

Herrliberg, February 11, 2022

MEDIA INFORMATION

Annual Results 2021 of the EMS Group:

- **Strong demand and successfully realised new business**
- **Net sales and profit at new record levels**
- **Supply bottlenecks and rising raw material prices**
- **Extraordinary dividend once again**

1. Summary

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 2021 by **25.1%** and **net operating income** by **24.3%** compared to the previous year. In this way, net sales, net operating income and net income were considerably higher than the values achieved before the pandemic and, adjusted to currency influences, are new record levels in the more than 85 years of company history.

As already expected at the start of 2021, the global economy recovered noticeably after the slump caused by the pandemic. Massive state support and stimulus measures, above all in the USA, provoked significant sudden bursts of demand and led to supply bottlenecks worldwide. In the global automotive industry, the lack of semiconductors is even preventing recovery. Raw material shortages and logistic services, as well as the emergency situation with energy supplies, are further raising company manufacturing costs and causing a continual increase in consumer prices. The announced tightening of monetary policies is creating uncertainty in the markets.

Through extensive innovative new business EMS was again able to achieve significant above market-growth. It was possible to successfully expand business with specialty products in all regions of the world. During the pandemic, EMS continued to pursue development and expansion projects for new business.

Continually expanded production capacity and local inventory stocks safeguard the delivery capability of EMS. Close partnerships with customers could be further strengthened. EMS also, however, is forced to continually adjust sales prices due to higher prices for raw materials, logistics services and energy.

Consolidated net sales rose to CHF 2,254 million (1,802), net operating income (EBIT) to CHF 640 million (515). The operational cash flow (EBITDA) increased by 22.2% to CHF 696 million (569). **Net income** amounted to CHF 553 million (440) which is 25.8% above previous year. Earnings per share increased to CHF 23.53 (18.57).

For the business year 2021, the Board of Directors intends to propose to the Annual General Meeting distribution of an **ordinary dividend** of CHF 16.50 (13.00) per share and an additional **extra-ordinary dividend** of CHF 4.50 (4.00) per share. This means a total of CHF 21.00 (17.00) per share would be distributed.

For the business year **2022**, EMS is expecting an unstable economic situation. Unresolved political conflicts, higher inflationary trends and upcoming changes in monetary policies are increasingly unsettling the fundamentally confident markets and consumers.

EMS will continue to follow its successful strategy of growth with speciality products in the main area of High Performance Polymers. The proven innovation strategy with continual development of new business will be continued. In addition, the excellent market position enables EMS to make rapid and flexible use of current chances in the market.

For 2022, EMS is expecting net sales and net operating income (EBIT) again slightly higher than in the previous year.

2. Development of income 2021: Key Index Figures EMS Group

in million CHF	2021	2020
Net sales	2,254	1,802
Change from previous year	+25.1%	
In local currencies	+24.6%	
Operational Cash Flow (EBITDA) ¹⁾	696	569
Change from previous year	+22.2%	
In % of net sales	30.9%	31.6%
Net operating income (EBIT) ²⁾	640	515
Change from previous year	+24.3%	
In % of net sales	28.4%	28.6%
Net financial income	1	-4
Income taxes	-88	-71
Net income ³⁾	553	440
Change from previous year	+25.8%	
In % of net sales	24.5%	24.4%
Cash Flow ⁴⁾	608	494
Change from previous year	+23.1%	
Investments	80	48
Change from previous year	+65.5%	
Equity ⁵⁾	1,799	1,598
In % of balance sheet total	77.4%	76.9%
Return on equity	30.6%	27.2%
Equity per share (in CHF) ⁶⁾	76.91	68.31
Number of employees	2,646	2,521

- 1) EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortisation
= Operational Cash Flow
- 2) EBIT = Earnings Before Interest and Taxes
= Net operating income
- 3) Net income = Profit after taxes, including minority shareholders
- 4) Cash Flow = Net income plus amortisation of tangible assets, property, plants and equipment plus value adjustments to securities
- 5) Equity = Equity without minorities
- 6) Average weighted number of registered shares at 31.12.2021: 23,389,028 shares
(31.12.2020: 23,389,028 shares)

3. Remarks on the development of net sales and income

3.1 Net sales

Due to recovery of the global economy after the pandemic and pleasing new business achieved, EMS was able to grow significantly higher than the market. Intensively pursued development activities, even during the pandemic, and good delivery reliability strengthen EMS' position in international markets. Shortages and rising prices in global supply chains also made sales price increases by EMS inevitable.

Compared to the previous year, net sales were increased by 25.1% to reach CHF 2,254 million (1,802), and, in local currencies, achieved a new record level in the more than 85 years of EMS company history.

96.2% (96.0%) of net sales were generated outside of Switzerland, namely 50.2% (49.0%) in Europe (excl. Switzerland), 29.4% (28.2%) in Asia, 15.7% (17.6%) in America and 0.9% (1.2%) in other countries.

3.2 Net operating income

Net operating income (EBIT) rose to CHF 640 million (515), a new record value. The operational cash flow (EBITDA) increased by 22.2% to reach CHF 696 million (569). The EBIT margin reached 28.4% (28.6%), the EBITDA margin 30.9% (31.6%).

EMS was able to successfully achieve innovative and profitable new business. Higher costs in the supply chains were compensated by sales price increases.

3.3 Financial income

Net financial income was CHF +1 million (-4).

3.4 Equity

Equity rose to CHF 1,799 million (1,598). The **equity ratio** increased to 77.4% (76.9%). **Return on equity** was 30.6% (27.2%). In a sector comparison, both equity ratio and return on equity remain high and express the sustained, above-average profitability of EMS.

