

SULZER

9M 2020 order intake

Greg Poux-Guillaume, CEO | Jill Lee, CFO | October 29, 2020



The safe harbor statement under the US private securities litigation reform act 1995

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9M order intake



9M 2020 highlights

- YTD orders 2'614m, -2.0% FX adjusted, -3.6% organic
- Q3 orders 774m, -9.9% FX adjusted and organic
 - PE and RES bottomed out in July/Aug. on project shifts and site access restrictions, rebound in Sept. to continue in Q4
 - CT flat YoY in Q3 despite low July/Aug., rebound in Sept. and Q4
 - APS rebounding to pre-pandemic level faster than anticipated, Aug. and Sept. above 2019 levels
- COVID update: all sites operating, India with limitations
- OPEX squeeze on track for 60m in FY20
- Structural cost take-out on track, will yield recurring 70m savings in Energy-related activities to be delivered mostly in FY21
- FCF generation YTD > 100m ahead of last year
- Acquisition of Haselmeier (APS pharma) closed on October 1

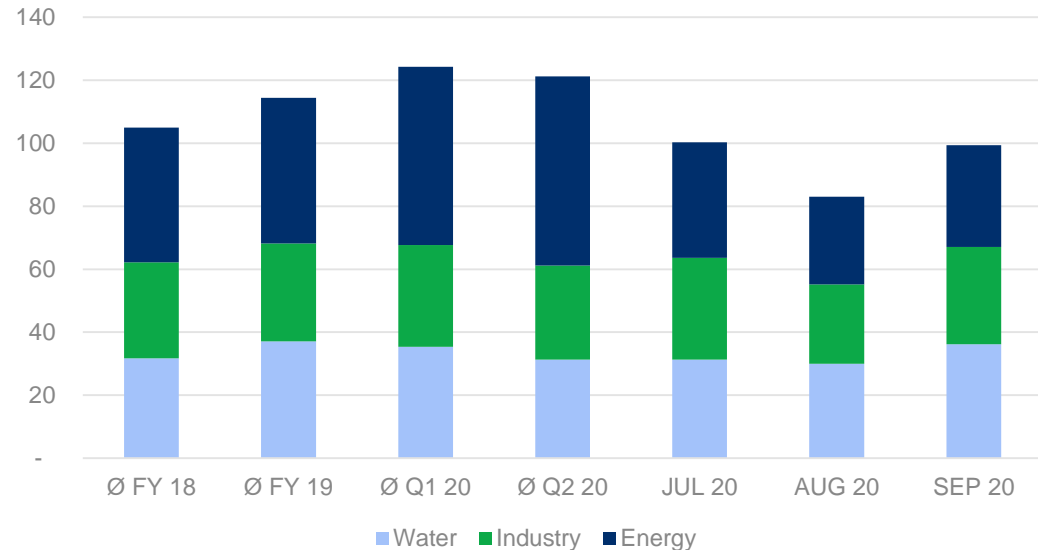
Pumps Equipment

Water and Industry performing well, Energy ramped down as anticipated

Order intake (in CHF millions)

9M 20	9M 19	YOY	adj. ¹	org. ²
1'019	1'119	-8.9%	-2.1%	-0.9%

Monthly order intake (in CHF millions)³



Highlights

- Q3 orders: 275m; -18.7% adj.; -17.8% org.
- Energy lower on global slowdown in O&G + price discipline given good backlog (order gross margin YTD 80bps above last year)
- Resizing in Energy running ahead of volume ramp-down, defending profitability targets
- Industry performing well apart from weak August
- Water up sequentially but lower YOY on fewer desalination projects; core municipal water market solid

