Investing in a global industry leader with profitable growth and a transforming portfolio

Investor Presentation

July 2020
Agenda

1 Investment Proposition

2 Surface Solutions Segment
   2.1 Attractive End Markets
   2.2 Leading Technologies
   2.3 Diversified Business Models
   2.4 Profitable Growth Drivers

3 Manmade Fibers Segment

4 Financials
   4.1 Group overview
   4.2 Latest quarterly results

5 Appendix
Oerlikon’s investment proposition

A UNIQUE PROPOSITION...
Oerlikon creates innovative surface solutions, advanced materials and polymer processing, addressing customers’ challenges and helping them succeed in their industries.

Over 1000 engineers are dedicated to continuously develop new solutions, materials and technologies with and for our customers.

Oerlikon is a leading global technology and engineering group serving its customers in 37 countries, generating CHF 2.59bn sales (FY 2019) and distributing a sustainable dividend to its shareholders.

Oerlikon has a net cash position and an unleveraged balance sheet allowing for organic and inorganic investments

... WITH TWO ATTRACTIVE INVESTMENT PILLARS

1 PROFITABLE GROWTH

2 PORTFOLIO TRANSFORMATION OPPORTUNITY
Enable organic growth at attractive margins in Surface Solutions

<table>
<thead>
<tr>
<th>PROFITABLE GROWTH</th>
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</table>

**Mid-term aspiration: 4-6% revenue CAGR with sustainable EBITDA margin profile of 21-23%**

| Leader with unique competences | #1 and #2 market positions | ▪ Presence across entire surface solutions value chain  
▪ Dedicated business models to match customer needs |
| Attractive end markets | Diversified industry exposure – ~2-3% premium to global GDP | ▪ Aviation, automotive, tooling, power generation, general industry |
| Build on trusted customer relations | >30 000 customers | ▪ Global OEMs and tier 1 clients in all end markets  
▪ Top 10 customers: ~18% of sales |
| Technological leadership & innovation | >40 R&D sites & >50 global partnerships | ▪ Widest ranging portfolio of surface technologies, advanced materials, coating equipment and services |
| Proven and diversified business model with global network | >60% service revenue  
166 sites in 37 countries | ▪ Client-facing model offering engineering, coating services and solutions in materials & equipment |

ADDITIONAL GROWTH OPPORTUNITY: ONGOING RECOVERY IN LEADING MANMADE FIBERS SEGMENT

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1 excl. investments in Additive Manufacturing; incl. impacts from IFRS 16
**Oerlikon’s strategic portfolio priorities**

**2 PORTFOLIO TRANSFORMATION OPPORTUNITY**

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**Surface Solutions Segment**

CHF 1 488 million

World market leader with widest ranging portfolio of surface technologies, advanced materials, coating equipment and services

- Creating a global surface solutions and advanced materials powerhouse
- Organic investments: innovation, markets, applications and technologies
- Additive Manufacturing
- M&A

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**Manmade Fibers Segment**

CHF 1 106 million

From melt to yarn, fibers and nonwovens - world market leader for systems / plants used in the production of manmade fibers

- Manage market cycle
- Execution of capacity increase on a variable basis to capture opportunities from recovery
- Maintain technology and market leadership
- Factory 4.0 (Automation)

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**CHF 2 593 million sales (2019)**

**REDEPLOY CASH AND BALANCE SHEET IN PROFITABLE GROWTH**
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Attractive end market exposure

Diversified exposure to early and late cycle markets
Solving customer problems at center of value proposition
Diversified industry exposure – Delivering customer value by delivering unique functionality to surfaces

**CUSTOMER VALUE**

Oerlikon’s surface solutions are used to enhance material and surface properties to serve a diverse array of functions to address industry challenges. Separating form and function and giving a purpose to the surface

With Oerlikon’s capabilities in engineering, material processing and surface solutions we enhance performance of industrial components and empower customers to do things they could not do before

Advancing industrial innovation

**AEROSPACE**

5%

overall efficiency increase in engine at improved safety

**AUTOMOTIVE**

2-4%

Reduced fuel consumption

up to 40%

Friction reduction

**TOOLING**

2.5x

increased drilling speed

~67%

tool lifetime extension

**POWER GENERATION**

2%

overall efficiency increase at a 530MW gas turbine

**GENERAL INDUSTRY**

Coatings can prolong the service life by a factor of

up to 50
Leading Technologies
Oerlikon builds on a leading, wide-ranging portfolio of surface technologies

**NITRIDING**
- Nitriding involves ionizing a nitrogen-hydrogen gas mixture in a vacuum

**PVD and PACVD/CVD**
- PVD is a vacuum deposition method, where a highly pure, solid coating material goes from a condensed state to vapor and then back to a thin-film condensed state
- PACVD and CVD are processes used to deposit thin films from a gas state (vapor) to a solid state on a substrate; Chemical reactions are involved in the process, which occur after the creation of a plasma of the reacting gases

**THERMAL SPRAYING**
- Powder or wire is melted at high temperatures and the materials are then sprayed onto a surface

**LASER CLADDING**
- Laser cladding is a method of depositing material in which a powdered or wire feedstock material is melted and consolidated by use of a laser in order to coat part of a substrate

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**Comprehensive surface functionalities**

**Oerlikon offers**

- > 20 different surface properties

<table>
<thead>
<tr>
<th>Corrosion protection</th>
<th>Environmental protection</th>
<th>Strength</th>
<th>Abrasion protection</th>
<th>Thermal protection</th>
<th>Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardness</td>
<td>Chemical stability</td>
<td>Conduction control</td>
<td>Permeability control</td>
<td>Thermal stability</td>
<td>Anti-reflection</td>
</tr>
<tr>
<td>Anti-sticking</td>
<td>Color flexibility</td>
<td>Decorative enhancement</td>
<td></td>
<td></td>
<td>Easy cleaning</td>
</tr>
<tr>
<td>Antibacterial</td>
<td>Bio-compatibility</td>
<td>Magnetism control</td>
<td></td>
<td></td>
<td>Wear resistance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Insulation control</td>
<td></td>
<td></td>
<td>Erosion protection</td>
</tr>
</tbody>
</table>

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Diversified business model serving customer needs

Range of ways to market across service, equipment and materials
Continued focus on technological leadership to foster market leading positions
Business model – Matching customer challenges with standard and customized solutions

Materials solutions
- Powders and consumables used in thermal spray
- Large formula portfolio in specialty & commodity products

Equipment solutions
- Engineered thermal spray & coating systems
- Spray guns
- Sales through key accounts and channel partners

Service solutions
- Providing engineering, surface coatings and pre-and post-treatment as a service
- Global network of 152 centers

USP in application know-how of equipment and material
- Oerlikon’s IP sits in the specific process know-how and materials competence
- Client relations have an R&D to R&D character
- Long-lasting client relationships due to design-in and certification processes
- High level of recurring customer demand for materials, equipment and consumables

USP in proximity to customers
- Logistics competence (fast delivery times)
- Network scaling effects
- Flexible, low investment to further expand existing sites and network
- Supporting customers throughout life-cycle

Competitors Materials
HC Stark, Praxair, Höganäs

Competitors Equipment
Praxair, Progressive Surface, GTV

Competitors Service
Ionbond (IHI), Eifeler, Praxair, Chromalloy
## Business model – Leading positions and priorities

