

The background of the slide is a photograph of a white catamaran sailboat with a large white sail featuring a red and black logo. The boat is on the water, with a city skyline visible in the background under a clear blue sky. The sun is low on the horizon, creating a warm glow.

# Q3 2022 Financial Results

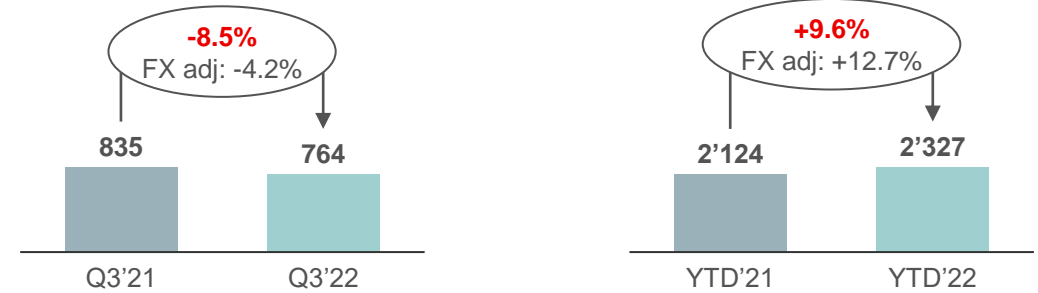
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3 November 2022

## Q3 with +8% EBITDA growth; weakening industrial activity and volatile energy markets

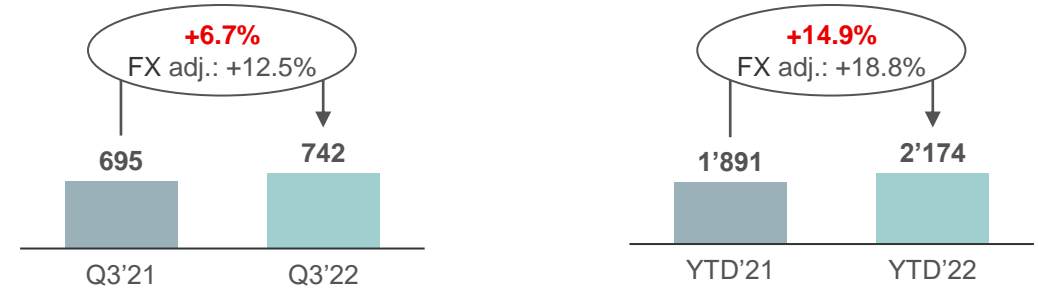
### Orders

- **Q3 order intake -4.2%** YoY FX adj, as a result of Polymer Processing Solutions' record order intake in Q3'21
- Robust underlying performance with YTD orders +12.7% FX adj.
- Book-to-bill >1



### Sales

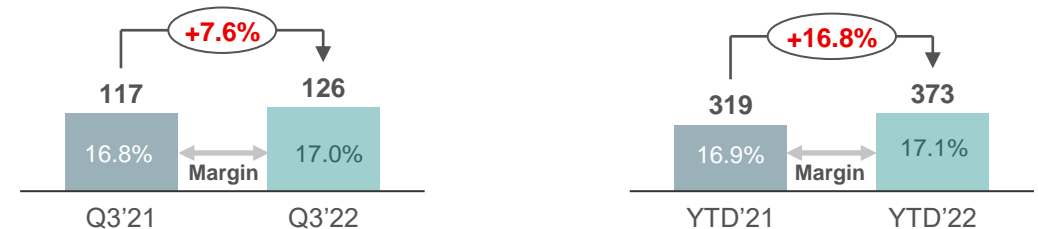
- **Q3 sales +12.5%** FX adj.
- Sales +12.3% in Polymer Processing Solutions and +12.6% in Surface Solutions (FX adj.); weakening industrial activity and a more difficult macro environment



### Profit

- **Q3 operational EBITDA +8%**
- Slight margin improvement, despite transitory impacts from rising input cost (incl. energy)

#### Operational EBITDA



\* Numbers in financial charts of this presentation are in CHF m except when stated otherwise

