

# **EMS Group Financial Statements 2023**



EMS-CHEMIE HOLDING AG

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## Share Performance

	2023	2022	2021	2020	2019
Number of registered shares	23'389'028	23'389'028	23'389'028	23'389'028	23'389'028
Shares entitled to dividend	23'389'028	23'389'028	23'389'028	23'389'028	23'389'028
Treasury shares	0	0	0	0	0
Information per share (in CHF):					
Dividend per share	16.00 <sup>1)</sup>	20.00	21.00	17.00	20.00
Of which ordinary dividend	12.75	15.75	16.50	13.00	15.60
Of which extraordinary dividend	3.25	4.25	4.50	4.00	4.40
Earnings per share	19.56	22.75	23.53	18.57	22.54
Cash flow per share <sup>2)</sup>	24.65	15.64	22.16	20.16	23.61
Equity per share <sup>3)</sup>	74.47	77.63	76.91	68.32	71.09
Stock prices <sup>4)</sup>					
High	801.00	1'046.00	1'035.00	880.00	646.50
Low	599.50	591.50	793.50	496.60	458.00
At December 31	681.00	626.00	1'021.00	853.00	636.50
Market capitalization at December 31 (CHF millions)	15'927.9	14'641.5	23'880.2	19'950.8	14'887.1

Registered shares are listed at the SIX Swiss Exchange.

EMS-CHEMIE	Security number 1.644.035	ISIN CH0016440353	Investdata / Reuters EMSN
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<sup>1)</sup> Proposal of the Board of Directors.

<sup>2)</sup> Cash flow = Cash flow from operating activities

<sup>3)</sup> Excluding non-controlling interests.

<sup>4)</sup> Source: SIX Swiss Exchange AG.

## Key Figures 2019 - 2023

CHF millions	2023	2022	2021	2020	2019
Net sales	2'189.0	2'441.9	2'253.8	1'802.3	2'152.7
Change in % versus previous year	-10.4%	+8.3%	+25.1%	-16.3%	-7.1%
Change in local currencies	-4.6%	+12.6%	+24.6%	-4.8%	-2.1%
Of which in Switzerland	2.9%	4.0%	3.8%	4.0%	3.7%
Net operating income (EBIT)	492.6	611.1	640.3	515.1	623.7
Change in % against previous year	-19.4%	-4.6%	+24.3%	-17.4%	+0.6%
In % of net sales	22.5%	25.0%	28.4%	28.6%	29.0%
Net financial income	-0.6	-4.5	1.0	-4.4	-3.5
Income taxes	30.7	71.7	88.5	71.1	88.4
Net income	461.2	534.9	552.9	439.7	531.9
Change in % against previous year	-13.8%	-3.3%	+25.8%	-17.3%	+1.8%
In % of net sales	21.1%	21.9%	24.5%	24.4%	24.7%
Cash Flow <sup>1)</sup>	576.5	365.9	518.3	471.5	552.1
Change in % against previous year	+57.6%	-29.4%	+9.9%	-14.6%	+10.6%
In % of net sales	26.3%	15.0%	23.0%	26.2%	25.6%
Investments	49.4	94.0	79.9	48.3	62.9
In % of cash flow	8.6%	25.7%	15.4%	10.2%	11.4%
Total assets	2'167.2	2'316.0	2'324.7	2'077.5	2'213.3
Assets					
Current assets	1'375.4	1'570.6	1'622.8	1'399.5	1'547.7
Non-current assets	791.7	745.4	701.9	678.0	665.6
Equity and liabilities					
Current liabilities	293.2	373.8	380.2	290.7	351.9
Non-current liabilities	105.3	97.8	116.1	162.6	175.8
Equity <sup>2)</sup>	1'741.8	1'815.8	1'798.9	1'597.8	1'662.7
Balance sheet equity ratio	80.4%	78.4%	77.4%	76.9%	75.1%
Return on equity	26.3%	29.3%	30.6%	27.2%	31.7%
Number of employees at December 31 <sup>3)</sup>	2'736	2'693	2'646	2'521	2'648

<sup>1)</sup> Cash flow = Cash flow from operating activities

<sup>2)</sup> Excluding non-controlling interests.

<sup>3)</sup> Excluding apprentices (2023: 134; 2022: 136; 2021: 134; 2020: 132; 2019: 129).

## Consolidated Income Statement

	Notes	2023 (CHF '000)	2022 (CHF '000)
Net sales		2'188'967	2'441'909
Inventory changes, semi-finished and finished goods		(103'797)	132'963
Capitalized costs and other operating income	1	24'011	33'178
Material expenses		(1'207'736)	(1'581'670)
Personnel expenses	2	(236'881)	(246'369)
Other operating expenses	3	(122'388)	(118'517)
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>542'176</b>	<b>661'494</b>
Depreciation and amortization	8	(49'625)	(50'424)
<b>Net operating income (EBIT)</b>		<b>492'551</b>	<b>611'070</b>
Financial income	5	5'160	905
Financial expenses	6	(5'778)	(5'426)
<b>Net income before taxes</b>		<b>491'933</b>	<b>606'549</b>
Income taxes	7	(30'730)	(71'694)
<b>Net income</b>		<b>461'203</b>	<b>534'855</b>
Of which attributable to:			
Shareholders of EMS-CHEMIE HOLDING AG		457'578	532'100
Non-controlling interests	20	3'625	2'755
Earnings per share in CHF:			
Basic	18	19.56	22.75
Diluted	18	19.56	22.75

## Consolidated Statement of Comprehensive Income

Net income		461'203	534'855
Actuarial gains from defined benefit pension plans, net of tax		(3'012)	812
Items that will not be reclassified to income statement, net of tax		(3'012)	812
Net changes from cash flow hedges, net of tax	15	(14'158)	4'228
Currency translation differences		(49'757)	(31'022)
Items that are or may be reclassified to profit or loss		(63'915)	(26'794)
Other comprehensive income		(66'927)	(25'982)
<b>Comprehensive income</b>		<b>394'276</b>	<b>508'873</b>
of which attributable to:			
Shareholders of EMS-CHEMIE HOLDING AG		393'811	508'011
Non-controlling interests	20	465	862

Reference numbers indicate corresponding Notes to the Consolidated Financial Statements.

## Consolidated Balance Sheet

	Notes	31.12. 2023 (CHF '000)	31.12. 2022 (CHF '000)
<b>Non-current assets</b>		<b>791'738</b>	<b>745'409</b>
Intangible assets	8	57'122	58'791
Property, plant and equipment	8	600'188	607'526
Rights of use of leased assets	8	10'270	13'177
Investments		215	188
Other non-current assets	9	29'775	35'372
Other non-current financial instruments	10	1'300	8'676
Deferred income tax assets	7	92'868	21'679
<b>Current assets</b>		<b>1'375'414</b>	<b>1'570'591</b>
Inventories	11	493'891	677'734
Trade receivables	12	297'026	333'078
Income tax assets		7'143	8'460
Other current assets	13	91'744	170'770
Derivative and other financial assets	14, 15	221'227	131'984
Cash and cash equivalents	16	264'383	248'565
<b>Total assets</b>		<b>2'167'152</b>	<b>2'316'000</b>
<b>Equity</b>		<b>1'768'587</b>	<b>1'844'389</b>
Equity, attributable to shareholders of EMS-CHEMIE HOLDING AG		1'741'818	1'815'788
Share capital	17	234	234
Retained earnings and reserves		1'741'584	1'815'554
Equity, attributable to non-controlling interests	20	26'769	28'601
<b>Liabilities</b>		<b>398'565</b>	<b>471'611</b>
Non-current liabilities		105'320	97'821
Non-current financial liabilities	21	4'655	8'904
Deferred income tax liabilities	7	85'083	72'388
Employee benefit liability	22	8'976	9'659
Non-current derivative financial instruments	15	0	24
Provisions	23	6'606	6'846
Current liabilities		293'245	373'790
Current derivative financial instruments	15	0	11
Current financial liabilities	21	27'682	4'620
Trade payables		95'744	131'556
Income tax liabilities		87'653	98'594
Provisions	23	3'766	1'694
Other current liabilities	24	78'400	137'315
<b>Total equity and liabilities</b>		<b>2'167'152</b>	<b>2'316'000</b>

Reference numbers indicate corresponding Notes to the Consolidated Financial Statements.

## Consolidated Statement of Changes in Equity

(CHF '000)	Share capital	Capital reserves	Retained earnings	Hedging reserves	Translation differences	Equity attributable to shareholders of EMS-CHEMIE HOLDING AG	Equity attributable to non-controlling interests	Equity
<b>At 31.12.2021</b>	<b>234</b>	<b>25'676</b>	<b>1'893'839</b>	<b>28'387</b>	<b>(149'189)</b>	<b>1'798'947</b>	<b>29'380</b>	<b>1'828'327</b>
Net changes from cash flow hedges				4'228		4'228		4'228
Actuarial gains from defined benefit pension plans			812			812		812
Currency translation differences					(29'129)	(29'129)	(1'893)	(31'022)
<b>Other comprehensive income</b>			<b>812</b>	<b>4'228</b>	<b>(29'129)</b>	<b>(24'089)</b>	<b>(1'893)</b>	<b>(25'982)</b>
Net income			532'100			532'100	2'755	534'855
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>532'912</b>	<b>4'228</b>	<b>(29'129)</b>	<b>508'011</b>	<b>862</b>	<b>508'873</b>
Dividends paid			(491'170)			(491'170)	(1'641)	(492'811)
<b>At 31.12.2022</b>	<b>234</b>	<b>25'676</b>	<b>1'935'581</b>	<b>32'615</b>	<b>(178'318)</b>	<b>1'815'788</b>	<b>28'601</b>	<b>1'844'389</b>
Net changes from cash flow hedges				(14'158)		(14'158)		(14'158)
Actuarial gains from defined benefit pension plans			(3'012)			(3'012)		(3'012)
Currency translation differences					(46'597)	(46'597)	(3'160)	(49'757)
<b>Other comprehensive income</b>			<b>(3'012)</b>	<b>(14'158)</b>	<b>(46'597)</b>	<b>(63'767)</b>	<b>(3'160)</b>	<b>(66'927)</b>
Net income			457'578			457'578	3'625	461'203
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>454'566</b>	<b>(14'158)</b>	<b>(46'597)</b>	<b>393'811</b>	<b>465</b>	<b>394'276</b>
Dividends paid			(467'781)			(467'781)	(2'297)	(470'078)
<b>At 31.12.2023</b>	<b>234</b>	<b>25'676</b>	<b>1'922'366</b>	<b>18'457</b>	<b>(224'915)</b>	<b>1'741'818</b>	<b>26'769</b>	<b>1'768'587</b>

	2023	2022
Equity attributable to shareholders of EMS-CHEMIE HOLDING AG, in % of total assets	80.4%	78.4%

Capital reserves are not eligible for distribution. Retained earnings include KCHF 47 (2022: KCHF 47) not eligible for distribution. On February 9, 2024, the company announced that the Board of Directors will propose a dividend payment of CHF 16.00 per each share to the ordinary annual shareholder meeting on August 10, 2024 (CHF 12.75 ordinary dividend, CHF 3.25 extraordinary dividend).

