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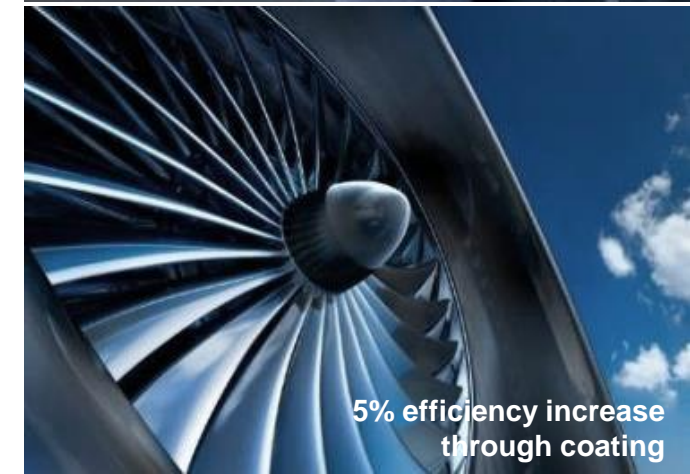
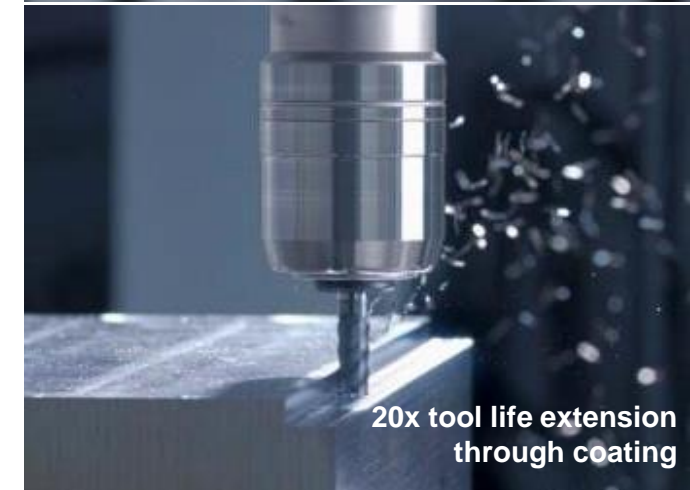
# Investor Presentation

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February 2025

# Agenda

- 1 | Overview**  
Market leader in sweet spots with technology barriers to entry
- 2 | Pure Play Transformation**  
Unlocking value
- 3 | Surface Solutions**  
Surface technology leader well positioned for profitable 4-6% sales growth
- 4 | Barmag (Manmade Fibers)**  
Market leader for equipment to produce manmade yarns, well positioned for attractive returns and market recovery
- 5 | Operational Execution & ESG**  
Enabling profitable growth and avoided emissions for customers



# There is not a single day without **Oerlikon**

## ... to outer space

Subsea hardware



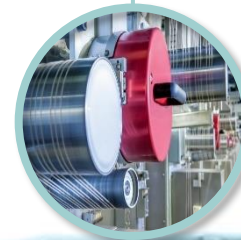
Luxury goods



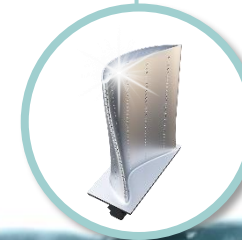
Lightweight mobility



Masks, filters, geotextiles



Apparel



Air travel



Communication satellites



## From the bottom of the ocean ...



# Industrial technology leader in sweet spots with barriers to entry



## Cutting-edge technology

### Surface Solutions (69% of sales)

Integrated surface solutions offering based on broad technology portfolio

### Barmag (Manmade Fibers) (31%)

Equipment to process polymers used in filament and non-filament

**#1**

Market leader in surface solutions and Filament

**>30k**

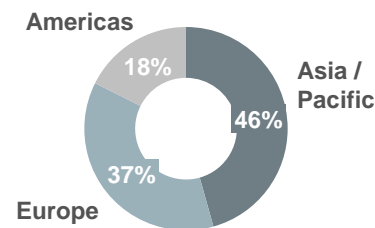
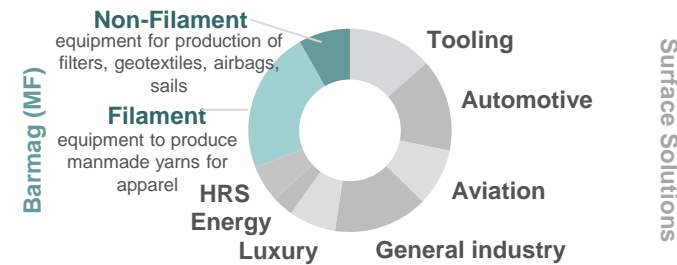
Customers incl. OEM & tier 1

Market leader in sweet spots with technology entry barriers



## Broad market coverage

### Sales 2.4bn

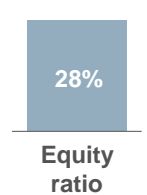
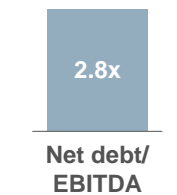
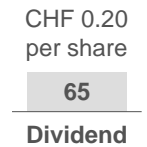
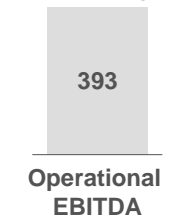


Aligned to key megatrends



## Key financials 2024

16.6% margin



Robust financials despite filament bottoming

Unless otherwise stated all figures in CHF m; Surface Solutions market share based on addressable markets; leverage ratio based on operational EBITDA

# Growth strategy Surface Solutions

## Improve customers' efficiency, performance and sustainability with innovative technology



### Accelerate regional expansion

- **New regional organization** to drive upside in Americas and Asia, while maintaining European leadership
- Leverage competitive advantages of integrated offering and broad technology portfolio

>20% sales upside



### Leverage tech-leadership into new areas

- **Capture growth opportunities** in new markets
- Including future mobility, luxury, semiconductor, medical, hydrogen industries

>20% sales upside



### Strengthen offering in core markets

- **Increase market penetration** with leading technology
- Cross sell and combine surface technologies to deliver tailored solutions

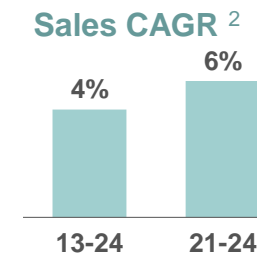
+200bps margin upside<sup>1</sup>



### Drive profitability

- **Drive operating leverage**, innovation, pricing and efficiency; actively manage portfolio towards high-margin solutions
- Increase ROCE supported by strengthened capital allocation framework and digitalization
- 20-22% EBITDA margin target in mid-term

**4 - 6% profitable sales growth<sup>3</sup>**



**#1** in high-tech surface solutions

1) Compared to 2024; 2) organic FX adjusted; 3) Mid-term growth potential p.a.; short-term impacted by macro headwinds

# Mid-term growth drivers Barmag (Manmade Fibers)

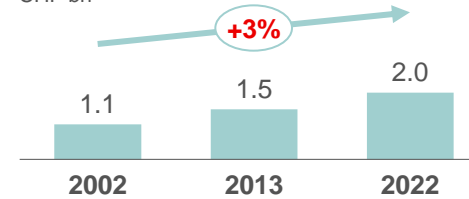


## Leadership in Filament

- **Filament equipment market grew** with 3% CAGR 02-22 driven by underlying manmade fibers market growth, innovation, rising GDP and limited alternative resources
- Positive mid-term outlook supported by need for energy saving machines and intact historical growth drivers
- Transitory sales headwinds resulting from customers postponing investment decisions since 2023 <sup>1</sup>

### Filament equipment market

+4% Oerlikon Sales CAGR 14-22  
CHF bn

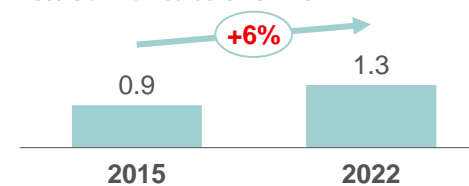


## Fragmented Non-Filament markets

- Market share gain supported by technology synergies with Filament and highly fragmented markets
- Transitorily impacted by customers postponing Capex decisions in some end markets since 2023
- **Non-Filament scope to be reviewed** in context of pure play strategy

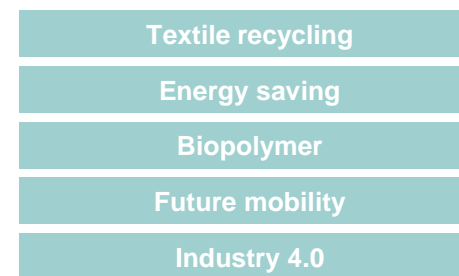
### Non-Filament equipment market

+8% Oerlikon sales CAGR 15-22



## Upside from long-term trends

- Drive R&D to capitalize on long-term trends like textile recycling and biopolymers
- Supported by leveraging of machinery and process knowhow as well as market access



Short-term impacted by headwinds

Historical Oerlikon sales CAGR are organic and FX adjusted; 1) Customers started to postpone investment decisions (orders) in H2'22 following a) >2 years of lockdowns in China, b) higher stockpiles in the textile industry and selective consumer spending (inflation), c) logistics challenges and tighter financing in China; d) globally weakening industrial production