1. Adjusted for currency effects
 2. Organic: adjusted for currency and acquisition effects
 3. in current FX

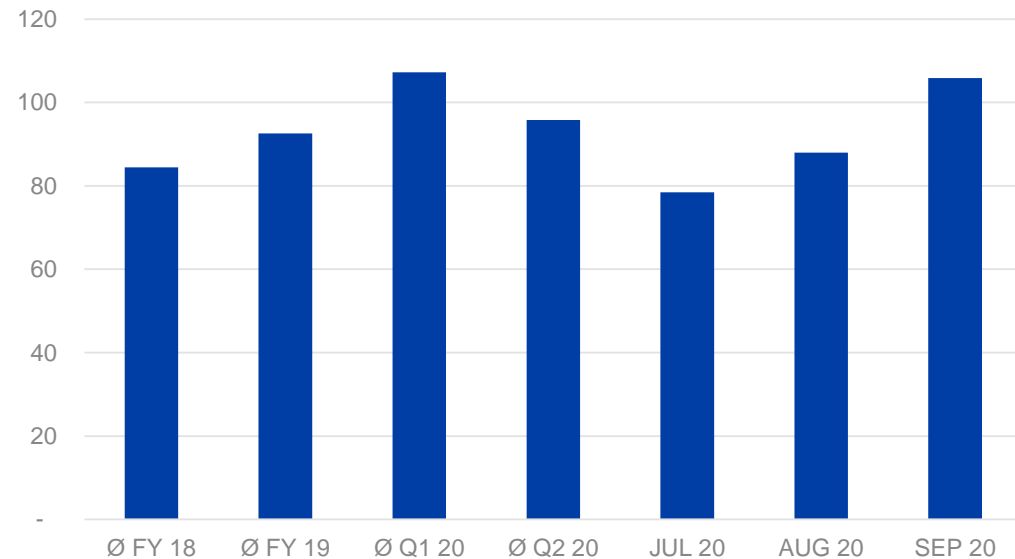
Rotating Equipment Services

Strong September after summer impacted by site access restrictions

Order intake (in CHF millions)

9M 20	9M 19	YOY	adj. ¹	org. ²
881	910	-3.2%	4.3%	1.7%

Monthly order intake (in CHF millions)³



Highlights

- Q3 orders: 264m; -7.1% adj. and org.
- Significant FX impact 22m in Q3 and 68m YTD
- Soft July and August due to
 - Baseline: large projects in Q3 19 (gas turbine orders)
 - Hurricane Laura in US gulf coast area
 - Pandemic driven site access restrictions shifting activity and outages to later dates
- Back on track in September
- YTD orders: organic growth in AME and APAC, EMEA flat
- RES expected up organically for full year despite pandemic

1. Adjusted for currency effects
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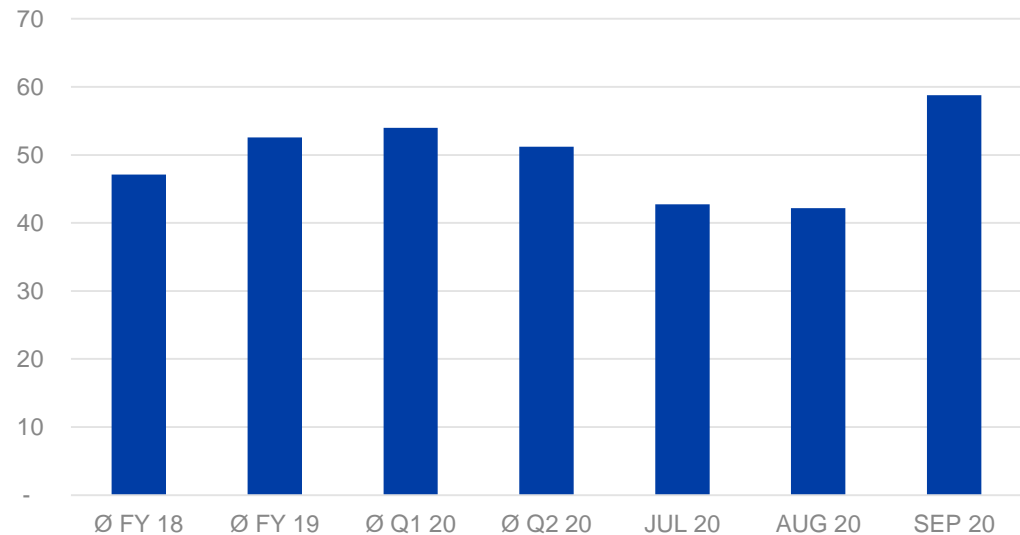
Chemtech

