SULZER

MEDIA RELEASE

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Encouraging Organic Order Intake Growth in the Third Quarter

In the first nine months of 2017, currency-adjusted order intake increased by 15.3%, of which 3.7% was organic and 11.6% came from acquisitions. In the third quarter, Sulzer booked CHF 790 million in orders, an organic increase of 7.5% year on year, based on some larger orders and a low base in the previous year. Sulzer is updating its guidance for order intake for the full year and now expects order intake to grow by 10 to 12%.

Order intake

(millions of CHF)	**Jan. – Sept. 2017**	Jan. – Sept. 2016	Change in +/–%	+/–% adjusted[1]	+/–% organic[2]
Divisions	**2 423.4**	2 094.6	15.7	15.4	3.9
Pumps Equipment	**900.4**	818.0	10.1	10.2	4.0
Rotating Equipment Services	**838.4**	760.6	10.2	9.0	1.9
Chemtech	**371.7**	338.9	9.7	9.8	8.7
Applicator Systems	**312.9**	177.1	76.7	77.3	3.3
Others[3]	**–38.7**	–29.3			
Total Sulzer	**2 384.7**	2 065.3	15.5	15.3	3.7

All four divisions grew on an organic basis

In the first nine months of 2017, organic order intake increased in all four divisions. The main driver was the positive development in orders from the oil and gas as well as general industry markets. Organic growth was most pronounced in the Chemtech and Pumps Equipment divisions, where larger orders have been booked. All regions showed increased activity. While order intake in Asia-Pacific and the Americas increased organically, growth in Europe, the Middle East, and Africa (EMEA) was driven by acquisitions.

Strong order intake in the third quarter

Against a low basis in the third quarter 2016, order intake in the third quarter 2017 increased by 21.5%, of which 7.5% was organic and 14.0% came from acquisitions. Currency translation effects had a positive impact of 1.6%.

Although the oil and gas market generally remained challenging, Sulzer won some larger orders that were booked in Pumps Equipment and Chemtech. Further, orders from the water and general industry markets increased. Order intake from the power market was up because of the consolidation of Rotec and a significant gas turbine service booking.

[1] Adjusted for currency effects.
[2] Adjusted for acquisition and currency effects.
[3] "Others" consists of the elimination of interdivisional business transactions.

Regionally, order intake in EMEA and the Americas grew, whereas orders in Asia-Pacific declined from a high base in the previous year, which had been due to one large order.

Supplementing organic growth with acquisitions
Acquisitions announced in 2016 contributed a total of CHF 89.4 million to Sulzer's overall order intake in the third quarter of 2017. At the end of September, Sulzer closed the acquisition of Transcodent, a leading provider of multiple-dose and unit-dose application systems, needles, tips, and capsules for the dental market. The acquisition further strengthens the Applicator Systems division of Sulzer in its dental segment, where Sulzer is already a global market leader.

Sulzer expects to reach additional SFP savings of CHF 40 to 60 million in 2017 and confirms its goal of cumulative savings of CHF 200 million from 2018 onwards.

Outlook
For the full year 2017, Sulzer is updating its guidance on order intake. The company previously communicated that order intake would grow by 7 to 10%. According to the updated guidance, order intake is expected to grow by 10 to 12%. The company confirms its guidance on sales and operational EBITA margin. Sales are forecast to grow by 3 to 5%. The operational EBITA margin (opROSA) is expected to be around 8.5%.

Sulzer will report its 2017 annual results on February 28, 2018.

Sulzer's CEO Greg Poux-Guillaume and CFO Thomas Dittrich will hold a short ***conference call*** *following the publication of the nine months order intake 2017:*

***Date**:* *Thursday, October 26, 2017*
***Time**:* *09:00 a.m. CET*

To access the conference call, please use the following numbers:

Dial-in

Local – United Kingdom:	*+44 (0)207 107 0613*
National free phone – United Kingdom:	*800 279 3956*
Local – United States of America:	*+1 (1)631 570 56 13*
National free phone – United States of America:	*001 (1)866 291 4166*
Local – Switzerland:	*+41 (0)58 310 50 00*
National free phone (payphone) – Switzerland	*080 000 1750*
National free phone (mobile) – Switzerland	*080 000 1752*

Please dial in 5 minutes before the start of the conference call.

Sulzer, headquartered in Winterthur, Switzerland, since 1834, specializes in pumping solutions, services for rotating equipment, and separation, mixing, and application technology. The company creates reliable and sustainable solutions for its markets: oil and gas, power, water, and general industry. Sulzer serves customers around the world through a network of over 180 production and service sites, and it has a strong footprint in emerging markets. In 2016, the company achieved sales of roughly CHF 2.9 billion with around 14 000 employees. www.sulzer.com

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