

MEDIA INFORMATION

Third-quarter report 2022 (January – September 2022)

EMS Group:

- **Successful new business with innovative specialties**
- **Clear weakening of the global economy**
- **Massively higher raw material and energy prices**

I. Course of Business January – September 2022

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**, increased **net sales** in the first nine months of 2022 by 10.7% compared to previous year to reach CHF 1,871 million (1,691), in local currencies, this is an increase of 13.5% compared to previous year. A new net sales record has been achieved.

Recovery of the global economy after COVID-19 stopped abruptly in the second quarter of 2022. The Ukraine conflict caused immense uncertainty and massively higher energy prices, particularly in Europe. As a result, raw material prices rose enormously. Existing inflationary tendencies have increased substantially and are strongly limiting global consumer purchasing power. The inevitable increase in interest rates is additionally hampering economic development. In China, rigorous lockdown measures, as well as the emerging real-estate crisis, are lowering consumer mood and have a negative effect on economic activity. Even in the US, still profiting from solid demand, indications of a slowing economy are becoming apparent.

Already at the beginning of the year, EMS began to prepare for an unstable economy. The proven strategy with profitable specialities has been followed and planned new development and expansion projects are now being pursued more than ever. New business with profitable specialities was completed successfully and growth of net sales achieved in all geographic regions. Focus is currently being placed on energy and cost-saving solutions for customers. Market opportunities are being seized as they arise. The announced investment programme with more than CHF 300 million to increase capacity and energy efficiency at the main production site Domat/Ems (Switzerland) is currently being implemented. Other production locations are also undergoing major expansion. Through proactive measures taken to safeguard its energy supply, secure delivery reliability will be ensured. Rising inflation, in particular with regard to raw materials and energy prices made sales price increases for customers inevitable.

II. Development of net sales January – September 2022

In million CHF	2022	%-dev. prev. year	2021
High Performance Polymers			
Net sales	1'668	+10.6%	1'509
- In local currencies		+13.4%	
Specialty chemicals			
Net sales	203	+11.2%	182
- In local currencies		+14.0%	
EMS Group			
Net sales	1'871	+10.7%	1'691
- In local currencies		+13.5%	

III. Comments on the individual business areas

In the main area of **High Performance Polymers**, EMS continued to achieve further growth with innovative products. Focus is now on system solutions providing customers with energy and cost savings. Its customer-specific development competency allows EMS to quickly recognise market requirements and to react accordingly.

In special recognition of innovative performance, the international Society of Plastics Engineers (SPE) presented EMS on October 17, 2022 with three first places of the "SPE-Automotive Awards". EMS took first place in the category "Body Interior" with an innovative center console support structure for electric vehicles from Seat as well as first place in the category "Electrical / Optical part" for a challenging electro-pneumatic brake module for trucks. In addition, a first place in the category "new mobility" was won by EMS for the water pump for electric vehicles from Mercedes (Pictures of the prize-winning components made of EMS high-performance polymers can be found in the appendix).



Award presentation of the international Society of Plastics Engineers "SPE" in Dusseldorf, Germany on October 17, 2022.

Significant growth of net sales compared to the previous year was also achieved in the secondary area of **Specialty Chemicals**. Here too, planned new business was realised successfully.

IV. Outlook

For the next months, EMS is expecting a further weakening of the global economy. Inflationary development, coupled with significantly higher interest rates, will have a negative effect on available income and consumer mood. In China, the economic situation will strongly depend on any further lockdown measures and the status of the real estate markets. A shortage of energy or any military escalation of the Ukraine conflict could have an enormous negative impact on Europe.

In these turbulent times, EMS will continue to follow the proven strategy of concentration on specialty products and is driving development and expansion projects ahead now more than ever. The successful focus on growth of specialities in the main area of High Performance Polymers will be continued without change. Innovative products and system solutions providing energy and total cost savings will be given priority. Long established customer relations and decades of experience in solution-oriented developments are now coming to EMS' advantage. EMS is closely monitoring market developments and is ready to take rapid action as and when required. Continuous expansion of energy-efficient production capacity and precautionary measures will ensure delivery reliability – even in the case of energy shortages.

For 2022 as a whole, EMS continues to expect net sales and operating income (EBIT) slightly higher than in the previous year despite the unfavourable economic environment.

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 2022 | February 10, 2023 |
| - First-quarter report 2023 | April 2023 |
| - Media conference / Half-year report 2023 | July 14, 2023 |
| - Annual General Meeting 2023 | August 12, 2023 |
| - Third-quarter report 2023 | October 2023 |

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Appendix:

Pictures can be downloaded from the following link:

www.ems-group.com/ftp/Kommunikation/9-Monatsbericht-2022.zip

Pictures of the SPE prize-winning components 2022 made of EMS high-performance polymers



1st place in the category "body interior":
Innovative center console support structure for electric vehicles from Seat.



1st place in the category "Electronical / Optical part":
Challenging electro-pneumatic brake module for trucks.



1st place in the category "new mobility":
Water pump for electric vehicles from Mercedes.