Q3 orders holding up on China growth

Order intake (in CHF millions)

9M 20	9M 19	YOY	adj. ¹	org. ²
459	500	-8.2%	-1.9%	-8.7%

Monthly order intake (in CHF millions)³



Highlights

- Q3 orders: 140m; +1.2% adj.; -0.9% org.
- Clear pick up of commercial projects in our Bio-Based and Renewable technologies group
- Tower Field Services lower on site access restriction
- Chemical market up 6% in Q3, good commercial pipeline into 2021
- China continues to outperform (orders +33% in Q3) on strong market, rest of Asia picking up
- Strong September orders
- Closed new financing round for Worn Again, our textile recycling technology venture with H&M

1. Adjusted for currency effects
 2. Organic: adjusted for currency and acquisition effects
 3. in current FX

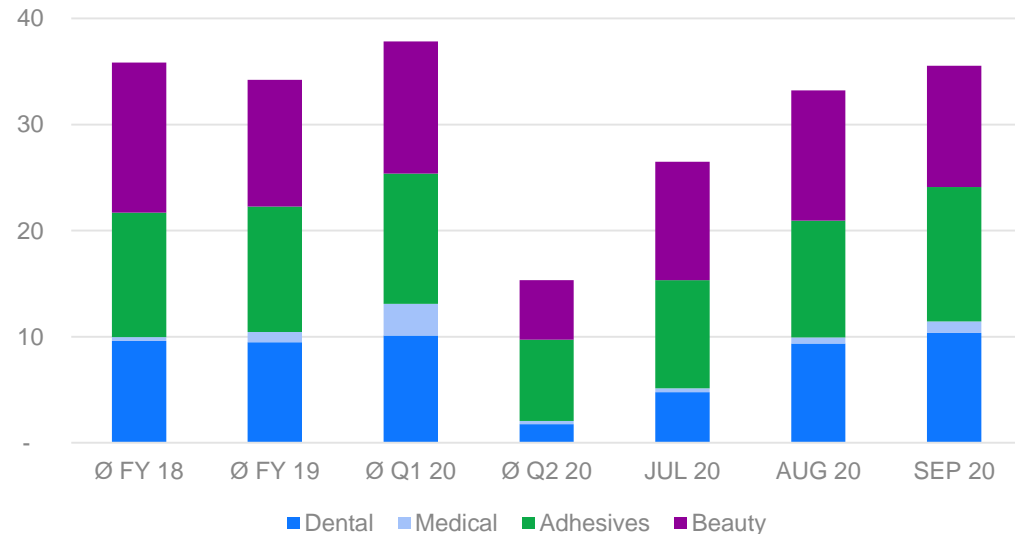
Applicator Systems

Last two months above 2019 levels

Order intake (in CHF millions)

9M 20	9M 19	YOY	adj. ¹	org. ²
255	329	-22.6%	-19.8%	-19.8%

Monthly order intake (in CHF millions)³



Highlights

- Q3 orders at 95m (> 2x Q2); -2.9% adj. and org.
 - Beauty and Adhesives at Q3 2019 level
 - Dental at 90% of Q3 2019
- Aug. and Sept. above 2019 on continuing market reopening and restocking
- Acquisition of Haselmeier closed on October 1
- With Haselmeier and Medmix, APS now has ca. 50m sales in medical device and drug delivery market

1. Adjusted for currency effects
 2. Organic: adjusted for currency and acquisition effects
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Haselmeier acquisition



