

Herrliberg, October 24, 2019

MEDIA INFORMATION

Third-quarter report 2019 (January - September 2019)

EMS Group:

- **Economic downturn affects positive course of business**
- **Successful development of new business**
- **Early efficiency programmes secure result**

I. Course of business January - September 2019

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 1,674 million (1,770) in the first nine months of 2019.

Following a progressive slowing of the global economy during the first half of the year, it weakened even further during the 3rd quarter of 2019. Unresolved and repeated trade conflicts between major powers lowered consumers' and companies' confidence and global supply chains were unsettled. Subsequently, a significant worsening of the consumer and investment mood became apparent especially in China and Europe, while first signs of uncertainty in the USA could also be noticed. Particularly during the summer months, companies along the whole supply chain reduced production and inventory stocks. The automotive industry in China continued to show a substantial decline. As a result of this uncertainty, the Swiss Franc, as "Safe Haven", became stronger, in particular compared to the Euro.

EMS prepared particularly early and consistently for a slowing of the economy. Already at the beginning of 2018, comprehensive efficiency programmes were drawn up and fully implemented. Along with on-going development projects, EMS also launched a fast-track programme for additional new business. Employees in research, development and sales voluntarily increased their working hours.

Due to innovative new business with its strong speciality products and its early and decisive actions, EMS was able to secure net operating income.

II. Development of net sales January - September 2019

In million CHF	2019	%-dev. prev. year	2018
High Performance Polymers			
Net sales	1'476	-4.6%	1'547
- In local currencies		-2.6%	
Specialty Chemicals			
Net sales	198	-11.4%	223
- In local currencies		-9.7%	
EMS Group			
Net sales	1'674	-5.4%	1'770
- In local currencies		-3.5%	

III. Comments on the individual business areas

In the main area of **High Performance Polymers**, EMS continued to achieve growth with specialty products. New products were launched successfully onto global markets and innovative applications were realised, providing customers with cost and weight savings as well as lower CO₂ emissions. With the implemented acceleration programme in research, development and sales, EMS is now taking customer requirements for rapid and cost-efficient solutions even more consistently into account.

In special recognition of innovative performance, the international Society of Plastics Engineers (SPE) presented EMS on October 14, 2019 with innovation awards for even three challenging components. EMS took first place in the category "Powertrain" with an innovative, self-regulating cooling valve for Hyundai vehicles as well as first place in the category "Electronical / Optical part" for the high-quality designer remote key for Mercedes, which is made of four different EMS specialty materials. Second place in this category was also won by EMS for the Mercedes GLE centre console handle with ambient lighting.

As expected, due to the poor economic environment, the secondary business area **Specialty Chemicals**, showed a further decline in the development of net sales and result.

Award presentation of the international Society of Plastics Engineers "SPE" in Dusseldorf, Germany on October 14, 2019



The proud winners of the SPE-awards in the category "Powertrain": Centre holding the award, Christian Kruse, Head of EMS Application Development. To his right, Torsten Mehler, Head of EMS Automotive Sales.

(Images of the prize-winning components made of EMS high-performance polymers can be found in the appendix.)

IV. Outlook

EMS continues to expect a further restrained economic development. Based on the current economic and financial political outset situation, no effective stimulating measures for the global economy are to be expected. Further instability cannot be excluded.

EMS continues to monitor further developments in the market and is prepared to take action quickly in future as well. Thanks to business with innovative, high-margin specialty business, continual expansion of global market positions, high liquidity and a strong equity ratio, EMS sees itself in good shape to realise opportunities independently, quickly and flexibly.

The successful strategy of expansion of speciality business in the main area of High Performance Polymers will be continued without change. The profound experience of EMS in metal replacement and its solution-oriented research and development capabilities are perfectly suited to satisfy the particularly high demand from customers for cost and CO₂ savings.

Overall for 2019, EMS continues to expect net operating income (EBIT) at the same level as 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 2019 | February 7, 2020 |
| - First-quarter report 2020 | April 2020 |
| - Media conference / Half-year report 2020 | July 10, 2020 |
| - Annual General Meeting 2020 | August 8, 2020 |
| - Third-quarter report 2020 | October 2020 |

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Appendix:

Images of the prize-winning components made of EMS high-performance polymers



Active Hyundai cooling valve, first place in the category "Powertrain"



Designer Mercedes remote key, first place in the category "Electronical / Optical part"



Centre console handle with ambient lighting for the Mercedes GLE, second place in the category "Electronical / Optical part"