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# Half-year 2025 Financial Results

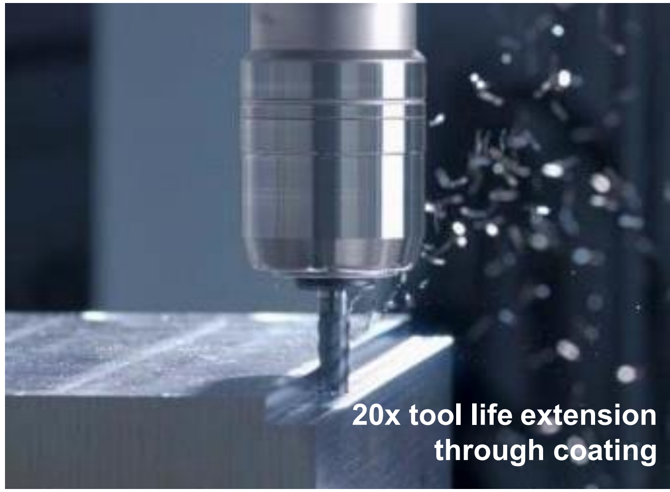
August 5, 2025

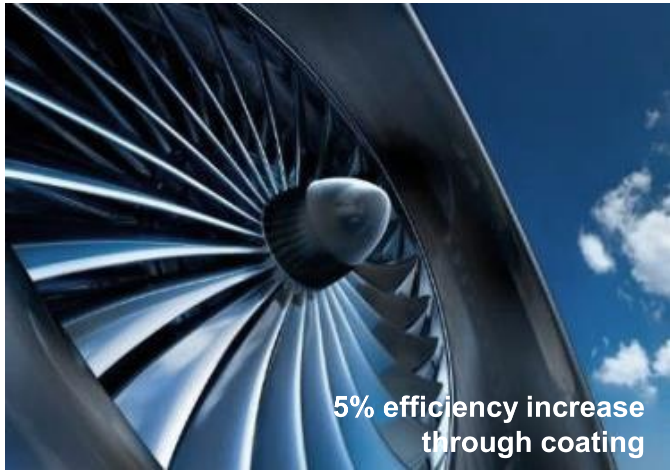
# Agenda

1 | Pure play update

2 | H1‘25 Financials & Outlook

3 | Q&A

# Oerlikon finalizing transformation to pure play

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## From 2 Divisions in 2019

**Surface Solutions**

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

**Barmag**
(Polymer Processing Solutions)

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

**2 leaders in sweet spots but with limited synergies**

## To pure play

- **Portfolio optimization** resulted in impairments of certain assets
- **Structural cost-out measures** to optimize operations and improve profitability
- **Strong reduction** of pensions liabilities

- **Agreement to divest Barmag** to Rieter signed on May 5, 2025
- **Enterprise value of CHF 850m** + earnout of up to CHF 100m
- **Proceeds of CHF ~700m** primarily used to deleverage

**Expected closing in Q4'25**

## 2025: Finalizing transformation

- Agile and efficient organization
- Distinguish brand
- Create distinct investment opportunity

**Unlock pure play potential**

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# Financials & Outlook

**Markus Richter**

CFO

# H1'25 summary[1]

## Managed short-term headwinds; Divestment on-track

### Financials

| 826m | 786m | 16.7% | 5.8% |
|---|---|---|---|
| Order intake | Sales | Op. EBITDA margin | Op. EBIT margin |

### Key messages

- **Stable order intake at constant FX achieved in very difficult business environment** marked by geopolitical uncertainties, tariffs tensions and current weak EU industrial environment; positive signs in aviation & defense
- **Ebitda margin transitorily impacted by mix and FX**; focus on cost discipline to strengthen positioning once markets recover
- **Further structural cost-out measures launched** as strategic steps to improve agility and efficiency
- **Continued operational execution** including accelerating the innovation pipeline, leveraging core competencies into growth markets as aviation, optimizing the portfolio towards structurally higher profitability – resulting in CHF 46m impairment
- **Divestment of Barmag** on-track with closing expected in Q4'25

### H2'25 priorities

**Cost-out actions** | **Drive innovation** | **Strengthen resilience**

1) Pure play scope, excluding Barmag reported as discontinued

# Subdued end markets; positive signs in aviation

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### General Ind. & Tooling
46% of 2024 sales[1]