For further information and data refer to page 1, "Share Performance".

## Consolidated Statement of Cash Flows

	Notes	2023 (CHF '000)	2022 (CHF '000)
Net income		461'203	534'855
Depreciation, amortization and impairment of intangible assets, property, plant and equipment and right of use of leased assets	8	49'625	50'424
Loss from disposal of property, plant and equipment, net	3	555	95
Increase/(decrease) of provisions	23	2'158	(12'485)
Unrealized currency translation (gains)/losses on foreign exchange positions		9'177	10'337
Change assets and liabilities of post-employment benefits, net	22	(3'936)	(2'872)
Net interest income	5, 6	(4'304)	(136)
Expenses for income taxes	7	30'730	71'694
Changes in net working capital		129'362	(210'390)
Taxes paid		(97'253)	(74'429)
Interest paid		(801)	(752)
Provisions used	23	(47)	(448)
<b>Cash flow from operating activities</b>		<b>576'469</b>	<b>365'893</b>
Purchase of intangible assets and property, plant and equipment	8	(49'390)	(93'966)
Disposal of intangible assets and property, plant and equipment	8	480	458
Decrease in other non-current assets	9	128	166
Interest received		2'414	834
Paid withholding taxes	13	0	(236'694)
Received withholding taxes	13	42'749	710'082
Investments of current financial assets	14	(98'150)	(105'177)
<b>Cash flow from investing activities</b>		<b>(101'769)</b>	<b>275'703</b>
Dividends paid to shareholders of EMS-CHEMIE HOLDING AG		(467'781)	(491'170)
Dividends paid to non-controlling interests	20	(2'297)	(1'641)
Repayment of leasing liabilities	21	(4'407)	(4'736)
Proceeds from bank loans	21	23'249	0
Repayment of bank loans	21	0	(2'944)
<b>Cash flow from financing activities</b>		<b>(451'236)</b>	<b>(500'491)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>23'464</b>	<b>141'105</b>
Cash and cash equivalents at 1.1.		248'565	110'595
Translation difference on cash and cash equivalents		(7'646)	(3'135)
<b>Cash and cash equivalents at 31.12.</b>	16	<b>264'383</b>	<b>248'565</b>

Reference numbers indicate corresponding Notes to the Consolidated Financial Statements.



# Notes to the Consolidated Financial Statements

## Consolidated accounting principles

### ***General information on the consolidated financial statements***

The consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows of the EMS Group. The consolidation is based on individual financial statements of subsidiaries prepared according to uniform Group accounting principles and in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). They also comply with Swiss law.

The preparation of consolidated financial statements and related disclosures in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period in which they are determined to be necessary.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

### ***Significant estimates and assumptions made by management***

#### Impairment of non-current assets

To ascertain whether impairment has occurred, estimates are made of the expected future cash flows arising from the use and possible disposal of such assets. Significant assumptions are made in relation to such calculations, including sales figures, margins and discounting rates. It is also possible for useful life expectancies to be reduced, the intended use of property, plant and equipment to change, production sites to be relocated or closed, and production plants to generate lower-than-expected sales in the medium term. The carrying amounts for property, plant and equipment and intangible assets are shown in note 8.

#### Provisions for litigation risks, environmental risks and other provisions

In the course of their ordinary business operations, Group companies may be involved in legal proceedings. If considered necessary, provisions for litigation risks, environmental risks and other provisions are measured using available information on the basis of the realistically expected net cash outflow. Other provisions primarily cover warranty claims arising from the sale of goods or services. Future reporting periods may therefore be affected by changes in the estimates of expected or actual cash outflows. The carrying amounts for provisions are shown in note 23.

#### Employee benefits

The EMS Group operates various retirement plans on behalf of its employees. In the case of defined benefit plans, statistical assumptions are made in order to estimate future developments. When parameters alter due to changes in the economic situation or different market conditions, subsequent results may differ significantly from the

actuarial opinions and calculations. The carrying amounts of reported employee retirement assets and liabilities are shown in note 22.

### Taxes

Measurement of current direct and indirect tax liabilities is subject to interpretation of the tax legislation in the countries concerned. The accuracy of tax declarations and appropriateness of liabilities are judged in the context of final assessments or inspections by the tax authorities. Furthermore, the judgment as to whether tax-loss carry forwards can be capitalized requires critical assessment of their usability in terms of netting with future profits, which are dependent on numerous imponderables. The book values of the current deferred income tax assets and deferred income tax liabilities are shown in note 7. The current deferred income tax assets and deferred income tax liabilities are shown in the balance sheet on a separate line.

### Inventories

Purchased inventories are measured at cost, while internally generated products are measured at manufacturing cost. Besides individual costs, the cost of production also includes a proportionate allocation of manufacturing overheads. Based on a range analysis, items with a slow turnover rate are written down by 20% to 100%.

### ***Changes in accounting policies***

In 2023, the EMS Group has implemented various minor amendments to existing standards and interpretations, which have no material impact on the Group's overall results and financial position.

### ***Consistency***

The principles of valuation and consolidation remain unchanged from the previous year, except for the changes described above. Due to changed disclosure definitions in the notes prior year figures have been reallocated where necessary.

### ***Scope of consolidation***

The scope of consolidation includes all companies in and outside Switzerland which are controlled - directly or indirectly - by EMS-CHEMIE HOLDING AG, either by it holding more than 50% of the voting rights or by contracts or other agreements (see note 31 "List of subsidiaries"). The equity method of accounting is applied in the case of associated companies that are not directly or indirectly controlled by EMS-CHEMIE HOLDING AG (ownership normally between 20% and 50% of voting rights).

### ***Method of consolidation***

The financial statements of majority-owned companies are fully consolidated. Assets and liabilities, income and expenses are incorporated in full. Capital consolidation is effected using the acquisition method. Intercompany transactions and relations have been eliminated in the course of consolidation. Unrealized profits from intercompany deliveries are eliminated in the income statement. All assets and liabilities of acquired companies are valued at fair value at the time of acquisition. Any positive difference between the resulting fair value of the net assets and contingent liabilities acquired and the cost of acquisition is capitalized as goodwill. Results for acquired companies are included in consolidation as from the date on which control was transferred.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of

control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners).

In the case of disposal of companies the deconsolidation is effected through the income statement as of the date when control is relinquished. The companies' results are then included in the consolidation up to such date.

### ***Balance sheet date***

The balance sheet date of subsidiaries is December 31. The balance sheet date of EMS-CHEMIE HOLDING AG is April 30. In accordance with uniform Group accounting principles an interim closing is prepared for the holding company as of December 31.

### ***Valuation principles***

The consolidated financial statements are based on historical costs. Exceptions are derivative financial instruments, which are measured at fair value, as well as employee benefit assets and liabilities, which are measured at the present value of the defined benefit obligation less the fair value of the plan assets.

#### Intangible assets (excluding goodwill)

This item consists of acquired customer relationships, patents, trademarks, software and other intangible assets. Intangible assets are valued at their acquisition cost less amortization and impairment. Amortization is done on a straight-line basis over its limited, economic life which is 7 years for customer relationships and 3-12 years for patents, trademarks and software.

#### Goodwill

This item consists of goodwill acquired in a business combination. Goodwill represents the excess of the sum of purchase price, the amount of non-controlling interests in the acquired company and the fair value of the previously held share of equity over the total fair value of the assets, liabilities and contingent liabilities. For the valuation of non-controlling interests, a choice exists per transaction. The non-controlling interest can either be measured at fair value at the acquisition date or at its proportionate interest in the fair value of the identifiable assets and liabilities of the acquiree. Goodwill is subject to an annual impairment test.

#### Property, plant and equipment

Property, plant and equipment are shown at purchase price or manufacturing cost less depreciation and impairments. Assets are depreciated using the straight-line method over their estimated useful lives. Useful lives are estimated in terms of the asset's physical life expectancy, corporate policy on asset renewals and technological and commercial obsolescence. The value of the capitalized property, plant and equipment is periodically reviewed. An impairment loss is recorded when the carrying amount exceeds the recoverable amount.

Repairs and maintenance are expensed as incurred. Investments in improvements or renewals of assets are capitalized if they increase economic benefit.

Depreciation periods are as follows:

- |                             |                          |
|-----------------------------|--------------------------|
| - Land:                     | normally not depreciated |
| - Plant under construction: | normally not depreciated |
| - Buildings:                | 25 - 50 years            |

- Technical plant and machinery: 7 - 25 years
- Other property, plant and equipment: 5 - 15 years

### Investments

Shares in associated companies are included using the equity method. Subsequent measurement is done at fair value.

### Inventories

Inventories used for production are valued at their historical purchase or production cost or at their net realizable value, whichever is lower. Inventories are valued using the "fifo" (first-in, first-out) method and at the moving average price at the Domat/Ems site. Besides individual costs, the cost of production also includes a proportionate allocation of manufacturing overheads.

### Financial Assets – classifications and categories

The classification of financial assets is dependent on the business model for managing the financial assets and their contractual cash flow characteristics. IFRS 9 specifies the business models "hold to collect", "hold to collect and sell" and "held for trading". Financial instruments whose cash flows are solely payments of principal and interest on the outstanding principal amount ("SPPI") are classified and measured depending on the objective of the business model at amortized cost or at fair value through other comprehensive income.

### Trade Receivables

Trade receivables are measured based on the originally invoiced amount less allowances for doubtful accounts. Such allowances are formed based on future expected credit losses using the simplified approach, as trade receivables are considered short term (with payment terms 30 to 60 days) and do not include an interest component. The expected credit losses are based on forward looking assumptions and of historically observed default rates. The allowance represents the difference between the invoiced amount and the recoverable amount.

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank account balances and short or medium-term deposits within an original maturity of less than three months. Cash and cash equivalents are valued at their nominal value. This definition is also used for the cash flow statement.

### Other current financial assets

Other current financial assets include fixed-term deposits or money market instruments with a notice period of more than 3 months. Those are entered with financial institutions of high-grade credit rating ("investment grade"). The applicable business model is classified as "hold to collect" with the objective to collect the contractual cash flows (interest income) and the principal amount at maturity. They are measured at amortized costs.

Impairments for other current financial assets are recognized in financial income/expenses when at the balance sheet date a significant increase in the risk of default is observed. This is the case if the counterparty does not hold an investment grade rating anymore. In a next level, when objective evidence exists that the counterparty is insolvent or in substantial financial difficulties, individual value adjustments are recognized.

### Derivative financial instruments

Initial (at trade date) and subsequent measurement of all derivative financial instruments is done at fair value excluding transaction costs. Changes in fair value are shown within the financial income.

### Financial liabilities

Non-current financial liabilities are recognized initially at the proceeds received, net of transaction costs incurred. In subsequent periods, non-current bank loans are stated at amortized cost.

Non-current financial liabilities are classified as current if they are due to be repaid within twelve months after the balance sheet date, even if an agreement has been concluded on the long-term refinancing or rescheduling of payment commitments after the balance sheet date but prior to the approval of the financial results for publication.

### Payables, Other liabilities

This item consists of mainly short-term trade payables, other payables, accrued expenses, prepayments from customers and deferred income. Valuation is at amortized cost.

