

2021 Full-Year Results

Strong growth and margin expansion in both divisions; expected to continue in 2022. CEO Roland Fischer stepping down for private reasons; Michael Suess will assume Executive Chair role.

- **Group order intake (+25%), sales (+17%) and operational EBITDA (+39%) increased compared to the previous year. Both divisions delivered robust growth.**
- **Group operational EBITDA margin of 16.9%, significantly above pre-COVID-19 levels (15.1% in 2019).**
- **Board will propose an ordinary dividend of CHF 0.35 per share at the AGM.**
- **Company on a strong trajectory for continued profitable growth and expecting 2022 Group sales of around CHF 2.9 billion and operational EBITDA margin of around 17.5%.**
- **After six years as Oerlikon Group CEO, Roland Fischer has announced his decision to step down for private reasons.**
- **Introducing the Executive Chair model to strengthen strategic focus, division agility and enable faster decision making. Michael Suess will assume the position of Executive Chair as of July 1, 2022.**
- **Further strengthening Corporate Governance by appointing an independent Lead Director at the Board level and setting up a new Governance Committee.**

Key Figures of the Oerlikon Group as of December 31, 2021 (in CHF Million)

	FY 2021	FY 2020	Δ	Q4 2021	Q4 2020	Δ
Order intake	2 797	2 241	24.8%	673	642	4.9%
Order backlog	736	581	26.7%	736	581	26.7%
Sales	2 649	2 258	17.3%	758	626	21.1%
Operational EBITDA ¹	447	323	38.5%	128	113	13.6%
Operational EBITDA margin ¹	16.9%	14.3%	260 bps	16.9%	18.0%	-110 bps
Operational EBIT ¹	231	119	94.5%	71	61	16.7%
Operational EBIT margin ¹	8.7%	5.3%	340 bps	9.4%	9.8%	-40 bps
Result from continuing operations ¹	162	38	>100%	–	–	–
Net profit	168	38	>100%	–	–	–
ROCE (rolling 12-month)	7.6%	3.1%	–	7.6%	3.1%	–

¹ For the reconciliation of operational and unadjusted figures, please see tables I and II on page 2 of this media release.

Pfaffikon, Schwyz, Switzerland – March 1, 2022 – “We grew the company and delivered strong margin expansion in 2021, and expect profitable growth to continue in 2022,” said Roland Fischer, CEO Oerlikon Group.

“Operationally, we executed well, efficiently managed cost and successfully mitigated supply chain shortages, driving EBITDA above pre-COVID levels. Moreover, we successfully completed two accretive bolt-on acquisitions, further diversified our business and made excellent progress in our sustainability initiatives,” added Fischer. “The Board will propose a dividend of CHF 0.35 per share at the AGM.”

“In 2022, we will continue to execute on our strategy to expand in growth markets, take advantage of recovering markets and focus on cost control. We expect Group sales to be around CHF 2.9 billion and our operational EBITDA margin to be around 17.5%,” concluded Fischer.

Strong FY 2021 Group Top-Line Performance Driven by Both Divisions

Oerlikon delivered growth in orders and sales, supported by market recovery in Surface Solutions and strong demand in Polymer Processing Solutions. Group order intake increased by 25% to CHF 2 797 million, including a 0.6% positive currency impact. Group sales increased notably by 17% in 2021 to CHF 2 649 million, including a positive currency impact of 0.7%.

In 2021, the Surface Solutions Division generated 48% of Group sales and 52% of Group operational EBITDA, while the Polymer Processing Solutions Division accounted for 52% of Group sales and 48% of Group operational EBITDA.

Successfully Sustained Cost Actions and Operating Leverage in FY 2021

Group operational EBITDA increased by 39% to CHF 447 million, versus CHF 323 million in 2020. Correspondingly, the operational EBITDA margin improved by 260 basis points to 16.9%, reflecting sales recovery and the sustained positive impacts from cost actions. The operational EBIT margin was 8.7% (CHF 231 million), compared to 5.3% (CHF 119 million) in the previous year.

Group unadjusted EBITDA increased 54.2% to CHF 444 million, or 16.7% of sales, while Group unadjusted EBIT was CHF 220 million, or 8.3% of sales. In 2020, unadjusted Group EBITDA was CHF 288 million, or 12.7% of sales, and EBIT was CHF 73 million, or 3.2% of sales. The reconciliation of the operational and unadjusted figures can be seen in the tables below.

