

**oerlikon**

Interim Report **HY2022**

# About Oerlikon

**Oerlikon** is a global innovation powerhouse for surface engineering, polymer processing and additive manufacturing. Our solutions and comprehensive services, together with our advanced materials, improve and maximize the performance, function, design and sustainability of our customers' and their customers' products and manufacturing processes in key industries.

Pioneering technology for decades, we cherish creating and designing the future with our customers close to where they are, enabling them to achieve more with less.

Emissions reduction in transportation, maximized longevity and performance of tools, increased energy efficiency, intelligent materials and sustainable polymer processing are proven hallmarks of our global leadership.

Everything we invent, develop and do is guided by our passion to support our customers' goals and foster a sustainable world.

Headquartered in Pfaeffikon, Switzerland, the Group operates its business in two divisions – Surface Solutions and Polymer Processing Solutions. It has a global footprint of more than 12 000 employees at 202 locations in 37 countries and generated sales of CHF 2.65 billion in 2021.

## Group Structure

Both divisions offer customer solutions under leading brands and execute strategies targeted at customers' needs in their respective markets.



# Half-Year 2022 at a Glance

## Strong Half-Year Performance Confirming Growth Strategy

Oerlikon delivered strong half-year results with order intake increasing by 21%, sales by 20% and operational EBITDA by 22% versus the prior year.

### Surface Solutions

Increased orders by 8% and sales by 9%, driven by general industries, energy and aviation. Operational EBITDA improved by 6%. Margin was impacted by transitory shortages in high-margin businesses.

### Polymer Processing Solutions

Recorded another successful half-year: order intake +36% and sales +32%, driven by demand for filament and non-filament solutions, including flow control systems and plant engineering. Operational EBITDA increased by 51% and the margin by 210 basis points, due to positive operating leverage, cost control and the INglass acquisition.

### 2022 Guidance Confirmed

Group sales are expected to be around CHF 2.9 billion and the operational EBITDA margin to be around 17.5%.

Order Intake (CHF)

**1 563 million**

Sales (CHF)

**1 432 million**

Operational  
EBITDA Margin

**17.2%**

Net Result (CHF)

**88 million**

## Key Figures

	Order Intake	Sales	Operational EBITDA Margin	Net Income
Group	CHF 1 563 million +21.2%	CHF 1 432 million +19.7%	17.2%	CHF 88 million
Surface Solutions Division	CHF 724 million +7.8%	CHF 680 million +8.9%	17.8%	
Polymer Processing Solutions Division	CHF 839 million +35.9%	CHF 752 million +31.5%	16.4%	

# Interim Financial Report 2022

## Key Figures Oerlikon Group

in CHF million	<b>January 1 to June 30, 2022 unaudited</b>	January 1 to June 30, 2021 unaudited
Order intake	1 563	1 289
Order backlog	838	705
Sales	1 432	1 196
EBITDA	237	200
– as % of sales	16.6%	16.7%
Operational EBITDA <sup>1</sup>	247	202
– as % of sales <sup>1</sup>	17.2%	16.9%
EBIT	125	95
– as % of sales	8.7%	7.9%
Operational EBIT <sup>2</sup>	135	99
– as % of sales <sup>2</sup>	9.4%	8.3%
Net result	88	72
– as % of equity attributable to shareholders of the parent	7%	5%
Cash flow from operating activities <sup>3</sup>	22	36
Capital expenditure for property, plant and equipment and intangible assets	46	45
Total assets (June 30, 2022/December 31, 2021)	4 215	4 341
Equity attributable to shareholders of the parent (June 30, 2022/December 31, 2021)	1 354	1 424
– as % of total assets	32%	33%
Net debt (June 30, 2022/December 31, 2021) <sup>4</sup>	–513	–341
Net operating assets (June 30, 2022/December 31, 2021) <sup>5</sup>	2 235	2 204
Number of employees (full-time equivalents) (June 30, 2022/December 31, 2021)	12 029	11 808
Research and development expenditure <sup>6</sup>	54	59

<sup>1</sup> Operational EBITDA is defined as EBITDA, adjusted by expenses directly related to restructuring activities, effects from discontinued activities not qualifying as discontinued operations, impairments on associates as well as acquisition and integration costs.

<sup>2</sup> Operational EBIT is defined as EBIT, adjusted by expenses and impairments directly related to restructuring activities, effects from discontinued activities not qualifying as discontinued operations, impairments on associates, goodwill and intangible assets acquired in a business combination as well as acquisition and integration costs.

<sup>3</sup> Cash flow from operating activities before changes in net current assets amounts to CHF 199 million (previous period: CHF 185 million).

