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Q2 & H1 2024 Financial Results

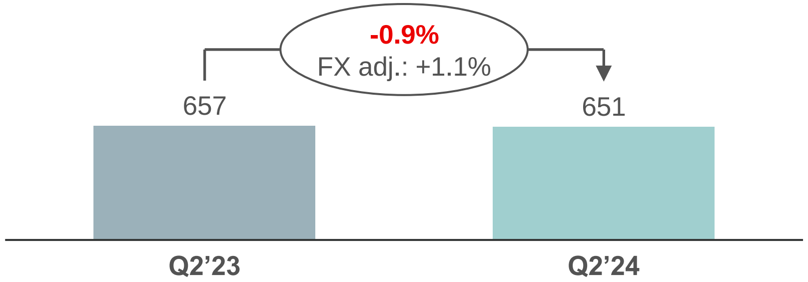
6 August 2024

Overview Q2

Raising 2024 guidance after strong execution in the first half; separation on track

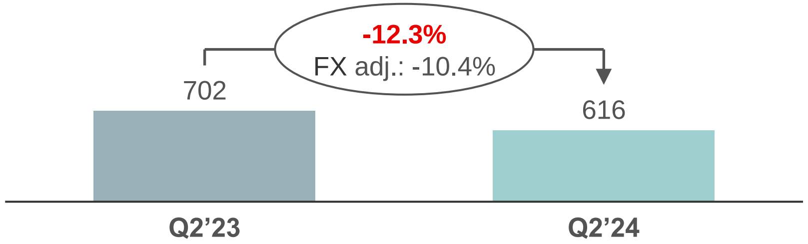
Orders

- **Order intake +1%** YoY at constant FX
- Polymer Processing Solutions orders are up sequentially for second quarter in a row; slight organic YoY improvement
- Surface Solutions slightly improved YoY organically, despite stagnant markets



Sales

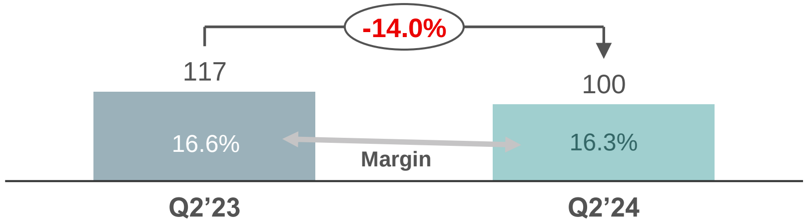
- **Sales -10%** YoY at constant FX
- Driven by Polymer Processing Solutions: reflecting low H2'23 order intake as filament and non-filament customers postponed orders
- Surface Solutions outperformed in stagnant market conditions with sales up 2% organically



Profit

- **Robust operational EBITDA margin** despite negative operating leverage
- Proactive cost actions supporting double-digit margin in Polymer Processing Solutions
- Surface Solutions operational EBITDA margin up +230bps 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

Soft end markets; Filament and Non-Filament with 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 PMI momentum sequentially in H1’24 vs. H2’23; though momentum slowing in recent months

Automotive
14%

Stable with slowing momentum

- Global light vehicle production forecasts were recently revised downwards, but remain roughly stable in 2024 YoY [1]
- Successfully entering e-mobility applications, e.g. e-gearing and battery shielding

Luxury
6%

Wait and see mode of customers

- Continued soft end markets due to subdued demand in China and pressure on Western shoppers’ spending (inflation)
- Seeing limited destocking at customers
- Swiss watch exports -2% in Q2; continued recovery of tax-free shopping
- Expect mid single-digit growth rates in mid-term

Aviation
8%

Continued recovery

- Recovery driven by MRO with increased flying hours
- New plane production supported by passenger growth and energy efficiency
- +15% passenger growth in May YTD; +10% passenger growth expected in 2024 [2]

Continued soft PMIs; robust growth in aviation

Polymer Processing Solutions

Filament
26%

Sequential order improvement continued

- Filament orders supported by sequential improvements in Q1 and Q2
- Continued signs of momentum in small and mid-sized orders
- Underlying need for filament equipment intact; equipment market CAGR 01-22 of +4%