# End markets increasingly impacted by macro environment

## Filament

33% of 2021 Group sales

## Non-Filament

19%

## General Ind. & Tooling

29%

## Automotive

14%

## Aviation

5%

Market environment



**Limited order postponements**



**Mixed picture**



**Weakening industrial activity**



**Easing shortages**



**Recovery from low levels**

- Good order book coverage of 2023, macro environment resulted in some customers starting to postpone orders
- Structural need for filament equipment from growing population; equipment market CAGR 01-21 of +4%
- Manmade fibers with better availability and resource intensity than natural fibers

- Flow Control benefitting from lightweight trend in automotive; market share gains in non-automotive enabled by customer synergies with Surface Solutions and technology leadership
- Strong demand for plant engineering solutions, such as polycondensation plants
- Macro environment resulting in customers postponing Capex decisions, e.g. in Nonwoven and Industrial Yarns

- Solid YTD performance; global PMI data signal an upcoming downturn
- Semiconductors stabilizing on high level with increasing penetration of PVD where Oerlikon is leading; solid demand in luxury continued
- Order momentum in oil & gas driving materials business

- Partial easing of supply chain shortages in Q3
- LMC expecting global light vehicle production up mid-single digit in Q4 and 4% in 2023<sup>1)</sup>
- Successfully pioneering e-mobility applications (e.g. e-gearing, compressor shaft, differential shaft, thermal insulation systems)

- Recovery mainly driven by MRO business with increased flying hours
- New plane production supported by passenger growth and energy efficiency; partially offset by shortages at engine OEMs
- Domestic passenger growth improved slightly YoY despite Chinese lockdowns; international passenger growth up >115% YoY in Jul/Aug <sup>2)</sup>

### Polymer Processing Solutions

Macro environment impacting discretionary consumer spending, leading to customers postponing investments

### Surface Solutions

PMI data signal an upcoming downturn; automotive and aviation production backlog expected to partially offset

1) LMC forecast as per October 2022; 2) Source: IATA

# Surface Solutions with higher sales and stable EBITDA

## Markets

- **Easing supply chain shortages** in Q3 compared to H1; expect further easing in Q4
- **Macro environment** leading to more cautious customer purchasing behavior and weakening industrial activity in H2

## Orders

- **Increased** +9% FX adjusted
- Positive impact of easing supply shortages counteracted by weakening industrial activity

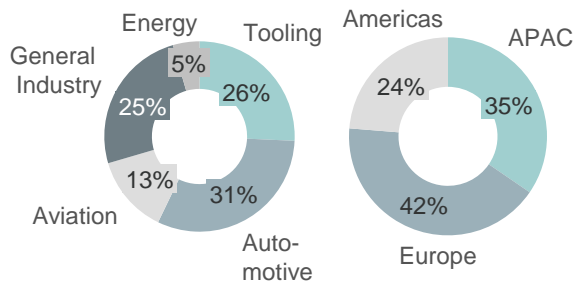
## Sales

- **Increased** +13% FX adjusted
- Driven by easing shortages in automotive and recovery in aviation
- Tooling and General Industries impacted by weakening industrial activity

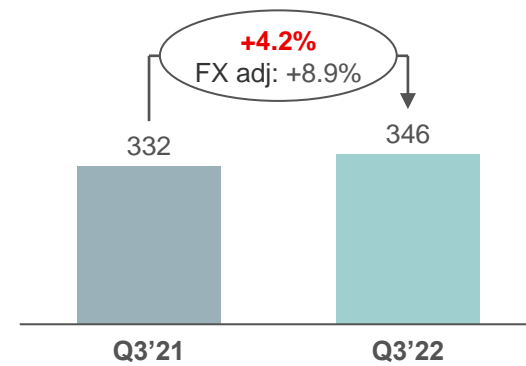
## Operational EBITDA

- **Stable** with lower margin due to mix and higher input costs (energy)
- Energy hedged in majority of countries; some exposure in smaller countries due to insolvency of hedging counterparties
- Oerlikon following structural approach to pass on input costs (time delay)