**H1 25** markets    **H2 25E** markets

- Euro Area industrial PMIs still in contraction with no signs of recovery
- US and China remaining flat
- Uncertainties due geopolitical risks and additional burden on the economy from evolving tariff regimes

### Automotive & HRSflow
30%

**H1 25** markets    **H2 25E** markets

- Global light vehicle production forecasts revised downwards to +0.4% in 2025[2], growing 0.7% in 2026[2]
- Uncertainties generated by changing EU industrial policies
- New car model launch expected to decrease by 4% in 2025[4] mainly affected by US, Europe remaining stable and Asia improving

### Luxury
11%

**H1 25** markets    **H2 25E** markets

- Continued soft end markets due to subdued demand in China and pressure on Western shoppers' spending; continued impact from de-stocking in H1'25
- Swiss watch exports +1% in H1'25; continued growth in tax-free shopping
- Positive trend to move to more sustainable coating technology

### Aviation
13%

**H1 25** markets    **H2 25E** markets

- Recovery driven by MRO with increased flying hours
- New plane production supported by passenger growth and energy efficiency
- Positive momentum confirmed at Paris Air Show

**Focus on innovation, pricing and diversification across industries, technologies and geographies to support mid-term growth**

1)Pure play scope, excluding Barmag reported as discontinued
2)Source LMC as per May 25; 3) Source IATA; 4) Source LMC and JSC as per May 25

# Oerlikon delivers stable order intake in first half 2025[1]

Continuing operations

## Markets

- **Continued weak** customer purchasing behavior due to macro environment and trade tensions
- **Euro area PMIs in contraction**, US and China near neutral level
- Support from aviation with continuing growth of passenger traffic

## Orders

- **Stable at -0.3%** FX adjusted YoY
- **Q2 up** at constant FX despite subdued manufacturing PMIs
- Book-to-bill ratio above 1
- Trade tensions pushing some customers into wait-and-see mode

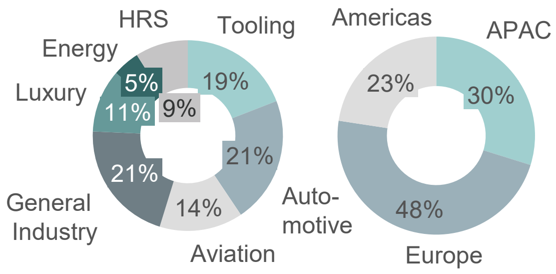
## Sales

- **Decreased** -3% YoY FX adjusted, impacted by soft end markets
- Q2 down YoY at constant FX, impacted by general industries, tooling, automotive and luxury
- Energy and Aviation counteracted

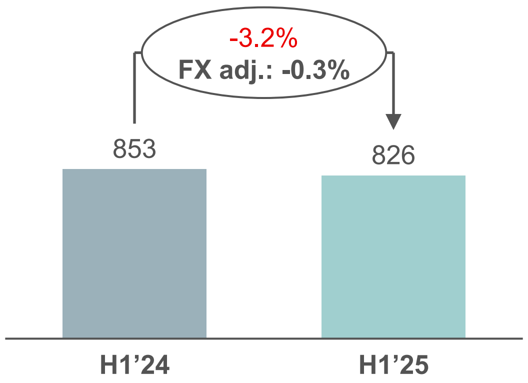
## Operational EBITDA

- **Impacted** by mix effect and FX
- Counteracted by efficiency, innovation with new product launch and continued pricing
- Corporate costs adjustment for pure play ahead of schedule
- Additional structural cost out actions in Europe to support margin in H2'25
- Operational ROCE at 4%, driven by transitorily lower EBITDA