### Provisions

Provisions are set up for legal or constructive obligations if these obligations resulting from a past event and existing at balance sheet date will most probably lead to a cash outflow and if the amounts can be reliably estimated. A provision is recognized when the probability is above 50%. Such a provision is valued in accordance with management's best estimate of the weighted possibility.

If the effect is material, provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### Employee benefits

Swiss group entities participate in individual, legally independent pension funds, which are managed autonomously. These funds are fully funded by employee and employer contributions. Present and former employees or their surviving dependents, respectively, receive benefits for retirement, disability or in case of death, depending on the regulations of the individual pension funds.

For the purpose of the consolidated financial statements, the corresponding employee benefit obligations resulting from the Swiss plans are calculated on an annual basis. These plans are considered to be defined benefit plans for which independent actuaries calculate the future employee benefit obligations for each plan by using actuarial assumptions and methods in accordance with IFRS. For pension funds with defined benefit obligations, such obligations are calculated based on past and expected future service periods, the expected development of salaries and the indexation of pensions using the „Projected Unit Credit Method“.

The amount recognized in the consolidated financial statements represents the deficit or surplus of the defined benefit plans (net pension liability or asset). However, in case of a surplus the recognized asset is limited to the present value of the economic benefits from future reductions in contributions.

The components of pension costs from defined benefit plans are recognized as follows:

- service costs and net interest income or expense are recognized in profit or loss as part of personnel expenses,
- remeasurements are recognized in other comprehensive income.

Service costs comprise current service costs, any past service costs, and gains and losses on settlements. Gains and losses on plan curtailments are treated equally to past service costs. Employee contributions reduce the service costs and are deducted from these costs depending on the individual pension fund regulations or in cases where there is a factual obligation to do so.

Net interest income or expense result from the multiplication of the net defined benefit liability (or asset) at the beginning of the financial year with the actuarial discount rate, under consideration of changes resulting from the payments of contribution and annuities throughout the financial year.

Remeasurements comprise:

- actuarial gains and losses from changes of the present value of the defined benefit liability (asset) arising from changes in actuarial assumptions and experience adjustments;
- the actual return on plan assets, excluding amounts included in net interest income or expense; and
- changes in the effect of limiting a net defined benefit asset to the asset ceiling, excluding amounts included in net interest income or expense.

The employees of foreign group entities are covered either by state managed social welfare schemes or independent defined contribution pension plans.

The expenses which are recognized in the statement of profit or loss for these defined contribution pension plans represent the employer contributions made to these plans.

#### Hedge accounting

Hedge accounting as defined by IFRS 9 is used for the hedging of currency risks. This includes the use of cash flow hedges, which hedge future purchases and sales in foreign currencies with a high likelihood of occurrence. At initial recognition of cash flow hedges, the effective portion of the gain / loss of the hedging instrument is recognized in other comprehensive income and the ineffective portion immediately in the income statement. Gains and losses from cash flow hedges shown in equity are transferred to the income statement on the date on which the forecasted transaction is recorded in the income statement.

The goal of hedge accounting is to match the impact of the hedged item and the hedging instrument in the income statement.

#### Net sales

Invoicing for goods and services is recognized as sales at the point in time when the control over the goods is transferred to the customer. The performance obligations primarily consist of the delivery of manufactured products (polymers) to the agreed specifications depending on contractual terms.

In the EMS Group more than 90% of the net sales are recognized according to the following five international commercial terms: CIP (Carriage and Insurance Paid), FCA (Free Carrier), CIF (Cost, Insurance and Freight), EXW (EX Works) and DAP (Delivered at Place). Net sales revenue is stated after deduction of value added taxes and any deduction of discounts and credits.

A minor part of the net sales is recognized over time, which is related to rendered

services in regards to the project business (long-term construction contracts) in the segment High Performance Polymers.

#### Research and development costs

Research and development costs are charged to the income statement for the year in which they incur under the following headings: wages and salaries, material expenses and amortization on research and development assets. Development costs are capitalized only and insofar as it can be assumed with a high degree of probability that sufficient future income will be generated to cover the costs arising in connection with the development of the product or process.

#### Impairment

The carrying amounts of property, plant and equipment and of intangible assets are reviewed as of the balance sheet date. If there are any indications of permanent impairment, the recoverable amount is determined. The recoverable amount corresponds to the higher of the fair value less costs to sell or the value in use. In cases where the carrying amount is higher than the recoverable amount, the difference is booked in the income statement.

For the impairment test the corporate assets are collected at the lowest level for which cash flows can be identified separately (cash-generating units).

For estimating the value in use, the future cash flows are discounted to the present value with a discount rate before taxes which includes the current market expectations, the time value of money and the specific risks of the assets.

#### Fair values

The carrying amounts for financial assets stated at fair value are calculated at stock-exchange prices applicable on the balance sheet date. Values for derivative financial instruments are based on replacement values or recognized valuation models such as option price models (Black-Scholes). If there is no separate disclosure in the notes to the consolidated financial statements of the EMS Group, the fair values are considered to be in line with the carrying amounts at the balance sheet date.

#### ***Foreign currencies***

The financial statements of the individual Group companies are presented in the currency of the primary economic environment in which the respective company operates (functional currency). The consolidated financial statements are prepared in Swiss francs, the Group's reporting currency.

Financial statements in foreign currencies are translated as follows: current assets, non-current assets and liabilities at year-end exchange rates. All items in the income statement and the net income are translated using the average exchange rate for the year. The exchange rate differences are carried to equity without affecting net income (translation adjustment).

In case of disposal of a subsidiary abroad, the translation difference, accumulated during the period when the subsidiary was a consolidated company, is added to profit (or loss) from sale of this company.

The foreign currency positions in the financial statements of the consolidated companies are translated as follows: Foreign currency transactions are translated at the exchange rate of the transaction day. At year-end the balances of monetary foreign currencies are translated at the exchange rate prevailing at year-end. The differences are recognized in

the income statement (transaction gains and losses).

The most important exchange rates are:

			Average exchange rates		Year-end exchange rates	
	Unit		2023	2022	2023	2022
Euro	EUR	1	0.972	1.005	0.934	0.986
US Dollar	USD	1	0.899	0.955	0.845	0.925
Japanese Yen	JPY	100	0.641	0.730	0.598	0.701
Chinese Renminbi	CNY	100	12.692	14.199	11.860	13.260
Taiwan Dollar	TWD	100	2.886	3.208	2.743	3.008

### ***Income taxes***

Current income taxes are calculated on the taxable profit.

Deferred income taxes are recognized to reflect the tax impact on differences in the valuation of assets and liabilities for Group consolidation purposes and for local taxation purposes and are recognized in the consolidated income statement, unless they relate to a transaction which is recognized in equity or other comprehensive income. These deferred income taxes are continuously adjusted to take account of any changes to local fiscal law. Deferred income taxes are set up using the balance sheet liability method, under which deferred tax assets or liabilities are set up for all temporary differences between the tax values and the values entered in the consolidated financial statements. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

### ***Earnings per share***

Earnings per share are based on the consolidated net income attributable to the shareholders of EMS-CHEMIE HOLDING AG, which is divided by the weighted average number of shares issued. The diluted earnings per share figure additionally include all the shares that could potentially be issued following the exercising of option or conversion rights, for instance.

### ***Segment reporting***

Internal reporting to the Board of Directors (= Chief Operating Decision Maker) is based on the two business areas of "High Performance Polymers" and "Specialty Chemicals". The same accounting principles are applied as for the consolidated financial statements. The strategy, and therefore the allocation of resources, is decided by the Board of Directors. The yearly budgets and medium-term plans of the two business areas are approved by the Board of Directors. Operating performance is monitored quarterly by the Board of Directors. The segmentation is prepared to the level of EBIT. A splitting of financial income and expenses and of taxes is not useful because those functions are executed on Group level. All assets and liabilities are contributed to the business area or geographical region either direct or via useful rate assessment.



## ***Financial risk management***

### ***General***

Risk management constitutes an integral part of planning and reporting activities at the EMS Group. At Executive Management and Business Unit level, risks are identified annually as part of medium-term planning procedure and preparation of the budget for the following year. They are then weighted according to the risk level and probability of its occurrence. In the course of planning discussions, the CEO and CFO report to the Board of Directors on the magnitude of these risks and the implementation status of the measures taken to counter them. The policy for risk management remains unchanged from the previous year.

The EMS Group is exposed to various financial risks arising from its business activities such as credit risks, liquidity risks and market risks. The financial risks are reported monthly to the Board of Directors. The specific financial risks are described below.

### ***Credit risks***

Credit risks arise from the possibility that the counterparty to a transaction may be unable or unwilling to meet their obligations. Fixed-term deposits and derivative financial instruments are only entered into with counterparties that have a high credit standing. Trade receivables are subject to a policy of active risk management focusing on the assessment of country risk, credit availability, ongoing evaluation of credit standing and account monitoring procedures. There are no significant concentrations within counterparty credit risks. Within trade receivables, this is due to the EMS Group's large number of customers and their wide geographical spread, which has been permanently verified. Country risk limits and exposures are continuously monitored. The exposure of other financial assets to credit risk is controlled by setting a policy for limiting credit exposure to high-quality counterparties, ongoing reviews of credit ratings, and limiting individual aggregate credit exposure accordingly. There are no collateral or similar contracts.

### ***Liquidity risks***

Liquidity risk is the risk that the EMS Group will encounter difficulty in meeting the obligations associated with its financial liabilities. The cash flows and liquidity requirements of the EMS Group are supervised by central treasury. The goal is to have the liquidity required for day-to-day operations available at all times.

### ***Market risks***

#### Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

This risk is not hedged.

#### Currency risks

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The EMS Group operates internationally and is exposed to exchange rate risk. The EMS Group uses partly derivative financial instruments in the usual course of business to cover the risks. The EMS Group's treasury unit conducts the trade by order of Executive Management or

Head of Business Unit, monitors exposure and prepares the relevant reports, which are submitted monthly to Executive Management and the Board of Directors. The liquidity required for day-to-day operations must be available at all times.

### ***Capital management***

The capital managed by the EMS Group consists of the consolidated equity including non-controlling interests. The EMS Group has set the following goals for the management of its capital:

- maintaining a healthy and sound balance sheet structure based on continuing values;
- ensuring the necessary financial resources to be able to make investments and acquisitions;
- achieving a return for shareholders that is appropriate to the risk;
- distribution of financial resources not required for operational business to the shareholders.

Capital is monitored based on the equity ratio (equity excluding non-controlling interests / total assets). The balance sheet equity ratio is 80.4% as at December 31, 2023 (December 31, 2022: 78.4%). The EMS Group has no external minimum capital requirements.

There were no changes in the EMS Group's approach to capital management in the reporting period.

