



Capital Markets Day

17 May 2022

Agenda

- 13.15 | Welcome & Chairman Address
- 13.30 | Group Strategy, Sustainability & Financial Update
- 14.30 | Q&A
Coffee Break
- 15.00 | Polymer Processing Solutions
- 16.00 | Q&A
Coffee Break
- 16.30 | Surface Solutions
- 17.30 | Q&A
- 17.45 | Closing Remarks
Flying Dinner

ærlikon



Welcome & Chairman Address

Michael Süss



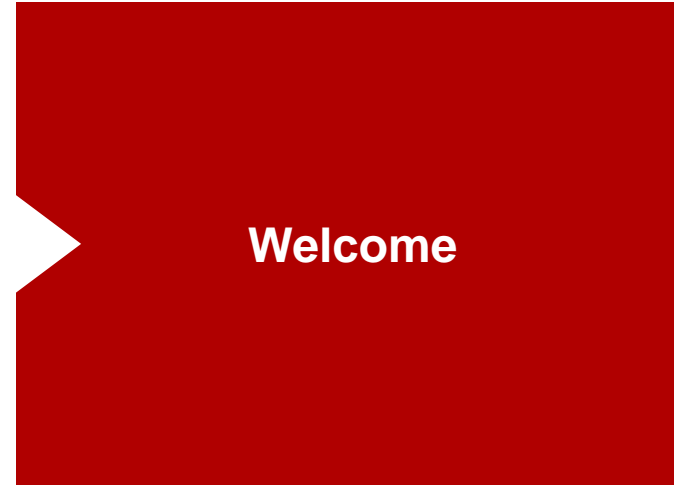
Oerlikon Chairman since 2015



Prof. Dr. Michael Süss

Chairman

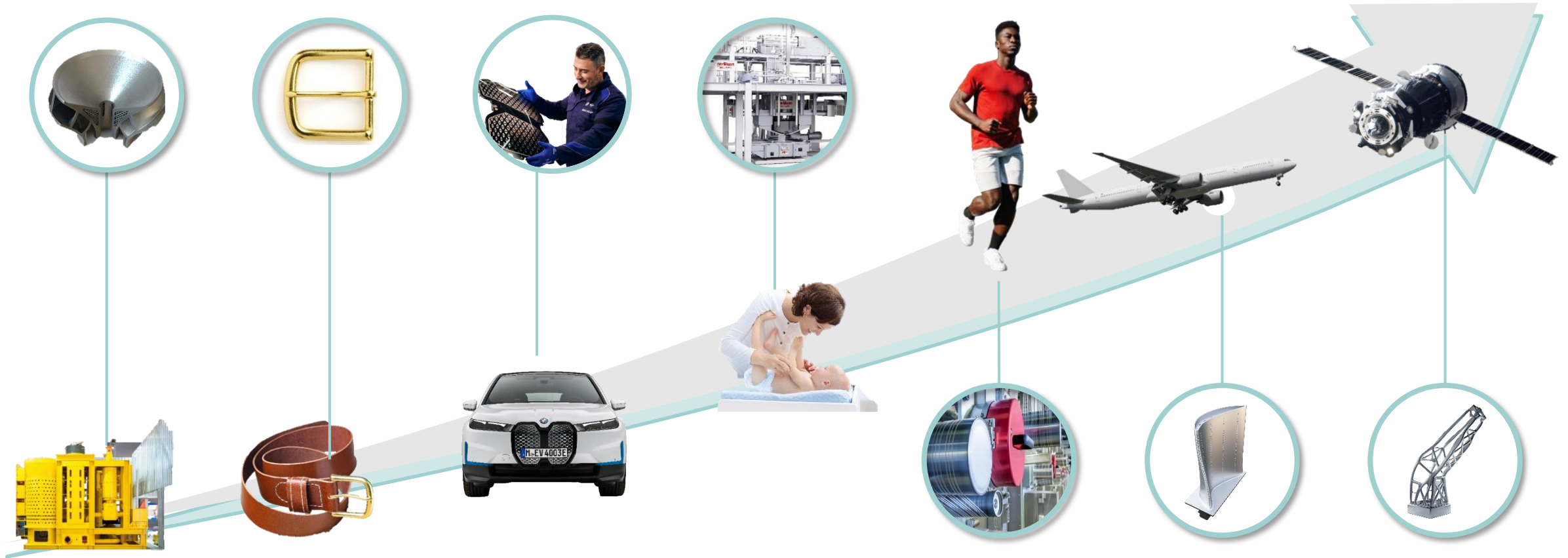
Joined Oerlikon: 2015



There is Not a Single Day Without Oerlikon

oerlikon

... to outer space



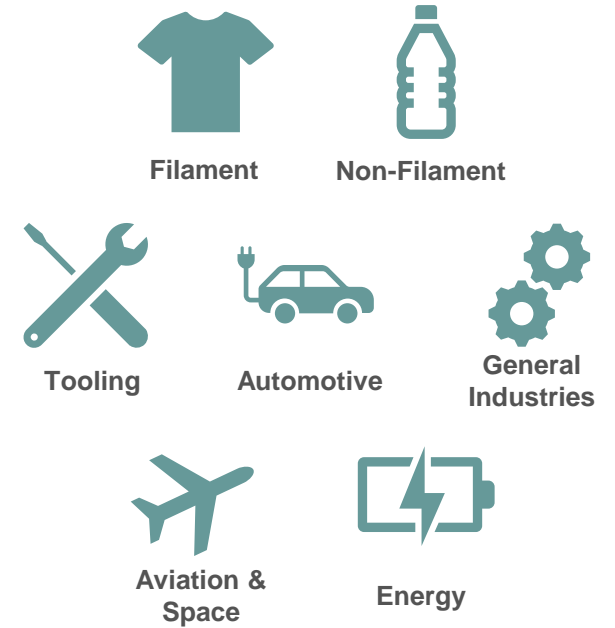
From the bottom of the ocean ...



