Q1 2024
Financial Results

7 May 2024

Overview Q1

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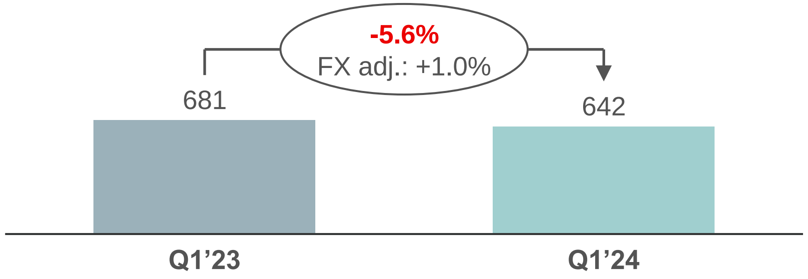
Q1 with improved sequential orders in Polymer Processing Solutions and robust profitability in both divisions

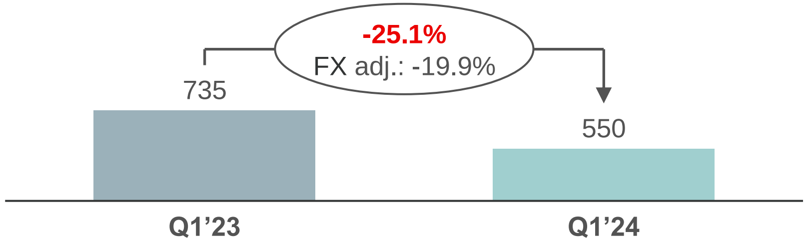
Orders

- **Order intake +1.0%** YoY at constant FX, including +4.8% from M&A [1)]
- Polymer Processing Solutions up +38% vs. Q4'23; down 9% YoY FX adj. due to cyclical filament downturn as expected
- Surface Solutions stable despite soft PMIs



Sales

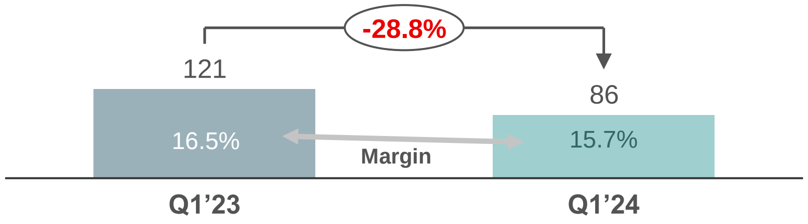
- **Sales -19.9%** at constant FX, including +3.6% from M&A [1)]; in-line with company expectations
- Driven by Polymer Processing Solutions: delayed investment decisions in filament and delayed shipments due to tensions in the Red Sea
- Surface Solutions with stable sales despite soft PMIs



Profit

- **Robust operational EBITDA** despite negative operating leverage
- Proactive cost actions supporting double-digit margin in Polymer Processing Solutions
- Surface Solutions with 122bps improved operational EBITDA margin YoY

Operational EBITDA



Numbers in financial charts of this presentation are in CHF m except when stated otherwise; discontinued Teknoweb, AM and OBA Automation activities are excluded in 2023 operational figures; 1) Riri consolidated as of March 1, 2023

Soft end markets but some early signs of improving momentum

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Surface Solutions

General Ind. & Tooling
28% of 2023 Group sales

Soft industrial activity

- Manufacturing PMIs in contraction in Euro Area and at neutral levels in the US and China; some early signs of positive momentum sequentially in Q1
- Successful launch of new coating generation 'BALINIT ALCRONA EVO' in Tooling

Automotive
14%

Stable

- +1% light vehicles production growth expected in 2024 [1]
- Seeing customers selectively refocusing on combustion engine technology
- Successfully entering e-mobility applications, e.g. e-gearing and battery shielding

Luxury
6%

Wait-and-see mode of customers

- Oerlikon Q1 sequentially supported as Q4 destocking stopped; continued soft end markets due to subdued demand in China
- Swiss watch exports -6% in Q1; continued recovery of tax-free shopping
- Expect high single-digit growth rates in mid-term

