

Herrliberg, April 6, 2020

MEDIA INFORMATION

First quarter report 2020 (January - March 2020)

EMS Group:

- **Global economic slump due to COVID-19**
- **All car plants outside of China closed**
- **Significantly lower sales volumes**
- **Liquidity secured**

Course of business January - March 2020

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** of CHF 496 million (604) in the first three months. Due to measures implemented rigorously and at an early stage, the **EBITDA** and **EBIT margins** were maintained slightly lower than prior year.

Consolidated net sales were CHF 496 million (604), which is 17.8% lower than in the year-ago period. Net sales dropped organically by 12.8%. After slowing in 2019, the global economy was heavily impacted in the first quarter of 2020 by the different national COVID-19 measures. These had a particularly negative effect on the global car industry, which slumped by 25% to previous year. In the meantime, the Chinese automotive industry has restarted operations and is regaining momentum. All other car plants worldwide are currently closed for 3 to 4 weeks. In addition, the almost global closure of all businesses with the exception of food and medical supplies, as well as a major loss of income and jobs already apparent in many areas throughout the world, will bring general demand for industrial consumer goods to an almost complete standstill.

The EMS Group launched comprehensive measures at all sites and at a very early stage to prevent infection of employees with COVID-19. Company stocks of protective masks and gloves were already massively increased mid-January and minimum distances implemented at all workplaces. Hygiene measures were introduced, travel and receiving visitors were banned and soon after, employees were relocated to home office. Inventories of raw materials were stocked in all countries and stocks of finished products built up near customer plants. As essential businesses and with a high safety level ensured, all five Chinese EMS production sites were allowed to be re-opened already on February 10, 2020.

With the efficiency programs launched in 2018 and cost-reducing measures implemented at an early stage, it was possible to limit the negative effect on profitability. Output needed to be adapted to suit reduced demand. At production sites outside Switzerland, flexible working hours or short-time work are being introduced. In Switzerland, sales fluctuations are being reacted to with flexible working hours. EMS is continually monitoring order levels. As a sign of solidarity, the Board of Directors and Executive Management of EMS have decided to voluntarily take a 15% reduction in their fees and fixed salary.

With its innovative specialties, EMS has always generated a high result margin and a strong free cash flow. EMS has strong liquidity and a reassuringly high equity ratio. Thanks to this, EMS is in good shape to be flexible and rapidly recognize opportunities in the market. Focus is now on additional EMS-business in current medical applications such as Corona test vials, analysis machines, protective glasses, respiratory masks and respirators and disinfectant bottles.

Development of net sales January - March 2020

In million CHF	2020	%-dev. prev. year	2019
High Performance Polymers			
Net sales	440	-17.0%	530
- <i>Organic sales growth</i> *		-12.6%	
Specialty chemicals			
Net sales	56	-23.7%	74
- <i>Organic sales growth</i> *		-14.4%	
EMS Group			
Net sales	496	-17.8%	604
- <i>Organic sales growth</i> *		-12.8%	

* In local currencies and excluding the business unit EMS-PATVAG that was sold on November 26, 2019.

Outlook

The current global market slump will have an impact on the whole business year **2020**. The massive decline in business and available income throughout the world will further pressurize demand even after a return to normality. The rapid economic slump will lead to more cases of bankruptcy and higher unemployment. How and when the supportive state measures of industrial countries will have a positive effect on economic development remains uncertain. It is conceivable that sudden and selective periods of growth will occur, accompanied by inflation and currency shifts.

EMS is continually monitoring developments and, with corresponding preparation, will take rapid action. Thanks to innovative, high-margin specialty business, a strong free cash flow, plentiful liquidity and a high equity ratio, EMS considers itself in good shape to make rapid and flexible use of opportunities.

The successful strategy of global growth with specialty products in the main area of High Performance Polymers proves to be right even in times of crisis and will, therefore, be continued. Global markets will be explored for opportunities with new products and innovative applications, and additional business generated based on strong market positions. Innovative and customer-oriented development activities enable EMS to rapidly recognize market demands and utilize them in a flexible way.

Due to the extremely unfavorable global market environment, net operating income (EBIT) 2020 will close below previous year.

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 / Half-year report 2020 | July 10, 2020 |
| - Annual General Meeting 2020 | August 8, 2020 |
| - Three-quarter report 2020 (net sales) | October 2020 |
| - Media conference / Annual Results 2020 | February 2021 |
| - First-quarter report 2021 (net sales) | April 2021 |

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