

Herrliberg, July 12, 2019

## MEDIA INFORMATION

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## I. Half-year results 2019 of the EMS Group / Forecast 2019

### Course of Business

- **Economic downturn slows positive business development**
- **New business and early efficiency programmes ensure result slightly above previous year**
- **Successfully strengthened market position in America**

In the first half of 2019, 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 1,157 million (1,199), and a **net operating income (EBIT)** of CHF 316 million (312).

Following a progressive slowing of the global economy during the second half of 2018, it weakened significantly in the first half of this year. Unresolved and repeated trade conflicts between major powers caused considerable uncertainty among consumers and companies. Subsequently, a significant worsening of the global consumer and investment mood became particularly apparent in China and Europe. Inventory stocks were also reduced. The automotive industry in particular, as well as other industrial sectors showed a substantial decline. As a result of this uncertainty, the Swiss Franc, as "Safe Haven", became stronger.

Thanks to successful realization of planned innovative new business, EMS was able to absorb the drop in sales caused by the weaker economy. New high-performing, innovative applications were developed and rapidly launched in global markets. In America, sales and development were expanded and market positions strengthened.

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 continually implemented. Along with various on-going development projects, EMS launched a fast-track programme for new business.

With its strong specialty products and due to early and decisive actions, EMS was able to achieve a **net operating income (EBIT)** of CHF 316 million (312) as a new record value. The operational cash flow (EBITDA) rose in comparison to the previous year by 1.9% to reach CHF 346 million (339). The EBIT margin increased to 27.3% (26.1%), the EBITDA margin to 29.9% (28.3%).

## Provisional key figures \*\*)

### EMS Group January - June 2019

In million CHF	2019 (Jan-Jun)	2018 (Jan-Jun)
<b>Net sales</b> Change from previous year In local currencies	<b>1,157</b> -3.5% -1.4%	<b>1,199</b>
<b>Operational cash flow (EBITDA) <sup>1)</sup></b> Change from previous year In % of net sales	<b>346</b> +1.9% 29.9%	<b>339</b> 28.3%
<b>Net operating income (EBIT) <sup>2)</sup></b> Change from previous year In % of net sales	<b>316</b> +1.1% 27.3%	<b>312</b> 26.1%

1) EBITDA = **Earnings Before Interest, Taxes, Depreciation and Amortisation**  
= Operational cash flow

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

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

## Development of net sales and result by business area

In million CHF	2019 (Jan-Jun)	%-dev. prev. year	2018 (Jan-Jun)
<b>EMS Group</b>			
<b>Net sales</b>	<b>1,157</b>	<b>-3.5%</b>	<b>1,199</b>
- In local currencies		-1.4%	
<b>EBITDA</b>	<b>346</b>	<b>+1.9%</b>	<b>339</b>
- In % of net sales	<b>29.9%</b>		<b>28.3%</b>
<b>EBIT</b>	<b>316</b>	<b>+1.1%</b>	<b>312</b>
- In % of net sales	<b>27.3%</b>		<b>26.1%</b>
<b>High Performance Polymers</b>			
Net sales	<b>1,018</b>	-2.9%	<b>1,048</b>
- In local currencies		-0.7%	
<b>EBITDA</b>	<b>306</b>	<b>+3.0%</b>	<b>297</b>
- In % of net sales	<b>30.1%</b>		<b>28.4%</b>
<b>EBIT</b>	<b>280</b>	<b>+2.2%</b>	<b>274</b>
- In % of net sales	<b>27.5%</b>		<b>26.1%</b>
<b>Specialty Chemicals</b>			
Net sales	<b>139</b>	-8.2%	<b>151</b>
- In local currencies		-6.2%	
<b>EBITDA</b>	<b>39</b>	<b>-5.7%</b>	<b>42</b>
- In % of net sales	<b>28.5%</b>		<b>27.8%</b>
<b>EBIT</b>	<b>36</b>	<b>-6.6%</b>	<b>39</b>
- In % of net sales	<b>26.0%</b>		<b>25.6%</b>

## Forecast 2019

For 2019, EMS continues to expect the global economy to be further restrained. The rapid and significant slow-down reduces consumer confidence and restricts financial freedom of action for companies. Instability of the financial markets cannot be excluded.

