

oerlikon

Interim Report **HY2024**

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 12 600 employees at 207 locations in 38 countries and generated sales of CHF 2.7 billion in 2023.

Group Structure

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



Half-Year 2024 at a Glance

Surface Solutions With Organic Sales Growth in Stagnating Market Conditions

Organic orders increased by 0.5% and sales by 1.1% year-over-year at constant exchange rates despite soft industrial activity. The higher demand was supported by strong performance in the equipment and materials businesses for the aviation industry. Operational EBITDA improved by 176 basis points to 18.1%, supported by efficiency, innovation, pricing and mix.

Polymer Processing Solutions Achieved Improvement in Order Intake Sequentially

Orders and sales decreased in the first half of 2024 year-over-year, reflecting subdued demand in the filament market and soft PMIs. The division saw order intake improvement sequentially in the first half of 2024, supported by positive momentum for mid- and small-sized orders. The division achieved a robust operational EBITDA margin despite cyclically lower sales. This was supported by proactive cost actions implemented since Q4 2022.

Separation

The separation of the Polymer Processing Solutions business is progressing as planned.

2024 Guidance Raised

Confirming sales guidance with slightly better-than-expected performance in Polymer Processing Solutions. Operational EBITDA margin raised to 15.5%-16.0% (previously 15.0%-15.5%).

Order Intake (CHF)

1 294 million

Sales (CHF)

1 166 million

Operational
EBITDA Margin

16.0%

Net Result (CHF)

39 million

Key Figures

	Order Intake	Sales	Operational EBITDA Margin	Net Result
Group	CHF 1 294 million -3.3%	CHF 1 166 million -18.9%	16.0%	CHF 39 million
Surface Solutions Division	CHF 780 million +0.4%	CHF 764 million +0.3%	18.1%	
Polymer Processing Solutions Division	CHF 514 million -8.4%	CHF 403 million -40.4%	11.2%	

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Key Figures Oerlikon Group

in CHF million	January 1 to June 30, 2024 unaudited	January 1 to June 30, 2023 unaudited
Order intake	1 294	1 338
Order backlog	616	639
Sales	1 166	1 437
EBITDA	180	224
– as % of sales	15.5%	15.6%
Operational EBITDA ^{1,2}	187	238
– as % of sales ^{1,2}	16.0%	16.5%
EBIT	78	113
– as % of sales	6.7%	7.9%
Operational EBIT ^{1,3}	85	134
– as % of sales ^{1,3}	7.3%	9.3%
Net result	39	75
– as % of equity attributable to shareholders of the parent	4%	6%
Cash flow from operating activities ⁴	105	–79
Capital expenditure for property, plant and equipment and intangible assets	49	52
Total assets (June 30, 2024/December 31, 2023)	4 045	4 099
Equity attributable to shareholders of the parent (June 30, 2024/December 31, 2023)	1 077	1 010
– as % of total assets	27%	25%
Net debt (June 30, 2024/December 31, 2023) ⁵	–1 195	–1 151
Net operating assets (June 30, 2024/December 31, 2023) ⁶	2 535	2 429
Number of employees (full-time equivalents) (June 30, 2024/December 31, 2023)	12 317	12 620
Research and development expenditure ⁷	49	53

¹ Operational EBIT and operational EBITDA from prior year are restated for discontinued activities (refer to Reconciliation of Operational Figures).

² 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, integration and separation costs.

³ 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, integration and separation costs.

⁴ Cash flow from operating activities before changes in net current assets amounts to CHF 166 million (previous year: CHF 176 million).

⁵ Net debt includes cash and cash equivalents, deposits and marketable securities less current and non-current financial liabilities.

⁶ 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).

⁷ Research and development expenditure includes expenses recognized as intangible assets in the amount of CHF 12 million (previous year: CHF 11 million).

Consolidated Income Statement

in CHF million	January 1 to June 30, 2024, unaudited	January 1 to June 30, 2023, unaudited
Sales of goods	745	983
Services rendered	421	454
Total sales	1 166	1 437
Cost of sales	-839	-1 068
Gross profit	328	369
Marketing and selling	-104	-103
Research and development	-55	-63
Administration	-94	-97
Other income	11	16
Other expenses	-8	-9
Result before interest and taxes (EBIT)	78	113
Financial income	8	14
Financial expenses	-32	-25
Result before taxes (EBT)	54	103
Income taxes	-15	-28
Net result	39	75
Attributable to:		
Shareholders of the parent	36	75
Non-controlling interests	3	-
Earnings per share in CHF	0.11	0.23
Diluted earnings per share in CHF	0.11	0.23
EBITDA	180	224
Operational EBIT¹	85	134
Operational EBITDA¹	187	238

¹ Operational EBIT and operational EBITDA from prior year are restated for discontinued activities (refer to Reconciliation of Operational Figures).