Non-Filament
18%

Soft PMIs

- Orders starting to slightly improve sequentially despite still soft PMIs
- Some customers delaying investments, e.g. in nonwoven, staple fiber and industrial yarns applications
- Recent slowing momentum in automotive production weighing on reacceleration of car launch projects for Flow Control

Filament supported by sequential order improvements in Q1 and Q2’24

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

Surface Solutions with improving profitability and higher sales despite stagnant markets

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

Orders

- **Improved +0.5%** FX adjusted YoY
- Q2 orders sequentially stable despite subdued manufacturing PMIs

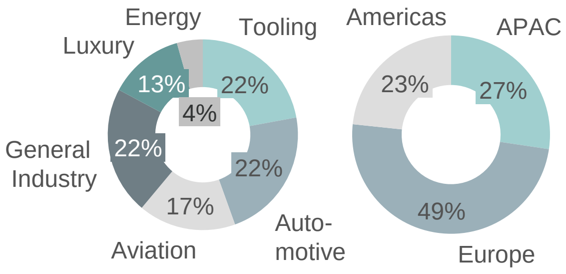
Sales

- **Increased** +2.1% FX adjusted organic
- Up despite stagnant markets; supported by strong performance in equipment and materials for aviation industry

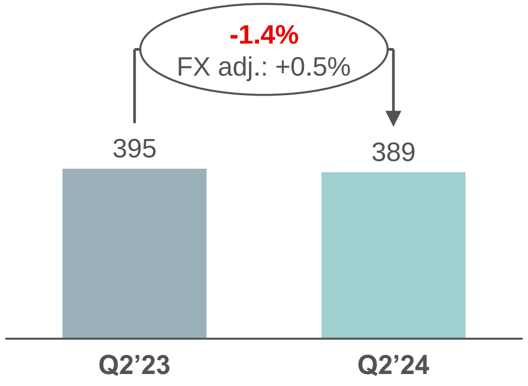
Operational EBITDA

- **Improved +14%** with margin up 230bps
- Supported by efficiency, innovation, continued pricing and mix; despite higher input costs (e.g. labor) and adverse FX

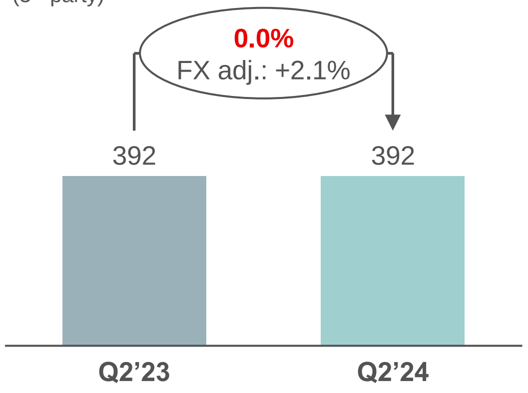
Q2'24 sales split by markets



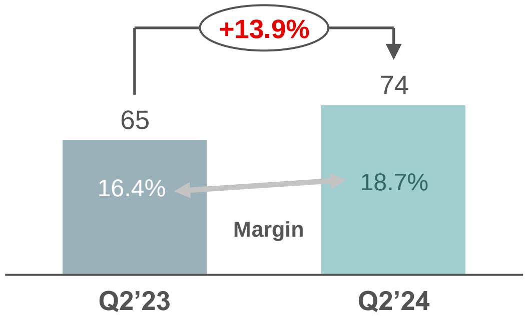
Order intake



Sales
(3rd party)



Operational EBITDA [1)]



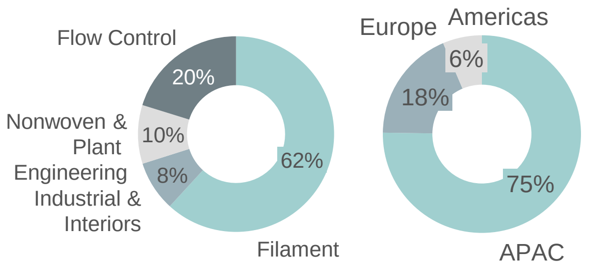
1) Margin based on unrounded figures and total sales, including intercompany sales; 2023 was restated at year end 2023 mainly for discontinued activities from the Additive Manufacturing business outside of the US