EMS will monitor further developments in the market and is prepared to take action quickly in future as well. Thanks to business with innovative, high-margin specialty business, continual expansion of global market positions, high liquidity and a strong equity ratio, EMS sees itself in good shape to realise opportunities independently, quickly and flexibly.

The successful strategy of worldwide growth with specialty products in the main area of High Performance Polymers will be continued. The high demand from customers for cost and CO<sub>2</sub> savings as well as for market differentiation will be matched well by EMS with its profound experience in metal replacement and its solution-oriented research and development capabilities.

From a cost point of view, EMS will improve efficiency with new manufacturing processes and more productive plants with substantial energy-savings.

For 2019 EMS continues to expect net operating income (EBIT) at least on the previous year's level.

## II. Financial Report of EMS-CHEMIE HOLDING AG as at 30.04.2019

Net income of the EMS-CHEMIE HOLDING AG, with its business year ending on April 30, amounts to CHF 477 million (458) for the business year May 1, 2018 to April 30, 2019. Available earnings, including balance brought forward from the previous year, amount to CHF 760 million (716).

### III. Payment of dividends

EMS consistently follows a policy of result and liquidity-oriented profit distribution. Funds not required for operative business are distributed to shareholders.

As announced at the media conference held on February 8, 2019, the Board of Directors intends to propose to the Annual General Meeting, distribution of an ordinary dividend of CHF 15.50 (14.50) and an extra-ordinary dividend of CHF 4.25 (4.00) per share. This would result in an overall dividend payment of CHF 19.75 (18.50) per share.

Accordingly, the Annual General Meeting on August 10, 2019 will be asked to approve the following appropriation of available earnings:

Available earnings comprising		
Net income	CHF	476,855,239
Balance brought forward	CHF	<u>283,227,648</u>
Available earnings	CHF	760,082,887

to be appropriated as follows:

Ordinary dividend of CHF 15.50 gross/share	CHF	(362,529,934)
Extraordinary dividend of CHF 4.25 gross/share	CHF	<u>(99,403,369)</u>
Balance to be carried forward	CHF	<u>298,149,584</u>

Dividend payment will be on August 15, 2019 (payment date). Shares will be traded ex-dividend from August 13, 2019 (ex-date).

### IV. Elections

At the Annual General Meeting on August 10, 2019, the Board of Directors will propose re-election of the current members of the board, Dr. Ulf Berg (as Chairman of the Board of Directors and member of the Remuneration Committee), Magdalena Martullo (as member of the Board of Directors), Dr. Joachim Streu (as member of the Board of Directors), Bernhard Merki (as member of the Board of Directors and of the Remuneration Committee) and Christoph Mäder (as member of the Board of Directors and of the Remuneration Committee) for a further one-year term of office.

The Board of Directors will also propose election of Ernst & Young AG, Maagplatz 1, 8010 Zurich, as Statutory Auditor for a one-year term of office. Ernst & Young AG has held this position since 2017.

## V. Schedule

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|--|--------------------|
| - Annual General Meeting 2019  | August 10, 2019    |
| - Publication of the definitive half-year report as at June 30, 2019 | End of August 2019 |
| - Third-quarter report 2019  | Mid-October 2019   |
| - Media conference / Annual results 2019                             | February 2020      |
| - First-quarter report 2020  | April 2020         |

The Annual Report 2018/2019 of the EMS Group can be found on the homepage of the EMS Group at [www.ems-group.com/annualreports](http://www.ems-group.com/annualreports), from July 12, 2019.

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