Consolidated Statement of Comprehensive Income

in CHF million	January 1 to June 30, 2024, unaudited	January 1 to June 30, 2023, unaudited
Net result	39	75
Other comprehensive income		
Items that will never be reclassified to the income statement		
Remeasurement of defined benefit plans	9	2
Income taxes on items that will never be reclassified to the income statement	-3	-1
	6	1
Items that are or may be reclassified subsequently to the income statement		
Gains and losses from hedging	-	-2
Conversion differences	87	-58
Income taxes on items that are or may be reclassified subsequently to the income statement	-	1
	88	-59
Other comprehensive income for the period, net of taxes	94	-59
Total comprehensive income for the period	133	15
Attributable to:		
Shareholders of the parent	129	17
Non-controlling interests	4	-2

Consolidated Balance Sheet

Assets

in CHF million	June 30, 2024, unaudited	December 31, 2023
Cash and cash equivalents	331	524
Current financial investments and derivatives	19	19
Trade and trade notes receivable	447	407
Current contract assets	18	26
Other receivables	80	67
Current income tax receivables	26	27
Inventories	438	395
Prepaid expenses	24	19
Current assets	1 383	1 486
Loans and other non-current receivables	31	35
Non-current financial investments	36	36
Property, plant and equipment	490	484
Right-of-use assets	198	193
Goodwill and intangible assets	1 756	1 729
Post-employment benefit assets	1	1
Deferred tax assets	149	134
Non-current contract assets	2	2
Non-current assets	2 662	2 613
Total assets	4 045	4 099

Liabilities and equity

in CHF million	June 30, 2024, unaudited	December 31, 2023
Trade payables	299	296
Current contract liabilities	257	205
Current lease liabilities	33	31
Current financial liabilities and derivatives	24	177
Other current liabilities	74	74
Accrued liabilities	229	242
Current income taxes payable	42	39
Current post-employment benefit liabilities	18	17
Current provisions	57	70
Current liabilities	1 032	1 151
Non-current lease liabilities	182	178
Non-current financial liabilities	1 305	1 310
Other non-current liabilities	3	3
Non-current post-employment benefit liabilities	192	198
Deferred tax liabilities	170	167
Non-current provisions	56	54
Non-current liabilities	1 908	1 909
Total liabilities	2 940	3 060
Share capital	340	340
Treasury shares	-126	-129
Retained earnings and reserves	863	800
Equity attributable to shareholders of the parent	1 077	1 010
Non-controlling interests	29	28
Total equity	1 105	1 039
Total liabilities and equity	4 045	4 099

Consolidated Cash Flow Statement

in CHF million	January 1 to June 30, 2024, unaudited	January 1 to June 30, 2023, unaudited
Net result	39	75
Income taxes	15	28
Interest expense (net)	22	16
Depreciation of property, plant and equipment	40	46
Depreciation of right-of-use assets	18	20
Amortization of intangible assets	44	44
Addition to provisions (net)	3	3
Impairment losses on intangible assets	–	1
Decrease in post-employment benefit liabilities	–5	–6
Income taxes paid	–28	–46
Share-based payments	3	2
Other non-cash items	16	–5
Cash flow from operating activities before changes in net current assets	166	176
Increase in receivables, contract assets and prepaid expenses	–31	–46
Increase in inventories	–28	–2
Decrease in payables, accrued liabilities and use of provisions	–45	–80
Increase/decrease in contract liabilities	45	–118
Non-cash impact on net current assets due to hedge accounting	–3	–9
Cash flow from changes in net current assets	–61	–255
Cash flow from operating activities	105	–79
Purchase of property, plant and equipment	–31	–31
Proceeds from sale of property, plant and equipment	1	2
Purchase of intangible assets	–20	–22
Acquisition of subsidiaries, net of cash acquired	–1	–354
Proceeds from marketable securities (net)	2	2
Proceeds from/granting of loans and other non-current financial receivables	5	–15
Purchase of financial investments	–	–3
Interest received	5	5
Cash flow from investing activities	–39	–416
Dividends paid	–69	–114
Repayment of financial debt	–158	–112
Proceeds from financial debt	–	810
Principal elements of lease payments	–18	–19
Repayment of financial liabilities	–	–2
Interest paid	–27	–17
Cash flow from financing activities	–272	545
Conversion adjustments to cash and cash equivalents	13	–21
Decrease/increase in cash and cash equivalents	–193	29
Cash and cash equivalents at the beginning of the period	524	463
Cash and cash equivalents at the end of the period	331	492
Decrease/increase in cash and cash equivalents	–193	29