### FY 19 Revenue & market position

<table>
<thead>
<tr>
<th>Material</th>
<th>Service</th>
<th>Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CHF 0.63bn revenue</strong></td>
<td>~30% PVD market share (#1)</td>
<td>~30% PVD market share (#1)</td>
</tr>
<tr>
<td>&gt;30% market share in materials (Aero &amp; Defense)</td>
<td>~40% friction systems market share (#1)</td>
<td>~40% friction systems market share (#1)</td>
</tr>
<tr>
<td>~20% market share in materials (Power Generation)</td>
<td>~15% nitriding market share (#1)</td>
<td>~15% nitriding market share (#1)</td>
</tr>
</tbody>
</table>

### Revenue CAGR 2015-19

<table>
<thead>
<tr>
<th>Material</th>
<th>Service</th>
<th>Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>+8%</strong></td>
<td><strong>+4%</strong></td>
<td><strong>+4%</strong></td>
</tr>
</tbody>
</table>

### Strategic priorities

- **Expand materials portfolio & reduce time to market** (Scoperta acquisition)
- **Increase penetration of new thermal spray coating system after successful launch**
- **Increase tailored solutions approach in materials and equipment**
- **Strengthen #1 position by expanding network, application and product range**
- **Accelerate service growth / leverage current momentum**
Business model – Global coating center network

157 SERVICE CENTER FOR GROWTH

- Diversified regional exposure allows servicing of global and local customers
- Ongoing network expansion aligned to customer demand and regional dynamics
- Asset light capacity expansion through both additional on-site capacity and new centers
- Outperform growth in all regions

GLOBAL NETWORK - DIVERSIFIED SALES

58% 4% 32% 18%

Europe North America Asia / Pacific RoW

GDP* OERL Regional GDP growth versus Surface Solutions growth 2015-19

* Source: IMF; average 2015-2019
Driving profitable growth

Levers of growth in customer alignment, innovation, regional expansion and M&A
Additive Manufacturing as adjacent structural growth opportunity
Three drivers of profitable growth

1. MID-TERM MARKET GROWTH

End market exposure to growing markets
- Aero +4-5%
- Automotive ~+2%
- Tooling ~+3%
- Power Gen +2-3%
- Gen. industry ~+3%

2. OERLIKON STRUCTURAL GROWTH

Oerlikon has the ability to outgrow end market trends
- Customer alignment
- Innovation
- Regional expansion
- Value chain
- Additive Manufacturing

3. M&A OPPORTUNITIES

Supporting structural growth with acquisitions
- Unlevered balance sheet
- Net cash position of ~CHF 400m
- Continued FCF generation
- Access new customers & industries
- New & adjacent tech. & materials
- Geographical expansion
- Value chain integration
- Thermal spray service business

Targeted EBITDA margin profile of 21-23%*

* excl. investments in Additive Manufacturing; incl. impacts from IFRS 16
Structural growth drivers in detail

**Customer alignment**
Leverage existing customer relationships and industry expertise
- Building a client facing structure along industries
- Alignment in sales and management structure
- Moving to more key account management

**Innovation**
Leverage leading technological capabilities
- 2010 introduction special carbides for aero applications
- 5 year qualification period with leading OEMs
- 50% increase year-over-year achieved over 2 year period

**Regional expansion**
Expand and leverage network
- Follow development of new industrial poles (SEA), i.e. Malaysia, Philippines, South Korea
- Today 47 centers in Asia (24 in 2010 and 12 in 2005)

**Value chain**
Expand value added offering
- 2013 acquisition of Rox regrinding technology - an important backward integration step in recoating tools
- Today, Rox systems in >15 centers established
- Grew revenue 10x since acquisition
From surface to structure – Leveraging Oerlikon’s core competencies to scale the entire AM value chain

LEVERAGING LEADING CAPABILITIES OF SURFACE SOLUTIONS IN AM OFFERING:

1. **AM-specific metal powders**
   including, Ni, Co, Cu, Fe, Ti & Al alloys

2. **Application engineering and R&D**
   to support customer’s AM development

3. **Prototype production**
   metal and plastic

4. **Series production**
   of advanced metallic components using AM and state of the art post-processing technologies

DELIVERING ADVANCED MATERIALS & COMPONENTS GLOBALLY

HELPING OUR CUSTOMERS REALIZE THE VALUE OF ADDITIVE MANUFACTURING

- AM Equipment
- Applications Engineering
- Additive Production
- Post-Processing
- Testing & Assembly
- Inspection & Quality
### Oerlikon Transformation – Streamlining the portfolio and focus on Surface Solutions

- **Total investments CHF 1.2BN**
- **Total proceeds from divestments CHF 1.8BN**

#### Acquisitions

<table>
<thead>
<tr>
<th>Year</th>
<th>Acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Coating: Rox, Coating: Metco</td>
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<tr>
<td>2015</td>
<td>Surface Solutions: Citim, DMX</td>
</tr>
<tr>
<td>2016</td>
<td>Surface Solutions: Recentis, Scopertia, Primateria, DiaPac</td>
</tr>
<tr>
<td>2017</td>
<td>Surface Solutions: Eicker, DiSanto Technology, DIARC Technology, Sucotec</td>
</tr>
<tr>
<td>2018</td>
<td>Surface Solutions: TeroLab Surface, AMT, D-Coat</td>
</tr>
<tr>
<td>2019</td>
<td>Manmade Fibers: AC Automation</td>
</tr>
<tr>
<td>2020</td>
<td>Manmade Fibers: Teknoweb Materials</td>
</tr>
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</table>

#### Divestitures

<table>
<thead>
<tr>
<th>Year</th>
<th>Divestitures</th>
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<tbody>
<tr>
<td>2013</td>
<td>Solar: Segment sold</td>
</tr>
<tr>
<td>2014</td>
<td>Textile: Natural fibers businesses sold</td>
</tr>
<tr>
<td>2015</td>
<td>Advanced Technologies: Segment sold</td>
</tr>
<tr>
<td>2016</td>
<td>Vacuum: Segment sold</td>
</tr>
<tr>
<td>2017</td>
<td>Drive Systems: Segment sold</td>
</tr>
<tr>
<td>2018</td>
<td></td>
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<tr>
<td>2019</td>
<td></td>
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<td>2020</td>
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Manmade Fibers – Supplying Industry Solutions from Melt to Yarn, Fibers and Nonwovens

#1 IN CONCENTRATED MARKET
- The polyester chain is quite consolidated on both the customer and competitor front – largest competitor is Japanese TMT Machinery
- 25 companies represent over 60% of global manmade fibers capacity – 22 of which are Oerlikon customers

FOCUS ON CYCLE MANAGEMENT
- Current market improvement driven by market consolidation, performance and technology upgrades – ahead of 13th Chinese five-year plan
- Lean in terms of vertical integration and corporate setup
- Through cycle target of average:
  - CHF750m to CHF850m sales (peak up to CHF 1.1bn)
  - Mid-teens EBITDA margin

UNIQUE CUSTOMER BENEFITS FOR MANMADE FIBER APPLICATIONS
- Long-term engineering competencies ensure highly reliable processes
- Compact machine design an efficient use of space including control elements embracing Industry 4.0
- Continuous improvement in energy efficiency achieving energy savings of up to 50%
- Low production cost (labor, downtime and maintenance cycles)
- High-quality output

KEY FACTS

- 43% of FY19 Group revenue
- Maintaining high level of topline until 2022 with improving margin
- USP: Leading technology from melt to yarn, fibers and nonwovens