11'801 employees with **94 nationalities**



Global footprint with **207 sites** in **38 countries**



Working across **7 major industries**

Objectives of Today's Capital Markets Day

1

Deepen understanding of Oerlikon's business and growth drivers

2

Introduce the **Divisional leaders** and their focus on diligent execution

3

Provide update on **strategic priorities** and actions to deliver growth



Strategy progress

- **Focused portfolio** from four to two Divisions
- Market leader present in sweet spots with growth prospects and technology entry barriers
- Making the difference for customers by improving their efficiency and sustainability
- Visible progress: 2021 with higher sales and EBITDA margins than 2019, increased diversification, regained M&A momentum and improved ESG ratings

Enhancing culture

- **Strengthened management and corporate culture** driving solid operational execution
- Reorganized Surface Solutions division regionally to further embed entrepreneurial culture

Shareholder value

- **Chairman of all shareholders** with a clear focus on shareholder value
- New role as executive chair increases focus on business execution; strengthening Corporate Governance with creation of Lead Director function and Governance Committee

Execution

- Expand **technology leadership**
- **Diversify** businesses and benefit from megatrends
- Accelerate **sustainability** at customers with strong value propositions

Target

- Drive **profitable 4-6% sales growth**
- Disciplined capital allocation



**Profitable &
Sustainable
Growth**

Group Strategy, Sustainability and Financials





Roland Fischer

Chief Executive Officer

Joined Oerlikon: 2016

**Building the foundation
for sustainable growth**

Priorities Since 2016

Focused Oerlikon on two Divisions with strong market share and future prospects; increased sales by CHF ~1bn since 2016 ¹⁾

Unlocked growth potential in Polymer Processing Solutions by initiating diversification into Non-Filament

Introduced new regional organization in Surface Solutions providing base for next phase of expansion

String of pearls acquisitions successfully executed, including INglass and Coeurdor

Focused on profitability by initiating major cost saving programs in Polymer Processing Solutions in 2016 and in Surface Solutions in 2019



(1) Referring to existing scope of 2 Divisions, i.e. excluding divested Drive Systems Division

Oerlikon Today is in Strong Shape



Cutting-edge technology

#1

Market leader in coating solutions

#1

Filament market leader

>30k

Customers incl. OEM & tier 1

~12k

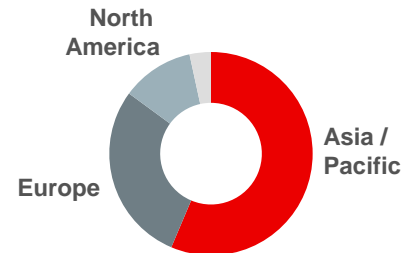
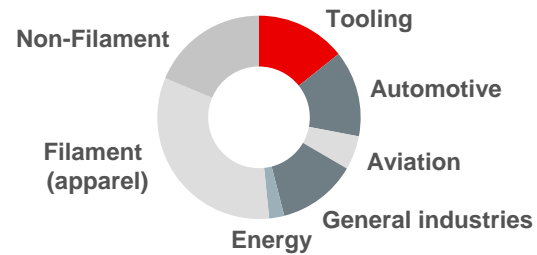
Employees

Diversified Swiss industrial technology leader



Broad market coverage

Sales 2.6bn

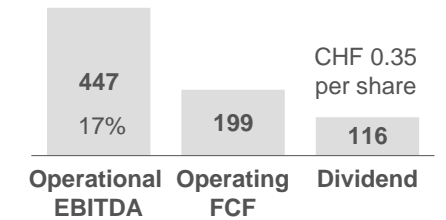


Aligned to key megatrends

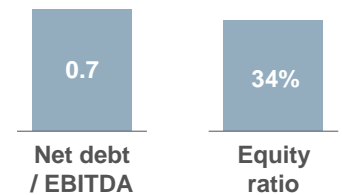


Financials 2021

EBITDA, FCF, dividend



Robust balance sheet

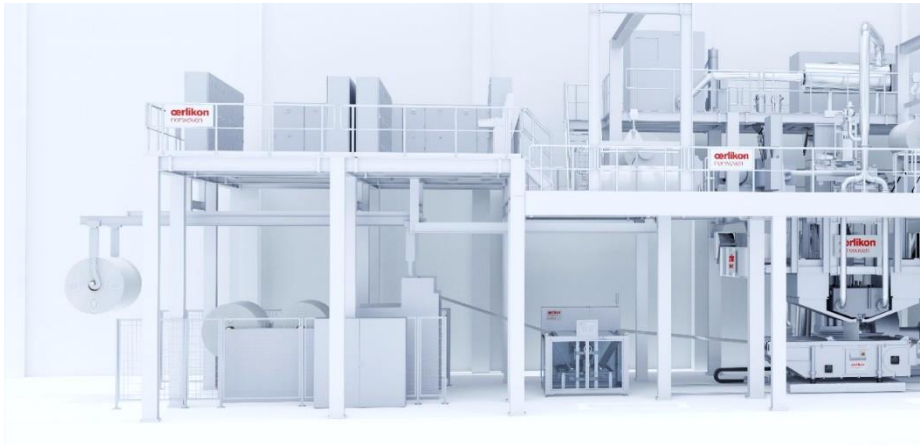


Solid financials

Long-standing Track Record of Innovation Leadership



Surface Solutions with over **80 years** experience



Polymer Processing Solutions with **100 years** experience



Improving efficiency and sustainability

~5% of sales invested in R&D
>90 patents filed annually

Nurtured High-performance Culture in Past Years

Enhanced organization with regional approach and improved systems and processes; re-set SG&A baseline

