

Herrliberg, July 10, 2020

MEDIA INFORMATION

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I. Half-year results 2020 of the EMS Group / Forecast 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. With the exception of food and medical supplies, 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 for weeks. A major loss of jobs and income was the result. The global automotive industry was also affected and slumped in the first six months of the year by 33% compared to the previous year. In the meantime, almost all automotive plants have restarted operations with only a few exceptions.

EMS launched comprehensive measures at all sites and at a very early stage to prevent infection of employees with COVID-19. Company stocks of protective masks, gloves and glasses worldwide were already massively increased mid-January 2020 and minimum distances implemented at all workplaces. Hygiene measures were introduced, travel and receiving visitors were banned and shortly afterwards, all clerical employees were relocated to home offices. 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. Thanks to these farsighted measures, the delivery capability of all EMS production sites was ensured at all times.

With efficiency programmes, extremely cautious recruiting policies and quickly implemented cost-reducing measures, EMS had already prepared in 2019 for a drop in the economy. Organisation, processes, production and inventory stocks were continually adjusted to the lower sales volumes during the first half of 2020. At the international locations, vacation and flexible working hours were taken and short working hours introduced. In Switzerland, sales fluctuations were absorbed through the annual working hours model. 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 and rapidly recognized opportunities being presented in the market. Thanks to its strong position with specialties and rapid and decisive actions, EMS was able to achieve a considerable operational cash flow margin (EBITDA) of 30.2% (29.9%) despite a significant drop in net sales and development work for future new business being continued. The net operating income (EBIT) achieved in the first half year amounted to CHF 229 million (316) and the EBIT margin 26.9% (27.4%). The operational cash flow (EBITDA) was CHF 256 million (345).

With its innovative specialities, EMS has always generated a high result margin and a strong free cash flow. Correspondingly, EMS has strong liquidity and a solidly high equity ratio. Net liquidity increased in the first half year of 2020 by 168 MCHF to reach a total of 864 MCHF. EMS considers itself in good shape to continue to recognise opportunities in the market rapidly and flexibly.

For decades, EMS has also successfully focused on environmental sustainability. The business model with weight-reducing system solutions leads, especially in the automotive industry, to a reduction of 35,000 tons of CO2 emissions per year. Improvements at EMS' own locations are also substantial. At the main production site at Domat/Ems, EMS has reduced water consumption by 61% since 2001 and energy consumption by 46%, and already today, has become carbon neutral worldwide as per the Greenhouse gas Protocol. To achieve this carbon neutrality, EMS implemented various efficiency improvements, bio-mass energy and hydroelectric power.

Provisional key figures *)

EMS Group January - June 2020

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

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

1) EBITDA = **E**arnings **B**efore **I**nterest, **T**axes, **D**epreciation and **A**mortisation
= Operational Cash Flow

2) EBIT = **E**arnings **B**efore **I**nterest and **T**axes
= 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.

Development of net sales and result by business area

In million CHF	2020 (Jan-Jun)	%-dev. prev. year	2019 (Jan-Jun)
EMS Group			
Net sales	849	-26.4%	1'154
Organic sales growth *		-21.6%	
EBITDA	256	-25.7%	345
In % of net sales	30.2%		29.9%
EBIT	229	-27.6%	316
In % of net sales	26.9%		27.4%
High Performance Polymers			
Net sales	744	-26.8%	1'016
Organic sales growth **		-22.4%	
EBITDA	226	-25.9%	306
In % of net sales	30.4%		30.1%
EBIT	202	-27.9%	280
In % of net sales	27.1%		27.5%
Specialty Chemicals			
Net sales	105	-23.9%	138
Organic sales growth *		-15.1%	
EBITDA	30	-24.2%	39
In % of net sales	28.3%		28.4%
EBIT	27	-24.8%	36
In % of net sales	25.8%		26.1%

*) In local currencies and excluding the business unit EMS-PATVAG which was sold on November 26, 2019.

***) In local currencies.

Forecast 2020

The whole business year 2020 will remain impacted by the current economic slump. How quickly consumer demand will return to normal levels depends strongly on the respective epidemiologic and financial state measures. Depending on the shape these take, it is conceivable that sudden and selective periods of growth or slumps will occur and that these may be accompanied by currency shifts. The consumer and investment mood may be further negatively impacted and fluctuate.