## Notes

### Segment information by business area

(CHF '000)	High Performance Polymers		Specialty Chemicals		Total	
	2023	2022	2023	2022	2023	2022
Net sales recognized at a point in time	1'968'666	2'177'160	193'656	254'231	2'162'322	2'431'391
Revenue recognized over time	26'645	10'518	0	0	26'645	10'518
<b>Net sales</b>	<b>1'995'311</b>	<b>2'187'678</b>	<b>193'656</b>	<b>254'231</b>	<b>2'188'967</b>	<b>2'441'909</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>510'567</b>	<b>593'151</b>	<b>31'609</b>	<b>68'343</b>	<b>542'176</b>	<b>661'494</b>
Depreciation and amortization	44'553	45'474	5'072	4'950	49'625	50'424
<b>Net operating income (EBIT)</b>	<b>466'014</b>	<b>547'677</b>	<b>26'537</b>	<b>63'393</b>	<b>492'551</b>	<b>611'070</b>
Net financial income					(618)	(4'521)
<b>Net income before taxes</b>					<b>491'933</b>	<b>606'549</b>
Income taxes					(30'730)	(71'694)
<b>Net income</b>					<b>461'203</b>	<b>534'855</b>

Invoicing and cost attribution between segments are subject to the same conditions as with third parties. No net sales exist between the segments.

(CHF '000)	High Performance Polymers		Specialty Chemicals		Non-segment assets/liabilities		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Segment assets <sup>1)</sup>	1'357'777	1'696'796	345'317	370'639	464'058	248'565	2'167'152	2'316'000
Segment liabilities <sup>2)</sup>	338'084	419'552	38'370	51'446	22'111	613	398'565	471'611
Investments	46'547	92'253	2'843	1'713			49'390	93'966

### Segment information by geographical region

(CHF '000)	Net sales by customer		Net sales by production site		Segment assets <sup>2)</sup>	
	2023	2022	2023	2022	2023	2022
Europe	1'130'842	1'301'894	1'534'457	1'795'619	1'244'741	1'536'659
<i>thereof Switzerland</i>	63'644	97'793	1'054'518	1'306'090	1'040'615	1'263'351
<i>thereof Germany</i>	434'655	497'806	209'776	239'679	94'110	129'355
Asia	608'806	670'399	335'827	343'556	293'002	325'152
<i>thereof China</i>	366'386	380'689	185'640	180'548	184'518	210'791
Americas	427'382	446'476	318'683	302'734	165'351	205'624
<i>thereof USA</i>	282'559	308'492	226'050	216'407	114'517	145'577
Other	21'937	23'140	0	0	0	0
Non-segment assets					464'058	248'565
<b>Total</b>	<b>2'188'967</b>	<b>2'441'909</b>	<b>2'188'967</b>	<b>2'441'909</b>	<b>2'167'152</b>	<b>2'316'000</b>

### Major customers

No single customer accounts for more than 10% of total net sales.

<sup>1)</sup> Segmented assets of business areas: Assets without cash and cash equivalents, fixed deposits in other current and non-current financial assets and investments in associated companies.

<sup>2)</sup> Segmented liabilities of business areas: Liabilities without current and non-current bank loans.

## Notes

	2023	2022
<b>1 Capitalized costs and other operating income</b>	(CHF '000)	(CHF '000)
Capitalized costs	11'315	18'706
Other operating income	12'696	14'472
<b>Total capitalized costs and other operating income</b>	<b>24'011</b>	<b>33'178</b>
<b>2 Personnel expenses</b>	(CHF '000)	(CHF '000)
Wages and salaries	186'406	188'406
Subcontractor salaries	9'370	18'959
Expenses for defined benefit plans (see note 22)	5'666	7'831
Legal / contractual social insurance	27'932	23'490
Other personnel expenses	7'507	7'683
<b>Total personnel expenses</b>	<b>236'881</b>	<b>246'369</b>
<b>3 Other operating expenses</b>	(CHF '000)	(CHF '000)
Rents	3'519	2'600
Leasing	2'149	2'148
Repairs and maintenance	31'193	35'610
Insurance, duties, fees	5'629	5'828
Energy	40'976	42'978
Administration, promotion	24'420	21'983
Losses on disposal of property, plant and equipment, net	555	95
Supplies	7'251	1'190
Other operating expenses	6'696	6'085
<b>Total other operating expenses</b>	<b>122'388</b>	<b>118'517</b>
<b>4 Research and development</b>	(CHF '000)	(CHF '000)
Expenditures for research and development	46'162	46'646
In percent of net sales	2.1%	1.9%
<b>5 Financial income</b>	(CHF '000)	(CHF '000)
Interest income on bank accounts	2'774	851
Interest income on money market	2'386	54
<b>Total financial income</b>	<b>5'160</b>	<b>905</b>
<b>6 Financial expenses</b>	(CHF '000)	(CHF '000)
Interest expenses	689	563
Interest on leasing liabilities	112	189
Foreign exchange losses, net	4'014	3'997
Bank charges and commissions	963	677
<b>Total financial expenses</b>	<b>5'778</b>	<b>5'426</b>

## Notes

	2023	2022
	(CHF '000)	(CHF '000)
<b>7 Income taxes</b>		
Current income taxes actual year	84'347	77'248
Current income taxes previous years	2'993	1'928
Deferred income taxes	(56'610)	(7'482)
<b>Total income taxes</b>	<b>30'730</b>	<b>71'694</b>

### Taxation on other items of the statement of comprehensive income and equity

	2023			2022		
	Amount before taxes	Taxes	Amount after taxes	Amount before taxes	Taxes	Amount after taxes
(CHF '000)						
Actuarial gains from defined benefit pension plans	(3'535)	523	(3'012)	981	(169)	812
Cash flow hedges	(16'161)	2'003	(14'158)	4'826	(598)	4'228
Currency translation differences on subsidiaries in foreign countries	(49'757)	0	(49'757)	(31'021)	0	(31'021)
<b>Comprehensive income</b>	<b>(69'453)</b>	<b>2'526</b>	<b>(66'927)</b>	<b>(25'214)</b>	<b>(767)</b>	<b>(25'981)</b>

	2023	2022
	(CHF '000)	(CHF '000)
<b>Reconciliation of income taxes</b>		
Net income before taxes	491'933	606'549
Expected income tax rate	14.7%	15.0%
Expected income taxes	72'500	91'031
Utilization of previously unrecognized tax losses	(699)	(658)
Tax exemption	(72'103)	(25'362)
Expenses not being deductible for tax purposes	23'063	19
Taxes from previous years	2'993	1'928
Impact of changed deferred income tax rates	0	40
Withholding tax on dividends and other	4'976	4'696
<b>Effective income taxes</b>	<b>30'730</b>	<b>71'694</b>
<b>Effective income tax rate</b>	<b>6.2%</b>	<b>11.8%</b>

The ultimate holding company is incorporated in Switzerland. The subsidiaries operate in different countries with different tax laws and tax rates. The expected income tax rate corresponds to the weighted average of the tax rates in these tax jurisdictions. Due to the mix of the EMS Group's taxable income and changes in some local tax rates, the expected income tax rate may change from year to year.

	2023	2022
	(CHF '000)	(CHF '000)
<b>Deferred income taxes:</b>		
<b>Change in recognized assets / liabilities</b>		
At 1.1.	(50'709)	(57'481)
Increase/Decrease via income statement	56'610	7'053
Increase/Decrease via other comprehensive income / Equity	2'526	(767)
Translation differences	(642)	486
<b>At 31.12.</b>	<b>7'785</b>	<b>(50'709)</b>

## Notes

### Deferred income taxes by balance sheet category

	2023		2022	
	Deferred income tax assets	Deferred income tax liabilities	Deferred income tax assets	Deferred income tax liabilities
(CHF '000)				
Deferred income taxes on non-current assets	80'508	71'656	11'100	60'732
Deferred income taxes on current assets	5'776	6'075	5'814	8'633
Deferred income taxes on liabilities	0	2'005	0	2'871
Deferred income taxes on pension liabilities	78	0	0	63
Deferred income taxes on provisions and accruals	6'506	5'347	4'765	89
<b>Total deferred income tax liabilities</b>	<b>92'868</b>	<b>85'083</b>	<b>21'679</b>	<b>72'388</b>

Deferred income taxes on non-current assets affect mainly property, plant and equipment, on current assets inventories and receivables. As at December 31, 2023, differences of KCHF 240'382 (2022: KCHF 16'647) existed from investments in subsidiaries. A deferred tax liability was not recognized as the Group controls the date of the reversal of the related contingent differences and does not expect them to be realized in the near future.

### Tax loss carryforwards

	2023		2022	
	Tax loss carry-forwards	Tax effect	Tax loss carry-forwards	Tax effect
(CHF '000)				
Total tax loss carryforwards	2'527	678	5'079	1'478
Tax loss carryforwards for which no deferred income taxes were recognized	2'527	678	5'079	1'478
Expiry of tax loss carryforwards				
1 year	180	45	241	60
2 years	266	57	161	36
3 years	956	206	2'694	824
4 years	993	337	1'951	550
5 years	132	33	32	8
More than 5 years	0	0	0	0

As per January 1, 2024, in Switzerland and in other countries where EMS Group is operating, the rules of Pillar II-law (OECD minimum tax) have become effective. EMS Group must apply these laws and is currently analyzing implications on the Group.

EMS Group applies the IFRS Accounting Standards exception to recognize or disclose information about deferred tax assets and deferred tax liabilities related to countries that have enacted tax legislation in accordance with Pillar II at the time of actual emergence only.

## Notes

### 8 Intangible assets, property, plant and equipment, and rights-of-use of leased assets

#### I. Intangible assets

(CHF '000)	Goodwill	Customer and supplier relation- ships	Other	Total
Cost	49'979	46'786	33'277	130'042
Accumulated amortization and impairment	0	(46'786)	(23'128)	(69'914)
<b>Net book value 1.1.2022</b>	<b>49'979</b>	<b>0</b>	<b>10'149</b>	<b>60'128</b>
Additions	0	0	75	75
Disposals	0	0	0	0
Amortization	0	0	(1'505)	(1'505)
Reclassifications	0	0	103	103
Translation differences	89	0	(99)	(10)
<b>At 31.12.2022</b>	<b>50'068</b>	<b>0</b>	<b>8'723</b>	<b>58'791</b>
Cost	50'068	46'786	35'110	131'964
Accumulated amortization and impairment	0	(46'786)	(26'387)	(73'173)
<b>Net book value 31.12.2022</b>	<b>50'068</b>	<b>0</b>	<b>8'723</b>	<b>58'791</b>
Additions	0	0	99	99
Disposals	0	0	0	0
Amortization	0	0	(1'458)	(1'458)
Reclassifications	0	0	536	536
Translation differences	(699)	0	(147)	(846)
<b>At 31.12.2023</b>	<b>49'369</b>	<b>0</b>	<b>7'753</b>	<b>57'122</b>
Cost	49'369	0	34'170	83'539
Accumulated amortization and impairment	0	0	(26'417)	(26'417)
<b>Net book value 31.12.2023</b>	<b>49'369</b>	<b>0</b>	<b>7'753</b>	<b>57'122</b>

The other intangible assets mainly contain patents, trademarks and capitalized software usage rights.

#### Impairment test for goodwill:

The cash generating unit for the impairment test of the total goodwill of KCHF 49'369 (2022: KCHF 50'068) is the Business Unit EMS-EFTEC of business area "High Performance Polymers". Its recoverability is tested yearly on the basis of future cash flows. The recoverable amount calculated by impairment testing is based on the value in use.