Increased diversity in top 70 management in terms of age and geography since 2018, geographical leadership now better reflecting business activity

High potential program introduced globally, building up future leaders

Strengthened and aligned culture through initiatives based on "six success statements"

Made ROCE primary driver in management incentivization

Refreshed Code of Conduct and ensuring Zero Harm to People

Defined clear ESG goals with execution on-track



What does Sustainability Stand for at Oerlikon?

Purpose



Enable industries and customers to do more with less

Vision



Empower customers to increase their **efficiency** and productivity, optimize their use of resources, **reduce their energy use, water consumption and waste**

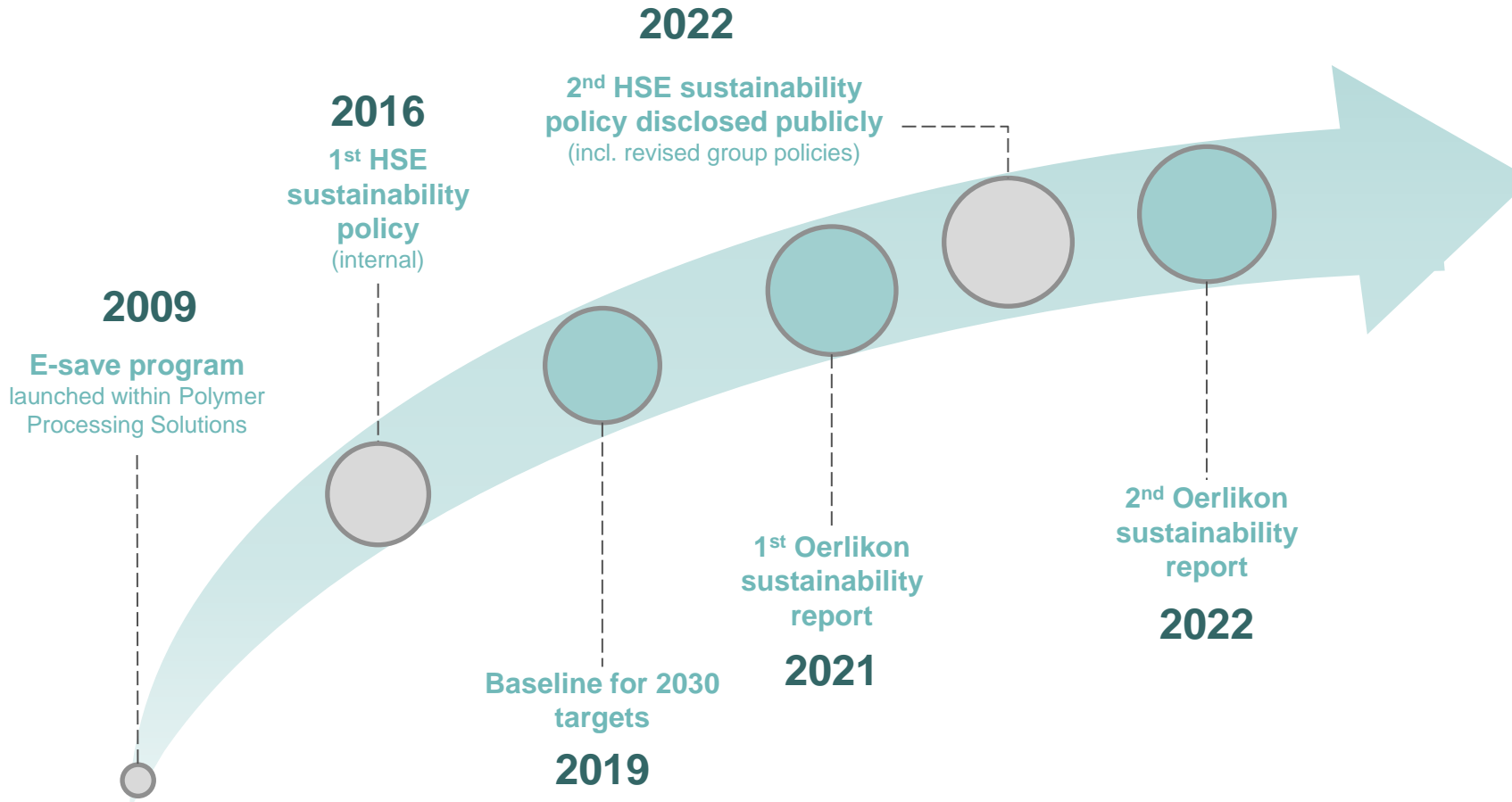
Focus



- **Help** customers and end users **reduce environmental footprint**
- **Minimize** Oerlikon's own **environmental impact**
- **Ensure** strong health, safety, and employment culture
- **Uphold** good governance and stakeholder engagement

