

First-Quarter 2021 Results

Robust first-quarter performance. On track for full year. INglass acquisition positions Polymer Processing Solutions for growth.

- **Group Q1 order intake +34.6%, sales +7.2% and operational EBITDA +46% year-over-year.**
- **Surface Solutions operational EBITDA margin improved to 17.7%, driven by structural cost-out actions and a better business mix. Sales recovery in automotive, tooling and general industries continues, while aerospace remains slow.**
- **Polymer Processing Solutions first-quarter results are on track with full-year guidance. Recently announced acquisition of INglass is expected to be immediately margin and cash accretive on completion and positions the Division for growth.**
- **2021 guidance confirmed.**

Key Figures of the Oerlikon Group as of March 31, 2021 (in CHF million)

| | Q1 2021 | Q1 2020 | Δ |
|--|---------|---------|---------|
| Order intake | 643 | 477 | 34.6% |
| Order backlog | 678 | 545 | 24.5% |
| Sales | 568 | 529 | 7.2% |
| Operational EBITDA ¹ | 88 | 60 | 46.2% |
| Operational EBITDA margin ¹ | 15.6% | 11.4% | 420 bps |
| Operational EBIT ¹ | 39 | 9 | >100% |
| Operational EBIT margin ¹ | 6.9% | 1.7% | 520 bps |

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

Pfäffikon, Schwyz, Switzerland – May 4, 2021 – “We delivered a robust Group performance in the first quarter, which was driven by our structural cost-out actions and the recovery in the global automotive and tooling markets,” said Dr. Roland Fischer, CEO Oerlikon Group. “Assuming markets continue to pick up, and there are no further significant disruptions from COVID-19, we confirm our guidance for 2021.”

“Our strategic move in Polymer Processing Solutions with the recently signed agreement to acquire INglass positions the Division to diversify beyond filaments into the larger and more profitable polymer market. We expect the Division to be an important growth driver for the Group,” added Dr. Fischer.

Robust First-Quarter Performance

Group orders increased globally by 34.6% to CHF 643 million. Group sales improved by 7.2% to CHF 568 million, which is attributed to an increase in demand in the filament equipment, automotive and tooling industries in China and India. At constant exchange rates, Group sales increased year-over-year by 7.5% to CHF 569 million.

Operational first-quarter EBITDA was CHF 88 million, or 15.6% of sales, representing a year-over-year improvement of 420 basis points (bps). First-quarter operational EBIT was CHF 39 million, or 6.9% of sales (Q1 2020: CHF 9 million; 1.7%). The margin improvements were driven by benefits from structural cost actions, positive operating leverage and a better business mix in Surface Solutions.

Group first-quarter EBITDA was CHF 88 million, or 15.4% of sales (Q1 2020: CHF 58 million, 11.0%), and EBIT was CHF 38 million, or 6.7% of sales (Q1 2020: CHF 6 million, 1.1%). The reconciliation of the operational and unadjusted figures can be seen in the tables below.

Table I: Reconciliation of Q1 2021 Operational EBITDA and EBITDA¹

| In CHF million | Q1 2021 | Q1 2020 |
|---|-----------|-----------|
| EBITDA | 88 | 58 |
| Expenses related to restructuring | -1 | -1 |
| Expenses related to discontinued activities | - | -2 |
| Operational EBITDA | 88 | 60 |

Table II: Reconciliation of Q1 2021 Operational EBIT and EBIT¹

| In CHF million | Q1 2021 | Q1 2020 |
|---|-----------|----------|
| EBIT | 38 | 6 |
| Expenses related to restructuring | -1 | -1 |
| Expenses related to discontinued activities | - | -2 |
| Impairment charges | 0 | 0 |
| Operational EBIT | 39 | 9 |

¹ All amounts (including totals and subtotals) have been rounded according to normal commercial practice. Thus, adding together the figures presented can result in rounding differences.

New Growth Pillar for Polymer Processing Solutions Division

The agreement to acquire INglass, as announced on April 23, 2021, marks a strategic step for Polymer Processing Solutions, which was previously named Manmade Fibers. This move is in line with the Division's growth strategy to reposition itself and gain a strong foothold in the polymer processing market.

The increasing demand for sustainable, lightweight and durable solutions is driving the usage of polymers across industries such as automotive, construction and packaging. For example, in new vehicles, including electric and hybrid vehicles, weight reduction is very important to reduce energy consumption. This strategic acquisition will accelerate and enhance the Division's organic initiatives to grow its polymer processing capabilities and products, as it further diversifies into new growth areas.

