

MEDIA INFORMATION

EMS Group:

Significantly worsening of the global economy

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**, prepared itself for an unstable economic development already at the beginning of the year. Subsequently, the economic outlook worsened continually. In the third-quarter report dated October 25, 2022, EMS forecasted an upcoming further weakening of the global economy.

In the meantime, the global economic situation has deteriorated significantly. The consumer mood in China has suffered an outright collapse due to unresolved problems in the real estate market and ongoing rigorous lockdowns. The energy prices in Europe remain at a very high level. Inflation rates in Europe and the USA remain persistently high, making a rise in interest rates necessary. Customers worldwide are suffering from lack of demand and higher costs as well as limited financing of their operational activities. This affects the order situation at EMS. Customers' reduced production activities, plant shut downs and significant reductions in inventory stocks in order to generate liquidity, are having a stronger impact than expected on EMS' sales volumes in the last quarter of 2022. A great deal of new business was realized successfully.

EMS therefore, is now expecting slightly higher net sales and a slightly lower operating income (EBIT) than the previous year's record values.

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