Textile Applications (~76% of sales)
Filament (POY, FDY) and Texturing (DTY)

Special Filament (~11% of sales)
BCF, IDY and Extrusion & Recycling

Plant engineering (~13% of sales)
Continuous Polymerisation, Staple Fiber and Nonwoven

Share of customer service including spare parts, installation, training and surface / material testing
Oerlikon in the middle of the polyester value chain

ENERGY AND UPSTREAM PETROCHEMICALS

- CRUDE OIL
- AROMATICS PLANT
- STEAM CRACKER
- REFINERY
- PTA PLANT
- MEG PLANT

POLYESTER CHAIN

- POLYMER PROCESSING (POLYCONDENSATION)
- POLYESTER CHIPS
- POLYESTER YARN
- SPINNING PLANT

END MARKETS

- APPAREL
- HOME TEXTILES
- TECHNICAL TEXTILES
- PET-PACKAGING

Oerlikon focus

PX = paraxylene; PTA = purified terephthalic acid; MEG = monoethylene glycol; PET = polyethylene terephthalate.
Customer example – Engineered Plant Solutions as One-Stop Service

FROM MELT …

… TO FIBERS

250 m

80 m

3 X 225 TONS PER DAY
2,700 staple fiber bales of 250 kg each

DAILY OUTPUT: 40,000 BOBBINS
(15 KG EACH)

600 TONS PER DAY

… TO TEXTURED YARN
120 x DTY HQ 576 machines

45 m

90 m
Competitive landscape
Market share by application

**Textile Applications**
- #1 position
- 45-50% market share

**Special Filament**
- #1 position
- 70-80% market share

**Plant Engineering**
- Gain market share in fragmented applications
- 10-20% market share
Extend the core business, develop solutions and improve customers services for growth

- Industrie 4.0 / Digitization
- Products and Engineering (incl. Recycling)
- Customer Services
- Automation
- Corporate Social Responsibility (e-save)
- Yarn / Material
<table>
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<tbody>
<tr>
<td>1</td>
<td>Investment Proposition</td>
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<td>3</td>
<td>Manmade Fibers Segment</td>
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<td>Financials</td>
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<td>4.2 Latest quarterly results</td>
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<td>5</td>
<td>Appendix</td>
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## Key financial figures

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<tbody>
<tr>
<td>Order intake</td>
<td>2'590</td>
<td>2'731</td>
<td>2'211</td>
<td>2'413</td>
<td>2'537</td>
</tr>
<tr>
<td>Sales (3rd parties)</td>
<td>2'593</td>
<td>2'609</td>
<td>2'068</td>
<td>2'331</td>
<td>2'671</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>14.1 %</td>
<td>15.6 %</td>
<td>15.6 %</td>
<td>14.3 %</td>
<td>12.7 %</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>322</td>
<td>429</td>
<td>404</td>
<td>293</td>
<td>289</td>
</tr>
<tr>
<td>Net working capital</td>
<td>70</td>
<td>-79</td>
<td>167</td>
<td>316</td>
<td>391</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>122</td>
<td>116</td>
<td>95</td>
<td>94</td>
<td>103</td>
</tr>
<tr>
<td>Total equity</td>
<td>1'769</td>
<td>2'021</td>
<td>1'989</td>
<td>1'840</td>
<td>1'572</td>
</tr>
<tr>
<td>Net cash</td>
<td>333</td>
<td>398</td>
<td>499</td>
<td>401</td>
<td>79</td>
</tr>
<tr>
<td>ROCE</td>
<td>7.0 %</td>
<td>12.1 %</td>
<td>8.2 %</td>
<td>5.7 %</td>
<td>-19.8 %</td>
</tr>
<tr>
<td>EPS (reported)</td>
<td>-0.21</td>
<td>0.71</td>
<td>0.44</td>
<td>1.14</td>
<td>-1.24</td>
</tr>
<tr>
<td>Dividend</td>
<td>1.00$</td>
<td>1.00$</td>
<td>0.35</td>
<td>0.30</td>
<td>0.30</td>
</tr>
</tbody>
</table>

2. 2019 includes one-time effects of CHF -25 million (restructuring expenses of CHF -19 million and other expenses of CHF -6 million) and 2015 includes one-time effects of CHF -112 million (restructuring)
3. Before changes in net current assets
4. Net cash includes cash and cash equivalents and marketable securities less current and non-current debt
5. Total dividend of CHF 1.00 consists of stable ordinary dividend of CHF 0.35 and extraordinary dividend of CHF 0.65
6. Research and development expenditure includes expense recognized as intangible assets
7. Underlying adjusted EBITDA margin of 15.1 % includes one-time effects of CHF -25 million (see footnote 2)
Oerlikon Segments – Key financial figures

<table>
<thead>
<tr>
<th>Key financial figures</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Surface Solutions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order intake</td>
<td>1'468</td>
<td>1'574</td>
<td>1'412</td>
<td>1'236</td>
<td>1'233</td>
</tr>
<tr>
<td>Sales (3rd parties)</td>
<td>1'488</td>
<td>1'511</td>
<td>1'370</td>
<td>1'238</td>
<td>1'229</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>15.6 %¹</td>
<td>18.6 %</td>
<td>20.1 %</td>
<td>22.2 %</td>
<td>21.4 %</td>
</tr>
<tr>
<td>Net operating assets</td>
<td>1'771</td>
<td>1'584</td>
<td>1'519</td>
<td>1'372</td>
<td>1'325</td>
</tr>
<tr>
<td><strong>Manmade Fibers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order intake</td>
<td>1'122</td>
<td>1'157</td>
<td>799</td>
<td>577</td>
<td>733</td>
</tr>
<tr>
<td>Sales (3rd parties)</td>
<td>1'106</td>
<td>1'098</td>
<td>698</td>
<td>481</td>
<td>794</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>13.0 %</td>
<td>11.7 %</td>
<td>8.0 %</td>
<td>3.3 %</td>
<td>10.6 %²</td>
</tr>
<tr>
<td>Net operating assets</td>
<td>30</td>
<td>-59</td>
<td>69</td>
<td>163</td>
<td>225</td>
</tr>
</tbody>
</table>

¹ Including CHF -13 million exceptional expenses; underlying adjusted EBITDA margin of 16.6 %
² Incl. one-time restructuring cost (CHF -43 million)
Net income impacted by non-cash effects\(^1\) from divestment of Drive Systems – tax rate improved

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Order intake</strong></td>
<td>2'590</td>
<td>2'731</td>
<td>-5.2 %</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td>2'593</td>
<td>2'609</td>
<td>-0.6 %</td>
</tr>
<tr>
<td><strong>EBITDA</strong> in % of sales</td>
<td>366</td>
<td>406</td>
<td>9.9 %</td>
</tr>
<tr>
<td><strong>Result before interest and taxes (EBIT)</strong> in % of sales</td>
<td>164</td>
<td>243</td>
<td>-32.5 %</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td>-15</td>
<td>-3</td>
<td>&gt;100 %</td>
</tr>
<tr>
<td><strong>Result before taxes (EBT)</strong> in % of sales</td>
<td>149</td>
<td>240</td>
<td>-37.9 %</td>
</tr>
<tr>
<td><strong>Income taxes</strong> in % of EBT</td>
<td>-39</td>
<td>-68</td>
<td>-42.6 %</td>
</tr>
<tr>
<td><strong>Result from continuing operations</strong> in % of sales</td>
<td>110</td>
<td>173</td>
<td>-36.4 %</td>
</tr>
<tr>
<td><strong>Result from discontinued operations</strong></td>
<td>-176</td>
<td>73</td>
<td>&gt;100 %</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>-66</td>
<td>245</td>
<td>&gt;100 %</td>
</tr>
</tbody>
</table>