Aviation
8%

Continued recovery

- Recovery driven by MRO with increased flying hours; Q1 impacted by seasonality for equipment sales
- New plane production supported by passenger growth and energy efficiency
- +19% passenger growth in Feb YTD; +10% passenger growth expected in 2024 [2]

PMIs still soft but gaining momentum sequentially in Q1

Polymer Processing Solutions

Filament
26%

1st sequential improvement since 2022

- Filament orders supported by sequential improvement
- Some initial signs of revitalization in small and mid-sized orders
- Underlying need for filament equipment intact; equipment market CAGR 01-22 of +4%

Non-Filament
18%

Soft PMIs; car launches reaccelerated

- Soft PMIs impacting broadly diversified geographies and end markets
- Some customers delaying investments, e.g. in nonwoven, staple fiber and industrial yarns applications
- Flow Control benefiting from reacceleration of car launches towards end of Q1

Filament orders supported by sequential improvement

1) Source LMC as per March; 2) Source IATA

Surface Solutions with solid sales despite soft PMIs and improved profitability

Markets

- **Continued cautious** customer purchasing behavior due to macro environment
- Soft industrial activity with PMIs in Europe in contraction zone while US and China at neutral levels; sequential momentum in Q1

Orders

- **Increased** +9.1% FX adjusted, including 8.6% from Riri and 0.6% organic
- Book-to-bill ratio of 1.05

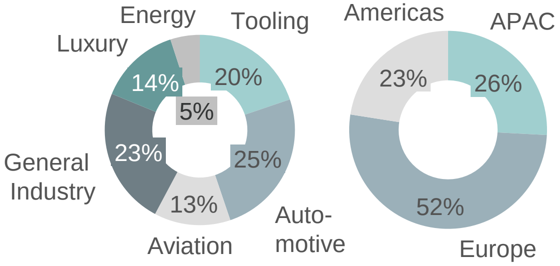
Sales

- **Increased** +7.2% FX adjusted including +7.2% from Riri acquisition
- Flat organic development despite soft PMIs and difficult base as Q1'23 benefited from higher equipment sales in tooling and aviation
- Expect H2 sales to benefit from PMIs gaining momentum

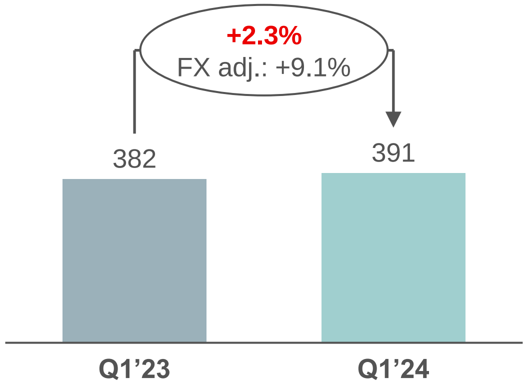
Operational EBITDA

- **Improved** supported by efficiency, innovation and continued pricing; despite higher input costs (e.g. labor) and FX
- Sequentially down as Q4 benefited from profitable YE equipment deliveries

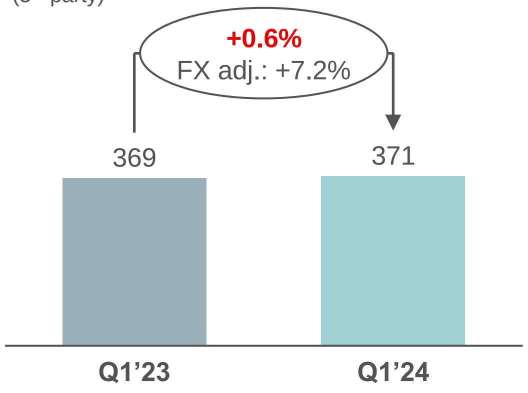
Q1'24 sales split by markets



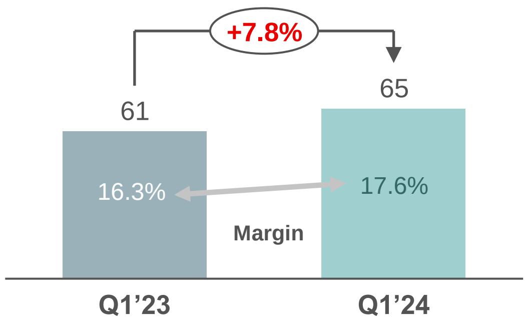
Order intake



Sales
(3rd party)