Table I: Reconciliation of Q4 2021 and FY 2021 Operational EBITDA and EBITDA¹

In CHF million	Q4 2021	Q4 2020	FY 2021	FY 2020
Operational EBITDA	128	113	447	323
Expenses/income from restructuring	1	2	2	-22
Expenses related to discontinued activities	–	-6	–	-10
Expenses related to acquisition and integration costs ²	0	-2	-5	-2
EBITDA	129	108	444	288

Table II: Reconciliation of Q4 2021 and FY 2021 Operational EBIT and EBIT¹

In CHF million	Q4 2021	Q4 2020	FY 2021	FY 2020
Operational EBIT	71	61	231	119
Expenses/income from restructuring	1	2	2	-22
Expenses related to discontinued activities	–	-6	–	-12
Impairment charges	-5	-3	-8	-9
Expenses related to acquisition and integration costs ²	0	-2	-5	-2
EBIT	67	53	220	73

¹ All amounts (including totals and subtotals) have been rounded according to normal commercial practice. Thus, an addition of the figures presented can result in rounding differences. ² Since 2021, operational EBITDA and operational EBIT are additionally adjusted by acquisition and integration costs. For comparability reasons, 2020 figures have been adjusted accordingly.

The Oerlikon Group's result from continuing operations in 2021 was CHF 162 million, compared with CHF 38 million in 2020, an increase of 326%. Including effects from discontinued operations in 2021, net result amounted to CHF 168 million in 2021, or earnings per share of CHF 0.50, versus CHF 38 million or earnings per share of CHF 0.11 in 2020.

As of December 31, 2021, Oerlikon had net debt of CHF 341 million. This corresponds to a net debt/operational EBITDA ratio of 0.7, including the proforma contribution of acquisitions. The Oerlikon Group had equity (attributable to shareholders of the parent) of CHF 1 424 million, representing an equity ratio of 33%.

Continued Strong Commitment to Sustainable R&D

In 2021, Oerlikon strengthened its innovation pipeline by filing 90 patents. The company continued to invest in innovation and spent 4.0% (CHF 105 million) of 2021 Group sales on R&D to develop new, improved and sustainable technologies to meet customers' needs and demands.

Q4 2021: Ending the Year with Strong Sales

Order intake for the fourth quarter increased 4.9% year-on-year to CHF 673 million (Q4 2020: CHF 642 million). Group sales increased by 21.1% to CHF 758 million (Q4 2020: CHF 626 million).

Group operational EBITDA improved by 13.6% to CHF 128 million, or 16.9% of sales (Q4 2020: CHF 113 million, or 18.0% of sales). Q4 2021 Group operational EBIT was CHF 71 million, or 9.4% of sales (Q4 2020: CHF 61 million, or 9.8% of sales). Group Q4 unadjusted EBITDA was CHF 129 million, or 17.0% of sales (2020: CHF 108 million; 17.2%), and unadjusted EBIT was CHF 67 million, or 8.9% of sales (2020: CHF 53 million; 8.5%)

Dividends

Oerlikon is committed to providing attractive returns to shareholders while maintaining financial flexibility to invest in growth. In line with this strategy and based on strong performance, the Board will recommend to shareholders an ordinary dividend payout of CHF 0.35 per share at the 2022 Annual General Meeting of Shareholders (AGM) on April 5, 2022, in Pfäffikon, Switzerland.

2022 Outlook: Continued Profitable Growth

Oerlikon will continue to expand its business in growth markets, leverage opportunities in recovering markets and exercise cost containment. The Group will continue to actively manage and mitigate any further impact from challenges stemming from short-term supply chain and COVID-19-related issues. For 2022, Group sales are expected to be around CHF 2.9 billion and the operational EBITDA margin to be around 17.5%.

New Group Leadership Structure as of July 1, 2022 with an Executive Chair Model to Support Strategic Focus of Oerlikon

After six years leading the company and ensuring its successful transformation, Roland Fischer, Oerlikon Group CEO, has announced his decision to step down for private reasons, effective June 30, 2022, in consultation and with the endorsement of the Board of Directors.

“I am proud of what we have achieved at Oerlikon since I joined as CEO, and how the company has been transformed into a globally active engineering and technology company with a clear strategic focus and organization,” said Fischer. “In the past two years, the Surface Solutions Division has successfully implemented cost measures and embarked on a transformation to empower the regions and become closer to key markets. The Polymer Processing Solutions Division has successfully continued its strategic diversification into non-filaments markets. My priority now is to ensure a smooth transition so that the company can continue to be a global market leader in advanced materials, surface engineering and polymer processing.”