Consolidated Statement of Changes in Equity

in CHF million	Share capital ¹	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
Balance at January 1, 2023	340	558	-134	-377	814	-2	-1	79	1274	42	1316
Net result	-	-	-	-	75	-	-	-	75	-	75
Gains and losses from hedging	-	-	-	-	-	-2	-	1	-2	-	-2
Remeasurement of defined benefit plans	-	-	-	-	2	-	-	-1	1	-	1
Conversion differences	-	-	-	-57	-	-	-	-	-57	-1	-58
Other comprehensive income for the period	-	-	-	-57	2	-2	-	-	-58	-1	-59
Total comprehensive income for the period	-	-	-	-57	76	-2	-	-	17	-2	15
Capital increase	-	-	-	-	-	-	-	-	-	2	2
Dividend distributions	-	-	-	-	-114	-	-	-	-114	-1	-114
Share-based payments	-	-	4	-	-2	-	-	-	2	-	2
Contributions and distributions	-	-	4	-	-115	-	-	-	-112	1	-111
Total transactions with owners of the company	-	-	4	-	-115	-	-	-	-112	1	-111
Balance at June 30, 2023	340	558	-131	-435	774	-5	-1	80	1178	42	1220
Balance at January 1, 2024	340	558	-129	-552	718	-3	-4	83	1010	28	1039
Net result	-	-	-	-	36	-	-	-	36	3	39
Remeasurement of defined benefit plans	-	-	-	-	9	-	-	-3	6	-	6
Conversion differences	-	-	-	86	-	-	-	-	86	1	87
Other comprehensive income for the period	-	-	-	86	9	-	-	-3	93	1	94
Total comprehensive income for the period	-	-	-	86	45	-	-	-3	129	4	133
Dividend distributions	-	-	-	-	-65	-	-	-	-65	-4	-69
Share-based payments	-	-	3	-	-	-	-	-	3	-	3
Contributions and distributions	-	-	3	-	-65	-	-	-	-62	-4	-66
Total transactions with owners of the company	-	-	3	-	-65	-	-	-	-62	-4	-66
Balance at June 30, 2024	340	558	-126	-465	698	-3	-4	80	1077	29	1105

¹ 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.

Segment Information

in CHF million	Surface Solutions Division		Polymer Processing Solutions Division		Total Divisions	
	2024	2023	2024	2023	2024	2023
Order intake	780	777	514	561	1294	1338
Order backlog	234	241	382	398	616	639
Sales						
Sales to third parties	764	761	403	676	1166	1437
Sales to other divisions	2	3	–	–	2	3
Eliminations	–2	–3	–	–	–2	–3
	764	761	403	676	1166	1437
Sales to third parties by market region						
Asia/Pacific	203	206	288	514	491	720
Europe	385	381	76	99	461	480
Americas	175	174	38	63	213	237
	764	761	403	676	1166	1437
Sales to third parties by location						
Asia/Pacific	180	181	191	285	371	465
thereof China	66	58	180	275	246	333
Europe	412	408	186	363	598	771
thereof Switzerland/Liechtenstein	62	61	–	–	62	61
thereof Germany	156	164	160	336	316	500
Americas	172	173	25	28	198	201
thereof USA	143	145	22	26	165	170
	764	761	403	676	1166	1437
Timing of revenue recognition						
At a point in time	764	761	237	279	1001	1041
Transferred over time	–	–	165	397	165	397
	764	761	403	676	1166	1437
Capital expenditure for property, plant and equipment and intangible assets¹						
Asia/Pacific	8	5	–	2	8	7
Europe	23	22	6	7	29	29
Americas	8	7	–	–	8	8
	39	34	7	10	46	44
Operational EBITDA⁴	139	125	45	107	184	232
Operational EBIT⁴	70	52	22	83	92	136
Other material items						
Research and development expense	–37	–42	–18	–21	–55	–63
Depreciation and amortization	–70	–76	–23	–26	–93	–102
Impairment of property, plant and equipment and right-of-use assets	–	–	–	–	–	–
Impairment of intangible assets	–	–1	–	–	–	–1
Restructuring expense/income	–1	–	–	–	–1	–
Net operating assets	30.06.24	31.12.23	30.06.24	31.12.23	30.06.24	31.12.23
Operating assets ²	2304	2218	1104	1061	3407	3279
Operating liabilities ³	–333	–341	–606	–581	–939	–922
	1970	1877	498	480	2468	2357
Number of employees (full-time equivalents)⁴	30.06.24	31.12.23	30.06.24	31.12.23	30.06.24	31.12.23
Asia/Pacific	1690	1700	1560	1568	3249	3268
Europe	5089	5149	1838	2061	6927	7210
Americas	1581	1583	167	169	1748	1752
	8360	8432	3564	3798	11924	12230

