



2021 Financial Results

1 March 2022

Agenda

- 1 | Summary
- 2 | Business Review
- 3 | Financials & Outlook
- 4 | Q&A

ærlikon





Financials

2021



Key messages



Strategic priorities

2021 with profitable growth, driving EBITDA above pre COVID-19 level

2.8bn (+25%)
Order intake

2.6bn (+17%)
Sales

447m (+39%)
Operational EBITDA

231m (+94%)
Operational EBIT

- **Strong operational execution** with growth driven by both Divisions, benefits from the **cost-out** program, two accretive bolt-on acquisitions, sustainability rating upgrades and successful mitigation of supply chain shortages
- Polymer Processing Solutions with record orders and sales, alongside continued diversification into Non-Filament; Surface Solutions executed on market recovery of shorter-cycle businesses
- Dividend of CHF 0.35 proposed
- **2022 with continued profitable growth:** expect CHF ~2.9bn sales and ~17.5% operational EBITDA margin; supported by strong momentum in OPP and recovery of longer-cycle businesses and fading shortages in OSS

**Grow &
Diversify**

**Improve
Profitability**

**Drive Sustainability
Progress**

Introduce Executive Chair Model and Governance Committee:
faster decision making & strengthened organizational agility

2021 Market Recovery With Varying Speeds and H2 Shortages

Filament

33% of 2021 Group sales

Non-Filament

19%

General Industrial & Tooling

29%

Automotive

14%

Aviation

5%

2021 markets



- Strong demand and visibility
- Driven mainly by continued vertical integration of large Chinese filament producers and manmade fibers outgrowing natural fibers
- Oerlikon well-positioned with broad integrated offering and leading technology



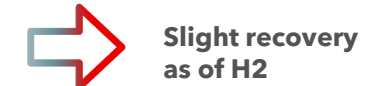
- Strong demand for plant engineering solutions in China and RoW, such as polycondensation plants
- Revitalization of interiors (BCF) in US; intact demand for INglass products driven by model launches and ability to deliver despite shortages



- Tooling and general industry recovered YoY, though supply chain bottlenecks hampered the speed of recovery in H2
- Strong demand in luxury (Coeurdor); semiconductors up YoY; gaining order momentum in oil & gas and industrial gas turbines



- Strong recovery in H1, followed by supply chain interruptions in H2; Q4'21 with difficult base as Q4'20 benefited from restocking
- Shortages expected to extend until mid-2022, with automotive activity to recover beyond
- Successfully pioneering e-mobility applications (e.g. e-gearing, compressor shaft, differential shaft)



- Aviation started to slightly recover in H2 off low base, with sequential increase in Q4'21
- Mainly driven by recovery of MRO business; narrow-body recovery expected before widebody

2022 market environment



Polymer Processing Solutions with continued sales growth driven by both Filament and Non-Filament; Filament with order book almost filled in 2023 and beginning to be filled in 2024




2022 market environment



Surface Solutions well-positioned for recovery in Tooling, General Industry and Automotive beyond transitory supply chain interruptions; Aviation improving from low levels





Grow & Diversify

- Outgrow markets by focusing on technology leadership and sustainable innovation
- Expand into adjacent high potential markets organically and with accretive M&A
- Diversify Polymer Processing Solutions into Non-Filament; capture structural growth opportunities in Surface Solutions



Launched new coatings for **e-mobility** and fuel cell applications; diversified business with **2 accretive M&A** and organic growth in Non-Filament



Improve Profitability

- Apply strict cost focus and benefit from operating leverage
- Improve capital return to double-digit
- Maintain strong balance sheet and pay stable or progressive dividend



Achieved ~260bps operational EBITDA **margin expansion** and strong progress on ROCE; stable dividend proposed



Drive Sustainability Progress

- Drive environmental and social progress at Oerlikon via operational excellence, focus on efficiency and cultural change
- Support customers in meeting their own sustainability targets: Provide ecological and economical value propositions by focusing R&D and new products on sustainability criteria

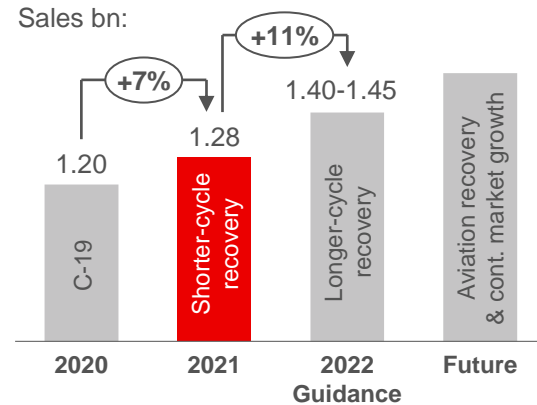


1st sustainability report resulted in **improved ratings**; continued energy management system roll-out; 1st diversity conference; new energy saving polymer processing equipment and sustainable coatings

Profitable and Sustainable Growth

Surface Solutions

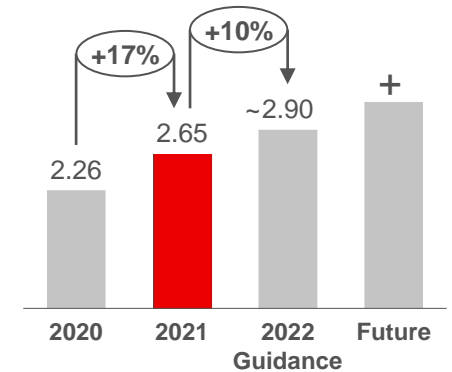
Outgrow GDP driven by strong value proposition



- **+5% CAGR 15-19¹⁾**, above global GDP growth of +2.9%
- **Exceed market growth** supported by sustainability megatrends, R&D, cross-selling, new applications / industries / geographies
- M&A upside