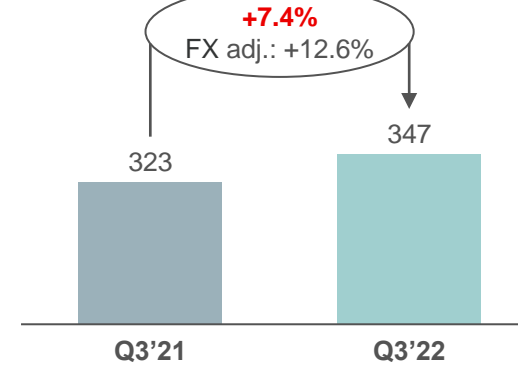
Q3'22 sales split by markets <sup>3)</sup>



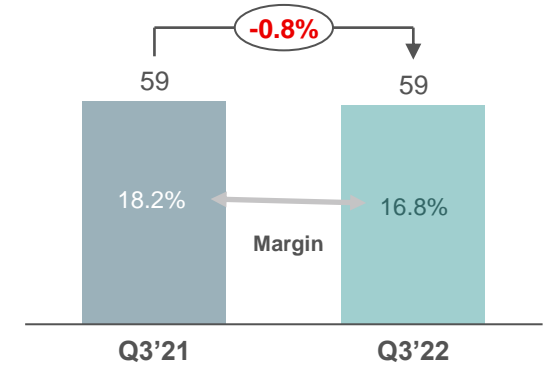
Order intake



Sales  
(3<sup>rd</sup> party)



Operational EBITDA <sup>1)</sup>



1) Margin based on unrounded figures and total sales, including intercompany sales

# Polymer Processing Solutions with 17% EBITDA growth



## Markets

- **Filament** order book well filled for 2023; macro environment resulted in some customers starting to postpone orders
- **Non-Filament** with strong demand in Flow Control and Plant Engineering; macro environment resulting in some customers postponing investment decisions e.g. in Nonwoven and Industrial Yarns

## Orders

- **Robust** order intake in Q3 representing Oerlikon's third largest order intake; YoY development impacted by record order intake last year
- YTD orders of CHF 1.26bn, up +15% YoY FX adjusted

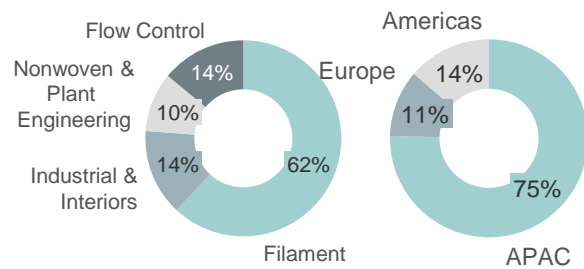
## Sales

- **Increased** +6% (FX adj. +12%), driven by order backlog and solid execution
- Non-Filament sales +5%
- Strong YTD sales of CHF 1.15bn, despite FX headwinds

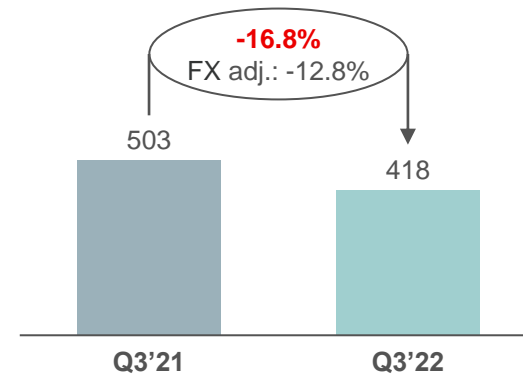
## Operational EBITDA

- **Increased** +17% in Q3 YoY
- Higher margin supported by operating leverage and cost control