Operational EBITDA 1)



1) Margin based on unrounded figures and total sales, including intercompany sales; 2023 was restated at year end 2023 mainly for discontinued activities from the Additive Manufacturing business outside of the US

Surface Solutions margins of 20%+ continue to be a key management focus

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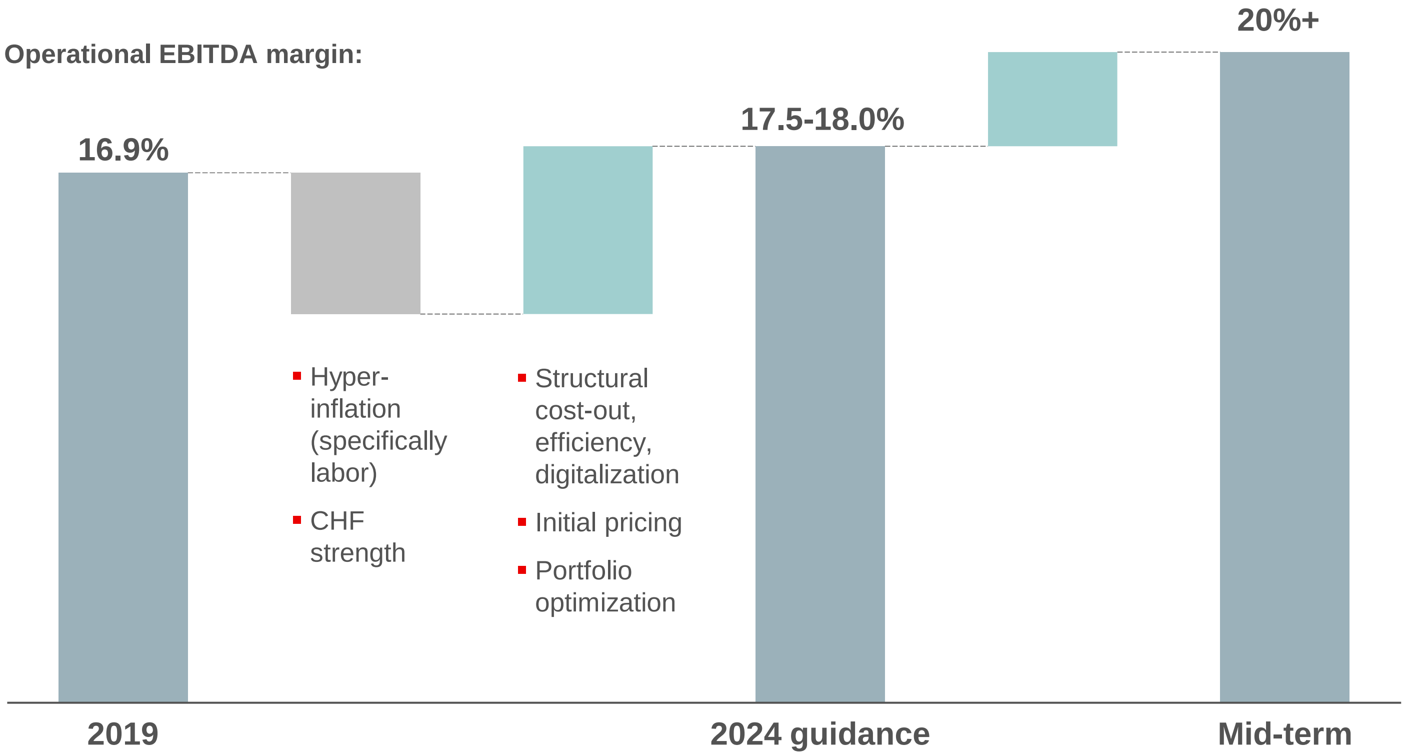
2019-21:
Efficiency gains despite lower sales during COVID ->18.3% margin in 2021

