

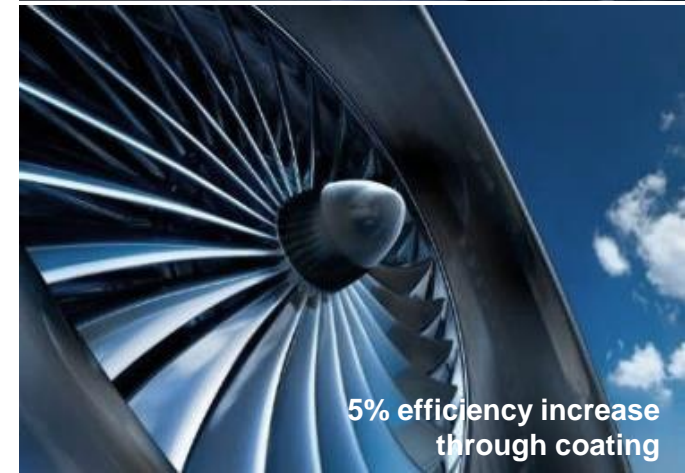
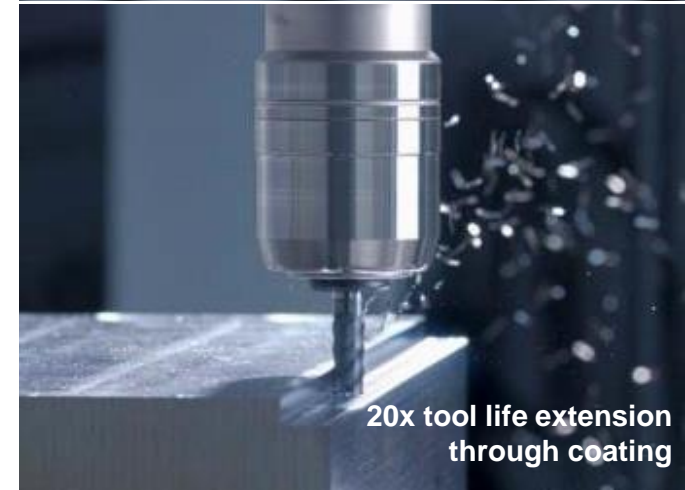
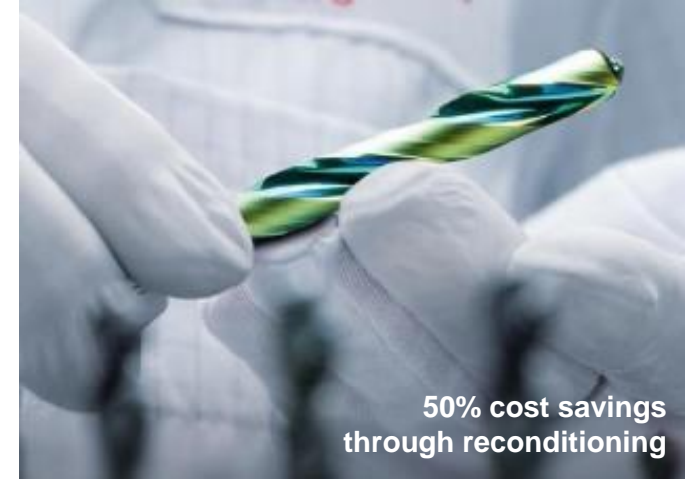


Q3 2024 Financial Results

5 November 2024

Agenda

- 1** | On-track with pure play execution
- 2** | Q3: Strong execution supports robust profitability in challenging markets
- 3** | Q&A



Oerlikon finalizing portfolio transformation started 10 years ago

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 2019 - 2024



- **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
- CHF 1.2bn proceeds used for M&A (CHF 1.1bn) and extra ordinary dividends (CHF 0.4bn)