### Q3'22 sales split by markets

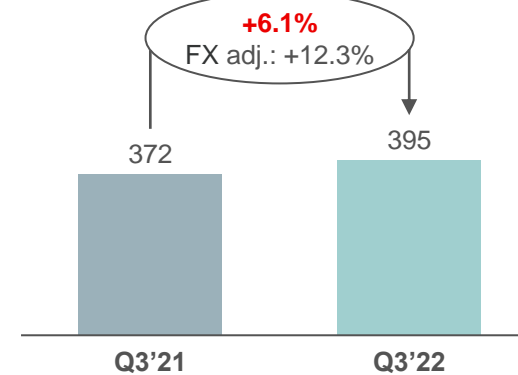


### Order intake

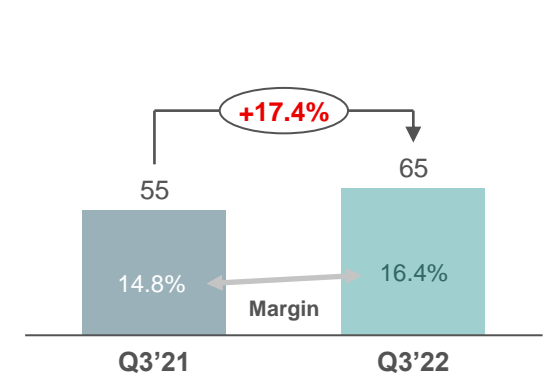


### Sales

(3<sup>rd</sup> party)



### Operational EBITDA <sup>1)</sup>

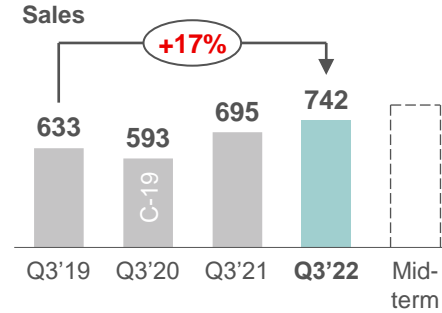


1) Margin based on unrounded figures and total sales, including intercompany sales

# Strategy execution on-track

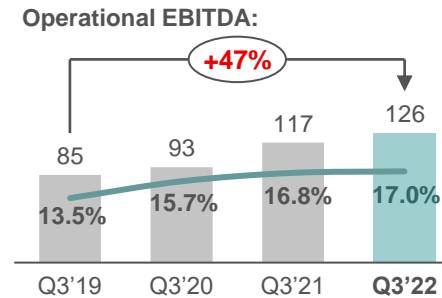
## Structural sales growth

- Surface Solutions demand driven by sustainability and efficiency
- Polymer Processing Solutions demand driven by rising GDP and limited alternative resources; ongoing market extension



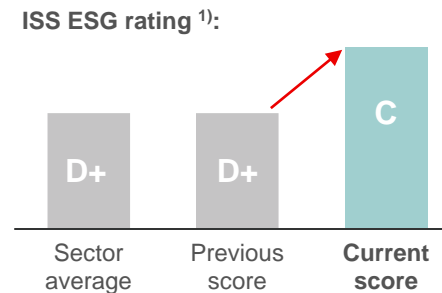
## Profitability growth

- EBITDA margins benefitting from reduced cost base on increasing sales
- ROCE to benefit from new capital allocation framework



## Driving sustainability progress

- Support customers in meeting their sustainability targets
- On-track to deliver on own 2030 targets



**Profitable & Sustainable Growth**

1) as per August 2022

- 1** Strategy execution on-track
- 2** Economic environment deteriorated since the summer
- 3** Preparing to manage potential downturn
- 4** 2022 guidance updated: >2.9bn sales; 17.0 - 17.5% operational EBITDA margin

# Q&A





# Appendix



# Q3 reconciliation of profitability measures

## EBITDA to EBIT bridge

	Group		Surface Solutions		Polymer Processing Solutions	
	Q3' 22	Q3' 21	Q3' 22	Q3' 21	Q3' 22	Q3' 21
<b>EBITDA</b>	<b>126</b>	<b>115</b>	<b>59</b>	<b>58</b>	<b>65</b>	<b>52</b>
Depreciation	-32	-34	-25	-26	-7	-7
Impairments	0	-0	0	-0	--	--
<b>EBITA</b>	<b>94</b>	<b>81</b>	<b>34</b>	<b>32</b>	<b>58</b>	<b>45</b>
Amortization of Acquired Intangibles	-12	-14	-8	-9	-5	-5
Other Amortization	-9	-8	-4	-4	-2	-3
Impairments	--	-1	--	-1	--	--
<b>EBIT</b>	<b>73</b>	<b>58</b>	<b>23</b>	<b>18</b>	<b>51</b>	<b>37</b>

