

The background of the slide is a photograph of a white catamaran sailboat with a large white sail featuring a red and black logo. The boat is on the water, with a city skyline visible in the background under a bright sky. The sun is low on the horizon, creating a golden glow.

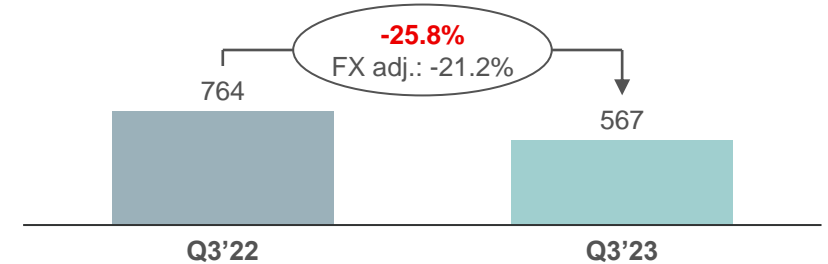
Q3 2023 Financial Results

2 November 2023

Sales and margins impacted by challenging markets; focusing on cost containment and strong technology pipeline; long-term demand drivers intact

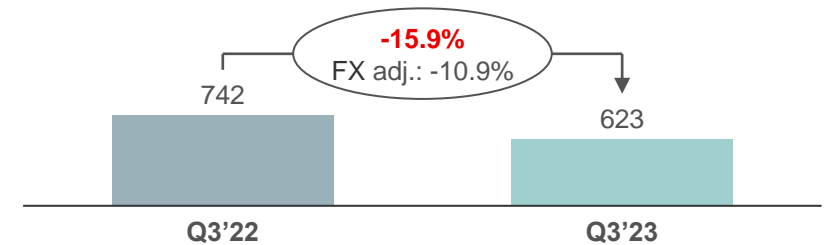
Orders

- **Order intake -21.2%** YoY FX adjusted, including +4.2% from M&A ¹⁾
- Driven by filament customers delaying investment decisions
- Surface Solutions with +2.9% organic growth (-5.9% FX, +9.2% M&A)



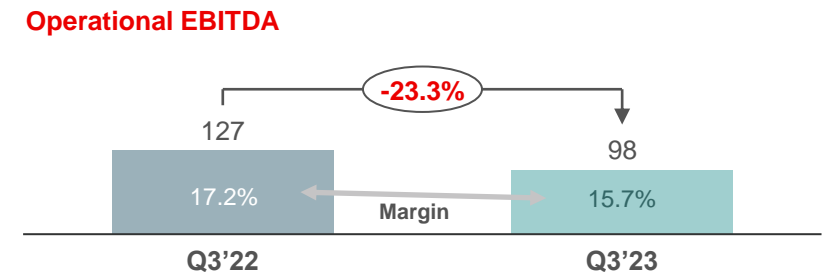
Sales

- **Sales -10.9%** YoY FX adjusted, including +5.2% from M&A ¹⁾
- Driven by postponements in Polymer Processing Solutions
- Surface Solutions with +0.8% organic FX adjusted growth despite contracting PMIs



Profit

- **Operational EBITDA impacted** by negative operating leverage, higher input costs and FX
- Surface Solutions with sequentially improving margin (Q3: 17.1%) supported by cost actions and continued focus on pricing
- First positive impacts of cost actions in Polymer Processing Solutions in Q4'23/H1'24



¹⁾ Riri consolidated as of March 1, 2023; * Numbers in financial charts of this presentation are in CHF m except when stated otherwise; discontinued inline ePD is excluded in 2022 operational figures

End markets impacted by challenging macro conditions

Polymer Processing Solutions

Filament
31% of 2022 Group sales

Down due to postponements

- Difficult market environment leading to customers postponing orders, impacting 2023/24 sales
- Underlying need for filament equipment intact; equipment market CAGR 01-22 of +4%

Non-Filament
19%

Impacted by PMI's & car launches

- Flow Control benefiting from lightweight trend in cars and market share gains in non-automotive; Q3 impacted by transitory fewer car launches
- Some customers delaying investments, e.g. in nonwoven, carpet yarn and staple fiber applications

Filament order recovery expected in 2024

Surface Solutions

General Ind. & Tooling
25%

Softening industrial activity

- Euro Area and US manufacturing PMIs remained in contraction
- China PMI around neutral (~50) in Q3 ... slow post-COVID recovery
- Support from increasing demand in Energy industry