2024: Initiating Finalization of Transformation



Unlock pure play potential

- **Become agile and focused**
- **Create distinct investment opportunities**

Pure play implementation on-track

Evaluations ongoing to separate Manmade Fibers

- Looking into various options for the value accretive separation of Polymer Processing Solutions' Manmade Fibers business ¹

Executing on organizational separation

- The Manmade Fibers business will be set-up as a largely independent organization as of January 2025
- Ready for intended separation

Executing on future cost efficiency

- Clear plan to adjust overhead costs to pure play scope by merging overhead with Surface Solutions
- Initiated FTE streamlining; further SG&A cost measures being implemented
- Target to eliminate all overhead costs, which are currently borne by Manmade Fibers



1) 2023 sales: CHF 1.03bn

Surface Solutions well-positioned for profitable mid-term growth



Sound positioning

Market leader in cutting-edge surface technology

Present in niche market

At technology forefront since 1946 (PVD)

Application knowhow of interdisciplinary sciences

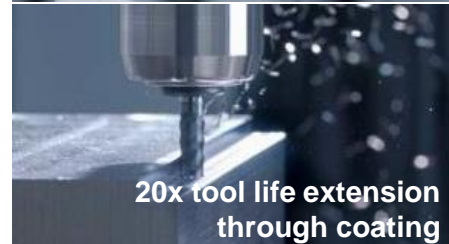
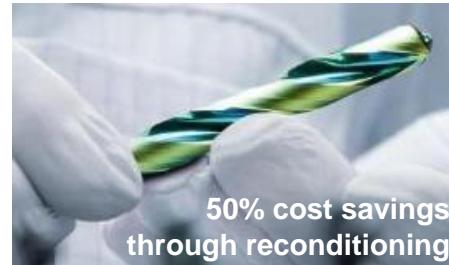
Long-standing customer relationships & industry expertise

Strong credibility through integrated offering

Small cost on customers' bill, with significant value proposition

Diversified end markets and technologies since 2013

Enabling efficiency & sustainability



Clear set of growth levers

Accelerate regional expansion

Leverage tech-leadership into new areas

Improve profitability



Mid-term growth target

Manmade Fibers well-positioned for attractive returns

Sound 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



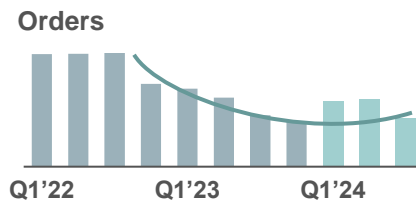
Growth over the cycle

+3%

Filament equipment market CAGR 02-22

Trough market with cyclical recovery ahead

Historical growth drivers well intact



Attractive returns

Low capital intensity

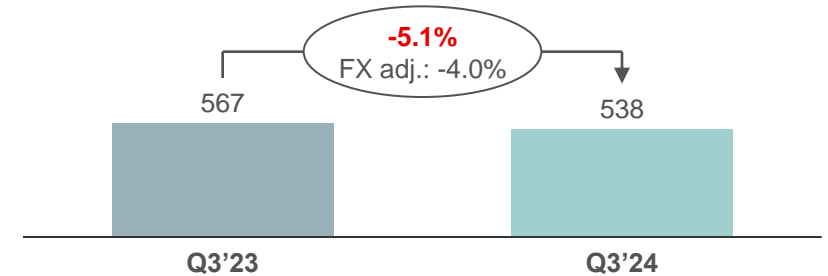
Customer prefinancing



Strong execution supports robust EBITDA margin in challenging markets

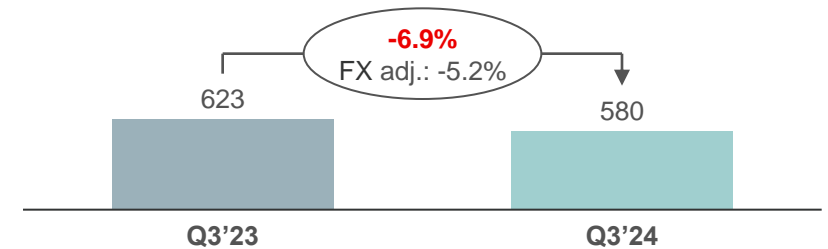
Orders

- **Order intake -4% YoY** at constant FX driven by slowing PMI momentum
- Surface Solutions -5% YoY at constant FX due to slowing end markets (PMIs)
- Polymer Processing Solutions stabilizing YoY (-2%) following customers having postponed orders in 2023