<sup>4</sup> Net debt includes cash and cash equivalents, deposits and marketable securities less current and non-current debt.

<sup>5</sup> Net operating assets are defined as operating assets (total assets without cash and cash equivalents, current financial investments, current income tax receivables and deferred tax assets) less operating liabilities (total liabilities without financial and lease liabilities, current income taxes payable, non-current post-employment benefit liabilities and deferred tax liabilities).

<sup>6</sup> Research and development expenditure includes expenses recognized as intangible assets in the amount of CHF 9 million (previous period: CHF 8 million).

## Consolidated Income Statement

in CHF million	<b>January 1 to June 30, 2022, unaudited</b>	January 1 to June 30, 2021, unaudited
Sales of goods	965	748
Services rendered	467	447
<b>Total sales</b>	<b>1 432</b>	<b>1 196</b>
Cost of sales	-1 035	-847
<b>Gross profit</b>	<b>397</b>	<b>349</b>
Marketing and selling	-101	-80
Research and development	-66	-63
Administration	-106	-108
Other income	17	11
Other expense	-16	-13
<b>Result before interest and taxes (EBIT)</b>	<b>125</b>	<b>95</b>
Financial income	18	9
Financial expense	-23	-8
<b>Result before taxes (EBT)</b>	<b>120</b>	<b>96</b>
Income taxes	-32	-24
<b>Net result</b>	<b>88</b>	<b>72</b>
Attributable to:		
Shareholders of the parent	86	69
Non-controlling interests	3	2
Earnings per share in CHF	<b>0.26</b>	0.21
Diluted earnings per share in CHF	<b>0.26</b>	0.21
<b>EBITDA</b>	<b>237</b>	<b>200</b>
<b>Operational EBIT</b>	<b>135</b>	<b>99</b>
<b>Operational EBITDA</b>	<b>247</b>	<b>202</b>

## Consolidated Statement of Comprehensive Income

in CHF million	<b>January 1 to June 30, 2022, unaudited</b>	January 1 to June 30, 2021, unaudited
Net result	88	72
<b>Other comprehensive income</b>		
<b>Items that will never be reclassified to the income statement</b>		
Remeasurement of defined benefit plans	16	45
Income taxes on items that will never be reclassified to the income statement	-15	-9
	<b>1</b>	<b>36</b>
<b>Items that are or may be reclassified subsequently to the income statement</b>		
Gains and losses from hedging	-7	-1
Conversion differences	-25	42
Income taxes on items that are or may be reclassified subsequently to the income statement	2	-
	<b>-30</b>	<b>41</b>
<b>Other comprehensive income for the period, net of taxes</b>	<b>-29</b>	<b>77</b>
<b>Total comprehensive income for the period</b>	<b>59</b>	<b>149</b>
Attributable to:		
Shareholders of the parent	58	146
Non-controlling interests	1	3

## Consolidated Balance Sheet

### Assets

in CHF million	June 30, 2022, unaudited	December 31, 2021
Cash and cash equivalents	502	601
Current financial investments and derivatives	24	26
Trade and trade notes receivable	494	440
Current contract assets	73	85
Other receivables	112	114
Current income tax receivables	21	34
Inventories	522	407
Prepaid expenses and accrued income	36	26
<b>Current assets</b>	<b>1 783</b>	<b>1 734</b>
Loans and other non-current financial receivables	29	30
Non-current financial investments	41	41
Property, plant and equipment	542	583
Right-of-use assets	199	209
Goodwill and intangible assets	1 493	1 538
Post-employment benefit assets	–	58
Deferred tax assets	124	145
Non-current contract assets	5	5
<b>Non-current assets</b>	<b>2 432</b>	<b>2 607</b>
<b>Total assets</b>	<b>4 215</b>	<b>4 341</b>

### Liabilities and equity

in CHF million	June 30, 2022, unaudited	December 31, 2021
Trade payables	339	355
Current contract liabilities	526	549
Current lease liabilities	29	31
Current financial liabilities and derivatives	246	142
Other current payables	105	106
Accrued liabilities	225	216
Current income taxes payable	51	56
Current post-employment benefit liabilities	18	19
Other current provisions	42	47
<b>Current liabilities</b>	<b>1 580</b>	<b>1 522</b>
Non-current lease liabilities	174	181
Non-current loans and borrowings	607	611
Other non-current liabilities	40	44
Non-current post-employment benefit liabilities	203	288
Deferred tax liabilities	162	171
Other non-current provisions	50	55
<b>Non-current liabilities</b>	<b>1 236</b>	<b>1 351</b>
<b>Total liabilities</b>	<b>2 816</b>	<b>2 873</b>
Share capital	340	340
Treasury shares	–134	–120
Retained earnings and reserves	1 149	1 204
<b>Equity attributable to shareholders of the parent</b>	<b>1 354</b>	<b>1 424</b>
Non-controlling interests	45	45
<b>Total equity</b>	<b>1 399</b>	<b>1 469</b>
<b>Total liabilities and equity</b>	<b>4 215</b>	<b>4 341</b>

