

Third-Quarter 2022 Results

Q3 Sales Growth of 7%, EBITDA +8%; Weakening Industrial Activity and Volatile Energy Markets

- Group sales increased by 7% year-over-year, 12.5% FX adjusted, and operational EBITDA grew by 8% in Q3.
- Polymer Processing Solutions achieved 6% sales growth, 12.3% FX adjusted, and 17% operational EBITDA growth in the third quarter. Q3 orders -16.8%, -12.8% FX adjusted. Year-to-date orders +12% and sales +21%.
- Surface Solutions increased sales by 7%, 12.6% FX adjusted in Q3. Operational EBITDA margin temporarily impacted by product mix and higher energy costs.
- 2022 Group Guidance updated: Oerlikon expects sales >CHF 2.9 billion and operational EBITDA margin of 17.0–17.5%.

Key figures for the Oerlikon Group as of September 30, 2022 (in CHF million)

	Q3 2022	Q3 2021	Δ	9M 2022	9M 2021	Δ
Order intake	764	835	-8.5%	2 327	2 124	9.6%
Order backlog	837	843	-0.6%	837	843	-0.6%
Sales	742	695	6.7%	2 174	1 891	14.9%
Operational EBITDA ¹	126	117	7.6%	373	319	16.8%
Operational EBITDA margin ¹	17.0%	16.8%	20 bps	17.1%	16.9%	20 bps
Operational EBIT ¹	72	61	19.7%	208	159	30.3%
Operational EBIT margin ¹	9.8%	8.7%	110 bps	9.5%	8.4%	110 bps

¹ For the reconciliation of operational and unadjusted figures, please see tables I and II on page 2 of this news release.

Pfäffikon, Schwyz, Switzerland – November 3, 2022 – “Our teams have executed extremely well in the first nine months of the year against a clearly more difficult macroeconomic environment. Leading indicators signal an upcoming downturn, however, the timing and scope are difficult to predict. We are already implementing measures to mitigate potential impacts, and remain confident in our mid-term strategy,” said Michael Suess, Executive Chairman, Oerlikon Group.

“Based on our year-to-date performance, we are now expecting Group sales to exceed CHF 2.9 billion and the operational EBITDA margin to be between 17.0% and 17.5% for the full year,” added Suess.

Robust Q3 2022 Performance

Group order intake decreased by 8.5% to CHF 764 million, attributed to Polymer Processing Solutions' record order intake in Q3 2021. Sales increased by 6.7% to CHF 742 million. At constant exchange rates, Group sales increased by 12.5%.

Operational EBITDA for the third quarter improved by 7.6% to CHF 126 million, and the operational EBITDA margin improved by 20 basis points to 17.0%. Q3 operational EBIT was CHF 72 million, or 9.8% of sales (Q3 2021: CHF 61 million; 8.7%). The margin improvements are attributed to higher sales and the benefits of cost actions executed by the Group.

Group Q3 unadjusted EBITDA was CHF 126 million, or 16.9% of sales (Q3 2021: CHF 115 million, 16.6%), and EBIT was CHF 73 million, or 9.8% (Q3 2021: CHF 58 million, 8.3%). The reconciliation of the operational and unadjusted figures can be seen in the tables below.

Table I: Reconciliation of Q3 2022 and 9M 2022 operational EBITDA and EBITDA¹

In CHF million	Q3 2022	Q3 2021	9M 2022	9M 2021
Operational EBITDA	126	117	373	319
Income/expenses related to restructuring	0	0	0	1
Expenses related to discontinued activities	0	–	-3	–
Expenses related to acquisition and integration costs	-1	-2	-6	-5
EBITDA	126	115	363	315

Table II: Reconciliation of Q3 2022 and 9M 2022 operational EBIT and EBIT¹

In CHF million	Q3 2022	Q3 2021	9M 2022	9M 2021
Operational EBIT	72	61	208	159
Income/expenses related to restructuring	0	0	0	1
Expenses related to discontinued activities	0	–	-4	–
Impairment charges	0	-1	0	-3
Expenses related to acquisition and integration costs	-1	-2	-6	-5
EBIT	73	58	198	152

¹ 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.

2022 Group Guidance updated

For the full year, Oerlikon expects sales to exceed CHF 2.9 billion (previously around CHF 2.9 billion) and the operational EBITDA margin to be between 17.0 and 17.5% (previously around 17.5%).

Division Overview

Surface Solutions division

Key figures for the Surface Solutions division as of September 30, 2022 (in CHF million)

	Q3 2022	Q3 2021	Δ	9M 2022	9M 2021	Δ
Order intake	346	332	4.2%	1 070	1 004	6.6%
Order backlog	218	177	22.7%	218	177	22.7%
Sales (to third parties)	347	323	7.4%	1 026	947	8.4%
Operational EBITDA	59	59	-0.8%	180	174	3.7%
Operational EBITDA margin	16.8%	18.2%	-140 bps	17.4%	18.2%	-80 bps

Despite softening industrial activity, Surface Solutions increased order intake by 4.2% to CHF 346 million and sales by 7.4% to CHF 347 million. The higher sales were attributed to recovery in aerospace and in automotive, the latter driven by gradually easing of the supply-chain shortages.

