

Herrliberg, July 10, 2020

## BRIEF MEDIA INFORMATION

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### EMS Group: Half-year results 2020 (January - June 2020)

#### Course of Business

- **Global economic slump due to COVID-19**
- **Significantly lower sales volumes**
- **New business and efficiency programmes ensure high result margins and an increase in liquidity**

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** of CHF 849 million (1,154) and a **net operating income (EBIT)** of CHF 229 million (316) in the first half year of 2020. **Net liquidity** rose from CHF 696 per 31.12.2019 to CHF 864 million.

The global economy was very heavily impacted by national COVID-19 measures. The majority of shops and shopping centres remained closed for several weeks. In many parts of the world, the general demand for industrial consumer goods came to an almost complete standstill. The global automotive industry was also affected and slumped in the first six months of the year by 33% compared to the previous year.

EMS launched comprehensive measures at a very early stage and at all sites to prevent infection of employees with COVID-19. In order to ensure delivery reliability at all times, local inventories of raw materials were stocked and stocks of finished goods built up near customer plants.

EMS had already prepared in 2019 for a drop in the economy. Production and inventory stocks were continually adjusted to the lower sales volumes during the first half of 2020. From a personnel point of view, vacation and flexible working hours were taken and short working hours introduced abroad. In Switzerland, the annual working hours model was used. As a sign of solidarity, the Board of Directors and Executive Management of EMS voluntarily took a 15% reduction in fees and fix salaries.

EMS continued to develop new and innovative specialty products. Thanks to its strong position with specialties and rapid and decisive actions, EMS was able to achieve an operational cash flow (EBITDA) of CHF 256 million (345) with a margin of 30.2% (29.9%). The net operating income (EBIT) amounted to CHF 229 million (316) and the EBIT margin 26.9% (27.4%).

Thanks to a strong free cash flow, net liquidity increased in the first half year of 2020 by 168 MCHF to reach a total of 864 MCHF.

At the Annual General Meeting on August 8, 2020, the Board of Directors will propose re-election of the current members of the board, Magdalena Martullo, Bernhard Merki (new as Chairman of the Board), Dr. Joachim Streu and Christoph Mäder for a further one-year term of office. Dr. Ulf Berg will not be standing for election for a further term of office.

As already announced at the beginning of February 2020, the Board of Directors intends to propose distribution of an overall dividend payment of CHF 20.00 (19.75) per share to the Annual General Meeting on August 8, 2020.

With its business model, EMS is focussing on environmental sustainability and enables customers to achieve a 35,000-ton reduction in CO<sub>2</sub> emissions per year. Already today at its own locations EMS has achieved carbon neutrality worldwide through various efficiency improvements, bio-mass energy and hydroelectric power.

Based on the extraordinary market slump, EMS continues to expect net operating income (EBIT) for 2020 to be below previous year.

## Provisional key figures \*)

### EMS Group January - June 2020

| In million CHF                                      | 2020<br>(Jan-Jun) | 2019<br>(Jan-Jun) |
|---|-------------------|-------------------|
| <b>Net sales</b>                                    | <b>849</b>        | <b>1'154</b>      |
| Change to previous year                             | -26.4%            |                   |
| Organic sales growth **                             | -21.6%            |                   |
| <b>Operational cash flow (EBITDA) <sup>1)</sup></b> | <b>256</b>        | <b>345</b>        |
| Change to previous year                             | -25.7%            |                   |
| In % of net sales                                   | 30.2%             | 29.9%             |
| <b>Net operating income (EBIT) <sup>2)</sup></b>    | <b>229</b>        | <b>316</b>        |
| Change to previous year                             | -27.6%            |                   |
| In % of net sales                                   | 26.9%             | 27.4%             |

| In million CHF                     | 30.06.2020 | 31.12.2019 |
|------------------------------------|------------|------------|
| <b>Cash and cash equivalents</b>   | <b>252</b> | <b>253</b> |
| Change                             | -0.3%      |            |
| <b>Net liquidity <sup>3)</sup></b> | <b>864</b> | <b>696</b> |
| Change                             | +24.2%     |            |
| <b>Equity ratio</b>                | <b>76%</b> | <b>75%</b> |

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

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

3) Net liquidity = cash and cash equivalents plus short-term financial instruments plus withholding tax credit, less financial liabilities (without leasing liabilities).

\*) 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.

\*\*) In local currencies, without the business unit EMS-PATVAG, sold per November 26, 2019.

The Annual Report 2019/2020 of the EMS Group is available from today on the homepage of the EMS Group at [www.ems-group.com/annualreports](http://www.ems-group.com/annualreports).

On Friday, July 10, 2020, at

**9.15 am. the Media Conference**

and at

**2.15 p.m. the Financial Analyst's' Conference**

will take place at EMS-CHEMIE AG, 7013 Domat/Ems. The detailed media information will be distributed after the media conference at approx. 12.00 noon.

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