The following assumptions form the basis:

- The cash flows for the first three years were determined on the basis of medium-term plans.
- The cash flows of the following years were calculated with an annual growth rate of 2.0% (2022: 2.0%).
- The discount rate before taxes (WACC) is 8.2% (2022: 14.9%).

The projections are based on knowledge and experience and also on judgements made by management as to the probable economic development of the relevant markets.

Impairment testing as of the closing date confirmed the recoverability of goodwill. A deterioration of the assumptions by 10% would not impair goodwill. Even if cash flow forecasts were based on zero growth, the carrying amount would not exceed the recoverable amount. An increase of 10 percentage points in the assumed discount rate would not alter the results of the impairment test.

## Notes

### II. Property, plant and equipment

(CHF '000)	Land incl. Develop- ment cost	Buildings	Technical plant, machinery, R&D plants	Furniture, EDP equipment, vehicles	Under con- struction	Total
Cost	25'302	350'564	1'087'764	62'612	75'079	1'601'321
Accumulated depreciation and impairment	(2'632)	(218'828)	(768'406)	(46'736)	0	(1'036'602)
<b>Net book value 1.1.2022</b>	<b>22'670</b>	<b>131'736</b>	<b>319'358</b>	<b>15'876</b>	<b>75'079</b>	<b>564'719</b>
Additions	8	220	2'474	1'540	89'649	93'891
Disposals	(7)	(26)	(201)	(197)	(122)	(553)
Depreciation	(98)	(7'005)	(32'565)	(4'496)	0	(44'164)
Reclassifications	0	11'978	20'418	5'714	(38'191)	(81)
Translation differences	(496)	(1'958)	(2'241)	(415)	(1'176)	(6'286)
<b>At 31.12.2022</b>	<b>22'077</b>	<b>134'945</b>	<b>307'243</b>	<b>18'022</b>	<b>125'239</b>	<b>607'526</b>
Cost	24'698	358'430	1'090'120	66'614	125'239	1'665'101
Accumulated depreciation and impairment	(2'621)	(223'485)	(782'877)	(48'592)	0	(1'057'575)
<b>Net book value 31.12.2022</b>	<b>22'077</b>	<b>134'945</b>	<b>307'243</b>	<b>18'022</b>	<b>125'239</b>	<b>607'526</b>
Additions	0	250	3'439	2'144	43'458	49'291
Disposals	0	(191)	(573)	(191)	(80)	(1'035)
Depreciation	(86)	(6'859)	(33'645)	(4'171)	0	(44'761)
Reclassifications	0	13'798	93'066	4'541	(111'405)	0
Translation differences	(774)	(3'515)	(4'806)	(761)	(977)	(10'833)
<b>At 31.12.2023</b>	<b>21'217</b>	<b>138'428</b>	<b>364'724</b>	<b>19'584</b>	<b>56'235</b>	<b>600'188</b>
Cost	23'753	364'623	1'154'342	68'720	56'235	1'667'673
Accumulated depreciation and impairment	(2'536)	(226'195)	(789'618)	(49'136)	0	(1'067'485)
<b>Net book value 31.12.2023</b>	<b>21'217</b>	<b>138'428</b>	<b>364'724</b>	<b>19'584</b>	<b>56'235</b>	<b>600'188</b>

### III. Rights-of-use of leased assets

(CHF '000)	Buildings	Technical plant, machinery, R&D plants	Furniture, EDP equipment, vehicles	Total
Cost	22'131	360	6'598	29'089
Accumulated depreciation and impairment	(10'233)	(276)	(2'442)	(12'951)
<b>Net book value 1.1.2022</b>	<b>11'898</b>	<b>84</b>	<b>4'156</b>	<b>16'138</b>
Additions	1'220	0	574	1'794
Reclassifications	(706)	0	706	0
Depreciation	(3'327)	(74)	(1'354)	(4'755)
<b>At 31.12.2022</b>	<b>9'085</b>	<b>10</b>	<b>4'082</b>	<b>13'177</b>
Cost	21'683	49	7'540	29'271
Accumulated Depreciation and impairment	(12'598)	(40)	(3'458)	(16'096)
<b>Net book value 31.12.2022</b>	<b>9'085</b>	<b>9</b>	<b>4'082</b>	<b>13'177</b>
Additions	0	0	498	498
Depreciation	(2'382)	(53)	(970)	(3'405)
<b>At 31.12.2023</b>	<b>6'703</b>	<b>(44)</b>	<b>3'610</b>	<b>10'270</b>
Cost	21'683	49	8'038	29'770
Accumulated depreciation and impairment	(14'980)	(93)	(4'428)	(19'501)
<b>Net book value 31.12.2023</b>	<b>6'703</b>	<b>(44)</b>	<b>3'610</b>	<b>10'270</b>



## Notes

	2023	2022
	(CHF '000)	(CHF '000)
<b>9 Other non-current assets</b>		
Other non-current assets	25'581	30'780
Assets from employee benefits (see note 22)	4'194	4'592
<b>Total other non-current assets</b>	<b>29'775</b>	<b>35'372</b>

Other non-current assets mainly comprise prepayment to third parties.

	2023	2022
	(CHF '000)	(CHF '000)
<b>10 Other non-current financial instruments</b>		
Derivative financial instruments	298	7'517
Non-current interest-bearing financial assets	1'002	1'159
<b>Total other non-current assets</b>	<b>1'300</b>	<b>8'676</b>

	2023	2022
	(CHF '000)	(CHF '000)
<b>11 Inventories</b>		
Raw materials and supplies	223'100	264'701
Semi-finished goods, work in progress	5'684	9'358
Finished products	284'609	420'526
Value adjustments	(19'502)	(16'851)
<b>Total inventories</b>	<b>493'891</b>	<b>677'734</b>

	2023	2022
	(CHF '000)	(CHF '000)
<b>12 Trade receivables</b>		
Trade receivables from third parties	300'597	336'310
Allowances for doubtful receivables	(3'571)	(3'232)
<b>Total trade receivables</b>	<b>297'026</b>	<b>333'078</b>

Allowances for doubtful receivables are determined on the basis of future expected credit losses and calculated using a provision matrix. It is based on forward looking assumptions and historically observed default rates.

Due dates of trade receivables and allowance matrix	Default rate in %	2023 (CHF '000)		2022 (CHF '000)	
		Gross value	Allowance	Gross value	Allowance
Not due	1%	270'546	(1'814)	312'911	(2'108)
Overdue <30 days	3%	20'551	(617)	21'434	(643)
Overdue 30 to 60 days	5%	7'261	(363)	1'045	(52)
Overdue 60 to 90 days	15%	1'356	(203)	339	(51)
Overdue >90 days	65%	883	(574)	581	(378)
<b>Total</b>		<b>300'597</b>	<b>(3'571)</b>	<b>336'310</b>	<b>(3'232)</b>

	2023	2022
	(CHF '000)	(CHF '000)
<b>Change in allowance of trade receivables</b>		
At 1.1.	3'232	3'517
Increase in allowances	2'507	1'574
Decrease in allowances	(1'586)	(1'514)
	thereof used / impairments	(160)
	thereof released	(1'354)
Translation differences	(582)	(345)
<b>At 31.12.</b>	<b>3'571</b>	<b>3'232</b>

## Notes

	2023	2022
	(CHF '000)	(CHF '000)
<b>13 Other current assets</b>		
Withholding tax receivables	5'894	49'366
Prepayments and accrued income	15'314	32'057
Contract assets	28'062	27'784
Other receivables	42'474	61'563
<b>Total other current assets</b>	<b>91'744</b>	<b>170'770</b>

There is no allowance on Contract assets calculated because the expected default rate is 0%.

	2023	2022
	(CHF '000)	(CHF '000)
<b>14 Derivative and other financial assets</b>		
Derivative financial instruments	20'369	29'276
Other current financial assets	200'858	102'708
<b>Total Other current financial assets</b>	<b>221'227</b>	<b>131'984</b>

		2023	2022
		(CHF '000)	(CHF '000)
<b>15 Derivative financial instruments effective for hedge accounting purposes</b>			
Forward Rate Agreements	EUR/CHF	Notional amount CHF	275'858
		Positive replacement value CHF	7'336
		Negative replacement value CHF	0
	USD/CHF	Notional amount CHF	96'421
		Positive replacement value CHF	11'065
		Negative replacement value CHF	0
	CNY/CHF	Notional amount CHF	0
		Positive replacement value CHF	0
		Negative replacement value CHF	6'313
	CZK/EUR	Notional amount CHF	0
		Positive replacement value CHF	43'891
		Negative replacement value CHF	2'127
	JPY/CHF	Notional amount CHF	0
		Positive replacement value CHF	1'021
		Negative replacement value CHF	140
			0
			34
<b>Total</b>		<b>Notional amount CHF</b>	<b>417'192</b>
		<b>Positive replacement value CHF</b>	<b>20'667</b>
		<b>Negative replacement value CHF</b>	<b>0</b>
			<b>34</b>
Current portion		Notional amount CHF <12 months	396'933
		Positive replacement value CHF <12 months	592'898
		Negative replacement value CHF <12 months	20'369
			29'276
			0
			10
Non-current portion		Notional amount CHF 1-5 years	20'259
		Positive replacement value CHF 1-5 years	129'118
		Negative replacement value CHF 1-5 years	298
			7'517
			0
			24

The EMS Group uses a combination of derivative financial instruments and forward exchange transactions to hedge to foreign exchange risk. Derivative financial instruments were closed for hedge purposes. The notional amounts of the previous years were adjusted. Forwards are settled to hedge cashflows resulting of expected future sales in EUR, USD and CNY and expected future purchases in JPY. These transactions are highly realistic and contain approximately 64% of the total expected sales in EUR, approx. 61% of the sales in USD and 0% of the sales in CNY. The total amount of forwards varies with the amount of sales and purchases in foreign currencies as well as with the fluctuation of exchange rates.

Derivative financial instruments were mostly effected for hedging purposes. Forward rate agreements are used for the hedging of future purchases and sales in foreign currencies. The replacement value is understood to be the fair value of derivative financial instruments. Positive replacement values are the values that are lost if the counterparty cannot deliver (maximum default risk). This risk is considered to be minimal, as the counterparties are first-rate financial institutions. Any derivatives are reported at fair value.

