



MEDIA INFORMATION

Key figures of the Annual Results 2023 of the EMS Group:

- **Successful new business with innovative specialties**
- **Global economy significantly slowed**
- **Subdued consumer mood in the main markets**
- **Weaker foreign currencies hamper result development in Swiss Francs**
- **Large-scale sales offensive with innovations for disproportional growth**

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 2,189 million (2,442) and a **net operating income** of CHF 493 million (611) in 2023. Net income reached CHF 461 million (535). Successfully realized new business was not able to make up for the general restraint shown by consumers and companies or the effect of weaker foreign currencies to the Swiss Franc.

As expected, the global economic environment deteriorated significantly in 2023. In Europe, in particular, higher energy costs, persistently high core inflation and higher interest rates put lasting pressure on purchasing power and the consumer mood. In Germany, Europe's leading industrial nation, the manufacturing industry slumped. Since COVID-19, the Chinese real estate crisis has had a sustained negative effect on consumer confidence. The chip shortage in the global automotive industry has now been resolved and back-log orders have been completed. Lower order intake and higher interest rates triggered inventory reductions across all supply chains. The Swiss Franc became stronger supported by moderate Swiss inflation rates and its role as a "safe haven".

In this weak market environment, EMS consistently focused on increasing market penetration with specialties and innovations. Planned new business was achieved successfully. Net sales in local currencies were increased in all markets outside Europe.

Consolidated **net sales in Swiss Francs** amounted to CHF 2,189 million (2,442) which is -10.4% below previous year and, adjusted for currency influences, -4.6% below previous year. Weaker foreign currencies reduced net sales in Swiss Francs.

Net operating income (EBIT) closed at CHF 493 million (611) which is -19.4% below previous year due to the negative economic and currency effects. The net operating income before depreciation (EBITDA) amounted to CHF 542 million (661).

Net profit closed at CHF 461 million (535). Earnings per share amounted to CHF 19.56 (22.75).

For the business year 2023, the Board of Directors intends to propose to the Annual General Meeting distribution of an **ordinary dividend** of CHF 12.75 (15.75) per share and an additional **extraordinary dividend** of CHF 3.25 (4.25) per share. This means a total of CHF 16.00 (20.00) per share would be distributed.

For the business year **2024**, EMS expects a continued difficult economic environment. Geopolitical conflicts with rising freight costs and only moderate interest rate cuts will additionally subdue economic development. Particularly in Europe, the persistently restrained consumer mood may further depress the economy especially in the first half-year. In China, the real estate crisis continues to dampen the consumer mood.

With its innovative specialties, EMS consistently generates extraordinarily high result margins and a strong cash flow. The cash flow increased to CHF 576 million (366). EMS has a high level of liquidity, a pleasing equity ratio and no financial debt. Accordingly, EMS considers itself to be in a good position to quickly and flexibly take advantage of the numerous opportunities available in the market.

Contrary to the general trend, EMS has therefore decided to massively expand technical sales and development with over 120 additional employees in all three regions of Asia, America and Europe. In a large-scale technical sales offensive, innovative system solutions will be implemented, enabling customers to achieve cost reduction and lower CO₂ emissions as well as to develop new innovative technologies such as electric cars. The new comprehensive development offering with accelerated realization is meeting great demand from customers and is already showing initial success.

To satisfy the expected disproportional growth, EMS will continue to implement as planned the investment program started in 2021, with more than CHF 300 million being

invested to increase capacity and energy efficiency at the main production site in Domat/Ems (Switzerland). A large-scale plant with a newly developed production process allowing energy consumption to be halved, has just started operation.

EMS also holds a benchmark position with regard to sustainability. EMS is already CO₂ neutral (Scope 1 and Scope 2) and certified in accordance with ISO 14001 as well as holding the Ecovadis Gold and International Sustainability & Carbon Certifications (ISCC). Together with its suppliers worldwide, numerous projects to reduce CO₂ emissions (Scope 3) are currently being implemented in pursuit of EMS' own net-zero target by 2050.

For 2024, EMS expects net sales at the previous year's level and net operating income (EBIT) slightly higher than in the previous year.

2. Key index figures of result development in the EMS Group 2023

| in million CHF | 2023 | 2022 |
|--|----------------|-------|
| Net sales | 2,189 | 2,442 |
| Change to previous year | - 10.4% | |
| In local currencies | - 4.6% | |
| EBITDA ¹⁾ | 542 | 661 |
| Change to previous year | - 18.0% | |
| In % of net sales | 24.8% | 27.1% |
| Net operating income (EBIT) ²⁾ | 493 | 611 |
| Change to previous year | - 19.4% | |
| In % of net sales | 22.5% | 25.0% |
| Net financial income | - 1 | - 5 |
| Income tax | - 31 | - 72 |
| Net income ³⁾ | 461 | 535 |
| Change to previous year | - 13.8% | |
| In % of net sales | 21.1% | 21.9% |
| Cash Flow ⁴⁾ | 576 | 366 |
| Change to previous year | + 57.6% | |
| Investment | 49 | 94 |
| Equity ⁵⁾ | 1,742 | 1,816 |
| In % of balance sheet total | 80.4% | 78.4% |
| Return on equity | 26.3% | 29.3% |
| Equity per share (in CHF) ⁶⁾ | 74.47 | 77.63 |
| Number of employees | 2,736 | 2,693 |

¹⁾ EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization
= Net operating income before depreciation

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

³⁾ Net income = Profit after taxes, including minority shareholders

⁴⁾ Cash flow = Cash flow from operating activities

⁵⁾ Equity = Equity without minorities

⁶⁾ Average weighted number of registered shares at 31.12.2023: 23,389,028 shares
(31.12.2022: 23,389,028 shares)

3. Remarks on the development of net sales and income

3.1 Net sales

EMS was able to successfully realize substantial planned innovative new business in all regions. The significantly slowed global economy however, in particular in the main sales markets of Europe and Asia, together with inventory reduction across all supply chains, hampered current business.