	Group/ Eliminations		Total	
	2024	2023	2024	2023
	-	-	1 294	1 338
	-	-	616	639
	-	-	1 166	1 437
	-2	-3	-	-
	2	3	-	-
	-	-	1 166	1 437
	-	-	491	720
	-	-	461	480
	-	-	213	237
	-	-	1 166	1 437
	-	-	371	465
	-	-	246	333
	-	-	598	771
	-	-	62	61
	-	-	316	500
	-	-	198	201
	-	-	165	170
	-	-	1 166	1 437
	-	-	1 001	1 041
	-	-	165	397
	-	-	1 166	1 437
	-	-	8	7
	3	8	32	37
	-	-	8	8
	3	8	49	52
	3	5	187	238
	-7	-2	85	134
	-	-	-55	-63
	-9	-7	-102	-109
	-	-	-	-
	-	-	-	-1
	-	-	-1	-
	30.06.24	31.12.23	30.06.24	31.12.23
	101	106	3 509	3 385
	-34	-34	-973	-956
	67	72	2 535	2 429
	30.06.24	31.12.23	30.06.24	31.12.23
	109	107	3 358	3 375
	284	283	7 211	7 494
	-	-	1 748	1 752
	393	390	12 317	12 620

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 based on the internal structure and reporting. The Executive Chairman 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.

¹ Does not include non-current assets acquired through business combinations.

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

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

⁴ Operational EBITDA and Operational EBIT from prior year are restated for discontinued activities (refer to Reconciliation of Operational Figures).

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 that 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 2024 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, 2023. The consolidated interim financial statements were approved by the Board of Directors on August 5, 2024.

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, 2023.

Adoption of new and revised accounting standards

No new or amended standards or interpretations effective for the financial year beginning on January 1, 2024, 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, 2024 yet and that have not been early adopted by the Oerlikon Group. Except for IFRS 18 none of them is expected to have a material impact on the Group's financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements was issued by the International Accounting Standards Board in April 2024. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. IFRS 18 will replace IAS Standards 1 – Presentation of Financial Statements. IFRS 18 might change what an entity reports as operating profit and what is reported as operating, investing and financing activities in the statement of cash flows. The impact of IFRS 18 is currently under review.

Reconciliation of Operational Figures

HY 2024

in CHF million		Operational figures	Restructuring ¹	Discontinued activities ²	Impairments	Acquisition and Integration costs	Separation costs	Unadjusted figures
Surface Solutions Division	EBITDA	139	-1	-2	-	-	-	137
	EBIT	70	-1	-3	-	-	-	67
Polymer Processing Solutions Division	EBITDA	45	-	-1	-	-	-	44
	EBIT	22	-	-1	-	-	-	21
Total Divisions	EBITDA	184	-1	-3	-	-	-	180
	EBIT	92	-1	-4	-	-	-	88
Group/ Eliminations	EBITDA	3	-	-	-	-	-2	-
	EBIT	-7	-	-	-	-	-2	-9
Total	EBITDA	187	-1	-3	-	-	-3	180
	EBIT	85	-1	-4	-	-	-3	78

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in CHF million		Operational figures	Restructuring ¹	Discontinued activities ²	Impairments	Acquisition and Integration costs	Separation costs	Unadjusted figures
Surface Solutions Division	EBITDA	125	-	-4	-	-1	-	120
	EBIT	52	-	-8	-	-1	-	43
Polymer Processing Solutions Division	EBITDA	107	-	-8	-	-	-	99
	EBIT	83	-	-11	-	-	-	73
Total Divisions	EBITDA	232	-	-12	-	-1	-	219
	EBIT	136	-	-19	-	-1	-	116
Group/ Eliminations	EBITDA	5	-	-	-	-	-	5
	EBIT	-2	-	-	-	-	-	-2
Total	EBITDA	238	-	-12	-	-1	-	224
	EBIT	134	-	-19	-	-1	-	113

¹ Expenses related to restructuring mainly include personnel costs.