# Pure Play Transformation Unlocking Value



## From 5 Divisions in 2014 ...

Surface Solutions

Polymer Processing Solutions

Drive Systems

Advanced Technologies

Vacuum



**Market Leaders** in sweet spots with technology entry barriers



**Lack of opportunity** for market leadership

## To 2 Divisions since 2019



- **Limited synergies** given different end markets, geographies, customers, business models and cycles
- **Return focus on transformation** following COVID and increasing geopolitical tensions



- **Divested:** Transitioned to better ownership for CHF 1.2bn proceeds
- **Paid dividends** of CHF 1.6bn (CHF 4.8 per share)

**Added technology acquisitions**



**Diversify** and add growth markets



- **Invested** CHF ~4bn in M&A, Capex and innovation in 2014-24

## 2024: Initiating Finalization of Transformation



**Unlock pure play potential**



# Pure play rational

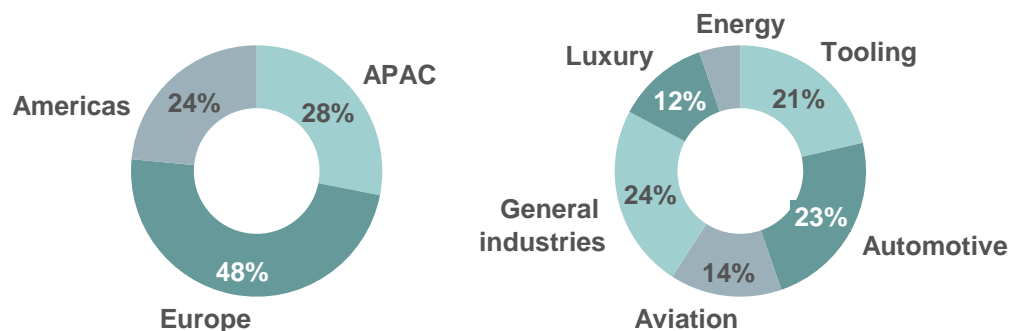
2 market leaders in niche markets with high barriers to entry – but no synergies



## Surface Solutions

- Market leader in cutting-edge **surface technology**
- **Highly fragmented market**; >30k customers with top 10 customers accounting for ~7% of sales
- Leveraging technology leadership into various **new areas and geographies**

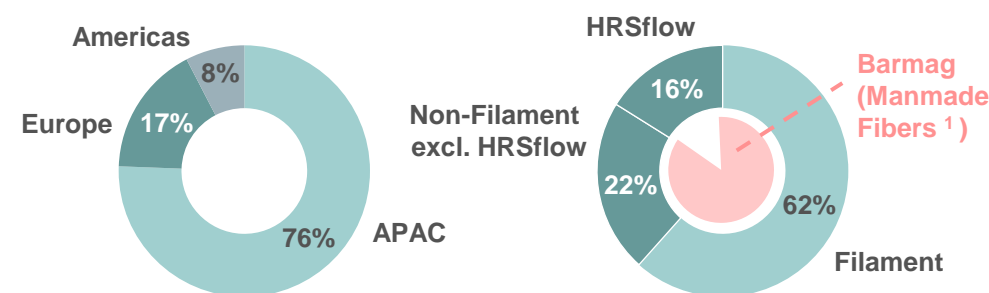
### Global and diverse end markets:



## Polymer Processing Solutions

- Market leader for equipment to produce **manmade yarns**
- **Concentrated market**: ~45% filament market share; top 20 customers accounting for majority of sales
- **Strong cash generation** over the cycle with selected growth opportunities

### Sales geared towards APAC and Filament:



**Become agile / focused and create two distinct investment opportunities**

1) 2024 sales: CHF 734m

# Separating Barmag (Manmade Fibers) over next 24 months

February 2025

## 2024: Prepared separation



**Board and management evaluated options** for separation with the aim of value creation for all stakeholders



**Initiated and progressed organizational separation:** Manmade Fibers is set-up as largely independent organization since beginning of 2025 and will be renamed to Barmag; HRSflow will be reported as part of Surface Solutions as of January 2025



**Initiated execution on efficiency plan** to adjust central overhead costs to pure play scope



**Separating Barmag over next 24 months**

# Barmag (Manmade Fibers) well-positioned for attractive returns

## Strong positioning

**Market leader** for equipment to produce manmade yarns

**Niche market** with barriers to entry

**Innovation leader** with high-tech offering and application knowhow

**Enabling sustainability** at customers

**Long-standing customer relationships** with joined R&D



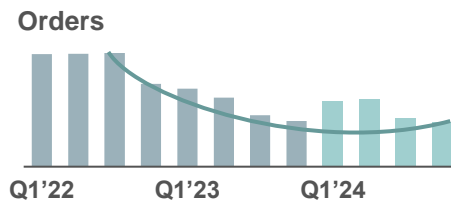
## Growth over the cycle

**+3%**

Filament equipment market CAGR 02-22

## Trough market with cyclical recovery ahead

Historical growth drivers well intact



## Attractive returns

**Low capital intensity**

**Customer prefinancing**

**Ongoing optimization of cost base**



## Market leading positioning

**Market leader** in cutting-edge surface technology

**Present** in niche market

**At technology forefront** since 1946 (PVD)

**Application knowhow** across industries

**Long-standing customer relationships**

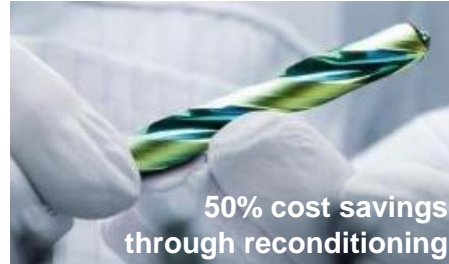
**Strong credibility** through integrated offering

**Small cost** on customers' bill, with significant value proposition

**Diversifying end markets** and technologies since 2013

## Enabling efficiency & sustainability

With innovative technology



## Clear set of growth levers

Accelerate regional expansion

Leverage tech-leadership into new areas

Strengthen offering in core markets

Drive profitability



Mid-term growth target

# Oerlikon Surface Solutions Division Overview





# Surface Solutions is well positioned for profitable growth

- 1** **Market leading positioning:** Surface technology leader in niche market with high barriers to entry and diversified end market exposure
- 2** **4-6% sales growth potential:** Capitalize on increasing demand for surface solutions by driving regional expansion and leveraging technology leadership into new and existing areas
- 3** **+200 bps upside** to 20-22% EBITDA margin target in mid-term, supported by operating leverage, cost focus, innovation and active management towards high-margin solutions
- 4** **Enable customers' sustainability** and drive environmental progress in own operations

# Surface Solutions at a glance



## Key metrics 2024 <sup>1</sup>

**#1**  
Market leader  
in coating solutions

**CHF 1.6bn**  
Sales

**18.6%**  
EBITDA margin <sup>2</sup>

**9'289**  
FTE's

Market leader  
in coating solutions



## Integrated high-tech offering



Coating services



Coating materials



Coating equipment



Components



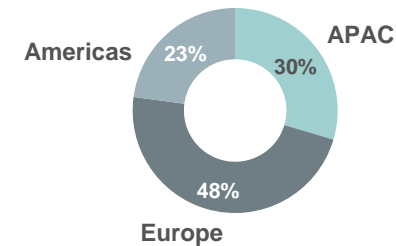
Additive manufacturing

Enabler of avoided  
emissions for customers

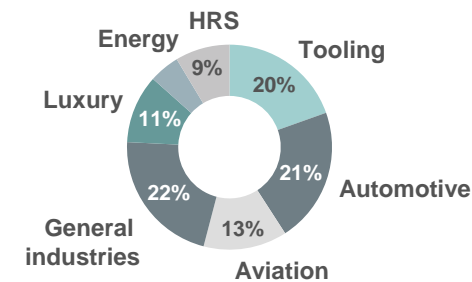


## Sales split 2024 <sup>1</sup>

### By markets



### By industry



Global and diverse  
end markets



## Customers

**>30k active customers  
including industry leaders**

Serving top players

- 100% in Tooling
- 75% in Automotive
- 75% in Aviation
- 100% in Energy

**Top 10 customers account  
for ~7% of sales**

Broad and stable  
customer base

1) 2024 financials include pro forma HRSflow which is reclassified from Polymer Processing Solutions to Surface Solutions as of 2025; 2) Operational EBITDA margin

# Market leader in niche market with high barriers to entry and strong USP

#1



**Market leader** in high-tech specialized surface solutions markets <sup>1</sup>

**At technology forefront** since 1946 (PVD); global player <sup>2</sup> with Swiss quality and leading customer service level

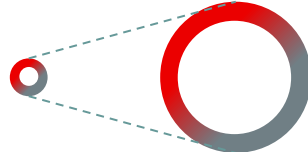
**Highly scalable global footprint** enabling leveraging of shared technologies and AI for low marginal cost <sup>3</sup>