Compared to the previous year, consolidated **net sales** dropped by -10.4% to CHF 2,189 million (2,442). Adjusted for currency influences, this is -4.6% lower than previous year. Weaker foreign currencies reduced net sales in Swiss Francs.

97.1% (96.0%) of net sales were generated outside of Switzerland, namely 48.8% (49.3%) in Europe (excl. Switzerland), 27.8% (27.5%) in Asia and 19.5% (18.3%) in America.

3.2 Net operating income

Net operating income (EBIT) amounted to CHF 493 million (611). The significantly slowed global economy and strengthening of the Swiss Franc curtailed net operating income in Swiss Francs.

3.3 Financial income

Net financial income amounted to CHF -1 million (-5).

3.4 Equity

Equity amounted to CHF 1,742 million (1,816). The **equity ratio** was 80.4% (78.4%). **Return on equity** was 26.3% (29.3%). In a sector comparison, both equity ratio and return on equity remain high and express the sustained, above-average profitability of EMS.

3.5 Investment / Cash Flow

Total investment in 2023 amounted to CHF 49 million (94). Of these, EMS invested 77.7% (76.4%) in Switzerland, 5.8% (9.7%) in Europe (excl. Switzerland), 7.7% (8.0%) in Asia and 8.8% (5.9%) in America. These investments were mainly towards an increase in capacity, sustainability, efficiency improvements and replacement.

In order to satisfy increasing future customer demand, EMS is continually investing in capacity expansion. The investment program announced in 2021, 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.

With a **cash flow** of CHF 576 million (366), investments were again easily financed with own financial resources.

4. Remarks on the individual business areas

In the main area of **High Performance Polymers**, EMS continued the successful strategy of specialties and system solutions, enabling customers to achieve cost and weight savings while reducing CO₂ emissions, and implemented these successfully in international markets. The overall very cautious consumer behavior was, however, clearly noticeable.

The secondary area of **Specialty Chemicals** generated new business as planned. Due to the high share of European business, the poor market situation in Europe had a particularly strong effect.

5. Development of net sales and result by business area

| In million CHF | 2023 | %-dev. prev. year | 2022 |
|----------------------------------|--------------|----------------------|-------|
| High Performance Polymers | | | |
| Net sales | 1,995 | - 8.8% | 2,188 |
| In local currencies | | - 2.9% | |
| EBITDA | 511 | - 13.9% | 593 |
| In % of net sales | 25.6% | | 27.1% |
| EBIT | 466 | - 14.9% | 548 |
| In % of net sales | 23.4% | | 25.0% |
| Specialty Chemicals | | | |
| Net sales | 194 | - 23.8% | 254 |
| In local currencies | | - 19.6% | |
| EBITDA | 32 | - 53.8% | 68 |
| In % of net sales | 16.3% | | 26.9% |
| EBIT | 27 | - 58.1% | 63 |
| In % of net sales | 13.7% | | 24.9% |
| EMS Group | | | |
| Net sales | 2,189 | - 10.4% | 2,442 |
| In local currencies | | - 4.6% | |
| EBITDA ¹⁾ | 542 | - 18.0% | 661 |
| In % of net sales | 24.8% | | 27.1% |
| EBIT ²⁾ | 493 | - 19.4% | 611 |
| In % of net sales | 22.5% | | 25.0% |

1) EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization
= Net operating income before depreciation

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

6. 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.

The Board of Directors therefore intends to propose to the Annual General Meeting 2024, distribution of an **ordinary dividend** of CHF 12.75 (15.75) per share, and an additional **extra-ordinary dividend** of CHF 3.25 (4.25) per share. A total dividend of CHF 16.00 (20.00) per share would then be distributed.

7. Outlook 2024

For the business year **2024**, EMS is expecting the difficult economic environment to continue. In particular, the first half-year may remain moderate due to the persistently dampened consumer mood in the main markets Europe and China. Current geopolitical conflicts are causing freight costs, and therefore inflation, to rise again.

EMS is confident about its own business prospects in international markets. The distinct strategy of specialties and system solutions, enabling customers to achieve cost and weight savings while reducing CO₂ emissions and providing them with technologically leading solutions, will now be strengthened and followed even more resolutely. The excellent market position will be made use of to fully and rapidly utilize existing opportunities and achieve disproportional growth.

For 2024, EMS expects net sales at the previous year's level and net operating income (EBIT) slightly higher than in the previous year.

9. Schedule

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|--|-----------------|
| - First-quarter report 2024 | April 2024 |
| - Media Conference / Half-year report 2024 | July 12, 2024 |
| - Annual General Meeting 2024 | August 10, 2024 |
| - Third-quarter report 2024 | October 2024 |
| - Media Conference / Annual results 2024 | February 2025 |

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