The Q3 operational EBITDA margin decreased by 140 basis points to 16.8%, reflecting product mix effects and higher energy costs. Operational EBIT was CHF 22 million, or 6.4% of sales (Q3 2021: CHF 19 million, 6.0%). The division's unadjusted Q3 EBITDA was CHF 59 million or 16.9% of sales (Q3 2021: CHF 58 million, 18.0%). EBIT was CHF 23 million, or 6.5% of sales (Q3 2021: CHF 18 million, or 5.5%).

Polymer Processing Solutions division

Key figures for the Polymer Processing Solutions division as of September 30, 2022 (in CHF million)

	Q3 2022	Q3 2021	Δ	9M 2022	9M 2021	Δ
Order intake	418	503	-16.8%	1 257	1 120	12.2%
Order backlog	620	665	-6.9%	620	665	-6.9%
Sales (to third parties)	395	372	6.1%	1 147	944	21.5%
Operational EBITDA	65	55	17.4%	188	137	37.6%
Operational EBITDA margin	16.4%	14.8%	160 bps	16.4%	14.5%	190 bps

Polymer Processing Solutions delivered another quarter of robust results. Sales increased by 6.1% to CHF 395 million. Order intake was sustained at a high level at CHF 418 million. Compared to the prior year, order intake was lower due to the record level of order intake in Q3 2021.

Q3 operational EBITDA improved by 17.4% to CHF 65 million. The operational EBITDA margin of 16.4% was 160 basis points higher year-over-year, due to improved operating leverage and cost control. Operational EBIT was CHF 51 million or 12.9% of sales (Q3 2021: CHF 40 million, 10.9%). The division's unadjusted Q3 EBITDA was CHF 65 million, or 16.4% of sales (Q3 2021: CHF 52 million, 13.9%), and EBIT was CHF 51 million or 12.8% of sales (Q3 2021: CHF 37 million, 9.9%).

Additional Information

Oerlikon will present its results during a conference call today beginning at 10:30 CET. To participate, please click on this [link](#) to join the webcast.

To ask questions in the Q&A session, please dial in.

Country	Local toll call numbers
Switzerland	+41 58 310 50 00
UK	+44 207 107 06 13
USA	+1 631 570 56 13

The media release can be found at www.oerlikon.com/pressreleases and www.oerlikon.com/ir.

About Oerlikon

Oerlikon (SIX: OERL) is a global innovation powerhouse for surface engineering, polymer processing and additive manufacturing. The Group's solutions and comprehensive services, together with its advanced materials, improve and maximize the performance, function, design and sustainability of its customers' products and manufacturing processes in key industries. Pioneering technology for decades, everything Oerlikon invents and does is guided by its passion to support customers' goals and foster a sustainable world. Headquartered in Pfäffikon, 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.

For further information, please contact:

Sara Vermeulen-Anastasi
 Head of Group Communications
 Tel: +41 58 360 98 52
sara.vermeulen@oerlikon.com
www.oerlikon.com

Stephan Gick
 Head of Investor Relations
 Tel: +41 58 360 98 50
stephan.gick@oerlikon.com
www.oerlikon.com

Disclaimer

OC Oerlikon Corporation AG, Pfaeffikon together with its affiliates, hereinafter referred to as "Oerlikon", has made great efforts to include accurate and up-to-date information in this document. However, Oerlikon makes no representation or warranties, expressed or implied, as to the truth, accuracy or completeness of the information provided in this document. Neither Oerlikon nor any of its directors, officers, employees or advisors, nor any other person connected or otherwise associated with Oerlikon, shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this document.

The contents of this document, including all statements made therein, are based on estimates, assumptions and other information currently available to the management of Oerlikon. This document contains certain statements related to the future business and financial performance or future events involving Oerlikon that may constitute forward-looking statements. The forward-looking statements contained herein could be substantially impacted by risks, influences and other factors, many of which are not foreseeable at present and/or are beyond Oerlikon's control, so that the actual results, including Oerlikon's financial results and operational results, may vary materially from and differ from those, expressly or implicitly, provided in the forward-looking statements, be they anticipated, expected or projected. Oerlikon does not give any assurance, representation or warranty, expressed or implied, that such forward-looking statements will be realized. Oerlikon is under no obligation to, and explicitly disclaims any obligation to, update or otherwise review its forward-looking statements, whether as a result of new information, future events or otherwise.

This document, including any and all information contained therein, is not intended as, and may not be construed as, an offer or solicitation by Oerlikon for the purchase or disposal of, trading or any transaction in any Oerlikon securities. Investors must not rely on this information for investment decisions and are solely responsible for forming their own investment decisions.