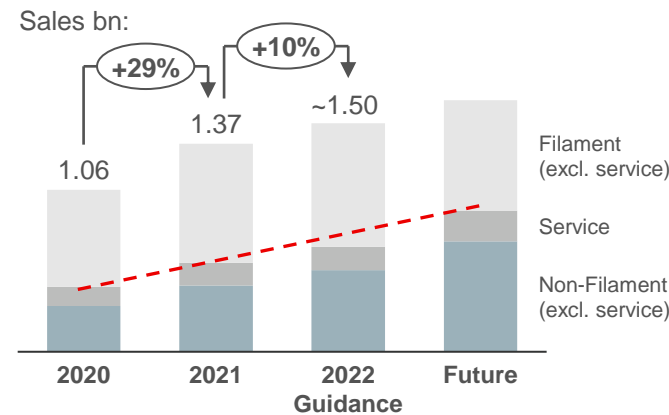
Group Sales

+5% CAGR 15-21



Polymer Processing Solutions

Transforming Division into a growth platform

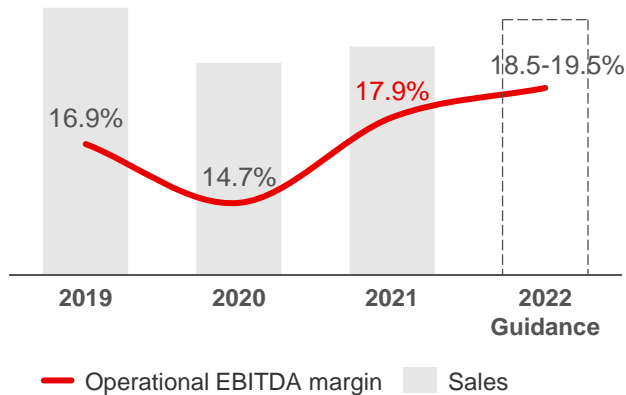


- **+8% CAGR 15-21¹⁾**, incl. +8% from Non-Filament
- **Diversification into Non-Filament** driven by organic growth initiatives, mid-single-digit market growth, R&D and bolt-on M&A
- **Solid Filament** demand with order book almost filled in 2023 and beginning to be filled in 2024

1) CAGR is FX adj.; Polymer Processing Solutions CAGR excl. INglass; Group CAGR excludes the Drive Systems Division which was divested in 2019

Surface Solutions

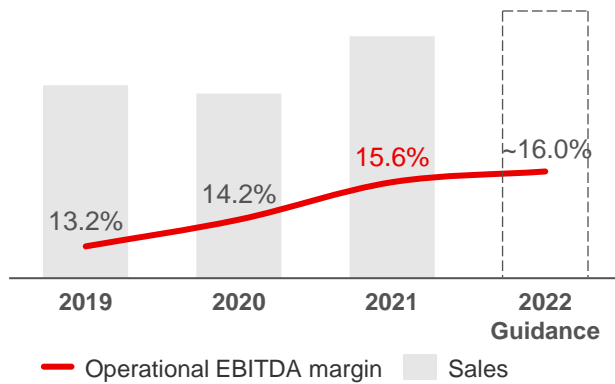
Higher margins benefiting from cost-out program



- 2021 margin exceeding 2019 margin on not yet fully recovered sales
- Cost-out program executed during crisis benefiting margins
- Continued cost containment in place alongside refreshed capital allocation framework

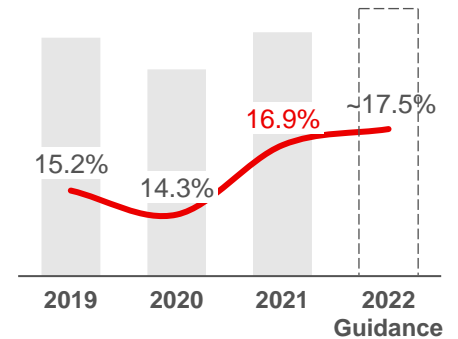
Polymer Processing Solutions

Improving margins



- Supported by operating leverage and INglass acquisition
- Continued focus on **cost control**

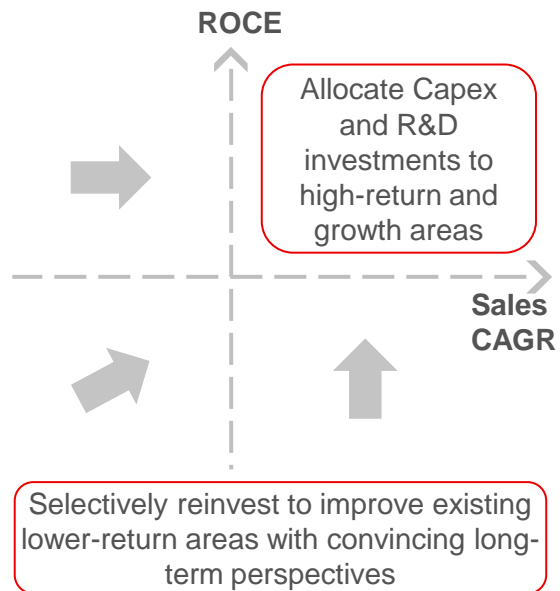
Group EBITDA margins



Operational EBITDA (m)	2019	2020	2021	2022 Guidance
	393	323	447	~510

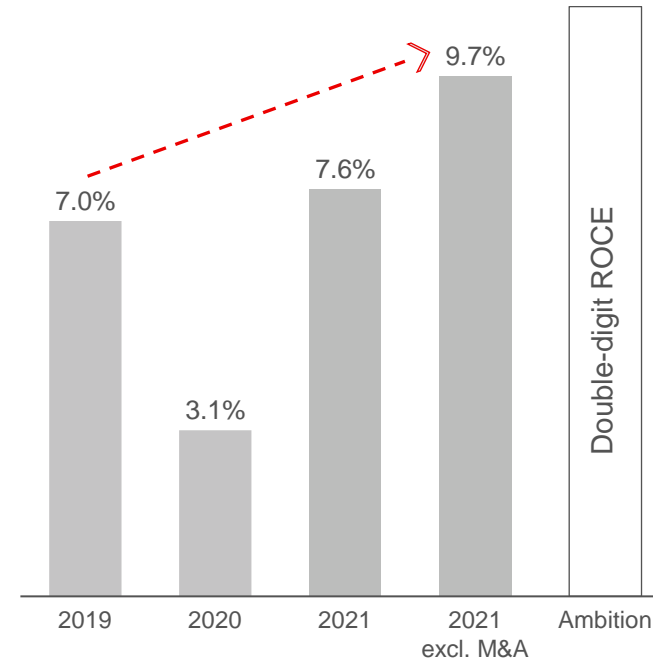
Strengthening Focus on Capital Return

Strengthened capital allocation framework



- Intensified the internal competition for capital: zero-based budgeting
- Introduced standardized review process
- Introduction of ROCE as key metric in long-term management incentivization program