## Consolidated Cash Flow Statement

in CHF million	January 1 to June 30, 2022, unaudited	January 1 to June 30, 2021, unaudited
Net result	88	72
Income taxes	32	24
Interest expense (net)	6	4
Depreciation of property, plant and equipment	48	47
Depreciation of right-of-use assets	19	18
Amortization of intangible assets	44	38
Release of/addition to other provisions (net)	-8	1
Impairment losses on property, plant and equipment	1	-
Impairment losses on right-of-use assets	-	1
Impairment losses on intangible assets	-	1
Impairment losses on non-current receivables	10	-
Decrease in post-employment benefit liabilities	-4	-3
Income taxes paid	-24	-31
Share-based payments	3	2
Other non-cash items	-15	11
<b>Cash flow from operating activities before changes in net current assets</b>	<b>199</b>	<b>185</b>
Increase in receivables, contract assets, prepaid expenses and accrued income	-64	-103
Increase in inventories	-123	-45
Increase/decrease in payables, accrued liabilities and use of other provisions	9	-60
Decrease/increase in contract liabilities	-12	65
Non-cash impact on net current assets due to hedge accounting	13	-5
<b>Cash flow from changes in net current assets</b>	<b>-178</b>	<b>-149</b>
<b>Cash flow from operating activities</b>	<b>22</b>	<b>36</b>
Purchase of property, plant and equipment	-26	-25
Proceeds from sale of property, plant and equipment	2	1
Purchase of intangible assets	-21	-20
Disposal of Group companies, net of cash disposed	-1	-
Acquisition of subsidiaries, net of cash acquired	-1	-275
Proceeds from/granting of loans to other parties	1	-1
Proceeds from/purchase of financial investments, net	2	-1
Interest received	4	3
<b>Cash flow from investing activities</b>	<b>-41</b>	<b>-320</b>
Dividends paid	-115	-115
Purchase of treasury shares	-20	-5
Repayment of financial debt	-9	-71
Proceeds from financial debt	94	573
Principal elements of lease payments	-17	-17
Interest paid	-9	-8
<b>Cash flow from financing activities</b>	<b>-77</b>	<b>357</b>
Conversion adjustments to cash and cash equivalents	-3	14
<b>Decrease/increase in cash and cash equivalents</b>	<b>-99</b>	<b>88</b>
Cash and cash equivalents at the beginning of the period	601	414
Cash and cash equivalents at the end of the period	502	502
<b>Decrease/increase in cash and cash equivalents</b>	<b>-99</b>	<b>88</b>