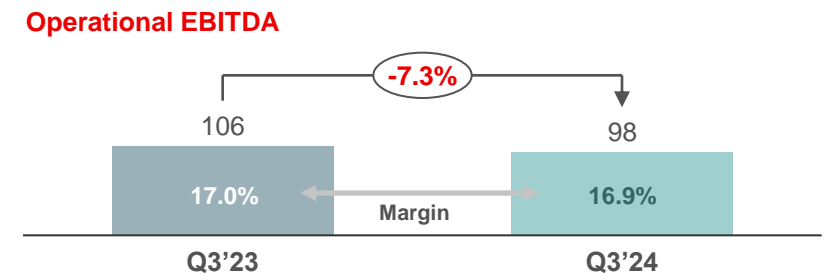
Sales

- **Sales -5% YoY** at constant FX
- Surface Solutions with stable performance (-1% YoY at constant FX) in challenging end markets
- Polymer Processing Solutions (-11% YoY at constant FX) reflecting H2'23 order intake when filament customers postponed orders and PMIs' impact on Non-Filament



Profit

- **Stable operational EBITDA margin** despite lower sales
- Surface Solutions operational EBITDA margin up +50bps YoY, supported by efficiency, innovation, and pricing
- Proactive cost actions supporting robust 13% margin in Polymer Processing Solutions



Numbers in financial charts of this presentation are in CHF m except when stated otherwise; discontinued Teknoweb, AM and OBA Automation activities are excluded in 2023 operational figures

Slowing PMI momentum impacting end markets

Surface Solutions

General Ind. & Tooling 28% of 2023 Group sales

Slowing industrial activity

- Manufacturing PMIs in contraction in Euro Area, US and China
- Slowing PMI momentum in H2 after positive momentum in H1
- Pushing innovation with recent introduction of ALCRONA EVO well received

Automotive 14%

Slight decrease

- Global light vehicle production forecasts were recently further revised downwards with production expected to decrease in 2024 YoY ¹
- Successfully entering e-mobility applications, e.g. e-gearing and battery shielding

Luxury 6%

Wait and see mode of customers

- Continued soft end markets due to subdued demand in China and pressure on Western shoppers' spending
- Swiss watch exports -3% YTD; ctd. growth in tax-free shopping
- Expect mid single-digit growth rates in mid-term

Aviation 8%

Continued recovery

- Recovery driven by MRO with increased flying hours
- New plane production supported by passenger growth and energy efficiency
- +12% passenger growth in Aug YTD; +10% passenger growth expected in 2024 ²
- Seeing normalization in customers' stock levels following recent high levels

Polymer Processing Solutions

Filament 26%

Improving since H2'23

- Filament orders up 11% YoY
- Continued signs of momentum in small and mid-sized orders
- Underlying need for filament equipment intact; equipment market CAGR 02-22 of +3%

Non-Filament 18%

Reached historical trough levels due to soft PMIs

- Orders decreased to 2016 trough levels due to weak PMIs
- Some customers delaying investments, e.g. in continuous polymerization, staple fiber and industrial yarns applications
- Slowing momentum in automotive weighing on reacceleration of car launch projects for HRSflow

**PMIs losing momentum; robust growth in aviation;
Oerlikon's end market, technology and geographic diversification supports resilience**