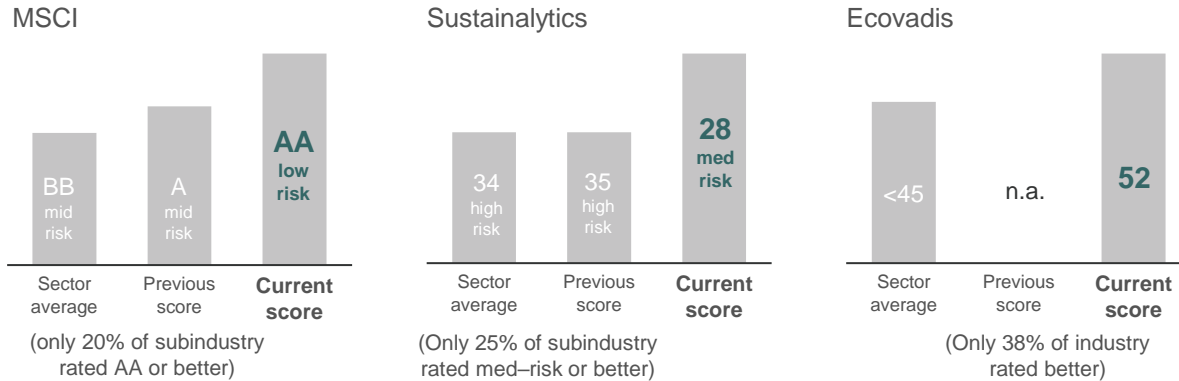
Double-digit ROCE ambition



- Focused capital allocation and monitoring along defined growth strategy
- Recovering end-markets
- Continued cost containment

Return on Capital Employed (ROCE) is defined as NOPAT (Net-Operating Profit After Tax) over the Capital Employed; Capital Employed is composed of third-party net operating assets, current income tax receivables and current income taxes payable and deferred tax assets and liabilities

Sustainability rating upgrades 2021



- CDP: achieved positive initial rating (D)

1 Deliver on Oerlikon ESG roadmap 2030 ¹⁾

- **Become climate neutral** on scope 1 and 2: increase share of energy from renewable sources to 100% and improve operational efficiency
- R&D investment in new products must cover ESG criteria
- Increase share of women in management and leadership roles to 20% and in high potential talent programs to 30%
- Increase completion of CoC training >95%

ESG highlights 2021

Environmental

- 23 Oerlikon sites with highest energy consumption (~50%) have implemented an **energy management** system
- Project launched to define calculation of scope 3 emissions; will provide base to formulate action plan for reduction

Social

- Hosted first internal **diversity conference** and organized global 'Health, Safety & Environment' day with focus on proactive safety
- Oerlikon supporting social & community projects in multiple countries

Governance

- Oerlikon published **updated code of conduct (CoC)**; staff being trained on CoC
- Launched ESG linked RCF
- Published comprehensive sustainability & HSE policy in Q1'22

2 Support customers in meeting their sustainability targets:

Polymers

- ~40% energy saving with new filament equipment
- >80% of recycled carpets made on Oerlikon machines
- Enable e-mobility with lightweight materials
- Less resource intensive than natural fiber

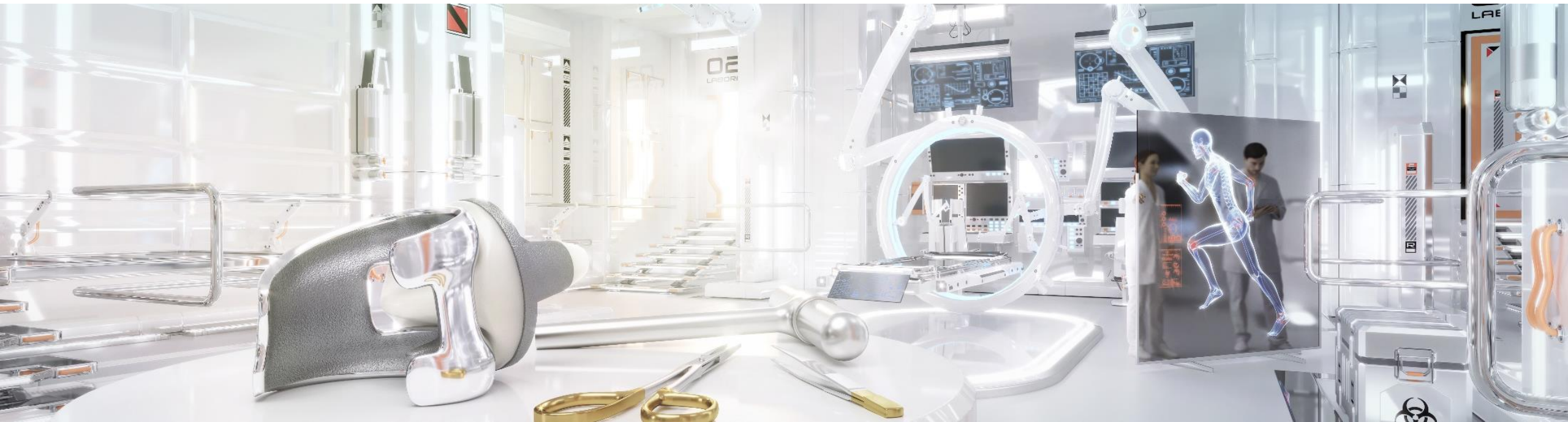
Coatings

- **160x** tool lifetime extension
- ~3% improved car fuel efficiency
- ~5% aero efficiency increase
- Lifetime extension of high-load e-mobility components

1) For full set of commitment see 2020 Sustainability report available on homepage; 2021 update to be published by end of Q1'22

