

# Pure Play Execution: Divesting Barmag

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6 May 2025

# Oerlikon finalizing portfolio transformation started 10 years ago

## From 5 Divisions in 2014 ...

Surface Solutions

Barmag  
(Polymer Processing Solutions)

Drive Systems

Advanced Technologies

Vacuum

Added technology acquisitions



Leaders in sweet spots with cutting edge technology



Lack of opportunity for market leadership



Diversify and add growth markets

## 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)



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

## 2025: Finalizing transformation



Unlock pure play potential

# Innovation leaders in attractive niches – but no synergies

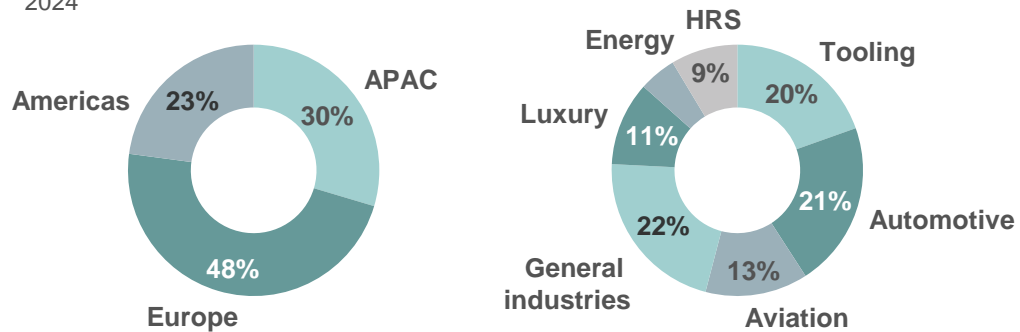


## Oerlikon Surface Solutions

- Market leader in cutting-edge **surface technology** with high barriers to entry
- **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:

2024

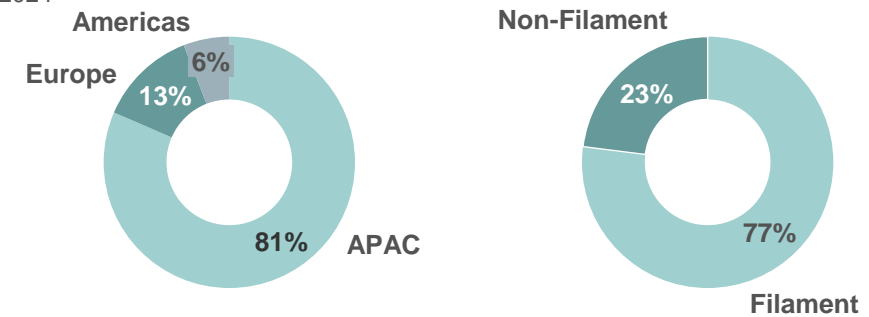


## Barmag

- Innovation leader for equipment to produce **manmade yarns**
- **Concentrated market**: top 20 customers accounting for majority of sales
- **Strong cash generation** over the cycle with selected growth opportunities

### Sales geared towards APAC and Filament:

2024



Pure play rationale: become agile and unlock value by divesting Barmag

# Divesting Barmag at attractive through-the-cycle valuation

## Transaction agreement

- **Signed agreement** with Rieter to divest Barmag
- **Expected closing<sup>1</sup> of the deal in Q4'25**

## Strong strategic rationale

- **Both Rieter and Barmag** have a long history of innovation leadership and expertise in plant engineering for the global textile industry and APAC end markets
- **Enabling positive future development** for Barmag by allowing the business to purely focus strategy and capital allocation on respective end market and geography

## Attractive valuation

- **Enterprise value** of CHF 850m (up to CHF 950m incl. earn-out), representing a through-the-cycle <sup>2</sup> EV / EBITDA multiple of approximately 6.5x (slightly above 7x incl. earn-out); for 2024 the EV / EBITDA multiple is 11.3x (12.6x)
- Earn-out of up to CHF 100m is subject to the EBITDA evolution of Barmag over 2025-28
- CHF ~700m upfront equity purchase price (excl. earn-out) to be used for repayment of CHF 475m term loan, general corporate purposes and potential distribution to shareholders



**Unlock pure play potential**

1) Subject to regulatory approvals and fulfilment of closing conditions; 2) 2016-23

# Unlocking pure play potential



**Become agile**, dynamic and independent by right-sizing overhead (initiated in H2'24); set free management capacity, supporting efficient operations in a challenging geopolitical environment



**Executing on clear plan** to adjust corporate costs to pure play scope



**Distinguish brand** as a pure-play market leader, focused on optimizing performance for customers



**Create distinct investment opportunity** for investors with a strong value proposition



**Pure focus on growth opportunities** in the fragmented Surface Solutions market

**Become agile / focused and create a distinct investment opportunity**

# New focused Oerlikon is leader in surface technology that improves customers' efficiency through innovation ...

**#1**



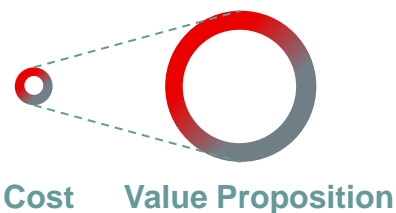
**Market leader** in high-tech specialized surface solutions markets

