Spin-off of APS as medmix

Greg Poux-Guillaume, CEO  |  Jill Lee, CFO  |  May 27, 2021
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Note on Alternative Performance Measures (APM): all bridges from APM to reported figures can be found in the financial section of Sulzer’s reports.
Incubator of innovative technologies since 1834

Sulzer: two centuries of pioneering technology-based businesses and setting them on a path of continued success


- **Applicators since 2006**
Transaction summary

- Sulzer has built APS into a leader in high-precision delivery devices, now well positioned to succeed and grow as an independent entity.

- Sulzer has also significantly diversified its core portfolio, shifting away from energy towards water, chemicals and biopolymers, and a unique position as the largest independent service provider of rotating equipment.

- In light of this evolution, Sulzer has decided to:
  - Spin-off APS division (to be named medmix going forward) in the form of a symmetrical split\(^1\), Sulzer shareholders get one medmix share in addition to each Sulzer share held.
  - Have medmix raise CHF 200-300m of capital (excluding subscription rights) at time of split, to fund growth initiatives, increase trading liquidity and provide new healthcare-focused investors with an opportunity to invest in medmix at the time of listing.

- Transaction unanimously approved by Sulzer’s Board of Directors, Tiwel confirmed to vote in favour of the spin-off and capital increase.

- Tiwel will not participate in the planned capital increase, which will increase the free float of medmix.

- Listing of medmix on Swiss Stock Exchange (SIX) and concurrent capital increase expected for late Q3 or early Q4 2021 subject to Sulzer shareholder approval at EGM and market conditions.

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\(^1\) according to Art. 31 para. 2a of the Swiss Merger Act
Transaction rationale
Two focused leaders for attractive end-markets

Flow control specialist for water, chemical, industry and energy
- A global leader in industrial flow control
- Continuous shift towards water and industrial applications in pumps
- Focus on growing biopolymers and recycling markets in separation
- Accelerated growth of services segment

Innovative, high-precision delivery devices
- Leading positions in dental, pharma, adhesives and beauty
- Strong own IP innovator across all segments (unlike CMO/CDMOs)
- Attractive mega trends, high entry barriers and lower price sensitivity
- Increasing shift towards high growth healthcare end-markets

Q1 2021 orders
CHF750m

Q1 2021 orders
CHF124m
Innovative, high-precision delivery devices serving attractive markets

<table>
<thead>
<tr>
<th>Healthcare</th>
<th>Consumer and Industrial</th>
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<tbody>
<tr>
<td>Dental</td>
<td>Industry</td>
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<td>Drug delivery</td>
<td>Beauty</td>
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<td>Surgery</td>
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- Gold standard in dental mixing device systems
- Award winning, proprietary injection pen platform
- Pioneer in bone cement mixing devices
- Leader in industrial mixing and dispensing device systems
- Leading microbrush specialist
Vision for medmix

Diversified exposure to growing end-markets, with healthcare segments growing fastest

**Niche leader**
- Attractive and resilient B2B niche markets
- Exciting underlying macro growth trends
- Fragmented competitive landscape

**Highly protected**
- High entry barriers, e.g. regulation
- High IP protection through innovation
- High share of repeat business

**Platform for growth**
- Long-standing customer relationships
- Legacy of standard setting innovation
- Technology and quality leader in all segments

**Attractive financial profile**
- 2021E sales CHF450m, grow high single digits beyond
- adj. EBITDA margin\(^1\) ~25% in 2021E, return to >26% in 2022E
- EBITDA margin mid-term objective of ~30%
- Healthcare to contribute >50% to medmix sales mid-term

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\(^1\) corresponds to operational profitability (opEBITA margin) of ~19% 2021, >20% 2022 and mid-term of ~24%
Vision for Sulzer
Accelerate repositioning towards sustainable applications and push aftermarket > 50%

Capitalize on leadership in high-barrier-to-entry markets through Sulzer’s technology, service capabilities and proven digital advance

Focus on sustainable sectors for mid-term growth, e.g. Water in Pumps and Biopolymers and Recycling in Chemtech

Higher margin potential through sector diversification, product mix and service growth

M&A in complementary markets with focus on technology and service. Build on successful track record of mid-size acquisitions

Pro-forma 2021 revenues CHF 3bn and operational profitability¹ around 9%
Mid-term profitability target 10-11%

¹ operational EBITA as % of sales
## Indicative transaction timetable

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tr>
<td>15-Jun-2021</td>
<td>2021 Capital Markets Day</td>
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<tr>
<td>22-Jul-2021</td>
<td>Publication of H1 2021 results</td>
</tr>
<tr>
<td>Late Q3 2021</td>
<td>Extraordinary Shareholder Meeting</td>
</tr>
<tr>
<td>H2 2021</td>
<td>Spin-off and capital increase / first trading day of medmix at SIX</td>
</tr>
</tbody>
</table>
Key takeaways

- Split into **two focused companies** with different end-markets via a separate stock market listing of medmix

- While medmix will **focus on healthcare** and further develop its industrial and consumer markets, Sulzer will become a **pure play industrial flow control company**

- Transaction to leverage the full potential of both businesses, providing an **attractive value creation** opportunity for Sulzer shareholders

- Capital increase of medmix of CHF 200-300m simultaneous with listing will reinforce capital structure, fund growth initiatives and **increase free float**

- More details to be given on a **Capital Markets Day** on June 15, 2021
Your Investor Relations contact

Christoph Ladner
Head of Investor Relations
Phone: +41 52 262 30 22
Mobile: +41 79 326 69 70
E-mail: christoph.ladner@sulzer.com

Sulzer Management Ltd
Neuwiesenstrasse 15
8401 Winterthur
Switzerland

www.sulzer.com