 **Strong Positioning**

 **>30k customers**



**Application knowhow across industries** with long-standing customer relationships <sup>4</sup>

  
**Cost**    **Value Proposition**

**Significant value proposition** while small cost on customers' bill



Coating services



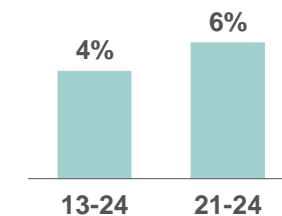
Coating equipment



Coating materials, components & additive manufacturing

**Strong credibility** through integrated offering and broad technology portfolio

**Sales CAGR <sup>5</sup>**

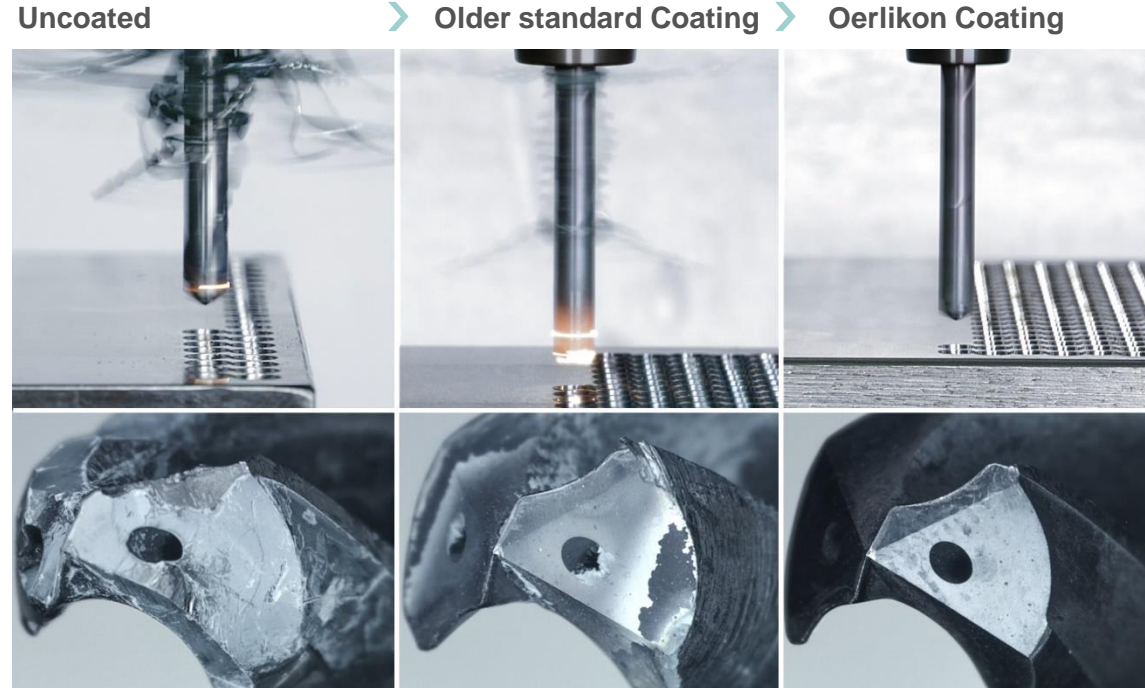


Improving customers' efficiency and sustainability with innovative technology

1) PVD competitors include Ionbond (IHI), Eifeler (Voestalpine), Cemecon; Thermal spray competitors include Höganäs and Praxair (Linde); Market share depending on applications and based on current addressable market; 2) ability to mitigate customer risks, e.g. holding multiple customer qualifications in multiple locations to mitigate potential supply chain disruptions; 3) Oerlikon with >150 coating centers globally; 4) present across major industries with knowhow across interdisciplinary sciences incl. materials science, physics, chemistry, engineering and IT; joined R&D with customers and strong brand; 5) organic and adjusted for FX  
Page 16

# Value proposition through high impact technology at a small relative cost to customers

## Improving efficiency, performance and sustainability



Coatings protect tools after >4500 holes drilled

corrosion protection | environmental protection | strength | abrasion protection | hardness | chemical stability | conduction control | permeability control | anti-sticking | color flexibility | decorative enhancement | thermal stability | antibacterial | bio-compatibility | magnetism control | anti-reflection | easy cleaning | safety | wear resistance | insulation control | thermal protection | clearance control | erosion protection

## Oerlikon's coatings for Tooling and Aviation save >100% of Swiss CO<sub>2</sub> emissions



28%  
of Swiss CO<sub>2</sub> emissions saved p.a. <sup>2)</sup>



88%  
of Swiss CO<sub>2</sub> emissions saved p.a. <sup>3)</sup>



  
Car driving range extended by the length of a marathon <sup>4)</sup>

1) 20x reflects average across tooling, with peak extension up to 160x; 2) 20x lifetime extension 2 of a metal tool through coating, resulting in significant metal saving, saving annually ~8.3 mio metric tons CO<sub>2</sub> or ~28% of Swiss CO<sub>2</sub> emissions; 3) 5% efficiency increase in aero turbines through coatings, equaling ~26 mio metric tons of CO<sub>2</sub> reduction annually (across 2019 installed base of aero engines) or ~88% of Swiss CO<sub>2</sub> emissions; 4) Coatings enable lightweight materials... 10% less weight extends car driving range by 5-7%...for a 650 km EV this is equivalent to a marathon

# Developed Surface Solutions into a diversified technology leader close to customers

2013

2024<sup>1</sup>

Mid-term



Diversified technologies

PVD technology



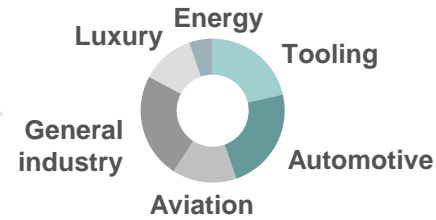
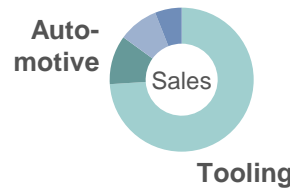
- PVD/CVD
- Thermal Spray
- Additive Manufacturing

Develop

- Luxury
- Semiconductor
- Hydrogen
- E-Mobility



Added growth markets

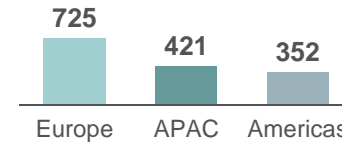
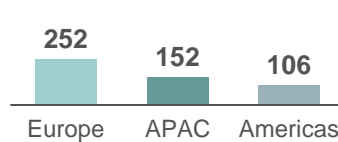


Innovate

and replace other technologies



Moved closer to customers



Leverage

new regional organization



Upside on profitability

Higher margin but limited resilience and growth perspectives



**18%** EBITDA margin  
Reflecting diversification & ctd. growth investments

Profit

20%+ EBITDA margin

1) 2024 excludes HRSflow, which is reclassified from Polymer Processing Solutions into Surface Solutions as of 2025



# Growth strategy Surface Solutions

## Improve customers' efficiency, performance and sustainability with innovative technology



### Accelerate regional expansion

- **New regional organization** to drive upside in Americas and Asia, while maintaining European leadership
- Leverage competitive advantages of integrated offering and broad technology portfolio

>20% sales upside



### Leverage tech-leadership into new areas

- **Capture growth opportunities** in new markets
- Including future mobility, luxury, semiconductor, medical, hydrogen industries

>20% sales upside



### Strengthen offering in core markets

- **Increase market penetration** with leading technology
- Cross sell and combine surface technologies to deliver tailored solutions

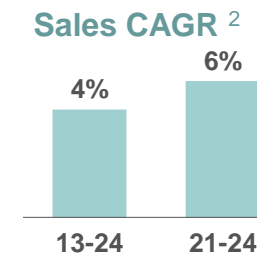
+200bps margin upside<sup>1</sup>



### Drive profitability

- **Drive operating leverage**, innovation, pricing and efficiency; actively manage portfolio towards high-margin solutions
- Increase ROCE supported by strengthened capital allocation framework and digitalization
- 20-22% EBITDA margin target in mid-term

**↑ 4 - 6% profitable sales growth<sup>3</sup>**



**#1** in high-tech surface solutions

1) Compared to 2024; 2) organic FX adjusted; 3) Mid-term growth potential p.a.; short-term impacted by macro headwinds

# One face to the customer benefiting from integrated portfolio

Technology leadership in materials and equipment drives profitable growth in services



## Coating services

- Global network of 150+ coating centers; customer proximity and response time is key
- Pick-up and return within 1-2 days
- Bespoke solution offering
- Technologies including thin film (PVD) and thermal spray



## Coating materials

- Manufacturing and sale of powders used in thermal spray and additive manufacturing
- New material development using Scoperta's artificial intelligence platform
- Tailored solutions to specific needs



## Coating equipment

- Manufacturing and sale of coating machines including thermal spray and thin film
- Largest installed base of coating machines with global coverage
- Aftermarket: spare parts and field services



## Components

- Produce high-performance components e.g. in luxury, injection molding (HRSflow), and aerospace
- High-end special materials knowhow: In-house competence center for coated and printed components
- Customer synergies with integrated offering



## Additive Manufacturing

- Pioneering the industrialization of additive manufacturing, in series
- Offering 3D printing services and materials (metal-based) for customers in focus application areas



Coating equipment for polymer auto grill



Coated mold



Materials & equipment for turbine blade



Materials & equipment for landing gear



Battery shielding for EVs



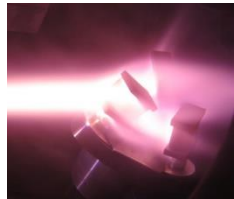
Printed support structure for satellite radio antenna