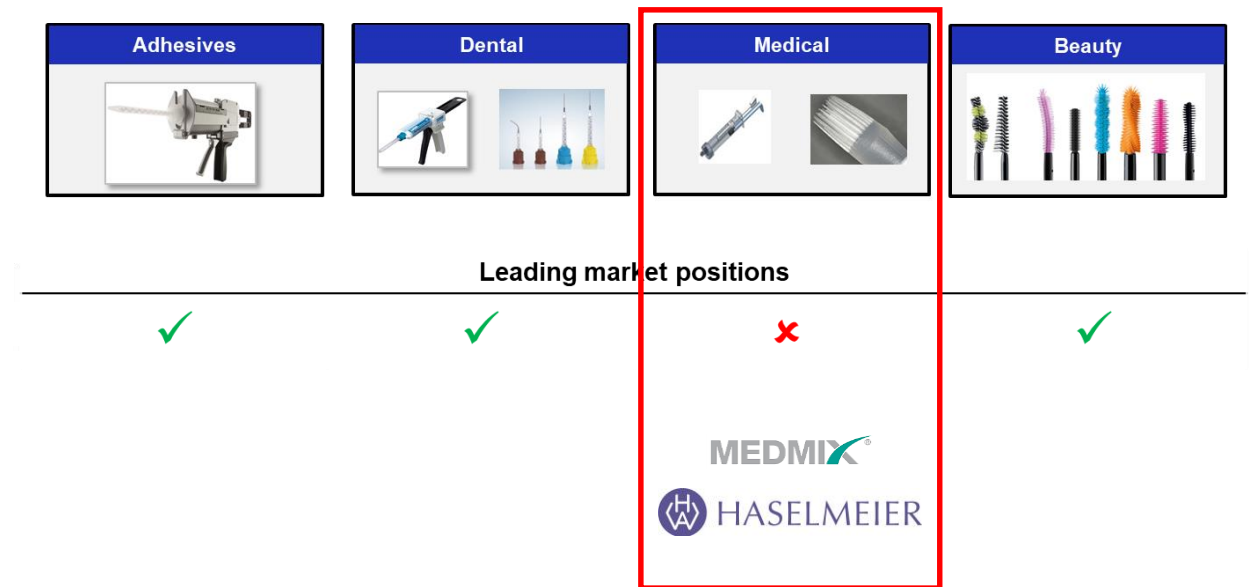
Delivering on our 2016 strategic vision

Building the medical segment of Applicator Systems

- On July 4 2016, we announced
 - the creation of our Beauty (micro-brush applicator) segment through the acquisition of Geka
 - the ambition to build a fourth segment in pharma / medical applicators through acquisitions
- APS addresses distinct technology intensive niche markets through a shared industrial base:
 - All APS segments develop hand-held, plastic-injection molded applicators for sensitive applications
 - Each segment is independent in its product development, sales and marketing
 - Scale is created through the mutualization of IP and industrial resources; shared factories, joint procurement, etc.

Excerpt from presentation published on July 4, 2016*

* Terminology adjusted



Haselmeier in sweet-spot for growth

Underlying markets with long-term growth trends

- More drugs such as **biologics and biosimilars** with complex active substances need to be injected
- Injecting at home, i.e. **self medication**, is driving pen and autoinjector demand for subcutaneous injection
- Underlying indications based on long-term mega growth trends such as **population growth and aging**
 - Fertility
 - Growth hormones
 - Diabetes
 - Osteoporosis
 - Migraine
- Strong **trend to smaller and mid-size volumes** (e.g. orphan drugs that are mostly biologics requiring injection)

Attractive and versatile product portfolio (own IP)



▶ Market growth of 5 to 10%+

Future-proof new flagship platform

D-Flex: Disposable pen platform for fixed or variable doses

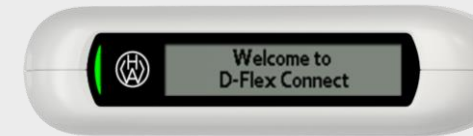
High quality pharma customers require:

- High flexibility for smaller and midsize volumes
- Short time to market
- Low cost development
- Connected devices

