

## MEDIA INFORMATION

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### Third-quarter report 2020 (January – September 2020)

#### EMS Group:

- **Recovery of global markets after COVID-19**
- **Order situation substantially improved in 3<sup>rd</sup> quarter 2020**
- **Strong new business and timely taken measures maintain high results margin**

#### I. Course of Business January – September 2020

The EMS Group, with its companies combined in the EMS-CHEMIE HOLDING and globally active in the business areas **High Performance Polymers** and **Specialty Chemicals**, achieved **net sales** of CHF 451 million (520) in the third quarter of 2020. Despite traditionally weaker summer months, net sales were clearly higher than the previous quarter when national COVID-19 restrictions had a strong negative impact on the economy. After net sales in the second quarter dropped by 36.6%, in the third quarter they remained 13.3% below previous year. **Net operating income (EBIT)** was also significantly higher than in the previous quarter. Due to the strong specialty position and timely taken measures, the EBIT margin could be maintained.

Demand for consumer and investment goods, which had dropped to historic low levels in the first half year of 2020 with closure of car plants worldwide, recovered in the third quarter. Easing of COVID-19 restrictions and announced state support programmes created trust and confidence among consumers and companies. While in China, domestic demand mainly returned to the pre-crisis levels, other countries have not yet been able to catch up completely. Meanwhile, although all car manufacturers have reopened their plants worldwide, production numbers still remain below the previous year's level.

EMS prepared particularly early for a slowing of the economy. Comprehensive efficiency programmes and rapidly implemented measures at all locations made it possible to immediately adjust costs to the lower sales volumes.

EMS was able to realise innovative new business and to show pleasing growth with profitable specialty products in all regions. Due to this strong specialty position and early and decisive actions with regard to costs, EMS was able to maintain high a net operating income margin and high liquidity levels.

## II. Development of net sales January – September 2020

Net sales in million CHF	3rd quarter (Jul-Sep 2020)	1st half-year (Jan-Jun 2020)
<b>High Performance Polymers</b>	406	741
Change to previous year	-11.8%	-27.1%
<b>Specialty Chemicals</b>	45	104
Change to previous year	-25.0%	-24.6%
<b>EMS Group</b>	<b>451</b>	<b>845</b>
Change to previous year	-13.3%	-26.8%
Organic sales growth *	-8.7%	-21.8%

\* In local currencies, without the business unit EMS-PATVAG, sold on November 26, 2019.

<b>Net sales in million CHF</b>	<b>2020 (Jan-Sep)</b>	<b>2019 (Jan-Sep)</b>
<b>High Performance Polymers</b>	1'147	1'476
Change to previous year	-22.3%	
Organic sales growth **	-17.9%	
<b>Specialty Chemicals</b>	149	198
Change to previous year	-24.7%	
Organic sales growth *	-16.1%	
<b>EMS Group</b>	<b>1'296</b>	1'674
Change to previous year	-22.6%	
Organic sales growth *	-17.7%	

\* In local currencies, without the business unit EMS-PATVAG, sold on November 26, 2019.

\*\* In local currencies.

### III. Outlook

The global economic slump due to COVID-19 will have an impact on the whole business year 2020. Consumer demand will return to normal levels, whereas its precise course will be dependent on the respective epidemiologic and financial state measures.

EMS continually monitors development of the markets and is prepared to take further flexible actions. Thanks to innovative, high-margin specialty business, high liquidity and a strong equity ratio, EMS considers itself in good shape to make independent and uncomplicated use of opportunities as they arise.

The successful strategy of growth with specialty products in the main area of High Performance Polymers proves to be right and will be continued. Global markets will be continually developed with new and innovative products and applications and, based on the strong market position, additional business will be generated. Customer-oriented development competency enables EMS to rapidly recognise market demands and utilize them in a flexible way.

Based on the extraordinary market slump due to COVID-19, EMS continues to expect the net operating income (EBIT) for 2020 to be below previous year. Given the result-oriented distribution policy, the ordinary dividend is also expected to be below previous year.

#### **IV. 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 2020   | February 12, 2021 |
| - First-quarter report 2021                | April 2021        |
| - Media conference / Half-year report 2021 | July 16, 2021     |
| - Annual General Meeting 2021              | August 7, 2021    |
| - Third-quarter report 2021                | October 2021      |

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