## Operational profitability reconciliation

	Group		Surface Solutions		Polymer Processing Solutions	
	Q3' 22	Q3' 21	Q3' 22	Q3' 21	Q3' 22	Q3' 21
<b>Operational EBITDA</b>	<b>126</b>	<b>117</b>	<b>59</b>	<b>59</b>	<b>65</b>	<b>55</b>
Restructuring expenses	0	0	0	0	0	--
Discontinued activities	0	--	0	--	--	--
Acquisition and Integration costs	-1	-2	-0	-1	-0	-4
<b>EBITDA</b>	<b>126</b>	<b>115</b>	<b>59</b>	<b>58</b>	<b>65</b>	<b>52</b>

	Group		Surface Solutions		Polymer Processing Solutions	
	Q3' 22	Q3' 21	Q3' 22	Q3' 21	Q3' 22	Q3' 21
<b>Operational EBIT</b>	<b>72</b>	<b>61</b>	<b>22</b>	<b>19</b>	<b>51</b>	<b>40</b>
Restructuring expenses	0	0	0	0	0	--
Impairments related to restructuring	0	-1	0	-1	--	--
Discontinued activities	0	--	-0	--	--	--
Acquisition and Integration costs	-1	-2	-0	-1	-0	-4
<b>EBIT</b>	<b>73</b>	<b>58</b>	<b>23</b>	<b>18</b>	<b>51</b>	<b>37</b>

# YTD reconciliation of profitability measures

## EBITDA to EBIT bridge

	Group		Surface Solutions		Polymer Processing Solutions	
	9M 22	9M 21	9M 22	9M 21	9M 22	9M 21
<b>EBITDA</b>	<b>363</b>	<b>315</b>	<b>176</b>	<b>174</b>	<b>188</b>	<b>133</b>
Depreciation	-99	-99	-76	-80	-21	-17
Impairments	-0	-1	-0	-1	--	--
<b>EBITA</b>	<b>263</b>	<b>214</b>	<b>100</b>	<b>93</b>	<b>166</b>	<b>116</b>
Amortization of Acquired Intangibles	-40	-38	-25	-28	-15	-9
Other Amortization	-26	-23	-12	-11	-7	-8
Impairments	--	-2	--	-2	--	--
<b>EBIT</b>	<b>198</b>	<b>152</b>	<b>63</b>	<b>52</b>	<b>145</b>	<b>99</b>

## Operational profitability reconciliation

	Group		Surface Solutions		Polymer Processing Solutions	
	9M 22	9M 21	9M 22	9M 21	9M 22	9M 21
<b>Operational EBITDA</b>	<b>373</b>	<b>319</b>	<b>180</b>	<b>174</b>	<b>188</b>	<b>137</b>
Restructuring expenses	-0	1	-0	1	-0	-0
Discontinued activities	-3	--	-3	--	--	--
Acquisition and Integration costs	-6	-5	-0	-1	-0	-4
<b>EBITDA</b>	<b>363</b>	<b>315</b>	<b>176</b>	<b>174</b>	<b>188</b>	<b>133</b>

	Group		Surface Solutions		Polymer Processing Solutions	
	9M 22	9M 21	9M 22	9M 21	9M 22	9M 21
<b>Operational EBIT</b>	<b>208</b>	<b>159</b>	<b>67</b>	<b>54</b>	<b>146</b>	<b>102</b>
Restructuring expenses	-0	1	-0	1	-0	-0
Impairments related to restructuring	-0	-3	-0	-3	--	--
Discontinued activities	-4	--	-4	--	--	--
Acquisition and Integration costs	-6	-5	-0	-1	-0	-4
<b>EBIT</b>	<b>198</b>	<b>152</b>	<b>63</b>	<b>52</b>	<b>145</b>	<b>99</b>

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