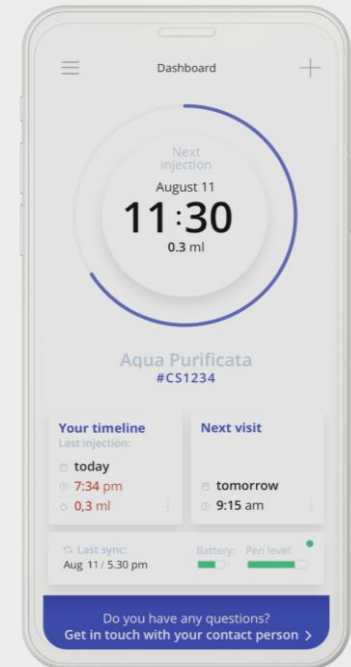
- ✓ **Flexible**
- ✓ **Fast track**
- ✓ **Own-IP: FtO check**
- ✓ **Safety**



Digital ready: Connected Cap



- Smart data management for therapy efficiency
- Develop customized solutions for clinical studies



Ambition for Haselmeier

Remove self-induced restrictions to capitalize on product innovation engine



HASELMEIER

- Own-IP pen drug delivery systems
- Clean room manufacturing capabilities
- Growing number of pharma customers

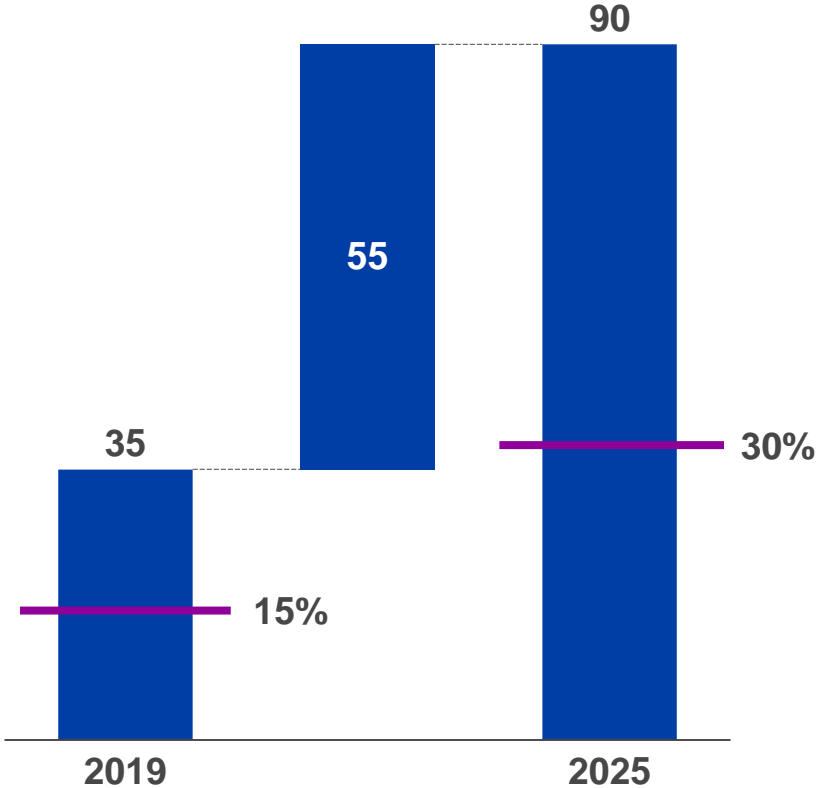
Applicator Systems

- Scale through w.w. presence / industrial base
- High volume injection molding and assembly
- Financial firepower for growth

Targeted development of sales and EBITDA margin

in EUR millions; FY-end Sep 2019

— EBITDA margin



Summary & Outlook

Summary

- Orders bottomed over summer, Q3 10% below high Q3 '19 baseline on project shifts and site access restrictions
- Recovery in September carrying into Q4
- APS rebound confirmed, orders last 2 months > 2019
- Acquisition of Haselmeier closed October 1

Outlook

- FY20 orders –3% to –4% org. on continuing rebound
- FY20 sales around –5% org.
- FY20 op. profitability confirmed near middle of “8.5 to 9.0%” range
- FY21 expected back around pre-pandemic op. profitability levels

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