	2023	2022
	(CHF '000)	(CHF '000)
<b>Net changes from cash flow hedges in equity, after taxes</b>		
At 1.1.	32'615	28'387
Transfer to consolidated income statement	0	3'023
Fair value adjustments	(16'161)	1'803
Income taxes recognized directly in equity	2'003	(598)
Total net changes from cash flow hedges in equity, after taxes	(14'158)	4'228
<b>At 31.12.</b>	<b>18'457</b>	<b>32'615</b>

## Notes

	2023	2022
	(CHF '000)	(CHF '000)
16 <b>Cash and cash equivalents</b>		
Bank deposits	264'316	248'507
Cash	67	58
<b>Total cash and cash equivalents</b>	<b>264'383</b>	<b>248'565</b>

### 17 Share capital

	Par value	Number of issued registered shares	Number of shares entitled to dividend	Share capital (CHF '000)
At 31.12.2021	CHF 0.01	23'389'028	23'389'028	234
Purchase of treasury shares		-	-	-
Sale of treasury shares		-	-	-
At 31.12.2022	CHF 0.01	23'389'028	23'389'028	234
Purchase of treasury shares		-	-	-
Sale of treasury shares		-	-	-
<b>At 31.12.2023</b>	<b>CHF 0.01</b>	<b>23'389'028</b>	<b>23'389'028</b>	<b>234</b>

### 18 Earnings per share - EPS

Earnings per share are calculated by dividing the net income attributable to the shareholders of EMS-CHEMIE HOLDING AG by the weighted average number of shares outstanding (excluding treasury shares). Diluted earnings per share factor in any potential dilution which may be treasury shares). Diluted earnings per share factor in any potential dilution which may be caused by the exercising of warrant and conversion rights on outstanding bond issues.

	2023	2022
	(CHF '000)	(CHF '000)
<b>Basic earnings per share</b>		
Weighted average of registered shares outstanding	23'389'028	23'389'028
Net income, attributable to the shareholders of EMS-CHEMIE HOLDING AG	457'578	532'100
Basic earnings per share (CHF)	19.56	22.75

There is no earnings dilution; diluted earnings per share correspond to basic earnings per share.

	2023	2022
	(CHF '000)	(CHF '000)
19 <b>Significant shareholders</b>		
Emesta Holding AG, Freienbach, 14'224'143 registered shares (2022: 14'224'143), ownership:	60.82%	60.82%
BAUMI Holding AG, Freienbach, 2'363'000 registered shares (2022: 2'363'000), ownership:	10.10%	10.10%

### 20 Non-controlling interests

Share of non-controlling interest in capital and in the net income. For subsidiaries with non-controlling ownership see the list of subsidiaries (note 31).

	2023	2022
	(CHF '000)	(CHF '000)
The change in non-controlling interests is as follows:		
At 1.1.	28'601	29'380
Dividends paid	(2'297)	(1'641)
Net income	3'625	2'755
Translation differences	(3'160)	(1'893)
<b>At 31.12.</b>	<b>26'769</b>	<b>28'601</b>

## Notes

		2023	2022
		(CHF '000)	(CHF '000)
21	<b>Financial liabilities</b>		
	Non-current financial liabilities:		
	Leasing liabilities	4'655	8'869
	Bank loan 1%, in JPY, due 30.04.2024	0	35
	<b>Total non-current financial liabilities</b>	<b>4'655</b>	<b>8'904</b>
	Current financial liabilities:		
	Leasing liabilities	5'927	4'620
	Bank loan 1%, in JPY, due 30.04.2024	30	0
	Bank loan 3.2%, in CNY, due 14.09.2024-13.12.2024	21'725	0
	<b>Total current financial liabilities</b>	<b>27'682</b>	<b>4'620</b>

	2023	2022
	(CHF '000)	(CHF '000)
<b>Change of current financial liabilities</b>		
At 1.1.	4'620	7'493
Repayment of bank loan	0	(2'939)
Repayment of leasing liability	(4'407)	(4'739)
Proceeds from bank loan	21'339	0
Proceeds from leasing liability	1'910	1'796
Reclassification bank loan	35	0
Reclassification leasing liability	4'369	3'009
Translation differences	(184)	0
<b>At 31.12.</b>	<b>27'682</b>	<b>4'620</b>

	2023	2022
	(CHF '000)	(CHF '000)
<b>Lease liabilities</b>		
At 1.1.	13'489	16'432
Additions	1'910	1'796
Interest	112	189
Payments	(4'407)	(4'928)
Translation differences	(522)	0
<b>At 31.12.</b>	<b>10'582</b>	<b>13'489</b>
Current portion	5'927	4'620
Non-current portion	4'655	8'869

## Notes

### 22 Employee benefit liability

Description of Swiss defined benefit pension plans:

All Swiss group entities have their individual, legally independent pension funds. The board of trustees of each pension fund is the body charged with governance and comprises an equal number of employee and employer representatives. The board of the pension fund is required by law and by regulations of the pension fund to act in the best interest of the pension fund and its beneficiaries. Resolutions must be passed on a basis of parity. The board is responsible for the determination of and any adjustments to be made to the pension regulations as well as for determining the funding requirements of the plan. The funding requirements are subject to the legal minimum requirements of the Swiss Federal Law on Occupational Retirement, Surviving Dependents' and Disability Pension (BVG) and its implementing provisions. The minimum insured salary and the minimum retirement credits are defined in the BVG. The minimum interest rate which has to be applied to these minimum retirement assets is determined by the Swiss Federal Council at least every two years. In 2023, the minimum interest rate was 1.25% (2022: 1.00%). The pension funds are subject to oversight by the regulating authority.

All pension plans, with the exception of the "Kaderversicherung" (management insurance scheme) which is funded by the employer only, are jointly funded by employees and the employer. However, the group entities contribute a proportionally higher part to the plan than the employees. The pension benefits are based on the pension balance. Retirement credits and interest are added to this balance annually. At the time of retirement, the insured individual can choose between either a lifelong annuity or a capital payment. The annuity is calculated by multiplication of the pension balance with the currently applicable conversion rate. In addition to the retirement benefits, pension benefits include disability benefits and widow's and/or orphans' pension. These are calculated as a percentage of the insured annual salary. If an employee decides to leave the company, the pension balance of this employee is transferred to the pension fund of the new employer or to an independent benefits scheme. Following the design of defined benefit plans and the legal provisions of the BVG, there are actuarial risks such as the market (investment) risk, interest rate risk, disability risk and longevity risk associated with such plans.

In order to limit the risks arising from retirement benefits, long-term disability benefits and widow's and/or orphans' pensions which were incurred after January 1, 2013, a risk reinsurance contract was entered into with an insurance company. This contract replaced a Stop Loss Reinsurance which existed since January 1, 2008 with the same insurance company. The new contract contains a provision that transfers the risks of death and disability and the related regulatory benefit payments to the insurance company on a back to back basis.

Since beginning January 2021, the conversion rate is unchanged at 4.9%.

#### Balance sheet reconciliation

	2023			2022		
	Pension-plans CH	Other post-employment benefit plans	Total	Pension-plans CH	Other post-employment benefit plans	Total
(CHF '000)						
<b>Funded plans</b>						
Fair value of plan assets	336'380	4'194	340'574	336'973	4'592	341'565
Defined benefit obligation	(289'389)	(4'409)	(293'798)	(278'077)	(4'660)	(282'737)
Change in effect of asset ceiling	(46'445)	0	(46'445)	(58'371)	0	(58'371)
<b>Over (under) funding</b>	<b>546</b>	<b>(215)</b>	<b>331</b>	<b>525</b>	<b>(68)</b>	<b>457</b>
Unfunded plans: Defined benefit obligation	0	(720)	(720)	0	(848)	(848)
<b>Net recognised asset (liability)</b>	<b>546</b>	<b>(935)</b>	<b>(389)</b>	<b>525</b>	<b>(916)</b>	<b>(391)</b>
Jubilees	0	(3'914)	(3'914)	0	(4'078)	(4'078)
Provision for termination pay	0	(479)	(479)	0	(598)	(598)
<b>Net asset (liability)</b>	<b>546</b>	<b>(5'328)</b>	<b>(4'782)</b>	<b>525</b>	<b>(5'592)</b>	<b>(5'067)</b>
Reported in the balance sheet:						
Assets from employee benefits (see note 9)			4'194			4'592
Employee benefit liability			(8'976)			(9'659)
<b>Net recognised asset (liability)</b>			<b>(4'782)</b>			<b>(5'067)</b>

The Swiss pension plans represent more than 95 % of the plan assets and defined benefit obligation and are therefore disclosed in detail below.

## Notes

### Movement in net defined benefit liability

(CHF '000)	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability / (asset)	
	2023	2022	2023	2022	2023	2022
At 1.1.	278'077	345'755	(336'973)	(344'272)	(525)	1'483
<b>Included in profit or loss</b>						
Current service cost	5'688	7'826	0	0	5'688	7'826
Past service cost	(22)	0	0	0	(22)	0
Interest cost (income)	6'395	1'038	(6'408)	(1'033)	(13)	5
<b>Total</b>	<b>12'061</b>	<b>8'864</b>	<b>(6'408)</b>	<b>(1'033)</b>	<b>5'653</b>	<b>7'831</b>
<b>Included in OCI</b>						
Remeasurements loss (gain):						
Actuarial loss (gain)						
from demographic assumptions	0	0	0	0	0	0
from financial assumptions	16'990	(67'238)	0	0	16'990	(67'238)
from experience adjustment	3'933	4'315	0	0	3'933	4'315
Income plan assets excluding interest income	0	0	(5'462)	3'751	(5'462)	3'751
Change in effect of asset ceiling	0	0	0	0	(11'926)	58'371
<b>Total</b>	<b>20'923</b>	<b>(62'924)</b>	<b>(5'462)</b>	<b>3'751</b>	<b>3'535</b>	<b>(802)</b>
<b>Other</b>						
Employers' contributions	0	0	(9'209)	(9'212)	(9'209)	(9'212)
Employees' contributions	6'727	6'417	(6'727)	(6'417)	0	0
Vested benefits paid in / paid out, net	(28'399)	(20'035)	28'399	20'210	0	175
<b>Total</b>	<b>(21'672)</b>	<b>(13'618)</b>	<b>12'463</b>	<b>4'581</b>	<b>(9'209)</b>	<b>(9'037)</b>
<b>At 31.12.</b>	<b>289'389</b>	<b>278'077</b>	<b>(336'380)</b>	<b>(336'973)</b>	<b>(546)</b>	<b>(525)</b>

EMS expects to pay MCHF 8.45 into defined benefit plans in 2024 (2023: MCHF 9.06).

Plan assets	2023	2022
	(CHF '000)	(CHF '000)
Liquidity	168'190	178'596
Bonds CHF*	10'091	23'588
Swiss shares*	40'366	20'218
Property	111'005	107'831
Mortgages, loans	5'046	6'740
Other investments	1'682	0
<b>Total</b>	<b>336'380</b>	<b>336'973</b>

\* Plan assets with market prices.

Actuarial assumptions as of 31.12.	2023	2022
Discount rate	1.70%	2.30%
Future salary growth	2.00%	1.50%
Mortality table	BVG 2020 GT	BVG 2020 GT

### Sensitivity analysis

The following sensitivity analysis shows the impact of a reasonable possible change in the principal actuarial assumptions on defined benefit obligations at the reporting date.

	2023	2022
	(CHF '000)	(CHF '000)
Discount rate +0.5%	(13'413)	(13'992)
Discount rate -0.5%	14'618	15'496
Future salary growth +0.5%	1'053	361
Future salary growth -0.5%	(1'098)	(407)
Life expectancy +1 year	5'211	6'644
Life expectancy -1 year	(4'682)	(6'907)

At December 31, 2023, the weighted average duration of the defined benefit obligation was 9.7 years (2022: 10.6 years).

