

Herrliberg, October 5, 2018

MEDIA INFORMATION

Third-quarter report 2018 (January - September 2018)

EMS Group:

- **Pleasing growth of net sales and result despite a weakening global economy**
- **Supply shortages for raw materials lead to further price increases**

I. Course of business January - September 2018

The EMS Group, with its companies combined in the EMS-CHEMIE HOLDING AG, is globally active in the business areas **High Performance Polymers** and **Specialty Chemicals**. In the first nine months of 2018, **net sales** rose by 10.8% compared to previous year to reach CHF 1,770 Mio. (1,598).

As expected, the global economy showed overall positive development. Meanwhile, however, increased signs of a global slowing are becoming apparent. Political conflicts and new trade restrictions are slowing the economy. In the automotive industry, delayed model approvals and uncertainty with regard to future political framework conditions can be noticed. Supply chains are being adapted. Various global companies are cautious regarding their forecasts.

In the meantime, some raw material markets are suffering from supply shortages, driving prices significantly higher. The high oil price is also supporting these tendencies. Many countries are already showing substantial inflation rates for manufacturing costs.

Due to general uncertainty, world currencies dropped against the Swiss Franc in the third quarter. This had a negative impact on net sales growth in Swiss Francs.

EMS was able to generate substantial innovative new business and to achieve pleasing growth in all regions with profitable specialities. In the third quarter again, EMS was able to keep up the disproportionately high volume growth of the first half of the year compared to the overall market. In preparation for a possible slowing down of the economy, EMS already started efficiency programmes at the beginning of this year.

II. Development of net sales January - September 2018

In million CHF	2018 (Jan-Sep)	%-dev. prev. year	2017 (Jan-Sep)
High Performance Polymers			
Net sales	1'547	+11.0%	1'393
Specialty Chemicals			
Net sales	223	+9.0%	205
EMS Group			
Net sales	1'770	+10.8%	1'598

III. Comments on the individual business areas

In the main area of **High Performance Polymers**, EMS was able to successfully continue growth with speciality products. New application solutions providing customers with higher performance at lower cost and with reduced weight, led to significant new business and stronger supply positions.

The secondary area **Specialty Chemicals** developed as expected. Here also, new business was realised.

IV. Outlook

For the next months, EMS is expecting a weakening of the world economy. The trade conflicts are not likely to be resolved soon. The current raw material shortages and resulting price increases may continue further.

EMS is confident with regard to development of its own business. The successful strategy of growth with specialty products in the area of High Performance Polymers will be continued consistently. Products and solutions will be rapidly introduced into the global markets. Efficiency programmes started at the beginning of this year will be continued.

For **the whole year 2018**, EMS continues to expect net sales and net operating income (EBIT) slightly above the previous year.

V. Schedule

EMS reports quarterly on net sales and publishes half-year and final-year reports on net sales and income.

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| - Media conference / Annual Results 2018 | February 8, 2019 |
| - First-quarter report 2019 | April 2019 |
| - Media conference / Half-year report 2019 | July 12, 2019 |
| - Annual General Meeting 2019 | August 10, 2019 |
| - Third-quarter report 2019 | October 2019 |

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