\(^1\) Impacted by reclassification of CHF 284 million (non-cash) cumulative translation differences and other items from other comprehensive income related to the divestment of Drives Systems Segment.
Strong unleveraged balance sheet with an equity ratio of 49 %

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>658</td>
<td>764</td>
</tr>
<tr>
<td>Trade and trade notes receivables</td>
<td>309</td>
<td>305</td>
</tr>
<tr>
<td>Inventories</td>
<td>338</td>
<td>343</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>634</td>
<td>667</td>
</tr>
<tr>
<td>Goodwill and intangible assets</td>
<td>1'117</td>
<td>1'139</td>
</tr>
<tr>
<td>Assets classified as held for sale</td>
<td>-</td>
<td>866</td>
</tr>
<tr>
<td>Total other assets</td>
<td>591</td>
<td>461</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>3'647</strong></td>
<td><strong>4'545</strong></td>
</tr>
<tr>
<td>Trade payables</td>
<td>264</td>
<td>277</td>
</tr>
<tr>
<td>Current contract liabilities</td>
<td>313</td>
<td>450</td>
</tr>
<tr>
<td>Non-current lease liabilities</td>
<td>178</td>
<td>39</td>
</tr>
<tr>
<td>Non-current loans and borrowings</td>
<td>154</td>
<td>155</td>
</tr>
<tr>
<td>Non-current post-employment benefit liabilities</td>
<td>347</td>
<td>329</td>
</tr>
<tr>
<td>Liabilities classified as held for sale</td>
<td>-</td>
<td>363</td>
</tr>
<tr>
<td>Total other liabilities</td>
<td>622</td>
<td>911</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>1'878</strong></td>
<td><strong>2'524</strong></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>1'769</strong></td>
<td><strong>2'021</strong></td>
</tr>
<tr>
<td>Total equity ratio</td>
<td>49 %</td>
<td>44 %</td>
</tr>
<tr>
<td>Net cash</td>
<td>333</td>
<td>398</td>
</tr>
</tbody>
</table>

in CHF million

Oerlikon Investor Presentation  July 2020
CapEx to depreciation ratio exceeding target corridor for future growth – converging towards corridor to continue

- Surface Solutions Segment ratio of 1.34 – investments in capacity / footprint expansion while investments in Additive Manufacturing substantially reduced (CHF 10 m CapEx)
- Manmade Fibers Segment ratio of 1.65 as a result of relatively higher capex in 2019 in an asset light business with low level of D&A

1 Depreciation & amortization excluding amortization of acquired intangible assets and depreciation related to right of use assets under IFRS16 (leasing)
Consolidated cash flow statement 2019¹

- Operating cash flow impacted by changes in net current assets predominantly attributable to expected decrease of CHF 132 m in contract liabilities (customer advances)
- Investing cash flow reflects the disposal of the Drive Systems business (CHF 549 m) as well as investments (CHF 188 m) and bolt-on acquisitions (CHF 48 m)
- Financing cash flow primarily related to dividend payment (CHF 343 m), repayment of bond (CHF 302 m) and initiation of share buyback (CHF 64 m)

¹ Includes cash effects from discontinued operations as well as assets and liabilities held for sale
² Includes CHF 94 million, which are included in "Assets classified as held for sale" in the balance sheet as of January 1, 2019
R&D and CapEx on Segment level

R&D expenses FY 2019

Surface Solutions (7%)
Manmade Fibers (3%)
(\% of Segment sales)

Surface Solutions (24%)
Manmade Fibers (3%)
CHF 127m
76%

CapEx FY 2019

Surface Solutions (9%)
Manmade Fibers (3%)
Corporate (6%)
(% of Segment sales)

Surface Solutions (18%)
Manmade Fibers (3%)
Corporate (6%)
CHF 179m
76%

Depreciation & Amortization FY 2019

Surface Solutions
Manmade Fibers
Corporate

Surface Solutions (3%)
Manmade Fibers (13%)
Corporate (84%)

CHF 201m

CapEx / Depr. & Amort. FY 2019¹

Surface Solutions
Manmade Fibers
Corporate

1.42
1.34
1.65

1 Excluding amortization of acquired intangible assets and depreciation charges related to right of use assets under IFRS16 (leasing)
Asset allocation and employees on Segment level

### Net operating assets FY 2019

- **Surface Solutions**: 2% of CHF 1'826m
- **Manmade Fibers**: 1% of CHF 1'826m
- **Corporate**: 97% of CHF 1'826m

### Employees (FTE) by Segment FY 2019

- **Surface Solutions**: 27% of 11'134 employees
- **Manmade Fibers**: 3% of 11'134 employees
- **Corporate**: 70% of 11'134 employees

### Operating Assets FY 2019

- **Surface Solutions**: 23% of CHF 2'787m
- **Manmade Fibers**: 3% of CHF 2'787m
- **Corporate**: 74% of CHF 2'787m

### Employees (FTE) by Region FY 2019

- **Europe**: 27% of 11'134 employees
- **North America**: 13% of 11'134 employees
- **Asia / Pacific**: 57% of 11'134 employees
- **RoW**: 3% of 11'134 employees
Attractive dividend of CHF 1.00 per share proposed – ordinary dividend CHF 0.35 + extraordinary dividend CHF 0.65

Dividend policy unchanged: Payout proposal based on up to 50 % of underlying net result and beyond after considering the Group’s financial position and affordability from the balance sheet

1 Underlying EPS from continuing operations (reported EPS CHF 0.59); 2 Underlying EPS from cont. op., normalized for restructuring cost, impairments & amortization of acqu. intangible assets net of tax (reported EPS CHF 1.14); 3 Underlying EPS from cont. op., normalized for amortization of acqu. intangible assets net of tax (reported EPS CHF 0.71); 4 Underlying EPS from cont. op., normalized for amortization of acqu. intangible assets net of tax (reported EPS CHF -1.24); 5 Underlying EPS from cont. op., normalized for amortization of acqu. intangible assets net of tax (reported EPS CHF 0.44); 6 Underlying EPS from cont. op., normalized for amortization of acqu. intangible assets net of tax (reported EPS CHF -0.21)
Prepare Oerlikon for the future – Become more agile and more cost efficient – Targeting significant mid-term benefits

**Market Uncertainties Remain**
- All key end markets remain attractive despite currently facing structural or market related challenges
- Geopolitical and trade uncertainties affecting market and regional dynamics
- Speed of adoption / industrializing of Additive Manufacturing
- Potential impact of corona virus on industrial production too early to assess

**Capital Allocation Strategy Unchanged**
- Continued return of capital to shareholders
  - exceeding CHF 1.1 bn via dividends from 2015 - 2019
  - share buyback (2019: CHF 64 m)
- M&A: Utilize strong balance sheet and net cash position
  - disciplined and prudent approach towards value creating acquisitions
- Organic growth: Continued high level of R&D (>4 % of sales) and CapEx (2019: CHF 179 m; 2020e: ~ CHF 150 m)

