

Herrliberg, April 27, 2023

MEDIA INFORMATION

(Ad hoc announcement pursuant to Art. 53 LR)

First-quarter report 2023 (January - March 2023)

EMS Group:

- **Slower development of the global economy**
- **Cautious companies and consumers in Europe**
- **Sluggish recovery in China**
- **Slight net sales growth in local currencies**
- **Successful new business with innovative specialties**

Course of business January - March 2023

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 614 million (638) in the first three months of 2023. This is CHF -3.8% due to a strong previous year period and a stronger Swiss Franc. In local currencies, net sales rose by 0.9% compared to the previous year.

As expected, 2023 began with a restrained economy. In China, the first months were characterized by a high COVID-19 infection rate. After the Chinese New Year some recovery could be noticed, but much more restrained than expected. While Chinese consumers are lacking in confidence, financial resources are tight for small and medium enterprises. In Europe, on the other hand, inflation and uncertainty are dampening the consumer and purchasing mood. An easing of the energy markets did not trigger recovery in economic development. American consumer spending however remained stable, but is likely to decline due to higher interest rates. In the global automotive industry, the chip shortage has now been largely resolved and recovery can be seen.

Already at the beginning of the year, EMS prepared for weaker market development, in particular for the first half of 2023. The proven strategy of concentration on specialties will be continued without change, and development and expansion projects for new business with profitable specialty products pushed ahead. Planned new business was realized successfully. New products and solutions providing cost and energy savings were realized together with customers, in particular in the automotive industry, and introduced into the market. The high result margins were maintained despite a strongly negative currency influence.

Development of net sales January - March 2023

In million CHF	2023	%-dev. prev. year	2022
High Performance Polymers			
Net sales	554	-2.1%	566
- In local currencies		+2.7%	
Specialty Chemicals			
Net sales	60	-16.9%	72
- In local currencies		-13.5%	
EMS Group			
Net sales	614	-3.8%	638
- In local currencies		+0.9%	

In the main area of High Performance Polymers, EMS continued to show steady growth with new business. Its innovative development expertise in close customer proximity allows EMS to quickly recognize market requirements and to implement them in a flexible way. New products and solutions providing cost and energy savings were realized together with customers. Opportunities arising in the markets were seized immediately.

The secondary area of Specialty Chemicals also generated new business with innovations. The great dependency on European and Asian intermediate markets, however, hampered the development of net sales.

New Chief Financial Officer (CFO)

Olivier Minger will join the EMS Group as a member of Executive Management and CFO per November 1, 2023 at the latest. He is 47 years of age, a Swiss citizen and has many years' experience in financial and business administration positions in various internationally operating companies. Currently he is CFO of Perlen Packaging AG and will assume his new responsibilities from Peter Germann, who has been holding this position ad interim since April 1, 2023.

Outlook

For 2023, EMS is expecting a worsening of the global economic development. In Europe, continuing high core inflation and rising interest rates are further dampening consumer spending. The European economy is expected to persist at a low level. In China, recovery is likely to be sluggish. Uncertainties regarding future geopolitical developments, as well as the continuing critical real estate and financial markets, are depressing the general consumer mood. In the USA, consumer spending is likely to depend largely on how quickly inflation and, consequently, interest rates normalize.

EMS will continue to follow the proven strategy of specialties in the main area of High Performance Polymers. Innovative solutions focusing on achievement of cost, fuel and CO₂ savings are in high demand from global customers given the currently challenging economic situation. EMS will realize further new business and strengthen market positions by achieving disproportionately high growth compared to the market.

EMS remains confident for the future. The investment program announced in 2021 with more than CHF 300 million to increase capacity at the main production site in Domat/Ems (Switzerland) is being implemented as planned. In the first quarter of 2023, two new major plants with a more energy-efficient process started operations. Other production locations will also undergo expansion.

In uncertain times, profit margin, free cash flow and debt can be decisive. EMS has consistently generated a high free cash flow and placed great emphasis on equity. Expansion investments have always been financed without any problem by operating cash flow. EMS is debt-free and holds high cash reserves. Especially in uncertain times, this provides scope for action and secures the company's solid position as a reliable development partner for global customers.

Due to the weaker global economy, unfavorable currency influences and a lack of consumer stimulation in global markets, EMS is now expecting net sales and operating income (EBIT) in 2023 to be slightly below previous year.

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 / Half-year report 2023 | July 14, 2023 |
| - Annual General Meeting 2023 | August 12, 2023 |
| - Third-quarter report 2023 (net sales) | October 2023 |
| - Media Conference / Annual Results 2023 | February 2024 |
| - First-quarter report 2024 (net sales) | April 2024 |

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