Accelerating Sustainability Agenda

Increasing transparency and commitment recognized externally

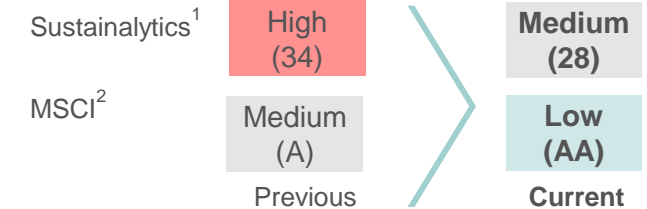


■ = ESG governance ■ = Group ESG reporting

(1) Rating scale: 10-20 (Low risk), 20-30 (Medium), 30-40 (High risk), 40+ (Severe risk); (2) Rating scale: AAA, AA, A, BBB, BB, B, CCC

2030 Targets

Improved ESG ratings



External validation and recognition

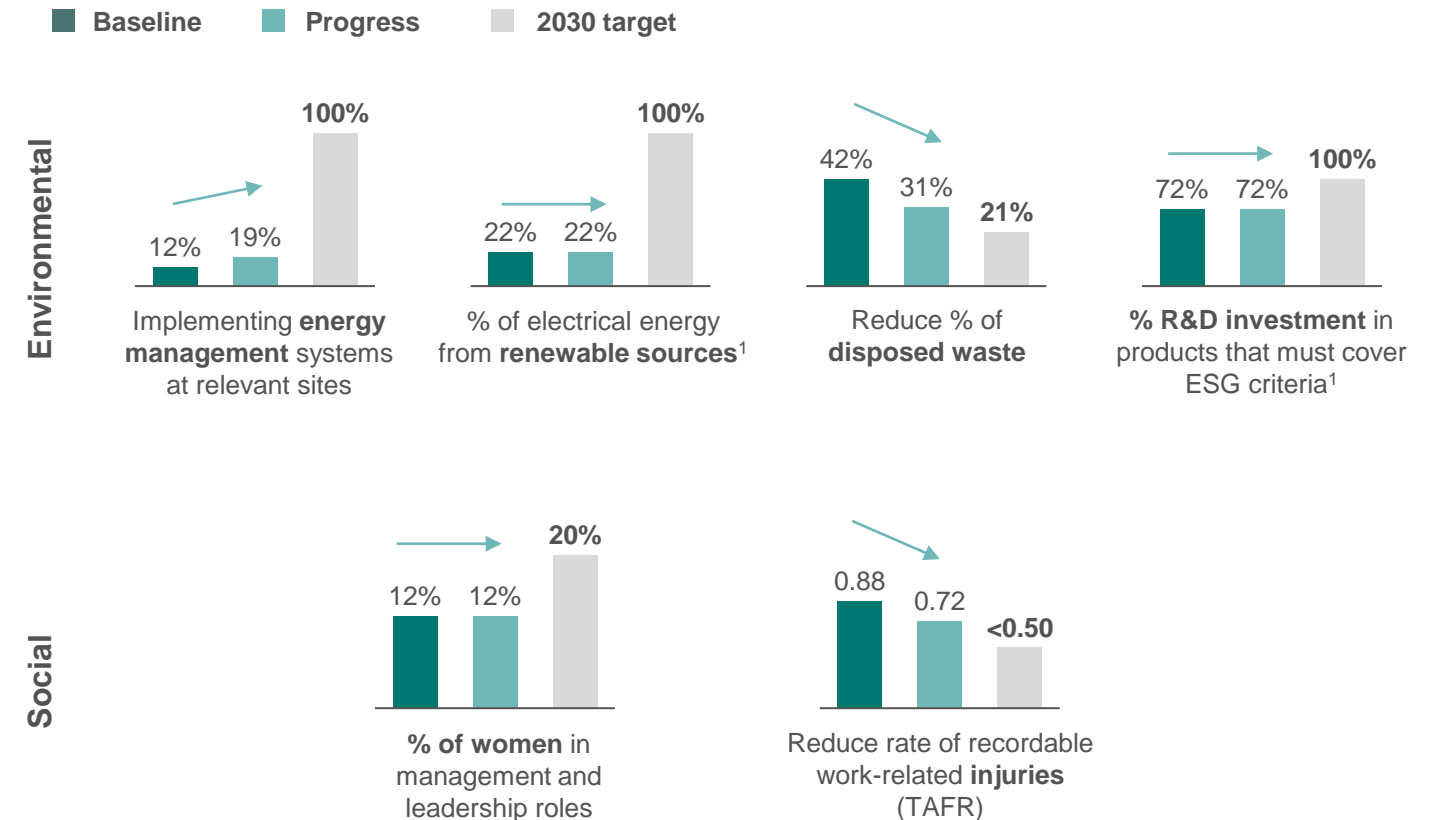


Working Towards Ambitious 2030 Targets

2021 sustainability updates

- Sustainability & HSE policy for internal operations approved
- Continued global implementation of energy management systems
- Disclosed electrical energy from renewable sources
- Increased share of operations that are climate neutral
- Launched initiative to report on scope 3 emissions
- Launched Oerlikon's first diversity conference
- Increased completion of CoC training: 97% of employees with access to electronic devices have completed e-training²