Polymer Processing Solutions orders improved sequentially and YoY; delivered robust margin of 11.7%

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; Recent slowing automotive momentum weighing on reacceleration of car launch projects at Flow Control

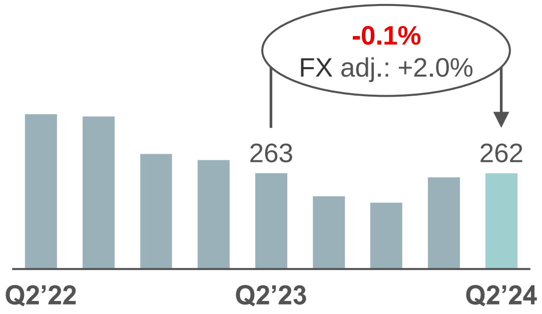
Q2'24 sales split by markets



Orders

- **Q2 improved** sequentially and YoY FX adj.; H1'24 orders well above H2'23
- Continued signs of momentum in small and mid-sized orders

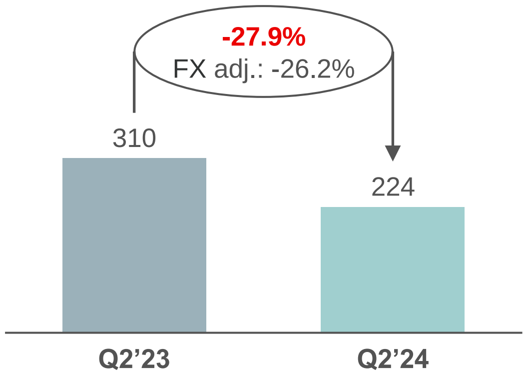
Current order intake



Sales

- **Decreased 26%** FX adjusted, reflecting low H2'23 order intake as customers postponed orders
- Non-Filament sales affected by soft PMIs, with orders starting to slightly improve sequentially

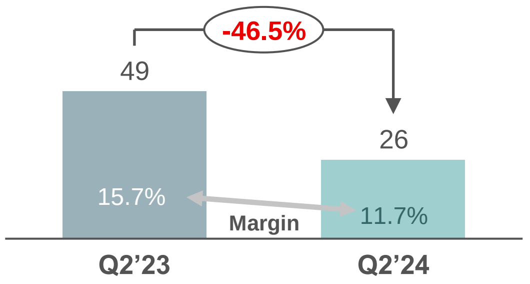
Sales
(3rd party)



Operational EBITDA

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

Operational EBITDA 1)

