

Resilient Performance in Challenging COVID-driven Environment

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



Agenda

1 Business Review 2020

2 Financial Review 2020

3 Outlook

4 Appendix

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

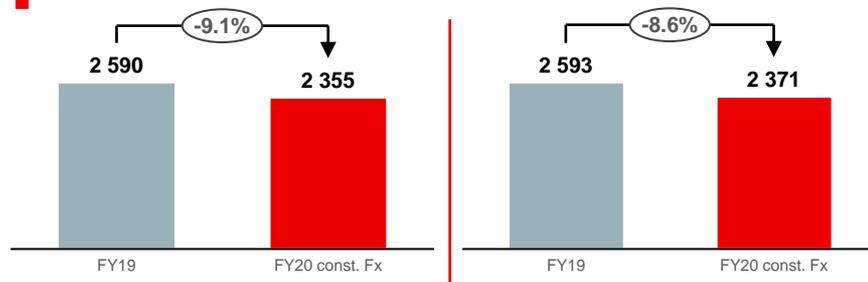
- Reflects strong confidence in the future trajectory and the underlying financial strength of the Group
- Proposal continues stable or progressive dividend evolution since 2011
- Subject to shareholder approval at AGM on 13 April

Strong Group Performance: Manmade Fibers on Track, Varying Recovery Pattern for Surface Solutions

in CHF million	4Q20	4Q19	y-o-y	FY20	FY19	y-o-y
Order intake	642	612	4.9%	2 241	2 590	-13.5%
Sales (3 rd parties)	626	636	-1.5%	2 258	2 593	-12.9%
Operational EBITDA	111	87	27.9%	320	393	-18.5%
In % of sales	17.7%	13.7%	–	14.2%	15.1%	–
Operational EBIT	59	34	75.4%	116	193	-39.7%
In % of sales	9.5%	5.3%	–	5.2%	7.4%	–

- 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)



Oerlikon Outlook: Stable Manmade Fibers, Surface Solutions Recovering at Varying Speeds

Filament and Nonwoven

- Large filament producers confirm expansion plans. Visibility into 2023.
- 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

Oerlikon Outlook
2021
2022+

Filament Stable
Ex-filament Growth

High-Single-Digit

Mid-Single-Digit

High-Single-Digit

Growth in 2H21
off low base

Filament =
Ex-filament +

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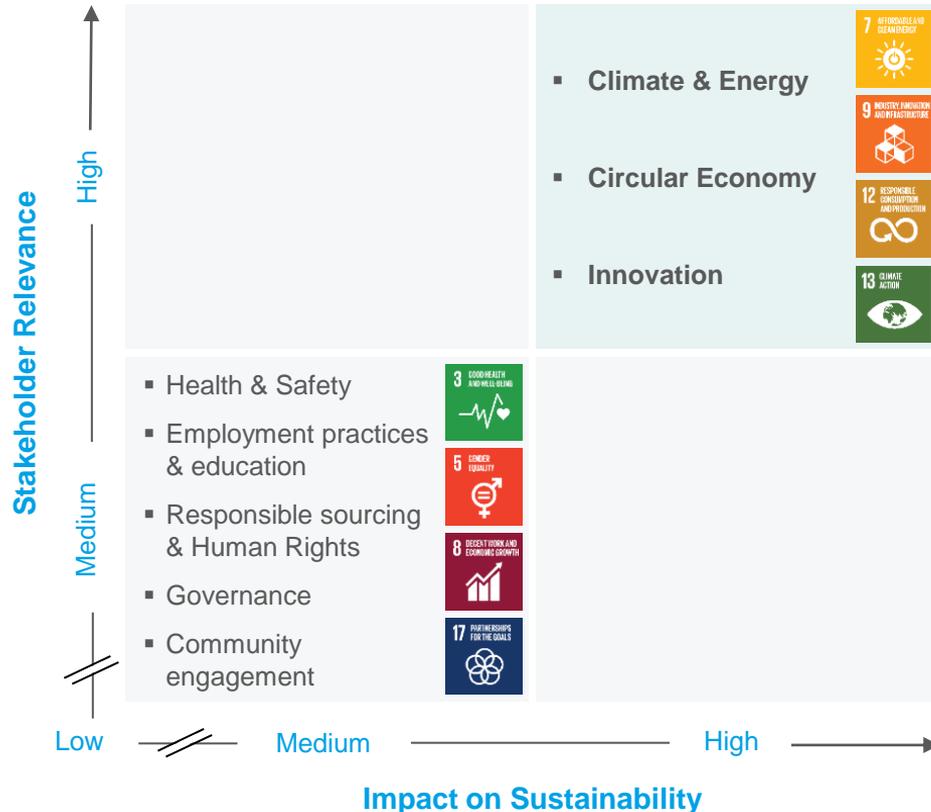
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Manmade Fibers market remains stable; Surface Solutions well placed for recovery in Automotive, Tooling and General Industry markets; Aerospace still weak

Oerlikon Publishes First Sustainability Report Compliant with GRI Core Standards



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



180x
Tool Lifetime Extension



2-4%
Reduced Fuel consumption



50%
Energy Savings in Polymers



5%
Efficiency Increase

WE HELP OUR CUSTOMERS TO REACH THEIR GOALS



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

QUANTIFIED CO2 EMISSION REDUCTION

25'600¹
kts CO₂

Of CO2 emission reduction per annum due to 5% efficiency gains in aero engines using Oerlikon's coatings