2022-23:
Unprecedented input cost pressure, not yet fully compensated

2024 - Mid-term:
Drive innovation, operating leverage and efficiency



Clear path to 20%+ margin:

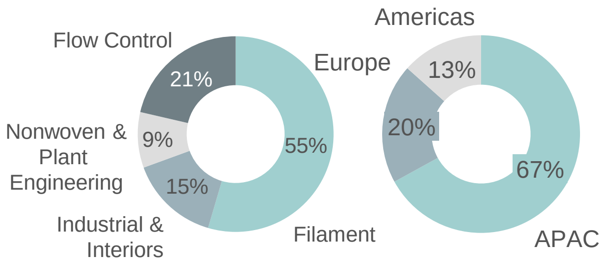
- **Continued pricing** supported by new dedicated pricing team and technology
- **Accelerating innovation & digitalization** (SAP implemented by YE'23; digital twin rollout in 2024 to digitize the coating process)
- **Operational excellence** incl. continued footprint optimization
- **Overhead efficiency** incl. continued streamlining of organization

Polymer Processing Solutions orders improving sequentially; proactive cost control enabling robust margin

Markets

- **Filament** market with sequential momentum following customers having postponed orders in 2023
- **Non-Filament** with lower demand, e.g. in nonwoven, staple fiber and industrial yarns, as some customers are preserving cash; Flow Control benefiting from reacceleration of car launches towards end of Q1

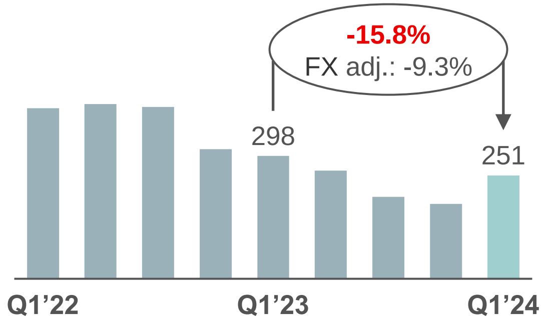
Q1'24 sales split by markets



Orders

- **Improving** orders compared to second half year 2023
- Some initial signs of revitalization in small and mid-sized orders

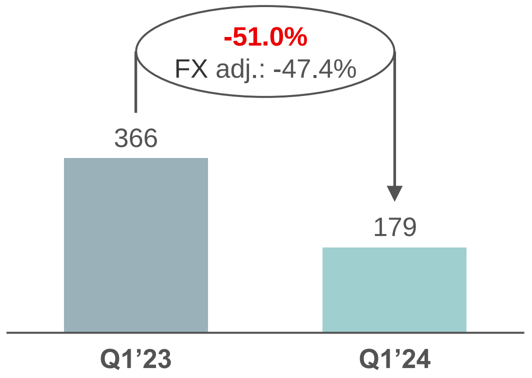
Order intake



Sales

- **Decreased –47%** FX adjusted, reflecting low H2'23 order intake as customers postponed orders; furthermore, delayed shipments due to tensions in the Red Sea, shifting sales into the remainder of 2024
- Non-Filament affected by soft PMIs

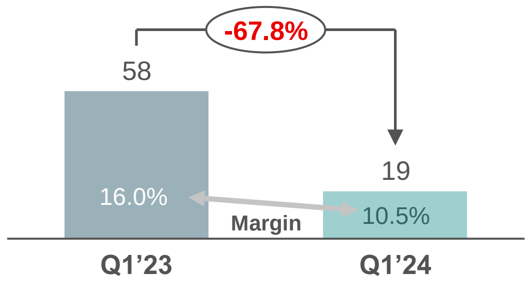
Sales
(3rd party)