## Consolidated Statement of Changes in Equity

in CHF million	Share capital <sup>1</sup>	Additional paid-in capital	Treasury shares	Conversion differences	Retained earnings	Hedge accounting	Fair Value adjustment	Income taxes	Total equity attributable to shareholders	Non-controlling interests	Total shareholders' equity
<b>Balance at January 1, 2021</b>	<b>340</b>	<b>558</b>	<b>-123</b>	<b>-264</b>	<b>713</b>	<b>-</b>	<b>-</b>	<b>101</b>	<b>1324</b>	<b>28</b>	<b>1352</b>
Net result	-	-	-	-	69	-	-	-	69	2	72
Gains and losses from hedging	-	-	-	-	-	-1	-	-	-1	-	-1
Remeasurement of defined benefit plans	-	-	-	-	45	-	-	-9	36	-	36
Conversion differences	-	-	-	41	-	-	-	-	41	1	42
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>45</b>	<b>-1</b>	<b>-</b>	<b>-9</b>	<b>76</b>	<b>1</b>	<b>77</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>114</b>	<b>-1</b>	<b>-</b>	<b>-9</b>	<b>146</b>	<b>3</b>	<b>149</b>
Dividend distributions	-	-	-	-	-114	-	-	-	-114	-1	-115
Share-based payments	-	-	2	-	-	-	-	-	2	-	2
Purchase of treasury shares <sup>2</sup>	-	-	-5	-	-	-	-	-	-5	-	-5
Transfer of treasury shares	-	-	33	-	7	-	-	-	40	-	40
<b>Contributions and distributions</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>-108</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-78</b>	<b>-1</b>	<b>-78</b>
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-5	-	-	-	-5	15	11
<b>Changes in ownership interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-5</b>	<b>15</b>	<b>11</b>
<b>Total transactions with owners of the company</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>-113</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-83</b>	<b>15</b>	<b>-68</b>
<b>Balance at June 30, 2021</b>	<b>340</b>	<b>558</b>	<b>-93</b>	<b>-223</b>	<b>714</b>	<b>-1</b>	<b>-</b>	<b>92</b>	<b>1387</b>	<b>46</b>	<b>1433</b>
<b>Balance at January 1, 2022</b>	<b>340</b>	<b>558</b>	<b>-120</b>	<b>-291</b>	<b>838</b>	<b>5</b>	<b>9</b>	<b>86</b>	<b>1424</b>	<b>45</b>	<b>1469</b>
Net result	-	-	-	-	86	-	-	-	86	3	88
Gains and losses from hedging	-	-	-	-	-	-7	-	2	-5	-	-5
Remeasurement of defined benefit plans	-	-	-	-	16	-	-	-15	1	-	1
Conversion differences	-	-	-	-23	-	-	-	-	-23	-1	-25
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-23</b>	<b>16</b>	<b>-7</b>	<b>-</b>	<b>-13</b>	<b>-28</b>	<b>-1</b>	<b>-29</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-23</b>	<b>102</b>	<b>-7</b>	<b>-</b>	<b>-13</b>	<b>58</b>	<b>1</b>	<b>59</b>
Dividend distributions	-	-	-	-	-114	-	-	-	-114	-1	-115
Share-based payments	-	-	5	-	-2	-	-	-	3	-	3
Purchase of treasury shares <sup>2</sup>	-	-	-20	-	-	-	-	-	-20	-	-20
<b>Contributions and distributions</b>	<b>-</b>	<b>-</b>	<b>-15</b>	<b>-</b>	<b>-116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-131</b>	<b>-1</b>	<b>-132</b>
Revaluation of liability for the acquisition of non-controlling interests	-	-	-	-	3	-	-	-	3	-	3
<b>Changes in ownership interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>
<b>Total transactions with owners of the company</b>	<b>-</b>	<b>-</b>	<b>-15</b>	<b>-</b>	<b>-113</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-128</b>	<b>-1</b>	<b>-129</b>
<b>Balance at June 30, 2022</b>	<b>340</b>	<b>558</b>	<b>-134</b>	<b>-314</b>	<b>827</b>	<b>-2</b>	<b>9</b>	<b>72</b>	<b>1354</b>	<b>45</b>	<b>1399</b>

<sup>1</sup> The share capital of OC Oerlikon Corporation AG, Pfäffikon, consists of 339 758 576 fully paid registered shares (previous year: 339 758 576) of a nominal value of CHF 1 each.

<sup>2</sup> OC Oerlikon Corporation Inc., Pfäffikon informed on November 5, 2019 that the Board of Directors has approved to buy back own shares for up to a maximum of 10% of the share capital. The effective size of the buyback program depends, among other things, on the number of treasury shares held and the market situation. The repurchased registered shares shall be used as a reserve for future M&A transactions and employee benefit plans. The program started in November 2019 and will run up to 36 months. In the first half of 2022 2 840 530 shares (previous period: 493 803) were repurchased as part of the share buyback program for a consideration of CHF 20 million (previous period: CHF 5 million). Since the inception of the share buyback program in 2019, a total of 19 672 989 shares have been bought for CHF 170 million.

## Significant Accounting Principles

### Company operations

OC Oerlikon Corporation AG, Pfäffikon is a Swiss public company located in Churerstrasse 120, Pfäffikon, canton of Schwyz, Switzerland. It is the ultimate parent company of the Oerlikon Group, a leading high-tech industrial Group which provides innovative industrial solutions and cutting-edge technologies for surface solutions and polymer processing solutions.

### Basis of preparation

The unaudited consolidated interim financial statements of OC Oerlikon Corporation AG, Pfäffikon for the first half of 2022 are presented in a condensed form and have been prepared in accordance with IAS 34 Interim Financial Reporting and Swiss company law. These accounting standards have been applied consistently in all periods presented in this report. The reporting period is six months. The consolidated income statement shows operating costs grouped by function. Assets and liabilities in the consolidated balance sheet are classified as current or non-current. The consolidated interim financial statements do not include all the details contained in the consolidated annual financial statements and should therefore be read in conjunction with the annual consolidated financial statements as of December 31, 2021. The consolidated interim financial statements were approved by the Board of Directors on August 2, 2022.

All amounts in the consolidated interim financial statements are presented in millions of Swiss francs (CHF million) and 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.

The accounting policies in the consolidated interim financial statements match those applied in the audited annual consolidated financial statements as of December 31, 2021.

