Resilient Performance in Challenging COVID-driven Environment

Dr. Roland Fischer, CEO
Annual Media Conference
Zurich, March 2, 2021
Agenda

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2 Financial Review 2020
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Resilient Performance in Challenging COVID-driven Environment

1. Surface Solutions End Markets
   Recovering at Varying Speeds, Cost Actions Delivering
   - Full-year sales of CHF ~1.2bn, down 19.6% versus prior year (-15.2% at constant FX), impacted by challenging COVID-19 environment
   - Strong progress on structural cost-out
   - Market recovery continuing in 4Q20 in automotive, tooling and general industries. Aerospace remains low due to travel restrictions

2. Strong Execution and Positive Market Outlook in Manmade Fibers
   - Manmade Fibers has caught-up on full-year sales
   - Delivered full-year sales of CHF ~1.1bn down 4.0% versus prior year (up 0.4% at constant FX)
   - Significant full-year growth beyond filament. Nonwoven orders of CHF ~120m and sales of CHF ~95m reflecting sales growth of 224%

3. Published First Sustainability Report
   - Sustainability Report underlines Oerlikon’s sustainability credentials
   - Oerlikon committed to ESG with ambitious 2030 performance targets
   - Reducing environmental impact is at the heart of our technology portfolio, helping our customers to do more, with less

4. Ordinary Dividend Payout of CHF 0.35 to be Proposed
   - Reflects strong confidence in the future trajectory and the underlying financial strength of the Group
   - Proposal continues stable or progressive dividend evolution since 2011
   - Subject to shareholder approval at AGM on 13 April
Strong Group Performance: Manmade Fibers on Track, Varying Recovery Pattern for Surface Solutions

- Full-year Group orders down 9.1% versus prior year on a constant FX basis
- Group sales declined by 8.6% versus prior year at constant FX rates in a COVID-19 impacted environment
  - Surface Solutions declined 15.2% versus prior year on a constant currency basis as the Division’s markets were heavily impacted by the pandemic
  - Manmade Fibers increased sales 0.4% versus prior year on a constant currency basis demonstrating structural growth during the pandemic
- Negative FX impact on sales and orders from continuing strengthening of reporting currency CHF
- Full year operational EBITDA of 14.2% decreased 90 basis points vs. prior year
  - Surface Solutions cost measures delivering margin enhancement in second half of 2020
  - Manmade Fibers delivered high full year operational EBITDA of 14.2%

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

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20 const. Fx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>2 590</td>
<td>2 355</td>
</tr>
<tr>
<td>Sales (3rd part. Q20)</td>
<td>626</td>
<td>636</td>
</tr>
<tr>
<td>Operational EBITDA FY19</td>
<td>111</td>
<td>87</td>
</tr>
<tr>
<td>In % of sales FY19</td>
<td>17.7%</td>
<td>13.7%</td>
</tr>
<tr>
<td>Operational EBIT FY20</td>
<td>116</td>
<td>193</td>
</tr>
<tr>
<td>In % of sales FY20</td>
<td>9.5%</td>
<td>5.3%</td>
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</tbody>
</table>
## Oerlikon Outlook: Stable Manmade Fibers, Surface Solutions Recovering at Varying Speeds

### Filament and Nonwoven
- BCF at low point of cycle
- Nonwoven market is expanding including demand for meltblown line required for facial masks
- 47% Group Sales FY20

### Tooling
- Sharp deterioration in 2020 industrial production globally, recovering at varying rates
- China, Europe and auto derivative markets already show marked recovery
- Non-auto markets better 4Q20 environment supported by general
- 16% Group Sales FY20

### General Industrial
- Sharp deterioration in industrial production globally, recovering at varying rates
- Industrial capex expected to be down 13% for 2020
- China already recovered with Europe in recovery mode. Americas remain weak
- 16% Group Sales FY20

### Automotive
- Automotive started 2020 with negative production trends, exacerbated by COVID-19
- Following Summer holidays production has recovered due to increased demand with IHS estimates up 6%
- Asian recovery particularly pronounced in China
- 14% Group Sales FY20

### Aviation
- COVID-19 create perfect storm for Aerospace industry
- IATA: 2020 was sharpest decline in aerospace history (66% passenger traffic fall)
- IATA forecast 50% growth in 2021 off low base (~50% of 2019). Will not return to 2019 levels until 2024
- 7% Group Sales FY20