EMS is continually monitoring development of the markets and is prepared to take further flexible and rapid actions. Thanks to innovative, high-margin speciality business, plentiful liquidity and a strong equity ratio, EMS considers itself in good shape to make independent and uncomplicated use of opportunities as they arise.

The successful strategy of speciality products in the main area of High Performance Polymers proves to be right also in times of crisis and will be continued. The global markets will be continually developed with new products and applications and additional business generated based on strong market positions. Innovative and customer-oriented development activities enable EMS to rapidly recognize market demands and to utilize them in a flexible way.

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

II. Financial Report of EMS-CHEMIE HOLDING AG as at 30.04.2020

Net income of the EMS-CHEMIE HOLDING AG, with its business year ending on April 30, amounts to CHF 485 million (477) for the business year Mai 1, 2019 to April 30, 2020. Available earnings, including balance brought forward from the previous year, amount to CHF 783 million (760).

III. Holding of the Annual General Meeting 2020

The Swiss Federal Council has banned large-scale events with more than 1,000 people until the end of August 2020 in Switzerland. More than 2,500 people usually attend the ordinary Annual General Meeting of the EMS-CHEMIE HOLDING AG. This means that the event cannot take place in the marquee at the Domat/Ems production site this year. As a result, the Board of Directors has

decided to hold the **statutory part** on August 8, 2020 at 9.00 a.m. in Domat/Ems without shareholders present and with written instructions being provided to the independent proxy beforehand. The corresponding documents will be sent to the shareholders mid-July 2020.

Shareholders however, can follow the popular **entertainment programme** of the Annual General Meeting on **August 8, 2020 from 10.30 a.m.** in an **online** broadcast on the internet. Along with the speeches of the Chairman of the Board of Directors, Dr. Ulf Berg and the Vice-Chairman of the Board of Directors, Magdalena Martullo, innovative applications will be shown. Musical highlight will be the famous Grisons soloist ensemble Compagnia Rossini in an online concert to celebrate their 40th anniversary.

IV. Payment of dividends

EMS consistently follows a policy of result and liquid-oriented profit distribution. Funds not required for operative business are distributed to shareholders.

As announced at the media conference held on February 7, 2020, the Board of Directors intends to propose to the Annual General Meeting, distribution of an overall dividend of payment of CHF 20.00 (19.75) per share.

Accordingly, the Annual General Meeting on August 8, 2020 will be asked to approve the following appropriation of available earnings:

Available earnings comprising

Net income	CHF	484,749,926
Balance brought forward	CHF	<u>298,149,584</u>
Available earnings	CHF	782,899,510

to be appropriated as follows:

Dividends of CHF 20.00 gross/share	CHF	<u>(467,780,560)</u>
Balance to be carried forward	CHF	<u>315,118,950</u>

Dividend payment will be on August 13, 2020 (payment date). Shares will be traded ex-dividend from August 11, 2020 (ex-date).

V. Elections

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, Dr. Joachim Streu and Christoph Mäder for a further one-year term of office.

The current Chairman of the Board of Directors, Dr. Ulf Berg, having reached the age of 70 and after 13 years as Chairman of the Board of Directors, has decided not to stand for election for a further term of office. He will be officially thanked and bid farewell at the Annual General Meeting 2021.

The Board of Directors proposes to the Annual General Meeting, the election of Bernhard Merki, member of the board since 2014, as new Chairman of the Board of Directors for a one-year term of office. Bernhard Merki, 58-years-old and Swiss citizen, has many years' experience in the plastics industry as CEO and member of advisory boards.

The Board of Directors will also propose election of Ernst & Young AG, Maagplatz 1, 8010 Zurich, as Statutory Auditor for a further one-year term of office. Ernst & Young AG has held this position since 2017.

VI. Schedule

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| - Annual General Meeting 2020
(without shareholders present) | August 8, 2020 |
| - Publication of the definitive half-year
report as at June 30, 2020 | End of August 2020 |
| - Third-quarter report 2020 | October 2020 |
| - Media conference / Annual results 2020 | February 2021 |
| - First-quarter report 2021 | April 2021 |

The Annual Report 2019/2020 of the EMS Group is available from July 10, 2020 on the homepage of the EMS Group at www.ems-group.com/annualreports.

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