## Services, materials, components and equipment based on leading-edge coating technologies



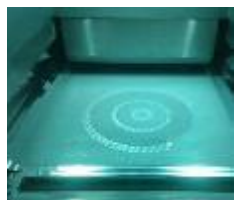
Thin film (PVD)

- Carbides, nitrides and other materials are deposited onto the surface of a component or tool; occurs in a high temperature vacuum with the support of electrical and magnetic field forces
- Sustainable coating technology with reconditioning capability for circular economy



Thermal spraying

- Metals, ceramics and other materials are deposited onto the surface; materials are applied with 'spray guns' at high velocity onto a component through a plasma or combustion stream
- Sustainable coating technology with reconditioning capability for circular economy



Additive manufacturing

- Laser(s) are building complex structures layer by layer from a metal powder bed (3D printing)
- Sustainable production technology with minimal waste compared to subtractive production technology

Oerlikon enabling **>20** surface properties

corrosion protection | environmental protection | strength | abrasion protection | hardness | chemical stability | conduction control | permeability control | anti-sticking | color flexibility | decorative enhancement | thermal stability | antibacterial | bio-compatibility | magnetism control | anti-reflection | easy cleaning | safety | wear resistance | insulation control | thermal protection | clearance control | erosion protection | ...



Integrated modular technologies tailored to the customer's needs

Supported by R&D investments: ~5% of sales

# Combining suite of surface technologies to deliver tailored customer solutions

Case example: SubSea valve

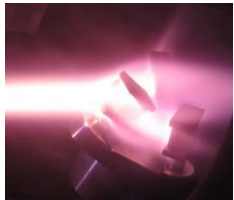
**Oerlikon provides a “one-stop-shop” for all surface technology requirements**



**Thin film (PVD)**

**1**

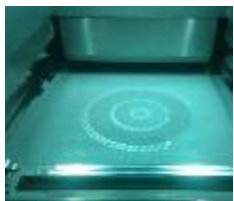
**Valve coatings:** Corrosion, erosion protection, low friction, wear resistance



**Thermal spraying**

**2**

**Valve Stems/Actuators:** Clearance reduction, anti-abrasion, low friction, improve efficiency

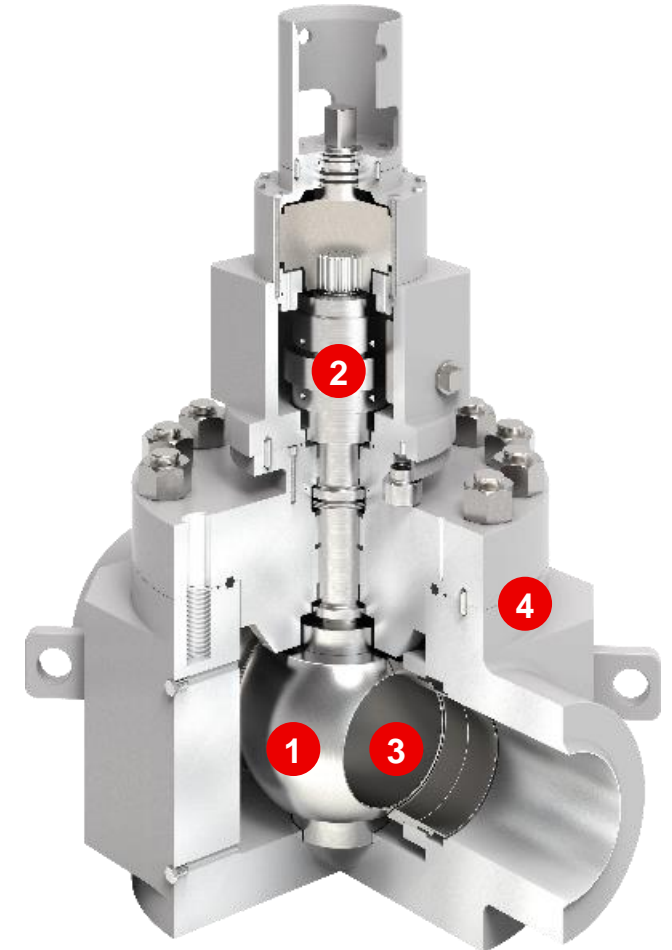


**Additive manufacturing**

**3**

**Valve Ball & Body:** Additive manufacture of valve balls and valve bodies for weight reduction

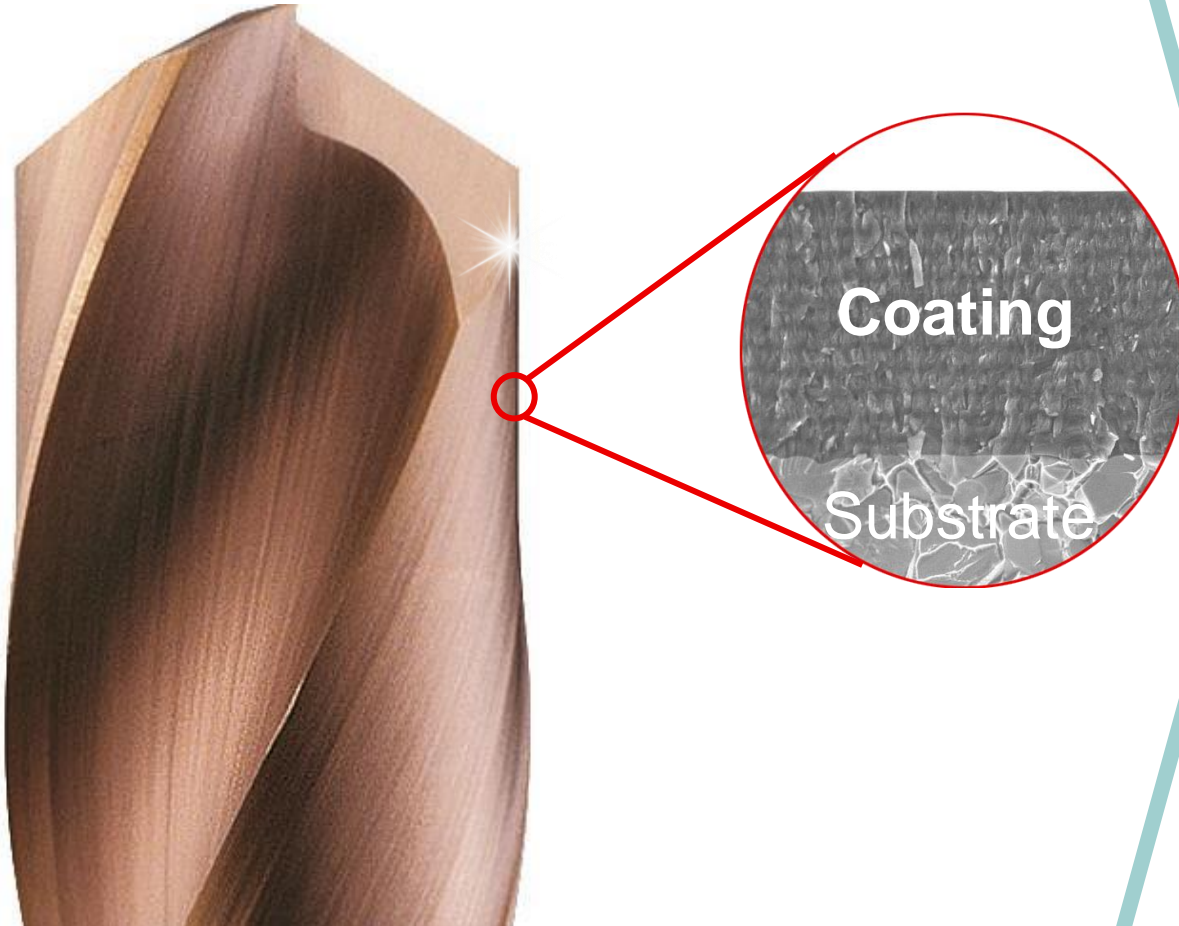
**4**



# Cutting-edge surface solutions technology: Deep dive PVD

PVD coatings: Harder than steel ...