### Manmade Fibers market remains stable; Surface Solutions well placed for recovery in Automotive, Tooling and General Industry markets; Aerospace still weak
Oerlikon Publishes First Sustainability Report Compliant with GRI Core Standards

<table>
<thead>
<tr>
<th>Stakeholder Relevance</th>
<th>Climate &amp; Energy</th>
<th>Circular Economy</th>
<th>Innovation</th>
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</thead>
<tbody>
<tr>
<td>High</td>
<td></td>
<td></td>
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<tr>
<td>Medium</td>
<td></td>
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<tr>
<td>Low</td>
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</table>

- Health & Safety
- Employment practices & education
- Responsible sourcing & Human Rights
- Governance
- Community engagement

Impact on Sustainability

Oerlikon Sustainability Targets By 2030

- Implement energy management systems at 100% of sites
- Increasing share of energy from renewable sources to 100%
- Increasing share of operations that are climate neutral to 100%
- Reducing share of disposed waste by 50%
- 100% of R&D investment in new products must cover ESG criteria
- Increasing the percentage of women in management and leadership roles to 20%
- Increasing the percentage of women in high potential talent programs to 30%
- Ensuring Zero Harm to People
- Increasing the percentage of employees who have completed the compliance and code of conduct training to >50%
Our Positive Sustainability Impact Exponentially Exceeds the Cost of our Footprint

In aerospace alone our products reduce CO₂ emissions >160x our Group operational total

CUSTOMER VALUE PROPOSITION

WE HELP OUR CUSTOMERS TO REACH THEIR GOALS

QUANTIFIED CO₂ EMISSION REDUCTION

GROUP CO₂ EMISSIONS

180x Tool Lifetime Extension
2-4% Reduced Fuel consumption
50% Energy Savings in Polymers
5% Efficiency Increase

More circular with less waste & less energy use
Use less energy and enable future mobility
Use less energy and waste less materials
Use less fuel and emit lower emissions

25'600¹ kts CO₂

158² kts of CO₂ emitted by Oerlikon

160x Group CO₂ emissions to quantified reduction ratio

¹ derived from IATA estimates of metric tonnes of jet fuel burnt in 2019, scientific analysis on the functional benefits of our coatings and our data on market share
² 158 kts of CO₂ scope 1 and 2 emissions during 2019, assured externally by PWC in 2020. Oerlikon does not currently report on scope 3
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Surface Solutions Cost Actions Delivering Results

Orders
- Full-year impacted by COVID-19 effect on industrial markets, sequential improvements in Q4
- Longer-cycle business (Equipment) expected to recover in 1H21

Sales
- Sales for the full year down 19.6% versus FY19, with markets recovering at varying rates in Q4
- Shorter-cycle coating service business showing strong recovery in automotive and tooling

Operational EBITDA
- Structural cost programs gathered pace in the second half and execution ahead of plan
- Strict temporary measures and cost controls

<table>
<thead>
<tr>
<th>in CHF million</th>
<th>4Q20</th>
<th>4Q19</th>
<th>y-o-y</th>
<th>y-o-y ex FX</th>
<th>FY20</th>
<th>FY19</th>
<th>y-o-y</th>
<th>y-o-y ex FX</th>
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<tbody>
<tr>
<td>Order intake</td>
<td>315</td>
<td>359</td>
<td>-12.2%</td>
<td>-7.2%</td>
<td>1 144</td>
<td>1 468</td>
<td>-22.1%</td>
<td>-17.8%</td>
</tr>
<tr>
<td>Sales (3rd parties)</td>
<td>330</td>
<td>369</td>
<td>-10.7%</td>
<td>-5.8%</td>
<td>1 197</td>
<td>1 488</td>
<td>-19.6%</td>
<td>-15.2%</td>
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<tr>
<td>Operational EBITDA</td>
<td>76</td>
<td>67</td>
<td>12.3%</td>
<td>–</td>
<td>177</td>
<td>253</td>
<td>-30.2%</td>
<td>–</td>
</tr>
<tr>
<td>In % of sales</td>
<td>22.9%</td>
<td>18.2%</td>
<td>–</td>
<td>–</td>
<td>14.7%</td>
<td>16.9%</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Operational EBIT</td>
<td>35</td>
<td>24</td>
<td>47.3%</td>
<td>–</td>
<td>10</td>
<td>86</td>
<td>-88.0%</td>
<td>–</td>
</tr>
<tr>
<td>In % of sales</td>
<td>10.5%</td>
<td>6.4%</td>
<td>–</td>
<td>–</td>
<td>0.9%</td>
<td>5.8%</td>
<td>–</td>
<td>–</td>
</tr>
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</table>
**Strong Execution from Manmade Fibers**