Filament improving since H2'23; Non-Filament at 2016 trough levels due to PMIs

1) Source LMC as per October; 2) Source IATA

Surface Solutions with improving margin despite contracting PMIs oerlikon

Markets

- **Continued cautious** customer purchasing behavior due to macro environment
- Soft industrial activity with PMIs in contraction zone in Europe, US and China

Orders

- **Impacted** by slowing manufacturing PMIs; -5% FX adjusted YoY

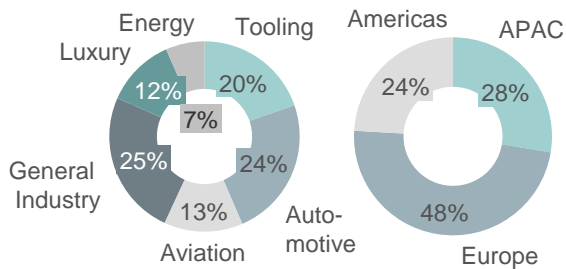
Sales

- **Stable:** -1% FX adjusted organic YoY, despite soft end markets
- Supported by robust performance of Oerlikon in general industries, energy and aviation driven by innovation

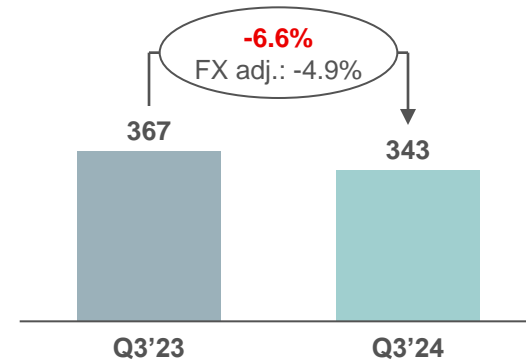
Operational EBITDA

- **Margin improved +50bps** YoY
- Supported by efficiency, innovation, pricing, and continued elimination of products which are subscale/dilutive in materials portfolio
- Offsetting higher input costs (e.g. labor), difficult environment, negative mix and adverse FX

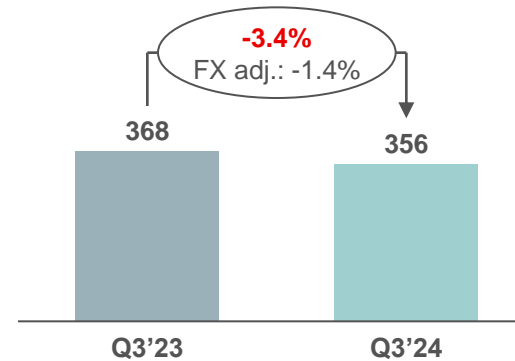
Q3'24 sales split by markets



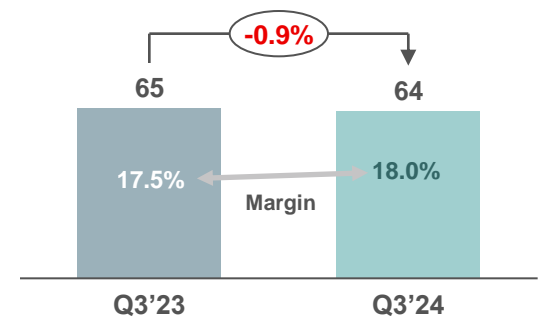
Order intake



Sales (3rd party)



Operational EBITDA ¹⁾



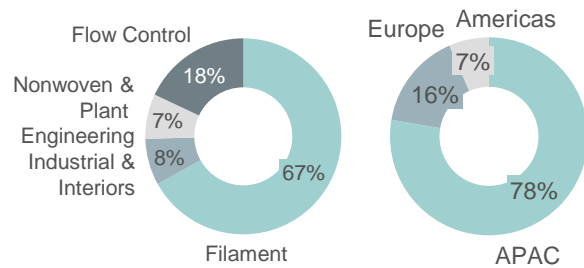
1) Margin based on unrounded figures and total sales, including intercompany sales; 2023 was restated at year end 2023 mainly for discontinued activities from the Additive Manufacturing business outside of the US

