

Strong Group Performance in Challenging Markets

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3Q20 Results

Pfäffikon, November 3, 2020



Agenda

1 3Q20 Business Update

2 3Q20 Financial Review

3 Appendix

1 Strong Execution and Positive Market Outlook in Manmade Fibers

- YTD order intake of CHF 770 million ... well positioned for 2021+
- Strong operational performance ... 3Q20 sales of CHF 313 million; on-track for full year
- High demand for nonwoven equipment continues; further opportunities developing beyond face masks

2 Surface Solutions End Markets Recovering at Varying Speeds

- Automotive recovering faster than expected; tooling and general industries showing improvement in September; Aerospace declining
- 3Q20 Surface Solutions sales down -24% year-over-year (-20% ex-FX); sales up 7% sequentially with aerospace weighing on the recovery
- Positive trend into September and early October... visibility remains low

3 Cost Actions Delivering Results

- Operating expenses reduced by CHF ~165 million for the first 9 months, reflecting operational gearing of 66%
- Structural cost-out program ahead of schedule; Completed >650 of targeted headcount reduction (800+) at the end of 3Q20
- Expected run-rate savings of CHF ~70 million

4 Manmade Fibers Outlook Stable; Structural Cost-Out in Surface Solutions Remains Focus

- Manmade Fibers on track to deliver sales above CHF 1 billion with improved margins
- Surface Solutions has varied and uncertain end-market recovery profiles. No guidance provided. Relentless focus on cost programs
- Commitment to medium-term Group EBITDA margins of 16-18%

Our Priority: Adjust the Structural Cost Base in Order to Return to 16 – 18% Group EBITDA Margin

Program Elements

- Structural and productivity program kicked off in 2H19 with following focus areas:
 - Group HQ and support function optimization
 - Structural footprint and SG&A rationalization
 - Rightsizing Additive Manufacturing
 - Procurement synergies
- Total estimated annual run-rate savings increased to CHF ~70m
- One-time implementation cost remains CHF ~60 m*
- Expecting to complete ~90% of headcount reductions (800+ employees) by the end of 4Q20

Program Breakdown

	Headcount Reduction	Expected Annualized EBITDA benefit (CHF m)	Progress
Headquarters and Support Functions	~80	~10	Ahead of schedule
Surface Solutions Structural Program	~600	~45	Ahead of schedule
Additive Manufacturing Rightsizing	~120	~15	Ahead of schedule

*CHF 25m booked in FY19, CHF 30m booked in 9M20, CHF 5m planned for 4Q20

Varying Strength and Recovery Pattern on Oerlikon's Served Markets

	Filament and Nonwoven	Tooling	General Industrial	Automotive	Aviation
	<ul style="list-style-type: none"> Large filament producers confirm expansion plans BCF at low point of cycle Nonwoven market is expanding including demand for meltblown line required for facial masks 	<ul style="list-style-type: none"> Sharp deterioration in industrial production globally, recovering at varying rates China, Europe and auto derivative markets already show marked recovery 	<ul style="list-style-type: none"> Sharp deterioration in industrial production globally, recovering at varying rates Industrial capex expected to be down 15% YoY China already in recovery mode 	<ul style="list-style-type: none"> Global production volumes expected to fall YoY Gradual structural change towards EV / hybrid Chinese and European production recovering in Q3 at varying speeds 	<ul style="list-style-type: none"> COVID-19 create perfect storm for Aerospace industry IATA: 66% passenger traffic decline in 2020; not returning to 2019 levels until 2024 Travel restrictions reduce passengers since August
	47 % Group Sales 9M20	15% Group Sales 9M20	17% Group Sales 9M20	13% Group Sales 9M20	8% Group Sales 9M20
Market View	Stable	V-shaped recovery	V-shaped recovery	U-shaped recovery	L-shaped prolonged recovery
3Q20 Update	Unchanged	Unchanged	Unchanged	Improving	Weakening

Manmade Fibers Market remains stable; Surface Solutions well placed for recovery in Automotive, Tooling and General Industry markets; Aerospace sees slower recovery

Robust Group Performance in Challenging Markets; Strong Cost Control to Improve Profitability



1

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

2

Broader and stronger Manmade Fibers Division that continues to deliver above average returns

3

Oerlikon is a reliable and well-capitalized partner for our customers and suppliers; Well-placed to expand market share from a position of strength

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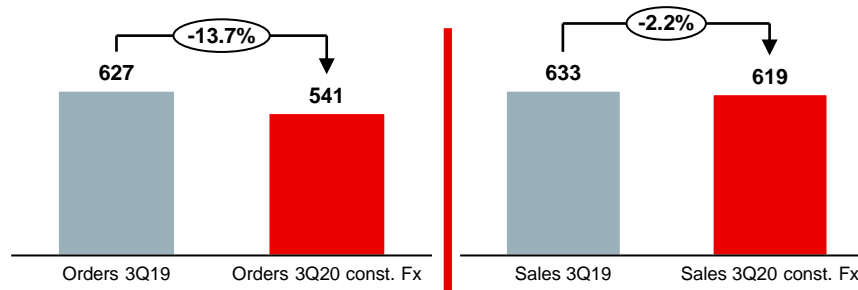
3 Appendix

