

MEDIA RELEASE

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December 21, 2017

Sulzer to Acquire JWC Environmental, LLC, a Leading Supplier of Municipal and Industrial Wastewater Equipment

Sulzer signed a binding agreement to acquire JWC Environmental, LLC (“JWC”). JWC is a leading provider of solids reduction and removal products such as grinders, screens, and dissolved air flotation system for municipal, industrial and commercial wastewater applications. The acquisition strengthens Sulzer’s wastewater treatment offering through complementary equipment and improves its access to the key US municipal wastewater treatment market. The enterprise value is USD 215 million (CHF 212 million).

JWC, headquartered in Santa Ana, California, US, is expected to achieve revenues of USD 82 million in 2017. The company generates the vast majority of its revenues in North America with growing presence in other world areas. The company employs around 230 people. JWC operates a main manufacturing site at its headquarters and three smaller assembling sites in Burnaby (Canada), Congleton (UK) and Hangzhou (China).

JWC is known for highly engineered, mission-critical grinding and solids separation equipment that protects and ensures the efficient operation of key downstream equipment such as pumps. The company has a fast growing and recurring aftermarket business providing a complete offering of parts and services to a large installed base built up over the last 45 years.

The transaction allows Sulzer to grow its wastewater treatment offering through complementary equipment as well as to improve its access to the municipal and industrial wastewater market in North America. Furthermore, Sulzer intends to strongly pursue and support JWC’s geographic expansion into markets in EMEA and Asia. Significant sales synergies are expected through growth in JWC’s markets outside North America. JWC will operate as part of Sulzer’s Pumps Equipment division and will continue to be headquartered in Santa Ana, California.

The enterprise value of USD 215 million adjusted for an acquired tax asset corresponds to a multiple of approximately 10x 2018 earnings before interest, taxes, depreciation, and amortization (EBITDA).

Commenting on the partnership, Ken Biele, CEO of JWC, stated, “We look forward to the exceptional opportunities to accelerate JWC’s growth within municipal and industrial wastewater by leveraging Sulzer’s global position in the pump market.”

César Montenegro, President of Sulzer’s Pumps Equipment Division, said, “We welcome the whole JWC team to the Sulzer family and are looking forward to further grow our joint waste water business.”

The transaction is expected to close in the first quarter of 2018 subject to regulatory approval.

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Sulzer's core strength is flow control and applicators. We specialize in pumping solutions, services for rotating equipment, as well as separation, mixing and application technology. Our customers benefit from a network of over 180 production and service sites around the world. Sulzer has been headquartered in Winterthur, Switzerland, since 1834. In 2016, we achieved sales of roughly CHF 2.9 billion with around 14 000 employees. Our shares are traded on the SIX Swiss Exchange (SIX: SUN) www.sulzer.com

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