



Ad hoc announcement pursuant to Art. 53 LR
Herrliberg, February 9, 2024

BRIEF MEDIA INFORMATION

Key figures of the Annual Results 2023 of the EMS Group:

- **Successful new business with innovative specialties**
- **Global economy significantly slowed**
- **Subdued consumer mood in the main markets**
- **Weaker foreign currencies hamper result development in Swiss Francs**
- **Large-scale sales offensive with innovations for disproportional growth**

1. Summary

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 2,189 million (2,442) and a **net operating income** of CHF 493 million (611) in 2023. Net income reached CHF 461 million (535). 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.

As expected, the global economic environment deteriorated significantly in 2023. In Europe, in particular, higher energy costs, persistently high core inflation and higher interest rates put lasting pressure on purchasing power and the consumer mood. In Germany, Europe's leading industrial nation, the manufacturing industry slumped. Since COVID-19, the Chinese real estate crisis has had a sustained negative effect on consumer confidence. The chip shortage in the global automotive industry has now been resolved and back-log orders have been completed. Lower order intake and higher interest rates triggered inventory reductions across all supply chains. The Swiss Franc became stronger supported by moderate Swiss inflation rates and its role as a "safe haven".

In this weak market environment, EMS consistently focused on increasing market penetration with specialties and innovations. Planned new business was achieved successfully. Net sales in local currencies were increased in all markets outside Europe.

Consolidated **net sales in Swiss Francs** amounted to CHF 2,189 million (2,442) which is -10.4% below previous year and, adjusted for currency influences, -4.6% below previous year. Weaker foreign currencies reduced net sales in Swiss Francs.

Net operating income (EBIT) closed at CHF 493 million (611) which is -19.4% below previous year due to the negative economic and currency effects. The net operating income before depreciation (EBITDA) amounted to CHF 542 million (661).

Net profit closed at CHF 461 million (535). Earnings per share amounted to CHF 19.56 (22.75).

For the business year 2023, the Board of Directors intends to propose to the Annual General Meeting distribution of an **ordinary dividend** of CHF 12.75 (15.75) per share and an additional **extraordinary dividend** of CHF 3.25 (4.25) per share. This means a total of CHF 16.00 (20.00) per share would be distributed.

For the business year **2024**, EMS expects a continued difficult economic environment. Geopolitical conflicts with rising freight costs and only moderate interest rate cuts will additionally subdue economic development. Particularly in Europe, the persistently restrained consumer mood may further depress the economy especially in the first half-year. In China, the real estate crisis continues to dampen the consumer mood.

With its innovative specialties, EMS consistently generates extraordinarily high result margins and a strong cash flow. The cash flow increased to CHF 576 million (366). EMS has a high level of liquidity, a pleasing equity ratio and no financial debt. Accordingly, EMS considers itself to be in a good position to quickly and flexibly take advantage of the numerous opportunities available in the market.

Contrary to the general trend, EMS has therefore decided to massively expand technical sales and development with over 120 additional employees in all three regions of Asia, America and Europe. In a large-scale technical sales offensive, innovative system solutions will be implemented, enabling customers to achieve cost reduction and lower CO₂ emissions as well as to develop new innovative technologies such as electric cars. The new comprehensive development offering with accelerated realization is meeting great demand from customers and is already showing initial success.

To satisfy the expected disproportional growth, EMS will continue to implement as planned the investment program started in 2021, with more than CHF 300 million being

invested to increase capacity and energy efficiency at the main production site in Domat/Ems (Switzerland). A large-scale plant with a newly developed production process allowing energy consumption to be halved, has just started operation.

EMS also holds a benchmark position with regard to sustainability. EMS is already CO₂ neutral (Scope 1 and Scope 2) and certified in accordance with ISO 14001 as well as holding the Ecovadis Gold and International Sustainability & Carbon Certifications (ISCC). Together with its suppliers worldwide, numerous projects to reduce CO₂ emissions (Scope 3) are currently being implemented in pursuit of EMS' own net-zero target by 2050.

For 2024, EMS expects net sales at the previous year's level and net operating income (EBIT) slightly higher than in the previous year.

The following events will take place on Friday, February 09, 2024 at the Marriott Hotel in Zurich.

at **09.00 a.m. media conference**

and

at **02.00 p.m. financial analysts conference**

Detailed information will be provided
after the media conference at approx. 12.00 a.m.

2. Key index figures of result development in the EMS Group 2023

in million CHF	2023	2022
Net sales	2,189	2,442
Change to previous year	- 10.4%	
In local currencies	- 4.6%	
EBITDA ¹⁾	542	661
Change to previous year	- 18.0%	
In % of net sales	24.8%	27.1%
Net operating income (EBIT) ²⁾	493	611
Change to previous year	- 19.4%	
In % of net sales	22.5%	25.0%
Net financial income	- 1	- 5
Income tax	- 31	- 72
Net income ³⁾	461	535
Change to previous year	- 13.8%	
In % of net sales	21.1%	21.9%
Cash Flow ⁴⁾	576	366
Change to previous year	+ 57.6%	
Investment	49	94
Equity ⁵⁾	1,742	1,816
In % of balance sheet total	80.4%	78.4%
Return on equity	26.3%	29.3%
Equity per share (in CHF) ⁶⁾	74.47	77.63
Number of employees	2,736	2,693

¹⁾ EBITDA = Earnings **B**efore Interest, **T**axes, **D**epreciation and **A**mortization
= Net operating income before depreciation

²⁾ EBIT = Earnings **B**efore Interest and **T**axes
= Net operating income

³⁾ Net income = Profit after taxes, including minority shareholders

⁴⁾ Cash flow = Cash flow from operating activities

⁵⁾ Equity = Equity without minorities

⁶⁾ Average weighted number of registered shares at 31.12.2023: 23,389,028 shares
(31.12.2022: 23,389,028 shares)

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