Polymer Processing Solutions with robust profitability and stable orders YoY

Markets

- **Filament** orders above H2'23 levels following customers having postponed orders in 2023
- **Non-Filament** with lower demand, e.g. in continuous polymerization, staple fiber and industrial yarns, as some customers are preserving cash (soft PMIs); slowing automotive momentum impacting reacceleration of car launch projects at HRSflow customers

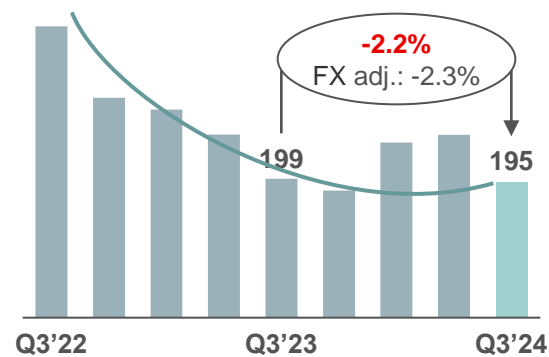
Q3'24 sales split by markets



Orders

- **Stable** YoY
- Filament up 11% YoY with continued signs of momentum in small and mid-sized orders
- Soft PMIs impacting Non-Filament, where orders decreased to 2016 trough levels

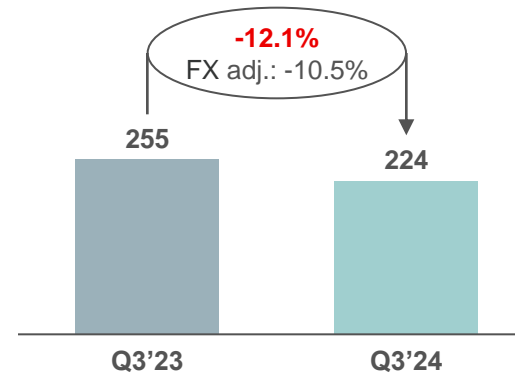
Current order intake



Sales

- **Decreased 10.5%** FX adjusted
- Reflecting a) H2'23 filament order intake when customers postponed orders, b) PMIs' impact on Non-Filament

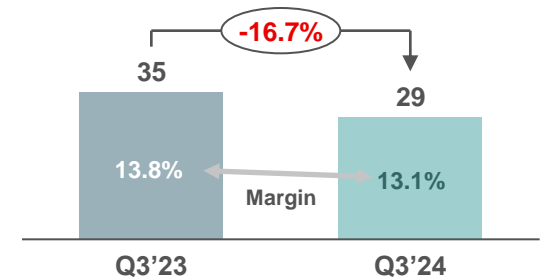
Sales (3rd party)



Operational EBITDA

- **Robust margin** despite cyclically low sales volume, supported by proactive cost actions implemented since Q3'22
- Counteracting operating leverage and limited pass-through of higher input costs (e.g. labor, energy) to maintain volume

Operational EBITDA ¹⁾



1) Margin based on unrounded figures and total sales, including intercompany sales; 2023 was restated at year end 2023 mainly for discontinued activities from Teknoweb and OBA Automation

Executing operationally and strategically despite challenging end markets



On track with pure play strategy execution



Robust profitability in both divisions despite challenging end markets; +130bps improving op. EBITDA margin in Surface Solutions YTD; Polymer Processing Solutions with 13% op. EBITDA margin, well above last downcycle



Surface Solutions' resilience supported by innovation leadership and continued diversification in terms of industries, technologies, and geographies; well positioned to benefit when markets recover



Polymer Processing Solutions with transitory soft end markets, while spreads of filament customers continue to improve; remain focused on cost control and innovation, with all long-term growth drivers well intact



