

Media Release

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**Materion Corporation to Acquire Optics Balzers:
Combination Creates a Global Leader in Optical Thin Film Coatings**

Focusing on the company's growth strategy the Optics Balzers' shareholders have been looking for new business opportunities: On Monday June 8, 2020 the US based Materion Corporation, listed on the New York Stock Exchange, announced it has entered into a definitive agreement to acquire Optics Balzers AG in an all-cash transaction.

„We are serving one of the most attractive growth markets and the key factor of success is growth“, Detlev Haeusler says. He is CEO of Optics Balzers with headquarters in Liechtenstein and sites in Germany and Malaysia which generates a total revenue of about \$67 million per year. Optics Balzers is a privately held industry partner for the development and production of coated optical components and subassemblies and leading provider of optical thin film coating solutions. To consistently follow the company's growth strategy Optics Balzers' shareholders decided to sell the company to Materion, a leading company of precision coatings and advanced materials, based in Ohio, USA. In 2019, the corporation generated total sales of around \$1.2 billion. Materion takes over 100 percent of the shares.

Employees will be taken over

After an extensive evaluation process, Haeusler is convinced having achieved a sustainable solution which is still subject to the antitrust examination and expected to close in the third quarter 2020. „We are assuming that all employees in all sites will be taken over because the focus of the company's acquisition is on growth rather than on cost reduction. The new owners are aware of the strong Optics Balzers brand value. Thanks to the new shareholder Optics Balzers will be able to implement the global expansion strategy more quickly, and better exploit opportunities.“

Higher market penetration

Materion will be a strong shareholder, implementing a growth road map with Optics. The takeover is a long-term commitment to the markets and production sites of Optics Balzers, which will be an important part in Materion's Precision Coatings Division. The merged company will essentially contribute to achieve a higher market penetration based on a broader product portfolio.

Materion is a global supplier for precision components which are used in telecommunications, consumer electronics, automotive, medical, industrial components, aerospace, defense, and optical coating industries.

Complementary structures

The structures of the two companies are complementary: Optics Balzers profits from Materion's sales strength in the USA and Materion benefits from Optics Balzers' market position in Europe. The current market development made clear that Optics Balzers could achieve its growth targets with an additional location in the USA and furthermore the Optics plant in Malaysia fits into Materion's road map. The market portfolio and regional presence complement each other well and show little overlap. Business potential can also be exploited in the field of technologies.

Investments will continue

"We understand that investments will continue at all three Optics Balzers' locations", Haeusler says. In Balzers high-end coating technologies of Materion will be set up (e.g. infrared), to serve the European market in addition to the existing Optics Balzers' product portfolio. In Jena, Germany, the demanding coatings for life sciences, industry and space will be strengthened, Haeusler expects. In Penang, Malaysia, Materion will set up additional projects to broaden the diversification.

More growth thanks to acquisition

With this acquisition, Materion significantly expands its geographic reach in the optical coatings market, extending beyond its core of North America to include Europe and Asia. Complementary technologies across the electromagnetic spectrum boost the capabilities of the combined portfolio and position Materion to capitalize on key megatrends in the areas of life sciences, consumer, and industrial.

“We have long held a deep amount of respect and appreciation for the Optics Balzers business. Their technical capabilities, product portfolio, end market, and geographic mix, combined with their talented leadership team make them the ideal partner to accelerate our global growth in optical coatings,” states Jugal Vijayvargiya, President and Chief Executive Officer of Materion. Credit Suisse served as financial advisor and Bär & Karrer as legal advisor to the sellers.

Captions:

Detlev Haeusler, CEO Optics Balzers: "We understand that investments will continue at all three Optics Balzers' locations."

Coated optical components are one of the core competencies of Optics Balzers and are closely monitored for quality.

Under new ownership, the headquarters of Optics Balzers will remain the center for innovation of optical coatings and components.

About Optics Balzers

Optics Balzers (located in the Principality of Liechtenstein) has been the preferred partner for providing innovative optical coatings and solutions for more than 70 years. Together with its subsidiaries in Jena (Germany) and Penang (Malaysia), Optics Balzers is a global leader in the supply of optical coatings and components. The Liechtenstein-based high-tech company focuses on selected markets such as Life Sciences, Industry, Consumer, Space, Automotive and Lighting. The products and services offered range from optical coatings and glass processing, patterning and bonding technologies, to the manufacture of complete optical subassemblies and are acknowledged as being unique worldwide.

For more information, please visit: www.opticsbalzers.com

About Materion

Materion Corporation is headquartered in Mayfield Heights, Ohio. The Company, through its wholly owned subsidiaries, supplies highly engineered advanced enabling materials to global markets. Products include precious and non-precious specialty.

For more information, please visit: www.materion.com