² Effects from discontinued activities not qualifying as discontinued operations include the ePD inline business, the effects of discontinued activities from Teknoweb, Oerlikon Barmag Automation, Additive Manufacturing business outside of the US and Metco Coating Services in the US. For comparability reasons, previous year figures have been restated for the newly discontinued activities as per year-end 2023.

Alternative performance measures

The alternative performance measures used by the Oerlikon Group are defined as follows:

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, integration and separation 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, integration and separation costs.

Revenue

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

	Surface Solutions Division		Polymer Processing Solutions Division		Total	
	January 1 to June 30, 2024	January 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
in CHF million						
Automotive	181	174	-	-	181	174
Aviation	113	105	-	-	113	105
Energy	36	42	-	-	36	42
Filament	-	-	236	399	236	399
Flow Control	-	-	83	103	83	103
General Industry	172	185	-	-	172	185
Industrial and Interiors	-	-	45	88	45	88
Nonwoven and Plant Engineering	-	-	38	85	38	85
Luxury	101	83	-	-	101	83
Tooling	160	172	-	-	160	172
Total revenue from contracts with customers	764	761	403	676	1 166	1 437

Financial instruments

The carrying amounts and fair values of financial assets and liabilities as of June 30, 2024, 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 ¹	Total financial assets/liabilities	Non-financial assets/liabilities	Total balance sheet position	Level 1	Level 2	Level 3
Cash, postal and bank current accounts	-	-	173	173	-	173			
Time deposits	-	-	65	65	-	65			
Money market funds ²	-	-	94	94	-	94			
Cash and cash equivalents³	-	-	331	331	-	331			
Debt and equity securities	-	9	-	9	-	9	9	-	-
Deposits	-	-	6	6	-	6	-	-	-
Foreign exchange contracts	-	3	-	3	-	3	-	3	-
Current financial investments and derivatives	2	12	6	19	-	19	9	3	-
Trade and trade notes receivable	-	-	447	447	-	447			
Advances on inventory	-	-	-	-	23	23			
Other current receivables ⁴	-	-	-	-	57	57			
Other receivables	-	-	-	-	80	80			
Loans and non-current financial receivables	-	-	18	18	-	18			
Other non-current receivables	-	-	-	-	12	12			
Loans and other non-current receivables	-	-	18	18	12	31			
Investments in associates and joint arrangements	-	-	-	-	22	22	-	-	-
Other investments ⁵	14	-	-	14	-	14	-	-	14
Non-current financial investments	14	-	-	14	22	36	-	-	14
Total	15	12	802	829	114	944	9	3	14
Foreign exchange contracts	3	-	-	3	-	3	-	3	-
Current loans and borrowings	-	-	21	21	-	21	-	-	-
Current financial liabilities and derivatives	3	-	21	24	-	24	-	3	-
Trade payables	-	-	299	299	-	299			
Other operating payables ⁴	-	-	-	-	72	72	-	-	-
Other current liabilities	-	1	-	1	-	1	-	-	1
Other current liabilities	-	1	-	1	72	74	-	-	1
Accrued personnel expenses	-	-	-	-	82	82			
Accrued material expenses	-	-	43	43	-	43			
Other accrued liabilities ⁶	-	-	104	104	-	104			
Accrued liabilities	-	-	147	147	82	229			
Bonds	-	-	788	788	-	788	780	-	-
Non-current loans and borrowings	-	-	517	517	-	517			
Non-current financial liabilities	-	-	1305	1305	-	1305	780	-	-
Other non-current liabilities	-	2	-	3	-	3	-	-	2
Total	3	4	1773	1779	154	1933	780	3	4

¹ 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.

² Investment-grade rated money market funds available on a daily basis, with an initial maturity of less than 3 months.

³ CHF 194 million of total cash and cash equivalents are held in countries in which local exchange control regulations with regard to capital export exist. If the Group complies with legal and tax regulations, such liquid funds are at its disposition within a reasonable period of time.

⁴ Mainly include receivables from and payables to tax authorities (VAT).

⁵ Mainly include a 12.48% investment in Kinexon Beteiligungsgesellschaft mbH (an unquoted equity instrument) that is carried at fair value through other comprehensive income of CHF 14 million.

⁶ Contains mainly accrued expenses for services.