Financials & Outlook

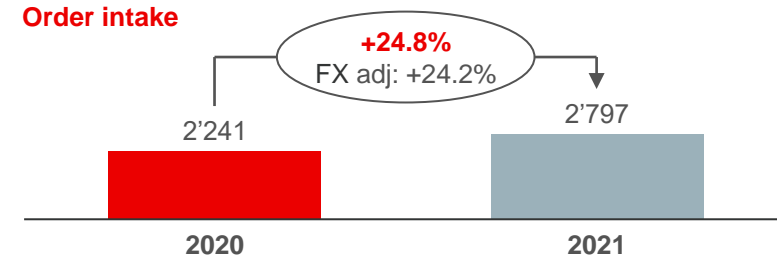
Philipp Müller
CFO



2021 with strong sales and EBITDA growth driven by both Divisions

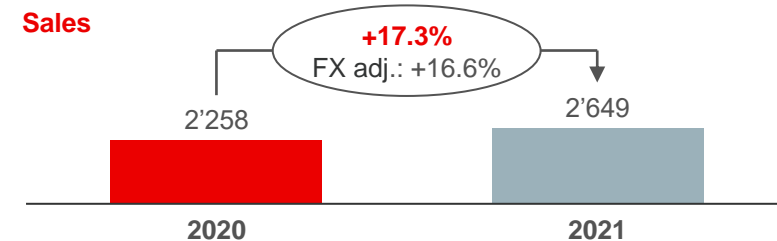
Orders

- **Order intake +25%** in FY'21, driven by both Divisions including +5% from M&A ¹⁾
- Q4 +5% YoY supported by Surface Solutions and M&A



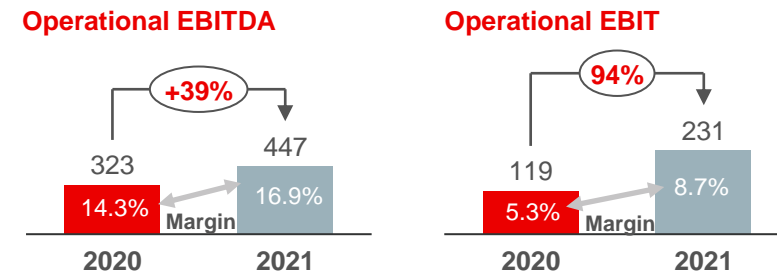
Sales

- **Sales +17%** in FY'21 driven by both Divisions including +5% from M&A ¹⁾
- Q4 with record sales in Polymer Processing Solutions and higher sales in Surface Solutions despite shortages



Profit

- **Operational EBITDA +39%** in FY'21, with better margins in both Divisions supported by sales growth and cost control
- Q4 operational EBITDA +14% driven by Polymer Processing Solutions



¹⁾ INglass and Coeurdor consolidated as of June 1, 2021; EBITDA on this slide refers to operational EBITDA; * Numbers in financial charts of this presentation are in CHF except when stated otherwise

Surface Solutions Benefitting From Shorter-Cycle Recovery and Cost Control

Markets

- **Markets recovering** at different speeds
- Automotive H2 impacted by chip shortage and supply chain tightness, after strong H1 recovery; shortages are expected to extend into mid-2022
- General industry with continued strength YoY, though supply chain bottlenecks also with impacts in Q4'21

Orders

- **Higher** order intake in FY'21, driven by market recovery
- Q4'21 book-to-bill slightly above 1

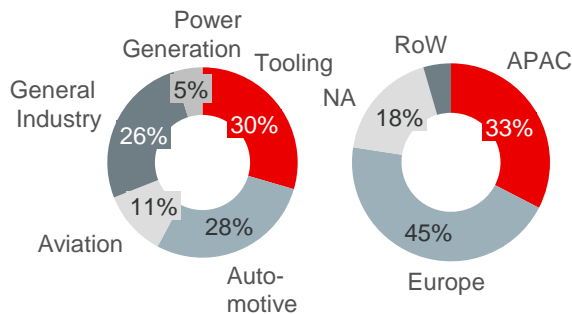
Sales

- **Increased** +7.2% in FY'21 supported by shorter-cycle recovery in General Industries, Tooling and Automotive; +2.1% from Coeurdor ¹⁾
- Q4'21 sales slightly up driven by General Industries; YoY comps impacted by shortages in automotive industry in Q4'21 and re-stocking in Q4'20; aviation sales continued to slightly improve

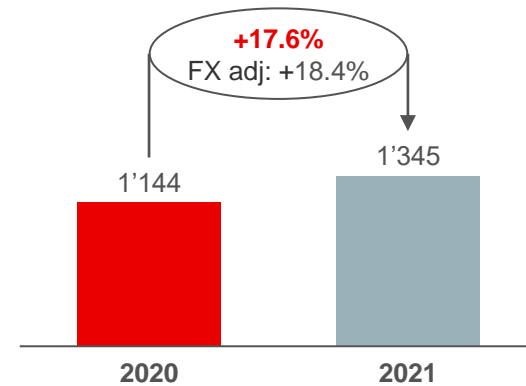
Operational EBITDA

- **Improved** +30.3% in FY'21 with 320bps margin expansion, driven by higher sales and cost control
- Q4 YoY margin comparison impacted by shortages in high-margin businesses and non-repeat of positive Q4'20 effects