**At technology forefront** since 1946 (PVD); global player <sup>1</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>2</sup>



**Application knowhow across industries** with long-standing customer relationships <sup>3</sup>



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



Coating equipment

Coating materials, components & additive manufacturing

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

**Strong Positioning and USP**

1) ability to mitigate customer risks, e.g. holding multiple customer qualifications in multiple locations to mitigate potential supply chain disruptions; 2) Oerlikon with >150 coating centers globally; 3) 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

# ... well-positioned for profitable mid-term growth

## Enabling efficiency & sustainability

With innovative technology



## Clear set of growth levers



Accelerate regional expansion

>20% sales upside



Leverage tech leadership into new areas



Strengthen offering in core markets

>20% sales upside

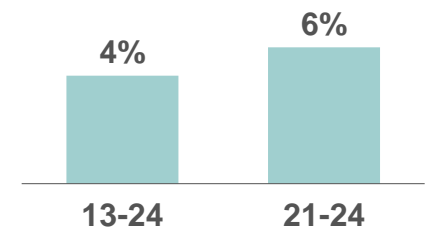


Drive profitability

+200bps margin upside <sup>2</sup>

4 - 6% profitable sales growth

Sales CAGR <sup>1</sup>



1) 4-6% sales growth represents mid-term annual growth target including HRSflow; Historical sales CAGR is organic FX adjusted; 2) Compared to 2024

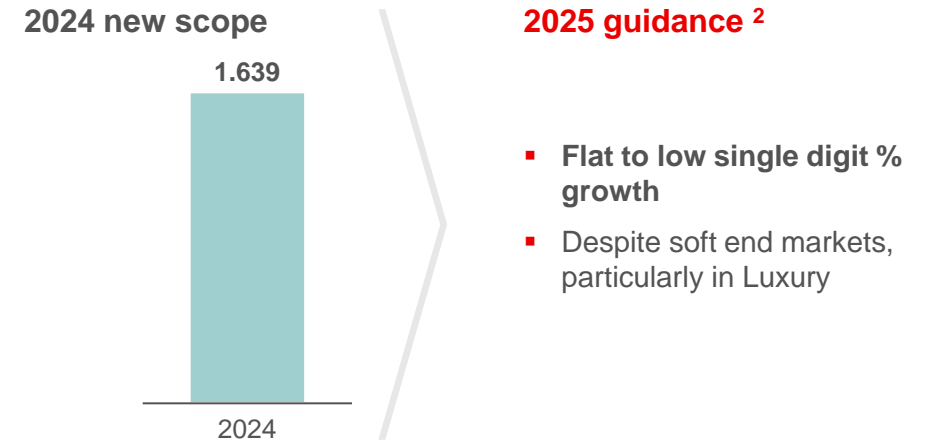
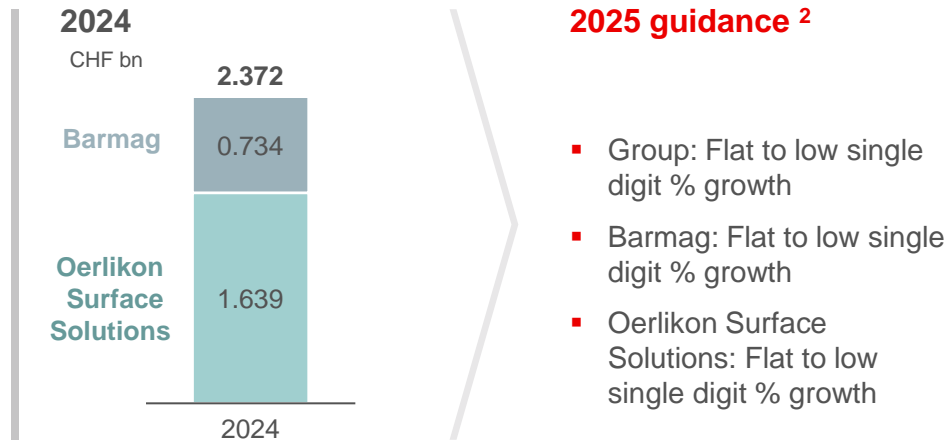
# Updating 2025 guidance by aligning it to pure play scope