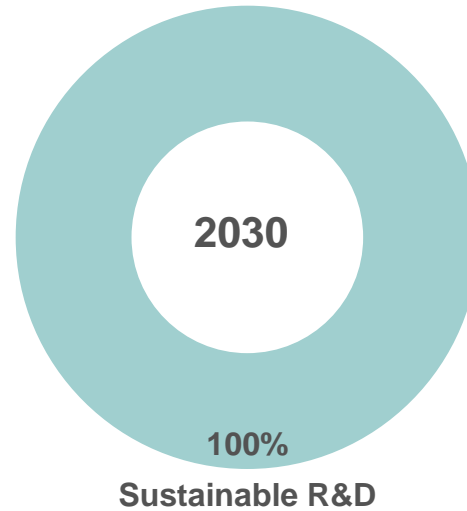
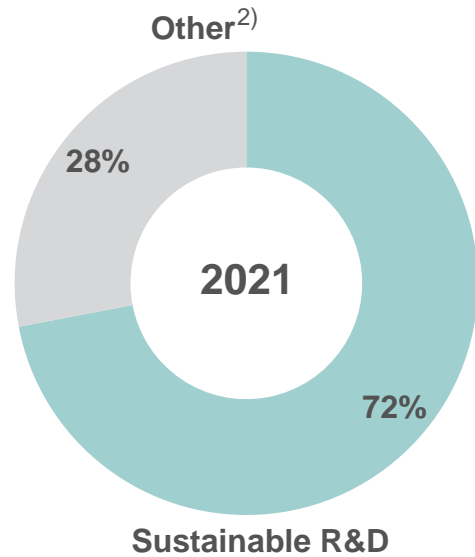
Progress towards 2030 targets



(1) Newly disclosed in 2021 (2) except Germany and 2021 acquisitions

Investment in Sustainable Innovation

100% of R&D in products to cover ESG criteria in 2030



 R&D drives sustainable sales growth

Oerlikon definition of sustainable innovation broadly follows ¹⁾:

- Same or better performance than the industry standard, predecessor product or best in class competitor product ...
- ... in terms of dimensions: energy consumption, water consumption, social impact, waste emissions, raw material impact, service time
- ... taking into account principle: “better in one dimension without a negative impact on another”

(1) See 2021 sustainability report; (2) IP investment / R&D maintenance are currently part of ‘other’ including management of patents

Sustainable Megatrends in Both Divisions Driving Growth

Oerlikon R&D on

Helping customers become sustainable and efficient

Energy consumption



160x lifetime extension of a metal tool through coating (vs. uncoated)

Saving 13.7kg metal per coated tool, which is the **weight of 2 bowling balls**



Water consumption



Coatings on aero turbine **increase efficiency ~5%**

Equals ~26 mt of CO₂ reduction annually¹... **~80% of Swiss emissions**



Social impact



Coatings and hot runner systems **enable lightweight materials**

10% less weight extends car driving range by 5-7%...for a 650km EV this is equivalent to a **marathon**



Waste emissions



Manmade fibers are **less resource intensive** than natural fibers and increasingly recyclable

A cotton t-shirt requires around 1'300l of water compared to ~8l for polymers... savings equivalent to **~9 bathtubs**



Raw material consumption



~30% energy saving with new filament equipment

Annual CO₂ emission savings² of Oerlikon winders of 2.6mt... equivalent to annual gasoline consumption of **~500k cars**



(1) Across 2019 installed base of aero engines; (2) Data per 2020 installed base for new vs. older generation of FDY on POY take-up and winding machinery

Conclusion: Well-positioned for Sustainable Growth

1

Oerlikon is in strong shape: Diversified industrial technology leader for material science



2

Supporting customers to become more efficient and sustainable



3

Well-positioned for profitable growth supported by megatrends





Philipp Müller

Chief Financial Officer

Joined Oerlikon: January 2020

A red callout box with a white arrow pointing left towards the text.

**Drive sustainable and
profitable growth**

Clear Strategy to Drive Profitable Growth



Grow & diversify

- **Outgrow** markets by focusing on technology leadership and sustainable innovation
- Expand into adjacent high potential markets organically and with **accretive M&A**
- **Capture structural growth** opportunities in Surface Solutions
- **Diversify** Polymer Processing Solutions into Non-Filament



Improve profitability

- Apply strict **cost focus** and benefit from operating leverage
- Improve **capital return** to double-digit
- Maintain strong balance sheet and pay stable or progressive dividend

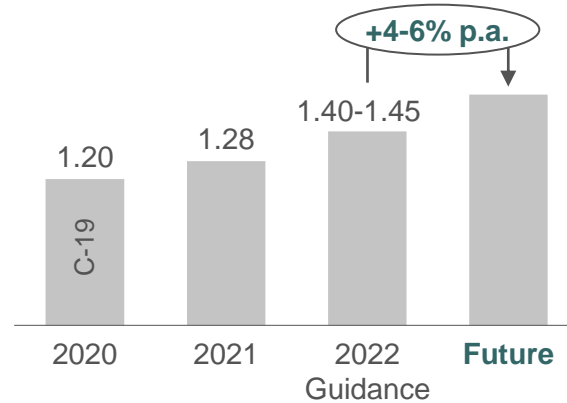
Profitable growth

4-6% sales growth with 17-19% operational EBITDA margin goal in the mid-term

Group Organic Sales Growth of 4-6% Over the Medium-term

Surface Solutions

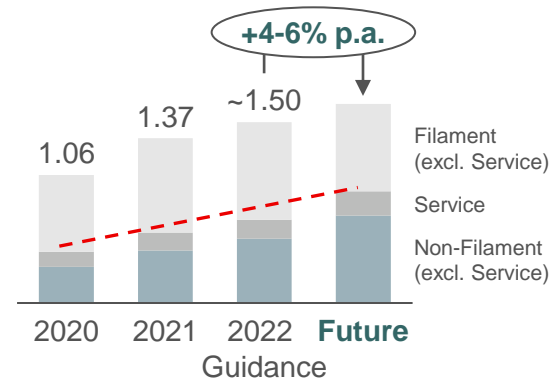
Demand driven by sustainability and efficiency