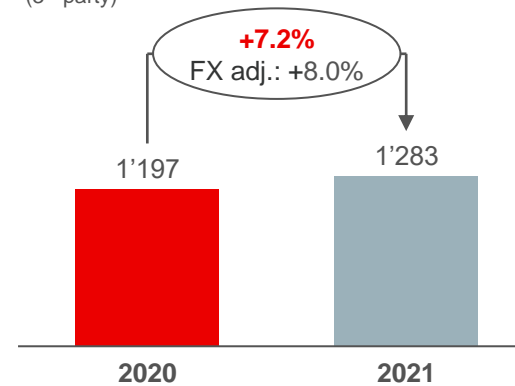
2021 Sales split by markets



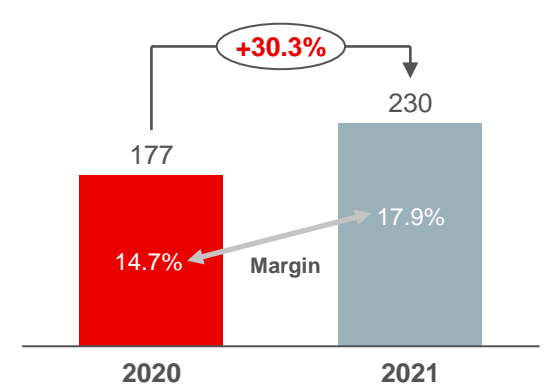
2021 Order intake



2021 Sales (3rd party)



2021 Operational EBITDA



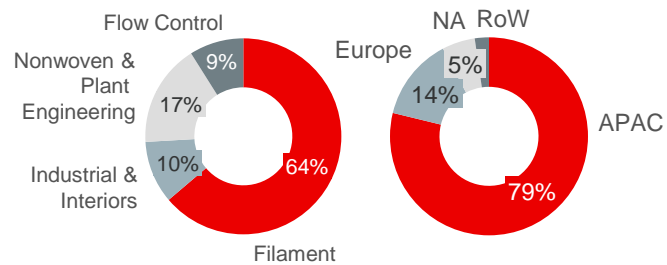
1) Coeurdor consolidated as of June 1, 2021

Polymer Processing Solutions With Record Sales

Markets

- **Favorable market conditions** in Filament: order book almost filled in 2023 and beginning to be filled in 2024; large Filament customers keep on expanding in the value chain
- Non-Filament with strong demand for plant engineering solutions in China and RoW; revitalization of BCF in US; HRS market experiencing strong demand

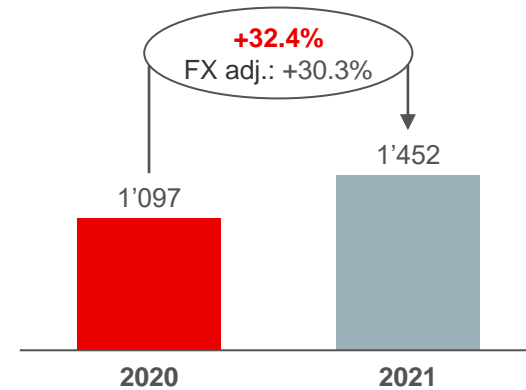
2021 Sales split by markets ¹⁾



Orders

- **Record** order intake, driven by Filament and Non-Filament in FY'21
- CHF 1.45 bn order intake, in-line with guidance

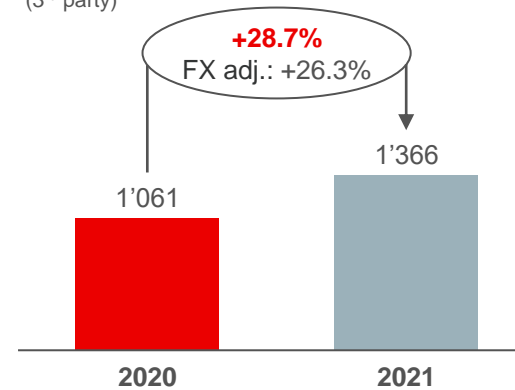
2021 Order intake



Sales

- **Record** sales in FY'21 and in Q4 driven by strong demand; INglass contributed CHF +90m or +8.4% YoY in FY'21
- Non-Filament sales +37% driven by INglass and organic growth initiatives
- No major impacts of supply chain bottlenecks, logistics and power shortages in Q4'21 and 2022 YTD; mitigation measures in place

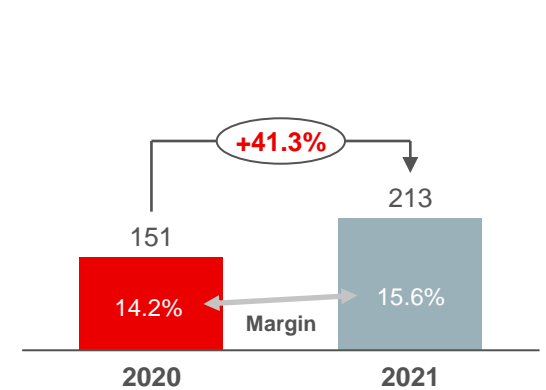
2021 Sales (3rd party)



Operational EBITDA

- **Increased** +41.3% driven by higher sales and cost control
- Improved FY'21 margin driven by operating leverage, cost control and INglass acquisition
- Q4 margin up YoY, supported by operating leverage, INglass acquisition and project mix

2021 Operational EBITDA



1) Adjusted market definition as per Q1'21, mainly due to introduction of 'Flow Control' subdivision (including mainly pumps and INglass acquisition); Special Filament renamed to Industrial & Interiors; Plant Engineering renamed to Nonwoven & Plant Engineering

