

Herrliberg, February 7, 2020

BRIEF MEDIA INFORMATION

Annual Results 2019 of the EMS Group:

- **Economic downturn dampens positive course of business**
- **Record result thanks to early efficiency programmes**
- **Further extraordinary dividend**

1. Summary

The EMS Group, with its companies in the EMS-CHEMIE HOLDING AG, is globally active in the business areas **High Performance Polymers** and **Specialty Chemicals**. In 2019, **net sales** of CHF 2'153 (2'318) and a **net operating income** of CHF 624 Mio. (620) were achieved. While net sales were below previous year due to the economy and to currencies, it was possible to slightly improve the record result from the previous year thanks to early implementation of efficiency programmes.

As already expected at the start of 2019, the global economy slowed down progressively. Unresolved and repeated trade conflicts between major powers lowered consumer and purchasing confidence and global supply chains were unsettled. Slowing industrial development in China and Europe became apparent and signs of uncertainty could be seen in the USA. Inventory stocks were reduced along the whole supply chain. As a result of this uncertainty, the Swiss Franc, as "Safe Haven", became stronger, in particular compared to the Euro.

EMS prepared particularly early and consistently for a slowing of the economy. Already at the beginning of 2018, comprehensive efficiency programmes were drawn up and fully implemented. Along with on-going development projects, EMS launched acceleration programmes for new business. Employees in research, development and sales voluntarily increased their working hours.

Due to innovative new business with its strong specialty products and its early and decisive actions with regard to costs, EMS was able to secure net operating income slightly above the record result of 2018.

Net operating income (EBIT) closed at CHF 624 million (620) which is 0.6% above previous year. The operational cash flow (EBITDA) rose by 0.5% to reach CHF 677 million (673). The EBIT margin was 29.0% (26.8%), the EBITDA margin 31.4% (29.0%).

Sale of the secondary business **EMS-PATVAG** on November 26, 2019 was insignificant for the annual results 2019 of the EMS Group. From January 1, 2020, the Business Unit **EMS-SERVICES** will be managed under the business area "Specialty Chemicals".

For the business year 2019, the Board of Directors intends to propose to the Annual General Meeting, distribution of an **ordinary dividend** of CHF 15.60 (15.50) per share and again, an additional **extra-ordinary dividend** of CHF 4.40 (4.25) per share. This means that a total of CHF 20.00 (19.75) per share would be distributed.

For the business year **2020**, EMS expects continuing weak economic development. Unresolved political and economic conflicts, as well as the coronavirus, may cause further uncertainty. Due to current economic and financial policies, no effective stimulating measures for the global economy are to be expected.

EMS will continue its successful strategy of growth with specialty products in the main area of High Performance Polymers. Its profound experience in metal replacement is particularly well suited to meet the current high demand from customers for cost and CO₂ savings.

For 2020, EMS expects net operating income (EBIT) at the previous year's level.

The following events will take place on Friday, February 7, 2020
at the Hotel Marriott in Zurich:

at 09.00 a.m. the media conference

and

at 02.00 p.m. the financial analysts conference

You will be furnished with the detailed media information
after the media conference at approx. 12.00 a.m.

2. Development of income 2019: Key figures EMS Group

in million CHF	2019	2018
Net sales	2'153	2'318
Change from previous year	-7.1%	
Currency effect	-2.1%	
Operational cash flow (EBITDA) ¹⁾	677	673
Change from previous year	+0.5%	
in % of net sales	31.4%	29.0%
Net operating income (EBIT) ²⁾	624	620
Change from previous year	+0.6%	
in % of net sales	29.0%	26.8%
Net financial income	-3	-2
Income Taxes	-88	-96
Net income ³⁾	532	522
Change from previous year	+1.8%	
in % of net sales	24.7%	22.5%
Cash Flow ⁴⁾	585	576
Change from previous year	+1.6%	
Investments	63	60
Change from previous year	+4.6%	
Equity ⁵⁾	1'663	1'625
in % of balance sheet total	75.1%	75.3%
Return on equity	31.7%	32.0%
Equity per share (in CHF) ⁶⁾	71.09	69.48
Number of employees	2'648	2'939

- 1) EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortisation
= Operational cash flow
- 2) EBIT = Earnings Before Interest and Taxes
= Net operating income
- 3) Net income = Profit after taxes, including minority shareholders
- 4) Cash flow = Net income plus amortisation of intangible assets, property, plant and equipment plus value adjustments to securities
- 5) Equity = Equity without minorities
- 6) Average weighted number of registered shares as at 31.12.2019: 23'389'028 shares
(31.12.2018: 23'389'028 shares)

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