## Notes

### 23 Provisions

(CHF '000)	Provisions for environ- mental risks	Provisions for litigation risks	Other provisions	Total
At 31.12.2022	3'953	2'204	2'383	8'540
Increase via income statement	0	52	2'353	2'405
Decrease via income statement / amounts used	(132)	0	(162)	(294)
Translation differences	0	0	(279)	(279)
<b>At 31.12.2023</b>	<b>3'821</b>	<b>2'256</b>	<b>4'295</b>	<b>10'372</b>
Current portion	0	0	3'766	3'766
Non-current portion	3'821	2'256	529	6'606

Provisions for environmental risks cover expected measures for ecological requirements, measures for water protection and for the recultivation and restoration of environmental conditions at existing production or storage sites. The non-current provision has an expected average maturity of 4-8 years. Within the provisions for litigation risks, the risk arising from litigation processes is adequately covered as at December 31, 2023. Warranty provisions are mainly included within other provisions. The non-current provisions for litigation risks and the non-current other provisions are expected with an average maturity of 2 years.

The provisions are not discounted as the time value of money is not material.

	2023 (CHF '000)	2022 (CHF '000)
<b>24 Other current liabilities</b>		
Contract liabilities	5'123	6'077
Prepaid expenses and deferred income	50'797	85'873
Liabilities to social security institutions	'728	1'874
Other current liabilities	21'752	43'491
<b>Total other current liabilities</b>	<b>78'400</b>	<b>137'315</b>

	2023 (CHF '000)	2022 (CHF '000)
<b>25 Net debt / (net cash-position)</b>		
Bank loans	21'755	35
Hedges with a negative replacement value	0	34
<b>Liabilities</b>	<b>21'755</b>	<b>69</b>
Other short-term financial assets	(200'858)	(102'708)
Hedges with a positive replacement value	(20'667)	(36'793)
Current Interest-bearing financial assets	0	(49'366)
Cash and cash equivalents	(264'383)	(248'565)
<b>Net debt / (net cash-position) without lease liabilities</b>	<b>(464'152)</b>	<b>(437'363)</b>
Lease liabilities	10'582	13'489
<b>Net debt / (net cash-position) including lease liabilities</b>	<b>(453'570)</b>	<b>(423'874)</b>

### 26 Transactions with related parties

Emesta Holding AG, Freienbach (majority shareholder), the pension funds, members of the Board of Directors and members of the Executive Management as well as the close members of their families and associated companies are regarded as related parties.

The members of the Board of Directors or Executive Management as well as the close members of their families did not receive any credits, advances or other types of loans. No related party transactions took place with them.

The bonuses included in the reporting year consist of the bonuses estimated in the reporting year. The definitive bonuses for the reporting year are announced after the publication of this financial report and are presented in the remuneration report 2023 / 2024.

	2023 (CHF '000)	2022 (CHF '000)
<b>Compensation Board of Directors and the Executive Management</b>		
Short-term employee benefits to the members of the Board of Directors and Executive Management	3'800	3'800
Share-based payment	0	0
Termination benefits	0	0
Post-employment benefits	0	0
Other long-term employee benefits	0	0
<b>Total compensation</b>	<b>3'800</b>	<b>3'800</b>

Neither the members of the Board of Directors and the Executive Management nor their related parties have any conversion rights or options in EMS-CHEMIE HOLDING AG.

The detailed disclosures of compensation as per Swiss law can be found in the remuneration report.

## Notes

### 27 Financial Risk Management

	2023 (CHF '000)	2022 (CHF '000)
<b>Credit risks</b>		
Other non-current assets	25'581	30'780
Non-current interest-bearing financial assets	1'002	1'159
Trade receivables	297'026	333'078
Other current assets without withholding taxes	85'850	121'404
Other current financial assets	200'858	102'708
Derivative financial instruments	20'667	36'793
Bank deposits	264'316	248'507
<b>Maximum credit risk</b>	<b>895'300</b>	<b>874'429</b>

The maximum credit risk is equal to the carrying amount of the respective assets. There are no collateralised financial assets. For the analysis of due dates and allowances for doubtful trade receivables, see note 12.

#### Liquidity risks - maturity date of financial liabilities

At 31.12.2023 (CHF '000)	Carrying amount	Contractual cash flows	Maturity date		
			< 1 year	1-5 years	> 5 years
Bank loans	21'755	21'755	21'755	0	0
Lease liabilities	10'582	10'582	5'927	4'655	0
Trade payables	95'744	95'744	95'744	0	0
Other short-term liabilities	78'400	78'400	78'400	0	0
Derivative financial instruments	0	0	0	0	0
<b>Total financial liabilities</b>	<b>206'481</b>	<b>206'481</b>	<b>201'826</b>	<b>4'655</b>	<b>0</b>

At 31.12.2022 (CHF '000)	Carrying amount	Contractual cash flows	Maturity date		
			< 1 year	1-5 years	> 5 years
Bank loans	35	35	35	0	0
Lease liabilities	13'489	13'489	4'620	8'869	0
Trade payables	131'556	131'556	131'556	0	0
Other short-term liabilities	137'315	137'315	137'315	0	0
Derivative financial instruments	34	34	10	24	0
<b>Total financial liabilities</b>	<b>282'429</b>	<b>282'429</b>	<b>273'536</b>	<b>8'893</b>	<b>0</b>

#### Market risks - Interest rate risk and sensitivity

EMS-Group has minimal debt positions. Therefore there is no material interest rate exposure on the liability side. Money-market investments on the asset side have fixed interest rates. The interest rate risk is limited to mark-to-market and has not effect on net income of the Group.

#### Market risks - Currency exposure and sensitivity

At 31.12.2023 (CHF '000)	EUR	USD	JPY	CNY	Other	Total
Trade receivables	142'155	53'191	14'802	53'411	33'467	297'026
Trade payables	(38'371)	(20'122)	(12'152)	(13'992)	(11'107)	(95'744)
Bank loans	0	0	(30)	(21'725)	(0)	(21'755)
Leasing liabilities	(3'639)	(2'884)	(575)	(381)	(3'103)	(10'582)
Derivative financial instruments	(275'858)	(96'421)	1'021	0	(45'934)	(417'192)
<b>Currency exposure on net income</b>	<b>(175'713)</b>	<b>(66'236)</b>	<b>3'066</b>	<b>17'313</b>	<b>(26'677)</b>	<b>(248'247)</b>
Investments in subsidiaries	759'634	224'276	17'002	108'716	869'437	1'979'065
Loans receivable intercompany	0	0	27'089	0	(27'089)	0
Loans payable intercompany	(258'414)	(38'014)	0	0	296'428	0
<b>Currency exposure on equity</b>	<b>325'507</b>	<b>120'026</b>	<b>47'157</b>	<b>126'029</b>	<b>1'112'099</b>	<b>1'730'818</b>



## Notes

<b>At 31.12.2022</b>						
(CHF '000)	EUR	USD	JPY	CNY	Sonstige	Total
Trade receivables	160'774	68'100	20'722	54'802	28'680	333'078
Trade payables	(55'290)	(28'539)	(17'438)	(14'903)	(15'386)	(131'556)
Bank loans	0	0	(35)	0	0	(35)
Leasing liabilities	(4'270)	(2'884)	(575)	(381)	(5'379)	(13'489)
Derivative financial instruments	(352'223)	(224'317)	1'527	(96'422)	(50'581)	(722'016)
<b>Currency exposure on net income</b>	<b>(251'009)</b>	<b>(187'640)</b>	<b>4'201</b>	<b>(56'904)</b>	<b>(42'666)</b>	<b>(534'018)</b>
Investments in subsidiaries	149'435	226'543	18'307	112'437	1'572'369	2'079'091
Loans receivable intercompany	365'214	44'711	7'925	0	(417'850)	0
Loans payable intercompany	(4'654)	(5'543)	0	0	10'197	0
<b>Currency exposure on equity</b>	<b>509'995</b>	<b>265'711</b>	<b>26'232</b>	<b>112'437</b>	<b>1'164'716</b>	<b>2'079'091</b>

Based on the currencies and exposures shown in the table above: A 10% decrease in the Swiss franc would affect net income before taxes (always ceteris paribus, in CHF million): EUR -17.6, USD -6.6, JPY +0.3 und CNY +1.7. In 2022: EUR -25.1, USD -18.8, JPY +0.4, CNY -5.7. A 10% increase in the Swiss franc: EUR +17.6, USD +6.6, JPY -0.3 und CNY -1.7. In 2022: EUR +25.1, USD +18.8, JPY -0.4, CNY +5.7.

Based on the currencies and exposures shown in the table above: A 10% decrease in the Swiss franc would affect net income before taxes (always ceteris paribus, in CHF million): EUR +32.6, USD +12.0, JPY +4.7, CNY +12.6. In 2022: EUR +51.0, USD +26.6, JPY +2.6, CNY +11.2. A 10% increase in the Swiss franc: EUR -32.6, USD -12.0, JPY -4.7 und CNY -12.6. In 2022: EUR -51.0, USD -26.6, JPY -2.6, CNY -11.2.

This sensitivity analysis is valid for December 31 only.

### Fair value hierarchy

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data.

<b>At 31.12.2023</b>				
(CHF '000)	Level 1	Level 2	Level 3	Total
Financial assets: Derivative financial instruments		20'667		20'667
Financial liabilities: Derivative financial instruments		0		0

<b>At 31.12.2022</b>				
(CHF '000)	Level 1	Level 2	Level 3	Total
Financial assets: Derivative financial instruments		36'793		36'793
Financial liabilities: Derivative financial instruments		34		34

Categories of financial instruments	2023	2022
	(CHF '000)	(CHF '000)
<b>Cash and cash equivalents</b>	<b>264'383</b>	<b>248'565</b>
Other non-current assets	25'581	30'780
Other non-current interest-bearing financial assets	1'002	1'159
Trade receivables	297'026	333'078
Other current assets	91'744	121'404
Other current financial assets	200'858	102'708
<b>Loans and receivables at amortized cost</b>	<b>616'211</b>	<b>589'129</b>
<b>Derivative financial instruments, positive replacement value at fair value</b>	<b>20'667</b>	<b>36'793</b>
Financial liabilities	32'337	13'524
Trade payables	95'744	131'556
Other short-term liabilities	78'400	137'315
<b>Financial liabilities at amortized cost</b>	<b>206'481</b>	<b>282'395</b>
<b>Derivative financial instruments, negative replacement value at fair value</b>	<b>0</b>	<b>34</b>

## Notes

### 28 Lease disclosures

The expense relating to short-term leases and variable lease payments not included in the measurement of lease liabilities is CHF 5.7 million (2022: CHF 4.7 million). The EMS Group had a liquidity outflow for leasing of CHF 8.7 million (2022: CHF 9.7 million). The non-cash additions for rights-of-use and lease liabilities amounted to TCHF 498 (2022: TCHF 1'794).

	2023	2022
	(CHF '000)	(CHF '000)
<b>Leases in the income statement</b>		
Depreciation right-of-use	3'405	4'755
Interest expenses for lease liabilities	112	189
Lease expenses relating to low-value assets	5'668	4'748
<b>Total</b>	<b>9'185</b>	<b>9'692</b>

	2023	2022
	(CHF '000)	(CHF '000)
<b>Minimum lease payments</b>		
Less than 1 year	11'595	9'368
1 to 5 years	4'655	8'869
thereafter	0	0
<b>Total</b>	<b>16'250</b>	<b>18'237</b>

The lease agreements concern mainly buildings and cars.