**Orders**
- Strong step-up in orders from 2Q20 was sustained across the year. Book-to-bill ratio remains >1
- Filament business with full order book to 2022 and taking orders for 2023. No cancelations in 2020

**Sales**
- Sales level remained high in 4Q20 as Manmade Fibers caught up from lower sales recognized in 1H20 due to COVID-19 interruptions
- Filament sales resilient and increased sales from nonwoven. Service lower due to travel restrictions

**Operational EBITDA**
- Strong utilization levels in filament and nonwoven drove margins higher

### in CHF million

<table>
<thead>
<tr>
<th></th>
<th>4Q20</th>
<th>4Q19</th>
<th>y-o-y</th>
<th>y-o-y ex FX</th>
<th>FY20</th>
<th>FY19</th>
<th>y-o-y</th>
<th>y-o-y ex FX</th>
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</thead>
<tbody>
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<td>Order intake</td>
<td>326</td>
<td>252</td>
<td>29.3%</td>
<td>33.4%</td>
<td>1 097</td>
<td>1 122</td>
<td>-2.3%</td>
<td>2.3%</td>
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<tr>
<td>Sales (3rd parties)</td>
<td>296</td>
<td>267</td>
<td>11.2%</td>
<td>14.2%</td>
<td>1 061</td>
<td>1 106</td>
<td>-4.0%</td>
<td>0.4%</td>
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<tr>
<td>Operational EBITDA</td>
<td>47</td>
<td>26</td>
<td>81.2%</td>
<td>-</td>
<td>151</td>
<td>145</td>
<td>3.6%</td>
<td>-</td>
</tr>
<tr>
<td>In % of sales</td>
<td>15.7%</td>
<td>9.6%</td>
<td></td>
<td></td>
<td>14.2%</td>
<td>13.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational EBIT</td>
<td>38</td>
<td>19</td>
<td>&gt;100%</td>
<td>-</td>
<td>120</td>
<td>119</td>
<td>0.4%</td>
<td>-</td>
</tr>
<tr>
<td>In % of sales</td>
<td>12.7%</td>
<td>7.0%</td>
<td></td>
<td></td>
<td>11.3%</td>
<td>10.8%</td>
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**North America**

**RoW**

**Europe**

**Asia / Pacific**

**RoW**
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**2021 Business Outlook**

*Forward looking statements assume continued and stable global recovery from COVID-19 pandemic*

### Assumptions

- Expecting continued improvement of COVID-19 situation & market improvements throughout 2021
- Order intake and sales expected to recover as markets improve from COVID-19 pandemic restrictions
- Op. EBITDA margin in excess of 2019 levels on lower sales
- Sustained lower CapEx of CHF ~120m into 2021

- Order intake and sales expected to benefit from continued recovery from COVID-19 lows, longer-cycle business lines (i.e. equipment) will take longer
- Automotive, Tooling and GI recovery continues, Aerospace to remain at low levels
- Dilution of Additive Manufacturing services expected to drop to ~150 bps as a result of cost actions
- Continuing to Reduce SG&A intensity

- Order intake of CHF ~1.1 bn due to ongoing strong project pipeline in filament and nonwoven
- Sales increase on prior year as service activity recovers, continued strength in filament, nonwoven
- Expecting stable margins for 2021
Oerlikon’s Forward Looking Priorities

1. Deliver sales growth as Surface Solutions Division end-markets recover. Position both Divisions for structural growth.

2. Return the Group to the operational EBITDA corridor of 16 – 18%.

3. Deliver double-digit ROCE… medium-term re-investment ratio below 1.

4. Focus on accretive small to mid-sized M&A for both Divisions… retain capability for transformational deals.

5. Continue to pay a stable or progressive dividend.
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Financial Calendar 2020/21

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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