

First Quarter 2023 Results

Continued Strategy Execution; Successfully Closed Acquisition of Riri

- Group sales increased 5% (+11% FX adjusted), driven by Surface Solutions; order intake impacted by order postponements in Polymer Processing Solutions.
- Group operational EBITDA margin of 15.8%. Surface Solutions impacted by higher input costs and sales mix effects from increase in demand for equipment and materials.
- Successfully closed acquisition of Riri to become a leader in luxury metalware as announced on March 1, 2023.
- Confirming full-year guidance: sales, including Riri, of CHF 2.90-2.95 billion at constant exchange rates and operational EBITDA margin of 16.0-16.5%. Expecting positive impacts on margin from pricing measures and previously announced cost actions throughout 2023.

Key Figures of the Oerlikon Group as of March 31, 2023 (in CHF million)

	Q1 2023	Q1 2022	Δ
Order intake	681	790	-13.9%
Sales	735	698	5.4%
Operational EBITDA ¹	116	120	-3.8%
Operational EBITDA margin ¹	15.8%	17.3%	-150 bps
Operational EBIT ¹	63	66	-4.7%
Operational EBIT margin ¹	8.6%	9.5%	-90 bps

¹For the reconciliation of operational and unadjusted figures, please see tables I and II on page 2 of this media release.

Pfaeffikon, Schwyz, Switzerland – May 3, 2023 – “We delivered a first-quarter performance in line with our expectations and are on track with our strategy execution,” said Michael Suess, Executive Chairman, Oerlikon. “We expect to see positive effects from pricing measures and previously announced cost actions throughout 2023 to strengthen margins.”

“With Riri, we diversified our surface solutions business into the luxury segment. We will continue to execute on our mid-term growth strategy, focusing on diversification, profitability and sustainability,” added Michael Suess.

First Quarter In Line With Expectations

Group orders decreased by 13.9% (9.7% FX adjusted) to CHF 681 million. Group sales improved by 5.4% to CHF 735 million, driven by Surface Solutions. At constant exchange rates, Group sales increased by 10.7%.

Group operational first quarter EBITDA was CHF 116 million, or 15.8% of sales, representing a year-over-year decrease of 150 basis points (bps), attributed to mix effects and higher input costs. Q1 2022 operational EBITDA was CHF 120 million, or 17.3% of sales. First quarter 2023 operational EBIT was CHF 63 million, or 8.6% of sales (Q1 2022: CHF 66 million; 9.5%).

Group first quarter EBITDA was CHF 114 million, or 15.5% of sales (Q1 2022: CHF 112 million, 16.1%), and EBIT was CHF 60 million, or 8.1% of sales (Q1 2022: CHF 57 million, 8.2%). The reconciliation of the operational and unadjusted figures can be seen in the tables below.

Table I: Reconciliation of Q1 2023 Operational EBITDA and EBITDA¹

In CHF million	Q1 2023	Q1 2022
Operational EBITDA	116	120
Expenses from restructuring	0	-1
Expenses related to discontinued activities ²	-1	-4
Expenses related to acquisition and integration costs	-1	-4
EBITDA	114	112

Table II: Reconciliation of Q1 2023 Operational EBIT and EBIT¹

In CHF million	Q1 2023	Q1 2022
Operational EBIT	63	66
Expenses from restructuring	0	-1
Impairment charges	0	0
Expenses related to discontinued activities ²	-2	-5
Expenses related to acquisition and integration costs	-1	-4
EBIT	60	57

¹ All amounts (including totals and subtotals) have been rounded according to normal commercial practice. Thus, an addition of the figures presented can result in rounding differences. ² Includes costs from discontinued operations (Russia and inline ePD). Q1 2022 restated due to the termination of the inline ePD business.

Division Overview

Surface Solutions Division

Key Figures of the Surface Solutions Division as of March 31, 2023 (in CHF million)

	Q1 2023	Q1 2022	Δ
Order intake	382	376	1.8%
Sales (to third parties)	369	328	12.5%
Operational EBITDA	59	61	-3.4%
Operational EBITDA margin	15.8%	18.4%	-260 bps

The division increased order intake by 1.8% (6.3% FX adjusted) to CHF 382 million and sales by 12.5% (17.5% FX adjusted), attributed to tooling, general industries, aerospace and energy.

Operational EBITDA decreased by 3.4% to CHF 59 million, or 15.8% of sales, compared to CHF 61 million, or 18.4% of sales in Q1 2022, due to higher input costs and higher proportion of equipment and materials sales. Operational EBIT was CHF 23 million, or 6.2% of sales (Q1 2022: CHF 23 million, or 7.0% of sales). EBITDA was CHF 58 million, or 15.6% of sales, compared to CHF 56 million, or 17.0% of sales in the previous year. EBIT was CHF 21 million, or 5.6% of sales (Q1 2022: CHF 18 million, or 5.4% of sales).

Polymer Processing Solutions Division

Key Figures of the Polymer Processing Solutions Division as of March 31, 2023 (in CHF million)

	Q1 2023	Q1 2022	Δ
Order intake	298	415	-28.0%
Sales (to third parties)	366	369	-1.0%
Operational EBITDA	55	58	-5.2%
Operational EBITDA margin	15.1%	15.7%	-60 bps

The division saw the anticipated decrease in orders, driven mainly by filament demand in China. Order intake declined by 28.0% (24.1% FX adjusted) to CHF 298 million. Sales declined by 1% to CHF 366 million year-over-year. At constant exchange rates, sales increased by 4.6%, supported by deliveries from the strong order book in the previous years.

Operational EBITDA decreased by 5.2% to CHF 55 million, or 15.1% of sales, compared to CHF 58 million, or 15.7% of sales, in Q1 2022. Margin was impacted by mix effects and higher input costs. Operational EBIT was CHF 42 million, or 11.3% of sales (Q1 2022: CHF 44 million, or 12.0% of sales). EBITDA was CHF 55 million, or 15.1% of sales (Q1 2022: CHF 58 million, 15.7%). EBIT was CHF 41 million, or 11.3% of sales (Q1 2022: CHF 44 million, or 12.0% of sales).

Additional Information

Oerlikon will present its results during a conference call today beginning at 10:30 CEST. To participate, please click on this [link](#) to join the webcast.

To ask questions in the Q&A session, please dial in.

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Switzerland	+41 58 310 50 00
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The media release, including a full set of tables, can be found at www.oerlikon.com/pressreleases and www.oerlikon.com/ir.

About Oerlikon

Oerlikon (SIX: OERL) is a global innovation powerhouse for surface engineering, polymer processing and additive manufacturing. The Group's solutions and comprehensive services, together with its advanced materials, empower customers by improving and maximizing the performance, function, design and sustainability of customers' products and manufacturing processes in key industries. Pioneering technology for decades, everything Oerlikon invents and does is guided by its passion to support customers' goals and foster a sustainable world. Headquartered in Pfäffikon, Switzerland, the Group operates its business in two Divisions – Surface Solutions and Polymer Processing Solutions. It has a global footprint of more than 13 000 employees at 205 locations in 37 countries and generated sales of CHF 2.9 billion in 2022.

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