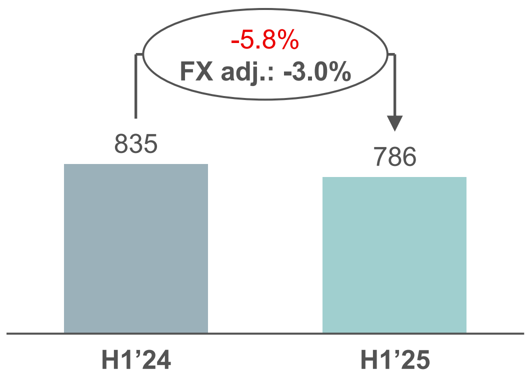
**H1'25 sales split by markets**



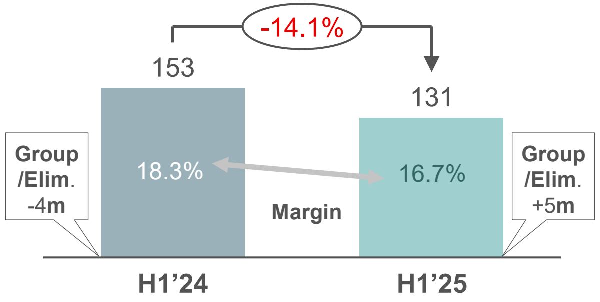

**Order intake**




**Sales**
(3rd party)




**Operational EBITDA**[2]




1) Pure play scope, excluding Barmag reported as discontinued; 2) Margin based on unrounded figures and total sales, intercompany sales; 2024 pro forma without Barmag, 3) Return on Capital Employed (ROCE) is defined as NOPAT (Operational EBIT after Tax before Amortized of Acquired Intangibles (tax adjusted)) over the Capital Employed; Capital Employed is composed of third-party net operating assets before Amortized Intangibles assets (tax adjusted), current income tax receivables and current income taxes payable and deferred tax assets and liabilities

# Barmag sales improve YoY, orders up sequentially

Discontinued operations

## Markets

- **Filament** market with positive sequential momentum following customers having postponed orders in H2’24
- **Non-Filament** with lower demand, e.g. in nonwoven, staple fiber and industrial yarns, as some customers preserve cash in a context of close-to-neutral PMIs

## Orders

- **Improved in H1’25** sequentially FX adj. showing positive momentum vs H2’24
- Soft industrial production continued to affect non-filament customers

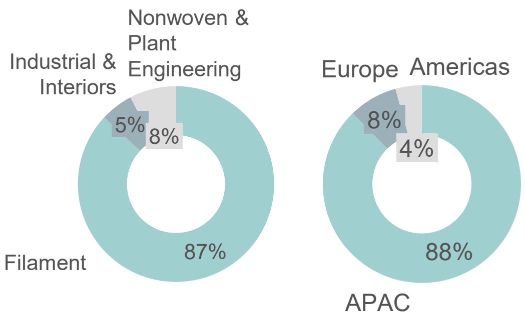
## Sales

- **Increased in H1’25 YoY** FX adjusted, supported by filament
- Q2’25 slightly down YoY FX adj., soft PMIs affected non-filament sales

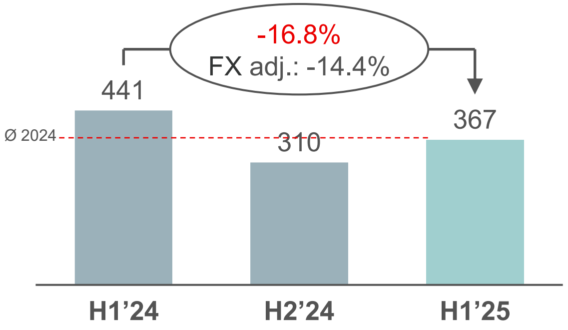
## Operational EBITDA

- **Margin flat versus H1’24** in line with expectations, transitorily affected by price concession made in 2024 to maintain order volume
- counteracted by cost actions implanted since Q3’22

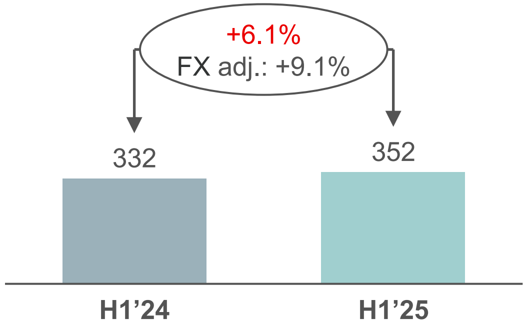
**H1’25 sales split by markets**



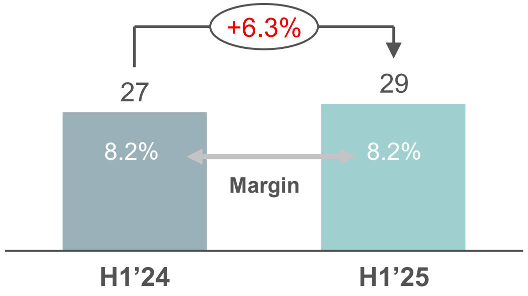

**Current order intake**




**Sales**
(3rd party)




**Operational EBITDA**[1]




1) Margin based on unrounded figures and total sales, including intercompany sales; 2024 was restated at year end 2024

