

BRIEF MEDIA INFORMATION

EMS Group:

Key figures Half-year results 2023 (January - June 2023)

Course of business

- **Successful new business with innovative specialties**
- **Weakened global economy**
- **High inflation and lack of confidence depress the consumer mood**
- **Unfavorable foreign currencies hamper development in Swiss Francs**

The EMS Group, with its companies combined in the EMS-CHEMIE HOLDING AG and globally active in the business areas **High Performance Polymers** and **Specialty Chemicals**, achieved **net sales** amounting to CHF 1,183 million (1,284) and a **net operating income (EBIT)** of CHF 280 million (324), in the first half-year of 2023. Successfully realized new business was not able to make up for the general restraint shown by consumers and companies or the effect of weaker foreign currencies to the Swiss Franc. In local currencies, net sales were 1.9% lower than the previous year.

As expected, the global economy developed in restrained way during the first half of 2023. In Europe, high core inflation, unresolved energy as well as geopolitical issues, are having a dampening effect on the consumer and purchasing mood. In Germany, industrial champion of Europe, confidence in the manufacturing industry and in trade dropped again sharply in June. In China, meanwhile, recovery of the consumer mood is sluggish. While Chinese consumers lack confidence, small and medium-sized enterprises are lacking the necessary financial means. American consumer spending is now also increasingly affected by higher interest rates. In the global automotive industry, the chip shortage has largely been resolved and an interim recovery in terms of compensation took place. However, the general uncertainty and reduced available income is affecting incoming orders.

Already at the beginning of the year, EMS prepared for weaker market development. The proven strategy of concentration on specialties, in the main business area of High Performance Polymers, will be continued without change, and development and expansion projects for new business with profitable specialties pushed ahead. Planned new business was realized successfully and net sales in local currencies 0.5% higher than in the previous year were achieved. New products and solutions providing cost and energy savings were realized together with customers, in particular in the automotive industry, and introduced into the market. The secondary business area of Specialty Chemicals, mainly active in Europe, suffered on the other hand, a drop in net sales of -21.3% compared to previous year.

Due to its strong position with specialties and decisive action, EMS was able to achieve an EBITDA margin of substantial 25.9% (27.5%), despite lower sales volumes and unfavorable foreign currencies. Development activities for future business were not limited, but on the contrary, even expanded. Net operating income (EBIT) realized in the first half-year closed at CHF 280 million (324) and the EBIT margin reached 23.7% (25.2%). The operating cash flow (EBITDA) amounted to CHF 306 Mio. (354).

At the ordinary Annual General Meeting of the EMS-CHEMIE HOLDING AG on August 12, 2023, the current members of the board, Bernhard Merki (as Chairman of the Board and Member of the Remuneration Committee), Magdalena Martullo (as Member of the Board) and Dr. Joachim Streu (as Member of the Board and Member of the Remuneration Committee) are proposed for re-election for a further one-year term of office. Current member of the board, Christoph Mäder, has decided not to stand for re-election for a further term of office. The Board of Directors proposes Rainer Roten for election for a one-year term of office (as new Member of the Board of Directors and Member of the Remuneration Committee). BDO AG, Schiffbaustrasse 2, 8031 Zurich, is proposed for election as Statutory Auditor for a further one-year term of office. At the Annual General Meeting, the Board of Directors proposes a dividend payment of total CHF 20.00 (21.00) per share.

For 2023 as a whole, EMS is expecting a further weakening of the global economy. High core inflation coupled with higher interest rates will have a lasting negative effect on consumer spending in Europe and the USA. In addition, European industry is suffering under worsening framework conditions. In China, also due to the stagnating construction industry, no clear recovery can be expected soon.

EMS will continue to follow the successful strategy of concentration on specialties in the main area of High Performance Polymers. In the currently challenging economic situation, innovative solutions focusing on achievement of cost, fuel and CO2 savings are in great demand from international customers. To satisfy rising demand, EMS is investing CHF 300 million in capacity expansion at the main production site in Domat/Ems (Switzerland). The program is being implemented as planned.

For 2023 as a whole, and due to the weak global economy and an unfavorable currency situation, EMS is now expecting net sales and net operating income (EBIT) below previous year.

Provisional key figures*)

EMS Group January - June 2023

In million CHF	2023 (Jan-Jun)	2022 (Jan-Jun)
Net sales	1,183	1,284
Change to previous year	-7.9%	
In local currencies	-1.9%	
Operational Cash Flow (EBITDA) ¹⁾	306	354
Change to previous year	-13.5%	
In % of net sales	25.9%	27.5%
Net operating income (EBIT) ²⁾	280	324
Changes to previous year	-13.5%	
In % of net sales	23.7%	25.2%

1) EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization
= Operational Cash Flow

2) EBIT = Earnings Before Interest and Taxes
= Net operating income

*) EMS provides provisional figures regarding the first half of the year at the beginning of July and publishes the definite half-year report at the end of August. The following gives the provisional key figures for the period ending June 30th. It may be assumed that these will not deviate significantly from the definitive figures.

From today the Annual Report 2022/2023 of the EMS Group can be found on the homepage of the EMS Group at www.ems-group.com/annualreports.

On Friday, July 14, 2023 at

09.15 a.m. the Media Conference

and at

2.15 p.m. the Financial Analysts' Conference

will take place at EMS-CHEMIE AG, 7013 Domat/Ems, Switzerland.
You will be provided with a detailed media information following the media conference at around 12.00 a.m.

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