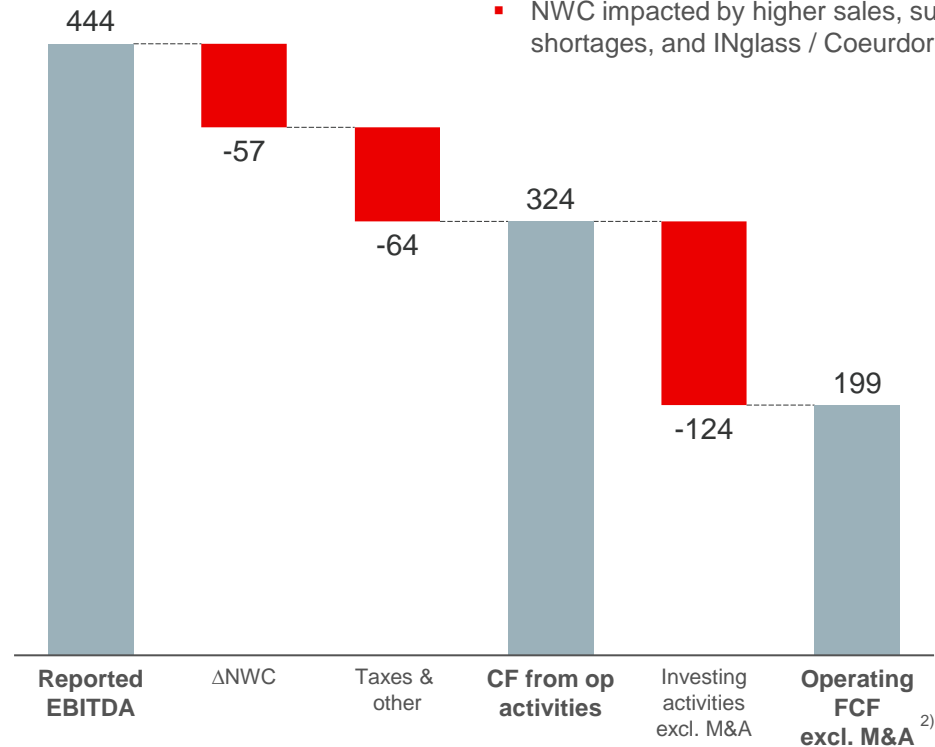
Focus on Cash Flow and ROCE



Solid Operating FCF

FY'21

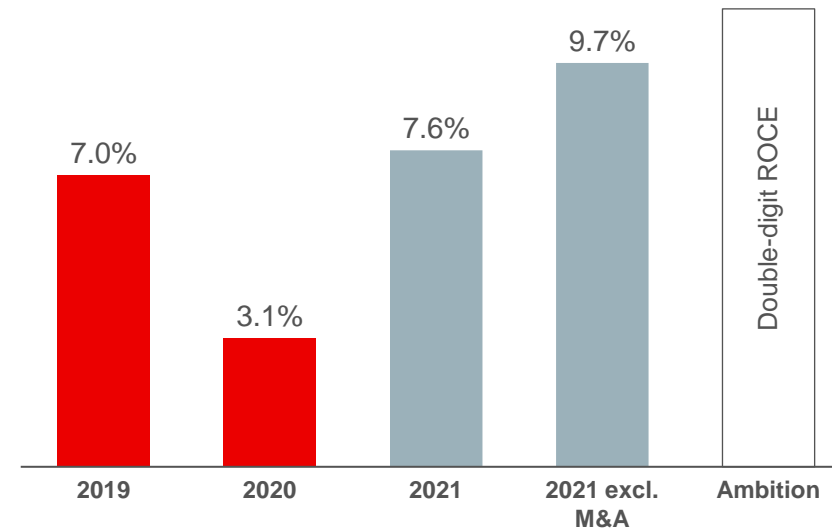
- **Solid** execution drives CHF 199m operating FCF
- NWC impacted by higher sales, supply chain shortages, and INglass / Coeurdor acquisitions



ROCE improving

FY'21

- **Above** FY'19 levels
- Almost double-digit when excluding M&A¹⁾
- Ambition of sustainable double-digit ROCE in the mid-term, supported by recovering end-markets, continued cost containment and disciplined execution on capital allocation framework

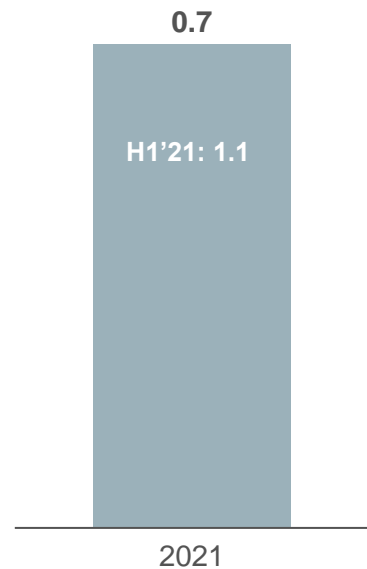


1) INglass / Coeurdor are consolidated as per June 1 and therefore do not yet contribute 12 months to NOPAT; purchase price accounting also impacting ROCE; 2) excludes acquisition price paid

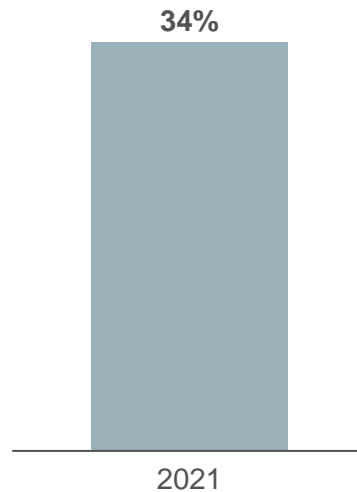
Solid leverage and equity ratios

Improved net debt/EBITDA since H1

Net debt / operational
EBITDA ratio ¹⁾



Equity ratio ²⁾



Commitment to strong balance sheet

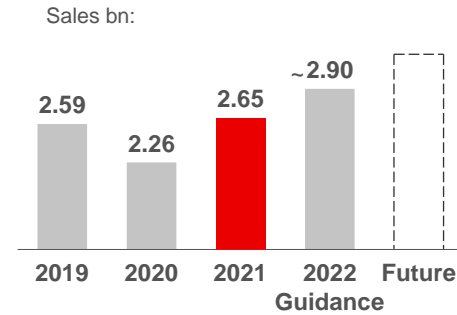
- Commitment to maintain a **prudent financial policy** and strong balance sheet
- Successfully **placed CHF 575m** senior unsecured **bonds** in Q2'21, allowing to finance INglass and Coeurdor acquisitions at attractive terms and locking in attractive interest rate conditions

1) Net debt /EBITDA includes 5 months pro forma INglass and Coeurdor EBITDA (consolidated as per June 21); 2) equity ratio based on total equity

Conclusion: Well-Positioned for Profitable & Sustainable Growth

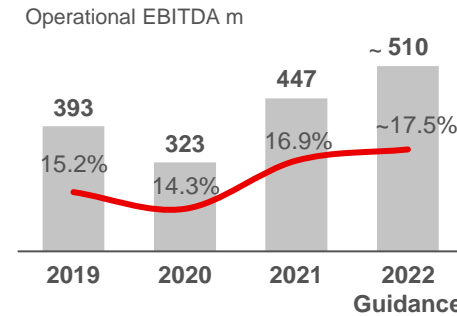
1 Sales growth

- Surface Solutions growth above GDP driven by ecological and economical value proposition for customers
- Transforming Polymer Processing Solutions into a growth platform by diversifying into Non-Filament