	2023	2022
	(CHF '000)	(CHF '000)
<b>29 Contingent liabilities</b>		
Contingent liabilities at the end of the year amount to	15'320	17'073

Contingent liabilities mainly relate to issued guarantees. No legal proceedings are known to be in progress within the EMS Group which could have a significant impact on the Group's financial position in excess of the provisions booked in the balance sheet (see note 23).

### 30 Subsequent events

The consolidated financial statements were approved by the Board of Directors on March 20, 2024 and need to be approved by the Annual General Meeting on August 10, 2024.

Between January 1, 2024 and March 20, 2024 there were no subsequent events requiring an adjustment of the book values of Group assets and liabilities or needed to be published here.

Notes

31 List of subsidiaries at 31.12.2023

Name	Domicile	Country	Currency	Share capital (in '000)	Ownership	Location type	Consolidation
EMS-CHEMIE HOLDING AG	Domat/Ems	Switzerland	CHF	234	0	D	K
EMS-INTERNATIONAL FINANCE (Guernsey) Ltd.	Guernsey	Guernsey	CHF	60	100.00%	D	K
<b>Business Area High Performance Polymers</b>							
EFTEC NV	Genk	Belgium	EUR	1'240	100.00%	P,V	K
EFTEC Brasil Ltda.	Santana de Parnaiba	Brasil	BRL	541	100.00%	P,V	K
Changchun EFTEC Chemical Products Ltd.	Changchun	China (People's Rep.)	CNY	27'500	75.00%	P,V	K
EFTEC (Changshu) Automotive Materials Limited	Changshu	China (People's Rep.)	CNY	80'110	75.00%	P,V	K
EFTEC (Changshu) Engineering Co. Ltd.	Changshu	China (People's Rep.)	CNY	765	100.00%	P,V	K
Foshan EFTEC Automotive Materials Co., Ltd	Foshan	China (People's Rep.)	CNY	6'849	75.00%	P,V	K
EFTEC China Ltd.	Hongkong	China (People's Rep.)	USD	33'511	75.00%	D	K
EMS-CHEMIE (China) Ltd.	Shanghai	China (People's Rep.)	CNY	5'000	100.00%	V	K
EFTEC (Shanghai) Engineering Co. Ltd.	Shanghai	China (People's Rep.)	CNY	886	100.00%	P,V	K
EFTEC (Shanghai) Services Ltd.	Shanghai	China (People's Rep.)	CNY	952	75.00%	D	K
Shanghai EFTEC Chemical Products Ltd.	Shanghai	China (People's Rep.)	CNY	20'750	75.00%	D	K
EMS-CHEMIE (Suzhou) Ltd.	Suzhou	China (People's Rep.)	CNY	98'693	100.00%	P,V	K
EMS-CHEMIE (Suzhou) Trading Ltd.	Suzhou	China (People's Rep.)	CNY	3'000	100.00%	V	K
Wuhu EFTEC Chemical Products Ltd.	Wuhu	China (People's Rep.)	CNY	6'650	45.00%	P,V	K
EMS-CHEMIE (Deutschland) GmbH	Gross-Umstadt	Germany	EUR	2'556	100.00%	P	K
EMS-CHEMIE (Deutschland) Vertriebs GmbH	Gross-Umstadt	Germany	EUR	26'000	100.00%	V	K
EFTEC Engineering GmbH	Markdorf	Germany	EUR	25	100.00%	P,V	K
EFTEC Sàrl	Chaville	France	EUR	8	100.00%	V	K
EMS-CHEMIE (France) S.A.	Chaville	France	EUR	1'951	100.00%	V	K
EFTEC Ltd.	Rhigos	UK	GBP	352	100.00%	P,V	K
EMS-CHEMIE (UK) Ltd.	Stafford	UK	GBP	1'530	100.00%	V	K
EFTEC (India) Pvt. Ltd.	Pune	India	INR	15'000	100.00%	P,V	K
EMS-CHEMIE (Italia) S.r.l.	Como	Italy	EUR	1'300	100.00%	V	K
EMS-CHEMIE (Japan) Ltd.	Tokio	Japan	JPY	210'000	100.00%	V	K
EMS-UBE Ltd.	Ube	Japan	JPY	1'500'000	66.65%	P,V	K
EFTEC Mexico S.A. de C.V.	Cuernavaca	Mexico	MXN	50	100.00%	V	K
Grupo Placosa EFTEC S.A. de C.V.	Cuernavaca	Mexico	MXN	19'451	100.00%	D	K
Placosa S.A. de C.V.	Cuernavaca	Mexico	MXN	47'409	100.00%	P	K
Recubrimientos Modernos S.A. de C.V.	Cuernavaca	Mexico	MXN	550	100.00%	D	K
EFTEC (Romania) S.R.L.	Budeasa	Romania	RON	8'083	100.00%	P,V	K
EFTEC (Elabuga) OOO	Elabuga	Russia	RUB	37'514	100.00%	P,V	K
EFTEC (Nizhniy Novgorod) OOO	Nizhniy Novgorod	Russia	RUB	37'200	100.00%	P,V	K
EMS-CHEMIE (Produktion) AG	Domat/Ems	Switzerland	CHF	100	100.00%	P	K
EMS-CHEMIE AG	Domat/Ems	Switzerland	CHF	100	100.00%	V,D	K
EMS-INVENTA AG	Männedorf	Switzerland	CHF	50	100.00%	D	K
EFTEC AG	Romanshorn	Switzerland	CHF	2'500	100.00%	P,V	K
EMS-CHEMIE (Switzerland) AG	Romanshorn	Switzerland	EUR	100	100.00%	V,D	K
EFTEC Europe Holding AG	Zug	Switzerland	CHF	8'000	100.00%	D	K
EFTEC Asia Pte. Ltd.	Singapur	Singapur	USD	3'518	100.00%	D,V	K
EFTEC (Slovakia) s.r.o.	Bratislava	Slovakia	EUR	7	100.00%	V	K
EFTEC SL d.o.o.	Novo mesto	Slovenia	EUR	10	100.00%	V	K
EFTEC Systems S.A.	Saragossa	Spain	EUR	944	100.00%	P,V	K
EMS-CHEMIE (Korea) Ltd.	Gyeonggi-do	South Korea	KRW	113'000	100.00%	V	K
EMS-CHEMIE (Taiwan) Ltd.	Hsin Chu Hsien	Taiwan (R.O.C.)	TWD	281'000	100.00%	P,V	K
EFTEC (Thailand) Co. Ltd.	Rayong	Thailand	THB	49'500	100.00%	P,V	K
EFTEC (Czech Republic) a.s.	Zlin	Czech Republic	CZK	47'569	100.00%	P,V	K
EMS-CHEMIE (North America) Inc.	Sumter, SC	USA	USD	3'385	100.00%	P,V	K
EFTEC North America, L.L.C.	Taylor, MI	USA	USD	38'222	100.00%	P,V	K
EMS-TOGO Corp.	Taylor, MI	USA	USD	750	100.00%	D	K
<b>Business Area Specialty Chemicals</b>							
EMS-GRILTECH *							
EMS-SERVICES *							
EMS-CHEMIE (Neumünster) Holding GmbH	Neumünster	Germany	EUR	25	100.00%	D	K
EMS-CHEMIE (Neumünster) GmbH & Co. KG	Neumünster	Germany	EUR	3'000	100.00%	P	K
EMS-CHEMIE (Neumünster) Verwaltungs GmbH	Neumünster	Germany	EUR	25	100.00%	D	K

Location type

P = Production  
V = Trade, sale  
D = Financing, various

Consolidation

K = Fully consolidated

\* EMS-GRILTECH and EMS-SERVICES are reporting units within EMS-CHEMIE AG

## STATUTORY AUDITOR'S REPORT

To the general meeting of EMS-CHEMIE HOLDING AG, Domat/Ems

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of EMS-CHEMIE HOLDING AG and its subsidiaries (the Group or the EMS Group), which comprise the consolidated balance sheet as at December 31, 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion the consolidated financial statements (pages 3 to 33) give a true and fair view of the consolidated financial position of the Group as at December 31, 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Code of Ethics for Professional Accountants (*including International Independence Standards*) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

How the Key Audit Matter was addressed in the audit

**Income taxes**

EMS Group operates internationally in different tax jurisdictions. Various laws and local interpretations as well as practice guidance in the field of direct taxation must be applied. Compliance with these requirements can, by nature, be ascertained only with delay on the basis of final tax assessments and completed tax audits.

Income taxes is considered a key audit matter due to the following reasons:

The evaluation of income taxes includes a significant element of judgement in the estimates and assumptions to be made regarding the correct application of tax regulations in the respective tax jurisdictions.

We refer to the information on the consolidated accounting principles and to note 7 "Income taxes".

We obtained an overview of the tax situation in the respective tax jurisdictions as well as status of preliminary and final tax assessments, open tax assessment periods, tax procedures and tax audits.

We examined important correspondence with tax authorities.

We analyzed management's assessment of identified uncertain tax positions.

We assessed the estimates and assumptions made with the assistance of our tax specialists.

We compared the estimates and assumptions made to those of previous year and analyzed changes.

We verified the correct disclosure in the consolidated financial statements.

Key Audit Matter

How the Key Audit Matter was addressed in the audit

**Existence and valuation of Inventories**

As of December 31, 2023, EMS Group discloses inventories in the amount of net CHF 494 million. Inventories are valued at historical purchase or production costs or, if lower, at realizable values less sales and completion costs. Value adjustments are made based on analyses of turnover rates and expected usage analysis.

Existence and valuation of inventories are considered a key audit matter due to the following reasons:

Inventories contribute with approximately 23% significantly to total assets. Physical inventory counts as well as valuation are based on assumptions and estimates.

We refer to the information on the consolidated accounting principles and to note 11 "Inventories".

We examined the adequacy of the consolidated accounting principles in respect to inventories.

We obtained an understanding of the process and internal controls in the area of inventories and performed control tests of the relevant key controls related to accuracy of existence.

We attended the physical inventory count at selected warehouse locations.

We performed sample tests in respect to applied purchase prices and calculation of production costs.

We performed data analytic tests in the area of material purchasing.

We tested the calculations of the valuation allowances on various inventory types in terms of applied data, calculation parameters and consistency to prior years and assessed the estimates regarding adequacy.

We verified the correct disclosure in the consolidated financial statements.

Other Information

The board of directors is responsible for the other information. The other information comprises page 1 (Share performance) and page 2 (Key Figures 2019 - 2023) which we obtained prior to the date of this report on the finance report, but does not include the consolidated financial statements and our auditor's report thereon and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors for the Consolidated Financial Statements

The board of directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms part of our auditor's report.

## Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, March 20, 2024

BDO Ltd



Christoph Tschumi  
Auditor in Charge  
Licensed Audit Expert



ppa. Andreas Kern  
Licensed Audit Expert