

Herrliberg, October 31, 2023

MEDIA INFORMATION

(Ad hoc announcement pursuant to Art. 53 LR)

Third-quarter report 2023 (January - September 2023)

EMS Group:

- **Successful new business with innovative specialties**
- **Growth of net sales in local currencies in USA and China**
- **Weak foreign currencies hamper development in Swiss Francs**
- **Continuing weak economy in Europe, signs of recovery in China**

I. Course of business January - September 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 1,697 million (1,871) in the first nine months of 2023. New business, generated successfully in all markets, was not able to compensate for general restraint shown by consumers and companies, or the effect of weaker foreign currencies to the Swiss Franc. In local currencies, net sales in the USA and China were higher than previous year.

As expected, the economic environment has deteriorated. In Europe in particular, higher energy costs, persistently high core inflation and higher interest rates are putting lasting pressure on purchasing power. Due to significantly worsening locational factors, particularly with regard to costs, corresponding investments are being held back. Although first signs of recovery can be seen in the Chinese market, problems in the real-estate market continue to dampen the consumer mood and many small and medium-sized companies are finding themselves in a difficult financial situation. Industrial manufacturing in the USA is moving sideways. After a short chip-related recovery, the global automotive industry is showing signs of slowing down again.

Already at the start of the year, EMS prepared for weaker market development. The proven strategy of further market development with specialties will be concentrated on and development and expansion projects focusing on new business will be pushed ahead. Planned new business was achieved successfully, resulting in higher net sales in local currencies in the USA and China. In particular, the new products and solutions providing cost and energy savings were received with great interest by customers. Market positions were further strengthened.

II. Development of net sales January - September 2023

In million CHF	2023	%-dev. prev. year	2022
High Performance Polymers			
Net sales	1,549	-7.2%	1,668
- In local currencies		-0.8%	
Specialty chemicals			
Net sales	148	-27.2%	203
- In local currencies		-23.0%	
EMS Group			
Net sales	1,697	-9.3%	1,871
- In local currencies		-3.2%	

III. Comments on the individual business areas

In the main area of High Performance Polymers, EMS continued to expand growth with new business. Its innovative development expertise in close customer proximity allows EMS to quickly realize market requirements and to implement them in a flexible way. New products and solutions providing cost and energy savings were realized successfully with customers. In order to make more rapid and wider use of its market potential available in all markets, EMS has again significantly expanded its sales and development organization. First results of this even more powerful market development (especially in the Chinese electric vehicle industry) are already expected in 2024.

The secondary area of Specialty Chemicals also generated new business and innovations. With its heavy focus on European and Asian intermediate markets however, the significant slowing of market demand is having a particularly pronounced effect on this business area.

IV. Outlook

For the coming months, EMS is expecting a continuingly weak global economy. Current geopolitical tension is having an additional negative effect on the already restrained confidence of consumers and companies. In Europe, the current inflationary situation continues to dampen purchasing and investment power. The Swiss Franc is expected to remain strong compared to other currencies worldwide.

EMS will continue without change to follow the successful strategy of concentration on specialties in the main area of High Performance Polymers. The increasing significance of the Chinese market and in particular of the automotive industry, will be met by EMS with an already launched, large-scale sales offensive. Innovative, quickly realized solutions focusing on cost, fuel and CO₂ savings and electro-applications will be implemented with customers. In this way, EMS ensures strengthening of its market position and achievement of disproportionately high growth compared to the market.

The investment program started in 2021, with more than CHF 300 million being invested to increase capacity at the main production site in Domat/Ems (Switzerland), is being implemented as planned. Further investment projects are currently being carried out in China and the USA.

Due to the continuing weak global economy and unfavorable currency influences, EMS continues to expect net sales and operating income (EBIT) in **2023** to be below previous year.

V. 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 / Annual Results 2023 | February 2024 |
| - 3-Monatsbericht 2024 (Net sales) | April 2024 |
| - Media Conference / Half-year report 2024 | July 12, 2024 |
| - Annual General Meeting 2024 | August 10, 2024 |
| - Third-quarter report 2024 (net sales) | October 2024 |

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