Automotive
13%

Mixed picture

- Receiving mixed signals from market; Oerlikon with catch-up in Q3 following slow start to the year
- Mid single-digit light vehicles production forecast for 2023 YoY ²⁾
- Successfully entering e-mobility applications, e.g. e-gearing and battery shielding

Luxury
7% ¹⁾

Transitory impacts

- Luxury market with slowing momentum: Swiss watch exports softened to +2% in Q3 (Q2: +12%), while recovery for tax free shopping remained stable
- Oerlikon with solid sales during Q3; seeing impacts in Q4 from weakening China and de-stocking
- Expect high single-digit growth rates in mid-term

Aviation
6%

Continued recovery

- Recovery driven by MRO with increased flying hours
- New plane production supported by passenger growth and energy efficiency
- +26% / +28% passenger growth in Jul/Aug YoY, approaching 2019 levels ³⁾

PMIs remaining in contraction; support from aviation

1) For comparability reasons, includes annualized sales of Riri which was acquired on 28 Feb 2023; in 2022 reporting Luxury was counted as part of General Industry end market; 2) Source LMC: 8%/2% growth for 2023/24 as per Sep 2023; 3) Source IATA

Surface Solutions with sequentially improving margin supported by pricing and cost actions

Markets

- **Cautious** customer purchasing behavior continued in Q3 due to macro environment
- Continued softening industrial activity across China, US and Europe
- Support from recovery in aviation while luxury is expected to be exposed to de-stocking in Q4

Orders

- **Increased** +12.1% FX adjusted; including +9.2% from Riri acquisition and +2.9% organic
- Orders sequentially down due to contracting manufacturing PMI's
- Book-to-bill ratio at 1

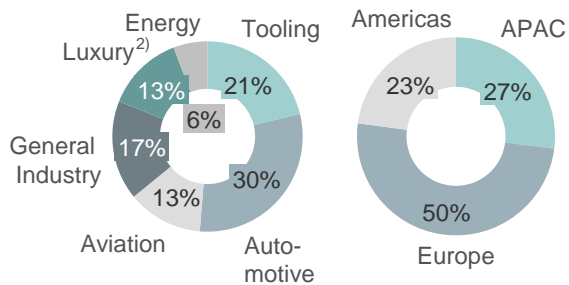
Sales

- **Increased** +11.9% FX adj. incl. +11.1% from Riri acquisition and +0.8% organic
- Growth in automotive, energy, luxury and aviation; counteracted by weakening PMI's
- **+6.8% growth YTD** FX adj. organic

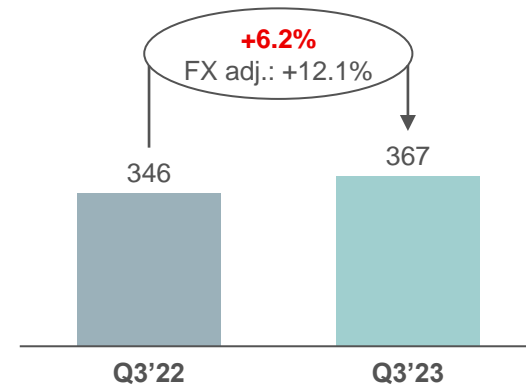
Operational EBITDA

- **Improved** +5.6%; margin impacted by higher input costs (labor, energy) and FX; delay in Chinese industrial recovery impacting margin
- **Improved margin sequentially** (Q2: 16.1%) supported by previously announced pricing and cost actions; further accelerating FTE reduction in high-wage countries

Q3'23 sales split by markets

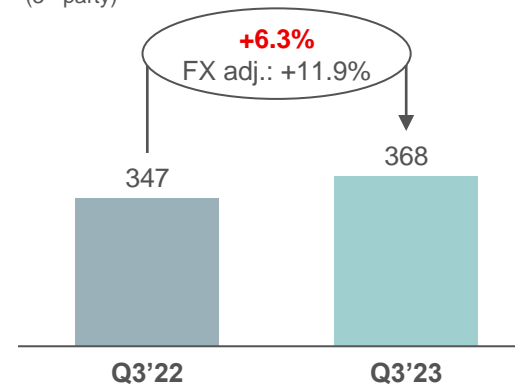


Order intake

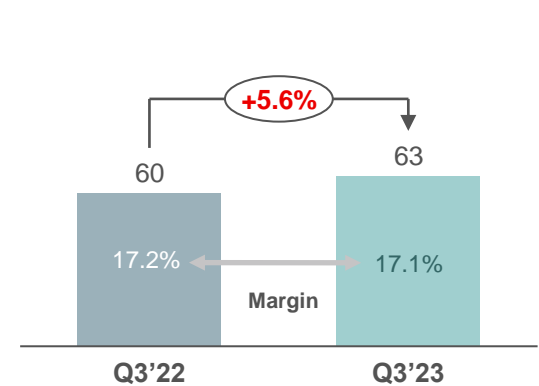


Sales

(3rd party)