**Position & Invest in the Future**
- Initiated Oerlikon Next Level – comprehensive productivity program
  - Consolidate and optimize organizational structure post divestments
  - Maximize business synergies to expand market reach (cross-Business Units and Corporate Center)
  - Simplification and standardization to improve operational efficiency
- Rightsizing of investments to match evolving market dynamics
- Continued and enhanced Operational Excellence initiatives
- Take advantage of technology and application investments going forward

**Need to be more nimble to adapt to changing market environments**

**Significantly improving structural cost position and rightsizing of investments**

1 before exceptional items (i.e. restructuring and one-offs)
<table>
<thead>
<tr>
<th></th>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Investment Proposition</td>
</tr>
<tr>
<td>2</td>
<td>Surface Solutions Segment</td>
</tr>
<tr>
<td></td>
<td>2.1 Attractive End Markets</td>
</tr>
<tr>
<td></td>
<td>2.2 Leading Technologies</td>
</tr>
<tr>
<td></td>
<td>2.3 Diversified Business Models</td>
</tr>
<tr>
<td></td>
<td>2.4 Profitable Growth Drivers</td>
</tr>
<tr>
<td>3</td>
<td>Manmade Fibers Segment</td>
</tr>
<tr>
<td>4</td>
<td>Financials</td>
</tr>
<tr>
<td></td>
<td>4.1 Group overview</td>
</tr>
<tr>
<td></td>
<td>4.2 Latest quarterly results</td>
</tr>
<tr>
<td>6</td>
<td>Appendix</td>
</tr>
</tbody>
</table>
Aggressive action plan to drive structural improvements during COVID-19 pandemic… Emerge as stronger company

1. Protect Oerlikon Employees
   - Following strict health authority and government guidance
   - ~2’600 employees working from home
   - Ensuring safe working environment at company locations
   - Two facial masks for every employee

2. Preserve Strong Liquidity
   - Over CHF 1 bn of cash available at 31 March
   - Net cash of CHF 219 m at 31 March
   - Reducing 2020 capex and discretionary spend by CHF 100 m year-on-year
   - Maintaining flexibility to redeploy balance sheet

3. Ensure Business Continuity
   - Oerlikon products and solutions assessed as “critical” and “system relevant” in a number of countries
   - Allows Oerlikon to maintain some level of activity to serve our customers despite government regulations
   - Implementing short-time work and furlough where applicable

4. Emerge Stronger
   - Accelerating Productivity Program and implementing additional Cost-out initiatives
   - Reducing headcount in Surface Solutions by ~10%
   - Executing new Manmade Fibers opportunities
   - Confirming mid-term Group EBITDA margin goal of 16 – 18%

Taking required actions for colleagues, customers and suppliers to emerge as an even stronger company
## Expected near-term impacts of COVID-19 pandemic on Oerlikon’s served markets

<table>
<thead>
<tr>
<th>Filament and Nonwoven</th>
<th>Tooling</th>
<th>General Industrial &amp; Other</th>
<th>Automotive</th>
<th>Aviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large filament producers confirm expansion plans</td>
<td>Sharp deterioration in industrial production expected following the steep decline in GDP forecasts and supply chain disruptions</td>
<td>Sharp deterioration in industrial production expected following the steep decline in GDP forecasts and supply chain disruptions</td>
<td>Global production volumes expected to fall YoY ~18%</td>
<td>2020 wide body deliveries expected to drop by ~40%</td>
</tr>
<tr>
<td>BCF at low point of cycle</td>
<td>Nonwoven market is expanding due to need for face masks from meltblown lines</td>
<td>Industrial production substantially reduced globally</td>
<td>At March ~75% of Auto Production capacity closed in North America and Europe</td>
<td>75% of global commercial aircraft grounded – resulting in reduced MRO activity</td>
</tr>
<tr>
<td>43 % Group Sales FY19</td>
<td>17% Group Sales FY19</td>
<td>17% Group Sales FY19</td>
<td>Structural change towards electric / hybrid vehicles</td>
<td>IATA forecasts ~48% decline of passenger traffic in 2020</td>
</tr>
<tr>
<td>Continued long-term strategic customer developments. Long-term project horizon means limited COVID-19 impact</td>
<td>Assumes Q2 low point and gradual recovery</td>
<td>Assumes Q2 low point and gradual recovery in line with Industrial Production with localized trends</td>
<td>Assumes Q2 low point and gradual recovery based on OEM indications to ramp-up production</td>
<td>Assumes Q2 low point and prolonged structural issues extending the recovery</td>
</tr>
<tr>
<td><strong>Stable</strong></td>
<td><strong>V-shaped recovery</strong></td>
<td><strong>V-shaped recovery</strong></td>
<td><strong>V / U-shaped recovery</strong></td>
<td><strong>L-shaped prolonged recovery</strong></td>
</tr>
</tbody>
</table>

Surface Solutions well positioned for market rebound in Automotive, Tooling, Aerospace and General Industry – Manmade Fibers remains stable
Group Positioning post current global pandemic

1. World-class Surface Solutions technology leader that will emerge from the crisis more profitable and with higher returns

2. Broader and stronger Manmade Fibers Segment that continues to deliver above average returns

3. Strong balance sheet positions Group well for the future
Group impacted by COVID-19 pandemic – comprehensive actions initiated

<table>
<thead>
<tr>
<th>in CHF million</th>
<th>1Q20</th>
<th>1Q19</th>
<th>y-o-y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>477</td>
<td>680</td>
<td>-29.9%</td>
</tr>
<tr>
<td>Sales (3rd parties)</td>
<td>529</td>
<td>624</td>
<td>-15.2%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>58</td>
<td>93</td>
<td>-37.6%</td>
</tr>
<tr>
<td>In % of sales</td>
<td>11.0%</td>
<td>15.0%</td>
<td>–</td>
</tr>
<tr>
<td>EBIT</td>
<td>6</td>
<td>44</td>
<td>-86.4%</td>
</tr>
<tr>
<td>In % of sales</td>
<td>1.1%</td>
<td>7.1%</td>
<td>–</td>
</tr>
</tbody>
</table>

- Group Sales are down 15% YoY for the first quarter reflecting COVID-19 challenges, FX and market headwinds
- Group Orders contracted resulting form the seasonal nature of 1Q and headwinds from COVID-19
- Manmade Fibers COVID-19 impact was due to delays in some sales and orders and presented temporary operational / supply chain challenges. Operations fully resumed by end of 1Q
- COVID-19 pandemic impacted Asian markets in 1Q and by end of March impacted Europe / America in Surface Solutions
- Currencies provided headwinds on orders (CHF 24 m) and sales (CHF 29 m)

Top-line development at constant FX (y-o-y)

<table>
<thead>
<tr>
<th></th>
<th>Order intake 1Q 2019</th>
<th>Order intake 1Q 2020 at constant FX</th>
<th>Sales 1Q 2019</th>
<th>Sales 1Q 2020 at constant FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake 1Q 2019</td>
<td>680</td>
<td>501</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order intake 1Q 2020</td>
<td>501</td>
<td>501</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales 1Q 2019</td>
<td>624</td>
<td>558</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales 1Q 2020</td>
<td>558</td>
<td>558</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sales growth