Strong Group Performance; Manmade Fibers on Track and Surface Solutions End-Markets Recovering at Varying Speeds

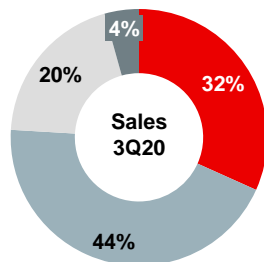
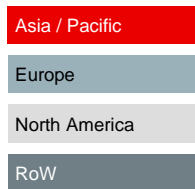
in CHF million	3Q20	3Q19	y-o-y	9M20	9M19	y-o-y
Order intake	518	627	-17.3%	1 599	1 979	-19.2%
Sales (3 rd parties)	593	633	-6.4%	1 632	1 958	-16.6%
Operational EBITDA	92	85	8.1%	209	306	-31.6%
In % of sales	15.6%	13.5%	–	12.8%	15.6%	–
Operational EBIT	42	38	10.9%	57	159	-64.3%
In % of sales	7.0%	5.9%	–	3.5%	8.1%	–

- 3Q20 Group orders declined by 17.3% vs. 3Q19 primarily driven by global impact of COVID-19 on end-markets
- Group sales declined by 6.4% vs. 3Q19
 - Surface Solutions down 24.0% year-on-year ... sales grew 7% sequentially ... positive trend in September & October
 - Manmade Fibers sales increased 18.1% vs. 3Q19 ... full-year on track
- Negative FX impact on sales and orders from continuing strengthening of reporting currency CHF
- 3Q20 operational EBITDA of 15.6% increased 210 basis points vs. prior year
 - Surface Solutions cost measures delivering results
 - Manmade Fibers operational EBITDA of 15.4%
- Strong focus on FCF generation: capital investment curtailment and net working capital optimization

Top-line Development at Constant FX (y-o-y)



Surface Solutions Division – End-Markets Recovering at Varying Speeds; Cost Actions Delivering Results

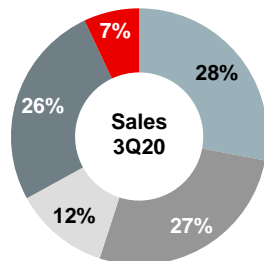
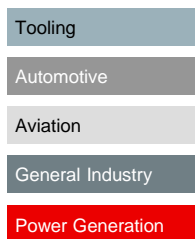


Operational Performance

- Market recovery in September and positive trend into October
- Tight discretionary cost controls and impacts from structural cost-out program leading to operational EBITDA of 14.8%
- Structural cost measures ahead of schedule – over 80% of targeted headcount reduction completed at 3Q20
- Program annualized cost savings target increased to ~CHF 70m

Market Development

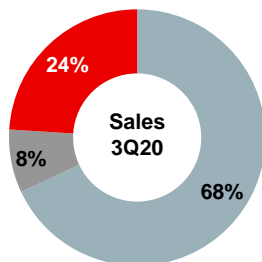
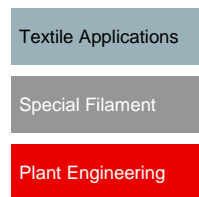
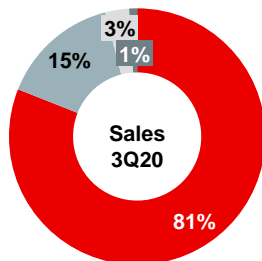
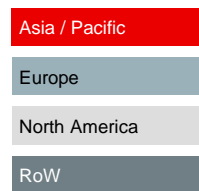
- Markets remain below pre-crisis levels and show varying recovery profiles
- Automotive recovery lead by Asia; Europe improving as automotive OEM's ramp up production
- Tooling market shows sequential recovery in Europe and Asia ... US market remains slow
- Aerospace heavily impacted by COVID pandemic and second wave of travel restrictions has halted the recovery



in CHF million	3Q20	3Q19	y-o-y	y-o-y ex FX	9M20	9M19	y-o-y	y-o-y ex FX
Order intake	258	350	-26.4%	-22.5%	829	1 109	-25.3%	-21.2%
Sales (3 rd parties)	280	369	-24.0%	-20.0%	867	1 119	-22.5%	-18.3%
Operational EBITDA	42	57	-26.7%	–	101	186	-45.6%	–
In % of sales	14.8%	15.4%	–	–	11.6%	16.5%	–	–
Operational EBIT	0	17	-97.7%	–	- 24	62	<-100%	–
In % of sales	0.1%	4.6%	–	–	-2.8%	5.6%	–	–

¹IP = Industrial Production

Manmade Fibers Division – Another Quarter of Strong and Stable Results; on Track for 2020 Deliveries



Operational Performance

- Continued trend of solid order bookings in 3Q20 of CHF 261m ... 9M20 order intake > 750M
- 3Q20 sales of CHF 313m ... on track for full-year target of over CHF 1bn
- Close management of supply chain has avoided disruptions
- 15.4% EBITDA in 3Q20 resulting from cost absorption on higher volumes ... full-year EBITDA margins expected to be 13-14%