... but only a few thousandths of a millimeter thin



**0.05mm**

Human hair



**0.003mm**

BALINIT® hard coating





# High-tech coating processes: Deep dive PVD

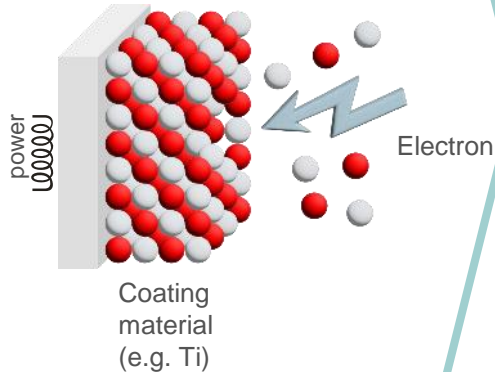
## Physical Vapor Deposition (PVD)

PVD is a coating process carried out under high vacuum and at temperatures between 80 and 600 °C; metals are deposited onto a surface serving as **ultra thin, resilient** and **environmentally friendly** coating

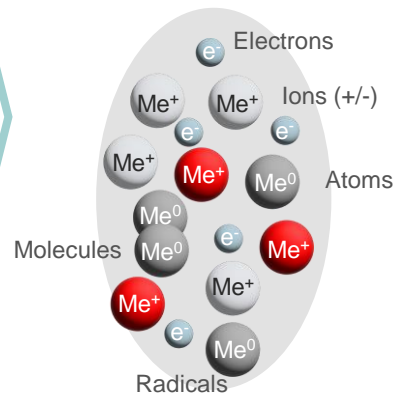


Drills getting coated in a PVD vacuum chamber

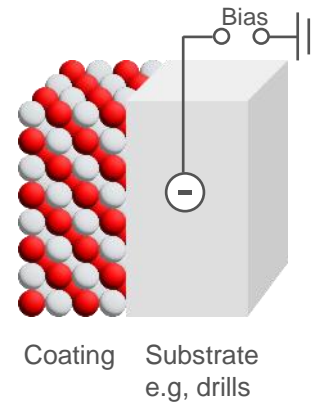
**1** **Evaporation under vacuum:** an electron ionizes a coating material → a very dense gas plasma is formed in the vacuum



**2** **Coating particles get transported** within the plasma towards substrate, driven by electrical and magnetic field forces



**3** **Condensation:** The coating condensates on the substrate



 **Technology entry barriers**

# Surface Solutions margins of 20%+ continue to be a key management focus

## 2019-21:

Efficiency gains despite lower sales during COVID ->18.3% margin in 2021

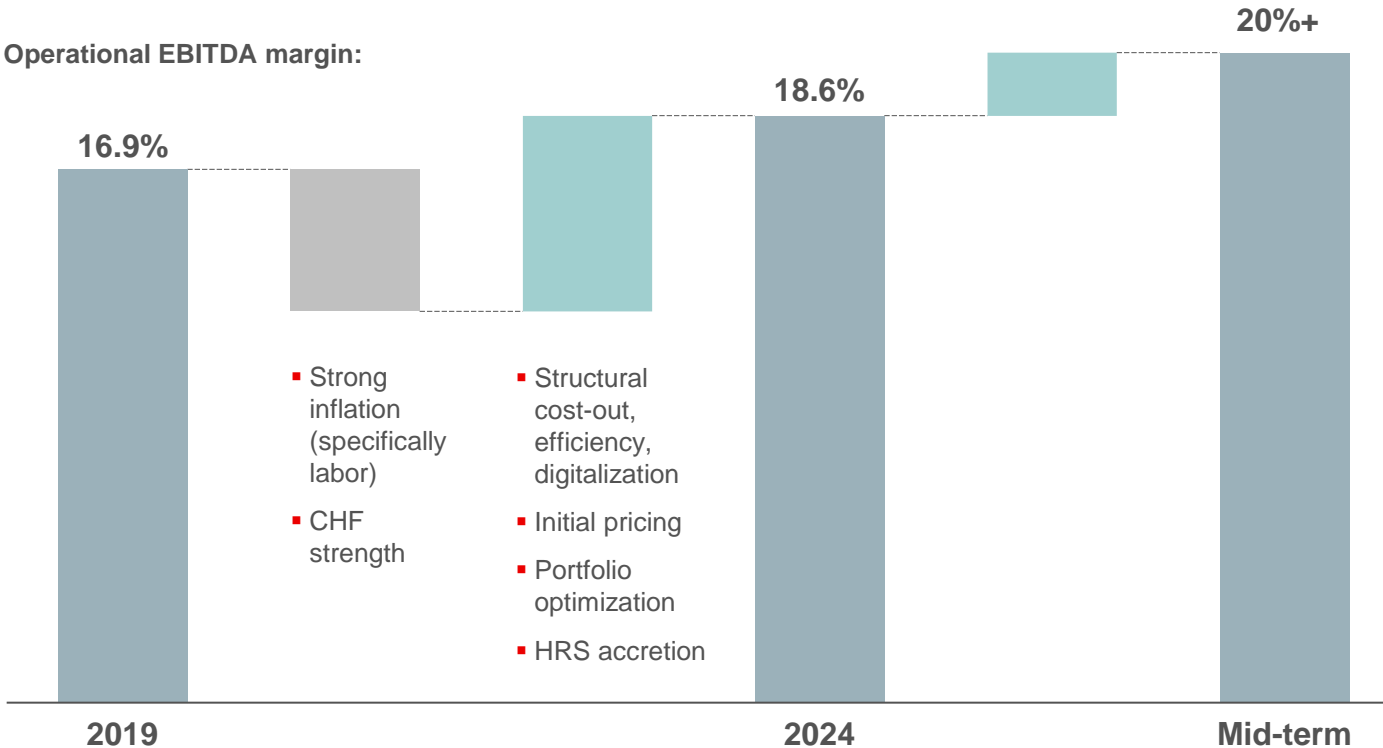
## 2022-24:

Unprecedented input cost pressure (2022/23) & headwinds from industrial production

## 2025 - Mid-term:

Drive innovation, operating leverage and efficiency

Operational EBITDA margin:

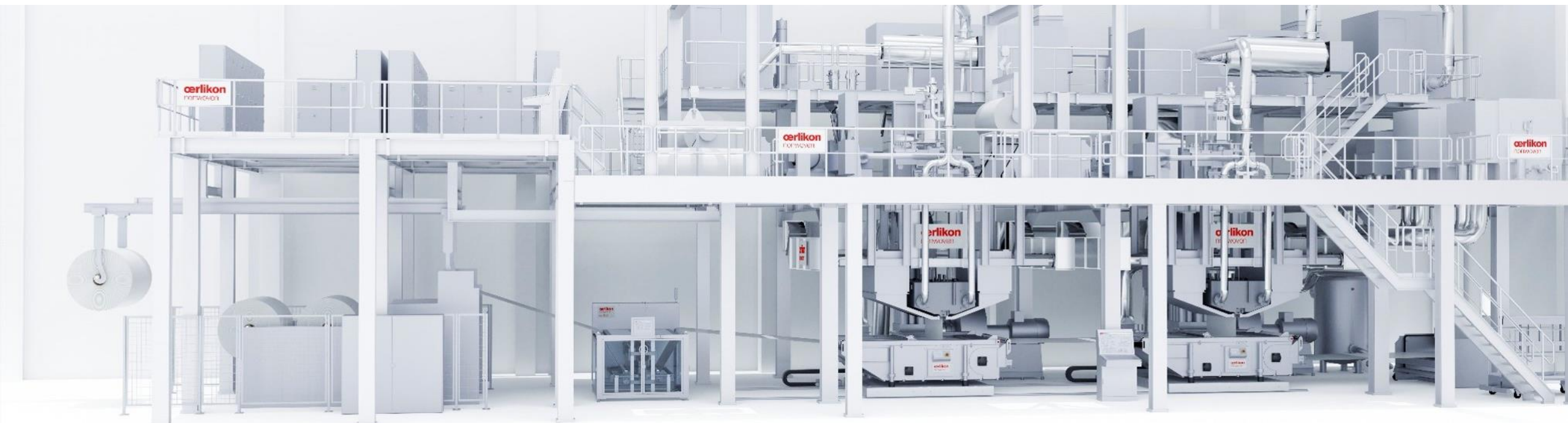


## Clear path to 20%+ margin:

- **Operating leverage**
- **Continued innovation and pricing**, supported by technology and dedicated pricing team
- **Accelerating automatization and digitalization** (SAP implemented by YE'23; digital twin rollout in 2024 to digitize the coating process)
- **Operational excellence** incl. continued footprint optimization
- **Overhead efficiency** incl. continued streamlining of organization
- **Portfolio optimization** towards high-margin solutions

# Barmag (Manmade Fibers) Division Overview

**Oerlikon is evaluating options for separation of its Barmag (Manmade Fibers) business**  
with the aim of value creation for all stakeholders (as announced on 20 Feb 2024 & 5 November 2024)



# Barmag (Manmade Fibers) at a glance



## Key metrics

2024<sup>1</sup>

**#1**

Filament market leader with 40-50% share

**CHF 734m**

Sales

**10.3%**

Operational EBITDA margin

**2'393**

FTE's

Textile machinery equipment leader



## Offering



### Machines & plants

For polymer processing



### Components

Pumps



### Services

Commissioning, maintenance & repair, advisory and upgrades

Integrated high-tech offering

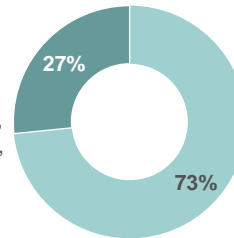


## Sales split

2024<sup>1</sup>

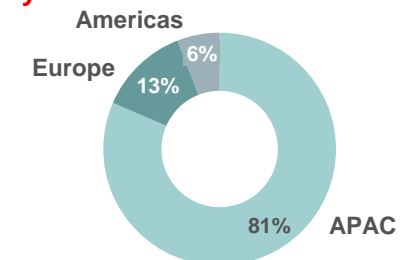
### By markets

**Non-Filament**  
equipment for production of filters, geotextiles, airbags, sails



**Filament**  
equipment to produce manmade yarns for apparel

### By geography



### Diversified customer base

Filament: Hengli Group, Reliance Industries, Tongkun, Hengyi, ...  
Non-Filament: 3M, ABB, Berry, ...