INglass is a market leader in providing hot runner systems under the brand HRSflow. These systems are used to enable effective and energy-saving plastic injection molding. In 2020, INglass had sales of approximately CHF 135 million and a global workforce of around 1 000 employees. Pending the customary merger control approvals, the acquisition is expected to be completed in the second quarter of 2021. Once completed, INglass will be integrated with the existing polymer flow control business into the new Business Unit Flow Control Solutions, which will become a pillar of growth for the Division.

Oerlikon Confirms 2021 Guidance

As vaccinations progress globally, it is expected that pent up demand will drive an increase in consumptions and consequently boost business. Assuming that the COVID-19 pandemic does not cause further major disruptions and markets continue to improve, Oerlikon expects sales of CHF 2.35 billion to CHF 2.45 billion and an operational EBITDA margin of 15.5% to 16.0% in 2021.

Division Overview

Surface Solutions Division

Key Figures of the Surface Solutions Division as of March 31, 2021 (in CHF million)

| | Q1 2021 | Q1 2020 | Δ |
|---------------------------|---------|---------|---------|
| Order intake | 327 | 333 | -1.9% |
| Order backlog | 150 | 185 | -18.9% |
| Sales (to third parties) | 304 | 325 | -6.3% |
| Operational EBITDA | 54 | 41 | 32.0% |
| Operational EBITDA margin | 17.7% | 12.5% | 520 bps |

The order intake of CHF 327 million was slightly lower than in the previous year. The book-to-bill ratio is higher than 1, reflecting an increase in demand in the longer-cycle equipment business. Division sales were CHF 304 million, a decline of 6.3% year-over-year, due to a comparatively strong aerospace in Q1 2020 and the lower longer-cycle equipment business as indicated in March. The Division saw sales recover in the shorter-cycle automotive, tooling and general industries markets. At constant exchange rates, Division sales decreased year-over-year by 4.7% to CHF 309 million.

Operational EBITDA was CHF 54 million, or 17.7% of sales, compared to CHF 41 million, or 12.5% of sales in Q1 2020. The improvement in operating profitability is attributed to the structural components of the 2020 cost actions and a better business mix. Unadjusted first-quarter EBITDA was CHF 53 million, or 17.5% of sales, compared to CHF 39 million, or 11.9% of sales in the previous year. Q1 Operational EBIT was CHF 15 million, or 4.8% of sales (Q1 2020: CHF -2 million, or -0.6% of sales), and unadjusted EBIT was CHF 14 million, or 4.6% of sales (Q1 2020: CHF -5 million, or -1.4% of sales).

Polymer Processing Solutions Division

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

| | Q1 2021 | Q1 2020 | Δ |
|---------------------------|---------|---------|---------|
| Order intake | 315 | 144 | >100% |
| Order backlog | 528 | 360 | 46.8% |
| Sales (to third parties) | 263 | 205 | 28.7% |
| Operational EBITDA | 33 | 18 | 76.9% |
| Operational EBITDA margin | 12.4% | 9.0% | 340 bps |

The Division delivered a very strong year-over-year increase due to a robust first-quarter performance and the comparison with a pandemic-impacted Q1 2020. Order intake increased significantly by 119.0% to CHF 315 million, compared to CHF 144 million in 2020. Sales increased by 28.7% to CHF 263 million year-over-year, driven mainly by India and China. At constant exchange rates, sales increased by 27.0% to CHF 260 million.

Operational EBITDA improved year-over-year to CHF 33 million, or 12.4% of sales, compared to CHF 18 million, or 9.0% of sales, in Q1 2020, due to improved operating leverage. Unadjusted EBITDA was CHF 33 million, or 12.4% of sales (Q1 2020: CHF 18 million, 8.9%). Operational EBIT was CHF 24 million, or 9.3% of sales (Q1 2020: CHF 11 million, or 5.6% of sales). Unadjusted EBIT was CHF 24 million, or 9.3% of sales (Q1 2020: CHF 11 million, or 5.5% of sales).

Additional Information

Oerlikon will present its results in English during its conference call today beginning at 14:00 CEST. To participate, please click on this [link](#) to join the webcast.

To ask questions in the Q&A session, please dial in.

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Please find the media release including a full set of tables at www.oerlikon.com/pressreleases and www.oerlikon.com/ir.

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 customer's 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 10 600 employees at 179 locations in 37 countries and generated sales of CHF 2.3 billion in 2020.

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