GROUP CO2 EMISSIONS

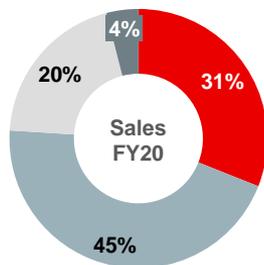
158² kts
of CO₂
emitted by Oerlikon

160x
Group CO2 emissions to quantified reduction ratio

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Surface Solutions Cost Actions Delivering Results



Orders

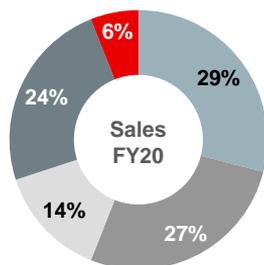
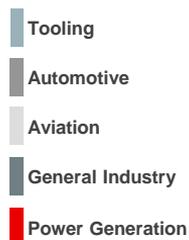
- Full-year impacted by COVID-19 effect on industrial markets, sequential improvements in Q4
- Longer-cycle business (Equipment) expected to recover in 1H21

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

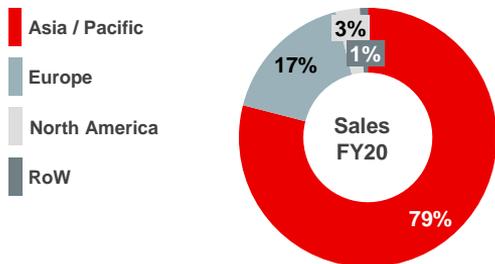
- Structural cost programs gathered pace in the second half and execution ahead of plan
- Strict temporary measures and cost controls



in CHF million

	4Q20	4Q19	y-o-y	y-o-y ex FX	FY20	FY19	y-o-y	y-o-y ex FX
Order intake	315	359	-12.2%	-7.2%	1 144	1 468	-22.1%	-17.8%
Sales (3rd parties)	330	369	-10.7%	-5.8%	1 197	1 488	-19.6%	-15.2%
Operational EBITDA	76	67	12.3%	–	177	253	-30.2%	–
In % of sales	22.9%	18.2%	–	–	14.7%	16.9%	–	–
Operational EBIT	35	24	47.3%	–	10	86	-88.0%	–
In % of sales	10.5%	6.4%	–	–	0.9%	5.8%	–	–

Strong Execution from Manmade Fibers



Orders

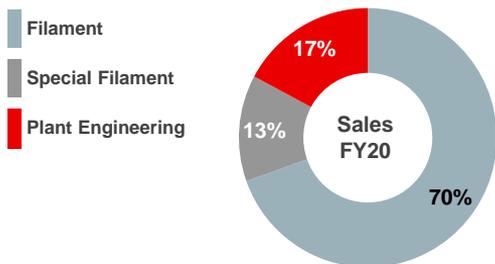
- Strong step-up in orders from 2Q20 was sustained across the year. Book-to-bill ratio remains >1
- Filament business with full order book to 2022 and taking orders for 2023. No cancellations in 2020

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

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

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2021 Business Outlook

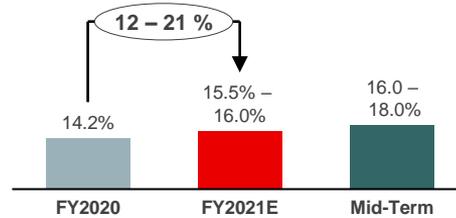
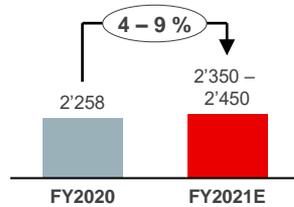
Forward looking statements assume continued and stable global recovery from COVID-19 pandemic

Sales

Operational EBITDA margin %

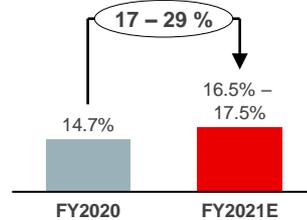
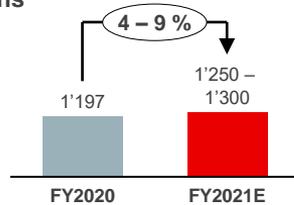
Assumptions

Group



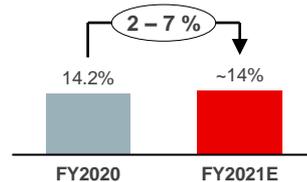
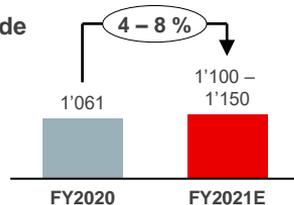
- Expecting continued improvement of COVID-19 situation & market improvements throughout 2021
- Order intake and sales expected to recover as markets improve from COVID-19 pandemic restrictions
- Op. EBITDA margin in excess of 2019 levels on lower sales
- Sustained lower CapEx of CHF ~120m into 2021

Surface Solutions



- 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

Manmade Fibers



- 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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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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