3.5 Investments / Cash Flow

Total investments in 2021 amounted to CHF 80 million (48). Of these, EMS invested 69.7% (78.8%) in Switzerland, 19.6% (5.2%) in Europe (excl. Switzerland), 3.1% (8.5%) in America and 7.6% (7.5%) in Asia. These investments were mainly towards an increase in capacity, efficiency improvements and sustainability.

In order to satisfy increasing customer demand in future, EMS is continually investing in further capacity expansion. Over the next five years, EMS will invest more than CHF 300 million in expansion of the production site at Domat/Ems (Canton Grisons, Switzerland). Important additional production capacity is already being built.

With a **cash flow** of CHF 608 million (494), the investments were again easily financed through own financial resources. The generated free cash flow amounted to CHF 528 million (446).

4. Remarks on the individual business areas

In the main area of **High Performance Polymers**, EMS continued to show steady growth. With the proven strategy of growth with specialty products, EMS is in a good position to successfully launch innovative products and solutions onto international markets, providing customers with cost and weight savings as well as lower CO₂ emissions and thus generating new business. Innovative development expertise in close cooperation with customers enables EMS to quickly recognise market requirements and to adapt flexibly to them.

In particular recognition of the innovative performance, the Society of Plastic Engineers presented EMS with a total of four awards at the 20th SPE Award Night on August 5, 2021. EMS took second place in the category "Electronical / Optical Part" with an innovative rapid charging system for electric vehicles. In the category "Power Train" the gear shift module for Hyundai vehicles was also awarded second place. EMS achieved third place in the category "Chassis Unit / Structural Component" for a one-piece headlight bracket for Jaguar Land Rover and also taking third place in the category "New Mobility" was a cooling valve for electric vehicles, made of even several grades of EMS-specialty polymers.

The Society of Plastics Engineers Automotive Award Night held in Dusseldorf, on August 5, 2021



Pleased with the awards (left to right): A. Schorn (Team Leader Development, FTE/ Valeo), M. Kaiser (Head of Automotive Sales EMS), A. Weinmann (Sponsor Category «Powertrain»), B. Rzepka (SPE Division Chairman).

(Photos of the prize-winning components made of EMS high-performance polymers can be found in the appendix.)

The secondary business area of **Specialty Chemicals** also recorded pleasing growth for net sales and result. New business was realised successfully.

5. Development of net sales and result by business area

in million CHF	2021	%-dev. prev. year	2020
High Performance Polymers			
Net sales	2,010	+25.9%	1,596
In local currencies		+25.4%	
EBITDA	622	+22.6%	507
In % of net sales	30.9%		31.8%
EBIT	571	+24.7%	458
In % of net sales	28.4%		28.7%
Specialty Chemicals			
Net sales	244	+18.2%	206
In local currencies		+17.7%	
EBITDA	74	+18.9%	62
In % of net sales	30.3%		30.1%
EBIT	69	+21.4%	57
In % of net sales	28.3%		27.5%
EMS Group			
Net sales	2,254	+25.1%	1,802
In local currencies		+24.6%	
EBITDA ¹⁾	696	+22.2%	569
In % of net sales	30.9%		31.6%
EBIT ²⁾	640	+24.3%	515
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= Operational Cash Flow

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

6. Payment of Dividends

EMS consistently pursues a policy of result and liquidity-oriented profit distribution. Financial resources not required for operational business are distributed to shareholders.

At the Annual General Meeting 2022, the Board of Directors therefore intends to propose distribution of an **ordinary dividend** of CHF 16.50 (13.00) per share as well as an additional **extra-ordinary dividend** of CHF 4.50 (4.00) per share. This means that a total of CHF 21.00 (17.00) per share would be distributed.

7. Personnel changes in Executive Management of the EMS Group

Stefan Baumgärtner, Member of Executive Management and CFO since October 16, 2017, will take up a new challenge outside the EMS Group as per the end of April 2022. In May 2022, **Oliver Flühler** will join the EMS Group as Member of Executive Management and CFO. Oliver Flühler is 50 years old and has many years of experience in finance and business administration in various national and international industrial companies. He is currently CFO of the 4B Group.

8. Outlook 2022

For the business year **2022**, EMS is expecting an unstable economic situation. Supply bottlenecks, high available financial means for companies and consumers as well as low unemployment figures allow a trend for continuing positive demand to be expected. Various risks could, however, have a negative impact on the economy. General inflationary trends are limiting purchasing power and upcoming changes in monetary policies are increasingly unsettling global markets. In addition, international political disputes are affecting the consumer mood.

EMS is confident, however, about its own course of business in **2022**. The successful strategy of growth with specialty products in the main area of High Performance Polymers will be continued. Focus will be put on the proven innovation strategy, providing customers with reductions in cost, weight and CO₂ emissions, with continuing development of new business. The excellent market position will also enable EMS to make rapid and flexible use of current chances in the market.

For 2022, EMS is expecting net sales and net operating income (EBIT) again slightly higher than in the previous year.

9. Schedule

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|--|-----------------|
| - First-quarter report 2022 | April 2022 |
| - Media conference / Half-year report 2022 | July 15, 2022 |
| - Annual General Meeting 2022 | August 13, 2022 |
| - Third-quarter report 2022 | October 2022 |
| - Media conference / Annual results 2022 | February 2023 |

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Appendix:

Photos of the SPE award-winning parts made of EMS high-performance polymers

High-resolution photos can be downloaded via the following link:

http://www.ems-group.com/ftp/Kommunikation/Media_Information_Annual_Results_2021.zip



Rapid charging connector for electric vehicles, second place in the category
"Electronical / Optical Part"



Gear shift module for Hyundai vehicles, second place in the category
"Power Train"



Headlight bracket for Jaguar Land Rover, third place in the category
"Chassis Unit / Structural Component"



Multiway cooling valve for electric vehicles, third place in the category
"New Mobility"