Q1 2021 order intake

Greg Poux-Guillaume, CEO  |  Jill Lee, CFO  |  April 29, 2021
The safe harbor statement under the US private securities litigation reform act 1995

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Q1 2021 highlights

Orders: Q1 above expectations at 874m
- Sequentially +9.2% (+7.1% org.) vs. Q4 ’20 (trough in Q3 ‘20)
- YoY –9.6% (–12.1% organic) vs. record (highest in 5 years!) Q1 2020
- March highest order month in over a year
- Pumps: +2.0% org. QoQ, Water largest segment (40% of orders)
- Service: +10.4% org. QoQ despite continuing access restrictions
- Chemtech: +7.0% org. QoQ on jump in Renewables, China
- Applicators: +12.6% org. QoQ, already above pre-pandemic level (+1.7% YoY)

Other KPIs: Q1 strong across the board
- Sales +7% organic YoY, book-to-bill 1.08
- Operational Profit, Profitability and FCF significantly above last year, for all 4 divisions
- All announced cost measures ahead of schedule

1. QoQ: Q1 2021 compared to Q4 2020, org. QoQ: adjusted for acquisition impact
Pumps Equipment

Water largest segment with 40% of division orders

Order intake (in CHF millions)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1 21</th>
<th>Q1 20</th>
<th>YOY</th>
<th>adj.</th>
<th>org.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>302</td>
<td>382</td>
<td>-21.0%</td>
<td>-19.2%</td>
<td>-23.4%</td>
</tr>
<tr>
<td>Industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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</tbody>
</table>

Quarterly order intake (in CHF millions)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Water</th>
<th>Industry</th>
<th>Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>350</td>
<td>75</td>
<td>25</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>350</td>
<td>75</td>
<td>25</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>275</td>
<td>75</td>
<td>50</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>325</td>
<td>75</td>
<td>50</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>375</td>
<td>100</td>
<td>150</td>
</tr>
</tbody>
</table>

Highlights

• Orders +2.0% org. QoQ⁴ (+8.2% incl. Nordic Water) in line with expectations. Acceleration expected in H2
• Order mix: Water 40%, Industry 30%, Energy 30%
• Water up 5% org. QoQ (+22% incl. Nordic Water)
• Industry −1% org. QoQ
• Energy up 2% org. QoQ, GM% successfully defended through cost actions and selectivity. Primed for rebound
• Restructuring progressing well = improving profit margin

Notes:
1. Adjusted for currency effects
2. Organic: adjusted for currency and acquisition effects
3. In current FX
4. QoQ: Q1 2021 compared to Q4 2020, org. QoQ: adjusted for acquisition impact
Rotating Equipment Services

Pick up in H1 to accelerate in H2

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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>275</td>
<td>332</td>
<td>-17.0%</td>
<td>-13.4%</td>
<td>-13.4%</td>
</tr>
</tbody>
</table>

**Highlights**

- Orders up 10.4% org. QoQ\(^4\) despite continued customer site access restrictions and winter storm Uri in the US
- H1 expected above H2 ‘20 on maintenance services
- Growth acceleration expected in H2 ‘21 as customers start to consider longer term investments (upgrades, retrofits)

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**Chemtech**

Renewable Technologies and China driving growth

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<th>org.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>173</td>
<td>166</td>
<td>4.1%</td>
<td>6.5%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

**Quarterly order intake (in CHF millions)**

- Q1 2020: 166
- Q2 2020: 148
- Q3 2020: 130
- Q4 2020: 157
- Q1 2021: 173

**Highlights**

- Orders up 7.0% org. QoQ
- Renewables (biopolymers) strong start to year
- APAC significantly up YoY and QoQ on sustained China investments in petrochemicals
- Europe still depressed
- Middle East and India recovery underway with QoQ growth but still well below pre-pandemic levels

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Applicator Systems
Orders already above pre-pandemic level

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<th>adj.</th>
<th>org</th>
</tr>
</thead>
<tbody>
<tr>
<td>124</td>
<td>114</td>
<td>8.4%</td>
<td>9.9%</td>
<td>1.7%</td>
<td></td>
</tr>
</tbody>
</table>

Quarterly order intake (in CHF millions)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>40</td>
<td>50</td>
<td>70</td>
<td>80</td>
<td>90</td>
</tr>
<tr>
<td>Industry</td>
<td>80</td>
<td>60</td>
<td>40</td>
<td>50</td>
<td>60</td>
</tr>
<tr>
<td>Beauty</td>
<td>40</td>
<td>30</td>
<td>20</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

Highlights

- Orders up 12.6% org. QoQ, up in all segments
- YoY orders up driven by strong Industry (adhesives) on buoyant electronics market; Beauty still 9% below pre-pandemic on continuing lockdowns
- Healthcare (drug delivery + surgery + dental) largest segment with 37% of division orders, Industry 35%, Beauty 28%
- Transformation of Beauty completed with Bamberg closed and production started in Bechhofen extension
- Received first commercial order for EcopaCC, an applicator which reduces packaging waste by 80%

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Takeaways

• Q1 orders solid, above FY21 guidance assumptions
• QoQ (sequential) organic growth in all 4 divisions, particularly APS
• YoY comparison unfavorable on high base and impact of pandemic, but recovery underway since trough in Q3 ‘20
• Pumps largest segment is now Water. Energy focus remains on margin
• Service back to sequential growth, acceleration expected in H2
• Chemtech growth driven by Renewables (biopolymers) and China
• Applicator Systems above pre-pandemic. Healthcare largest segment
• All other financial KPIs solid, ahead of assumptions
• No change to FY21 guidance, to be reassessed upon H1 results
Q&A

Q1 2021 order intake
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