Operational EBITDA ¹⁾



1) Margin based on unrounded figures and total sales, including intercompany sales; discontinued inline ePD is excluded in 2022 operational EBITDA; 2) Luxury includes sales of Riri (consolidated as of 1 March 2023) and Coeurdor; Luxury was counted as part of General Industry end market in 2022 and is separately reported as of 2023

Polymer Processing Solutions impacted by order postponements; cost measures on-track



Markets

- **Filament** market impacted by customers postponing orders; no sign of order recovery yet
- **Non-Filament** with lower demand for nonwoven, carpet yarn and staple fiber applications as some customers are preserving cash

Orders

- **Impacted** mainly by order postponements in Filament
- Non-Filament orders down by mid-teens percentage

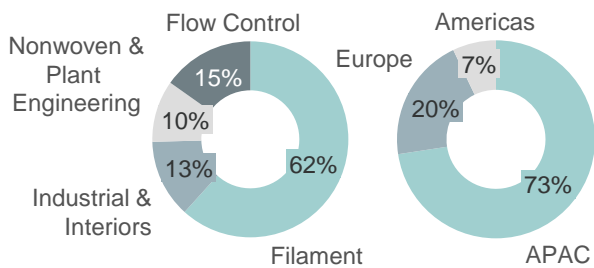
Sales

- **Impacted** by order postponements in Filament
- Non-Filament affected by weakening PMI's and transitorily fewer car launches in Flow Control

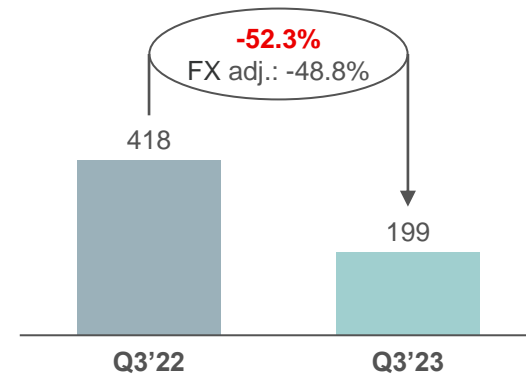
Operational EBITDA

- **Margin affected** by operating leverage, FX and limited pass-through of higher input costs (e.g. labor, energy) to maintain volume
- Started to execute previously announced cost-out measures in mid 2023; first positive impacts on margins expected in Q4, with full effect in 2024

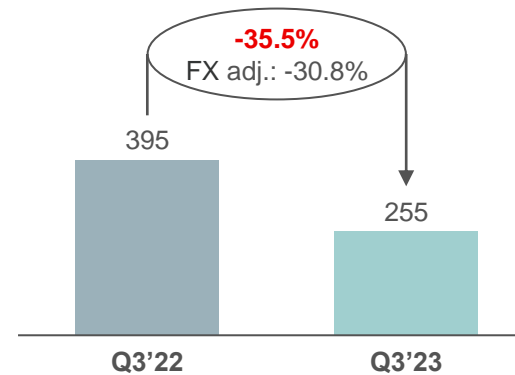
Q3'23 sales split by markets



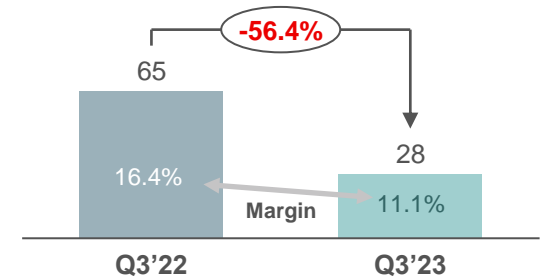
Order intake



Sales (3rd party)

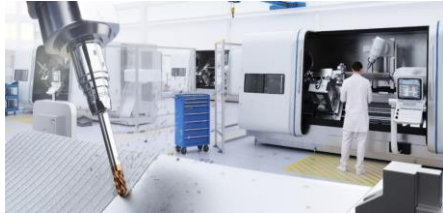


Operational EBITDA ¹⁾

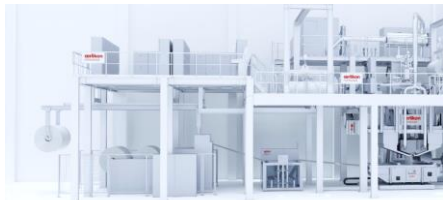


1) Margin based on unrounded figures and total sales, including intercompany sales

