2024, positive free cash flow over the cycle
- First-time consolidation of Perlen Industrieholding AG as of 27 June 2024

Dividend policy

Regular dividend payments planned, linked to:

- Business development, free cash flow, and liquidity

Calendar



27.03.2025
08.05.2025

Publication Annual Results 2024
Annual General Meeting, Perlen

Contacts



Perlen Industrieholding AG

- **Dr. Peter Schildknecht**, CEO, +41 41 455 87 57
- **Gerold Brütsch**, CFO, +41 41 455 80 00, investors@perlen-industrieholding.ch
- **Oliver Seifried**, Head of Corporate Communications, +41 41 455 87 51, media@perlen-industrieholding.ch

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