### Adoption of new and revised accounting standards

No new or amended standards or interpretations effective for the financial year beginning on January 1, 2022 had a significant impact on the Group's consolidated financial statements.

### Newly published accounting standards not early adopted

Certain new accounting standards and interpretations have been published by the IASB that are not mandatory for the reporting period beginning on January 1, 2022 yet and that have not been early adopted by the Oerlikon Group. None of them is expected to have a material impact on the Group's financial statements.

### Segment information

The Group consists of the following reportable Segments:

- The Surface Solutions Division is a world-leading supplier of advanced materials and surface technologies for components and tools used in a wide range of industrial applications where superior materials and surface performance are required.
- The Polymer Processing Solutions Division is a world market leader for solutions and systems used to manufacture manmade fibers that enable customers to produce high-quality synthetic fibers.

The Segment reporting of the Oerlikon Group is in accordance with the "management approach" and is based on the internal structure and reporting. The Chief Executive Officer (CEO)/Executive Chairman (from July 1, 2022) performs the function of the Chief Operating Decision Maker (CODM), assesses performance and makes resource allocation decisions.

The internal reporting to the CODM is based on uniform Group accounting principles, which correspond to those used in the consolidated financial statements. Intersegment pricing is determined on an arm's length basis.

#### **Alternative performance measures**

The Oerlikon Group uses the following alternative performance measures:

##### **■ Operational EBITDA**

Operational EBITDA is defined as EBITDA adjusted by expenses directly related to restructuring activities, effects from discontinued activities not qualifying as discontinued operations, impairments on associates as well as acquisition and integration costs.

##### **■ Operational EBIT**

Operational EBIT is defined as EBIT adjusted by expenses and impairments directly related to restructuring activities, effects from discontinued activities not qualifying as discontinued operations, impairments on associates, goodwill and intangible assets acquired in a business combination as well as acquisition and integration costs.

## Segment Information

in CHF million	Surface Solutions Division		Polymer Processing Solutions Division		Total Divisions	
	2022	2021	2022	2021	2022	2021
<b>Order intake</b>	<b>724</b>	<b>672</b>	<b>839</b>	<b>618</b>	<b>1563</b>	<b>1289</b>
<b>Order backlog</b>	<b>219</b>	<b>168</b>	<b>619</b>	<b>537</b>	<b>838</b>	<b>705</b>
<b>Sales</b>						
Sales to third parties	680	624	752	572	1432	1196
Sales to other divisions	4	3	–	–	4	3
Eliminations	–4	–3	–	–	–4	–3
	<b>680</b>	<b>624</b>	<b>752</b>	<b>572</b>	<b>1432</b>	<b>1196</b>
<b>Sales to third parties by market region<sup>4</sup></b>						
Asia/Pacific	211	206	555	460	766	666
Europe	309	292	122	83	432	375
Americas	159	126	75	29	234	155
	<b>680</b>	<b>624</b>	<b>752</b>	<b>572</b>	<b>1432</b>	<b>1196</b>
<b>Sales to third parties by location<sup>4</sup></b>						
Asia/Pacific	185	185	283	209	468	394
thereof China	63	67	273	202	336	268
Europe	331	309	441	354	772	662
thereof Switzerland/Liechtenstein	50	47	–	–	50	47
thereof Germany	160	158	389	326	549	484
Americas	164	130	28	9	192	139
thereof USA	134	107	26	9	161	116
	<b>680</b>	<b>624</b>	<b>752</b>	<b>572</b>	<b>1432</b>	<b>1196</b>
<b>Timing of revenue recognition</b>						
At a point in time	680	624	316	200	996	824
Transferred over time	–	–	436	372	436	372
	<b>680</b>	<b>624</b>	<b>752</b>	<b>572</b>	<b>1432</b>	<b>1196</b>
<b>Capital expenditure for property, plant and equipment and intangible assets<sup>1,4</sup></b>						
Asia/Pacific	2	3	1	–	4	4
Europe	16	19	9	10	25	28
Americas	8	3	–	–	8	3
	<b>26</b>	<b>25</b>	<b>11</b>	<b>10</b>	<b>36</b>	<b>35</b>
<b>Operational EBITDA</b>	<b>121</b>	<b>115</b>	<b>124</b>	<b>82</b>	<b>245</b>	<b>196</b>
<b>Operational EBIT</b>	<b>44</b>	<b>35</b>	<b>95</b>	<b>62</b>	<b>139</b>	<b>97</b>
<b>Other material items</b>						
Research and development expense	–45	–44	–21	–19	–66	–63
Depreciation and amortization	–77	–79	–29	–20	–106	–99
Impairment of property, plant and equipment and right-of-use assets	–1	–1	–	–	–1	–1
Impairment of intangible assets	–	–1	–	–	–	–1
Restructuring income/expense	–	1	–	–	–1	1
<b>Net operating assets</b>	<b>30.06.22</b>	31.12.21	<b>30.06.22</b>	31.12.21	<b>30.06.22</b>	31.12.21
Operating assets <sup>2</sup>	1935	1923	1466	1447	3401	3370
Operating liabilities <sup>3</sup>	–282	–295	–968	–984	–1250	–1279
	<b>1653</b>	<b>1629</b>	<b>498</b>	<b>463</b>	<b>2151</b>	<b>2091</b>
<b>Number of employees (full-time equivalents)<sup>4</sup></b>	<b>30.06.22</b>	31.12.21	<b>30.06.22</b>	31.12.21	<b>30.06.22</b>	31.12.21
Asia/Pacific	1781	1767	1697	1722	3478	3488
Europe	4029	3968	2417	2334	6446	6301
Americas	1614	1516	177	163	1791	1679
	<b>7424</b>	<b>7250</b>	<b>4292</b>	<b>4218</b>	<b>11715</b>	<b>11469</b>