Barmag to be reported as discontinued operations

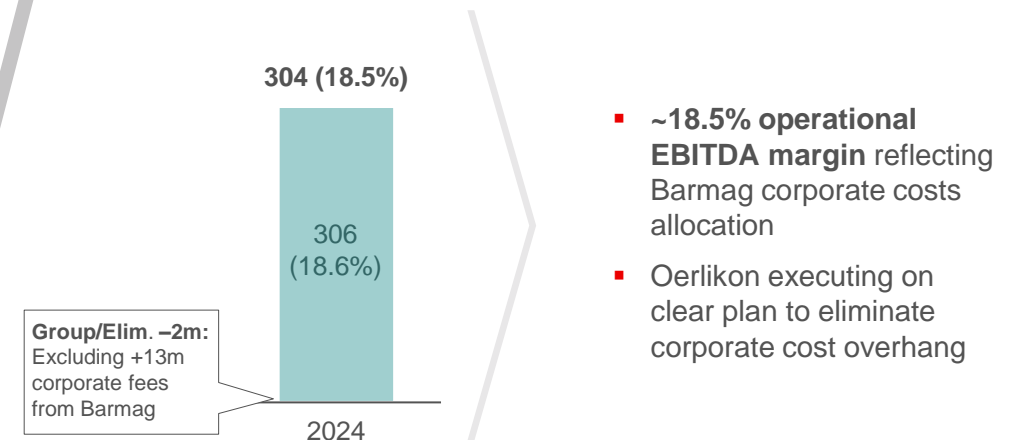
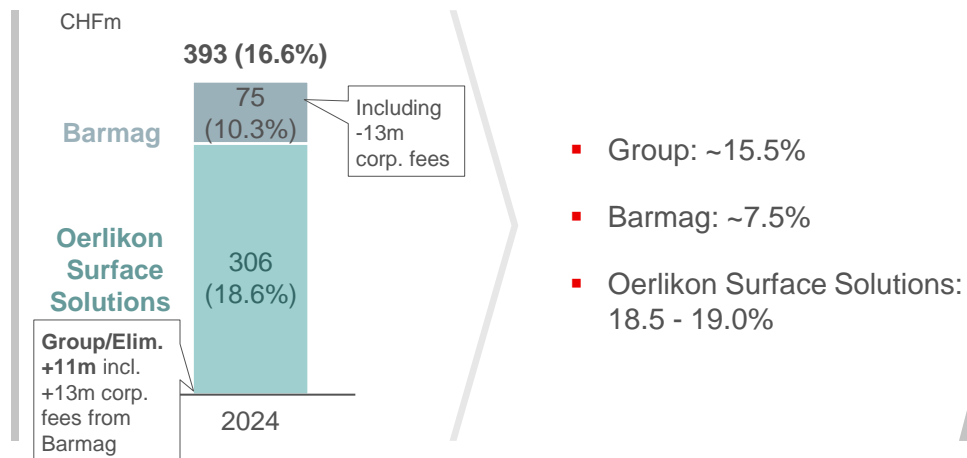
## Guidance provided at FY'24 results

## Alignment to new pure play scope<sup>3</sup>

Sales



EBITDA margin<sup>1</sup>



1) Operational EBITDA margin; 2) organic, constant FX; 3) restated 2024 figures are unaudited



# Q&A



**cerlikon**  
cutters  
INNOVENTA mega

# Appendix



# Key financials after restatement for discontinued operations (unaudited) Reporting Barmag as discontinued operations

CHF m	Q1'24	Q2'24	H1'24	Q3'24	Q4'24	2024
Order intake	426	427	853	376	393	1622
<b>Sales</b>	<b>404</b>	<b>431</b>	<b>835</b>	<b>390</b>	<b>414</b>	<b>1639</b>
<b>EBITDA</b>	<b>70</b>	<b>80</b>	<b>149</b>	<b>70</b>	<b>72</b>	<b>292</b>
margin (%)	17.3%	18.5%	17.9%	18.0%	17.4%	17.8%
<b>Operational EBITDA</b>	<b>71</b>	<b>82</b>	<b>153</b>	<b>73</b>	<b>78</b>	<b>304</b>
margin (%)	17.7%	19.0%	18.3%	18.7%	18.8%	18.5%
whereof Group/Eliminations	(1)	(3)	(4)	1	1	(2)
<b>EBIT</b>	<b>25</b>	<b>34</b>	<b>59</b>	<b>27</b>	<b>27</b>	<b>113</b>
margin (%)	6.1%	8.0%	7.1%	6.9%	6.5%	6.9%
<b>Operational EBIT</b>	<b>27</b>	<b>37</b>	<b>64</b>	<b>30</b>	<b>34</b>	<b>128</b>
margin (%)	6.6%	8.6%	7.6%	7.8%	8.2%	7.8%
	<b>Q1'24</b>	<b>Q2'24</b>	<b>H1'24</b>	<b>Q3'24</b>	<b>Q4'24</b>	<b>2024</b>
Financial income			4			5
Financial expenses			(28)			(49)
<b>Result before taxes (EBT)</b>			<b>36</b>			<b>69</b>
Income taxes			(15)			(44)
<b>Result from cont. ops.</b>			<b>21</b>			<b>25</b>
<b>Result from disc. ops.</b>			<b>18</b>			<b>47</b>
<b>Net Income</b>			<b>39</b>			<b>72</b>

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