- **>20% upside** from geographic expansion in Americas and Asia
- **10% upside** from diversifying into new sustainable and high growth segments

Polymer Processing Solutions

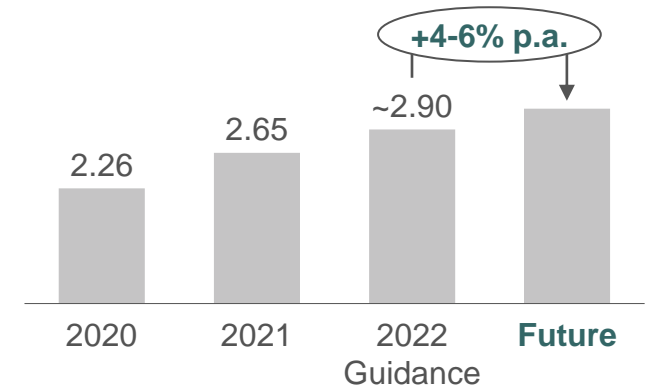
Demand driven by rising GDP and limited alternative resources



- **Enhance** leadership in Filament
- **Expand** in Non-Filament
- **Upside** from long-term trends

Both divisions to grow 4-6%¹

+5% Sales CAGR 15-21²

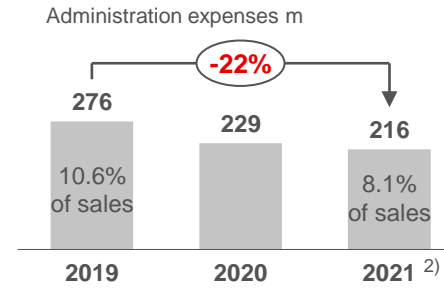


(1) Mid-term sales p.a.; (2) CAGR is FX adj.; Group CAGR excludes the Drive Systems Division which was divested in 2019

Focusing on Profitable Growth

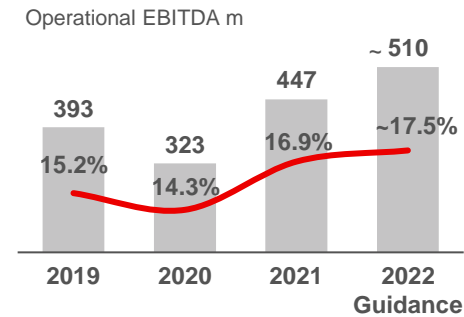
1 Cost efficiency

- 22% overhead savings since 2019
- Continued focus on efficiency and digitalization



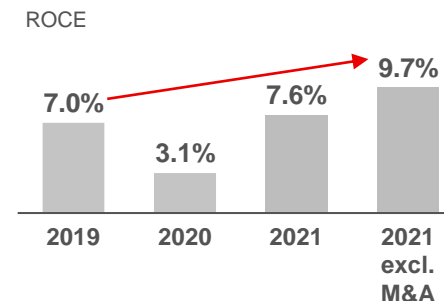
2 Profitability growth

- EBITDA margins above 2019 levels
- Benefiting from cost control, economies of scale and portfolio optimizations