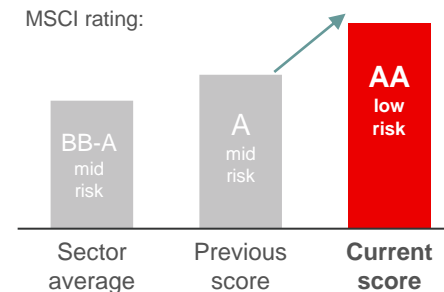
2 Profitability growth

- EBITDA margins benefiting from reduced cost base on recovering sales; operational EBITDA above pre COVID-19 level
- ROCE improved and will benefit from new capital allocation framework

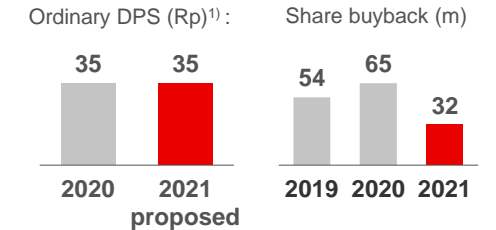


3 Driving sustainability progress

- Support customers in meeting their sustainability targets and grow with sustainability megatrend
- On-track to deliver on own 2030 sustainability targets



4 Dividends, M&A, share buyback



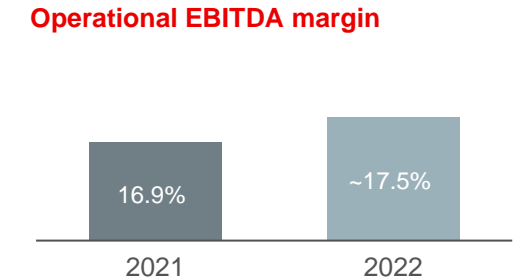
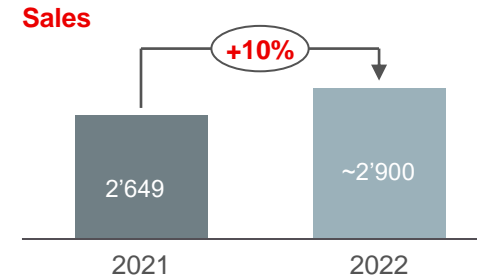
1) DPS: Dividend per share



Group

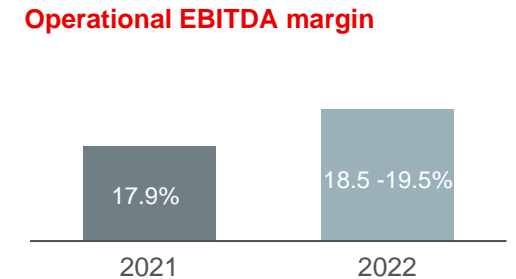
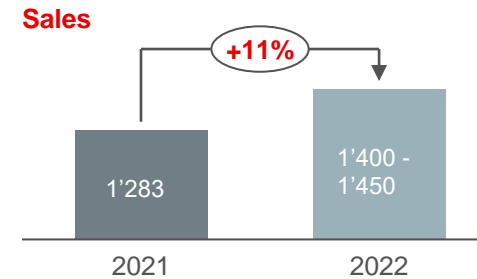
Profitable growth in both Divisions

- **Sales +10%** driven by both Divisions
- **Higher margin** supported by strong execution in both Divisions
- Capex CHF~150m



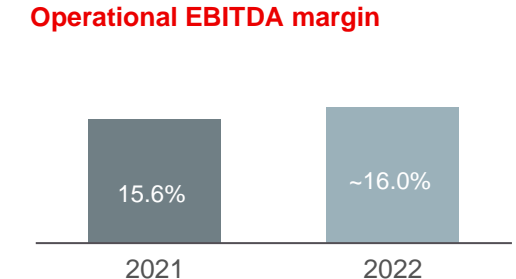
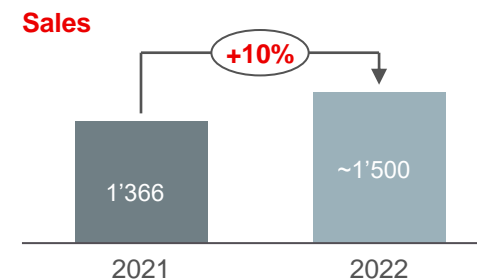
Surface Solutions

- **Sales +11%** supported by recovery of longer-cycle businesses; expect stronger H2 than H1 driven by fading of shortages
- **Higher margin** supported by operating leverage, partly offset by mix normalization



Polymer Processing Solutions

- **Sales +10%** driven by INglass and organic momentum in Filament and Non-Filament
- **Strong margin** supported by INglass



Q&A

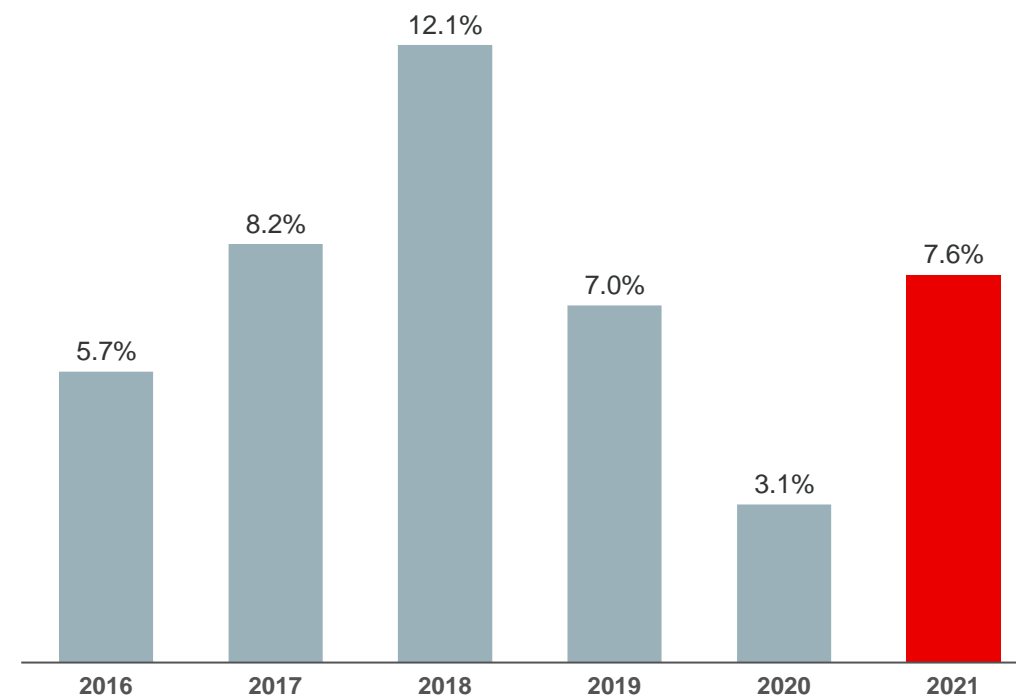


Appendix



Return on Capital Employed (ROCE)