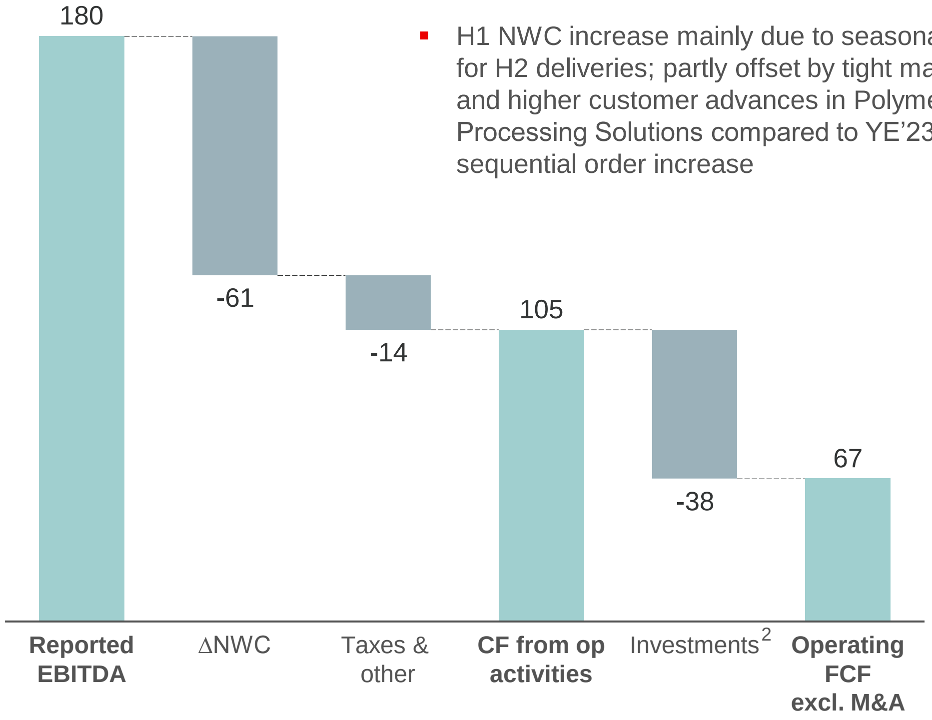


1) Margin based on unrounded figures and total sales, including intercompany sales; 2023 was restated at year end 2023 mainly for discontinued activities from Teknoweb and OBA Automation

Focus on Cash Flow and ROCE

Solid operating FCF despite Filament downturn

H1’24

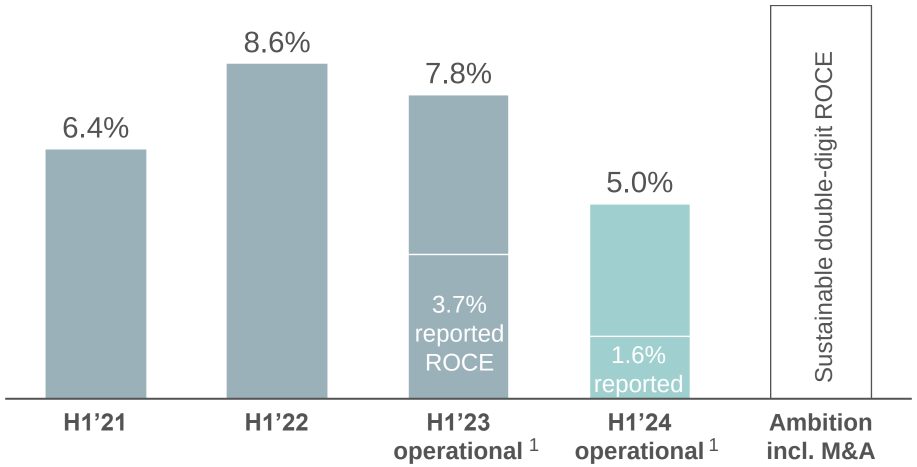


- **Operating FCF strongly improved** to CHF 67m from CHF -141m in H1’23, despite lower EBITDA from filament downturn
- H1 NWC increase mainly due to seasonal NWC build for H2 deliveries; partly offset by tight management and higher customer advances in Polymer Processing Solutions compared to YE’23 related to sequential order increase

ROCE impacted by challenging environment

Q2 LTM

- Operational ROCE [1] impacted by current filament downturn which led to transitory lower operational EBITDA and low levels of customer advances impacting capital employed
- Reported ROCE mainly impacted by Q4’23 one-offs
- Target sustainable double-digit ROCE in the mid term, supported by market recovery, continued cost containment and disciplined execution on new capital allocation framework



1) based on operational EBIT; discontinued Teknoweb, AM and OBA Automation activities are excluded in 2023 operational figures; 2) excludes M&A related investments

Raising 2024 guidance

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Oerlikon delivering robust H1

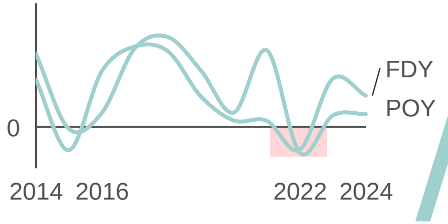
Surface Solutions

- **H1 sales increased +1%** YoY (constant FX organic); expect flat sales growth YoY (prev.: low to mid-single-digit % sales growth) in FY [2], despite soft PMIs and slowing momentum in automotive and luxury
- **Improved profitability** by 180bps YoY in H1; expecting operational EBITDA margin of approximately 18% in FY (prev. 17.5-18.0%)

Polymer Processing Solutions

- **Second sequential order improvement** in Q2; expect FY sales decrease in low-twenties %[2] (prev. mid-twenties %)
- **Robust margin** supported by proactive cost control; expecting op. EBITDA margin of >11% in FY (prev. ~11%)