# Outlook for full year 2025 adjusted[1]

Reflecting weak end markets and mix effect

**Sales**

- Flat to low single digit % organic decrease[2] (previously flat to low single digit % organic growth)
- Reflecting softer end markets, especially in general industries, tooling, automotive and luxury

**EBITDA margin**[3]

- Between 17.5% and 17.0% operational EBITDA margin (previously ~18.5%)
- Additional structural cost-out measures initiated as part of pure play with partial effect already in H2'25

1) Pure play scope, excluding Barmag reported as discontinued ; 2) organic, constant FX; 3) operational EBITDA

# H1'25 conclusion

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## Manage short term headwinds and execute strategically

- **Focus on additional structural cost-out measures to improve agility and efficiency,** with first supporting effects on margin in H2'25
- **Drive innovation** to remain at the competitive edge and seize opportunities in new areas and technologies to ensure future growth
- **On-track for pure play** execution and corporate governance adjustment

**Manage short term headwinds and position for recovery**

# Q&A

# Appendix


Surface One™
Surface Two™
ENGINEERED FOR PERFORMANCE.
DESIGNED FOR THE FUTURE.

# Return on Capital Employed (ROCE)

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| | H1'25 LTM |
|---|---|
| Operational EBIT | 110 |
| + Amortization of acquired intangibles | 36 |
| - Total current income tax | -54 |
| - Total deferred income tax* | -15 |
| **NOPAT excluding amort/imp of acquired intangibles** | **78** |
| | |
| Net Operating Assets (only third-party) | 2'097 |
| - Amortized Acquired Intangibles | -294 |
| + Current income tax receivables | 13 |
| + Total deferred tax assets | 70 |
| - Current income tax provision | -23 |
| - Deferred tax liabilities* | -62 |
| **Capital Employed excluding amortized acquired intangibles** | **1'801** |
| | |
| **ROCE (excluding effects from amortized acquired intangibles)** | **4.3%** |

*Excluding effects from amortized acquired intangibles

Refers to Last Twelve Months operational EBIT; Net operating assets is based on operating assets minus operating liabilities; Operating assets include total assets without cash and cash equivalents, current financial investments, current income tax receivables and deferred tax assets; Operating liabilities include total liabilities without financial and lease liabilities, current income taxes payable, non-current post-employment benefit liabilities and deferred tax liabilities

# H1 reconciliation of profitability measures – Oerlikon[1]

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Continuing operations

## EBITDA to EBIT bridge

| | HY 25 | HY 24 |
|---|---|---|
| **EBITDA** | **122** | **149** |
| Depreciation | -48 | -50 |
| Impairments | 1 -19 | 0 |
| **EBITA** | **54** | **100** |
| Amortization of Acquired Intangibles | -18 | -21 |
| Other Amortization | -18 | -19 |
| Impairments | 2 -23 | -0 |
| **EBIT** | **-5** | **59** |

1 Impairment of machine and buildings mainly related to the restructuring of Nitriding and some R&D activities

2 Impairment of Intangible Assets mainly related to Eldim and some R&D activities

## Operational profitability reconciliation

| | HY 25 | HY 24 |
|---|---|---|
| **Operational EBITDA** | **131** | **153** |
| Restructuring expenses | 1 -6 | -1 |
| Discontinued activities | -0 | -2 |
| Acquisition and Integration costs | 0 | -0 |
| Separation costs | -3 | -1 |
| **EBITDA** | **122** | **149** |

| | HY 25 | HY 24 |
|---|---|---|
| **Operational EBIT** | **46** | **64** |
| Restructuring expenses | 1 -6 | -1 |
| Impairments related to restructuring | 1 2 -40 | 0 |
| Discontinued activities | -1 | -3 |
| Acquisition and Integration costs | 0 | -0 |
| Separation costs | -3 | -1 |
| **EBIT** | **-5** | **59** |

1 Impairment mainly related to Eldim and Nitriding restructuring

1)Pure play scope, excluding Barmag reported as discontinued

# Investor Relations


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