

Herrliberg, July 14, 2023

MEDIA INFORMATION

Contents

- I. Key figures Half-year report 2023 of the EMS Group / Outlook 2023
- II. Financial Report EMS-CHEMIE HOLDING AG as at 30.04.2023
- III. Payment of Dividends
- IV. Elections
- V. Schedule

I. Key figures Half-year report 2023 of the EMS Group / Outlook 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).

With its innovative specialties, EMS has consistently generated high result margins and a strong free cash flow. Accordingly, EMS has high liquidity stock and a pleasing equity ratio. EMS holds no financial debt and is therefore, not affected by the ongoing rise in interest rates. In the first half-year of 2023, net liquidity increased by CHF 200 million to reach a total of CHF 636 million. EMS considers itself accordingly in good shape to quickly and flexibly take further advantage of opportunities in the market.

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.

Development of net sales and result by business area

In million CHF	2023 (Jan-Jun)	%-dev. prev. year	2022 (Jan-Jun)
EMS Group			
Net sales	1,183	-7.9%	1,284
- In local currencies		-1.9%	
EBITDA	306	-13.5%	354
- In % of net sales	25.9%		27.5%
EBIT	280	-13.5%	324
- In % of net sales	23.7%		25.2%
High Performance Polymers			
Net sales	1,077	-5.7%	1,141
- In local currencies		+0.5%	
EBITDA	289	-7.9%	313
- In % of net sales	26.8%		27.5%
EBIT	266	-7.1%	286
- In % of net sales	24.7%		25.1%
Specialty chemicals			
Net sales	107	-25.4%	143
- In local currencies		-21.3%	
EBITDA	17	-57.2%	40
- In % of net sales	16.2%		28.2%
EBIT	15	-61.5%	38
- In % of net sales	13.7%		26.6%

Outlook 2023

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. EMS will intensify its development activities and, in addition, has decided to massively increase customer-oriented development in Asia. The short development times of Asian customers allows EMS to quickly realize new business in these markets. EMS will thereby place particular focus on innovative development projects within the ambitious Chinese electric vehicle industry. EMS will expand its global market position and achieve disproportionately higher growth compared to the market.

EMS remains confident for the future. Significant growth of business in China, as well as the USA, is expected for the next years. Future developments in Europe will depend on its regional economic policy. 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.

Also in the field of sustainability, EMS has already been a pioneer for decades. By saving weight and energy, especially in the automotive industry, a further reduction of 64,800 tons of CO2 emissions is achieved every year. The performance at EMS production locations also looks very impressive as focus was put very early on process improvements and energy savings, bio-mass power and hydroelectricity. With these measures, EMS has already been CO2-neutral at all locations worldwide since 2020! Further programs have been implemented.

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.

II. Financial Report of EMS-CHEMIE HOLDING AG as at 30.04.2023

Net income of the EMS-CHEMIE HOLDING AG, with its business year ending on April 30th, amounts to CHF 499 million (549) from the business year from May 1, 2022 to April 30, 2023. Available earnings, including balance brought forward from the previous year, amount to CHF 932 million (924).

III. Payment of dividends

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

As announced at the media conference held on February 10, 2023, the Board of Directors proposes to the Annual General Meeting, distribution of an ordinary dividend of CHF 15.75 (16.50) and an extraordinary dividend of CHF 4.25 (4.50) per share. In this way, an overall dividend of CHF 20.00 (21.00) per share will be distributed.

Accordingly, the Annual General Meeting on August 12, 2023 will be asked to approve the following appropriation of available earnings:

Available earnings, comprising:

Net income	CHF	498,878,317
Balance brought forward	<u>CHF</u>	<u>433,237,402</u>
Available earnings	CHF	932,115,719

To be appropriated as follows:

Ordinary dividend of CHF 15.75 gross/share	CHF	(368,377,191)
Extraordinary dividend of CHF 4.25 gross/share	<u>CHF</u>	<u>(99,403,369)</u>
Balance to be carried forward	<u>CHF</u>	<u>464,335,159</u>

Dividend payment will be on August 17, 2023 (payment date). Shares will be traded ex-dividend from August 15, 2023 (ex-date).

IV. Elections

At the Annual General Meeting on August 12, 2023, the Board of Directors proposes re-election of 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) 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).

Rainer Roten is 57 years old, Swiss citizen, and has been CEO of TESTEX since 2021. From 2010 to 2020 he was active for Schindler in various executive positions, including President of Schindler China and CEO of Schindler Switzerland. From 2006 to 2009 he was CEO of SSM Schärer Schweiter Mettler in textile engineering. Before this, from 1995 to 2006, he worked for Oerlikon-Bührle/OC-Oerlikon in a series of management positions, lastly as CFO of the Semiconductor Segment. In addition, Rainer Roten holds MBAs from the universities of Rochester, New York and Bern.

The Board of Directors also proposes to the annual general meeting, election of BDO AG, Schiffbaustrasse 2, 8031 Zurich, for a further one-year term as statutory auditor.

V. Schedule

- | | |
|--|--------------------|
| - Annual General Meeting 2023 | August 12, 2023 |
| - Publication of the definitive half-year report as at June 30, 2023 | End of August 2023 |
| - Third-quarter report 2023 | October 2023 |
| - Media conference / Annual results 2023 | February 2024 |
| - First-quarter report 2024 | April 2024 |

The Annual Report 2022/2023 of the EMS Group is available from July 14, 2023 on the homepage of the EMS Group under www.ems-group.com/annualreports.

* * * * *