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



Raising 2024 guidance

Sales	**High single-digit % decrease** [2] (unchanged)
Operational EBITDA margin	**15.5-16.0%** (previous 15.0-15.5%)

1) Chart representing average annual selling price of polyester products minus raw material cost minus conversion cost; 2) organic, constant FX

Q2 conclusion

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Executing operationally and strategically

- **On track with pure play strategy execution**
- **>20% operational EBITDA margin** mid-term target in Surface Solutions confirmed with H1 margin improving 180bps YoY
- **Second sequential order improvement** in Polymer Processing Solutions in a row
- **Additive Manufacturing successfully realigned**
- **Achieved strongly improved operating FCF**, supporting robust leverage ratio

On track with transformation into attractive pure play

Raising guidance

Q&A

Appendix

Q2 reconciliation of profitability measures

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EBITDA to EBIT bridge

	Group		Surface Solutions		Polymer Processing Solutions	
	Q2' 24	Q2' 23	Q2' 24	Q2' 23	Q2' 24	Q2' 23
EBITDA	**96**	**110**	**73**	**62**	**25**	**44**
Depreciation	-29	-35	-22	-27	-6	-6
Impairments	-0	-0	-0	-0	0	-0
EBITA	**67**	**75**	**50**	**35**	**19**	**37**
Amortization of Acquired Intangibles	-11	-12	-8	-9	-3	-4
Other Amortization	-11	-9	-5	-3	-2	-2
Impairments	-0	-0	-0	-0	0	0
EBIT	**45**	**54**	**38**	**23**	**13**	**31**

Operational profitability reconciliation

	Group		Surface Solutions		Polymer Processing Solutions	
	Q2' 24	Q2' 23	Q2' 24	Q2' 23	Q2' 24	Q2' 23
Operational EBITDA	**100**	**117**	**74**	**65**	**26**	**49**
Restructuring expenses	-1	-0	-0	-0	-0	0
Discontinued activities	-1	-6	-0	-2	-1	-5
Separation costs	0	-0	0	-1	0	-0
Acquisition and Integration costs	-3	0	-0	0	-0	0
EBITDA	**96**	**110**	**73**	**62**	**25**	**44**

	Group		Surface Solutions		Polymer Processing Solutions	
	Q2' 24	Q2' 23	Q2' 24	Q2' 23	Q2' 24	Q2' 23
Operational EBIT	**50**	**63**	**39**	**26**	**15**	**37**
Restructuring expenses	-1	-0	-0	-0	-0	0
Impairments related to restructuring	0	0	0	0	0	0
Discontinued activities	-2	-9	-1	-3	-1	-6
Separation costs	0	-0	0	-1	0	-0
Acquisition and Integration costs	-3	0	-0	0	-0	0
EBIT	**45**	**54**	**38**	**23**	**13**	**31**

2023 operational EBIT and operational EBITDA are restated for discontinued activities

YTD reconciliation of profitability measures

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EBITDA to EBIT bridge

	Group		Surface Solutions		Polymer Processing Solutions	
	HY 24	HY 23	HY 24	HY 23	HY 24	HY 23
EBITDA	**180**	**224**	**137**	**120**	**44**	**99**
Depreciation	-58	-66	-44	-51	-12	-13
Impairments	0	-0	0	0	-0	-0
EBITA	**122**	**158**	**92**	**69**	**31**	**86**
Amortization of Acquired Intangibles	-22	-24	-16	-16	-6	-8
Other Amortization	-22	-19	-9	-8	-4	-5
Impairments	-0	-1	-0	-1	0	0
EBIT	**78**	**113**	**67**	**43**	**21**	**73**

Operational profitability reconciliation

	Group		Surface Solutions		Polymer Processing Solutions	
	HY 24	HY 23	HY 24	HY 23	HY 24	HY 23
Operational EBITDA	**187**	**238**	**139**	**125**	**45**	**107**
Restructuring expenses	-1	-0	-1	-0	-0	0
Discontinued activities	-3	-12	-2	-4	-1	-8
Separation cost	-0	-1	-0	-1	0	-0
Acquisition and Integration costs	-3	0	-0	0	-0	0
EBITDA	**180**	**224**	**137**	**120**	**44**	**99**