<table>
<thead>
<tr>
<th></th>
<th>1Q20 vs. 11Q9 (y-o-y)</th>
<th>1Q20 vs. 41Q9 (q-o-q)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td>-15.2%</td>
<td>-16.8%</td>
</tr>
<tr>
<td>Performance</td>
<td>-10.6%</td>
<td>-13.4%</td>
</tr>
<tr>
<td>FX translation</td>
<td>-4.6%</td>
<td>-3.5%</td>
</tr>
</tbody>
</table>
Surface Solutions Segment – performance impacted by slowdown in all end markets, cost actions initiated

OPERATIONAL PERFORMANCE

- Decline in orders and sales across the key end-markets Automotive, Tooling and General Industry; Aerospace was flat YoY
- During 1Q the service center network in China was substantially impacted by the lock-down. Heading into Q2 all Chinese sites are operational and ramping up
- Global service network impacted by governmental restrictions (e.g. Italy, Spain and India) and customer production (e.g. Automotive and Aerospace OEMs)
- Profitability contraction due to lower production volumes and mix factors across both geographies and industries
- Significant action taken to protect liquidity and reduce the cost base in light of current challenges

MARKET DEVELOPMENT

- As anticipated all end-markets experienced a slow start to the year, driven by economic headwinds in Automotive, Aerospace, Tooling and Power Generation
- COVID-19 pandemic impacted Asian markets in 1Q and by end of March impacted Europe / America
- Automotive market suffered substantially reduced production volumes globally
- General Industry (IP\(^1\)) impacted by market conditions in Europe and Asia while strong in the US
- Aerospace market started to slow down but still yielded annual growth
- Tooling market saw sustained weakness, with Asia particularly soft
- Ongoing structural and market challenges in Power Gen.

<table>
<thead>
<tr>
<th></th>
<th>1Q20</th>
<th>1Q19</th>
<th>y-o-y</th>
<th>y-o-y ex FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>333</td>
<td>385</td>
<td>-13.5%</td>
<td>-9.2%</td>
</tr>
<tr>
<td>Sales (3rd parties)</td>
<td>325</td>
<td>371</td>
<td>-12.4%</td>
<td>-8.0%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>39</td>
<td>61</td>
<td>-36.1%</td>
<td>-</td>
</tr>
<tr>
<td>In % of sales</td>
<td>12.0%</td>
<td>16.3%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EBIT</td>
<td>-5</td>
<td>19</td>
<td>-126.3%</td>
<td>-</td>
</tr>
<tr>
<td>In % of sales</td>
<td>-1.4%</td>
<td>5.2%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

\(^1\)IP = Industrial Production
Manmade Fibers Segment – 1Q impacted by COVID-19 pandemic, full-year on-track

OPERATIONAL PERFORMANCE

- Experienced significant short-term delay in order intake driven by administrative challenges in China – on-track for first-half and full-year
- CHF 600 m of contract awards, with deliveries out to 2023, awarded during 1Q – order intake to be booked in 2021/22
- Sales during 1Q are typically seasonally lower and COVID-19 challenges in China delayed sales and resulted in a fall of 19% YoY. These sales are delayed and not lost due to the project nature of the business
- No interruption expected to European supply chain. In China operational activity has fully resumed
- EBITDA margin contraction due to lower levels of sales and lower cost absorption in the quarter

MARKET DEVELOPMENT

- Textile Applications (Filament/Texturing) with continued strong market conditions due to connected investments in infrastructure and a robust project pipeline
- Strong project pipeline for Textile Applications resulting in lead times reaching into 2023 and beyond
- Project opportunities in Plant Engineering and challenging market conditions for staple fibers. Significant enquiries from Nonwovens resulting from the demand for Meltblown lines due to COVID-19 pandemic
- Special Filament, mainly in BCF\(^1\) in Turkey and US at expected low levels; growing interest in recycling. COVID-19 is impacting timing of Special Filament projects

<table>
<thead>
<tr>
<th>in CHF million</th>
<th>1Q20</th>
<th>1Q19</th>
<th>y-o-y</th>
<th>y-o-y ex FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>144</td>
<td>296</td>
<td>-51.4%</td>
<td>-49.0%</td>
</tr>
<tr>
<td>Sales (3rd parties)</td>
<td>205</td>
<td>254</td>
<td>-19.3%</td>
<td>-14.4%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>18</td>
<td>34</td>
<td>-47.1%</td>
<td>–</td>
</tr>
<tr>
<td>In % of sales</td>
<td>8.9%</td>
<td>13.2%</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>EBIT</td>
<td>11</td>
<td>27</td>
<td>-59.3%</td>
<td>–</td>
</tr>
<tr>
<td>In % of sales</td>
<td>5.5%</td>
<td>10.7%</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

\(^1\) Bulked Continuous Filament (Carpet Yarn)
\(^2\) Continuous Polycondensation
### Summary and Q&A

1. Multifaceted impact of COVID-19 on 1Q – Group guidance for 2020 withdrawn

2. Actions taken to protect our teams and ensure business continuity. New business opportunities in Manmade Fibers

3. Group liquidity and balance sheet remain strong

4. Taking decisive actions to adjust Surface Solutions cost base…
   …emerge as stronger company from crisis

5. Remain committed to mid-term 16-18% Group EBITDA margin target and through-the-cycle structural growth of 4-6%
## FX impact on Orders, Sales and EBITDA in 1Q 2020

### Order intake 1Q 2020

<table>
<thead>
<tr>
<th>Q1 2020 reported</th>
<th>Transaction effects</th>
<th>Translation effects</th>
<th>Q1 2020 FX impact adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td>477</td>
<td>-3</td>
<td>26</td>
<td>501</td>
</tr>
</tbody>
</table>

### Sales 1Q 2020

<table>
<thead>
<tr>
<th>Q1 2020 reported</th>
<th>Transaction effects</th>
<th>Translation effects</th>
<th>Q1 2020 FX impact adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td>529</td>
<td>-1</td>
<td>29</td>
<td>558</td>
</tr>
</tbody>
</table>

### EBITDA 1Q 2020

<table>
<thead>
<tr>
<th>Q1 2020 reported</th>
<th>Transaction effects</th>
<th>Translation effects</th>
<th>Q1 2020 FX impact adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td>58</td>
<td>-1</td>
<td>3</td>
<td>60</td>
</tr>
</tbody>
</table>

- Top-line impact mainly related to currency translation into reporting currency CHF
- Main drivers were depreciation of EUR and CNY against CHF, partially compensated by a stronger USD against main currencies
Business split

Segment sales split

<table>
<thead>
<tr>
<th></th>
<th>Q1 2020</th>
<th></th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>OSS</td>
<td>61%</td>
<td>OSS</td>
<td>59%</td>
</tr>
<tr>
<td>OMF</td>
<td>39%</td>
<td>OMF</td>
<td>41%</td>
</tr>
</tbody>
</table>

Segment EBITDA split

<table>
<thead>
<tr>
<th></th>
<th>Q1 2020</th>
<th></th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>OSS</td>
<td>67%</td>
<td>OSS</td>
<td>65%</td>
</tr>
<tr>
<td>OMF</td>
<td>31%</td>
<td>OMF</td>
<td>36%</td>
</tr>
</tbody>
</table>

Regional sales split

<table>
<thead>
<tr>
<th></th>
<th>Q1 2020</th>
<th></th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>OSS</td>
<td>47%</td>
<td>OSS</td>
<td>46%</td>
</tr>
<tr>
<td>OMF</td>
<td>35%</td>
<td>OMF</td>
<td>35%</td>
</tr>
<tr>
<td>Others</td>
<td>15%</td>
<td>Others</td>
<td>15%</td>
</tr>
</tbody>
</table>