Market Development

- Textile applications (filament / texturing) with continued favorable market conditions
- Strong project pipeline for textile applications resulting in lead times extending into 2023
- Significant enquiries from nonwovens continues, now including the US. Opportunities to cross-sell into other nonwoven applications are increasing
- Special filament, mainly in BCF¹ in Turkey and US at expected low levels

in CHF million	3Q20	3Q19	y-o-y	y-o-y ex FX	9M20	9M19	y-o-y	y-o-y ex FX
Order intake	261	276	-5.7%	-2.5%	770	870	-11.4%	-6.7%
Sales (3 rd parties)	313	265	18.1%	22.6%	765	839	-8.8%	-4.0%
Operational EBITDA	48	28	69.0%	–	104	120	-13.0%	–
In % of sales	15.4%	10.7%	–	–	13.6%	14.3%	–	–
Operational EBIT	40	22	82.6%	–	82	100	-18.4%	–
In % of sales	12.9%	8.4%	–	–	10.7%	12.0%	–	–

¹ Bulked Continuous Filament (Carpet Yarn)

1

Manmade Fibers 9M20 order bookings and revenues of over CHF 750m;
On track for full-year deliveries with strong margins

2

Surface Solutions impacted by COVID-19; 3Q20 shows sequential recovery in
automotive and tooling; visibility remains low

3

Accelerating and deepening actions to adjust Surface Solutions cost base...
...emerge as stronger company from crisis

4

Cost-out actions are permanent / structural; Remain committed to mid-term 16-18%
Group EBITDA margin target

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Reconciliation of Profitability Measures 9M 2020

EBITDA to EBIT Bridges

in CHF million	Group		Surface Solutions		Manmade Fibers	
	9M 2020	9M 2019	9M 2020	9M 2019	9M 2020	9M 2019
EBITDA	180	299	72	180	104	119
Depreciation and Impairments	-102	-98	-86	-83	-14	-13
EBITA	78	201	-14	98	90	106
Amortization of Acquired Intangibles	-32	-30	-28	-28	-4	-2
Other Amortization	-26	-20	-19	-14	-5	-4
Impairments						
EBIT	20	151	-61	56	82	100

Operational Profitability Reconciliation

in CHF million	Group		Surface Solutions		Manmade Fibers	
	9M 2020	9M 2019	9M 2020	9M 2019	9M 2020	9M 2019
Operational EBITDA	209	306	101	186	104	120
Restructuring expenses	-25	-3	-24	-1	-0	--
Discontinued activities	-5	-5	-5	-4	--	-1
EBITDA	180	299	72	180	104	119

in CHF million	Group		Surface Solutions		Manmade Fibers	
	9M 2020	9M 2019	9M 2020	9M 2019	9M 2020	9M 2019
Operational EBIT	57	159	-24	62	82	100
Restructuring expenses	-25	-3	-24	-1	-0	--
Impairments related to restructuring	-6	--	-6	--	--	--
Discontinued activities	-6	-6	-6	-5	--	-1
EBIT	20	151	-61	56	82	100

Reconciliation of Profitability Measures 3Q 2020

EBITDA to EBIT Bridges

in CHF million	Group		Surface Solutions		Manmade Fibers	
	3Q 2020	3Q 2019	3Q 2020	3Q 2019	3Q 2020	3Q 2019
EBITDA	88	84	37	55	48	28
Depreciation and Impairments	-34	-32	-29	-27	-5	-4
EBITA	54	52	8	29	43	24
Amortization of Acquired Intangibles	-11	-10	-9	-9	-1	-1
Other Amortization	-7	-7	-4	-5	-2	-1
Impairments						
EBIT	36	36	-6	15	41	22

Operational Profitability Reconciliation

in CHF million	Group		Surface Solutions		Manmade Fibers	
	3Q 2020	3Q 2019	3Q 2020	3Q 2019	3Q 2020	3Q 2019
Operational EBITDA	92	85	42	57	48	28
Restructuring expenses	-3	-0	-3	-0	0	--
Discontinued activities	-2	-1	-2	-1	--	-0
EBITDA	88	84	37	56	48	28

in CHF million	Group		Surface Solutions		Manmade Fibers	
	3Q 2020	3Q 2019	3Q 2020	3Q 2019	3Q 2020	3Q 2019
Operational EBIT	42	38	0	17	40	22
Restructuring expenses	-3	-0	-3	-0	0	--
Impairments related to restructuring	-1	--	-1	--	--	--
Discontinued activities	-2	-2	-2	-2	--	-0
EBIT	36	36	-6	15	41	22

November 3, 2020	Q3 / 9M 2020 results - Media & Analyst Conference Call
March 2, 2021	Q4 / FY 2020 results - Media & Analyst Conference
April 13, 2021	Annual General Meeting of Shareholders
May 4, 2021	Q1 2021 results - Media & Analyst Conference Call
August 3, 2021	Q2 / HY 2021 results - Media & Analyst Conference Call
November 3, 2021	Q3 / 9M 2021 results - Media & Analyst Conference Call



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