Geared towards APAC and Filament

1) 2024 financials exclude pro forma HRSflow which is reclassified from Polymer Processing Solutions to Surface Solutions as of 2025

# Anchored in attractive niche markets

## Positioned in attractive niche markets

#1

~45% market share

Increasing share

**~CHF 1.5bn**

through-the-cycle filament  
equipment market

**~CHF 1.0bn**

through-the-cycle non-filament  
equipment market

## Barriers to entry through R&D leadership



Significant technological know-how required to compete effectively



Customers focused on investment reliability & quality, focusing customer interest on leading incumbent (Barmag)

## Long-term customer relationships across quality focused end markets



Apparel and Functional Wear



Flooring & Infrastructure



Packaging



Transportation



Medical and Filters



Automotive

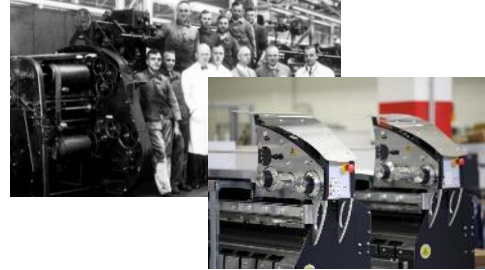


# Strong positioning

# #1



**Leading equipment manufacturer for manmade fibers** used in apparel (Filament) and manmade textiles used in broad based end markets (Non-Filament)

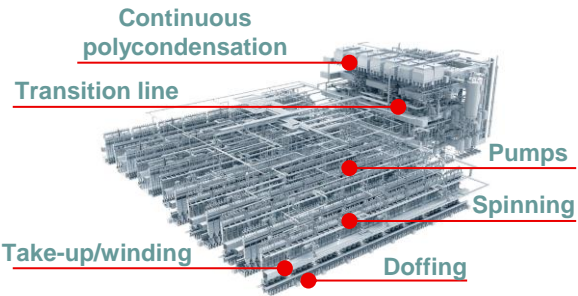


**At technology forefront** since 1922

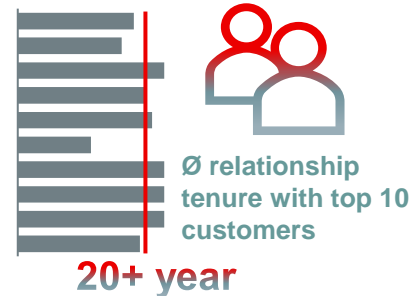
# -90%

less water consumption for t-shirts made from manmade fibers compared to cotton

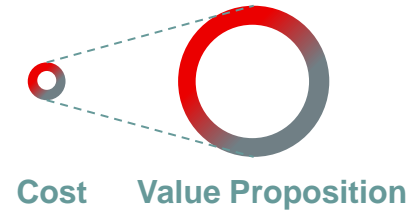
**Enabling sustainability** and efficiency at customers



**Providing the full range** of technologies for manmade fibers, complemented by servicing



**Long-standing customer relationships** across quality focused end markets

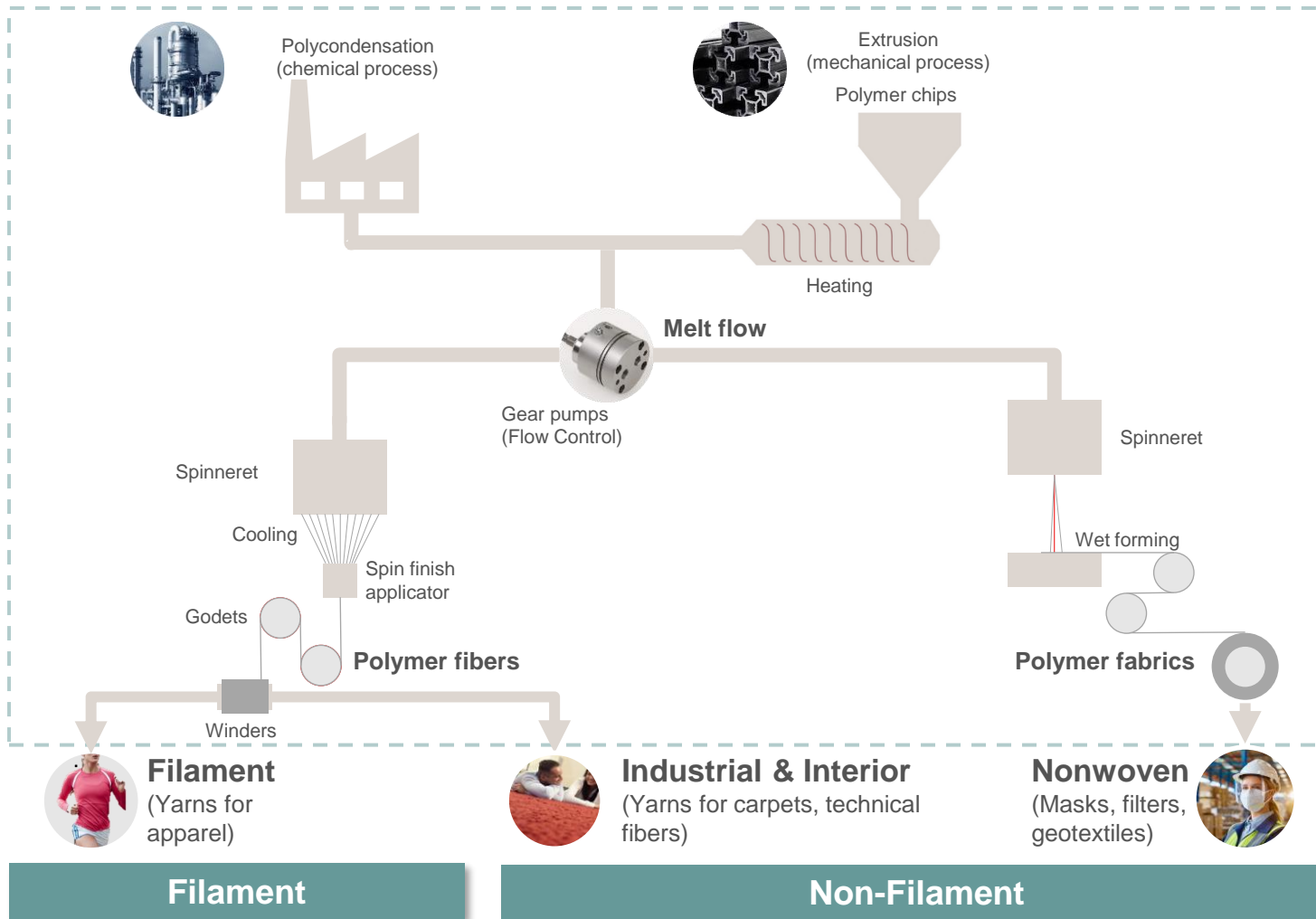


**Significant value proposition** while small cost on customers' bill

**Strong Positioning**

# Technological leadership drives growth

## Technological synergies between Barmag's machinery for Filament and Non-Filament



Synergies driving innovation

# Manmade fibers outgrowing natural fibers ...

## Growth drivers



Population growth and affluence



Better availability



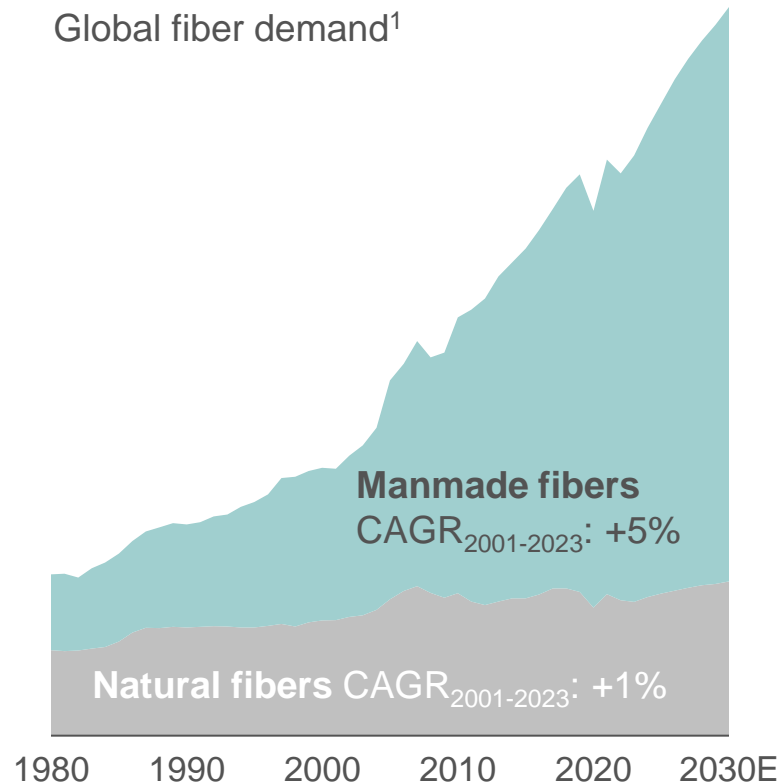
Lower resource intensity



Superior product characteristics  
(e.g., stretch, waterproof)