Service business

<table>
<thead>
<tr>
<th></th>
<th>Q1 2020</th>
<th></th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>OSS</td>
<td>42%</td>
<td>OSS</td>
<td>40%</td>
</tr>
<tr>
<td>OMF</td>
<td>58%</td>
<td>OMF</td>
<td>60%</td>
</tr>
</tbody>
</table>

Legend:
- OSS
- OMF
- Others
- APAC
- Europe
- North America
- RoW
- Services & spare parts
- Goods, equipment & components
### Return On Capital Employed (ROCE)

<table>
<thead>
<tr>
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<th>1Q 2020</th>
<th>FY 2019</th>
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<tr>
<td>EBIT</td>
<td>126</td>
<td>164</td>
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<tr>
<td>- Total current income tax</td>
<td>-50</td>
<td>-65</td>
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<tr>
<td>- Total deferred tax income</td>
<td>21</td>
<td>26</td>
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<tr>
<td>NOPAT</td>
<td>97</td>
<td>125</td>
</tr>
<tr>
<td>Net Operating Assets</td>
<td>1'826</td>
<td>1'826</td>
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<tr>
<td>+ Current income tax receivables</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>+ Deferred tax assets</td>
<td>136</td>
<td>141</td>
</tr>
<tr>
<td>- Current income tax payables</td>
<td>-48</td>
<td>-66</td>
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<tr>
<td>- Deferred Tax liabilities</td>
<td>-121</td>
<td>-128</td>
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<tr>
<td>Capital Employed</td>
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<td>1'788</td>
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</table>

- Lower ROCE as a result of lower NOPAT over a stable asset base

---

1 12-months rolling, continuing operations
Amortization of identified acquired intangible assets of Surface Solutions segment mainly attributable to Metco transaction
Amortization of identified acquired intangible assets of Surface Solutions segment mainly attributable to Metco transaction
## Agenda

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<tr>
<th>1</th>
<th>Investment Proposition</th>
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<td>2</td>
<td>Surface Solutions Segment</td>
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<td>2.1</td>
<td>Attractive End Markets</td>
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<td>2.2</td>
<td>Leading Technologies</td>
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<td>2.3</td>
<td>Diversified Business Models</td>
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<td>2.4</td>
<td>Profitable Growth Drivers</td>
</tr>
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<td>3</td>
<td>Manmade Fibers Segment</td>
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<td>4</td>
<td>Financials</td>
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<tr>
<td>4.1</td>
<td>Group overview</td>
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<td>4.2</td>
<td>Latest quarterly results</td>
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<td>5</td>
<td>Appendix</td>
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</table>
Aerospace – Making aerospace safer, more powerful and more efficient

INDUSTRY CHALLENGES

- **Focus on turbine efficiency**: both cost and 2020 emission reduction goals drive the reduction of the specific fuel consumption
- Engine trends: Lighter weight materials have to withstand erosion, corrosion and extreme temperatures (>1500°C)
- Enhanced gas path sealing to increase safety and efficiency with less emissions
- Stringent process and material certification to ensure safety

SOLUTIONS

- Customized solution of materials and equipment for better performance, greater efficiency and absolute reliability for our customers
- Thermal spray and thin film coatings extend part lifetime and improve efficiency and safety of jet engines
- Thermal barrier coatings on blades and vanes allow for higher temperature in the turbine
- Abradable coatings are used in engines to seal the gas path and improve performance and efficiency
- PVD coatings for wear protection in structure parts and landing gears
- Decorative coatings for cockpit and interior components

**KEY FACTS**

- **INDUSTRY CHALLENGES**
  - Focus on turbine efficiency
  - Engine trends: Lighter weight materials
  - Enhanced gas path sealing
  - Stringent process and material certification

- **SOLUTIONS**
  - Customized solution
  - Thermal spray and thin film coatings
  - Thermal barrier coatings
  - Abradable coatings
  - PVD coatings
  - Decorative coatings

**Oerlikon covered all coating needs of the industry - from powder development and application engineering to equipment and process know-how**

**Achievements**

- Overall efficiency increase in engine at improved safety
- 16% of FY19 Surface Solutions revenue
- Expected growth rate 4-5%

*Oerlikon Investor Presentation July 2020*
Automotive – Advancing productivity, sustainability and profitability in the industry

INDUSTRY CHALLENGES

- Focus on increasing manufacturing productivity and operating efficiency of cars & reduce environmental impact
- Reduce fuel consumption, emissions and weight
- Engine downsizing (e.g. using less cylinders under higher pressure) causes higher stress on smaller parts
- More corrosion issues from exhaust gas recycling, start-stop systems, turbo-chargers
- Higher torque transmissions with more gears (therefore more synchronizer rings)
- Reducing friction, wear and mechanical losses
- Demand for eco-friendly cars and environmentally friendly solutions (e.g. replacing hexavalent chromium)

SOLUTIONS

- Delivering solutions and equipment for thin film and thick layer coatings to the whole automotive value chain
- Coatings lead to better performance and durability due to wear protection and reduced corrosion and friction
- Oerlikon technologies permit the use of new and lighter material that reduce weight or friction losses in the engine
- Coatings support the development of new and suitable design parts – the number of car parts coated by Oerlikon increased by a factor of 10 since 2008
- Coatings increase reliability and quality of material such as brake disc coatings to support manufacturers in their effort to increase car safety further while significantly reducing fine dust and fuel consumption

Client needed to increase fuel efficiency of engines due to emission regulation

Using a combination of thermal spray and thin film coating to improve performance

Oerlikon delivered PVD solutions for piston pins and TS SUMEBORE coating for cylinder walls

Achievements

2-4% reduced fuel consumption

up to 40% friction reduction

25% of FY19 Surface Solutions revenue

Expected growth rate ~2%

USP

Innovative custom designed solutions and global presence enable reliable operational performance to address our customers needs

KEY FACTS

DLC, 2 µm
Support layer
Substrate

Reduced fuel consumption

Friction reduction
Tooling – Enabling sharper, stronger and more durable tools

**INDUSTRY CHALLENGES**

- Focus on quality, cost and overall factory output of any product
- Productivity: increasing tool throughput and solving production bottlenecks
- Durability: reduced service cycles, enhanced corrosion and adhesion protection
- Performance: better production reliability, higher temperatures, higher speed and quality of output
- Environmental challenges – i.e. dry machining, REACH compliance

**SOLUTIONS**

- Delivering over 35 different thin film coatings extend service life, lower manufacturing costs and increase production reliability of tools at enhanced corrosion and adhesion protection
- Joint solution development with customers – special coatings to withstand extremely high temperatures, erosion, oxidation and other harmful effects or to lower friction and wear
- Productivity gains by achieving extremely fast cutting speeds at high temperatures
- Lower tool costs due to significantly prolonged tool service life

**SOLUTIONS**

- Delivering over 35 different thin film coatings extend service life, lower manufacturing costs and increase production reliability of tools at enhanced corrosion and adhesion protection
- Joint solution development with customers – special coatings to withstand extremely high temperatures, erosion, oxidation and other harmful effects or to lower friction and wear
- Productivity gains by achieving extremely fast cutting speeds at high temperatures
- Lower tool costs due to significantly prolonged tool service life