	Group		Surface Solutions		Polymer Processing Solutions	
	HY 24	HY 23	HY 24	HY 23	HY 24	HY 23
Operational EBIT	**85**	**134**	**70**	**52**	**22**	**83**
Restructuring expenses	-1	-0	-1	-0	-0	0
Impairments related to restructuring	0	0	0	0	0	0
Discontinued activities	-4	-19	-3	-8	-1	-11
Separation cost	-0	-1	-0	-1	0	-0
Acquisition and Integration costs	-3	0	-0	0	-0	0
EBIT	**78**	**113**	**67**	**43**	**21**	**73**

2023 operational EBIT and operational EBITDA are restated for discontinued activities

Return on Capital Employed (ROCE)

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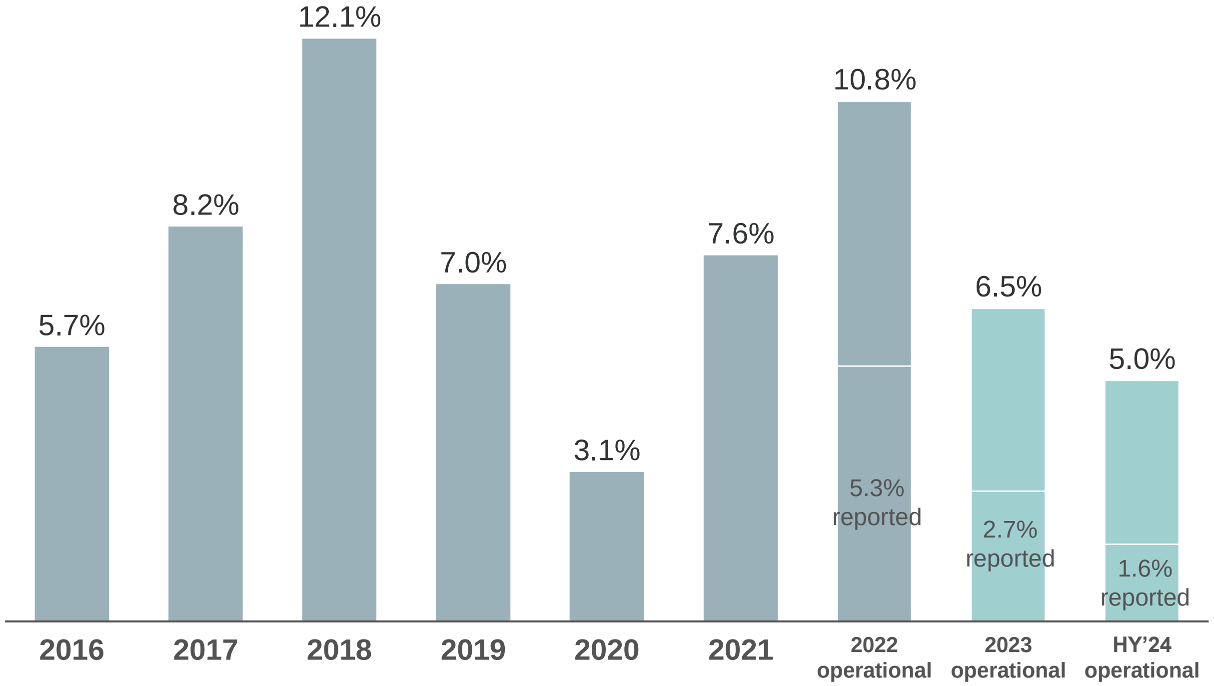
	2023	H1'24
EBIT	105	70
- Total current income tax	-67	-59
- Total deferred income tax	25	29
NOPAT	**63**	**41**
Net Operating Assets	2'429	2'535
+ Current income tax receivables	27	26
+ Deferred tax assets	134	149
- Current income tax payables	-39	-42
- Deferred tax liabilities	-167	-170
Capital Employed	**2'384**	**2'499**



‚Operational' based on operational EBIT

Refers to 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

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