Oerlikon Acquires INglass

April 23, 2021
Acquisition of INglass: The Transaction

INglass Overview
- Innovation, technology and market leader in precision polymer flow control with strong intellectual property
- Hot runner systems (HRS) are key to process and control molten polymers before being injected into molds for production of light-weight high-end components
- INglass’ HRS are applied in multiple industries from automotive, consumer goods and household appliances to packaging, waste management, construction and transportation
- INglass is based in Italy with 3 global production sites and 52 additional service centres. 1’000+ employees worldwide

Financial Parameters
- INglass 2020 revenues were approximately CHF 135 million
- Transaction to be highly cash- and margin-accretive to Oerlikon from day 1
- Highly synergistic deal driven by complementary technology & shared market access points

Key Impacts
- Expands Division’s strategic optionality in the polymer processing market. Significantly accelerates diversification
- INglass benefits from megatrends around future mobility, lightweight parts, functional sensors and high grade polymers
- High single-digit organic growth potential for precision flow control solutions

Execution
- Manmade Fibers Division renamed to Polymer Processing Solutions
- Completion subject to customary merger control clearances with anticipated completion at end of 1H21
- Management team to stay on board, incentivized by additional earn-out linked to growth potential
- Acquisition financed through existing facilities

▶ Enhances growth profile, aids diversification and creates significant value
Oerlikon has almost 100 years of flow control know-how across the value chain, in particular, in gear pumps

**The INglass Product Portfolio is a Perfect Fit with our Existing Polymer Flow Control Solutions**

1. Oerlikon has almost 100 years of flow control know-how across the value chain, in particular, in gear pumps

2. INglass acquisition expands product portfolio of precision polymer flow control equipment

3. INglass extends addressable market of applications into polymer-based parts with its innovative Hot Runner Systems (HRS)

- HRS in automotive growing at 4%+ p.a. driven by lightweight parts and sustainability trends
- Adjacent markets for HRS represent a further CHF 2 billion market opportunity, growing above GDP
- Division peers considered to be Hillenbrand, Barnes, Nordson and Dover Corp

Consistent product portfolio characteristics:
- Precise thermal control
- Pressure management
- Uninterrupted flow
- Use of surface technology key to flow control performance
High Quality Business with Ability to Leverage Structural Growth in a Growing Polymer Market

Transformation into Polymer Processing Solutions

<table>
<thead>
<tr>
<th></th>
<th>2020 (as reported)</th>
<th>2020 Proforma (inc. INglass)</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Filament</td>
<td>~30% of revenues</td>
<td>~40%</td>
<td>~50%</td>
</tr>
<tr>
<td>Filament</td>
<td>~70%</td>
<td>~60%</td>
<td>~50%</td>
</tr>
</tbody>
</table>

Transformation Catalysts

Transforming Manmade Fibers into Polymer Processing Solutions

- Lower reliance on filament market where growth is slower
- Closer alignment to wider polymer market growing at 1.5x Global GDP across different market sectors

Acquisition of INglass is a key strategic milestone

- Accelerates development of flow control business
- Substantially extends flow control IP and product portfolio

Polymer Process Solutions Division has significant growth potential outside Filament market

- Nonwoven market of CHF 0.4 billion growing at +8% p.a.
- Other non-filament market of CHF 1 billion growing at 3-4% p.a.
- INglass HRS addressable market of CHF 0.5 billion growing at +4% p.a.
- Additional adjacent HRS market (e.g. med-tech, pharma, bottles and packaging) of CHF 2 billion growing at +5% p.a.

Continued alignment with sustainability megatrends... including weight reduction, recycling and water preservation
INglass Extends the Long-term Megatrends that Drive Growth in Polymer Processing Solutions and Forming Tool Coatings

**Sustainability megatrends served**

<table>
<thead>
<tr>
<th>Climate Change</th>
<th>Circular Economy</th>
<th>Water Preservation</th>
<th>Digitalization</th>
<th>E-mobility &amp; Lightweight Parts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Transition</td>
<td>Sustainability</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Resource optimized production to serve rising global demands**: (Polymer Processing) and reduce carbon footprint
- **Significant focus to develop materials with higher efficiency and potential to recycle**: (Biopolymers and Biodegradable Polymers)
- **Sustainable fabrics and recycled fibres**. Materials that **consume less water and energy**, while producing less waste
- **More sensors, data & interfaces** → more advanced materials components for conductivity, touch screens, etc.
- **Decrease carbon footprint** via lower weight, lighter materials
Oerlikon is a Market Leading Industrial Technology Group Delivering Sustainable Innovation for Key Industries

#1 in High Potential Markets
- Surface Solutions offers value added services with high barriers to entry
- Polymer Processing Solutions is #1 supplier to several attractive niche markets
- Leading Swiss and German technology in our DNA

~55%* Sales in Surface Solutions
- Technology and market leader
- High structural growth opportunities
- Operational improvement programs to boost profitability & capital efficiency

~45%* Sales in Polymer Processing Solutions
- Technology and market leader
- Polymer processing know-how provides structural growth and diversifies the Division
- Highly profitable and cash generative

Strong Financial Base
- Low net-debt position and cash generative
- Ability to deliver 16 – 18% EBITDA in the medium term
- Improving ROCE to double-digit levels in the medium term

Disciplined Capital Allocation
- CHF ~900 m returned to shareholders since 2016
- Delivering value enhancing M&A with 18 acquisitions made since 2016
- Focus on accretive small- to mid-sized M&A with retained capability for transformational deals

Driving ESG and Sustainability
- Reducing environmental impact is at the heart of our technology portfolio
- Committed to ESG and the UN sustainable development goals
- Ambitious 2030 performance targets

Strong growth driven by sustainability megatrends with value creation opportunities

*2020 Group actual numbers before the acquisition of INglass. INglass generated CHF ~135m of revenues in 2020
OC Oerlikon Corporation AG, Pfäffikon, (together with its affiliates hereinafter referred to as “Oerlikon”) has made great efforts to include accurate and up-to-date information in this document. However, Oerlikon makes no representation or warranties, expressed or implied, as to the truth, accuracy or completeness of the information provided in this document, Neither Oerlikon nor any of its directors, officers, employees or advisors, nor any other person connected or otherwise associated with Oerlikon, shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this document.

The contents of this document, including all statements made therein, is based on estimates, assumptions and other information currently available to the management of Oerlikon. This document contains certain statements related to the future business and financial performance or future events involving Oerlikon that may constitute forward-looking statements. The forward-looking statements contained herein could be substantially impacted by risks, influences and other factors, many of which are not foreseeable at present and/or are beyond Oerlikon’s control, so that the actual results, including Oerlikon’s financial results and operational results, may vary materially from and differ than those, expressly or implicitly, provided in the forward-looking statements, be they anticipated, expected or projected. Oerlikon does not give any assurance, representation or warranty, expressed or implied, that such forward-looking statements will be realized. Oerlikon is under no obligation to, and explicitly disclaims any obligation to, update or otherwise review its forward-looking statements, whether as a result of new information, future events or otherwise.

This document, including any and all information contained therein, is not intended as, and may not be construed as, an offer or solicitation by Oerlikon for the purchase or disposal of, trading or any transaction in any Oerlikon securities. Investors must not rely on this information for investment decisions and are solely responsible for forming their own investment decisions.