**Oerlikon provided coating services by a global network for leading tool manufacturers**

**Achievements**

- Increased drilling speed: 2.5x
- Tool lifetime extension: ~67%

**29% of FY19**
Surface Solutions revenue

**Expected growth rate ~3%**

**USP**
Technological and market leadership with global availability of solutions enable unique full service performance in terms of quality, process stability, delivery time and consistency
Power Generation – Empowering the way to effectively generate energy

INDUSTRY CHALLENGES

- **Focus on increased efficiency** to improve client’s cost curve position
- Maintenance interval reduction in gas turbines, hydropower and oil & gas
- Oil & gas applications in challenging environments require maintenance free solutions
- Corrosion and erosion cause efficiency losses

SOLUTIONS

- Delivering highly productive and reliable customized solution of coatings, materials and equipment for gas and steam, hydro and wind turbines and oil & gas applications
- With Oerlikon products that reduce distortion and wear, turbines last longer and perform more efficiently and reliably
- Thin film and thick layer solutions protect against abrasive wear, erosion, corrosion, fatigue, high fluid pressure, vibrations, jar impact loads, extreme torque and many more

Client needed to increase turbine efficiency while increase time between overhaul & reduce emission

Using thermal barrier coatings (hot section) and thin film coatings (erosion)

Oerlikon delivered materials and equipment for thermal spray and provided coating services

Achievements

Overall efficiency increase at a 530MW gas turbine

Oerlikon Investor Presentation                      July 2020
General Industry – Enable industries to build more powerful, complex and efficient products

INDUSTRY CHALLENGES

- **Consumer Goods**: Providing design, reliability and scratch-resistance for product differentiation. Coatings of watches to washing machines, of consumer electronics to sanitary fittings improve their performance, quality and service and make their production more efficient.

- **Medical**: Medical coatings include antimicrobial functionality to ensure fast wound healing, biocompatibility to support the integration of an implant into the bone or non-reflection of surgical instruments.

- **Pulp/Paper & Print**: Coatings applied to anilox rolls or corrugating rolls for the paper industry significantly extend the useful life of the rolls.

- **Steel & Metal processing**: Components used in the production and processing of steel/metals need to resist the high temperature and corrosive effects of molten and hot metals.

- **Food/packaging**: Hygiene, productivity and reliability are critical for FMCG clients. Coatings help maintain hygiene, reduce wear, extend the service life or improve manufacturing process for food processing, plastic film and foils, labelling, bottling, paper production and more.

- **Engineering**: Coatings minimize friction, wear corrosion and enhance the reliability of instrument panels, air vents, batteries, semiconductors, agricultural machinery, construction equipment to printing industry.

- **The growth potential for Oerlikon’s technologies is broad and diverse as there is hardly any industry where Oerlikon technologies can not add value.**

Coatings can prolong the service life by a factor of up to 50.

Clients need abrasion- and scratch-resistance to housing and to enhance the look of exterior parts.

Using amorphous carbon coatings protect the watch parts from wear and corrosion and adding colors in-fashion.

Oerlikon provided coating services throughout a global network for leading watch manufacturers.

Achievements

25% of FY19 Surface Solutions revenue

USP

Dedicated competences to define customized surface solutions via a global network.
Oerlikon shares

- Listed on Swiss Exchange (SIX) since 1973
- Securities symbol: OERL
- Securities number 81 682
- ISIN: CH0000816824
- Number of shares outstanding: 339 758 576 shares
- Re-entry to Swiss SMIM (April 17, 2012)

Oerlikon shareholder structure

- Liwat Holding AG: 41.34%
- Black Creek IM: 55.63%
- Others (incl. 3.45% treasury shares): 3.03%

Oerlikon share price development

![Share price chart]

1 Based on latest notifications by Liwat (as of May 25, 2018 of 140 484 860 shares), Black Creek (as of January 20, 2018 of 9 966 654 voting rights) and BlackRock (as of August 14, 2019 of 9 826 322 voting rights)
## Coverage – 7 Buy / Add – 5 Hold / Neutral – 1 Reduce / Sell

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## Financial Calendar 2020

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<th>Date</th>
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<tr>
<td>August 4, 2020</td>
<td>Q2 / HY 2020 results - Media &amp; Analyst Conference Call</td>
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It's not allowed to change the master safe space.
Dr. Roland Fischer
Chief Executive Officer

Dr. Roland Fischer (German citizen) was appointed Chief Executive Officer of Oerlikon Group, effective March 1, 2016.

Prior to Oerlikon, Dr. Fischer held senior management positions at Siemens AG, the most recent as CEO of the Power and Gas Division from 2013 to 2015. Between 2011 and 2012, he served as CEO of the Fossil Power Generation Division, and from 2008 to 2011, he was CEO of the Business Unit Fossil Power Generation – Products, Siemens, Germany. Dr. Roland Fischer graduated from the University of Stuttgart, Germany, with a degree in Aeronautical Engineering, and holds a PhD (Dr.-Ing.) in Aeronautical Engineering from the University of Karlsruhe, Germany.

Dr. Helmut Rudigier
Chief Technology Officer

Dr. Helmut Rudigier (Austrian citizen) was appointed CTO of the Oerlikon Group, effective November 1, 2017.

Dr. Rudigier joined Oerlikon Balzers in 1986 as R&D Project Manager. Since then, he has built his career within Oerlikon in diverse research and management roles, including Manager R&D Balzers Thin Films, Manager Production Site Balzers, Manager R&D Division Optics, Business Development Telecommunication (fiber optics), CTO Oerlikon Balzers, and most recently as the CTO of the Surface Solutions Segment. Dr. Rudigier holds a PhD from the Institute of Solid State Physics at the ETH Zurich, Switzerland, and has completed executive management programs at the University of California, Los Angeles, USA, and at IMD Lausanne, Switzerland.

Philipp Müller
Chief Financial Officer

Philipp Müller (German citizen) was appointed Chief Financial Officer effective January 1, 2020.

Mr. Müller has more than 15 years of financial and strategic experience across multiple industries. Most recently, he led the investor relations functions at Baker Hughes in Houston, Texas, U.S. Prior to that, he served as CFO of GE’s oil & gas drilling business from 2014 to 2016. Previously, Mr. Müller held various financial leadership positions in GE’s industrial businesses. Prior to that, he spent five years on GE’s corporate audit staff, where he advanced to executive audit manager at GE Healthcare. Mr. Müller has extensive international experience, having worked in over ten countries during his career. He holds a Master’s degree in Business from the University of Mannheim, Germany.

Anna Ryzhova
Chief HR Officer

Anna Ryzhova (Russian citizen) was appointed Chief Human Resources Officer of the Oerlikon Group, effective October 10, 2016.

Ms. Ryzhova has over 15 years of experience in leading HR functions. Most recently, Anna Ryzhova was Chief Human Resources Officer at Renova Management AG, Zurich, Switzerland. From 2010 to 2015, she served as HR and Corporate Relations Director at the Renova Group Corporate Center in Moscow, Russia. Anna Ryzhova holds a Master’s degree in Economics from the National Research University Higher School of Economics in Moscow and an Executive MBA from IMD, Lausanne, Switzerland.
Investor Relations Contact

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Head of Corporate Communications, Investor Relations & Marketing
Phone: +41-58-360-9622
Mobile: +41-79-810-8211
E-mail: a.schwarzwaelder@oerlikon.com

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