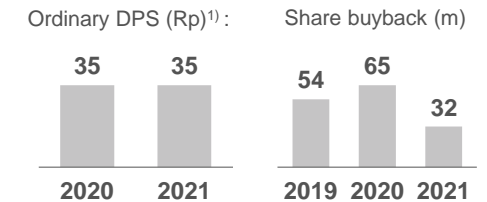


3 Driving ROCE

- ROCE improving
- Benefit from new capital allocation framework



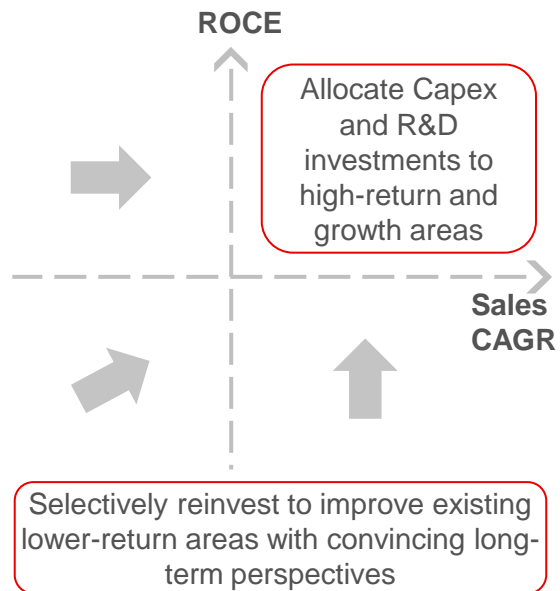
4 Dividends, M&A, share buyback



(1) DPS: Dividend per share; (2) includes CHF 9m from acquisitions done in 2021

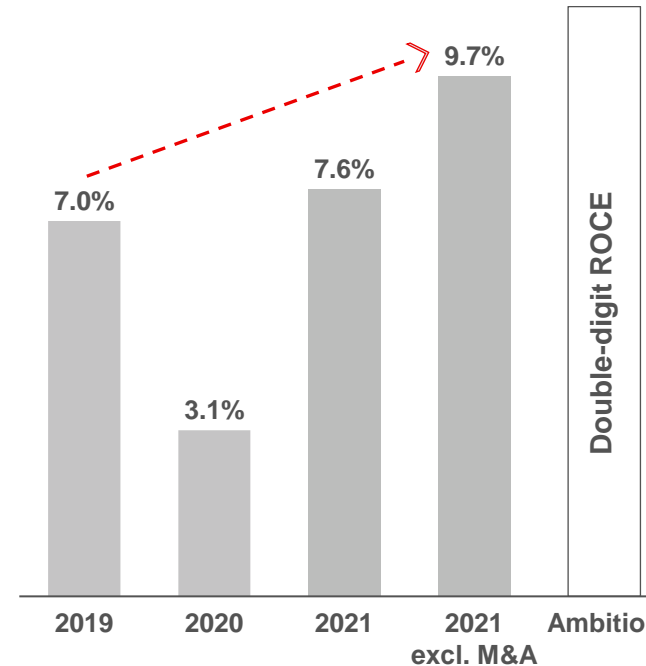
Strengthening Focus on Capital Return

Strengthened capital allocation framework



- Intensified the internal competition for capital: zero-based budgeting
- Introduced standardized review process
- Introduction of ROCE as key metric in long-term management incentivization program

Double-digit ROCE ambition



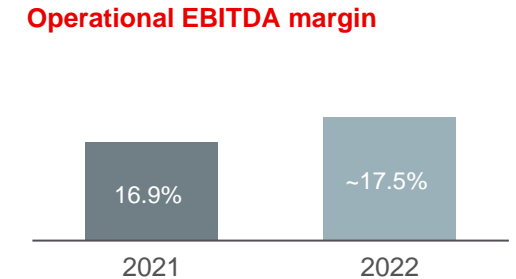
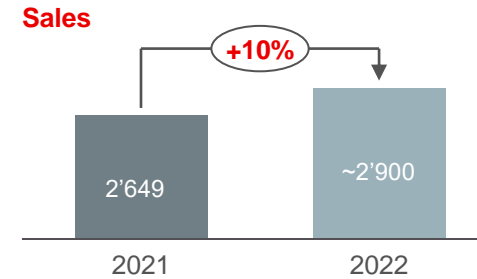
- Focused capital allocation and monitoring along defined growth strategy
- Recovering end-markets
- Continued cost containment



Group

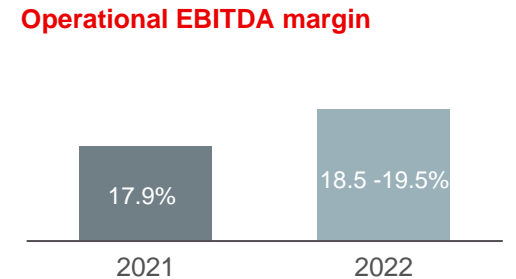
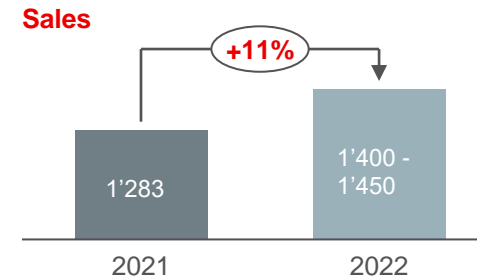
Profitable growth in both Divisions

- **Sales +10%** driven by both Divisions
- **Higher margin** supported by strong execution in both Divisions
- Capex CHF~150m



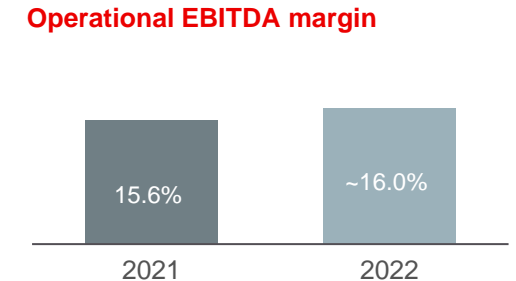
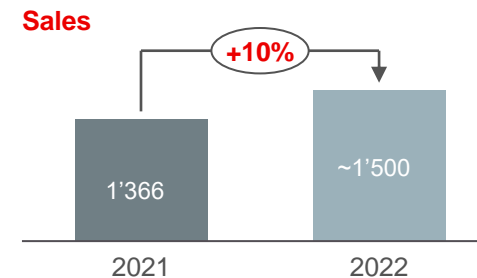
Surface Solutions

- **Sales +11%** supported by recovery of longer-cycle businesses; expect stronger H2 than H1 driven by fading of shortages
- **Higher margin** supported by operating leverage, partly offset by mix