“I very much regret but fully understand and respect Roland’s decision. On behalf of the Board, I would like to express our deep gratitude for his extraordinary service. He has been a key driver in the successful transformation of Oerlikon,” said Michael Suess, Chairman of the Board. “Our two divisions are distinct from each other in that they serve different customers in different industries and also differ in their growth potential. With the Executive Chair model, the division CEOs will gain agility in decision making, which will enable them to expedite the execution of their business and ensure sustainable growth.”

Under the Executive Chair model, the Board of Directors delegates the operational management of the Group as follows:

- i. The two current division CEOs, Markus Tacke and Georg Stausberg, will continue to have operational control and accountability in leading their divisions. In addition, the new management model will provide them the added agility and speed of execution to run and grow their business.
- ii. Michael Suess, will assume the position of Executive Chair, overseeing all Group-level management topics and leading the Executive Committee in addition to his role as Chairman of Oerlikon’s Board of Directors.
- iii. The Executive Committee will be responsible for ensuring the harmonized Group-wide management of all organizational topics with cross-divisional relevance.

As of 1 July, 2022, the Executive Committee will consist of the two division CEOs, the Chief Financial Officer, Philipp Mueller; and the Chief Human Resources Officer, Anna Ryzhova, and will be led by the Executive Chair.

Further strengthening of the Corporate Governance within Oerlikon

Oerlikon will further strengthen its corporate governance by introducing a new function of Lead Director and a new Governance Committee with the Executive Chair model.

An existing independent member of the Board of Directors will take on the function as Lead Director. The Lead Director will chair the newly created Governance Committee that will consist of a majority of independent members of the Board of Directors. The Lead Director, with the support of the Governance Committee, will be responsible for ensuring adequate control mechanisms under the Executive Chair model as set forth in governance guidelines, such as the Swiss Code of Best Practice for Corporate Governance.

Subject to their election to the Board at the next AGM, Paul Adams will be appointed as Lead Director and chairman of the Governance Committee, and Gerhard Pegam and Zhenguo Yao will be appointed as members of the Governance Committee.

In adherence to good corporate governance, the designated Executive Chair, Michael Suess, will no longer be proposed as a member of the Human Resources Committee of the Board for election at the 2022 AGM.

Nomination of an Independent Board Member

As announced in December 2021, Suzanne Thoma has decided not to stand for re-election at the 2022 AGM. She joined Oerlikon's Board of Directors in 2019. Her extensive industry experience and strong business acumen were highly valued by the Board. The Board sincerely thanks Suzanne Thoma for her considerable commitment and contribution to Oerlikon and wishes her all the best for the future.

The Board of Directors proposes to nominate Zhenguo Yao for election at the AGM on April 5, 2022. All other Board members will be standing for re-election. Zhenguo Yao currently serves as Senior Vice President of Siemens Energy AG, Head of Siemens Energy Greater China. As an expert in the China energy sector, he will strongly enhance Oerlikon's regional focus and further diversify the Board of Directors' expertise.

Division Overview

Surface Solutions Division

Key Figures of the Surface Solutions Division as of December 31, 2021 (in CHF Million)

	FY 2021	FY 2020	Δ	Q4 2021	Q4 2020	Δ
Order intake	1 345	1 144	17.6%	341	315	8.3%
Order backlog	178	124	43.7%	178	124	43.7%
Sales (to third parties)	1 283	1 197	7.2%	337	330	2.1%
Operational EBITDA	230	177	30.3%	57	76	-24.9%
Operational EBITDA margin	17.9%	14.7%	320 bps	16.8%	22.9%	-610 bps

The Surface Solutions Division capitalized on gradual market recovery in general industries, automotive and tooling, which, however, faced supply chain shortages in the second half of 2021. The aerospace market continued to be impacted by pandemic-related challenges, though Oerlikon noted a slight recovery in the second half of 2021, albeit off a low base. Effective cost programs were successfully executed, resulting in noticeably improved operating profitability.

Order intake for the division in 2021 increased by 17.6% to CHF 1 345 million. Sales of CHF 1 283 million were 7.2% higher, including an adverse currency impact of 0.8%. In Q4 2021, order intake increased 8.3%, while sales increased 2.1%. Q4 2021 sales were impacted by automotive shortages, while Q4 2020 saw restocking.