	Group/ Eliminations		Total	
	2022	2021	2022	2021
	-	-	1 563	1 289
	-	-	838	705
	-	-	1 432	1 196
	-4	-3	-	-
	4	3	-	-
	-	-	1 432	1 196
	-	-	766	666
	-	-	432	375
	-	-	234	155
	-	-	1 432	1 196
	-	-	468	394
	-	-	336	268
	-	-	772	662
	-	-	50	47
	-	-	549	484
	-	-	192	139
	-	-	161	116
	-	-	1 432	1 196
	-	-	996	824
	-	-	436	372
	-	-	1 432	1 196
	-	-	4	4
	10	10	35	39
	-	-	8	3
	10	10	46	45
	2	6	247	202
	-4	2	135	99
	-	-1	-66	-63
	-6	-4	-112	-103
	-	-	-1	-1
	-	-	-	-1
	-	-	-1	1
	30.06.22	31.12.21	30.06.22	31.12.21
	129	155	3 530	3 525
	-45	-42	-1 295	-1 321
	84	113	2 235	2 204
	30.06.22	31.12.21	30.06.22	31.12.21
	44	-	3 522	3 488
	270	340	6 716	6 641
	-	-	1 791	1 679
	314	340	12 029	11 808

<sup>1</sup> Does not include non-current assets acquired through business combinations.

<sup>2</sup> Operating assets include total assets without cash and cash equivalents, current financial investments, current income tax receivables and deferred tax assets.

<sup>3</sup> Operating liabilities include total liabilities without financial and lease liabilities, current income taxes payable, non-current post-employment benefit liabilities and deferred tax liabilities.

<sup>4</sup> The definitions of the different geographical regions have been adjusted to align with the new organizational structure. For comparability reasons, prior period figures have been adjusted accordingly.

## Reconciliation of Operational Figures

### HY 2022

in CHF million		Operational figures	Restructuring <sup>1</sup>	Discontinued activities <sup>2</sup>	Impairments <sup>3</sup>	Acquisition and Integration costs	Unadjusted figures
<b>Surface Solutions Division</b>	<b>Sales</b>	<b>680</b>	–	–	–	–	<b>680</b>
	<b>EBITDA</b>	<b>121</b>	–	–3	–	–	<b>118</b>
	<b>EBIT</b>	<b>44</b>	–	–4	–	–	<b>40</b>
<b>Polymer Processing Solutions Division</b>	<b>Sales</b>	<b>752</b>	–	–	–	–	<b>752</b>
	<b>EBITDA</b>	<b>124</b>	–	–	–	–	<b>123</b>
	<b>EBIT</b>	<b>95</b>	–	–	–	–	<b>94</b>
<b>Total Divisions</b>	<b>Sales</b>	<b>1 432</b>	–	–	–	–	<b>1 432</b>
	<b>EBITDA</b>	<b>245</b>	–1	–3	–	–	<b>241</b>
	<b>EBIT</b>	<b>139</b>	–1	–4	–	–	<b>134</b>
<b>Group/Eliminations</b>	<b>Sales</b>	<b>–</b>	–	–	–	–	<b>–</b>
	<b>EBITDA</b>	<b>2</b>	–	–	–	–5	<b>–3</b>
	<b>EBIT</b>	<b>–4</b>	–	–	–	–5	<b>–9</b>
<b>Total</b>	<b>Sales</b>	<b>1 432</b>	–	–	–	–	<b>1 432</b>
	<b>EBITDA</b>	<b>247</b>	–1	–3	–	–5	<b>237</b>
	<b>EBIT</b>	<b>135</b>	–1	–4	–	–5	<b>125</b>

