

Herrliberg, July 13, 2018

MEDIA INFORMATION

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I. Half-year results 2018 of the EMS Group / Forecast 2018

Course of Business

- **Pleasing growth with high-margin specialties**
- **Raw material shortages lead to price increases**
- **New record levels for net sales and income**

The EMS Group, with its companies combined in the EMS-CHEMIE HOLDING AG, is globally active in the business areas **High Performance Polymers** and **Specialty Chemicals**. In the first half of 2018, **net sales** increased by 12.5% and **net operating income (EBIT)** by 11.4% compared to previous year.

Consolidated **net sales** rose to CHF 1,199 million (1,066) which represents a growth of 12.5% compared to previous year.

As expected, the global economy showed overall positive development, although certain signs of saturation could be noticed. EMS achieved pleasing growth with high-margin specialties in all regions. Business in the European market developed in a particularly positive way.

Net operating income (EBIT) increased to CHF 312 million (280), an increase of 11.4% above previous year. The operational cash flow (EBITDA) rose by 10.9% to reach CHF 339 million. (306). The EBIT margin reached 26.0% (26.3%), the EBITDA margin 28.3% (28.7%). New business with specialty products had a positive effect on result development. Continuing supply shortages caused raw material prices to increase further and made customer sales price increases unavoidable.

Provisional key figures **)

EMS Group January - June 2018

| In million CHF | 2018 (Jan-Jun) | 2017 (Jan-Jun) |
|---|-------------------------------|-------------------------|
| Net sales Change from previous year | 1'199 +12.5% | 1'066 |
| Operational cash flow (EBITDA) ¹⁾ Change from previous year In % of net sales | 339 +10.9% 28.3% | 306 28.7% |
| Net operating income (EBIT) ²⁾ Change from previous year In % of net sales | 312 +11.4% 26.0% | 280 26.3% |

1) EBITDA = **Earnings Before Interest, Taxes, Depreciation and Amortisation**
= Operational Cash Flow

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

**) 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.

Development of net sales and result by business area

| In million CHF | 2018 (Jan-Jun) | %-dev. prev. year | 2017 (Jan-Jun) |
|----------------------------------|-------------------|----------------------|-------------------|
| EMS Group | | | |
| Net sales | 1,199 | +12.5% | 1,066 |
| EBITDA | 339 | +10.9% | 306 |
| - In % of net sales | 28.3% | | 28.7% |
| EBIT | 312 | +11.4% | 280 |
| - In % of net sales | 26.0% | | 26.3% |
| High Performance Polymers | | | |
| Net sales | 1,048 | +12.6% | 931 |
| EBITDA | 298 | +11.0% | 268 |
| - In % of net sales | 28.4% | | 28.8% |
| EBIT | 274 | +11.5% | 246 |
| - In % of net sales | 26.1% | | 26.4% |
| Specialty Chemicals | | | |
| Net sales | 151 | +11.8% | 135 |
| EBITDA | 42 | +10.4% | 38 |
| - In % of net sales | 27.7% | | 28.1% |
| EBIT | 38 | +11.1% | 34 |
| - In % of net sales | 25.4% | | 25.5% |

Comments on the individual business areas

In the main business area **High Performance Polymers**, EMS was able to successfully continue growth with specialities. New business in Europe developed very pleasingly. New application developments providing customers with cost and weight reductions, successfully led to increased new business and stronger supply positions.

The secondary business area **Specialty Chemicals** developed as expected. New business was generated here as well.

Forecast 2018

For 2018, EMS is expecting positive worldwide economic development, although certain signs of saturation can be noticed. Political conflicts between major powers and new trade restrictions are unsettling global customers. The tense situation in the raw material markets may continue further.

EMS is confident with regard to development of its own business. The successful strategy of global growth with specialty products in the area of High Performance Polymers will be continued. Global market positions will be further strengthened with innovative products and solutions. EMS is preparing for an upcoming slowing of the economy with efficiency programmes.

For 2018, EMS continues to expect net sales and net operating income (EBIT) slightly above the previous year.

II. Financial Report of EMS-CHEMIE HOLDING AG as at 30.04.2018

Net income of the EMS-CHEMIE HOLDING AG, with its business year ending on April 30, amounts to CHF 458 million (424) for the business year May 1, 2017 to April 30, 2018. Available earnings, including balance brought forward, amount to CHF 716 million (656).

III. Payment of dividends

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

At the media conference held on February 9, 2018, EMS announced the intention of the Board of Directors to propose to the Annual General Meeting distribution of an ordinary dividend of CHF 14.50 (CHF 13.00) and an extraordinary dividend of CHF 3.50 (CHF 4.00) per share.

Based on the pleasing development of income and liquidity the Board of Directors now intends to propose to the Annual General Meeting payment of a higher extraordinary dividend of CHF 4.00. This would result in an overall dividend payment of CHF 18.50 per share.

Accordingly, the Annual General Meeting on August 11, 2018 will be asked to approve the following appropriation of available earnings:

| | | |
|-------------------------------|------------|--------------------|
| Available earnings comprising | | |
| Net income | CHF | 458,032,042 |
| Balance brought forward | <u>CHF</u> | <u>257,892,624</u> |
| Available earnings | CHF | 715,924,666 |

to be appropriated as follows:

| | | |
|--|------------|---------------------|
| Ordinary dividend of CHF 14.50 gross/share | CHF | (339,140,906) |
| Extraordinary dividend of CHF 4.00 gross/share | <u>CHF</u> | <u>(93,556,112)</u> |
| Balance to be carried forward | <u>CHF</u> | <u>283,227,648</u> |

Dividend payment will be on August 16, 2018 (payment date). Shares will be traded ex-dividend from August 14, 2018 (ex-date).

IV. Elections

At the Annual General Meeting on August 11, 2018, the Board of Directors will propose re-election of the current members of the board Dr. Ulf Berg (as Chairman of the Board of Directors and member of the Remuneration Committee), Magdalena Martullo (as member of the Board of Directors), Dr. Joachim Streu (as member of the Board of Directors) and Bernhard Merki (as Member of the Board of Directors and of the Remuneration Committee) for a further one-year term of office.

At the Annual General Meeting, the Board of Directors will also propose election of Christoph Mäder (as member of the Board of Directors and of the Remuneration Committee) for a one-year term of office.

Christoph Mäder is 59 years of age and a Swiss citizen. He was a member of the executive team of Syngenta from 2000 until April 2018. Christoph Mäder is a member of the Board of Directors of Lonza Group AG and member of the board of trustees of the Swiss youth science foundation "Stiftung Schweizer Jugend forscht". For many years he was also a board member (2006-2018) and Chairman (2008-2014) of scienceindustries, the Swiss business association for the chemical, pharmaceutical, biotech and other science-based industries. He has been a member of the board committee of economiesuisse since 2008.

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

V. Schedule

- | | |
|--|--------------------|
| - Annual General Meeting 2018 | August 11, 2018 |
| - Publication of the definitive half-year report as at June 30, 2018 | End of August 2018 |
| - Third-quarter report 2018 | October 2018 |
| - Media conference / Annual results 2018 | February 2019 |
| - First-quarter report 2019 | April 2019 |

The Annual Report 2017/2018 of the EMS Group can be found on the homepage of the EMS Group at www.ems-group.com/annualreports from July 13, 2018.

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