Updating 2024 guidance

Reflecting softer PMIs and strong execution

Sales High single-digit to low teens % decrease YoY ¹
(previous: high single-digit % decrease)

Operational EBITDA margin ~16%
(previous: 15.5-16.0%)

1) organic, constant FX

Q&A



cerlikon
cutters
INNOVENTA mega

Appendix



Improving price-cost spreads of filament customers

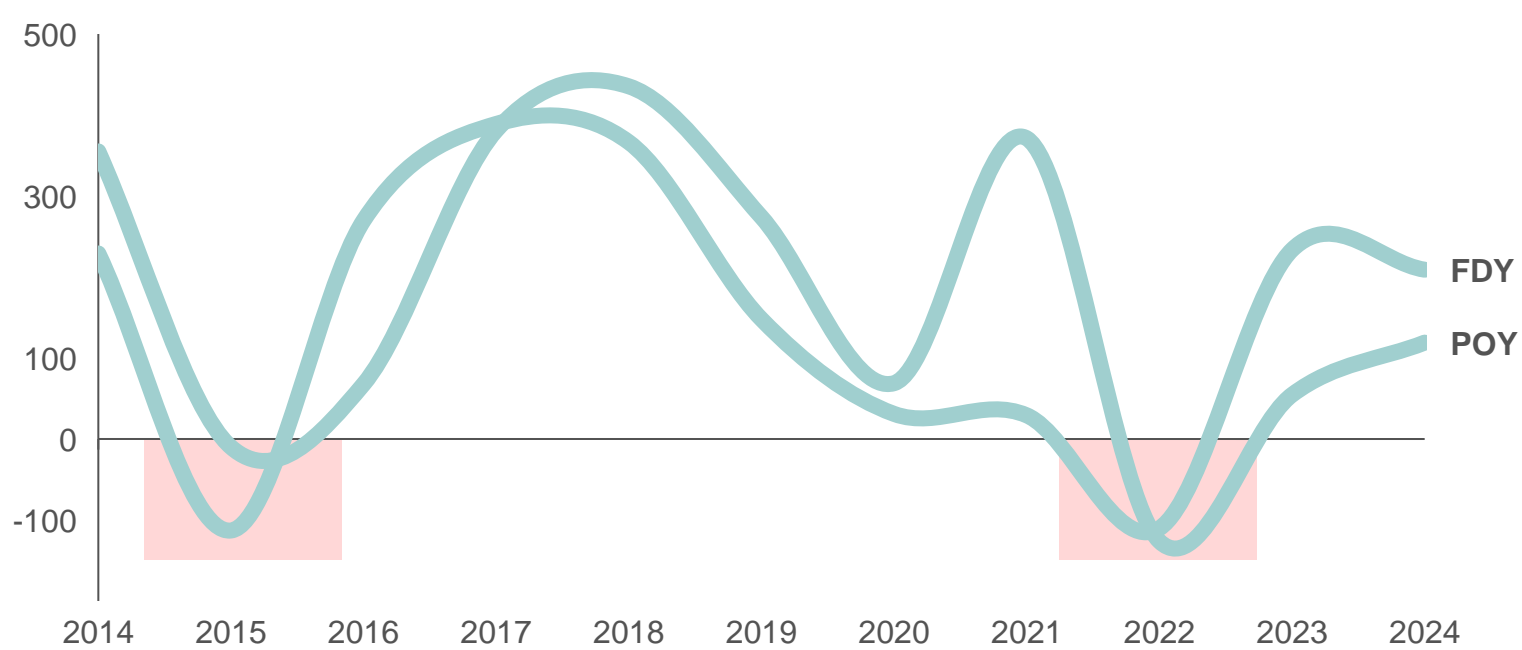


Chart representing average annual selling price of polyester products minus raw material cost minus conversion cost



