

BRIEF MEDIA INFORMATION

Annual Results 2022 of the EMS Group:

- **Successful new business with innovative specialties**
- **Net sales at record level**
- **Second highest profit in company history**
- **Weakened global economy with sluggish recovery**
- **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**, achieved **net sales** amounting to CHF 2,442 million (2,254) and a **net operating income** of CHF 611 million (640) in 2022. Net income amounted to CHF 535 million (553).

Recovery of the global economy after COVID-19 was stopped abruptly in the second quarter of 2022. The Ukraine conflict caused immense uncertainty and massively higher energy prices, particularly in Europe. Raw material prices rose exceptionally. Existing inflationary tendencies increased substantially, forcing central banks to raise interest rates. As a result, global purchasing power and economic development was hampered. In China, rigorous lockdown measures and the real-estate crisis depressed the consumer mood and had a negative effect on economic activity. A nationwide wave of infection with COVID-19 in December extending until the Chinese New Year in January 2023, led to a comprehensive consumer deficit and production shortage.

EMS had already prepared for unstable economic development at the beginning of 2022. The proven strategy of specialties was continued and planned new development and expansion projects to generate new business were pursued now more than ever. In this way, new business with profitable specialties was realized successfully and pleasing growth of net sales achieved in all geographic regions. New products providing energy and cost savings were realized together with customers and opportunities presenting themselves in the markets were seized immediately.

The investment programme announced last year, with more than CHF 300 million invested in increased capacity and energy efficiency at the main production site in Domat/Ems (Switzerland), is being implemented as planned. Production capacity at various other sites was also expanded. Through proactive measures taken early to safeguard the energy supply, delivery reliability worldwide was ensured at all times. Rising inflation, in particular the massive increases in raw material prices, made corresponding sales price increases for customers inevitable.

Consolidated **net sales** closed at CHF 2,442 million (2,254) which is 8.3% above previous year. Weaker foreign currencies reduced net sales in Swiss Francs. Adjusted for currency influences, net sales rose by 12.6% to a new record value.

Net operating income (EBIT) reached CHF 611 million (640), resulting, due to the difficult market environment and currency situation, in a decrease of 4.6% compared to the record year 2021. The operational cash flow (EBITDA) amounted to CHF 661 million (696). While customer orders in 2021 reflected the backlog demand and stocks were built up strongly throughout the whole supply chain, in 2022, customers followed the weakening economy, reducing stocks to gain liquidity and ordering extended holiday closures.

Net profit was CHF 535 million (553) which corresponds to the second highest result in company history. Earnings per share amounted to CHF 22.75 (23.53).

For the business year 2022, the Board of Directors intends to propose to the Annual General Meeting distribution of an **ordinary dividend** of CHF 15.75 (16.50) per share and an additional **extraordinary dividend** of CHF 4.25 (4.50) per share. This means a total of CHF 20.00 (21.00) per share would be distributed.

Urs Janssen, since 2019 Business Unit Leader EMS-SERVICES and plant manager at Domat/Ems, will join Executive Management of the EMS Group as per March 1, 2023. His previous responsibility will be taken over by **Didier Grichting**, who will join the EMS Group on March 1, 2023. **Oliver Flühler**, Member of Executive Management and CFO since May 16, 2022, will take up a new challenge outside the EMS Group as per the end of March 2023. **Peter Germann**, Member of Executive Management and CFO of the EMS Group until 2017 will assume responsibility as CFO ad interim.

For the business year **2023**, EMS is expecting a subdued economy. In particular in the first half-year, economic development may still be very moderate due to the COVID-19 situation in China and the restrained consumer mood in Europe. Geopolitical conflicts, open energy issues and repeated increases in interest rates to counter inflation are having a dampening effect on economic development.

EMS will continue to follow the successful strategy of growth with specialties in the main area of High Performance Polymers. The proven innovation strategy with ongoing development of new business will be continued. The excellent market position also allows current chances in the market to be made use of quickly and flexibly.

For 2023 EMS is expecting net sales and net operating income (EBIT) very slightly higher than in the previous year.

The following events will take place on Friday, February 10, 2023
at the Hotel Marriott in Zurich:

at 09.00 a.m. media conference

and

at 02.00 p.m. financial analysts conference

Detailed media information will be provided
after the media conference at approx. 12.00 a.m.

2. Key index figures of result development of the EMS Group 2022

in million CHF	2022	2021
Net sales	2,442	2,254
Change to previous year	+ 8.3%	
In local currencies	+ 12.6%	
Operational cash flow (EBITDA) ¹⁾	661	696
Change to previous year	- 4.9%	
In % of net sales	27.1%	30.9%
Net operating income (EBIT) ²⁾	611	640
Change to previous year	- 4.6%	
In % of net sales	25.0%	28.4%
Net financial income	-5	1
Income tax	-72	-88
Net income ³⁾	535	553
Change to previous year	- 3.3%	
In % of net sales	21.9%	24.5%
Cash Flow ⁴⁾	585	608
Change to previous year	- 3.8%	
Investment	94	80
Change to previous year	+ 17.6%	
Equity ⁵⁾	1,816	1,799
In % of balance sheet total	78.4%	77.4%
Return on equity	29.3%	30.6%
Equity per share (in CHF) ⁶⁾	77.63	76.91
Number of employees	2,693	2,646

- 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 31.12.2022: 23,389,028 shares
(31.12.2021: 23,389,028 shares)

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