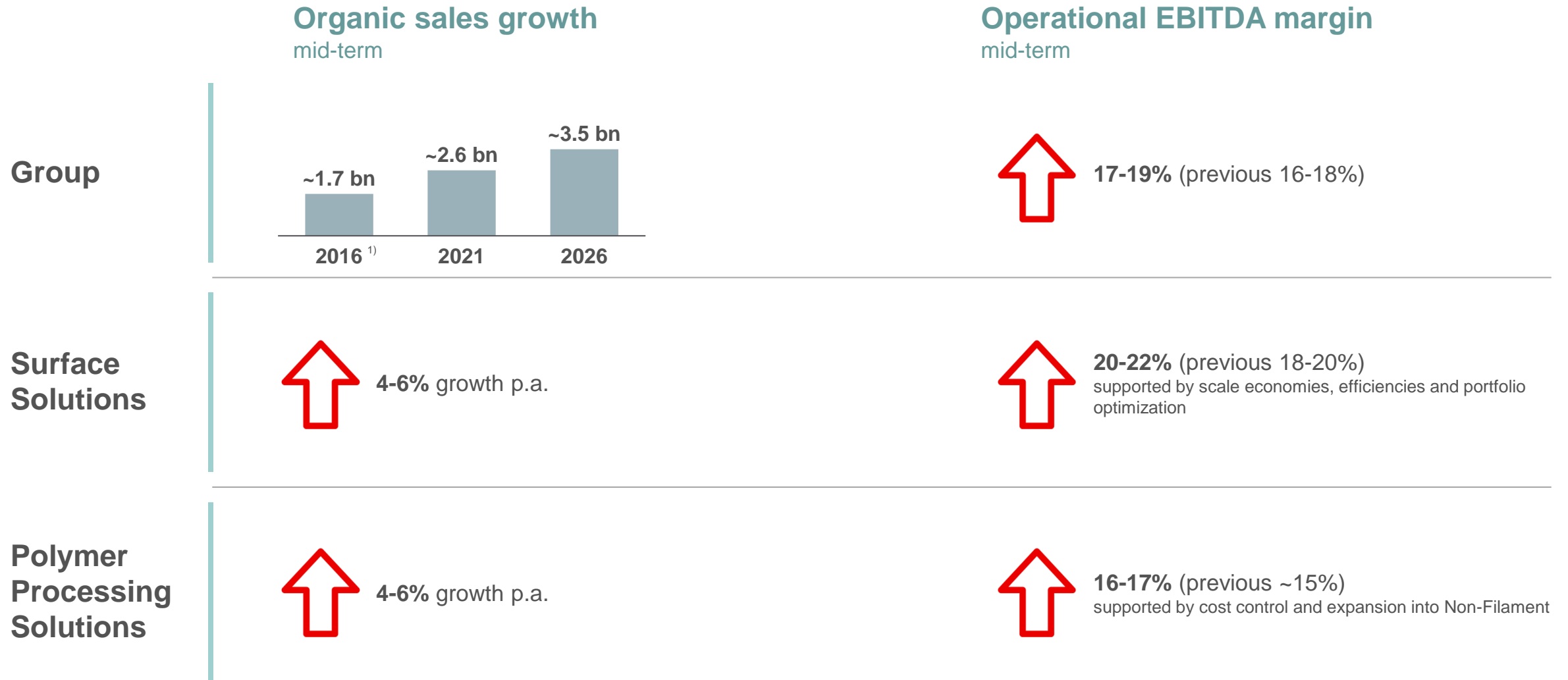


Polymer Processing Solutions

- **Sales +10%** driven by INglass and organic momentum in Filament and Non-Filament
- **Strong margin** supported by INglass



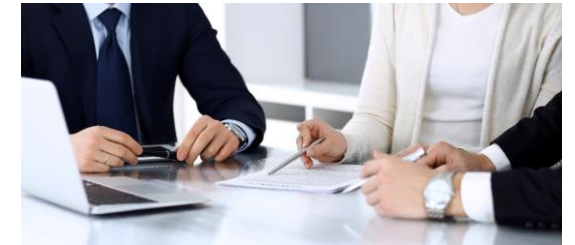
Ambitious 5-year Plan



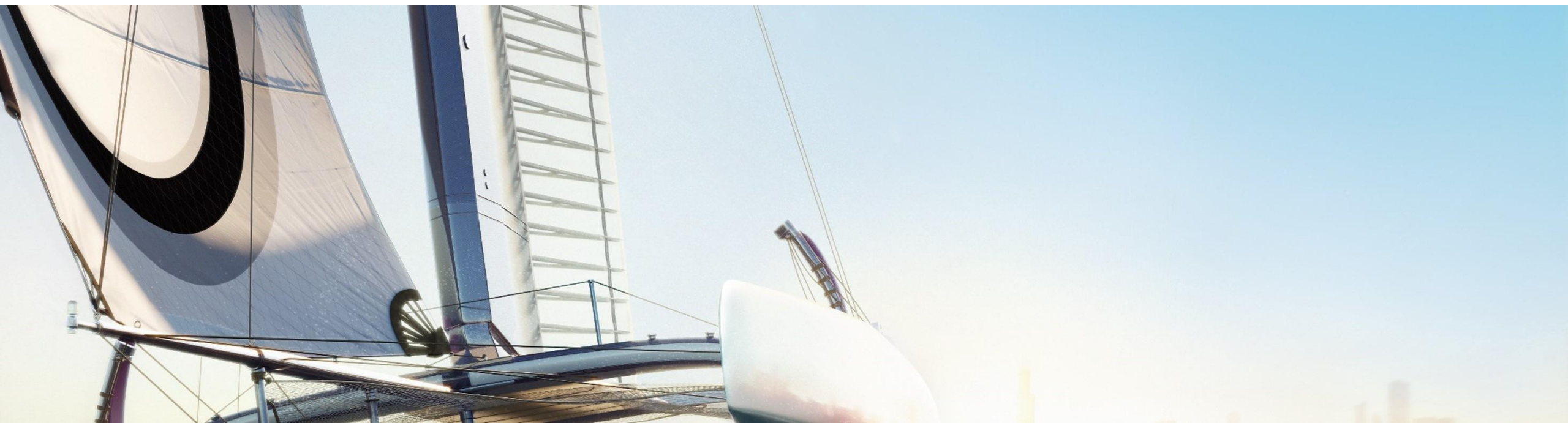
(1) Excluding divested Drive Systems Division

Conclusion: Well-positioned for Profitable Growth

- 1** Strong growth in the past five years, proving underlying business strength and resilience
- 2** Expecting 4 - 6% annual growth leading to CHF ~3.5bn sales in 2026
- 3** Targeting 17 - 19% operational EBITDA margin
- 4** Strengthened focus on capital return to reach double-digit ambition



Q&A



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