## +5% manmade fibers growth

Global fiber demand<sup>1</sup>



Need for equipment

Oerlikon with ~45% global equipment market share for manmade fibers used in apparel (filament)

1) Source: PCI Redbook; in m t

# ... Driving equipment market growth

**Clothed the World**

## Barmag innovated & developed the market

Enabled 5% manmade fibers textile market growth

**+5%** Manmade fibers  
CAGR 2001-23



**Drove Innovation**

# Patents filed

**>360**  
2016-23  
through-the-cycle

Best in class productivity <sup>1</sup>

- 20% faster string up
- Versatile through various polymers
- One floor design operable by a single operator

**Enabled ESG**

Enabled avoided CO<sub>2</sub> emissions <sup>2</sup>

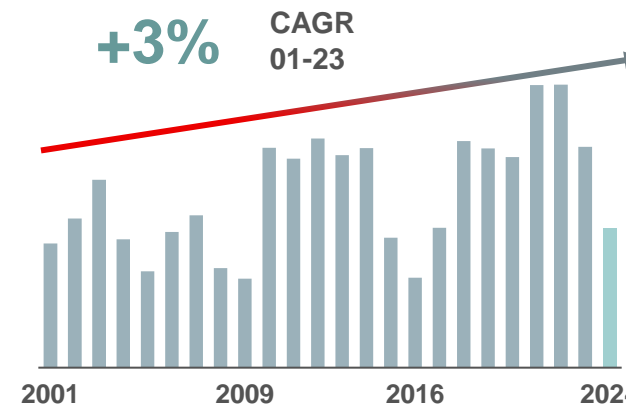
**-30%**  
Energy reduction

**-30%**  
Waste reduction

**-35%**  
Space reduction

## Driving equipment growth through-the-cycle

Filament equipment market with recovery ahead



**~1bn**  
Oerlikon sales  
2016-23 Ø p.a.  
through-the-cycle <sup>3</sup>

**>130m**  
Oerlikon EBITDA  
2016-23 Ø p.a.  
through-the-cycle <sup>3</sup>

## Driving attractive returns and cost efficiency

**2.3%**  
Capex / sales  
2016-23 Ø p.a.  
through-the-cycle

**10%**  
2024: Strong EBITDA <sup>3</sup>  
margin despite cyclical  
lower sales

1) Recent success story WINGS FDY FLEX: Latest equipment in yarn manufacturing; 2) New vs. older generation of FDY on POY take-up and winding machinery; 3) In CHF; EBITDA refers to operational EBITDA

# Mid-term growth drivers Barmag (Manmade Fibers)

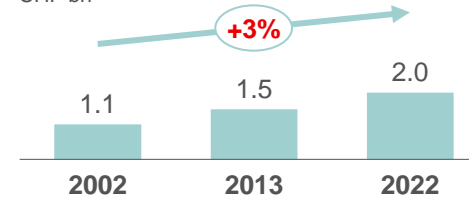


## Leadership in Filament

- **Filament equipment market grew** with 3% CAGR 02-22 driven by underlying manmade fibers market growth, innovation, rising GDP and limited alternative resources
- Positive mid-term outlook supported by need for energy saving machines and intact historical growth drivers
- Transitory sales headwinds resulting from customers postponing investment decisions since 2023 <sup>1</sup>

### Filament equipment market

+4% Oerlikon Sales CAGR 14-22  
CHF bn

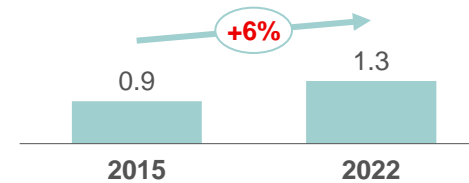


## Fragmented Non-Filament markets

- Market share gain supported by technology synergies with Filament and highly fragmented markets
- Transitorily impacted by customers postponing Capex decisions in some end markets since 2023
- **Non-Filament scope to be reviewed** in context of pure play strategy

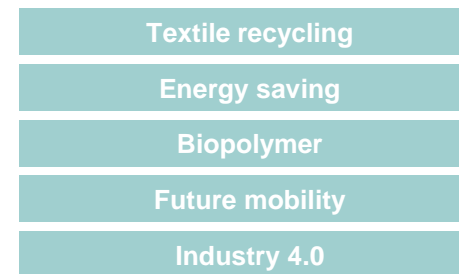
### Non-Filament equipment market

+8% Oerlikon sales CAGR 15-22



## Upside from long-term trends

- Drive R&D to capitalize on long-term trends like textile recycling and biopolymers
- Supported by leveraging of machinery and process knowhow as well as market access



Short-term impacted by headwinds

Historical Oerlikon sales CAGR are organic and FX adjusted; 1) Customers started to postpone investment decisions (orders) in H2'22 following a) >2 years of lockdowns in China, b) higher stockpiles in the textile industry and selective consumer spending (inflation), c) logistics challenges and tighter financing in China; d) globally weakening industrial production



# Strong business model driving low capital intensity

## Strong business model

Filament has ~45% market share

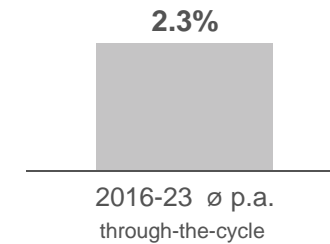
Niche market

Technology entry barriers

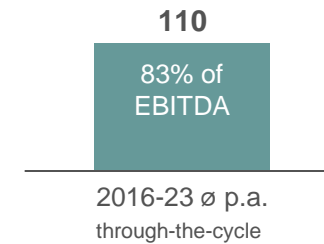
Long-term customer relationships

## Supporting low capital intensity

Capex / sales

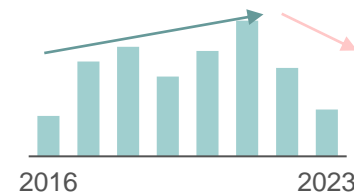


Operational EBITDA minus Capex  
CHFm

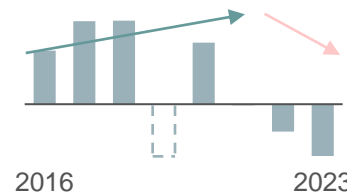


## Customer prefinancing ~20% of orders

Customer advances through-the-cycle



Change in NWC



- Order lead times of up to 12 months in Filament
- Customers prefinancing ~20% of orders
- Leading to positive impact on  $\Delta$  NWC in upcycle and vice versa



# Operational Execution & ESG

Enabling Profitable Growth and Avoided Carbon Emissions for Customers



# Operational focus to drive profitable growth



**Grow & innovate**

## 3 focus areas

- Drive sustainable innovation and technology leadership to outgrow markets
- Leverage technology leadership into new growth areas and geographies; organically and with accretive M&A

## Leverage ...

**Technology leadership**



**Improve profitability**

- Apply strict cost focus and benefit from operating leverage
- Improve ROCE supported by strengthened capital allocation framework
- Optimize portfolio towards high-margin solutions
- Balance sheet strength

**Capital allocation framework**



**Drive sustainability progress**

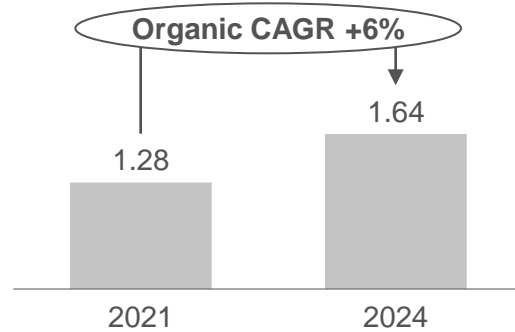
- Enable customers' sustainability and efficiency: Provide ecological and economical value propositions by focusing R&D and new products on sustainability criteria
- Drive Oerlikon's environmental and social progress, focus on strong corporate culture

**Sustainability proposition**

## Surface Solutions Pure Play Focus

### Demand driven by sustainability and efficiency

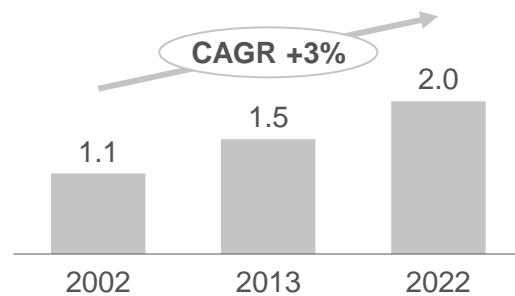
Sales <sup>1)</sup>



- **Geographic expansion** in Americas (CAGR 22-24: +8% <sup>2)</sup>) since introduction of new organization
- **Leverage technology leadership** into new areas: e.g. battery shielding, semiconductors, luxury and hydrogen
- **Innovate**: e.g. launching next generation coatings, broaden customer reach via online sales platform