The carrying amounts and fair values of financial assets and liabilities as of December 31, 2023, 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 ¹	Total financial assets/liabilities	Non-financial assets/liabilities	Total balance sheet position	Level 1	Level 2	Level 3
Cash, postal and bank current accounts	–	–	172	172	–	172			
Time deposits	–	–	205	205	–	205			
Money market funds ²	–	–	148	148	–	148			
Cash and cash equivalents³	–	–	524	524	–	524			
Debt and equity securities	–	10	–	10	–	10	10	–	–
Deposits	–	–	6	6	–	6	–	–	–
Foreign exchange contracts	1	2	–	3	–	3	–	3	–
Current financial investments and derivatives	1	12	6	19	–	19	10	3	–
Trade and trade notes receivable	–	–	407	407	–	407			
Advances on inventory	–	–	–	–	17	17			
Other current receivables ⁴	–	–	–	–	50	50			
Other receivables	–	–	–	–	67	67			
Loans and non-current financial receivables	–	–	23	23	–	23			
Other non-current receivables	–	–	–	–	12	12			
Loans and other non-current receivables	–	–	23	23	12	35			
Investments in associates and joint arrangements	–	–	–	–	21	21	–	–	–
Other investments ⁵	14	–	–	14	–	14	–	–	14
Non-current financial investments	14	–	–	14	21	36	–	–	14
Total	15	12	961	988	98	1086	10	3	14
Foreign exchange contracts	3	2	–	5	–	5	–	5	–
Bonds	–	–	150	150	–	150	150	–	–
Current loans and borrowings	–	–	22	22	–	22	–	–	–
Current financial liabilities and derivatives	3	2	172	177	–	177	150	5	–
Trade payables	–	–	296	296	–	296			
Other operating payables ⁴	–	–	–	–	72	72	–	–	–
Other current liabilities	–	2	–	2	–	2	–	–	2
Other current liabilities	–	2	–	2	72	74	–	–	2
Accrued personnel expenses	–	–	–	–	97	97			
Accrued material expenses	–	–	48	48	–	48			
Other accrued liabilities ⁶	–	–	97	97	–	97			
Accrued liabilities	–	–	145	145	97	242			
Bonds	–	–	787	787	–	787	771	–	–
Non-current loans and borrowings	–	–	523	523	–	523			
Non-current financial liabilities	–	–	1310	1310	–	1310	771	–	–
Other non-current liabilities	–	2	–	3	–	3	–	–	2
Total	3	6	1924	1933	169	2102	921	5	4

¹ 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.

² Investment-grade rated money market funds available on a daily basis, with an initial maturity of less than 3 months.

³ CHF 254 million of total cash and cash equivalents are held in countries in which local exchange control regulations with regard to capital export exist. If the Group complies with legal and tax regulations, such liquid funds are at its disposition within a reasonable period of time.

⁴ Mainly include receivables from and payables to tax authorities (VAT).

⁵ Mainly include a 12.48% investment in Kinexon Beteiligungsgesellschaft mbH (an unquoted equity instrument) that is carried at fair value through other comprehensive income of CHF 14 million.

⁶ Contains mainly accrued expenses for services.

Provisions

in CHF million	Product warranties	Acquiree's contingent liabilities ¹	Restructuring ²	Other provisions ³	Total
Balance at January 1, 2024	19	41	38	26	124
Conversion differences	1	2	1	1	4
Additions ⁴	2	–	1	4	7
Amounts used	–2	–	–12	–5	–19
Amounts reversed	–1	–	–	–3	–4
Balance at June 30, 2024	19	43	28	23	113
of which:					
Due within 1 year	18	–	25	14	57
Due beyond 1 year	1	43	3	9	56

¹ Acquiree's contingent liabilities pertain to the Surface Solutions Division (CHF 33 million) and to the Polymer Processing Solutions Division (CHF 10 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 years. The selling shareholders have contractually agreed to indemnify Oerlikon for an amount up to CHF 2 million related to these contingent liabilities. 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.

² The restructuring provisions pertain to the Surface Solutions Division (CHF 13 million) and to the Polymer Processing Solutions Division (CHF 15 million). The provisions mainly relate to footprint optimizations and productivity programs, primarily aimed at reducing costs in the divisions. The provisions mostly relate to personnel expenses.

³ Consist mainly of provisions for pending litigation, technical risks, onerous contracts and environmental and tax risks.

⁴ Include 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, 2024.

This interim (half-year) report is only available in English and is the binding version.

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