### HY 2021

in CHF million		Operational figures	Restructuring <sup>1</sup>	Discontinued activities <sup>2</sup>	Impairments <sup>3</sup>	Acquisition and Integration costs	Unadjusted figures
<b>Surface Solutions Division</b>	<b>Sales</b>	<b>624</b>	–	–	–	–	<b>624</b>
	<b>EBITDA</b>	<b>115</b>	1	–	–	–	<b>115</b>
	<b>EBIT</b>	<b>35</b>	1	–	–2	–	<b>34</b>
<b>Polymer Processing Solutions Division</b>	<b>Sales</b>	<b>572</b>	–	–	–	–	<b>572</b>
	<b>EBITDA</b>	<b>82</b>	–	–	–	–	<b>82</b>
	<b>EBIT</b>	<b>62</b>	–	–	–	–	<b>62</b>
<b>Total Divisions</b>	<b>Sales</b>	<b>1 196</b>	–	–	–	–	<b>1 196</b>
	<b>EBITDA</b>	<b>196</b>	1	–	–	–	<b>197</b>
	<b>EBIT</b>	<b>97</b>	1	–	–2	–	<b>96</b>
<b>Group/Eliminations</b>	<b>Sales</b>	<b>–</b>	–	–	–	–	<b>–</b>
	<b>EBITDA</b>	<b>6</b>	–	–	–	–3	<b>3</b>
	<b>EBIT</b>	<b>2</b>	–	–	–	–3	<b>–1</b>
<b>Total</b>	<b>Sales</b>	<b>1 196</b>	–	–	–	–	<b>1 196</b>
	<b>EBITDA</b>	<b>202</b>	1	–	–	–3	<b>200</b>
	<b>EBIT</b>	<b>99</b>	1	–	–2	–3	<b>95</b>

<sup>1</sup> Expenses related to restructuring mainly include personnel costs.

<sup>2</sup> Effects from discontinued activities not qualifying as discontinued operations, includes mainly the effects of the sale of the Russian operations. Sales of the Russian operations were below CHF 5 million in 2021.

<sup>3</sup> Impairments related to restructuring.

## Acquisitions

There have not been any acquisitions in the first half of 2022.

The contingent consideration for the acquisition of SAS Coeurdor was reassessed, as a result of which an income of CHF 8 million was recognized in other income in the consolidated income statement for the first half of 2022.

## Revenue

Disaggregation of revenue from contracts with customers by division and market:

	Surface Solutions Division		Polymer Processing Solutions Division		Total	
	January 1 to June 30, 2022	January 1 to June 30, 2021	January 1 to June 30, 2022	January 1 to June 30, 2021	January 1 to June 30, 2022	January 1 to June 30, 2021
in CHF million						
Automotive	184	184	–	–	184	184
Aviation	85	65	–	–	85	65
Energy	36	33	–	–	36	33
Filament	–	–	471	396	471	396
Flow Control	–	–	103	28	103	28
General Industry	181	154	–	–	181	154
Industrial and Interiors	–	–	75	53	75	53
Nonwoven and Plant Engineering	–	–	103	94	103	94
Tooling	195	188	–	–	195	188
<b>Total revenue from contracts with customers</b>	<b>680</b>	<b>624</b>	<b>752</b>	<b>572</b>	<b>1432</b>	<b>1196</b>

## Financial Instruments

The carrying amounts and fair values of financial assets and liabilities as of June 30, 2022, including their levels in the fair value hierarchy, are as follows:

in CHF million	Carrying amount			Fair value				
	Fair value – through other comprehensive income	Fair value – through profit & loss	Amortized cost <sup>1</sup>	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Foreign exchange contracts	6	2	–	8	–	8	–	8
Debt and equity securities	–	10	–	10	10	–	–	10
Other investments	27	–	–	27	–	–	27	27
Cash and cash equivalents	–	–	502	502	–	–	–	502
Deposits	–	–	6	6	–	–	–	6
Trade and trade notes receivable	–	–	494	494	–	–	–	494
Current contract assets	–	–	73	73	–	–	–	73
Loans and other non-current financial receivables	–	–	1	1	–	–	–	1
<b>Total</b>	<b>33</b>	<b>12</b>	<b>1076</b>	<b>1121</b>				<b>1121</b>
<b>Financial liabilities</b>								
Foreign exchange contracts	6	18	–	25	–	25	–	25
Other liabilities	–	62	2	65	–	–	62	62
Bonds	–	–	724	724	680	–	–	680
Lease liabilities	–	–	202	202	–	–	–	202
Trade payables	–	–	339	339	–	–	–	339
Accrued liabilities	–	–	142	142	–	–	–	142
Other loans and borrowings	–	–	104	104	–	–	–	104
<b>Total</b>	<b>6</b>	<b>81</b>	<b>1513</b>	<b>1601</b>				<b>1601</b>

<sup>1</sup> With the exception of the bonds, the Group has not disclosed the fair values for financial assets and liabilities measured at amortized cost because their carrying amounts are a reasonable approximation of fair values.