2021 operational EBITDA significantly improved by 30.3% to CHF 230 million, or 17.9% of sales, supported by sales growth and cost efficiency. In Q4 2021, the operational EBITDA margin was impacted by shortages in high-margin businesses and the non-repeat of positive effects in Q4 2020. Operational EBIT was CHF 72 million in 2021, or 5.6% of sales (2020: CHF 11 million, or 0.9% of sales). Unadjusted EBITDA was CHF 232 million, or 18.0% of sales, compared to CHF 144 million, or 12.0% of sales in 2020, and unadjusted EBIT was CHF 66 million, or 5.1% of sales (2020: CHF -32 million, or -2.7% of sales).

Polymer Processing Solutions Division

Key Figures of the Polymer Processing Solutions Division as of December 31, 2021 (in CHF Million)

	FY 2021	FY 2020	Δ	Q4 2021	Q4 2020	Δ
Order intake	1 452	1 097	32.4%	332	326	1.7%
Order backlog	558	457	22.1%	558	457	22.1%
Sales (to third parties)	1 366	1 061	28.7%	422	296	42.3%
Operational EBITDA	213	151	41.3%	76	47	63.5%
Operational EBITDA margin	15.6%	14.2%	140 bps	18.0%	15.7%	230 bps

The division achieved record orders and sales and significantly improved its operational EBITDA, which was attributable also to the accretive acquisition of INglass. The increases in sales and order intake were noted across all regions, particularly driven by the higher demand for filament and texturing equipment, as well as by strong demand for non-filament solutions, such as plant engineering and carpet yarn solutions in the US.

Order intake in 2021 increased significantly by 32.4% to CHF 1 452 million year-over-year. Sales also increased notably by 28.7% to CHF 1 366 million, including a positive currency impact of 2.4%. In Q4 2021, the division achieved record sales driven by strong demand in both filament and non-filament.

Operational EBITDA improved year-over-year to CHF 213 million, or 15.6% of sales, compared to CHF 151 million, or 14.2% of sales in 2020. In Q4 2021, margin improvements were driven by operating leverage, the INglass acquisition and project mix. Operational EBIT for 2021 was CHF 163 million (2020: CHF 120 million), or 12.0% of sales (2020: 11.3%). Unadjusted EBITDA was CHF 208 million, or 15.2% of sales (2020: CHF 150 million, 14.1%). Unadjusted EBIT was CHF 158 million (2020: CHF 118 million), or 11.6% of sales (2020: 11.2%).

Additional Information

FY2021 Results Conferences

Oerlikon will present its results today, March 1, 2022, as follows:

09:30 CET	In-Person Media Information Session	Park Hyatt Zurich
13:00 CET	Hybrid Analysts and Investors Conference (A light lunch will be provided at 12:00 CET prior to the conference.)	Park Hyatt Zurich and live webcast

Live Webcast for Analysts and Investors Event

The analysts' conference will also be broadcast live via webcast and can be viewed via this [Link](#) or on the Group's website (www.oerlikon.com).

To ask questions, please dial in using one of these numbers:

Switzerland/Europe	+41 (0) 58 310 50 00
United Kingdom	+44 (0) 207 107 06 13
United States	+1 631 570 56 13
Other international numbers	Please click here

FY2021 Documents can be downloaded from Oerlikon's website:

2021 Annual Report	www.oerlikon.com/annualreport-2021
2021 Results Media Release	www.oerlikon.com/pressreleases www.oerlikon.com/en/investor-relations
2021 Results Presentation	www.oerlikon.com/en/investors/reports-publications

The recording of the analyst and investor conference will be available from March 2, 2022 onward at www.oerlikon.com/en/investors/reports-publications.

About Oerlikon

Oerlikon (SIX: OERL) is a global innovation powerhouse for surface engineering, polymer processing and additive manufacturing. The Group's solutions and comprehensive services, together with its advanced materials, improve and maximize the performance, function, design and sustainability of its customers' products and manufacturing processes in key industries. Pioneering technology for decades, everything Oerlikon invents and does is guided by its passion to support customers' goals and foster a sustainable world. Headquartered in Pfäffikon, Switzerland, the Group operates its business in two Divisions – Surface Solutions and Polymer Processing Solutions. It has a global footprint of more than 11 800 employees at 207 locations in 38 countries and generated sales of CHF 2.65 billion in 2021.

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