### Mid-term demand driven by rising GDP and limited alternative resources

Filament equipment market

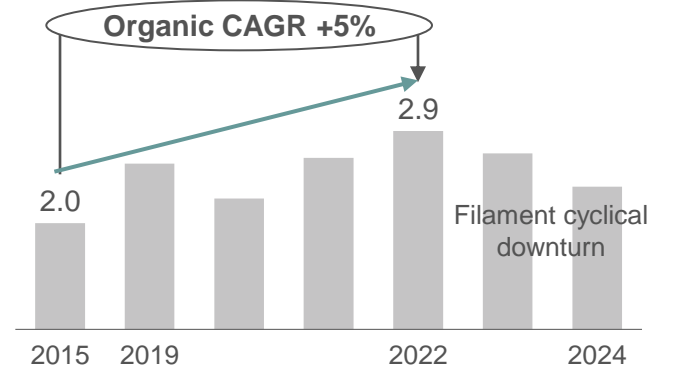


- **Leadership in filament**: in terms of innovation (e.g. WINGS) and market share (~45%); orders stabilized following recent cyclical downturn
- **Non-Filament market share gain** supported by technology synergies with Filament and highly fragmented markets
- **Upside** from long-term trends, e.g. textile recycling



Track record of innovation and 4-6% sales growth

Group sales<sup>1)</sup>:



## Barmag (MF)

Evaluating options for value creative separation

1) CAGR is FX adj. and excludes M&A; Group sales exclude the Drive Systems Division which was divested in 2019; 2) FX adjusted

# Growth accelerated by sustainable megatrends

## Oerlikon R&D on

Energy consumption

Water consumption

Social impact

Waste emissions

Raw material consumption

Service time

## Oerlikon's coatings for Tooling/Aviation save >100% of Swiss CO<sub>2</sub> emissions



**20x lifetime extension**<sup>3</sup> of a metal tool through coating (vs. uncoated)

Resulting in significant metal saving, saving annually ~8.3 mio metric tons CO<sub>2</sub> or **~28% of Swiss CO<sub>2</sub> emissions**<sup>4)</sup>



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

Equals ~26 mio metric tons of CO<sub>2</sub> reduction annually<sup>1)...</sup> **~88% of Swiss emissions**<sup>4)</sup>



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**



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**



**~30% energy saving** with new filament equipment

Annual CO<sub>2</sub> emission savings<sup>2)</sup> of Oerlikon winders of 2.6mt... equivalent to annual gasoline consumption of **~500k cars**



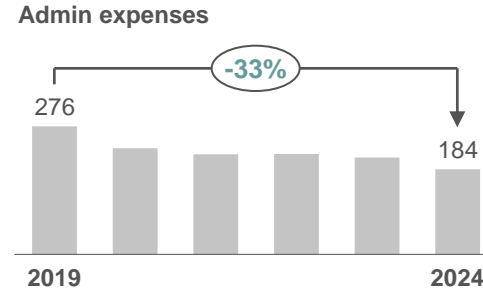
1) Across 2019 installed base of aero engines; 2) Data per 2020 installed base for new vs. older generation of FDY on POY take-up and winding machinery; 3) 20x reflects average across tooling, with peak extension up to 160x; 4) 29.6 mio metric tons as per 2022



# Strengthening the base for profitable growth

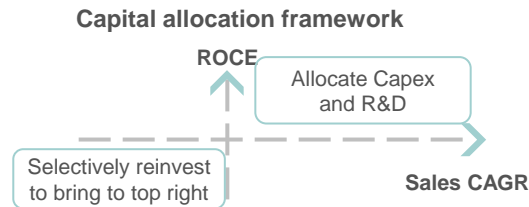
## Cost efficiency

- **33% overhead savings** since 2019, despite 3 acquisitions
- **Proactive cost actions** initiated in Q4'22 ahead of filament headwinds
- Continued focus on efficiency incl. digitalization, automatization and **footprint optimization** of coating centers

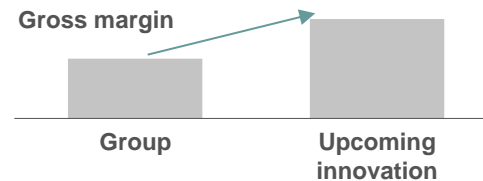


## Portfolio optimization

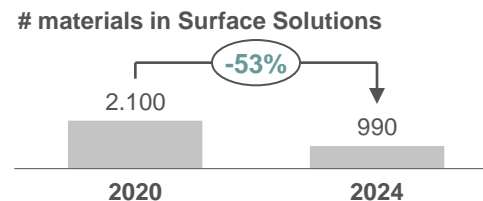
- **Stringent portfolio reviews**
- Following inline ePD exit in 2022, realigned **AM** in H1'24, thereby structurally improving profitability



- **Upcoming innovation attractively priced** in Surface Solutions, enabled by strengthened capital allocation framework with increased **focus on commercialization**
- Strengthened tracking of innovation and aligned compensation



- **Eliminating products** which are subscale and dilutive in Surface Solutions' materials and equipment portfolio

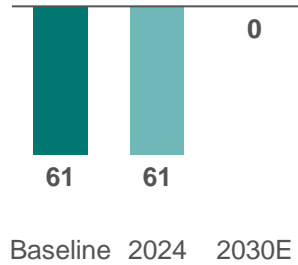


**Enabling profitable growth**

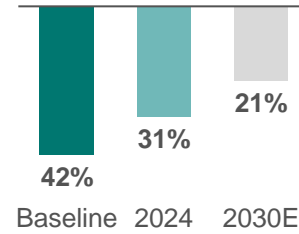
Taking measures to structurally improve mid-term profitability

# Progressing towards 2030 ESG targets

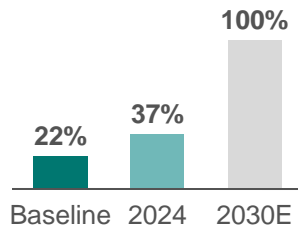
Reduce emission intensity (scope 1&2) in relevant operations to become climate neutral <sup>1</sup>



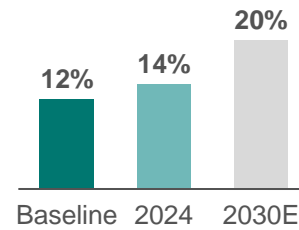
Reduce % of disposed waste



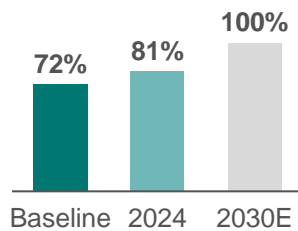
Increase % of electrical energy from renewable sources



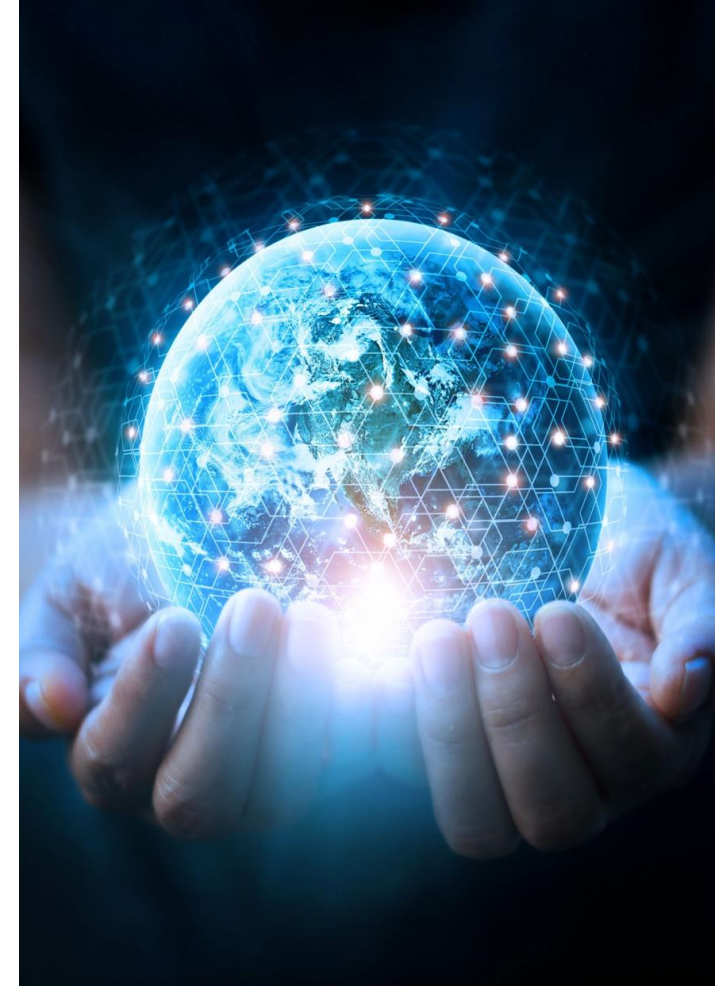
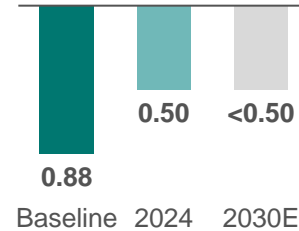
Increase % of women in management and leadership roles



Increase % R&D investment in products that must cover ESG criteria



Reduce rate of recordable work-related injuries (TAFR)



1) Measured in tons CO<sub>2</sub> eq / CHFm sales; up from 54 to 61 YoY, due to lower sales and M&A; based on 2023 sales level, emissions intensity would be slightly down from 54 to 53 benefiting from more renewables in the mix  
More information can be found in the Oerlikon Sustainability Report online

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