Managing short-term headwinds and executing on mid-term strategy



- **Surface Solutions with slight sales growth** in Q3 (organic, FX adj.) despite contracting manufacturing PMIs
- Sequentially improving margin supported by cost and pricing measures



- **Polymer Processing Solutions executing** in difficult environment
- Implementing cost measures benefiting 2024 margins
- Expect filament order recovery in 2024 supported by improving spreads



Executing on mid-term profitable growth strategy

- Accelerating innovation pipeline incl. next generation coating for non-ferrous metals and new process for sustainable staple fiber production
- Leveraging core competencies into new areas incl. luxury and battery shielding
- Optimized portfolio by exiting inline ePD; will continue with review of operational and strategic actions
- Improving customers' efficiency and sustainability; on-track with 2030 ESG targets



2023 guidance

Sales	Down mid-single digit % Organic, constant FX
Operational EBITDA margin	~15.5%

¹⁾ chart representing average annual selling price of polyester products minus raw material cost minus conversion cost

Q&A



Appendix



Q3 reconciliation of profitability measures

EBITDA to EBIT bridge

	Group		Surface Solutions		Polymer Processing Solutions	
	Q3' 23	Q3' 22	Q3' 23	Q3' 22	Q3' 23	Q3' 22
EBITDA	95	126	63	59	28	65
Depreciation	-30	-32	-23	-25	-6	-7
Impairments	-0	0	0	0	-0	0
EBITA	65	94	39	34	22	58
Amortization of Acquired Intangibles	-12	-12	-9	-8	-4	-5
Other Amortization	-11	-9	-5	-4	-2	-2
Impairments	0	0	0	0	0	0
EBIT	41	73	26	23	16	51

Operational profitability reconciliation

	Group		Surface Solutions		Polymer Processing Solutions	
	Q3' 23	Q3' 22	Q3' 23	Q3' 22	Q3' 23	Q3' 22
Operational EBITDA	98	127	63	60	28	65
Restructuring expenses	-0	0	-0	0	-0	0
Discontinued activities	-1	-1	-0	-1	0	0
Acquisition and Integration costs	-1	-1	-1	-0	-0	-0
EBITDA	95	126	63	59	28	65

	Group		Surface Solutions		Polymer Processing Solutions	
	Q3' 23	Q3' 22	Q3' 23	Q3' 22	Q3' 23	Q3' 22
Operational EBIT	44	75	27	24	16	51
Restructuring expenses	-0	0	-0	0	-0	0
Impairments related to restructuring	0	0	0	0	0	0
Discontinued activities	-2	-2	-0	-2	0	0
Acquisition and Integration costs	-1	-1	-1	-0	-0	-0
EBIT	41	73	26	23	16	51

YTD reconciliation of profitability measures

EBITDA to EBIT bridge

	Group		Surface Solutions		Polymer Processing Solutions	
	9M 23	9M 22	9M 23	9M 22	9M 23	9M 22
EBITDA	319	363	182	176	127	188
Depreciation	-96	-99	-75	-76	-19	-21
Impairments	-0	-0	0	-0	-0	0
EBITA	223	263	108	100	108	166
Amortization of Acquired Intangibles	-37	-40	-25	-25	-12	-15
Other Amortization	-30	-26	-13	-12	-8	-7
Impairments	-1	0	-1	0	0	0
EBIT	155	198	69	63	88	145

Operational profitability reconciliation

	Group		Surface Solutions		Polymer Processing Solutions	
	9M 23	9M 22	9M 23	9M 22	9M 23	9M 22
Operational EBITDA	324	376	185	184	127	188
Restructuring expenses	-0	-0	-0	-0	0	-0
Discontinued activities	-2	-7	-1	-7	0	0
Acquisition and Integration costs	-2	-6	-1	-0	-0	-0
EBITDA	319	363	182	176	127	188

	Group		Surface Solutions		Polymer Processing Solutions	
	9M 23	9M 22	9M 23	9M 22	9M 23	9M 22
Operational EBIT	162	213	74	72	88	146
Restructuring expenses	-0	-0	-0	-0	0	-0
Impairments related to restructuring	0	-0	0	-0	0	0
Discontinued activities	-5	-9	-3	-9	0	0
Acquisition and Integration costs	-2	-6	-1	-0	-0	-0
EBIT	155	198	69	63	88	145

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