Operational EBITDA

- **Robust margin** despite cyclically low sales volume, supported by proactive cost actions implemented since Q3'22
- Counteracting operating leverage, FX and limited pass-through of higher input costs (e.g. labor, energy) to maintain volume

Operational EBITDA 1)



1) Margin based on unrounded figures and total sales, including intercompany sales; 2023 was restated at year end 2023 mainly for discontinued activities from Teknoweb and OBA Automation

Q1 conclusion

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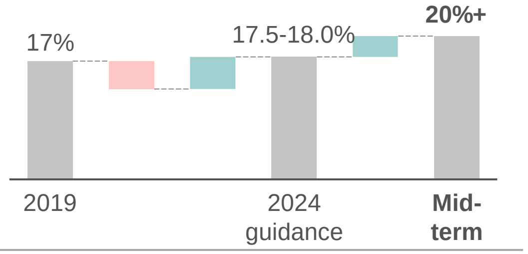
Executing operationally and strategically

Surface Solutions

- **Stable sales** despite soft PMIs; launched new coating generation in Tooling
- **Improved profitability** by 122bps YoY

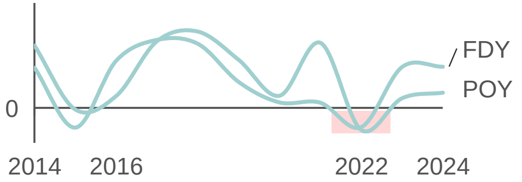
Upside in EBITDA margin:



Polymer Processing Solutions

- **Improved orders** sequentially
- **Robust margin** supported by proactive cost control

Improving price-cost spreads of filament customers [1]:



Pure Play transfor-mation

- **On-track** with plans to separate Polymer Processing Solutions
- Evaluating options with the aim of value creation for all stakeholders

Confirming 2024 guidance

Sales growth	**High single-digit % decrease** Organic, constant FX
Operational EBITDA margin	**15.0-15.5%**

1) Chart representing average annual selling price of polyester products minus raw material cost minus conversion cost

Q&A

Appendix

Q1 reconciliation of profitability measures

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EBITDA to EBIT bridge

	Group		Surface Solutions		Polymer Processing Solutions	
	Q1' 24	Q1' 23	Q1' 24	Q1' 23	Q1' 24	Q1' 23
EBITDA	**85**	**114**	**64**	**58**	**19**	**55**
Depreciation	-29	-31	-22	-24	-6	-7
Impairments	0	0	0	0	-0	0
EBITA	**56**	**83**	**42**	**34**	**13**	**48**
Amortization of Acquired Intangibles	-11	-12	-8	-8	-3	-4
Other Amortization	-11	-10	-5	-5	-2	-3
Impairments	0	-1	0	-1	0	0
EBIT	**34**	**60**	**29**	**21**	**7**	**41**

Operational profitability reconciliation

	Group		Surface Solutions		Polymer Processing Solutions	
	Q1' 24	Q1' 23	Q1' 24	Q1' 23	Q1' 24	Q1' 23
Operational EBITDA	**86**	**121**	**65**	**61**	**19**	**58**
Restructuring expenses	-0	0	-0	0	0	0
Discontinued activities	-1	-6	-1	-3	-0	-3
Acquisition and Integration costs	-0	-1	-0	-0	0	-0
EBITDA	**85**	**114**	**64**	**58**	**19**	**55**

	Group		Surface Solutions		Polymer Processing Solutions	
	Q1' 24	Q1' 23	Q1' 24	Q1' 23	Q1' 24	Q1' 23
Operational EBIT	**36**	**71**	**31**	**26**	**8**	**46**
Restructuring expenses	-0	0	-0	0	0	0
Impairments related to restructuring	0	0	0	0	0	0
Discontinued activities	-2	-10	-2	-5	-0	-5
Acquisition and Integration costs	-0	-1	-0	-0	0	-0
EBIT	**34**	**60**	**29**	**21**	**7**	**41**

2023 operational EBIT and operational EBITDA are restated for discontinued activities

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