Improving spreads of customers

Precondition for filament customers to invest into new Oerlikon equipment

Q3 reconciliation of profitability measures

EBITDA to EBIT bridge

	Group		Surface Solutions		Polymer Processing Solutions	
	Q3' 24	Q3' 23	Q3' 24	Q3' 23	Q3' 24	Q3' 23
EBITDA	92	95	63	63	28	28
Depreciation	-28	-30	-22	-23	-6	-6
Impairments	0	-0	0	0	0	-0
EBITA	64	65	41	39	22	22
Amortization of Acquired Intangibles	-10	-12	-7	-9	-3	-4
Other Amortization	-11	-11	-5	-5	-2	-2
Impairments	0	0	0	0	0	0
EBIT	44	41	30	26	17	16

Operational profitability reconciliation

	Group		Surface Solutions		Polymer Processing Solutions	
	Q3' 24	Q3' 23	Q3' 24	Q3' 23	Q3' 24	Q3' 23
Operational EBITDA	98	106	64	65	29	35
Restructuring expenses	-1	-0	-1	-0	0	-0
Discontinued activities	-2	-10	-0	-2	-1	-7
Acquisition and Integration costs	-1	-1	-1	-1	-0	-0
Separation costs	-3	0	-0	0	-0	0
EBITDA	92	95	63	63	28	28

	Group		Surface Solutions		Polymer Processing Solutions	
	Q3' 24	Q3' 23	Q3' 24	Q3' 23	Q3' 24	Q3' 23
Operational EBIT	50	55	32	30	18	24
Restructuring expenses	-1	-0	-1	-0	0	-0
Impairments related to restructuring	0	0	0	0	0	0
Discontinued activities	-2	-12	-1	-3	-1	-8
Acquisition and Integration costs	-1	-1	-1	-1	-0	-0
Separation costs	-3	0	-0	0	-0	0
EBIT	44	41	30	26	17	16

2023 operational EBIT and operational EBITDA are restated for discontinued activities

YTD reconciliation of profitability measures

EBITDA to EBIT bridge

	Group		Surface Solutions		Polymer Processing Solutions	
	9M 24	9M 23	9M 24	9M 23	9M 24	9M 23
EBITDA	273	319	199	182	72	127
Depreciation	-86	-96	-66	-75	-18	-19
Impairments	0	-0	0	0	0	-0
EBITA	187	223	133	108	53	108
Amortization of Acquired Intangibles	-31	-37	-23	-25	-9	-12
Other Amortization	-33	-30	-14	-13	-7	-8
Impairments	-0	-1	-0	-1	0	0
EBIT	122	155	96	69	38	88

Operational profitability reconciliation

	Group		Surface Solutions		Polymer Processing Solutions	
	9M 24	9M 23	9M 24	9M 23	9M 24	9M 23
Operational EBITDA	285	344	203	190	74	142
Restructuring expenses	-1	-0	-1	-0	-0	0
Discontinued activities	-4	-22	-2	-6	-2	-15
Acquisition and Integration costs	-1	-2	-1	-1	-0	-0
Separation costs	-5	0	-0	0	-0	0
EBITDA	273	319	199	182	72	127

	Group		Surface Solutions		Polymer Processing Solutions	
	9M 24	9M 23	9M 24	9M 23	9M 24	9M 23
Operational EBIT	136	188	102	82	41	107
Restructuring expenses	-1	-0	-1	-0	-0	0
Impairments related to restructuring	0	0	0	0	0	0
Discontinued activities	-6	-31	-3	-11	-2	-19
Acquisition and Integration costs	-1	-2	-1	-1	-0	-0
Separation costs	-5	0	-0	0	-0	0
EBIT	122	155	96	69	38	88

2023 operational EBIT and operational EBITDA are restated for discontinued activities

Investor Relations



Stephan Gick

Stephan.gick@oerlikon.com

+41 58 360 98 50



Aymeric Jamin

Aymeric.jamin@oerlikon.com

+41 58 360 96 59



ir@oerlikon.com



www.oerlikon.com/en/investors



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