The carrying amounts and fair values of financial assets and liabilities as of December 31, 2021, including their levels in the fair value hierarchy, are as follows:

in CHF million	Carrying amount			Fair value				
	Fair value – through other comprehensive income	Fair value – through profit & loss	Amortized cost <sup>1</sup>	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Foreign exchange contracts	6	2	–	8	–	8	–	8
Debt and equity securities	–	10	–	10	10	–	–	10
Other investments	28	–	–	28	–	–	28	28
Cash and cash equivalents	–	–	601	601	–	–	–	601
Deposits	–	–	8	8	–	–	–	8
Trade and trade notes receivable	–	–	440	440	–	–	–	440
Current contract assets	–	–	85	85	–	–	–	85
Loans and other non-current financial receivables	–	–	4	4	–	–	–	4
<b>Total</b>	<b>34</b>	<b>12</b>	<b>1139</b>	<b>1185</b>				<b>1185</b>
<b>Financial liabilities</b>								
Foreign exchange contracts	1	4	–	5	–	5	–	5
Other liabilities	–	82	3	85	–	–	82	82
Bonds	–	–	723	723	739	–	–	739
Finance lease liabilities	–	–	212	212	–	–	–	212
Trade payables	–	–	355	355	–	–	–	355
Accrued liabilities	–	–	122	122	–	–	–	122
Other loans and borrowings	–	–	24	24	–	–	–	24
<b>Total</b>	<b>1</b>	<b>86</b>	<b>1440</b>	<b>1528</b>				<b>1528</b>

<sup>1</sup> With the exception of the bonds, the Group has not disclosed the fair values for financial assets and liabilities measured at amortized cost because their carrying amounts are a reasonable approximation of fair values.



## Provisions

in CHF million	Product warranties	Acquiree's contingent liabilities <sup>1</sup>	Restructuring <sup>2</sup>	Other provisions <sup>3</sup>	Total
Balance at January 1, 2022	23	37	7	35	<b>102</b>
Conversion differences	–	–	–	–1	<b>–1</b>
Additions <sup>4</sup>	3	6	1	2	<b>12</b>
Amounts used	–1	–	–3	–2	<b>–6</b>
Amounts reversed	–2	–9	–	–3	<b>–14</b>
<b>Balance at June 30, 2022</b>	<b>23</b>	<b>34</b>	<b>4</b>	<b>31</b>	<b>92</b>
of which:					
Due within 1 year	22	–	4	16	<b>42</b>
Due beyond 1 year	1	34	1	15	<b>50</b>

<sup>1</sup> Acquiree's contingent liabilities pertain to the Surface Solutions Division (CHF 17 million) and to the Polymer Processing Solutions Division (CHF 17 million). Contingent liabilities in the Surface Solutions Division have been recognized primarily due to several environmental liabilities and potential tax risks. Any potential cash outflow is estimated to occur during the next 10 years. The selling shareholder has contractually agreed to indemnify Oerlikon for an amount up to CHF 20 million related to certain of these environmental liabilities. The contingent liabilities were reassessed in 2022; the related indemnification asset has been adjusted to CHF 1 million (31.12.2021: CHF 10 million). In the Polymer Processing Solutions Division the contingent liabilities have been recognized primarily due to potential tax and environmental risks. Any potential cash outflow is estimated to occur during the next 5 years. The selling shareholders have contractually agreed to indemnify Oerlikon for these risks.

<sup>2</sup> The restructuring provision pertains to the Surface Solutions Division (CHF 2 million) and the Polymer Processing Solutions Division (CHF 2 million). The provisions mainly relate to productivity programs primarily aimed at reducing structural costs. The provisions mostly relate to personnel expenses.

<sup>3</sup> Consists mainly of provisions for pending litigation, technical risks, onerous contracts as well as environmental and tax risks.

<sup>4</sup> Includes unwinding of discount for non-current provisions.

## Subsequent Events

No events occurred between the balance sheet date and the date on which this report was approved by the Board of Directors that could have a significant impact on the consolidated financial statements as of June 30, 2022.

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