	FY 2021	FY 2020
EBIT	220	73
- Total current income tax	-66	-29
- Total deferred tax income	11	6
NOPAT	165	51
Net Operating Assets	2'204	1'637
+ Current income tax receivables	34	31
+ Deferred tax assets	145	139
- Current income tax payables	-56	- 47
- Deferred Tax liabilities	-171	- 125
Capital Employed	2'155	1'634



Refers to reported LTM EBIT; Net operating assets is based on operating assets minus operating liabilities; Operating assets include total assets without cash and cash equivalents, current financial investments, current income tax receivables and deferred tax assets; Operating liabilities include total liabilities without financial and lease liabilities, current income taxes payable, non-current post-employment benefit liabilities and deferred tax liabilities

Q4 Reconciliation of Profitability Measures

EBITDA to EBIT bridge

	Group		Surface Solutions		Polymer Processing Solutions	
	Q4'21	Q4'20	Q4'21	Q4'20	Q4'21	Q4'20
EBITDA	129	108	58	73	75	46
Depreciation	-34	-33	-26	-27	-7	-5
Impairments	0	-4	0	-3	-0	-0
EBITA	95	71	32	42	67	40
Amortization of Acquired Intangibles	-14	-11	-9	-9	-5	-2
Other Amortization	-8	-6	-4	-4	-3	-2
Impairments	-5	-1	-5	-1	-0	--
EBIT	67	53	14	28	60	37

Operational profitability reconciliation

	Group		Surface Solutions		Polymer Processing Solutions	
	Q4'21	Q4'20	Q4'21	Q4'20	Q4'21	Q4'20
Operational EBITDA	128	113	57	76	76	47
Restructuring expenses	1	2	2	2	-1	-1
Discontinued activities	--	-6	--	-6	--	--
Acquisition and Integration costs	-0	-2	-1	-0	-0	--
EBITDA	129	108	58	73	75	46
Operational EBIT	71	61	18	35	61	38
Restructuring expenses	1	2	2	2	-1	-1
Impairments related to restructuring	-5	-3	-5	-3	--	--
Discontinued activities	--	-6	--	-6	--	--
Acquisition and Integration costs	-0	-2	-1	-0	-0	--
EBIT	67	53	14	28	60	37

2021 Reconciliation of Profitability Measures



EBITDA to EBIT bridge

	Group		Surface Solutions		Polymer Processing Solutions	
	FY21	FY20	FY21	FY20	FY21	FY20
EBITDA	444	288	232	144	208	150
Depreciation and Impairments	-133	-133	-106	-111	-24	-19
Impairments	-1	-5	-1	-5	-0	-0
EBITA	309	150	125	29	184	130
Amortization of Acquired Intangibles	-52	-44	-37	-38	-14	-6
Other Amortization	-31	-27	-15	-17	-11	-6
Impairments	-7	-6	-7	-6	-0	--
EBIT	220	73	66	-32	158	118

Operational profitability reconciliations

	Group		Surface Solutions		Polymer Processing Solutions	
	FY21	FY20	FY21	FY20	FY21	FY20
Operational EBITDA	447	323	230	177	213	151
Restructuring expenses	2	-22	3	-22	-1	-1
Discontinued activities	--	-10	--	-10	--	--
Acquisition and Integration costs	-5	-2	-1	-0	-4	--
EBITDA	444	288	232	144	208	150
Operational EBIT	231	119	72	11	163	120
Restructuring expenses	2	-22	3	-22	-1	-1
Impairments related to restructuring	-8	-9	-8	-9	--	--
Discontinued activities	--	-12	--	-12	--	--
Acquisition and Integration costs	-5	-2	-1	-0	-4	--
EBIT	220	73	66	-32	158	118

Investor Relations



Stephan Gick

Stephan.gick@oerlikon.com

+41 58 360 98 50



Peter Dickson

Peter.dickson@oerlikon.com

+41 58 360 96 39



ir@oerlikon.com



www.oerlikon.com/en/investors



Disclaimer



OC Oerlikon Corporation AG, Pfäffikon, (together with its affiliates hereinafter referred to as “Oerlikon”) has made great efforts to include accurate and up-to-date information in this document. However, Oerlikon makes no representation or warranties, expressed or implied, as to the truth, accuracy or completeness of the information provided in this document. Neither Oerlikon nor any of its directors, officers, employees or advisors, nor any other person connected or otherwise associated with Oerlikon, shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this document.

The contents of this document, including all statements made therein, is based on estimates, assumptions and other information currently available to the management of Oerlikon. This document contains certain statements related to the future business and financial performance or future events involving Oerlikon that may constitute forward-looking statements. The forward-looking statements contained herein could be substantially impacted by risks, influences and other factors, many of which are not foreseeable at present and/or are beyond Oerlikon’s control, so that the actual results, including Oerlikon’s financial results and operational results, may vary materially from and differ than those, expressly or implicitly, provided in the forward-looking statements, be they anticipated, expected or projected. Oerlikon does not give any assurance, representation or warranty, expressed or implied, that such forward-looking statements will be realized. Oerlikon is under no obligation to, and explicitly disclaims any obligation to, update or otherwise review its forward-looking statements, whether as a result of new information, future events or otherwise.

This document, including any and all information contained therein, is not intended as, and may not be construed as, an offer or solicitation by Oerlikon for the purchase or disposal of, trading or any transaction in any Oerlikon securities. Investors must not rely on this information for investment decisions and are solely responsible for forming their own investment decisions.